



Recent Job Growth in Pennsylvania is Healthier than in Most States

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While every state in today's high-unemployment U.S. economy needs more jobs, recent job growth in Pennsylvania is healthier than in most other states:

- Pennsylvania ranks third based on the number of jobs created in 2010.
- Pennsylvania ranks 12th by job growth percentage over the last year, and 14th measured by percentage job growth since December 2007, when the recession began.
- Pennsylvania ranks among the top 10 states in job growth compared to working-age population growth in three of the four periods we examine, including in the 16 years since the start of the Ridge Administration.

The updated job-growth rankings in this policy brief encompass job numbers through 2010. The brief analyzes three different measures of job growth, comparing Pennsylvania performance to our six neighboring states, and also presenting Pennsylvania's ranking among the 50 states.

Pennsylvania's Improving Job Growth Performance

Particularly in difficult times, job growth is one of the most closely watched indicators of state economic performance. For four time periods, Tables 1-3 present the facts on job growth in Pennsylvania, comparing Pennsylvania to neighboring states, and presenting the state's ranking using three different measures of job growth. The time periods selected are:

- The last year — December 2009 to December 2010;
- The period since December 2007, when the recession began;
- The period since December 2002, just before Governor Ed Rendell took office. December 2002 to the present also approximates a full business cycle; and
- The period since December 1994, just before Governor Tom Ridge took office.

The data base we use is Current Employment Statistics (CES), maintained by the U.S. Bureau of Labor Statistics (BLS), which is drawn from a sample of a very large number of employers. It is the primary source relied on by professional economists and government officials when they examine state and national job growth.¹

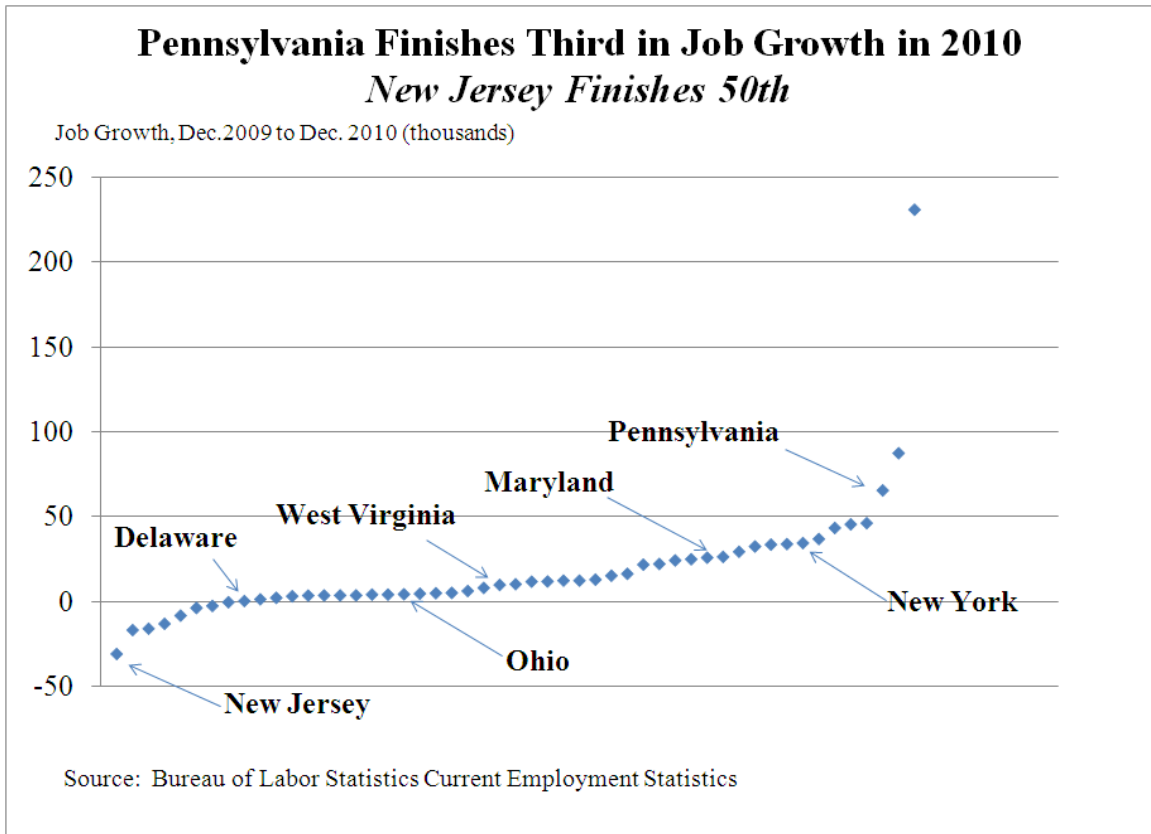
¹ A second source of employment data is the BLS Current Population Survey (CPS), which is used to generate the "Local Area Unemployment Statistics" (LAUS) data base. The CPS is based on a sample that is much smaller than the CES. The one advantage of the CPS is that it captures the self-employed, unpaid family workers, agricultural workers, and private household workers, all of which are excluded from the CES. Using the third measure of job growth used in this brief, job growth minus adult population growth, in all periods except one (the last year), Pennsylvania's ranking is 20th or better using CPS/LAUS data as well as using the CES figures in the text.

