Pittsburgh Region
Employment Update
Mid-Year 2022
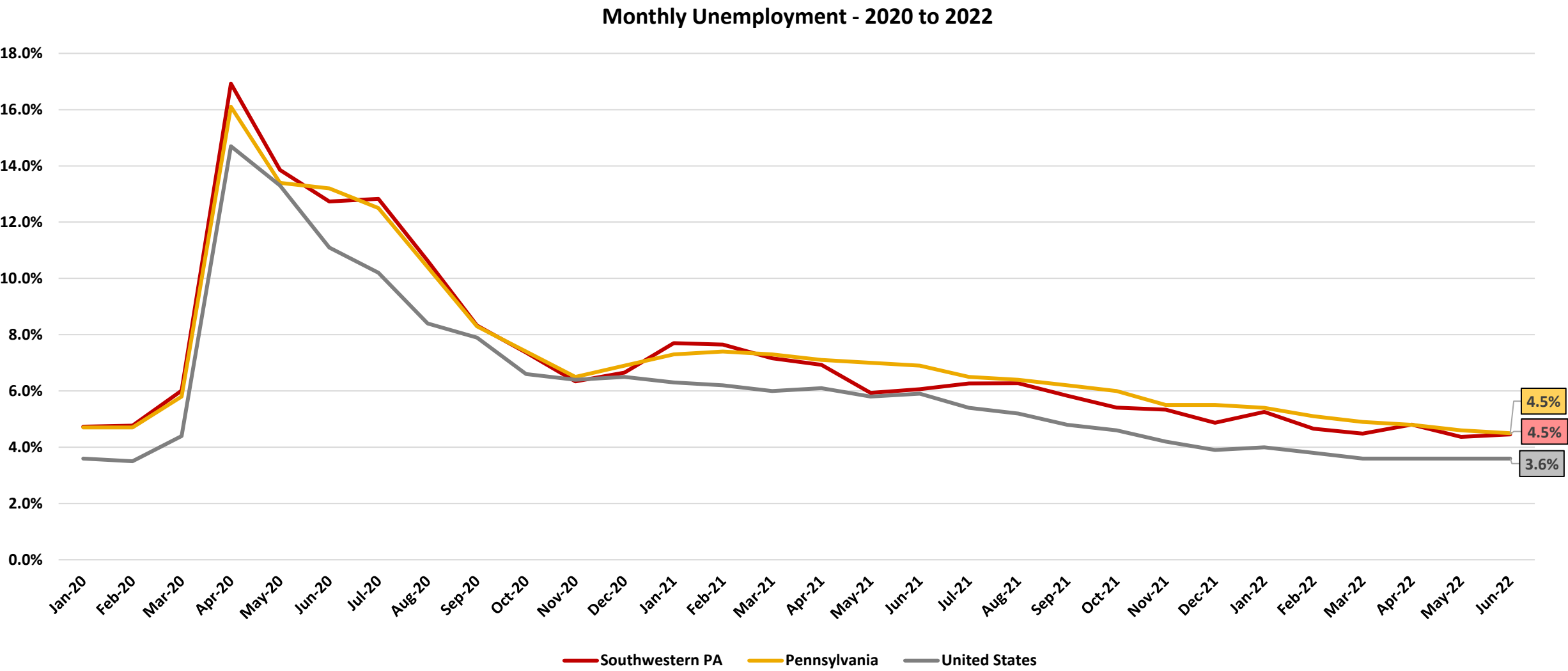Released August 22, 2022

Key Findings

NOTE: The Mid-Year Employment Update uses the U.S. Bureau of Labor Statistics' Local Area Unemployment Statistics (LAUS) and Current Employment Statistics (CES) data series as its primary source. While it offers the advantage of providing current monthly data, as a survey-based tool, it is also subject to revision as additional information is collected in subsequent surveys.

- The unemployment rate in Southwestern Pennsylvania has decreased steadily during 2022 and in June was 4.5%. While the region is tracking closely to the state, it continues to exceed the national unemployment rate (3.6%).
  - All of the counties in the region have an unemployment rate below the levels recorded in February 2020, while Allegheny (4.0%) and Butler (4.1%) Counties has the lowest unemployment rates in the region.

- While the national labor force has returned to pre-pandemic levels, the region continues to lag. The region's labor force bottomed out in October 2021 at 94% of the February 2020 labor force but rebounded to 97% of pre-pandemic levels in May 2022, before declining slightly in June to 96%.

- The Pittsburgh MSA had a 3.4% increase in employment between June 2021 and June 2022 as the region gained 36,100 jobs. The region ranked 13th among the 16 benchmark cities, outperforming three of its five peer benchmark regions.
  - Employment in the Pittsburgh MSA is 96.5% of what it was two years ago, compared to 94.8% in December 2021. Only Milwaukee has regained a lower percentage of pre-pandemic employment.

- Throughout 2022, the Pittsburgh MSA has been experiencing year-over-year employment growth ranging from 2.5% to 3.2%. The 3.2% growth rate in June was the highest year-over-year job growth of 2022. While growth coming out of the pandemic has exceeded historical trends, it continues to lag national and benchmark rates.
  - While the nation and benchmark regions exceeded their respective pre-pandemic employment levels as of the first quarter, the Pittsburgh MSA remains below 2019 levels. The region has narrowed the gap from 94.3% to 96.5% during 2022 so far.

- In June 2022, the Leisure and Hospitality industry was the Pittsburgh MSA's strongest performing industry, increasing 17.5% over June 2021, compared to a 10.6% increase nationally. Other Services, another industry disproportionately impacted by pandemic era shutdowns, also outperformed the nation, as did Manufacturing and Wholesale Trade, two regional industries that had been lagging the nation through much of 2021. Construction, Utilities and Transportation and Warehousing all lost employment compared to the previous year.

