



METROPOLITAN POLICY PROGRAM
THE BROOKINGS INSTITUTION

**Committing to Prosperity:
Moving Forward on the Agenda to Renew Pennsylvania**

**Metro Profile: Lehigh Valley
March 2007**

This profile provides key economic and demographic trend information about the Allentown metropolitan area relating to “Committing to Prosperity,” an update of the 2003 Brookings Institution report, “Back to Prosperity.” To read the entire report, other regional summaries, and a rural policy brief, see www.brookings.edu/metro/pubs/committingtoprosperity.htm. For any questions or comments, please contact Rebecca Sohmer at the Brookings Institution Metropolitan Policy Program (rsohmer@brookings.edu / 202-797-6085).

The Trend: The Lehigh Valley continues to gain population

Metropolitan Allentown is one of the fastest growing metropolitan areas in the state

In 2005, the Lehigh Valley (consisting of Carbon, Lehigh, and Northampton counties) had a population of 680,200—6.6 percent (42,000) more people than in 2000. This gain represents an accelerated rate of population growth compared to the 1990s. Between 1990 and 2000, the metro area’s population grew at an annualized rate of 0.70 percent per year; between 2000 and 2005 that rate has increased to 1.29 percent per year.

The Lehigh Valley is becoming more diverse due to minority gains

The Lehigh Valley, like the rest of the state, saw its population become more diverse between 2000 and 2005. It experienced a 37 percent increase (31,000) in its minority population. Almost two-thirds of the increase in the Lehigh Valley’s minority population was due to gains in the Latino population which grew by 37 percent.

Metro Area	Annualized population growth rate, 2000–2005
York	1.38%
Reading	1.33%
Allentown	1.29%
Lancaster	0.83%
State College	0.70%
Harrisburg	0.57%
Philadelphia	0.21%
Erie	-0.03%
Sharon	-0.12%
Williamsport	-0.28%
Scrán./W.B./Haz.	-0.30%
Altoona	-0.37%
Pittsburgh	-0.37%
Johnstown	-0.49%
Pennsylvania	0.24%
United States	1.05%

Metro Allentown has more people moving in than moving out

Along with York and Reading, metro Allentown has experienced net in-migration every year between 1994 and 2005. According to IRS county-to-county migration data, over 30,000 more people moved into metro Allentown than moved out between 1994 and 2005.

The Trend: The Lehigh Valley is still spreading out—and hollowing out

Metro Allentown is the only metro in the state whose cities did not lose population

Between 1990 and 2000, the Lehigh Valley's cities, boroughs, and first-class townships all gained population. The trend continued between 2000 and 2005, but at a faster rate: the metro's cities went from an annualized growth of 0.07 percent per year to 0.19; the boroughs went from 0.06 to 0.20 percent annual gains; and the first-class townships went from 0.91 percent per year in the 1990s to 1.18 percent per year. The metro area's second-class townships continued to grow far more quickly, however, with a 1.62 percent annualized rate in the 1990s and a 2.82 percent per year increase between 2000 and 2005.

The vast majority of metropolitan Allentown's housing permits are still issued in second-class townships

Housing data shows that the Lehigh Valley's residential building activity continues to occur mainly in second-class townships. Between 1995 and 1999, 3,370 permits were issued in the metro's cities, boroughs, and first-class townships while 9,442 were issued in second-class townships. Between 2000 and 2004, the number of permits issued in older places increased 19 percent to 4,022, but permits issued to second-class townships rose even faster—45 percent—to 13,684.

The Lehigh Valley experienced decreases in rural land

The Lehigh Valley lost more than 20,500 acres of rural land between 1990 and 2000. And between 1980 and 2000, the loss was much greater: the Allentown metro area lost 45,000 rural acres in this time, a 25 percent loss. Whereas the metro area's total developable land was 30 percent rural in 1980, by 2000 that share had fallen to just 23 percent.

The Trend: The Lehigh Valley's job growth outpaces the state's

The Allentown metropolitan area continues to outpace the state on job growth

Metropolitan Allentown's 1.22 percent annualized rate of job growth in the 1990s outpaced the 0.96 percent state rate. Between 2000 and 2006, employment growth in the Lehigh Valley slowed to 0.91 percent per year, but this still outpaced Pennsylvania's 0.18 percent rate. Of the 18,100 jobs created in the Lehigh Valley since 2000, 15,600 were added between 2003 and 2006.

The Lehigh Valley continues to lose manufacturing jobs, but has seen gains in almost every other sector

The Lehigh Valley continues to lose manufacturing jobs: its 27 percent loss between 2000 and 2006 exceeded the state's 22 percent drop. The Allentown metropolitan area's largest percentage gains were in educational and health services, wholesale trade, professional and business services, and trade, transportation, and utilities, with 19, 17, 16, and 14 percent increases respectively—exceeding the state's performance in these industries.¹

¹ The economic trends presented in the last two paragraphs utilize Bureau of Labor Statistics data that defines the Allentown metropolitan area in a slightly different manner than in the rest of the analysis. In these paragraphs, the metro area includes Warren County, New Jersey.