



Pennsylvania Economy League
of Greater Pittsburgh

An affiliate of the Allegheny Conference

Pittsburgh Region Employment Update September 2021

Released October 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.

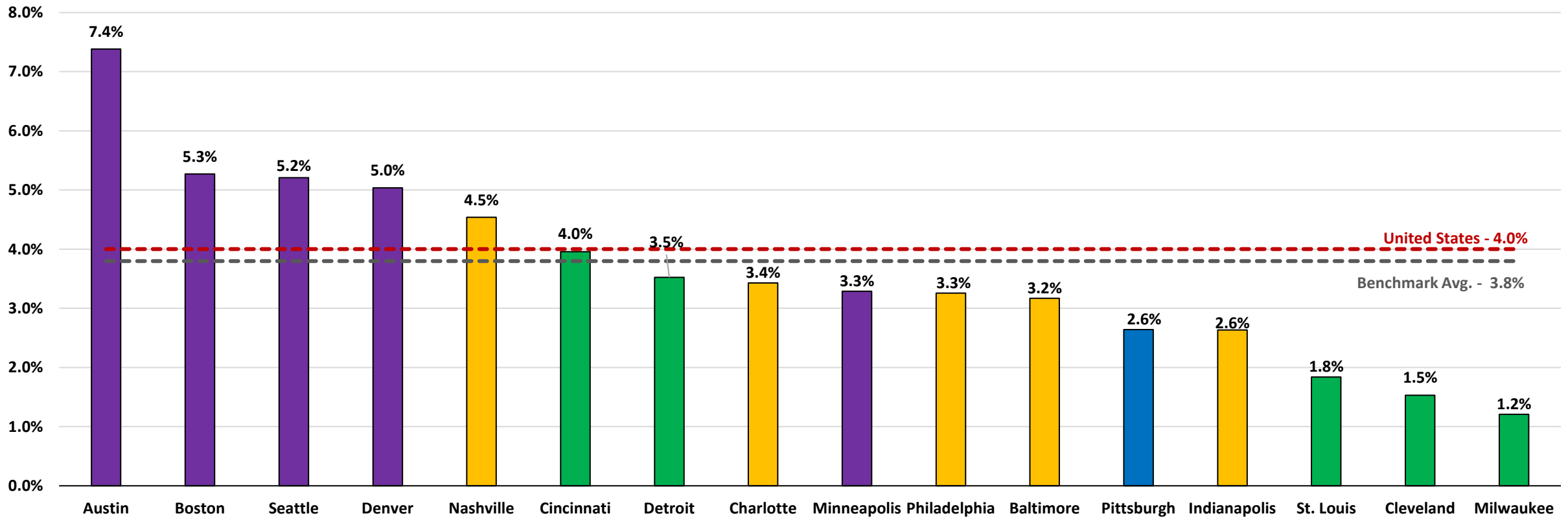
- The Pittsburgh MSA had a 2.6% increase in employment between September 2020 and September 2021 as the region gained 37,800 jobs. As the employment growth numbers begin to steady, Pittsburgh's ranking among the benchmark regions has been dropping – from second out of 16 in April, to third in May, to ninth in June to eleventh in August and twelfth in September. Pittsburgh did outperform three of its five peer benchmark regions, however.
- Employment in the Pittsburgh MSA is 93.9% of what it was two years ago, trailing all benchmark regions and below both the Benchmark and National averages. This is the fourth consecutive month employment has been at the 94% level after slowly climbing through the spring.
- After outpacing the U.S. and benchmark regions in year-over-year employment growth in April and May, the pace has slowed and has now lagged the national and benchmark averages for four 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, increasing 8.6% compared to 2.8% nationally. Information, and Utilities also had an above average year-over-year employment increase, while Leisure and Hospitality equaled the national growth rate. 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 and Wholesale Trade continuing to perform the worst.
- Apart from Utilities and Information, all the industries in the Pittsburgh MSA trail the nation in percent of employment compared to two years earlier. While lagging, most industries are within five percentage points of comparable month pre-pandemic employment levels. While Transportation and Warehousing is within six percentage points of its September 2019 employment level, it has not seen the same growth as the industry has nationally – 103.1% of its 2019 employment, the highest of any industry. The biggest laggards continue to be Leisure and Hospitality, Mining and Logging and Wholesale Trade. While Leisure and Hospitality has been disproportionately impacted by the pandemic, the other two industries are being impacted by broader market conditions.

