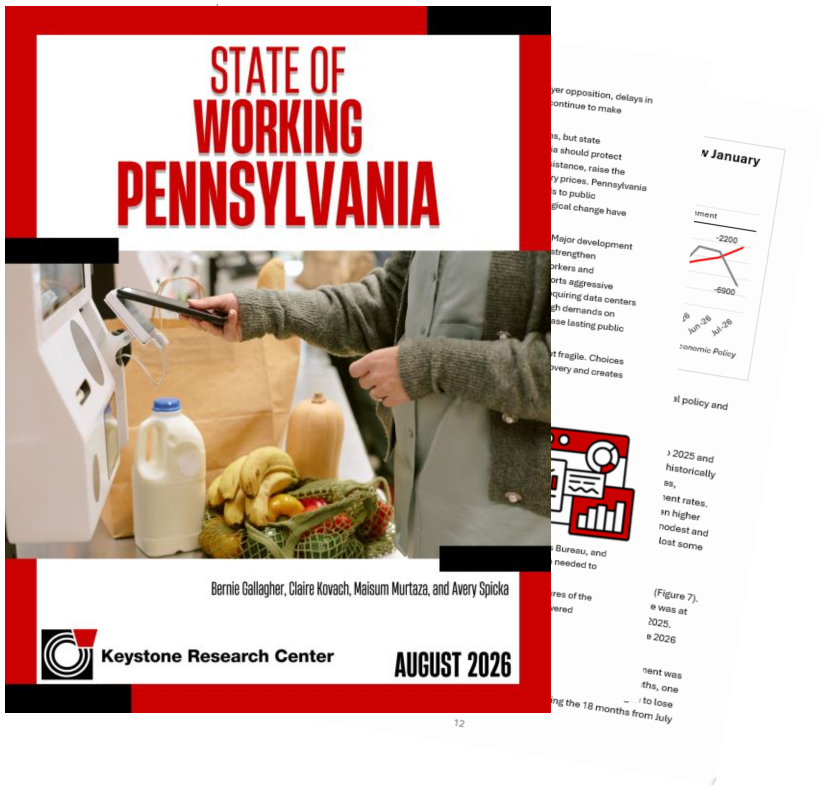
State of Working Pennsylvania 2026

Keystone Research Center

September 2026

Key Takeaways

- The labor market remains relatively healthy, but warning signs have increased.
- Job growth, but more slowly than recent years
- Workers have less leverage in the labor market
- Real wage growth but substantial race and gender gaps
- Affordability concerns
- Recent organizing activity and threats to worker power
- Policy recommendations and a framework for development decisions in PA
- Complicating factor: federal data changes and disruptions



Status of Pennsylvania’s Labor Market

Pennsylvania’s labor economy remains relatively healthy, but with several cracks in its foundation.

- From July 2025 to July 2026, the state added 31,900 jobs (fewer than the years of the COVID recovery).
- In its most recent month, Pennsylvania lost 7,600 jobs.
- Unemployment rate remains relatively low but has experienced increases in the last 18 months.
- There are fewer job openings and more unemployed people in the state.

