



Pennsylvania Economy League  
of Greater Pittsburgh

An affiliate of the Allegheny Conference

# Pittsburgh Region Employment Update

June 2021

Released July 28, 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.*

- The number of unemployed people in the region has dropped by nearly 21,000 since February, driving a decrease in the unemployment rate. Dropping for the fourth consecutive month, in June, it was 6.0% was below the state average (6.9%) and only slightly above the nation. The unemployment rate in the region is just 1.2 percentage points higher than it was in February 2020, a gap that is a full percentage point smaller than the U.S. or state. However, it is important to note that in the context of this, the region's labor force has been dropping since April.
- The Pittsburgh MSA had a 5.7% increase in employment between May 2020 and May 2021 as the region gained 77,200 jobs. While this puts it at the U.S. average, it is behind the benchmark average. In addition, while May's growth rate was outpaced all but two benchmark regions, in June it fell to the middle of the pack. However, among its peer regions, it grew faster than all but Detroit.
- Comparing overall employment to June 2019, Austin is higher than what it was that month, and several other benchmark regions are close to their June 2019 employment levels. However, the Pittsburgh MSA is lagging. In June 2021, employment in the Pittsburgh MSA was 94.3% of what it was two years earlier, a drop of 61,300 workers. Only Boston, Cleveland, and Detroit ranked lower.
- After showing year-over-year increases in employment in April and May that outpaced the U.S. and benchmark regions, growth slowed in June. The year-over-year increase fell behind the benchmark average and was about equal to the nation.
- The Pittsburgh region continues to outperform the nation in sectors that experienced tighter operating restrictions last spring including Construction, Retail, and Leisure and Hospitality. In addition, Transportation & Warehousing is experiencing robust increases as a result of the growth in distribution and rebound in travel. Mining & Logging performed worst compared to the nation, although Manufacturing, Wholesale Trade and Financial Activities, which performed surprisingly strong in Spring 2020, also lagged.
- Comparing regional industry employment from June 2021 to June 2019 shows that Construction and Transportation and Warehousing now employ more people in the region than two years ago. Most other industries registered employment levels within five percentage points of their 2019 numbers. As a result, the real shortfall in employment in the region can be attributed to five industries - Mining and Logging, Manufacturing, Wholesale Trade, Leisure and Hospitality and Other Services.

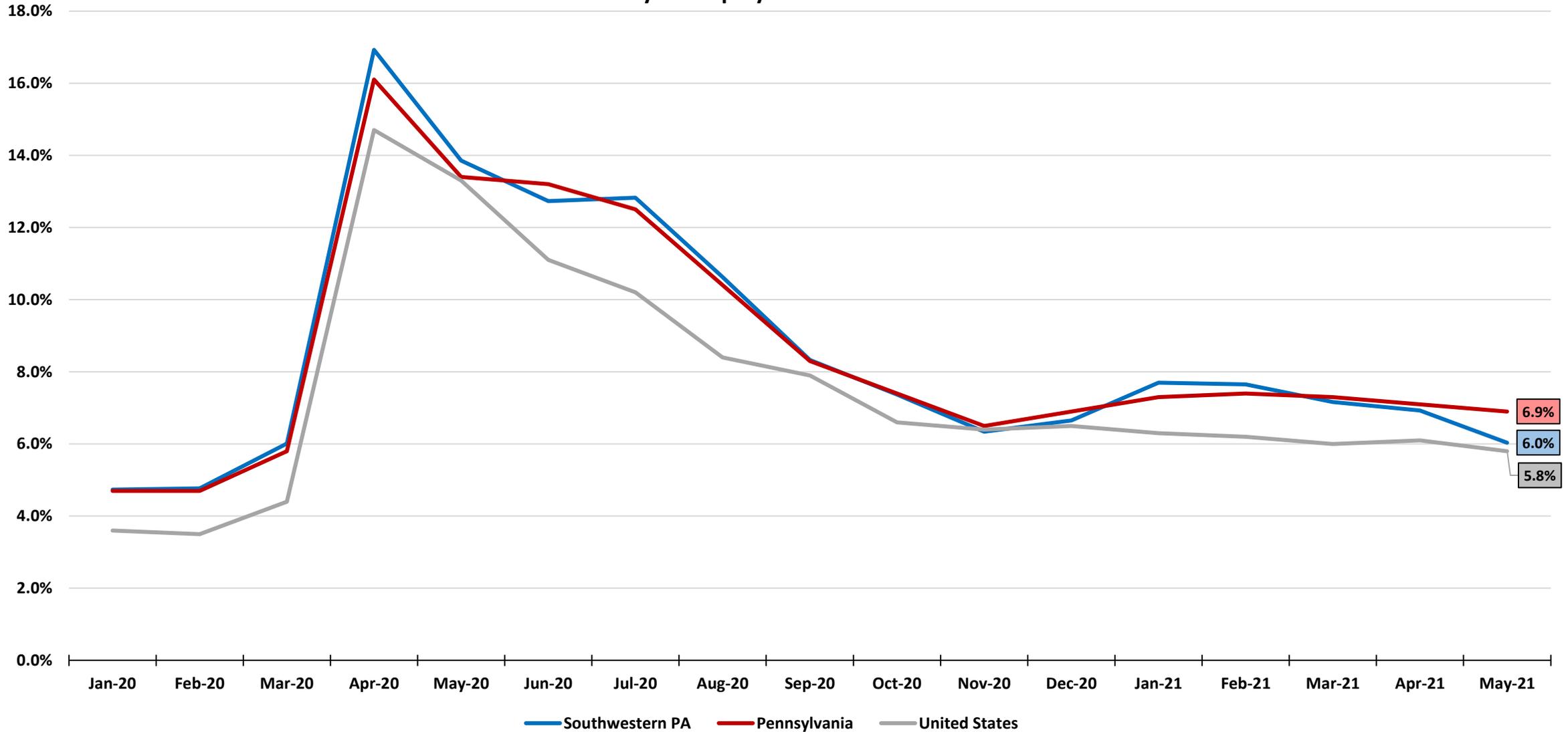
# Key Findings (cont'd)

