



Pennsylvania Economy League
of Greater Pittsburgh

An affiliate of the Allegheny Conference

Pittsburgh Region Employment Update December 2021

Released February 3, 2022

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.

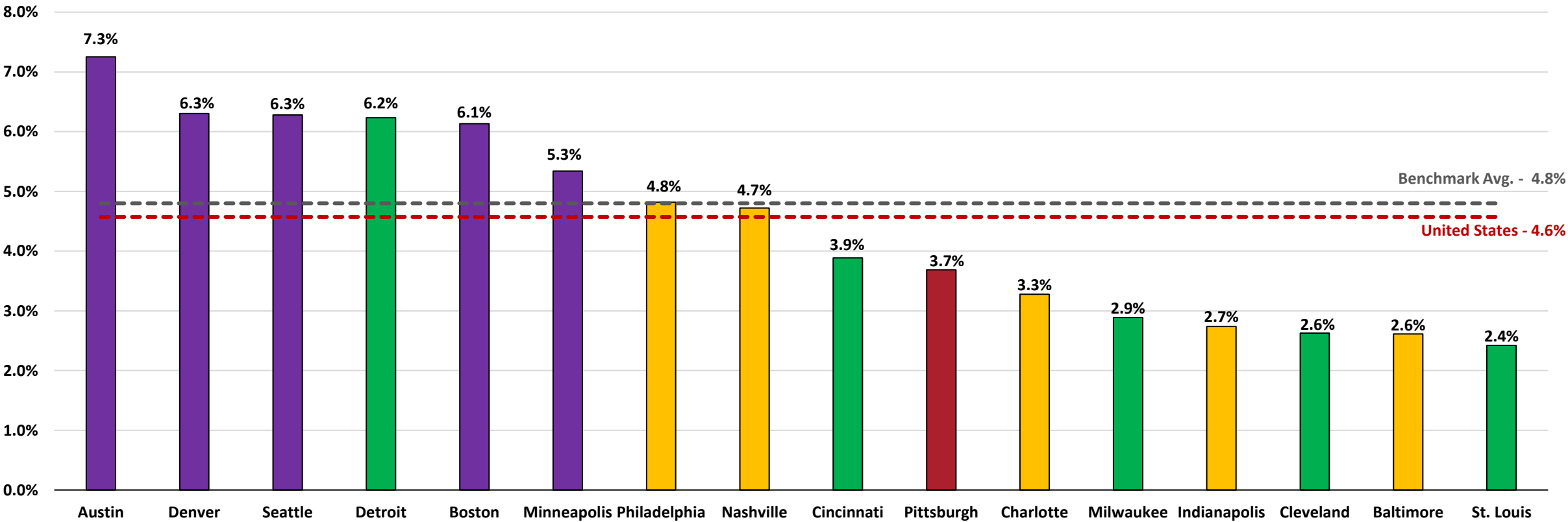
- The Pittsburgh MSA had a 3.7% increase in employment between December 2020 and December 2021 as the region gained 40,500 jobs. After ranking 12th among the benchmark regions for three months, the region rebounded to 10th, outperforming three of its five peer benchmark regions and three of its five competitive benchmark regions.
- Employment in the Pittsburgh MSA is 94.8% of what it was two years ago. While it trails all benchmark regions along with the Benchmark and National averages it represents the highest percentage of the pandemic era.
- The Pittsburgh MSA lost a larger percentage of its employment in April 2020 than the nation or its benchmark regions and has lagged since then. The nation and benchmark regions regained a higher percentage of employment coming out of the December 2020 COVID surge, but it took the Pittsburgh MSA longer to rebound. And while the nation and benchmark region have steadily closed the gap between 2021 and 2019 employment levels, the Pittsburgh MSA's recovery has been slower and more erratic, including backtracking in late summer.
- The Construction industry in the Pittsburgh MSA continues to significantly outperform the nation with Retail, Utilities, Information, Leisure and Hospitality and Other Services also registering growth rates higher than the nation. Industries continuing to report losses including Mining & Logging, Wholesale Trade, Transportation and Warehousing and Financial Activities.
- Utilities and Information were the only industries in the Pittsburgh MSA to have regained a higher proportion of employment than the nation over December 2019. Nine of the fifteen industries are within five percentage points of comparable month pre-pandemic employment levels. The biggest laggards continue to be Leisure and Hospitality and Other Services which were disproportionately impacted by the pandemic, Mining and Logging which is impacted by broader market conditions, and Manufacturing and Wholesale Trade which have been mired in long-term declines that predates the pandemic.

