

PENNSYLVANIA IS MISSING 113,000 WORKERS



By Anthony Hennen,
The Center Square

Pennsylvania is missing young workers and the problem is one that won't simply go away.

While the commonwealth isn't the only state struggling with a shrinking youth population, state-to-state comparisons are difficult to make due to data issues. What's clear is that Pennsylvania has had a significant drop in its labor force participation rate. Rather than a story of older workers retiring, the majority of missing workers are under 45 rather than over.

A new research brief from the Independent Fiscal Office looked at Pennsylvania's falling labor force participation rate and its struggle to fill open job positions. Had the state's population stayed the same since the first quarter of 2020, 113,000 more workers would be employed, and 92,000 of them would be aged 44 or younger.

Compared to the first quarter of 2020, Pennsylvania's economy was down 151,000 jobs in the first quarter of 2022 and the state population dropped by about 31,000 people. The labor force participation rate, which is the ratio of people working and seeking work out of the working-aged population, has been declining in recent years.

The IFO has called the labor market "extraordinarily tight" due to the number of open jobs, as The Center Square has previously reported. The lack of workers could cause issues for the state budget surplus, turning it into a deficit as older workers retire and require more government services.



KEITH SRAKOCIC / AP PHOTO
A sign seeking to hire laborers outside a concrete products company in Evans City, Pennsylvania.

The missing workers issue could be temporary, at least for some younger Pennsylvanians. Young workers may be out of the labor force temporarily, but will return.

"Between moving in with parents and the near three-year suspension of student loan repayments, it's likely that provides some young workers with more time to take an extended leave from work or possibly engage in other activities such as caring for family members or volunteer work," IFO Director Matthew Knittel said.

The silver lining for the state economy is a four percent unemployment rate, the lowest since 1976 when monthly data have been published. Workers who want a job have had a relatively easy time finding one. But as Pennsylvania's youth labor force participation rate falls, state spending will outpace tax revenues in the near future.

Anthony Hennen is a reporter for The Center Square. Previously, he worked for Philadelphia Weekly and the James G. Martin Center for Academic Renewal. He is managing editor of Expatalachians, a journalism project focused on the Appalachian region.

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