



Pennsylvania Economy League
of Greater Pittsburgh

An affiliate of the Allegheny Conference

Pittsburgh Region Employment Update

August 2021

Released September 24, 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.

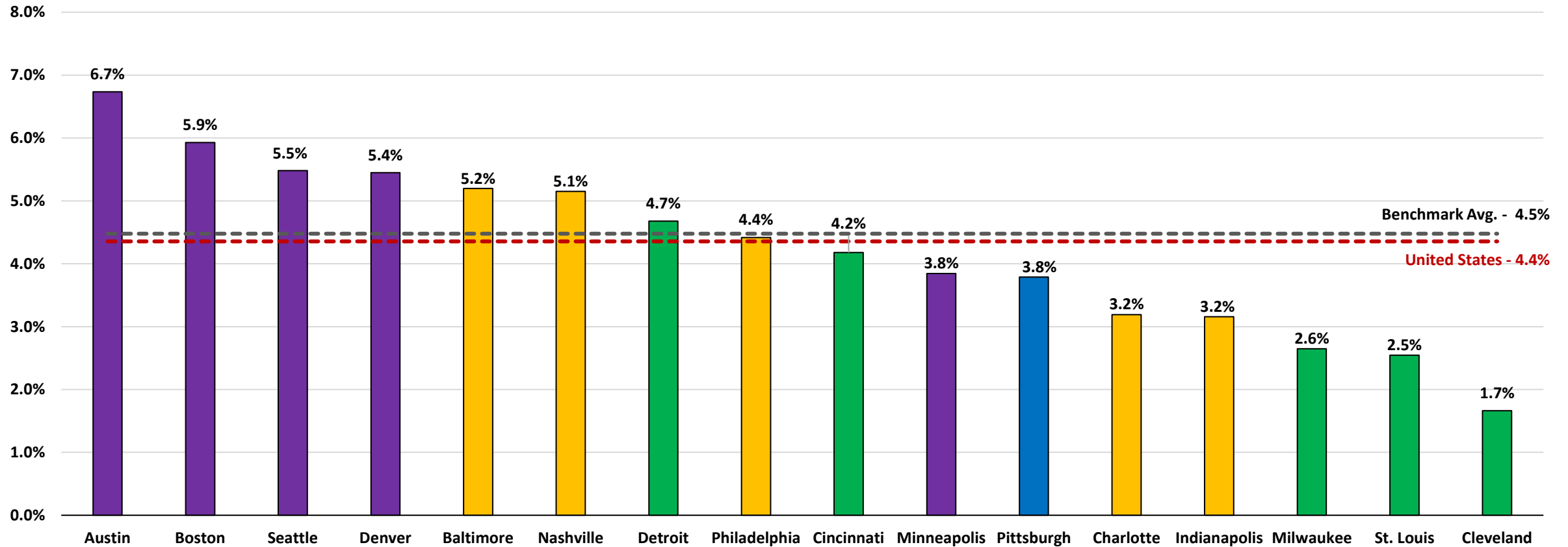
- The Pittsburgh MSA had a 4.8% increase in employment between August 2020 and August 2021 as the region gained 41,000 jobs. With the employment growth numbers stabilizing, Pittsburgh's ranking among the benchmark regions has been dropping – from second out of 16 in April, to third in May, to ninth in June to eleventh in August. It is likely to remain near this level going forward.
- Employment in the Pittsburgh MSA is 94.3% of what it was two years ago, exceeding only Detroit and Cleveland and below both the Benchmark and National averages. This is the third consecutive month employment has been at the 94% level after slowly climbing through the first half of 2021.
- After outpacing the U.S. and benchmark regions in year-over-year employment in April and May, the pace has slowed and has now lagged the national and benchmark averages for three straight months. As we move into the fall, employment growth patterns are likely to stabilize at historic patterns with the Pittsburgh MSA trailing the U.S. and Benchmark Averages.
- The Construction industry in the Pittsburgh MSA continues to significantly outperform the nation, while Leisure and Hospitality and Other Services continue their rebound. Utilities and Information also registered strong performances in August compared to the nation. After outpacing the U.S. for much of the year, Transportation & Warehousing has slipped behind the national growth rate. Most other industries trailed the nation with Mining & Logging continuing to perform the worst.
- Comparing regional industry employment from August 2021 to August 2019 shows that Construction continues to do well, while Educational Services and Information perform best compared to the nation. Transportation and Warehousing has slowed. In June the industry employed people in the region than in 2019. Employment in August was below 2019 numbers. Some of this could be due to seasonal factors as there are a number of industry sectors that are tourism-related. 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 continues to be driven by be attributed to five industries - Mining and Logging, Manufacturing Wholesale Trade, Leisure and Hospitality and Other Services.

