

AT A GLANCE

2025 was a year of mixed economic signals as the labor market softened and inflation remained persistent. Gross Domestic Product (GDP) surged in part due to declining imports as Consumers adapted to the imposition of tariffs on a broad base of goods.



York County's **unemployment was 0.5% points higher** as of December 2025, compared with December 2024, a trend which was apparent throughout the year. (See Pg. 5)



York County's **real GDP rose by 1.45%** in 2024; GDP was also up at the State & National level through the latest releases. (See Pg. 7)



The **rate of inflation increased to 2.7%** on an annual basis in December 2025, Core CPI fell by 0.6% points when compared to December 2024. (See Pg. 7)

York County
Labor Force Statistics

3.4%

Unemployment rate for Dec. 2025 - preliminary

+1,369

More residents in the Labor Force (Dec. 2025 vs. Dec. 2024)

+315

More residents are employed (Dec. 2025 vs. Dec. 2024)

Other
Economic Indicators

2.7%

National annualized rate of inflation for the US in Dec. 2025

-21.1

Index points decrease in National Consumer sentiment score

2.7%

(adj. for inflation) Increase in U.S. consumer spending

5.6%

Annual Growth of PA Real GDP in Q3 2025

2.2%

Estimated Annual Growth of National Real GDP in 2025

181,000

More Americans Employed (Dec. 2025 vs. Dec. 2024)

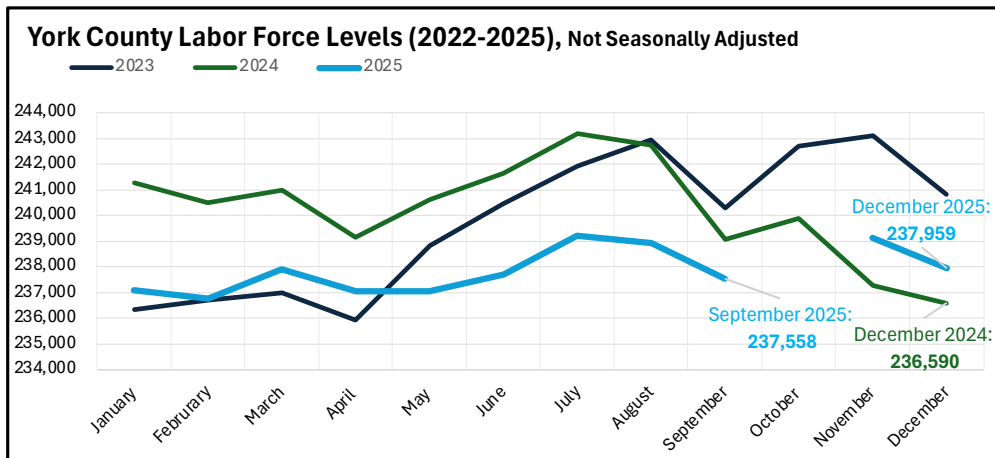
***A NOTE TO READERS REGARDING THE IMPACT OF THE FEDERAL GOVERNMENT SHUTDOWN:** The U.S. Bureau of Labor Statistics was unable to collect the data necessary to produce a report for the month of October. Readers will notice that data for October 2025 is omitted causing a break in the line graphs. The lingering impact of the shutdown also delayed the release of the Bureau of Economic Analysis’s GDP (Advance Estimate) Quarter 4 and Year 2025, which in turn delayed the release of this report. Future reports will be released a month and half after the close of Quarter, based on the availability of the GDP advance estimates.

DECEMBER 2025 SAW A HIGHER LABOR FORCE PARTICIPATION LEVEL THAN THE YEAR PRIOR, BREAKING A YEAR-LONG TREND.

Labor force participation in York County increased slightly over the quarter, with 401 additional residents in the Labor Force. Relative to December 2024, there were an additional 1,369 residents in the Labor Force, which was still below the 2023 level, but an encouraging sign for the labor market.