- Nearly one-third of the employment shortfall in the Pittsburgh MSA, between June 2019 and June 2021, is in Leisure and Hospitality, compared to 37% nationally. Government was the only other major industry in which the region had a proportionately lower share of the employment loss. Conversely, 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.
- Total employment in the MSA is 96.1% of pre-pandemic levels (February 2020), the highest since the pandemic began with most other major industries seeing increases in June. Educational Services was the only major industry to see a drop in the employment index. It was due to seasonal factors.
- While still lagging the U.S., total Leisure and Hospitality employment is 91.8% of pre-pandemic levels, the first time it has exceeded 90% since the pandemic began. The highly-seasonal Arts, Entertainment and Recreation sector has seen employment rebound over pre-pandemic levels as they ramp up for the summer at a higher rate than the nation as a whole, although it is roughly 8% below where it has traditionally been this time of year. Food Services and Drinking Places also continues its recovery from the holiday operational restrictions. Accommodations, while still struggling, has seen consistent growth since the lows in March 2021 and employment is now roughly two-thirds of pre-pandemic levels.
- ***Outlook – As the region nears the halfway point of 2021, a number of promising signs are emerging the regional economy. Employment is 96.3% of what it was before the pandemic began, most major industries have an employment level at least 95% of what it was in June 2019 and Leisure and Hospitality employment is at pandemic era highs.***

***However, there are still concerns. While the unemployment rate is down, the labor force has also been falling, exacerbating the workforce shortage. In addition, the region lags most benchmark regions in employment levels compared to 2019. Finally, three industries that account for one fourth of the jobs lost since June 2019 are influenced by factors broader than the pandemic. Manufacturing and Wholesale Trade have been losing employment in the region for years, while Mining and Logging is impacted by a shrinking coal market and greater productivity from natural gas wells reducing the need for drilling rigs. As such, future regional employment growth will be dependent on other industries.***

The unemployment rate in Southwestern Pennsylvania dropped for the fourth consecutive month and is now below the state average and only slightly above the nation.

Monthly Unemployment - 2020 to 2021



Source: BLS Local Area Unemployment Statistics; Pennsylvania Department of Labor and Industry

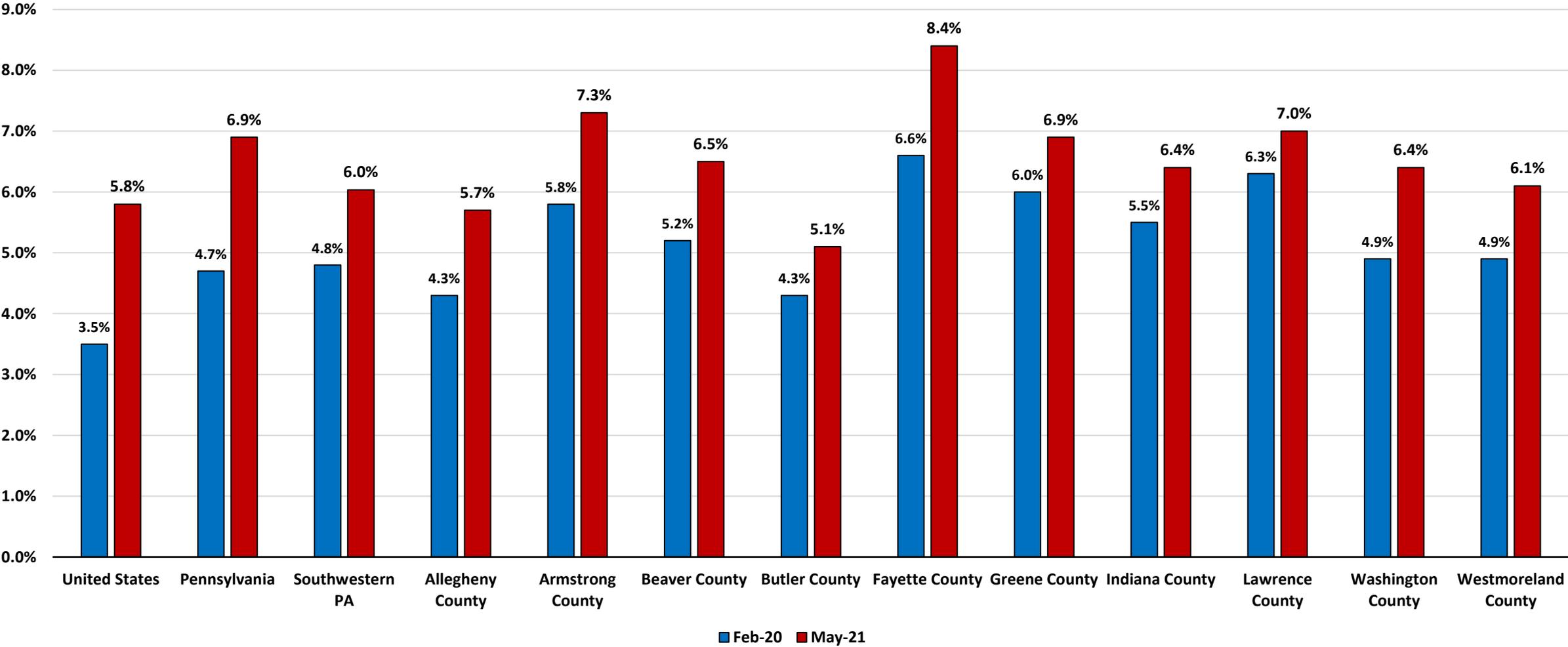
The number of unemployed people in the region has dropped by nearly 21,000 since February, driving the decrease in the unemployment rate. However, the region's labor force has been dropping since April. The number of unemployed individuals in Southwestern Pennsylvania increased at half the state rate since the beginning of the pandemic and one-third the national rate.