Key Findings (cont'd)

- Month-to-month employment in the region has largely stabilized among the major industries since spring with most of the movement largely being driven by traditional seasonal patterns. Construction has dropped since August, Leisure and Hospitality entered its traditional seasonal contraction in late-Fall while Retail saw its traditional increase for the holidays.
- Leisure and Hospitality's traditional seasonal contraction was driven by decreases in Arts, Entertainment and Recreation and Accommodations, while Food Services and Drinking Places increased slightly. The month- to-month change in Arts, Entertainment and Recreation and Accommodation dropped at a steeper rate than the nation, while Food Services and Drinking Places kept pace with the U.S. albeit at a lower level.
- Overall, Leisure and Hospitality employment in the Pittsburgh MSA was able to avoid the same COVID-related contraction it experienced in 2020 and the gap between current and pre-pandemic employment has remained consistent since late-summer. Despite a seasonal contraction in November, the Arts, Entertainment and Recreation sector is the only component of Leisure and Hospitality that has returned to pre-pandemic employment levels. Accommodations remains the weakest component of Leisure and Hospitality with a steeper seasonal contraction in employment at the end of 2021 that historic trends would indicate. Food Services and Drinking Places, the largest and least seasonal sector, also continued to close the gap with historic employment levels. It was able to experience a slight increase in employment in December consistent with historic trends, avoiding the COVID-related contraction it experiences in 2020.
- ***Outlook - After being stuck at around 94% of pre-pandemic employment for six months, employment in the region inched closer to 95%, reaching its highest level of employment recovery. However, completely closing the remaining gap is going to be a challenge as the industries most responsible for the shortfall – Mining and Logging, Manufacturing, Wholesale Trade, Leisure and Hospitality and Other Services – are struggling to regain pre-pandemic employment levels. Leisure and Hospitality is showing some promise as the Arts, Entertainment and Recreation sector has returned to pre-pandemic employment levels and Food Services and Drinking places slowly regains employment. But Accommodation remains stubbornly low while on-going labor shortages and a still depressed business travel market make a full recovery of the region's fourth largest industry difficult.***

The Pittsburgh MSA had a 3.7% increase in employment between December 2020 and December 2021 as the region gained 40,500 jobs. After ranking 12th among the benchmark regions for three months, the region rebounded to 10th, outperforming three of its five peer benchmark regions and three of its five competitive benchmark regions.