Key Findings (cont'd)

- Leisure & Hospitality joined Government and Healthcare and Social Assistance as the major regional 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.
- Industry employment among the major industries appear to be returning to traditional seasonal fluxuations. Total employment in the MSA has been within five percentage points of pre-pandemic levels since May while most industries have seen employment remain steady since the spring. In September all of the movement was due to seasonal factors. Construction and Leisure and Hospitality trailed off while the reopening of schools led to increases in Educational Services and Government.
- As anticipated, Leisure and Hospitality employment continued to fall in September from its July seasonal highs. The region's drop, while minor, was three times the drop nationally, with Arts, Entertainment and Recreation experiencing the biggest drop off. Accommodations, however, continued to add employment, counter to national trends, as conventions and events started returning to the region.
- ***Outlook – Employment has returned to its historic seasonal patterns and most of the change among the regional industries was driven by anticipated seasonal changes. Month-to-month employment fell in Construction and Leisure and Hospitality, despite growth in the Accommodations sector, while back to school drove increases in Educational Services and Government. But overall, the region has largely ceased to add jobs as regional employment has remained at 94% of 2019 levels for four consecutive months. With the traditional seasonal patterns returning, it will be a challenge to further close that gap as labor shortages continue will hamper employment growth in Leisure and Hospitality which continues to account for the highest percentage of the employment shortfall.***

The Pittsburgh MSA had a 2.6% increase in employment between September 2020 and September 2021 as the region gained 37,800 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 and twelfth in September. Pittsburgh did outperform three of its five peer benchmark regions, however.

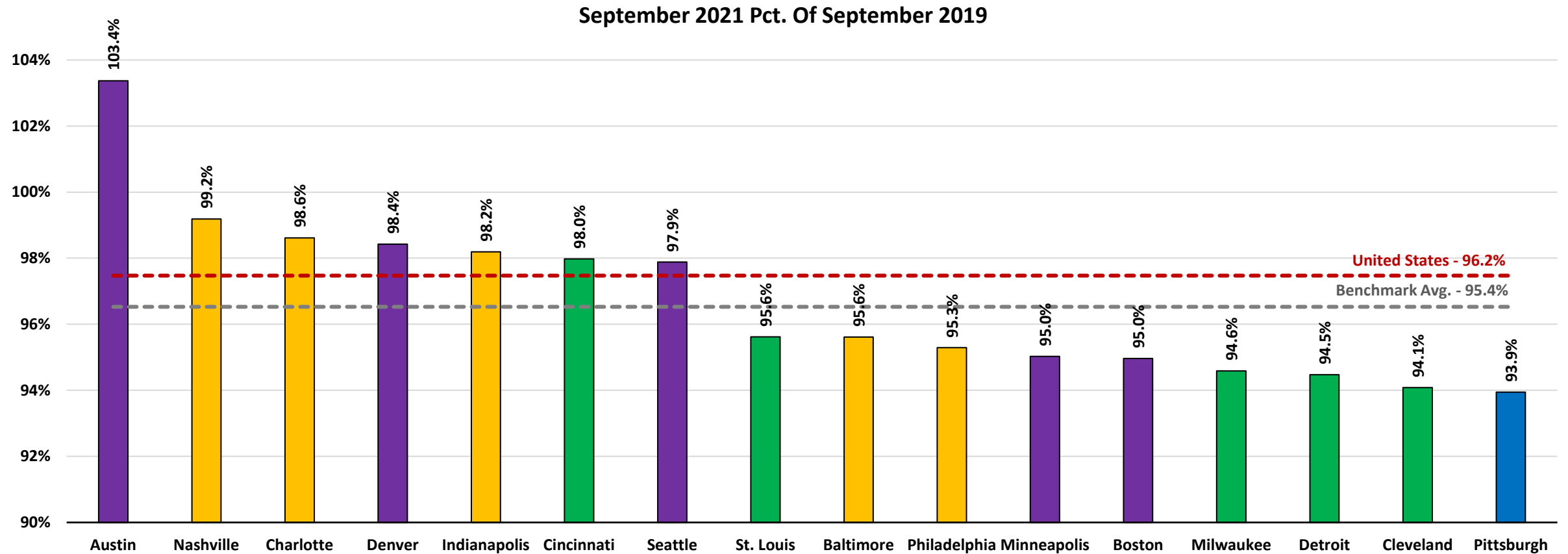
Employment Change - September 2020 to September 2021



