

Economic Development and Employment

The Cumberland County Comprehensive Plan expects current employment trends to continue throughout the County. If this growth follows the pattern of the past twenty years, area residents can expect a continuing transition from a manufacturing-based economy to a service-based economy. Most new jobs will come from services, finance and insurance, transportation and public utilities, education, and retail trade.

Changes in the economic base of the region will have a direct impact on the lives of Shippensburg area residents. As the local economy becomes less dependent upon manufacturing and moves towards the service industry, as is happening nationally, cyclical fluctuations related to manufacturing may become less severe. This may mean lower levels of unemployment relative to national as well as the local economy. On the other hand, less dependence upon manufacturing may also mean lower paying jobs.

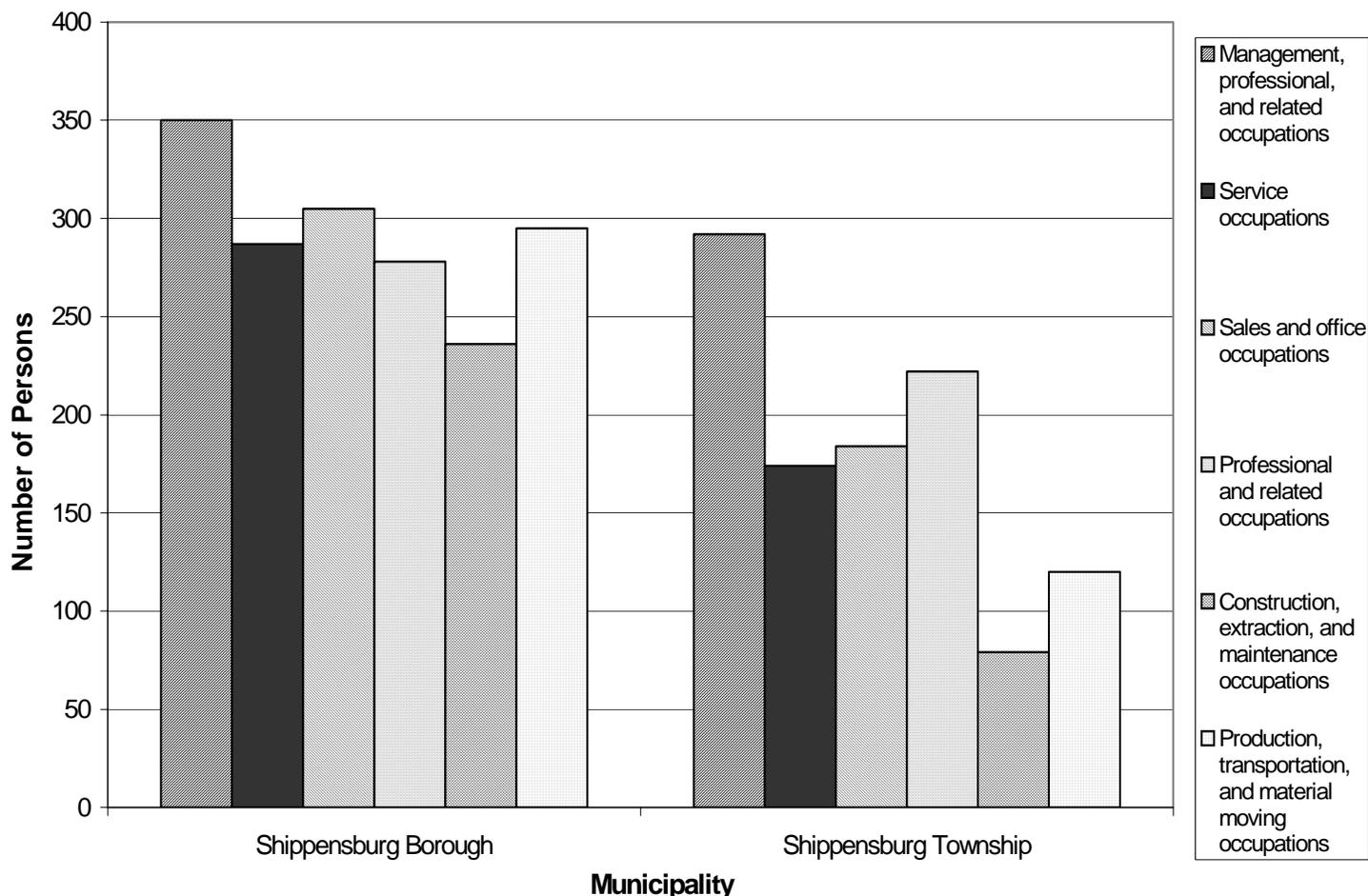
As business needs change, companies move from one facility to another. Vacant or under-utilized facilities can result if new businesses and tenants are not found. This occurs in the central business district of the Borough and the commercial areas of the Township. The reuse of vacant buildings and sites is sometimes complicated by the need for on-site improvements, the difficulties of converting buildings designed for one use, or liabilities for environmental cleanup. The reuse of these sites may require additional investment and targeted marketing. It is a problem that is likely to grow in the future as some manufacturing and older commercial businesses close.