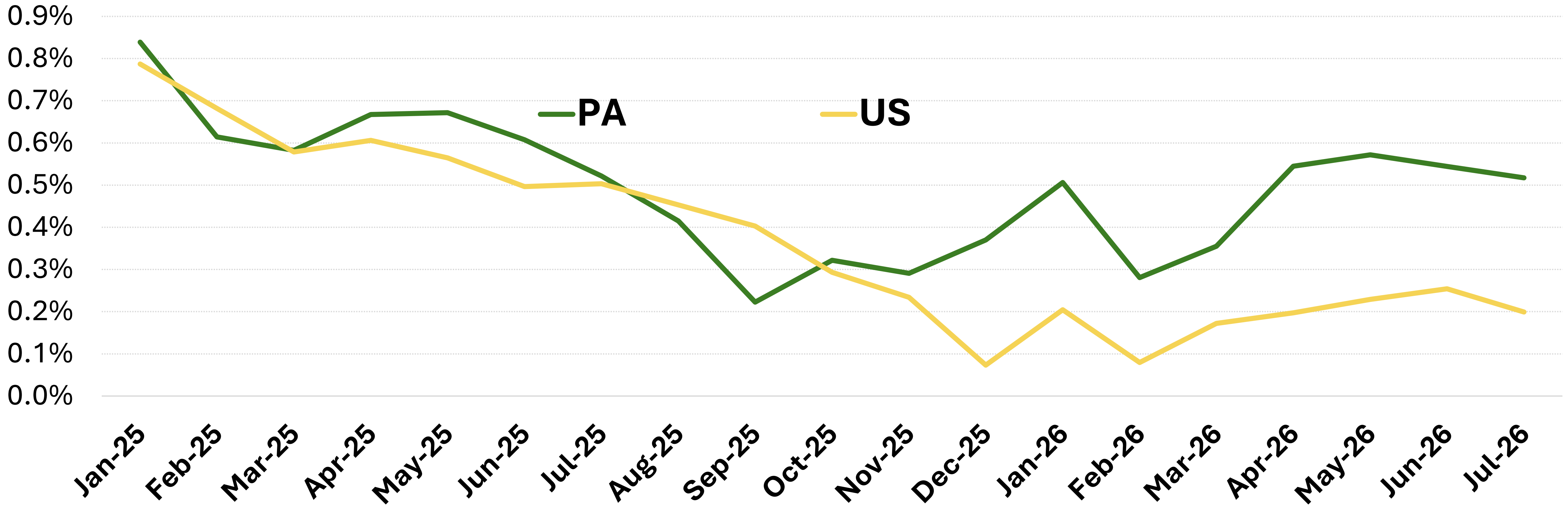
Despite modest growth and low unemployment, gains have been uneven across workers and industries.

- Job growth is primarily being driven by two industries while Government and Manufacturing have lost a combined 9,100 jobs since January 2025.
- Unemployment rates for Black and Hispanic workers have increased substantially since the end of 2023.
- The number of discouraged workers in the market has risen since the start of 2025.