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

Source: BLS Current Employment Statistics, September 2021, preliminary

Employment in the Pittsburgh MSA is 93.9% of what it was two years ago, trailing all benchmark regions along with the Benchmark and National averages. This is the fourth consecutive month employment has been at the 94% level after slowly climbing through the spring. Austin’s employment is above its level two years ago, while Nashville, Charlotte, Indianapolis, Denver and Cincinnati are within two percentage points of their 2019 employment levels.

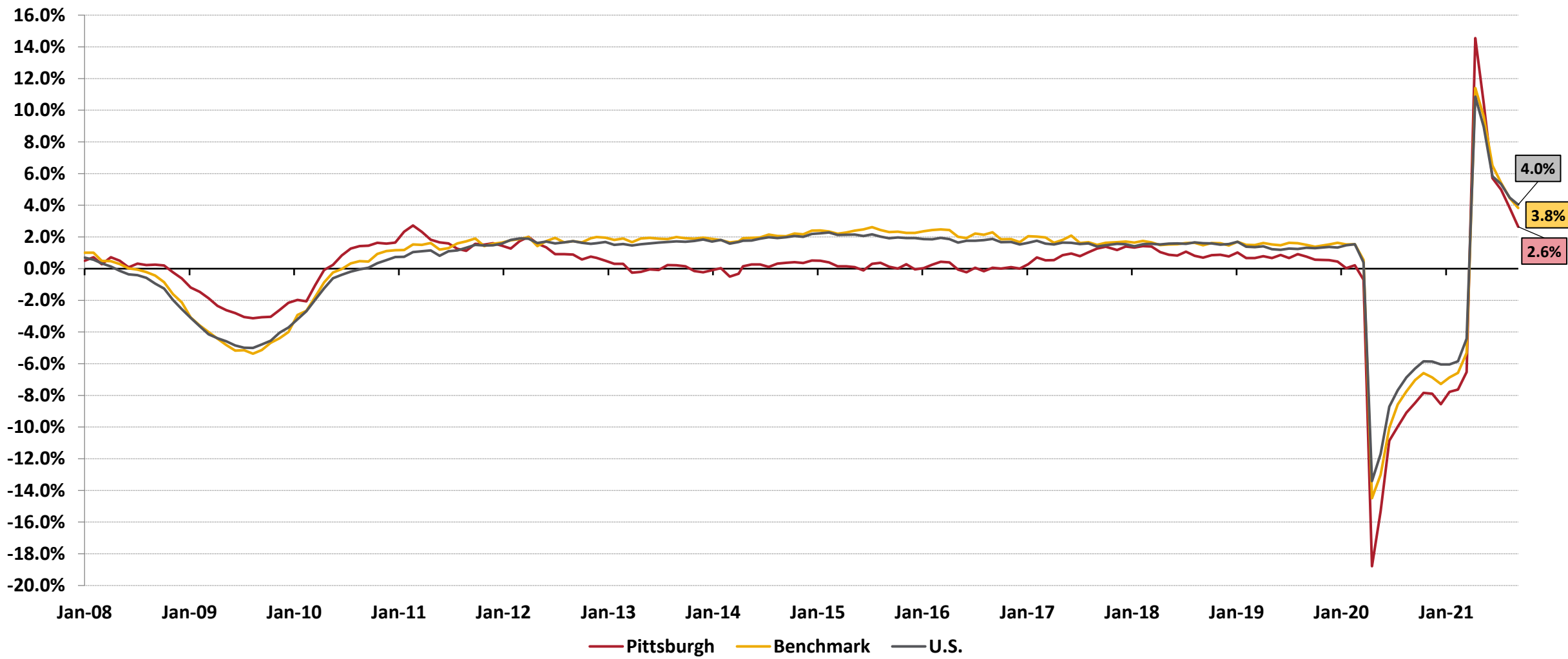


Green=Peer Markets
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Source: BLS Current Employment Statistics

