

# *Economic Report Scranton, PA*

By Lance Winslow - 2002

Scranton, PA which has copied the Painted Horses concept from Casper WY to draw in tourism or maybe Casper WY copied them, but they are the same, probably the same artist too. Got to either city's downtown and look at these wonderful works of art. Scranton has a few tricks still up their sleeves for a town with a lot of old history, it is having some good growth in newer parts of the city and surrounding areas.

One college age student we had a chance to talk to says most college age kids try to figure out a way to make thier place in the world outside of their hometown of Scranton, this may be why these kids would good family values choose other cities to make their way in. Scranton of course known for its history in coal mining and it's closeness to the Pocono Mountains, which are still and East Coast Favorite get away.

<http://poconofunguide.com/>

Coal mining in PA goes way back to the middle of the 1800's and it was always dangerous, if you 'Google' the mining industry accidents in the state you will see what we mean. The demographics are good in Scranton, although it has been economically challenged as of late. Under-represented with minority populations but it is a good market never the less. Of value is the many industrial parks in the North Eastern Penn area and the good road situation South of town on I-81, well at least if they ever get done with the project. Scranton has a bit of an alcohol and drug situation due to probably the work hard play hard cultural history there. But all in all if you are not looking for it you probably would not notice it. We look at Scranton as being a second tier market for our expansion into PA and a worthy market for many types of businesses.

If you talk with Dan Walsh administrator for the Greater Scranton Chamber of Commerce (which needs a sign out front perpendicular to Mulberry Street so you can find it), he will tell you about the many new projects going up in and around town. Places such as the Jessup Small Business Center and Valley View Business Center. But also we found projects nearby in the Covington Township, namely "The Business Park". Cool name? Simple.

The Scranton Enterprise Center downtown seems to be an uplifting idea, and there could be some increased foot traffic there. As the new parts of the town and the box stores are going up in the Bus 6 in the Dickson City Limits. Everyone is there, a regional mall, Home Depo, Wal-Mart, etc. Kind of cutting off the buyers coming from vacation homes in the Poconos. But still it employees residents of Scranton and the other metro adjacent townships.

The Southside of town is ripe for fleets of trucks and distribution along I-81. You have the Stadium Office Park, Southside Industrial area, Glenmaura Corporate Center and Rocky Glen Industrial Park. Below that in Luzerne County is the Wilkes-Barre Scranton Airport, Vogelbacher Industrial Park, O'Hara Industrial Complex and the Eastern Distribution center which looks like a mini-enterprise zone or mini-FTZ (if it is not, they should make one there). Being at the I-84, I-81 crossroads and having a 380 and 476 Toll-way which also serves as a ring road from the West of town, it appears to be all set up to do business. Perhaps not as ideal a location as the Bethlehem-Allen Town area (being so close to Philly, but Scranton area has it's advantages and while in recession it is certainly going to be a good recovery situation since it has a good population base and pro-active approach to the economic development.



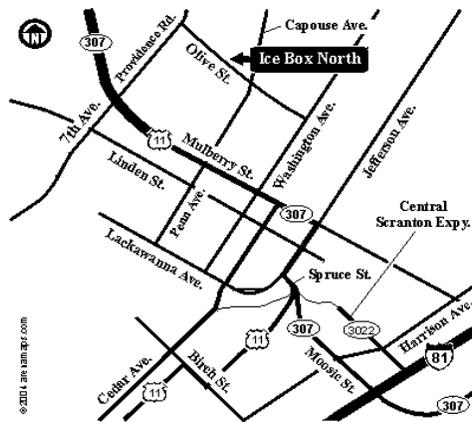
I-80 is just a tad bit to far from the Wilkes-Barre Scranton corridor to be of significant value. The best deal for this city would be to do what Tulsa OK needs to do with the toll way to OKC. Ditch it. If the 476 were made a freeway instead of a toll way and that area were to open up then the straight shot to Philadelphia could feed the fire and Scranton would be more easily accessible to travelers and distribution companies. The I-84 is a straight shot to CT, 476 straight shot to Philly and Allentown, I-81 is a shortcut to I-80 and straight shot to Harrisburg and allows travel around the D.C. metro mess for those traveling South without the huge mountain ranges of further East, which is good for trucking and distribution.

Scranton area business people have banded together and are hard chargers, they will not give up, but could use some help. The big talk in Scranton now is of course the incubators for small business and that is very smart and well received and has the blessings of local banks and SBA. The SEC, not to be confused with the Security Exchange Commission which is destroying America's best Corporations with media headlines and extortion scare tactics, this SEC is the Scranton Enterprise Center which appears to be on pace to provide 1000 new jobs to the area within five years. The Jessup Park looks good and when filled up would house about, I am guessing 4500 jobs.

In Schuylkill County they are building a gasification coal plant which would be a 400 million dollar project and employ many high paid professionals and countless construction people in the building process, that is happening now. Many things are challenging PA's economy and the Scranton area.

