

July 14, 2021

Allegheny Institute Op-Ed

655 words

Right-to-Work & the post-pandemic jobs recovery

By Colin McNickle

Recently released May 2021 employment data for Greater Pittsburgh show a significant jump from the COVID-depressed May 2020 level. But an analysis by the Allegheny Institute for Public Policy suggests the numbers could have been even better had Pennsylvania been a Right-to-Work (RTW) state.

"It is, in large part, a reflection of the presence or absence of the Right-to-Work," says Jake Haulk, president emeritus of the Pittsburgh think tank (in *Policy Brief Vol. 21, No. 26*).

Workers cannot be forced to join a union as a prerequisite of employment or be forced to pay union dues if they choose not to join the union in RTW states.

Private-sector jobs—that had fallen by 16.3 percent (177,000) from the May 2019 level to the May 2020 count—rose 11.4 percent (103,200) from May 2020 to May 2021 in the seven-county Pittsburgh Metropolitan Statistical Area (MSA).

"However, notwithstanding the hefty May-to-May upturn in the MSA's private-sector employment, the count remains 74,000 (6.8 percent) below the pre-COVID reading of May 2019," Haulk said.

"This May's increase from a year ago reflects substantial growth in retail trade, leisure and hospitality and construction jobs," the Ph.D. economist notes. "But the significant gain was not nearly enough to erase the huge losses sustained in 2020."

Government employment in the Pittsburgh MSA (and generally across the state) suffered a much smaller percentage jobs loss from May 2019 to May 2020 with a decline of 5.7 percent (6,700 jobs), of which 2,500 of those were recovered through the end of May 2021.

"Thus, in comparison to the private sector, government jobs, especially state and federal, were relatively safe," Haulk says. That's hardly surprising.

So how does the jobs performance in Greater Pittsburgh compare to other MSAs around the country? To answer that question, Haulk analyzed the private employment history of a group of 13 other MSAs.

Seven were situated in Right-to-Work states -- Boise; Richmond, Va.; Indianapolis; Raleigh; Nashville; Jacksonville and Louisville -- while seven others were in non-Right-to-Work (NRTW) states – Pittsburgh, Hartford; Kansas City (Mo.); Cincinnati; Minneapolis; Albuquerque and Rochester, N.Y.

"For the 2019 to 2020 changes, the RTW MSAs had a drop of 9.9 percent, May-to-May, while the NRTW MSAs suffered a 14.2 percent decline, which represents a very large number of jobs lost compared to the RTW MSAs," Haulk found.

And then there's this context: The seven Right-to-Work MSAs averaged jobs gains of 21 percent from 2013 to 2019. Four -- Raleigh (22.8), Boise (29.1), Nashville (25.8) and Jacksonville (21) -- led the way with outstanding percentage gains. Louisville, Indianapolis and Richmond were well behind with gains in the 12-to-13 percent range.

"Still the slowest RTW MSA growth was stronger than all of the NRTW MSAs," Haulk reminds.

A good measure of recovery from COVID-induced losses is shown by the change in the level of jobs in May 2021 from the count in May 2019.

"For the May 2021 RTW group, private jobs were 1.3 percent on average below the May 2019 reading," Haulk noted. "The seven NRTW MSAs' May employment average in 2021 was 5.1 percent under the 2019 level."

On each of the measures used to evaluate MSAs in terms of private-sector employment growth before the pandemic, during the worst of the COVID-caused downturn and in the recovery since, the Pittsburgh MSA's performance was very poor compared to other metro areas. And it lost a greater percentage of jobs during 2020 than 12 of the 13 other metro areas of comparable size.

"In short, the structural, labor and regulatory policies of Pennsylvania and the metro area corecity are inhibiting growth," Haulk concludes. "And it is most notable in contrast with states that have adopted Right-to-Work legislation and have low government-sector unionization."

Colin McNickle is communications and marketing director at the Allegheny Institute for Public Policy (cmcnickle@alleghenyinstitute.org).

Op-Eds may be reprinted as long as proper attribution is given.

Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd.* Suite 208* Pittsburgh PA 15234 Phone (412) 440-0079

E-mail: aipp@alleghenyinstitute.org
Website: www.alleghenyinstitute.org
Twitter: AlleghenyInstitute.org