Job Growth Measured by Number of Jobs

Table 1 and Figure 1 show that Pennsylvania ranked third among the 50 states based on the numerical increase in jobs from December 2009 to December 2010. The state ranked anywhere from 11th to 38th in the three previous periods examined. The performance of our neighbors mostly reflects the national economic performance during the period in question, especially recently. One exception is Ohio, which experienced significant job loss in all periods except for the last year.

	<i>Dec. 94-Dec. 2010</i>	<i>Dec. 02-Dec. 10</i>	<i>Dec. 07-Dec. 10</i>	<i>Dec. 09-Dec. 10</i>
<i>Pennsylvania</i>	381.6	2.2	-190.1	65.6
<i>Delaware</i>	48.7	-4.8	-28.2	0.5
<i>Maryland</i>	351.1	43.1	-91.5	26.0
<i>New Jersey</i>	238.8	-144.5	-259.0	-30.7
<i>New York</i>	619.6	48.5	-281.9	37.0
<i>Ohio</i>	-156.7	-419.9	-418.8	4.5
<i>West Virginia</i>	58.2	11.2	-19.8	8.2
<i>Pennsylvania Rank</i>	11	29	38	3

Source: Economic Policy Institute (EPI) based on Bureau of Labor Statistics (BLS) Current Employment Statistics (CES)



Job Growth Measured By Percent Change in Jobs

A better measure of job growth is percent change in jobs because this adjusts for the size of each state’s economy. By this measure, Table 2 shows that Pennsylvania’s job growth performance has improved steadily relative to other states over the past 16 years. While Pennsylvania is 39th by this measure since December 1994 (and also since December 1991), the state moved up to 29th during the past eight years, and 14th during the last three years. Compared to our neighbors during the last 16 years, Pennsylvania held to the middle of the pack, along with New York, New Jersey, and West Virginia. Maryland and Delaware led the group of states in the middle, while Ohio trailed the same middle group.

Since 2002, Ohio — and to a lesser extent, New Jersey — brought up the rear based on percent change in jobs. Over this period, Pennsylvania and its four other neighbors had percentage job growth close to zero. Since 2007, Ohio, New Jersey, and Delaware trailed behind measured by percent change in jobs, while Pennsylvania and its other three neighbors were 2 or 3 percentage points better than the nation.

During 2010, Pennsylvania, Maryland, and West Virginia have done better, while New Jersey trailed. New Jersey ranked 49th in 2010 based on percent change in jobs, losing 1.2% of its jobs. If Pennsylvania had lost 1.2% of its jobs as opposed to gaining an additional 0.8%, the Commonwealth would have roughly 28,000 fewer jobs today.

