



**Testimony of Kyle C. Kopko, Ph.D.
Executive Director, Center for Rural Pennsylvania
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Good afternoon, Chairman Laughlin, and members of the Senate Majority Policy Committee. My name is Dr. Kyle C. Kopko, and I serve as the Executive Director of the Center for Rural Pennsylvania.

As you know, the Center is a bipartisan, bicameral legislative research agency of the General Assembly. The Center’s legislative mandates include two broad charges: 1) conducting and sponsoring applied policy research to benefit our rural communities; and 2) maintaining a comprehensive database of statistical indicators to assist policymakers in understanding the diverse landscape and needs of rural Pennsylvania. I will use information from this database to discuss a variety of population trends and workforce indicators. It is the Center’s hope that you and other members of the Senate will find this useful as you consider policy to address Pennsylvania’s workforce needs.

Along with this written testimony, I have submitted a series of data visualizations that depict Pennsylvania population trends over time and a profile of the Pennsylvania labor force. The data visualizations provide a greater level of detail, and more information, than what I present in this written statement. However, I wish to detail four key findings for the purpose of this hearing:

1. Population trends over time have resulted in what we refer to as the “Bifurcation of Pennsylvania” - that is, population shifts to the southeastern part of the Commonwealth;
2. The stagnation of Pennsylvania’s rural population, primarily due to more deaths than births;
3. The “graying” of Pennsylvania, where an increasingly larger share of the Commonwealth’s population will be 65 years of age or older; and
4. The steady decline in the rural labor force, which predates the COVID-19 pandemic.

Before addressing these topics, it is important to provide a brief description of our research methodology. We relied on a variety of data sources from both

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federal and state agencies, as discussed later. Throughout our analysis, unless otherwise noted, we define rural as an area with a population density below the statewide rate of 291 people per square land mile. All other areas are classified as urban.¹

Population Bifurcation

In terms of population changes, Pennsylvania can be divided into two regions: the southeast and the rest of the state. Generally speaking, we are including counties that are east of Interstate 81 from Franklin to Lebanon counties and south of Interstate 78 from Berks to Northampton counties as the southeast region. Most counties south and east of these two major transportation corridors have seen significant population increases, while counties west and north of this line have seen population declines, with some exceptions. Specifically, eight counties outside the southeast region experienced population increases: Allegheny, Butler, Centre, Lackawanna, Luzerne, Snyder, Pike, and Washington.

The bifurcation of the Commonwealth's population is noteworthy because it can create challenges as policymakers seek to address the aspirations, needs, and concerns of all Pennsylvanians. Specifically, the demand and distribution of resources will undoubtedly be affected, to some degree, by a region's changing population. This means that a one-size-fits-all approach to policy may not be appropriate given the regional variations across the Commonwealth.

Rural Population Stagnation

On average, urban Pennsylvania counties have experienced steady population growth over the last 100 years. The population in rural counties, however, has largely remained stagnant over the last 30 years. In fact, the rural population decreased by approximately 85,000 residents between 2010 and 2020.

It is important to note that stagnation or decline in the rural population is not new or unique to Pennsylvania. Nearly two-thirds of all rural counties across the United States experienced no population growth in the last decade. Indeed, this is a long-term trend that is not the result of any single policy or administration, either at the state or federal level.

Factors Affecting Population Change

Population change is the result of two factors: natural population change (i.e., births and deaths), and migration (i.e., in-migration and out-migration). The Center for Rural Pennsylvania recently released two reports that examine these issues, and they are included with this testimony.

Based on U.S. Census Bureau estimates, rural Pennsylvania has experienced positive net migration following the COVID-19 pandemic. This is certainly positive news for our rural communities. However, the rural population continues to decline in Pennsylvania because, on average, deaths continue to outpace births. Since 2008, deaths have consistently outpaced births in rural counties.

¹ The Center defines counties, school districts, and municipalities as rural or urban. A county or school district is rural when the number of people per square mile within the school district is fewer than 291, otherwise it is classified as urban. A municipality is rural when the number of people per square mile in the municipality is fewer than 291 or the municipality is in a rural county and has fewer than 2,500 residents. All other municipalities are considered urban.

It is also important to note that the existing population in rural Pennsylvania, as a whole, is becoming older. That is, there are fewer young people relative to senior citizens. Based on our last statistical projections, there will be more senior citizens in rural Pennsylvania than individuals under 20 years of age by 2030. However, this is not strictly a rural phenomenon. Estimates suggest that by 2030, 47 of Pennsylvania's 67 counties will have more senior citizens than individuals under age 20. Demographic changes in the coming decades will affect a wide range of policies, including but not limited to, workforce availability, housing, transportation, healthcare (particularly geriatric care), and education.

Later this year, the Center for Rural Pennsylvania will publish updated population estimates for each county in Pennsylvania through the year 2050. Every member of the General Assembly will receive a copy of this report once it is complete.

Profile of the Labor Force

To better understand the current state of Pennsylvania's labor force, we relied on a wide range of data from the U.S. Census Bureau, Social Security Administration, Pennsylvania Department of Education, Pennsylvania Department of Health, and Pennsylvania Department of Labor & Industry. It should be noted that there is no single reason why Pennsylvania, and other states, are experiencing shortages in labor.

The data that we have included with this testimony suggest that numerous factors have contributed to the current labor shortage. Within the context of Pennsylvania's rural areas, some of these factors include: population decline (primarily due to increased deaths relative to births), an increase in retirees, fewer young people to serve in entry-level positions, and an increase in self-employed workers.

Throughout Pennsylvania, changes in the labor force have not been uniform. From January 2012 to December 2022, the labor force in Pennsylvania's urban areas increased by approximately 250,000 people. But during this same time in rural areas, the labor force decreased by approximately 210,000 people.

Understanding why some Pennsylvanians are not working is a complex endeavor. Again, there is no single explanation for this occurrence. When examining individuals who are 18 to 55 years old (who are not enrolled in school and do not live in group quarters), approximately 17 percent of rural residents are not within the labor force. Similar rates are observed in urban areas.

Of those individuals who are not in the rural labor force, 56 percent have not worked in five or more years, and another 29 percent have not been in the labor force in the last one to five years. Given that many of these individuals have not worked for a prolonged period, this suggests that many of these individuals are unlikely to re-enter the labor force in the near future. Along with this testimony, the Center has provided a profile of individuals in rural and urban areas who are not in the labor force. The data profile includes numerous variables, including average age, disability status, educational attainment, household income, and other indicators.

Conclusion

Based on the available data, there are many factors that have contributed to Pennsylvania's labor shortage. However, demographic change—especially declining populations in rural communities and an aging population overall—appears to be a significant component of the labor force shortage. Given that

forecasts predict an aging Pennsylvania population at least through 2040, it is likely that demographic change will continue to affect the labor force in the coming years.

Thank you for the opportunity to present this information to the Policy Committee. Please do not hesitate to contact the Center if we can provide any additional data or analysis to aide in your work.