



October 2, 2007

*Role of Insurance Carriers in the Economy of Northeast Pennsylvania*

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](mailto: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 **insurance carrier industry** is an important part of the history and economy of northeast Pennsylvania counties (includes Berks, Carbon, Lackawanna, Lehigh, Luzerne, Monroe, Northampton, Pike, and Wayne counties). The industry creates jobs and compensation for workers throughout these counties and influences tax revenues in the counties.

The impact of jobs in insurance carriers in northeast Pennsylvania counties:

- *For every 100 jobs* — Due to the need to supply the insurance carrier industry, other industries in northeast Pennsylvania employ an additional 61 workers. Spending of income earned by insurance carrier employees and by workers in northeast Pennsylvania industries that supply insurance carriers on such items as housing, food, health care, and other retail goods and services creates an additional 71 jobs in northeast Pennsylvania. In short, every 100 jobs in the northeast Pennsylvania insurance carrier industry are associated with 232 total jobs in the nine-county region.
- *For every 100 jobs* — The insurance carrier industry generates \$4.7 million compensation for its own northeast Pennsylvania employees and \$2.5 million compensation for employees whose jobs are created because their northeast Pennsylvania firms supply the insurance carrier industry in the region. Spending of income by insurance carrier employees and workers in supplying industries generates an additional \$1.9 million compensation for other northeast Pennsylvania workers. In this way, the insurance carrier industry is responsible for generating \$9.1 million annual compensation for every 100 insurance carrier workers employed in northeast Pennsylvania.
- *For every 100 jobs* — Business activity by the insurance carrier industry, the industry's impact on northeast Pennsylvania industries that supply it, and the effect of spending by workers employed in the insurance carrier industry and its supplying industries generate \$547,000 in property taxes that are paid annually by businesses and individuals in northeast Pennsylvania to local governments.



*This Brief contains an analysis of activity of establishments primarily engaged in the insurance carrier industry in North American Industry Classification System code 5241. 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](mailto:rmb194@psu.edu); 814.865.9919) or David L. Passmore ([dlp+irt@psu.edu](mailto:dlp+irt@psu.edu); 814.863.2583). Dollar values are expressed as year 2002 dollars.*