

January 2022

Philadelphia's Quarterly Labor Market Report

Prepared by Philadelphia Works, Inc.



Building a Skilled and Thriving Workforce

Using the latest available data, this quarterly update offers insight into Philadelphia's labor market, industry mix, and economic development.

In 2018, Philadelphia's institutional and community leaders collaborated to develop a comprehensive workforce development strategy. This document, [*Fueling Philadelphia's Talent Engine*](#), calls on Philadelphia Works, Inc. to serve as the city's hub of labor market and economic reporting and analysis. Under this mandate, this quarterly report provides insight into key measures of economic activity, providing leaders across public and private institutions an easy-to-access update on how Philadelphia's economy and labor force continue to evolve.

Contents

Overall Employment Trends **Page 03**

The most recent data available on Philadelphia's economy.

Employer Demand **Page 10**

Exploring recent trends in employer demand through job postings and other sources.

Philadelphia's Labor Force **Page 15**

Demographic, social, and economic characteristics of Philadelphia's labor force.

Appendix: Detailed Tables **Page 21**

Detailed employment information for important industries and occupations in Philadelphia.

For more insight into Philadelphia's labor force, economic characteristics, and the ongoing recovery from the COVID-19 employment crisis, visit the Philadelphia Works website.

“Continued economic growth is critical to the future of our city and region, and is dependent upon a strong, skilled workforce.” *Fueling Philadelphia’s Talent Engine*

Executive Summary

- In 2021, Philadelphia’s overall labor market saw marginal improvements. **Employment in the city remains down by nearly 50,000, while the size of the labor force continues to decline.** Recent improvements in the unemployment rate have been caused by individuals deciding to no longer look for work, rather than the long-term unemployed finding new opportunities.
- By industry, the Transportation, Construction, and Professional Services sectors have all experienced net increases in regional employment since the pandemic began. **By November 2021, the Transportation sector alone had added more than 20,000 jobs in the Philadelphia MSA since February 2020.**
- **Employer demand shows some signs of slowing.** Unique job postings in the city have fallen each month for the last three months. This trend is mirrored in the number of new hires reported by Philadelphia employers. Nevertheless, demand remains strong compared to the same period in 2020.
- Following national trends, the cost of labor in Philadelphia has increased as wages and salaries rise under demand pressures. **Wages in the third quarter of 2021 were roughly 4% higher than the previous year.** Nationally, increases have been most significant in the Leisure and Hospitality sector.
- **Philadelphia’s economy struggles with economic and racial injustice.** By race and ethnicity, Philadelphians of color have been disproportionately affected by the current crisis.





Building a Skilled and Thriving Workforce

Past and Present: Overall Employment Trends

A Region on the Rise

Over the past decade, employment in Philadelphia has witnessed strong growth. By February 2020, the total number of employed Philadelphians had grown by more than 120,000 individuals – a more than 15% increase – since 2010.

During the same time period, Philadelphia experienced dramatic improvements in educational attainment – increasing the number of residents with a high school or college education – and meaningful reductions in poverty. Meanwhile, in 2019, the city’s unemployment rate was at its lowest level in recent decades, while our labor force participation had just caught up to the national average.

While the COVID-19 Pandemic and economic crisis have erased some of these gains, Philadelphia continues to be a region on the rise, showing signs of recovery and employment growth in important sectors.

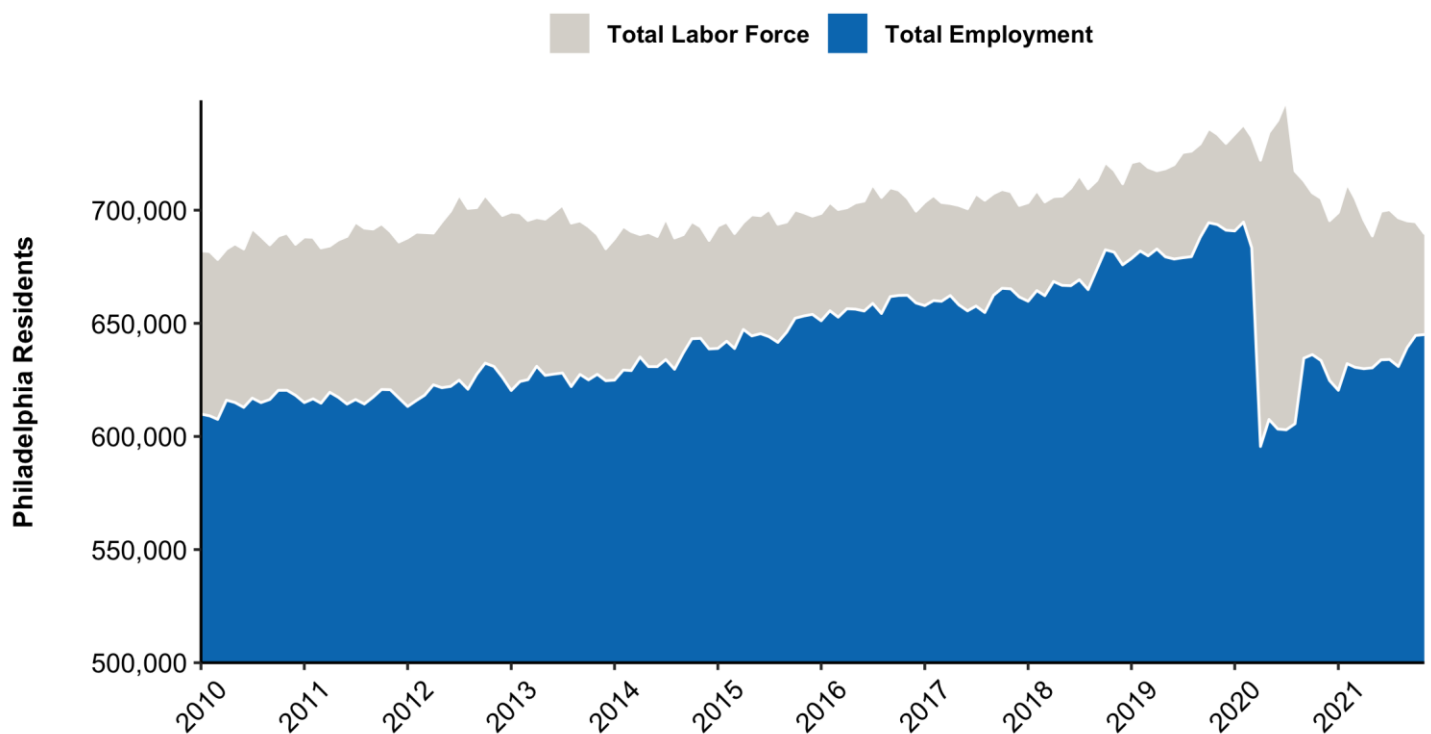
6.5%

**November 2021
Unemployment Rate
City of Philadelphia**

-49,700

**Decline in Employment
February 2020 to November 2021
City of Philadelphia**

Figure 1: Labor Force and Total Employment in Philadelphia: January 2010 to November 2021



The Current Recovery

More recently, the COVID-19 economic crisis has had major impacts on employment and labor force participation in the city. As of November 2021, the overall employment of Philadelphia residents remains down by nearly 50,000 individuals. Meanwhile the relatively low unemployment rate of 6.5% masks the city's shrinking labor force, which has declined by roughly 48,000 individuals.

Despite some growth during 2020, overall employment in Philadelphia has remained relatively flat for much of 2021. Much of the rest of the United States has experienced stronger employment growth over the same period.

