

# Berks County: Labor Market Trends

*Presented to:*  
Berks County Workforce Development Board

*Presented by:*  
Naomi Young, Director, CRA

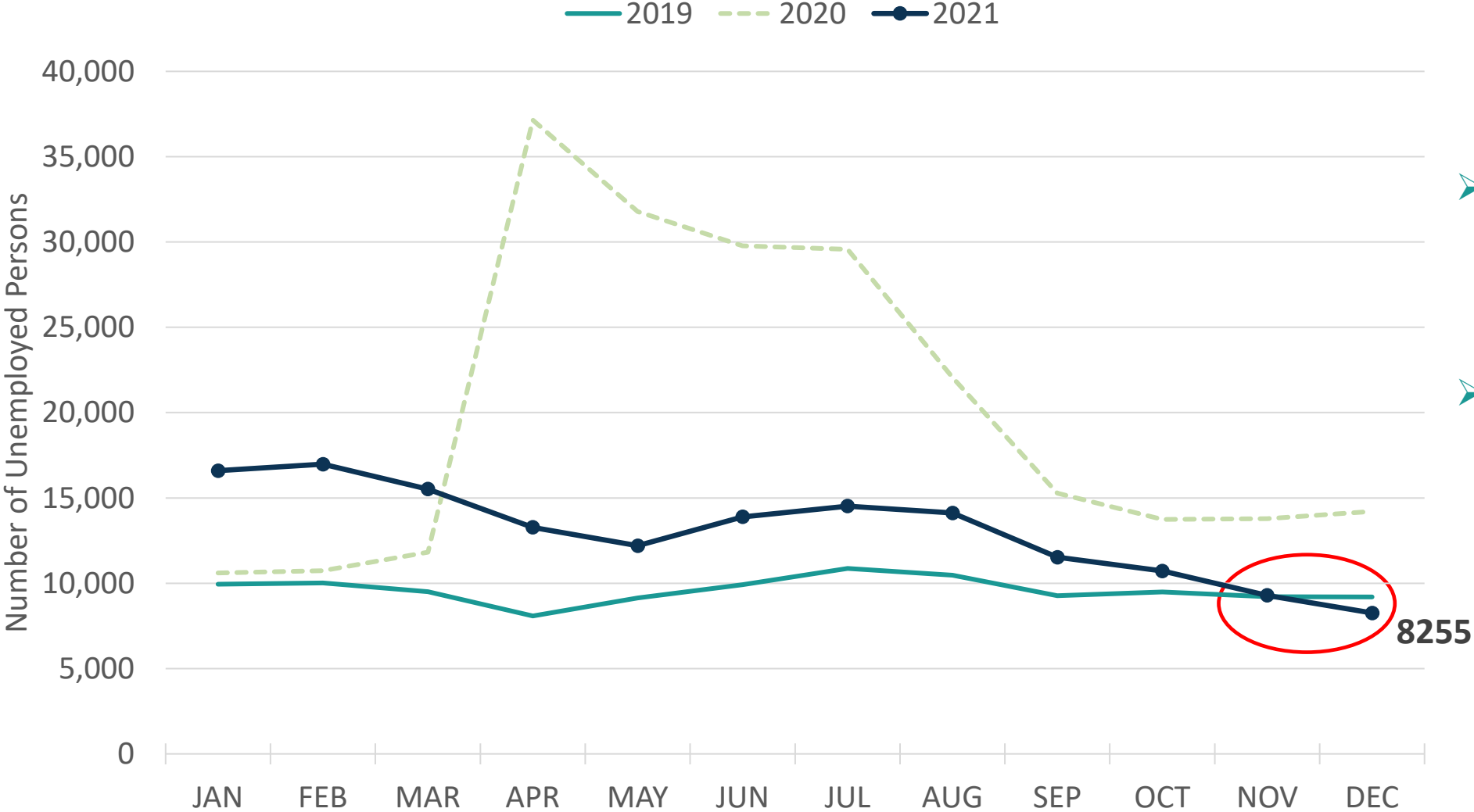
