

# Demographic and Labor Market Update

Lancaster Chamber of Commerce



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# Pennsylvania Demographics

Age Cohort	Number (000s)			Change 2010-20		Change 2020-25	
	2010	2020	2025	Number	AAGR	Number	AAGR
0 to 19	3,173	3,005	2,915	-167	-0.5%	-91	-0.6%
20 to 64	7,566	7,506	7,251	-60	-0.1%	-255	-0.7%
65 to 79	1,343	1,862	2,112	519	3.3%	250	2.6%
80+	<u>620</u>	<u>629</u>	<u>691</u>	<u>9</u>	<u>0.1%</u>	<u>62</u>	<u>1.9%</u>
<b>Total</b>	<b>12,701</b>	<b>13,003</b>	<b>12,969</b>	<b>301</b>	<b>0.2%</b>	<b>-34</b>	<b>-0.1%</b>

Note: Forecasts are preliminary and will be revised later this month. AAGR is average annual growth rate during time period.  
Source: U.S. Census Bureau. Forecast by IFO.

# Annual Growth Rates of PA Economic Variables

	2018	2019	2020	2021	2022
Real GDP	1.4%	1.7%	-4.5%	4.5%	2.5%
Wages and Salaries Paid	4.3%	4.4%	-0.3%	7.2%	4.8%
Philadelphia CPI-U	1.3%	2.0%	0.9%	4.0%	3.4%
Payroll Job Gains (000s)	69	56	-462	115	85
				<i>permanent job loss</i>	
Note: Payroll Job Gains exclude self-employed.					
Source: U.S. Bureau of Economic Analysis and U.S. Bureau of Labor Statistics. Forecast by IFO.					

# PA Payroll Jobs Still Far Below Pre-Pandemic Level

	Payroll Employment (000s)		Year-Over-Year Change	
	Aug 2019	Aug 2021	Number	Percent
<b>Total Payroll Employment (000s)</b>	<b>6,049</b>	<b>5,731</b>	<b>-319</b>	<b>-5.3%</b>
Construction	275	258	-18	-6.4%
Manufacturing	577	552	-25	-4.3%
Retail and Wholesale Trade	826	788	-38	-4.5%
<b>Transportation and Warehouse</b>	<b>289</b>	<b>294</b>	<b>5</b>	<b>1.6%</b>
Financial and Real Estate	334	334	-1	-0.2%
<b>Professional and Technical</b>	<b>363</b>	<b>371</b>	<b>8</b>	<b>2.2%</b>
Admin and Waste Management	322	277	-45	-14.1%
<b>Education (excludes local SD)</b>	<b>200</b>	<b>204</b>	<b>4</b>	<b>2.1%</b>
Healthcare-Social Assistance	1,064	1,014	-50	-4.7%
Arts-Entertainment	123	96	-27	-22.1%
Accommodation-Food Service	491	413	-78	-15.9%
Other Services	265	244	-21	-8.1%
All Government	668	648	-20	-3.0%
All Other	252	239	-13	-5.0%