Figure 2: Unemployment Rate: January 2010 to November 2021

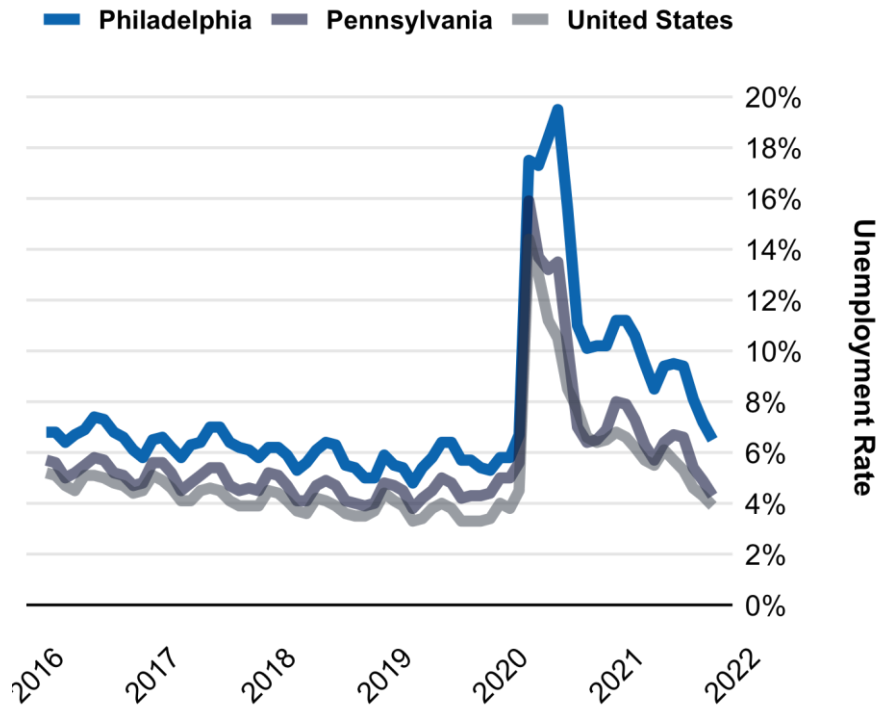
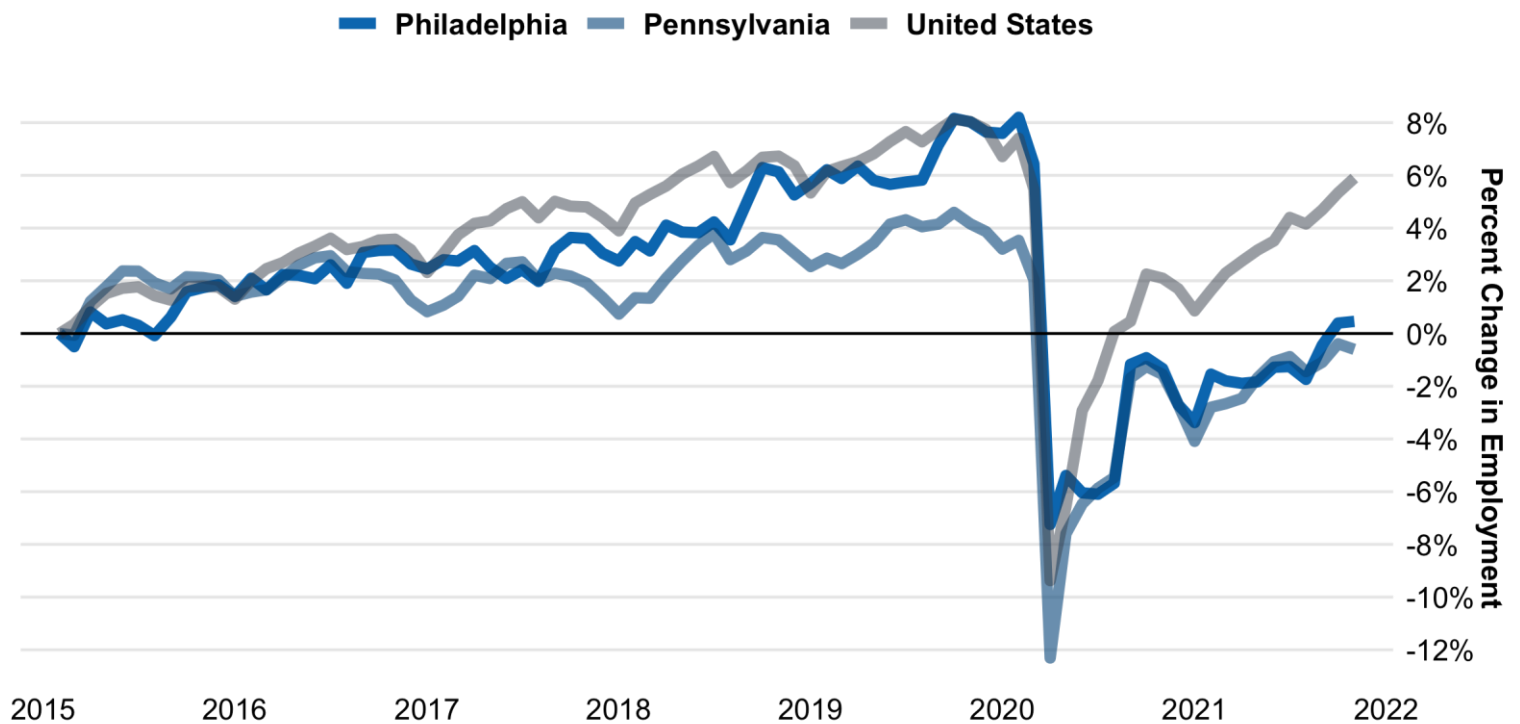


Figure 3: Relative Change in Employment: January 2010 to November 2021



The Current Recovery: Philadelphia Region

While the Philadelphia region has not lost as much overall employment as some other regions, year-over-year employment growth has been extremely slow. Since November 2020, regional employment has grown by less than 4%.

Figure 4: Employment Change Relative to Pre-Pandemic Employment, February 2020 to November 2021

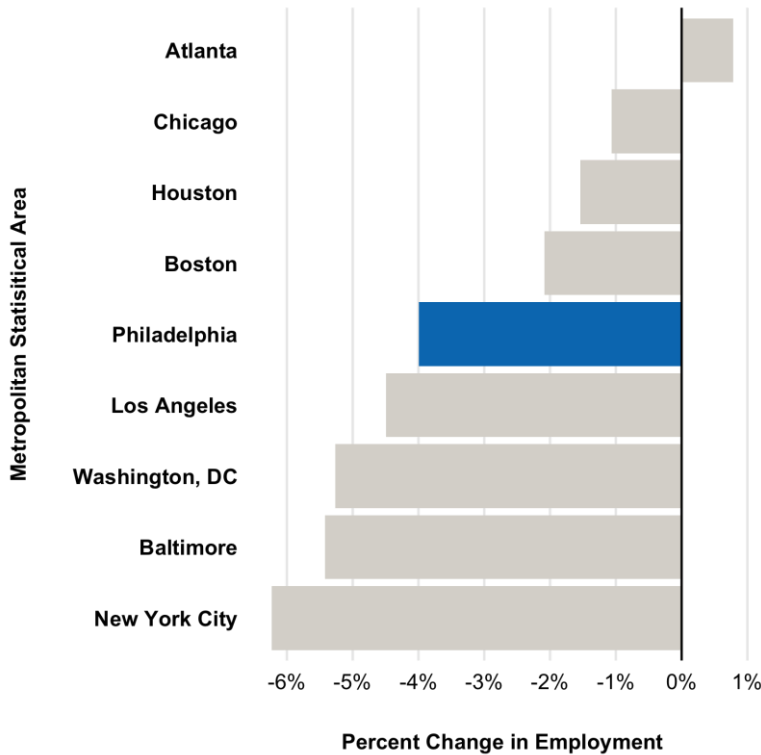


Figure 5: Relative Employment Change Year-Over-Year, November 2021

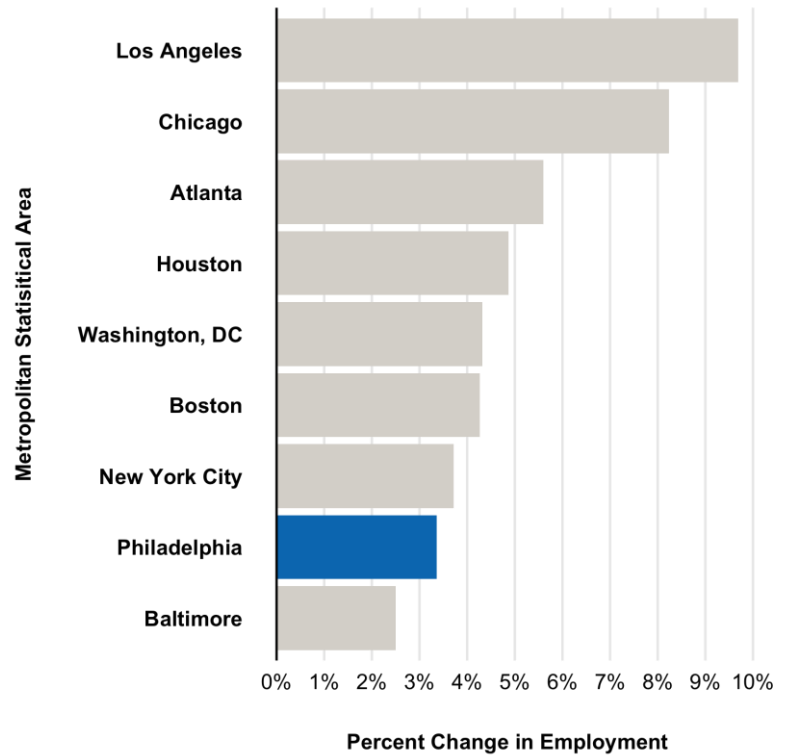


Table 1: Regional Employment by Industry Sector in Philadelphia MSA, November 2021

Industry	Employment	Month-Over-Month Change	Year-Over-Year Change	Change Since February 2020
Education and Health Services	656,900	1,900	20,000	-27,800
Professional and Business Services	469,900	0	18,500	5,500
Retail Trade	288,400	6,900	4,800	3,100
Leisure and Hospitality	224,600	-400	45,500	-42,000
Finance and Insurance	179,700	500	800	300
Manufacturing	177,900	1,000	2,800	-4,900
Transportation and Utilities	143,500	6,900	11,100	20,900
Mining, Logging, and Construction	123,200	-100	8,400	7,500
Wholesale Trade	111,700	600	500	-3,900
Information	53,700	700	3,600	-100

The Current Recovery: Recent Unemployment Claims

Philadelphia residents filed 11,200 new initial claims for unemployment compensation benefits between October and December 2021. **New claims filed in December were the lowest reported since the COVID-19 Pandemic began.** Most of these individuals had a high school diploma or less and many recently worked in lower-wage service occupations.

