



Pennsylvania Economy League
of Greater Pittsburgh

An affiliate of the Allegheny Conference

Pittsburgh Region Employment Update

April 2021

Released May 27, 2021

Key Findings

NOTE: The Monthly Employment Update uses the U.S. Bureau of Labor Statistics' Current Employment Statistics (CES) data series as its primary source. While it offers the advantage of providing current monthly data, as an employer-based survey, it is also subject to revision as additional information is collected in subsequent surveys.

- April 2020 marked the low point of the pandemic economic decline with the largest one-month job loss in the region's history. As such, a significant year-over-year increase was expected in April 2021. The Pittsburgh MSA had a 14.6% increase in employment from April 2020 to April 2021 as the region gained 141,800 jobs. This exceeded the U.S. rate of 10.9% and was higher than all benchmark regions except Detroit, which was the only benchmark region to have a larger percentage employment loss in April 2020.
- As year-over-year comparisons are made to pandemic recession months, it also becomes crucial to compare economic performance to the comparable month in 2019 to fully gauge where the region stands in pandemic recovery. In April 2021, employment in the Pittsburgh MSA was 93.1% of what it was two years earlier. Nationwide, employment is 95.3% of what it was in April 2019. Only Boston and Detroit ranked lower among the benchmark regions.
- Entering the Spring 2020 economic downturn at the beginning of the pandemic, the Pittsburgh region lost a higher proportion of employment than the nation or benchmark region average. Given the region's more severe drop in April 2020, it was not surprising that its rebound in April 2021 was more robust than the U.S. and the benchmark regions.
- Several industries bore the brunt of operating restrictions in April 2020 including Construction, Retail, Transportation and Warehousing, Leisure & Hospitality and Other Services. As a result, they registered the largest increases in April 2021, outperforming the nation in all cases. In particular, construction significantly outperformed the nation as Pennsylvania was one of the few states to close construction sites. Mining & Logging performed worst in relation to the nation.
- Comparing regional industry employment from April 2021 to April 2019 shows that Construction and Transportation and Warehousing now employ more people in the region than two years ago. Conversely, Mining and Logging, Wholesale Trade, Leisure and Hospitality and Other Services have a much lower percentage of their April 2019 employment than the nation. Mining and Logging employment in the Pittsburgh MSA was less than two-thirds of what it was in April 2019.

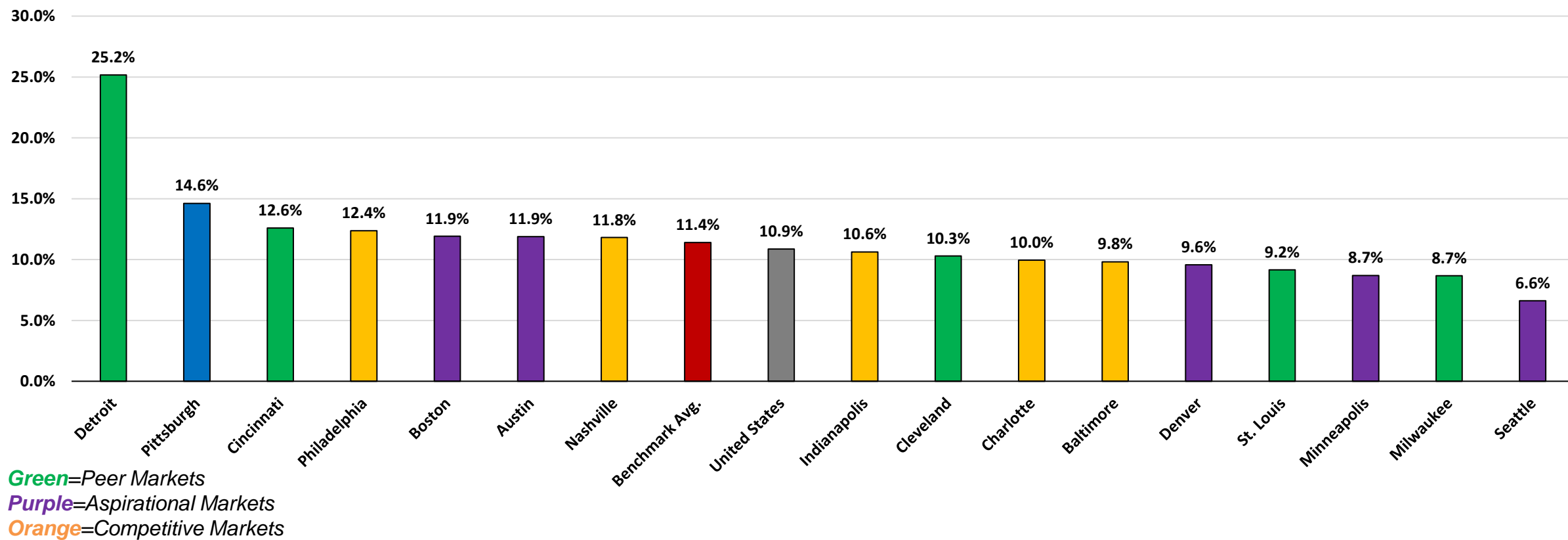
Key Findings (cont'd)

