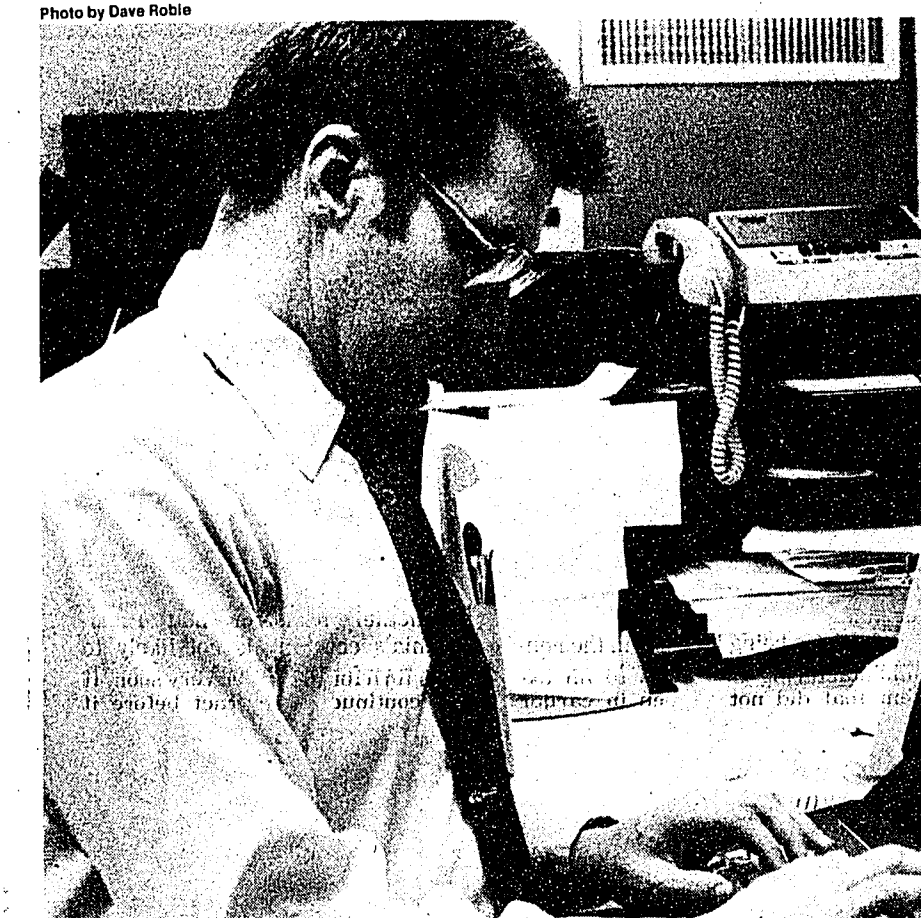




Employment in State College remains stable and is hardly subject to fluctuations in the national economy because of the University. Blue collar or white collar, about 14,000 people from State College and the surrounding areas depend on the economic health of the University.



Director encourages economic expansion

By CHRIS DELMASTRO and JEFF PORTNER
Daily Collegian Staff Writers

Centre County must look beyond the University for its economic base, a Centre Regional Planning Commission official said.

"Recognizing the predicted decline in student enrollment, Centre County must not depend on the University as the major industry," said Herb Kaulh, assistant director of the commission.

Kaulh said the computer software and design industry is the alternate economic base for the Centre Region.

Two local industries who are examples of this base are HRB Singer which handles numerous defense contracts for radar-related communications equipment and Erie Tech which manufactures ceramic capacitors.

Roger J. Lusk, group general manager for the ceramics group at Erie Tech, said Erie Tech located in this area because of the favorable educational climate offered by the University.

"A fair amount of our employees are University graduates. Also, our employees go on to further their educations at the University," Lusk said.

Kaulh said the main disadvantage of the area for industry is the lack of energy and transportation sources. This disadvantage is less of a hindrance to a highly technical industry producing smaller components, he said.

Lusk said the area has provided adequate power and labor supplies for Erie Tech. He also said some employees were commuting from outside the Centre Region, and the company was promoting van pooling as a means of transportation for them.