Top Reported Occupations

- Home Health Aides
- Cashiers
- Security Guards
- Nursing Assistants
- Customer Service Representatives
- Laborers

Figure 6: Reported Educational Attainment of Philadelphia Claimants, October to December 2021

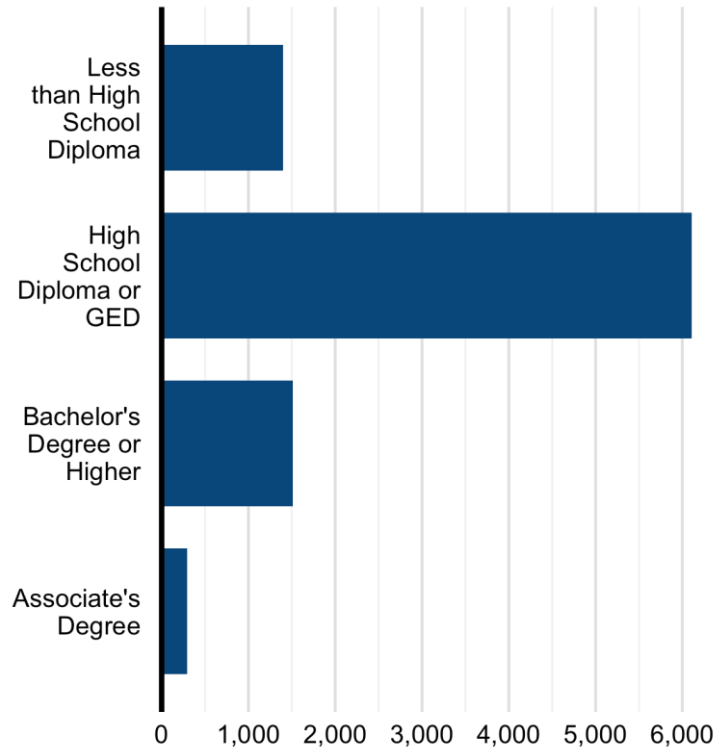


Figure 7: Monthly Initial Unemployment Claims by Philadelphia Residents, Previous 24 Months

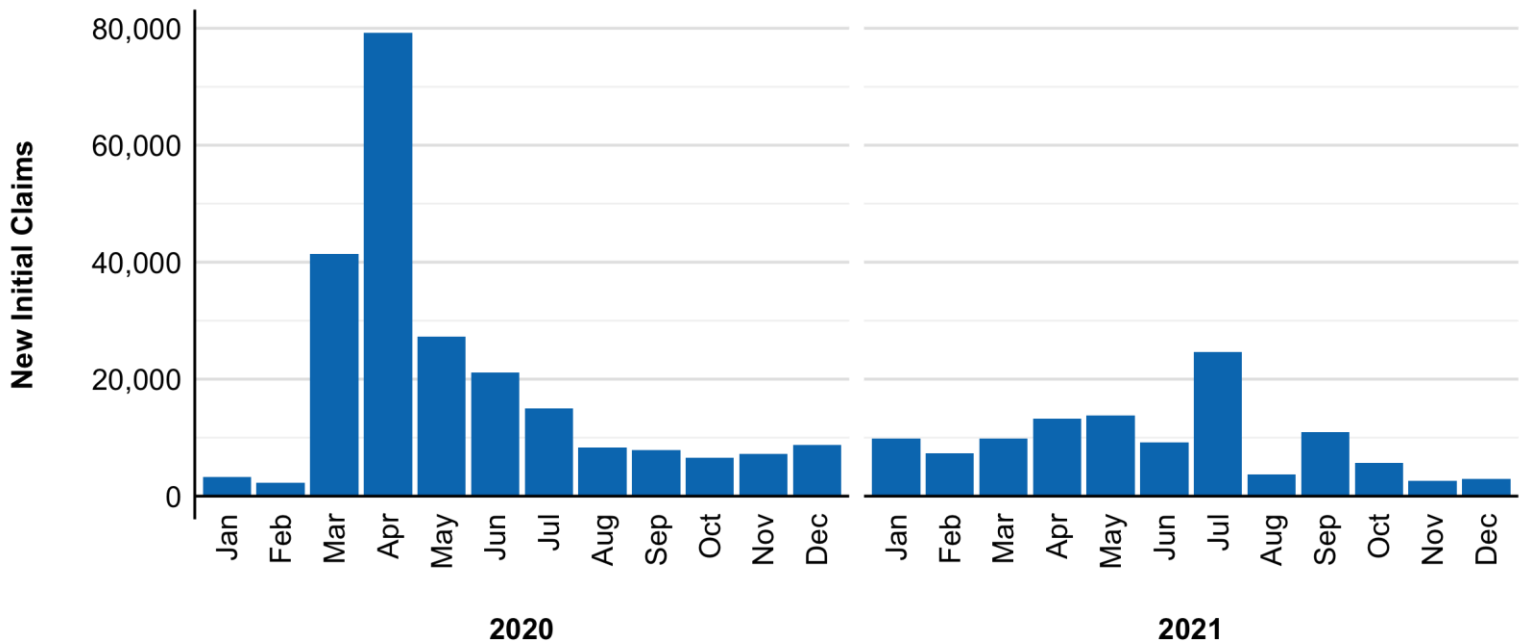
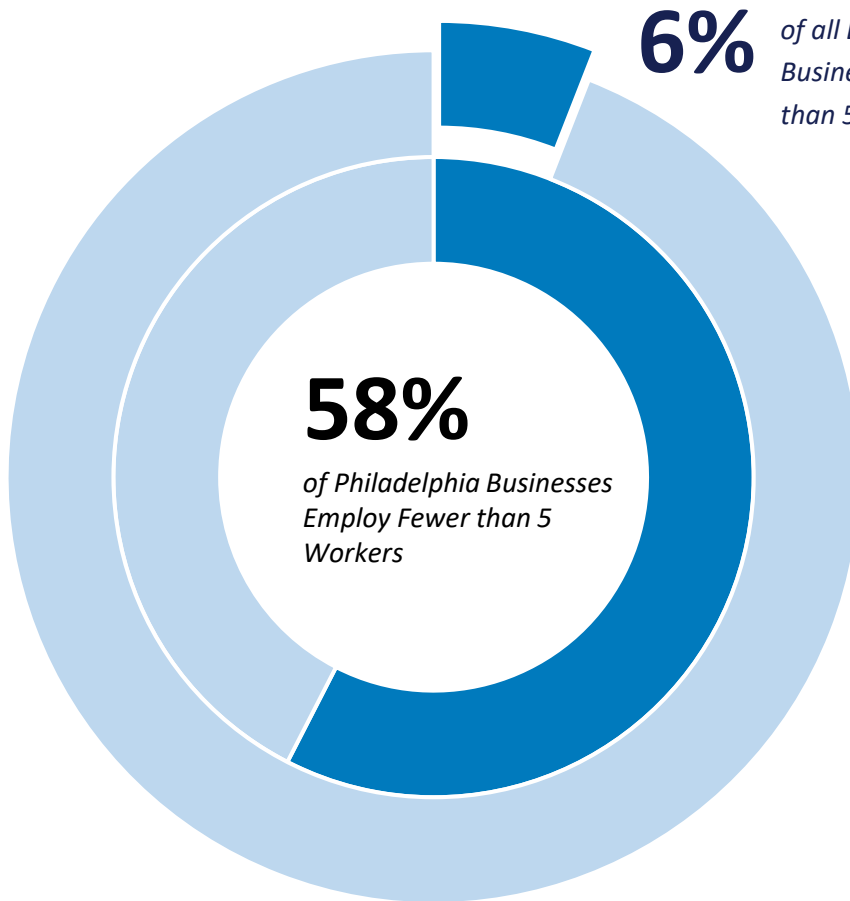


Figure 8: Distribution of Philadelphia Businesses and Employment by Establishment Size, Q2 2021



More than 30% of Establishments with fewer than 5 employees are in the retail, food service, or accommodation sectors.

Nearly 60% of all Philadelphia businesses employ fewer than 5 workers. However, these firms make up just 6% of the city's total employment. During the second quarter of 2021, employment growth occurred most significantly among mid-size businesses employing between 50 and 100 workers. Declines occurred among large employers with more than 1,000 employees, continuing a trend from the previous quarter.

Figure 9: Percent Change in Philadelphia Employment by Establishment Size Over Previous Quarter, Q2 2021

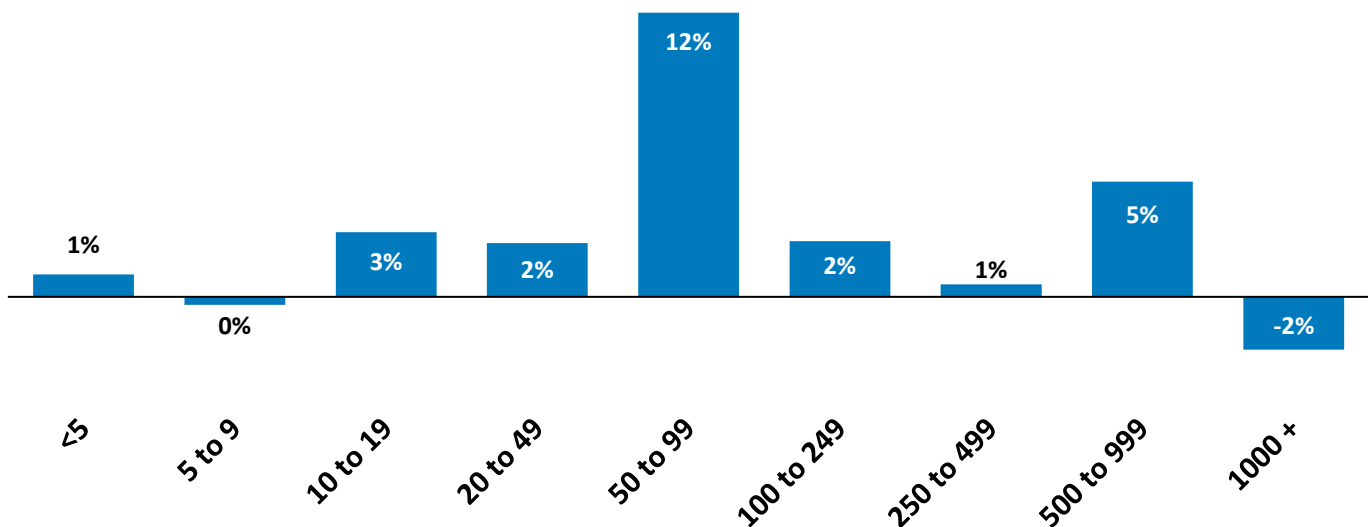
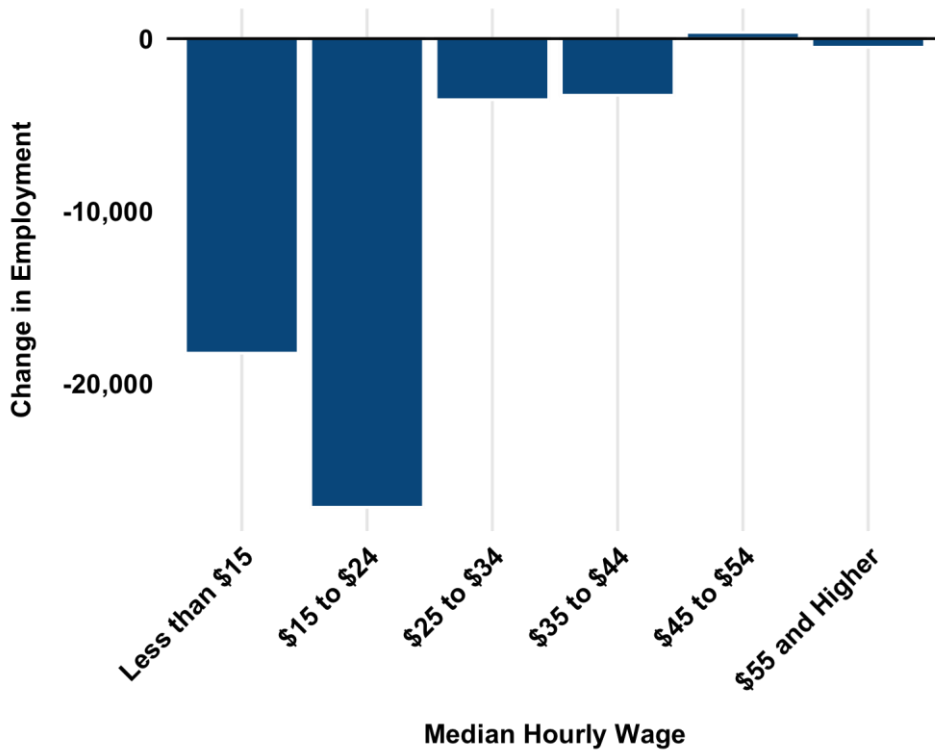


