

State of the Lehigh Valley

2010

Community Trends at a Glance



**Lehigh Valley
Research Consortium**

State of the Lehigh Valley **2010**

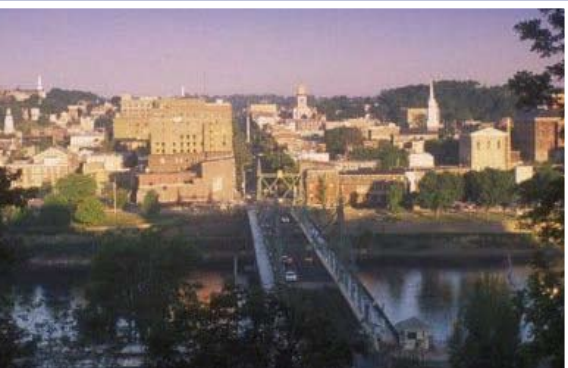


Table of Contents

Letter from the Director	1
Population	2
Economy and Employment.....	4
Education and Youth Services	6
Environment and Land Use	8
Political Participation & Government Affairs	11
Public Health and Welfare	13
Public Safety.....	15
LVRC Boards and Staff	17



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The information and views presented in this report do not necessarily reflect those of either the trustees, administration, faculty, or staff of LVAIC institutions or our sponsors.

Dear Community Member:

The thrill rides at our local amusement park pale in comparison to the ride the economy of the Lehigh Valley has taken over the last decade, which has been filled with twists, sharp turns, and steep hills. We started the decade in a fast-paced uphill economic boom, which brought new life into our economy and new residents to our region. By the latter part of the decade, the economy began its bumpy decent and our housing market took a sharp downward turn. Twisted into the economic mix was the increasing demand for public and not-for-profit services, which have been hampered by the economy, declining governmental spending, and declining public giving. As this simple analogy suggests, our region's problems are complicated and interconnected.



Our third State of the Lehigh Valley report presents indicators of our region's ability to handle this bumpy ride. Here, we examine regional trends across our municipalities and school districts, as well as provide comparisons of our region with state and national data. In this edition of our report, we begin to connect the economic downturn, or Great Recession, to our education, public health, and public safety systems. We also examine several measures of air quality and perceptions of land use. Finally, we examine key political events, including the rise of the Tea Party movement.

The LVRC draws upon expert faculty from the Lehigh Valley Association of Independent Colleges (LVAIC). Through the collection and analysis of data, the LVRC assists government officials, community businesses, and not-for-profit organizations in their work and encourages broad participation and dialogue about quality of life issues in our region. The center also provides undergraduate and graduate students the chance for hands-on research experience in ongoing empirical studies and enhances opportunities for both interdisciplinary and cross-institutional collaboration. LVRC serves as a connection point between faculty members of multiple institutions that may share similar research interests with no vehicle for collaboration on local projects.

Please visit our website to learn more about our research and community indicators at www.lehighvalleyresearch.org.

Sincerely,

Michele

Michele Moser Deegan, Ph.D.
Director Lehigh Valley Research Consortium
Associate Professor Political Science
Muhlenberg College



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Research Consortium**

Acknowledgements

The Lehigh Valley Research Consortium operates within the Lehigh Valley Association of Independent Colleges, a collaboration of Cedar Crest College, DeSales University, Lafayette College, Lehigh University, Moravian College and Muhlenberg College. Lehigh Carbon Community College and Northampton Community College are affiliate members of LVAIC. We are very grateful for the continued support and encouragement from our administrators and colleagues at these institutions.

We also owe our thanks to members of the LVRC Advisory Board for their support of our goals and their expert advice, which has helped to shape our organization and our research. A final note of appreciation goes to organizations and individuals that have provided financial support during the last year, in particular PPL Corporation, LVAIC, our LVAIC institutions, and an anonymous donor.

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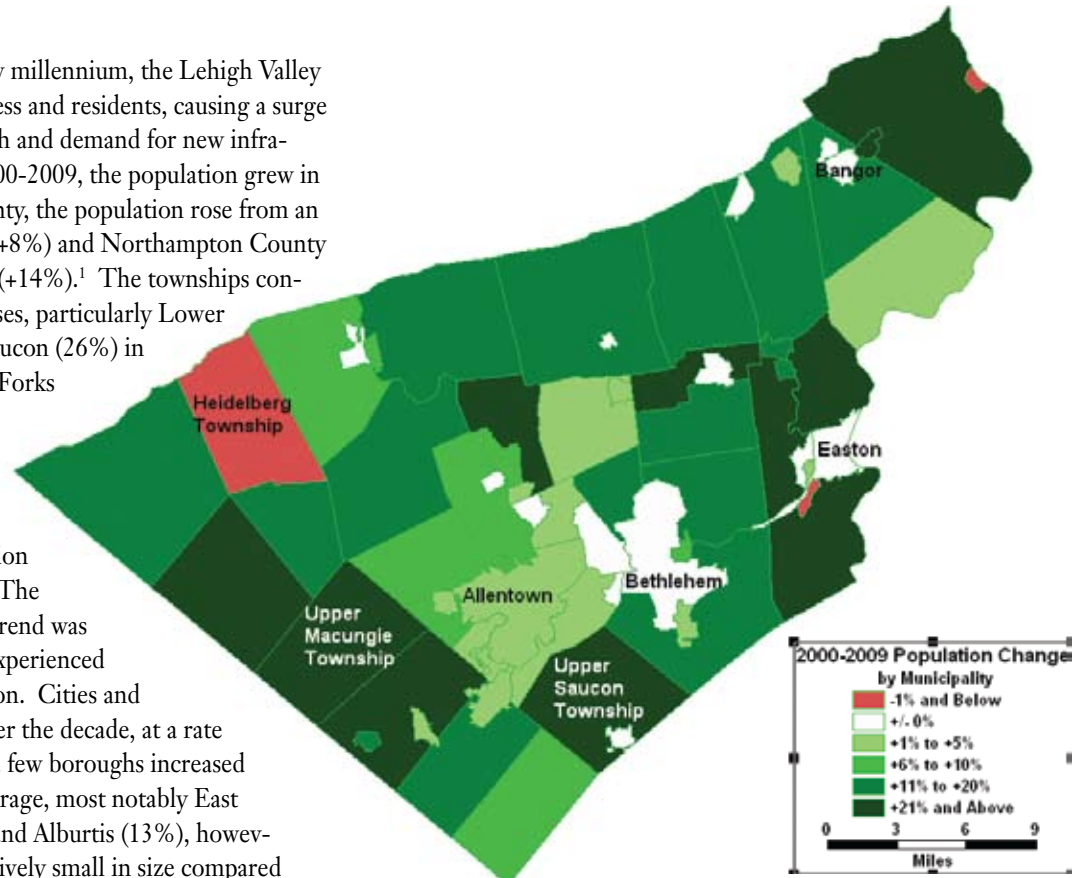
Hub Wilson: page 15 (left)

**Steve Wolfe Photography/Spillman Farmer
Architects:** page 11 (right)

At the turn of the new millennium, the Lehigh Valley attracted new business and residents, causing a surge in population growth and demand for new infrastructure. From 2000-2009, the population grew in both counties. In Lehigh County, the population rose from an estimated 366,227 to 397,113 (+8%) and Northampton County grew from 214,786 to 245,373 (+14%).¹ The townships continue to lead population increases, particularly Lower Macungie (57%) and Upper Saucon (26%) in Lehigh County, and Allen and Forks (both increasing over 72%) in Northampton County. The 10 fastest growing townships contributed 49% of the absolute growth of the population in the two counties combined. The only notable exception to this trend was Heidelberg Township, which experienced a decline in estimated population. Cities and boroughs grew more slowly over the decade, at a rate of less than 3% overall. Only a few boroughs increased their populations above the average, most notably East Bangor (22%), Tatamy (17%) and Alburty (13%), however, these boroughs remain relatively small in size compared to the population of our growing townships.

It is interesting to note that the population models show more growth occurred between 2000 and 2006 in both Lehigh and Northampton Counties (each up 7% over this period) than between 2006-2009 (Lehigh County was up 2% and Northampton County was up 1%). For example, when comparing the higher growth period (2000-2006) to the lesser growth period (2006-2009) in Lehigh County, the following townships favor growth in the earlier period; Lower Macungie (+46% versus +7%), and Upper Saucon (+20% versus +5%). In Northampton County, the same pattern emerges in favor of the earlier time period; Allen increased (+55% versus +13%), Forks (+61% versus 7%), Williams (+34% versus 4%), Upper Mt Bethel (+22 versus

¹ The numbers we present are population estimates from the US Bureau of the Census and the Lehigh Valley Planning Commission. The estimates are built on models that consider birth and death rates along with economic changes.



