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Using Employment Data to Better Understand Your Local Economy

Tool 1. Develop a "Snapshot" of Important Local Economic Indicators

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Summary

A **snapshot** provides a basic overview of important economic indicators. Usually, these snapshots are presented as a series of tables and charts.

Overview: Describing the Current State of the Local Economy

At the local level, the first question to ask is "What is the state of our economy?" A variety of indicators can inform this question. Some common ones are industry employment, unemployment, wages, population, and housing starts. (We provided a more thorough discussion of these and other indicators—with appropriate Web links—in the "Some Basic Indicators" section of the introduction; this section emphasizes general methods.)

For example, you might develop a *current employment picture* that shows the breakdown of local employment by industry. Alternatively, you might develop a *social indicators picture* that shows the local poverty rate, health care availability, and so on. Table 1 is an example.

Note several features of Table 1 that follow the principles laid out in the introduction. First, the table looks at two geographic areas: the county, which is the area of interest, and the state, which is a comparison area. Second, it looks at various measures of economic health, including employment, unemployment, poverty, and income. Finally, it makes a comparison over time (population growth).

Table 1. Key County Social and Economic Indicators.

Variable	County	Pennsylvania
Population (1999)	37,121	12,085,201
Population growth (1990–1999)		
Total change	(131)	189,680
Percent change	-0.4%	2%
Percent of population at least 65 years old (1999)	16.8%	15.8%
Per capita income (1999)	$19,184	$26,641
Poverty rate (1995)	14.2%	11.4%
Percent of population aged 25 or older with at least a high school degree (1989)	72.5%	74.7%
Percent of population aged 25 or older with at least a college degree (1989)	11.7%	17.9%
Unemployment rate (Sept. 2001)	4.5%	4.3%
Total Employment (1999)	**12,114**	**6,828,344**
Agriculture, Forestry, and Related Services	99	144,782
Mining	3,578	27,826
Construction	328	364,695
Manufacturing	3,624	962,632
Transportation, Communications, and Utilities	469	342,753
Wholesale Trade	249	296,943
Retail Trade	2,629	1,155,925
Finance, Insurance, and Real Estate	337	509,585
Services	2,200	2,301,270
Federal Government (excluding Military)	135	108,861
State Government	628	164,188
Local Government	1,416	448,884

Regardless of your choice of indicator, this data can be entered and used in a spreadsheet and presented in either tabular form or as a pie chart. For example, tables are helpful way to provide actual values of employment. This helps enhance understanding about the relative *size* of the economy. Pie charts are useful for examining the relative levels of economic *dependence* on certain sectors within the economy. Local pie charts can also be compared to state pie charts to examine relative dependence across economies. Table 2 is an example.

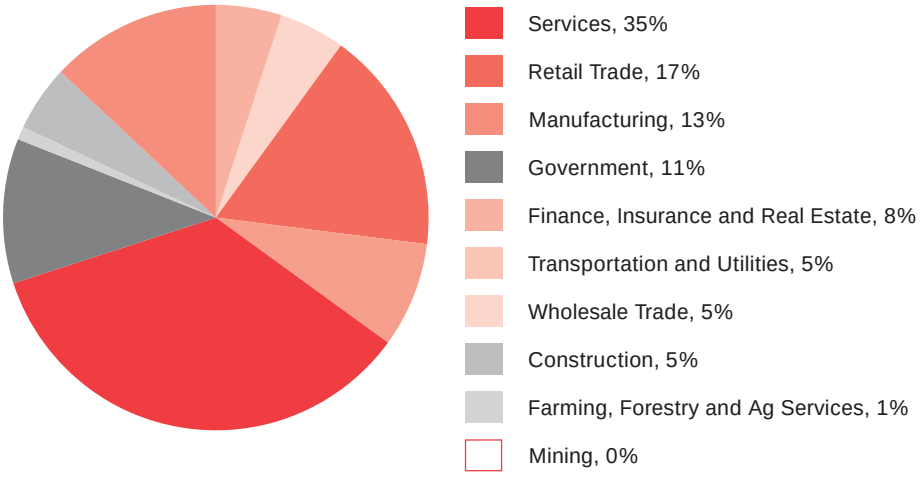
How This Information Is Used in Economic and Community Development

After developing this snapshot, you should spend some time interpreting the data. Continuing with the employment example, you might want to consider several questions.

1. What is the major industry in your community? How is this industry affected by change at the state or national level?
2. Compared to other regions, does the community seem highly dependent on any particular industry? How might this dependence be problematic? Or, is this dependence a strength?
3. Does this information support popular perceptions? For example, many rural communities are surprised to find out that agriculture is a relatively small sector when compared to the service industry.

With this basic understanding of current economic conditions, you are in a better position to identify not only the strengths and weaknesses of the local economy, but also the needs and potential opportunities for development.

Table 2. County Employment by Industry: 1999.



For More Information

Some basic profile data for Pennsylvania is available at cecd.aers.psu.edu/profile.htm.

The state's Center for Workforce Investment Analysis at the Department of Labor and Industry is Pennsylvania's designated provider of employment statistics (www.dli.state.pa.us). On their Web site you can find a variety of statistics related to employment, wages, and unemployment for the state, metropolitan areas, and counties.

Other potential data sources are outlined in the section on indicators in the introduction.

Notes

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