



Pennsylvania Economy League
of Greater Pittsburgh

An affiliate of the Allegheny Conference

Pittsburgh Region Employment Update October 2021

Released December 3, 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.

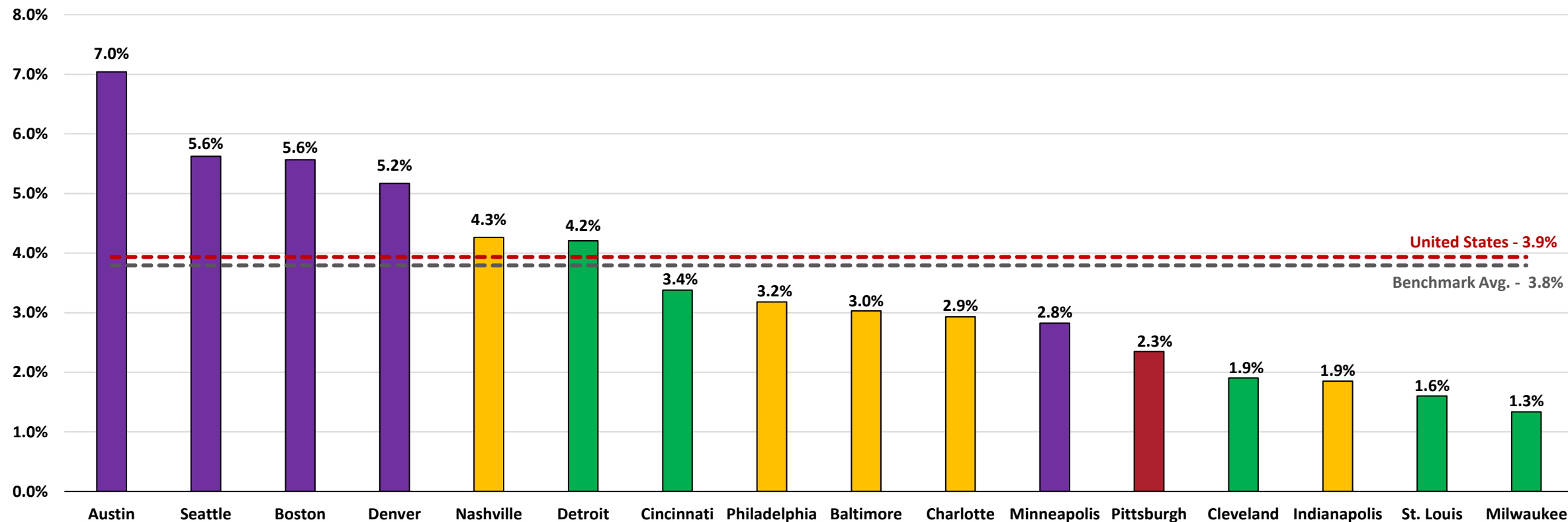
- The Pittsburgh MSA had a 2.3% increase in employment between October 2020 and October 2021 as the region gained 26,100 jobs. As the employment growth numbers begin to steady, Pittsburgh's ranking among the benchmark regions has been dropping – from second out of 16 in April, to third in May, to ninth in June to eleventh in August and twelfth for the second consecutive month in October. Pittsburgh did outperform three of its five peer benchmark regions, however.
- Employment in the Pittsburgh MSA is 94.3% of what it was two years ago, trailing all benchmark regions along with the Benchmark and National averages. While up slightly over September, this is the fifth consecutive month employment hovered around the 94% level after slowly climbing through the spring.
- 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 five straight months with the gap widening in recent months.
- The Construction industry in the Pittsburgh MSA continues to significantly outperform the nation. Information, Utilities, Leisure & Hospitality and Other Services also had an above average year-over-year employment increase in October. Transportation & Warehousing has slipped behind the national growth rate and into negative territory, after strong growth earlier in the year, joining Mining & Logging and Wholesale Trade as the weakest performers.
- With the exception of 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. The biggest laggards continue to be Leisure and Hospitality which was disproportionately impact 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.

