

## MAKING SMARTER STATE INVESTMENTS: A Metro Analysis of the Geographic Distribution of Business Subsidies

# York, Pennsylvania



This Metro Analysis is being released in conjunction with a statewide report by Keystone Research Center (KRC), examining the extent to which state economic development funds are directed towards older urbanized areas and to outlying areas. Our hope is that this new localized information will offer new insights to the role of business subsidies locally and suggest opportunities for change in how they promote economic development. The report looks at three state-funded programs administered by the Department of Community and Economic Development: the Infrastructure Development Program (IDP), the Opportunity Grant Program (OGP), and the Pennsylvania Industrial Development Authority (PIDA) program. Covering grants and loans made between May 2003 and November 2008, the report defines cities, boroughs, and first-class townships as older urbanized areas and defines second-class townships as outer areas. Nine metropolitan areas are ranked based on their distribution of funds between older urbanized and outer areas. Those that distribute a greater share of funds to older urbanized areas receive a higher ranking in this analysis. The report and an interactive map, which identifies the location of each subsidy project, may be found at [keystoneresearchmap.org](http://keystoneresearchmap.org).

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### Region at a glance

Location	Population 2008 <sup>i</sup>	Population Change 2000–08
Older urbanized areas	166,532	4.9%
Outlying areas	258,051	15.8%
York Metro	424,583	11.2%

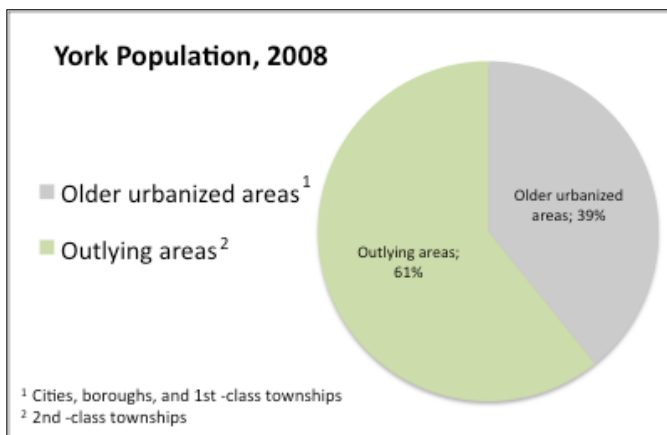
Location	Poverty 2007
City of York*	35.4% <sup>ii</sup>
Rest of York Metro	5.7% <sup>iii</sup>

\*Note. Poverty data exist for City of York but not for all older urbanized areas.

#### York's outlying areas are growing rapidly.

Since 2000, the York metro, defined as York County, has undergone moderate population growth (11.2%). This growth however is concentrated in outlying areas. Since 2000, outlying areas of the region have gained 35,000 residents, a significant 15.8% increase, while the older urbanized areas have increased by 8,000 residents, a 4.9% increase. Poverty is also six times higher in the City of York than in the rest of the metro region.

### Less than half of York residents live in older urbanized areas



#### Less than half of the York population lives in older urbanized areas.

These older urbanized areas include cities, boroughs, and 1<sup>st</sup>-class townships in the metro region. If business subsidies are targeted to older urbanized areas they can help maintain the vitality and the health of the region as a whole. About 61% of residents live in outlying areas, which include 2<sup>nd</sup>-class townships in the metro region.

## York outer areas receive nearly twice the subsidies per person as older areas

On a per person basis, for every \$1 received by outlying areas from 2003 to 2008 . . .



older urbanized areas received just 55 cents.



In the 2010 statewide report, *Making Smarter State Investments: The Geographic Distribution of Business Subsidies in Pennsylvania*, KRC found that from May 2003 to November 2008, PIDA, OGP, and IDP contributed nearly \$6.4 million to the York metropolitan region. On a per person basis, **for every \$1 that outlying areas received, older urbanized areas received just 55 cents.**

The graphic to the left illustrates the tilt of business subsidies toward outlying areas in the York region. York area planners and economic developers, however, say that subsidies to outer areas are concentrated on already developed industrial parks.