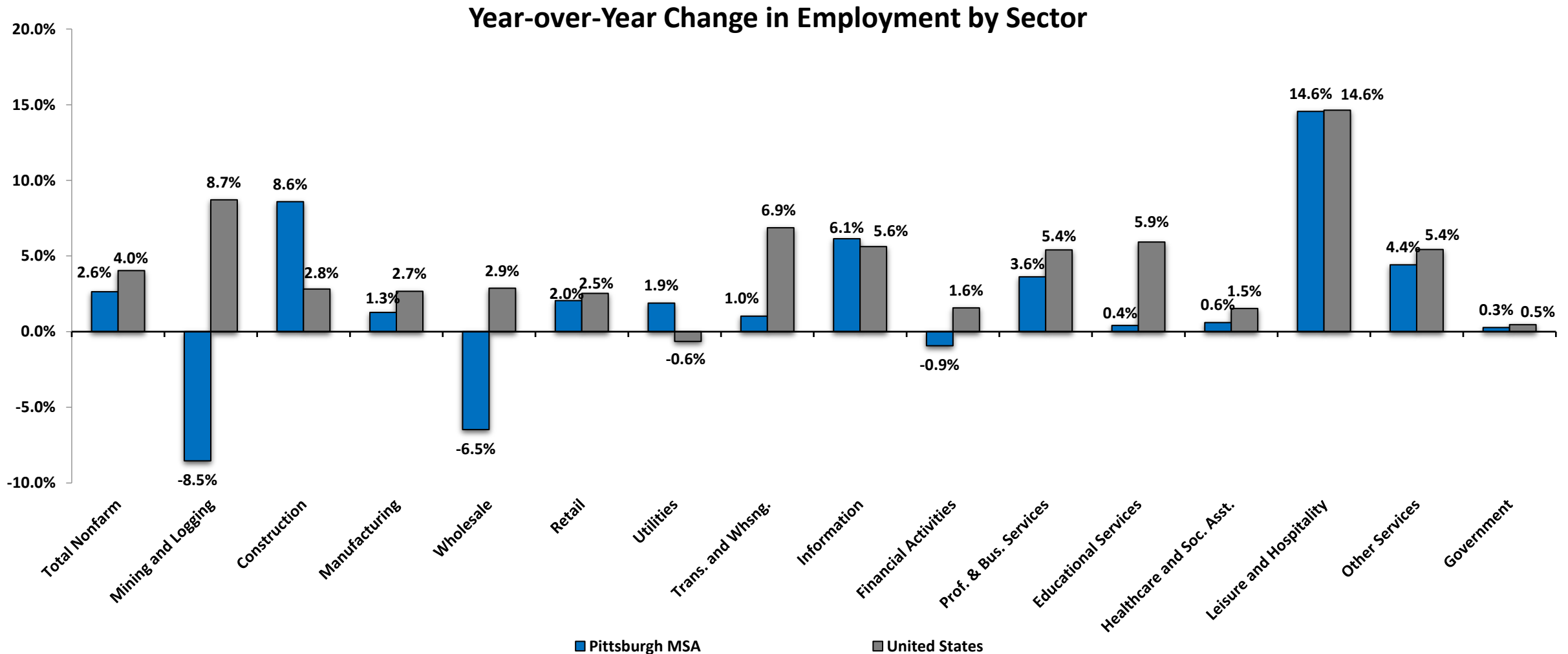
After outpacing the U.S. and benchmark regions in year-over-year employment in April and May, the pace has slowed and has now lagged the national and benchmark averages for four straight months. As we move into the fall, employment growth patterns are likely to stabilize at historic patterns with the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