- While Information and Professional and Business Services are the only industries in the region whose employment exceeds pre-pandemic levels, most others are within five percentage points of 2019. Mining and Logging and Other Services continue to rank among the biggest laggards, although Leisure and Hospitality, Manufacturing and Wholesale Trade have closed the gap during 2022. Conversely, Healthcare and Social Assistance has become one of the region's lagging industries with July 2022 employment being 93.1% of 2019 levels.
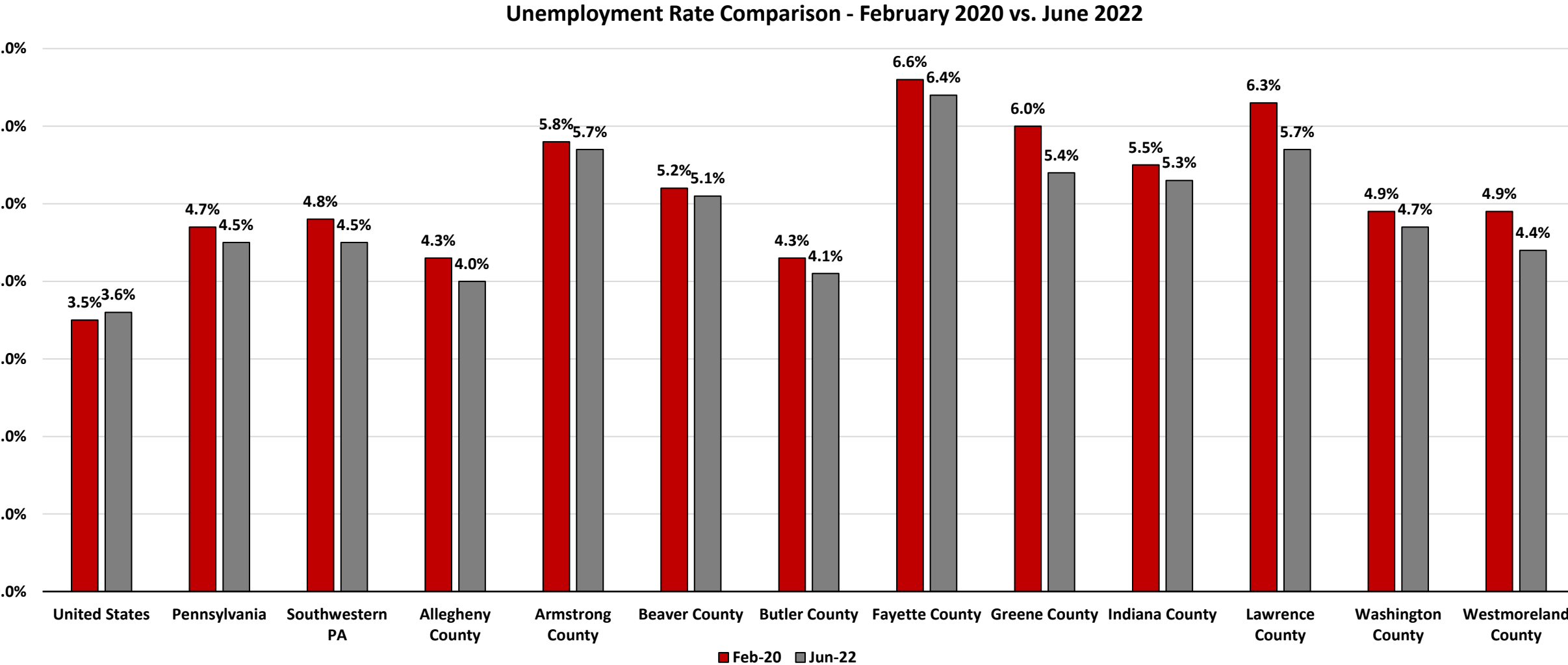
Key Findings (cont'd)

- Employment in the Pittsburgh MSA in June 2022 was 42,500 less than in June 2019. With the rebound in Leisure and Hospitality employment during the first half of 2022, Healthcare and Social Assistance now accounts for the largest percentage of the employment shortfall (34%). Of the 14,400 job shortfall in Healthcare and Social Assistance, the bulk of the employment loss since 2019 is attributable to Hospitals (6,300) and Nursing and Residential Care (4,800). Government, Leisure and Hospitality and Manufacturing account for the next highest percentages although they were all significantly lower than Healthcare.

- As the region moved beyond the volatility of the pandemic, recent fluctuations in employment levels have been much more dependent on seasonal factors. Leisure and Hospitality was able to build on the momentum that it established in 2021 and experienced a robust seasonal expansion in the spring driving employment above February 2020 levels. Construction also saw a seasonal expansion, while Educational Services experienced its traditional summer contraction. Retail and Professional and Business Services are the only other major industries with employment levels above February 2020 levels.

- Given its size and disproportionate impact of pandemic related shutdowns, the full recovery of the region was going to be dependent on how quickly Leisure and Hospitality rebounded. The overall industry tracked very closely to national performance until Spring when rapid growth in Arts, Entertainment and Recreation and Accommodations drove the industry to employment growth exceeding that of the nation. The largest sector, Food Services and Drinking Places has been tracking close to the nation in 2022 and has almost returned to pre-pandemic employment levels.

- Overall, Leisure and Hospitality employment in the Pittsburgh MSA saw rapid growth during the first half of 2022 and has almost returned to pre-pandemic levels. Accommodations has seen solid growth in 2022, adding approximately 3,000 jobs (50%). Employment is now within 1,000 (10%) of historic levels. Arts, Entertainment and Recreation has been the strongest sector coming out of the pandemic and by June 2022, employment reached record levels. Food Services and Drinking Places, the largest and least seasonal sector, also continued to steadily close the gap with historic employment levels.

- ***Outlook – While still below pre-pandemic levels and trailing the nation and most of its peers, the Pittsburgh MSA made a notable progress in the first half of 2022. The unemployment rate has fallen below pre-pandemic levels, the labor force has rebounded and the crucial Leisure and Hospitality industry has largely recovered. Other industries that had been lagging such as Manufacturing, Wholesale Trade and Other Services also outperformed the nation in year over year employment growth and are now within roughly five percentage points of pre-pandemic employment levels. The fifth lagging industry – Mining and Logging – continues to trail the region and nation in regaining pre-pandemic employment, but it is adding jobs again. As Leisure and Hospitality rebounded, Healthcare and Social Assistance emerged as the primary contributor to the pandemic era employment shortfall, accounting for one-third of the 42,500 job loss over June 2019. With pandemic related volatility largely worked out of regional employment trends, the economy is expected to continue its slow but steady progress, although labor force shortages will remain a drag.***

The unemployment rate in Southwestern Pennsylvania has decreased steadily during 2022 and in June was 4.5%. While the region is tracking closely to the state, it continues to exceed the national unemployment rate. The gap has remained constant at around one percentage point since last summer.

Monthly Unemployment - 2020 to 2022

Legend: **Southwestern PA** (red) **Pennsylvania** (yellow) **United States** (gray)

Callout labels: **4.5%** (Pennsylvania), **4.5%** (Southwestern PA), **3.6%** (United States)

While the national unemployment rate in June was 0.1 percentage points higher than in February 2020, the region's unemployment rate is 0.2 percentage points lower. While all of the counties in the region have an unemployment rate below the levels recorded in February 2020, Lawrence and Greene Counties has the largest drop, falling 0.6 percentage points. Allegheny (4.0%) and Butler (4.1%) Counties have the lowest unemployment rates in the region.