Pennsylvania Job Growth

Pennsylvania's Job Growth Has Exceeded U.S. Job Growth Since October 2025

Pennsylvania and U.S. 12-Month Employment Growth

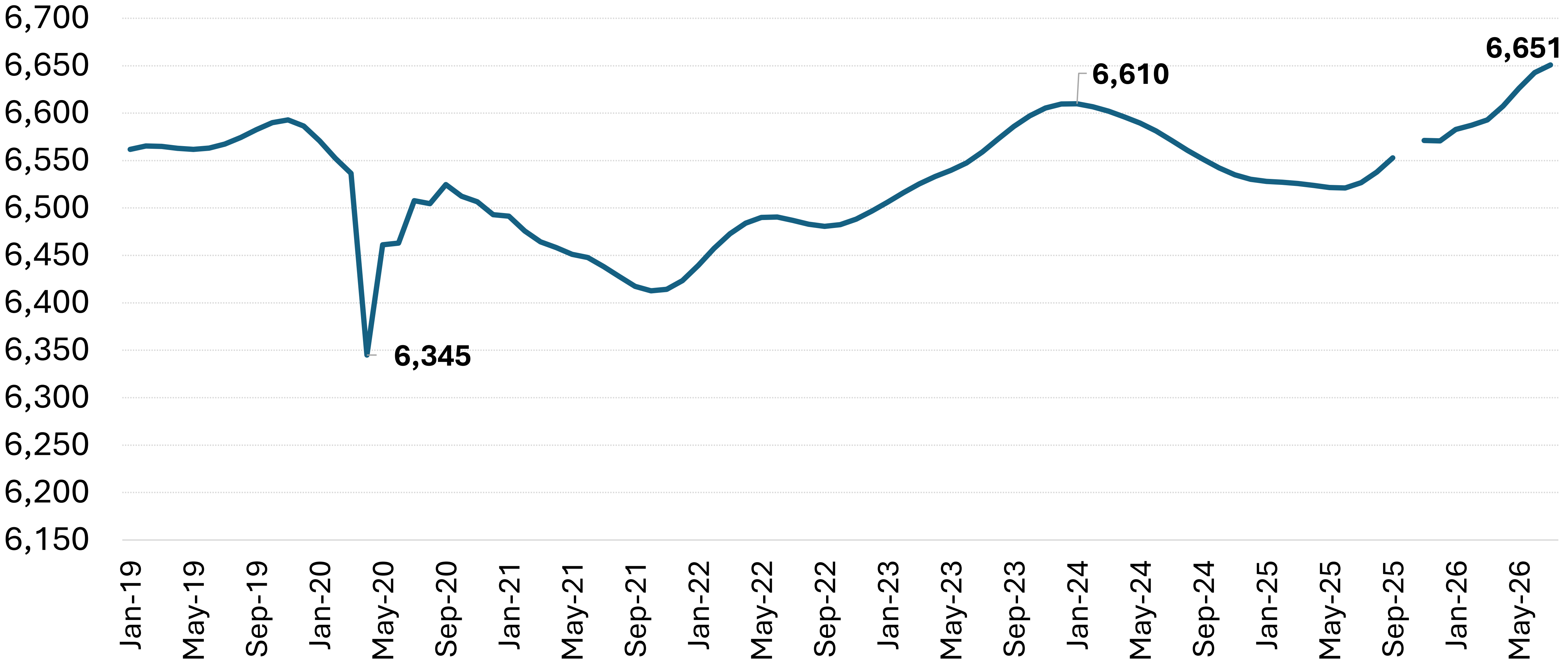


Note: Each month shows PA and U.S. job growth over the past 12 months. For example, January 2025 shows PA and U.S. job growth from January 2024 to January 2025.

Source: Keystone Research Center analysis based on Bureau of Labor Statistics Current Establishment Survey

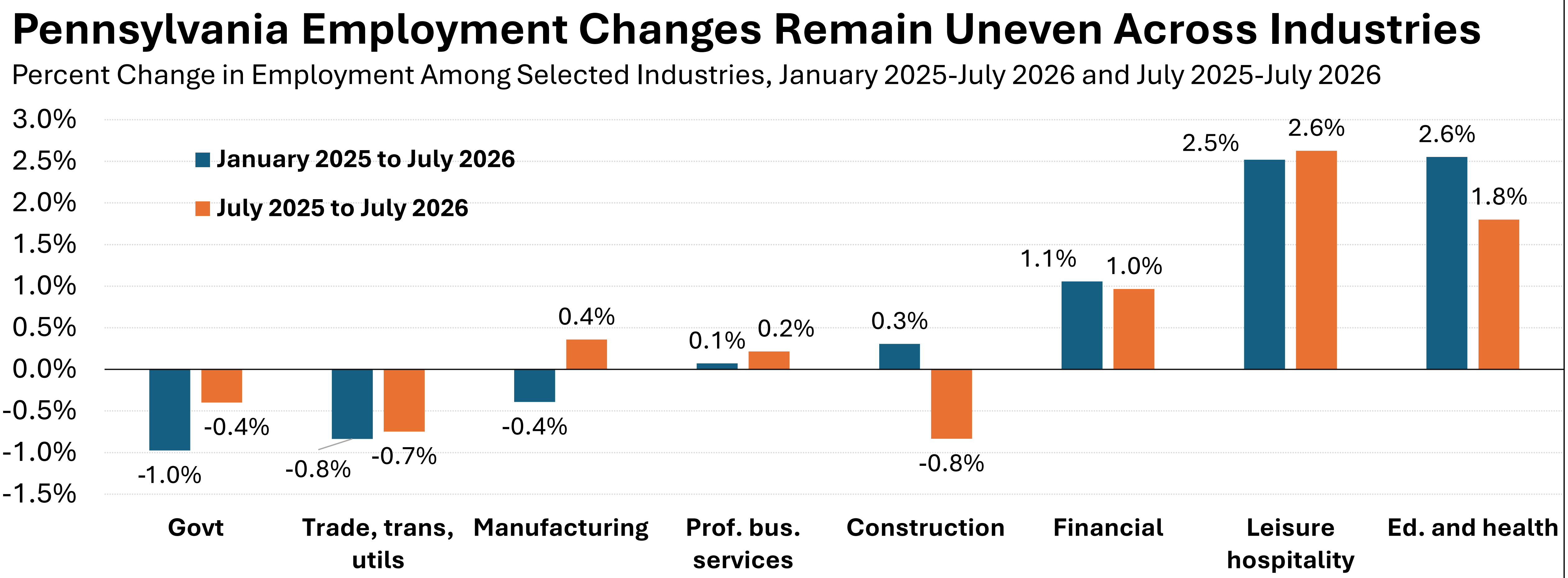
Pennsylvania's Labor Force Recovers After Declining in 2024 and 2025