	<i>Dec. 94-Dec. 2010</i>	<i>Dec. 02-Dec. 10</i>	<i>Dec. 07-Dec. 10</i>	<i>Dec. 09-Dec. 10</i>
<i>Pennsylvania</i>	7.3%	0.0%	-3.3%	1.2%
<i>United States</i>	12.6%	0.4%	-5.5%	0.9%
<i>Delaware</i>	13.5%	-1.2%	-6.4%	0.1%
<i>Maryland</i>	16.2%	1.7%	-3.5%	1.0%
<i>New Jersey</i>	6.7%	-3.6%	-6.3%	-0.8%
<i>New York</i>	7.9%	0.6%	-3.2%	0.4%
<i>Ohio</i>	-3.0%	-7.7%	-7.7%	0.1%
<i>West Virginia</i>	8.5%	1.5%	-2.6%	1.1%
<i>Pennsylvania Rank</i>	39	29	14	12

Source: Economic Policy Institute (EPI) based on Bureau of Labor Statistics (BLS) Current Employment Statistics (CES)

Job Growth Compared to Population Growth

Table 3 shows a third measure of job growth performance: percent change in jobs minus percent change in the working-age population (measured here as the population 16 and over). As the adult population grows, the state needs job growth to keep pace; if that does not happen, a “jobs deficit” — the shortage of jobs relative to the number of people who want them — is likely to grow.

By this third job-growth measure, West Virginia and Pennsylvania led the pack of seven states since 1994. In the last eight years, New Jersey and especially Ohio trailed among Pennsylvania’s neighbors, with the other five states clustered within 2 percentage points of the national average.

In the last three years, Delaware performed worse than the national average; New Jersey and Ohio performed close to the national average; and Pennsylvania, Maryland, New York, and West Virginia were 2 to 5 percentage points better than the national average.

In 2010, Pennsylvania, Maryland, and West Virginia have performed better than the national average, while Delaware and especially New Jersey have performed worse than the national average. New Jersey finished 49th out of 50 states, ranked by percent job-growth minus percent growth in the adult population.

	<i>Dec. 94-Dec. 2010</i>	<i>Dec. 02-Dec. 10</i>	<i>Dec. 07-Dec. 10</i>	<i>Dec. 09-Dec. 10</i>
<i>Pennsylvania</i>	0.0%	-5.0%	-5.1%	0.5%
<i>United States</i>	-5.2%	-8.7%	-8.3%	-0.1%
<i>Delaware</i>	-13.4%	-13.9%	-10.0%	-0.8%
<i>Maryland</i>	-0.9%	-6.0%	-6.0%	0.3%
<i>New Jersey</i>	-4.4%	-8.0%	-8.5%	-1.6%
<i>New York</i>	-1.7%	-4.3%	-5.1%	-0.2%
<i>Ohio</i>	-9.7%	-11.1%	-8.8%	-0.3%
<i>West Virginia</i>	6.3%	-0.8%	-3.8%	0.6%
<i>Pennsylvania Rank</i>	10	13	9	6

Source: EPI based on BLS CES and BLS population statistics on line at <http://www.bls.gov/lau/ststdsadata.txt>

Pennsylvania Should Build on Its Recent Solid Job Growth Ranking

Relative to other states, recent job performance in Pennsylvania has been robust. These findings suggest that the state’s recent policies are delivering real rewards to Pennsylvania families. These policies include increasing workers’ skills, boosting jobs in renewable energy and energy conservation, investing in education and building strong communities. Looking forward, the analysis here indicates, Pennsylvania should build on this success.

The numbers also suggest caution in following in the footsteps of New Jersey. If Pennsylvania cuts state spending too deeply — and turns its back on federal investment and funds — the state’s economy will suffer, and tens of thousands of middle-class families are likely to pay the price.