- One third of the employment shortfall in the Pittsburgh MSA, between April 2019 and April 2021 is in Leisure and Hospitality, compared to 40% nationally. Conversely, Manufacturing, Healthcare and Social Assistance, Wholesale Trade and Mining and Logging account for a disproportionately higher share of the employment loss in the Pittsburgh MSA than nationally.
- Educational Services continues to rebound from its seasonal decline in December and January. Meanwhile, Leisure and Hospitality continues to recover from holiday dining restrictions in December and January as it heads into the Spring hiring season. Total employment in the MSA is 94.4% of pre-pandemic levels (February 2020), matching the one-month highs of the past year (October and November, 2020).
- Seasonal hiring is helping drive a recovery in the Leisure and Hospitality sector. While still lagging the U.S., total Leisure and Hospitality employment is 81% of pre-pandemic levels, the highest it has been in over a year. The highly-seasonal Arts, Entertainment and Recreation sector has seen employment rebound to pre-pandemic levels as they ramp up for the summer. However, total employment is 92% of April 2019 levels. Although higher than it's been in six months, Accommodations continue to struggle with employment at less than half pre-pandemic levels.
- ***Outlook – It was expected that the April year over year employment would show a significant jump over the pandemic shutdown month of April 2020. Pittsburgh showed an increase larger than the U.S. or most benchmark regions primarily due to the larger than average drop a year earlier. Industries that experienced a disproportionate impact from Spring 2020 operational restrictions showed the largest increases. While still lagging the nation and most benchmark regions, total employment was 94% of pre-pandemic levels (February 2020) equaling the post-pandemic highs recorded in October and November of last year. Seasonal hiring drove above average month to month increases in Construction and Leisure and Hospitality.***

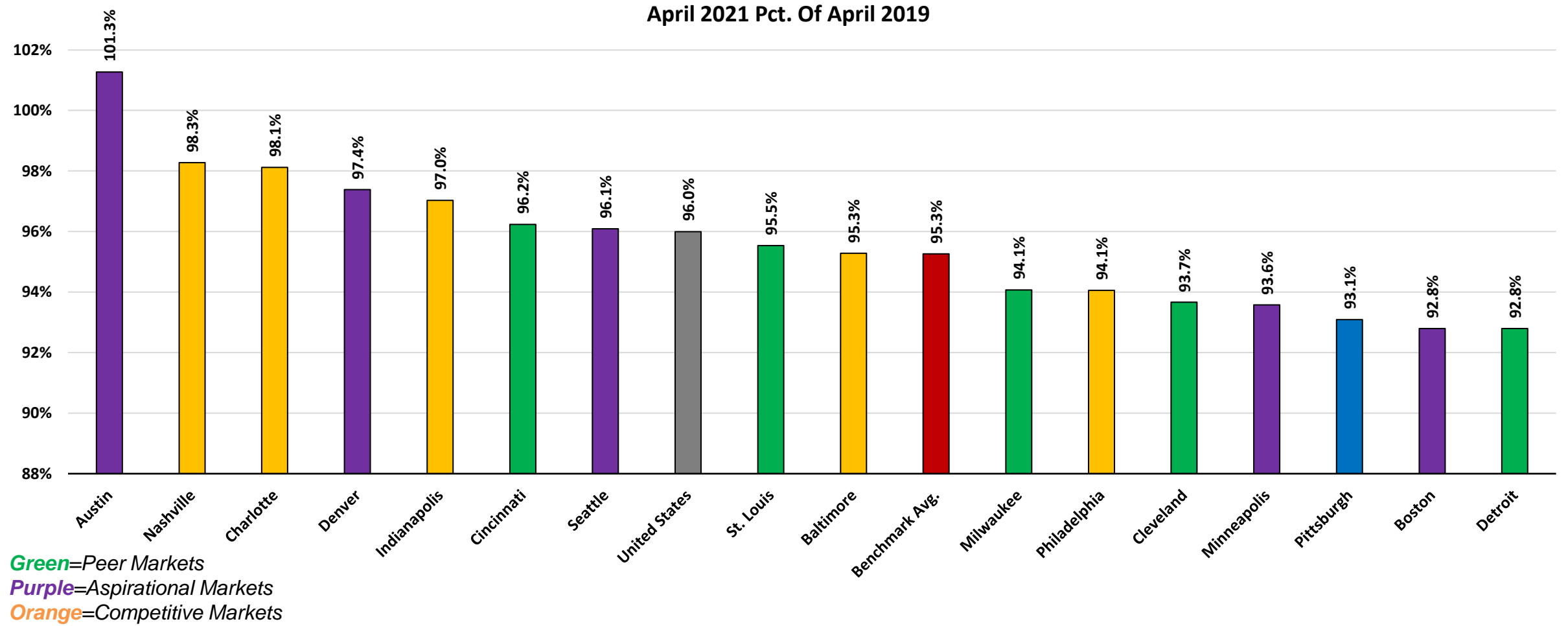
The highly seasonal Arts, Entertainment and Recreation sector drove the growth in Leisure and Hospitality, accounting for 2,400 of the 3,900 jobs added between March and April 2021. While its employment is now higher than February 2020, it is still 8% below April 2019 numbers. Eating and Drinking Places also continued its recovery over holiday season downturn. However, with the continued slump in business travel, the Accommodations sector employment is still less than half of what it was in February 2020.