Year over Year Employment Change - January 2008 to September 2021



Source: BLS Current Employment Statistics

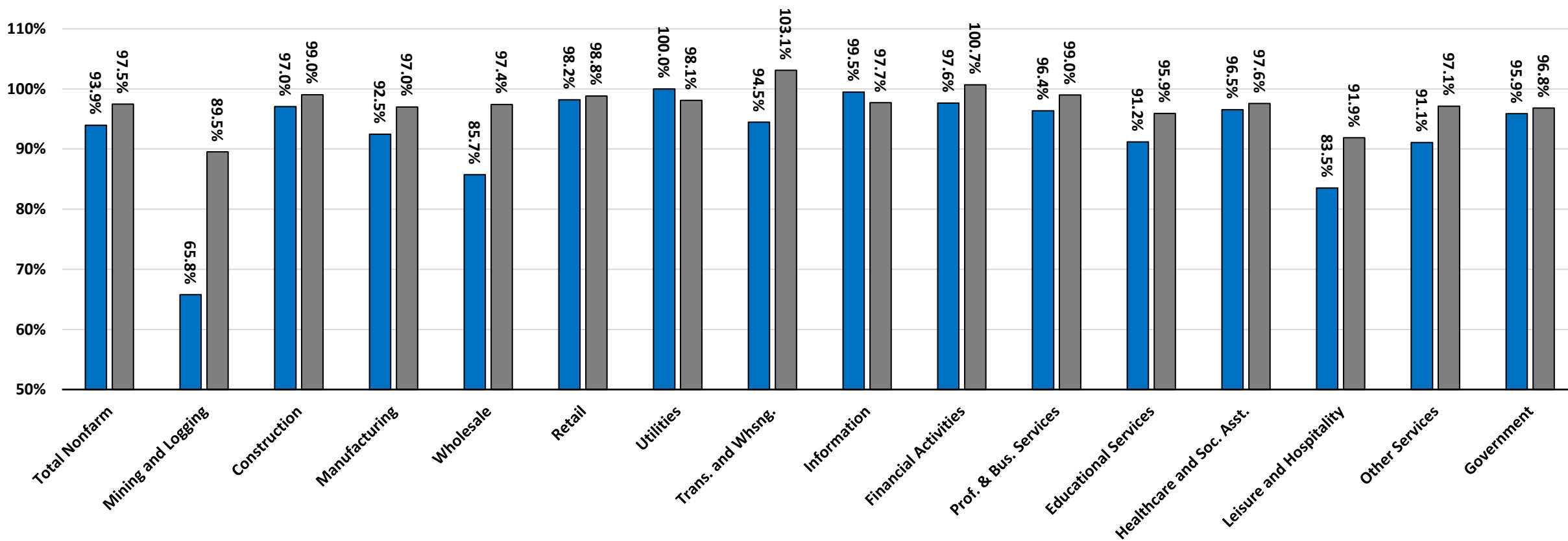
The Construction industry in the Pittsburgh MSA continues to significantly outperform the nation. Information, and Utilities also had an above average year-over-year employment increase, while Leisure and Hospitality equaled the national growth rate. After outpacing it for much of the year, Transportation & Warehousing has slipped behind the national growth rate. Most other industries trailed the nation with Mining & Logging and Wholesale Trade continuing to perform the worst.



