

Labor Market Update

October 2021



Jobs Shortfall Expands in September due to Weak Seasonal Hiring

Based on the latest data for September 2021, Pennsylvania payroll jobs contracted relative to a no-pandemic scenario, as the computed year-over-year (YOY) change in payroll jobs was -384,800 compared to -365,500 for August. (See table below. The comparison uses non-seasonally adjusted data and assumes a no-pandemic scenario for CY 2020. Seasonally adjusted data yield similar trends and results. Payroll jobs exclude self-employed and independent contractors.) The computed YOY job loss widened in September due to weak seasonal hiring in the education (i.e., colleges and universities, private schools) and government (i.e., local school districts) sectors. For the three years prior to COVID, roughly 60,000 net payroll jobs were added in September on a non-seasonally adjusted basis. For September 2021, the preliminary data show that 40,000 net jobs were added. That outcome was motivated by weaker-than-normal hiring in the two sectors related to education. During the three years prior to COVID, the education sector added an average of 42,800 payroll jobs, but only 25,400 last month. For the government sector that includes local school districts, an average of 51,400 jobs were added, but only 31,100 last month.

Some other sectors recorded monthly job losses using non-seasonally adjusted data (retail and wholesale trade, leisure and hospitality), and for those sectors, a contraction is normal due to seasonal patterns as younger or part-time workers return to school. However, the September contraction was smaller-than-normal and offsets some of the weak seasonal hiring in the education and local government 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. The federal programs expired in the first week of September. For the month, an average of 182,500 claims above normal were paid each week for a total of \$991 million. PUA claimants received \$555 per week on average. After the end of the weekly \$300 bonus payments, traditional UC recipients received \$400 per week on average. Many individuals who previously received UC have now likely exited the labor force after benefits expired. From August to September, the non-seasonally adjusted data show that the number of residents classified as unemployed (but looking for work) declined by 78,000 while the overall labor force participation rate declined from 61.5% to 61.0% despite strong demand for workers.

	Year-Over-Year Change (000s)			Month-to-Month Change (000s)		
	July	August	Sept	July	August	Sept
Total Payroll Employment	-358.3	-365.5	-384.8	-11.6	-3.6	40.0
Construction	-24.8	-24.1	-25.9	0.8	0.8	-3.9
Manufacturing	-26.6	-24.4	-22.1	4.8	0.8	-0.9
Retail and Wholesale Trade	-32.0	-35.5	-27.9	-6.2	-5.1	-1.7
Administration-Waste Manage	-41.6	-40.5	-44.8	-1.5	2.5	2.2
Education	1.8	5.2	-12.2	-2.8	2.7	25.4
Healthcare-Social Assistance	-67.9	-70.9	-67.8	-4.3	-1.2	2.8
Leisure and Hospitality	-103.6	-114.6	-107.7	19.4	-10.3	-21.3
All Government	-14.4	-16.4	-36.7	-24.1	1.6	31.1
All Other	-49.1	-44.3	-39.8	2.3	4.6	6.3

	Average Weekly Claims (000s)			Total Monthly Amount (\$ millions)		
	August	Sept	Change	August	Sept	Change
Avg Weekly / Total Monthly	672.1	182.5	-489.6	\$1,729	\$991	-\$737
Traditional UC	218.0	81.6	-136.3	739	428	-311
PUA	454.2	100.9	-353.3	990	563	-427

Notes: 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.