Unemployment Rate Comparison - February 2020 vs. June 2022

	Feb-20	Jun-22
United States	3.5%	3.6%
Pennsylvania	4.7%	4.5%
Southwestern PA	4.8%	4.5%
Allegheny County	4.3%	4.0%
Armstrong County	5.8%	5.7%
Beaver County	5.2%	5.1%
Butler County	4.3%	4.1%
Fayette County	6.6%	6.4%
Greene County	6.0%	5.4%
Indiana County	5.5%	5.3%
Lawrence County	6.3%	5.7%
Washington County	4.9%	4.7%
Westmoreland County	4.9%	4.4%

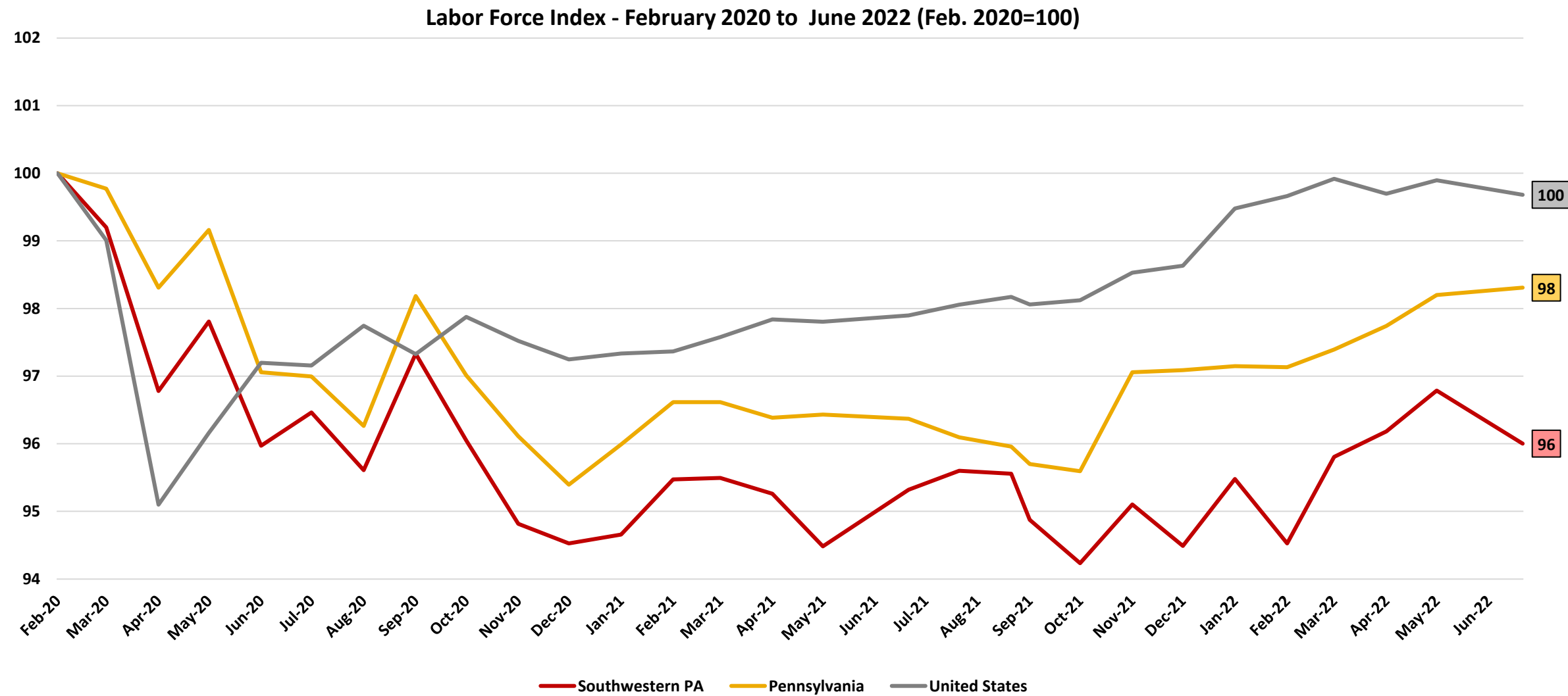Source: BLS Local Area Unemployment Statistics; Pennsylvania Department of Labor and Industry – Seasonally Adjusted

August 2022

While the national labor force has returned to pre-pandemic levels, the region continues to lag. The region's labor force bottomed out in October 2021 at 94% of the February 2020 labor force but steadily rebounded reaching 97% of pre-pandemic levels in May 2022, before declining slightly.

Labor Force Index - February 2020 to June 2022 (Feb. 2020=100)

Legend: Southwestern PA — Pennsylvania — United States

August 2022

The Pittsburgh MSA had a 3.4% increase in employment between June 2021 and June 2022 as the region gained 36,100 jobs. The region ranked 13th among the benchmark cities, outperforming three of its five peer benchmark regions.
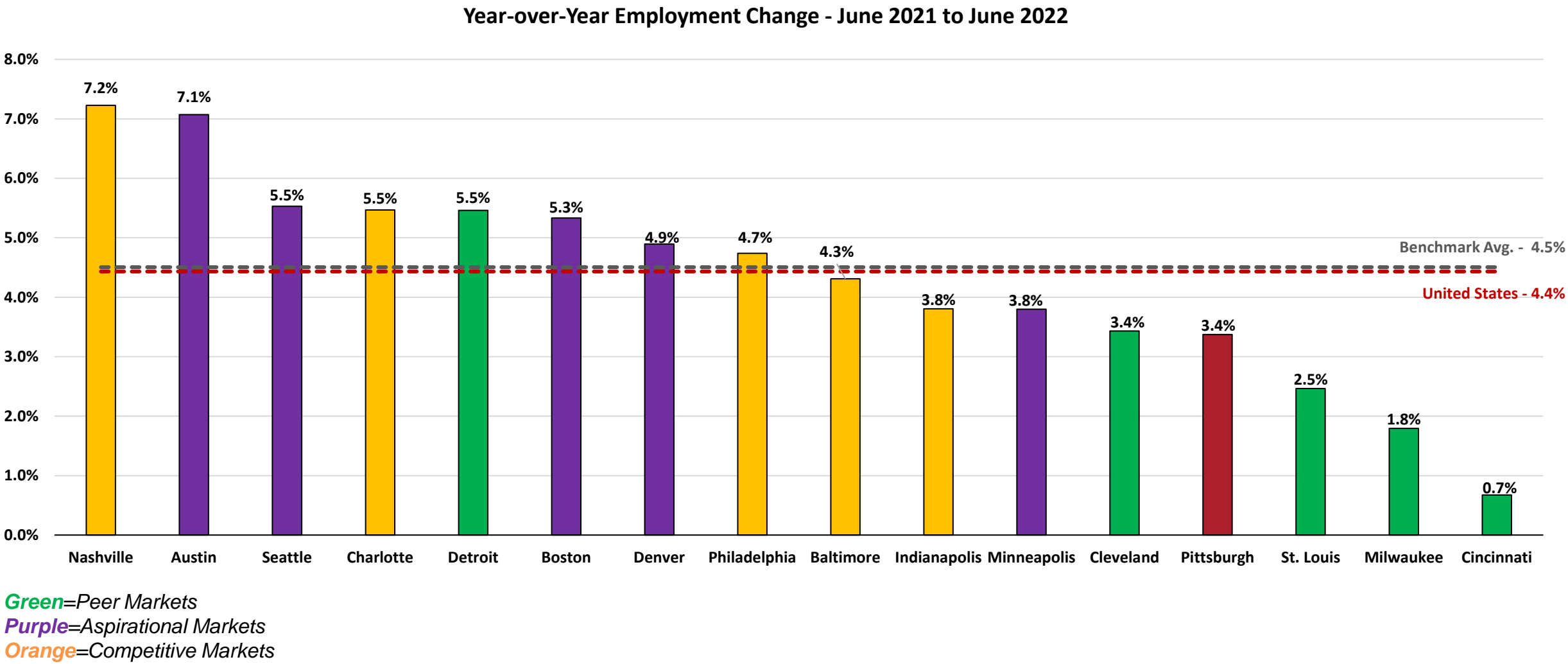
Year-over-Year Employment Change - June 2021 to June 2022