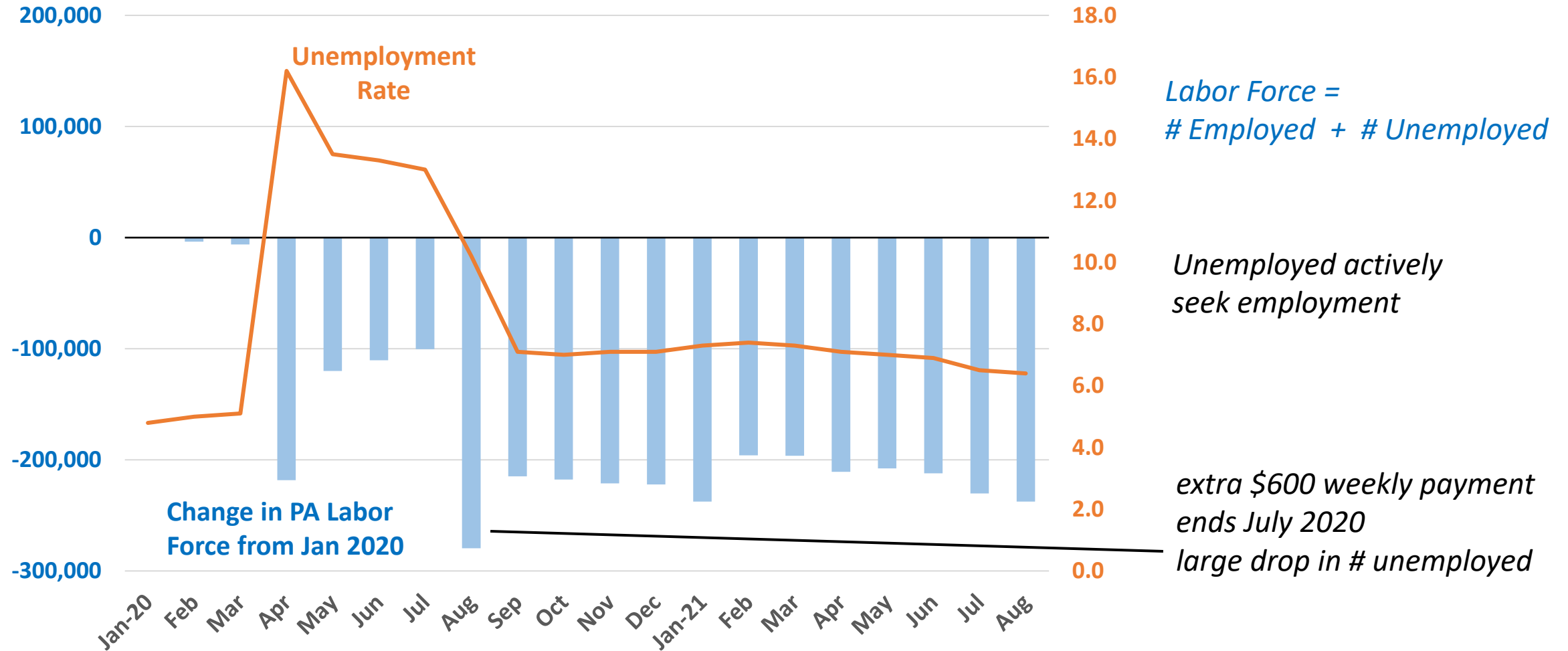
Note: Data are not seasonally adjusted. Figures are preliminary. **Excludes self-employed.**  
Source: U.S. Bureau of Labor Statistics, CES State and Metro Area Employment.

# Service Jobs Contract, but Some Subsectors Gain

	Number (000s)		Change (000s, %)	
	Aug 2019	Aug 2021	Number	Percent
<b>Jobs Contraction (000s)</b>				
Full-Service Restaurants	200	170	-30	-15.0%
Employment Services (temps)	116	88	-28	-23.9%
Nursing and Residential Care	204	178	-26	-12.8%
Amusements-Gaming	92	74	-18	-19.9%
Accommodation	69	51	-18	-26.4%
Limited-Service Restaurants	168	156	-12	-7.2%
Services to Buildings-Dwellings	85	74	-11	-12.9%
Transit and Ground Passenger	25	15	-10	-38.2%
Child Care	48	41	-7	-13.5%
<b>Jobs Expansion (000s)</b>				
Transportation and Warehouse	93	106	13	14.3%
Couriers and Messengers	35	47	12	34.2%
Real Estate	46	50	4	9.2%