The Pittsburgh MSA had a 14.6% increase in employment between April 2020 and April 2021 as the region gained 141,800 jobs. While significant, and above all but one benchmark city, it is important to put it in context of the shutdowns implemented one year ago. The year-over-year decrease in April 2020 was 224,300 (-18.8%), the largest one month drop in the region’s history as operating restrictions tended to be more severe in Pennsylvania. As such, a robust rebound in April was expected. Interestingly, Detroit was the only benchmark region to experience a larger percentage decrease employment in April 2020 and is the only one to experience a greater percentage increase this year.

Employment Change - April 2020 to April 2021



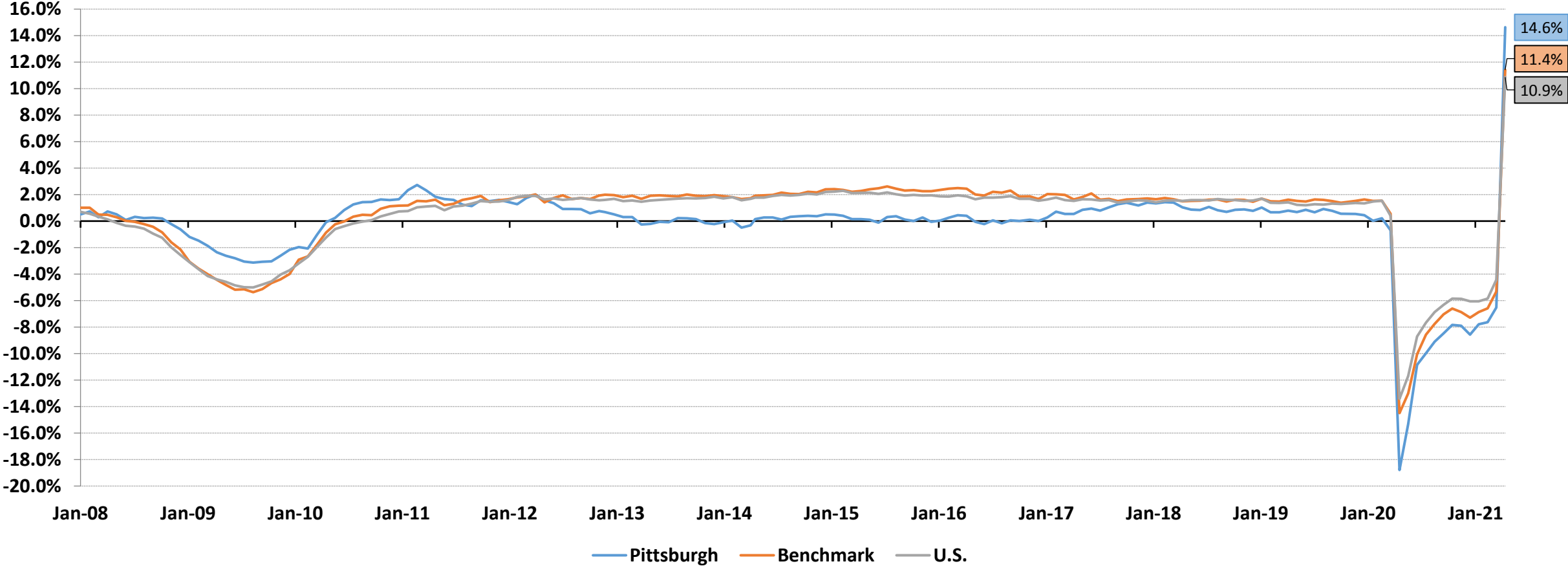
As year-over-year comparisons start to be made to pandemic recession months, it also becomes crucial to compare economic performance to the comparable month in 2019 to fully gauge where the region stands in pandemic recovery. While employment in Austin is higher than what it was in April 2019, and several other benchmark regions are close to their April 2019 employment levels, the Pittsburgh MSA is lagging. In April 2021, employment in the Pittsburgh MSA was 93.1% of what it was two years earlier, a drop of 82,500 workers. Only Boston and Detroit ranked lower.