<b>UNEMPLOYMENT RATE</b>																	
	<b>Jan. 2020</b>	<b>Feb. 2020</b>	<b>March 2020</b>	<b>April 2020</b>	<b>May 2020</b>	<b>June 2020</b>	<b>July 2020</b>	<b>Aug. 2020</b>	<b>Sept. 2020</b>	<b>Oct. 2020</b>	<b>Nov. 2020</b>	<b>Dec. 2020</b>	<b>Jan. 2021</b>	<b>Feb. 2021</b>	<b>Mar. 2021</b>	<b>April, 2021</b>	<b>May, 2021</b>
Southwestern PA	4.7%	4.8%	6.0%	16.9%	13.9%	12.7%	12.8%	10.6%	8.3%	7.4%	6.3%	6.7%	7.7%	7.6%	7.2%	6.9%	6.0%
Pennsylvania	4.7%	4.7%	5.8%	16.1%	13.4%	13.2%	12.5%	10.4%	8.3%	7.4%	6.5%	6.9%	7.3%	7.4%	7.3%	7.1%	6.9%
United States	3.6%	3.5%	4.4%	14.7%	13.3%	11.1%	10.2%	8.4%	7.9%	6.6%	6.4%	6.5%	6.3%	6.2%	6.0%	6.1%	5.8%
<b>CHANGE IN LABOR FORCE FROM PREVIOUS MONTH</b>																	
	<b>Feb. 2020</b>	<b>March 2020</b>	<b>April 2020</b>	<b>May 2020</b>	<b>June 2020</b>	<b>July 2020</b>	<b>Aug. 2020</b>	<b>Sept. 2020</b>	<b>Oct. 2020</b>	<b>Nov. 2020</b>	<b>Dec. 2020</b>	<b>Jan. 2021</b>	<b>Feb. 2021</b>	<b>Mar. 2021</b>	<b>April, 2021</b>	<b>May, 2021</b>	<b>Feb. 2020 to May</b>
Southwestern PA	0.4%	-0.8%	-2.5%	1.1%	-1.9%	0.5%	-0.9%	1.8%	-1.3%	-1.3%	-0.3%	0.1%	0.9%	0.0%	-0.2%	-0.8%	-5.4%
Pennsylvania	0.1%	-0.2%	-1.5%	0.9%	-2.2%	-0.1%	-0.8%	2.0%	-1.0%	-1.1%	-0.8%	0.6%	0.6%	0.0%	-0.2%	-0.1%	-3.7%
United States	0.0%	-1.0%	-4.1%	1.1%	1.1%	0.0%	0.6%	-0.4%	0.6%	-0.4%	-0.3%	0.1%	0.0%	0.2%	0.3%	0.0%	-2.2%
<b>CHANGE IN UNEMPLOYMENT FROM PREVIOUS MONTH</b>																	
	<b>Feb. 2020</b>	<b>March 2020</b>	<b>April 2020</b>	<b>May 2020</b>	<b>June 2020</b>	<b>July 2020</b>	<b>Aug. 2020</b>	<b>Sept. 2020</b>	<b>Oct. 2020</b>	<b>Nov. 2020</b>	<b>Dec. 2020</b>	<b>Jan. 2021</b>	<b>Feb. 2021</b>	<b>Mar. 2021</b>	<b>April, 2021</b>	<b>May, 2021</b>	<b>Feb. 2020 to Mar.</b>
Southwestern PA	1.1%	20.0%	63.6%	-20.9%	-10.9%	1.2%	-21.8%	-25.4%	-14.5%	-17.7%	4.4%	13.7%	0.2%	-6.7%	-3.7%	-15.6%	19.7%
Pennsylvania	0.6%	18.5%	63.5%	-18.6%	-3.8%	-6.0%	-20.5%	-22.9%	-13.3%	-15.9%	5.1%	5.9%	2.6%	-1.5%	-2.7%	-3.7%	40.5%
United States	-1.8%	18.9%	69.1%	-10.0%	-18.2%	-8.6%	-20.6%	-7.7%	-18.5%	-3.5%	1.3%	-2.7%	-1.6%	-2.7%	1.0%	-5.3%	61.0%

Source: BLS Local Area Unemployment Statistics; Pennsylvania Department of Labor and Industry

The unemployment rate in the region is just 1.2 percentage points higher than it was in February 2020, a gap that is a full percentage point smaller than the U.S. or state. The difference between the last pre-pandemic unemployment rate and the current one is smallest in Lawrence (0.7 percentage points) and largest in Fayette County (1.8). Unemployment rates vary by county from a low of 5.1% in Butler County to a high of 8.4% in Fayette County.

