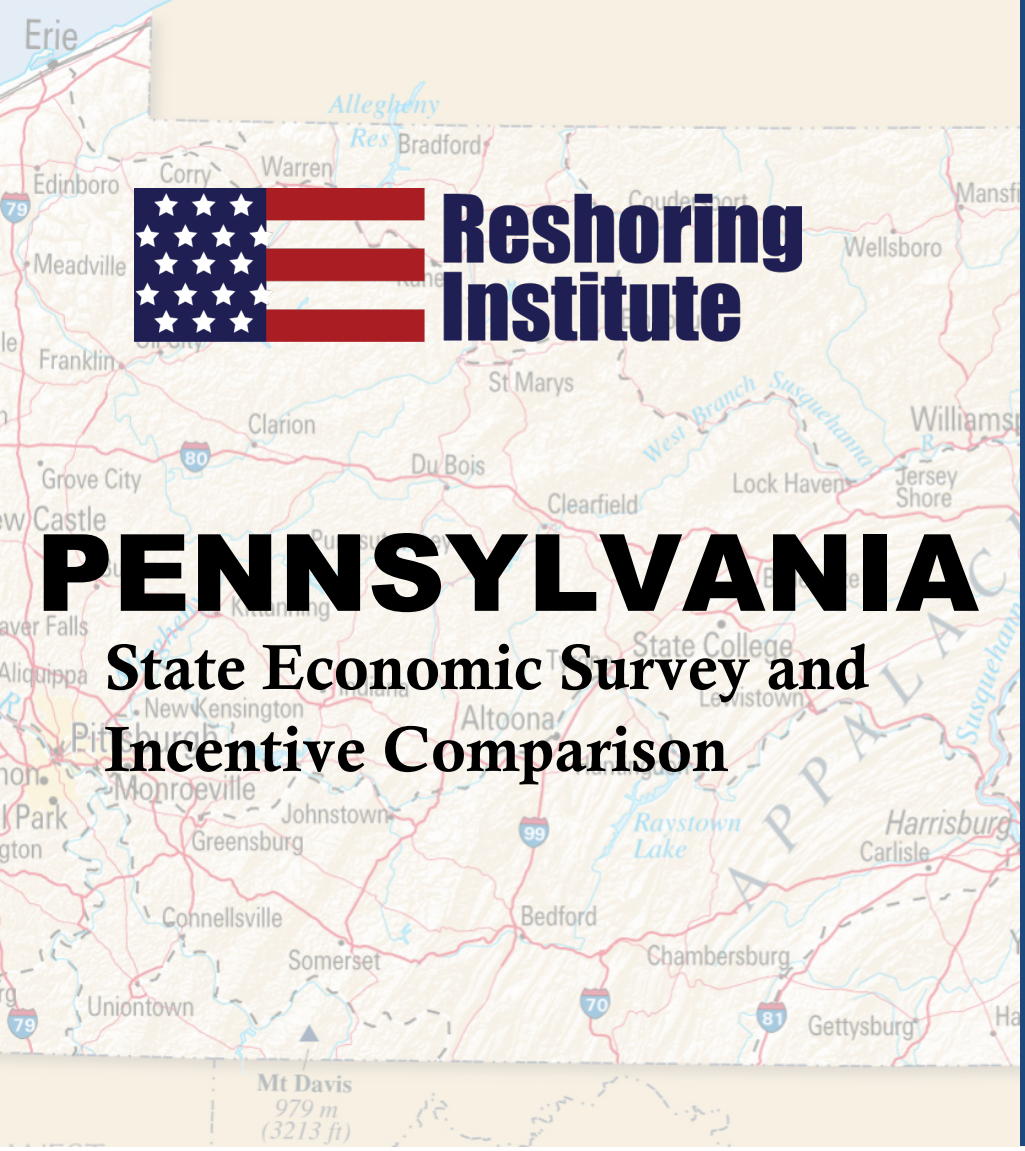


# PENNSYLVANIA

## State Economic Survey and Incentive Comparison

## CONTACT INFORMATION

**Contact Name:** Scott Deitrich

**Contact Phone Number:** 717-214-5324

**Contact Email Address: sdeitrich@pa.gov**

**US State Name:** Pennsylvania

**State Abbreviation:** PA

State Economic Development Web Address: https://dced.pa.gov/

State Economic Development Email: ra-dcedcs@pa.gov

State Economic Development Phone Number: 866.466.3972

Additional Relevant Links for Relocating in Minnesota: https://dced.pa.gov/governors-action-team-gat/

## INCOME AND OUTPUT

This section highlights the state's productivity and income to provide an understanding of the amount of business conducted and the rate of growth for businesses and individuals.