Figure 10: Occupational Employment Change by Median Wage in Philadelphia, 2019 to 2021



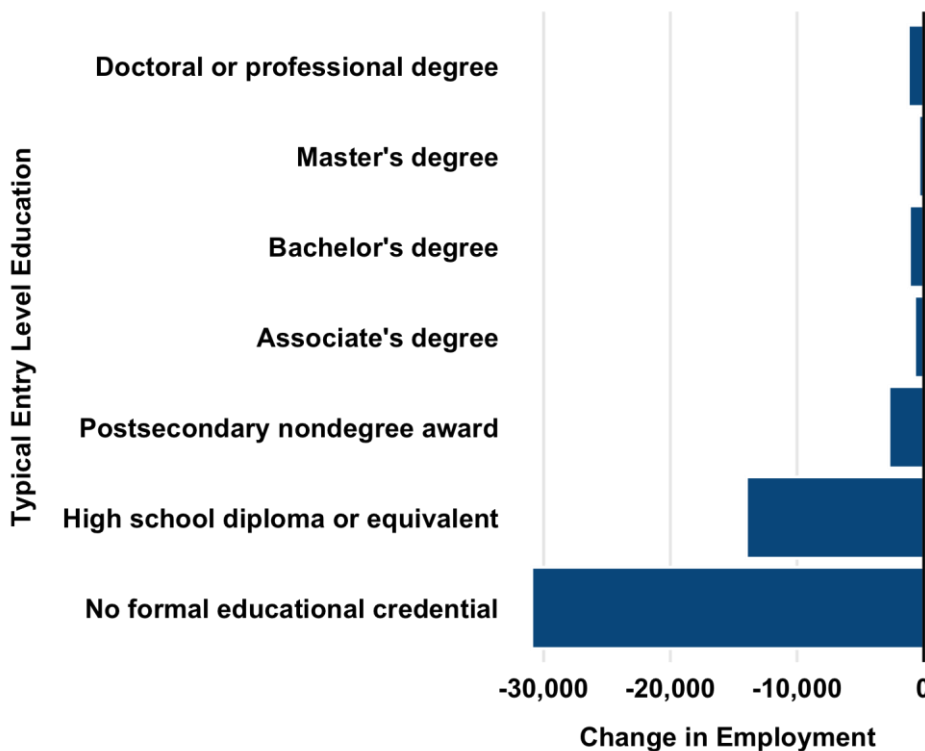
87%

Of employment declines were concentrated among occupations with median wages lower than \$25 per hour.

60%

Of employment declines were among occupations typically requiring no formal educational credential.

Figure 11: Occupational Employment Change by Typical Degree Requirements in Philadelphia, 2019 to 2021



During the recovery from the Great Recession, occupational growth in Philadelphia was highly bifurcated by wage and education. Gains were concentrated among low- and high-paying opportunities, following a national pattern of growing income inequality. The COVID-19 recession is having major impacts on low-skill and low-wage employment, exacerbating existing inequities.



Building a Skilled and Thriving Workforce

Employer Demand: Trends in Job Postings

Employer Demand: Overall Trends

Despite an overall decrease in job postings from the previous quarter, Philadelphia employers continue to show strong demand. Our analysis shows that more than 63,000 unique jobs were posted to online job boards between October and December 2021.

Much of this demand continues to be for relatively high-skill employment: six of the top ten posted occupations typically require a bachelor's degree or higher.

Philadelphia's strengths in education and healthcare continue to drive the labor market: six of the top 16 posting employers are either universities or major healthcare systems, while many of the most-requested certifications are related to healthcare.

Meanwhile, rising wages and sustained demand are both evidence of the continued pressure from the COVID-19 pandemic. Both employees and employers, especially those involved in front-line service work, continue to be affected, and the labor market continues to fluctuate.

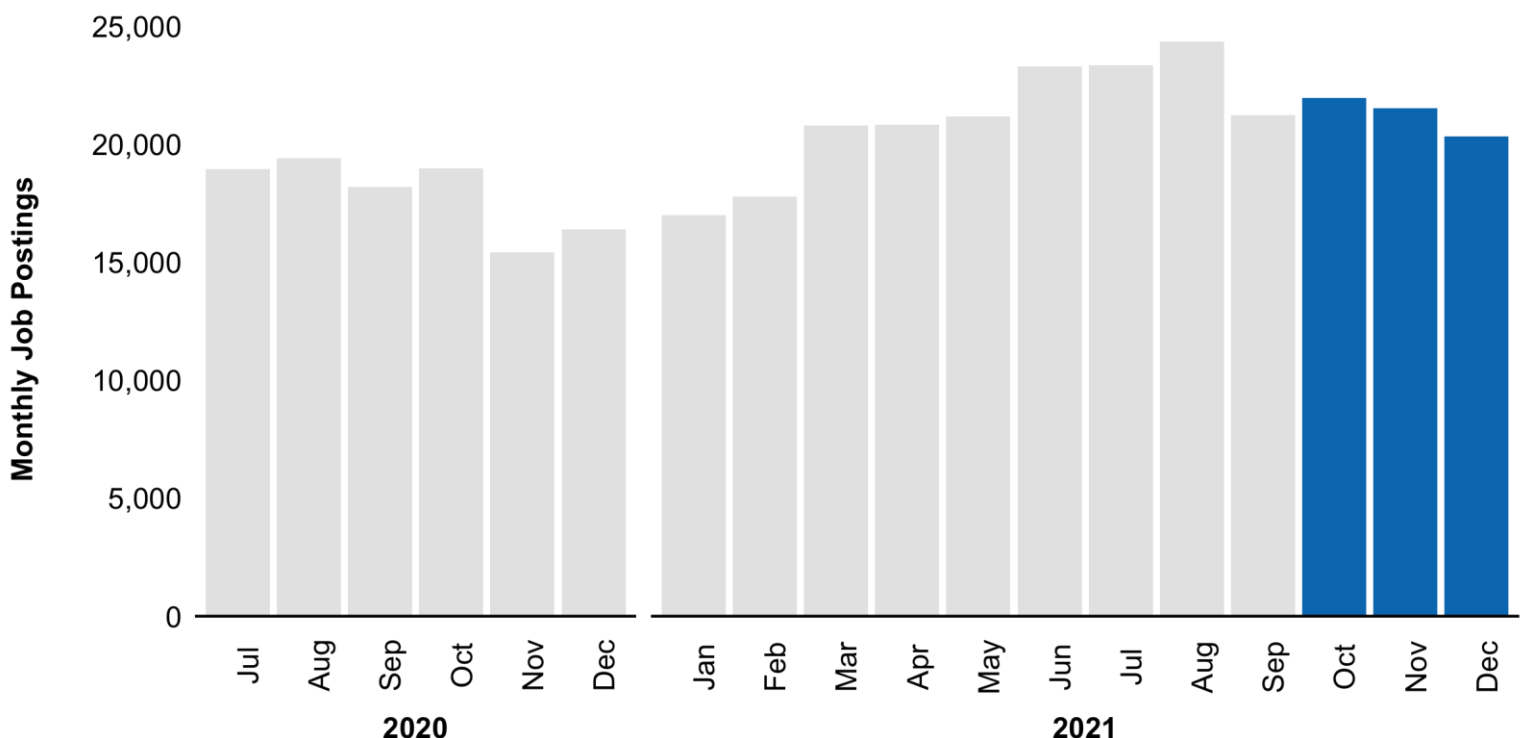
63,800

Unique Job Postings this Quarter

-5,110

Change in Total Postings
Over Previous Quarter

Figure 12: Monthly Job Postings in Philadelphia, Previous 18 Months



Top Posting Employers



University of Pennsylvania

Penn Medicine

Children's Hospital of Philadelphia

Comcast

Allied Universal

Aramark

Temple University Health System

City of Philadelphia

KPMG

Accenture

AmeriHealth

Drexel University

Public Health Management Corp.

