Part 4: Economic Profile

PART 4

ECONOMIC PROFILE

Economic trends are important to the understanding of the housing market because of the relationship between income and housing choice. The following discussion of trends and projections in occupations and employment provides a basis for discussion of the ability of households to afford housing, which will impact housing choice and demand in the Lehigh Valley.

Employment and other labor-related data included in this section of the report are provided for the Allentown-Bethlehem-Easton, PA/NJ Metropolitan Statistical Area (MSA), unless otherwise noted. This area includes Carbon, Lehigh and Northampton Counties in Pennsylvania and Warren County, New Jersey.

Regional Economy

The history of the Lehigh Valley is synonymous with the steel industry and other manufacturing sectors. In 1970 over 93,900 persons were employed in manufacturing jobs. By 2005, this number declined by more than half to 45,725.

Most recently, the loss of manufacturing employment was balanced by the net creation of jobs in nearly all other sectors as evidenced by total employment numbers increasing since 2003. While 7,500 manufacturing jobs were lost between 2002 and 2005, another 19,600 new jobs were gained in seven other sectors, more than off-setting the manufacturing losses. Even with occasional dips in specific employment sectors, the regional MSA economy remains a very strong one.

Figure 4-1

Labor Force and Employment Trends for the Allentown-Bethlehem-Easton, PA/NJ MSA, 1996-2005

	1996*	1997*	1998*	1999*	2000**	2001**	2002**	2003**	2004**	2005**
Labor Force	359,080	367,733	369,281	373,182	385,283	392,806	398,592	422,511	425,104	429,324
Employment	339,049	349,691	352,720	357,628	370,990	375,894	376,816	400,107	403,910	409,767
Unemployment	20,031	18,042	16,561	15,554	14,293	16,912	21,776	22,404	21,194	19,557
Rate	5.6%	4.9%	4.5%	4.2%	3.7%	4.3%	5.5%	5.6%	5.2%	4.8%

**Reflects 2000 Census-based geography and new model-based controls at the state level.*

***Reflects revised inputs, reestimation, and new statewide controls through 2005.*

Source: Bureau of Labor Statistics

The largest employment sector in 2005 was Trade, Transportation & Utilities which employed 67,300 workers. The second-largest sector was Educational & Health Services which employed 58,800. Increasing school enrollments and the presence of several colleges and universities in the region will facilitate future growth in this sector.

Figure 4-2

Total Nonfarm Employment by Industry for the Allentown-Bethlehem-Easton, PA/NJ MSA, 1996-2005 (in thousands)										
	1996	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**
Total	**292.9**	**299.2**	**306.9**	**313.5**	**323.4**	**326.1**	**324.5**	**325.9**	**329.8**	**336.3**
Construction & Mining	11.6	12.1	12.7	13.7	14.5	14.7	14.9	14.8	16.0	16.8
Manufacturing	59.7	59.5	58.6	57.9	58.7	57.9	52.8	47.4	45.6	45.3
Trade, Transportation & Utilities	55.1	56.2	57.0	59.9	63.5	64.7	65.8	67.0	66.9	67.3
Information	7.2	7.7	8.1	8.5	9.0	8.8	7.7	7.7	7.7	7.6
Financial Activities	14.2	14.1	15.1	15.8	16.1	16.8	16.7	16.6	16.4	16.6
Professional & Business Services	26.8	27.9	30.3	31.3	31.6	31.5	31.5	33.5	35.5	38.4
Educational & Health Services	45.8	47.2	48.7	49.0	50.9	52.2	53.6	55.7	57.5	58.8
Leisure & Hospitality	23.1	24.4	25.3	25.6	26.3	26.2	27.6	28.2	28.8	29.4
Other Services	13.5	13.8	14.0	14.3	14.5	14.8	14.9	14.9	15.2	15.4
Government	36.1	36.4	37.0	37.6	38.5	38.5	38.8	39.7	40.4	40.6

NOTES: Numbers may not add to totals due to rounding.

Source: Bureau of Labor Statistics

The Lehigh Valley is a high growth and high value region. Its location is key to its continued growth. Less than two hours from Philadelphia and northern New Jersey, the area is attractive to businesses with clients in those areas. The Lehigh Valley is benefiting not only from strong internal markets (local employment opportunities and local housing demand) but also from strong external markets, in this case, the strong labor markets and tight housing markets of northern New Jersey and the Philadelphia suburbs.[1]

Prominent regional employers include Dun and Bradstreet Information Services, Day-Timers, and Kraft Foods. According to the Lehigh Valley Economic Development Corporation (LVEDC), the largest employer in the area (by number of total employees) is Lehigh Valley Hospital and Health Network which employed 7,300 workers in 2005.