**Gross Domestic Product, in millions:** 874,881

**Gross Domestic Product % Growth:** 4.4

**Per Capita Personal Income *(*GDP/Population) This is often used as a standard of living measurement*:** 64,054

**Per Capita Personal Income % Change:** 3,334

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# WORKFORCE

This section gives manufacturers an idea of the industry's environment in the state, including the makeup of the available workforce, the labor requirements, and recent trends.

**Total Population:** 12,964,056

**Total Civilian Labor Force:** 6,371,000

**Total Number of Persons Employed:** 6,030,000

**Total Number of Persons Unemployed:** 341,000

**Unemployment Rate %:** 5.4

**Manufacturing Employment:** 547,200

**Professional and Business Services Employment:** 814,200

**State Right-to-Work Law Y/N:** N

**Large Factory Openings during Previous year:**

**Large Factory Closures during Previous year:**

# EDUCATION

This section provides further insight into the potential workforce education levels, advanced areas of education, and partnerships between higher education and industry for insight into quality of labor force and growth sustainability.

**% High School Diploma or More:** 52.2

**% Bachelor's Degree or Higher:** 37.4

**Enrollment in Higher Education Institutions:** 598,171

**Science and Engineering Graduate Students:**

**List of High school, College, or University Manufacturing Partnership Programs** *These are partnerships with manufacturers to help train future employees in certain skills:*

**List of Additional Manufacturing Training Programs:**

**List of Future Planned Manufacturing Training Programs** *If known please include expected implementation date:*

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# COST OF DOING BUSINESS

This section highlights the costs associated with doing business in the state including taxes, wages, insurance, and energy expenses.

**State Corporate Income Tax %:** 9.99

**State Individual Income Tax %:** 3.07

**State Level Sales Tax %:** 6

**State Use Tax:** 6

**Unemployment Insurance Tax % (estimate):**

**Additional Relevant Taxes:**

**Workers' Compensation Employer Insurance Costs per $100 of Payroll:** $1.26

**Average Industrial Electric Rate:** 7.67¢/kWh

**Average Price of Natural Gas Delivered to Industrial Consumers:** 7.98 (Dollars per Thousand Cubic Feet)

**Average Hourly Earnings of Production Workers in Manufacturing:** $15.95

**Minimum Wage (current):** $7.25

**Pending Legislation Regarding Minimum Wage:** Yes

**If you answered YES to the above question, What is the proposed minimum wage?:** $12 starting, with path to $15

**If you answered YES to the above question, What is the legislative bill number?:** Senate Bill 12, House Bill 345

# ENTREPRENEURSHIP AND INNOVATION

This section underscores the successes of the state in terms of business innovation through awards, venture capital, and intellectual property attainment.

**Total Small Business Innovation Research (SBIR) Awards *Found at*:** *https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105791*: 194

**Total Small Business Technology Transfer (STTR) Awards *Found at:*** *https://www.sbir.gov/reports/state-summary?year=2016&program_tid=105792*: 23

**Venture Capital Deals, in millions:**

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**% of State with Internet Accessibility:**

**Newly Registered Businesses:** 30,440 (2020-2021)

**Newly Registered Patents:** 4,737 (2020)

## FOREIGN DIRECT INVESTMENT

This section provides insight into the amount of current investment overseas and the potential state market for manufacturers to reshore.

**Foreign Direct Announcements:**

**Foreign Direct Employment:** 6,549 foreign-owned locations in Pennsylvania, employing over 335,530 people.

**Foreign Direct Investment, in millions:** 21,100

## TRANSPORTATION AND INFRASTRUCTURE

This section sheds light on the basic infrastructure of the state and what a company can expect in terms of the logistics of shipping their product.