**March 18, 2022**



**LANCASTER COUNTY, PA**  
Economic Development Company

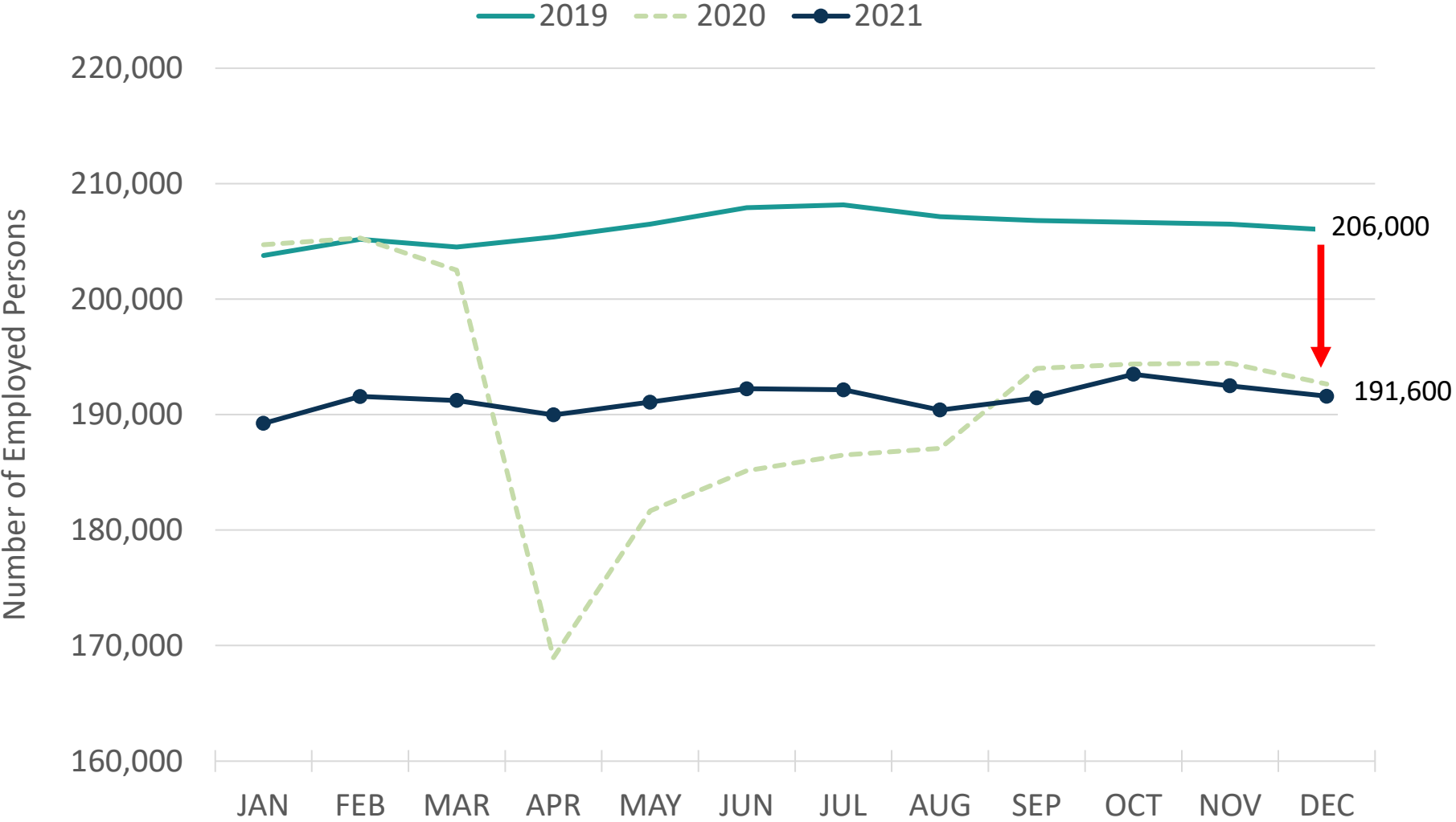
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# Full Employment in Berks County