Employment by Occupation

A useful indicator when analyzing an employment base is a breakdown of where the region's residents work. As discussed above, there is a national and local trend away from traditional occupations in the manufacturing sector to service industries, and the Shippensburg region reflects this trend. In 1990, 14.7% of the population in the Shippensburg area was employed in manufacturing-based industry. In 2000 that percentage dropped to 9%; however the categories under which the occupations were listed were slightly different. The census category of "production, transportation, and material moving occupations" is how manufacturing-type of jobs are now categorized. In 2000, 9.0% of the area population had a manufacturing type of job, while 10.0% had a job within the category of "service occupations". For 2000, most people in the region were employed in either the "management, professional, and related occupations", which includes business management and business and financial operations occupations, or "professional and related occupations", which include engineering, legal occupations, health care practitioners, education and technical occupations.

Figure 17.1, Employment by Occupation, graphically depicts the employment data from the 2000 Census. One can see from the graph that the majority of the residents in the area have a career in the management, professional, and related occupations.

Figure 17.1 Employment By Occupation



Unemployment Rates throughout the Region

Unemployment rates are often a good reflection on the economy of a community. They are not, however, the definitive indicator of economic health, due to the variety of factors that may affect the rate. Seasonal jobs, size of workforce, national economic trends, and actions of large companies all can affect local unemployment rates.

The Census Bureau publishes a municipal profile for each municipality within Pennsylvania that contains specific employment data for both the Borough and Township. Figure 17.2 identifies the percent unemployment for each municipality in 2000. Compared to the Cumberland and Franklin County unemployment rates of 3.1% and 3.6% respectively, the Borough, at 2.9%, is below this rate, while the Township has a high unemployment rate of 14%. We expect that this is largely due to the inclusion of Shippensburg University students, but it may also be related to workforce restructuring by the Department of Defense at a number of local military facilities and depots at the time of the census. As of January 2004, Pennsylvania state unemployment figures show Cumberland County as having the lowest unemployment rate in the Commonwealth at 3.3%, while Franklin County was ranked fourth with 4.1%. The average for the State was 6.1%.

Figure 17.2 - Unemployment Rates

2000 Employment Status	Shippensburg Borough	Shippensburg Township	Cumberland County	Franklin County
Number Persons Unemployed	87	310	3,503	2,385
In Labor Force	2,916	2,082	111,105	65,289
Percent Unemployed	2.9%	14.8%	3.1%	3.6

Major Employers within the Region and County

The federal government is the single largest employer in Cumberland County. The Naval Support Activity Mechanicsburg (NSA) in Hampden Township, known locally as the Navy Depot, employs 5,335 people, including 4,571 civilians. It remains one of the top employers in the county despite recent cutbacks. It is also one of the reasons the county's unemployment rate generally has been the lowest in the state. Many other area residents draw their paychecks from federal and state governments because of the proximity of military installations and the state capital in Harrisburg. These include Letterkenny Army Depot and Carlisle Barracks. For instance, Carlisle Barracks, home of the U.S. Army War College, employs a total of 1,624 people – 992 civilians and 632 military.

State and federal government are not the only reason for the County's low unemployment. Several large corporations, including Highmark and Giant Food Stores, make their headquarters in Cumberland County. While total jobs are up at Giant, the number of employees is down from last year at Highmark, and many other county employers may follow Highmark's trend. About 600 jobs were lost in Cumberland County when Medco Health Solutions, formerly Merck Medco, closed its Upper Allen Township mail-order pharmacy. Another 450 jobs were lost with the closing of Hoffman Mills in 2004.

Principal employers in Cumberland County are listed below, along with the number of County employees.

- Highmark/PA Blue Shield – 4,321
- Holy Spirit Health Systems – 2,560
- Giant Food Stores (including corporate headquarters, distribution center, and grocery stores) – 2,600
- Exel – 2,080
- Electronic Data Systems (EDS) – (in Upper Allen and East Pennsboro townships) – 1,532
- Roadway Express – 1,300
- Bookspan – 1,270
- Fry Communications – 1,259
- Cumberland County (including courthouse, prison, and Claremont Nursing & Rehabilitation Center) – 1,240
- JFC Staffing – (including 82 staff members and an average of 1,019 temporary workers) – 1,101