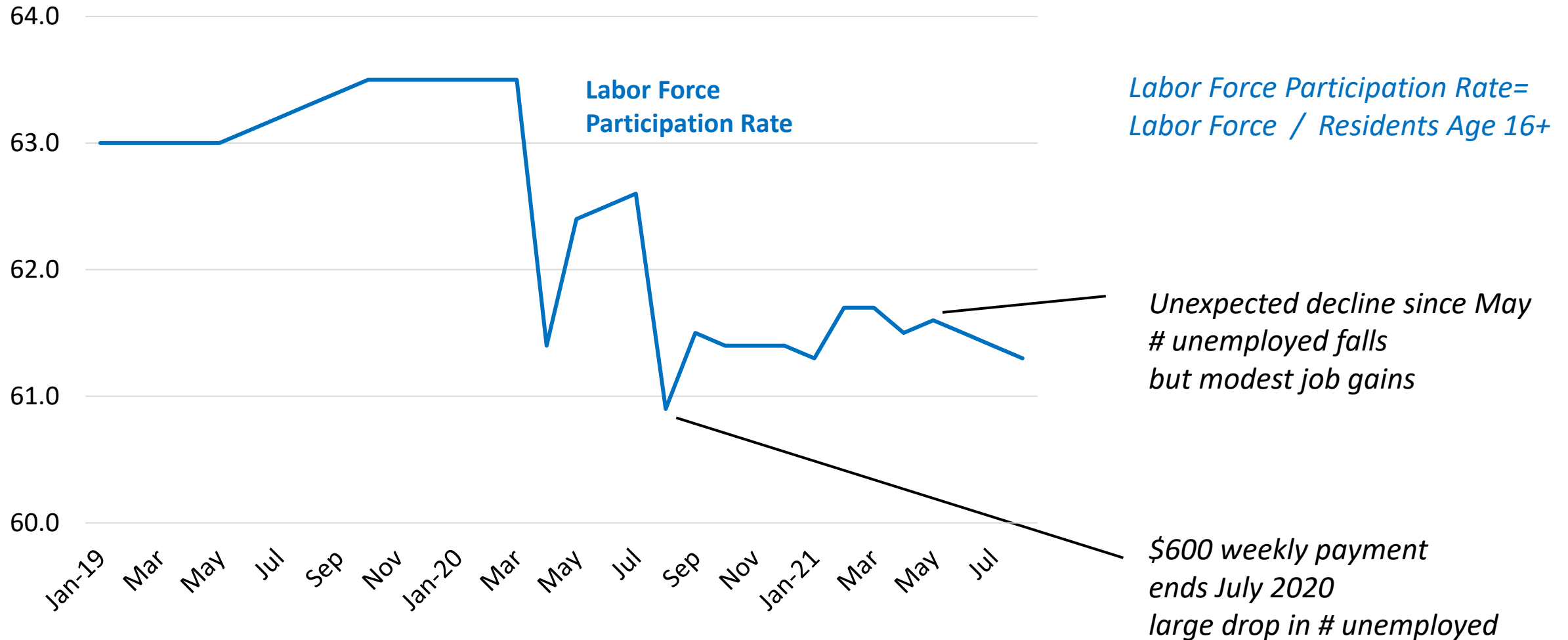
Note: Data are not seasonally adjusted and are preliminary. Source: U.S. Bureau of Labor Statistics, CES State and Metro Area Employment.

# PA Labor Force Does Not Recover from COVID Contraction



Source: U.S. Bureau of Labor Statistics. Data are seasonally adjusted.

# PA Labor Force Participation Rate Continues to Decline



Source: U.S. Bureau of Labor Statistics. Data are seasonally adjusted.

# Where Did the Workers Go?

## **Early retirements – but only national survey data available**

- Rate of retirements double first 15 months of pandemic (Oxford Economics)
- But how much is a timing issue? | When would they have retired?

## **More workers stay at home in caretaker/teacher roles**

- Large drop in nursing home staff
- Childcare availability remains below pre-pandemic levels
- Cyber charter enrollment doubles in 2020-21

## **Structural unemployment likely unusually high**

- A temporary mismatch of skills
- Can be caused by rapid technological change or other economics shocks



# Where Did the Workers Go? (continued)

## **Federal Unemployment Compensation payments expired in September**

- Extended to 79 weeks | extra \$300 per week | PUA program (~\$515/wk)
- **Not yet reflected in the data**

## **Extra Child Tax Credits start to be paid out in July**

- PA: 1.3 million payments (2.2 million children) | average of \$424 per month
- Former income requirements eliminated (fully refundable)
- If 2 dependents, monthly benefits range from \$500-\$600 per month

## **Expanded SNAP benefits remain in effect**

- \$121 average per person per month in 2019 (source: USDA)
- October 2021: \$251 per person under emergency allotments (~doubled)
- Family of 4 maximum benefit of \$835 per month | income limit of \$34,450
- Falls to \$169 per person per month when emergency allotments end