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 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 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 has been within five percentage points of pre-pandemic levels since May while most major industries have seen employment remain steady since the spring. Month to month employment movement was largely driven by traditional seasonal patterns. Construction fell slightly since September, while Educational Services and Government saw an increase. The notable exception was Leisure and Hospitality, which ran counter to historic patterns and registered a slight increase in October.
- After its traditional seasonal drop in September, Leisure and Hospitality employment rebounded slightly in October driven by improvements in Food Services and Drinking Places and a counter cyclical increase in Arts, Entertainment and Recreation employment. That sector continued to perform well above the nation
- The Leisure and Hospitality industry showed an increase in employment in October, a month that traditionally sees a decrease due to seasonal factors. This was driven by the Arts, Entertainment and Recreation sector adding employment in October and returning to pre-pandemic employment levels. Food Services and Drinking Places, the largest Leisure and Hospitality sector also showed growth in October, counter to historic trends. However, the Accommodations sector showed a bigger than expected decrease and continues to be the weak spot within the industry.
- ***Outlook – While the region continues to slowly add employment and is creeping closer to pre-pandemic employment levels, it is very slow. Regional employment has remained at close to 94% of 2019 levels for five consecutive months. Much of the movement among the industries has been due to its historic seasonal patterns. Month-to-month employment fell in Construction, while back to school drove increases in Educational Services and Government. The one bright spot was Leisure and Hospitality which is continuing its recovery, showing growth in October counter to historic seasonal patterns although Accommodations continues to struggle. Leisure and Hospitality continuing this rebound will be critical to the region closing the remaining employment gap and hopefully hiring for the Holiday season will build some momentum.***

The Pittsburgh MSA had a 2.3% increase in employment between October 2020 and October 2021 as the region gained 26,100 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 for the second consecutive month in October. Pittsburgh did outperform three of its five peer benchmark regions, however.

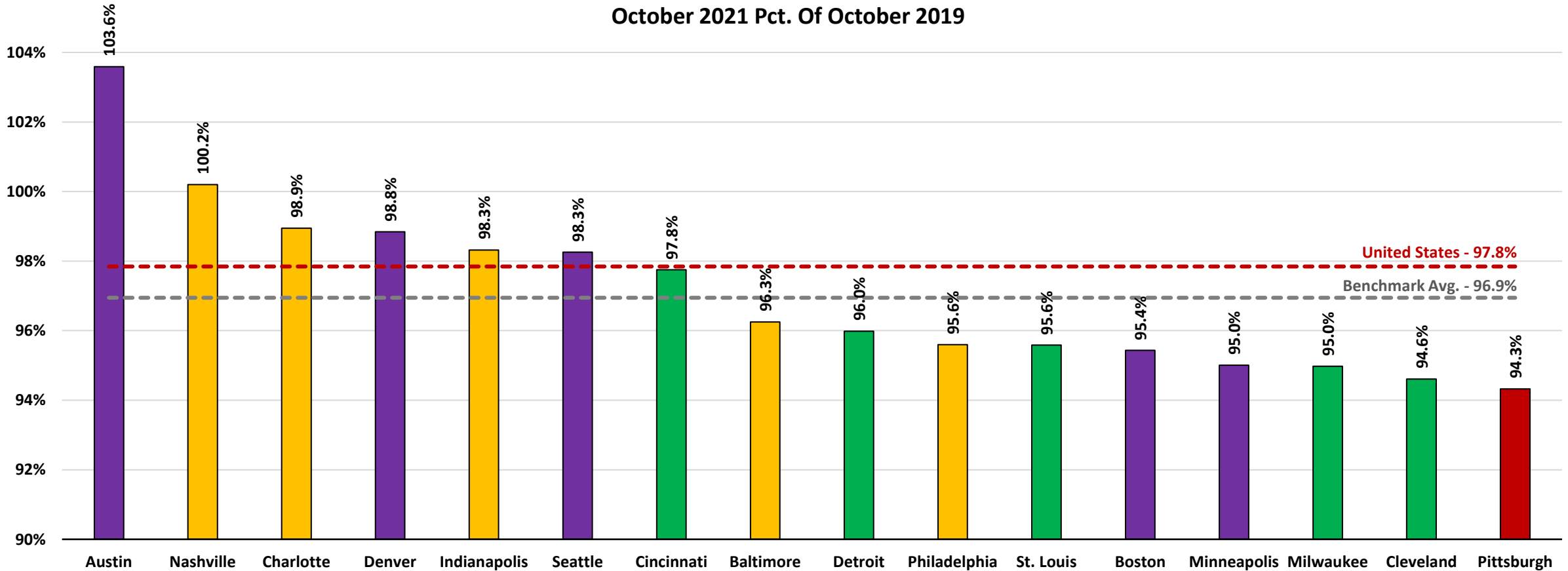
Employment Change - October 2020 to October 2021



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

Source: BLS Current Employment Statistics, October 2021, preliminary

Employment in the Pittsburgh MSA is 94.3% of what it was two years ago, trailing all benchmark regions along with the Benchmark and National averages. While up slightly over September, this is the fifth consecutive month employment hovered around the 94% level after slowly climbing through the spring. Austin and Nashville’s employment are above their level two years ago, while Charlotte, Denver, Indianapolis and Seattle all outperformed the nation in employment recovery.



