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For Labor Day, Wolf Administration Celebrates Declining Pennsylvania Unemployment Rate and Calls for Pro-Worker Policies

Harrisburg, PA – Department of Labor & Industry (L&I) Secretary Jennifer Berrier today joined labor leaders and legislators to reflect on Pennsylvania's strong economy, declining unemployment rate and opportunity for policies that benefit Pennsylvania workers and families as Americans prepare to celebrate Labor Day. Labor activists throughout Pennsylvania have recognized Labor Day since the 1880s and it was adopted as a federal holiday in 1894.

In July, Pennsylvania's unemployment rate was down two-tenths of a percentage point over the month to 4.3 percent. From April 2020 through July 2022, Pennsylvania has recovered approximately 90% of jobs lost in the first two months of the pandemic period. In June 2022, there were approximately 106,000 more job openings than there were unemployed Pennsylvanians. Today, Pennsylvania workers and employers who are looking to invest in talented employees enjoy a competitive and vibrant job market.

"As Pennsylvania workers, families, and businesses continue to recover from the COVID-19 pandemic, with job growth and declining unemployment, Pennsylvania still faces a historically tight labor market which presents significant opportunities and new choices for our commonwealth," Berrier said. "At every level, from individual employers to government agencies, it is our responsibility to recognize the reality of this moment and make decisions that are responsive to the needs of Pennsylvania workers – without whom our thriving economy would not even function. Employers who choose to offer their workers family-sustaining wages, paid time off, healthcare benefits, safe workplaces, opportunities for career advancement and flexible working options will be competitive in this labor market. Those who don't will not."

Berrier addressed the tight labor market and labor force participation rate, which has been declining nationally since 2007 – a trend exacerbated by the pandemic. Baby Boomer retirements, declining immigration rates, the deaths of over one million Americans to COVID-19, and up to four million Americans unable to work because of symptoms of "long COVID" have also contributed to current labor trends.

"As we continue to grapple with the fallout from the pandemic, we're not only reminded of how much we've overcome but also how much work we have yet to do," said Steve Catanese, president of SEIU Local 668. "Since 2020, the structural inequities that have long plagued working families, from high childcare costs to inadequate worker safety measures, have been in the spotlight. We see the current labor trends and know that working people across our commonwealth are struggling to make ends meet. We need the General Assembly to do their part and help pass legislation like Public Sector OSHA and a \$15 minimum wage to help create long-term, family-sustaining careers here in Pennsylvania."

Berrier called on the General Assembly to address the recommendations of the Joint Task Force on the Misclassification of Employees, which was created by the General Assembly in 2020. With support from representatives from the business community and organized labor, as well as commonwealth enforcement agencies, [the task force earlier this year made 15 unanimous recommendations for the General Assembly](#) to reduce the number of workers who, because they are misclassified as independent contractors, lose access to unemployment and workers' compensation benefits and workplace and wage protections they should rightfully enjoy as employees.

For example, the Joint Task Force unanimously recommended the General Assembly do the following: extend Act 72, the Construction Workplace Misclassification Act, beyond the construction trades to cover other industries in the commonwealth; adopt the [ABC test](#) as a [baseline standard](#) for the commonwealth to clearly delineate the difference between "employee" and "independent contractor"; and enhance the penalties associated with worker misclassification violations under Act 72.

"Worker misclassification is cheating every aspect of our society. It is undermining our wages and the fabric of our communities. It robs workers of the rights to safe workplaces, health care, retirement benefits, and it robs the hardworking men and women of the commonwealth the tax dollars that should be paid into the UC employment fund," said Robert S. Bair, president of the Pennsylvania Building & Construction Trades Council.

State Reps. Patty Kim and Carol Hill-Evans joined Secretary Berrier at Wednesday's event to celebrate Labor Day and the impact of organized labor on Pennsylvania and the nation.

"Without our workers, Pa's economy would not function," Rep. Kim said. "It is our responsibility to make decisions that are beneficial to the Pennsylvanian workers who are shouldering our economy. This starts with ensuring family-sustaining wages, paid time off, health insurance, and sick leave are all provided. I stand with Governor Wolf in his efforts to bolster workforce development and protect worker's rights because I know that a healthy workforce makes for a healthy economy and a promising future."