Key Findings (cont'd)

- As Leisure and Hospitality continues to recover, other industries account for an increasing proportion of the employment shortfall. Leisure & Hospitality, joined Government and Retail as the major industries with a proportionately lower share of the employment loss when compared to the nation. Conversely, Professional and Business Services, Wholesale Trade, Mining and Logging and Other Services account for a disproportionately higher share of the employment loss in the Pittsburgh MSA than nationally.
- Total employment in the MSA is 95.4% of pre-pandemic levels, similar to July 2021, but down slightly from June 2021. Contractions in Leisure and Hospitality, Government and Retail were responsible for the drop as most other major industries have continued to add employment since spring. Construction continues its strong performance.
- Traditionally, July is the peak employment month for the Leisure and Hospitality industry. This was the case in 2021 and as such a slight contraction in employment was anticipated in August. The region's drop, while slight, was three times the drop nationally. Much of this decrease was attributable to seasonal contraction in the Arts, Entertainment and Recreation sector, although Food Services and Drinking Places and Accommodations registered smaller drops. While Accommodations dropped slightly nationwide, Food Services and Drinking places remained stable when compared to July.
- ***Outlook – The slow rebound that the Pittsburgh MSA exhibited during the first half of 2021 seems to have stalled as regional employment has remained at 94% of 2019 levels for three consecutive months. As we enter Fall, continued improvement for the region as a whole will be dependent on how much of the summer momentum exhibited by Leisure and Hospitality and Construction is retained during a season when employment traditionally decreases. The resumption of conventions and live performances could provide a boost, but construction will be challenged as work on major projects wind down.***

The Pittsburgh MSA had a 4.8% increase in employment between August 2020 and August 2021 as the region gained 41,000 jobs. As the employment growth numbers begin to steady, Pittsburgh’s ranking among the benchmark regions has been dropping – from second out of 16 in April, to third in May, to ninth in June to eleventh in August. It is likely to remain near this level going forward.