Green=Peer Markets

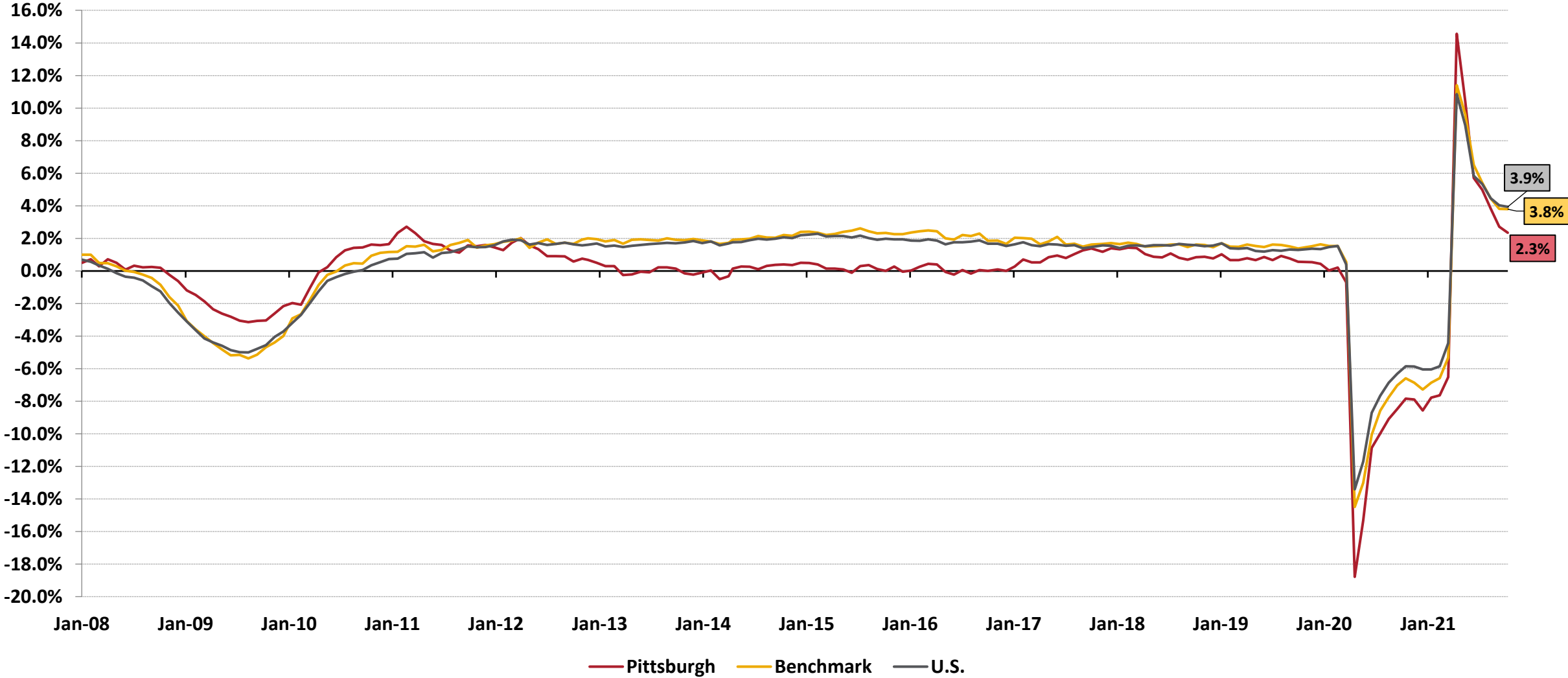
Purple=Aspirational Markets

Orange=Competitive Markets

Source: BLS Current Employment Statistics

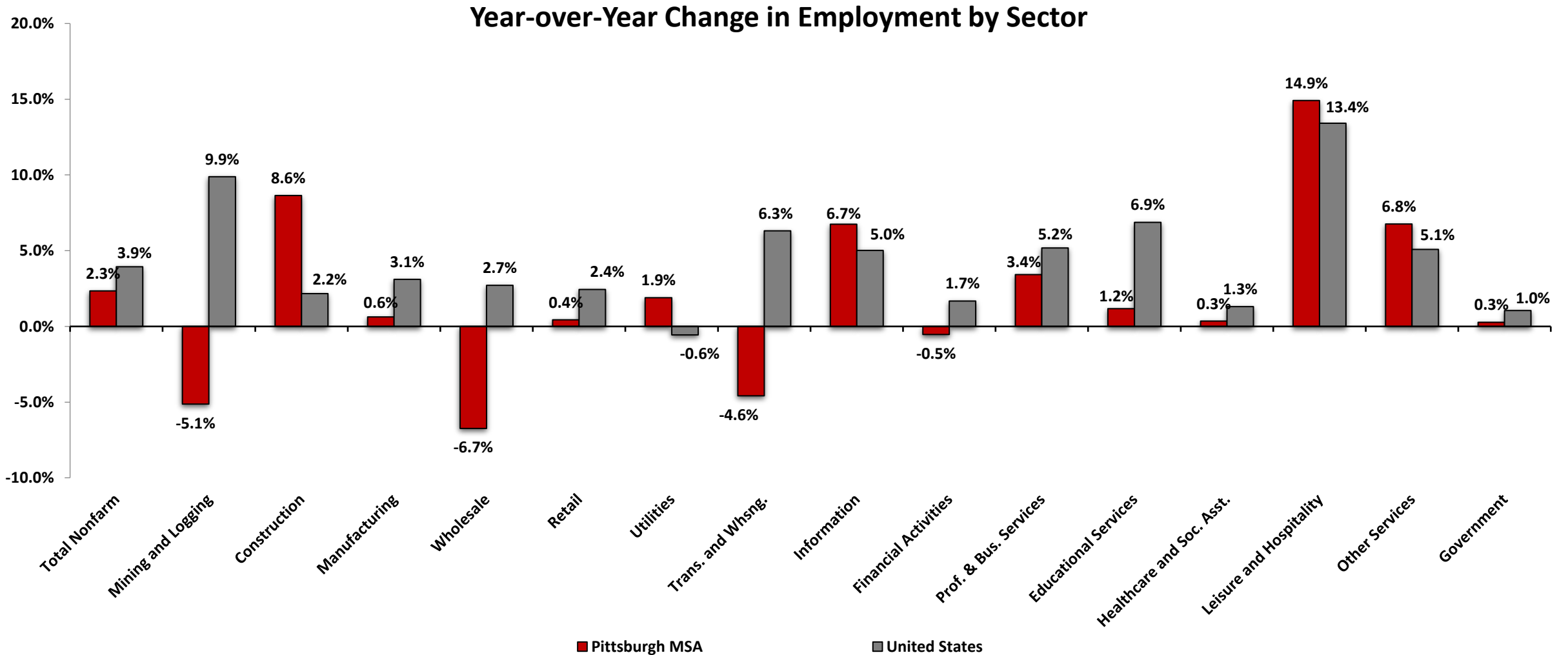
After outpacing the U.S. and benchmark regions in year-over-year employment in April and May, the pace has slowed and has now lagged the national and benchmark averages for five straight months with the gap widening in recent months.