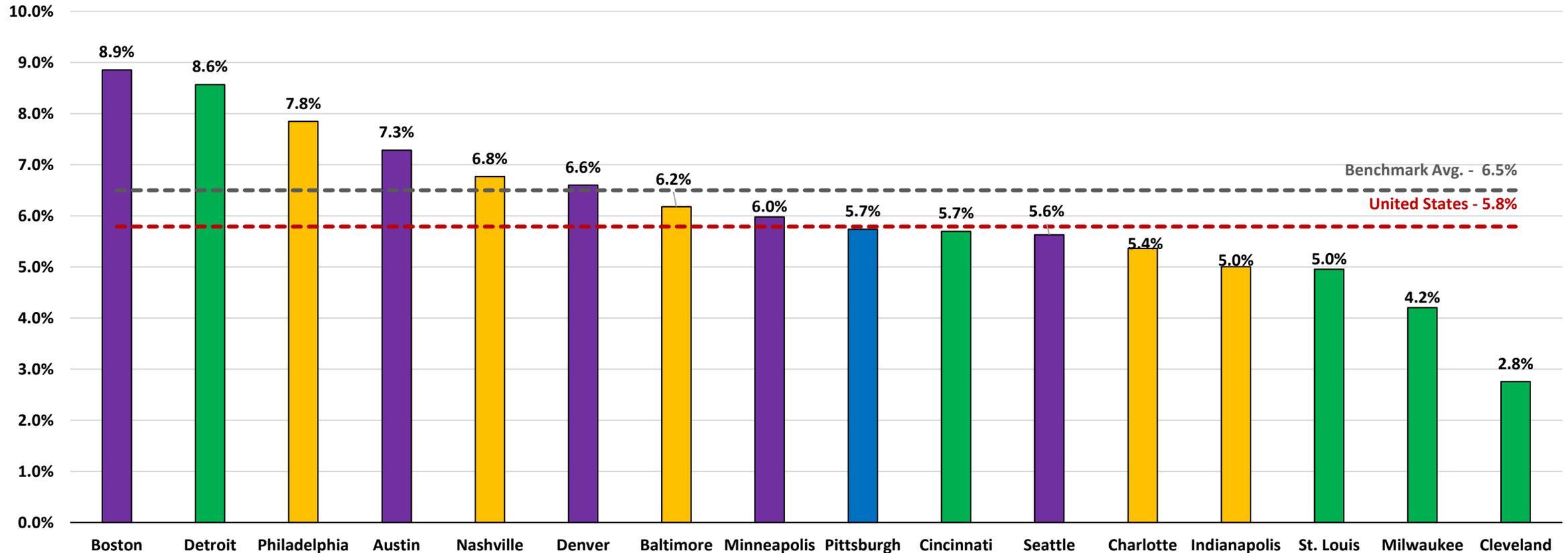
**Unemployment Rate Comparison - February 2020 vs. May 2021**



Source: BLS Local Area Unemployment Statistics; Pennsylvania Department of Labor and Industry

The Pittsburgh MSA had a 5.7% increase in employment between June 2020 and June 2021 as the region gained 77,200 jobs. While this puts it at the U.S. average, it is behind the benchmark average. In addition, while May's growth rate exceeded all but two benchmark regions, in June it fell to the middle of the pack. However, among its peer regions, it grew faster than all but Detroit.

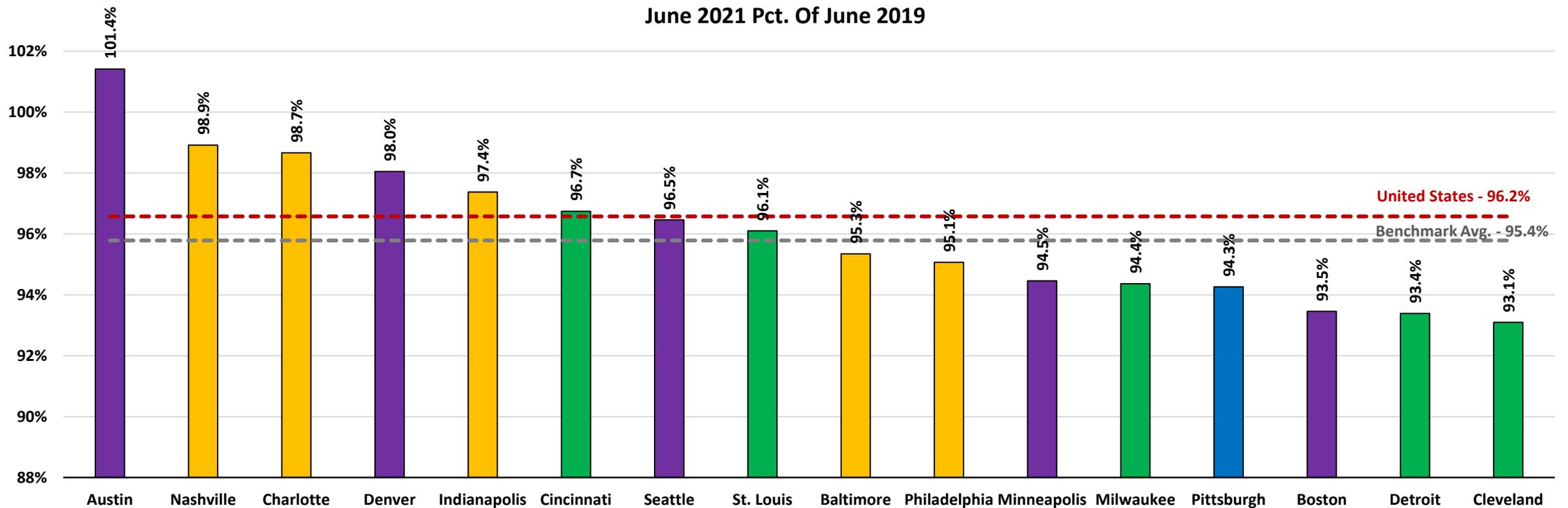
**Employment Change - June 2020 to June 2021**