Lusk said Erie Tech is expanding its operations, and ground may be broken by the end of this year for additional production space.

"Our (production) lines will be growing between 10 and 15 percent, which will add about 35 to 50 new jobs," Lusk said.

Erie Tech now employs about 400 people in its State College plant, which is the headquarters for its ceramics group. A Canadian-based multinational corporation, Erie Tech has three other domestic plants as well as subsidiaries in numerous foreign countries.

the daily living

a weekly look at life in the University community

University rated major employer

Ranked among top 500 firms

By CHRIS DELMASTRO
Daily Collegian Staff Writer

The University as an employer ranked among the top 500 U.S. firms, according to Fortune Magazine.

The May 1978 Fortune magazine figures introduced an economic study of the impact of the University on the Centre Region, done by Alice Warn, senior research assistant for College of Business Administration, and Ned Shilling of the Center for Research.

"A lot of people don't see the University as being for them and their children," Warn said.

"As a source of revenue for the local community, the University employs a large number of tax paying people, many of whom are also property owners," a 1979 update of the study said. "It purchases large quantities of goods and services from local vendors. Its several thousand employees and students support local businesses, and thousands of visitors to the University contribute to local economies and a portion of the money spent by the University and by the students, staff and visitors."

Two studies were done by Warn to improve the relationship of the University with the local community. An update of the 1978 study was done in April 1979 with Ken Boras of the University Planning and Research group of the Office of Planning and Budget.

"We were trying to provide information to the Board of Trustees on the impact of the University on the community," Boras said.

The University also provides an indirect influence through alumni, faculty research and student volunteers, the study said.

"Surely a part of the jobs in construction, transportation and public utilities, trade, finance, insurance and real estate, services and government are providing services that would not be needed if the University and its students, visitors, etc., were not here," the 1978 study said.

Without the University, Centre County would have a different look.

"It would be purely agriculture. There would be fewer college graduates here, since there is no other close source of education," Warn said.

Warn said a mutual benefit exists between the University and the surrounding community. "I feel neither could exist alone," Warn said.

The borough supplies goods and services the University needs. Without this supply, the University would have to provide more dorms, food services and fire and police protection, Warn said.

In case of declining enrollment, the Centre County could feel the economic side effects. "The enrollment would have to decline quite a bit before it would affect jobs," Boras said.

Warn said the Centre County has become an attractive place to live. The area has an appeal to the retired with the availability of activities and events, to the salesman because of its central location and to a number of University graduates.

"The flow of this income affects the purchase of local goods and services."

"Direct purchases for fiscal year 1978 amounted to \$21,000,000," the 1978 study said.

But this figure is limited since it does not consider employee, student, visitor

"A lot of people don't see the University as being for them and their children."

—Alice Warn, senior research assistant for the College of Business Administration

George Morgan, manager of Danks and member of the Chamber of Commerce, said the University students, faculty and staff were the dominant force in downtown sales.

"A large part of the town and region would not be in existence without the University. It affects the total economy of the area," Morgan said.

The Bureau of Employment Security of the Pennsylvania Department of Labor and Industry keeps records of the University's place in Centre County as an employer.

The University provides a variety of blue collar and white collar, skilled and unskilled jobs. Employment at the University is much more stable than at a firm subject to seasonal fluctuations.

"This steadiness has persisted through cyclical recessions and has been a significant contribution to the stability of the local economies in and around Penn State campuses," the 1979 study said.

The University remains Centre County's largest employer.

