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## Following Up With Erie's Early Childcare Crisis: A Key Component of Economic Growth

Local initiative calls for \$4.5M to stabilize crisis, releases playbook solution

By: Chloe Forbes

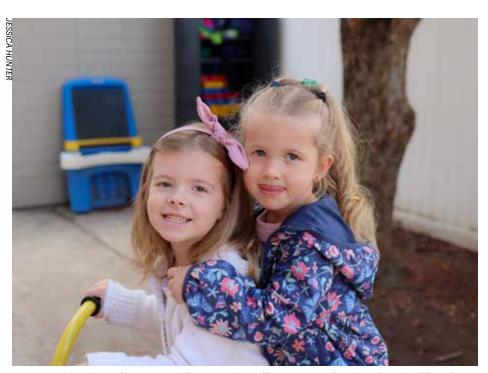
hild care is not a weapon for either side of the political aisle to wield. It transcends traditional education, developing a future generation and enabling parents to go to work without worry. And every single person should have access to quality, affordable child care in some form, should they want it. At least that's the thought behind a new local policy initiative.

"This is not a social issue," said Court Gould, who wrote a report published by the Jefferson Educational Society (JES) detailing the research effort he headed for the past six months. "Child care is mainstream economic development both near and long-term. It's one of the workforce and economic strategies that frankly, Erie has yet to deploy in its otherwise Herculean efforts to turn around our economy and stem the tide of generational population loss and a shortage of workforce that presently stymies our economic growth."

After Gould first sounded warning bells on the situation in his 2021 JES report "Caring for Erie's Economy: Childcare is Economic Development," the JES tasked a team of child care professionals to develop recommendations for Erie to reverse its shortage of quality, affordable child care.

Currently, centers in Erie and nationwide are closing due to staffing shortages and lack of funding, creating a child care deficit for working families.

With funding from the Erie Community Foundation, the Early Childcare Investment Policy Initiative team spent six months this year quantifying the problem in Erie and putting a dollar sign to the issue to achieve progress in an otherwise stagnant situation.



Court Gould, author of a report published by the Jefferson Educational Society detailing his research into the child care issue at the local level, posits that child care is not a social issue – it is an economic one. The children in child care today will make up our future workforce and their success is directly related to our economic growth.

#### The current situation

The team used primary research to gain insight into a key population that often falls by the wayside in child care legislation — those from birth to three years old. The age group is frequently overlooked as care is not treated as a public service the way that Pre-K and Kindergarten is.

The research showed there are about 3,500 infants and toddlers in the area, but only about 27 percent of those needing care are currently being served by the 30 licensed infant care providers in Downtown Erie. Only 30 out of 40 total providers can care for infants to toddlers because the cost is so high to take care of that age range.

Michelle Harkins, executive director of

Early Connections and member of the research team, explained that to encourage high-quality child care, Pennsylvania rewards centers that meet high standards of care using the Keystone STARS rating (Standards, Training/Professional Development, Assistance, Resources, and Supports). However, Harkins said that providers are currently reimbursed up to \$9,000 less than the actual cost of care for infants.

Tiffany LaVette, owner of ABC 24-Hour Childcare, said children learn how to communicate, speak, and feel within the first 1,000 days of life, making it especially formative. The shortage of care, among other factors, affects the education of Erie's youngest demographic.

According to the i-Ready Mathematics



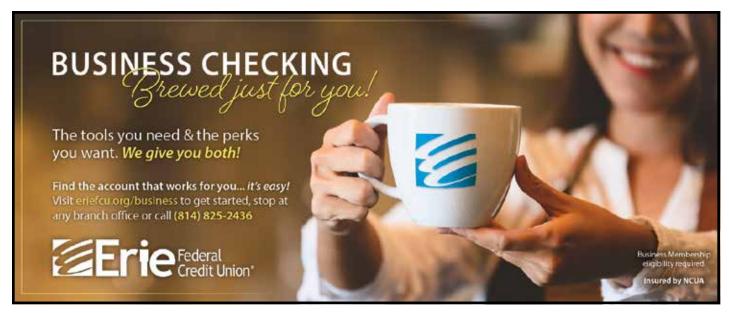
Tiffany Lavette, owner of ABC 24-Hour Childcare, stresses the importance of very early childhood care and development – the first 1,000 days of a child's life are particularly formative for a child's eventual communication skills. Lavette is part of a team, funded by the Erie Community Foundation, assigned to assess and quantify the child care crisis in Erie.

Diagnostic Assessment for 2023-24, 97 percent of Erie Public Schools kindergartners are entering the school system below grade level, meaning they have not met the benchmarks needed up to that point. In basic literacy skills, 65 percent of Erie Public Schools kindergartners are underperforming. The national average is 42 percent.

"This poor performance is likely due in some large part to Erie's lack of quality child care services or slots," Gould said while presenting the report. "Superintendent [Brian] Polito reports that due to the dire financial situation at the Erie Public Schools, the extensive remedial interventions necessary to catch those 65 percent of students up do not exist."