Based on the latest BLS Labor Force Participation Estimate, and the Census Bureau’s latest population estimates, the Labor Force Participation Rate in was 63.6%; higher than the 62.4% rate at the national level, and the 61.6 rate for Pennsylvania.

This relationship holds for the Census Bureau’s Estimates, which are slightly higher across the board than the estimates produced by BLS (York County: 65.7%, National: 63.0%, Pennsylvania: 62.6%).



Data Source: Bureau of Labor Statistics, via FRED

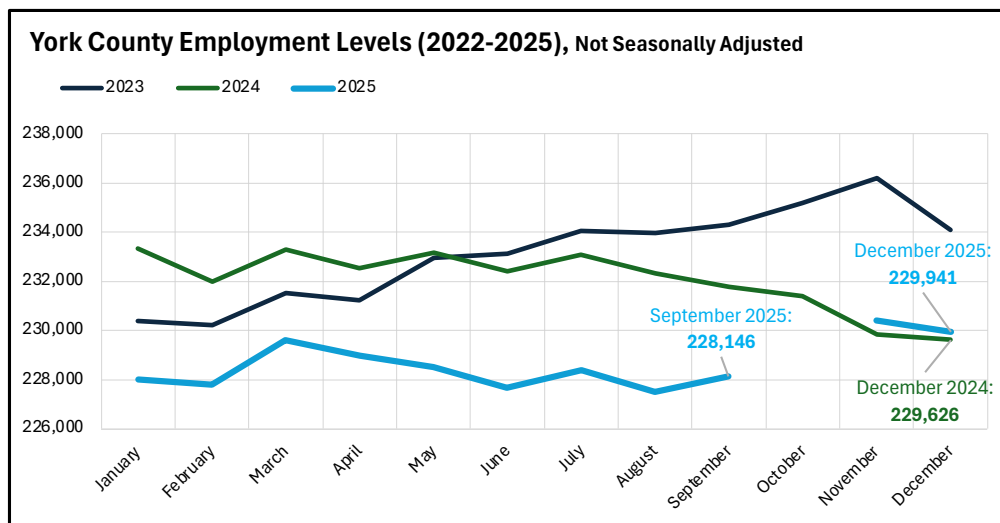
LOCAL EMPLOYMENT LEVELS WERE UP OVER THE QUARTER, AND SLIGHTLY ABOVE THE 2024 LEVEL.

Total employment in York County increased over the fourth quarter, with 1,795 more residents employed in December 2025 compared to September 2025. On average, approximately 3,200 fewer residents were employed each month than in the corresponding month of the preceding year.

The final two months of 2025 also saw employment levels slightly above the 2024 level. The year ended with 315 more residents employed than at the same point in 2024.

Pennsylvania has seen a steady increase in total employment over the past five years, and approximately 77,000 jobs were added over the year in 2025: a roughly 1.24% increase.

At the national level, approximately 181,000 jobs were added over the course of 2025, an increase of 0.11%.



Data Source: Bureau of Labor Statistics, Via FRED

LATEST SECTOR SPECIFIC DATA CONFIRMS THAT EMPLOYMENT IS UP SLIGHTLY BUT REVEALS VARIATION ACROSS THE YORK COUNTY'S ECONOMY.

The Bureau of Labor Statistics publishes its Quarterly Census of Employment and Wages, with a two-quarter lag for County level data. As such, the most recent data point available is for the second quarter of 2025.

A year-over-year comparison reveals that employment in the manufacturing sector fell by over 1,000 jobs (3.42%), which was partially offset by an increase in Health Care-related fields, among which just over 450 jobs (1.6% increase) were added.

Below is a snapshot of the largest employment sectors (those with more than 10,000 employees and representing over 70% of total employment). Notice that only about half of the manufacturing jobs lost were offset with new jobs in high-paying sectors (health care & construction). 580 positions were added in lower paying retail and accommodation & food service industries where the average annual wage is less than half of that earned by manufacturing sector employees.

