ADVISORY

FOR IMMEDIATE RELEASE
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Keystone Research Center to Release Annual "State of Working Pennsylvania" Report

Report Finds a Resilient Economy Showing Early Cracks, With Gains Unevenly Shared

HARRISBURG, PA — On Wednesday, September 2 at 1:00 PM ET, the Keystone Research Center (KRC) will hold a press call to release its annual *State of Working Pennsylvania 2026*, its annual analysis of the Commonwealth's economy from the perspective of working people.

The report finds an economy that has remained resilient but is beginning to show cracks: job growth has slowed and narrowed to a few industries, unemployment and underemployment have risen sharply among Black and Hispanic workers, and high household costs continue to strain family budgets despite recent real wage gains. It also presents a *Blueprint for the Governor* and calls on Pennsylvania to compete for green steel while requiring data centers to prove they deliver more public benefit than cost.

Topics will include:

- Slowing job growth: Pennsylvania added 31,900 nonfarm jobs over the past year, an increase of just 0.5%, with growth led by leisure/hospitality and education/health.
- Worker leverage has weakened as Pennsylvania shifted from having more job openings than unemployed people to have more unemployed people than available jobs.
- Widening disparities: unemployment has climbed to 6.5% for Black workers and 8.7% for Hispanic workers, up from recovery-era lows of 3.8% and 4.4%.
- A decade of real wage gains across Pennsylvania's wage distribution, with some of the largest percentage gains among lower-paid workers, alongside persistent wage inequality and gaps by race and gender.
- Household costs: residential electricity prices are up 59% in Pennsylvania since January 2020, against 44% nationally.
- A Blueprint for the next governor on steel and data center development.

WHAT: Virtual press call releasing *The State of Working Pennsylvania 2026*, followed by Q&A for reporters.

WHEN: Wednesday, September 2, 2026, 1:00 PM ET

WHERE: Via Zoom. Register in advance:
https://us06web.zoom.us/webinar/register/WN_sRCG0-T3SCup9TtH6aTqcA

WHO:

- **Bernie Gallagher**, Executive Director, Keystone Research Center and co-author
- **Claire Kovach**, Research Director and report co-author
- **Maisum Murtaza**, Research Analyst and report co-author
- **Avery Spicka**, Research Analyst and report co-author

The full report will be available following the call.

RELEASE

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September 2, 2026

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Keystone Research Center Releases *The State of Working Pennsylvania 2026*

Report Finds a Resilient Economy Showing Early Cracks, With Gains Unevenly Shared

HARRISBURG, PA — The Keystone Research Center (KRC) today released *The State of Working Pennsylvania 2026*, its annual analysis of the Commonwealth's economy from the perspective of working people. The report finds that Pennsylvania's economy remains resilient, with job growth still outpacing the national rate and unemployment lower than the national average. Yet the foundations of the economy are showing some cracks, as gains from the pandemic recovery are fragile and unevenly shared.

Job growth has slowed and narrowed

Pennsylvania added 31,900 nonfarm jobs between July 2025 and July 2026, an increase of just 0.5% and down considerably from the previous year. Nearly all recent growth came from two industries: (1) education and health services and (2) leisure and hospitality. The government, manufacturing, and trade, transportation, and utilities sectors all lost jobs. Pennsylvania's GDP grew 3% over the year ending in the first quarter of 2026, but has grown more slowly than the nation's over five years, 10.2% against 14.7%.

The post-pandemic recovery's gains are reversing for Black and Hispanic workers

Pennsylvania's unemployment rate averaged 4.2% from January 2025 through July 2026, up from 3.8% over the previous 18 months, though it did drop back to 3.9% in July. The statewide figure masks varied experiences for different parts of the workforce, with unemployment rising sharply among Black and Hispanic Pennsylvanians since 2023. The 12-month average unemployment rate for Black workers, which had fallen to 3.8% in July 2023, increased to 6.5% by July 2026. The rate for Hispanic workers jumped from an historic low of 4.4% in July 2023 to 8.7% as of July 2026.

"The recovery years showed genuine progress for Black and Hispanic workers in Pennsylvania, and we are watching that progress come apart," said **Maisum Murtaza, Research Analyst at KRC and a co-author of the report**. "An unemployment rate of 8.7% for Hispanic workers in an economy that would generally be considered stable means that the statewide unemployment number is obscuring more than it reveals. When the labor market weakens, these workers feel it first and feel it hardest."