Year over Year Employment Change - January 2008 to October 2021



Source: BLS Current Employment Statistics

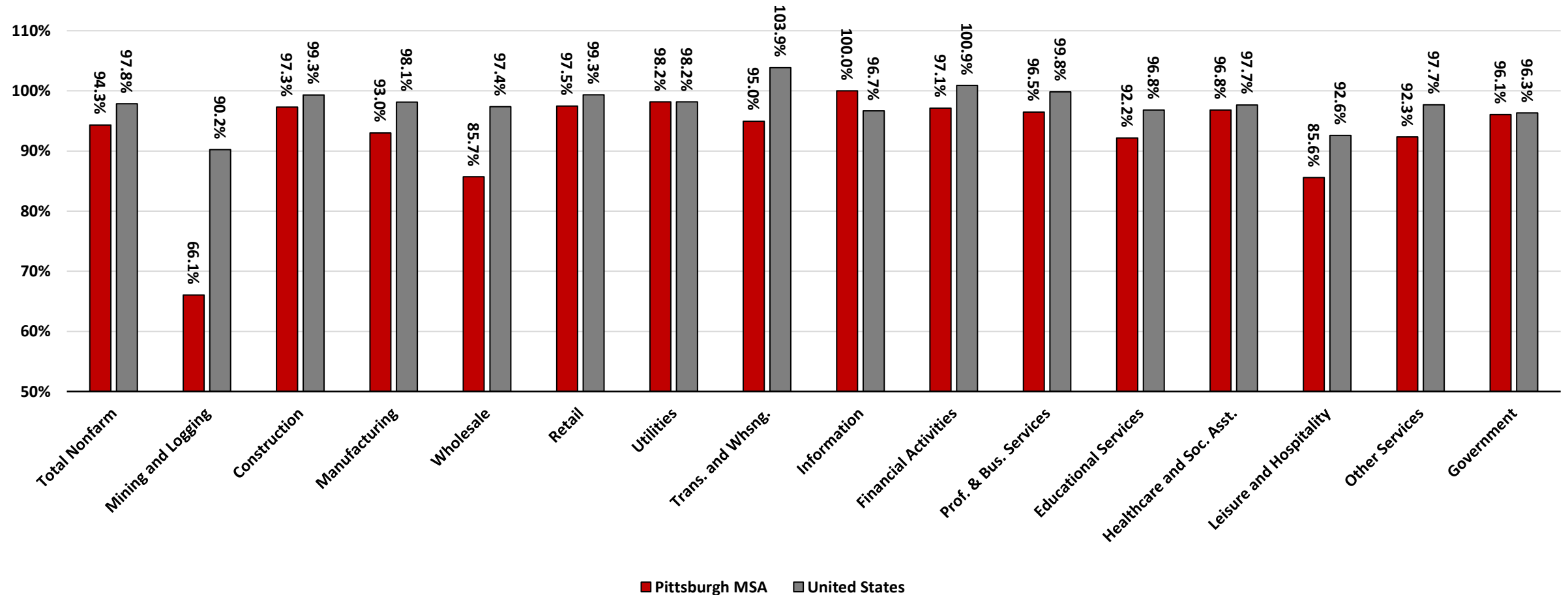
The Construction industry in the Pittsburgh MSA continues to significantly outperform the nation. Information, Utilities, Leisure & Hospitality and Other Services also had an above average year-over-year employment increase. After outpacing the nation for much of the year, Transportation & Warehousing has slipped behind the national growth rate and into negative territory, joining Mining & Logging and Wholesale Trade as the weakest performers.