Employment Change - December 2020 to December 2021

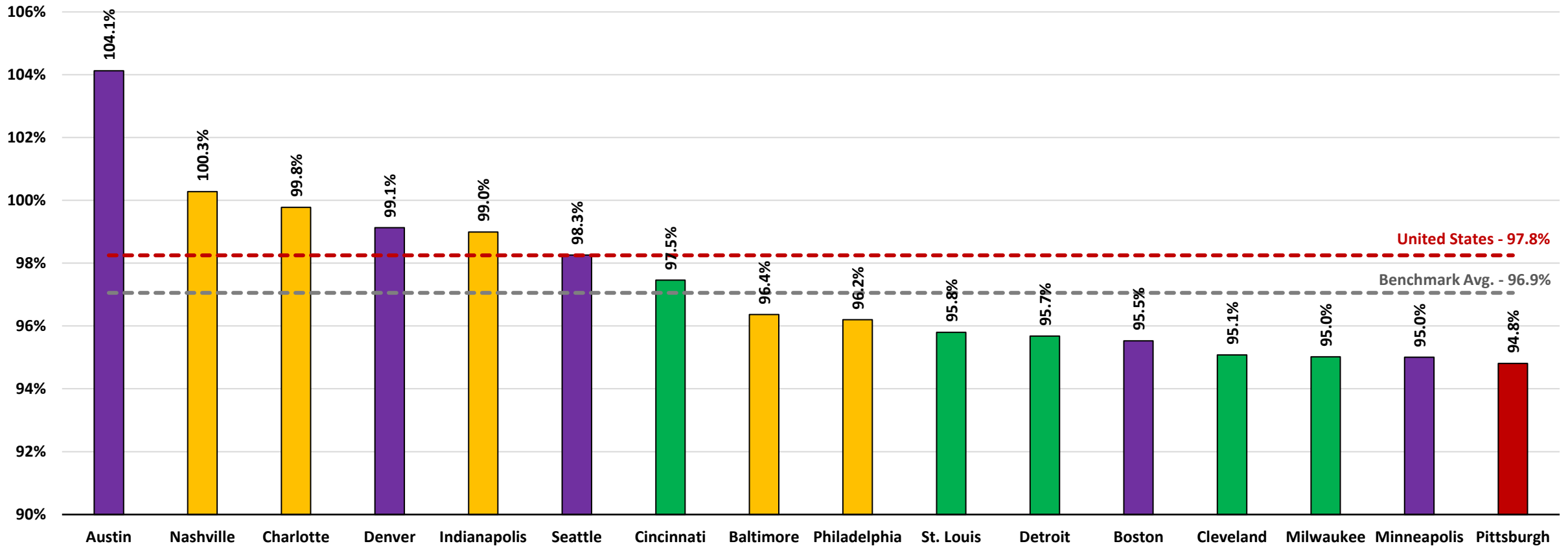


Green=Peer Markets
Purple=Aspirational Markets
Orange=Competitive Markets

Source: BLS Current Employment Statistics, November 2021, preliminary

Employment in the Pittsburgh MSA is 94.8% of what it was two years ago. While it trails all benchmark regions, December employment represents the highest percentage of the pandemic era. Austin, Nashville, Charlotte, Denver, Seattle and Indianapolis all outperformed the nation in employment recovery and are pretty much at or above. Not surprisingly, they also rank among the fastest growing benchmark metros.