Deloitte

Wells Fargo

Temple University

Top In-Demand Certifications



Driver's License

Registered Nurse

First Aid CPR

Basic Life Saving (BLS)

Basic Cardiac Life Support

Advanced Cardiac Life Support (ACLS)

Certified Public Accountant (CPA)

Top In-Demand Skills



Customer Service

Microsoft Excel

Scheduling

Microsoft Office

Budgeting

Project Management

Sales

Employer Demand: Top Occupations

Greatly affected by the COVID-19 pandemic, occupational demand in Philadelphia remains strong for front-line healthcare and service workers.

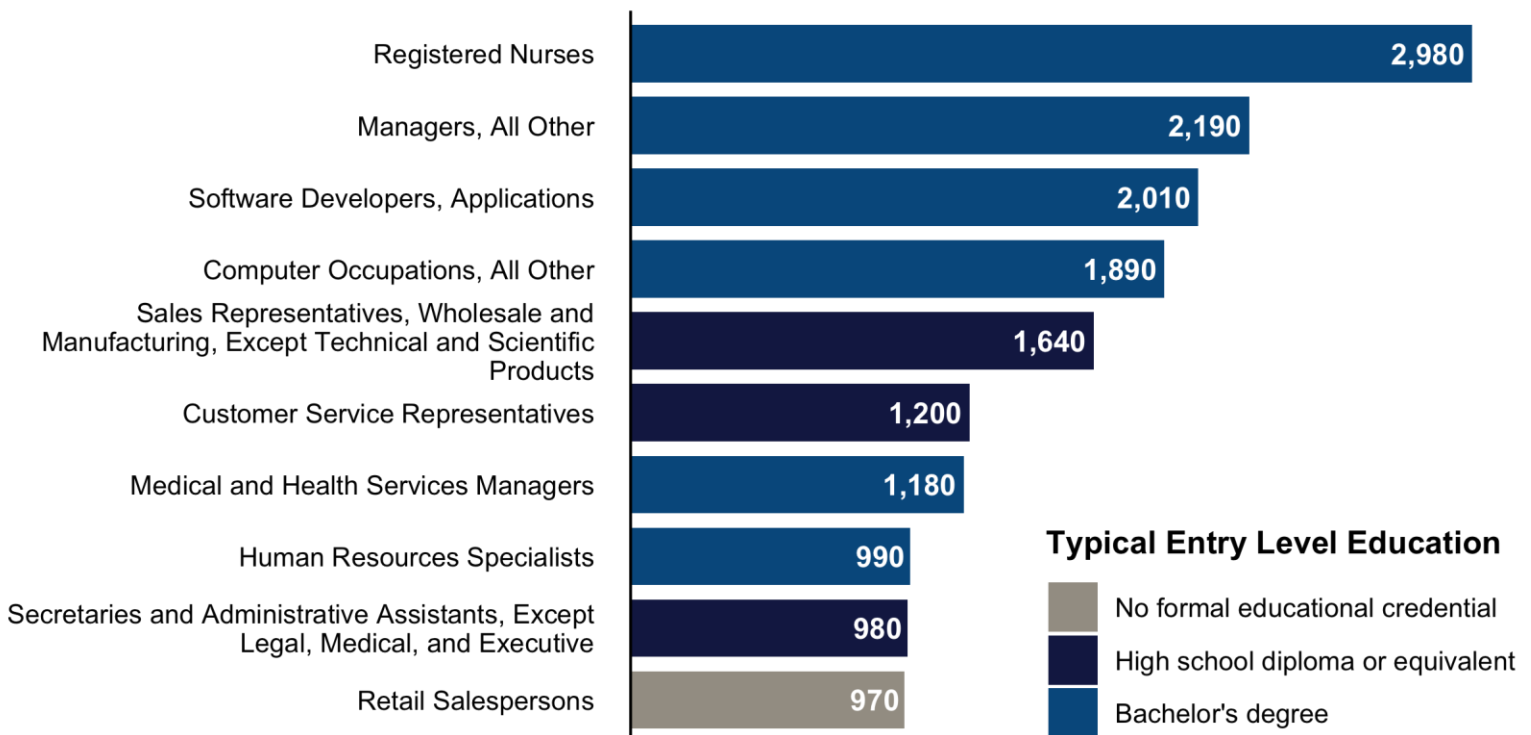
Between October and December, nearly 3,000 unique Registered Nurse positions were advertised in Philadelphia. This represents an increase of more than 700 postings relative to the fourth quarter of 2020. Meanwhile, the rebound of leisure and hospitality has caused a sharp increase in demand for occupations specific to that sector.

As we close out the second year of the COVID-19 pandemic, [*health concerns and fatigue weigh heavily on the minds of front-line workers*](#). Despite some positive employment growth, much of the recent demand has been caused by high turnover.

Occupations with *Fastest* Growing Demand

Computer Occupations, All Other
Waiters and Waitresses
Human Resource Specialists
Educational Administrators
Hotel Desk Clerks
Cooks, Restaurant
Receptionists and Clerks
Engineering Managers
Administrative Services Managers
Human Resource Managers

Figure 13: Top Posted Occupations in Philadelphia, October to December 2021



Employer Demand: Wages and New Hires

Increased employer demand has led to a sharp increase in employee wages. In Philadelphia, according to the Bureau of Labor Statistics, wages rose by more than 4% year-over-year in the third quarter of 2021. This increase is in line with the United States overall, where we have seen the sharpest gains in the Leisure and Hospitality sector.

In line with strong employer demand, the pace of hiring has also risen over the past year. **Between September and November 2021, nearly 69,000 individuals were hired into new positions by more than 11,000 Philadelphia employers.**

Figure 14: Employment Cost Index, Wages and Salary, Year-Over-Year Change by Quarter

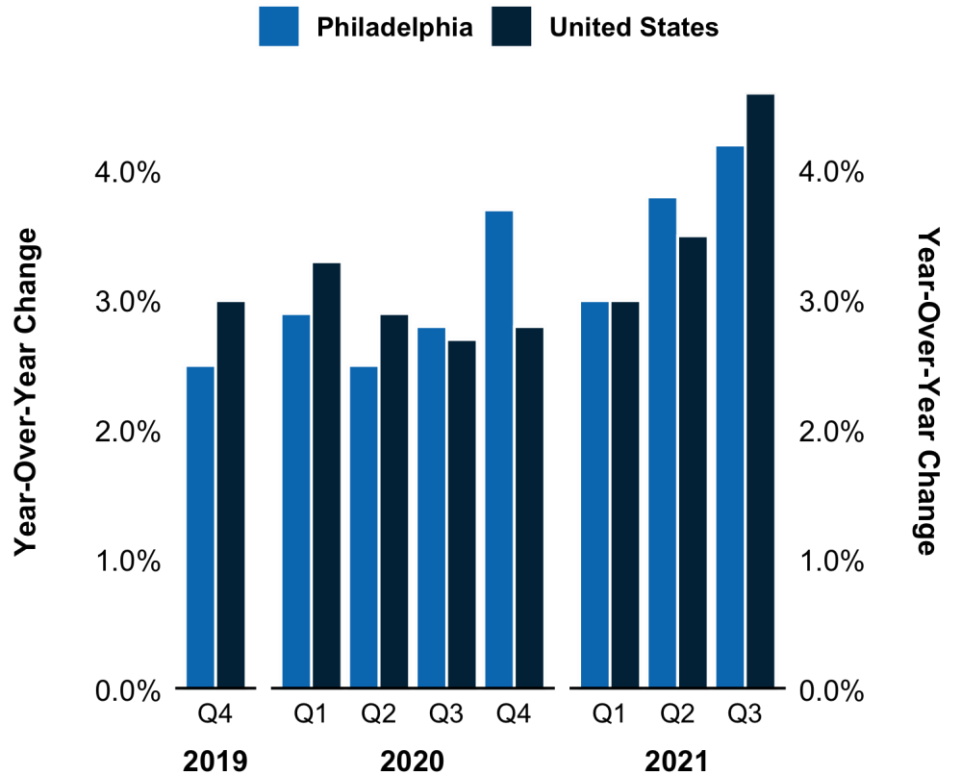
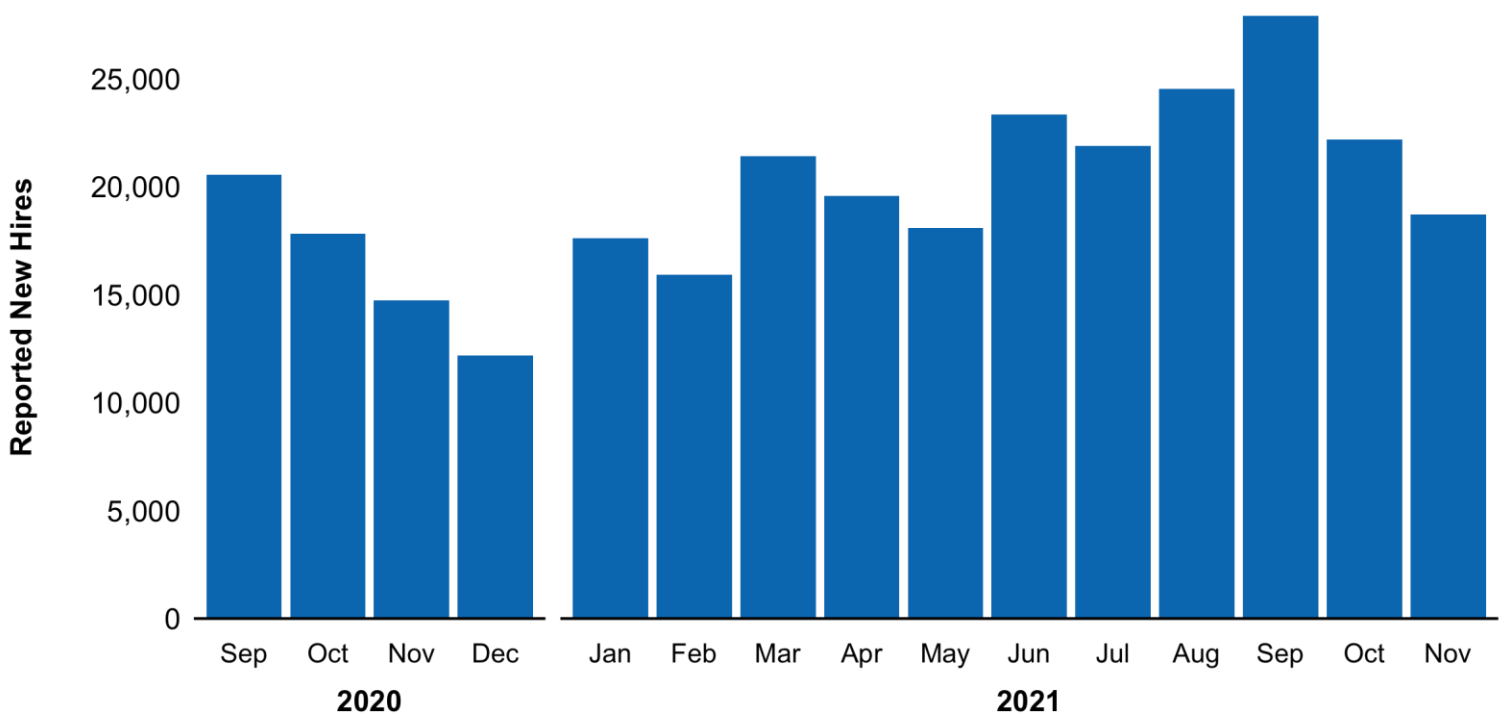