Figure 4-3

Top 25 Employers in the Lehigh Valley in 2005			
Lehigh Valley Hospital and Health Network	7,300	Allentown School District	1,950
St. Luke's Hospital	4,963	Wood/Sodexho Dining Services	1,923
Air Products and Chemicals	4,246	Agere Systems, Inc.	1,900
U.S. Government	2,740	Bethlehem Area School District	1,740
PPL Corporation	2,351	Sacred Heart Hospital of Allentown	1,671
Giant Food Stores, Inc.	2,217	Wal-Mart Associates, Inc.	1,620
Manpower, Inc.	2,182	The Guardian - Guardian Life Insurance	1,591
County of Lehigh	2,150	KidsPeace	1,587
Mack Trucks, Inc.	2,100	Lehigh University	1,506
PA State Government	2,000	Wegman's Food Markets, inc.	1,460
County of Northampton	2,000	FL Smidth	1,243
B. Braun Medical	1,998	Easton Hospital	1,200
		Lutron Electronics Co., Inc.	1,200

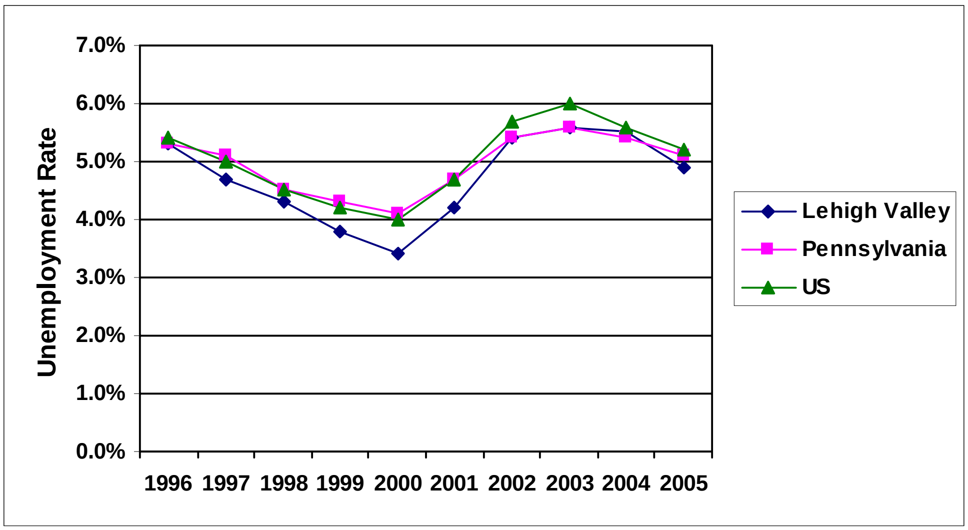
Source: Lehigh Valley Economic Development Corporation; Lehigh Valley Planning Commission

[1] czbLLC, An Analysis of Housing and Markets in Northeastern Pennsylvania: A Report Prepared by czbLLC for the Pennsylvania Housing Finance Agency (March 2006).

Unemployment

Between 1995 and 2005, unemployment rates in the Lehigh Valley were consistent with or lower than state and national unemployment rates. During the second half of the 1990s, the unemployment rate in the Lehigh Valley reflected the benefits of the nation-wide economic expansion. In 2000, the region's unemployment rate was as low as 3.4% while the state and national rates were 4.1% and 4.0%, respectively. By the very next year, unemployment spiked upwards, peaking at 5.6% in 2003 before leveling off. Since that time, non-manufacturing sectors have expanded and the unemployment rate in the region has begun to fall again, hitting 4.9% in 2005.

Figure 4-4: Unemployment Trends in the Lehigh Valley 1996-2005



Source: Lehigh Valley Planning Commission

Unemployment is highest among non-white persons of Other Races and Hispanics in the Lehigh Valley. In Lehigh County, the highest unemployment rates were found among persons of Other Races (particularly females) and persons of Two or More Races (particularly males). Hispanics (of any race) of both sexes also fared poorly with double-digit unemployment rates. In Northampton County, rates were highest among both sexes of Other Races with Hispanics of both sexes experiencing double-digit unemployment.

Generally speaking, whites and Asians fared better in Lehigh County along with African-American males when compared to Northampton County. African-American females, however, were more likely to be employed in Northampton than Lehigh. Across the board, the unemployment rate for African-Americans in the Lehigh Valley was significantly lower than for African-Americans in Pennsylvania.

Higher unemployment rates will significantly impact the financial ability of these population segments to afford home ownership.