December 2021 Pct. Of December 2019



Green=Peer Markets

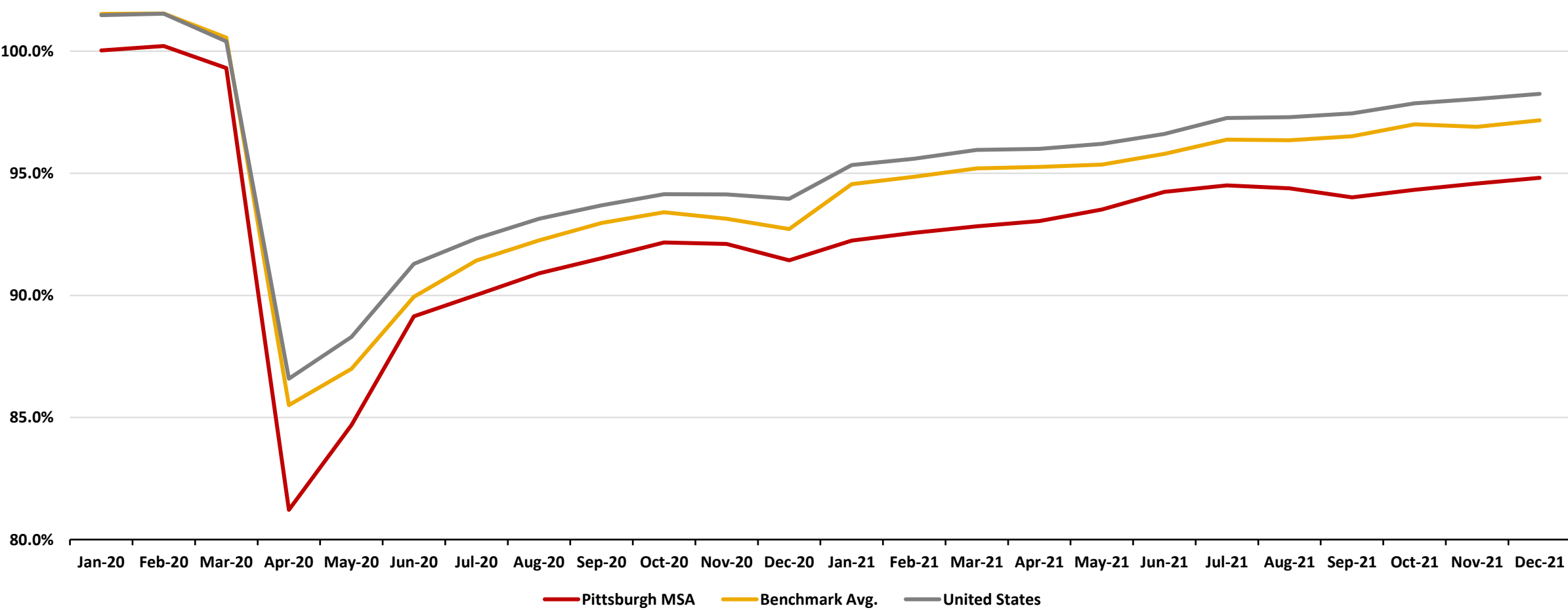
Purple=Aspirational Markets

Orange=Competitive Markets

Source: BLS Current Employment Statistics

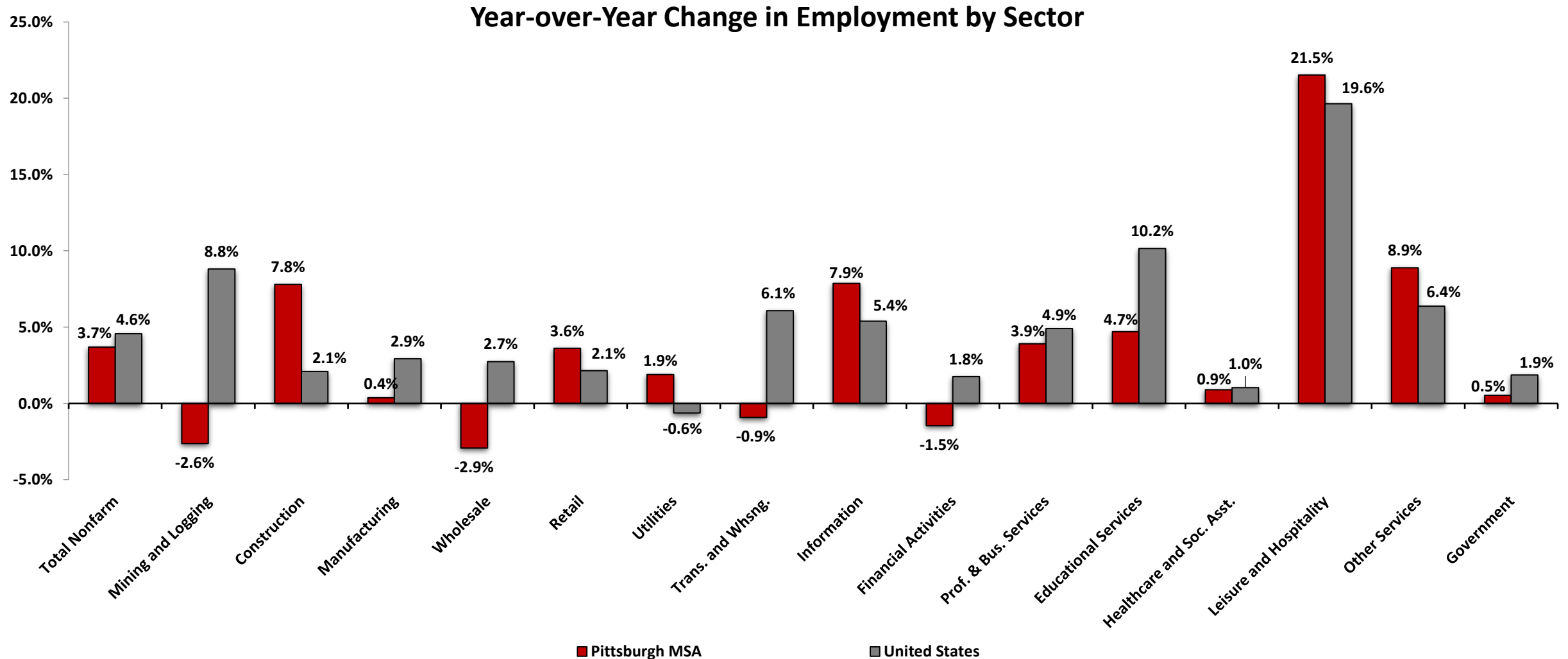
The Pittsburgh MSA lost a larger percentage of its employment in April 2020 than the nation or its benchmark regions and has lagged since then. The nation and benchmark regions regained a higher percentage of employment coming out of the December 2020 surge, but it took the Pittsburgh MSA longer to rebound. And while the nation and benchmark region have steadily closed the gap between 2021 and 2019 employment levels, the Pittsburgh MSA's recovery has been slower and more erratic, including backtracking in late summer.