Broader measures point in the same direction. Underemployment overall increased from 6.5% to 7.1% over the last two years, but again, hit Blacks and Hispanic workers harder, reaching 11.2% for Black workers and 14.7% for Hispanic workers. Job opportunities have narrowed as well:there were 0.6 unemployed workers per job opening from May 2021 through September 2024, but that ratio has since flipped. Unemployed workers outnumbered available jobs in the last year, with 1.2 unemployed workers per job opening as of December 2025.

A decade of real wage gains, but persistent gaps

Pennsylvania's average real hourly wage has risen 17% since 2016. It reached $34.63 in 2025, though that is down $0.13 from the previous year and is $0.67 below the national average. In a promising reversal after decades of stagnation, the strongest gains went to the lowest-paid workers. Real wages at the 10th, 20th, and 30th percentiles increased by 21% to 25% between 2016 and 2025.

"A decade of real wage growth at the bottom of the wage scale is a genuine achievement, and it should not be waved away," said **Claire Kovach, Research Director at KRC and a co-author of the report**. "But a worker at the 90th percentile earns $62.62 an hour, more than four times more than a worker at the 10th percentile, who earns just $14.24. Also, Pennsylvania's gender wage gap got worse over the last two years. Overall wage growth alone does not mean we have an equitable economy."

Women's median hourly wages dropped from 85.6% of men's in 2023 to 80.7% in 2025. That is a gap of about $6 an hour. In 2025, Pennsylvania's median hourly wage was $28.07 for white workers, $22.47 for Black workers, and $20.17 for Hispanic workers.

Costs keep outrunning budgets

Inflation has declined substantially from its 2022 peak coming out of the pandemic, but prices have not returned to their pre-pandemic levels and continue to rise, though at a slower pace.

Energy costs are an intensifying strain on family budgets. Residential electricity prices rose 59% in Pennsylvania between January 2020 and June 2026, compared with 44% nationally, driven partly by demand tied to anticipated data center growth. The Independent Fiscal Office reports a

398% year-over-year increase in capacity prices (payments made to power generators to ensure a reliable electric grid, with the costs passed on to consumers). Experts estimate that data centers accounted for $6.3 billion (38%) of that increase at the most recent capacity auction.

Workers keep organizing against steep obstacles

Pennsylvania's union coverage rate fell from 14.2% in 2023 to 11.7% in 2025, and election activity slowed sharply, from 143 NLRB elections in 2024 to 100 in 2025. Public support has not wavered — Gallup found union approval steady at 68% — and workers continue to organize. In May 2026, Penn State faculty voted 2,510 to 847 to unionize with SEIU Local 668, and the Penn State Faculty Alliance now represents more than 5,000 faculty members across all campuses.

"Workers in Pennsylvania are not less interested in unions, but they are running into a system that makes organizing harder every year," said **Avery Spicka, Research Analyst at KRC and a co-author of the report**. "Employers spend roughly $1.7 billion a year nationally on union avoidance. It now takes an average of 465 days to reach a first contract. The NLRB spent most of 2025 without the quorum it needed to decide cases. Workers still want unions and are willing to push through to get them anyway."

The report also warns that the public data that make this analysis possible are themselves eroding. Reduced federal survey coverage, delayed data releases, and staffing pressure at federal agencies have reduced the availability of complete information. For example, monthly state-level job openings estimates ended with December 2025 data.

A blueprint for the next governor

The report closes with a *Blueprint for the Governor*, a single standard for judging major industrial projects competing for Pennsylvania's limited energy, land, water, and public dollars, such as steelmaking and data center development. This section lays out important questions the Commonwealth should be asking about these projects: Does it add productive capacity? Does the public receive more value than it gives? Does it strengthen workers and Pennsylvania industry? And does the host community want it?

"Pennsylvania is about to make decisions that will shape its economy for thirty years, and right now we are making them one press release at a time," said **Bernie Gallagher, Executive Director of the Keystone Research Center**. "There is no question that we should want more economic investment. The critical issue is whether a particular project leaves Pennsylvania more productive. Applied honestly, that test tells us, for example, to fight hard for the next generation of steelmaking in the Mon Valley, and it tells us that many of the data centers being proposed should be scaled back, delayed, or not built at all."

The full report, *The State of Working Pennsylvania 2026*, is available on the Keystone Research Center website. A recording of today's press call is available here.