#### Laying out the game plan

Elana Como, Early Learning Resource Center's regional director and the CEO of the Northwest Institute of Research, said this opportunity to take action has been 40 years in the making for her. "We're finally getting communities as a whole together to dive deep into what are the needs around communities for child care





Availability, affordability, recruiting quality teachers, and widening access to assistance are all barriers recently identified by the Early Childcare Investment Policy Initiative team.

and how the community — not the state, not the federal government — can make a positive impact as we move forward," Como, a part of the policy initiative team, said.

Especially for infants to age 3, supports like the Educational Improvement Tax Credit awarded to businesses in exchange for contributions to early education are not applicable. That credit is only eligible to benefit ages 3 and above.

The team's research showed that while nearly half of Erie's infants and toddlers were eligible for a subsidy equaling the cost of child care due to the number of families that fall beneath the poverty line, just under a third of those eligible are taking advantage of the state support.

The report states that one of the top-ranking reasons for the disparity is the lack of availability of child care slots among providers of quality child care in Erie.

There's a gap of 1,542 slots needed for infants and toddlers in Erie's downtown. To solve that, the report states addressing the teacher shortage is the best first step.

"The most effective way to serve more infants and toddlers is to address the shortage of educators. The way to attract more teachers is by providing better pay to bridge the gap between the pay of child care professionals and their higher paid counterparts in K-12 public schools," the report reads. "Subsidies to increased hourly pay must be uniform across all early child-care providers to avoid poaching by other employers who do not provide child care and within the early education community itself... If teachers are in place, more children can be enrolled."

The strategy in the report includes stabilizing the current child care workforce, which faces high turnover, by raising teachers' hourly pay by \$5 an hour. Currently, child care teachers in the area make around \$15 an hour, and according to the National Education Association, new K-12 public school teachers make an average of about \$20 an hour.

Then, the strategy seeks to fill 59 staff vacancies and close the remaining gap with new teachers. To achieve that, \$4,571,840 is the estimated annual cost to increase the hourly wage from \$15 to \$20 per hour, stabilize existing enrollment, and recruit and place 309 additional teachers needed to care for infants and toddlers in the city.

That's an average of \$2,083 invested per child downtown.

#### **Economic value**

Child care investment would be significant in reversing a potentially detrimental situation as the labor shortage worsens and future generations are primed to fall behind in current conditions.

Erie's population has been declining since 1960 and that trend is predicted to continue. The median age of the county is also growing older, with those 65 years and older now accounting for 19.1 percent of all county residents. Baby boomers retiring correlates with a declining level of skilled labor in the community, and in February this year, reports by the Milken Institute and Policom ranked Erie in the lowest tier of economic growth among cities in the United States.

This is coupled with the fact that the U.S. Bureau of Labor Statistics in 2021 indicated that mothers with children under six comprised 65.6 percent of the labor force — a rising number.

In the report, Gould cited a growing trend to levy new taxes and create strategies around child care because of the evidence-based economic benefits emerg-

Gould — whose background is in accelerating policy and practices of sustainable development based on the work of other

cities around the world — maintained that Erie could be a trailblazer in policy.

"A city of Erie's modest scale, and with its oversized resources, is well-positioned to make a great stand and become a national role model for eliminating child care as a barrier to work," Gould wrote in the report. "Erie has a unique abundance of public, private, university, philanthropic, and civic leaders who, when focused on a problem, can create solutions."

#### Key players to be tapped

To "quarterback" the policy's strategy, the report calls on Infinite Erie, who is implementing Erie's Investment Playbook, to place infant and toddler care at the top of its priorities. The report proposes a reworked infrastructure for Erie's child care industry and lays out every tool needed to build it.

In addition to the nearly \$4.5 million investment to stabilize child care in Erie, the report recommends assembling a group of experts to guide investment and policy

structures to address Erie's child care challenges. The public-private Erie Infant and Toddler Investment Partnership is recommended to be managed by Infinite Erie and include city of Erie government officials, Erie Public Schools, United Way of Erie County, Erie Community Foundation, Bridgeway Capital, and report team members.

The partnership would be tasked with ensuring the sustainability of funding and progress in Erie's child care ecosystem.

These would include an investment fund to address wages for child care educators, a professional development program, a governmental task force focused on child care, and a child care facilities expansion fund.

The current \$4.5 million investment does not factor in operating costs, staff development costs, subsidies to families, or the building of additional classroom space, which is equally as important to address moving forward.

Gould said he believes there is an appetite for this type of work in the area, which he noted is already exemplified by the Erie



#### **FEATURE**



Public-private partnerships are key to raising funds and expanding local childcare efforts. Keeping the burden off the overburdened tax-payer and looking for community solutions to the child care crisis is the first step in meeting the goals laid out in the policy initiative team's report.

Community Foundation's willingness to invest in the policy initiative thus far. He also cites cross-departmental areas ripe for city government leadership to make a mark, including development incentives, the removal of zoning and land use hindrances, and the collaboration with public transportation to ensure accessibility in routes to child care centers.