Selected Sector Employment & Wage Information, Q2 of 2025				
Sector	Number of Employees	Change in Employment Year of Year	Average Annual Wage	Percent Increase Year over Year
Manufacturing	31,968	-1,092	\$ 72,416.85	4.0%
Health Care & Social Assistance	27,941	459	\$ 71,071.91	4.9%
Retail	20,193	172	\$ 34,294.46	2.1%
Accommodation & Food Service	14,306	408	\$ 22,146.96	3.0%
Transportation & Warehousing	13,255	-246	\$ 56,071.00	3.8%
Construction	11,979	47	\$ 80,438.99	3.0%
Total Employment	164,723	112	\$ 60,488.17	3.4%

Source: Quarterly Census of Employment & Wages, Q2 2025 & Q2 2024, York County, Sector Data

AMONG OUR NEIGHBORING MSA'S EMPLOYMENT WAS UP, EXCEPT FOR THE GREATER BALTIMORE AREA.

Total Employment rose at a higher rate in every Metropolitan Statistical Area (MSA) in South Central Pennsylvania apart from the MSA covering Franklin County, however. In every other case, the rate at which jobs were added was higher than in York County.

In contrast, total employment was down across the Greater Baltimore Area by 1.3% with a little over 19,000 fewer residents employed than, at the same point in 2024.

MSA	Total Employment in Selected Metropolitan Statistical Areas, Not Seasonally Adjusted			
	December 2024	December 2025 (P)	Numerical Change	Percent Change
Gettysburg	49,341	49,627	286	0.6%
Chambersburg	74,494	73,967	-527	-0.7%
Harrisburg-Carlisle	302,558	304,200	1,642	0.5%
Lancaster	279,615	282,025	2,410	0.9%
Lebanon	71,003	71,792	789	1.1%
Reading	209,898	211,029	1,131	0.5%
York-Hanover	229,626	229,941	315	0.1%
Baltimore-Columbia-Towson	1,450,615	1,431,361	-19,254	-1.3%

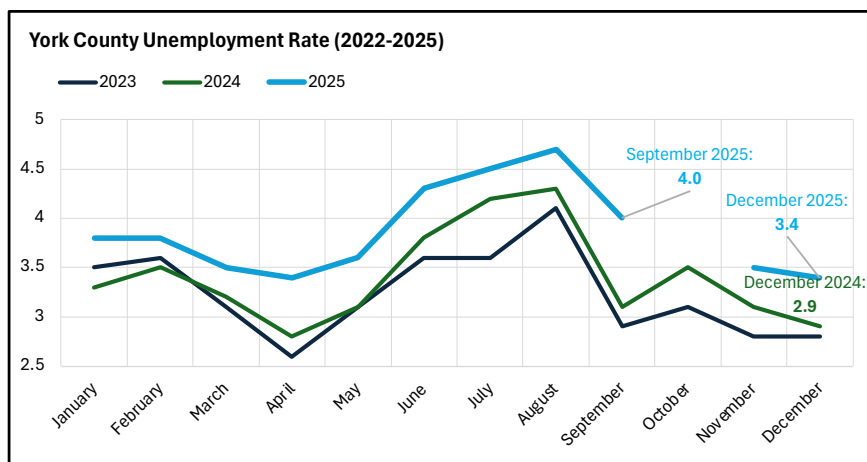
Data Source: Bureau of Labor Statistics, Metropolitan Area Employment and Unemployment Summary

YORK COUNTY'S UNEMPLOYMENT RATE WAS HIGHER IN 2025 THAN IN THE YEAR PRIOR BUT REMAINS NEAR A HISTORICAL LOW POINT.

The unemployment rate for York County was 3.4% in December 2025, down from the 4.0% rate measured in September, but half of a percent higher than at the same point a year prior.