"As we approach Labor Day let us all take time to recognize what labor unions and workers have done for Pennsylvania. Unions are important because they protect workers and help families," Rep. Hill-Evans said. "The 40-hour work week, minimum wage, health insurance, and paid leave all have come from unions, and all of us have benefited from them. The labor movement has given workers the means to feed, house, and clothe their families, and take pride in their work. It also provided workers with basic rights to better ensure their health and safety on the job."

Berrier also encouraged Pennsylvania workers to explore career-development opportunities offered by L&I and partner organizations.

For example, the [PA CareerLink®](#) network prepares Pennsylvanians to succeed in the workplace and matches employers with qualified, skilled candidates. PA CareerLink® also has more than 5,000 free unique virtual training modules available through [SkillUp® PA](#) to help anyone in the commonwealth gain new skills and advance their careers. Pennsylvanians can access information about [registered apprenticeships](#) in the commonwealth, which offers earn-as-you-learn opportunities in increasingly diverse industry settings as an alternative to traditional higher education.

Worker Protections Under the Wolf Administration

In October 2021, Governor Tom Wolf unveiled his worker protection agenda and his administration's commitment to fighting for workers to have fair wages, paid sick leave, safe workplaces, and quality jobs. The [governor signed an executive order in October 2021](#) that directed commonwealth agencies to take actions that advance worker protections in Pennsylvania, including studying the possibility of extending Occupational Health and Safety Act (OSHA) standards to commonwealth workplaces.

In April 2022, the [Wolf Administration announced its partnership with Indiana University of Pennsylvania \(IUP\) to study the feasibility of extending the protections of OSHA standards to the workplaces of thousands of public-sector workers throughout Pennsylvania](#). The study will be completed this fall.

Governor Wolf's executive order also directed L&I to create the [Worker Protection and Labor Law Non-Compliance List](#), a publicly available and regularly updated record of employers in violation of Pennsylvania labor and workplace safety laws, including Unemployment Compensation tax obligations. Since the project launch in January 2022, the department has resolved about 1,300 liens and collected more than \$8.3 million from more than 900 employers that had owed Unemployment Compensation (UC) back taxes.

Earlier this month, the Wolf Administration completed its project to [update regulations in Pennsylvania's Minimum Wage Act](#). The modernized regulations update how employers pay tipped workers and ensure that salaried employees with fluctuating schedules are appropriately compensated for overtime.

Workforce Development Under the Wolf Administration

Strengthening job and skills training in Pennsylvania is a priority for the Wolf Administration. Under Governor Wolf's leadership, Pennsylvania has created several workforce development initiatives to meet local employer needs, including the Keystone Economic Development and Workforce Command Center, launched in 2019. This strategic public-private partnership helps to identify and address barriers to work, the skills gaps, and worker shortages in Pennsylvania.

Established in 2016, [L&I's Apprenticeship and Training Office \(ATO\)](#) supports and expands registered pre-apprenticeship and apprenticeship programs statewide. The ATO aims to expand the apprenticeship model to non-traditional occupations and ensure opportunities are available to under-represented and underserved communities across Pennsylvania. The ATO currently supports more than 17,000 active apprentices, nearly 5,000 new apprentices, and more than 1,580 active occupation-specific apprenticeship programs around the commonwealth.

Governor Wolf launched the [Statewide Movement for Accountability, Readiness and Training \(PAsmart\)](#) framework to help Pennsylvanians develop skills and abilities they need to obtain a quality job, help businesses recruit skilled workers, and foster economic growth. Since 2018, L&I has administered competitive grants to achieve these goals -- nearly \$28 million for registered apprenticeship (RA) programs and nearly \$13 million for industry partnerships. This includes the administration's most recent [investment of nearly \\$5 million in apprenticeship and pre-apprenticeship programs specifically for the commonwealth's building and construction trades to develop diverse talent pipelines and reach underrepresented populations](#).

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