

Labor Market Update

June 2021



Impact of Federal Stimulus on Pennsylvania Job Creation Stalls

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

For 2021 Q1, the Independent Fiscal Office (IFO) estimates that state residents or businesses received \$32.4 billion in federal unemployment compensation (UC), economic impact payments or forgivable Paycheck Protection Program (PPP) loans. For 2021 Q2, the IFO estimates an additional \$10.3 billion will be received. (For additional detail, see the IFO's *Initial Revenue Estimate* released May 26, 2021.)

Despite purchases motivated by the substantial transfer of federal funds, the latest payroll jobs data show that Pennsylvania employment gains have stagnated. The year-over-year change in payroll jobs is nearly identical for the latest three months of data at roughly 440,000 fewer payroll jobs. (Note: This comparison uses non-seasonally adjusted data and assumes a no-pandemic scenario for CY 2020. It reflects seasonal hiring that would occur in a normal year. Payroll jobs exclude self-employed and independent contractors.) The month-to-month change shows that 39,200 to 51,400 part- or full-time jobs were added each month. However, those monthly gains are typical for the spring due to seasonal hiring in certain sectors such as construction and leisure -hospitality. If the year-over-year comparison accounts for this normal seasonal hiring, then the latest data reveal minimal or no gains for some sectors, and contraction for others.

The bottom portion of the table displays the latest 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 April, 946,000 claims were paid each week on average for a total of \$1.9 billion. That figure is slightly less than March, as the contraction in traditional claims was partially offset by gains in PUA (which may include backlogged claims). On average, UC claimants receive \$515 (PUA) to \$650 (traditional) per week. The IFO will update these data once the May jobs figures are released later this month.

	Year-Over-Year Change (000s)			Month-to-Month Change (000s)		
	Feb	Mar	Apr	Feb	Mar	Apr
Total Employment	-443.5	-431.5	-444.5	42.8	39.2	51.4
Construction	-10.4	-12.2	-10.9	-0.2	4.5	16.7
Manufacturing	-33.7	-28.5	-29.9	0.1	7.3	-0.4
Retail and Wholesale Trade	-31.4	-29.7	-31.3	-7.0	2.4	2.6
Administration-Waste Manage	-34.2	-40.2	-47.0	-1.4	-3.4	5.6
Education	-31.3	-22.2	-22.9	23.5	7.5	2.4
Healthcare-Social Assistance	-50.0	-54.1	-61.8	0.5	-0.4	-5.6
Leisure and Hospitality	-143.6	-140.8	-140.3	15.5	13.2	19.9
All Government	-43.7	-40.0	-36.9	11.1	5.9	3.7
All Other	-65.2	-63.9	-63.4	0.7	2.2	6.5

	Average Weekly Claims (000s)			Total Monthly Amount (\$ millions)		
	Mar	Apr	Change	Mar	Apr	Change
Avg Weekly / Total Monthly	910.5	946.0	35.5	\$1,984	\$1,899	-\$86
Traditional UC	486.6	416.4	-70.2	1,113	934	-179
PUA	423.9	529.6	105.7	871	964	93

Notes: March and April year-over-year change compare 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.