

Senate Majority Policy Committee Hearing

Addressing the Rural Workforce Challenges – Population Decline, Labor and Housing Shortage

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Central Pennsylvania Workforce Development Corporation (CPWDC), dba Advance Central PA, is a 501(c)3 non-profit organization designated as the local Workforce Development Board under the United States Workforce Innovation and Opportunity Act (WIOA). The Central Pennsylvania WDB governs the workforce development system for the Central PA Workforce Development Area consisting of Centre, Clinton, Columbia, Lycoming, Mifflin, Montour, Northumberland, Snyder, and Union counties.

Advance Central PA oversees programs that are designed to assure that businesses in Central Pennsylvania remain competitive and grow jobs, that workers have opportunities to obtain skills that will help them become or remain self-sufficient, and that our communities are economically resilient. We are committed to the development and unification of a demand-driven workforce system that will attract and grow businesses and the Central Pennsylvania economy.

Recognizing that no single entity can “do it all”, Advance Central PA’s mission is “to be the leading vehicle for regional unification, coordination, integration, and alignment of workforce activities, resources, and initiatives to support economic sustainability, improve education systems, and develop and retain a quality labor force in Central Pennsylvania.” Advance Central PA understands the importance of knowing the strengths of our partner organizations in education, economic development, human services, and the business community and partnering with each of those entities to build a robust workforce system in Pennsylvania.

For over a decade, rural parts of the nation have experienced workforce challenges which have been exacerbated by the COVID-19 pandemic and opioid epidemic. There are several reasons for these challenges including transportation barriers, lack of high-speed internet, lack of affordable, high quality early childhood education, and population decline to name a few.

Advance Central PA has always recognized transportation as a barrier for entering the workforce in rural Pennsylvania where there are limited options for public transportation. This continues to be a challenge for workers and businesses when their employees don’t have reliable transportation. Advance Central PA has used our public Temporary Assistance for Needy Families (TANF) and WIOA funds to help overcome the transportation barrier for our customers that can’t resolve the high cost of getting to work for many Pennsylvanians.

To assist customers enrolled in Advance Central PA’s TANF and SNAP funded Employment Advancement and Retention Network (EARN) program, Advance Central PA purchased minivans to help overcome transportation barriers. With the vans, Advance Central PA’s EARN program provides transportation to our clients, so they can participate in career training programs, attend job interviews, and drop their children off at childcare. While this assists the clients when they are enrolled in the EARN program to

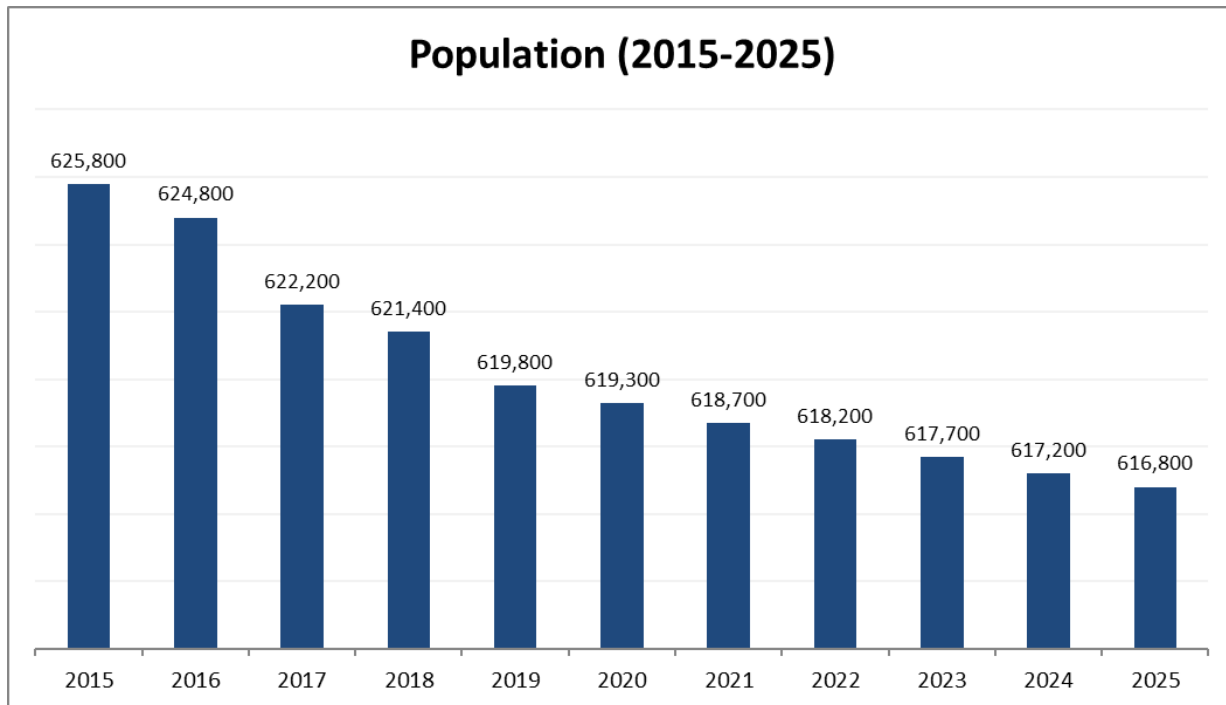
help them enter the workforce, some customers quickly find themselves in financial distress after they receive their first paycheck and are faced with the “benefits cliff”, causing them to lose their medical, housing, and childcare subsidies because they suddenly make too much money to qualify for assistance, but not enough to cover their everyday living expenses. This population, termed by the United Way as ALICE (Asset Limited, Income Constrained, Employed), makes up a large portion of Pennsylvania’s rural population. For some customers, you will see that when they work and lose benefits, they have less than when just receiving public assistance. Then they get in a cycle of dropping out of the workforce and back on public assistance because they can’t break the benefits cliff cycle. One way to address this could be to incrementally decrease the amount of assistance someone receives as their wages increase, so someone has an incentive to increase their wages without losing all of the benefits at the same time.

