

## Summary of Strengths and Opportunities

As we examine our past economic success and analyze our present situation, it is important that we have an overview of our strong points and how they can be utilized to help build our future.

A summary of Strengths and Opportunities possessed by Lackawanna County upon which to rely, follows. These strengths and opportunities were culled from a SWOT Analysis conducted by the Lackawanna County Economic Development Implementation Committee, as well as from panel discussions presented at the Economic Development Summit 2005.

### STRENGTHS

Our **ancestry** is one of our greatest strengths. The generations that came before us taught us valuable lessons and instilled in us **strong values**. They were hard-working coal miners and railroaders, and entrepreneurs who opened stores, started service industries and developed commerce.

Over time, families have remained here, connected to the community and to each other. This **multi-generational, family support system** has contributed to strong **neighborhood pride** and sense of community. We enjoy neighbors who we can depend on as if family, and friends who focus on what they have rather than on what they don't have.

As the **county seat**, Scranton offers a stable infrastructure, with excellently-located, available real estate for business startups or relocations. Our **low-cost square footage** and our available **workforce**, with a strong work ethic, make the County an ideal place for companies to locate.

In addition, we are **close to major commercial shipping facilities**. We also have the advantage of being **surrounded by beautiful countryside** providing access to excellent recreational possibilities, while only a **short travel distance** to major cities like New York and Philadelphia and to the arts, culture and services found there. Scranton also offers the added benefit of being on a different power grid than the major metropolitan areas of the Northeastern United States.

The **breadth of educational opportunities** available to residents is another of our area's strengths. Our area has seven institutions of higher learning; and education is the second largest growing industrial sector in our state, all of which offer an excellent education at comparatively lower prices than many surrounding areas. These institutions also bring **tremendous purchasing power** to Lackawanna County, with students, faculty and facilities spending about \$600 million annually. Additionally, these institutions provide residents with the opportunity to obtain a higher education without the expenses of room, board and travel.

## OPPORTUNITIES

We have a **large senior population**, many of whom want to work, volunteer, contribute and be productive. Many of these retirees would be excellent **mentors** to younger workers, sharing their experience and expertise and creating an opportunity for our educational institutions. Many people **return to this area** after living elsewhere, bringing with them new skills, outlooks and energy. There are also a variety of educational opportunities available to the elderly population.

**Excess real estate capacity** provides opportunities for small business to establish businesses within the County. We have important landmarks and beautifully built buildings, along with many successful restoration and preservation efforts currently underway. Our robust work ethic has allowed us to change from a traditional industrial setting into an area where technical, administrative and medical services can effectively be provided.

Our **plethora of older homes** provides a variety of styles of homes to choose from and provides the affordability for a range of people from varying economic backgrounds to become homeowners. Plus our strong sense of community, high quality of life and safe neighborhoods are particularly attractive to young families.

Diversity and tolerance emerge from our multi-ethnic background. Although competition still exists among these groups, for the most part they have a long history of sharing and appreciating each other's customs and traditions. However, it is important to note that African Americans and Hispanic populations have been largely underrepresented in our community. An opportunity exists to create more resources that would be welcoming to these minority groups, speaks to their issues and needs, and to include them in future community planning. One such opportunity would be to create camaraderie through a **heritage festival**, where all population groups could celebrate diversity by sharing their customs, traditions and food.

Lackawanna County's **location is excellent** – a short distance from large urban areas such as Philadelphia and New York and from the beautiful Pocono Mountains, as well as an array of **recreational activities**. Lackawanna County has major interstates leading to every part of the country which makes the area very easy to access and very easy for residents to travel elsewhere.

The safety of our neighborhoods and educational opportunities gives Lackawanna County an edge in **re-attracting young professionals** to the area to return to family and raise their children. The lack of heavy traffic contributes to our quality of life, so that stores, entertainment, restaurants, cultural activities and employment is a short commute – another attraction to those living in congested urban areas. The idea of promoting the proximity of all of the area's resources was referred to as the "10-minute campaign" – what you could be doing from within the County in 10 minutes.

The fact that our towns, cities and state invest a great deal of time, energy and funding to facilitate economic development provides opportunity for many people and many types of businesses, including funding for **professional training and education**.

In an effort to become an economic force, a **coalition of colleges and universities** has been meeting recently to determine how to support each other and become more economically

responsible by keeping costs and affordability to the highest level. This coalition has determined that **technological development** is necessary to get our communities thriving. That determination has led to the birth of the Northeastern Pennsylvania Technology Alliance which aids in preparing young people to work and live in a global environment. It remains a tremendous opportunity and a tremendous challenge. We must also recognize the tremendous economic impact that the colleges and universities have on the area.

**Heritage tourism** is an area that should be expanded upon to help us continue our economic accomplishments. Statistics show it is a rising and lucrative business and an excellent economic contributor. Tourism creates new jobs, new businesses, and higher property values, and also improves quality of life and builds community pride. An effort has been made to **brand and market our attractions** under the “Lackawanna Wonderful” banner. Coordination of this branding should provide many more future opportunities.

We have an opportunity to continue to foster **governmental cooperation**. The area is awash in local jurisdictions and by gathering the local forces to join together, the County can better plan, promote and develop the future of the entire region.

The creation of a **medical school in Northeastern Pennsylvania** with its location in downtown Scranton is one of the most positive economic developments in recent history. Although the first students will not enter for several years, the progress to date has been tremendous. Given the current physician shortage in the United States, the fact that there is currently no medical school in the northeastern corner of Pennsylvania or the southern tier of New York and availability of federal funds for medical education makes it very likely the Northeastern Pennsylvania Medical School could become a reality. The collateral economic benefit to the Scranton area would be tremendous.