Pennsylvania Labor Force in Thousands of Workers



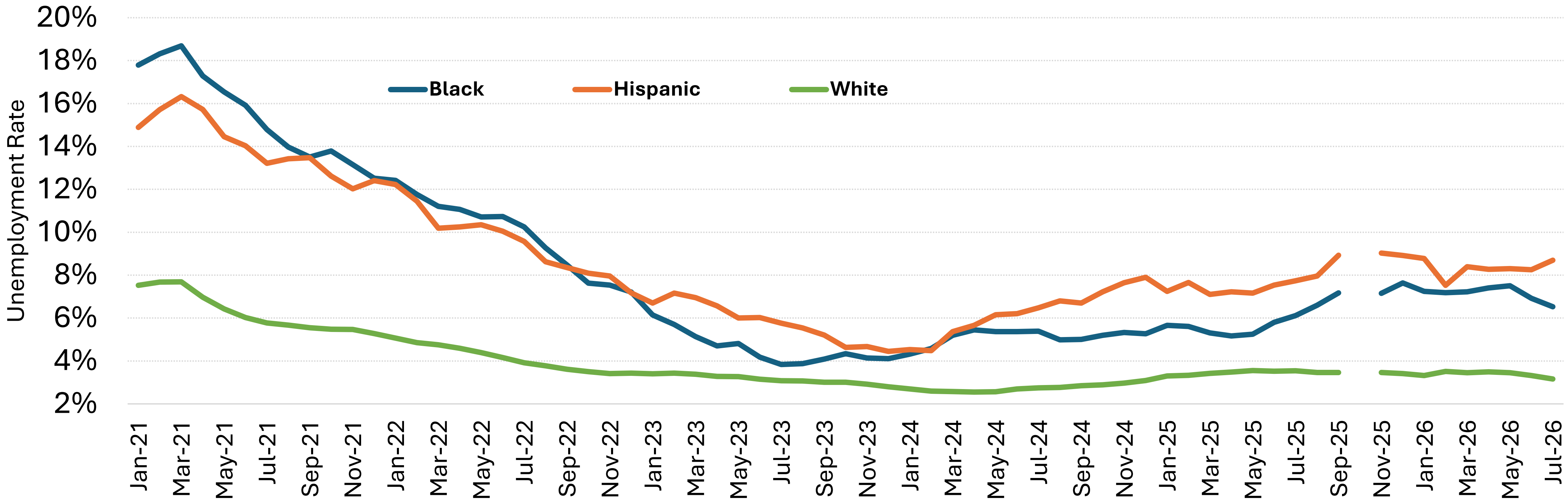
Source: Keystone Research Center analysis of data from Local Area Unemployment Statistics (LAUS) Table 1: www.bls.gov/news.release/laus.t01.htm

Uneven Employment Growth Across Industries



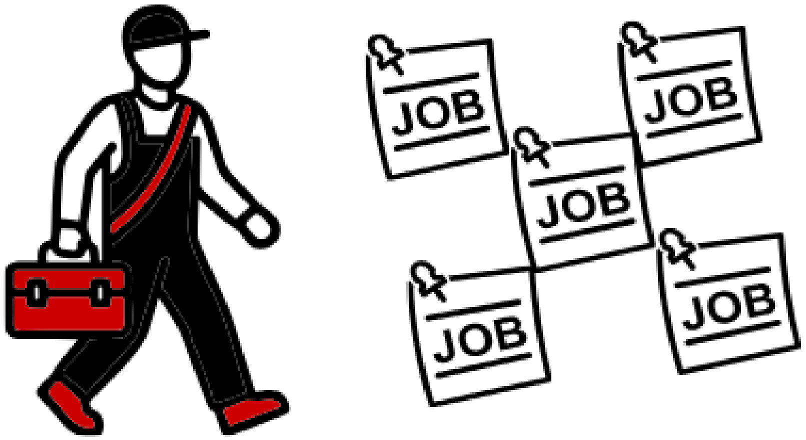
Source: Keystone Research Center analysis of Current Employment Statistics data provided by the Economic Policy Institute. See BLS data here: www.bls.gov/news.release/laus.t03.htm

Unemployment By Race and Ethnicity



Workers Have Lost Leverage In The Labor Market

From May 2021-September 2024, Pennsylvania had more job openings than unemployed workers (averaging 0.6 unemployed workers per job opening).