This equates to an additional 1,054 residents who were without work but were actively seeking employment.

The national unemployment rate was estimated at 4.4% in December 2025, while Pennsylvania was estimated to have an unemployment rate of 4.2% using preliminary data from December 2025.

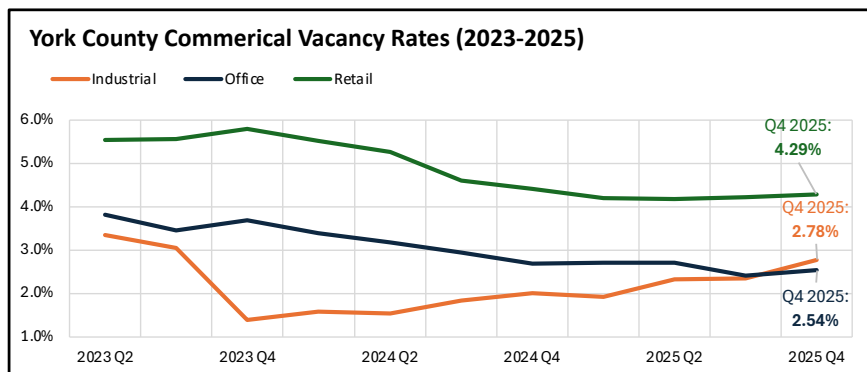


Data Source: Bureau of Labor Statistics, Via FRED

ACROSS USE-TYPES, VACANCY RATES FOR COMMERCIAL PROPERTIES REMAIN LOW, DEMAND FOR INDUSTRIAL SITES EASES WITH VACANCY RATE RISING BY 78 BASIS POINTS OVER THE YEAR.

Commercial vacancy rates have been well below their pre-pandemic levels, with Industrial properties in particular reaching extremely high occupancy rates in 2023.

Over the past year, vacancies of industrial space have begun to return to normal; however, vacancies for Retail and Office space have continued to fall.



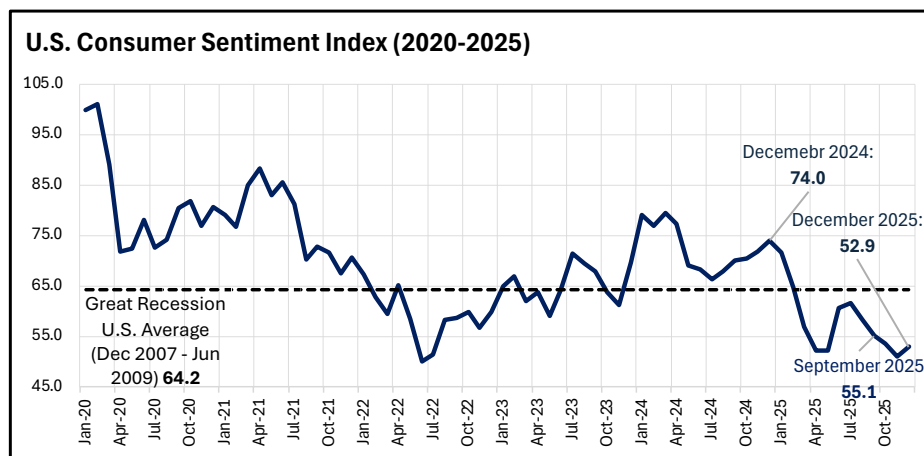
Data Source: ROCK Commercial Real Estate

THE UNIVERSITY OF MICHIGAN'S NATIONAL CONSUMER SENTIMENT INDEX FELL OVER THE YEAR, AS CONSUMERS CONTINUE TO ADAPT TO THE IMPACT OF INFLATION, TARIFF POLICY, AND VOLATILITY IN THE MARKET.

In December 2025, consumer confidence fell by 18.9 index points, as consumers continue to express frustration with the impact of inflation and the persistence of price increases.

