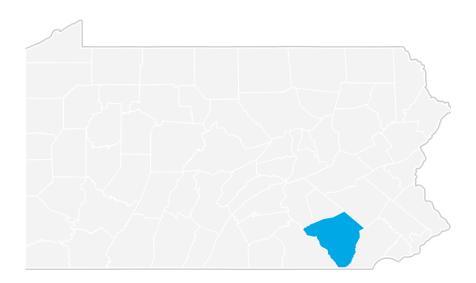
# **Economic Overview**

# Lancaster County, Pennsylvania





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## Demographic Profile

The population in Lancaster County, Pennsylvania was 536,494 per American Community Survey data for 2013-2017.

The region has a civilian labor force of 280,471 with a participation rate of 66.5%. Of individuals 25 to 64 in Lancaster County, Pennsylvania, 27.7% have a bachelor's degree or higher which compares with 32.3% in the nation.

The median household income in Lancaster County, Pennsylvania is \$61,492 and the median house value is \$193,200.

### Summary<sup>1</sup>

		Percent				
	Lancaster County,			Lancaster County,		
	Pennsylvania	Pennsylvania	USA	Pennsylvania	Pennsylvania	USA
Demographics						
Population (ACS)	_	_		536,494	12,790,505	321,004,407
Male	49.0%	48.9%	49.2%	262,686	6,260,160	158,018,753
Female	51.0%	51.1%	50.8%	273,808	6,530,345	162,985,654
Median Age <sup>2</sup>		_	_	38.5	40.7	37.8
Under 18 Years	24.0%	21.0%	22.9%	128,724	2,688,917	73,601,279
18 to 24 Years	9.3%	9.5%	9.7%	50,022	1,215,635	31,131,484
25 to 34 Years	12.8%	12.9%	13.7%	68,463	1,649,488	44,044,173
35 to 44 Years	11.4%	11.7%	12.7%	60,958	1,501,781	40,656,419
45 to 54 Years	12.9%	13.8%	13.4%	69,428	1,770,235	43,091,143
55 to 64 Years	12.9%	13.9%	12.7%	69,066	1,783,427	40,747,520
65 to 74 Years	8.9%	9.3%	8.6%	47,680	1,195,873	27,503,389
75 Years, and Over	7.9%	7.7%	6.3%	42,153	985,149	20,229,000
Race: White	88.6%	81.1%	73.0%	475,145	10,378,174	234,370,202
Race: Black or African American	4.3%	11.1%	12.7%	22,900	1,417,611	40,610,815
Race: American Indian and Alaska Native	0.2%	0.2%	0.8%	826	24,995	2,632,102
Race: Asian	2.1%	3.3%	5.4%	11,493	417,525	17,186,320
Race: Native Hawaiian and Other Pacific Islander	0.0%	0.0%	0.2%	53	3,665	570,116
Race: Some Other Race	2.8%	2.0%	4.8%	15,070	251,215	15,553,808
Race: Two or More Races	2.1%	2.3%	3.1%	11,007	297,320	10,081,044
Hispanic or Latino (of any race)	10.0%	6.8%	17.6%	53,792	874,833	56,510,571
Population Growth						
Population (Pop Estimates) <sup>5</sup>	_	_	_	542,903	12,805,537	325,719,178
Population Annual Average Growth <sup>5</sup>	0.7%	0.2%	0.8%	3,626	24,160	2,448,797
Economic						
Labor Force Participation Rate and Size (civilian population 16 years and over)	66.5%	62.6%	63.3%	280,471	6,518,993	161,159,470
Prime-Age Labor Force Participation Rate and Size (civilian population 25-54)	84.0%	82.3%	81.6%	166,822	4,047,337	103,761,701
Armed Forces Labor Force	0.0%	0.0%	0.4%	188	4,673	1,024,855
Veterans, Age 18-64	4.1%	4.5%	4.9%	13,006	356,973	9,667,749
Veterans Labor Force Participation Rate and Size, Age 18-64	83.7%	76.2%	75.8%	10,886	272,102	7,326,514
Median Household Income <sup>2</sup>	_	_	_	\$61,492	\$56,951	\$57,652
Per Capita Income	_	_	_	\$29,280	\$31,476	\$31,177