That ratio reached 1.2 by December 2025, showing that Pennsylvania had more unemployed people than job openings.

Source: Keystone Research Center analysis of Bureau of Labor Statistics Job Opening and Labor Turnover Survey (JOLTS) data accessed from https://www.bls.gov/regions/mid-atlantic/news-release/jobopeningslaborturnover_pennsylvania.htm

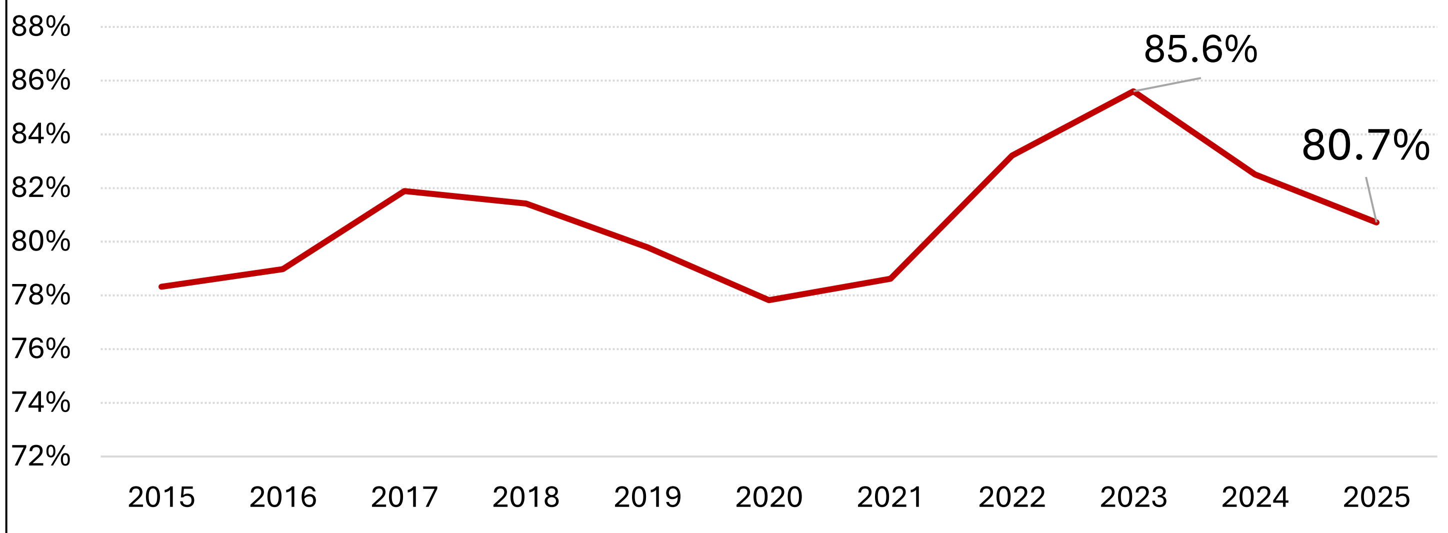
Wages

2025 Median Hourly Wage:

PA: $26.88 (up 97¢ from 2024)

U.S. : $25.67 (up 19¢ from 2024)

