



COVID Impact Update

York County Economic Alliance

April 2021



York County
Economic
Alliance



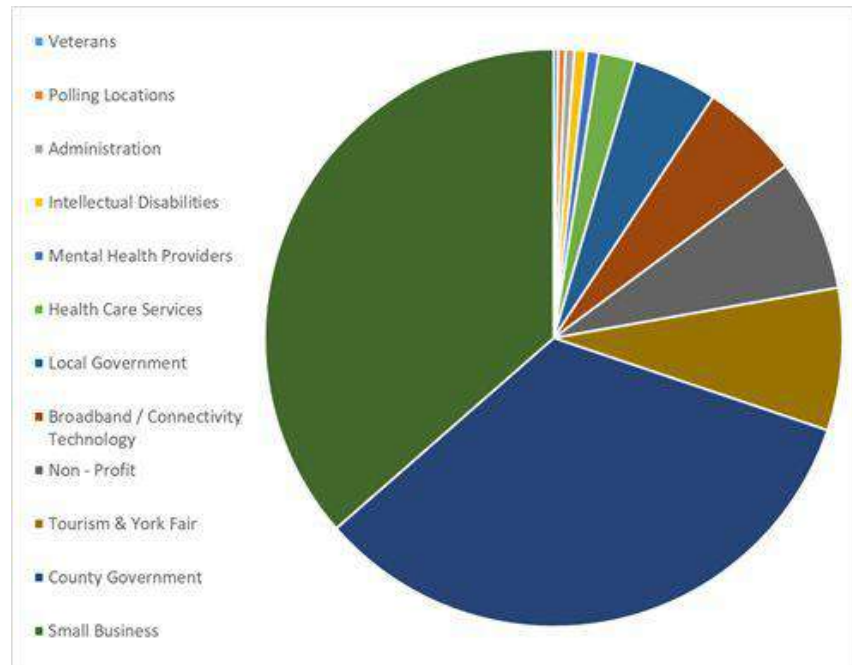
Thanks to..



Funding for this research came from the York County COVID-19 Response Fund, administered by the York County Community Foundation and the United Way of York County.

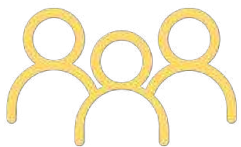
Context: 2020 Data and CARES

- In April 2020, Fourth Economy created a similar economic update and forecast for YCEA that projected COVID's impact on York County businesses, households, and institutions.
- The data informed the work of the YoCo Strong Recovery Task Force and the County's allocation of \$40.5M in CARES Act funds, including the way in which we prioritized \$16.5M in grants to businesses and non-profits.



Context: 2021 Data and Rescue Act

- The American Rescue Act (ARA) is a \$1.9T stimulus plan that will ultimately provide direct allocations to York County (\$87M) and every municipality in the county. For example:
 - City of York (\$37M)
 - York Township (\$2.4M)
 - Wellsville Borough (\$25k)
- ARA will also distribute \$100s of billions through programs for K-12 schools, rental assistance, transportation, vaccine distribution, COVID testing and tracing, etc.
- Just as in 2020, we intend this data to help inform decisions about how funds are distributed and how we can structure advocacy efforts for policies that will benefit York County residents and businesses



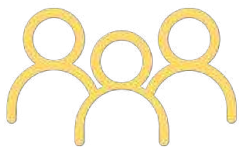
People

- Impacts on ALICE Households
- Social Service Needs
- Housing Impacts
- Unemployment & Labor Force Participation
- Child Care



Business

- PPP Loans
- Consumer Spending Trends
- Industry Impacts - how have industries been impacted throughout the pandemic?



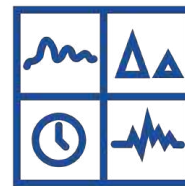
People

- Impacts on ALICE Households
- Social Service Needs
- Unemployment & Labor Force Participation
- Child Care
- Housing vulnerability and evictions



Business

- PPP loans
- Consumer spending trends
- Industry impacts - how have industries been impacted throughout the pandemic?



Infrastructure

- Broadband deployment and remote work
- Municipal impacts



People

In This Section

- Impacts on ALICE Households
- Social Service Needs
- Housing Impacts
- Unemployment & Labor Force Participation
- Child Care

32%

of households in York County were living below the ALICE threshold in 2018.

The same can be said for 64% in York City. These households are also particularly vulnerable to impacts from COVID-19. Many families continue to face difficulties in paying for basic necessities, like housing, utilities, and food.

COVID Impacts:

- ✕ Unemployment
- ✕ Women leaving the workforce
- ✕ Gaps in child care

The COVID-19 pandemic led to increased unemployment, forcing many workers — and particularly women — out of the labor force altogether. Gaps in needed child care could be a driving force behind many parents leaving the workforce.

ALICE Households, 2018

Who is ALICE?

Asset **L**imited, **I**ncome **C**onstrained, **E**mployed



ALICE Households

ALICE households earn more than the Federal Poverty Level, but less than the basic cost of living for the state. The “ALICE Threshold” is based on the “Household Survival Budget,” a measure that estimates the minimal cost of the six basic household necessities — housing, child care, food, transportation, health care, and a basic smartphone plan.



York
County

55,692 | 32%

households in **York County**
are ALICE households or
households in poverty.



York
City

10,631 | 64%

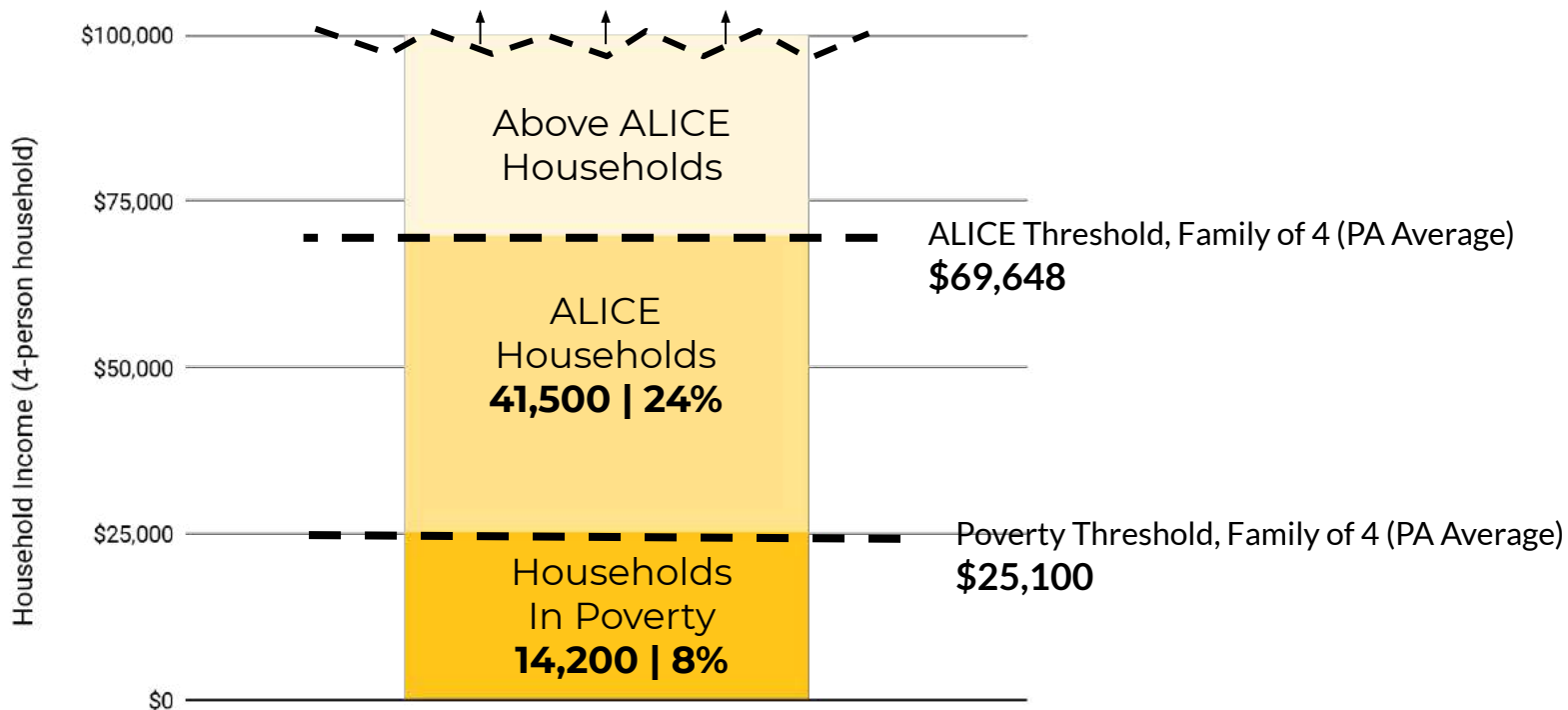
households in **York City**
are ALICE households or
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ALICE & Poverty Household Income Limits

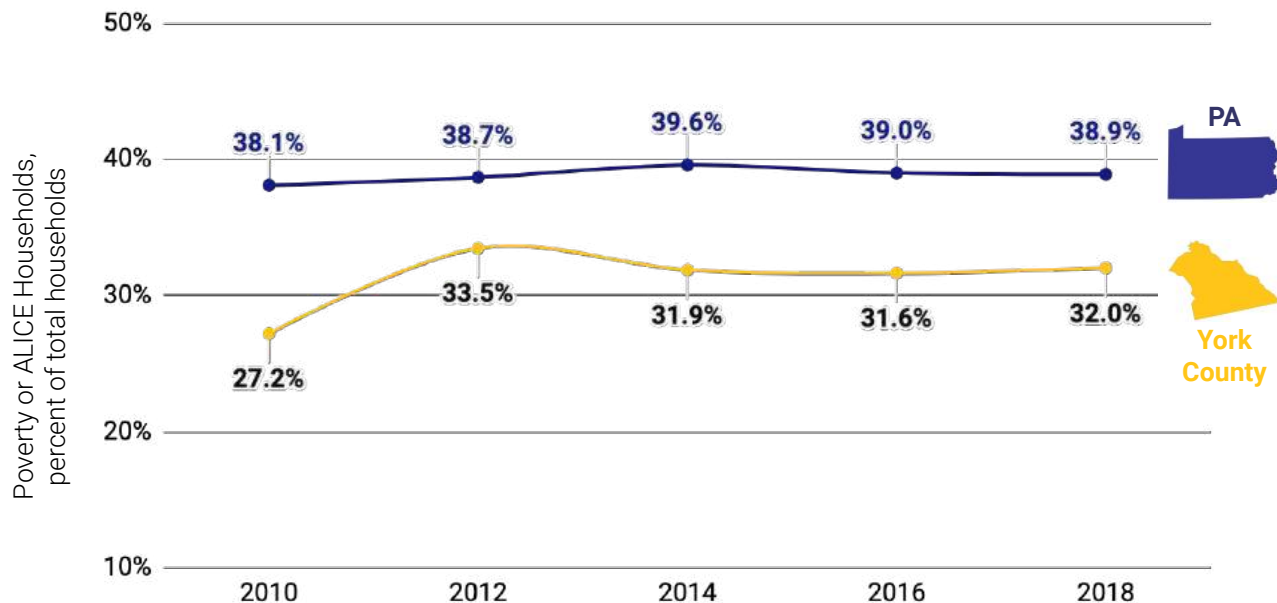
York County, 2018



York
County



ALICE Households, York County & Pennsylvania



While rates of economically vulnerable households in York County are consistently below the state average, **we can expect the number of ALICE households to increase** due to COVID-19-related job loss and hardship.

ALICE Households

ALICE households are particularly vulnerable to the impacts of COVID-19



ALICE Workers

Many ALICE workers are “essential,” facing COVID-19 exposure risks. Others are concentrated in industries seeing high levels of unemployment.



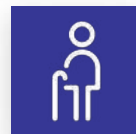
ALICE Households with Children

Almost one in four families with children in the U.S. have income below the ALICE threshold. Lack of child care and internet access for remote learning are impacting these families.



Black ALICE Households

Black ALICE households face higher rates of COVID-19 and lack of access to health care. They are also more likely to face financial hardship.



ALICE Seniors

Half of seniors in the U.S. have income below the ALICE Threshold. They are more susceptible to COVID-19 and to social isolation.

