



Chester County Economy Dashboard

December 2023

Executive Summary

Introduction

The dashboard provides local economy data that can be used to guide economic growth for the county. Economic conditions are constantly shifting, and data used in this dashboard provide a snapshot of the county’s economy. The data in this dashboard highlight the County’s economic strengths and weaknesses and can be used to inform recommendations for the implementation of the county’s comprehensive plan, **Landscapes3**.

Overall, Chester County has a very strong economy. This strength will help the county continue to recover from the COVID-19 pandemic.



The dashboard is online at: www.chescoplanning.org/EconDev/CountyEconomy.cfm

Chester County has nine prominent industry groupings:



Data used in the dashboard were derived from multiple sources and compiled to give a snapshot of the current economic conditions in Chester County. Data sources include: The Bureau of Labor Statistics, U.S. Census, Bureau of Economic Analysis, ArcGIS Business Analyst, the PA Department of Labor, CoStar, National Establishment Time-Series (NETS), Chester County Assessment Data, Chester County building permits, site visits, Google Maps, and municipal outreach. The most recent available year of data varies by source, ranging between 2019 and 2023. Data year is noted in figure titles.



RESIDENT CHARACTERISTICS

- Chester County, with a 2022 estimated population of 545,823 people, is projected to be the fastest growing county in southeastern PA, with an estimated 99,850 residents to be added by 2050.
- County residents had a high labor force participation rate (the percent of noninstitutionalized residents over the age of 16 who are working or actively working) of 69%, consistent with pre-pandemic figures.
- A high share of residents work in professional occupations. This is reflected in the county's high median household income of over \$109,969, the highest in the state.
- A slightly higher number of workers from other locations commute into the county for work than residents commute out of the county for work.

Total Population

	1970	1980	1990	2000	2010	2020
Chester County	277,746	316,660	377,832	435,303	499,797	534,413
Berks County	296,996	312,509	337,812	374,546	411,850	428,849
Bucks County	418,645	479,180	543,091	599,085	625,472	646,538
Delaware County	603,456	555,023	548,033	551,536	559,276	576,830
Lancaster County	320,079	362,346	424,947	471,955	520,156	552,984
Montgomery County	624,080	643,377	680,066	751,335	801,052	856,553
Philadelphia County	1,949,996	1,688,210	1,584,293	1,514,563	1,528,306	1,603,797
Philadelphia MSA	4,817,914	5,547,902	5,892,937	6,188,463	5,971,483	6,102,434
PA	11,800,766	11,864,720	11,903,299	12,280,548	12,666,858	13,002,700
US	203,302,037	226,542,250	249,464,396	282,162,411	309,349,689	331,449,281

Source: U.S. Census



EMPLOYMENT CHARACTERISTICS

- In 2022, there were 246,150 people working in establishments throughout the county. This number increases when accounting for people who are self-employed (this data is not counted in the federal employment data).
- From 2021 to 2022 the county saw an increase of 6,301 people working in establishments. Employment in 2022 remained over 30,000 below 2019 employment but has been steadily increasing.
- Over 50% of jobs are in the top five industries - health care, retail, professional and technical services, finance and insurance, and manufacturing.
- Chester County has the highest average wage in the region at \$84,097, and it has been increasing, up from \$71,000 in 2018.
- The county makes up a significant portion of Pennsylvania's employment in agriculture, finance and insurance, information, management of companies and enterprises, and professional, scientific, and technical services.
- Looking at specific industries, the county has particularly high employment in elementary and secondary schools, other financial investment activities, restaurants and other eating places, and construction.
- Specific industries with employment growth from 2015 to 2022 due to local strengths include local nondepository credit intermediation, educational support services, vegetable and melon farming, furniture and furnishing merchant wholesalers, other ambulatory health care services, and household goods repair and maintenance.
- Specific industries with employment decline from 2015 to 2022 due to local weaknesses include machinery and equipment rental and leasing, semiconductor and electronic component manufacturing, warehousing and storage, and druggists' goods merchant wholesalers.



BUSINESS CHARACTERISTICS

- The top five enterprises with the most employees are Vanguard, The Chester County Hospital, QVC, Main Line Hospitals Inc., and the County of Chester.
- The U.S. Census reports the county has nearly 15,000 private and public establishments, and 14 of these establishments have over 1,000 employees.

Employers by Industry

	Number of Chester County Establishments	Percent of County Establishments
Total, all industries	16,306	100%
Professional and technical services	2,684	16%
Health care and social assistance	1,916	12%
Other services, except public administration	1,562	10%
Construction	1,478	9%
- Retail trade	1,350	8%
Finance and insurance	1,031	6%
Accommodation and food services	1,013	6%
Administrative and waste services	989	6%
Wholesale trade	864	5%
Real estate and rental and leasing	642	4%
Manufacturing	641	4%
Educational services	413	3%
Information	348	2%
Management of companies and enterprises	342	2%
Transportation and warehousing	323	2%
Arts, entertainment, and recreation	286	2%
Agriculture, forestry, fishing and hunting	258	2%
Public administration	129	1%
Utilities	32	0%
Mining, quarrying, and oil and gas extraction	9	0%

Source: U.S. Bureau of Labor Statistics, 2022



GROSS DOMESTIC PRODUCT

- The county's Gross Domestic Product in 2021 was \$42.75 billion, which is a 58% real growth rate since 2001.
- The top industries that drove Gross Domestic Product were information, professional and scientific services, real estate and rental leasing, and finance and insurance.
- Looking at the change in Gross Domestic Product from 2015 to 2021, information, finance and insurance, utilities, educational services, other services, accommodation and food services, and retail all had positive local factors leading to Gross Domestic Product increases. Information showed indications of strong growth due to local factors.

