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U.S. boosts Cambria

Federal money flows into county

The most recent state statistics show that, while the average wage for all industries was \$33,993 in Cambria County, the average federal worker pulled down \$60,602 here.

In Cambria County, federal government is big business.

While Cambria's population ranks 25th among Pennsylvania counties, recent U.S. Census Bureau statistics show that it ranks 12th in terms of federal spending within its borders.

And when it comes to procurement – meaning federal contracts – the county climbs even higher on the list: There are only six counties that saw more procurement investment than Cambria's \$1.2 billion in fiscal year 2010.

It all adds up, local observers say, to the U.S. government providing a big financial boost locally – momentum that has remained relatively strong in spite of the national financial downturn. "No matter how you slice the pie, it has become a very integral part of our economy," said Bill Findley, a retired labor-statistics analyst in Johnstown.

While many local companies are known for garnering Defense Department contracts, the Census Bureau's county-by-county report accounts for much more than that. It examines several categories of federal spending including grants; salaries and wages; and retirement and disability payments including Social Security compensation.

Somerset County's federal spending ranks 34th among Pennsylvania's 67 counties.

But, while Cambria County's population places it near the middle of the pack, the amount of federal spending here pushes it into a class with much-larger areas.

All told, census figures show \$2.8 billion in federal spending in Cambria County. That's equal to \$19,623 for every person in the county; federal per capita spending statewide is a much-lower \$11,489.

Retirement and disability spending is the second-largest Cambria category at \$639.5 million.

But the biggest investment by far is in procurement, which accounts for more than 40 percent of all federal spending in Cambria.

All six counties that are higher on the procurement list – Allegheny, Chester, Delaware, Montgomery, Philadelphia and York – have populations at least three times larger than Cambria.

That's \$8,414 in procurement spending for every man, woman and child in Cambria County.

It's due in large part to the area's robust trade in defense-industry work.

"We're really well-known throughout Pennsylvania and the region for procurement," said Linda Thomson, Johnstown Area Regional Industries president.

The late U.S. Rep. John Murtha, a prime player in defense spending, fostered much of that development early on. But Thomson and others say many local contractors have picked up that ball and run with it, winning business on their own merits.

"We have a concentrated group of companies that are very proficient in competing for contracts," Thomson said, adding that her agency is the designated "procurement technical assistance center" for businesses in Cambria and Somerset counties.

"We work with people one-on-one, but we also have a lot of educational seminars," Thomson said.

Of course, there are disadvantages to such reliance on federal funds. Noting that Congress has been unable to pass a long-term spending plan, Thomson said contractors are suffering.

"Contracts aren't getting signed and processed because of all of the turmoil in Washington," she said.

But Thomson rejects the notion that such instability occurs mainly in governmental-contract work.

"There are ups and downs on the (private) commercial side of business," she said. "And I think both of those have their cycles."

When it comes to federal employment, though, there have been no recent, significant downturns.

In Cambria County, the U.S. government doled out \$158.9 million in wages and salaries in fiscal 2010. Findley, who spent four decades with the state Department of Labor and Industry's Center for Workforce Information and Analysis, was not surprised by that number.

The most recent state statistics show that, while the average wage for all industries was \$33,993 in Cambria County, the average federal worker pulled down \$60,602 here. "These aren't minimum-wage jobs," Findley said. And, while the county's number of federal jobs (1,200) is relatively small, that figure has remained relatively stable. Findley notes that Cambria's federal employment hovered between 1,000 and 1,400 jobs from 1990 through 2010.

But there are no sure bets. One source of local federal employment – the National Drug Intelligence Center in downtown Johnstown – already has seen layoffs and funding cuts.

And with the center's existence having become a political issue, more cuts could be on the way.

"When it gets into the political arena, it is really up for grabs," Findley said.

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