### Summary<sup>1</sup>

		Percent			Value	
	Lancaster County,			Lancaster County,		
	Pennsylvania	Pennsylvania	USA	Pennsylvania	Pennsylvania	USA
Poverty Level (of all people)	10.4%	13.1%	14.6%	54,244	1,623,537	45,650,345
Households Receiving Food Stamps	9.0%	13.0%	12.6%	17,877	648,528	15,029,498
Mean Commute Time (minutes)	_	_	_	23.1	26.7	26.4
Commute via Public Transportation	1.3%	5.6%	5.1%	3,336	332,315	7,607,907
Educational Attainment, Age 25-64						
No High School Diploma	13.4%	8.2%	11.4%	36,026	550,366	19,230,541
High School Graduate	35.4%	32.9%	26.0%	94,836	2,205,619	43,784,920
Some College, No Degree	15.2%	16.8%	21.2%	40,786	1,128,016	35,803,629
Associate's Degree	8.2%	9.3%	9.0%	22,037	622,414	15,199,517
Bachelor's Degree	18.2%	20.5%	20.5%	48,743	1,372,204	34,602,913
Postgraduate Degree	9.5%	12.3%	11.8%	25,487	826,312	19,917,735
Housing						
Total Housing Units	_	_	_	208,751	5,653,599	135,393,564
Median House Value (of owner-occupied units) <sup>2</sup>	_	_	_	\$193,200	\$170,500	\$193,500
Homeowner Vacancy	0.8%	1.7%	1.7%	1,151	58,693	1,346,331
Rental Vacancy	3.9%	5.9%	6.1%	2,607	97,964	2,838,344
Renter-Occupied Housing Units (% of Occupied Units)	31.8%	31.0%	36.2%	63,197	1,551,082	42,992,786
Occupied Housing Units with No Vehicle Available (% of Occupied Units)	9.6%	11.1%	8.8%	19,064	553,867	10,468,418
Social						
Enrolled in Grade 12 (% of total population)	1.2%	1.3%	1.4%	6,665	162,560	4,437,324
Disconnected Youth <sup>4</sup>	3.1%	2.3%	2.7%	890	15,509	456,548
Children in Single Parent Families (% of all children)	24.7%	34.6%	34.5%	30,700	886,024	24,106,567
With a Disability, Age 18-64	9.5%	11.1%	10.3%	29,946	869,035	20,276,199
With a Disability, Age 18-64, Labor Force Participation Rate and Size	47.8%	41.7%	41.4%	14,312	362,649	8,395,884
Foreign Born	4.9%	6.6%	13.4%	26,202	841,731	43,028,127
Speak English Less Than Very Well (population 5 yrs and over)	6.1%	4.2%	8.5%	30,640	509,028	25,654,421
Union Membership						
Total <sup>3</sup>	8.1%	12.1%	10.7%	_	_	_
Private Sector <sup>3</sup>	4.1%	7.4%	6.4%	_	<u> </u>	_
Manufacturing <sup>3</sup>	9.2%	12.5%	8.7%	_	_	_
Public Sector <sup>3</sup>	55.0%	47.6%	35.1%	_	_	_

Source: JobsEQ®
1. American Community Survey 2013-2017, unless noted otherwise

<sup>2.</sup> Median values for certain aggregate regions (such as MSAs) may be estimated as the weighted averages of the median values from the composing counties.

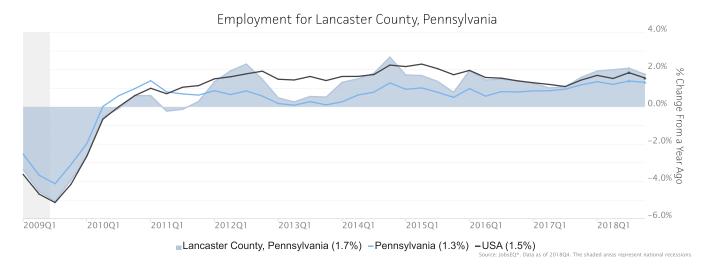
<sup>3. 2017;</sup> Current Population Survey, unionstats.com, and Chmura; county- and zip-level data are best estimates based upon industry-, MSA-, and state-level data

<sup>4.</sup> Disconnected Youth are 16-19 year olds who are (1) not in school, (2) not high school graduates, and (3) either unemployed or not in the labor force.