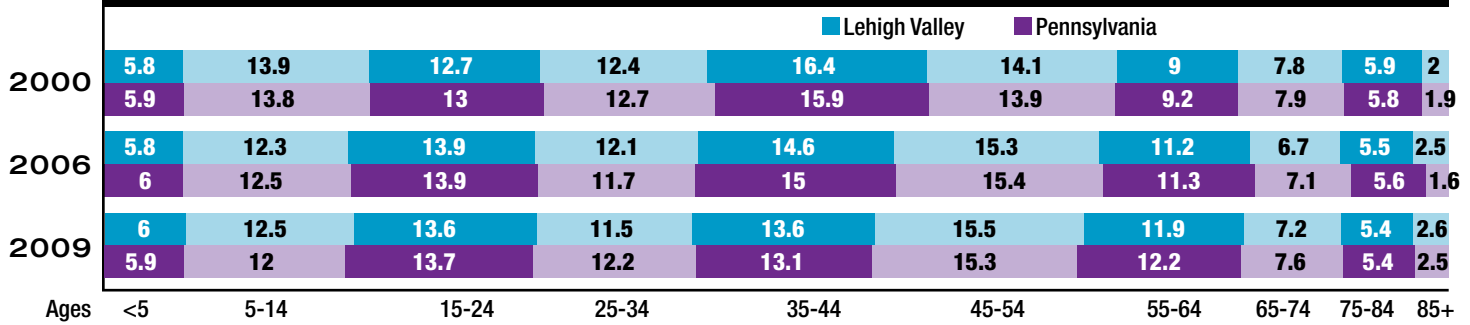
+7%) and Upper Nazareth (+24% versus 9%). There were very few exceptions to this phenomenon. The new housing permit data, provided by the Lehigh Valley Planning Commission, helps to explain the trend towards slower population growth after 2006. During the decade, new housing permits peaked in 2005 in both counties at 1,731 in Lehigh County and 1,986 in Northampton County. By 2009, new housing permits fell to 613 in Lehigh County and 353 in Northampton County.

When looking at age demographics of the population, the Lehigh Valley is fairly similar in make-up to Pennsylvania. The charts on the next page outline population percentage by age in 2000 and 2009.

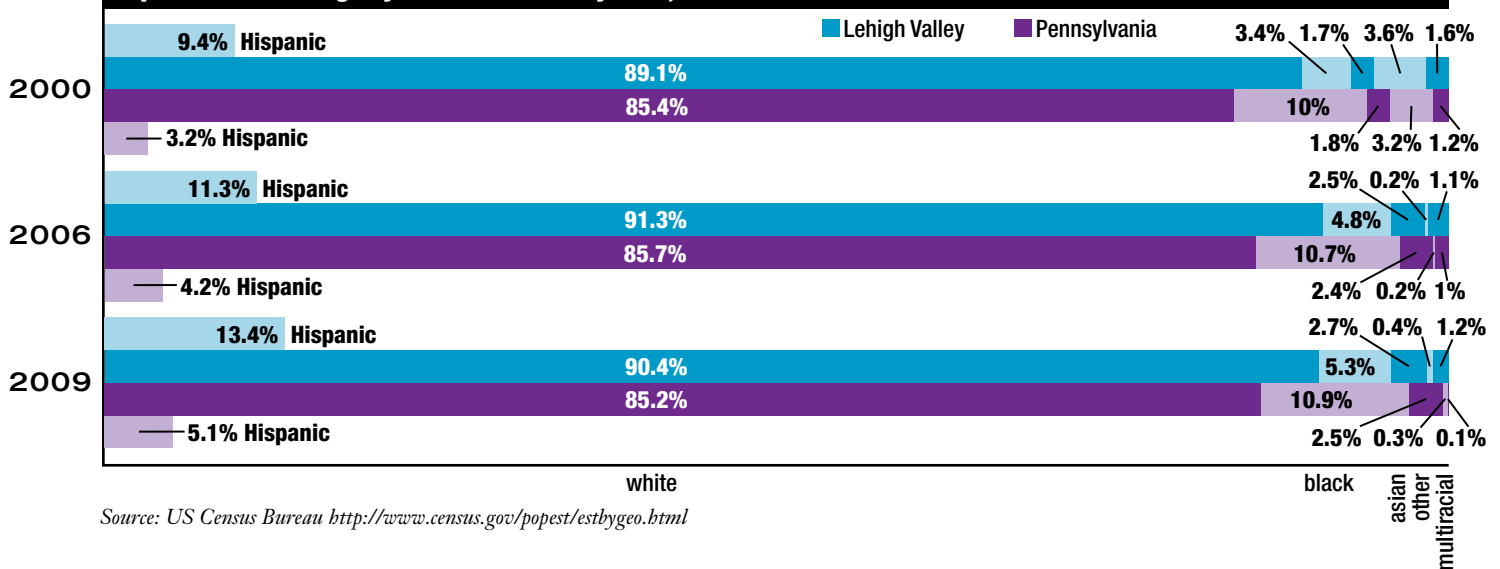
The statistics indicate that population percentages by age have remained fairly stable during the decade. The break out



Population Percentage by Age 2000, 2006 and 2009



Population Percentage by Race and Ethnicity 2004, 2006 and 2008



Source: US Census Bureau <http://www.census.gov/popest/estbygeo.html>

of the population by age shows that about one-quarter of our residents are school aged, including college age, while about 15% are older adults. The middle range of ages, who are the main contributors to the workforce, has also remained stable despite the economic decline. These percentages are nearly the same for the state overall. For race and ethnic composition,

the table shows that the Lehigh Valley breakdown is somewhat different than that of Pennsylvania. In both 2009 and 2000, the Lehigh Valley had a greater percentage of the population reporting being Hispanic versus Pennsylvania (9.4% versus 13.4% in 2009); however the percentage of Black residents is estimated to be lower in the Lehigh Valley than in Pennsylvania over both periods (5.3% versus 10.9% in 2009). Overall, in 2009, minority groups in the Lehigh Valley comprising a slightly larger percentage of the population than overall in PA.² In conclusion, while our population has increased over the last ten years, the growth has slowed during the latter half of the decade. Even with this growth, the age distribution of the population remains stable, while the region, much like the state, continues to become more culturally diverse.

Author: Arlene Peltola

Residents of the Lehigh Valley continue to provide generally positive opinion regarding the quality of life in Lehigh and Northampton counties.

Over 9 out of 10 residents surveyed in 2010 rated the Lehigh Valley as either an excellent or good place to live, with only 8% rating the overall quality of life in the area negatively. These positive perceptions of life in the Lehigh Valley have remained consistent over the 8 years since the initiation of the annual quality of life surveys. Despite the positive ratings of overall quality of life in the region, Lehigh Valley residents remain pessimistic about the direction of living standards locally, with 2 residents stating that life in the Lehigh Valley is getting worse for every 1 resident that believes life here is getting better.

Insets provided by Christopher P. Borick

² Those people reporting in the Other category—American Indian, Native Hawaiian and other Pacific Islander or Other (one race) in 2000 represented a larger percentage of the population in both the Lehigh Valley and Pennsylvania versus in 2009 perhaps due to the selection, Other (one race), being a category in 2000 but not in 2009.

Employers and workers in the Lehigh Valley have been affected by the downturn that began in December 2007, what has become known as the Great Recession. Although the recession ended in June 2009 with a return to growth in the U.S. gross domestic product (GDP), unemployment remains high around the country and in our area. This has been the pattern over the past two decades: as the economy's production of goods and services once again starts to grow, jobs are added slowly. A firm that lets workers go is hesitant to hire until its business becomes more robust. In addition, although the end of a recession marks the resumption of GDP growth, output must grow for some time before it reaches its previous high.

The delay in job growth and a slowly falling unemployment rate are evident in the combination of graphs shown here. The previous recession (March-November 2001) is evident as well as the current, deeper recession. The resulting two peaks of unemployment in the "business cycle", which follow the two troughs of contraction (negative growth) in GDP, are captured in the first graph. These correspond to the troughs in the graph of employment growth. To reflect the latest developments, we report data annually year-to-year for October rather than the traditional end-of-year (December-to-December) perspective.

The plots show that, during most of the decade, the Lehigh Valley has had a lower rate of unemployment and higher employment growth than the country as a whole, the state of Pennsylvania, and the Mid-Atlantic region. The most recent data (2008-2010), unfortunately, show that the recession has had a relatively worse effect on the Lehigh Valley when compared to the state and Mid-Atlantic region. In the very latest report, the picture is also better for the country as a whole than for our area. While unemployment was relatively lower in the Lehigh Valley during both the years of growth and the earlier (2001)

In the midst of a persistently sluggish national economy Lehigh Valley residents indicate fairly mixed view about the region's economic condition.

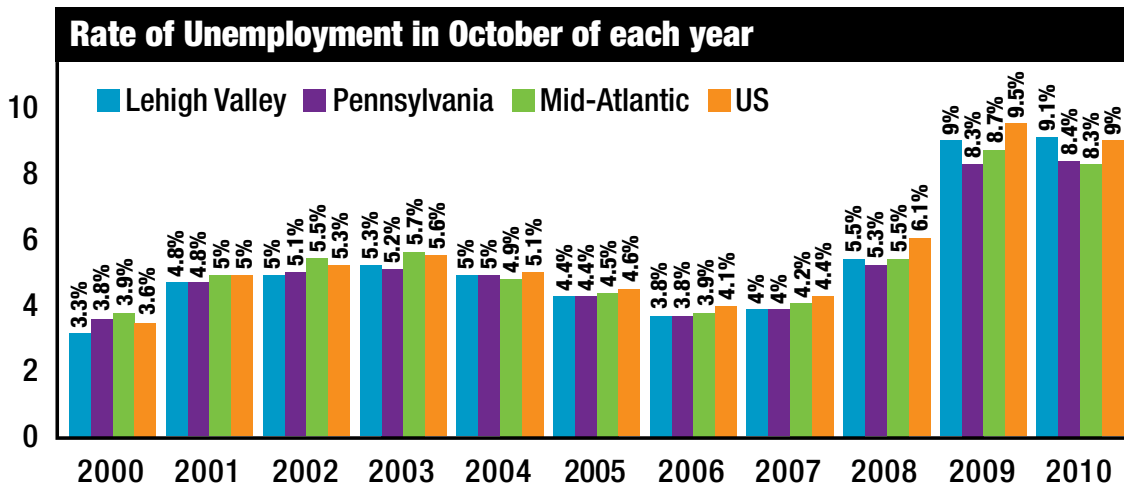
Over one half (56%) of survey respondents in 2010 rated the local economy as either not so good or poor, in comparison with 42% who rated the economy as excellent or good. While public perceptions of the area's economic conditions remain mostly negative, the percentage of positive ratings did rebound by 5% from the record low ratings observed in 2009. The stagnant economic conditions did manifest in the form of decreased satisfaction with personal income among Valley residents with a record high 22% of local residents stating that they were either somewhat or very dissatisfied with their income levels.

recession, it has been higher recently. The story is similar for employment growth: although the Lehigh Valley experienced a recession in 2001 just as the state, region, and country did, the contraction in our local economy was smaller, and during all but one of the years of growth the local economy grew faster than the larger areas. Yet the most recent recession has seen a stronger contraction in the Lehigh Valley than in the state, region, and country.