In 2017, Advance Central PA also purchased the first and only mobile workforce unit in Pennsylvania, The Link, to help overcome the transportation barrier. The Link provides career development programs in Central PA communities where a brick- and-mortar PA CareerLink® office does not exist. The ADA accessible mobile unit has seven computer stations, a presentation screen, wi-fi, and a printer so individuals can get workforce development services in their communities. Jobseekers can search and apply for jobs on www.pacareerlink.pa.gov, create resumes, complete assessments, and get career coaching while using The Link. The Link has a publicly advertised schedule, but also visits prisons and rehabilitation centers to enroll re-entrants into the public workforce system prior to release. This is a win-win for the re-entry population and businesses who are desperate for workers.

With the expansion of broadband in Pennsylvania, there are increased career and training opportunities for individuals in rural Pennsylvania. During the pandemic, Advance Central PA and our PA CareerLink® partners were able to provide workforce development services to customers remotely due to the increased availability of broadband in more rural areas. Many younger customers preferred the new virtual model of service delivery because it eliminated their childcare and transportation barriers. As the PA CareerLink® offices re-opened, services continue to be available virtually or in-person based on the jobseeker’s preference. Increased availability of broadband has allowed the workforce system to provide additional training opportunities, and more easily meet business and jobseeker demands in a modern economy. At the same time, it’s highlighted the need for digital skills development in older generations who are being forced to use new technology and require new digital literacy skills.

One of the largest challenges facing rural Pennsylvania today is the population decline and aging workforce. In Advance Central PA’s 2021-2024 Local Workforce Development Plan, we show the following projected population decline for the nine-county workforce development area.

“The current (2020) population of the 9-County region decreased by 6,400 (-1.0%) since 2015 and is projected to decrease by 2,600 (-0.4%) by 2025. The Central WDA demonstrates a decreasing population, as evidenced by the following chart:



Source: EMSI, 2020.4

The Central WDA has an aging population, with the median age increasing from 38.3 to 39.3 in the past 5 years (Source: American Community Survey). Projections from EMSI suggest additional aging. From 2020 to 2025, the population under the age of 29 years is projected to decrease by a combined 3,100 individuals (-1.3%), and the population ages 40-59 years is projected to decrease by 7,700 (-5.3%). Conversely, the population ages 60 years and over is projected to increase by 7,900 (4.9%). Not only are the younger age groups declining, but the older age categories are expanding.”

There are many reasons for the declining population in rural Pennsylvania including brain drain where graduates are moving to urban areas, families having children later in life, and families having less children.