Consumers ended the year with slightly higher expectations for long run inflation at 3.2% than the 3.0% average measured in 2024.

Over the year, the outlook on individual personal finances, and at present has declined. Consumer also expressed skepticism regarding the short term (12-month) and longer term (5-year) economic outlook. The largest single change in the index resulted from a 48-point drop in consumer views regarding the buying conditions for durable goods (such as appliances, electronics, and automobiles).



Data Source: University of Michigan, Via FRED

REAL GROSS DOMESTIC PRODUCT (GDP) GROWTH SLOWS IN 2025 WITH IMPORTS UP FOR THE YEAR, DESPITE VOLATILITY.

GDP Growth in 2025 experienced significant fluctuations due to the reaction of consumers and businesses to the various tariffs announced this year. Ultimately, imports were up by 2.7% for the year. Imports surged in the first quarter of 2025 by 38.0% relative to the fourth quarter of 2024 before falling by 29.3%, 4.4% and 1.4% in the following quarters.

GDP Growth for the Fourth Quarter was hampered by the Impact of the Federal Shutdown with government expenditures down 16.6% relative to the third quarter. GDP growth is expected to accelerate in 2026 due to the passage of the One Big Beautiful Bill, which the Congressional Budget Office anticipates will contribute 0.9% percentage points to real GDP growth for the year.

GDP Growth at the State level has been more volatile over the course of the year, than at the Federal Level. Data for the end of 2025 will be released as part of the Quarter 1 Economic Intelligence Report, anticipated for release in May 2026.

The latest available county level data, for 2024, shows that York County’s economy grew at 1.45% (real GDP), slightly higher than the State rate of GDP Growth (1.42%), but almost half the national GDP growth rate of 2.8%.

Real GDP: Percent Change from Preceding Quarter Annualized (2023-Present)		
	US GDP	PA GDP
2023 Q1	2.9%	-4.6%
2023 Q2	2.5%	3.4%
2023 Q3	4.7%	5.8%
2023 Q4	3.4%	3.1%
2023	2.9%	2.3%
2024 Q1	0.8%	-3.1%
2024 Q2	3.6%	3.0%
2024 Q3	3.1%	2.9%
2024 Q4	3.3%	1.0%
2024	2.8%	1.4%
2025 Q1	-0.6%	-1.1%
2025 Q2	3.8%	4.1%
2025 Q3	4.4%	5.6%
2025 Q4	1.4%	-
2025	2.2%	-

Data Source: Bureau of Economic Analysis

ANNUALIZED RATE OF INFLATION REMAINS ELEVATED, DESPITE EFFORTS TO BRING PRICE INCREASES BACK TO FEDERAL RESERVE’S LONG-RUN 2% INFLATION TARGET.

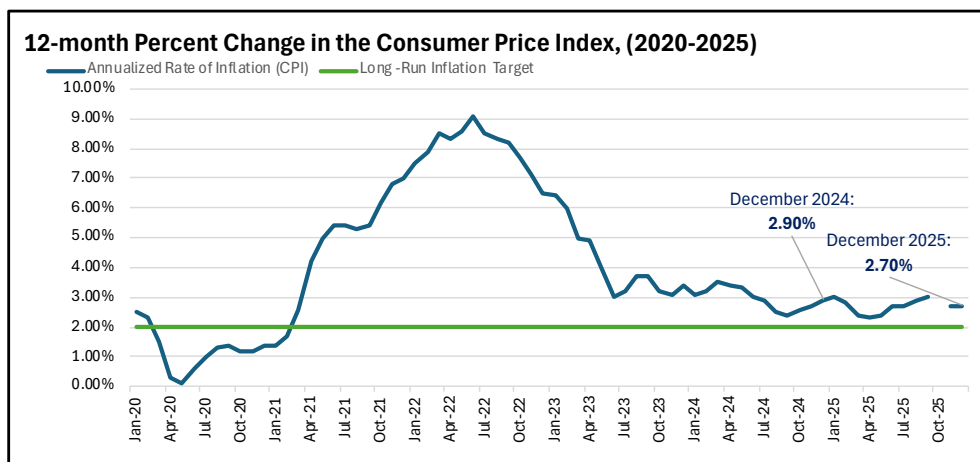
The annualized inflation rate fell by two tenths of a percent from 2.9% in December 2024 to 2.7% in December 2025.