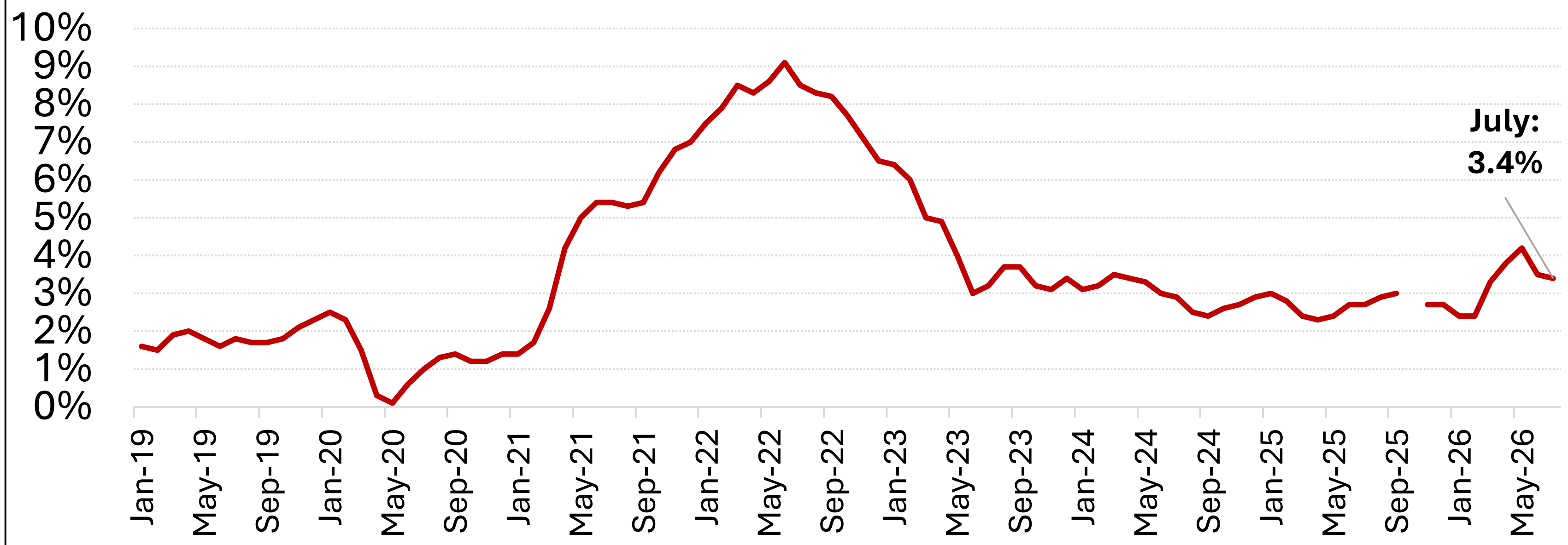
Source: Current Population Survey Data



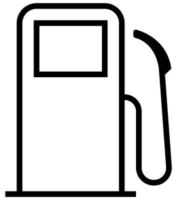
Affordability

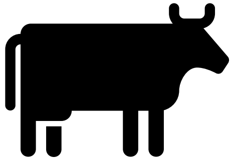
Monthly 12-month Inflation Rate in the United States

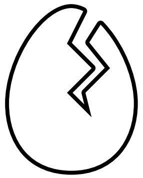
January 2019 to July 2026



Source: Keystone Research Center based on Bureau of Labor Statistics Consumer Price Index for All Urban Consumers, Percent change from 12 months ago. October 2025 data missing due to the government shutdown. https://www.bls.gov/regions/mid-atlantic/data/consumerpriceindexhistorical1967base_us_table.htm