The Erie Reader compared Erie Metropolitan Transit Authority (EMTA) bus stops with the locations of every child care provider in Downtown Erie serving children under 5 years old as of October 2021, using data from the Pennsylvania Department of Education and Human Services.

It showed that centers are not along transportation lines, which is advantageous to keep children far from busy roadways but makes child care less accessible as 69 percent of Downtown Erie households do not own vehicles.

Sarah Morrison, director of marketing and public relations at EMTA, said the EMTA is beginning a new transit development plan, and they regularly evaluate stops and plan accordingly to accommodate residents. She commented that the EMTA team would be willing to work with child care providers to ensure there is service in areas where there is ridership.

"As a whole, EMTA is doing what we can and trying to do as much as we can and continually making adjustments and trying to have the best possible system that we can have, so if there are ever any holes in the system, it's no problem just to reach out and let us know," Morrison said. "We'll happily take a look at it."

#### **Expanding existing supports**

All of this is not to say the supports in place are moot and must be overhauled. For example, the report recommends establishing an Erie Infant and Toddler Investment Fund to receive donations from public and private entities. To leverage the work already in play, the report states that Infinite Erie manages the fund in-house or delegates fund administration to Early Connections or the Northwest Institute of Research (NWIR).

Early Connections manages the Future Fund and provides scholarships to low-income families to allow children to attend high-quality programs at 3 and 4 years old. Gould said the Future Fund exemplifies a program ripe for modification and expansion.

Regarding a teacher pipeline, Early Connections is the intermediary for the Early Childhood Apprenticeship Program and sponsor of the Registered Pre-Apprenticeship Program for the Northwest Region.

"There exists today in Erie an innovative apprenticeship program that is primed to be grown substantially to be on par with the great number of additionally needed educators for infants and toddlers," the report reads.

Short of burdening city residents and employers with more taxes, the report states that public-private partnerships are more appropriate to raise funds and expand upon these efforts.

This report answers the question of "How do we help?" and it's now up to local officials, businesses, and organizations to take action and reveal their true intentions. "Beginning with quantifying the need, supply, and gap in access to quality care and presenting the most impactful remedies with costs identified, a roadmap for action beckons a response coordinated among city government, business, and philanthropic leaders together with the many nonprofit stakeholders who directly serve Erie," the report concludes.

Find the entire report at jeserie.org Chloe Forbes can be reached at chloeforbes14@gmail.com.



#### **ASCEND Erie Unites Climbing and Yoga Community**

Adaptable wellness and yoga programming for all ages and abilities

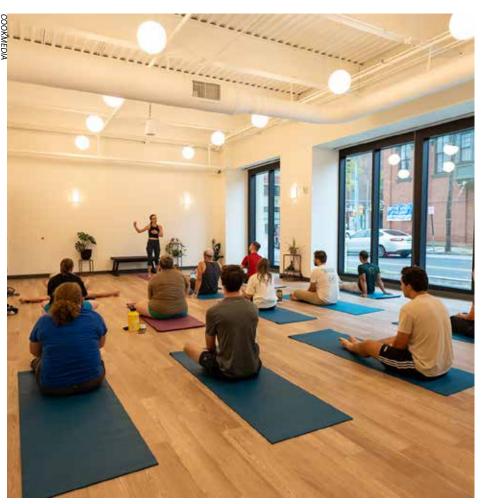
ith floor-to-ceiling windows and boundless opportunities, the ASCEND Yoga studio makes it easy to let the worries of the day melt away.

"The word 'yoga' is derived from a Sanskrit term that means 'to yoke' or 'to unite,'" explained ASCEND yoga instructor Bob Stevenson. "By focusing on your breath during a class, your mind and body are united, and this encourages self-reflection, as well as an awareness of one's own body, mind, and emotions."

Stevenson teaches the Strengthen + Tone series at ASCEND Erie. This is a power yoga class that focuses on building strength, flexibility, and balance. The series is one of a handful that caters to various goals.

ASCEND looks at wellness from a holistic perspective, and yoga plays a large part. Yoga complements any physical activity — walking, running, biking, weight lifting, climbing, etc. - and significantly benefits the entire body. AS-CEND Erie offers Slow + Steady, Rest + Renew, and Yoga for Climbing classes. Since the recreation center has climbing in addition to its fitness equipment, there's a Yoga for Climbing class taught by Adrianna Flickett. During the day, she is a member of the route-setting team, so she's always thinking about how climbers are moving on the wall and builds her classes around techniques that can be used right after class.

ASCEND Erie is the newest addition to the Pittsburgh-founded ASCEND family. The 25,000-square-foot recreational facility includes bouldering terrain, rope climbing stations, fitness equipment, and more. "We like to look at fitness holistically, encompassing yoga, climbing, cardio, proper rest, and smart nutrition," said Chris Rosato Jr., general manager of ASCEND Erie. "A consistent yoga practice helps with mental fitness, focus, flexibility, breathing, and can help



Not just for climbers, Ascend Erie now offers yoga classes in their bright, airy studio space including practices like Slow and Steady, Rest and Renew, and Yoga for Climbing.

build strength, which are all foundational elements to strong climbing."