Source: BLS Current Employment Statistics, August 2021, preliminary

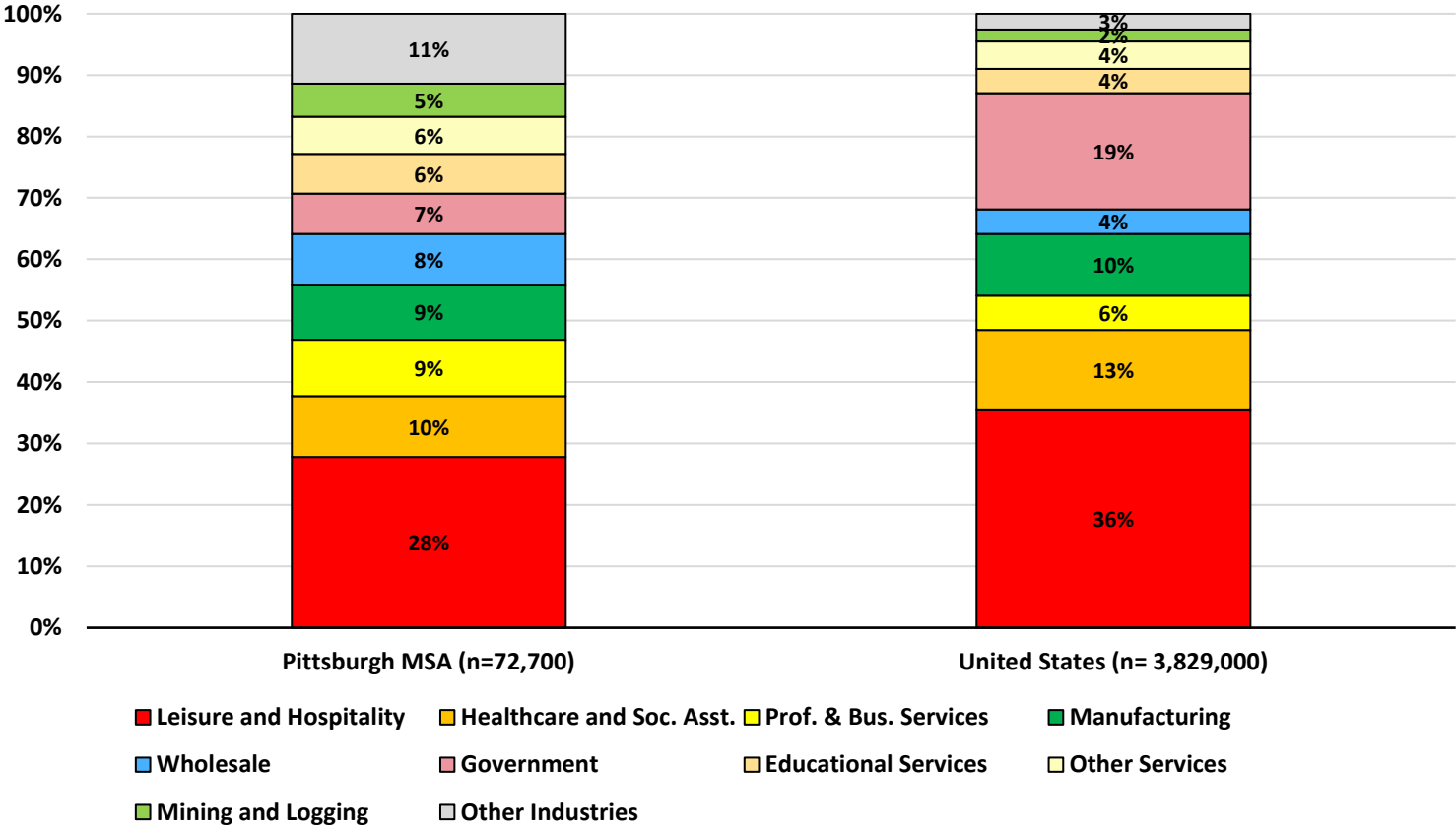
With the exception of Utilities and Information, all of the industries in the Pittsburgh MSA trail the nation in percent of employment compared to two years earlier. While lagging, most industries are within five percentage points of comparable month pre-pandemic employment levels. While Transportation and Warehousing is within six percentage points of its September 2019 employment level, it has not benefitted from the growth nationally – 103.1% of its 2019 employment, the highest of any industry. The biggest laggards continue to be Leisure and Hospitality which was disproportionately impacted by the pandemic, Mining and Logging which is impacted by broader market conditions, and Wholesale Trade which has been mired in a long term decline that predates the pandemic.