KEY INDUSTRIAL GROUPS

- Federal statistics and categorizations do not always fit neatly into the way businesses and the public think about industries. The Chester County Economic Development Council has identified nine industry groupings that are not necessarily the largest industries in the county, but they are critical for a variety of reasons. These nine industry groupings are agriculture and food production, education, energy, finance, health care, information technology, life sciences, manufacturing, and tourism and entertainment.
- Of the nine industry clusters, health care, with 27,566 employees, finance, with 24,879 employees, and tourism and entertainment, with 21,909 employees, are the largest.
- Chester County displayed indications of exporting goods and services in life sciences, finance, information technology, and agriculture and food production.

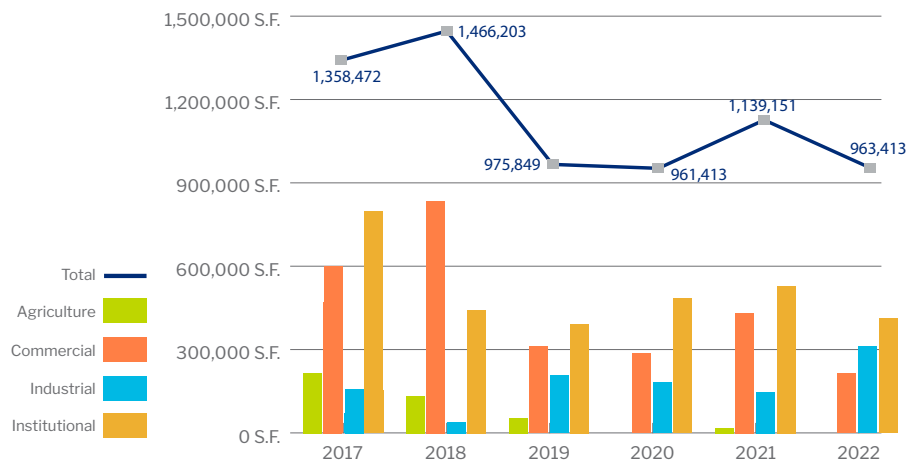




REAL ESTATE CHARACTERISTICS

- Between 2000 and 2007, before the 2008 housing crash, the county added a minimum of 2,500 new units annually, with an average of 3,287 new units. In 2008 that figure began to drop, and from 2009 through 2020 less than 2000 new units were added, with an average of 1,409 new units annually. New unit construction per year increased back to over 2,500 new units in 2021, largely due to multifamily development, with 3,743 units in 2021 and 2,537 in 2022.
- Over the past few years, single-family detached homes have accounted for less than half of the homes built, with many apartments and townhouses being constructed. This trend continued in 2022, in which single family detached homes made up 37 percent of new units built.
- At \$466,480 the median home sale price in 2022 raised to the highest it has ever been even when accounting for inflation.
- Non-residential construction square feet has remained fairly consistent from 2019 through 2022, as have total number of projects.
- The county has a significant amount of office space, which has been renting at approximately \$29 per square foot a year, a slight increase from previous years. The office vacancy rate in the county is about 10.5 percent, higher than 2021 but relatively average within the region.
- Chester County's shopping centers and retail stores serve local community needs and are not generally a draw for those outside of the county. The average rental rate of around \$20 per square foot is around the region's median, but the vacancy rate of 4.8 percent is the highest in the region.
- The county's industrial space rents for around \$9.5 per square foot, far lower than in 2021, which had average rents of \$16. The decrease in average per square foot rental price brought rents in line with the region. The vacancy rate of 3.6 percent is low for the region.

Total Non-Residential Square Feet by Type



Economic Strengths and Weaknesses

Strengths

- + The county's economy is very diverse and not overly dependent on any one industry.
- + Strong industries in the county, such as management of companies and enterprises, finance and insurance, and professional and technical services, have high wages and are generally growing industries.
- + Specific higher growth industries, including software publishing, financial investment, and scientific research and development, are high-paying industries. Life sciences, within the scientific research category, has seen particularly strong local growth.
- + The county has a highly-paid and educated workforce, which normally has a strong workforce participation rate and low unemployment rate.
- + The county is part of the Philadelphia regional economy and has easy connections to major East Coast destinations like New York City and Washington, DC.
- + The county has a history of agricultural industries which remain strong and nationally competitive.

Weaknesses

- Housing costs have been sharply rising, pricing many out of the county and causing others to be housing cost burdened.
- The real estate sectors have either higher vacancies or higher costs than nearby counties.
- Certain business sectors that have been strong in the past, such as computer system design or electronic shopping, have seen declines in employment.
- The county has lower employment in a few industries, such as restaurants and health care, than expected given national norms.
- Office parks along major corridors have fueled growth over the years. Shifts in employment norms to more hybrid workplaces may lead to dramatically different office use and development patterns.



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