<sup>5.</sup> Census 2017, annual average growth rate since 2007

### **Employment Trends**

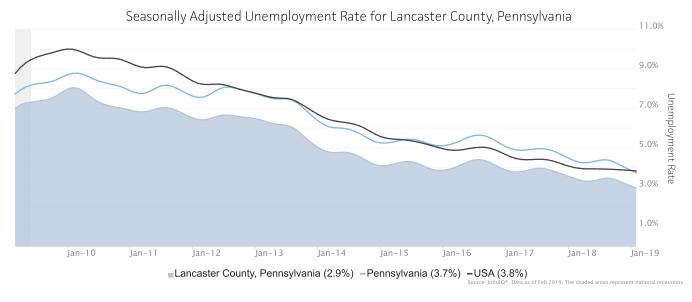
As of 2018Q4, total employment for Lancaster County, Pennsylvania was 265,706 (based on a four-quarter moving average). Over the year ending 2018Q4, employment increased 1.7% in the region.



Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q2 with preliminary estimates updated to 2018Q4.

### **Unemployment Rate**

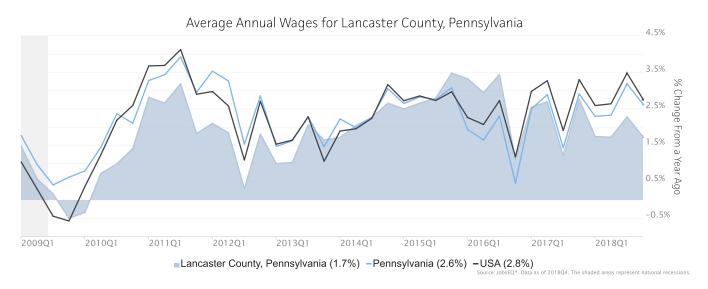
The seasonally adjusted unemployment rate for Lancaster County, Pennsylvania was 2.9% as of February 2019. The regional unemployment rate was lower than the national rate of 3.8%. One year earlier, in February 2018, the unemployment rate in Lancaster County, Pennsylvania was 3.5%.



Unemployment rate data are from the Local Area Unemployment Statistics, provided by the Bureau of Labor Statistics and updated through February 2019.

## Wage Trends

The average worker in Lancaster County, Pennsylvania earned annual wages of \$45,404 as of 2018Q4. Average annual wages per worker increased 1.7% in the region over the preceding four quarters. For comparison purposes, annual average wages were \$55,713 in the nation as of 2018Q4.



Annual average wages per worker data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q2 with preliminary estimates updated to 2018Q4.

# **Cost of Living Index**

The Cost of Living Index estimates the relative price levels for consumer goods and services. When applied to wages and salaries, the result is a measure of relative purchasing power. The cost of living is 0.3% lower in Lancaster County, Pennsylvania than the U.S. average.

### **Cost of Living Information**

		Cost of Living Index						
	Annual Average Salary	(Base US)	<b>US Purchasing Power</b>					
Lancaster County, Pennsylvania	\$45,404	99.7	\$45,541					
Pennsylvania	\$54,368	105.6	\$51,481					
USA	\$55,713	100.0	\$55,713					

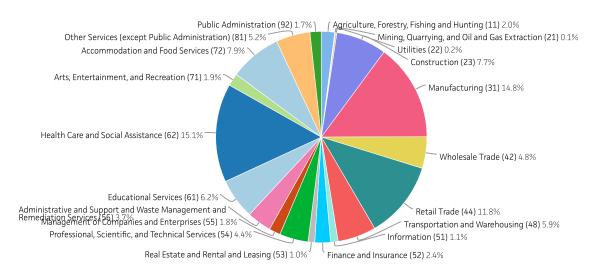
Source: <u>JobsEQ®</u>
Data as of 2018Q4

Cost of Living per C2ER, data as of 2018q4, imputed by Chmura where necessary.

### **Industry Snapshot**

The largest sector in Lancaster County, Pennsylvania is Health Care and Social Assistance, employing 40,053 workers. The next-largest sectors in the region are Manufacturing (39,409 workers) and Retail Trade (31,339). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Manufacturing (LQ = 1.80), Agriculture, Forestry, Fishing and Hunting (1.49), and Construction (1.37).