Source: BLS Current Employment Statistics, March 2021, preliminary

Entering the Spring 2020 economic downturn at the beginning of the pandemic, the Pittsburgh region lost a higher proportion of employment than the national benchmark average. It continued to lag during the recovery period in the summer, although tracked closely with the United States and the benchmark regions. Given the region's more severe drop in April 2020, it was not surprising that its rebound in April 2021 was more robust than the U.S. and the benchmark regions.

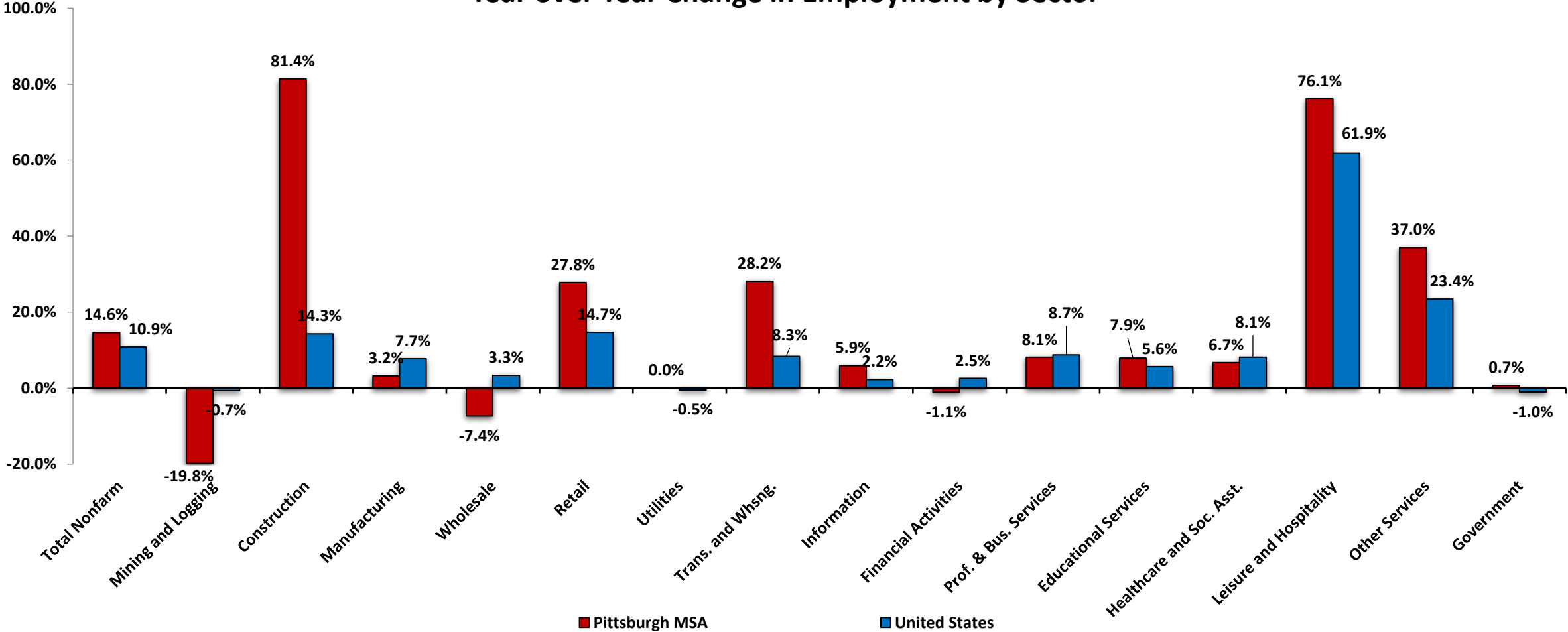
Year over Year Employment Change - January 2008 to April 2021