Figure 15: New Hires Reported by Philadelphia Employers, Previous 15 Months





Building a Skilled and Thriving Workforce

Resident Workers: Philadelphia's Labor Force

Resident Workers: Philadelphia's Labor Force

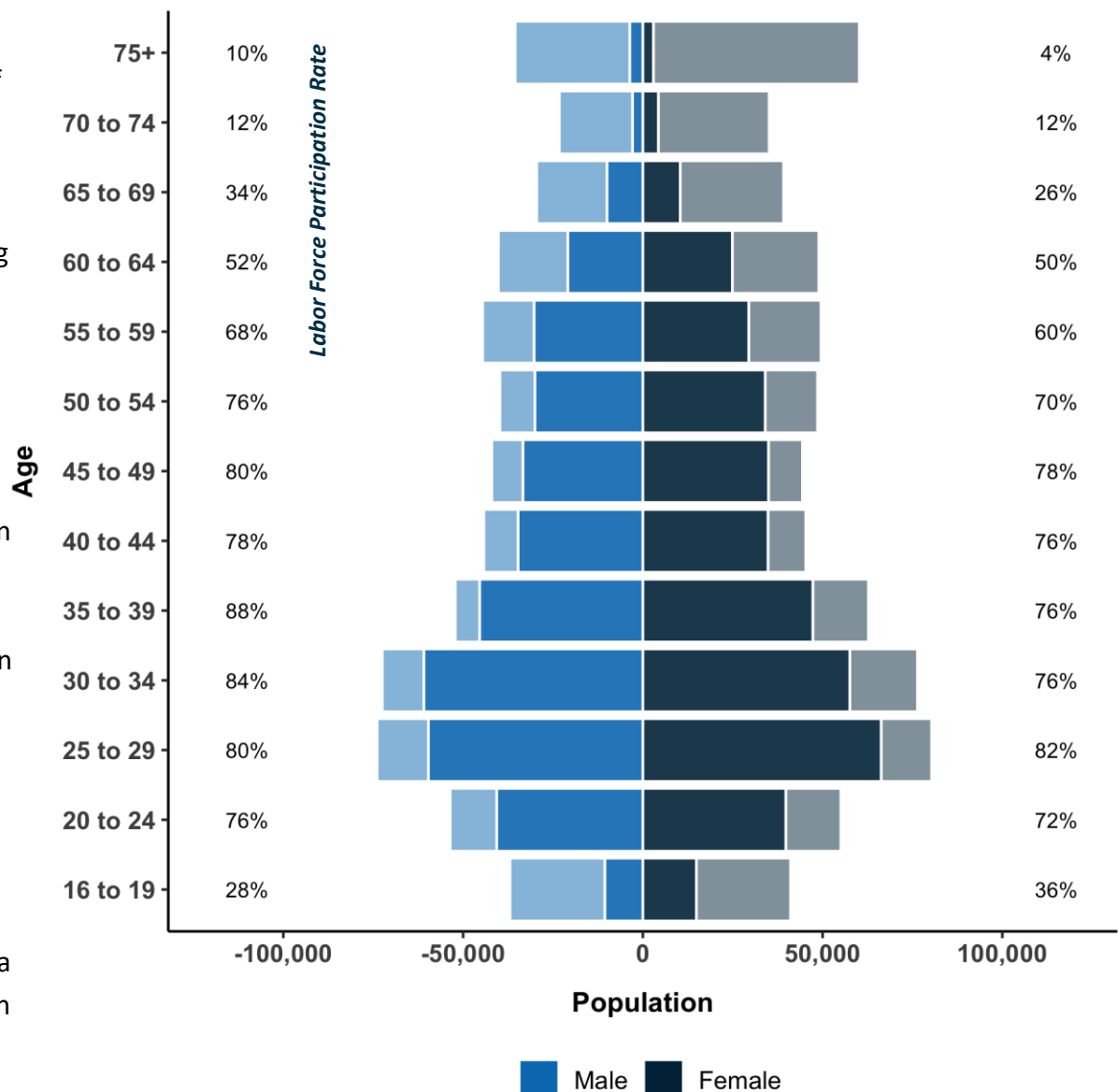
While Philadelphia's labor force has grown in recent years, employment outcomes vary by race, ethnicity, and educational attainment.

Using data available from the American Community Survey, this section presents the demographic characteristics of Philadelphia's workforce. These figures represent individuals living in Philadelphia, regardless of where they work. Due to their lag, the most recent available data do not reflect the impacts of the COVID-19 pandemic.

By age and binary sex, individuals between the ages of 25 and 34 make up the largest portions of Philadelphia's population and labor force. For both men and women, labor force participation among these age cohorts is between 75% and 85%, higher than the overall rate of 62%.

Recent growth in the city's labor force has been driven by an increase in participation among women and an increase in population among individuals 25 to 34. Again, these figures represent Philadelphia residents and therefore do not capture workers commuting into the city, a demographic that is much more likely to be older.

Figure 16: Population and Labor Force Participation by Age and Binary Sex, 2019



Resident Workers: Philadelphia's Labor Force

Residents of color are more likely to be out of the labor force and unemployed.

58%

Among American Indian, Asian, Black and African American, and Hispanic or Latino residents, labor force participation was much lower, and unemployment was much higher, than for their white peers.

Labor Force Participation Rate Among Black and African American Philadelphians in 2019

Figure 17: Rates of Unemployment and Labor Force Participation by Race and Ethnicity, 2019