Source: JobsEQ®,Data as of 2018Q4

Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q2 with preliminary estimates updated to 2018Q4.

Sectors in Lancaster County, Pennsylvania with the highest average wages per worker are Management of Companies and Enterprises (\$106,562), Utilities (\$94,229), and Finance and Insurance (\$76,173). Regional sectors with the best job growth (or most moderate job losses) over the last 3 years are Transportation and Warehousing (+3,098 jobs), Health Care and Social Assistance (+2,049), and Construction (+1,795).

Over the next 3 years, employment in Lancaster County, Pennsylvania is projected to expand by 4,521 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +2.0% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+2,417 jobs), Construction (+553), and Transportation and Warehousing (+417).

		Current Four Quarters Ending with 2018q4			3-Year	r History	3-Year Forecast						
					Total	Avg Ann %		rations	Cua				
		roui Qua	Avg Ann	.11 2016 <b>4</b> 4	Change	Change Chg in Empl (Approximate)					Growth		
NAICS	Industry	Empl	Wages	LQ	Empl	Region	Total New Demand	Exits	Transfers	Empl	Avg Ann Rate		
11	Agriculture, Forestry, Fishing and Hunting	5,405	\$38,733	1.49	158	1.0%	1,798	759	999	40	0.2%		
21	Mining, Quarrying, and Oil and Gas Extraction	359	\$57,525	0.31	4	0.4%	101	35	73	-8	-0.7%		
22	Utilities	540	\$94,229	0.39	-73	-4.1%	154	53	94	7	0.4%		
23	Construction	20,579	\$55,347	1.37	1,795	3.1%	6,689	2,204	3,931	553	0.9%		
31	Manufacturing	39,409	\$55,623	1.80	1,682	1.5%	11,321	4,515	7,698	-892	-0.8%		
42	Wholesale Trade	12,879	\$51,873	1.27	211	0.6%	4,137	1,536	2,533	67	0.2%		
44	Retail Trade	31,339	\$28,297	1.12	97	0.1%	12,688	5,551	7,011	126	0.1%		
48	Transportation and Warehousing	15,582	\$47,234	1.33	3,098	7.7%	5,426	2,140	2,870	417	0.9%		
51	Information	3,029	\$51,641	0.58	-121	-1.3%	751	316	551	-117	-1.3%		
52	Finance and Insurance	6,395	\$76,173	0.61	-293	-1.5%	1,892	696	1,122	73	0.4%		
53	Real Estate and Rental and Leasing	2,715	\$52,248	0.59	85	1.1%	862	380	452	30	0.4%		
54	Professional, Scientific, and Technical Services	11,655	\$63,384	0.66	1,274	3.9%	3,288	1,135	1,892	261	0.7%		
55	Management of Companies and Enterprises	4,688	\$106,562	1.18	613	4.8%	1,346	477	805	65	0.5%		
56	Administrative and Support and Waste Management and Remediation Services	9,949	\$32,867	0.58	-775	-2.5%	3,719	1,477	2,000	242	0.8%		
61	Educational Services	16,444	\$50,880	0.76	779	1.6%	4,958	2,218	2,386	354	0.7%		
62	Health Care and Social Assistance	40,053	\$47,382	1.05	2,049	1.8%	14,008	5,695	5,896	2,417	2.0%		
71	Arts, Entertainment, and Recreation	5,139	\$19,414	0.97	459	3.2%	2,275	978	1,199	98	0.6%		
72	Accommodation and Food Services	21,108	\$17,822	0.88	1,493	2.5%	10,699	4,570	5,753	375	0.6%		
81	Other Services (except Public Administration)	13,860	\$28,388	1.19	-569	-1.3%	4,938	2,168	2,580	190	0.5%		
92	Public Administration	4,579	\$49,372	0.37	239	1.8%	1,304	538	729	37	0.3%		
	Total - All Industries	265,706	\$45,404	1.00	12,203	1.6%	92,175	37,568	50,086	4,521	0.6%		

Source: JobsEQ®

Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2018Q2 with preliminary estimates updated to 2018Q4. Forecast employment growth uses national projections adapted for regional growth patterns.