City	Value
Nashville	7.2%
Austin	7.1%
Seattle	5.5%
Charlotte	5.5%
Detroit	5.5%
Boston	5.3%
Denver	4.9%
Philadelphia	4.7%
Baltimore	4.3%
Indianapolis	3.8%
Minneapolis	3.8%
Cleveland	3.4%
Pittsburgh	3.4%
St. Louis	2.5%
Milwaukee	1.8%
Cincinnati	0.7%

Benchmark Avg. - 4.5%
United States - 4.4%

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

Source: BLS Current Employment Statistics, November 2021, preliminary

August 2022

Employment in the Pittsburgh MSA is 96.5% of what it was two years ago, compared to 94.8% in December, 2021. Only Milwaukee has regained a lower percentage of pre-pandemic employment. Austin, Nashville, Charlotte, Denver, Seattle, Indianapolis and Seattle were the only benchmark regions to exceed pre-pandemic employment levels. Not surprisingly, they also rank among the fastest growing benchmark metros in terms of population.

June 2022 Pct. Of June 2019
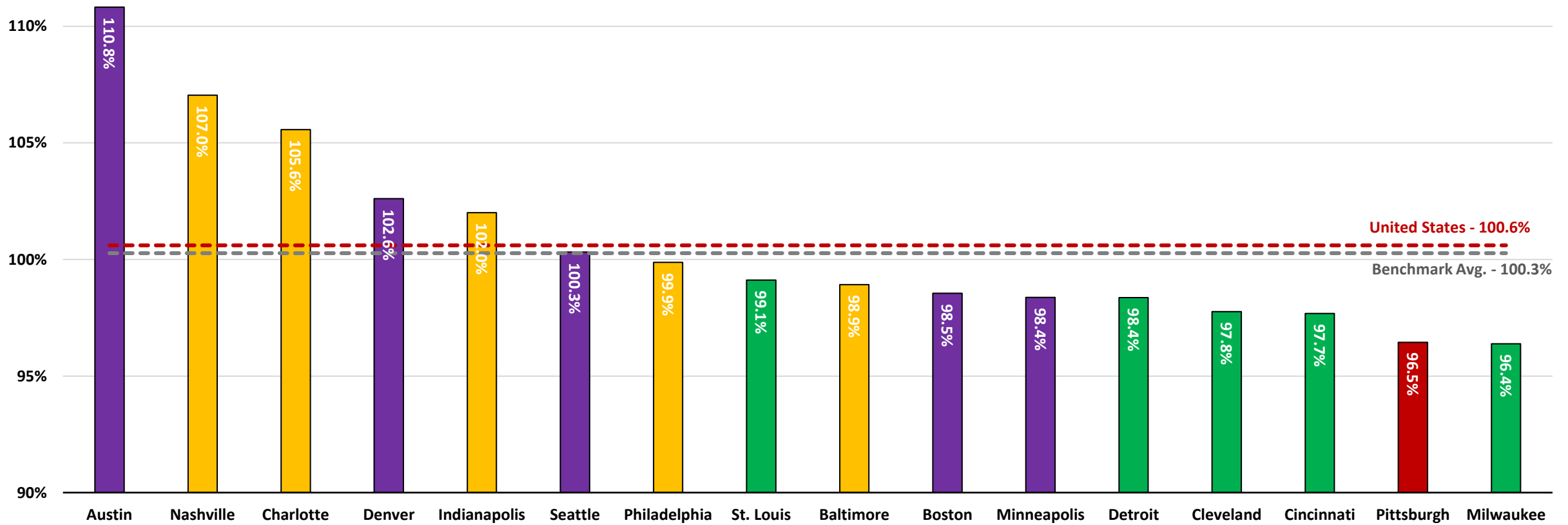
United States - 100.6%

Benchmark Avg. - 100.3%

| Austin	Nashville	Charlotte	Denver	Indianapolis	Seattle	Philadelphia	St. Louis	Baltimore	Boston	Minneapolis	Detroit	Cleveland	Cincinnati	Pittsburgh	Milwaukee
110.8%	107.0%	105.6%	102.6%	102.0%	100.3%	99.9%	99.1%	98.9%	98.5%	98.4%	98.4%	97.8%	97.7%	96.5%	96.4%

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

Source: BLS Current Employment Statistics

August 2022

Throughout 2022, the Pittsburgh MSA has been experiencing year-over-year employment growth ranging from 2.5% to 3.2%, well above historical levels. The 3.2% growth rate in June was the highest year-over-year job growth of 2022. While growth coming out of the pandemic has exceeded historical trends, it continues to lag national and benchmark articles.

Year over Year Employment Change - January 2008 to June 2022

Legend: Pittsburgh (red), Benchmark (yellow), U.S. (grey)