Employment Change - August 2020 to August 2021

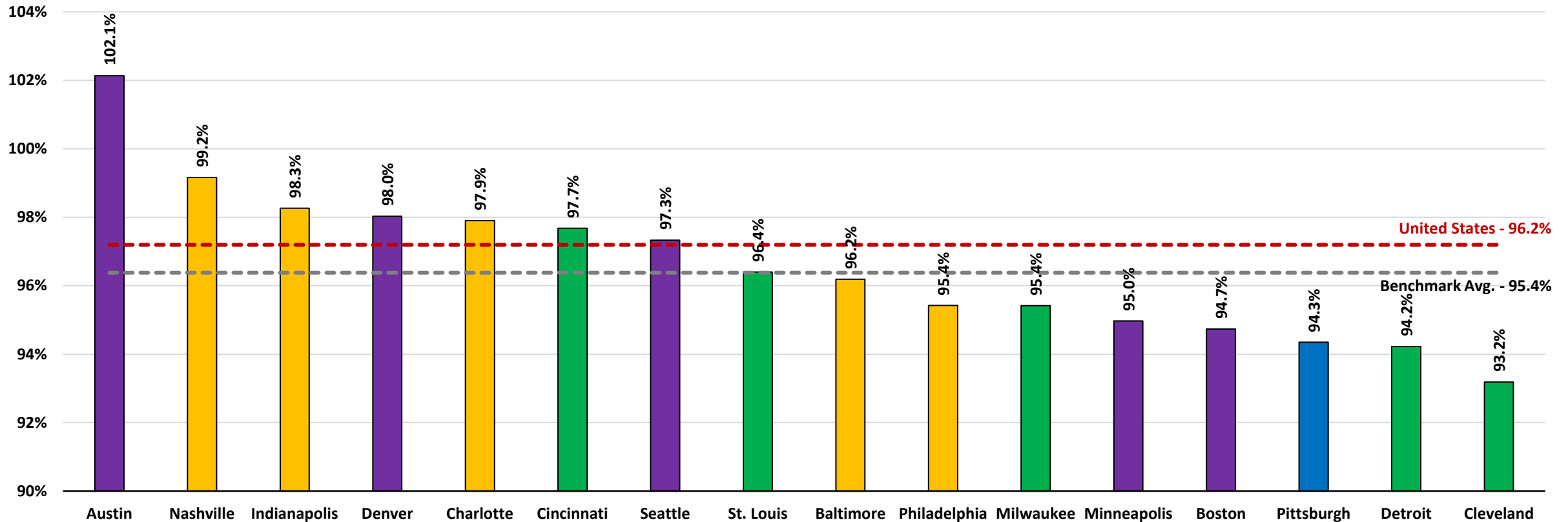


Green=Peer Markets
Purple=Aspirational Markets
Orange=Competitive Markets

Source: BLS Current Employment Statistics, August 2021, preliminary

Employment in the Pittsburgh MSA is 94.3% of what it was two years ago, exceeding only Detroit and Cleveland and below both the Benchmark and National averages. This is the third consecutive month employment has been at the 94% level after slowly climbing through the spring. Both Austin and Nashville have increased employment over the past two years, with Nashville, Indianapolis, Denver and Charlotte within two percentage points of their 2019 employment levels.