Housing's central part in the financial crisis and recession, and its slow recovery, are reflected in data reported by the New York Federal Reserve and Realty Trac, as aggregated by the LVRC. The 90+ day mortgage delinquency rate for our two-county Valley was 4.1% during the quarter ended in October 2010. At the same time last year, the rate was 3.3% for our area. The Lehigh Valley rate is currently lower than the 5.3% national rate, but the national average is not increasing as quickly as the local rate: the U.S. delinquency rate was 5.0% at the same time last year. Recent foreclosure rates, during October 2010,

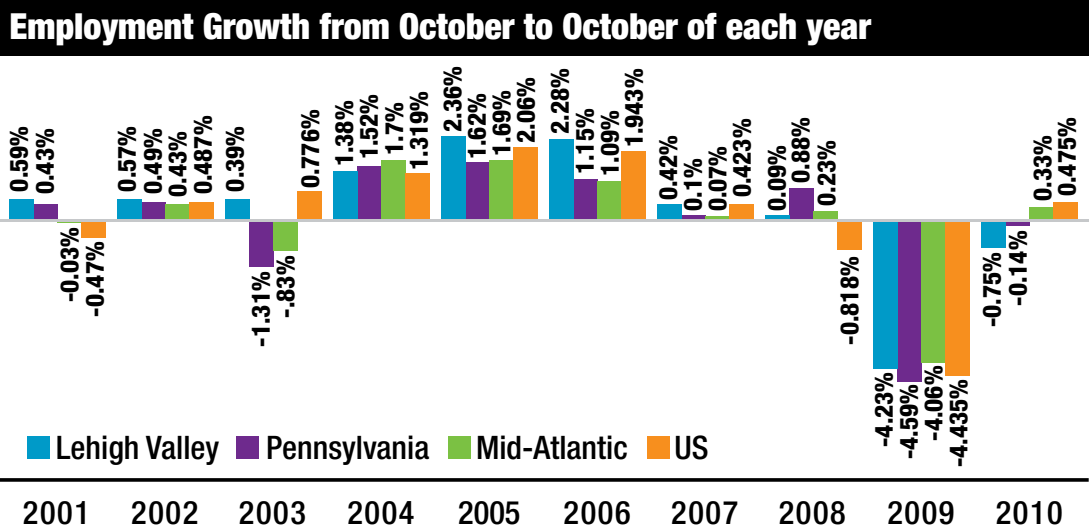
are 1 in 615 existing Lehigh Valley housing units. This rate is worse than Pennsylvania's rate of 1 in 875, but better than the national figure of 1 in 389. (The larger the second number, the lower the rate of foreclosure.)

The American Recovery and Reinvestment Act of 2009 has contributed to our local economy as it begins to recover from the recent recession. Awards from February 2009 through the end of September 2010 are reported on the Re-



Source: U.S. Bureau of Labor Statistics. Data is not seasonally adjusted, so that it may be consistent across regions. The Pennsylvania and Lehigh Valley October data are preliminary. The Lehigh Valley includes Northampton and Lehigh Counties.

covery Act website at the national, state, ZIP code, and Congressional District level. As aggregated by the LVRC, these data reveal that of the 1,253 contracts, 6,349 grants, and 43 loans awarded in Pennsylvania from February 2009 through the end of September 2010, the Lehigh Valley was the prime recipient of 259 projects. In dollar terms, Pennsylvania has received \$850 million in contracts, \$8.2 billion in grants, and \$190 million in loans. Of these projects, the Lehigh Valley has received over \$630 million. The Pennsylvania projects resulted in over 29,000 reported jobs; of those, the projects in the Lehigh Valley resulted in over 400 reported jobs. The Recovery Act's total national funding of \$251 billion went to almost 240,000 projects and has resulted in over 675,000 reported jobs. These awards also have sub-recipients and vendors that may



Source: U.S. Bureau of Labor Statistics. Data is not seasonally adjusted, so that it may be consistent across regions. The Pennsylvania and Lehigh Valley October data are preliminary. The Lehigh Valley includes Northampton and Lehigh Counties.

not be counted as part of the prime recipients' reported jobs. The spending's effects continue to expand through these additional recipients and others, resulting in both new jobs and increased income throughout the economy.

These figures provide a brief overview of the local economy's recent history and current recovery from the longest recession since the Great Depression. National trends are reflected in various aspects of our local situation, yet the area's greater resiliency in the past is not reflected in the current comparisons.

Author: Christopher S. Ruebeck

Medical providers, educators, and government represent many of the top employers in our area, as they do in similar communities across the United States. The changes in the Lehigh Valley reflect trends around the country over the past decade, including the Tech Bubble's burst and consolidation in the retail and grocery sectors. Although the movements in rankings are not precise indicators of size, they also provide evidence of decreases over the past decade in both Federal and local government employees while employment by state governments has increased.

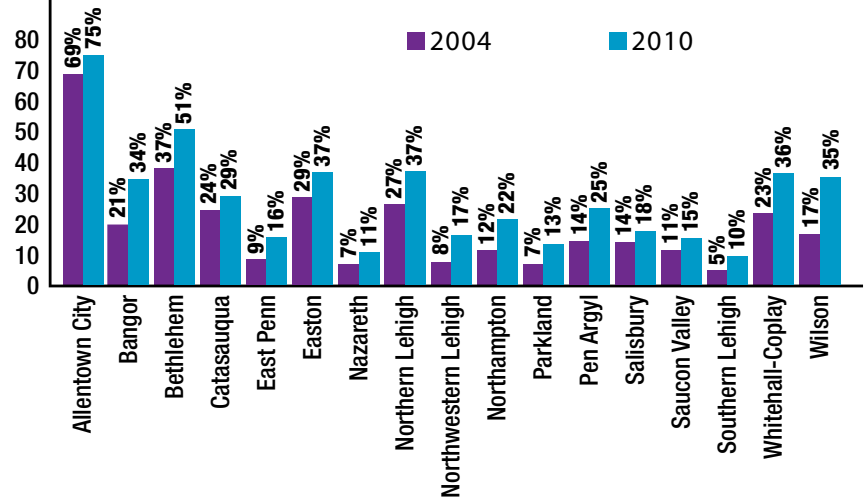
	2000	2005	2010
1	Lucent Technologies Inc	Lehigh Valley Hospital Center	Lehigh Valley Hospital Center
2	Air Products & Chemicals Inc	Air Products & Chemicals Inc	St Luke's Hospital
3	Lehigh Valley Hospital Center	St Luke's Hospital	Air Products & Chemicals Inc.
4	St Luke's Hospital	Lehigh County Government Ctr	Allentown School District
5	Federal Government	Allentown School District	Lehigh County Government Ctr
6	Lehigh County Government Ctr	Federal Government	Bethlehem Area School District
7	PPL Electric Utilities Corp	Giant Food Stores LLC	Giant Food Stores LLC
8	Mack Trucks Inc	Bethlehem Area School District	State Government
9	Allentown School District	State Government	Lehigh University
10	Bethlehem Area School District	Northampton County	Northampton County
11	Lehigh University	Mack Trucks Inc	Federal Government
12	State Government	Agere Systems Inc	Lehigh Valley Physician Group
13	Northampton County	Lehigh University	Wal-Mart Associates Inc
14	The Wood Company	The Wood Company	Easton Area School District
15	Guardian Life Ins Co Of America	Guardian Life Ins Co of America	Guardian Life Ins Co Of America

Source: Data compiled for the LVRC by the Pennsylvania Department of Labor and Industry's Center for Workforce Information and Analysis. Federal and State government entities aggregated.

The economic downturn affected all of the Lehigh Valley's 17 public school districts, not only in terms of lost tax revenue, but also increased the demand for additional support services. In this section we examine how the economy impacted the percentage of students eligible to receive free or reduced price lunch, which is often used as a proxy for poverty by educational researchers. Since the late 1960s numerous studies indicate that there is a strong connection between the level of child poverty and student outcomes including scores on standardized tests, such as the Pennsylvania System of School Assessment exam (PSSA), graduation rates, and college entrance exams. Therefore, we also consider changes in student outcomes from 2004 to 2010 and the extent to which students plan to enroll in post secondary education before and after the start of the recession.