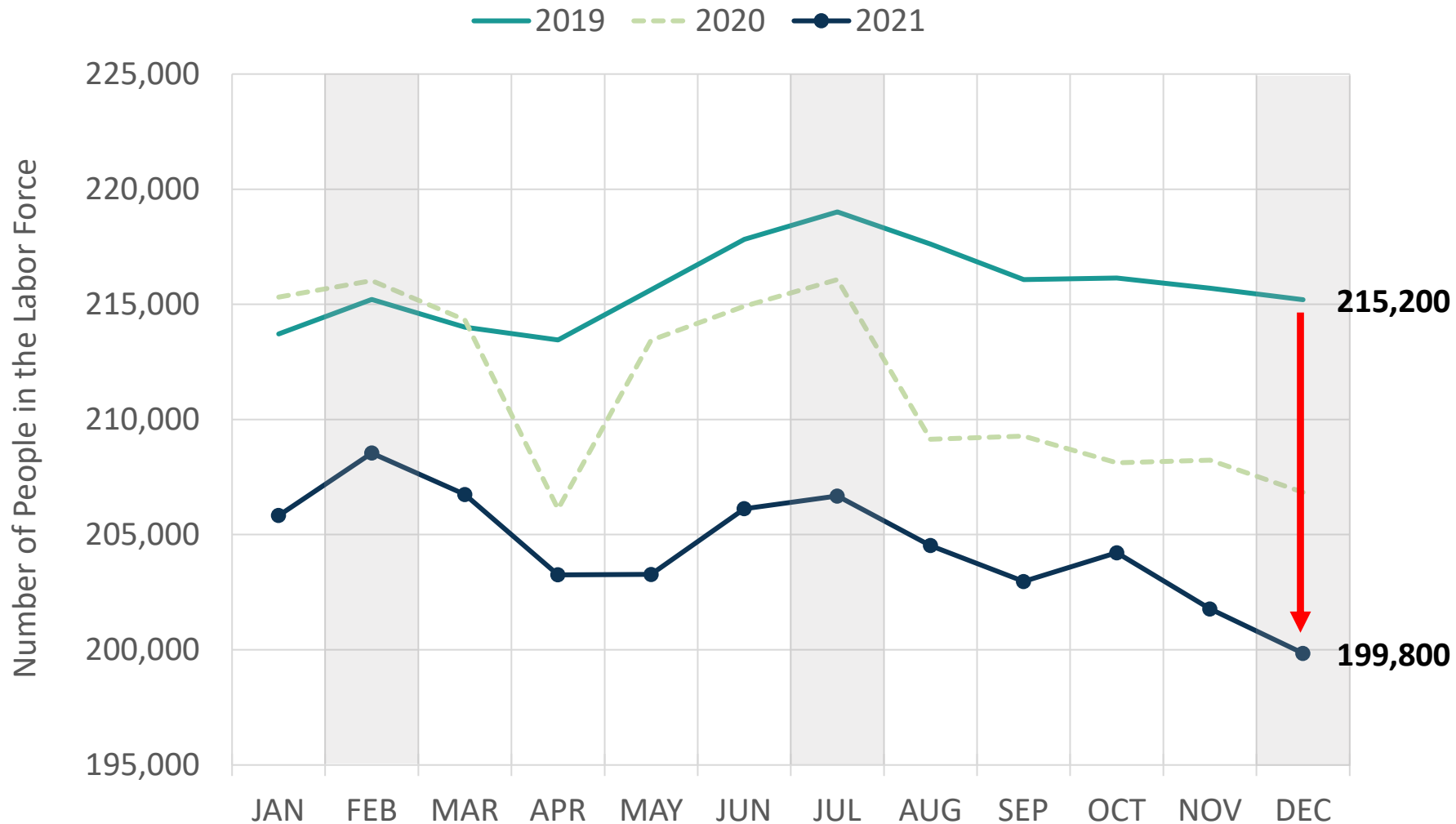
- Full Employment = Everyone who wants a job has a job
- The number of unemployed people is smaller than in 2019

# Fewer Workers in Berks County



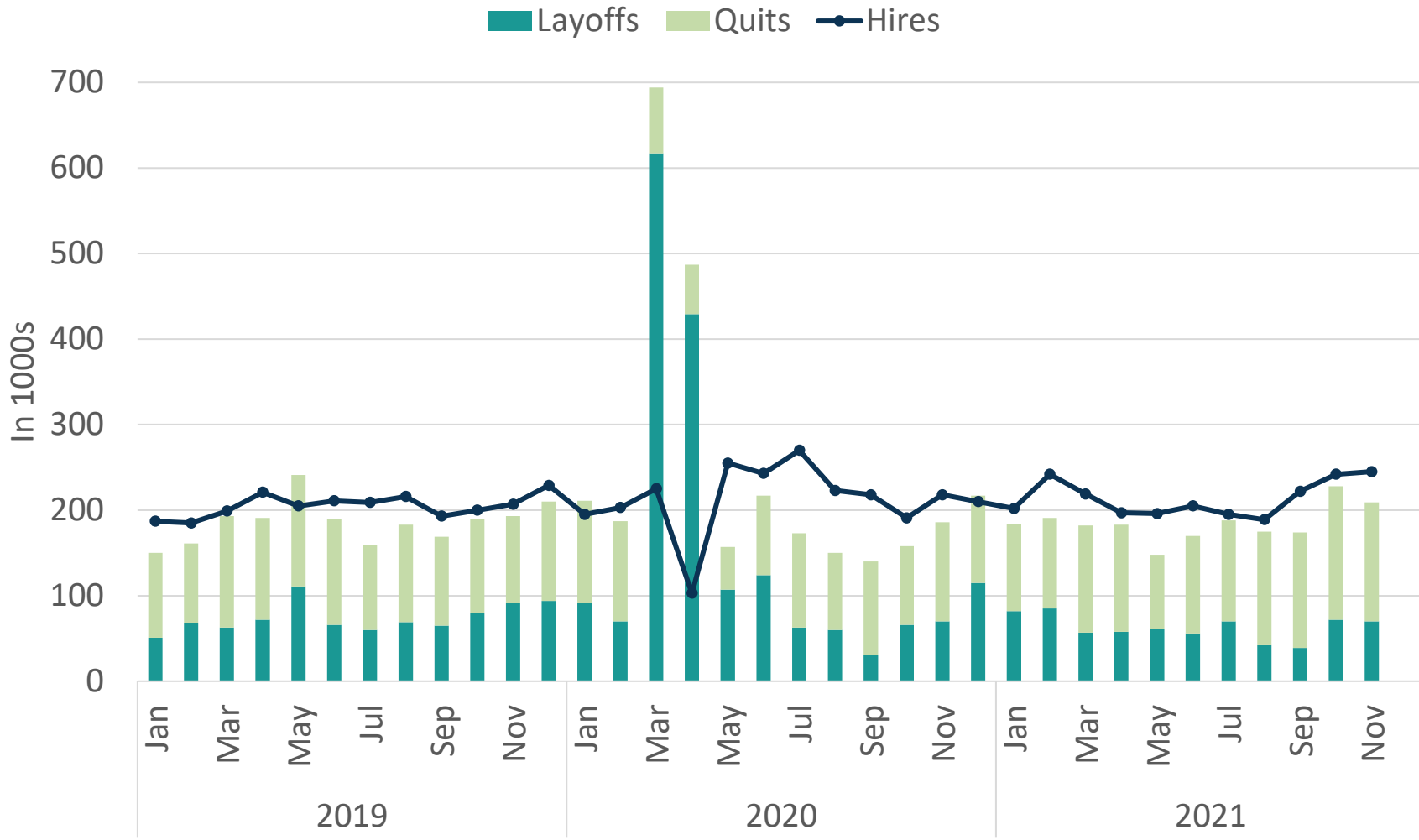
- 2021 likely to show record economic growth, but employment is down
- Averaged 7% or **14,800** fewer employees in 2021
- Economy is producing more with fewer workers