Each ASCEND center has slightly different offerings, but the Erie center has recently added the only program of its type in the region — Yoga for Kids. The instructor, Chelsea McQuaid, has been with the center since its opening in November 2023 and is Kidding Around Yoga-certified in addition to being a youth coach at the center. McQuaid explained that yoga takes care of the mind at all ages, in addition to the body, so yoga can help children with self-regulation and social-emotional learning as they develop

She said offering Yoga for Kids classes speaks to the mission of ASCEND Erie and its commitment to families in the community. "ASCEND is very committed to its footprint in Erie and building that sense of community," McQuaid said. She is also known for Wellness Wednesdays, in collaboration with the Erie Downtown Partnership, where she instructs sunrise yoga at the Bicentennial Tower — an iconic landmark in the Erie community — to highlight its beauty while connecting with nature.

"As a community-focused wellness and recreation center, we seek to foster community and belonging amongst our



"More than just a place for you to check in, take your class, and leave, we are a 'third place' where you can feel just as comfortable as you do at your workplace and at home," says Ascend general manager Chris Rosato Jr.

members and visitors," manager Rosato said. "More than just a place for you to check in, take your class, and leave, we are a 'third place' where you can feel just as comfortable as you do at your workplace and at home."

That feeling isn't limited to any one socioeconomic status, either. ASCEND's commitment to community spans cost barriers. Every third Sunday of the month, they host Big Free Yoga, a free and all-level beginner-friendly yoga class open to anyone. They also offer day passes to the center, including a new yoga-specific pass that's \$10 for a class. There are discounts available for teachers, students, health care workers, and first responders, as well. The Equity + Outreach Fund provides even more opportunities to those for whom cost is a significant barrier to climbing or yoga.

"We believe everyone in the commu-

nity will enjoy climbing and yoga, and they should be able to access it. Once you come in, you'll find that you are welcome here, regardless of your background, ability level, or body," Rosato

"By focusing on your breath during a class, your mind and body are united, and this encourag- es self-reflection, as well as an aware- ness of one's own body, mind, and emotions." –Bob Stevenson, ASCEND Yoga Instructor

said. "Our climbing and yoga instructors specialize in adapting classes to whoever is in class to accommodate all experi-

ence levels and abilities." McQuaid seconded that sentiment, saying that she starts every yoga class with a reminder that although practicing in a group, it's important to focus on the individual experience, and she offers modifications for various physical and energy levels depending on who comes to class.

Likewise, Stevenson says yoga is not like a competitive team sport, it's based on each person. "The beauty of yoga is that you are really 'your own best yoga teacher,' so you can make a class as challenging as you want it to be," he said.

McQuaid added, "If you can breathe, you can do yoga."

Classes are held at various times to meet the busy schedules of those who attend the center. The yoga studio is also available to members when classes are not in session. Learn more about AS-CEND Erie and its yoga program at ascendclimbing.com/locations/erie.

#### **Five Iron Golf Puts Entertainment First**

Golf, technology, games, food, and drink in new state-of-the-art Erie facility

hen one thinks of a golf simulator, it is easy to envision a small green patch to stand on, some golf clubs, a tee, and a machine to register the speed and accuracy of your swings. Five Iron Golf, or 5i, goes beyond this simple vision to create an entertainment venue that offers so much more to its customers.

Founded in 2017 by Mike Doyle, Nora Dunnan, and Jared Soloman, the company derives their name from a small building and humble beginnings in the Flatiron District on Fifth Avenue in New York City — 'Five' for Fifth Ave. and 'Iron' for Flatiron.

In the company's mission to "make golf for everyone," a heavy emphasis has been placed on increased "access to play, practice, and party, inclusivity to bring out the golfer in everyone and un-fore-gettable experiences."

This leading indoor golf franchise has expanded across 10 major cities in the United States, the first locally was opened in Erie as of Memorial Day, 2024. Two international locations in Singapore and India are also in full swing, with more business openings underway.



Whether you're just starting out and want to learn the fundamentals of the game, or are a seasoned professional looking to improve your form – the folks and state-of-the-art equipment at 5 Iron Golf are there to help.

In addition to having some of the highest quality technology, including Trackman brand golf simulators and projection equipment, high-speed cameras, and a premium golf experience, Erie 5i owners Chase Rogan and Drew Whiting have a variety of other services to offer.

The pair first met while on vacation with their families several years ago. In 2018, with their respective backgrounds in the golf industry, Rogan and Whiting were able to discuss the early workings of a partnership. In 2021, life returned both of the families to Erie and "the dominoes fell into place," said Rogan.