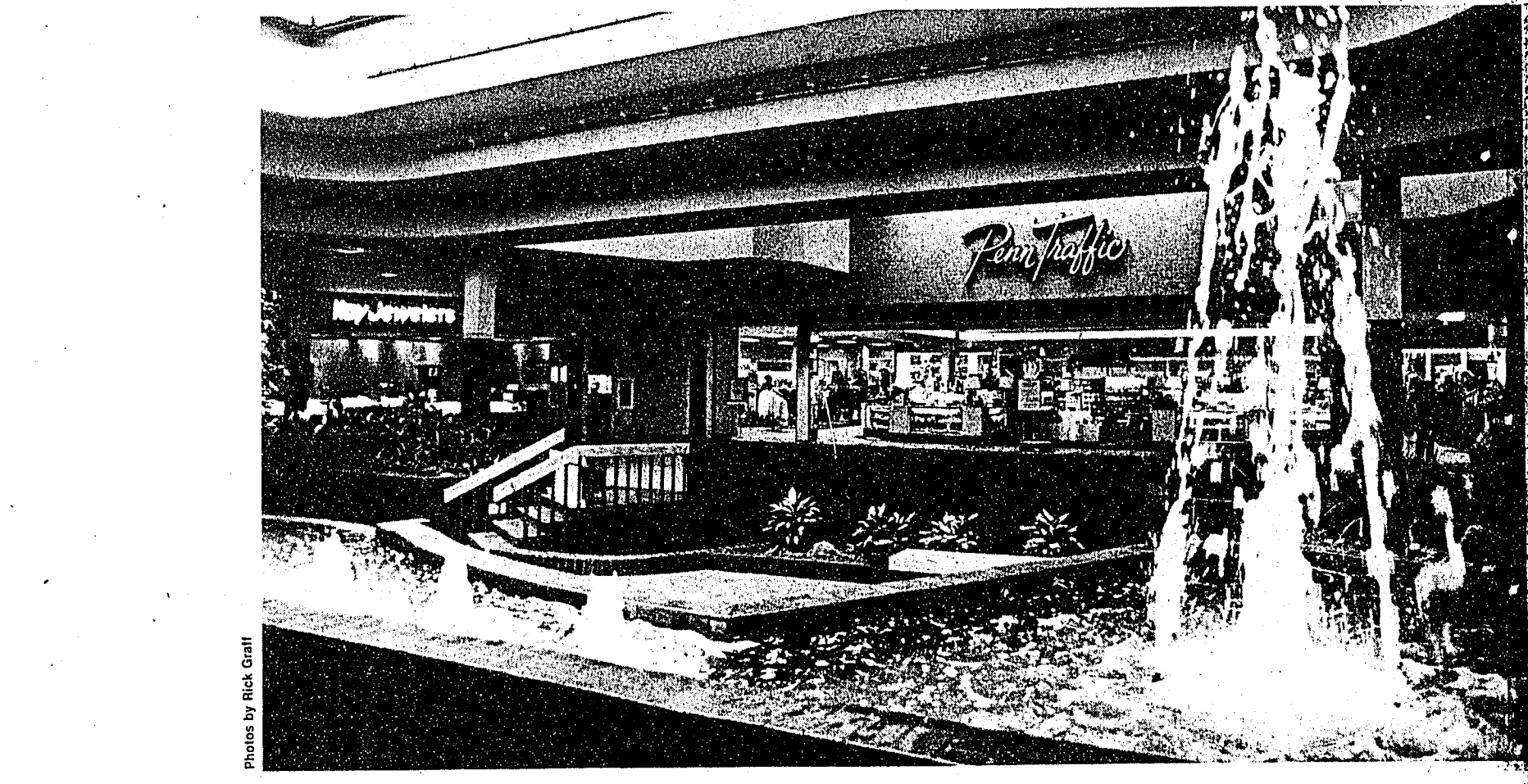
"In October of 1978, University Park reported to the Bureau of Employment and Security 14,046 employees in the State College-Bellefonte labor market," the 1978 study said.

"Penn State has more full-time and part-time employees reported by Brockway Glass, Jonathan Logan, Kaiser Steel, McGraw-Hill, or Joseph E. Seagram and Sons, for example. It has twice as many workers as Corox, Pabst Brewing, McLouth Steel, or the New York Times," the 1978 study said.

And this figure is limited since it does not consider employee, student, visitor

"A large part of the town and region would not be in existence without the University."

