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Mixed Economic Picture in Next Big State to Vote

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PHILADELPHIA — A dismal jobs report on Friday thrust the nation’s ailing economy to the forefront of the presidential campaign. But as the candidates shift their attention to [Pennsylvania](#), which votes April 22, they are likely to find a more positive economic landscape than they might have expected from a Rust Belt state once heavily dependent on steel, coal and manufacturing jobs.

Polls show that economic issues helped Senator [Hillary Rodham Clinton](#) of New York secure her victory in Ohio over Senator [Barack Obama](#) of Illinois. And her campaign is clearly hoping to duplicate that success here by focusing on her plan for universal health care and her proposal for a 90-day freeze on home foreclosures.

In Ohio, 59 percent of voters surveyed said the economy was their top concern, and Mrs. Clinton was backed by a majority of those voters.

But Pennsylvania is in better economic shape than Ohio. Over the last two or three decades, much of this state has successfully made the transition to what officials call a knowledge-based economy. There are now more jobs here in education and health care than in industrial manufacturing. And analysts here said the candidates would have to tailor their economic messages to the state’s many distinct economies, which are in various stages of recovery.

While the state’s jobless rate has edged up over the last year, from 4.3 percent in January 2007 to 4.8 percent now, it has been below the national average for 13 months in a row. And while western Pennsylvania shares a border with eastern Ohio and shares some of that region’s economic woes, officials here say that Pennsylvania as a whole is more prosperous and diverse than its neighbor.

“We’ve recovered from the minor recession of 2000 and 2001 and have had steady job growth since early 2003,” said Dennis Yablonsky, secretary of the Pennsylvania Department of Community and Economic Development. “While most of our competitor states are facing large budget deficits, we’re looking at a \$400 million surplus this year.”

As of December 2007, Pennsylvania ranked 25th in unemployment, while Ohio’s unemployment rate of 6 percent pushed it down to 45th. And in terms of home foreclosures, Pennsylvania has done better than most states, ranking 37th in January.

But the national news this week — of the biggest job loss in five years and more home foreclosures than ever — spurred talk of a recession from which Pennsylvania would likely not be immune.

On the campaign trail on Friday, Senators Clinton and Obama seized on a federal report that the nation had

lost 63,000 jobs in February. Both tried to link Senator [John McCain](#) of Arizona, the presumptive Republican nominee, to President Bush's stewardship of an ailing economy, with Mrs. Clinton saying, "The economic policies of the Bush administration are failures." Mr. Obama said that Americans "can't afford John McCain's promise of four more years of the very same failed Bush economic policies that have failed us for the last eight."

But their messages will need refining as they try to appeal to Pennsylvania's Democratic primary voters.

"The trick in crafting an economic message for Pennsylvania is that there are different concerns in different places," said Donald F. Kettl, a professor of political science at the [University of Pennsylvania](#). He noted that half the state's delegates would come from Philadelphia's vast media market, and the Philadelphia economy is diverse and relatively healthy, compared with much of the rest of the state.

"There's a lot of concern that people have about the economy, but the nature of the constituency is so complex that it's hard to craft a single message to appeal to them — except to blame George Bush for pushing the economy off the rails," Mr. Kettl said. "He's not popular anywhere, but is as unpopular in Pennsylvania as anywhere."

Christopher Briem, a regional economist at the Center for Social and Urban Research at the [University of Pittsburgh](#), said that in Pennsylvania, a presidential candidate needed to know about metropolitan, postindustrial and agricultural economies.

While southeastern Pennsylvania, with Philadelphia as its hub, continues to grow with pharmaceutical and banking jobs, western and northeastern Pennsylvania are still struggling with their postindustrial recovery.

"Pittsburgh continues its gradual maturation from heavy industry to a center for education, medical research, and culture," Mr. Briem said, "but many small towns are floundering without their factories."

Casino gambling has emerged as a new economic force in onetime factory towns like Pittsburgh, Erie and Bethlehem.

But Erie, for example, remains relatively hard-pressed.

"The economy here is absolutely horrible," said Tom Cacchione Jr., 51, the owner of the Sports Page, a bar in Erie. "We've lost every manufacturing job that we ever had."

Mr. Cacchione said he had just bought his bar in October and so far so good, for him. "But the surrounding businesses just don't last," he said. "All around here we've had businesses open up and close down. Even the drugstore closed, for crying out loud."

He said signing the North American Free Trade Agreement was the worst thing President [Bill Clinton](#) had done, but Mr. Cacchione supports Mrs. Clinton anyway because he thinks she will do more for the economy.

Adam Welsh, 32, who works in management at United Parcel Service and also lives in Erie, agrees that the economy is terrible, but he has reached a different conclusion.

“Obama is against Nafta, and that’s good for him here in Erie,” Mr. Welsh said. “I’m supporting Obama because he is the furthest possible departure from George Bush. That’s what our country and the world needs right now. Bush has destroyed the economy and really hurt this country, and Obama is the anti-Bush. So I’m voting for him.”

Mark Nevins, a spokesman for the Clinton campaign in Pennsylvania, said that Mrs. Clinton would emphasize that Gov. [Edward G. Rendell](#), who is supporting Mrs. Clinton, needed “a friend in the White House” to continue the economic progress he has already made. Mr. Nevins also said that her own plans and the success of her husband’s administration in creating jobs and expanding the economy would resonate in the state.

Sean Smith, a spokesman for the Obama campaign here, said that Mr. Obama would emphasize his plans to stop giving tax breaks to companies that create jobs overseas and would also highlight examples around the state of companies that have successfully made the transition from manufacturing to “knowledge.” He said Mr. Obama also planned round-table discussions. “He’ll be very specific here with his economic message,” Mr. Smith said.

Mr. Kettl said that the candidates might find they need to frame their economic messages in terms of security for the future rather than fixing current problems. “The grievances people have have much more to do with opportunity, questions of where the jobs are coming from, which are especially problems for lower- and middle-class workers,” he said. “This is an obvious Clinton base. The issue is less ‘Nafta is taking jobs away’ than ‘Where are jobs for your kids?’ ”

Christopher Maag contributed reporting from Erie, Pa.

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