

# Labor Market Update

September 2021



## No Job Gains in August as Federal UC Benefits Neared Expiration

*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 fall.*

Based on the latest data for August 2021, Pennsylvania payroll jobs contracted modestly in August relative to a no-pandemic scenario, as the computed year-over-year (YOY) change in payroll jobs was -362,000 compared to -358,300 for July. (See table below. This comparison uses non-seasonally adjusted data and assumes a no-pandemic scenario for CY 2020. Seasonally adjusted data yield similar results. Payroll jobs exclude self-employed and independent contractors.) The computed YOY job loss widened in August largely due to job losses in the leisure-hospitality (-9,900) sector. This deterioration may be attributable to an uptick in COVID cases related to the delta variant. The month-to-month change shows no change in the number of part- or full-time jobs in August compared to July. In a typical year, roughly three to four thousand (non-seasonally adjusted) payroll jobs are added in August, and the current year fell slightly below that trend.

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 August, an average of 672,100 claims above normal were paid each week for a total of roughly \$1.7 billion. On average, UC claimants received \$545 (PUA) to \$675 (traditional) per week. The federal programs expired in the first week of September. As expected, the PUA claims remained strong up to the final week of the program, and very few recipients appear to have returned to prior or new employment. Total amounts received did not change in the final month of extra benefits as the PUA benefits actually increased during the month, more than offsetting the reduction in traditional UC payments.

For September (data to be released in October), non-seasonally adjusted payroll jobs typically increase by 60,000 as many jobs are added in the education and government (local school districts) sectors, but are partially offset by losses in leisure-hospitality. For that reason, and because the data will reflect the expiration of extra federal UC benefits, the monthly data will provide important insights into the state of the Pennsylvania economy.

	Year-Over-Year Change (000s)			Month-to-Month Change (000s)		
	June	July	August	June	July	August
<b>Total Payroll Employment</b>	<b>-389.1</b>	<b>-358.3</b>	<b>-362.0</b>	<b>28.5</b>	<b>-11.6</b>	<b>-0.1</b>
Construction	-23.1	-24.8	-24.2	1.5	0.8	0.7
Manufacturing	-31.4	-26.6	-23.9	4.7	4.8	1.3
Retail and Wholesale Trade	-26.5	-32.0	-33.2	8.4	-6.2	-2.8
Administration-Waste Manage	-42.0	-41.6	-41.5	2.7	-1.5	1.5
Education	1.3	1.8	4.2	-23.1	-2.8	1.7
Healthcare-Social Assistance	-64.4	-67.9	-71.0	7.6	-4.3	-1.3
Leisure and Hospitality	-120.6	-103.6	-113.5	25.9	19.4	-9.2
All Government	-25.7	-14.4	-17.4	-10.9	-24.1	0.6
All Other	-56.8	-49.1	-41.5	11.7	2.3	7.4

  

	Average Weekly Claims (000s)			Total Monthly Amount (\$ millions)		
	July	August	Change	July	August	Change
<b>Avg Weekly / Total Monthly</b>	<b>690.4</b>	<b>672.1</b>	<b>-18.3</b>	<b>\$1,723</b>	<b>\$1,729</b>	<b>\$6</b>
Traditional UC	240.0	218.0	-22.0	791	739	-52
PUA	450.4	454.2	3.8	932	990	57

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.