- Inflation had been on a downward trajectory at the beginning of the year, reaching a trough in April 2025, when the annualized rate was just 2.3%, however, price increases accelerated over the spring and summer. The rate of inflation eased slightly in the Fourth Quarter to 2.7%, after peaking at 3.0% in September 2025.

The all-important Core CPI measure, which excludes the more volatile food and energy prices, improved over the year: falling from 3.2% in December 2024 to 2.6% in December 2025.

- The “shelter” category comprised of costs for housing continues to be a primary driver of inflation.
- Collectively, energy prices were down in December 2025 relative to the same point in 2024, due to a decline in the price of gas. That said the remaining components, fuel oil (7.4%), electricity (6.7%), and utility gas service (10.8%) all increased significantly.

CPI Data was limited in October and November 2025 due to the impact of the Federal Shutdown.



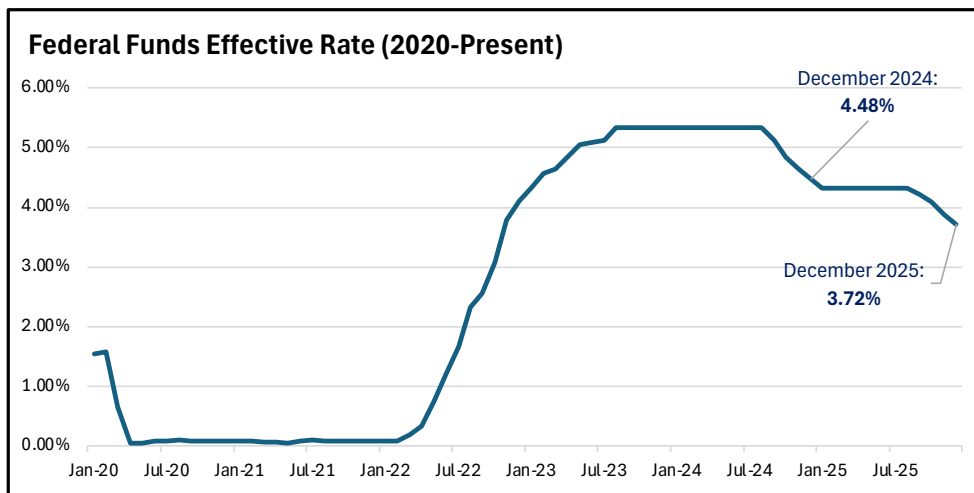
Data Source: Bureau of Labor Statistics, Via FRED

FEDERAL RESERVE OPEN MARKETS COMMITTEE (FOMC) EASES RATES OVER 2025 BY 75 BASIS POINTS.

The FOMC cut the target interest rate three in 2025 at their September, October, and December Meetings in response to concerns about the softening labor market.

Currently the target rate stands at 3.50%-3.75% with an effective rate at 3.72% as of the end of December.

- The Federal Reserve is tasked with the so called “Dual Mandate” of ensuring both price stability, which the Federal Reserve’s deems a 2% rate of inflation over the long run, and full employment.



Data Source: Federal Reserve Board of Governors, Via FRED

POLICY SECTION: TAX, TRADE, AND TARIFF POLICY DOMINATE PRESIDENT TRUMP’S FIRST YEAR IN OFFICE: HOW MIGHT THESE POLICIES IMPACT OUR ECONOMY?