Pct. of Total Employment - Comparable Month 2019



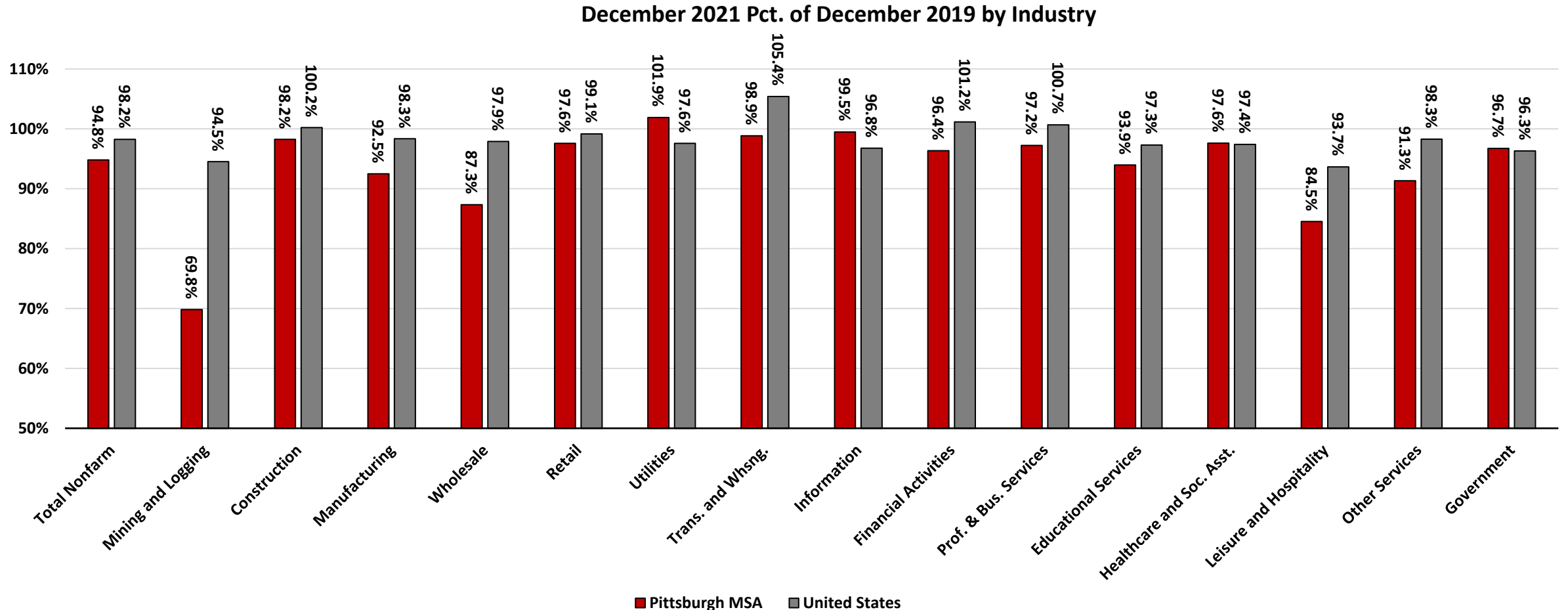
Source: BLS Current Employment Statistics

The Construction industry in the Pittsburgh MSA continues to significantly outperform the nation with Retail, Utilities, Information, Leisure and Hospitality and Other Services also registering growth above the nation. Industries continuing to report losses including Mining & Logging, Wholesale Trade, Transportation and Warehousing and Financial Activities.