Housing Insecurity, Pennsylvania Households

44%

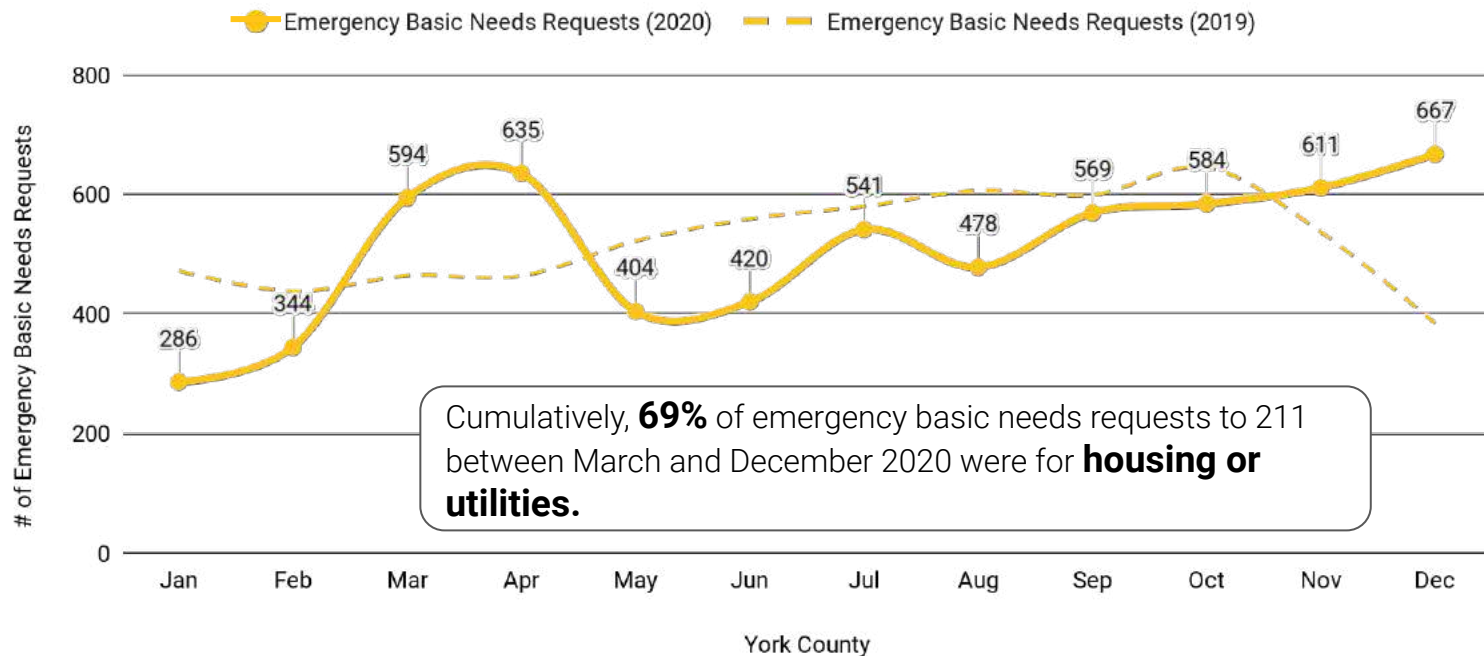
of ALICE households are more concerned about paying housing expenses than contracting COVID-19

Pennsylvanians continue to struggle to pay rent and mortgage payments. When moratoriums and protections expire, there may be an eviction and foreclosure crisis.

Source: United Way of PA's August 2020
COVID-19 Impact Survey,

211 Emergency Basic Needs Requests

York County

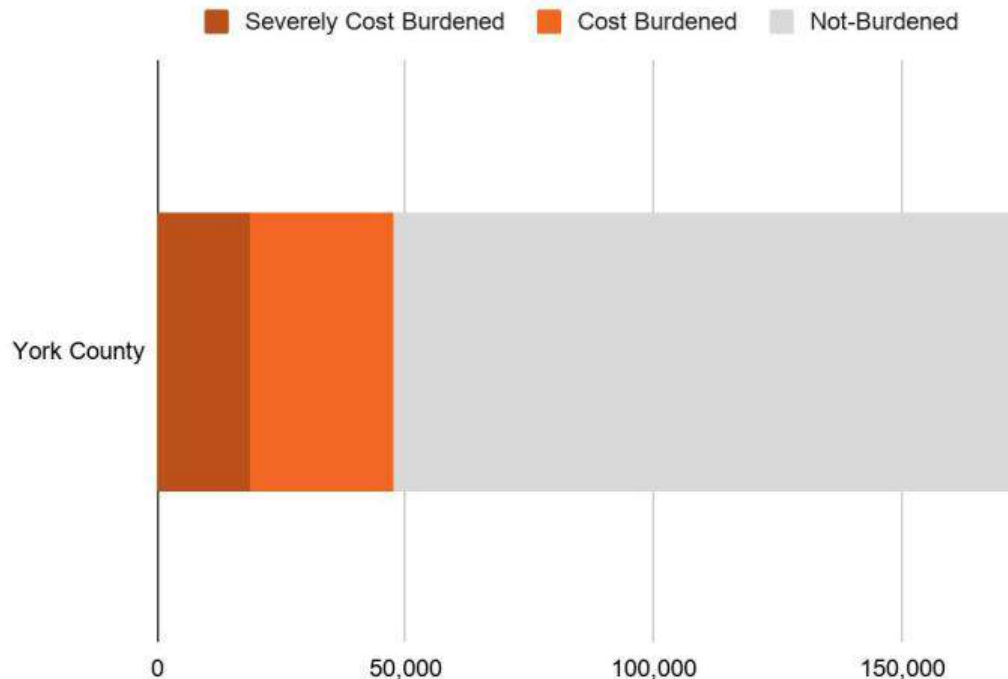


Emergency basic needs requests to 211 in York County peaked in April of 2020, and experienced another steep increase at the end of the year.

Requests were 74% higher in December 2020 than December 2019.

What were the pre-COVID-19 strains in the housing system?

Cost Burdened Households



Pre-pandemic, across York County there were:

18,861

Severely Cost Burdened Households
Paying 50% or more of their income on housing costs.

47,412

Cost Burdened Households
Paying 30% or more of their income on housing costs. Across the county, more than 1 in 4 households is cost burdened, including nearly 1 in 2 renter households.

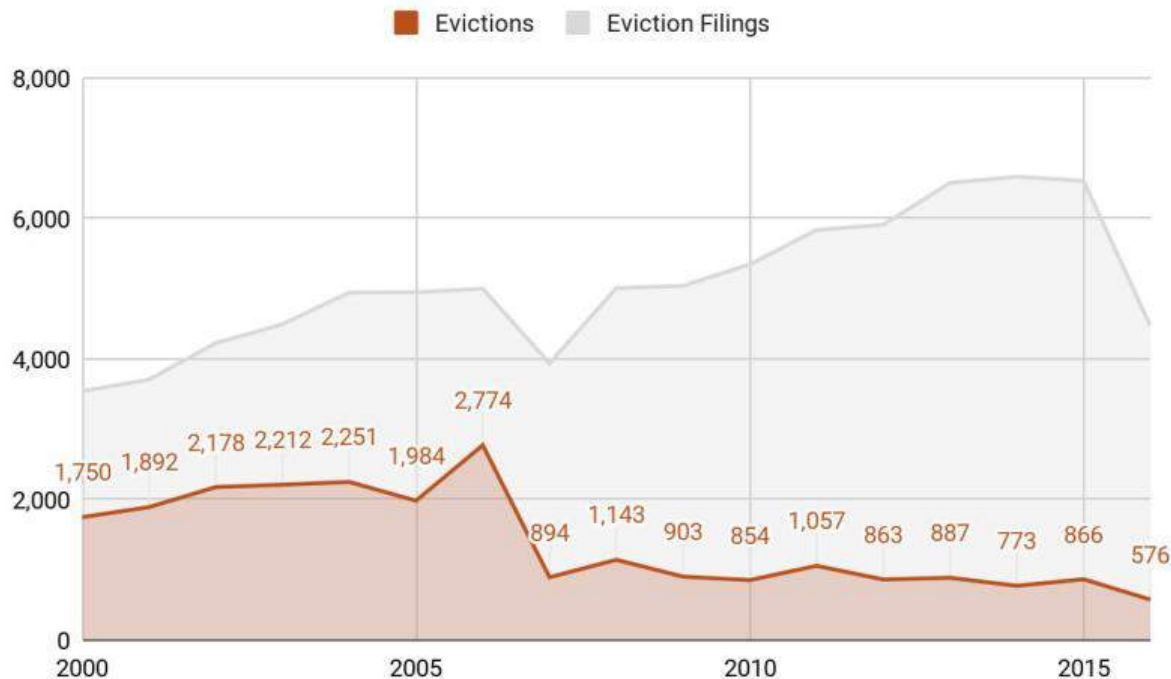
Cost Burdened Households

	Severely Cost Burdened Households	(%)	Cost Burdened Households	(%)	Not-Burdened Households	(%)	Total Households
York County	18,861	11%	47,412	27%	124,997	73%	172,409
Renters	9,035	21%	19,914	46%	23,396	54%	43,310
Owners	9,826	8%	27,498	21%	101,601	79%	129,099

Key Takeaway: Cost Burdened Households

Across the county, more than 1 in 4 households is cost burdened, including nearly 1 in 2 renter households.

Historical Evictions



Pre-pandemic, across York County there were:

882

Evictions

Based on a ten-year average of most recent data available, 2007 to 2016. Evictions were at a high in 2006 and dropped to their lowest historical levels in 2016.

5,520

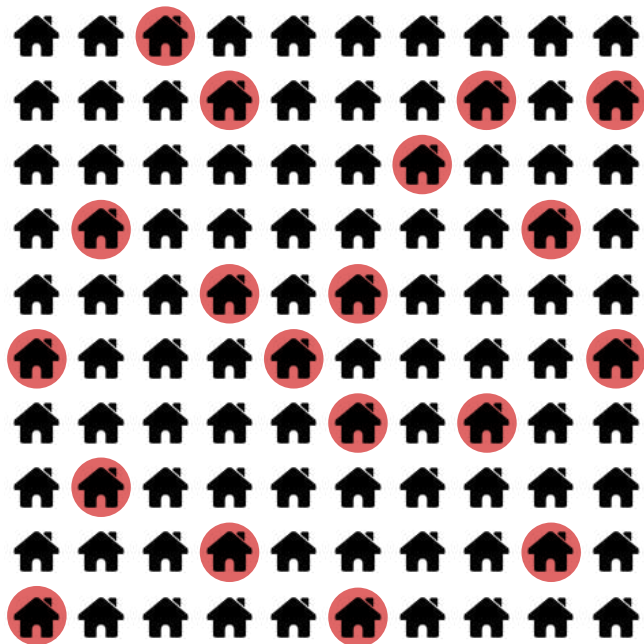
Eviction Filings

Based on a ten-year average of most recent data available, 2007 to 2016.

What has the pandemic's impact been on back rent and mortgage payments?

Renters behind on payments

Are you currently caught up on rental payment?



8,000

**Estimated number of York County
Renter Households behind in payments**

As of March 1, 2021, 18.5% of renter households nationally were behind on their payments. If this rate holds true for York County, 8,000 renter households would be behind on their payments.

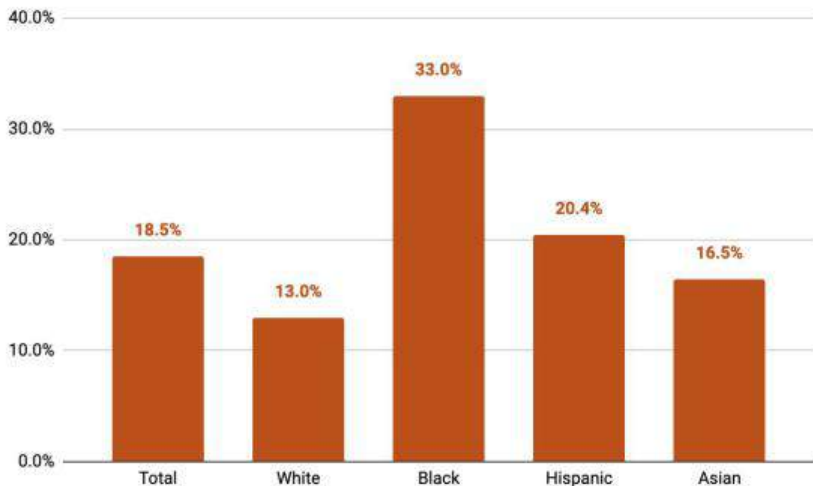
Back rent estimates range from \$1,740 per household (National Council of State Housing Agencies) to \$5,586 (Parrott and Zandi) or \$6,039 (Federal Reserve Bank of Philadelphia). These back payments represent 2 to 4 months rent for the typical renter household with back payments.

Disparities across households

Are you currently caught up on rental payment?