End values: Benchmark 4.3%, U.S. 4.2%, Pittsburgh 3.2%
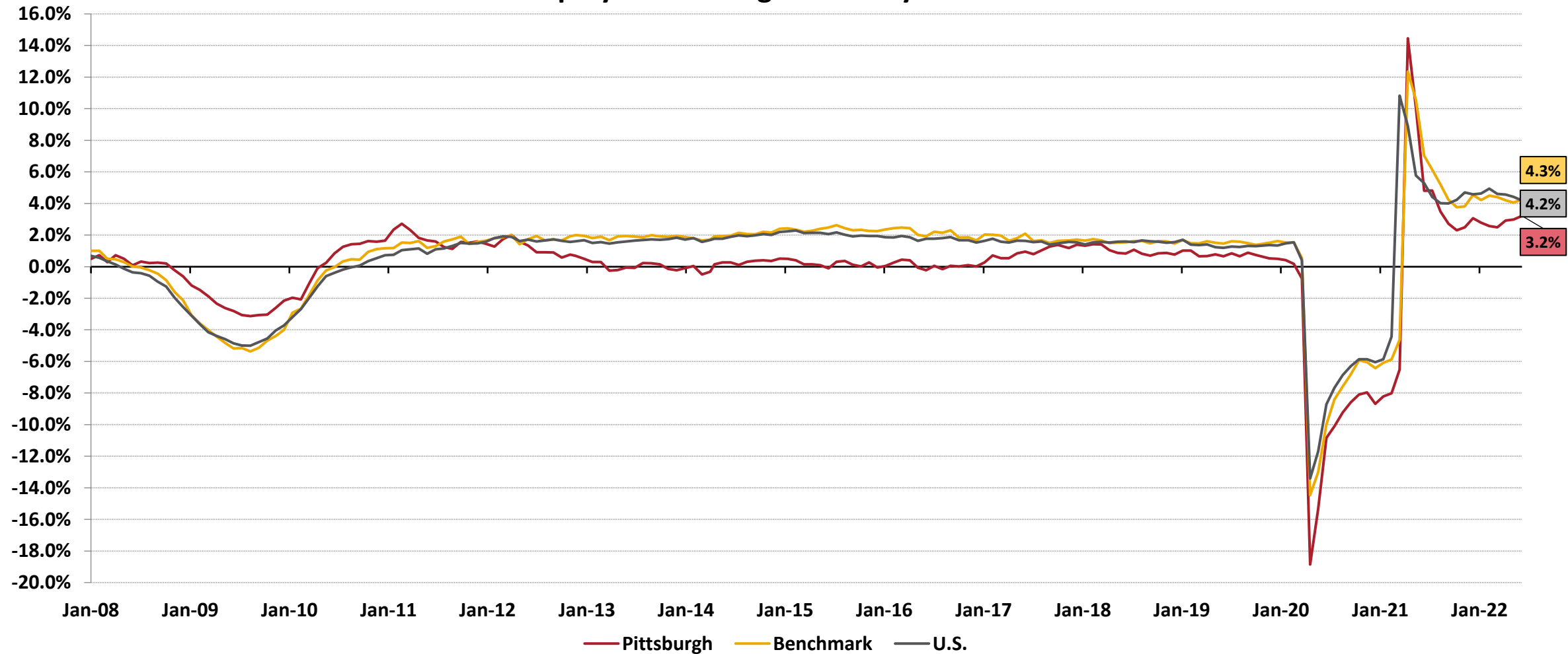
The Pittsburgh MSA lost a larger percentage of its employment in April 2020 than the nation or its benchmark regions and has lagged since then. The nation and benchmark regions exceeded their respective pre-pandemic levels as of the first quarter, but the Pittsburgh MSA remains below 2019 levels. The region has narrowed the gap from 94.3% to 96.5% during the first six months of 2022.
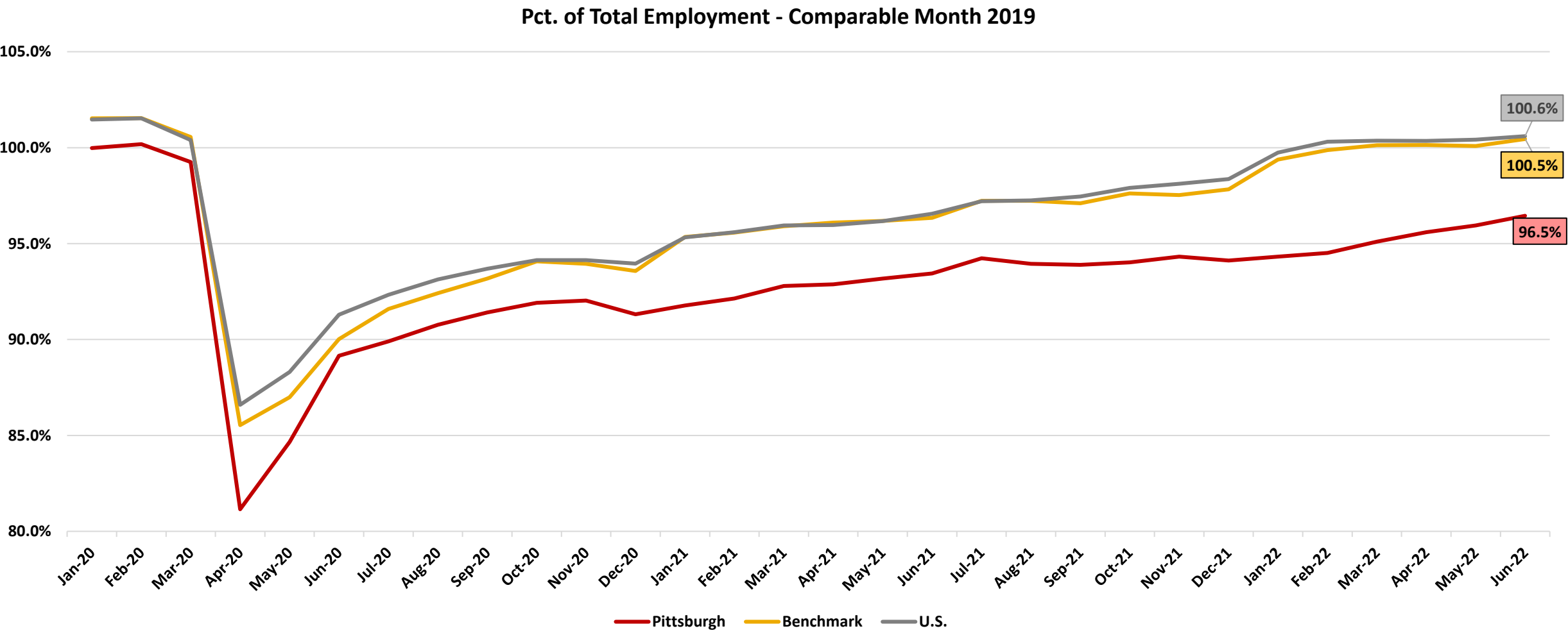
Pct. of Total Employment - Comparable Month 2019

Legend: Pittsburgh (red), Benchmark (orange/gold), U.S. (gray)