# Smaller Labor Supply in Berks County



- Stabilizing labor supply with return of “typical” seasonality, but smaller than 2019 & 2020
- Averaged 5% or **11,300** fewer employees in 2021
- Tightness could ease but depends on COVID (eg, strong response to vaccine roll out, Delta, Omicron)

# Workforce Churn – Insights from PA data

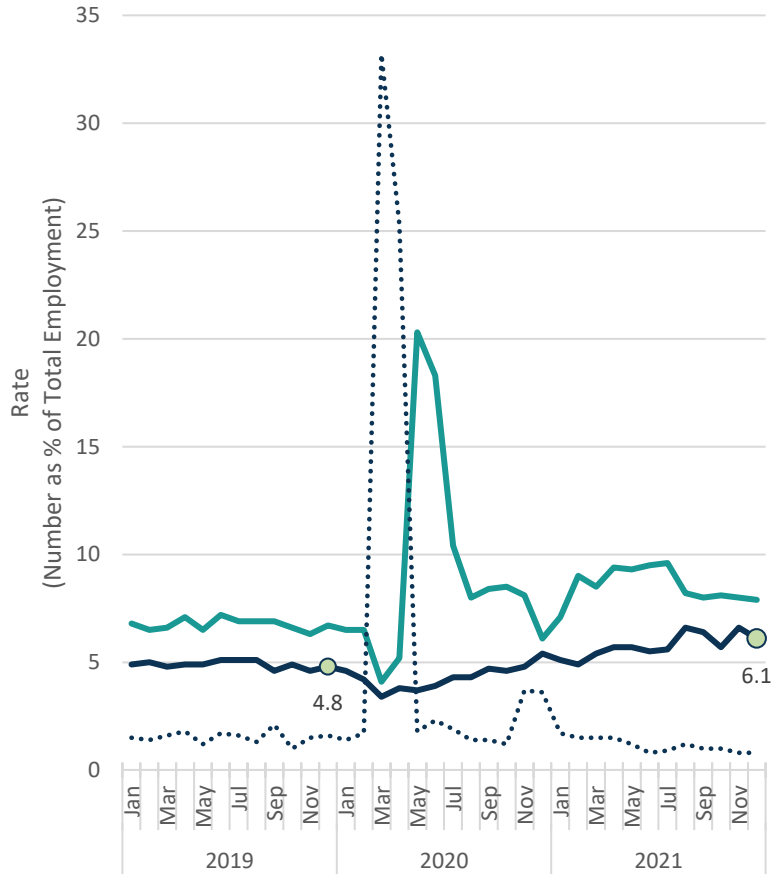


- Hires > Separations
- Workforce churn has picked up
- In second half of 2021, rate of hires was 3.8% (compared to 3.5% in 2019)
- 2021 monthly separations about equal to 2019 (186k & 185k, respectively), but quits are larger share (70% vs 59%, respectively)