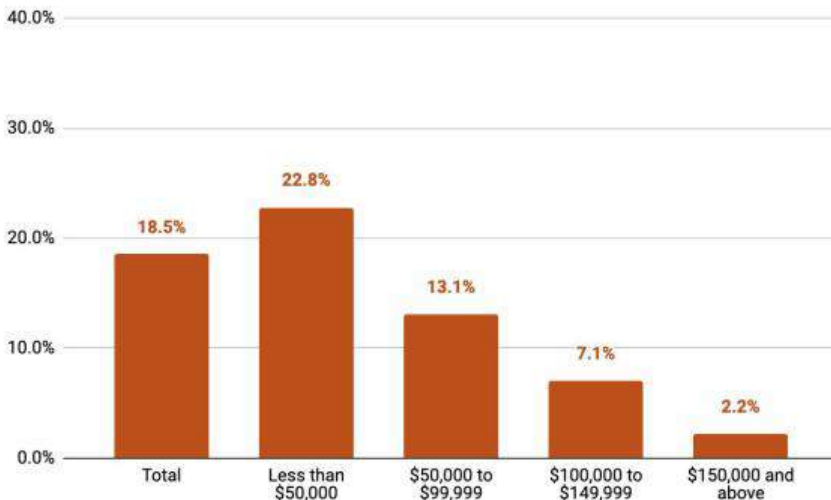
Rental Payment by Race & Ethnicity:

% Not Caught up, Missed or Delayed Payment



Rental Payment by Household Income:

% Not Caught up, Missed or Delayed Payment

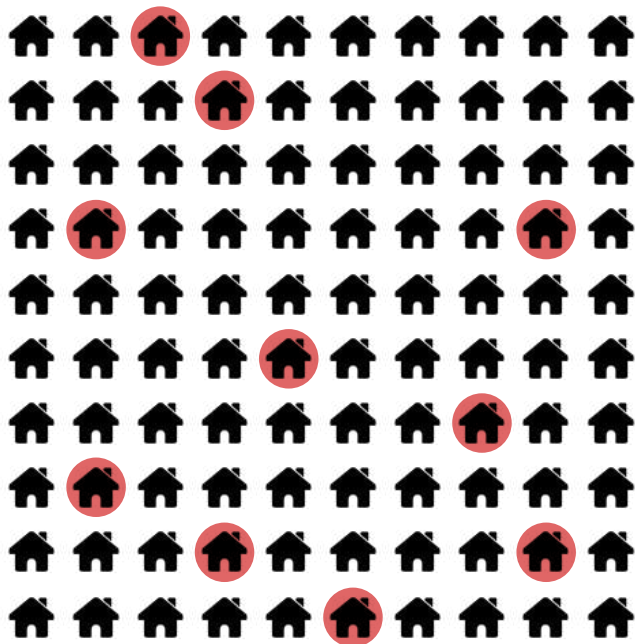


Source: Census Household Pulse Survey | February 17 – March 1, 2021

Note: U.S. values used because of non-disclosed data at state level.

Owners behind on payments

In the past month, did you miss or delay payment on your mortgage?



13,300

**Estimated number of York County
Owner Households behind in payments**

As of March 1, 2021, 10.3% of owner households nationally were behind on their payments. If this rate holds true for York County, 13,300 owner households would be behind on their payments.

National delinquency rates peaked in May 2020 and the number of newly delinquent loans that are 30 or 60 days delinquent has been improving. However, as of December 2020, “the number of serious delinquencies, loans that are 90 or more days past due, had far exceeded pre-pandemic levels at 2.15 million, up 400 percent from December 2019.” (Urban Institute)

Source: Census Household Pulse Survey | February 17 – March 1, 2021

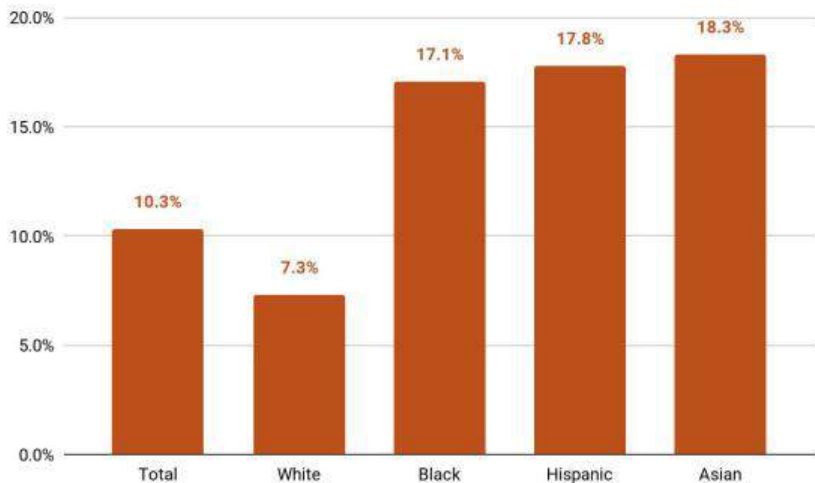
Note: U.S. values used because of non-disclosed data at state level.

Disparities across households

In the past month, did you miss or delay payment on your mortgage?

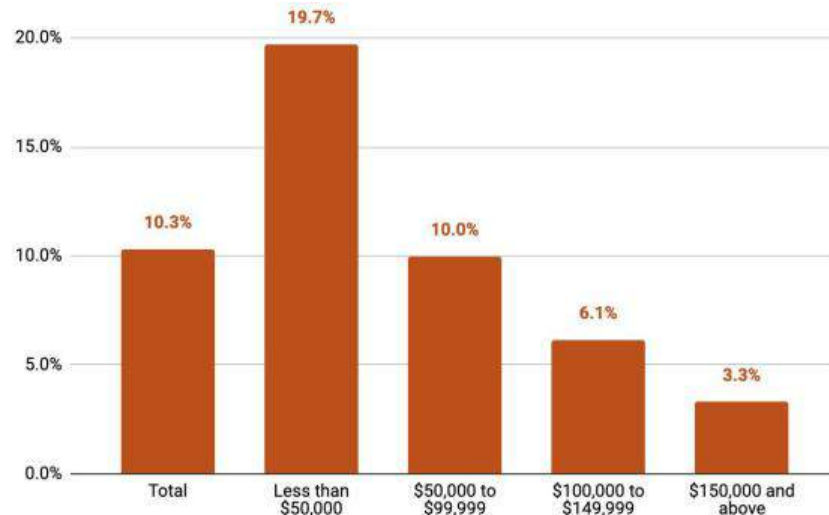
Mortgage Payment by Race & Ethnicity:

% Not Caught up, Missed or Delayed Payment



Mortgage Payment by Household Income:

% Not Caught up, Missed or Delayed Payment



Source: Census Household Pulse Survey | February 17 – March 1, 2021

Note: U.S. values used because of non-disclosed data at state level.

How has COVID-19 impacted the region's workforce?

Unemployment Rate

Unemployment rates have been lower in York County than the state.



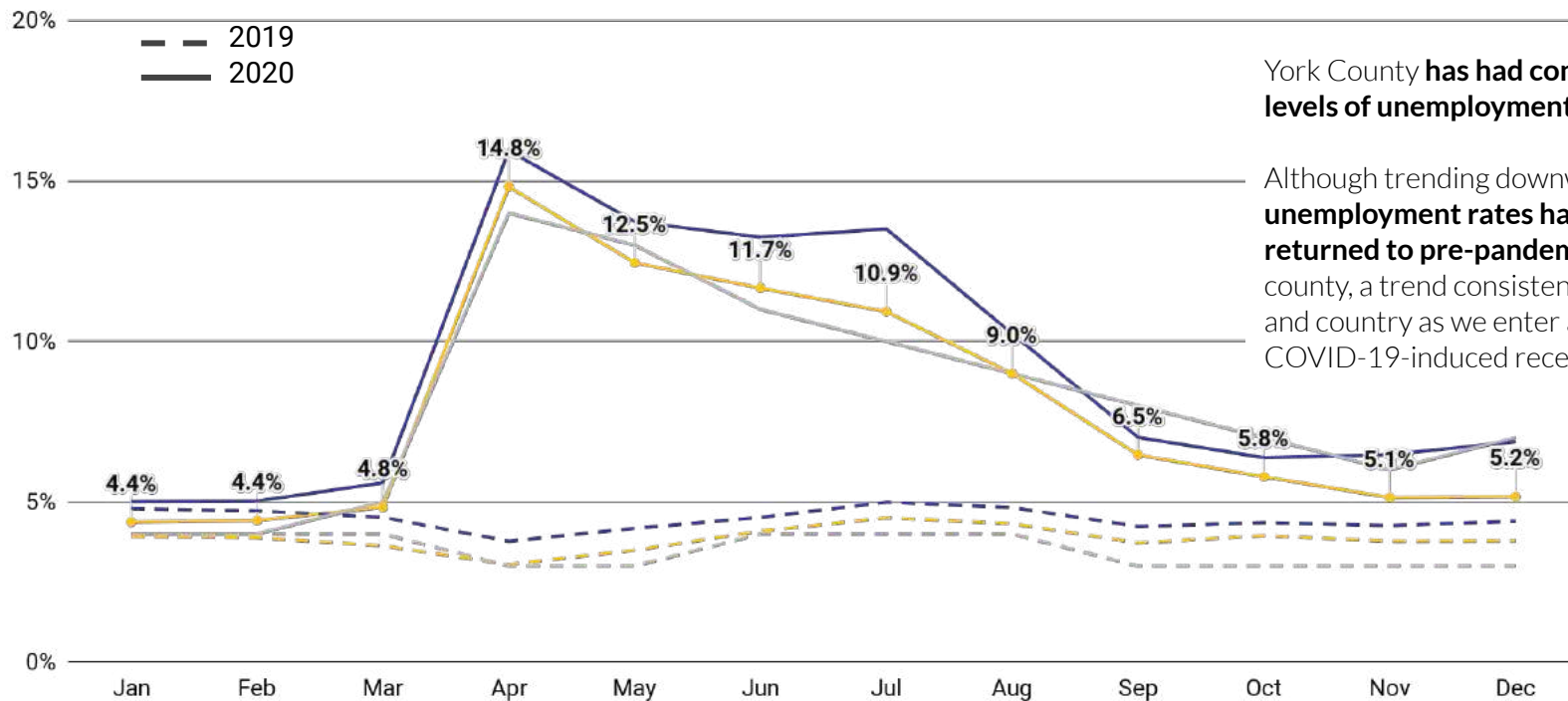
York
County



PA



US

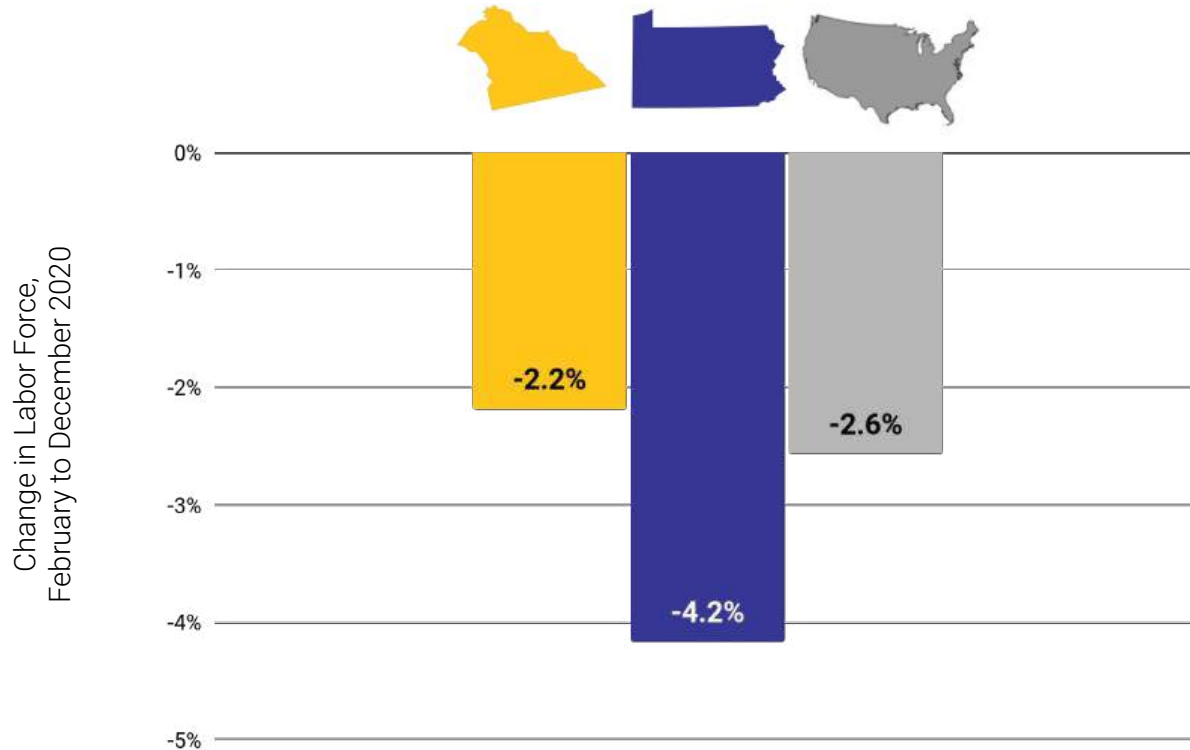


York County **has had consistently lower levels of unemployment** than the state.

Although trending downwards, **unemployment rates have still not returned to pre-pandemic levels** in the county, a trend consistent across the state and country as we enter a potential COVID-19-induced recession.