Labeled data points: 100.6%, 100.5%, 96.5%

August 2022

In June 2022, the Leisure and Hospitality industry was the Pittsburgh MSA's strongest performing industry, increasing 17.5% over June 2021, compared to a 10.6% increase nationally. Other Services, another industry disproportionately impacted by pandemic era shutdowns also outperformed the nation, as did Manufacturing and Wholesale Trade, two industries that had been lagging the nation through much of 2021. Construction, Utilities and Transportation and Warehousing all lost employment compared to the previous year.
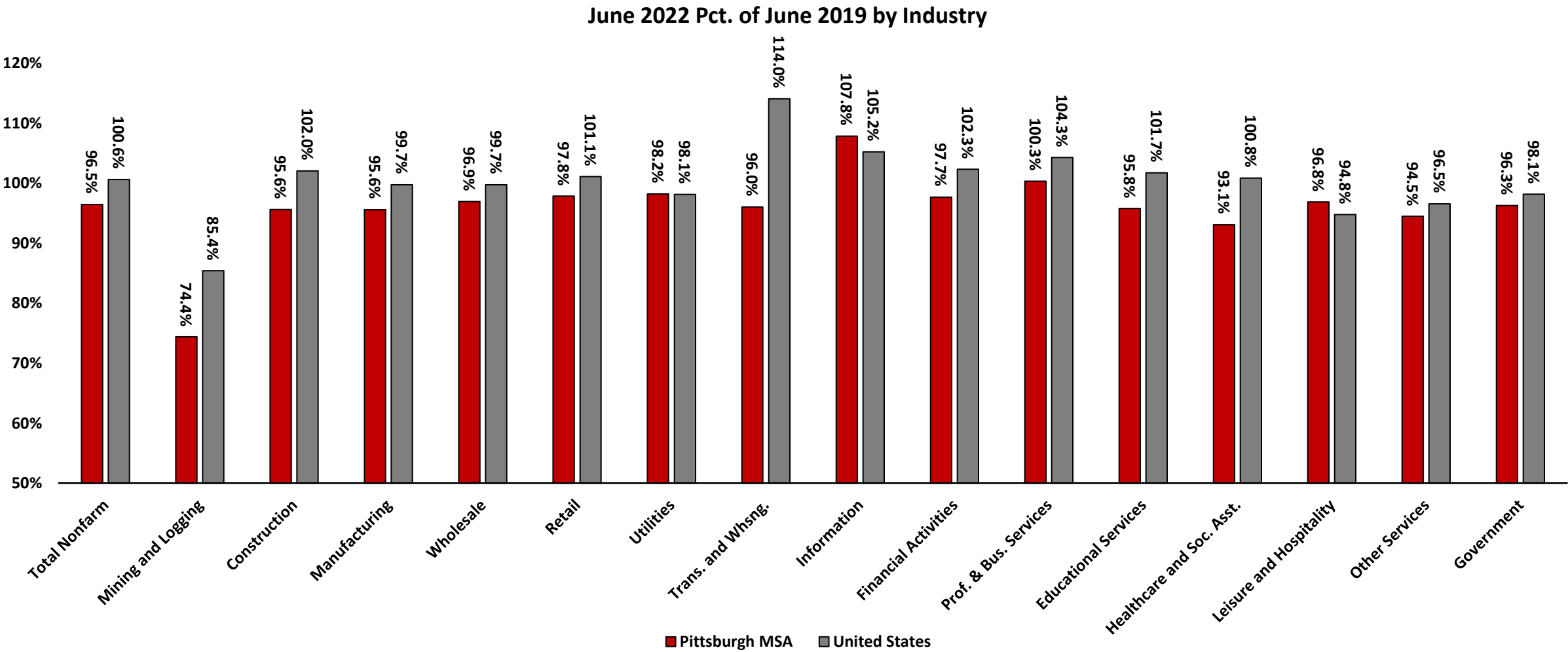
Year-over-Year Change in Employment by Sector

Legend: ■ Pittsburgh MSA ■ United States

Sector	Pittsburgh MSA	United States
Total Nonfarm	3.2%	4.2%
Mining and Logging	9.8%	11.1%
Construction	-0.9%	3.9%
Manufacturing	5.4%	4.2%
Wholesale	4.3%	3.4%
Retail	0.4%	2.4%
Utilities	-1.8%	0.0%
Trans. and Whsng.	-1.0%	7.6%
Information	4.0%	7.3%
Financial Activities	0.0%	2.4%
Prof. & Bus. Services	2.5%	5.5%
Educational Services	3.4%	6.2%
Healthcare and Soc. Asst.	0.9%	2.4%
Leisure and Hospitality	17.5%	10.6%
Other Services	6.5%	4.5%
Government	0.1%	0.7%

Source: BLS Current Employment Statistics
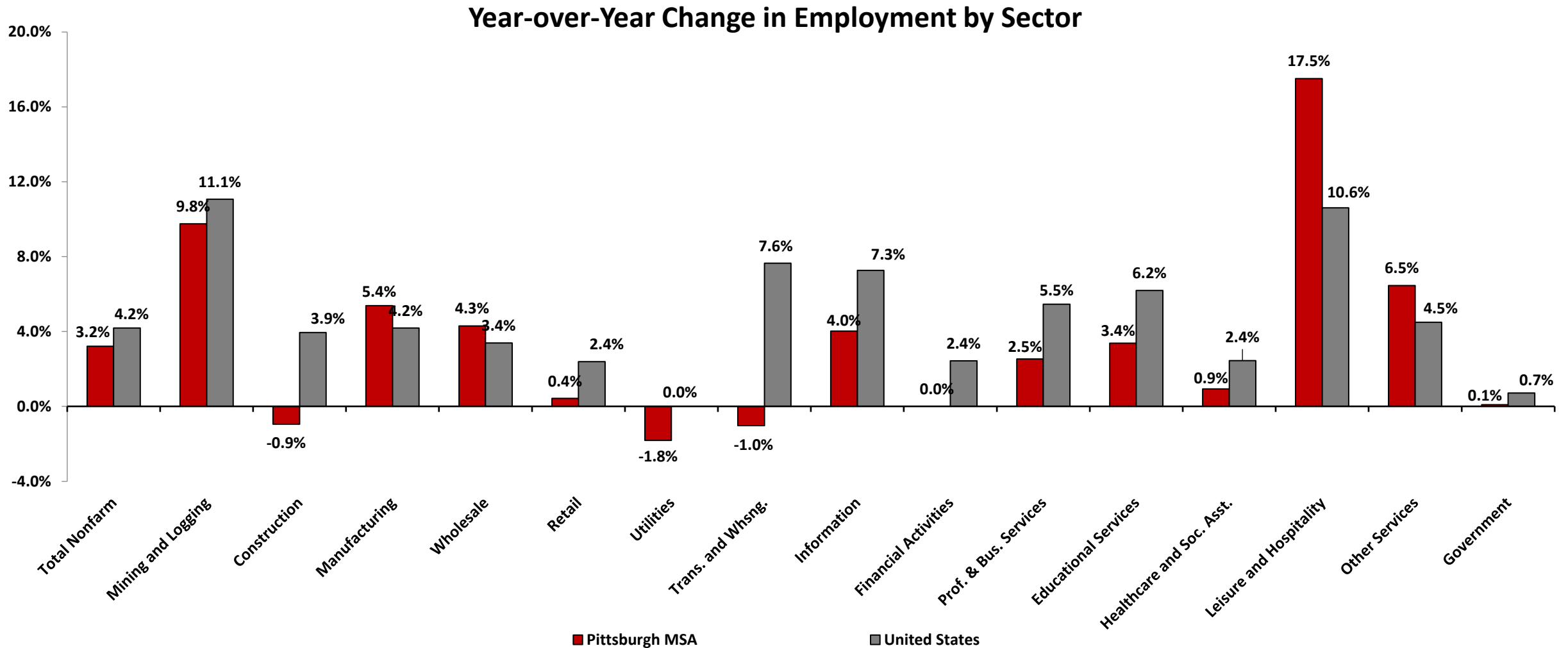
While Information and Professional and Business Services are the only industries whose employment exceeds pre-pandemic levels, most others are within five percentage points of 2019. Mining and Logging and Other Services continue to rank among the biggest laggards, although Leisure and Hospitality, Manufacturing and Wholesale Trade have closed the gap during 2022. Conversely, Healthcare and Social Assistance has become one of the region's lagging industries with July 2022 employment being 93.1% of 2019 levels.