—George Morgan, Danks manager



Area farms struggle with rising operating costs

By JEFF PORTNER
Daily Collegian Staff Writer

Farm population in the Centre County region is decreasing faster than in other areas of the country, a county extension director said.

According to the latest census, the number of productive farms in central Pennsylvania has increased, but Russell Seward, county extension director, said these are in regions outside of Centre County.

Rising operating costs because of inflation and higher fuel prices were blamed by Seward as the most persistent problems facing farmers in the Centre Region. These increased expenses narrow the profit margin for farmers and make it harder for them to keep their farms, he said.

"I think we've seen a few cases when an individual has had a tough time making it... but usually they'll sell their livestock and equipment to reduce their debt," he said, and thereby save their farms.

Seward works as a liaison between the University and the surrounding farm communities. The office in which he works has branches located in every county of the state. The main function of his office is to provide informal educational programs for farmers throughout Pennsylvania.

"We take research from the University and adapt it to local conditions," he said.

Some of the research conducted by the University that has been directly benefited area farmers is a soil testing program developed at the University.

"We have 1,500 soil samples tested per year; 200 different farms per year run soil tests through University labs," Seward said.

The University itself also owns quite a significant area of farmland in the Centre Region. Seward said the areas occupied by the Pine Springs Research and Horticultural Research farms amount to three or four thousand acres.

One program recently developed at the University is being administered by the 4-H organization. Described by Seward as "one of the most modern types of programs in the U.S.," it analyzes the hay that is fed to beef cattle from the silage and determines its quality.

The Extension Service is also working with the University to provide some private farms in the Centre County area with an experimental type of oat seed, Seward said.

The Horticulture and Pine Springs research facilities operated by the University also sponsor an event called "Agricultural Progress Days" for three days each August.

"They estimated 45,000 people came because the farmers follow the

University's advice on such things as soil treatment, pesticide use and harvesting techniques. "I think we have some of the best farming around here in the state," Harner said.

"The agricultural goods from Pennsylvania will surpass steel in value of the products, and the technology (behind) it has come from the University."

"I think for the money invested in Penn State, it cannot be equaled in return (of investment) for our tax dollars," he said.

Sheldon Cori, a dairy farmer from State College, generally agrees with Harner's opinions.

"I guess the research programs have helped us — fertilization, lime, new types of seed," he said.

As a dairy farmer, Cori has had an easier time than most weathering the most recent recession.

"I would say that the last couple of years have been lucrative for the dairy farmer. The past few years grain and feed prices have been on the rise, and I think milk prices will also rise," he said.

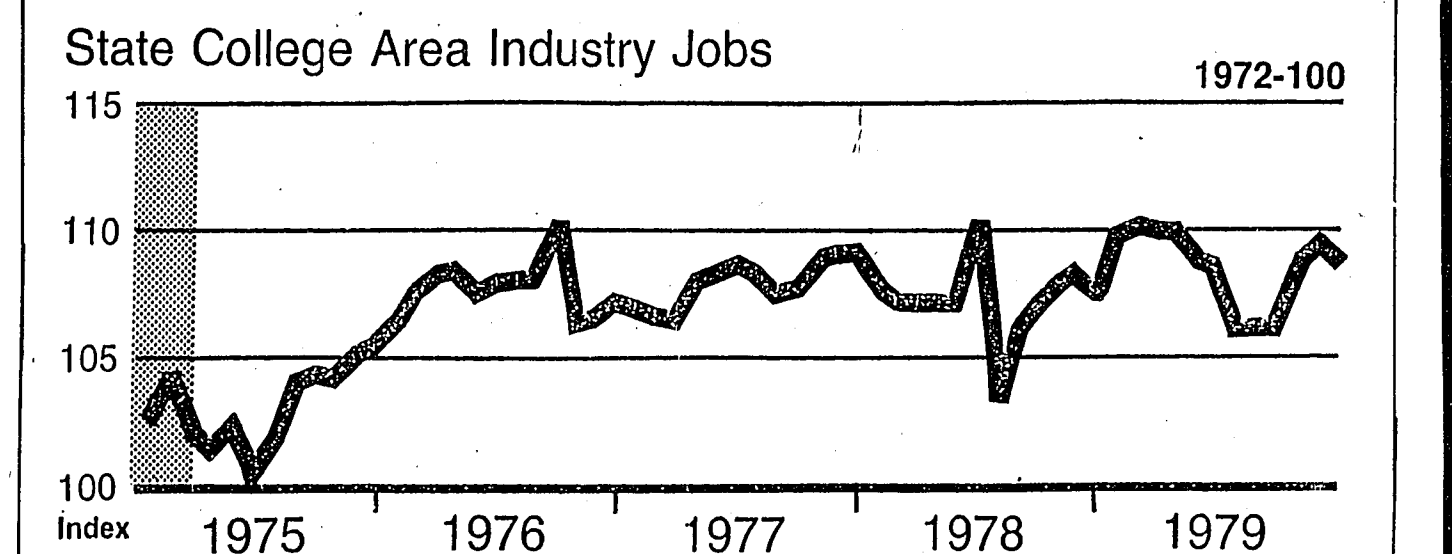
Inflation has nonetheless taken its toll on Cori and other dairy farmers. Cori said a relatively dry summer with a period of drought was responsible for the recent rise in grain prices.