Source: BLS Current Employment Statistics, October 2021, preliminary

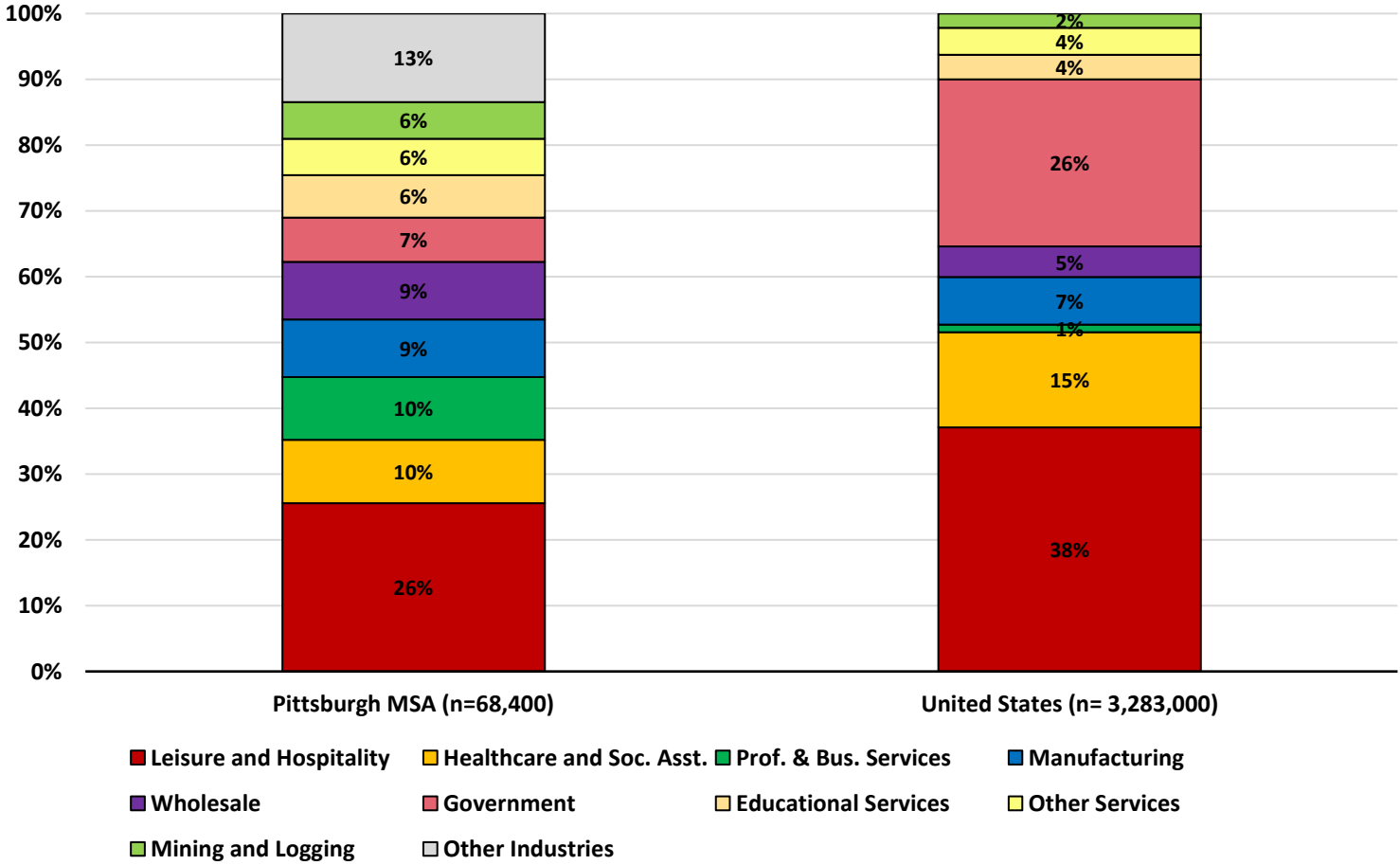
With the exception of Information, all of the industries in the Pittsburgh MSA trail the nation in percent of employment compared to two years earlier. While lagging, most industries are within five percentage points of comparable month pre-pandemic employment levels. The biggest laggards continue to be Leisure and Hospitality which was disproportionately impact 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.