June 2022 Pct. of June 2019 by Industry

Legend: ■ Pittsburgh MSA ■ United States

Industry	Pittsburgh MSA	United States
Total Nonfarm	96.5%	100.6%
Mining and Logging	74.4%	85.4%
Construction	95.6%	102.0%
Manufacturing	95.6%	99.7%
Wholesale	96.9%	99.7%
Retail	97.8%	101.1%
Utilities	98.2%	98.1%
Trans. and Whsng.	96.0%	114.0%
Information	107.8%	105.2%
Financial Activities	97.7%	102.3%
Prof. & Bus. Services	100.3%	104.3%
Educational Services	95.8%	101.7%
Healthcare and Soc. Asst.	93.1%	100.8%
Leisure and Hospitality	96.8%	94.8%
Other Services	94.5%	96.5%
Government	96.3%	98.1%

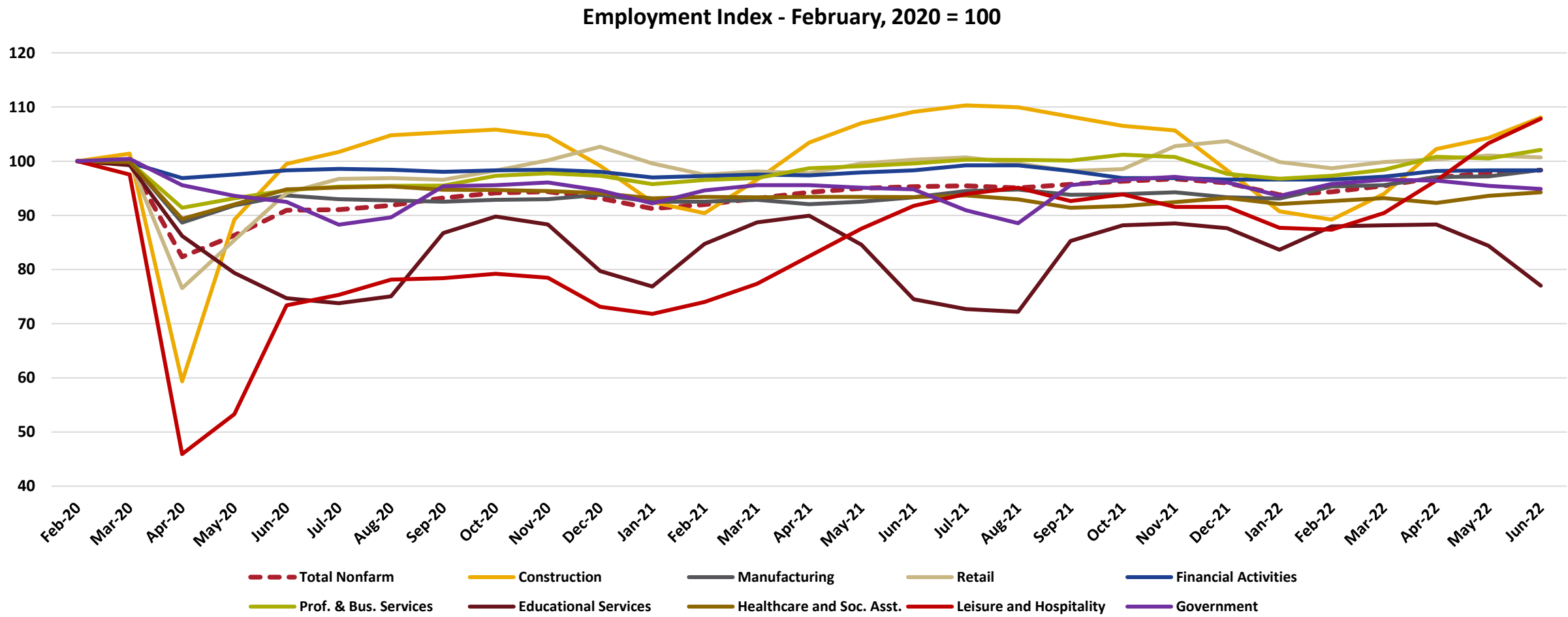**Source:** BLS Current Employment Statistics

August 2022

Employment in the Pittsburgh MSA in June 2022 was 42,600 less than in June 2019. With the rebound in Leisure and Hospitality employment during the year, Healthcare and Social Assistance accounts for the largest percentage of the employment shortfall (34%). Of the 14,400 job shortfall in Healthcare and Social Assistance, the bulk of the employment loss since 2019 is attributable to Hospitals (6,300) and Nursing and Residential Care (4,800). Government, Leisure and Hospitality and Manufacturing accounted for the next highest percentages although they were all significantly lower than Healthcare.
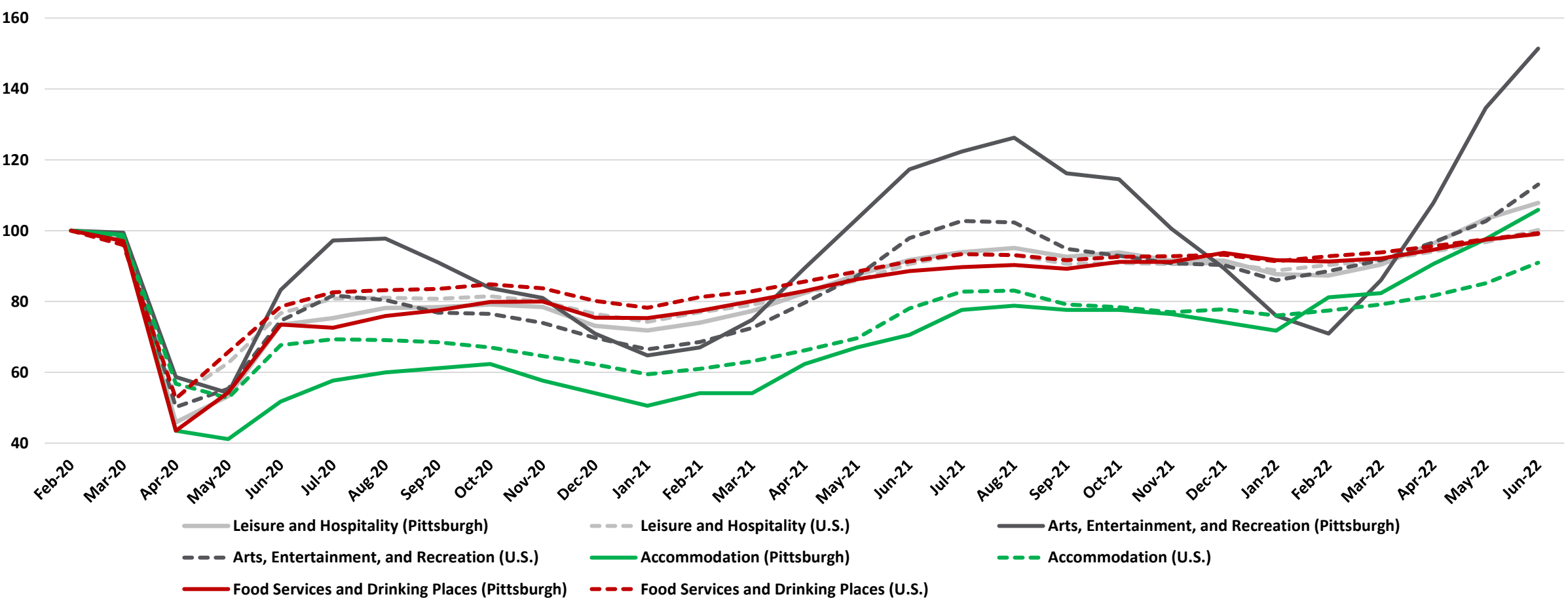
Current Employment Shortfall By Industry - June 2019 to June 2021

