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Role of Hardware Manufacturing in the Economy of Lackawanna & Luzerne Counties

Research reported in this brief was prepared by Penn State's Office for Economic and Workforce Development (OEWD), a unit in Penn State Outreach.

OEWD advances the economic well-being of Pennsylvania by serving as a catalyst, facilitator, and collaborator for using the resources, expertise, and intellectual assets of Penn State to help create and retain jobs in the Commonwealth and enhance the skills of its workforce (see <http://www.oewd.psu.edu/>).

Analysis of Pennsylvania economic and workforce opportunities and issues are conducted in OEWD by its Workforce Assessment Center in collaboration with the Institute for Research in Training and Development, a unit in Penn State's College of Education.

Contact Rose M. Baker, Program Manager of the Workforce Assessment Center, at rmb194@psu.edu, 814.865.9919 (voice), or 814.865.3589 (fax) for additional information about services available to help plan and evaluate economic and workforce development in the Commonwealth.

The **hardware manufacturing industry** is an important part of the history and economy of Lackawanna and Luzerne counties in Pennsylvania. The industry creates jobs and compensation for workers throughout these counties and influences tax revenues in the counties.

The impact of jobs in hardware manufacturing in Lackawanna and Luzerne counties:

- *For every 100 jobs* — Due to the need to supply the hardware manufacturing industry, other industries in Lackawanna and Luzerne counties employ an additional 58 workers. Spending of income earned by hardware manufacturing employees and by workers in Lackawanna and Luzerne industries that supply hardware manufacturing on such items as housing, food, health care, and other retail goods and services creates an additional 90 jobs in the counties. In short, every 100 jobs in the Lackawanna and Luzerne hardware manufacturing industry are associated with 248 total jobs in the counties.
- *For every 100 jobs* — The hardware manufacturing industry generates \$4.7 million compensation for its own Lackawanna and Luzerne employees and \$2 million compensation for employees whose jobs are created because their Lackawanna and Luzerne firms supply the hardware manufacturing industry in the counties. Spending of income by hardware manufacturing employees and workers in supplying industries generates an additional \$2.2 million compensation for other Lackawanna and Luzerne workers. In this way, the hardware manufacturing industry is responsible for generating \$8.9 million annual compensation for every 100 hardware manufacturing workers employed in Lackawanna and Luzerne counties.
- *For every 100 jobs* — Business activity by the hardware manufacturing industry, the industry's impact on Lackawanna and Luzerne industries that supply it, and the effect of spending by workers employed in the hardware manufacturing industry and its supplying industries generate \$401,000 in property taxes that are paid annually by businesses and individuals in Lackawanna and Luzerne counties to local governments.



This Brief contains an analysis of activity of establishments primarily engaged in hardware manufacturing in North American Industry Classification System code 332510. Information provided in this Economic & Workforce Brief was calculated using IMPLAN, a macroeconomic model applied by Penn State's Office of Economic and Workforce Development to identify the impact of economic activity on Pennsylvania and its counties. For more information, contact Rose M. Baker (rmb194@psu.edu; 814.865.9919) or David L. Passmore (dlp+irt@psu.edu; 814.863.2583). Dollar values are expressed as year 2002 dollars.