## York receives less subsidies per person than do most PA regions

York distributed **20%** of the state average in business subsidies per person **to older urbanized areas and 36% per person to outlying areas from 2003–2008.** These subsidies come in the form of grants (OGP, IDP) and loans (PIDA). Older urbanized areas of York received somewhat higher amounts of *loan* dollars than outlying areas. Outlying areas, however, **received 80%** of the state average in *grant* dollars compared **to older urbanized areas, which received just 14%** of the state average in *grant* dollars.

*Business subsidies received per capita as a percentage of the Pennsylvania average: York*

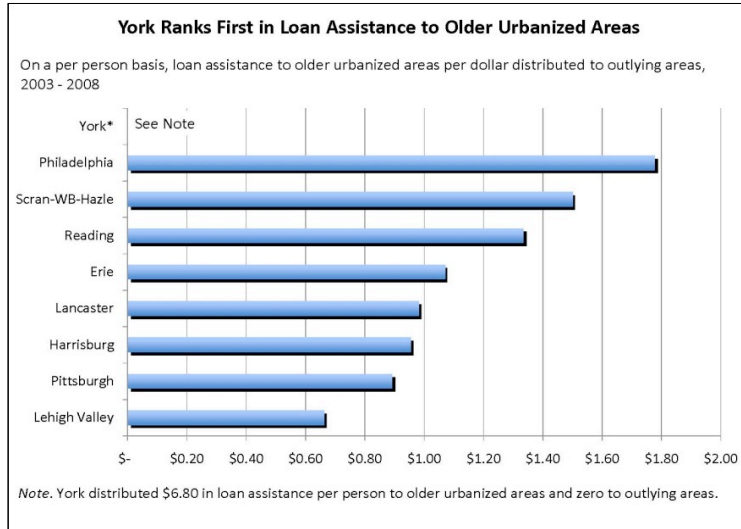
	<b>Total</b>	<b>Grant</b>	<b>Loan</b>
State average	100%	100%	100%
Older urbanized areas	20%	14%	24%
Outlying areas	36%	80%	0%

## Statewide, York invests less in older urbanized areas than most metros

<b>Business Subsidy Targeting to Older Communities</b>	
Erie	#1
Reading	#2
Harrisburg-Lebanon-Carlisle	#3
Philadelphia	#4
Scranton-Wilkes-Barre-Hazleton	#5
Pittsburgh (tie)	#6
Lancaster (tie)	#6
<b>York</b>	<b>#8</b>
Lehigh Valley	#9

Suburban sprawl consumes scarce land while endangering older communities by reducing jobs and population, weakening tax bases, and concentrating poverty. Targeting subsidies to older communities can combat sprawl by promoting well-planned, concentrated development using existing infrastructure. In a comparative ranking of business subsidy targeting in nine Pennsylvania metro regions, York ranked eighth. York's ranking is a result of the fact that the ratio of grant distribution to older and outer areas is weighted heavily in the analysis, which is the lowest in York. The rankings for the components of our subsidy targeting index follow on the next page.