Source: BLS Current Employment Statistics

Several industries bore the brunt of operating restrictions in April 2020 and, as a result, had the largest increases, outperforming the nation in all cases. Construction, in particular, significantly outperformed the nation as Pennsylvania was one of the few states to close construction sites. Mining & Logging performed worst compared to the nation, although Manufacturing, Wholesale Trade and Financial Activities also lagged.

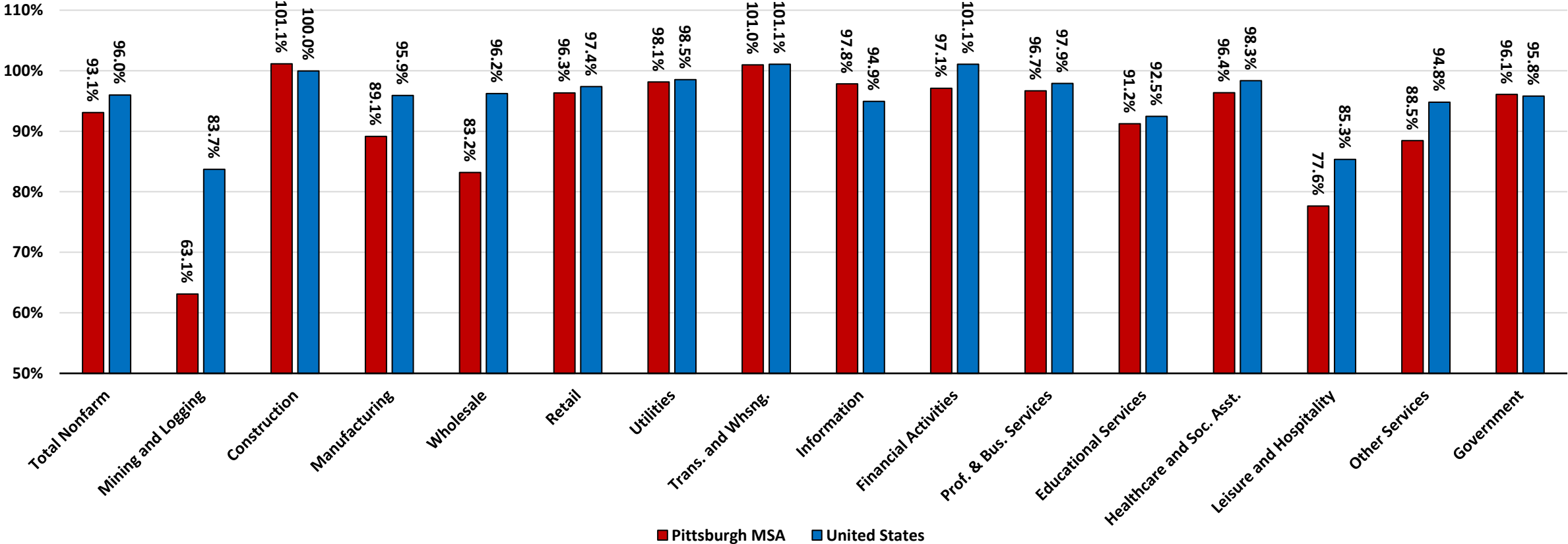
Year over Year Change in Employment by Sector



Source: BLS Current Employment Statistics, March 2021, preliminary

Comparing regional industry employment from April 2021 to April 2019 shows that Construction and Transportation and Warehousing now employ more people in the region than two years ago. Other industries including Retail, Utilities and Government are very close to the shortfall experienced nationally. Conversely, Mining and Logging, Wholesale Trade, Leisure and Hospitality and Other Services have a much lower percentage of their April 2019 employment than the nation. Mining and Logging employment in the Pittsburgh MSA was less than two-thirds of what it was two years ago.