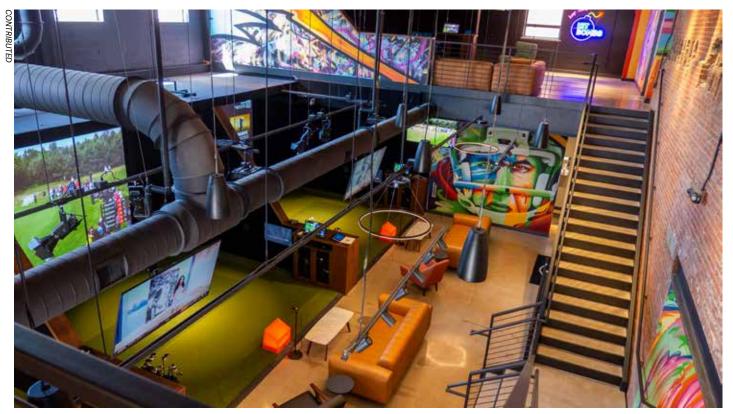
Once Five Iron began their franchising program this year, the duo found their ideal location in Downtown Erie on State Street, where they reside today.

"We want people to think of us as an entertainment venue, not so much a 'traditional' golf venue," explained Rogan. To drive this idea home, Five Iron Golf has alluded to several upcoming parties for their customers, including a Halloween party just in time for Spooky Season.

There are 21 golf courses within 20 miles of Erie, operating either privately, publicly, or as municipal courses. To further remove the 'traditional' aspect



Not just for golfers, the atmosphere and amenities at 5 Iron Golf are for everyone – game simulators, food and drink, and entertainment abound for patrons of Erie's latest venture.



With handpainted, colorful murals and comfy, inviting spaces, 5 Iron Golf is a great gathering space in addition to offering golf and game simulators, trainings, and equipment.

of the game, and stand out from other multisport competitors, Five Iron Golf mixes technology with familiarity in a fun, refreshing way. Between the easy to operate equipment and the assistance of their friendly staff, 5i has something for everyone to enjoy and everyday access to all.

This large, expansive space is decorated with colorful, vibrant murals, a giant video wall, and scads of table games including but not limited to foosball, shuffleboard, and air hockey. The facility also offers a restaurant and bar on-site complete with flat screen televisions so you can eat, drink, and watch your favorite team play their way to victory.

And for the golfers, Five Iron offers a membership structure for their "power users," with access to an exclusive membership lounge in the basement and several other perks.

If you're just getting into golf, are having trouble meeting par, or need some professional tips to improve your game, 5i offers multi-level lessons with highly-trained coaches to aid and assist you.

Between the differently-sized blast sensor attachments and Trackman technology, 5i's got you covered in helping you meet your aspirations on the links.

In the company's mission to "make golf for everyone," a heavy emphasis has been placed on increased "access to play, practice, and party, inclusivity to bring out the golfer in everyone and un-foregettable experiences."

Their simulator equipment is more technically proficient than ever before - measuring and tracking all aspects to improve your game like face angle, club path, attack angle, dynamic loft, club speed, ball speed, carry, spin rate, smash factor, and launch angle.

Five Iron offers additional services like a global league with even greater opportunities and prizes, in-house fitting services, club storage, flexible event spaces and easy bookings, and included usage of their top of the line clubs when you book with them.

If you still wish to utilize the company's stellar simulator equipment but golf isn't your cup of "tee," Five Iron offers a multisport simulator with a variety of additional games, such as slapshot hockey, breakaway soccer, foot golf, bowl-a-rama, disc-go golf, and zombie dodgeball. Kid-friendly options are also available.

Whether you go for the golf simulators, some ping pong, or just to enjoy some delicious food and specialty cocktails while watching the game, you're in for a good time at Five Iron Golf.

For more information on membership, programs, menus, and amenities, visit fiveirongolf.com/locations/erie-downtown

#### **Scott Brings New Enterprises to Erie**

Celebrating Sola Salon and Roma's Italian Kitchen

cott Enterprises has long been a cornerstone of the Erie community, and as such, they continue to innovate and look to bring new experiences to the region. Two of their latest ventures, Sola Salon Studio and Roma's Italian Kitchen, stand as shining examples of Scott's commitment to new ideas and community enrichment.

#### Sola Salon Studio: Empowering Beauty Professionals

"Sola Salon Studio emerged from a vision to provide a place for beauty professionals to take the next steps within their journey of running their own small business," says Nick Scott Sr., president and CEO of Scott Enterprises. As a studio for all facets of the beauty industry, including hair stylists, massage therapists, and even tattoo artists, Sola Salon Studio differentiates itself by allowing these professionals to remain independent while also fostering a supportive community. In essence, Sola offers customizable spaces where these individuals can be their own boss while clients



Roma's Italian kitchen is one of the latest culinary enterprises from Scott in Erie. The company's goal with the restaurant is to offer a high quality dining experience.

have a convenient one-stop-shop location to tackle their beauty-related needs.

"We have received great feedback from the professionals who have moved into our space," Scott continues. "They have expressed that while the leap to go independent can be scary, they felt comfortable going with Sola and have received great support from our Sola team."

#### Roma's Italian Kitchen: A Taste of Italy in Erie

Of course, if Scott Enterprises is known for anything, it's likely the memorable dining experiences they've brought to Erie – so a new Italian kitchen concept should pique the interest of connoisseurs in the area.