Figure 4-5

Unemployment Rates by Sex, Race and Hispanic Origin in the Lehigh Valley in 2000									
	Lehigh County			Northampton County			Pennsylvania		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
All Persons									
White	3.9%	3.8%	3.9%	4.1%	4.3%	3.9%	4.7%	4.9%	4.6%
African-American	9.3%	8.0%	10.8%	8.7%	11.2%	6.0%	13.4%	14.6%	12.4%
Asian	2.6%	2.0%	3.4%	6.7%	8.5%	4.8%	6.8%	6.2%	7.4%
Other Race*	12.2%	9.9%	14.7%	15.0%	15.2%	14.8%	13.2%	12.8%	13.7%
Two or More Races	10.9%	11.9%	9.8%	11.9%	12.9%	10.6%	10.6%	11.4%	9.7%
Hispanic Origin (Any Race)	**12.6%**	**11.0%**	**14.3%**	**12.0%**	**11.1%**	**13.1%**	**12.5%**	**12.2%**	**12.9%**

**Includes American Indian, Alaskan Native, Native Hawaiian, Other Pacific Islander and all other single races.*

Source: U.S. Census Bureau

Employment Projections

Employment forecasts project a strong and continuing robust economy in the bi-county region. Total employment projected for 2010 is 336,800 employees with an additional increase of 10% over the following twenty years. Services will continue to grow and remain the largest employment sector with three times the number of employees as the next largest sector of Retail Trade. Manufacturing will increase only slightly after leveling off just below 45,000 employees. Mining will remain steady at a low 500 employees. Construction will fall off slightly as will Wholesale Trade and Farming. Other sectors will experience slight increases.

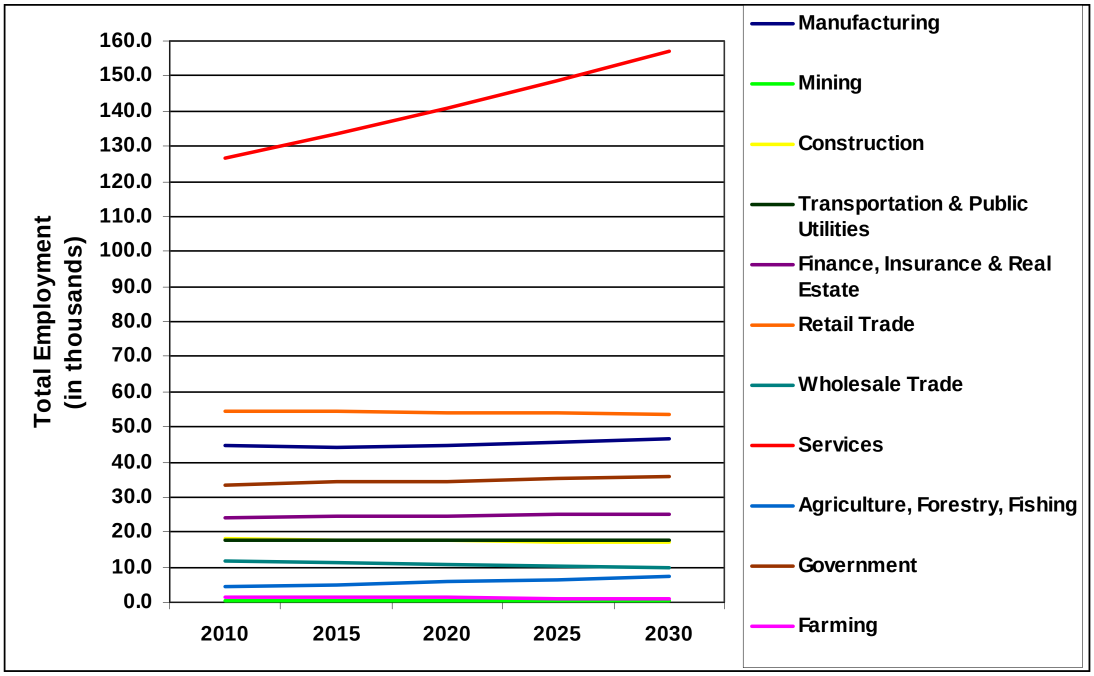
Figure 4-6

Employment Projections by Industry for Lehigh and Northampton Counties for 2010-2030 (in thousands)					
	2010	2015	2020	2025	2030
Total	**335.3**	**342.9**	**351.2**	**360.1**	**370.6**
Manufacturing	44.5	44.3	44.9	45.5	46.5
Mining	0.5	0.5	0.5	0.5	0.5
Construction	18.0	17.7	17.5	17.3	17.2
Transportation & Public Utilities	17.6	17.5	17.6	17.6	17.7
Finance, Insurance & Real Estate	24.1	24.4	24.6	24.8	25.0
Retail Trade	54.3	54.4	54.2	53.9	53.4
Wholesale Trade	11.9	11.4	10.9	10.3	9.8
Services	126.7	133.6	140.7	148.6	157.3
Agriculture, Forestry, Fishing	4.2	4.9	5.7	6.5	7.4
Government	33.5	34.2	34.6	35.1	35.8
Farming	1.4	1.3	1.3	1.2	1.1

NOTE: Totals may not be the same as Employment Projections by Occupation due to rounding.