First the state's economy has been shifting from manufacturing and plants to retail and services and many jobs have left the state to NAFTA trading partners and to of course China, ouch. The regional growth patterns in my humble opinion are favoring other PA area better due to the closeness of the Metroplexes of Pittsburgh, Cleveland, D.C.. Scranton is favored as it is close to NYC and New England areas like Boston, Hartford, Manchester, New Jersey and Albany. However there is stiff competition from makers of items in all those states too, especially where rural areas are attempting to eek-out an existence with antique, agriculture, small specialized manufacturing and flea markets.

PA has had declining tax revenues since the mid 70's with trade changes and the early 90's with change of focus. If you look at PA as a hole we are seeing things like steel, textiles, mills, mining and energy leave the system and the trade offs being promoted from the academia side include tech, communication and environmental, yet the money flow for such things is not like it is in Boston, TX, CA and other on the move tech fields such as the latest Bio-Tech. Where there maybe schooling for such, but not a lot of big deals getting done in PA.



The rural areas of PA are secluded by toll ways and the money flow is escaping via Wal-Mart, which accounts for 11% of our nation's consumer spending. The money flows into Wal-Mart, they pay local wages, donate to charity and the rest leaves the state, although PA has it's share of companies which make things for Wal-Mart and Wal-Mart buys in the USA first, as well it should and Sam always promised, less and less things are made in the US anymore due to too many regulations and laws about nothing such as ADA, OSHA, EPA, etc. Many items are being made in China now, or some still in Mexico, less than before since Monterrey is dead too.

The money flowing out into China is not coming back fast enough, due to Patriot's act slowing money coming into the country and a crack down on money launderers thus the money stays out once it leaves. It is noteworthy to look at such issues such as where does the money flow too. I am worried for rural America and am upset and feel sick to my stomach every time I see a boarded up small business in a rural town. You see they slow you down to 25 mph for speed trap but at that speed you see things much deeper than the sign, which is gone.

You see and feel the tears of the small business person who lost everything, the employees who are sitting at home with no air-conditioning turned on, you read the minds of the income property owner who is not getting an ROI on the building he so carefully built on his families property which they have owned for generations. Watching the awning rust, paint chip and flake, bugs scurry in and out of the broken windows. You feel the anguish and sorrow, that is all there is, that is what you see and feel as you drive by. So then here is an idea, perhaps it might lead someone out there to a solution to this problem. Here it is;

Certain dollars coming into such towns of 2000 to 12,000 populations, which are not within 5 miles of a major highway, be given permission to stamp the dollar bills coming in at a local municipal court up to 15% and those bills must remain in circulation locally for three years or until they are worn out and traded in at the bank, or some such similar situation to keep the money flow going locally.



Wal-Mart can then pay the people locally with those dollars or trade them against purchases from local manufacturers of items they might sell in their stores. Or Wal-Mart could work with a local bank in the area and have banking on the property so that those dollars could be redistributed in loans to those who wish to start small businesses or homes. thus improving the economic climate all the way around. Wal-Mart wants into the banking business anyway, they have proved their self worth in the distribution business, again this is just a thought. Something has to be done about rural America, it is more evident in the back highways of PA than anywhere. This is a serious issue and it is not going away anytime soon. It needs pro-active consideration from the most brilliant economic minds, otherwise we will need two sets of currency in our country.

PA is seeing overall from what we have seen a change in Eating establishments along major highways, changes in Grocery Stores, and changes in it's supply and distribution chains. PA is the leader in all kinds of stuff, but none of which is breaking any records during this period. In a study by the Penn State College of Ag and Econ, it was reported that 15 of the 20 major sectors of the PA economy had gone down.

Today a few things are up, such as recreational manufacturing, motor homes, boats and housing. We did see things such as insurance, real estate, wholesale trade, distribution and public utilities pick-up in recent years. But if you look at what took a hit Lumber, furniture, travel, and manufacturing in rubber, steel, wood, fabrics, metal, etc. it is a little gloomy. PA has good education and that has weathered the storms. But really besides the bigger cities, things are not doing extremely well, they are just doing okay. But today Okay is good enough and the folks in PA are not stooping here.

We were fortunate to talk with an employee deliverer from Dempsey Uniform Services. He said things were good, and that they had had some slow pays, but most of their accounts were Corporate and they were doing good. Some companies had gone out of business last year, but others were adding employees, and the sales have added a few more accounts. Competition had increased, but they were doing well. We thank him for the insight and here is the pitch;

"So Give Us a Try...We Think You will be impressed"

<http://www.dempseyuniform.com>.

So, this company a very good public image company was doing well working with B2B services. We believe that this is an example of what we would expect with hard work, over time and doing what you say you are going to do. You see in Scranton, bull crap walks. It is about doing what you say you are going to do, and a man is only as good as his word. That is what they expect there, that is what they are say in Missouri, Show me.

Any company in the service business willing to prove it, will either make it or beak it on their integrity, and you know what? We would not expect anything else from the humble coal miner beginnings of a town grown into a city where you must walk the talk. Scranton they will flat do whatever it takes, it is that kind of a town still.