



ALLEGHENY INSTITUTE

FOR PUBLIC POLICY

June 29, 2022

Allegheny Institute Op-Ed

500 words

Pennsylvania's private jobs conundrum

Pennsylvania's private employment and labor force are trailing national gains and lagging far behind the fast-growth states as the economic recovery from the COVID-19 pandemic continues, finds a new analysis by the Allegheny Institute for Public Policy.

And one of the root causes is the state's latest exercise in its past being its prologue, says Jake Haulk, president-emeritus of the Pittsburgh think tank.

"Continually failing to deal with growth-inhibiting policies and laws is not a good strategy for the people of Pennsylvania," the Ph.D. economist concludes (in *Policy Brief Vol. 22, No. 24*).

The government's May survey on payrolls showed private employment in Pennsylvania has not recovered to pre-pandemic levels. Jobs remained 109,200 (2 percent) below the May 2019 reading of 5,380,600.

Nationally, private-sector jobs edged 0.8 percent above the May 2019 level, marking the fourth month (February through May) that jobs had recovered or exceeded their 2019 pre-pandemic level.

However, the job gains compared to 2019 have been fairly steady at around one million, or 0.8 percent, rather than accelerating to stronger gains.

And as noted in previous think tank research, there are two major differences between the faster growing states and the weaker performing states.

"One is whether the state is a Right-to-Work state and the second is the fraction of public-sector employees that are unionized—often even more important than Right-to-Work in states that have only recently adopted Right-to-Work," Haulk says.

That said, part of the problem with the commonwealth's slow jobs growth situation also is the declining trend in labor force participation and slow growth in the civilian non-institutional population.

“Looking ahead, if the miniscule growth rate in the labor force continues, additions to payrolls will be small as well,” Haulk cautions. “Moreover, with the unemployment rate at 4.0 percent, there is little room for further job growth unless the labor force participation rate begins a sustained rise and soon.”

Notwithstanding the recent pickup in job gains, Pennsylvania must make major strides if it hopes to catch up to the national performance, which itself faces headwinds.

“It must adopt a friendlier business climate in terms of taxes and regulations,” Haulk stresses.

That would include not enacting the onerous, economy-killing Regional Greenhouse Gas Initiative.

“It must deal with the mess that is the property tax environment,” he adds.

That must include regular county-by-county reassessments statewide.

“And it must do a far better job of insuring quality education for all,” the think tank scholar further notes.

Until it does, “the money it spends on the schools and colleges -- and providing large dollops of money to entities, public and private that return little or nothing on the investment -- it will never enjoy the growth being seen in other business-friendly states,” Haulk concludes.

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: [AlleghenyInsti1](https://twitter.com/AlleghenyInsti1)