October 2021 Pct. of October 2019 by Industry



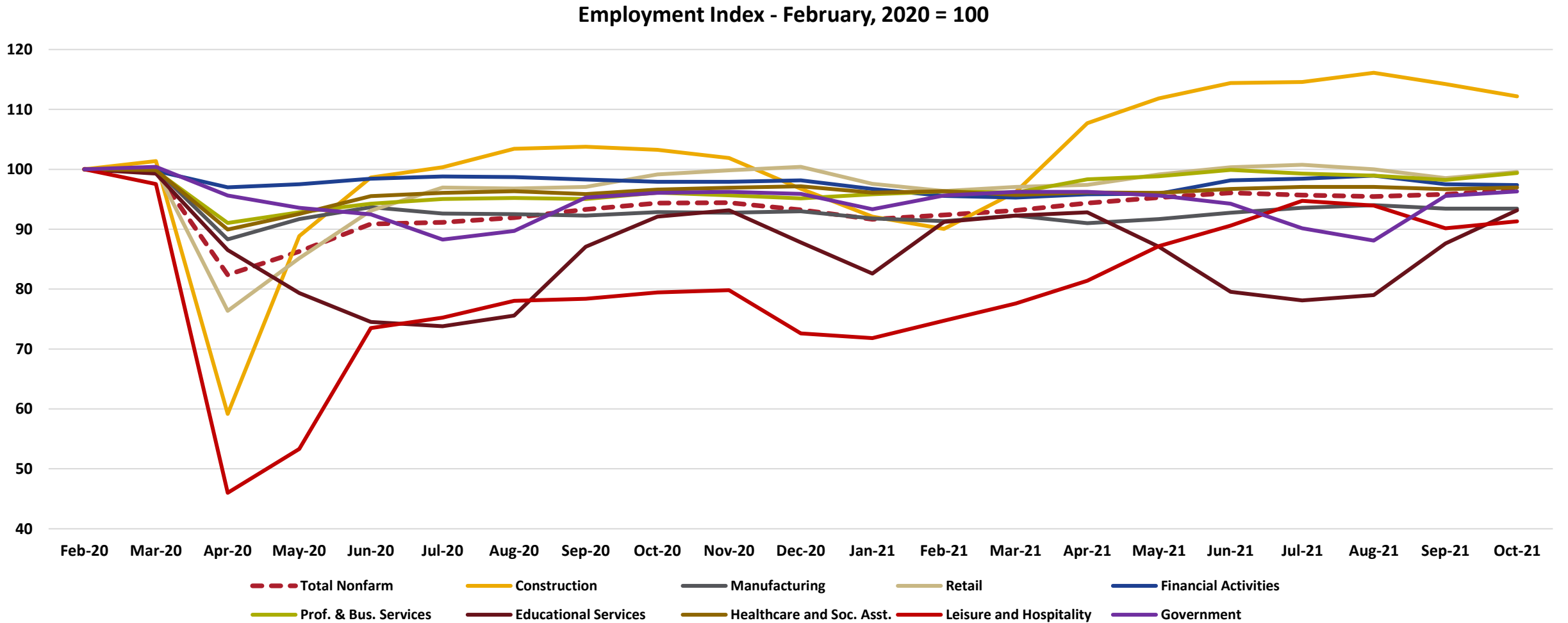
As Leisure and Hospitality continues to recover, other industries account for an increasing proportion of the employment shortfall. Leisure & Hospitality joined Government and Healthcare and Social Assistance as the major industries with a proportionately lower share of the employment loss when compared to the nation. Conversely, Professional and Business Services, Wholesale Trade 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 - October 2019 to October 2021