"The Scott family has been wanting to open an original Italian restaurant in Erie for years," says Scott. "After speaking with employees and with community members, they heard that there was a stronger desire for an Italian spot rather than a Quaker Steak & Lube location, which was the plan as of September of 2023."

Seeing the number of sports bars in the area, Scott Enterprises decided it was time to offer something different and unique to the surrounding area. Roma's Italian Kitchen provides "a va-



With recipes brought to life by the same team that opened the successful Oliver's Rooftop, the Scott family and their chefs have studied cookbooks from all over Italy as they crafted their recipes.



For the Scott family it's all about creating a welcoming atmosphere. Roma's Italian Kitchen provides "a variety of Italian dishes along with the character and welcoming atmosphere that Scott Enterprises destinations are known for."

riety of Italian dishes along with the character and welcoming atmosphere that Scott Enterprises destinations are known for." Features like a warm fireplace, a full bar, and a wall of wine makes Roma's the perfect place to celebrate any occasion with family and friends.

"The Scott family and our chefs have studied cookbooks from Italy as they are crafting their recipes. Roma's is being brought to life by the same team that opened Oliver's Rooftop here in Erie, and they are providing the same detailed attention to bring the menu to life," says Scott.

#### **Crafting Memorable Experiences** with Scott Enterprises

At the heart of Scott Enterprises' mission is a commitment to supporting local initiatives and fostering connections within the Erie community. Sola Salon Studio and Roma's Italian Kitchen serve as more than just businesses - they are gathering places where individuals can come together to connect and celebrate the vibrant spirit of Erie.

Looking ahead, the vision for businesses like Sola Salon Studio and Roma's Italian Kitchen is one of continued growth and excellence. Sola will serve as a hub for beauty professionals and their clients while Roma's will delight guests with its exquisite cuisine and welcoming ambiance, respectively setting the stage for unforgettable working and dining experiences for years to come.

Scott Enterprises' dedication to community engagement and culinary excellence shines through in every aspect of these new businesses, reaffirming its status as a driving force in the Erie business landscape.

To learn more about these businesses or more about Scott Enterprises check: visitscott.com





Sola Salon Studio provides a great opportunity for local stylists to set up shop, customize their space, and offer their services without the risk involved with purchasing or leasing their own building.

#### The State of Erie's Economy 2024

The impact if Erie closed its race and gender wage gaps

By: Ben Speggen

f the read on the state of the economy in Erie in 2023 following the annual conference hosted by the Economic Research Institute of Erie (ERIE) was "stable, but slightly sluggish," 2024's take might be summed up as "still stable" overall, and "slightly less sluggish" when it comes to the pace of recovery and growth.

As is customary at the yearly gathering, economist Ken Louie, director of ERIE at Penn State Behrend, reviewed the available data, offering attendees insights into where Erie stands with recent trends – this year on July 25. Louie also explored future prospects in light of this year's conference theme, *Equity and Inclusion: Potential Economic Gains*, introducing a thought experiment to ponder and project where we could grow from here if earning and wage gaps were closed.

In sum, Erie's economy is continuing to grow, albeit at a still-slow pace. Erie is still working to catch up to its 2019 economy in terms of total nonfarm jobs, while that of the U.S. economy, on the whole, has continued to exceed pre-COVID positions.

The reasons for the lagged response are, of course, complex. But asking a question seemingly simple but truly profound in its implications shines light on potentially brighter, more prosperous days ahead: What if we closed the gender, ethnicity, and race income earning gap? How much might that impact Erie's economy and expedite its economic growth?

If even just a rough estimate, Louie has that number. And it's impressive.

#### On the trends

In 2023, Erie had recovered 97 percent of its total nonfarm employment before the globally devastating impact of the COVID-19 pandemic that began in 2020. At the same time, however, the U.S. economy had not just returned to pre-pandemic



What if we closed the gender, ethnicity, and race income earning gap? How much might that impact Erie's economy and expedite its economic growth? These are key questions that were discussed in the recent ERIE (or Economic Research Institute of Erie) presentation at Penn State Behrend.

economic measures; it had grown 3 percent beyond 2019 numbers by June 2023.

A year later, as Louie noted at the conference, Erie's economy has made up ground. But it continued to lag behind its full 2019 muster by roughly 2 percent, while the U.S. economy continues its growth. One indicator in 2024 where Erie's numbers bested the national average: the unemployment rate. As of May 2024, the latest data reported at the conference, Erie's unemployment rate had dropped roughly 12 percent to 3.5 percent from its April 2020 high. The national rate in May stood slightly higher at 4 percent; but, still, a marked decline from its nearly 17 percent high just over four years ago.

Another positive sign for Erie: ERIE's Erie Leading Index (ELI), a tool to measure and compare the local economy to the national, projects a recession is not lurking ahead in Erie's immediate future. This

speaks to the continued stable nature of the Erie economy.

Conditions have, as they tend to do, changed since the July conference.

Inflation continues to cool further, and the Federal Reserve lowered interest rates by half a percent, or 50 basis points at its Sept. 2024 meeting – the first cut since the early days of the pandemic. And new data, like that of the Bureau of Labor and Statistics, has been released since the conference.

