

**Testimony for Economic Impact of COVID-19 on  
Pennsylvania Leisure-Hospitality Sector  
Senate Majority Policy Committee  
April 13, 2021  
Matthew Knittel | Director | Independent Fiscal Office**

Good morning Chairman Scavello and members of the committee. Thank you for the opportunity to submit material for this hearing. This submission includes two tables and two graphs which reveal the following trends:

- The **first table** shows the year-over-year job losses in the Commonwealth for two months: April 2020 (peak job loss) and February 2021 (latest data). The latest data for February show a year-over-year contraction of 441,000 jobs (-7.3 percent). (Excludes self-employed.) In percentage terms, job losses are concentrated in the arts and entertainment (e.g., movie theatres, bowling alleys and gaming) and accommodation and food service sectors.
- The **second table** provides detail for those two sectors. For all subsectors, employment is down 30 to 40 percent from the prior year. The exception is limited-service restaurants (i.e., fast food) due to the continued use of drive-thrus.
- The **first graph** shows the percentage change in small business revenues for all small businesses and those in the leisure-hospitality sector relative to January 2020. The data show that small business revenue in that sector is down 55 percent, compared to 33 percent for all small businesses. (Note: These data are based on the location of the business, not the consumer. Small businesses are defined as firms with annual sales below Small Business Administration thresholds.)
- The **second graph** shows the percentage change in consumer spending based on credit and debit card purchases. Due to significant federal stimulus, total consumer spending was up 12 percent relative to January 2020, but spending at hotels and restaurants was down 9 percent.

Thank you. I would be happy to answer any questions that you may have.

## Year-Over-Year Change in PA Payroll Employment (000s)

	YOY Number Change (000s)		YOY Percent Change	
	Apr 20	Feb 21	Apr 20	Feb 21
<b>PA Payroll Employment</b>	<b>-1,099</b>	<b>-441</b>	<b>-18.1%</b>	<b>-7.3%</b>
Construction	-98	-10	-37.9%	-4.1%
Manufacturing	-85	-33	-14.7%	-5.8%
Retail and Wholesale Trade	-172	-31	-21.0%	-3.8%
Transportation and Warehouse	-27	1	-9.0%	0.3%
Financial and Real Estate	-9	-10	-2.7%	-2.9%
Professional and Technical	-19	-1	-5.3%	-0.2%
Administration and Waste Management	-68	-36	-21.4%	-11.9%
Education (excludes local SD)	-37	-31	-14.4%	-12.1%
Healthcare-Social Assistance	-109	-49	-10.3%	-4.6%
Arts-Entertainment	-56	-30	-59.5%	-35.4%
Accommodation-Food Service	-276	-115	-57.7%	-24.7%
Other Services	-95	-36	-36.5%	-13.8%
All Government	-25	-44	-3.4%	-6.1%
All Other	-23	-17	-9.3%	-7.1%

Note: Data are not seasonally adjusted. Figures for February are preliminary. YOY is year-over-year. **Excludes self-employed.**  
Source: U.S. Bureau of Labor Statistics, CES State and Metro Area Employment.

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## Detail for Leisure and Hospitality Sector

	YOY Number Change (000s)		YOY Percent Change	
	Apr 20	Feb 21	Apr 20	Feb 21
<b>PA Payroll Employment</b>	<b>-1,099</b>	<b>-441</b>	<b>-18.1%</b>	<b>-7.3%</b>
All Other Sectors	-767	-296	-13.9%	-5.4%
Leisure and Hospitality (detail below)	-332	-145	-58.0%	-26.3%
Arts and Entertainment	-56	-30	-59.5%	-35.4%
Amusements and Gaming	-44	-22	-65.7%	-36.4%
Arts and Spectator Sports	-12	-8	-44.6%	-32.9%
Accommodation and Food Service	-276	-115	-57.7%	-24.7%
Accommodation	-34	-23	-58.7%	-39.2%
Full-Service Restaurants	-151	-59	-76.0%	-30.0%
Limited-Service Restaurants	-55	-12	-33.9%	-7.4%

Note: Data are not seasonally adjusted. Figures for February are preliminary. YOY is year-over-year. **Excludes self-employed.**  
Source: U.S. Bureau of Labor Statistics, CES State and Metro Area Employment.


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# Leisure-Hospitality Small Business Revenues Down 55%

In **Pennsylvania**, as of March 31 2021, total small business revenue decreased by **32.6%** compared to January 2020.

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data source: Womply


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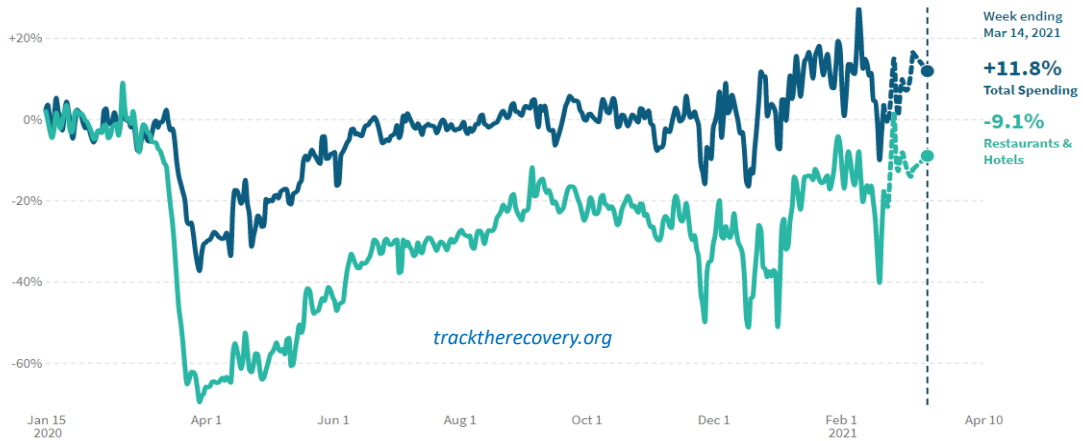


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# Consumer Spending on Restaurant-Hotels Continues to Lag

In **Pennsylvania**, as of March 14 2021, total spending by all consumers increased by **11.8%** compared to January 2020.

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data source: Affinity

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