Labor Force Participation

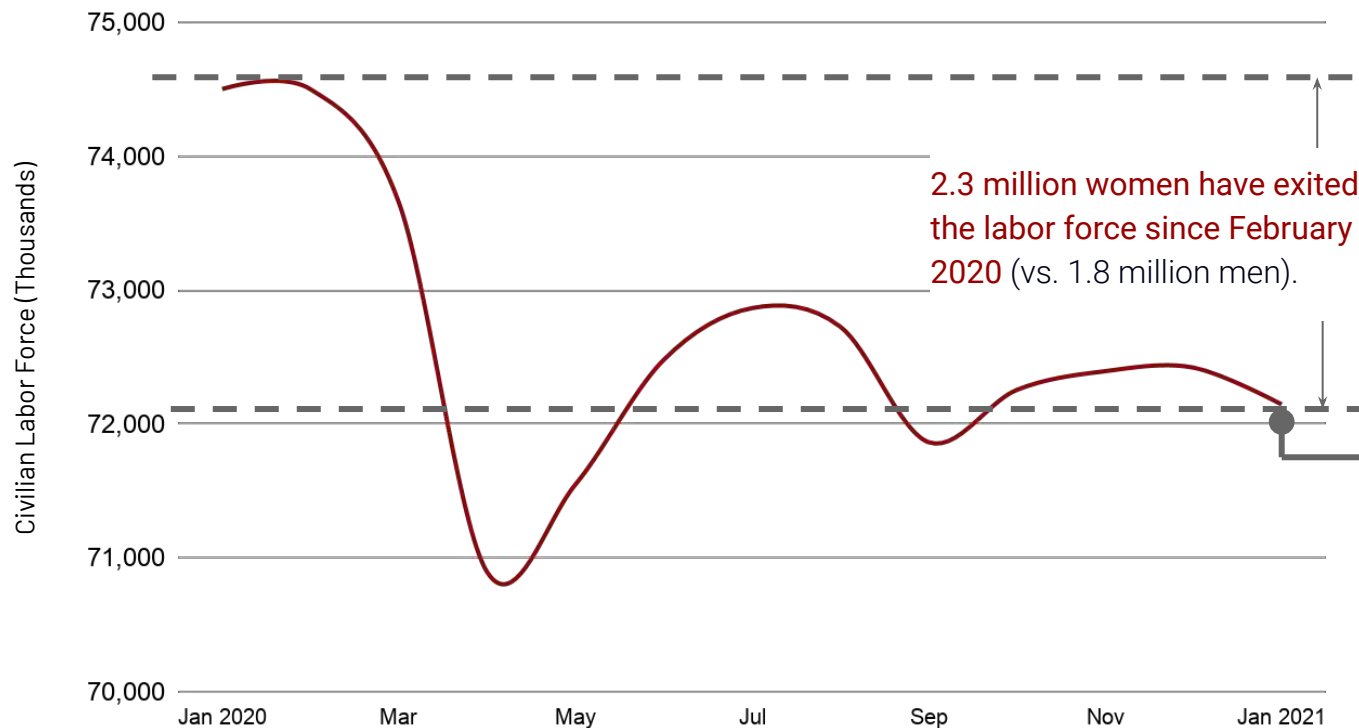
From February 2020 to December 2020, York County experienced a decline in the labor force that was not as steep as the state or the nation.



The labor force in York County declined 2.2% between February and December 2020, with 5,200 people exiting the workforce.

The decline is less severe than either the state or the nation.

Women's Labor Force Participation, Nationally



We expect disproportionate impacts for women in the region, like those we're seeing nationally...

275,000 women left the labor force in January, leaving women's labor force participation rate at **57%** (vs. 69.7% for men). Before the pandemic, the last time women's labor force participation rate was this low was in 1988.

Impacts on Mothers & Parents

"Almost

**1 million
mothers**

have left the
workforce — with
Black mothers,
Hispanic mothers and
single mothers among
the hardest hit."

Source: [NY Times](#)

For Pennsylvania families
with average incomes
below the basic
household "survival
budget,"

64%

report reducing their
hours or leaving a job to
take care of their children
during the pandemic.

Source: United Way of PA's August 2020
COVID-19 Impact Survey, "Survival
budget" = \$69,648 for a family of four.

Child care needs are a
significant driver of
women and parents
exiting the labor force.

Nationally, Many Working Parents are Unlikely to Return to Work

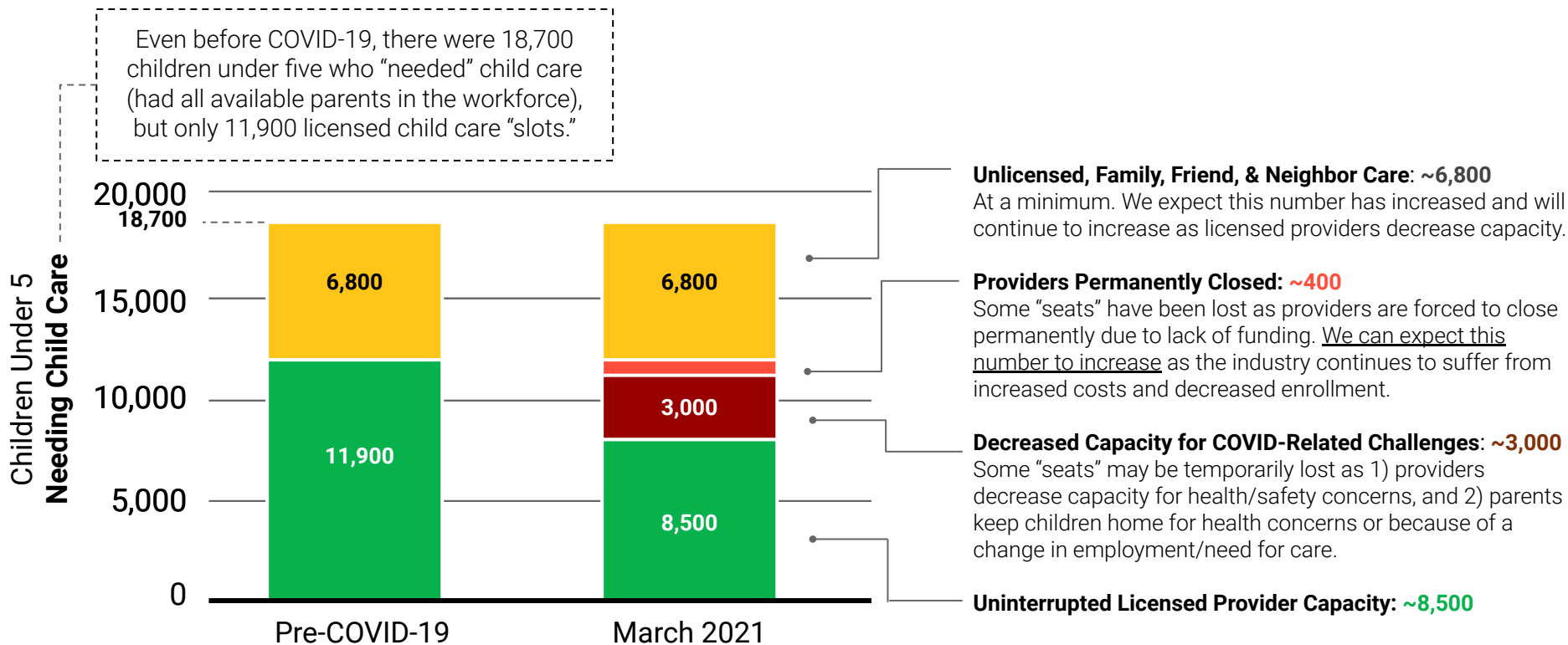
National survey data from the US Chamber Foundation indicates that **13% of working parents are unsure or unlikely to return to their previous work situation.** 50% of parents who have not yet returned to work cite child care as the a reason.

Women, single parents, and low-income parents were more likely to cite child care as a reason they were unable to return to work.

Gaps in child care are a driving factor for many working parents, especially mothers, exiting the labor force.

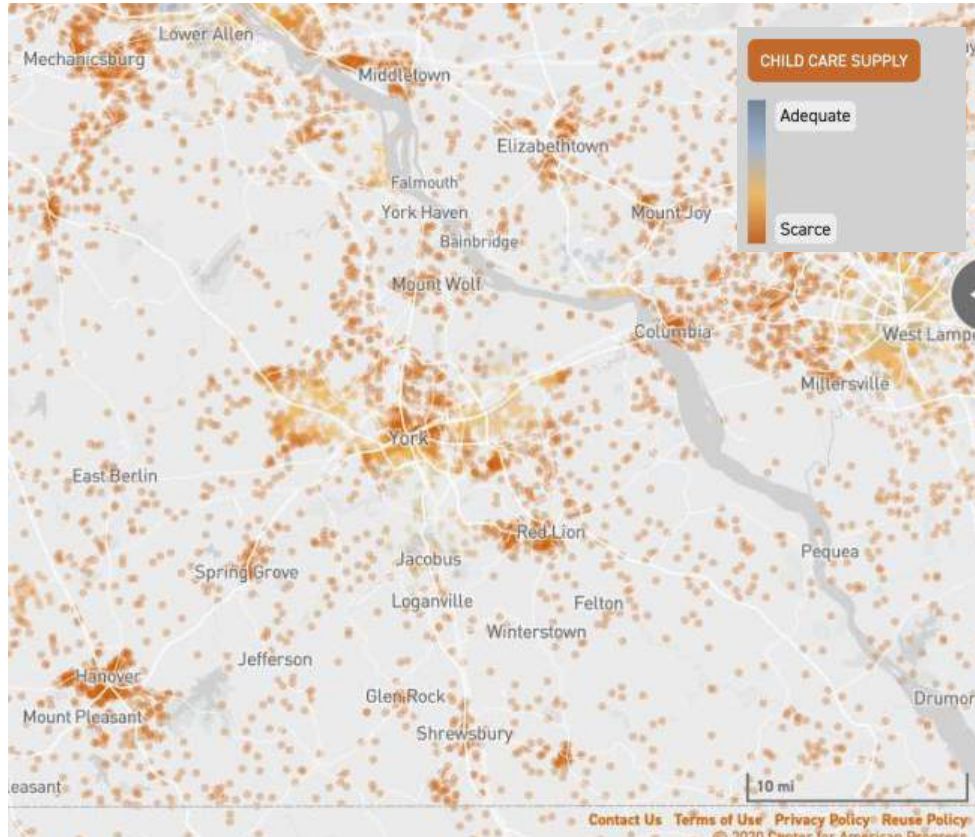
COVID-19's Impacts on Child Care in York County

COVID-19 is causing dips in already limited licensed child care capacity.



Child Care Deserts, York County

Access to child care is not the same in all areas of the county.



Orange dots indicate where, even pre-COVID-19, there were “child care deserts” in the area—shortages in child care care supply for families who needed it.

Provider closures due to COVID-19 financial stressors will exacerbate the inadequate supply, particularly in areas that are already underserved.

Check out the interactive map [here](#).

What Works?

Strategies to help support and strengthen the child care infrastructure.



Advocate for Increased Public Funding

Beyond what is in place to temporarily sustain the industry, we need increased funding for the sector. Stable public dollars will ensure a stable child care system.



Engage the Business Community

Businesses benefit from implementing family-friendly policies. Companies that offer child care assistance see [employee absences decrease by up to 30% and turnover decline by as much as 60%.](#)



Elevate the Early Childhood Workforce

Nationally, [40% of child care workers are women of color](#) and [53% are on some form of public assistance.](#) Increased wages and professional growth opportunities for these essential workers can increase recruitment and retention in the field.



Support Small Businesses and Home-Based Providers

Home-based providers are a critical and resilient part of the early childhood landscape, with unique needs that must be addressed.

How has COVID-19 impacted the region's support services?

Financial Impacts, Pennsylvania Nonprofits

Based on 808 respondents, from August 3 to August 28, 2020

Overall, **80%** of nonprofits experienced a **revenue decrease** and **87%** experienced a **negative impact**.

\$612
million



\$95
million



\$708
million

in decreased revenue

in increased
operating costs

in total impact

Financial Impacts, York Nonprofits

Based on 39 respondents, from August 3 to August 28, 2020

Use caution in interpreting these results, due to small sample size

AT LEAST...

\$16.3
million

in decreased revenue



\$26.2
million

in increased
operating costs



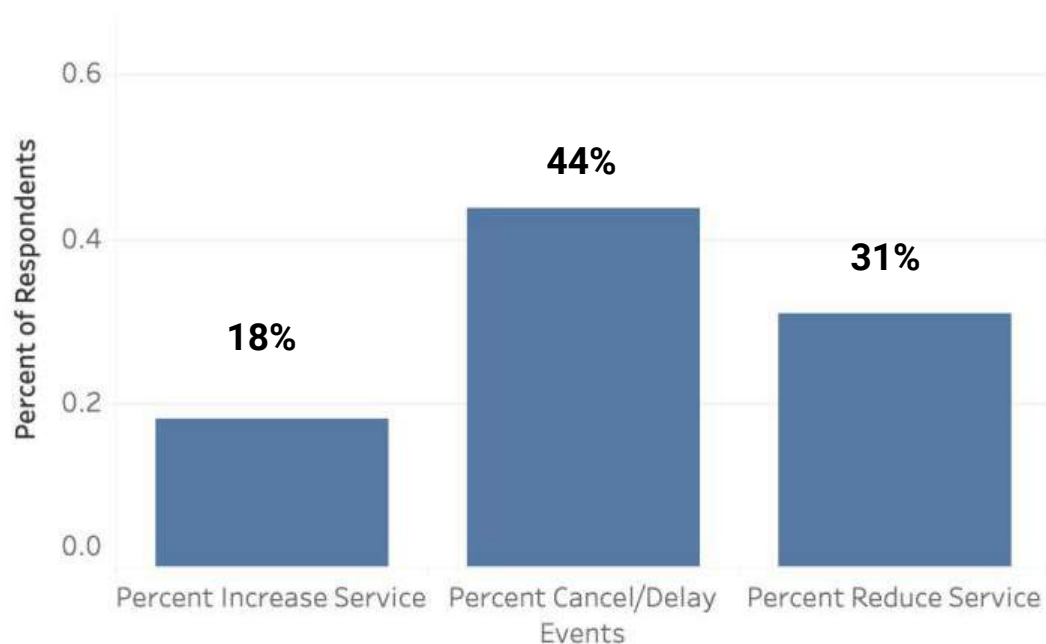
\$42.5
million

in total impact

Service Impacts, York Nonprofits

Based on 39 respondents, from August 3 to August 28, 2020

Use caution in interpreting these results, due to small sample size





Business

In This Section

- PPP Loans
- Consumer Spending Trends
- Industry Impacts - how have industries been impacted throughout the pandemic?