**Number of major 2 or 4-Lane Highways running through state:** over 120,000 miles of state and local highways

**Number of major railways going through state:** 64

**Number of major ports connected to state:** 3

**Number of airports throughout state:** 121 public-use airports, 230 private-use airports, and 283 private-use heliports

**Number of International airports throughout state:** 6

**Number of distribution centers:**

**Number of foreign trade zones:** 8

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# INCENTIVES

## Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N): N

If you answered YES above, please describe the pending incentives including the bill number if applicable:

## Cash Incentives

Does the state provide any CASH incentives? (Y/N): N

If you answered YES above, please provide details of this incentive including the contact information and website if applicable:

## State Tax Credits

Does the state provide any Tax Credit incentives? (Y/N): Y

If you answered YES above, please describe the available tax credits:

- Manufacturing Tax Credit provides tax credits to taxpayers who increase their annual taxable payroll by $1,000,000 through the creation of new full-time jobs. Tax credit awards shall be equal to 5% of the taxpayers increase in annual taxable payroll.
- The Local Resource Manufacturing Tax Credit (LRMTC) is available to companies that invest at least $400 million in order to construct a petrochemical or fertilizer plant that uses dry natural gas produced in Pennsylvania.

## State Tax Exemptions

Does the state provide any Tax Exemptions? (Y/N): Y

If you answered YES above, please describe the available tax exemptions:

- Computer Data Center Sales and Use Tax Exemption Program - computer data center equipment is exempt from Pennsylvania sales and use tax when it is sold to, used, or consumed in a certified data center by an owner, operator or qualified tenant holding a Computer Data Center Sales and Use Tax Certificate of Exemption issued by the department.

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## State Grants

Does the state provide any Grant incentives? (Y/N): Y

If you answered YES above, please describe the available grants:

- Pennsylvania First Program (PA First): a comprehensive funding tool to facilitate increased investment and job creation within the commonwealth. Competitive projects must offer substantial economic impact, either for the Commonwealth as a whole or for the locality or region in which a business will locate or expand; private match required; job creation/preservation required.
- Redevelopment Assistance Capital Program (RACP): a grant program administered for the acquisition and construction of regional economic, cultural, civic, recreational, and historical improvement projects. RACP projects are authorized in the Redevelopment Assistance section of a Capital Budget Itemization Act, have a regional or multi-jurisdictional impact, and generate substantial increases or maintain current levels of employment, tax revenues, or other measures of economic activity.

## State Loans

Does the state provide any Low-Interest Financing incentives? (Y/N): Y

If you answered YES above, please describe the available financing opportunities:

- Pennsylvania Industrial Development Authority Overview (PIDA) provides low-interest loans and lines of credit for eligible businesses that commit to creating and retaining full-time jobs and for the development of industrial parks and multi-tenant facilities. Loan applications are packaged and underwritten by a network of certified economic development organizations (CEDOs) that partner with PIDA to administer the program.

## Training Programs

Does the state provide any Specialized Training Program incentives? (Y/N): Y

If you answered YES above, please describe the available training programs:

- The Workforce and Economic Development Network of Pennsylvania (WEDnetPA) provides qualified employers training funds for new and existing employees. WEDnetPA is a unique, collaborative partnership of community colleges, state system universities and other educational institutions working together to be responsive to the needs of Pennsylvania's business community.
- The Pre-Apprentice and Apprenticeship Grant Program is a statewide program which offers assistance to registered apprenticeship programs. The program's goal is to increase apprenticeship availability to Pennsylvania employers to assist them with their talent recruitment and development. Eligible uses of funds are expenses related to instruction that complements on-the-job learning.
- The Manufacturing PA Training-to-Career Grant program is designed to help companies identify and train a skilled workforce for existing or near future open positions, engage youth or those with barriers in awareness building activities of career opportunities in manufacturing, and or advance capacity for local or

regional manufacturers. The grant funds may be used for professional services/consultants, internships, equipment purchase, shop modifications, program development, marketing, domestic travel, and salaries and fringes.

## Zoning

Does the state provide any Special Zoning incentives? (Y/N): N

If you answered YES above, please describe the available special zoning opportunities:

## State Marketing and Promotions

Does the state provide any Marketing and Promotional incentives? (Y/N): N

If you answered YES above, please describe the available special marketing or promotional opportunities:

## Innovation Centers

Does the state have Innovation Centers or Additional Resource available for companies? (Y/N): N

If you answered YES above, please describe the available innovation centers or additional resources:

**Date of Submission: May 4, 2022.**

**Thank you for your time. Please email your responses to alevy@reshoringinstitute.org and your responses will be recorded and available online for review at www.reshoringinstitute.org.**