Pennsylvania defines industry clusters to serve as the basis for data-driven workforce development policies. An industry cluster includes industries closely linked by common products, labor pools, technologies, supplier chains and training needs. They take on strategic importance for long-term economic planning as changes that benefit one group member will generally impact other members of the cluster.

Industry clusters are comprised of specific six-digit North American Industry Classification System, or NAICS, codes. They are mutually exclusive, so that no two clusters contain the same NAICS code. Currently, there are 12 clusters identified, along with several critical sub-clusters. Combined, these 12 industry clusters account for nearly 83 percent of all employment in the commonwealth.

Cluster Summary

The Real Estate, Finance and Insurance (REFI) cluster contains all industries related to the purchase and sale of tangible and non-tangible assets. Included in the cluster are consumer lending, commodity contracts brokerage, direct property & casualty insurers, residential property managers and credit bureaus.

	2016	2019	2021
Employer Units	29,355	30,680	32,600
Number of Jobs	295,214	306,565	306,007
Percent of Total Pennsylvania Jobs	5.1%	5.2%	5.4%
Average Annual Wages	$82,616	$90,950	$103,232
Location Quotient (LQ)	0.93	0.94	0.94

LQs greater than one suggest a competitive advantage.

REFI cluster employment has grown in Pennsylvania and at the same rate as the rest of the nation which leads to a mostly steady Location Quotient (LQ) over the five-year time period. This cluster is very localized around Philadelphia and Pittsburgh. The cluster pays a high average wage, one which has increased more than 25 percent during the same time period.

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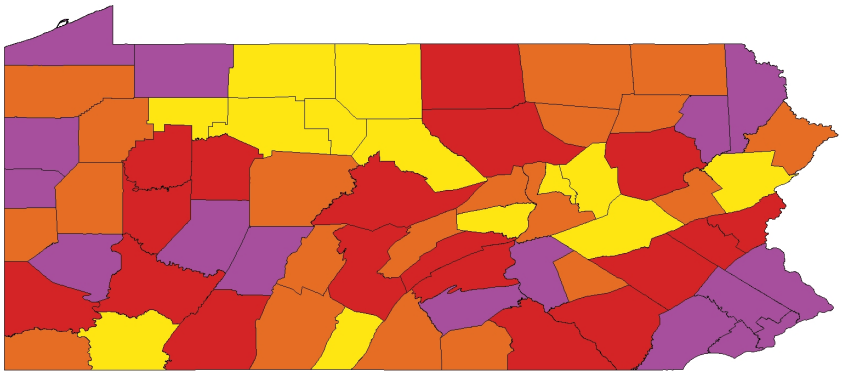
Summer 2023

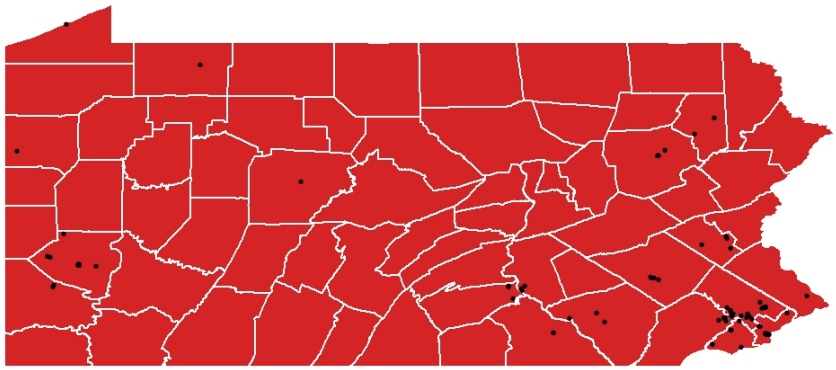
Percent Employment by County

- > 4.0%
- 4.0% - 3.0%
- 3.0% - 2.5%
- < 2.5%



Major Employers

- The Vanguard Group, Inc
- PNC Bank
- Mellon Bank
- Erie Indemnity Company
- SEI Investments Company
- PHEAA