\$558m

in Federal PPP funds.




The dollar amount per employee in York County was less than the state or the nation, perhaps due in part to the industry mix of the region: large concentrations of workers in manufacturing and health care.

PPP only supported a **small fraction** of small business needs.

It was designed to support payrolls, but small businesses within restaurant and retail have large non-payroll expenses.

Consumer Spending

Negative Impact:

-  **Restaurants**
-  **Retail**
-  **Personal Services**

Positive Impact:

-  **Spending on Goods**

Negative Industry Impacts



Lower Impact

- Manufacturing
- Health Care

Higher Impact

- Accomodation
- Food
- Retail Trade
- Arts & Entertainment
- Recreation

How has the Paycheck Protection Program (PPP) supported businesses in York County?

PPP Funding

4,566 entities in **York County** are estimated to have received PPP funding totaling approximately **\$557.9 Million**.

For Comparison:

State



168,065 total loans
\$20.4 Billion total funding

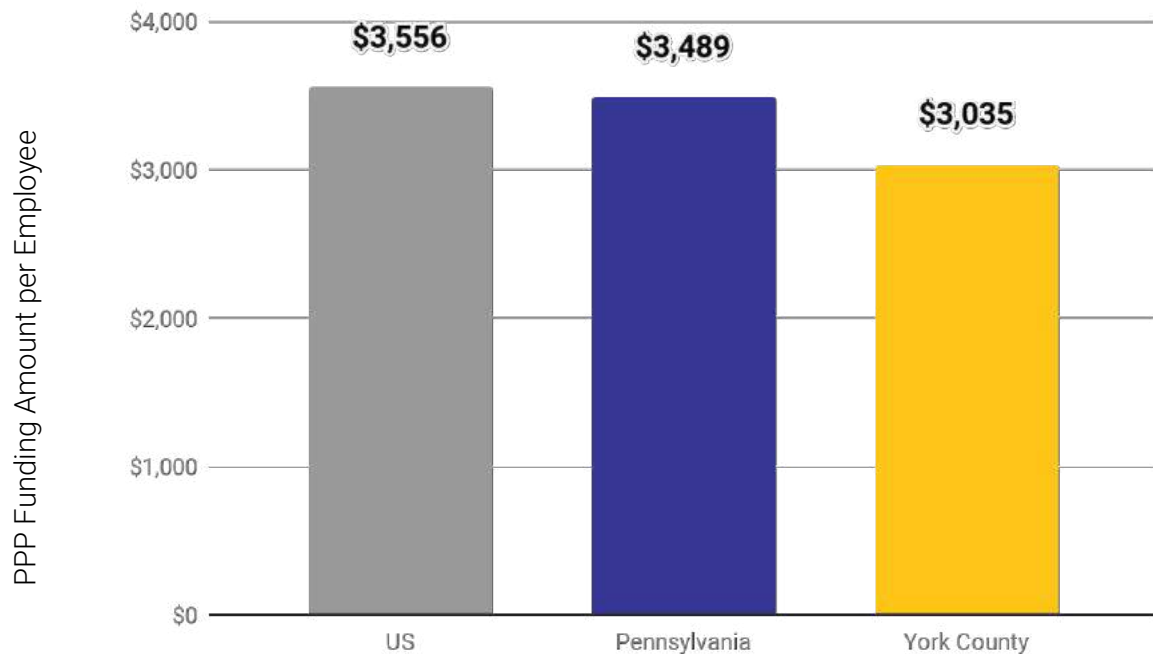
National



4,969,215 total loans
\$513.7 Billion total funding

PPP Funding

Estimated PPP Funding per Employee

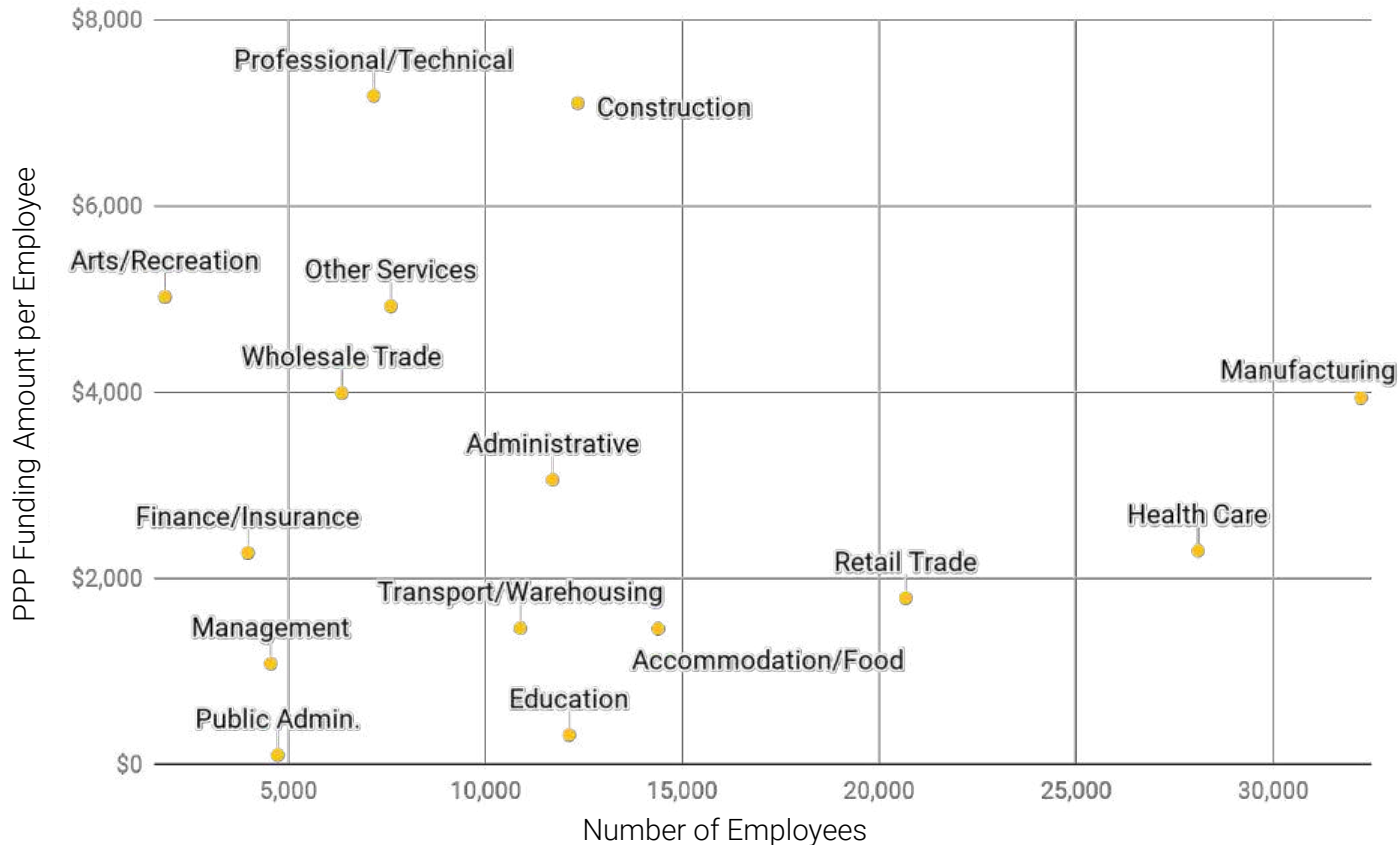


York County is estimated to have received less than both the state and the country in PPP funding per employee. This may be due to industry mix in the region, with large concentrations of workers in manufacturing and health care.

Source: PPP estimates based on U.S. Small Business Administration (SBA) data. Job numbers based on Census LEHD 2018 annual averages, all jobs.

PPP Funding, York County

PPP Funding per Employee by Total Number of Employees

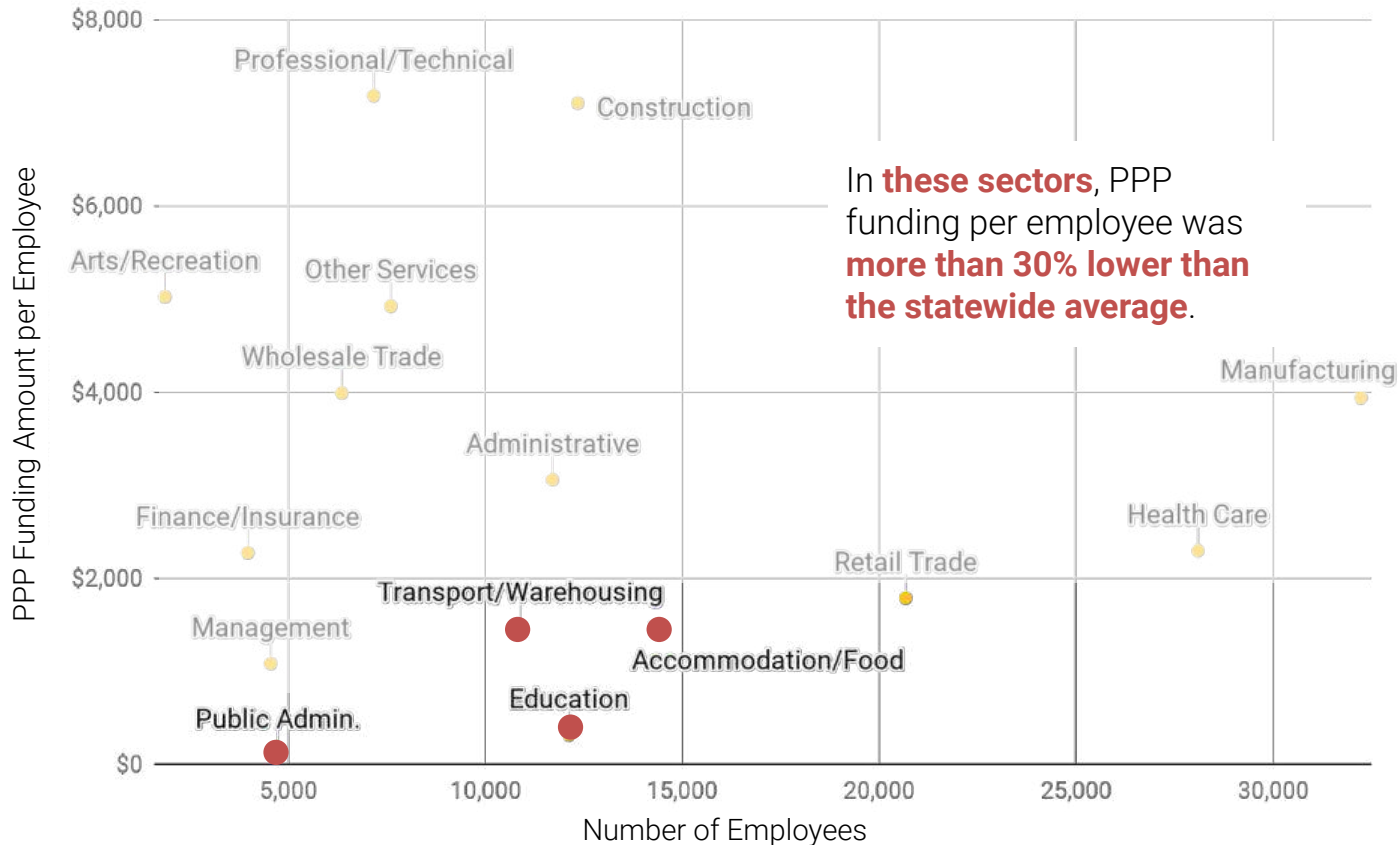


While the majority of the region's employment is in Manufacturing, Health Care, and Retail; the Professional/Technical and Construction sectors received the highest amount of PPP funding per employee.

Sources: All Employees: US Census LEHD, 2018 annual averages | PPP Funding Amounts: U.S. Small Business Administration (SBA). Note: due to potential data distortion, Mining, Agriculture, Utilities, and Information are not pictured here.