### **Occupation Snapshot**

The largest major occupation group in Lancaster County, Pennsylvania is Office and Administrative Support Occupations, employing 38,326 workers. The next-largest occupation groups in the region are Sales and Related Occupations (26,633 workers) and Production Occupations (25,871). High location quotients (LQs) indicate occupation groups in which a region has high concentrations of employment compared to the national average. The major groups with the largest LQs in the region are Production Occupations (LQ = 1.61), Farming, Fishing, and Forestry Occupations (1.32), and Construction and Extraction Occupations (1.32).

Occupation groups in Lancaster County, Pennsylvania with the highest average wages per worker are Management Occupations (\$109,900), Healthcare Practitioners and Technical Occupations (\$75,900), and Architecture and Engineering Occupations (\$73,000). The unemployment rate in the region varied among the major groups from 1.1% among Legal Occupations to 5.5% among Farming, Fishing, and Forestry Occupations.

Over the next 3 years, the fastest growing occupation group in Lancaster County, Pennsylvania is expected to be Healthcare Support Occupations with a +2.2% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Personal Care and Service Occupations (+646 jobs) and Healthcare Practitioners and Technical Occupations (+629). Over the same period, the highest separation demand (occupation demand due to retirements and workers moving from one occupation to another) is expected in Office and Administrative Support Occupations (12,829 jobs) and Food Preparation and Serving Related Occupations (11,622).

Occupation Snapshot in Lancaster County, Pennsylvania, 2018q4

				Cı	urrent			3-Year	History	3-Year Forecast				
		Four Quarters Ending with 2018q42018q4					Total Change	Avg Ann % Chg in Empl		Sepa	rations	Gro	wth	
			Avg Ann			Unempl	Online			<b>Total New</b>				Avg Ann
soc	Occupation	Empl	Wages <sup>1</sup>	LQ	Unempl	Rate	Job Ads <sup>2</sup>	Empl	Region	Demand	Exits	Transfer	Empl	Rate
11-0000	Management	14,125	\$109,900	0.88	195	1.4%	538	460	1.1%	3,633	1,348	1,987	298	0.7%
13-0000	Business and Financial Operations	8,936	\$65,400	0.65	208	2.2%	450	347	1.3%	2,651	817	1,646	188	0.7%
15-0000	Computer and Mathematical	3,652	\$72,700	0.46	88	2.3%	390	213	2.0%	838	196	543	99	0.9%
17-0000	Architecture and Engineering	4,070	\$73,000	0.89	90	2.3%	170	515	4.6%	952	316	576	60	0.5%
19-0000	Life, Physical, and Social Science	1,972	\$60,900	0.91	27	1.4%	143	172	3.1%	573	159	377	37	0.6%
21-0000	Community and Social Service	4,660	\$44,200	1.08	62	1.4%	257	35	0.3%	1,836	617	996	223	1.6%
23-0000	Legal	1,149	\$70,900	0.53	13	1.1%	24	63	1.9%	258	90	136	31	0.9%
25-0000	Education, Training, and Library	12,549	\$51,900	0.84	209	1.7%	442	384	1.0%	3,631	1,681	1,625	325	0.9%
27-0000	Arts, Design, Entertainment, Sports, and Media	4,440	\$43,500	0.94	99	2.3%	157	31	0.2%	1,269	554	708	8	0.1%
29-0000	Healthcare Practitioners and Technical	14,053	\$75,900	0.93	183	1.3%	683	726	1.8%	2,980	1,191	1,160	629	1.5%
31-0000	Healthcare Support	7,915	\$32,500	1.07	275	3.4%	199	330	1.4%	3,459	1,481	1,435	544	2.2%
33-0000	Protective Service	2,688	\$45,100	0.47	93	3.1%	92	177	2.3%	1,057	513	507	37	0.5%
35-0000	Food Preparation and Serving Related	22,154	\$23,200	0.98	1,223	5.0%	957	1,409	2.2%	12,165	5,176	6,446	543	0.8%
37-0000	Building and Grounds Cleaning and Maintenance	8,329	\$28,100	0.90	404	4.2%	357	402	1.7%	3,442	1,594	1,631	217	0.9%
39-0000	Personal Care and Service	10,804	\$25,200	0.96	301	2.7%	418	389	1.2%	5,724	2,646	2,432	646	2.0%