"We're just about a little more than a thousand jobs below pre-pandemic numbers," Louie told me when we spoke a little over a month after the conference. "So, it's even better than what was true at the conference."

That amounts to being at roughly 99 percent of Erie's pre-pandemic standards.

An optimistic note, according to Louie, is that the manufacturing sector in Erie



The theme of this year's ERIE conference at Penn State Behrend was "The Potential Economic Gains from Greater Equity and Inclusion," and Ken Louie, director of ERIE, put that potential into real numbers.

"seems to be undergoing a resurgence." From July 2023 to July 2024, some 1,800 manufacturing jobs were added to the Erie economy.

Another positive note, Louie told me, is the continued strengthening of the education and health care sectors, which added over a thousand jobs. Manufacturing and education/health care are two of Erie's biggest economic sectors, along with finance, insurance, real estate, rental, and leasing. According to the U.S. Bureau of Economic Analysis, finance/insurance, the largest piece of the pie, accounts for nearly 20 percent, or \$2.2 billion, of Erie's economy. Health care, education, and social assistance make up just over 17 percent, or \$1.9 billion, while manufacturing stands at \$1.8 billion, or just over 16 percent, of the economy. Together, that's over half, with all other sectors totaling just shy of 47 percent, or \$5.3 billion.

Those are actual, real numbers when it comes to Erie's economy. An imagined one with significant potential economic impact: \$765 million. That is the amount, in dollars, Erie would stand to add to its GDP if earning gaps along gender, ethnic, and racial lines were to be closed.

#### On the future prospects

Turning to the 2024 ERIE Conference theme, Louie explored "The Potential

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#### **FEATURE**

Economic Gains from Greater Equity and Inclusion" to game-out an answer to the question: What are estimated potential gains to the Erie economy from reducing racial, ethnic, and gender earnings gaps?

The answer: \$765 million in labor income, or 6.8 percent of Erie real GDP in 2022, annually.

As Louie recounted to me, the path to asking the question, and arriving at an answer, happened in a serendipitous way.

The morning of the day he was scheduled to deliver a presentation at the Jefferson Educational Society, the Eriebased nonpartisan think tank, he'd come across an article that piqued his interest. It was on measuring the economic impact of closing racial, gender, and ethnicity income earning gaps. Because his presentation later that evening was not about that, he'd filed it away with the intention to return to it in the near future.

But at that 2023 presentation, an attendee, Art Leopold, asked a question about closing such earnings gaps. "I said, 'Oh, I just happened to read an article about it this morning!," Louie told me. So, he started talking about it with those in the audience. "It was like pulling a thread."

Leopold is a member of the Erie Racial Justice Policy Initiative, a collaborative effort led by a group of residents and advocacy organizations working to address public policy reform to tackle racial disparities and advance opportunities. Louie told me Leopold invited him to meet with the group for further discussion, which he did. And then he got to work.

Louie found national data answering the "what if..." question.

"Our main results show how closing gaps in the labor market variables by race and ethnicity, moving all groups to at least the levels of the white population, would boost the overall level of GDP in the nation," wrote Shelby R. Buckman, Laura Y. Choi, Mary C. Daly, and Lily M. Seitelman, in "The Economic Gains from Equity," published by the Brookings Institution in 2021.

In 2019, such adjustments would have added \$1.28 trillion in total labor compensation to the U.S. economy. From 1990 through 2019, it would have added over \$25.6 trillion.

From what Louie could find, no one had conducted the thought experiment at the local level.. So, he did. And he revealed the findings at the 2024 ERIE Conference.

According to his calculations, based on U.S. Census Bureau, American Community Survey one-year estimates for 2022, if those whose earnings are less than white males are raised to the level that white males earn, it yields an increase of \$765 million in labor income – or 6.8 percent of Erie's real GDP.

"If you had removed those earnings gaps, then in 2022, we could have theoretically generated over \$750 million more of labor income," Louie explained to me. "So, the idea is that if those same conditions in the year 2022 continue to prevail, every year, conceivably, we could generate that."

The numbers and economic conditions do, of course, change from month to month and year to year, but as Louie put it to me in the broadest of terms, "it's hundreds of millions of dollars." Both at the conference and when we spoke later, Louie noted the importance of recognizing that these are very preliminary estimates. And Louie acknowledges, "more work has to be done."

Nevertheless, when he looks at these numbers, "they are consistent with the bigger, more prominent studies that have looked at the state and the national economies in terms of orders of magnitude. This gives me a bit more confidence," he told me.

"Erie is often said to be 'a microcosm of the nation', so that if those prominent scholars have found this for the nation and the Commonwealth, then it's not surprising to think that we would find comparable results for Erie. That gives me more confidence in the results."

Too, as an economist, he's collecting and studying the data. These estimates do not suggest how, say, Erie, or any other metro region, may go about closing these earning gaps. And, even if or when the question of how to reduce such gaps is figured out, "it will require much time and dedicated effort," Louie said.