August 2021 Pct. Of August 2019

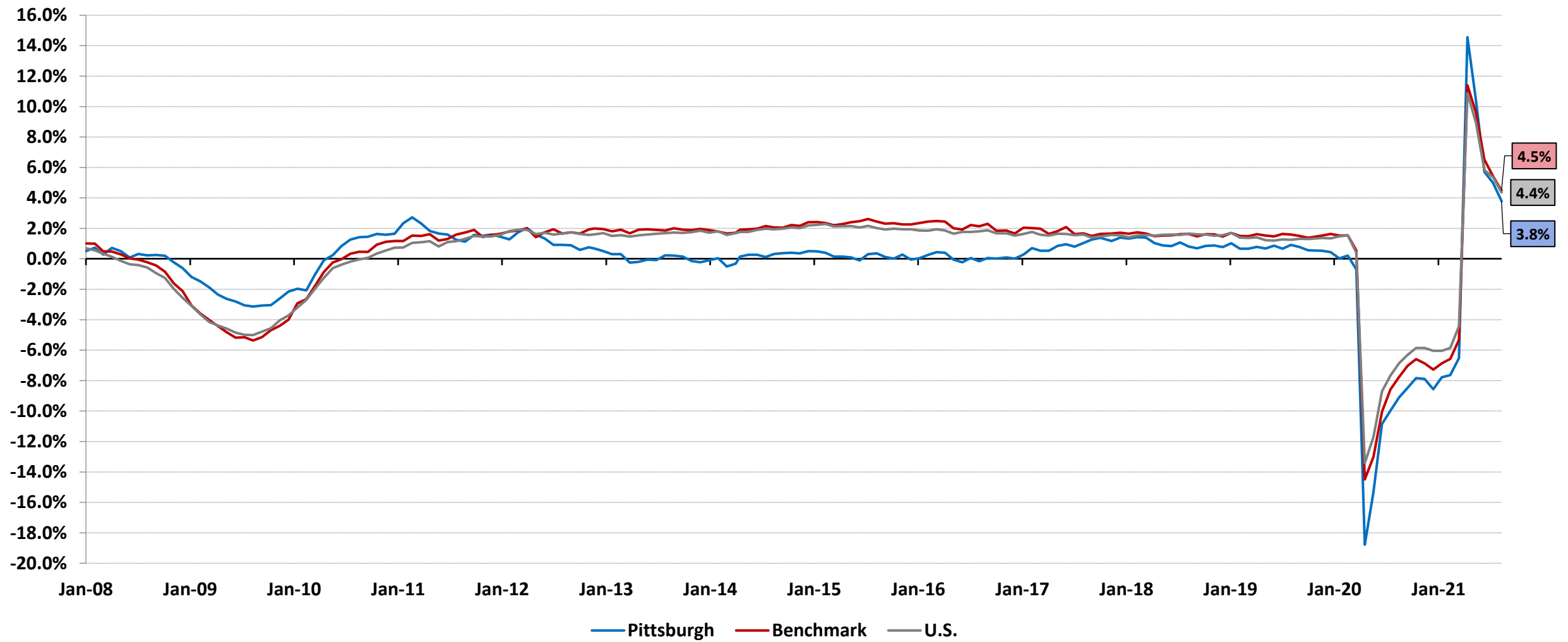


Green=Peer Markets
 Purple=Aspirational Markets
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Source: BLS Current Employment Statistics

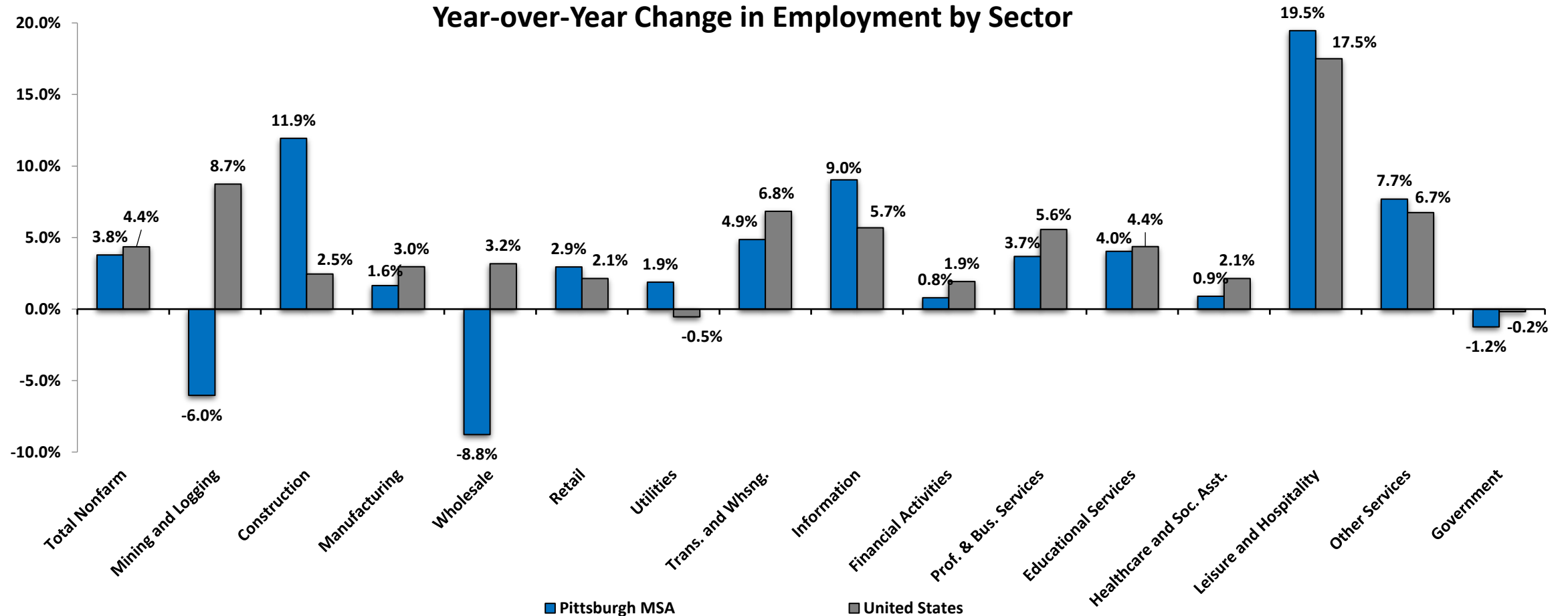
After outpacing the U.S. and benchmark regions in year-over-year employment in April and May, the pace has slowed and has now lagged the national and benchmark averages for three straight months. As we move into the fall, employment growth patterns are likely to stabilize at historic patterns with the Pittsburgh MSA trailing the U.S. and Benchmark Averages.