According to the US Department of Education, students eligible to receive free lunch live in families with incomes below 130% of the poverty level or qualify for Temporary Assistance for Needy Families or food stamp benefits. Children from families with incomes between 130% and 185% of the poverty level are eligible for reduced price lunches. As shown in table above, all 17 school districts experienced an increase in the percentage of students qualifying for free or reduced price lunch. School districts with the largest increase in the percent eligible from 2004 to 2010 include Northwestern Lehigh SD, Wilson SD

Percentage Eligible for Free and Reduced Price Lunch 2004 and 2010

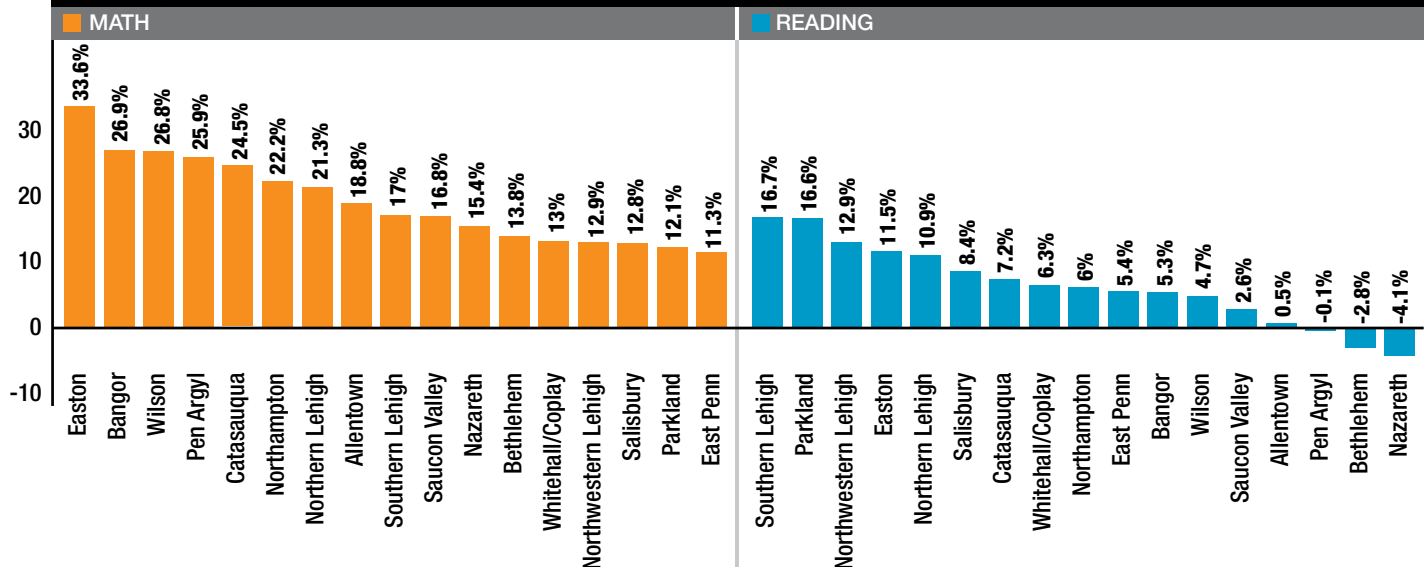


Source: PA Department of Education Food and Nutrition Programs
http://www.education.state.pa.us/portal/server.pt/community/national_school_lunch/7487

and Southern Lehigh SD. However, while these increases are high it is important to note that the Northwestern Lehigh and Southern Lehigh school districts have relatively low rates of free or reduced lunch relative to our urban core districts. Allentown SD, with the highest concentration of high poverty students, increased the percentage eligible by only 8%. Statewide, in PA, about 40% of students were eligible for free/reduced price lunch during the 2010 school year, an 18% increase from 2004.

The effects of poverty impact the extent to which children are able to succeed in the classroom as they may suffer from hunger, poor health, or other challenges that make it difficult to concentrate on school work. The next table compares the percentage of students in each school district scoring proficient or higher on math and reading scores for the PSSA from 2004 to 2010. The state uses the PSSA as one of the key measures

Percentage Change of PSSA 2004-2010*

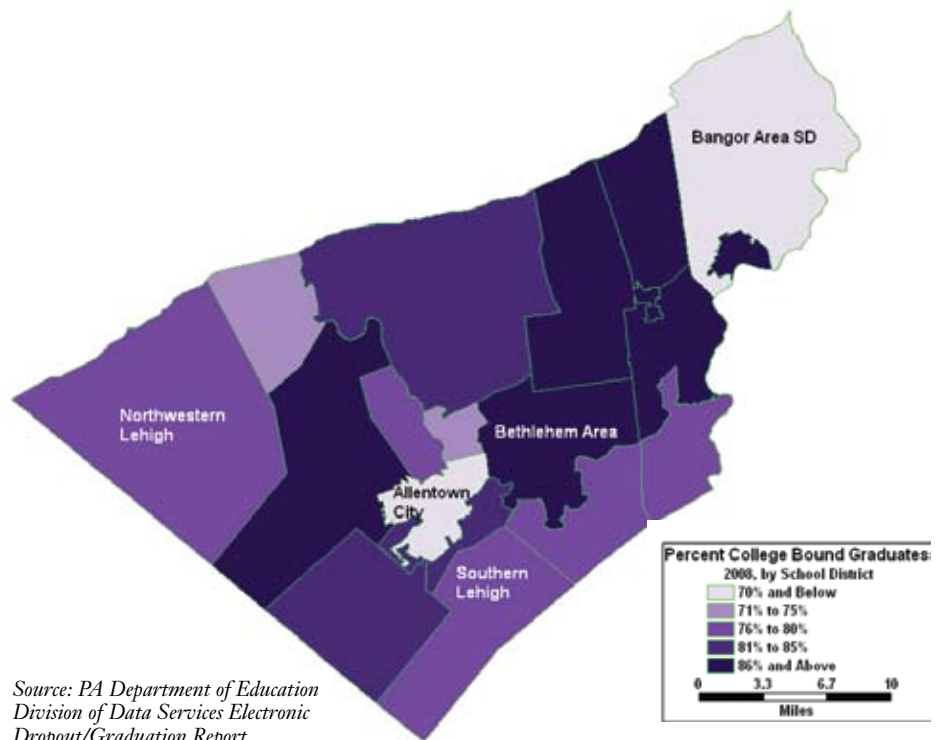


*During the 2003-04 school year grades 3, 5, 8 and 11 were tested. During the 2009-10 school year grades 3-8 and 11 were tested.

Source: PA Department of Education Division of Assessment
http://www.education.state.pa.us/portal/server.pt/community/data_and_statistics/7202/assessment/508839.

of school and school district progress towards meeting the requirements of the federal No Child Left Behind Act. Although there are multiple student groupings that are evaluated for the purpose of state accountability, we provide a snapshot of results for each school district here. During the 2009-10 school year, all school districts met the state's Adequate Yearly Progress goal for PSSA math scores, which was a score of 56% proficient/advanced. The Allentown SD had the lowest percentage of students at proficient or better (58%) while the Saucon Valley SD had the highest percentage of students at proficient or above (88%). However, several of the school districts with the lowest percentage of students at proficient or higher in math had the highest improvement in scores. Allentown, Bangor Area, Easton Area, and Catasauqua school districts all saw an increase in the percentage proficient or higher. Additionally, these 4 school districts have some of the highest rates of students eligible for free or reduced price lunch, suggesting the possibility that these districts are finding ways to mitigate the effects of poverty in order to improve student outcomes in math. These positive results, however, disappear for the reading PSSA results. While 14 of the 17 districts saw increases in the percentage of students at proficient or higher, the improvement was smaller than the math results and a few districts actually saw a decline in the percentage of students meeting the state standard. The 2009-10 reading Adequate Yearly Progress target was 63% proficient or higher. Only Allentown SD failed to make the school district target. It appears from these results that there may be some association between poverty and PSSA results, particularly reading results. However, after running correlation statistics of math and reading results and our measure of poverty, we can not conclude that there is a significant relationship across our 17 school systems between these measures. Further tests of individual districts over time are needed to more closely examine the connection between poverty and student outcomes.

In addition to examining the relationship between poverty and student outcomes, we also examine the students' post secondary plans. Poverty may also affect a student's post secondary education plans as these students may not be academically prepared for college and may face challenges to pay for further education. As shown in the map, results of the percentage of seniors who planned to enroll in some type of college are mixed. In 2008, the latest year of available data, on average, 79% of public school graduates were college bound, which was higher than the statewide average of 72%. Nazareth Area (90%), Pen Argyl (89%), and Parkland (88%) school districts



Source: PA Department of Education
Division of Data Services Electronic
Dropout/Graduation Report

reported the highest percentages of college bound seniors while Allentown (64%) and Bangor Area (63%) reported the lowest percentages going on to college. Some school districts, such as Bangor, one of our region's poorer districts, saw a 40% increase in college bound students from 2005-08. Five school districts saw a drop in the percentage of seniors who were college bound from 2005-08. Looking more closely at where these students planned to enroll, a higher percentage of students from our poorer districts, such as Easton Area and Bethlehem Area, planned to enroll in a two year institution versus a four year institution, which explains some of the growth in the enrollment at our region's two community colleges.

