

Labor Market Update

June 23, 2021



Pennsylvania Job Gains Remain in Holding Pattern

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 \$10.8 billion has been received.

Based on the latest data for May 2021, Pennsylvania payroll job creation continues to stagnate, despite the transfer of federal funds. The year-over-year change in payroll jobs is similar for the latest three months of data at roughly 435,000 fewer payroll jobs, and has only modestly improved relative to the annual job loss for October 2020 (-455,000). (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 49,000 part- or full-time jobs were added each month. However, those monthly gains are typical due to seasonal hiring in certain sectors such as construction and leisure-hospitality, so that minimal improvement is realized on a year-over-year basis. National data show job openings at an all-time high and quit rates at the highest level since 2000. Both factors reflect a tight labor market and strong demand for workers, which does not align with ongoing job loss or the large number of UC claims.

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 May, an average of 912,000 claims above normal were paid each week for a total of roughly \$2.0 billion. Average weekly claims for May declined from April, but payments grew. This is likely due to seasonal differences, backlogged claims and payment delays from prior months, especially in regards to the weekly \$300 FPUC payments. On average, UC claimants receive \$515 (PUA) to \$650 (traditional) per week. The federal programs expire in 10 weeks and the average PUA recipient may still claim up to \$5,150 through the end of the program while the average traditional UC recipient may claim \$6,500.

	Year-Over-Year Change (000s)			Month-to-Month Change (000s)		
	Mar	Apr	May	Mar	Apr	May
Total Employment	-431.5	-446.9	-432.7	39.2	49.0	44.4
Construction	-12.2	-13.4	-18.2	4.5	14.2	3.8
Manufacturing	-28.5	-30.6	-32.2	7.3	-1.1	0.1
Retail and Wholesale Trade	-29.7	-32.4	-33.0	2.4	1.5	4.1
Administration-Waste Manage	-40.2	-42.7	-49.0	-3.4	9.9	1.5
Education	-22.2	-23.8	-9.4	7.5	1.5	-4.8
Healthcare-Social Assistance	-54.1	-61.9	-65.8	-0.4	-5.7	1.3
Leisure and Hospitality	-140.8	-141.0	-128.6	13.2	19.2	34.2
All Government	-40.0	-37.3	-35.9	5.9	3.3	-2.3
All Other	-63.9	-63.7	-60.7	2.2	6.2	6.5
	Average Weekly Claims (000s)			Total Monthly Amount (\$ millions)		
	Apr	May	Change	Apr	May	Change
Avg Weekly / Total Monthly	946.1	911.8	-34.3	\$1,899	\$1,984	\$85
Traditional UC	416.4	412.8	-3.6	934	988	54
PUA	529.6	498.9	-30.7	964	996	31

Notes: 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.