In regard to economic policy, the first year of President Trump’s second term was dominated by Congress’s effort to extend sunset provisions of the 2017 Tax Cuts and Act, which ultimately occurred via the passage of H.R. 1 – The One Big Beautiful Bill Act; and President Trump’s use of tariffs as a tool to negotiate/re negotiate trade agreement made between the United States and other countries. These efforts ran on a parallel track with Congress dedicating much of its efforts through July 2025 on negotiating the scope of a budget reconciliation bill.

Table 1: Estimated Percent Increase of Debt Over 10 Years. (Using Dynamic Estimates including interest costs)	
Think Tank/Institution	Estimated Impact on National Debt Through 2034
Tax Foundation	\$3.8 Trillion Increase
Tax Policy Center	\$4.2 Trillion Increase
Penn-Wharton Model	\$3.6 Trillion Increase
Congressional Budget Office	\$4.1 Trillion Increase

PL 119-21: “ONE BIG BEAUTIFUL BILL ACT”

Budget reconciliation is a process through which Congress can pass major funding changes without having to overcome the 60 votes necessary to end debate (cloture) in the Senate. In recent years that process has been used to enact major legislation when Congress and the White House are controlled by the same party (2017 Tax Cuts & Jobs Act – Trump 1; American Rescue Plan Act; Inflation Reduction Act – Biden). Reconciliation allows an administration to create and fund new programs provided that the provisions comply with the Byrd Rule – Senate policy which requires that policies passed via reconciliation must be primarily related to spending or revenue.

Table 2: Estimated Increase to Gross Domestic Product (on Average over 10 years)	
Think Tank/Institution	Estimated Impact on National GDP Average through 2034
Tax Foundation	1.2% Increase
Tax Policy Center	0.5% Increase
Penn-Wharton Model	0.3% Decrease
Congressional Budget Office*	0.5% Increase
<i>*CBO Analysis based on Draft Version of H.R.1 as passed by House of Representatives on May 22, 2025 – not final legislation – PL 119-21.</i>	

In summarizing the various impacts of the One Big Beautiful Bill – one might break the legislation into three main categories: 1.) extending the 2017 Tax Cuts & Jobs Act, 2.) implementing President Donald Trump’s Campaign Promises (Tax Provisions, New Spending on Defense, Immigration Enforcement, etc.), and 3.) cost offsets to mitigate the fiscal impact of the Bill. (See here for a summary of the key provisions of the One Big Beautiful Bill Act).

To accurately gauge and estimate the various impacts of PL 119-21, included in the report are tables that present estimates generated by the non-partisan Congressional Budget Office (CBO) and three economic models representing a cross-section of the ideological perspective. Table 1 Table 2: present comparable context on estimated increased debt over the next decade as a result of PL 119-21 and estimated increase in GDP in the same period, respectively. Further, Table 3: provides estimates on the percentage change of net household income because of PL 119-21.

While the estimates vary in regard to the magnitude, there is general consensus that the legislation will result in an increase in the national debt over ten year but will increase GDP over the same period. Two estimates, those produced by the Penn-Wharton Budget Model and the Congressional Budget Office, anticipate that households in the bottom 40% of income earners may see a net decline in their household incomes as a result of the legislation, primarily due reforms to Medicaid and SNAP, however this is not the case across the board. Most Americans, particularly seniors, those earning tips, and overtime wages, will see their net tax payments decrease this year (or alternatively see larger income tax returns).