In conclusion, the economy does appear to have some impact on the educational systems of our region. More students are affected by poverty, however, it is unclear to what extent it is impacting student outcomes, particularly with regard to PSSA scores. Additionally, while we are sending more students to college than the state average, students from poorer families may be less prepared for and may face difficulty affording a college education.

Author: Michele Moser Deegan

Perceptions of public schools in the Lehigh Valley continue to be largely positive with about 7 out of 10 residents of Lehigh and Northampton counties rating the area's schools as excellent or good. These marks are statistically unchanged over the past five years and reflect generally stable and positive views of the public school systems in the Lehigh Valley. As might be expected, satisfaction with the public schools does vary among individuals from varied demographic groups, with local residents from families making less than \$60,000 per year significantly more likely to rate public schools in the area negatively in comparison with their counterparty from families with incomes over \$60,000 annually.

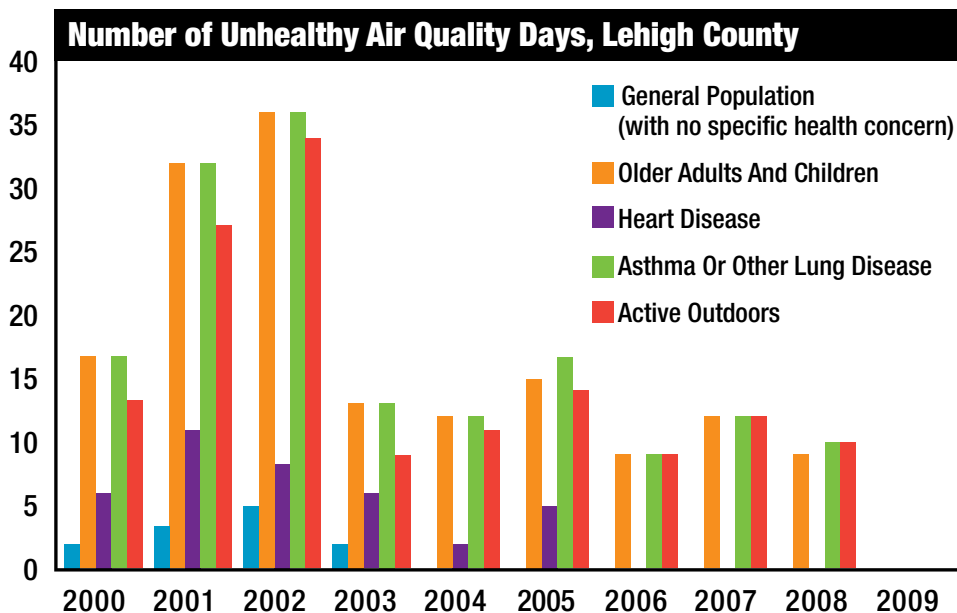


The population growth and increase of new businesses not only puts pressure on our local public infrastructure but also affects the quality of our environment; as road congestion increases, air quality declines. Additionally, new housing, an economic benefit, diminishes the open spaces that many residents cherish. In this section we examine the regional environment through measures of air quality and land use including public opinion information.

The U.S. Environmental Protection Agency (EPA) measures air quality in three locations in the Lehigh Valley; Allentown, Easton, and Freemansburg Borough. The EPA uses a composite measure of various particles that are unhealthy to humans (i.e., sulfur dioxide, carbon monoxide and particulate matter) as an indicator of overall air quality. According to the EPA, from 2000 to 2009, the general population, meaning those with no specific health concerns, experienced a decreasing number of unhealthy air quality days in the Lehigh Valley (see graph). In fact, for the general population with no specific health concerns,

in Lehigh County, there have been no reported unhealthy air days since 2003. In Northampton County, the same population over the same time period experienced one unhealthy air day in 2004, 4 such days in 2006 and 5 unhealthy air days in 2007. Both counties experienced no unhealthy air quality days in 2008 and 2009.

While these data are favorable, it is important to look over time at results that consider specific vulnerable populations. For example, in Lehigh County, unhealthy air days for people with specific health concerns and active-outdoor individuals ranged between 10 and 15 for the years 2004 to 2008, with a sharp drop off to zero in 2009. In Northampton County, there were up to 29 such days during the same time span, including a marked decrease in 2008, and only one such day in 2009. The earlier part of the decade was particularly problematic for people suffering from asthma or other lung diseases, older adults and children. The significantly improved air quality during 2008 and 2009 coincided with the economic recession however, we can not draw

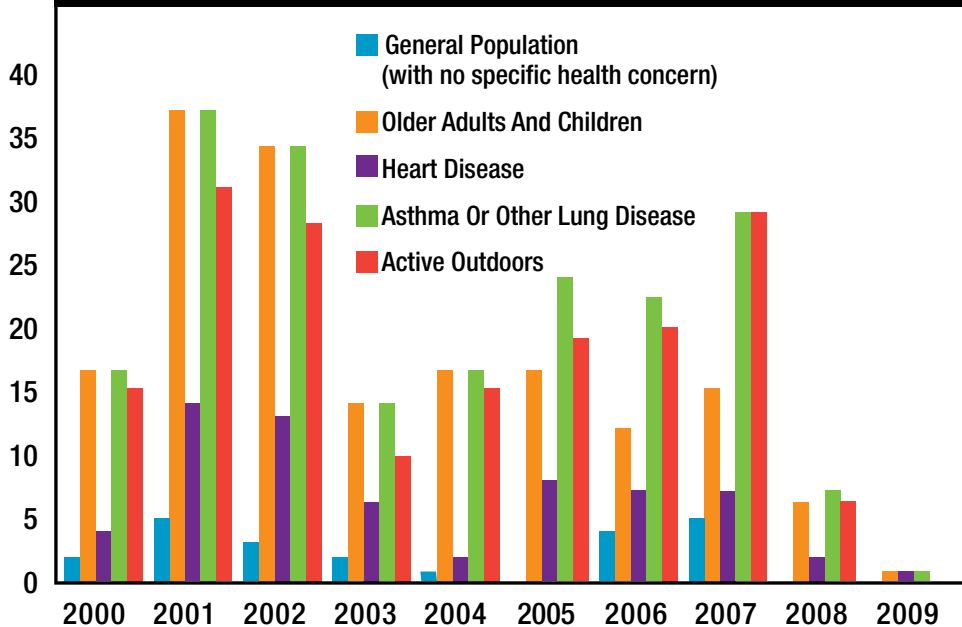


Source: US Environmental Protection Agency, Airnow <http://www.epa.gov/aircompare/compare-trip.htm>

any statistical relationship between the recession and air quality from these measures alone. Other factors, such as the air temperature, also influence air quality.

Ozone is another frequently used indicator of air quality. According to the EPA, ground-level ozone pollution caused by exhausts (smog) can be detrimental to bronchitis, emphysema, and asthma patients. This type of air pollution also has negative effects on vegetation and ecosystems. Within an 8-hour period, levels in excess of .075 ppm (parts per million) are considered harmful, while levels exceeding .12 ppm are considered damaging at exposure for more than one hour. In 2008, there were

Number of Unhealthy Air Quality Days, Northampton County



Source: US Environmental Protection Agency, Airnow <http://www.epa.gov/aircompare/compare-trip.htm>

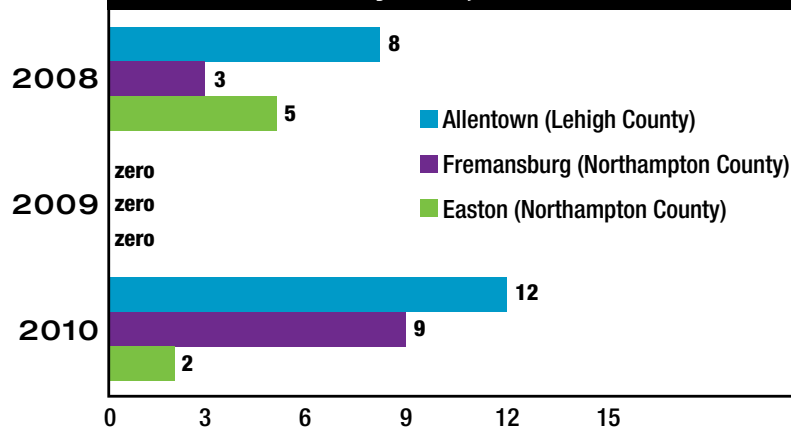
only three ozone exceedant days in Freemansburg but 8 such days in Allentown. 2009 was free of ozone exceedant days, once again coinciding with the dramatic slowdown of the national economy. By September 2010, Allentown already counted 12 ozone exceedant days while Freemansburg saw 9 and Easton only two such days. The recent increase in days in which ozone levels exceeded EPA standards was likely caused by a combination of moderate economic growth and warmer than average summer temperatures in 2010. In 2010 businesses were restocking their inventories after holding off from doing so in 2009. Car sales rebounded somewhat, too. Overall, between 2009 and September 2010 the Lehigh Valley fared well in this category although it remains to be seen, how many ozone exceedant days each uptick in the economy will add.

Lehigh Valley residents continue to express significant levels of concern regarding air quality in the region. About half of local residents surveyed in 2010 indicated that they are somewhat or very concerned with air quality in their community (see table on next page). The concern levels have moderately declined since 2008 with a number of factors likely leading to this change. First, the 2010 survey followed a year in which there were no days that exceeded EPA ozone standards, thus perceptions reflected actual pollutant

levels. Second, when public concerns with economic issues increase, concerns with environmental matters often decrease as individuals focus their attention on their financial security.