*Green=Peer Markets*  
*Purple=Aspirational Markets*  
*Orange=Competitive Markets*

**Source:** BLS Current Employment Statistics, June 2021, preliminary

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 June 2019, and several other benchmark regions are close to their June 2019 employment levels, the Pittsburgh MSA is lagging. In June 2021, employment in the Pittsburgh MSA was 94.3% of what it was two years earlier, a drop of 61,300 workers. Only Boston, Cleveland, and Detroit ranked lower.

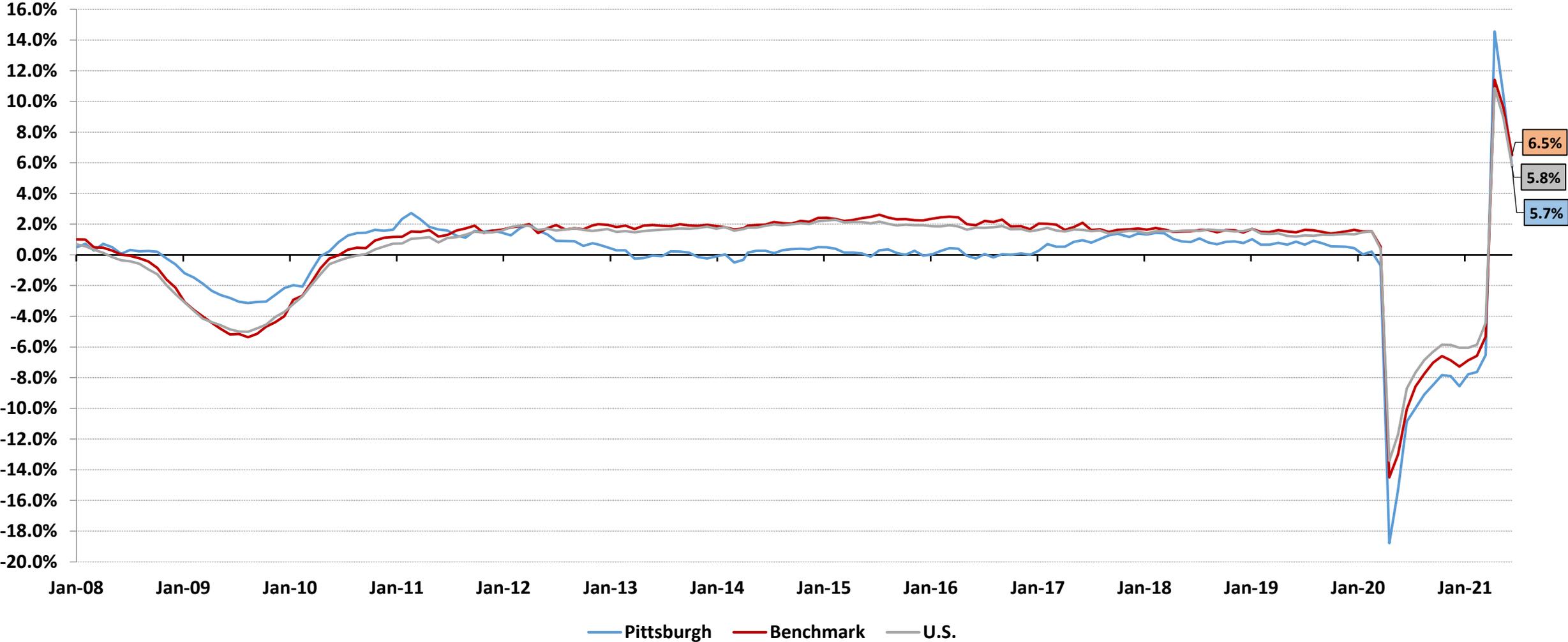


**Green**=Peer Markets  
**Purple**=Aspirational Markets  
**Orange**=Competitive Markets

**Source:** BLS Current Employment Statistics, June 2021, preliminary

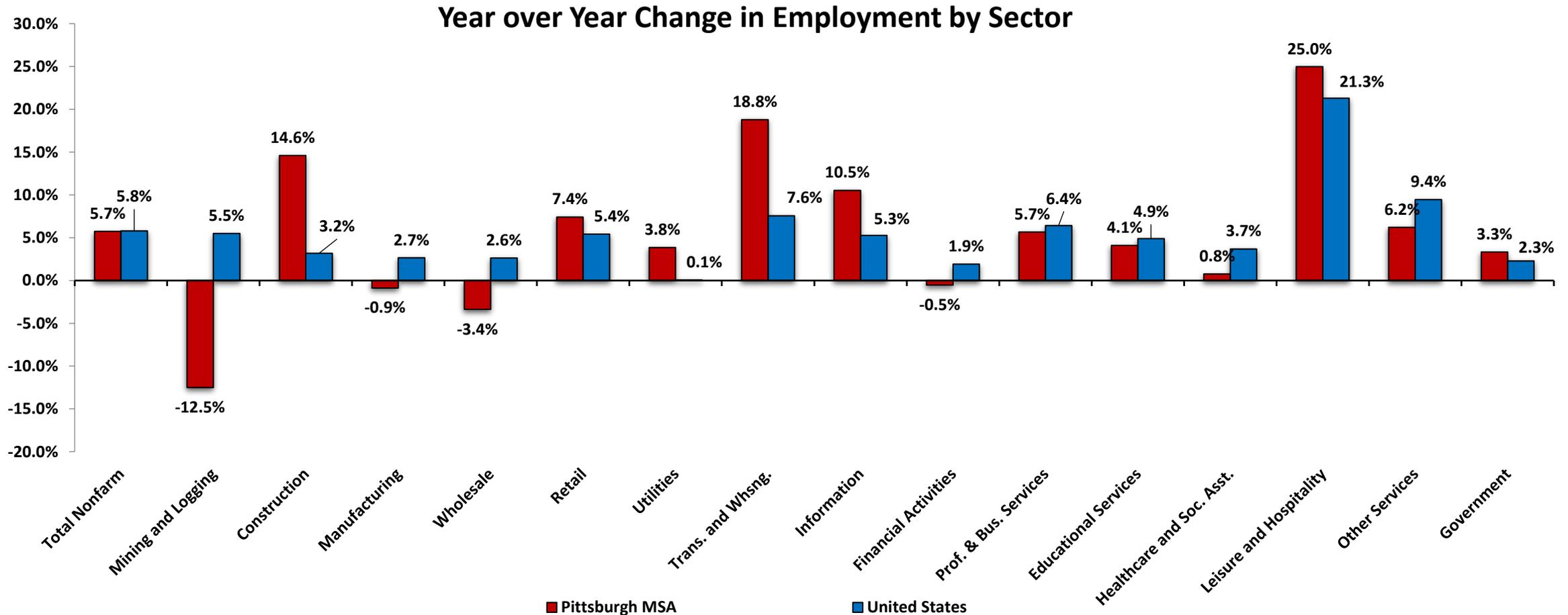