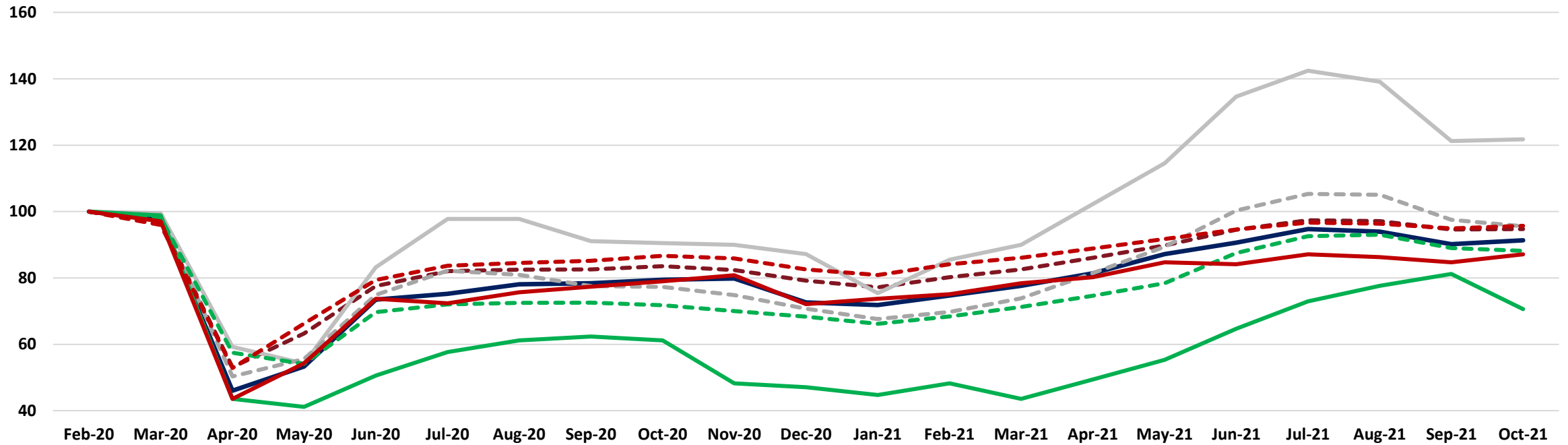
Source: BLS Current Employment Statistics

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. Month to month employment movement was largely driven by traditional seasonal patterns. Construction fell slightly since September, while Educational Services and Government saw an increase. The notable exception was Leisure and Hospitality, which ran counter to historic patterns and registered a slight increase in October.



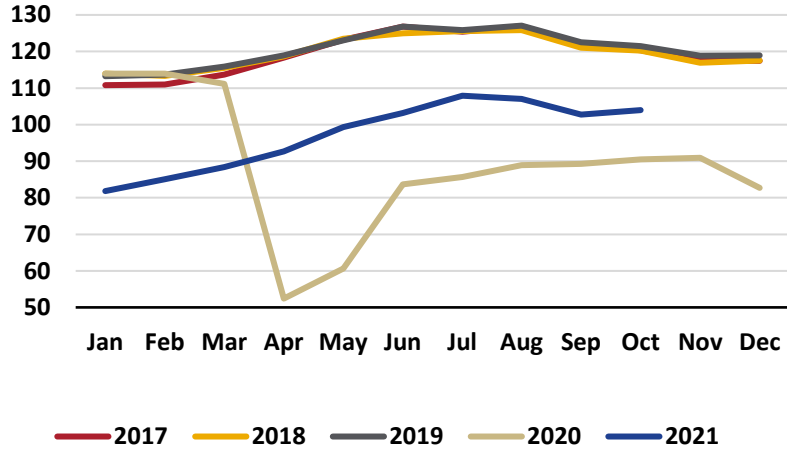
After its traditional seasonal drop in September, Leisure and Hospitality employment rebounded slightly in October driven by improvements in Food Services and Drinking Places and a counter cyclical increase in Arts, Entertainment and Recreation employment. It continued to perform well above the nation. Accommodations saw employment decrease at a faster pace than the nation.