PPP Funding, York County

PPP Funding per Employee by Total Number of Employees

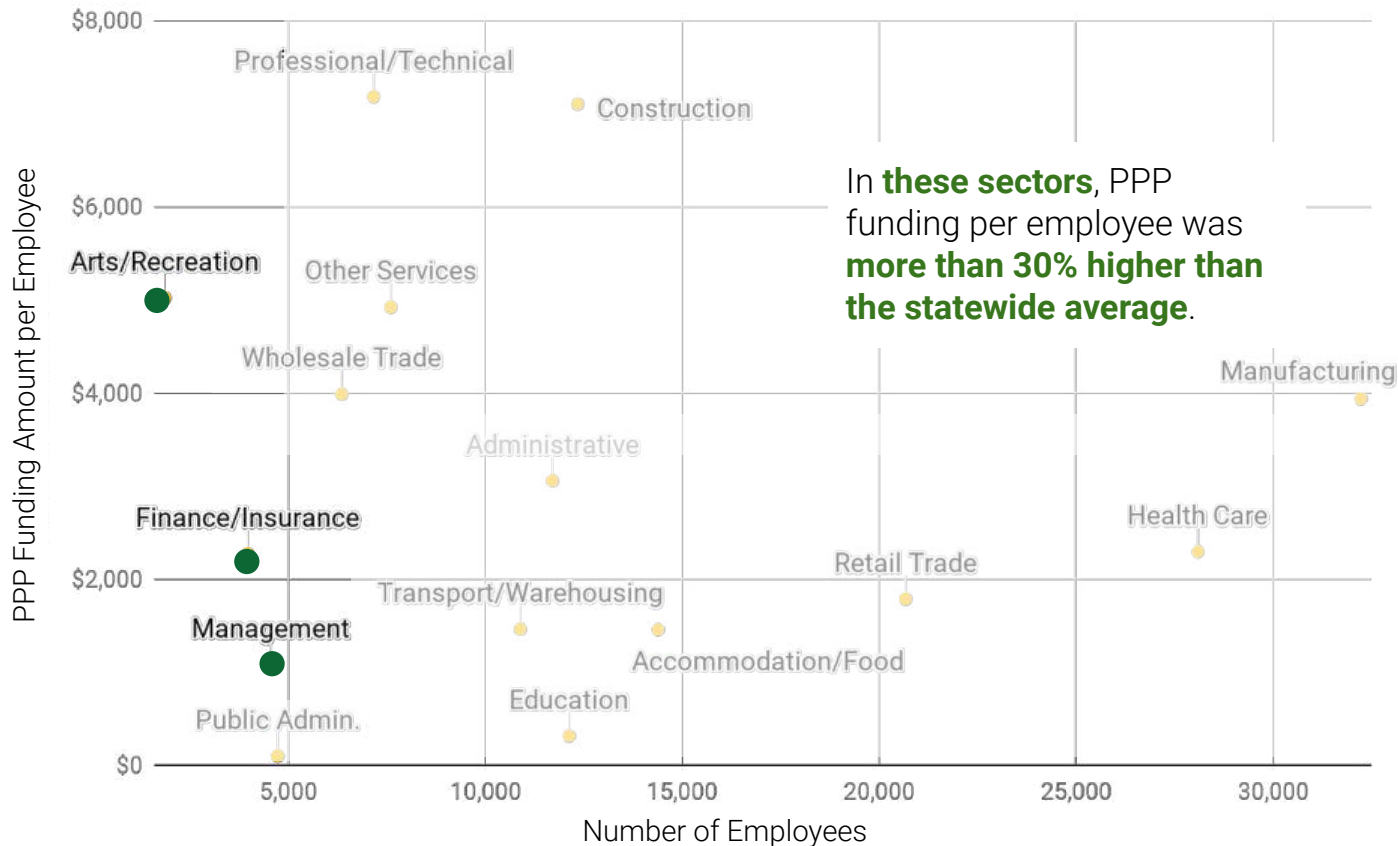


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PPP Funding, York County

PPP Funding per Employee by Total Number of Employees



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Inequities in PPP Lending

A December 2020 analysis by the National Community Reinvestment Coalition found that, on average:

Neighborhoods in low-income areas received **a third as many PPP loans**, and **less than a quarter of the PPP loan amounts**, as wealthy neighborhoods.

&

Neighborhoods of color received significantly **fewer, and lower amounts of PPP loans**.

How have shifts in consumer spending impacted businesses nationally?

Shifts in Consumer Spending

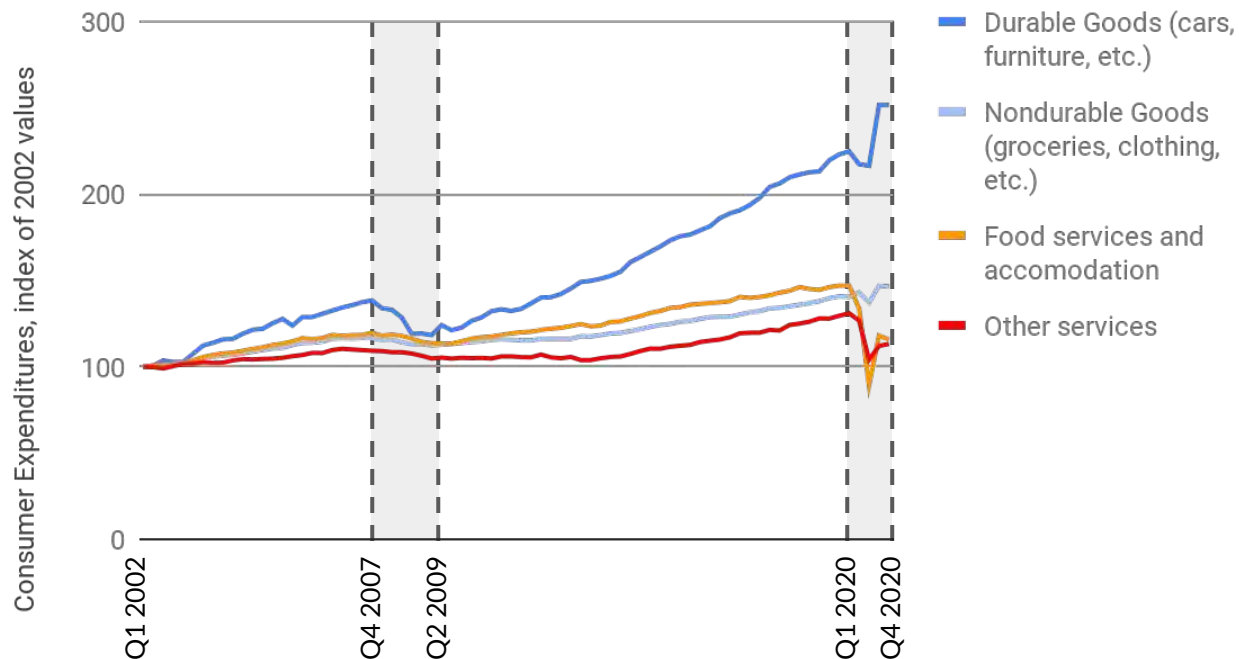
The pandemic has shifted consumer spending away from services and to consumer goods.

Spending on food services and accommodation fell by 39% in the early pandemic and by late 2020 spending was down 20% compared to pre-pandemic levels.

Spending on other services like laundry and personal care was down 21% in the early pandemic and by late 2020 remained down 14%.

By late 2020, spending on goods reached all time high.

Consumer Spending



Source: Bureau of Economic Analysis, Table 2.3.6. Real Personal Consumption Expenditures by Major Type

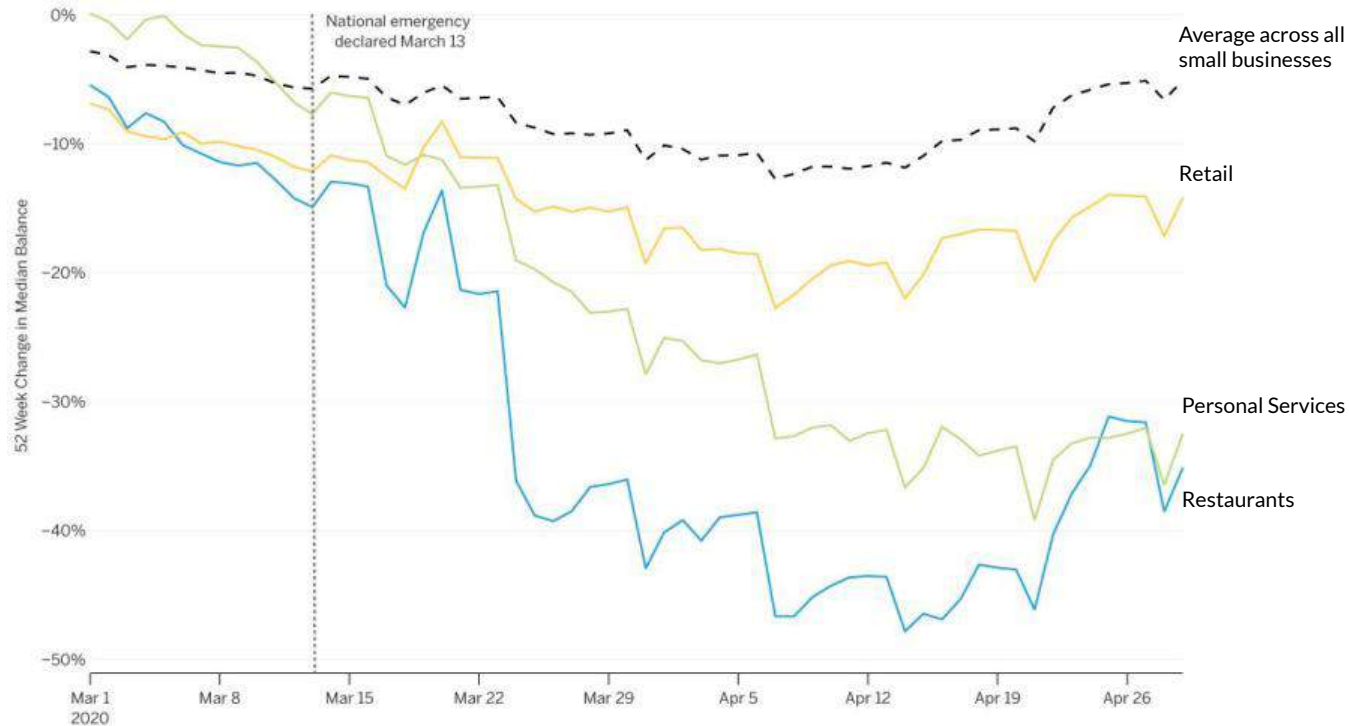
Shifts in Consumer Spending

An Early Snapshot

Small businesses were especially impacted by changing consumer spending habits.

Early in the pandemic, cash balances of small businesses declined across industries, with wide variation in the severity.

Compared to pre-pandemic levels, bank balances of small businesses within **restaurants, retail, and personal services** were especially hard hit.



Source: JPMorgan Chase Institute

Shifts in Consumer Spending

As record amounts of spending shifted online, large national retailers were able to capitalize on their existing e-commerce networks.

In Q2 2020, **Amazon's digital sales grew by 40%, Walmart's nearly doubled, and Target's nearly tripled** compared to Q2 2019.

Small retailers have tried to keep up, with 34% of small businesses indicating that they have shifted more of their sales online. But they were starting from behind: **before the pandemic, 35% of small businesses did not have online sales.**

Even with improving spending across retailers, **the shift to online spending has left many local retailers vulnerable.**



Photo: rupixen.com on Unsplash

Source: Business Insider, "The pandemic is ramping up the war between Amazon, Walmart, and Target, and making them more powerful than ever" and "U.S. State of Small Business" - Facebook and Small Business Roundtable

CARES Act Impact on Consumers & Businesses

Two mechanisms to support businesses:

1. Direct Support to Businesses

Paycheck Protection Program (PPP) Funding

PPP funding was designed to support payrolls. Businesses in industries in which payroll is a smaller share of expenses may have large non-payroll expenses, such as inventory or commercial leases. For them, a program supporting payroll may have provide a relatively small fraction of what they needed to sustain their business.

2. Boost Consumer Spending

Individual Stimulus and Extension of Unemployment Compensation

Individual stimulus and extension of unemployment compensation and related benefits were meant to support household income and boost consumer spending.

CARES Act Impact on Consumers & Businesses

1. Direct Support to Businesses PPP Funding

PPP funding was designed to support payrolls for up to 8 weeks of payroll costs. However, with expenses beyond payroll, the median PPP loan covered about 3.8 weeks of expenses for small businesses.

Small businesses within restaurant and retail have large non-payroll expenses, such as inventory or commercial leases. For them, PPP provided a relatively small fraction of what they needed to sustain their business.

For Restaurants and Retail businesses, the first round of PPP program did not offset early losses in consumer spending. With additional PPP funding available in early 2021, the full impacts will not be known until later in the year.