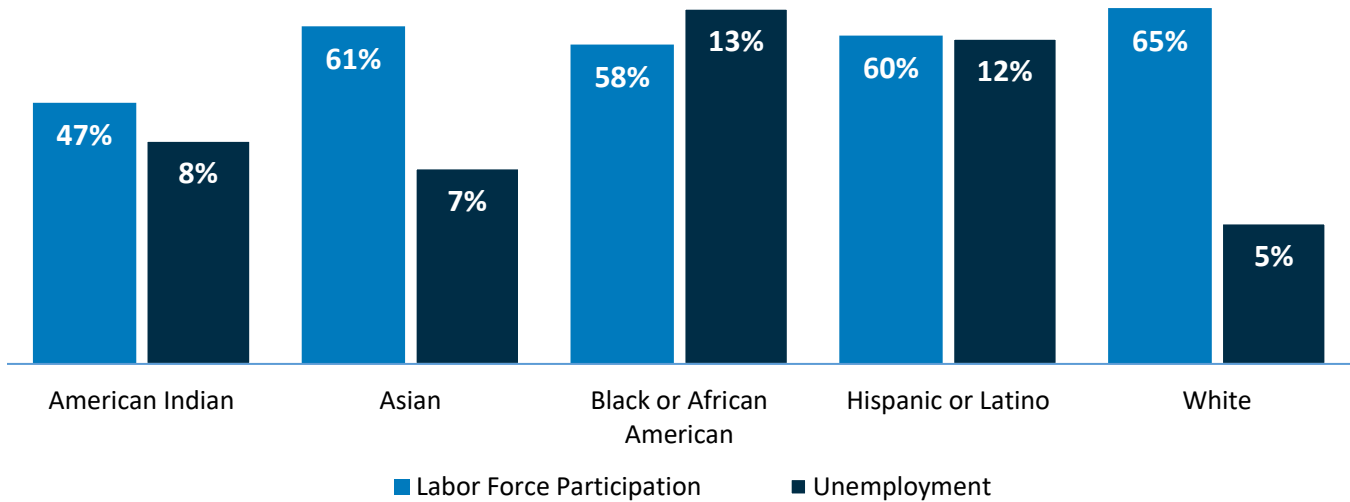
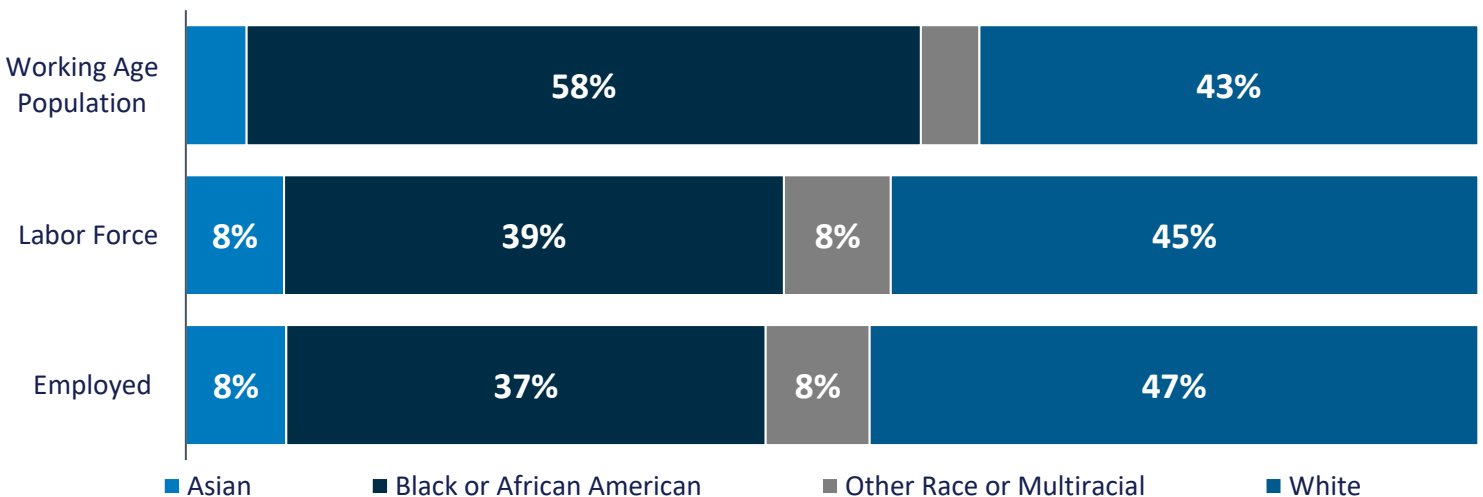


Figure 18: Rates of Employment and Labor Force Participation by Race, 2019



Resident Workers: Philadelphia's Labor Force

By educational attainment, individuals with less than a bachelor's degree are more likely to be unemployed and less likely to participate in the labor force. For those with less than a high school diploma, employment outcomes are significantly worse.

While Philadelphia has seen great improvements in educational attainment over the past decade, more work is needed to both upskill residents for available opportunities and ensure that lower-skilled employment opportunities are high-quality.

49%

**Labor Force Participation Rate Among
Philadelphians with less than a High
School Diploma in 2019**

Figure 19: Rates of Unemployment and Labor Force Participation by Educational Attainment, 2019

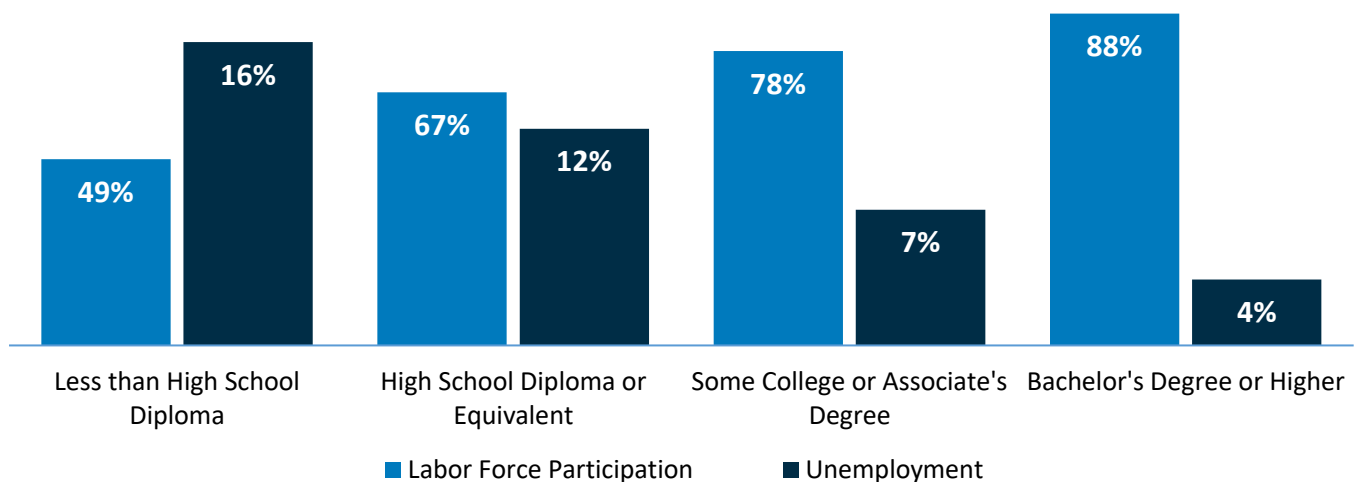
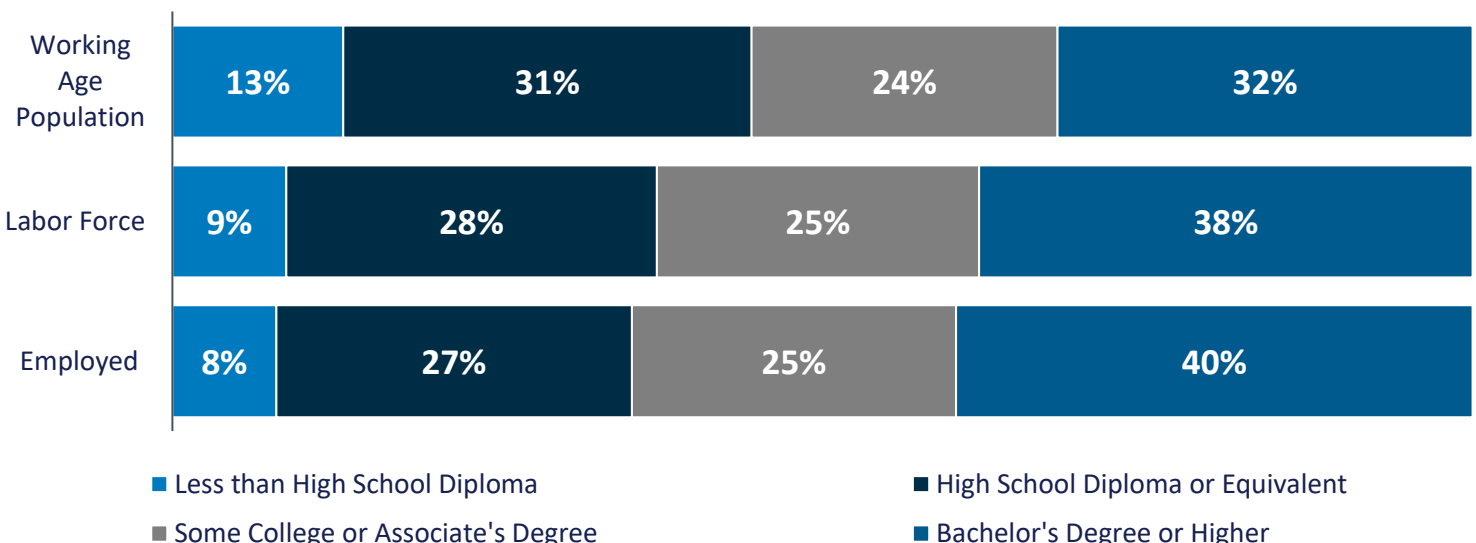


Figure 20: Rates of Employment and Labor Force Participation by Educational Attainment, 2019



Resident Workers: Philadelphia's Labor Force

The top two programs, Business Administration and Registered Nurses accounted for approximately 11.5% of all degrees and certificates awarded.

Table 2 shows the most common degrees awarded in Philadelphia during the 2019-2020 academic year. Note that these figures reflect only individuals attending post-secondary educational institutions. Individuals completing occupational training through workforce, nonprofit, or private institutions are not included.

Table 2: Most Common Degree and Certificate Completions in Philadelphia, Academic Year 2020

Degree Description	Total Completions	Certificates	Associate Degrees	Bachelor Degrees	Master's Degrees or Higher
Nursing	2,892	147	96	1,491	1,158
Business Administration	1,852	31	19	543	1,259
Finance	1,442	2	0	982	458
Medicine	1,336	0	0	0	1,336
Management Sciences	1,289	5	0	557	727
Marketing	976	9	0	785	182
Computer Sciences	964	6	114	551	293
Biology	920	15	19	738	148
Accounting	903	17	10	728	148
Psychology	817	1	54	644	118
Health Administration	742	122	38	151	431
Commerce	741	0	249	211	281
Rehabilitation and Therapy	658	16	38	104	500
Pharmacy	649	1	0	101	547
Law	604	0	0	0	604
Teacher Education	578	49	67	259	203
Applied Psychology	553	52	0	30	471
Educational Administration	534	17	0	2	515
Public Health	530	57	0	155	318
Liberal Arts	529	7	348	140	34

Resident Workers: Philadelphia's Labor Force

Philadelphia is intrinsically connected to its suburban neighbors. Nearly half of all primary jobs in the city are held by workers that commute from outside the city limits.