Another indicator of environmental change is how our region uses its land resources. Not only is our landscape transforming due to the earlier housing boom, but also as we shift from an important industrial region to an emerging hub for the service sector. Land formally used for industrial purposes now provides

Ozone Exceedance Days 2008, 2009 and 2010



Source: Environmental Protection Agency, Airtrends-Ozone <http://www.epa.gov/air/ozonepollution/basic.html> and <http://www.epa.gov/air/ozonepollution/standards.html>

Levels of Citizen Concern with Safety of Air Quality in their Community

	Very Concerned	Somewhat Concerned	Not too Concerned	Not at all Concerned	Not Sure/Refused
2003	23%	36%	21%	20%	1%
2004	24%	32%	22%	21%	1%
2005	24%	32%	21%	21%	2%
2006	23%	31%	27%	18%	1%
2007	21%	36%	20%	22%	<1%
2008	26%	30%	23%	20%	1%
2009	21%	33%	22%	24%	<1%
2010	20%	29%	29%	21%	>1%

Source: Muhlenberg College Institute of Public Opinion

opportunities for expansion of these new businesses. This land is slowly transforming as federal and state governments provide subsidies and assistance to clean up former industrial sites. According to the EPA there are 17 Superfund sites in various stages of remediation throughout the Lehigh Valley. Additionally, the Lehigh Valley Economic Development Corporation has identified 89 Brownfield sites, which are located in 31 of our 62 municipalities and range in size from under an acre to larger sites along the Lehigh River in Allentown and Bethlehem. Of the Brownfield sites, 30 have been remediated or are in the process of remediation and 17 sites are currently in use. While most of the sites are located in our three cities, there a few municipalities, most notable Whitehall Township and Slatington Borough, with 5 or more sites. Consequently, a notable reserve

Levels of Citizen Concern with the Loss of Open Spaces

	Very Concerned	Somewhat Concerned	Not too Concerned	Not at all Concerned	Not Sure/Refused
2006	60%	26%	5%	7%	3%
2008	54%	28%	9%	6%	3%
2010	36%	40%	10%	9%	5%

Source: Muhlenberg College Institute of Public Opinion

of Brownfield redevelopment sites remains in the Lehigh Valley.

Public perception of how we use our land suggests that the reuse of Brownfield sites may be more favorable to residents than reducing the acres of open space. As shown in an earlier section, the new housing market has slowed, however, public concern with the loss of open space remains high, with a clear majority of Lehigh Valley residents worried about this trend (see table) even during a difficult economy, open space issues are still important to the community.

In summary, residents of the Lehigh Valley continue to live in a region graced with outstanding environmental resources, but dealing with numerous conditions that warrant concern. An increase in the number of unhealthy air quality days and slower but continued loss of open space will require attention from the public and public officials.

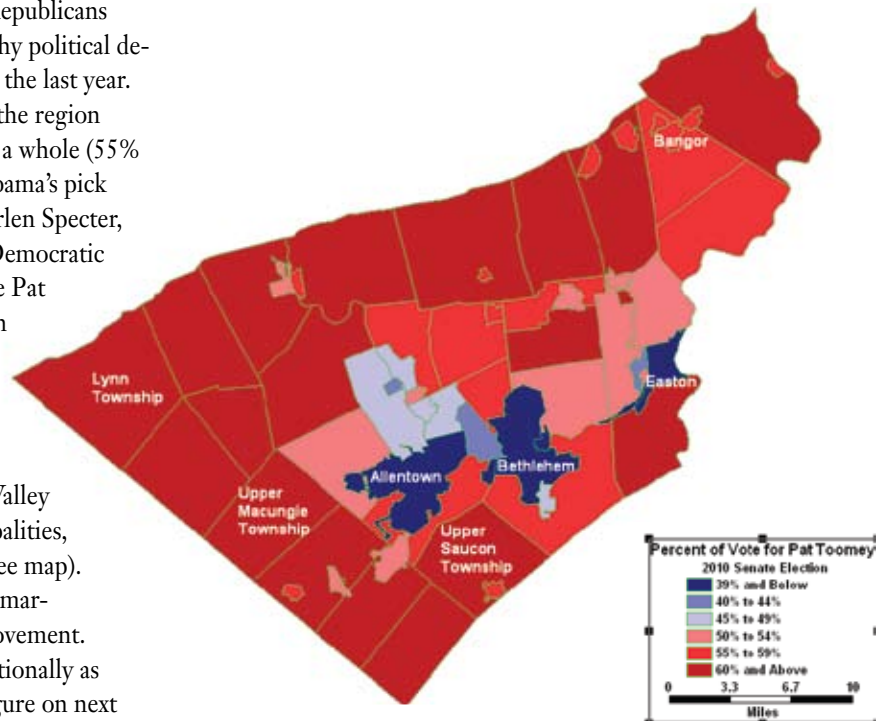
Authors: Eike Reichardt and Christopher P. Borick

Residents of the Lehigh Valley continue to give high marks to the region's overall environmental quality with over 8 out of 10 residents rating the area's environment as either excellent or good.

These favorable views of the natural resources of the Lehigh Valley are mixed with more widespread concern with specific aspects of the local environment such as air quality and loss of open space where more than half of Lehigh Valley residents indicated that they are very or somewhat concerned about the quality of these resources. While concern regarding the loss of open space in the region remains high with 3 out of 4 respondents concerned about this matter, there was a 20% decline in the number of local residents who were very concerned about this occurrence. The decline may be attributed to the slower rate of development occurring in the region since the economic downturn began two years ago.

The reversal of political fortunes for Republicans and Democrats is the most noteworthy political development in the Lehigh Valley over the last year. Barack Obama had more support in the region (56% of the vote) than he did in Pennsylvania as a whole (55% of the vote) in 2008. Nonetheless, President Obama's pick for the Democratic candidate for U.S. Senate, Arlen Specter, was defeated by Joe Sestak in the Pennsylvania Democratic primary. Sestak then lost to Republican nominee Pat Toomey in the general election. Sestak had even less support in the Lehigh Valley (48% of the vote) than he did in Pennsylvania as a whole (49%). Consistent with longstanding Republican voting patterns throughout the United States, Toomey's support in the Lehigh Valley came primarily from the more suburban municipalities, particularly in wealthier sections of the region (see map).

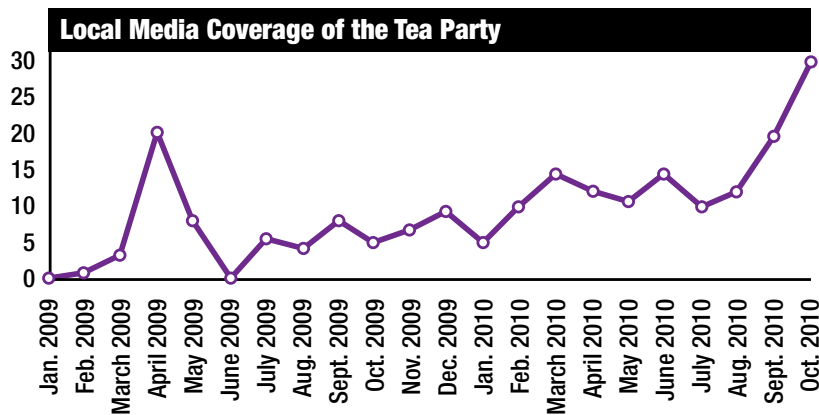
The economic downturn affected voting primarily through the rise of the so-called Tea Party movement. Senator-elect Pat Toomey has been described nationally as one of the original Tea Party politicians. The figure on next page shows the number of articles in the *Morning Call* that have mentioned the Tea Party since the term was first coined by CNBC commentator Rick Santelli on February 19th, 2009. The *Morning Call* gave extensive coverage to the Tea Party when it emerged in the spring of 2009. Its coverage then dropped, but has steadily increased over the eighteen subsequent months, reaching a peak in the October run-up to the 2010 elections with 29 articles mentioning the movement. One measure of the Tea Party's impact on the Republican party was taken by the Muhlenberg College Institute of Public Opinion prior to the midterm elections. In this poll, registered Republicans in Lehigh County were asked whether they considered themselves to be a member of the Tea Party. Of these results, 11% reported that they did consider themselves members compared to 86% responding not and 3% not sure or refused.



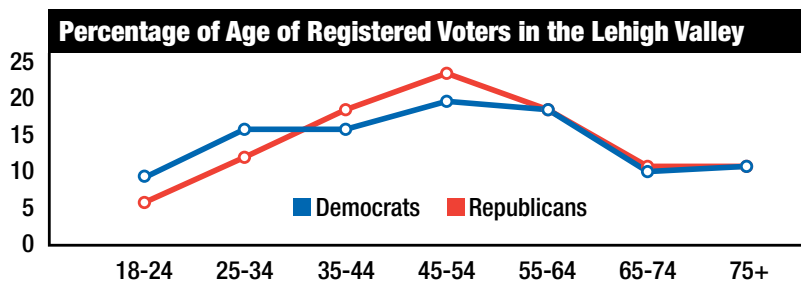
Source: Lehigh and Northampton County Voter Registration Departments

National studies have shown that Tea Party supporters tend to be older than the general population and consist primarily of those who have considered themselves conservative Republicans in the past. The rise of the Tea Party may help explain the crucial differences in the ages of voters in 2008 and 2010 and, in turn, the different outcomes in those two elections. Nationally, voters under 30-years-old made up 18% of those who voted in 2008 and only 11% in 2010. By contrast, those 65 and older made up only 16% of those who voted in 2008 but 23% in 2010.