Leisure and Hospitality Employment Index - February, 2020 = 100



- Leisure and Hospitality (Pittsburgh)
- Leisure and Hospitality (U.S.)
- Arts, Entertainment, and Recreation (Pittsburgh)
- Arts, Entertainment, and Recreation (U.S.)
- Accommodation (Pittsburgh)
- Accommodation (U.S.)
- Food Services and Drinking Places (Pittsburgh)
- Food Services and Drinking Places (U.S.)

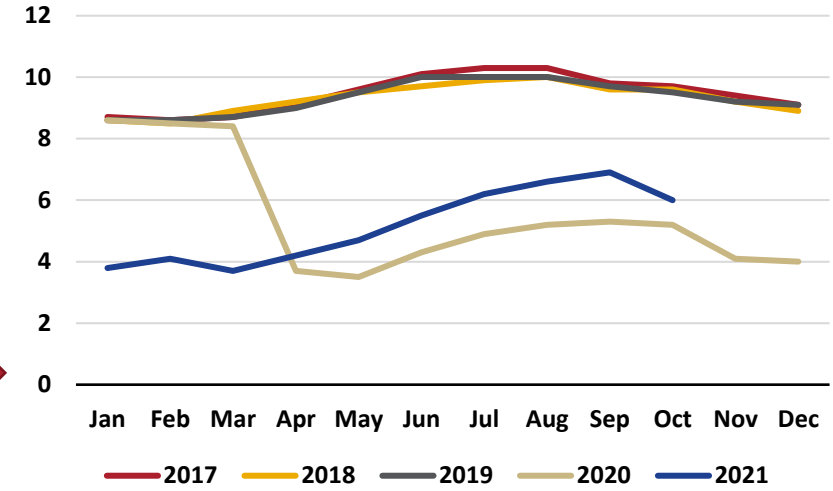
Leisure and Hospitality Employment (000s)



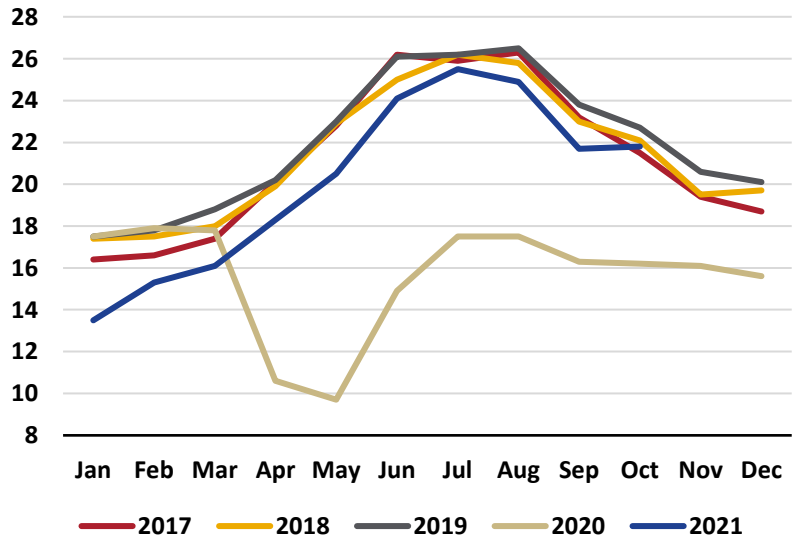
Overall, Leisure and Hospitality employment in the Pittsburgh MSA has continued to close the gap with historic numbers and in October showed an increase, counter to historic trends. This was driven by two subsectors.

Accommodations experienced a steeper drop in October employment than historic trends would indicate. It remains the weakest component of Leisure and Hospitality.

Accommodations Employment (000s)



Arts, Ent. and Rec. Employment (000s)



By adding employment, counter to historic cyclical trends, the Arts, Entertainment and Recreation sector has returned to pre-pandemic employment levels.

Food Services and Drinking Places, the largest and least seasonal sector, also continued to close the gap with historic employment levels. This should continue into the holiday season.

Food Svs. and Drinking Places Employment (000s)