Top Industries Based on Employment

- Commercial Banking
- Insurance Agencies & Brokerages
- Portfolio Management
- Offices of Certified Public Accountants
- Direct Property & Casualty Insurers
- Third Party Administration of Insurance Funds
- Lessors of Residential Buildings
- Credit Unions
- Residential Property Managers
- Offices Of Real Estate Agents & Brokers
- Investment Advice
- Other Accounting Services
- Securities Brokerage
- Real Estate Credit
- Savings Institutions
- Lessors of Nonresidential Buildings
- Title Abstract & Settlement Offices
- All Other Insurance Related Activities
- Consumer Lending
- Collection Agencies

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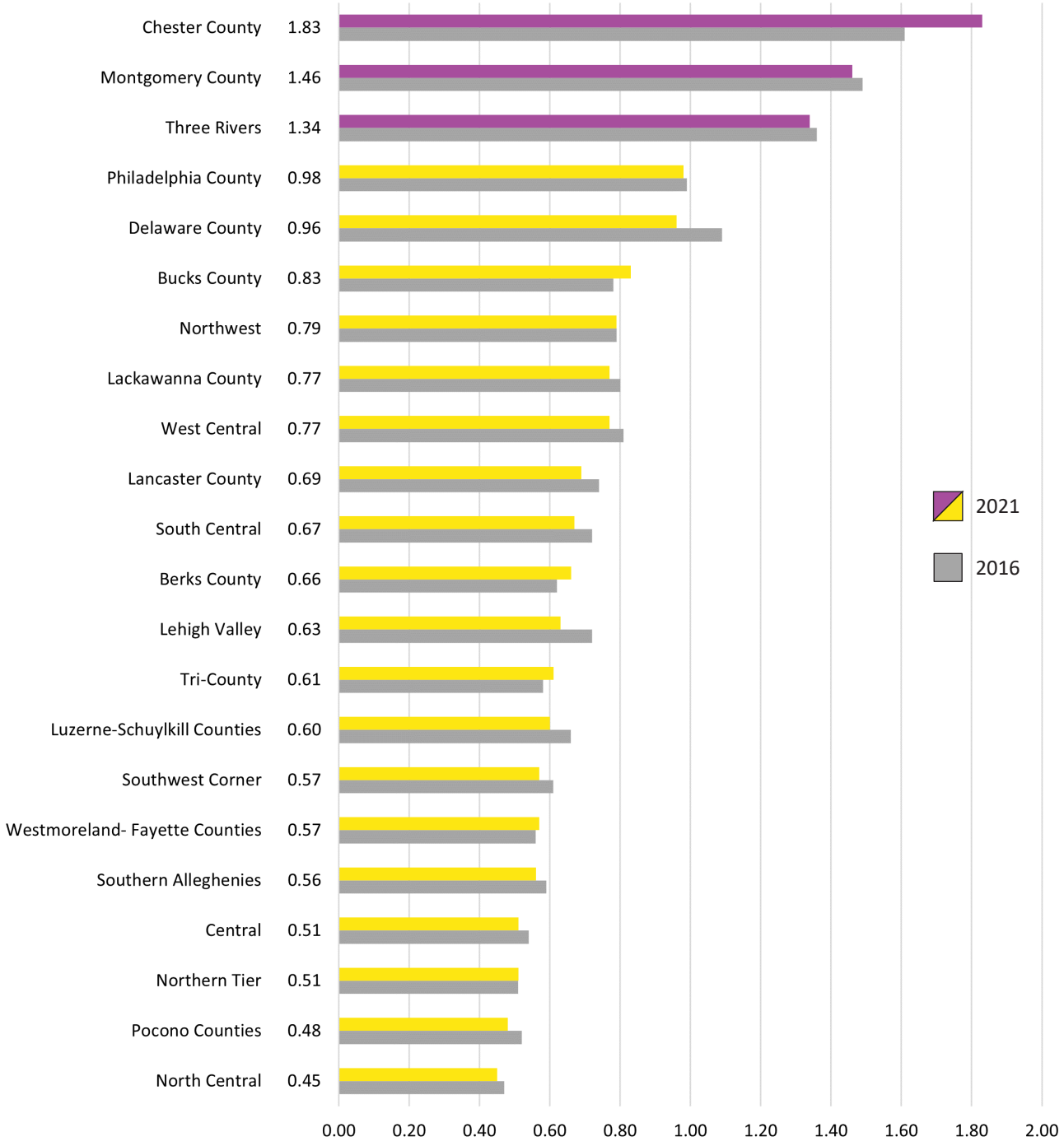
Summer 2023