After outpacing the U.S. and benchmark regions in year-over-year employment in April and May, the pace slowed in June. The year-over-year increase fell behind the benchmark average and was pretty much equal to the nation.

### Year over Year Employment Change - January 2008 to June 2021



Source: BLS Current Employment Statistics

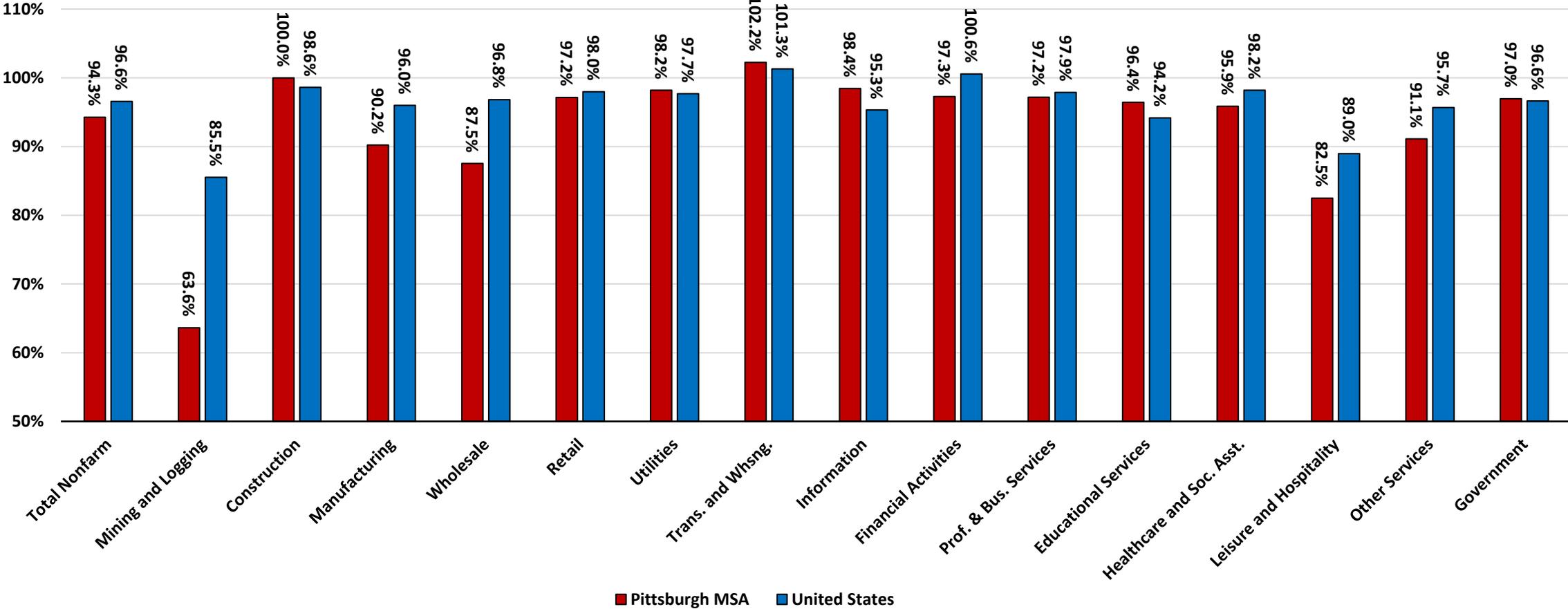
The Pittsburgh region continues to outperform the nation in sectors that experienced tighter operating restrictions last spring including Construction, Retail, and Leisure and Hospitality. In addition, Transportation & Warehousing is experiencing robust increases as a result of the growth in distribution and rebound in travel. Mining & Logging performed worst compared to the nation, although Manufacturing, Wholesale Trade and Financial Activities, which performed surprisingly strong in Spring 2020, also lagged.