Source: Lehigh Valley Planning Commission

Figure 4-7: Employment Projections for the Lehigh Valley 2010-2030



Source: Lehigh Valley Planning Commission

Job expansion is projected to occur in all occupations through 2030. The largest number of new jobs is projected in Healthcare Practitioner and Technical Occupations, a subset of Management, Professional and Related Occupations. Computer and Mathematical positions will create the second-largest net increase in employment. Education, Training, Library, Community and Social Service jobs will also increase significantly. Job opportunities in these occupations require moderate- to long-term education and/or training. Entry-level positions will continue to be more technical with the widespread use of computer and telecommunications technology.

Figure 4-8

Employment Projections by Occupation for Lehigh and Northampton Counties for 2010-2030
(in thousands)

	2010	2015	2020	2025	2030	Projected Increase 2010-2030
Total	**334.3**	**343.8**	**349.7**	**358.7**	**369.0**	**34.8**
Management, Business, Financial	32.8	33.7	34.6	35.6	36.8	4.0
Computer & Mathematical	10.2	11.3	12.5	13.8	15.2	5.0
Architectural & Engineering	6.0	6.2	6.4	6.6	6.8	0.7
Life, Physical, Social Science	2.6	2.7	2.8	2.9	3.1	0.5
Education, Training, Library, Community Social Service	25.6	26.6	27.6	28.7	30.0	4.4
Legal	2.4	2.6	2.7	2.9	3.0	0.6
Arts, Design, Entertainment, Sports, Media	4.1	4.3	4.4	4.6	4.8	0.7
Healthcare Practitioner, Technical Support	24.6	26.0	27.5	29.1	30.8	6.2
Protective Service	8.9	9.4	9.8	10.3	10.8	1.9
Food Preparation and Serving Related	23.9	24.2	24.3	24.4	24.4	0.5
Building, Grounds Cleaning, Maintenance	12.6	13.0	13.4	13.9	14.4	1.8
Personal Care & Service	8.1	8.5	8.9	9.3	9.8	1.7
Sales, Related, Office, Administrative Support	87.1	89.7	88.1	88.7	89.4	2.3
Farming, Fishing, Forestry	2.8	2.9	3.1	3.3	3.5	0.8
Construction, Extraction, Installation, Maintenance, Repair	29.1	29.2	29.3	29.5	29.8	0.7
Production	30.3	30.3	30.7	31.3	32.0	1.7
Transportation & Material Moving	23.0	23.3	23.5	23.9	24.4	1.3

NOTE: Totals may not be the same as Employment Projections by Industry due to rounding.

Source: Lehigh Valley Planning Commission

More residents commute to places of employment outside of the Lehigh Valley than persons who commute into the Lehigh Valley to work. The Bureau of Economic Analysis reported that 45,332 residents of the Lehigh Valley commuted outside of the valley to their place of employment. Another 34,105 persons from outside the valley commuted into either Lehigh or Northampton Counties to reach their jobs. This cross-commutation resulted in a net worker outflow of 11,227 workers in 2000.

Many more residents, however, lived and worked in the Lehigh Valley. In 2000 a total of 226,985 residents lived and worked in the Lehigh Valley, representing 61% of the MSA's employed civilian labor force.

Figure 4-9

Worker Inflow/Outflow Patterns in the Lehigh Valley in 2000	
Number of Workers who Lived in These Counties but Commuted into the Lehigh Valley for Work:	
NEW JERSEY	
Warren County	2,398
Hunterdon County	493
All Other NJ Counties	649
PENNSYLVANIA	
Berks County	7,165
Carbon County	6,640
Monroe County	5,093
Bucks County	3,565
Montgomery County	2,430
Schuylkill County	2,004
All Other Pennsylvania Counties	3,668
ALL OTHER PLACES	330
Total	**34,105**
Number of Lehigh Valley Residents who Commuted out to these Counties for Work:	
NEW JERSEY	
Warren County	7,874
Hunterdon County	4,319
Somerset County	2,763
Morris County	1,688
All Other NJ Counties	3,993
PENNSYLVANIA	
Montgomery County	6,029
Bucks County	5,925
Berks County	3,865
Monroe County	2,553
Carbon County	938
Schuylkill County	321
All Other PA Counties	3,438
ALL OTHER PLACES	1,626
Total	**45,332**
Net Outflow of Workers	**11,227**

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis (2004)

Income

Income trends can reveal the financial capacity of a region to support new housing construction, modernization of older housing units, and regular maintenance of existing units. Lower income households will have greater difficulty meeting their basic needs (food and clothing) and generally have less disposable income to save toward a downpayment to rent or purchase a home, or to make necessary repairs on an older housing unit.