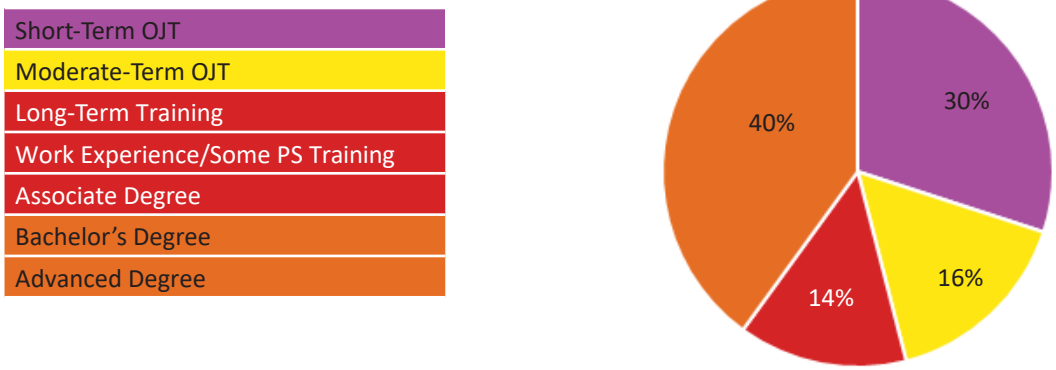
Employment Concentration

A location quotient, or LQ, compares a cluster's share of local employment to its share of national employment. This value can be used when evaluating the strength of an industry cluster within an area. An LQ greater than one indicates that the cluster has, on average, more employees locally than typically expected implying a possible competitive advantage. Only the Chester County Workforce Development Area (WDAs) has an LQ greater than one and has also increased their competitiveness since 2016.



Educational Requirements

This graph illustrates the minimum educational attainment levels for jobs found in this cluster's various industries. Somewhat surprisingly, approximately 46 percent of REFI jobs require less than one year of on-the-job training to enter employment. However, these jobs do pay substantially less than the jobs in the cluster which require more formal education. Along with Business Services, this cluster has a lot of pay disparity among occupations.



Occupations with Significant Employment

The following table lists occupations that employ at least 5,900 people in the REFI cluster.

			Annual Demand	
SOC Code	Occupation	Average Wage	All Industries	Industry Cluster
43-4051	Customer Service Representatives	$41,810	15,067	3,246
43-3071	Tellers	$35,010	1,698	1,692
13-2011	Accountants & Auditors	$78,780	5,370	1,664
41-3021	Insurance Sales Agents	$68,890	1,846	1,407
43-9061	Office Clerks, General	$41,880	16,622	1,247
43-1011	Supervisors - Office & Administrative Support Workers	$64,000	6,427	1,037
41-3031	Securities, Commodities & Financial Services Sales	$81,870	1,175	1,036
43-6014	Secretaries & Administrative Assistants	$41,310	8,528	1,014
49-9071	Maintenance & Repair Workers, General	$47,080	6,138	984
43-3031	Bookkeeping, Accounting & Auditing Clerks	$46,240	6,167	909
13-2072	Loan Officers	$81,240	878	747
13-2052	Personal Financial Advisors	$163,400	958	739
11-3031	Financial Managers	$149,150	2,071	685
13-2098	Financial, Investment & Risk Specialists, All Other	N/A	1,532	678
15-1256	Software Developers & QA Analysts	N/A	4,323	652

*The 2022 average annual wage reflects wages across all industries and is not specific to the cluster.