## York targets loan dollars to older urbanized areas but not grant dollars



### York ranks first:

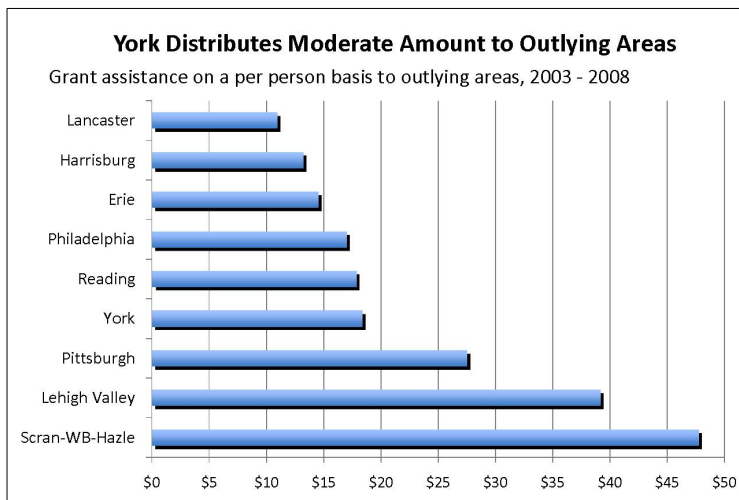
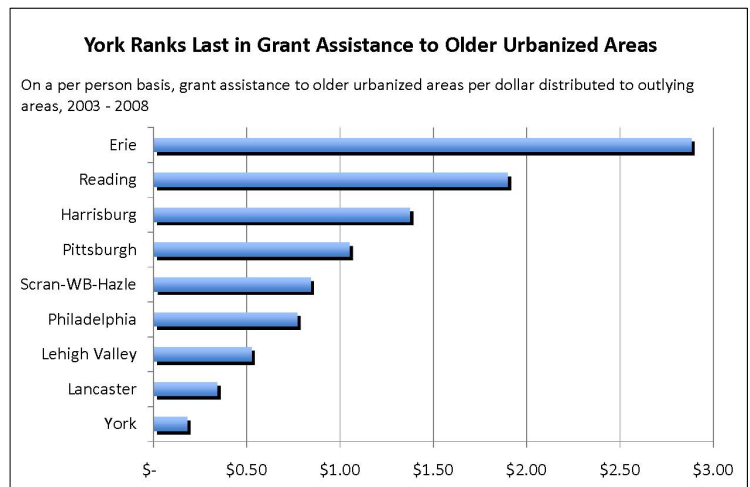
#### Distribution of *loan assistance* to older urbanized areas versus outlying areas

In comparison to nine other Pennsylvania metro regions, York distributed the most loan assistance to its older urbanized areas *in proportion* to its outlying areas. **York distributed \$6.80 per person in loan assistance to older urbanized areas and zero dollars per person to outlying areas.** Because outlying areas did not receive any loan dollars, the ratio of loan dollars per person going to older urbanized areas versus outlying areas is infinity ( $\$6.80/\$0$ ).

### York ranks last:

#### Distribution of *grant assistance* to older urbanized areas versus outlying areas

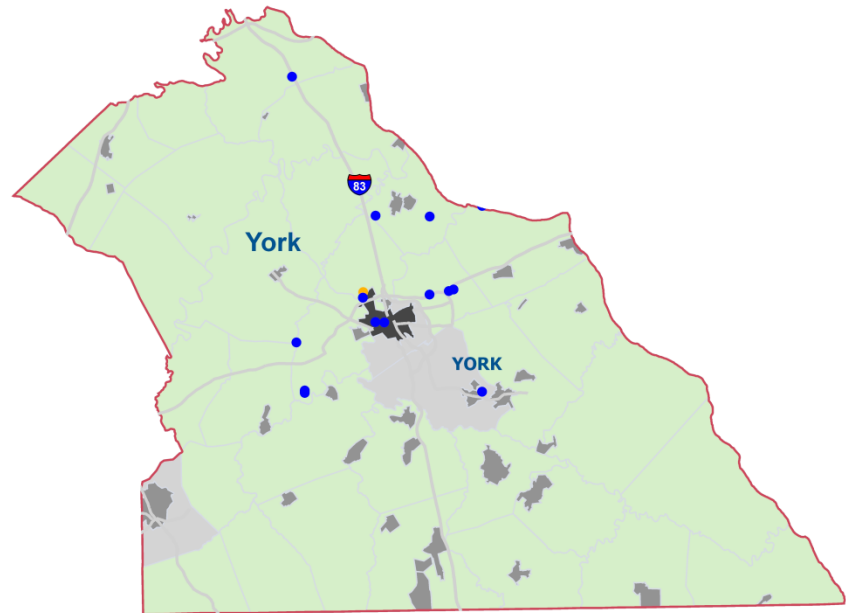
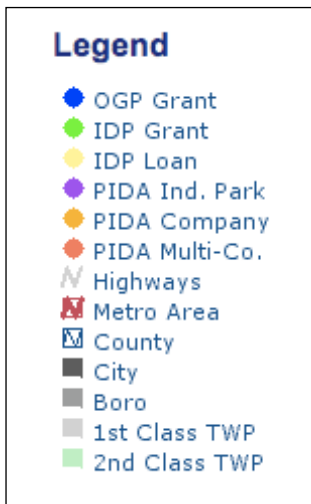
Grant assistance (as opposed to loan assistance) is the most valuable form of business subsidy, because it does not have to be repaid. Per person, **York distributed about one fifth as many grant dollars to its older urbanized areas as it did to its outlying areas.** All eight of Pennsylvania's major metro regions distributed more grant dollars to older urbanized areas than York did.