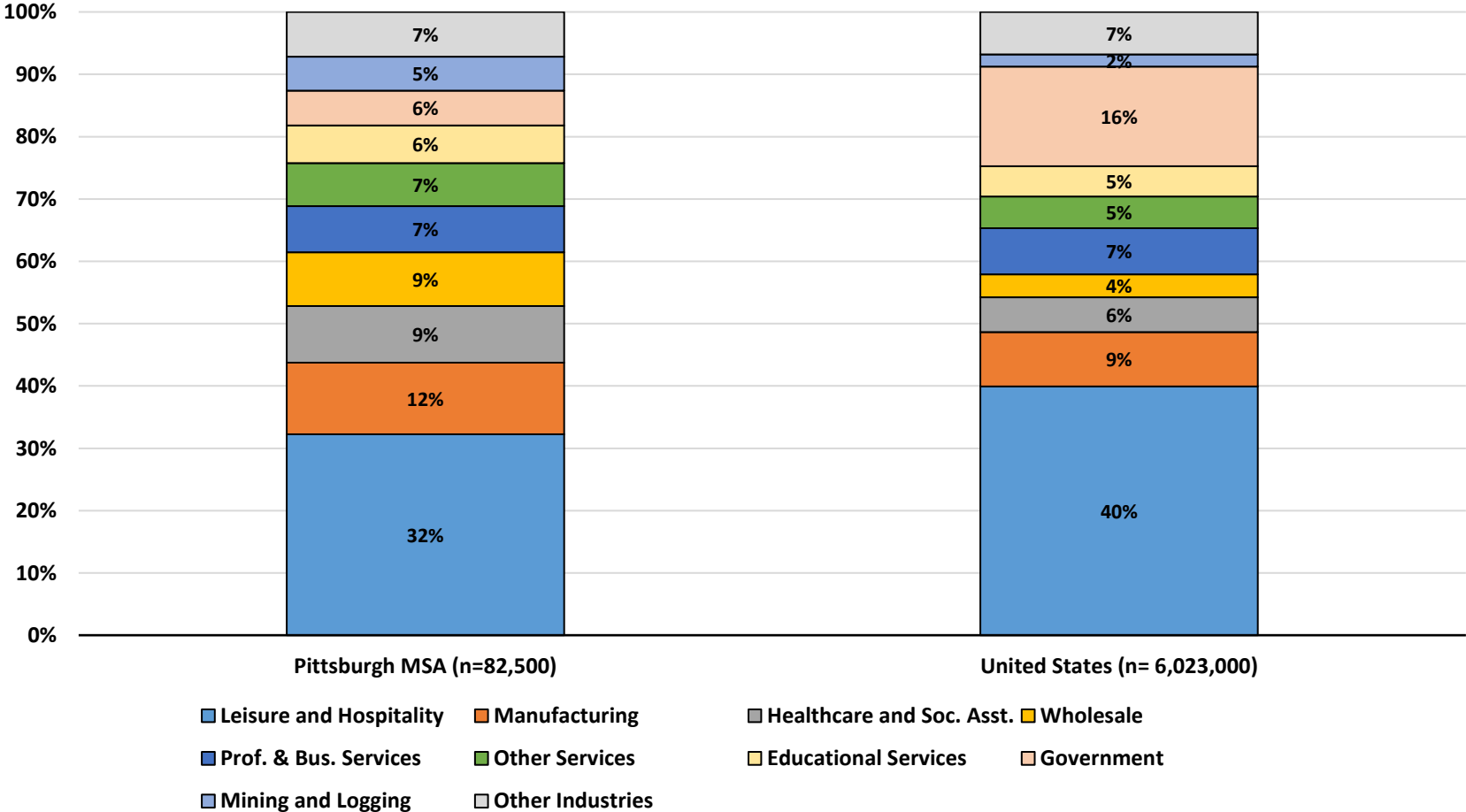
April 2021 Pct. of April 2019 by Industry



Source: BLS Current Employment Statistics

One-third of the employment shortfall in the Pittsburgh MSA, since April 2019, is in Leisure and Hospitality, compared to 40% nationally. Government was the only other major industry that had a proportionately lower share of the employment loss. Conversely, Manufacturing, Healthcare and Social Assistance, Wholesale Trade and Mining and Logging account for a disproportionately higher share of the employment loss in the Pittsburgh MSA than nationally.