Loan-expense ratio (weeks)	
Retail	2.1
Wholesalers	2.3
Construction	3.2
Restaurants	3.4
Metal & Machinery	3.7
All	3.8
Repair & Maintenance	3.8
High-Tech Manufacturing	3.9
Real Estate	3.9
Personal Services	4.5
Health Care Services	4.6
Other Professional Services	4.9
High-Tech Services	5.3

Note: Sample includes firms receiving PPP loans in May 2020.

Source: JPMorgan Chase Institute

CARES Act Impact on Consumers & Businesses

2. Boost Consumer Spending Individual Stimulus and Extension of Unemployment Compensation

Individual stimulus and extension of unemployment compensation and related benefits were meant to support household income and boost consumer spending.

In aggregate, even with large segments of the population unemployed, **personal income increased**. Increases in income supports from the CARES Act, like unemployment insurance benefits and stimulus checks were much larger than the decrease in lost wages.

-\$43 B

Even with 10 million people unemployed nationwide, total **wages** only fell by 0.5% when compared to last year. The pandemic has disproportionately affected lower-paying service jobs, with higher-paying professional jobs more likely to be unaffected

+\$499 B

Total **unemployment insurance benefits** added \$499 billion to personal income across the U.S.

+\$276 B

Stimulus checks from the first round of CARES Act added \$276 billion to personal income across the U.S.

Source: Bureau of Economic Analysis
Note: Data from March to November 2020
compared with the same time period in 2019

CARES Act Impact on Consumers & Businesses

2. Boost Consumer Spending Individual Stimulus and Extension of Unemployment Compensation

However, instead of boosting consumer spending across the board, **large amounts of CARES Act support went to savings.** From March to November 2020, personal savings increased by \$1.56 trillion compared to 2019, a rise of 173 percent.

Even with spending increases in durable and non-durable goods, overall **consumers spent less** than they did pre-pandemic. Spending on services was especially impacted, with **spending for services decreasing by \$575 billion.**

CARES Act stimulus was put toward savings, and purchasing goods, not on spending for services.

-\$575 B

Spending on services fell by \$575 billion. Cancelled trips, the inability to attend events, get a massage or haircut, and less nights out to restaurants added to the losses.

Even with more income, consumers spent less and saved more. When they did spend, consumers shifted spending away from services and to goods (with both durable and non-durable goods spending at high levels).

Source: Bureau of Economic Analysis
Note: Data from March to November 2020
compared with the same time period in 2019

Industry Impact Summary

Pre-Pandemic Conditions

- **Economically Vulnerable Workers**

Part-time workers or workers earning under \$40K were vulnerable to employment impacts before the start of the pandemic. Early in the pandemic, part-time and lower wage employees are often the first to be furloughed or let go.

Early Pandemic Impacts

- **Affected by Closure Order**

Government closure orders shuttered businesses. Industries with high concentrations of workers who are non-essential and non-remote were most impacted by the closure orders.

- **Impact of PPP Funding**

PPP funding was designed to support payrolls. Businesses in industries in which payroll is a smaller share of expenses may have large non-payroll expenses, such as inventory or commercial leases. For them, a program supporting payroll may have provided a relatively small fraction of what they needed to sustain their business.

Ongoing Pandemic Impacts

- **Shift to Remote Work**

Some industries were more able to pivot and shift to remote work, while others remained in-person.

- **Unemployment**

By early 2021, national data showed disproportionate unemployment impacts depending on industry.

- **Shift in Consumer Spending**

Consumers shifted spending away from restaurants and services and to goods like groceries, clothing, furniture, and cars. The food service and accommodations industry was especially affected, with consumer spending down 39% in the early pandemic and 20% by late 2020, compared to pre-pandemic levels. Spending on other services like laundry and personal care services was down by 14% by late 2020.

Industry Impact Summary

Most impacted by the COVID-19 pandemic

Least impacted by the COVID-19 pandemic

	Workers (2019)	Economically Vulnerable Workers (Part-time or earning under \$40K)	Affected by Closure Order (Non-essential, non-remote workers)	Impact of PPP Funding (Portion of operating expenses covered by PPP)	Shift to Remote (Ability to work remotely)	Unemployment (National unemployment, Jan 2021)	Shift in Consumer Spending (Based off of consumer expenditure data)
Accommodation & Food	14,446						Negative
Arts, Ent., & Rec.	2,072						Negative
Retail Trade	20,205						Mixed
Administrative & Waste	12,229						
Construction	11,885						
Agriculture	488						
Transportation & Warehousing	10,679						
Wholesale Trade	6,469						
Manufacturing	33,004						
Real Estate	1,665						
Other Services	7,213						Negative
Mining	234						
Information	1,405						
Education	10,821						
Management	4,219						
Health Care & Social Asst.	27,403						
Public Admin.	4,484						
Utilities	1,367						
Finance & Insurance	3,918						
Professional & Technical	6,932						

20%

Of the region's workers are employed in the three **most impacted** industries Including Accommodation & Food, Arts, Ent., & Rec, and Retail Trade. These industries represent **36,700 workers**.

33%

Of the region's workers are employed in the seven **least impacted** industries Including Education, Management, Health Care & Social Asst., Public Admin., Utilities, Finance & Insurance, Professional & Technical. These industries represent **59,100 workers**.



Infrastructure

In This Section

- Communications Infrastructure Impacts
- Housing Impacts
- Municipal Finance

What We've Seen:

- Around 60,500 workers in the county have the ability to work remotely. And across the county, internet speed allows for remote work. However, speed in some parts of the county, especially in rural areas lags.
- Before the pandemic, more than 1 in 4 households was cost burdened, including nearly 1 in 2 renter households.
- Based on historical data, there is an expected backlog of 800+ renter evictions and 5,000+ eviction filings due to the eviction moratorium.
- An estimated 8,000 renter households and 13,300 owner households are behind on payments.
- Municipal finances will be impacted, with estimated losses from \$11.9 M to \$48.1 M for the 68 municipalities in York County. Of the 68 municipalities, 4 to 8 might face a cash insolvency warning in 2021 without additional assistance.

Remote Ready

Before COVID-19 upended workplace norms, around 3% of U.S. workers teleworked on a regular basis. COVID-related impacts have forced employers to rethink the ability to work from distance and shift large segments of the workforce to remote work.

The Bureau of Labor Statistics estimates that 42 million workers, representing 29% of the U.S. workforce could work at home. Estimates from the BLS are tabulated by industry based on the survey question, “As part of your main job, can you work at home?”

For further reading:

- [BLS Job Flexibilities and Work Schedule data](#)
- [Measurement Lab Internet Speed data](#)

Source: BLS Job Flexibilities and Work Schedule data, 2017-2018
Measurement Lab Internet Speed data, 2020

Two important indicators of Remote Readiness:

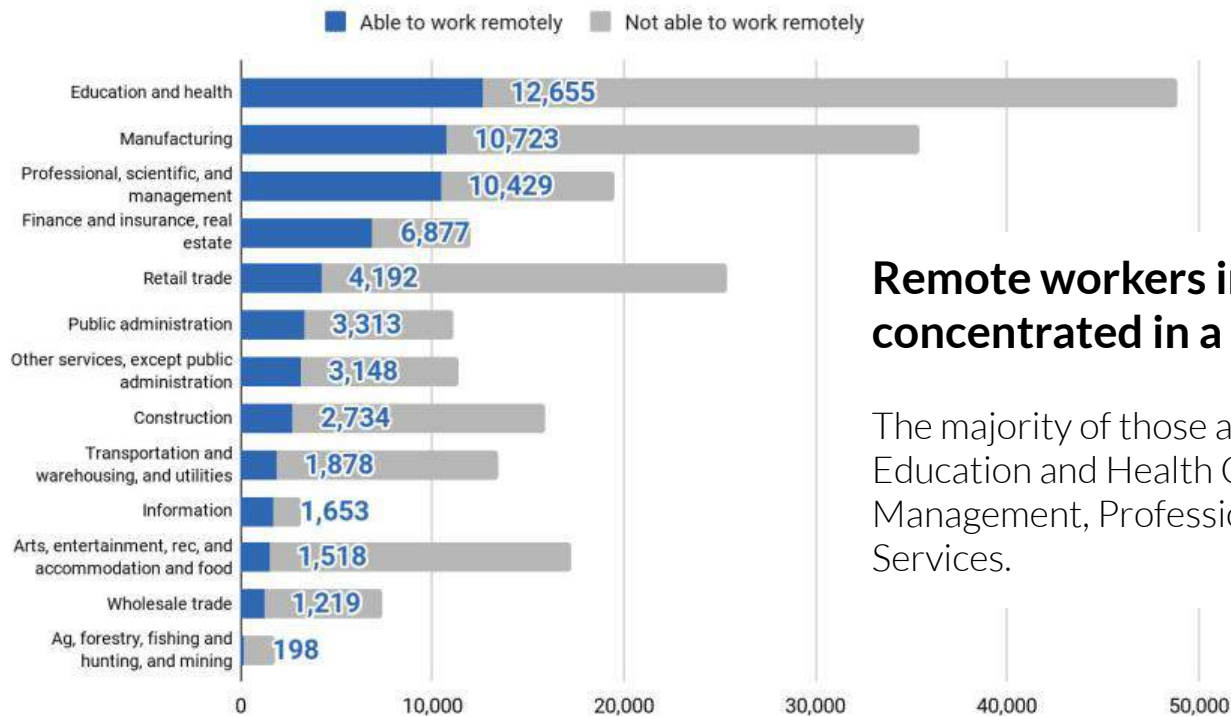
1. Remote-Able Workforce

- **Workers who could work at home:** based on job flexibility and work schedule data from the Bureau of Labor Statistics

2. Broadband Infrastructure

- **Internet speed data:** does deployed broadband infrastructure allow for remote work?

Ability to Work Remotely by Industry

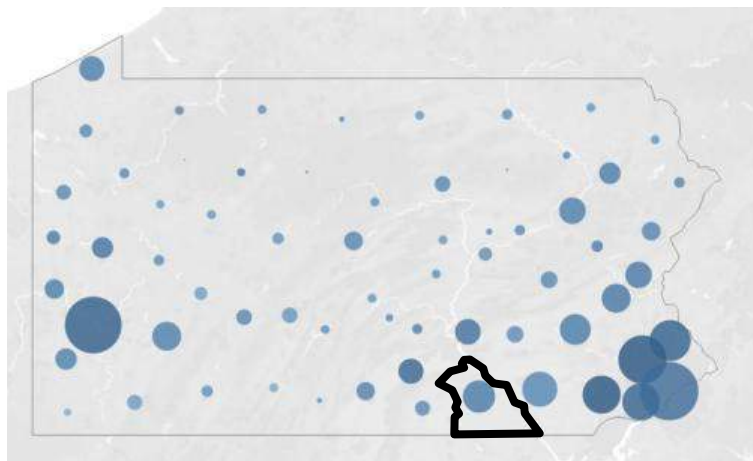


Remote workers in the county are concentrated in a handful of industries.

The majority of those able to work remotely work in Education and Health Care; Manufacturing; and Management, Professional, Scientific, and Technical Services.

Remote Work Ability

Map: Number of Workers Able to Work Remotely



Number of Workers Able to Work Remotely

- 1,000 Workers
- 10,000 Workers
- 50,000 Workers





Many workers in the region are able to work remotely.

York County has an estimated **60,500 workers who are able to work remotely.**

Additionally, the region is in close proximity to the 616,500 workers who live in counties within 50-miles and hold jobs that allow for remote work.

Broadband Infrastructure

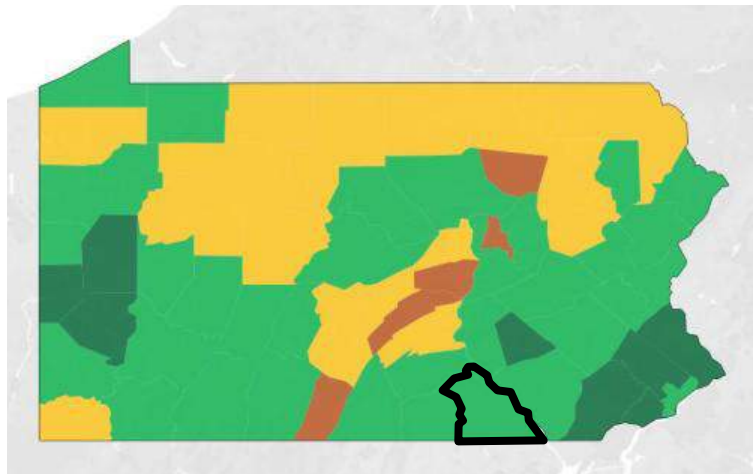
Remote Work requires reliable high speed internet

	Download (Mbps)	Upload (Mbps)
 High speed connection for 3–4 people	50+	5+
 High speed internet (FCC definition)	25+	3+
 Work from home minimum	10+	1+
 Too slow for remote work	under 10	under 1

Download speed is the most important factor for online work. Download speed affects web browsing and how well your connection receives video from other people on the call. Upload speed affects how well your connection can send your video stream to others and upload data and other files.