## Summary of Weaknesses and Threats

Just as we must call upon our strengths to move forward, there are negative aspects that must be addressed, with solutions formulated to begin alleviating them. The area’s identified weaknesses in some cases are additionally viewed as threats. The perception of said threats can in itself be viewed as a weakness.

Following is a summary of weaknesses and threats that Lackawanna County must overcome. These weaknesses and threats were culled from a SWOT analysis conducted by the Economic Development Implementation Committee and from panel discussions presented at the Economic Development Summit 2005.

### WEAKNESSES

Lackawanna County exhibits a **lack of population diversity**. Although many residents embrace diversity, some are behind in understanding the advantages of embracing this diversity. Our **ancestry** plays a part in this as we tend to cling to the traditions and culture of the generations who founded this region. And even though some small steps have been taken, the need remains to include diverse populations in future community planning.

We are an area with diminished faith in itself. Many natives to our area exhibit a **pervasive, self-deprecating attitude** about the place where they were raised and now live. Residents are very vocal regarding a lack of entertainment, availability of services, and lack of growth. As a people, we don't feel we should brag or connote negativity towards others, so the negativity is directed toward ourselves.

A majority of our **population is aging** while our **workforce is shrinking**. **Young people are leaving the area** to accept jobs elsewhere and there appears to be little in place to attract young professionals to the region. Once young professionals and families do decide to settle here, there are few paths to incorporate them into the community to get fresh ideas on decision making.

**Income inequality** is another weakness. Our workforce does not receive the same compensation for positions that workforces in other regions receive. Low-paying "professional" jobs do not induce college graduates to remain in the region. Although our workforce has a strong work ethic, the majority of our **workforce remains undereducated**.

Our **infrastructure is aging** and need of repair (sidewalks, lighting, etc.). We need to invest more in our neighborhoods and regard them as an asset. Instead of renovating and utilizing **older buildings and houses**, the area faces sprawl suburbanization, moving into newer neighborhoods and ignoring existing ones. In addition, we inherited from our ancestors, land that has been ravaged from mining and a river destroyed from manufacturing. We are not up to date or in tune with **environmental concerns** and planning.

**Lack of a uniform tax code** throughout the county, as well as the City of Scranton's **mercantile tax**, put a strain on businesses looking to relocate or start up here.

In education, testing levels rank below state and national averages. Our children are not being prepared to work and live in a global environment. **Reading, math and science skills are lacking**.

Although the area offers excellent health care, a number of factors combined threaten the foundation of our local health care system. First, the **financial instability of our hospitals** is threatening forward progress. Unlike most of the state, the three Scranton hospitals have operated with a negative profit margin for the past several years. This makes investment in the physical plant, technology and new programs near impossible. In addition, it is very difficult to recruit and retain nursing and ancillary staff. Second, specialty care in the Scranton area is at a critical level particularly in the area of neurosurgeons, general surgery, infectious disease, nephrology and pulmonary and critical care. The average age of physicians in the Scranton area is 48. Over the last ten years we have had a net loss of physicians each year.

## **THREATS**

The **continued exodus of young people** serves as a major threat for our region. Not enough young people realize that Lackawanna County has the potential to revert to its successful and prosperous past. And since a high percentage of our young people do not take advantage of the

breadth of educational opportunities in our area, they do not attend college, which in turn has a direct affect on crime rates. In addition, there are no established research facilities and very few high technology businesses in our region.

**Fear and ignorance** haunts our population. As we move forward, we are reticent to address our societal taboos, such as the high rate of addiction, chemical dependency, alcoholism and mental illness we experience. Such problems cause an increase in blight and crime rates and in turn cost money to address and reduce recidivism. Plus, employers are unequipped to help those in our workforce with these problems. As a whole, we tend to live in the past or the present, and not deal with issues that affect the future.

**Many retirees return** to our area, attracted by its community spirit and relatively safe neighborhoods. This aging population strains medical care and community and government based services and funding.

The **absence of programs or incentives to support local businesses** can mean a loss of revenue and economic stability. More needs to be done to keep merchants where they are and encourage expansion of services and employment. The City's local residents are also threatened by the **earned income tax** and local businesses are threatened by the **business privilege tax**.

**Politics has been a limiting factor** in our area, finding its way unproductively into community policies and operations. Too many groups and organizations operate independently and do not share information and resources. We avoid compartmentalizing and establishing cooperative procedures.

**Medical liability and tort reform** are intimidating factors on the economy. Health care availability is vital to the economy of our environment. The number of uninsured residents in Pennsylvania is on the rise. Our hospitals provide excellent care but they are losing money. Pennsylvania ranks highest among the states in terms of the number of physicians who choose not to practice and live in Pennsylvania. Even those who go to medical school in Pennsylvania do not remain. Why? Because Pennsylvania doctors pay five times the amount of malpractice payments as doctors elsewhere.

**Hospital profitability** is critical. The **temporary economic wage index adjustment** which Scranton hospitals received **needs to be extended**. Scranton has been tied to a lower wage index than similar cities like Allentown and Matamoras. This lower wage index has been the major reason for the poor profitability of our hospitals. Last year Congress temporarily adjusted the Scranton wage index. Its continuation is dependent upon the U.S. Congress and considered vital to the financial future of our hospitals.

Two Scranton hospitals are currently undertaking due diligence with regard to a merger. What makes this a unique opportunity is the introduction of a financially strong third party, Blue Cross of Northeastern Pennsylvania. This could be a positive economic development that would help improve the profitability of our local hospitals and should be pursued. (Hospital mergers have been attempted several times by different parties to no avail).