Source: BLS Current Employment Statistics, June 2021, preliminary

Comparing regional industry employment from June 2021 to June 2019 shows that Construction and Transportation and Warehousing now employ more people in the region than two years ago. Most other industries registered employment levels within five percentage points of their 2019 numbers. As a result, the real shortfall in employment in the region can be attributed to five industries - Mining and Logging, Manufacturing Wholesale Trade, Leisure and Hospitality and Other Services.

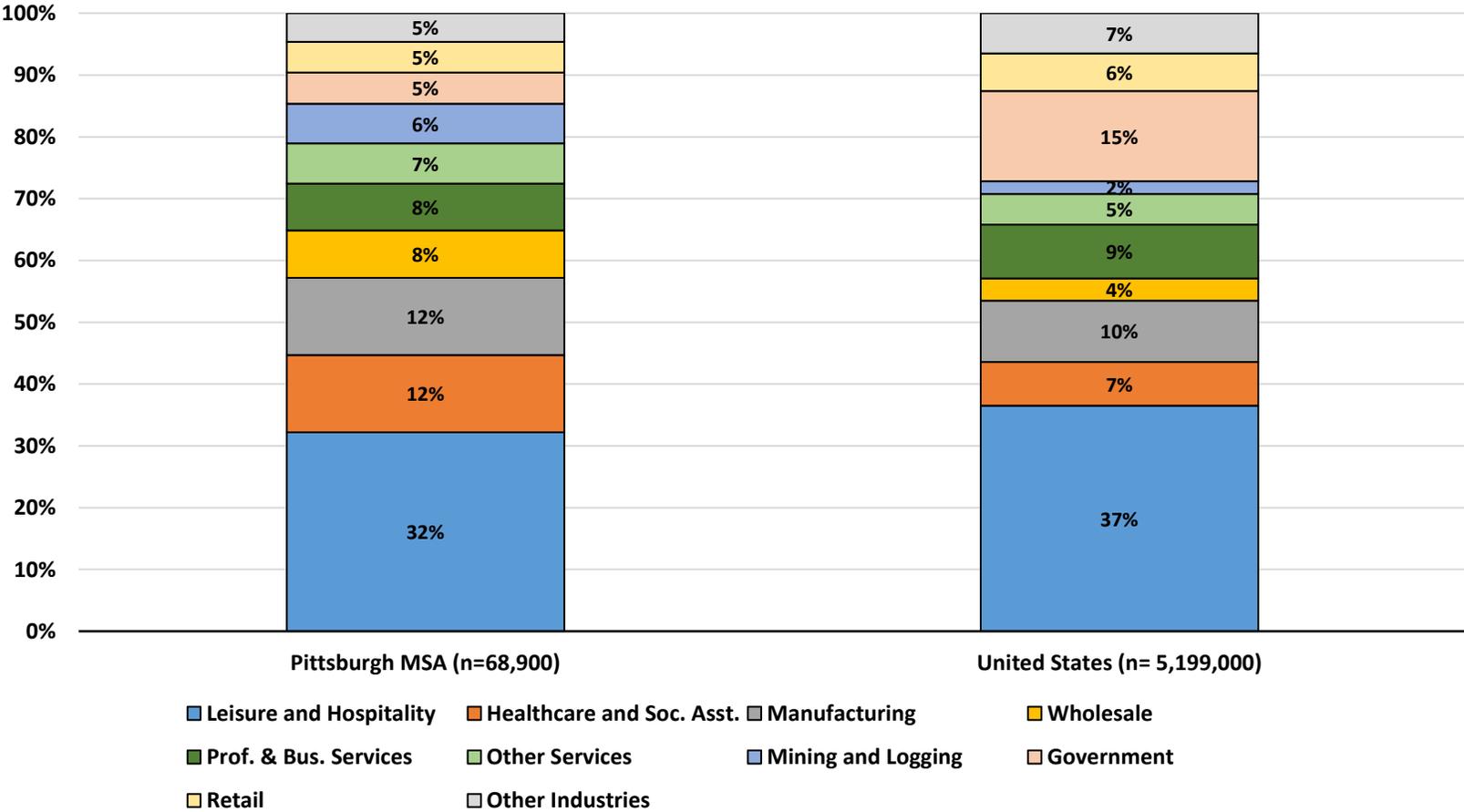
June 2021 Pct. of June 2019 by Industry



Source: BLS Current Employment Statistics

Nearly one-third of the employment shortfall in the Pittsburgh MSA, between June 2019 and June 2021, is in Leisure and Hospitality, compared to 37% nationally. Government was the only other major industry in which the region had a proportionately lower share of the employment loss. Conversely, 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.

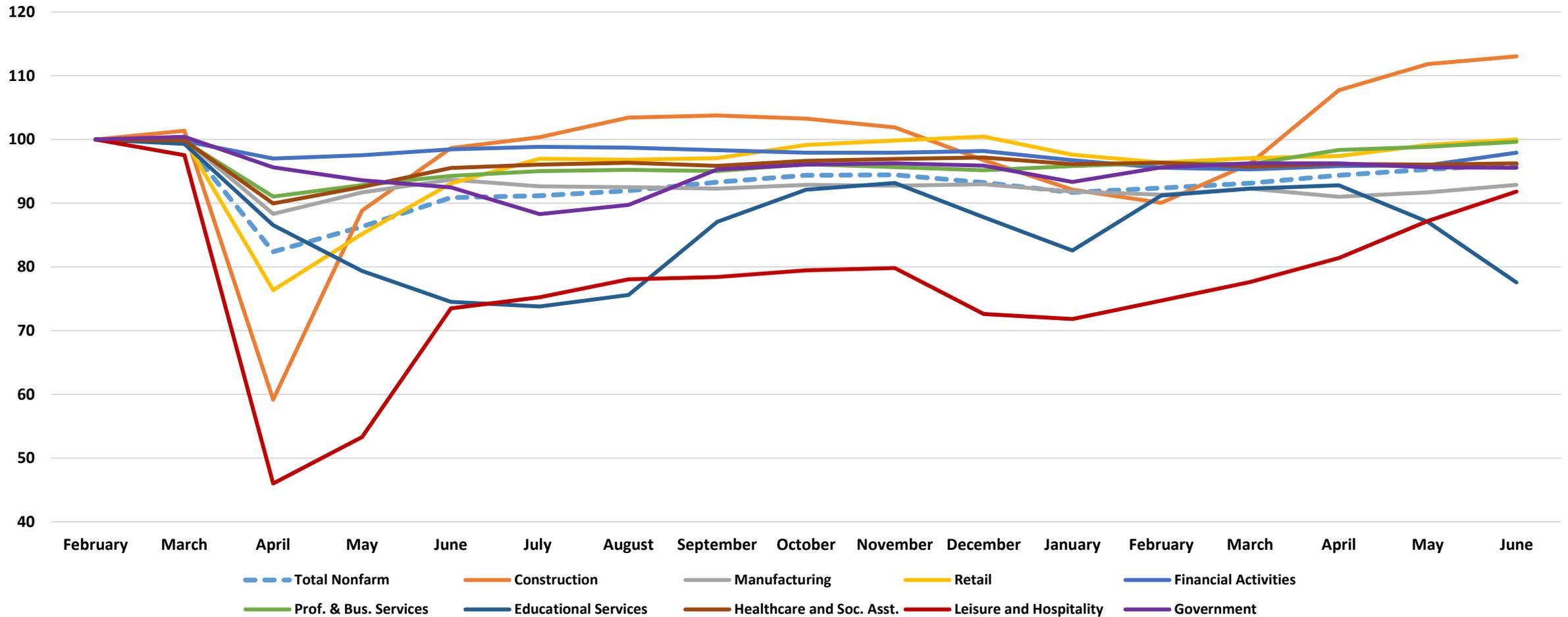
**Current Employment Shortfall By Industry - June 2019 to June 2021**



Source: BLS Current Employment Statistics

Leisure and Hospitality is steadily recovering from holiday dining restrictions in December and January and as it heads into the peak Summer season IT finds employment at 91.8% of pre-pandemic employment. Total employment in the MSA is 96.1% of pre-pandemic levels, the highest since the pandemic began. Educational Services was the only major industry to see a drop in the employment index largely due to seasonal factors.

Employment Index - February, 2020 = 100



Despite well reported labor shortages, seasonal hiring continues to drive a recovery in the Leisure and Hospitality sector. While still lagging the U.S., total Leisure and Hospitality employment is 91.8% of pre-pandemic levels, the first time it has exceeded 90% since the pandemic began. The highly-seasonal Arts, Entertainment and Recreation sector has seen employment rebound over pre-pandemic levels as they ramp up for the summer at a higher rate than the nation as a whole, although it is roughly 8% below where it has traditionally been this time of year. Food Services and Drinking Places also continues its recovery from the holiday operational restrictions. Accommodations, while still struggling, has seen a consistent rebound since the lows in March 2021 and employment is roughly two-thirds of pre-pandemic levels.

**Leisure and Hospitality Employment Index - February, 2020 = 100**