Median household income is often the benchmark against which affordability is measured. In 2005 the median household income (as reported by the Census ACS) was $48,957 in Lehigh County and $53,696 in Northampton County. These amounts were both significantly higher than the State median income of $44,537. Once adjusted for inflation, the median income in Lehigh County increased by only 1% between 1990 and 2005. In Northampton County, a 9% increase over fifteen years was evident. The State median income level only rose 3% during the same period.

Figure 4-10

Change in Median Household Income in the Lehigh Valley

	Lehigh County		Northampton County		Pennsylvania	
	Median Income	Adjusted for Inflation	Median Income	Adjusted for Inflation	Median Income	Adjusted for Inflation
1990	$32,455	$48,496	$32,890	$49,146	$29,069	$43,436
2000	$43,449	$49,277	$45,234	$51,301	$40,106	$45,486
2005	$48,957	$48,957	$53,696	$53,696	$44,537	$44,537
% Change 1990-2005	**51%**	**1%**	**63%**	**9%**	**53%**	**3%**

Source: U.S. Census Bureau; Mullin & Lonergan Associates, Inc.

The median household income is the middle of the income range: one-half of all households have an income higher than the median and the other one-half have an income amount lower than the median. The following chart lists the number of households with incomes in each of the income categories as determined by the Census Bureau. Separating households with incomes below and above $50,000 provides a reasonable estimate of the number of households in each of the ranges below the median income in 2005 ($48,957 in Lehigh and $53,696 in Northampton). In this case, approximately 114,166 households across the Lehigh Valley had incomes below the median.

Figure 4-11

Number of Households by Income Range, 2005		
	Lehigh County	**Northampton County**
Less than $10,000	7,905	3,614
$10,000 to $14,999	7,986	6,109
$15,000 to $24,999	14,448	12,520
$25,000 to $34,999	16,141	11,856
$35,000 to $49,999	18,535	15,052
Approximate Number of Households Below Median Income	**65,015**	**49,151**
$50,000 to $74,999	26,520	23,355
$75,000 to $99,999	17,372	15,752
$100,000 to $149,999	11,108	11,982
$150,000 to $199,999	3,908	4,328
$200,000 or more	4,082	2,803
Approximate Number of Households Above Median Income	**62,990**	**58,220**
Total Households	**128,005**	**107,371**

Source: U.S. Census Bureau

The U.S. Department of Housing and Urban Development (HUD) categorizes all households into one of four income groups.[2] Based on the median household income in each county, the households of the Lehigh Valley can be defined into one of these four categories, as illustrated in the following chart.

Figure 4-12

Income Categories Based on Median Household Income in the Lehigh Valley in 2005				
	Lehigh County		**Northampton County**	
2005 Median Household Income	**$48,957**		**$53,696**	
Income Categories	**Range**		**Range**	
Very Low Income (less than 50% of median)	$0	$24,478	$0	$26,847
Low Income (50% up to 80% of median)	$24,479	$39,165	$26,848	$42,956
Middle Income (80% up to 120% of median)	$39,166	$58,748	$42,957	$64,435
Higher Income (120% of median and higher)	$58,749	and higher	$64,436	and higher

Source: U.S. Census Bureau; U.S. Dept. of Housing & Urban Development

[2] Definitions found at http://www.dataplace.org/gloss.html?t=age#age

Discussions of low income households and low income housing usually assume misperceptions of exactly who these households are. The phrase "low income" has historically been used to refer to very poor persons and households who live paycheck to paycheck if in fact they are employed at all. But analysis of wage information from April 2006[3] reveals the factual income characteristics of these households.

This extensive list of job titles and salaries is comprised of people who fill the bulk of vital community occupations that provide the basic services needed by everyone who lives in the Lehigh Valley. But in an area where the median priced home was $189,000 in 2006[4], most of these vital community workers would have great difficulty in purchasing their own home and many could not afford home ownership at all. For those who could successfully achieve home ownership, many would be paying more than 30% of their gross income toward monthly housing costs.