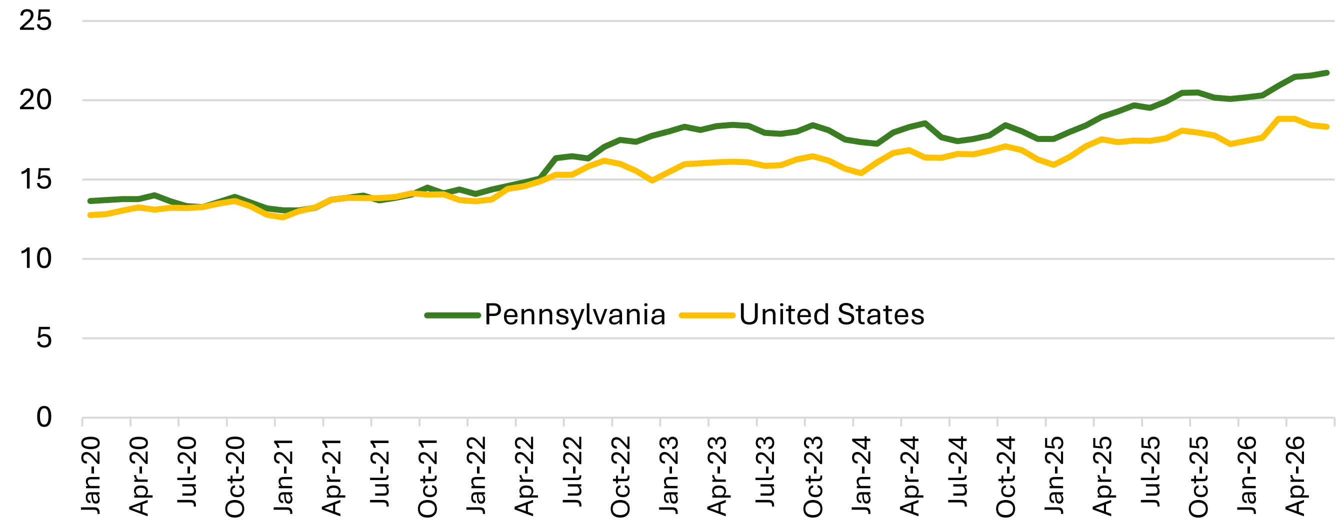




Affordability- Electricity Prices

Residential Electricity Prices Have Risen Faster In Pennsylvania Than Nationwide

Average residential electricity price, cents per kWh, January 2020-May 2026

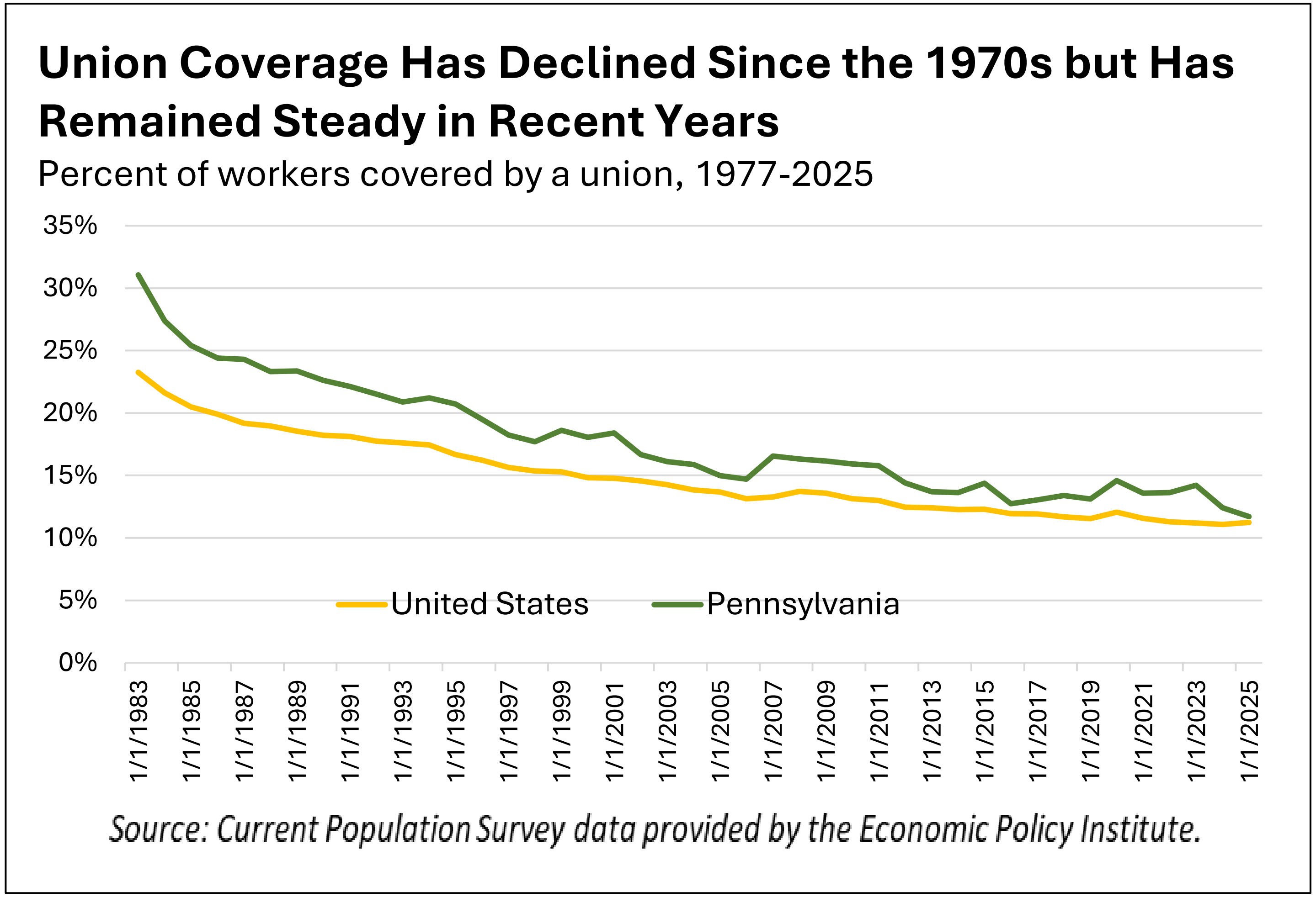


Source: Keystone Research Center Analysis of US Energy Administration, Average price of electricity to ultimate customers by end-use sector, monthly.

Electricity Prices

- Residential electricity prices have risen **59%** in Pennsylvania and **44%** nationwide since January 2020.
- Why? Rising fuel prices and an **increase in demand** (due in large part to the anticipation of data centers)
- Proposed data center growth could increase prices even more for consumers

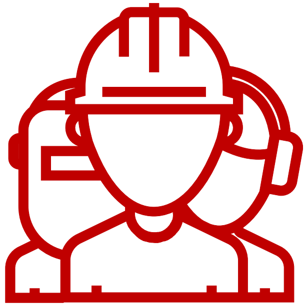
Unions



- Union density ticked down in Pennsylvania to **11.7%**, diverging from national trends
- Support for unions remains strong. **68%** of American support unions according to a 2025 Gallup poll
- Employer opposition exacerbated by a pro-employer NLRB makes it hard for workers who want unions to get them**, but workers are still unionizing.**

Pennsylvania's Next Economy

Good Jobs

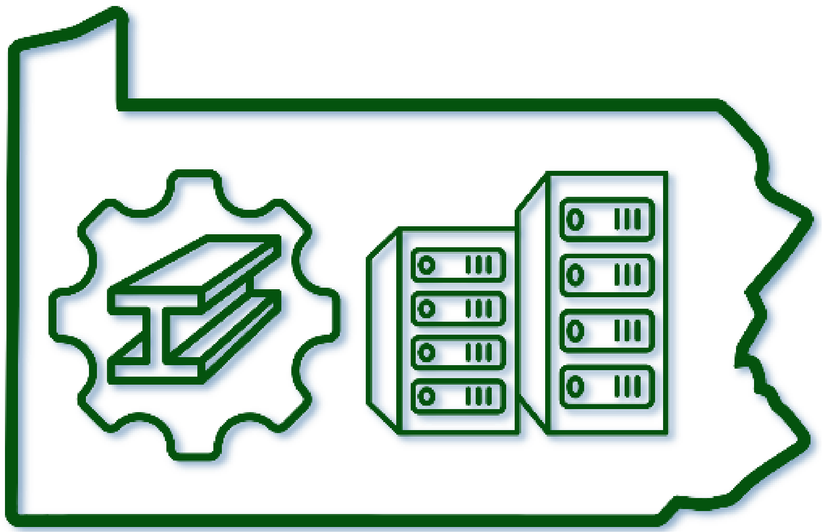


PA Economic Leadership

Benefits Outweigh Costs

Two Blueprints

Green Steel and Data Centers: two consequential and very different economic-development challenges facing Pennsylvania.



Three recommendations:

1. **Use a worker-centered economic-development test.**
2. **Compete aggressively for the next generation of steelmaking.**
3. **Require data centers to demonstrate their value.**

Build Next Generation Steel Here

A blueprint for how Pennsylvania can attract next-generation steel investment while protecting good jobs, communities, and the public interest.

1. **Win the next investment**
2. **Make public support buy public value**
3. **Protect workers before technology changes**
4. **Make communities partners**
5. **Use Pennsylvania's purchasing power**

Require Data Centers Demonstrate Value

A blueprint for how Pennsylvania can welcome data center investment while protecting workers, consumers, communities, and the public interest.

1. **Require new energy capacity & protect existing customers**
2. **Count all worker impacts & create good construction and permanent jobs**
3. **Require net public benefit**
4. **Require transparency & and meaningful local approval**
5. **Screen cumulative impacts**

Policies for Working Families

- Protect families and lower everyday costs

- Build PA’s next economy around good jobs and public value
- Raise revenue

- Strengthen worker power