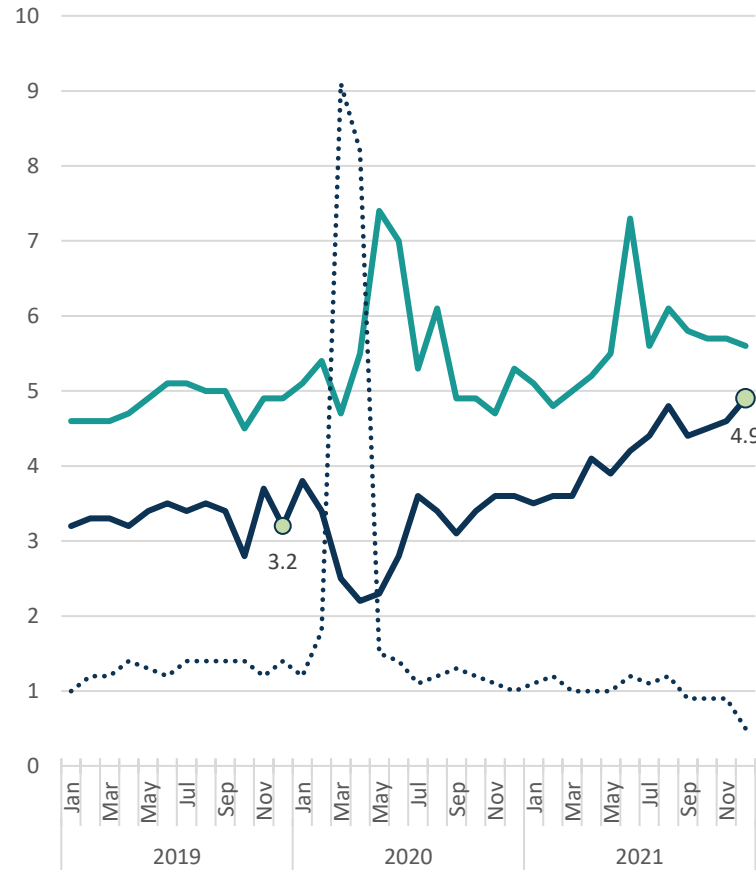
# Workforce Churn – Sector Insights from US Data