Figure 4-13

New Hire Wages in the Lehigh Valley in 2006

Occupation	New Hire Wage*	Occupation	New Hire Wage*	Occupation	New Hire Wage*
VERY LOW INCOME - up to 50% of Median (up to $24,478/year in Lehigh Co.; up to $26,847 in Northampton Co.)		***LOW INCOME - 50% up to 80% of Median ($24,479 to $39,165/year in Lehigh Co.; $26,848 to $42,956/year in Northampton Co.)***		***MIDDLE INCOME - 80% up to 120% of Median ($39,166 to $58,748/year in Lehigh Co.; $42,957 to $64,435/year in Northampton Co.)***	
Administration					
Data Entry Clerk	$18,500	Secretary	$25,000	Controller	$59,000
Receptionist / Clerk	$20,000	Executive Secretary / Admin. Asst.	$33,000		
Telemarketing / Telesales Rep.	$17,000	Accountant	$36,750		
Warehousing Distribution					
Fulfillment Center / Utility Worker	$20,000	Warehouse / Dist. Ctr Supervisor	$42,000		
Packaging Line Worker	$23,500				
Manufacturing / Processing					
General Labor / Production Line	$23,000	Industrial Maintenance Technician	$41,000	Industrial Maint. Tech (complete)	$40,000
Assembler	$22,000	CNC Machinist	$34,000	Instrumentation Technician	$41,000
MIG Welder	$25,000	Tool and Die Maker	$39,000	Production Supervisor	$42,000
		Production Supervisor	$42,000		
Construction Trades / Facility Management					
Custodian	$19,000	Building Maintenance Mechanic	$26,000		
Lawn Care Worker	$17,000	Plumber	$29,000		
Construction General Labor	$22,000	Electrician	$34,000		
Painter	$22,000				
Transportation					
Delivery Driver (no special license)	$23,000	CDL-A Tractor Trailer Driver	$35,000		
CDL-B Delivery Driver	$24,000				
Retail / Food Service / Hospitality					
Retail Clerk / Cashier	$14,760	Retail Supervisor / First Line Mgr	$25,000		
Front Desk Clerk	$18,500	Food Service Spuervisor / Mgr	$35,000		
Short Order Cook	$23,000				
Miscellaneous					
Nursing Assistant	$21,500	Licensed Practical Nurse	$34,000		
Technical and Engineering					
Computer Operator	$25,500	Draftsperson	$27,000	Mechanical Engineer	$46,000
		Electronics Technician	$33,500	Electrical Engineer	$47,500
		Computer Technician	$32,000	Electronics Engineer	$46,000
				Computer Programmer	$49,500

**Represents the mid-range of the New Hire Wage Range provided by Pa Career Link.*

Source: PA Career Link

[3] Pennsylvania Career Link for the Lehigh Valley accessible at www.pacareerlink.state.pa.us
[4] Lehigh Valley Association of Realtors, December 2006 Market Update.

Educational Attainment

An educated workforce supports economic development. Decisions by employers regarding where to locate are based in part on the availability of a workforce. The availability of a qualified workforce will support the location of jobs that require higher skills that are likely to pay higher wages. The higher skilled-higher wage workforce will have more housing options.

Figure 4-14

Highest Level of Educational Attainment for Lehigh Valley Residents Age 25 and Over in 2005						
	Lehigh County		Northampton County		Pennsylvania	
	Total	Percent	Total	Percent	Total	Percent
No High School Diploma	31,006	14%	23,763	12%	1,089,085	13%
High School Graduate (includes GED)	78,960	36%	70,035	37%	3,160,932	39%
Some College, No Degree	33,894	15%	33,125	17%	1,254,330	15%
Associate degree	15,905	7%	15,383	8%	576,246	7%
Bachelor Degree	37,296	17%	31,336	16%	1,300,563	16%
Graduate or Professional Degree	22,072	10%	17,224	9%	799,301	10%
Total	**219,133**	**100%**	**190,866**	**100%**	**8,180,457**	**100%**

Source: U.S. Census Bureau

One in three residents age 25 and over has a college degree in the Lehigh Valley. In Lehigh County 34% had an associate degree or higher; in Northampton County, the rate was 33%. These were comparable to the State rate. High school graduates accounted for 86% of Lehigh residents and 88% of Northampton residents. Both of these rates were consistent with the State rate of 87%.

U.S. college graduates made an average of $51,554 in 2004[5]. The significance of a college degree can be more clearly understood when expressed in terms of how much a college graduate can earn in the job market when compared to a person with only a high school diploma. In 2004, the most recent year available from the Census Bureau, college graduates earned an average of $51,554 compared to $28,645 earned by adults with a high school diploma and $19,169 earned by high school dropouts. Higher wage-earning capacity will make home ownership achievable for more households and lessen the chances of paying more than 30% of gross income on monthly housing costs.

Poverty

Poverty rates for all persons have increased in the Lehigh Valley. Between 1990 and 2000, median household income increased 1.6% in Lehigh County and 4.4% in Northampton County, when adjusted for inflation. During this same period, poverty for all persons increased from 7.3% to 9.3% in Lehigh County and from 7.3% to 7.9% in Northampton County. By comparison, the State's poverty rate decreased slightly from 11.1% to 11.0%. Census ACS data reveal that the trend is continuing upward for Lehigh

[5] CNN.com, "Report: College degree worth extra $23,000 a year," www.cnn.com/2006/EDUCATION/10/26/degree.value.ap/index.html

County with a rate of 10.9% for all persons in 2005. Northampton County's rate declined to 6.3% in 2005.

