

Labor Market Update

July 2021



Pennsylvania Payroll Jobs Record Strong Gains in June

This document provides a monthly update on the status of the state labor market and the pool of potential workers who may re-enter the workforce this summer and fall.

Based on the latest data for June 2021, Pennsylvania payroll job creation improved notably relative to prior months. For June, the computed year-over-year change in payroll jobs is -394,500, compared to roughly -440,000 for the two prior months. (Note: This comparison uses non-seasonally adjusted data and assumes a no-pandemic scenario for CY 2020. It reflects seasonal hiring/reductions that would occur in a normal year. Payroll jobs exclude self-employed and independent contractors.) The month-to-month change shows that 23,100 part- or full-time jobs were added in June. However, non-seasonally adjusted payroll jobs typically decline in June due to reductions in the education (colleges and universities) and government (local school districts) sectors.

The bottom portion of the table displays data for COVID-related traditional UC claims (excludes "normal" claims that would be expected for the month) and non-traditional claims under the Pandemic Unemployment Assistance (PUA) program. For June, an average of 767,300 claims above normal were paid each week for a total of \$1.58 billion. On average, UC claimants received \$515 (PUA) to \$650 (traditional) per week. The federal programs expire in 7 weeks and the average PUA recipient may still claim up to \$3,600 through the end of the program while the average traditional UC recipient may claim \$4,550.

For an employee who works 30 hours per week (a significant portion of lost jobs were part-time), the average value of the weekly transfer is equivalent to \$24.70 (traditional) or \$19.60 (PUA) per hour if the tax-free status of UC benefits is included (excludes any federal income tax). If employed 15 hours per week, then the equivalent wage rate doubles. The IFO projects that many traditional UC recipients will attempt to rejoin the labor force during the next month while a wider selection of jobs remain available and in order to lock in any wage premiums currently paid by employers. For PUA recipients, it is expected that claims will not decline appreciably from their current level because many recipients had only a marginal, if any, connection to the labor force. To the extent that available child care limits employment options, that issue will likely moderate as federal benefits approach expiration and former childcare workers return to the labor market.

	Year-Over-Year Change (000s)			Month-to-Month Change (000s)		
	Apr	May	Jun	Apr	May	Jun
Total Employment	-446.9	-432.3	-394.5	49.0	44.8	23.1
Construction	-13.4	-18.3	-23.3	14.2	3.7	1.3
Manufacturing	-30.6	-31.7	-31.3	-1.1	0.6	4.8
Retail and Wholesale Trade	-32.4	-30.8	-29.2	1.5	6.3	5.7
Administration-Waste Manage	-42.7	-48.3	-41.6	9.9	2.2	3.1
Education	-23.8	-10.4	-4.4	1.5	-5.8	-28.8
Healthcare-Social Assistance	-61.9	-67.2	-63.4	-5.7	-0.1	8.6
Leisure and Hospitality	-141.0	-129.8	-119.7	19.2	33.0	26.8
All Government	-37.3	-36.6	-25.2	3.3	-3.0	-10.4
All Other	-63.7	-59.3	-56.5	6.2	7.9	12.0

	Average Weekly Claims (000s)			Total Monthly Amount (\$ millions)		
	May	June	Change	May	June	Change
Avg Weekly / Total Monthly	911.8	767.3	-144.5	\$1,984	\$1,580	-\$404
Traditional UC	412.8	292.3	-120.5	988	681	-307
PUA	498.9	475.0	-24.0	996	899	-97

Notes: Jobs data are not seasonally adjusted. Year-over-year change compares to a no-pandemic scenario. Traditional UC excludes "normal" claims and payments expected during the month and includes payments under non-PUA expanded benefit programs.

Source: Jobs data from U.S. Bureau of Labor Statistics. UC data from PA Department of Labor and Industry and U.S. Department of Labor.