Meanwhile, prior to the COVID-19 pandemic, about one-fifth of Philadelphia's resident workers lacked access to a vehicle. Combined with the city's concentrated employment centers, access to job opportunities for many residents depends on the city's public transportation system.

25%

Of Resident Workers Relied on
Public Transportation in 2019

18%

Of Resident Workers Had No
Access to a Vehicle in 2019

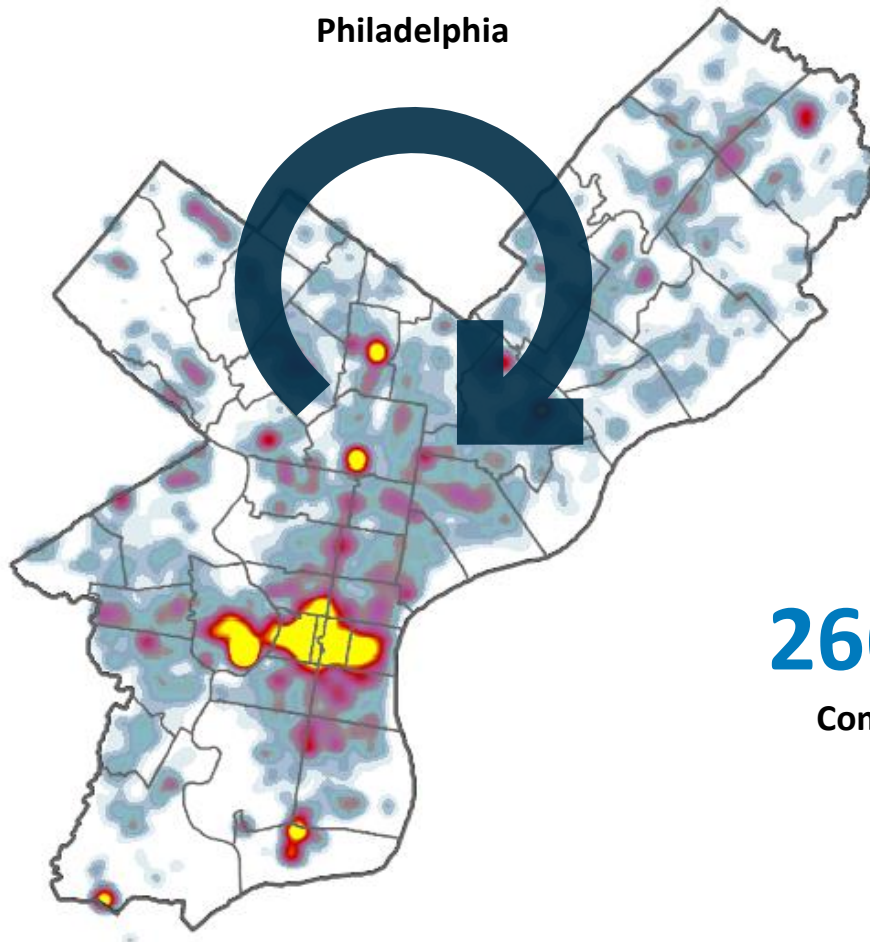
Figure 21: Inflow-Outflow of Workers and Residents by Density of Employment in Philadelphia, 2019

400,000

Live and Work in
Philadelphia

340,000
Commute In

266,000
Commute Out





Building a Skilled and Thriving Workforce

Appendix: Detailed Industry and Occupation Tables

Appendix Table 1: Largest Detailed Industry Sectors in Philadelphia, Q2 2021

From the Quarterly Census of Employment and Wages, this table shows the 15 largest industry sectors by total employment. These data are released on a roughly six-month delay.

NAICS	Industry Title	Total Employment ▼	Establishments	Location Quotient
622	Hospitals	57,400	47	2.53
541	Professional, Scientific, and Technical Services	55,200	3,714	1.25
611	Educational Services	50,600	645	4.16
624	Social Assistance	50,200	5,237	2.84
621	Ambulatory Health Care Services	42,300	2,040	1.21
722	Food Services and Drinking Places	40,900	3,714	0.83
561	Administrative and Support Services	24,000	1,088	0.63
623	Nursing and Residential Care Facilities	15,000	665	1.11
524	Insurance Carriers and Related Activities	14,000	464	1.29
445	Food and Beverage Stores	13,200	1,376	0.95
551	Management of Companies and Enterprises	11,400	312	1.09
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	10,000	958	1.75
481	Air Transportation	8,400	22	4.11
531	Real Estate	8,400	1,351	1.10
522	Credit Intermediation and Related Activities	8,200	549	0.68

Appendix Table 2: Most Specialized Detailed Industry Sectors in Philadelphia, Q2 2021

From the Quarterly Census of Employment and Wages, this table shows the 10 most specialized industry sectors by total employment. These industries are disproportionately important to Philadelphia's economy. These data are released on a roughly six-month delay.

NAICS	Industry Title	Total Employment	Establishments	Location Quotient ▼
611	Educational Services	50,600	645	4.16
481	Air Transportation	8,400	22	4.11
624	Social Assistance	50,200	5,237	2.84
712	Museums, Historical Sites, and Similar Institutions	1,800	57	2.70
622	Hospitals	57,400	47	2.53
711	Performing Arts, Spectator Sports, and Related Industries	3,800	244	2.22
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations	10,000	958	1.75
515	Broadcasting (except Internet)	1,500	24	1.43
524	Insurance Carriers and Related Activities	14,000	464	1.29
812	Personal and Laundry Services	7,800	1,422	1.28

Appendix Table 3: Detailed Industry Sectors in Philadelphia with Largest Year-Over-Year Growth, Q2 2021

From the Quarterly Census of Employment and Wages, this table shows the 10 industry sectors with the largest annual employment growth. These data are released on a roughly six-month delay.

NAICS	Industry Title	Establishment Change	Employment Change ▼	Employment Percent Change
722	Food Services and Drinking Places	-82	+15,279	59.6%
812	Personal and Laundry Services	20	+3,765	93.0%
624	Social Assistance	-543	+3,392	7.3%
721	Accommodation	3	+2,762	127.2%
561	Administrative and Support Services	35	+2,645	12.4%
621	Ambulatory Health Care Services	67	+2,149	5.3%
713	Amusement, Gambling, and Recreation Industries	-15	+2,069	108.9%
711	Performing Arts, Spectator Sports, and Related Industries	10	+1,066	39.1%
452	General Merchandise Stores	1	+1,065	15.6%
448	Clothing and Clothing Accessories Stores	-43	+993	36.7%

Appendix Table 4: Detailed Industry Sectors in Philadelphia with Largest Year-Over-Year Declines, Q2 2021

From the Quarterly Census of Employment and Wages, this table shows the 10 industry sectors with the largest annual employment declines. These data are released on a roughly six-month delay.

NAICS	Industry Title	Establishment Change	Employment Change ▼	Employment Percent Change
517	Telecommunications	-4	-4,191	-53.1%
492	Couriers and Messengers	1	-1,338	-21.3%
623	Nursing and Residential Care Facilities	-7	-1,059	-6.6%
522	Credit Intermediation and Related Activities	-1	-420	-4.9%
622	Hospitals	5	-313	-0.5%
511	Publishing Industries (except Internet)	17	-253	-8.8%
519	Other Information Services	16	-111	-12.7%
324	Petroleum and Coal Products Manufacturing	0	-102	-60.0%
221	Utilities	2	-90	-5.8%
523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	7	-63	-1.2%

Appendix Table 5: Largest Occupations in Philadelphia with Employment Change Relative to 2019, Q1 2021

Based on estimates derived from the Quarterly Census of Employment and Wages, this table shows the 25 largest occupation by total employment. These data are released on a roughly nine-month delay.

Occupation	Total Employment ▼	Employment Change	Median Wage
Home Health and Personal Care Aides	42,800	4790	\$ 12.78
Postsecondary Teachers	27,700	-710	\$ 40.47
Registered Nurses	27,400	-580	\$ 38.64
Office Clerks, General	19,300	-1800	\$ 20.04
Fast Food and Counter Workers	15,200	-5600	\$ 11.41
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	13,100	-860	\$ 20.30
Customer Service Representatives	12,700	-1280	\$ 19.81
Laborers and Freight, Stock, and Material Movers, Hand	10,600	-1150	\$ 14.98
Nursing Assistants	10,200	-610	\$ 16.40
Cashiers	10,200	-2230	\$ 12.02
Retail Salespersons	10,100	-2760	\$ 14.02
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	10,000	-1300	\$ 14.05
Security Guards	9,900	-740	\$ 15.75
General and Operations Managers	9,800	-480	\$ 65.18
Accountants and Auditors	8,200	-40	\$ 39.03
Lawyers	8,200	-120	\$ 69.23
First-Line Supervisors of Office and Administrative Support Workers	8,200	-680	\$ 32.75
Secondary School Teachers, Except Special and Career/Technical Education	8,000	640	\$ 31.23
Stockers and Order Fillers	7,600	-120	\$ 12.73
Elementary School Teachers, Except Special Education	7,200	-20	\$ 31.48
Project Management Specialists and Business Operations Specialists, All Other	6,500	690	\$ 44.00
Waiters and Waitresses	6,500	-5220	\$ 12.58
Maintenance and Repair Workers, General	6,500	-560	\$ 23.43
Bookkeeping, Accounting, and Auditing Clerks	6,300	-490	\$ 22.47
Teaching Assistants, Except Postsecondary	6,200	-600	\$ 11.27
Police and Sheriffs Patrol Officers	6,200	180	\$ 38.50

**For comments or questions about the contents of
this document, please reach out to
data@philaworks.org.**



**1617 John F. Kennedy Boulevard, 13th Floor
Philadelphia, PA 19103**

**Administrative Offices: (215) 963-2100
Job Seeker and Business Services: (833) 750-5672**