— Hires — Quits ..... Layoffs

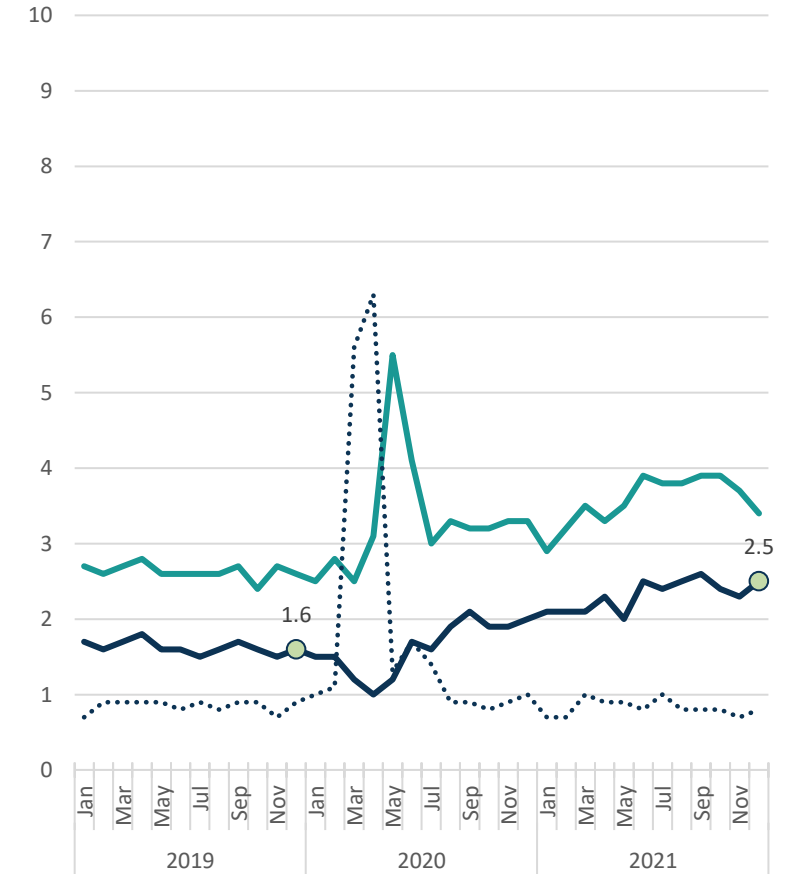
## ACCOMODATION & FOOD SERVICE



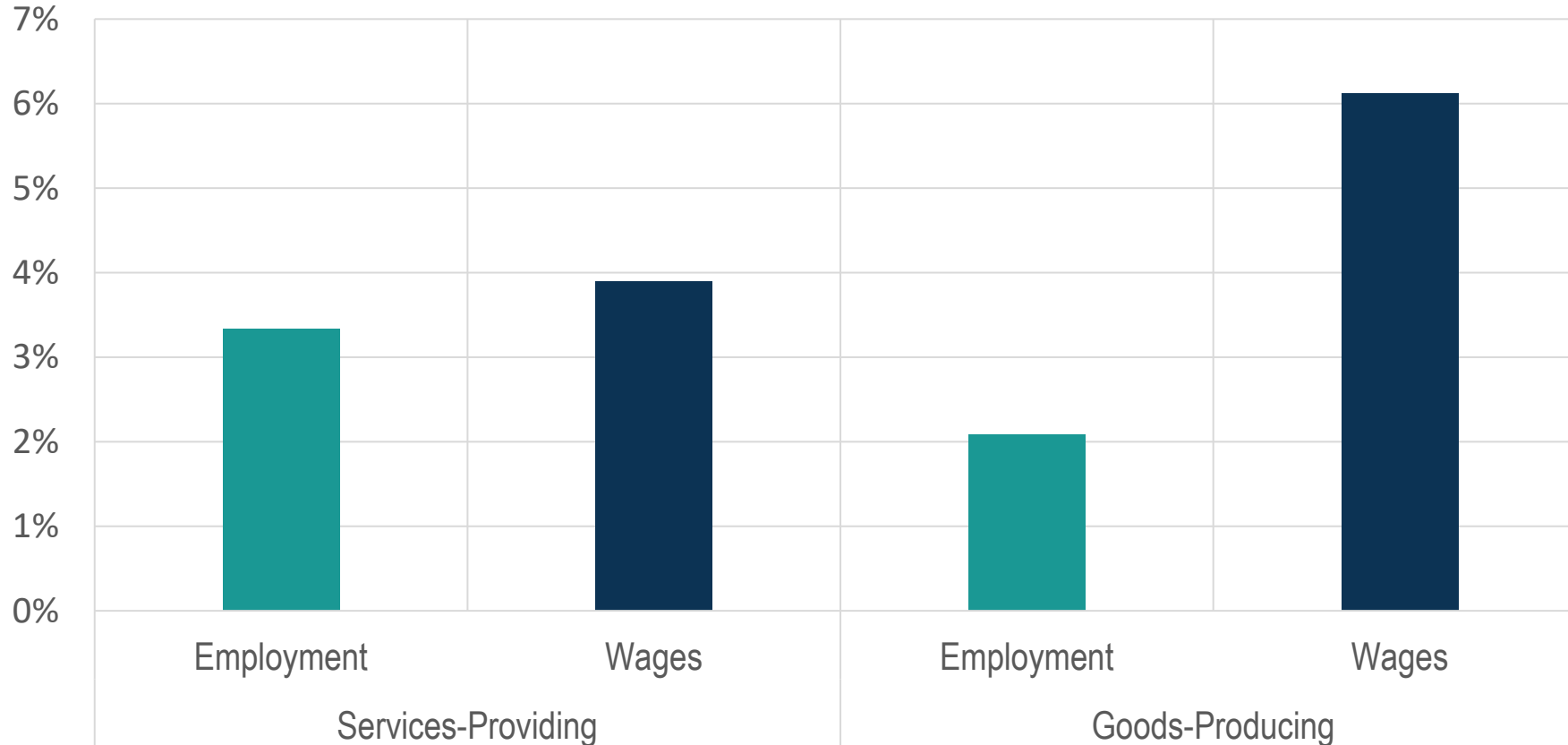
## RETAIL



## MANUFACTURING



# Strong but Uneven Wage Growth in Berks Co.

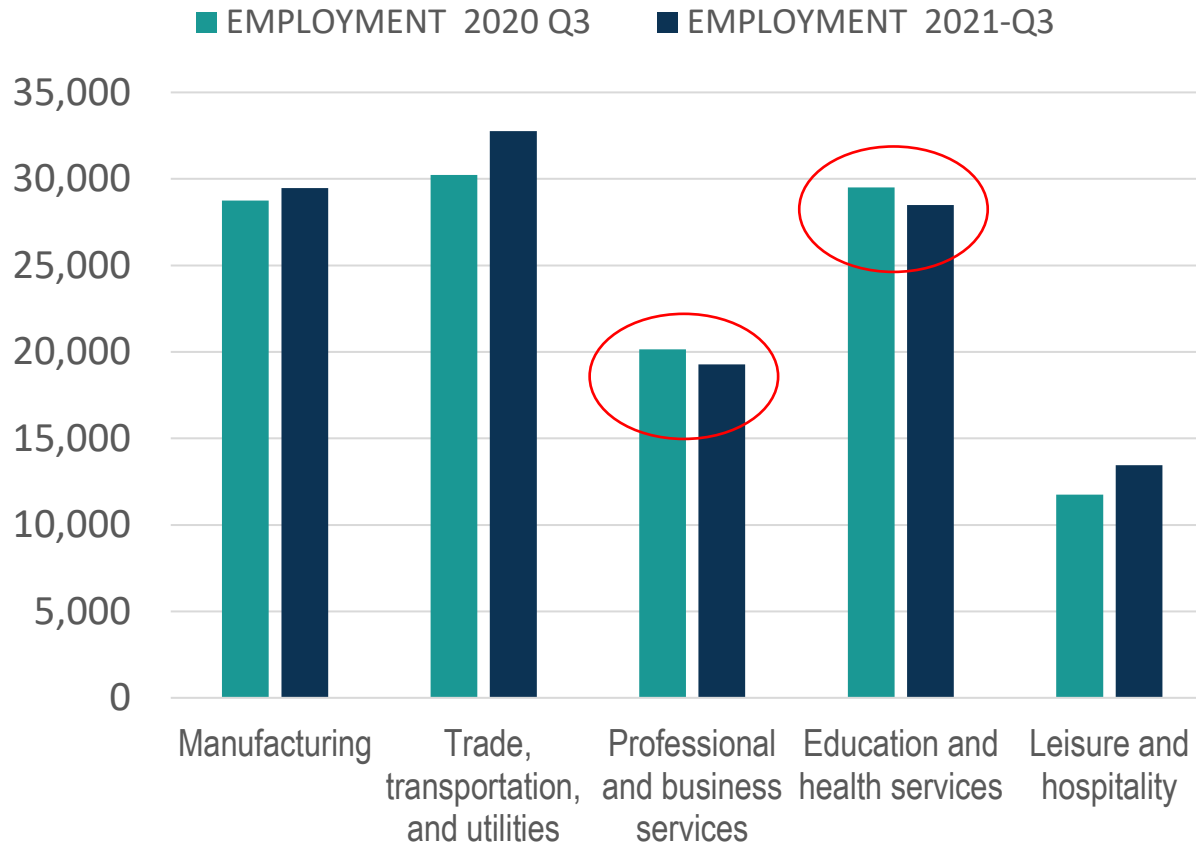


- Wage pressure varied across sectors
- Goods sectors: +6% or add'l \$75/wk
  - 2021 Q3: Weekly earnings, \$1300; Avg Employment, 39,860
- Services sectors: +4% or add'l \$38/wk
  - 2021 Q3: Weekly earnings, \$1000; Avg Employment, 106,200