Broadband Infrastructure

Map: Median download and upload speed



- **High speed connection for 3–4 people:** 50+ Mbps down / 5+ Mbps up
- **High speed internet (FCC definition):** 25+ Mbps down / 3+ Mbps up
- **Work from home minimum:** 10+ Mbps down / 1+ Mbps up
- **Too slow for remote work:** under 10 Mbps down / 1 Mbps up

Overall, median internet speed in York County is high.

For a typical user, median internet speed meets the FCC definition of high speed internet.



46.5 Mbps/down

5.8 Mbps/up

Broadband Infrastructure

Map: Median download and upload speed by ZIP



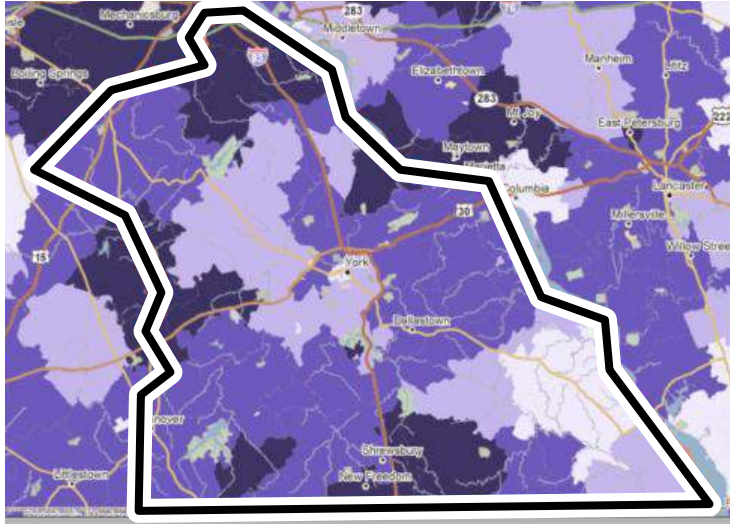
- **High speed connection for 3–4 people:** 50+ Mbps down / 5+ Mbps up
- **High speed internet (FCC definition):** 25+ Mbps down / 3+ Mbps up
- **Work from home minimum:** 10+ Mbps down / 1+ Mbps up
- **Too slow for remote work:** under 10 Mbps down / 1 Mbps up

However, internet speed lags in some areas of the county.

Some areas in York County do not have fast enough internet to support a high speed internet connection or remote work.

Broadband Infrastructure

Map: Percent of households with a subscription to any type of broadband internet by ZIP



Percent Households with Any Broadband Internet

- 85% or more
- 80% to 84.9%
- 75% to 79.9%
- 74.9% or less

In most cases, broadband subscriptions data from the Census corresponds to real time internet speed data

Again, we see some areas in York County without lower levels of broadband subscriptions. Many of these places show up as having low median internet speed for the typical user.

Broadband Infrastructure

Map: Percent of households with a subscription to any type of broadband internet by Census Tract



Percent Households with Any Broadband Internet

- 85% or more
- 80% to 84.9%
- 75% to 79.9%
- 74.9% or less

Zooming in -- we know that in some places, access to broadband internet remains an issue.

For example, in the City of York, broadband access is strong in some neighborhoods, but lacking in others.

Broadband Infrastructure

Map: Availability of residential wired broadband internet access in 2018



Wired Broadband Access (Residential)

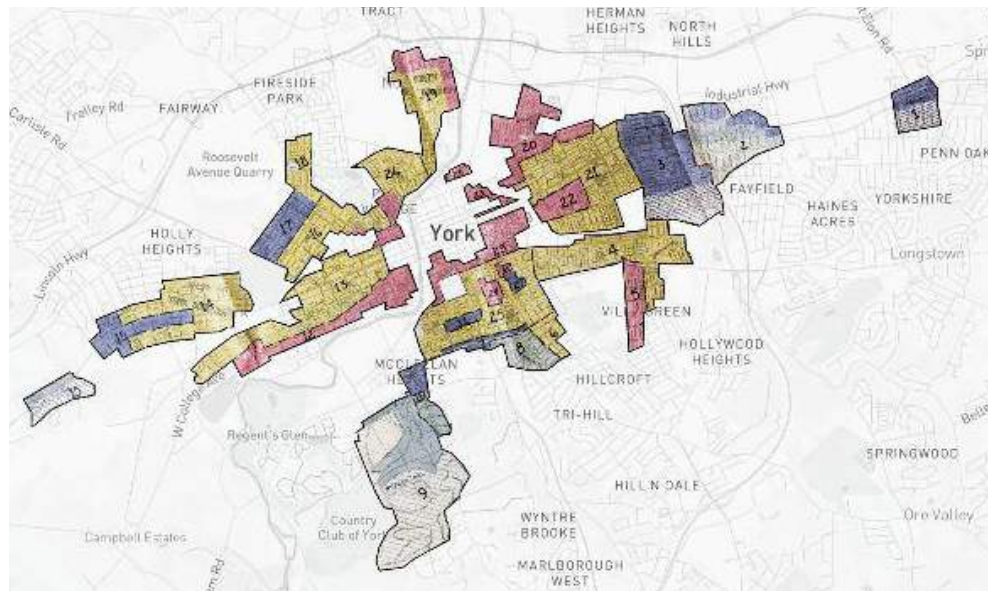
- Broadband Available
- Not Available
- Insufficient Data

... even though Broadband is “available” according to the FCC ...

Treat FCC maps of broadband availability with skepticism -- they don't match conditions on the ground.

Digital Redlining

Map: Availability of residential wired broadband internet access in 2018



Home Owners' Loan Corporation Grade

- A - "Best"
- B - "Still Desirable"
- C - "Definitely Declining"
- D - "Hazardous"

How does internet access relate to historic redlining maps?

Are places with historic disinvestment -- those that received low grades through the Home Owners' Loan Corporation -- experiencing digital redlining?

Remote Work Summary

	Able to Work Remote	Percent Able to Work Remote	Download (Mbit/s)	Upload (Mbit/s)	Down/Up Category
York County	60,537	27.2%	46.5	5.8	■ High speed internet (FCC definition): 25+ Mbps down / 3+ Mbps up

Takeaways

- The median internet connection speed in York County meets the FCC definition of high speed internet, but may not be fast enough to support multiple high-speed connections for families who have multiple workers at home and school children in remote learning.
- Some areas in York County -- especially rural areas -- do not have fast enough internet to support a high speed internet connection or remote work.
- Access to broadband remains an issue for many York County residents, especially those who live in areas with historic disinvestment.

Source: BLS Job Flexibilities and Work Schedule data, 2017-2018
Measurement Lab Internet Speed data, 2020
Census American Community Survey, 2015-2019

How has COVID-19 impacted
municipal finances?

Municipalities “at Risk” in York County, Pre-COVID (2019)

Municipality	Distress Level	
HANOVER BORO	1	Monitor
JACKSON TWP	1	Monitor
JACOBUS BORO	2	Borderline
MT WOLF BORO	1	Monitor
SPRINGETTSBURY TWP	1	Monitor
WARRINGTON TWP	1	Monitor
WEST MANHEIM TWP	1	Monitor
WRIGHTSVILLE BORO	2	Borderline
YORK CITY	3	Concern

The Municipalities Financial Recovery Act, Act 47 of 1987, provides that each municipality complete and file with DCED, a Survey of Financial Condition.

This list highlights municipalities in York that were already facing some fiscal risk or instability even before COVID-19.

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Projecting COVID Losses

In 2020, CMS organized an expert panel of approximately ten municipal managers who were asked to estimate the **percent reduction** they expected to see in each major municipal revenue source. Because the length of the emerging crisis was impossible to know, the panel estimated losses under **low, medium, and high loss** scenarios. The average estimates from the panel are presented in the adjacent table.

Different municipalities may see impacts from different revenue sources. For example, residential and rural communities tend to rely more heavily on **property and earned income taxes**, while those with many employers, downtown business districts, or theaters and ballparks rely on **business taxes, parking revenues, and amusement taxes**, respectively.

	Low Loss	Medium Loss	High Loss
Property Tax %	3%	7%	13%
Earned Income %	9%	14%	28%
Realty Transfer %	7%	11%	18%
Local Services %	6%	14%	20%
Business Tax %	10%	20%	30%
Amusement %	15%	25%	50%
Sales Tax %	8%	17%	21%
Parking Revenue %	10%	20%	40%
Other Revenue %	2%	8%	12%

Predicted Impacts in York County

Total revenue loss estimates,
across 68 municipalities:

\$11.9 M

to

\$48.1 M

Municipalities facing a cash
insolvency warning in 2020 &
2021 in York county:

4 to 8

American Rescue Plan Funds

Funding from the American Rescue Plan may help to stabilize municipalities that need support.

- **Allowable uses of ARP funding** include defraying costs incurred, replacing revenue, or mitigating negative economic impacts sustained as result of the COVID-19 public health emergency.
- The money will be **distributed in two portions**: 1) within 60 days of March 11; 2) at least a year after the first. Communities have until Dec. 31, 2024 to spend the stimulus money.
- While this funding may continue to help many municipalities avoid fiscal distress in the immediate-term, it is meant to stabilize and fill gaps related to COVID-19 expenses. **We may still see fiscal challenges in 2022, 2023, and into 2024** due to declining revenues and other risk factors.

\$87 M to York County

\$37.7 M to York City

Major Takeaways

- In April 2020, YCEA said COVID would cause an economic crisis. This has proved true. Our 2020 estimates and projections of impact came to fruition, with the worst impacts mitigated by federal, state, and local interventions. Nonetheless, COVID significantly impacted many York County businesses and those impacts are ongoing and potentially long lasting. **This is still a crisis.**
- Federal funding helped thousands of businesses, but even a substantial level of federal investment was not adequate to addressing need.
 - In particular, PPP was not well suited to helping small businesses or businesses with low payroll costs compared to other expenses.
- There were also significant inequities in the distribution of federal funds.
 - Low-income neighborhoods and neighborhoods of color received fewer PPP loans on average
- Municipalities may not have seen direct impacts from COVID, but that does not mean they may not experience trickle down effects through loss of revenue.
 - This means municipalities must be very strategic with use of ARA funds

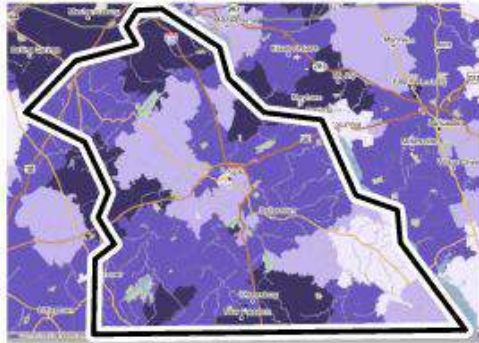
- Women are leaving the workforce at historic rates. This is especially true of mothers and those in the ALICE population, in which 64% of households reported reduced working hours.
- Inadequate access to childcare is a driver of workforce disruptions and women leaving the workforce. In York County, up to 3,500 “seats” are unavailable for childcare, temporarily or permanently
- There is a housing burden crisis, with 8,000 renters and 12,300 homeowners behind on payments and potentially facing eviction or foreclosure as moratoriums are lifted.
 - Black, Hispanic, and ALICE households are particularly impacted
 - While there is substantial federal assistance available to renters, there are limited resources available to mortgage holders
- York County had consistently lower unemployment increase and labor force decline rates than the rest of the state, but the rate is still significantly higher than pre-pandemic and impacts some sectors more than others.
 - 20% or 36,700 workers are in three industries that continue to be most impacted by COVID across various metrics
 - Accommodation and Food
 - Arts, Entertainment, Recreation
 - Retail trade

ARA funds and other local funding should support

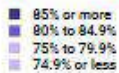
- A multi-million dollar grant program for businesses and non-profits, prioritizing:
 - historically-disadvantaged owners and small businesses
 - hospitality, food and retail sectors
 - non-profits serving vulnerable populations and the hospitality, arts, and recreation sectors
- Entities that build the capacity of historically-disadvantaged business owners to access state and federal relief programs and other opportunities
- Childcare providers and organizations coordinating child care, including home-based providers, and the childcare workforce
- Organizations directly supporting the ALICE population and those living in poverty, which have been at the confluence of numerous negative impacts from COVID and are experiencing disparities in the recovery
- Homeowners behind on mortgage payments to match the significant aid to renters
- Workforce development providers helping young people, women, and the unemployed enter the workforce

ARA funds and other local funding should support

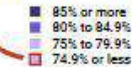
- This list is not all-inclusive. For example, we recommend those distributing ARA funding prioritize countywide broadband access and implementation of the YoCo Fiber strategy to help address the digital divide in York County



Percent Households with Any Broadband Internet



Percent Households with Any Broadband Internet



What comes next?

- YCEA will continue to share this data with the public and target audiences in the coming weeks
- The YoCo Strong Recovery Task Force will update its recommendations to the County Commissioners on the use of the county's American Rescue Act Funds
- Other funders and entities are encouraged to use this data to inform their allocations
- YCEA and its partners will provide technical assistance to municipalities seeking guidance on the use of their ARA funds
- (Keep an eye on multi-trillion dollar transportation bill legislation!)
- Future updates about ARA or other funding opportunities will come through YCEA's Prepared York newsletters and website: www.PreparedYork.com

Thank you!