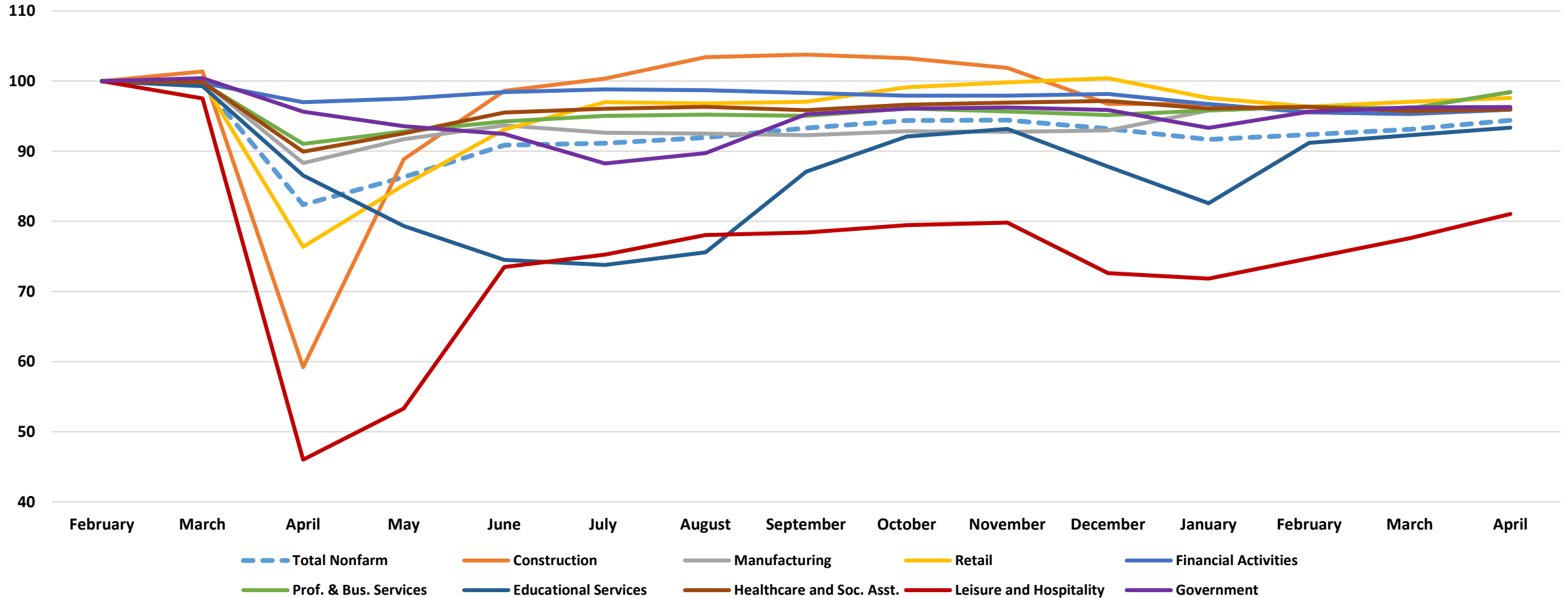
Current Employment Shortfall By Industry - April 2019 to April 2021



Source: BLS Current Employment Statistics

Educational Services continues to rebound from its seasonal decline in December and January. Meanwhile, Leisure and Hospitality is steadily recovering from holiday dining restrictions in December and January as it heads into the Spring hiring season. Total employment in the MSA is 94.4 percent of pre-pandemic levels, matching the one-month highs of the past year (October and November, 2020).

Employment Index - February, 2020 = 100



Seasonal hiring is helping to drive a recovery in the leisure and hospitality sector. While still lagging the U.S., total Leisure and Hospitality employment is 81% of pre-pandemic levels, the highest it has been in over a year. The highly-seasonal Arts, Entertainment and Recreation sector has seen employment rebound to pre-pandemic levels as they ramp up for the summer at a higher rate than the nation as a whole. Food Services and Drinking Places continues its rebound from the holiday operational restrictions. Although higher than it's been in six months, Accommodations continue to struggle with employment at less than half pre-pandemic levels.

Leisure and Hospitality Employment Index - February, 2020 = 100