2021 Q3 Employment & Wages: 12-Month Change

# Strong but Uneven Wage Growth in Berks Co.

## Employment

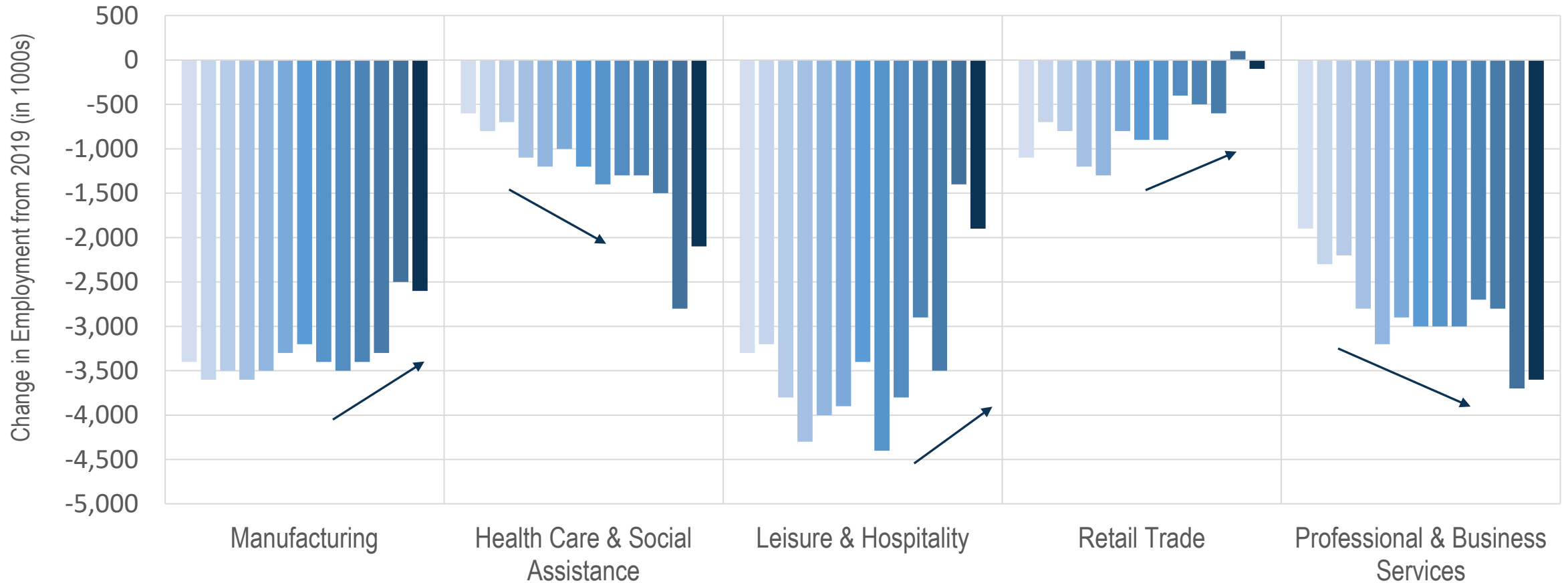


## Average Weekly Earnings





# Workforce Recovery Varies by Sector (Berks Co, 1/2021-1/2022)



**1/2022 employment shortfall**

# Berks Co. – Regional Comparison (2020 Q3 to 2021 Q3)

	2020		2021		12 Month Change	
	Avg Emp	Avg Weekly Earning	Avg Emp	Avg Weekly Earning	Avg Emp	Avg Weekly Earning
<b>Manufacturing</b>						
Berks	28,759	\$1,260	29,469	\$1,330	2.4%	6.2%
Lancaster	35,041	\$1,080	36,752	\$1,200	4.7%	10.3%
Montgomery	44,605	\$1,700	43,960	\$1,820	-1.5%	6.7%

	2020		2021		12 Month Change	
	Avg Emp	Avg Weekly Earning	Avg Emp	Avg Weekly Earning	Avg Emp	Avg Weekly Earning
<b>Professional &amp; Business Services</b>						
<b>Berks</b>	<b>20,153</b>	<b>\$1,310</b>	<b>19,287</b>	<b>\$1,310</b>	<b>-4.5%</b>	<b>-0.3%</b>
Lancaster	22,342	\$1,200	23,453	\$1,250	4.7%	3.8%
Montgomery	98,860	\$1,860	106,331	\$2,060	7.0%	9.9%

# EDC's Center for Regional Analysis

Data-driven analytics to identify opportunities, illuminate challenges and drive transformation.

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**LANCASTER COUNTY, PA**  
Economic Development Company

**CENTER FOR  
REGIONAL  
ANALYSIS**

DATA ANALYTICS | MARKET RESEARCH | BUSINESS PLANNING

**INTELLIGENCE REPORT  
ON THE STATE OF  
LANCASTER COUNTY'S  
ECONOMY**

**PUBLISHED** JULY 28, 2021  
**REPORTED BY** ECONOMIC DEVELOPMENT COMPANY  
OF LANCASTER COUNTY'S  
CENTER FOR REGIONAL ANALYSIS  
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**SUMMARY OF ECONOMIC ACTIVITY**  
JUNE / JULY 2021

The US economy remained strong with second quarter GDP growth expected to be above 7%. Through the first part of the summer, the economy fully reopened, US vaccination rates led the world, and economic expectation remained bullish.

Attention shifted to more traditional economic fundamentals, with closer scrutiny on consumer spending patterns, labor force participation and price pressure. Sectors that performed well through the last 18 months – namely manufacturing, construction, and professional services – followed healthy growth paths. Hospitality and tourism sectors reopened to robust demand. Early July interviews confirmed that local businesses were part of the economy's strong reopening, while also tackling rising labor and material costs, combined with spot supply shortages and ongoing high levels of job openings.

Although local conditions are generally consistent with national reports, differences in local and national trends emerged. The June and July read on consumers highlighted differences by income and region. In July, Lancaster County expectation for the local economy rose as the national outlook darkened. Consumer spending has been strong, playing a critical role in fueling the US economic recovery. This departure in outlook raises an early flag. If concerns over rising prices and income disparities gain traction, they could act as a brake on the pace of the local economy's recovery in the second half of this year.

Households and businesses, alike, shifted attention away from the public health threat of COVID in the early part of this summer. In Lancaster County, the measure of future expectations hit its highest level since April of last year, coinciding with the lowest reported level of concern over the threat COVID-19 posed for personal finances. Since the early July survey, COVID cases have ticked up and a growing number of states are reinstating measures to curb the spread of the coronavirus. This latest trend renews questions around how quickly the US and local economies will be able to transition out of the pandemic economy.

**DATA  
SNAPSHOT**

**GDP: NATIONAL & PA**

- June meeting of the FOMC showed continued confidence in the US economy expanding.
- Q1 GDP grew at an annualized rate of 6.4%.
- Q2 is forecasted to pick up speed despite concerns over inflation.

**CONSUMER OUTLOOK**

- Consumer sentiment fell through May and June, coming off a peak in early April. July results show a halt to the drop but provide weak indication of a fast recovery.
- The County's consumer sentiment score in July was 87.2, rising less than one point from June. Nationally, consumer sentiment fell six points to a score of 88.8.

**UNEMPLOYMENT**

- Lancaster County's unemployment rate steadily fell through the first half of 2021.
- May's unemployment rate was 4.5% (12,500 unemployed persons), down from 6.8% (17,200 persons) in January.
- Bureau of Labor Statistics estimates that the County's total labor force has not fully recovered.

**SMALL BUSINESS CONDITIONS**

- Business attitudes appear positive, while acknowledging the challenges of rising materials and labor costs; transient supply chain disruptions; and increasing difficulty in securing talent.

EDC'S CENTER FOR REGIONAL ANALYSIS 1 PUBLISHED ON: JULY 28, 2021