### York distributes moderate amount in grant dollars to outlying areas

In comparison to nine other metro regions, York ranks in the middle in terms of grant dollars per person going to outlying areas. At \$18 per person, **York distributes about half of what the Lehigh Valley distributes (\$39.14) and slightly two thirds more than what Lancaster distributes (\$10.93) to outlying areas.**

## York Region



The figure at the right represents the entire York metro region, defined as York County. As the map indicates, business subsidies in York are not targeted to older urbanized areas, represented here in three shades of gray.

**On a per person basis, older urbanized areas received \$10.10 as compared to outlying areas which received \$18.37.** To view the map in more detail and to leave feedback, visit [www.keystoneresearchmap.org](http://www.keystoneresearchmap.org).

*As part of its data analysis of business subsidies in Pennsylvania, the Keystone Research Center has made its data available at [www.keystoneresearchmap.org](http://www.keystoneresearchmap.org) where viewers can see the location of all PIDA, OGP, and IDP business subsidies in the last 10 years by county, municipality, metro region, and school district. Viewers can also pull up summary reports with the name of each company receiving subsidies and the amount of each subsidy.*

**The Keystone Research Center is a nonprofit, nonpartisan research organization that promotes a more prosperous and equitable Pennsylvania economy. Learn more online: [www.keystoneresearch.org](http://www.keystoneresearch.org)**

<sup>i</sup> U.S. Census Data 2008 Estimate, <http://www.census.gov/popest/cities/SUB-EST2008-5.html>

<sup>ii</sup> *Source.* Poverty Status in the Past 12 Months, 2006-2008 American Community Survey 3-Year Estimates, <[http://factfinder.census.gov/servlet/DatasetMainPageServlet?\\_lang=en&\\_ts=278606458090&\\_ds\\_name=ACS\\_2008\\_3YR\\_G00\\_&\\_program=>](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_lang=en&_ts=278606458090&_ds_name=ACS_2008_3YR_G00_&_program=>)>. The poverty figure shown is of the City of York only. No data exist for the entire older urbanized areas of the York metropolitan region.

<sup>iii</sup> *Source.* Keystone Research Center estimate for poverty in the York metropolitan region *excluding* the City of York

<sup>iv</sup> *Note.* Methodology: The smart-growth ranking is a composite score based on three rankings: 1) ratio of loan assistance per capita to older urbanized areas versus outlying areas; 2) ratio of grant assistance per capita to older urbanized areas versus outlying areas; 3) grant assistance per capita to outlying areas. (For the third component, the area with the lowest amount of grant assistance per capita going to outlying areas received a rank of one.) Ranks based on the second measure (ratio of grant assistance per capita), were weighted double.