Year over Year Employment Change - January 2008 to August 2021

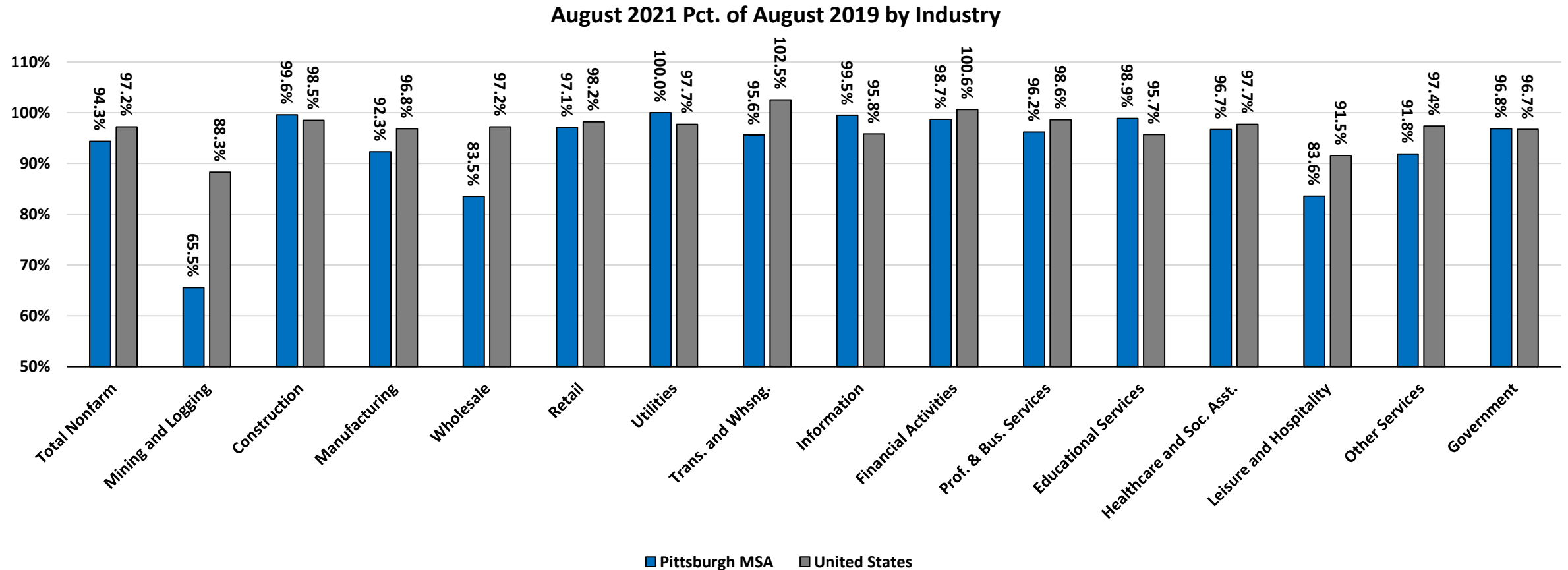


Source: BLS Current Employment Statistics

The Construction industry in the Pittsburgh MSA continues to significantly outperform the nation, while Leisure and Hospitality and Other Services continue their rebound. Utilities and Information also registered strong performances in August compared to the nation. After outpacing the U.S. for much of the year, Transportation & Warehousing has slipped behind the national growth rate. Most other industries trailed the nation with Mining & Logging continuing to perform the worst.