"We've had a dry summer, and I don't think the reserves (of corn) are available just yet," he said.

"The purchases of farm equipment and other machines are hurting us due to the high cost involved. It's getting harder to replace things," he said.

"I think one of the biggest things out in the University is its (animal) diagnostic lab. Now it's a lot of money, though," he said.

In the past, the University ran the lab, whose job it is to diagnose the various diseases afflicting farm livestock, free of charge. But Cori said because of funding problems in recent years, the University has resorted to extremely expensive fees for the services of the diagnostic lab, putting its benefits out of reach of area farmers.



Unemployment remains low

By CHRIS DELMASTRO
Daily Collegian Staff Writer

The Centre Region's economy weathered the storm of the recent recession far better than the rest of the country.

Last year, several new economic records were made in the area as more people at work, more factory jobs, and the lowest unemployment rate at 5.1 percent, said Alice Warn, senior research assistant for the College of Business Administration in the March 1980 Quarterly Economic Roundup.

This past summer the area has experienced unemployment rates between 6 and 7.5 percent said Frank Clemson, manager of the State College Employment Office of Security.

"This is high for the area. The unemployment rate is usually between 3 and 4 percent, but this is still low compared to the state and nation," Clemson said.

"There has been no real big change in jobs in the area over the past few months. There have been some layoffs, but none were great," Clemson said.

"State unemployment is up more than it was in 1970-71, if for no other reason than the fact that the labor force is larger now. But it has risen relatively only half as high as it did in the recession of 1973-75," Warn said.

But Warn said that two-thirds of the recent unemployment hike were because of special factors and the national recession.

The seasonal construction industry has slackened off in the area because of high mortgage rates and the tight money market, Clemson said.

He said most of the jobs in the area are in the retail and service industry, like restaurants and fast food chains. The University along with the government sector make up about 45 percent of the area's industry. These two job markets are also showing some decline.

"Jobs are being lost now in the non-manufacturing industries to an extent that did not happen in earlier recessions," Warn said. "The job level in services has dipped for the first time ever, as have the state and local government jobs — although the latter dip is very slight."

But, Clemson said, the population in the area is expected to increase which would provide an increase in demand in the retail and service areas.

Clemson said the area has basically not lost industry but has gained some. He said HRB Singer, which makes a radar-related, communication product, is constantly hiring.

He said there are seven other electrical accessory plants in the area that are expected to be hiring.

"I expect the economy in the area to bounce back in the late first quarter of next year. It looks promising," Clemson said.

However, Warn is not as optimistic.

"Whether it is or not, Pennsylvania's economy is not likely to take a turn for the better very soon. It may continue to contract before it levels off," she said.



The number of farms are decreasing in Centre County despite an increase in the farm population nationwide, Russell Seward, county extension director, says the higher cost of fuel and inflation are hurting farmers' profits.

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