Figure 4-15

Change in Poverty Rates for Persons in the Lehigh Valley, 1990-2000

	1990	2000		1990	2000
Lehigh County	**7.3%**	**9.3%**	**Northampton County**	**7.3%**	**7.9%**
Alburtis Boro.	3.9%	3.4%	Allen Twp.	4.1%	1.7%
Allentown City	12.9%	18.5%	Bangor Boro.	7.4%	13.1%
Bethlehem City (part)	6.1%	8.2%	Bath Boro.	7.0%	7.9%
Catasauqua Boro.	8.0%	8.0%	Bethlehem City (part)	15.6%	17.6%
Coopersburg Boro.	3.6%	2.9%	Bethlehem Twp.	2.9%	2.7%
Coplay Boro.	3.7%	7.0%	Bushkill Twp.	5.0%	3.1%
Emmaus Boro.	4.2%	3.5%	Chapman Boro.	6.1%	5.3%
Fountain Hill Boro.	5.3%	8.9%	East Allen Twp.	1.7%	2.7%
Hanover Twp.	5.7%	5.6%	East Bangor Boro.	8.8%	10.6%
Heidelberg Twp.	2.7%	6.5%	Easton City	13.7%	16.0%
Lower Macungie Twp.	2.2%	2.3%	Forks Twp.	1.9%	3.0%
Lower Milford Twp.	4.4%	2.8%	Freemansburg Boro.	8.2%	9.4%
Lowhill Twp.	3.0%	3.5%	Glendon Boro.	4.9%	15.4%
Lynn Twp.	3.2%	4.1%	Hanover Twp.	2.6%	2.2%
Macungie Boro.	3.5%	3.5%	Hellertown Boro.	3.3%	4.6%
North Whitehall Twp.	3.4%	3.8%	Lehigh Twp.	4.2%	2.9%
Salisbury Twp.	3.2%	2.7%	Lower Mount Bethel Twp.	4.8%	5.8%
Slatington Boro.	14.8%	12.3%	Lower Nazareth Twp.	1.6%	2.1%
South Whitehall Twp.	1.8%	3.9%	Lower Saucon Twp.	3.4%	2.5%
Upper Macungie Twp.	3.9%	3.0%	Moore Twp.	4.1%	4.0%
Upper Milford Twp.	2.8%	1.3%	Nazareth Boro.	4.9%	8.0%
Upper Saucon Twp.	1.7%	1.8%	Northampton Boro.	4.4%	3.7%
Washington Twp.	4.3%	5.1%	North Catasauqua Boro.	0.8%	6.6%
Weisenberg Twp.	3.3%	2.3%	Palmer Twp.	3.0%	3.7%
Whitehall Twp.	5.2%	6.5%	Pen Argyl Boro.	6.5%	5.7%
Bethlehem (Total L & N)	13.0%	15.0%	Plainfield Twp.	3.2%	3.7%
Lehigh Valley	**7.3%**	**8.7%**	Portland Boro.	5.4%	6.0%
Pennsylvania	**11.1%**	**11.0%**	Roseto Boro.	4.4%	7.2%
			Stockertown Boro.	3.5%	6.4%
			Tatamy Boro.	3.5%	3.8%
			Upper Mount Bethel Twp.	3.8%	6.3%
			Upper Nazareth Twp.	3.5%	1.7%
			Walnutport Boro.	7.1%	8.5%
			Washington Twp.	4.5%	5.8%
			West Easton Boro.	5.9%	9.9%
			Williams Twp.	4.0%	2.7%
			Wilson Boro.	5.1%	5.8%
			Wind Gap Boro.	9.3%	11.9%

Source: U.S. Census Bureau

Research conducted by The Brookings Institution revealed that suburbs in some metropolitan areas, such as Allentown, have "grown and developed primarily to accommodate middle- and higher-income homeowners, while their central cities continue to house disproportionate shares of poor, often minority households."[6] This situation parallels national trends where a strong economy in some regions of the country has not translated into significant benefits for many households. Increases in household income may have occurred because more individuals in the household have been forced to find employment to make ends meet, but it has not been sufficient to raise their standard of living.[7]

The cities' collective poverty rates were equal to 17% in the Lehigh Valley in 2000. According to the PHFA housing market study, this rate was more than twice the boroughs' collective poverty rate of 6.2% in Lehigh and 7.1% in Northampton. And it was more than four times the rate among townships in both counties (3.7% in Lehigh and 3.2% in Northampton).