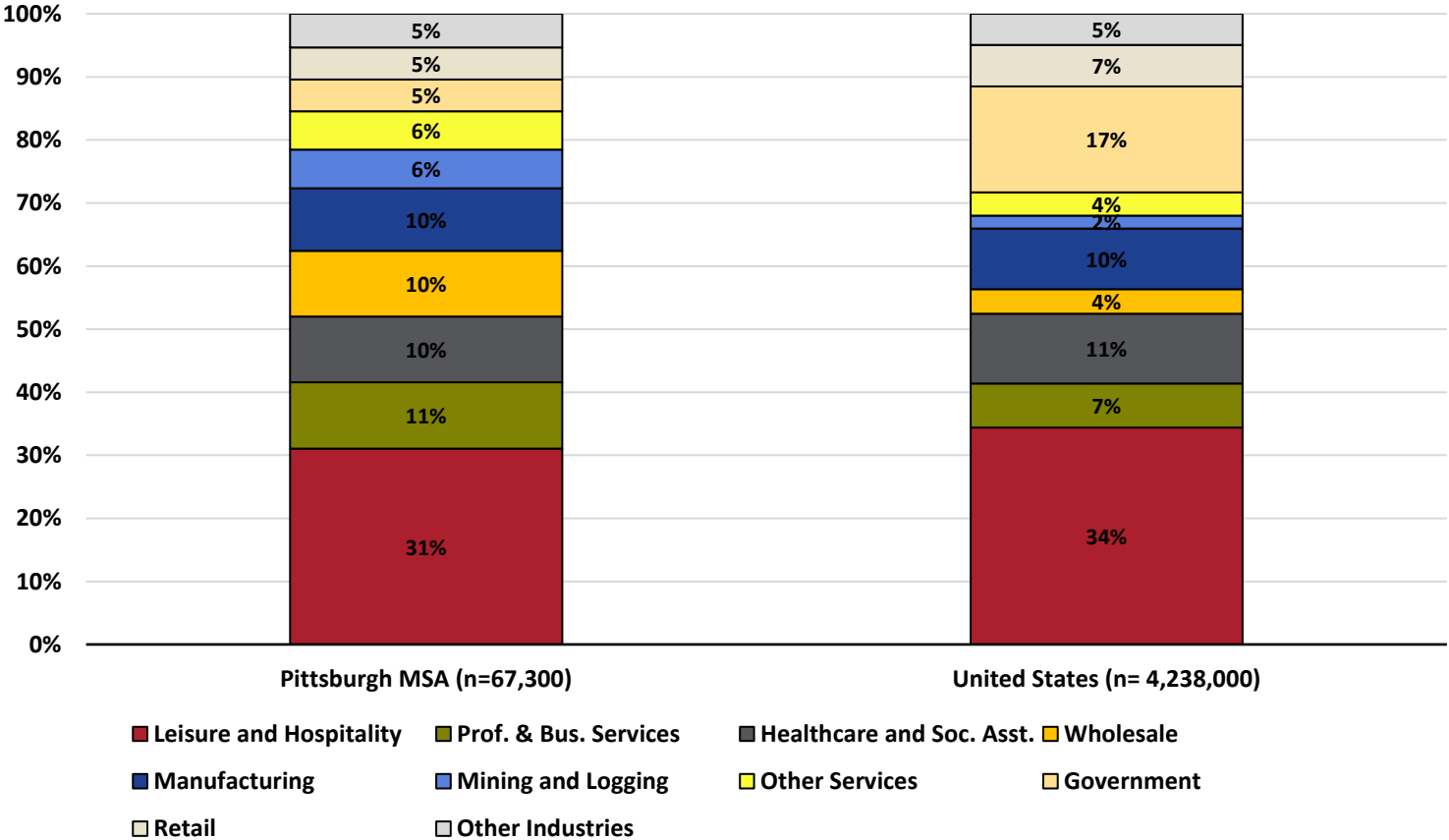


Comparing regional industry employment from August 2021 to August 2019 shows that Construction continues to do well, while Educational Services and Information perform best compared to the nation. Transportation and Warehousing employed more people in the region than in 2019 for much of the year but has fallen behind 2019 numbers. Some of this could be due to seasonal factors as there are a number of industry sectors that are tourism-related. 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 continues to be driven by be attributed to five industries - Mining and Logging, Manufacturing Wholesale Trade, Leisure and Hospitality and Other Services.