That, of course, is the hard work to be done.

"It's easier to find and estimate the size of the gap," Louie said. "But now, what do we do?" That is why it was important to Louie in determining the theme of 2024's ERIE Conference to be "Equity and Inclusion: Potential Economic Gains," and to line up speakers whose organizations are working to address such disparities – like the Erie Racial Justice Policy Initiative and others.

#### The pathways to a more equitable economy

Now that the earning gaps have been quantified, even if through what he humbly calls a "very, very simple thought experiment," Louie sees two major paths lying ahead. One, the academic, scholarly path, which involves more data mining and more analysis for a finer-tuning of the details to better informed decision making. That is the nature of his work.

The second, of course, is now that the obvious – gaps exist along gender and racial lines – has been made obvious and been made public, and we know, even in broad strokes, the economic implications of doing nothing (the absence of more than a three-quarters of a billion dollars annually into the local economy), something should be done.

"If we accept the fact that this estimate is fairly reliable, that it is at least ball-park, we're losing a lot of money," Louie told me.

In addition to the work being done by various groups that presented at this year's conference to address public policy changes, institutional changes at the corporate levels, which some organizations already do, would be a step in the right direction.

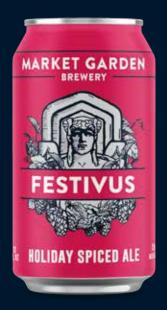
Because if employers paid those earning less than their white male counterparts, whose group median annual earnings are, on average, \$56,200, the state of Erie's economy would stand to be celebrated as something far greater, powerful, and inspiring than 'slightly less sluggish'.

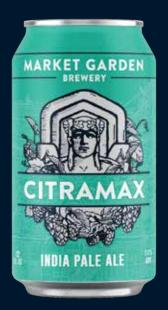
You can follow Ben Speggen, vice president of the JES, and a contributing editor at the Erie Reader, on Threads and Twitter/X @BenSpeggen, and connect with him on LinkedIn.

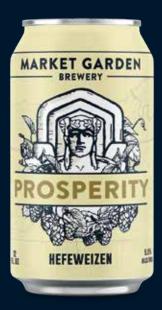
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## CALENDAR

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#### Thu 10/17

Golden Hour Photo Club @ 5:30pm / Free-\$150 Goodell Gardens & Homestead, 221 Waterford Street, Edinboro

Fri 10/18

Candlelight: Featuring Mozart, Bach, and Timeless Composers @ 7pm / Free

First Presbyterian Church of the Covenant, 250 West 7th Street. fever@ eventvesta.com

#### **Featured**



The Woman In Black @ 7:30pm / \$20 PACA, 1505 State Street



King's Rook Club EDM **BEETLEJUICE NIGHT ft. PUPPY** + GRIMACE

@ 9pm / \$5 King's Rook Club, 1921 Peach Street

#### Sat 10/19

Erie Runners Club Personal **Endurance Classic** @ 6:30am / \$15-\$15 3101 Clark Rd

The Woman In Black @ 7:30pm / \$20 PACA, 1505 State Street

70's Costume Night! with Shapes

+ Mushróóm

@ 9pm / \$7 King's Rook Club, 1921 Peach Street

#### Sun 10/20

**Mount Pleasant Challenge** @ 9:30am / Free-\$60 14510 Mount Pleasant Road, Cambridge **Springs** 

#### Thu 10/24

Open Mic Teaching Workshop! ft. Movie viewing (Trick 'r Treat) and Pumpkin Carving! @ 8pm / \$3 King's Rook Club, 1921 Peach Street

#### Fri 10/25

Firefly Tales @ 7pm / \$15 PACA, 1505 State Street

#### Sat 10/26

Flannels and Flapiacks @ 8:30am / Free-\$30 11800 Edinboro Rd, Edinboro

Psychic Groovin' ~ 4 Psychics 1 Price!

@ 10am / \$25-\$25

The Hippie Space, 211 Main Street West, Girard

Erie Roller Derby's October **Doubleheader** 

@ 4:30pm / \$10 Bayfront Convention Center, 1 Sassafras

#### **Featured**



Masquerade at the Museum @ 7pm / \$100-\$100 Erie Art Museum, 20 East 5th Street



#### **Featured**



Big Blitz + Lopaka Rootz Monster Mash @ 9pm / \$10 King's Rook



#### Sun 10/27

Firefly Tales @ 2pm / \$15 PACA, 1505 State Street

**Trees & Treats** @ 3pm / Free-\$12 Goodell Gardens & Homestead, 221 Waterford Street, Edinboro

#### Fri 11/01

Dizgo, Future Joy & Phunkademic @ 9pm / \$15 King's Rook Club, 1921 Peach Street

#### Thu 11/07

#### **Featured**



Headliner Geoffrey Asmus at Calamari's **Sauid Row** @ 6pm / \$15-



Calamari's Squid Row, 1317 State Street

Calendar information is provided by event organizers. All events are subject to change or cancellation. This publication is not responsible for the accuracy of the information contained in this calendar.

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