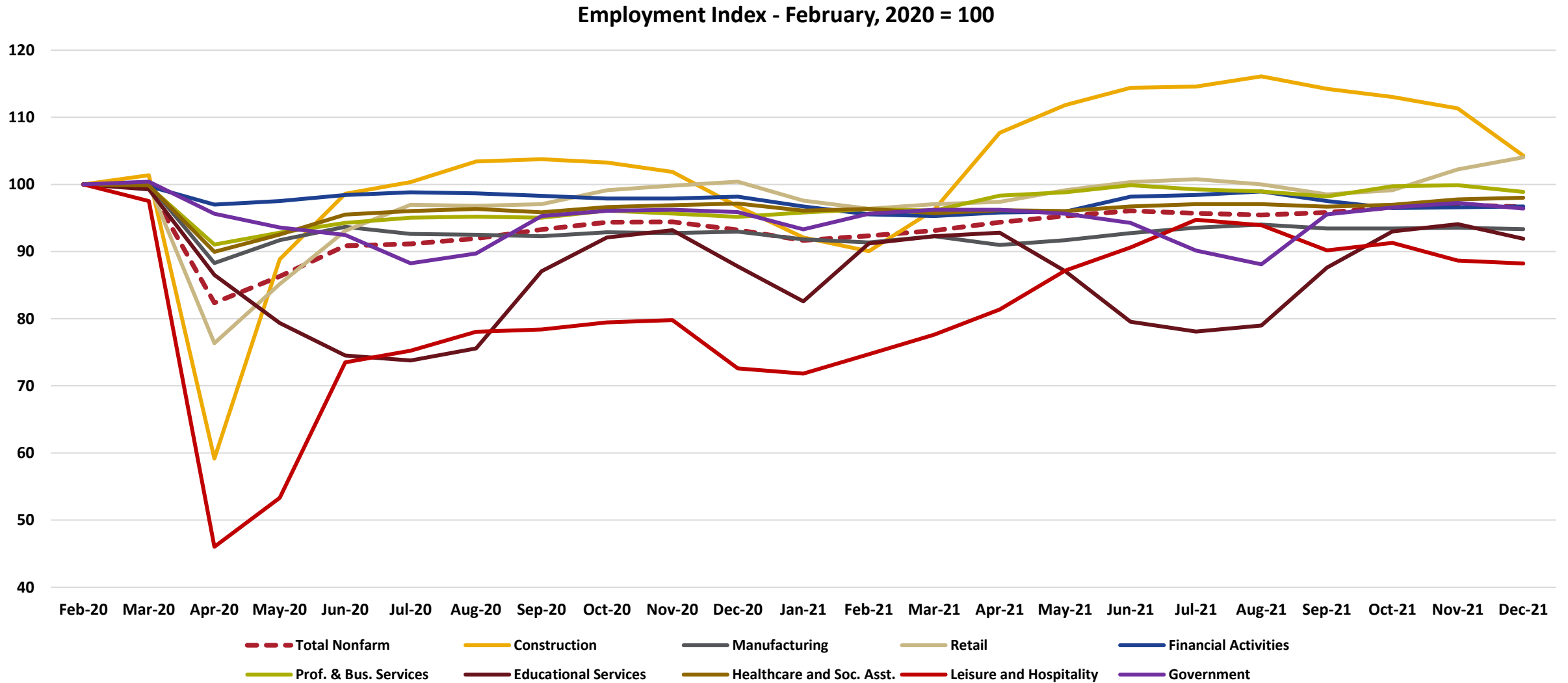


Source: BLS Current Employment Statistics, November 2021, preliminary

Utilities and Information were the only industries in the Pittsburgh MSA to have regained a significantly higher proportion of employment than the nation over December 2019. Nine of the fifteen industries are within five percentage points of comparable month pre-pandemic employment levels. The biggest laggards continue to be Leisure and Hospitality and Other Services which were disproportionately impact by the pandemic, Mining and Logging which is impacted by broader market conditions, and Manufacturing and Wholesale Trade which have been mired in long-term declines that predates the pandemic.