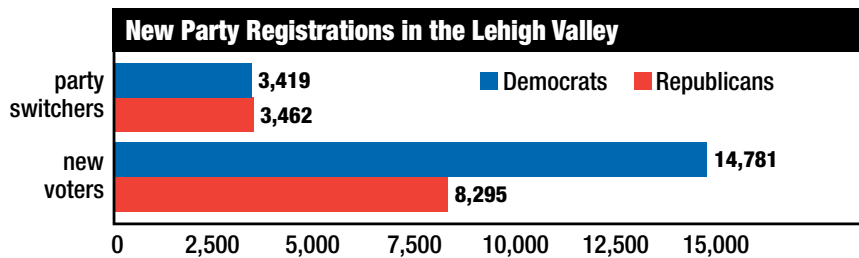




Source: compiled by author



Source: data compiled by author from Lehigh and Northampton County Board of Elections



Source: data compiled by author from Lehigh and Northampton County Board of Elections

Lehigh Valley residents continue to provide very favorable views about the quality of services provided by local government. The results of the 2010 Quality of Life Survey shows 7 out of 10 citizens in local municipalities find their government services to be either "good" or "excellent." Notably, the partisan affiliation of the local resident does not affect their perceptions of local government performance with Democrats, Republicans and Independents all maintaining similarly positive view about local government performance.

Given the importance of age in determining political outcomes, the age distribution of the Lehigh Valley's registered voters and their parties deserves attention. The next figure shows that area Democrats have a small advantage in voters under 34 but that Republicans have a small advantage among voters over 54 and a significant advantage among voters between 35 and 44. Despite the 2010 election results, Lehigh Valley Democrats still enjoy a large numerical advantage over Republicans overall, with 209,145 registered Democrats to 142,346 registered Republicans.

Many political observers wondered publicly about Lehigh Valley Republicans switching their voter registrations to the Democratic Party in 2008 so that they could participate in the heated primary contest between Barack Obama and Hillary Clinton. Furthermore, as a result of dissatisfaction with President Obama and the economic downturn, Democrats were concerned that party members would switch party identification in order to vote for Republicans during the mid-term elections. Data suggests, however, that such behavior was not widespread. The table below shows the changes in Democratic and Republican voter registrations in the Lehigh Valley since the 2008 Presidential election, including the number of people switching from one party to the other. The table shows that the Democratic Party has actually had more registrations than the Republican Party over the last two years. But, those actually switching parties make up only a small portion of the total new party members, and those switching to the Democratic Party (3,419) is nearly identical to the number switching to the Republican party (3,460).

Author: Ziad Munson

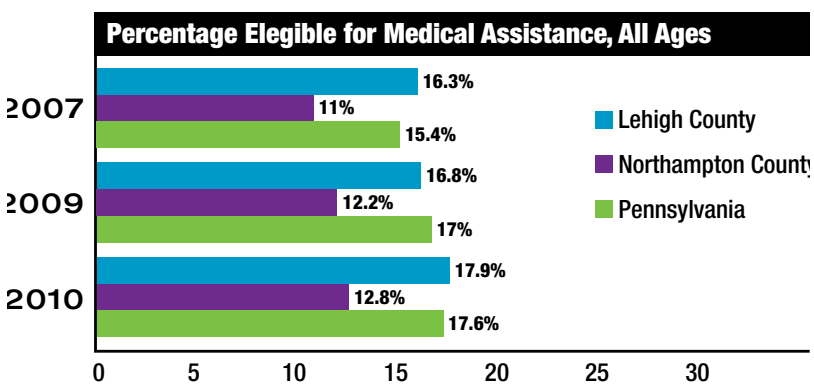


During an economic downturn the health of the community suffers as people with lower incomes typically face greater health care needs. Lower income individuals are less able to pay for preventative services such as regular dental exams and wellness visits, as well as pay for treatment services. According to the U.S. Census, the official poverty rate in the US in 2009 was 14.3 percent—up from 13.2 percent in 2008. This was the second significant annual increase in the poverty rate since 2004. Poverty rates in Pennsylvania, however, remained relatively unchanged increasing from 10.8% in 2006-07 to 11% in 2008-09. The percentage of families living below the poverty level in the Lehigh Valley in 2009 was 7.3%, which is approximately 47,000 individuals.

Childhood poverty levels provide a benchmark as to the future success of a community. According to the U.S. Census, including the recently released American Community Survey, the percentage of children under 18 living in low-income families in the United States has increased from 16.1 percent in 2000 to 18.6 percent between 2005-2009. The percentage of all children under age 18 in low-income families surpasses that of adults in both years. In addition, children are nearly twice as likely as adults aged 65 and older to live in poor families. While the percentage of children living below the poverty level in the Lehigh Valley is lower than the national level, the percentage of

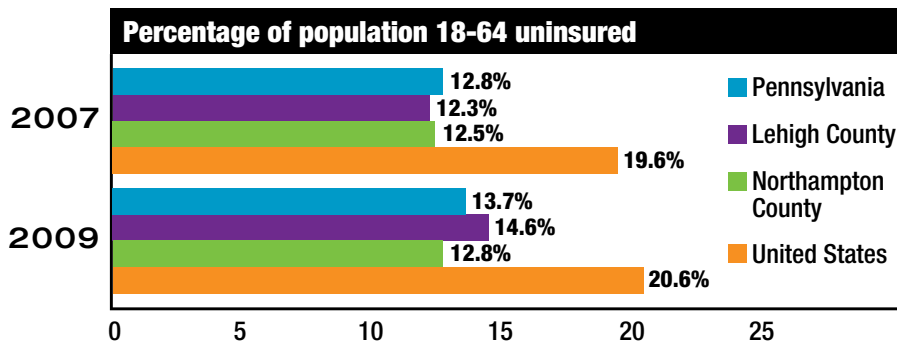
children living in poverty in the Lehigh Valley has increased as well. From 2000 to 2009, Lehigh County's percentage of children living in poverty went from 13.7% to 17%. Northampton County's percentage of children in poverty increased slightly from 9.8% to 11%. Statewide, the poverty rate has remained fairly stable, increasing from 16.1% in 2000 to 16.8% in the 2009 estimates.

Typically, income levels are also strong predictors of insurance coverage, which translates directly to health status. The cost of health insurance has increased dramatically over the past decade, far surpassing the general rate of inflation in most years. Health insurance coverage, whether private or public, improves access to health care services and the regularity with which individuals receive medical care. This improved access to care leads to overall better community health. Thanks to the Children's Health Insurance program, many more children now have insurance in PA. Currently, over 10,000 children are enrolled in the program in Lehigh and Northampton counties, an increase of about 1,200 in 2008. Additionally, nearly all adults 65 or over are covered by Medicare. Individuals who are below the poverty level in Pennsylvania may also qualify for the state's Medical Assistance program, which has seen an increase in those eligible from 2007 to 2009, particularly in Lehigh County (see table). Thus, the largest impact of the economic downturn



Source: Medical Assistance Data: Pennsylvania Department of Welfare website, <http://listserv.dpw.state.pa.us/ma-food-stamps-and-cash-stats.html>

would fall on individuals who are from 18 to 64 years of age. Comparing 2007 to 2009, there has been an increase in the estimated percentage of adults 18-64 without health insurance (see table on next page). In 2007, the Lehigh Valley and the state averaged about 12% uninsured; that percentage has increased in Lehigh County to about 15%; remained about the same in Northampton County, and has increased to about 14% statewide. Comparing these data to our information about poverty, it appears that people are going without health insurance, even though they might not have incomes that would be classified at the poverty



Source: Keystone Research Center <http://keystoneresearch.org/publications/research-recession%E2%80%99s-broad-impact-pennsylvania-communities>

As unemployment rates remain stagnant in the wake of the recession, the region can expect continued higher percentages of uninsured individuals and those living in poverty, which will continue to increase public health concerns. In the future, the new federal healthcare laws will reduce the percentage of residents without insurance, however, while insurance will be more widely available, poverty, particularly persistent poverty, will continue to influence the extent to which individuals engage in preventative health and wellness practices.

Authors: Judith Lasker and Susan McGorry

level, many people are unable to afford health insurance.

Every year, the Muhlenberg College Institute of Public Opinion surveys residents of the Lehigh Valley regarding their views on quality of life in the region. From these data the relationship between perceived quality of healthcare services and income is clear. As shown in the table below, the perceived quality of healthcare services reported in this annual survey has remained strong, and is up slightly from the past year. The 2010 data indicates that 90% of local residents have a positive view of health care in the Lehigh Valley. However, those most likely to rate quality as 'not so good' are people who earn between \$20,000 and \$40,000 per year and those who classify themselves as 'nonwhite'. Over one-third of people in this latter category are dissatisfied with the quality of care. No one earning over \$60,000 indicated that their care is less than 'good'.

As the issue of health care reform was garnering a great deal of public attention during 2010, residents of Lehigh and Northampton counties expressed positive views regarding the quality of health care services provided in the Lehigh Valley. Overall, 9 out of 10 local residents stated that they receive "excellent" or "good" health care. While local health care services are perceived quite favorably there are substantial differences among residents of varied economic groups. More specifically the Quality of Life Survey finds that 58% of individuals from households making over \$60,000 per year rated their health care services as excellent, compared with only 21% of individuals from households that made under \$60,000 annually.