#### Occupation Snapshot in Lancaster County, Pennsylvania, 2018q4

,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,														
				Cı	urrent			3-Year	History	3-Year Forecast				
		Four Quarters Ending with			2018q4		Total Change	Avg Ann % Chg in Empl	Conquetions		rations	Gra	owth	
			2018q4 Avg Ann		·		Online	Change	LIIIPI	Total New	Separations New			Avg Ann
SOC	Occupation	Empl	Wages <sup>1</sup>	LQ	Unempl	Rate	Job Ads <sup>2</sup>	Empl	Region	Demand	Exits	Transfer	Empl	Rate
41-0000	Sales and Related	26,633	\$38,000	1.00	835	3.1%	1,695	295	0.4%	11,041	4,729	6,167	145	0.2%
43-0000	Office and Administrative Support	38,326	\$35,500	0.99	1,225	3.2%	1,326	1,196	1.1%	12,732	5,945	6,884	-96	-0.1%
45-0000	Farming, Fishing, and Forestry	2,286	\$30,100	1.32	149	5.5%	16	233	3.7%	998	251	756	-10	-0.1%
47-0000	Construction and Extraction	16,245	\$44,500	1.32	719	4.1%	323	1,302	2.8%	5,415	1,747	3,257	411	0.8%
49-0000	Installation, Maintenance, and Repair	11,368	\$45,300	1.12	262	2.3%	611	461	1.4%	3,464	1,224	2,052	188	0.5%
51-0000	Production	25,871	\$38,700	1.61	890	3.4%	623	872	1.1%	7,940	3,181	5,307	-549	-0.7%
53-0000	Transportation and Material Moving	23,480	\$34,400	1.29	1,043	4.2%	1,188	2,191	3.3%	9,185	3,506	5,268	411	0.6%
	Total - All Occupations	265,706	\$44,000	1.00	n/a	n/a	11,058	12,203	1.6%	95,379	38,961	51,897	4,521	0.6%

Source: JobsEQ®

Data as of 2018Q4 unless noted otherwise

Note: Figures may not sum due to rounding.

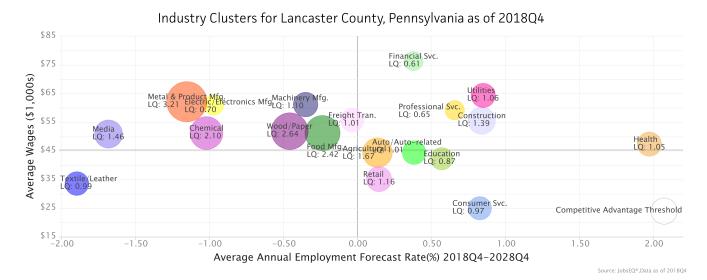
Occupation employment data are estimated via industry employment data and the estimated industry/occupation mix. Industry employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and currently updated through 2018Q2, imputed where necessary with preliminary estimates updated to 2018Q4. Wages by occupation are as of 2017 provided by the BLS and imputed where necessary. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

<sup>1.</sup> Occupation wages are as of 2017 and should be taken as the average for all Covered Employment

<sup>2.</sup> Data represent found online ads active within the last thirty days in the selected region; data represents a sampling rather than the complete universe of postings. Ads lacking zip code information but designating a place (city, town, etc.) may be assigned to the zip code with greatest employment in that place for queries in this analytic. Due to alternative county-assignment algorithms, ad counts in this analytic may not match that shown in RTI (nor in the popup window ad list).

### **Industry Clusters**

A cluster is a geographic concentration of interrelated industries or occupations. The industry cluster in Lancaster County, Pennsylvania with the highest relative concentration is Metal & Product Mfg. with a location quotient of 3.21. This cluster employs 6,491 workers in the region with an average wage of \$62,159. Employment in the Metal & Product Mfg. cluster is projected to contract in the region about 1.2% per year over the next ten years.



Location quotient and average wage data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics, imputed where necessary, and updated through 2018Q2 with preliminary estimates updated to 2018Q4. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

### **Education Levels**

Expected growth rates for occupations vary by the education and training required. While all employment in Lancaster County, Pennsylvania is projected to grow 0.6% over the next ten years, occupations typically requiring a postgraduate degree are expected to grow 1.5% per year, those requiring a bachelor's degree are forecast to grow 0.8% per year, and occupations typically needing a 2-year degree or certificate are expected to grow 1.1% per year.