- Carlisle Companies Inc. Corp. (including 450 at Carlisle SynTec and 650 at Carlisle Tire & Wheel) – 1,100
- State Correctional Institute in Camp Hill – 1,045
- Cumberland Valley School District – 968
- West Shore School District – 951
- Schneider National Carriers Inc. (includes drivers who may not be local residents) – 900
- Carlisle Regional Medical Center – about 900
- Messiah College (including 100 temporary faculty members)– 875
- Shippensburg University – 850
- ABF Freight Systems – 825
- Lear Corporation – 829
- Gannett-Fleming, Inc. – 800
- Overnite Transportation – 790
- Wal-Mart* (including stores in Silver Spring Township and Carlisle) – about 740
- Rite Aid – 748
- Shaffer Trucking, Inc. – 707
- Sprint – 680
- Dickinson College – 660
- Ingersoll Rand (participant in PA Lighting Manufacturing program) – 650
- Capital Area Intermediate Unit – 650
- Carlisle Area School District – 650
- Mechanicsburg Area School District – 619
- Ross Stores – (including 553 at the Carlisle distribution center and 50 at the Carlisle store) – 603
- Waste Management of Pennsylvania – an average of 600
- Capital Blue Cross (including NCAS, a Blue Cross subsidiary) – 583
- Messiah Village – 500
- PPG Industries – 500
- Beistle Company – 489
- Big Spring School District – 470
- Keen Transportation – 425
- Washington Group International Inc. – 460
- Shippensburg Area School District – 403

* data does not include new Shippen Town Centre store

Downtown Revitalization Efforts

The Borough has discussed improving the atmosphere of the downtown area to encourage economic revitalization. The central business district of the Borough has traditionally been the focal point for economic, government, and social interaction and activities. The migration of retail trade to the suburbs is related to the growth and expansion of commercial and industrial areas within the Township. This migration is not a recent trend, but has occurred as urban areas have outgrown their original land areas and automobile use became virtually universal. The popularity of suburban shopping centers increases as the perception or reality of downtown shopping becomes one of congested, overcrowded, and inaccessible stores. Now, most downtown shoppers are those who live in or near the urban core.

Any plan to revitalize the downtown must take into consideration overall improvements needed to enhance the downtown as well as the establishment of a framework for various activities and/or programs and incentives. Revitalization efforts should not only focus on the physical appearance of the Borough but its economic well-being as well. Borough residents are also concerned about parking in the downtown area in and around King Street. Parking in a downtown area should be plentiful if the

business district is to be successful. If people do not have a place to park, they will not stop to shop and spend money in a community, and that income is lost to another shopping area. Fortunately, Shippensburg does have a unique downtown with available parking and additional parking lot options to maximize the potential to have a successful town center.

Reuse of underutilized properties can play a huge role in the redevelopment of a downtown, even if it is not to gain a profit for a private property owner as a business or industry. Encouraging reuse, infill, and community centers within a downtown core area will help to improve the appearance of the area and attract more people to visit, invest, and shop in the downtown business district.

Shippensburg University

No discussion of the local economy can be complete without including the benefits provided by Shippensburg University. Shippensburg University is a major contributor to the Region’s economy. The University provides resources for residents and partnership opportunities for local businesses and industries. It offers cultural and educational events, and sponsors various business-oriented programs. The students impact the local economy by patronizing local shops and restaurants. The University offers high-paying jobs to the region and its many assets help to attract more affluent, highly educated people to the area.

Cumberland and Franklin County Economic Development Resources

Economic planning for the future of the Shippensburg Area, providing the residents a high quality of life, and attracting new industries and commercial opportunities is a complicated and multi-faceted process requiring collaboration and coordination by organizations and agencies at many levels. Below is a list of organizations that may be contacted to obtain information on available properties and about the different tax incentives which are available for development and redevelopment in the Shippensburg Area.

<u>Organization</u>	<u>Primary Functions</u>
Governor’s Action Team	Capital Access, Workforce Training, Site Facilities
Capital Region Economic Development Corporation (CREDC)-Dauphin & Cumberland Co.	Site/Building Development, Financial Assistance, Resource Improvement
Murata Business Center (CREDC)	Financial Assistance; Business Incubator
South Central Economic Development Corporation	Site/Building Development, Financial Assistance, Resource Improvement
Cumberland County Development Corporation	Site/Building Development, Financial Assistance, Resource Improvement
Franklin County Area Development Corporation	Site/Building Development, Financial Assistance, Resource Improvement

Organization**Primary Functions**

Cumberland County Economic	Entrepreneur/Management Skills; Development Manpower Training and Placement
Shippensburg Area Chamber of Commerce	Business Retention; Data Distribution; Technical Assistance; Resource Improvement
Cumberland Perry Area Vo-Tech School	Workforce Training
Shippensburg University	Entrepreneur/Management Skill Development; Technology Access
Capital Region Visitors Bureau	Data distribution; Out-of-Region Representation for Travel & Tourism Industry
Borough of Shippensburg Industrial Development Association (IDA).	Data Distribution; Site/Building Development; Grant writing, Resource Improvement
Shippensburg Area Development Corporation	Data Distribution; Site/Building Development; Grant writing; Resource Improvement
Cumberland County Planning Commission	Data Distribution; Grant writing; Advocacy of Physical Improvements; Regulatory Optimization; Resource Improvement
Franklin County Planning Commission	Data Distribution; Grant writing; Advocacy of Physical Improvements; Regulatory Optimization; Resource Improvement