	Perceived Quality Of Health Care Services, By County, Income and Race, 2010				
	Excellent	Good	Not So Good	Poor	Not Sure
Northampton	36%	57%	4%	0%	3%
Lehigh	40%	49%	9%	1%	>1%
Under \$20,000	15%	72%	5%	8%	0%
\$20,000-\$40,000	25%	52%	23%	0%	0%
\$40,000-\$60,000	22%	60%	8%	0%	10%
\$60,000-\$80,000	60%	40%	0%	0%	0%
\$80,000-\$100,000	55%	46%	0%	0%	0%
Over \$100,000	59%	41%	0%	0%	0%
Not Sure (Income)	40%	45%	0%	0%	0%
White	40%	54%	5%	>1%	1%
Non-White	16%	42%	36%	0%	7%

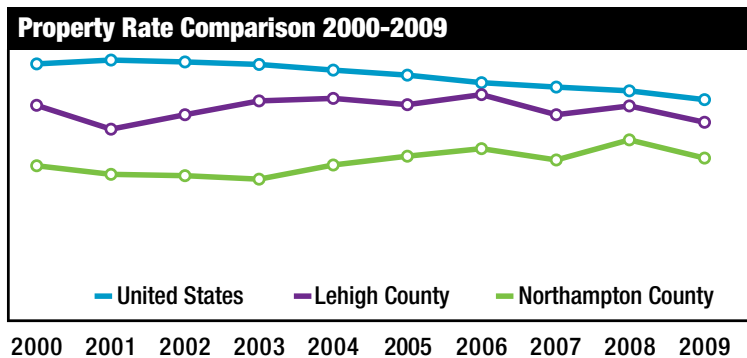
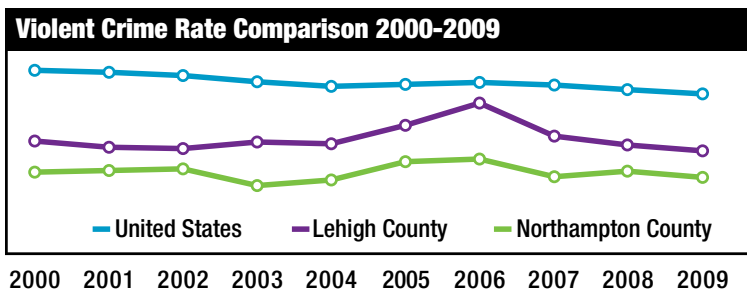
Source: Muhlenberg College Institute of Public Opinion 2010 Quality of Life Survey



Crime has an important role to play in the assessment of the social health of any community. This section evaluates crime in our region for the most recent reporting year and over the last decade as a whole. In the summary that follows, the crime rates in Northampton and Lehigh Counties will be compared to those reported for the nation as a whole. The rate of crime is different than the actual number of reported crimes because it accounts for changes in population and standardizes the results using a common figure (in this case 100,000 residents), which allows researchers to compare the rate of crime among communities regardless of the size of the community. For the purposes of comparison, the FBI defines violent crime as: murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault; while it considers property crime to be: burglary, larceny-theft, and motor vehicle theft.

The rate of crime in Northampton and Lehigh County compares favorably to the reported crime rate for the nation as a whole. Nationally, 442 violent crimes are committed for every 100,000 residents. In Northampton County the rate of violent crime is 212 crimes per 100,000 residents, or 52% below the national average; while in Lehigh County the reported rate is 284 violent crimes per 100,000 residents, or 36% below the national average. With respect to property crime, the national average is 3,091 crimes per 100,000 residents. Northampton County has a rate of property crime 27% below the national average; while Lehigh County reports a rate of property crime that is 11% below the national average.

As encouraging as these figures are, it is also important to view the rate of crime over time in order to make an accurate assessment of community health. The figures here depict the rate of violent crime and property crime over the past decade. Despite peaks in violent crime in both counties in 2006, the rate has declined since that point. Northampton County reported its third lowest rate of violent crime of the decade in 2009, a 19% decrease from the peak year of 2006; while Lehigh County



Sources: Federal Bureau of Investigation Crime Statistics Uniform Crime Reports <http://www.fbi.gov/stats-services/crimestats>

reported its lowest rate of violent crime in the decade in 2009, a 32% decline from the peak year of 2006.

With respect to property crime, the results show that the property crime rate for the decade peaked in Lehigh County in 2006 (3,183 crimes per 100,000 residents) and 2008 for Northampton County (2,544 crimes per 100,000 residents). Since the peak year, the rate of property crime in Lehigh County has decreased by 13%; while the property crime rate in Northampton County dropped 11% from 2008 to 2009.

Although county crime rates provide residents with important information about the social health of their larger community, it is also important to examine the distribution of crime across smaller resident communities. The Pennsylvania State Police reporting practices allow individuals to not only examine crime rates across broad areas, but also across the somewhat smaller categories of boroughs, townships, cities, and colleges/

universities. The crime categories created by the State Police are slightly different than those provided by the FBI; however, the differences do not change the comparisons to any significant degree for purposes of this discussion.

The analysis demonstrates what is commonly known about crime in America: crime is more concentrated in urban settings than in suburban/rural settings. Using a combined measure from both Lehigh and Northampton Counties to create a measure of crime across districts in the Lehigh Valley, the data indicates a crime rate (calculated as crimes per 1,000 residents)

Concern with becoming a victim of crime reached its lowest level since 2006 with 58% of Lehigh Valley residents reporting that they were either very or somewhat concerned with the possibility of crime victimhood. The decrease in concern about crime corresponded to record high ratings of law enforcement efforts in the region. In 2010 just under 9 out of 10 individuals in the region rated law enforcement in the Lehigh Valley positively.

of 97/1,000 for the cities of the Lehigh Valley, 45/1,000 for townships, and 51/1,000 for boroughs. Figure below presents the change in crime rates across those districts from 2008 to 2009. As one would expect based on the prior FBI data, crime across all municipal designations has declined slightly.

It is also interesting to compare crime rates across counties in the Commonwealth. In this comparison only class 3 counties will be used. A class 3 county is defined as one in which the population is between 210,000 and 499,999 residents. The comparison is restricted to class 3 counties because the intent is to compare locations that are similar in population and city/township/borough structure. It will provide a more accurate comparison of environmental conditions. The data used for this comparison is slightly different than that used for the FBI

Comparison of the Change in Rate of Crime (Class 3 Counties) 2008-2009

	Sex offenses	Robbery	Assault	Property
Lehigh	+34%	-3%	-4%	-11%
Northampton	-8%	-7%	+15%	-9%
Berks	-14%	-18%	-5%	-8%
Chester	-2%	+17%	0	-12%
Dauphin	-3%	0	-2%	-6%
Erie	+1%	-54%	+8%	-7%
Lackawanna	+23%	+9%	+14%	+1%
Lancaster	-16%	-16%	-6%	-4%
Luzerne	+3%	0	+2%	-3%
Westmoreland	-8%	-3%	-16%	-12%
York	-3%	-8%	+2%	-10%

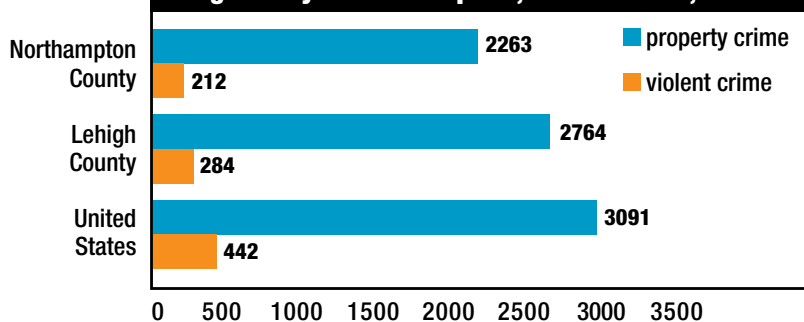
comparison made earlier. The Pennsylvania State Police provide information on the rate of crime per 100,000 residents with respect to general categories of sex offenses, robbery, assault, and property offenses. As is the case with the FBI data, each of these categories is made up of a number of related offenses.

Table 1 is a comparison of the change in the rate of offending from 2008 to 2009. The crime rate is calculated as a measure of 100,000 residents and this table evaluates how this rate has changed over the last two reporting years. As can be seen from the table, crime rates across class 3 counties have generally decreased in the last two reporting years (2008 & 2009). Lehigh County has seen an increase in the number of reported sex offenses; while Northampton County has seen a slight increase in the number of assaults. With respect to sex offenses, it is important to note that changes in the rate of crime are more complicated than they appear at face value because the reporting of these types of crimes can vary greatly from one year to the next or even from one jurisdiction to the next. As a category of crimes, sex offenses are often the most under-reported type of crime, causing scrutiny to be given to any assumptions based on reporting trends.

With the exception noted in regard to sex offenses, both counties compare favorably to other similarly situated counties in the Commonwealth. What is interesting to note is that, given the economic difficulties facing many residents, there has been a decline in both robberies and property related offenses in both counties. This would seem contrary to some popular belief that connects changes in the rate of crime to changes in economic prosperity.

Authors: Scott Hoke and Jackie Hanzok

Lehigh Valley Crime Rate per 1,000 Residents, 2009



Source: Pennsylvania Uniform Crime Reporting Systems
<http://www.ucr.psp.state.pa.us/UCR/Reporting/RptMain.asp>

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