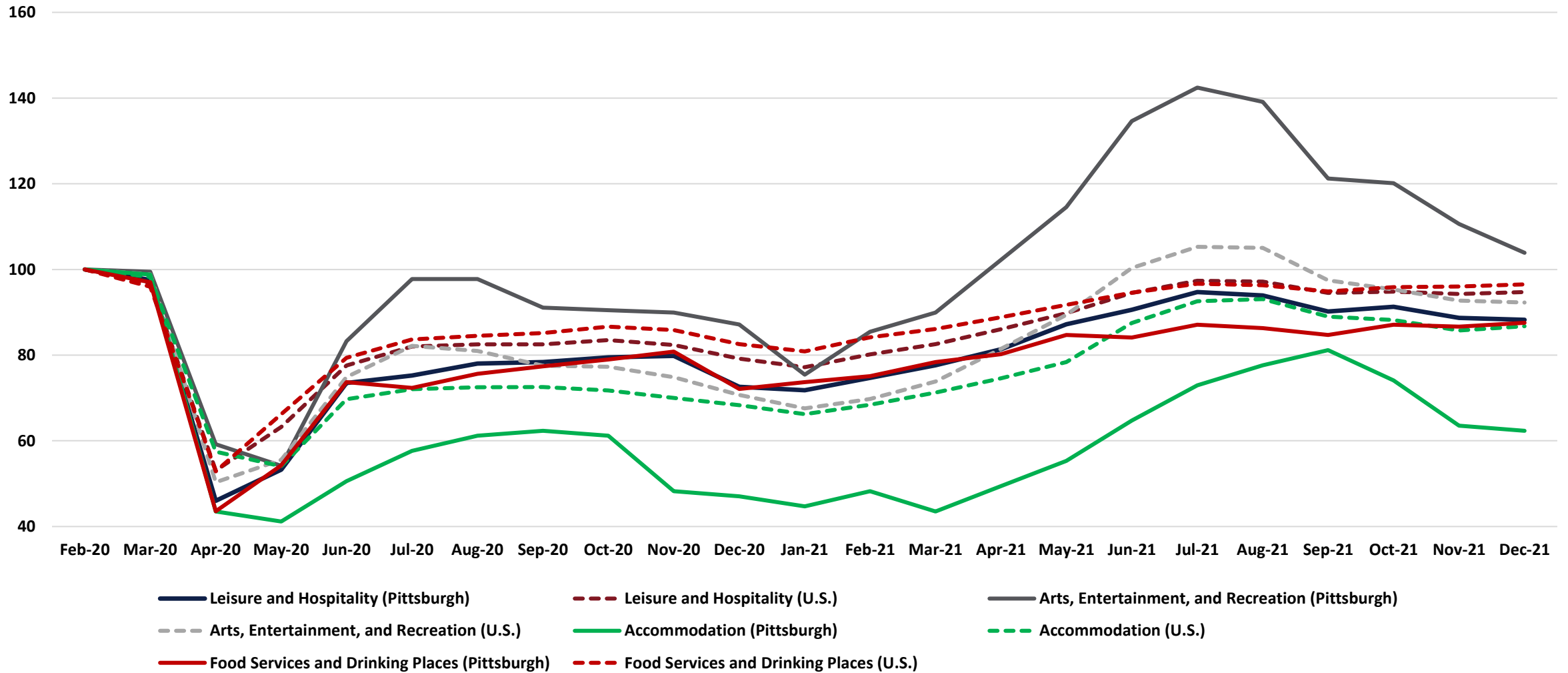


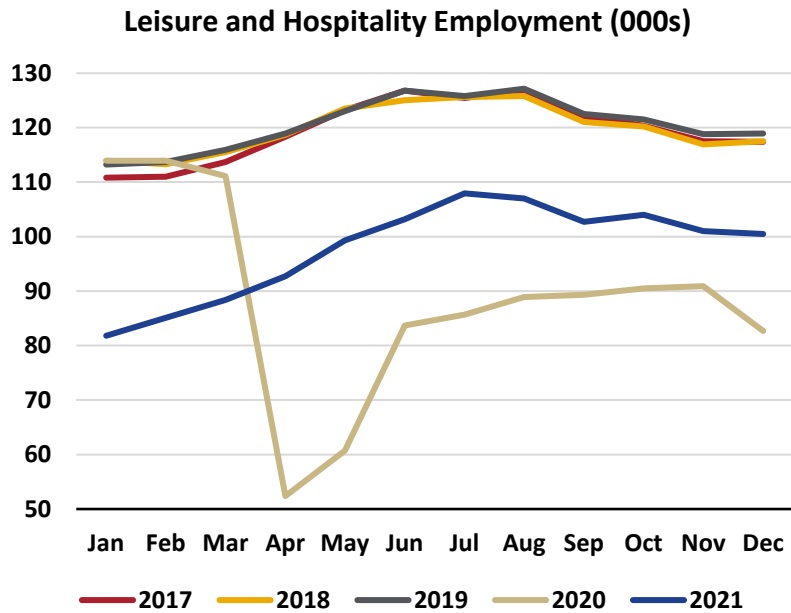
Month-to-month employment in the region has largely stabilized among the major industries since spring with most of the movement largely being driven by traditional seasonal patterns. Construction has dropped since August, Leisure and Hospitality entered its traditional seasonal contraction in November while Retail saw its traditional increase for the holidays.