September 2021 Pct. of September 2019 by Industry



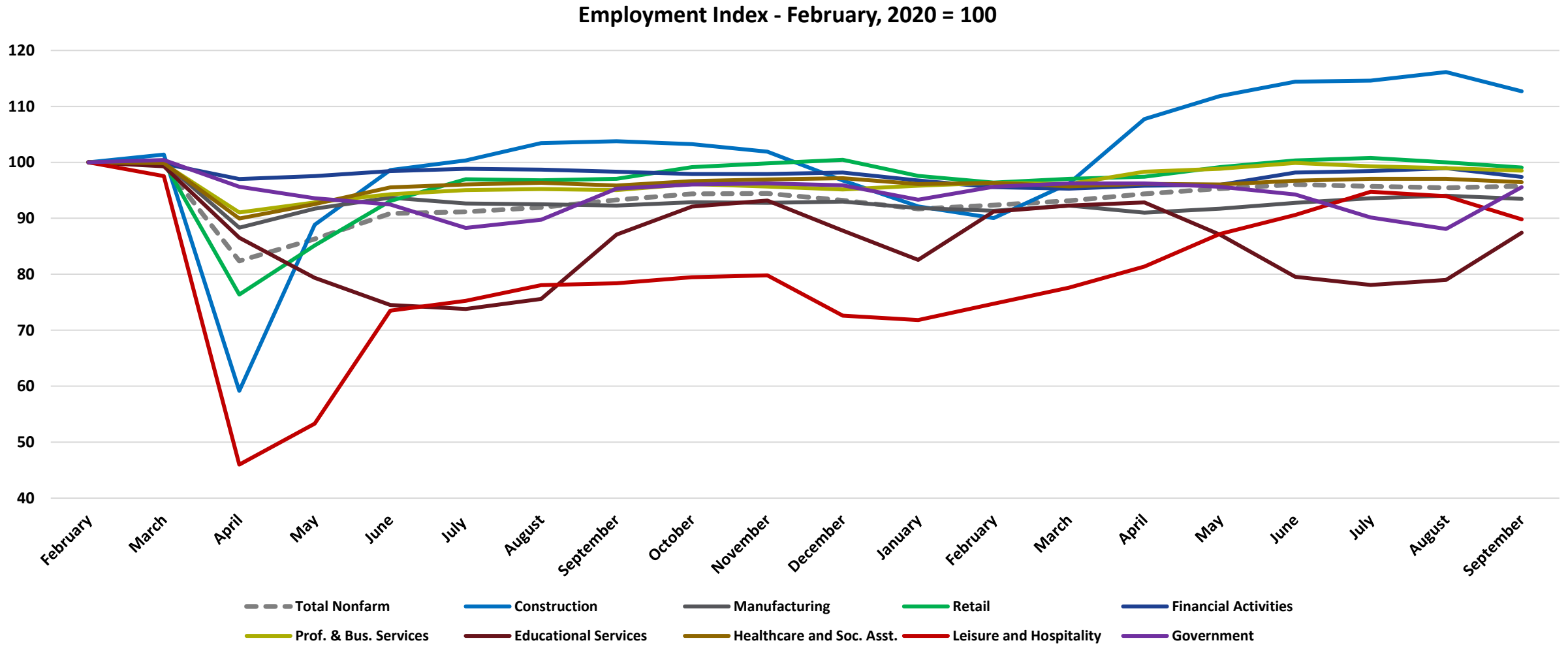
As Leisure and Hospitality continues to recover, other industries account for an increasing proportion of the employment shortfall. Leisure & Hospitality joined Government and Healthcare and Social Assistance as the major industries with a proportionately lower share of the employment loss when compared 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 –
September 2019 to September 2021**



Source: BLS Current Employment Statistics

Industry employment among the major industries appear to be returning to historical seasonal fluxuations. Total employment in the MSA has been within five percentage points of pre-pandemic levels since May while most major industries have seen employment remain steady since the spring. As a result, in September all of the movement was due to seasonal factors. Construction and Leisure and Hospitality trailed off while the reopening of schools led to increases in Educational Services and Government.



Source: BLS Current Employment Statistics

As anticipated, Leisure and Hospitality continued to trail off in September from its July seasonal highs. The region's drop, while minor, was three times the drop nationally. The industry as a whole dropped at a slightly faster pace than the nation, with Arts, Entertainment and Recreation experiencing the biggest drop off. Accommodations, however, continued to add employment, counter to national trends, as conventions and events started returning to the region.

Leisure and Hospitality Employment Index - February, 2020 = 100