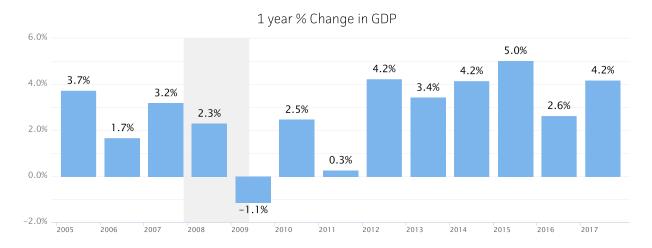
Annual Average Projected Job Growth by Training Required for Lancaster County, Pennsylvania



Employment by occupation data are estimates are as of 2018Q4. Education levels of occupations are based on BLS assignments. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.

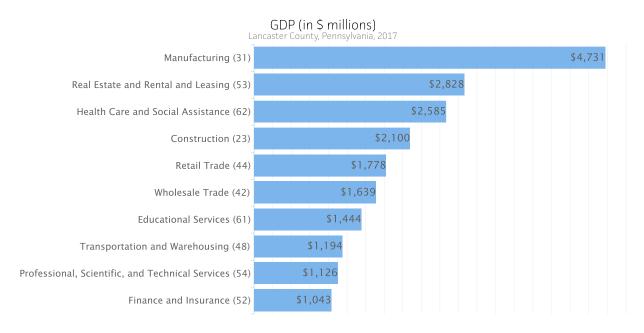
### **Gross Domestic Product**

Gross Domestic Product (GDP) is the total value of goods and services produced by a region. In 2017, nominal GDP in Lancaster County, Pennsylvania expanded 4.2%. This follows growth of 2.6% in 2016. As of 2017, total GDP in Lancaster County, Pennsylvania was \$25,513,940,000.



Gross Domestic Product data are provided by the Bureau of Economic Analysis, imputed by Chmura where necessary, updated through 2017.

Of the sectors in Lancaster County, Pennsylvania, Manufacturing contributed the largest portion of GDP in 2017, \$4,730,618,000 The next-largest contributions came from Real Estate and Rental and Leasing (\$2,827,794,000); Health Care and Social Assistance (\$2,585,027,000); and Construction (\$2,099,860,000).



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### **FAQ**

#### What is a location quotient?

A location quotient (LQ) is a measurement of concentration in comparison to the nation. An LQ of 1.00 indicates a region has the same concentration of an industry (or occupation) as the nation. An LQ of 2.00 would mean the region has twice the expected employment compared to the nation and an LQ of 0.50 would mean the region has half the expected employment in comparison to the nation.

#### What is separation demand?

Separation demand is the number of jobs required due to separations—labor force exits (including retirements) and turnover resulting from workers moving from one occupation into another. Note that separation demand does not include all turnover—it does not include when workers stay in the same occupation but switch employers. The total projected demand for an occupation is the sum of the separation demand and the growth demand (which is the increase or decrease of jobs in an occupation expected due to expansion or contraction of the overall number of jobs in that occupation).

#### What is a cluster?

A cluster is a geographic concentration of interrelated industries or occupations. If a regional cluster has a location quotient of 1.25 or greater, the region is considered to possess a *competitive advantage* in that cluster.

#### What is the difference between industry wages and occupation wages?

Industry wages and occupation wages are estimated via separate data sets, often the time periods being reported do not align, and wages are defined slightly differently in the two systems (for example, certain bonuses are included in the industry wages but not the occupation wages). It is therefore common that estimates of the average industry wages and average occupation wages in a region do not match exactly.

#### What is NAICS?

The North American Industry Classification System (NAICS) is used to classify business establishments according to the type of economic activity. The NAICS Code comprises six levels, from the "all industry" level to the 6-digit level. The first two digits define the top level category, known as the "sector," which is the level examined in this report.

#### What is SOC?

The Standard Occupational Classification system (SOC) is used to classify workers into occupational categories. All workers are classified into one of over 820 occupations according to their occupational definition. To facilitate classification, occupations are combined to form 23 major groups, 96 minor groups, and 449 occupation groups. Each occupation group includes detailed occupations requiring similar job duties, skills, education, or experience.

#### **About This Report**

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