Table 3: Summary of Distributional Effects to Household Income by Quintile		
Think Tank/Institution	Estimated Percent Impact on Net Household Income*	
<u>Tax Foundation</u> Estimates for Tax Year 2034	Households by Income Distribution	Percent Change in Household Income
	Bottom 0-20% of Households	0.5% ↑
	20-40%	2.7% ↑
	40-60%	3.5% ↑
	60-80%	3.5% ↑
	80-100%	3.8% ↑
	95-99%	4.3% ↑
	Top 99-100% of Households	3.6% ↑
	Total	3.6% ↑
<u>Tax Policy Center</u> (Urban Institute & Brookings Institution) Estimates for Tax Year 2030	Bottom 0-20% of Households	0.7% ↑
	20-40%	1.1% ↑
	40-60%	1.3% ↑
	60-80%	1.5% ↑
	80-100%	2.2% ↑
	95-99%	3.1% ↑
	Top 99-100% of Households	2.4% ↑
	Total	1.7% ↑
<u>Penn-Wharton Model</u> Estimates for Tax Year 2033	Bottom 0-20% of Households	-6.4% ↓
	20-40%	-1.4% ↓
	40-60%	0.7% ↑
	60-80%	1.9% ↑
	80-100%	2.1% ↑
	95-99%	2.9% ↑
	Top 99-100% of Households	1.2% ↑
	Total	-0.4% ↓
<u>Congressional Budget Office</u> (Data Available in Deciles Only) Estimates for Tax Year 2034	Bottom 0-20% of Households	-3.35% ↓
	20-40%	-0.45% ↓
	40-60%	0.35% ↑
	60-80%	0.75% ↑
	80-100%	1.5% ↑
	95-99%	Not Available
	Top 99-100% of Households	Not Available
	Total	-0.24% ↓
*Columns show the various net impact on households, grouped by segment in the income distribution from the bottom 20% up to the top 20% and with specific information on the top 5% and top 1%, where available.		

DATA & SOURCES

ROCK Commercial Real Estate

- “York County Market Reports” (retrieved February 2026) rockrealestate.net/market-reports/

Federal Reserve Economic Data

- “University of Michigan: Consumer Sentiment” [UMCSENT], (12/19/25) retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UMCSENT>

University of Michigan

- “Consumer sentiment declines amid concerns about inflation, unemployment” (12/19/2025), Michigan News, University of Michigan; <https://data.sca.isr.umich.edu/fetchdoc.php?docid=80322> | <https://news.umich.edu/consumer-sentiment-declines-amid-concerns-about-inflation-unemployment/>

U.S. Bureau of Economic Analysis

- “Gross Domestic Product”, Fourth Quarter 2025 (Advance Estimate) (2/20/25); <https://www.bea.gov/news/2025/gross-domestic-product-2nd-quarter-2025-third-estimate-gdp-industry-corporate-profits>
- “Gross Domestic Product by State and Personal Income by State”, 3rd Quarter 2025 (1/23/26); <https://www.bea.gov/news/2026/gross-domestic-product-state-and-personal-income-state-3rd-quarter-2025>

U.S. Bureau of Labor Statistics

- “Consumer Price Index (CPI)” (1/13/26), <https://www.bls.gov/cpi/>
- “Metropolitan Area Employment and Unemployment Summary (2/6/26), <https://www.bls.gov/news.release/metro.nr0.htm>
- “Local Area Unemployment Statistics (LAUS) (1/27/26), <https://www.bls.gov/lau/>
- “Quarterly Census of Employment & Wages” (12/19/2025), <https://www.bls.gov/news.release/cewqtr.nr0.htm>

U.S. Census Bureau

- “County Population Totals and Components of Change: 2020-2024” (2/10/2025), <https://www.census.gov/data/tables/time-series/demo/popest/2020s-counties-total.html>

METHODOLOGY

Insights Economic Reports are generated based on the publicly available data accessible via national, state, and local sources identified in the Data & Sources section, and are augmented by data collected by, and shared with, the York County Economic Alliance. Data analysis is provided by YCEA’s Economic Initiatives Team.

YORK COUNTY ECONOMIC ACTION PLAN (EAP)

The York County EAP is the Economic Development component of York County’s Comprehensive Plan, which YCEA is tasked to implement, and which frames YCEA’s work to create a more economically vibrant York County and extend opportunities to all of its residents.



Learn more at
YCEAPA.org/Insights