Using Central Pennsylvania as an example, towns with colleges and universities that are investing in the downtown areas of the local communities in the Central PA region appear to influence population growth according to Advance Central PA’s Local Workforce Development Plan.

“Over half (366,500; 59.2%) of the WDA population is found in Centre, Lycoming, and Northumberland Counties. Centre County was the only county to increase in population (2,900; 1.8%) over the past 5 years. Projections suggest that Centre County will continue to rise, with a projected increase of 2,100 (1.3%). Snyder and Union Counties, which are the only other counties to project an increase, are expected to grow by 300 (0.3%).”

Area	2015		2020		2025	
	Count	Percent	Count	Percent	Count	Percent
Centre	160,452	25.6%	163,313	26.4%	165,409	26.8%
Clinton	39,399	6.3%	38,480	6.2%	38,093	6.2%
Columbia	66,680	10.7%	64,665	10.4%	63,695	10.3%
Lycoming	115,599	18.5%	112,810	18.2%	111,041	18.0%
Mifflin	46,426	7.4%	46,086	7.4%	45,902	7.4%
Montour	18,299	2.9%	18,206	2.9%	18,142	2.9%
Northumberland	92,877	14.8%	90,347	14.6%	88,766	14.4%
Snyder	40,509	6.5%	40,454	6.5%	40,522	6.6%
Union	45,518	7.3%	44,981	7.3%	45,186	7.3%
Central WDA	625,759	100.0%	619,342	100.0%	616,757	100.0%
Pennsylvania	12,784,795	--	12,812,575	--	12,853,583	--

While the projected population increases in Centre County (Pennsylvania State University), Snyder County (Susquehanna University), and Union County (Bucknell University) may not seem significant, it is noted these areas are the only ones with a projected population growth. With recent announcement for future development in downtown Williamsport, Lycoming County may be another county whose population will increase based on economic development activity. This may indicate that we can reduce the brain drain by investing in the main streets of rural Pennsylvania by supporting new restaurants, social clubs, building family friendly parks, and supporting outdoor activities like biking and hiking trails.

The other challenge to address the population decline is the lack of affordable, high-quality early childhood education in Pennsylvania and across the nation. As the executive director of the local workforce development board, a parent of a six-year old whose paid out-of-pocket for childcare for the last six years, and the president of the board for a local childcare provider, I see the childcare challenges from multiple viewpoints.

One of the first areas to address is raising the wages for early childhood education professionals to ensure there are enough teachers to meet the childcare demands for working families. These teachers are spending more time than most working parents with children under the age of five when children are forming the essential social, emotional, and problem-solving skills that many businesses are desperate to find in their workers. Workforce development starts as early as 3 months old when you think about these foundational skills most employers are seeking, and we should invest in high quality childcare for all families, not just low-income households based on this workforce demand. To get the quality teachers, the average wage of an early childhood teacher needs to be higher than the current statewide average of \$12.43 per hour or less than \$25,844 per year (The High Cost of Working In Early Childhood Education, Feb. 2023).

The other challenge is ensuring working parents can afford the cost of care, so they can enter and stay in the workforce. A family with two children paying out of pocket for childcare may be spending over \$20,000 per year. Increase that to three children under the age of five and the costs could be over \$28,000 per year. Using best practice budgeting that says you shouldn't spend more than 28% of your gross income on housing, a family of five with a household income of \$100,000 could be spending more

or an equal amount on their housing costs as they are on childcare. For some families, this is why one parent is choosing to stay home rather than enter the workforce.

Advance Central PA is starting an analysis to quantify the “Work Willing” population, parents who would return to work if childcare was available, and project the increased state and local income taxes and GDP that could be earned if these individuals were in the workforce.

Solving the workforce challenges of Pennsylvania, and specifically rural Pennsylvania, will require a layered approach addressing the population decline due to brain drain and the childcare desert, lack of transportation, affordable housing, and keeping businesses in the area who came to rural Pennsylvania because of the strong work ethic of Pennsylvanians and the ability and willingness to get things done at all costs. I am optimistic we can resolve this by working together.

Thank you for your time today and I look forward to providing additional information on the work willing population and the potential financial tax revenues and GDP if childcare barriers were reduced in Pennsylvania.