Cumulative poverty rates for the counties outside of the three cities were significantly lower than for the counties overall. Outside of the cities, the poverty rate in 2000 for all persons was only 4.2% in Lehigh County compared to 9.3% for the entire county. In Northampton County, the poverty rate for persons outside of the cities was 4.4% compared to 7.9% overall in 2000. However, several boroughs and townships experienced significant increases in poverty between 1990 and 2000. These included:

- Lehigh County
  - Coplay Borough (by 3.3 percentage points)
  - Fountain Hill Borough (by 3.6 percentage points)
  - Heidelberg Township (by 3.8 percentage points)
  - South Whitehall Township (by 2.1 percentage points)
- Northampton County
  - Bangor Borough (by 5.7 percentage points)
  - Glendon Borough (by 10.5 percentage points)
  - Nazareth Borough (by 3.1 percentage points)
  - North Catasauqua Borough (by 5.8 percentage points)
  - Roseto Borough (by 2.8 percentage points)
  - Upper Mount Bethel Township (by 2.5 percentage points)
  - West Easton Borough (by 4 percentage points)
  - Wind Gap Borough (by 2.6 percentage points).

[6] The Brookings Institution, "Two Steps Back: City and Suburban Poverty Trends 1995-2005." (December 2006)
[7] nytimes.com, "Census Reports Slight Increase in '05 Incomes," www.nytimes.com/2006/08/30/us/30census.html?

Figure 4-16

Change in Poverty Rates for Persons in the Lehigh Valley Residing Outside of the Cities, 1990-2000

	1990	2000		1990	2000
Lehigh County	**3.9%**	**4.2%**	**Northampton County**	**4.0%**	**4.4%**
Alburtis Boro.	3.9%	3.4%	Allen Twp.	4.1%	1.7%
Catasauqua Boro.	8.0%	8.0%	Bangor Boro.	7.4%	13.1%
Coopersburg Boro.	3.6%	2.9%	Bath Boro.	7.0%	7.9%
Coplay Boro.	3.7%	7.0%	Bethlehem Twp.	2.9%	2.7%
Emmaus Boro.	4.2%	3.5%	Bushkill Twp.	5.0%	3.1%
Fountain Hill Boro.	5.3%	8.9%	Chapman Boro.	6.1%	5.3%
Hanover Twp.	5.7%	5.6%	East Allen Twp.	1.7%	2.7%
Heidelberg Twp.	2.7%	6.5%	East Bangor Boro.	8.8%	10.6%
Lower Macungie Twp.	2.2%	2.3%	Forks Twp.	1.9%	3.0%
Lower Milford Twp.	4.4%	2.8%	Freemansburg Boro.	8.2%	9.4%
Lowhill Twp.	3.0%	3.5%	Glendon Boro.	4.9%	15.4%
Lynn Twp.	3.2%	4.1%	Hanover Twp.	2.6%	2.2%
Macungie Boro.	3.5%	3.5%	Hellertown Boro.	3.3%	4.6%
North Whitehall Twp.	3.4%	3.8%	Lehigh Twp.	4.2%	2.9%
Salisbury Twp.	3.2%	2.7%	Lower Mount Bethel Twp.	4.8%	5.8%
Slatington Boro.	14.8%	12.3%	Lower Nazareth Twp.	1.6%	2.1%
South Whitehall Twp.	1.8%	3.9%	Lower Saucon Twp.	3.4%	2.5%
Upper Macungie Twp.	3.9%	3.0%	Moore Twp.	4.1%	4.0%
Upper Milford Twp.	2.8%	1.3%	Nazareth Boro.	4.9%	8.0%
Upper Saucon Twp.	1.7%	1.8%	Northampton Boro.	4.4%	3.7%
Washington Twp.	4.3%	5.1%	North Catasauqua Boro.	0.8%	6.6%
Weisenberg Twp.	3.3%	2.3%	Palmer Twp.	3.0%	3.7%
Whitehall Twp.	5.2%	6.5%	Pen Argyl Boro.	6.5%	5.7%
Lehigh Valley	**4.0%**	**4.3%**	Plainfield Twp.	3.2%	3.7%
Pennsylvania	**11.1%**	**11.0%**	Portland Boro.	5.4%	6.0%
			Roseto Boro.	4.4%	7.2%
			Stockertown Boro.	3.5%	6.4%
			Tatamy Boro.	3.5%	3.8%
			Upper Mount Bethel Twp.	3.8%	6.3%
			Upper Nazareth Twp.	3.5%	1.7%
			Walnutport Boro.	7.1%	8.5%
			Washington Twp.	4.5%	5.8%
			West Easton Boro.	5.9%	9.9%
			Williams Twp.	4.0%	2.7%
			Wilson Boro.	5.1%	5.8%
			Wind Gap Boro.	9.3%	11.9%

Source: U.S. Census Bureau