Leisure and Hospitality underwent its traditional seasonal contraction starting in the fall, driven by decreases in Arts, Entertainment and Recreation and Accommodations, while Food Services and Drinking Places increased slightly. The month-to-month change in Arts, Entertainment and Recreation and Accommodation dropped at a steeper rate than the nation, while Food Services and Drinking Places kept pace with the U.S. albeit at a lower level.

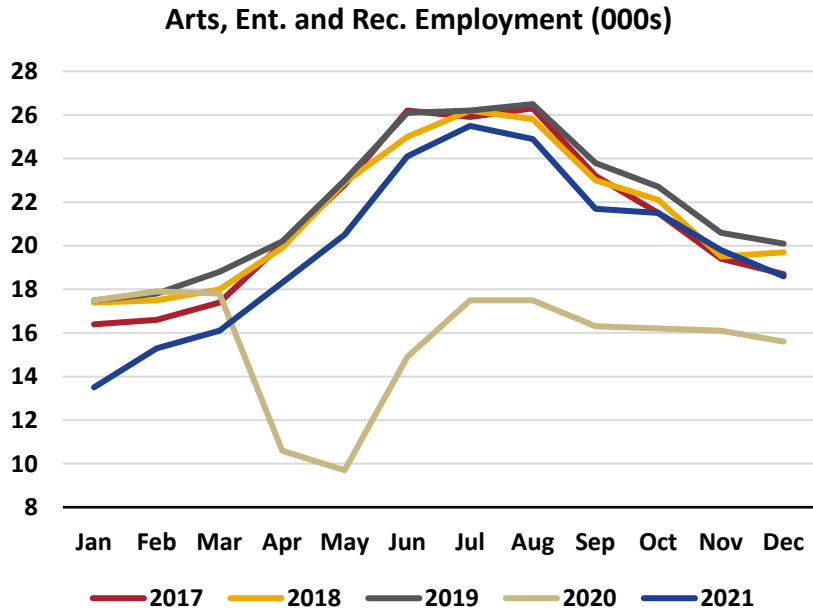
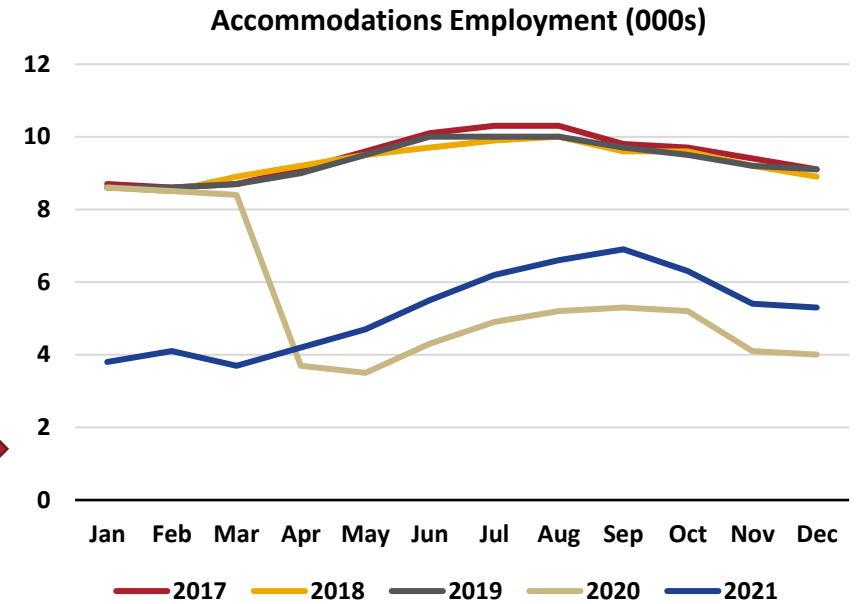
Leisure and Hospitality Employment Index - February, 2020 = 100





Overall, Leisure and Hospitality employment in the Pittsburgh MSA was able to avoid the COVID-related contraction it experienced in 2020. The gap between current and pre-pandemic employment has remained consistent since late-summer.

Accommodations has been a seasonal contraction in employment since September, albeit at a steeper rate than pre-pandemic trends. It remains the weakest component of Leisure and Hospitality.



Despite a seasonal contraction in November, the Arts, Entertainment and Recreation sector is the only component of Leisure and Hospitality that 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. It was able to experience a slight increase in employment in December consistent with historic trends, avoiding the COVID-related contraction it experiences in 2020.