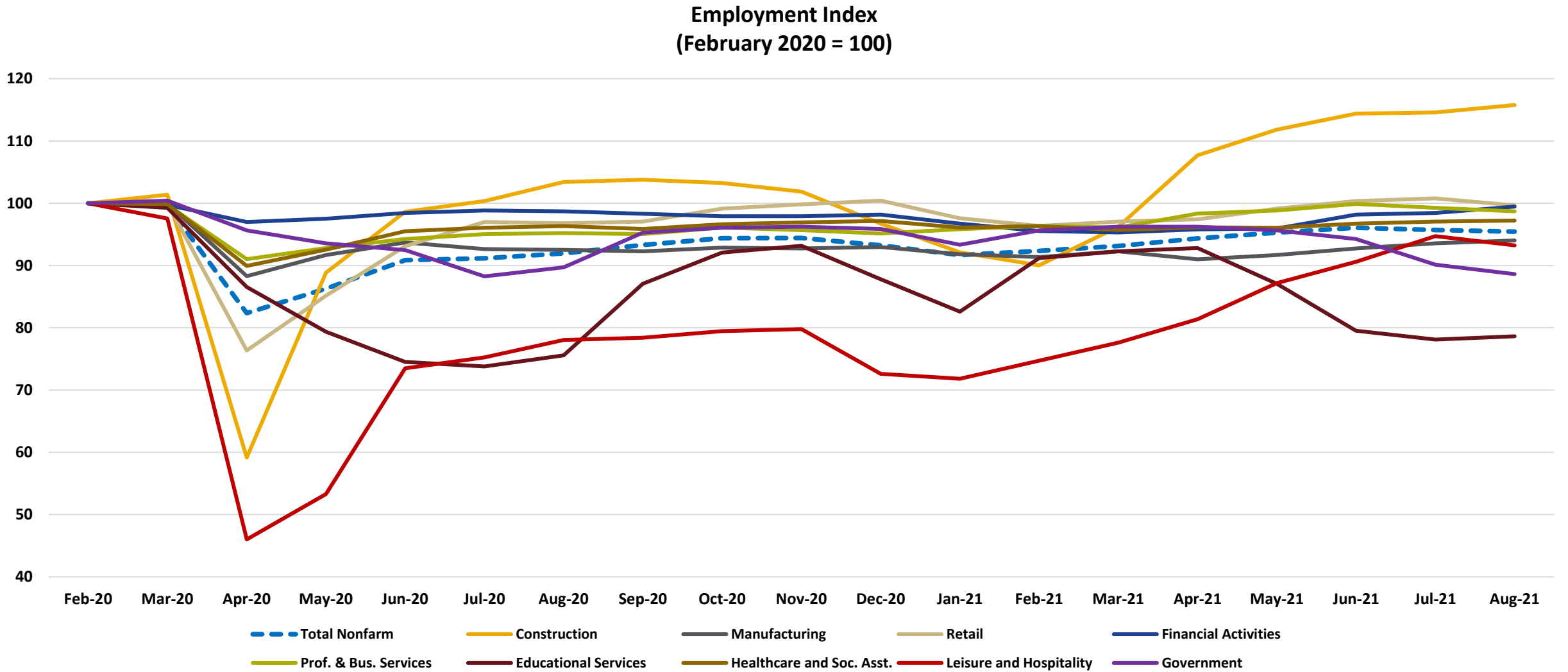
As Leisure and Hospitality continues to recover, other industries account for an increasing proportion of the employment shortfall. Leisure & Hospitality joined Government and Retail as the major industries with a proportionately lower share of the employment loss when compared to the nation. Conversely, Professional and Business Services, Wholesale Trade, Mining and Logging and Other Services account for a disproportionately higher share of the employment loss in the Pittsburgh MSA than nationally.

Current Employment Shortfall By Industry - July 2019 to July 2021



Source: BLS Current Employment Statistics

Total employment in the MSA is 95.4% of pre-pandemic levels, similar to July 2021, but down slightly from June. Contractions in Leisure and Hospitality, Government and Retail were responsible for the drop as most other major industries have continued to add employment since spring. Construction continues its strong performance.



July 2021 represented the peak employment month for the Leisure and Hospitality industry and as such a slight contraction in employment was anticipated in August. The region's drop, while minor, was three times the drop nationally. Much of this decrease was attributable to seasonal contraction in the Arts, Entertainment and Recreation sector although Food Services and Drinking Places and Accommodations registered smaller drops. While Accommodations dropped slightly nationwide, Food Services and Drinking places remained stable when compared to July.

**Leisure and Hospitality Employment Index
(February 2020 = 100)**