Chart data (stacked bar, Pittsburgh MSA (n=42,600)):

Segment	Percent
6%	
5%	
6%	
7%	
7%	
7%	
9%	
9%	
10%	
34%	

Pittsburgh MSA (n=42,600)

Legend:
- Healthcare and Soc. Asst.
- Government
- Leisure and Hospitality
- Manufacturing
- Mining and Logging
- Construction
- Other Services
- Retail
- Educational Services
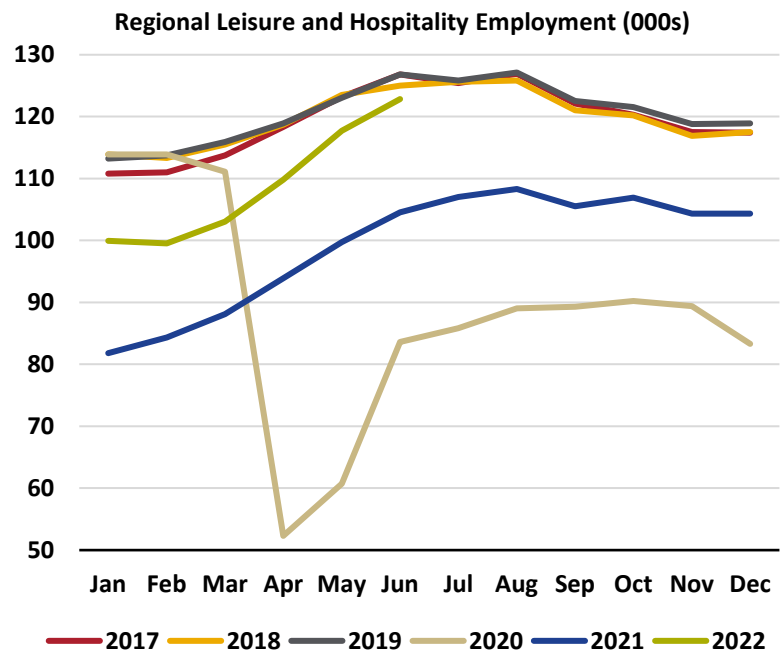- Other Industries

August 2022
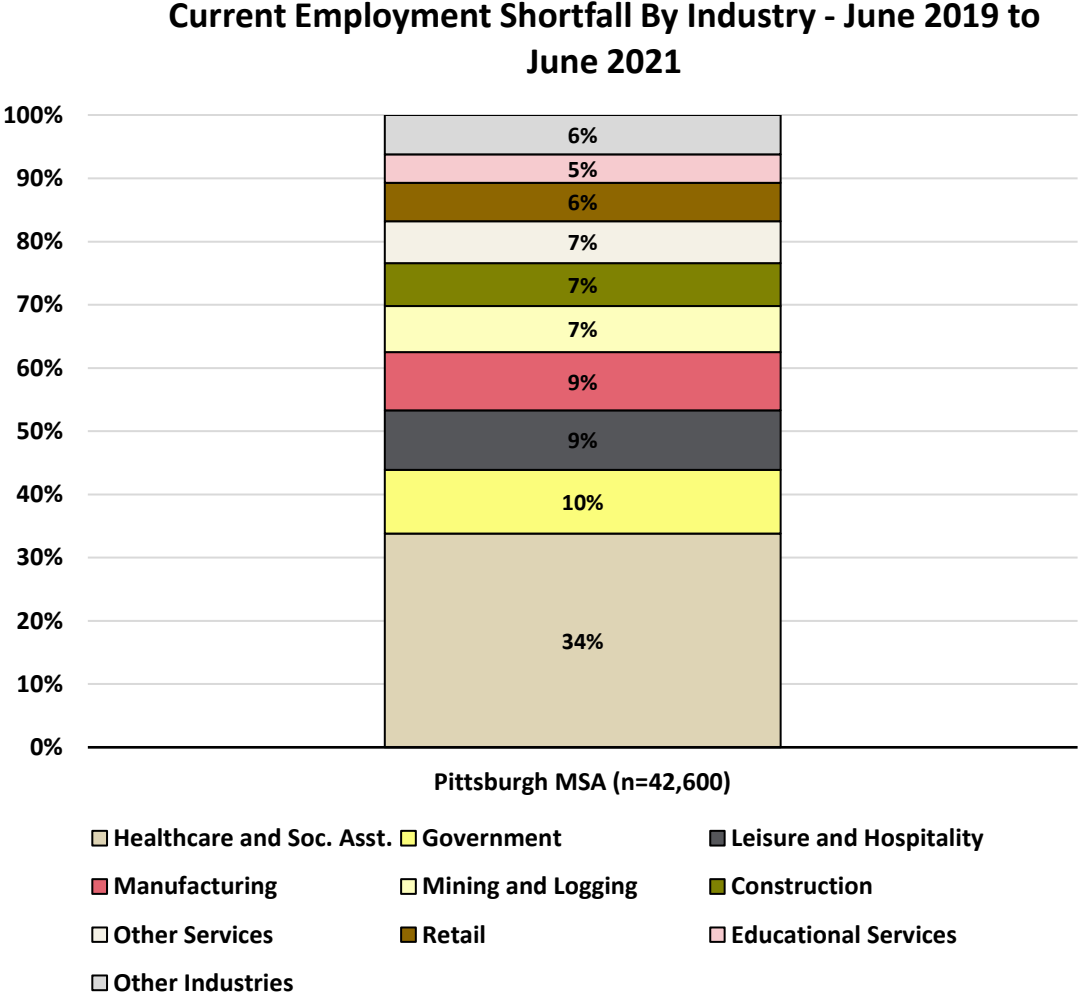
As the region moved beyond the volatility of the pandemic, recent fluxuations in employment levels have been much more dependent on seasonal factors. Leisure and Hospitality was able to build on the momentum that it established in 2021 and experienced a robust seasonal expansion in the spring driving employment above February 2020 levels. Construction also saw a seasonal expansion, while Educational Services experienced its traditional summer contraction. Construction, Retail and Professional and Business Services are the only other major industries with employment levels above February 2020 levels.

Employment Index - February, 2020 = 100

Legend: Total Nonfarm, Construction, Manufacturing, Retail, Financial Activities, Prof. & Bus. Services, Educational Services, Healthcare and Soc. Asst., Leisure and Hospitality, Government

Source: BLS Current Employment Statistics

August 2022

Given its size and the disproportionate impact felt by pandemic related shutdowns the full recovery of the region was going to be dependent on how quickly Leisure and Hospitality rebounded. The overall industry tracked very closely to national performance until Spring when rapid growth in Arts, Entertainment and Recreation and Accommodations drove the industry to employment current growth exceeding that of the nation. The largest sector, Food Services and Drinking Places has been tracking close to the nation in 2022 and has almost returned to pre-pandemic employment levels.
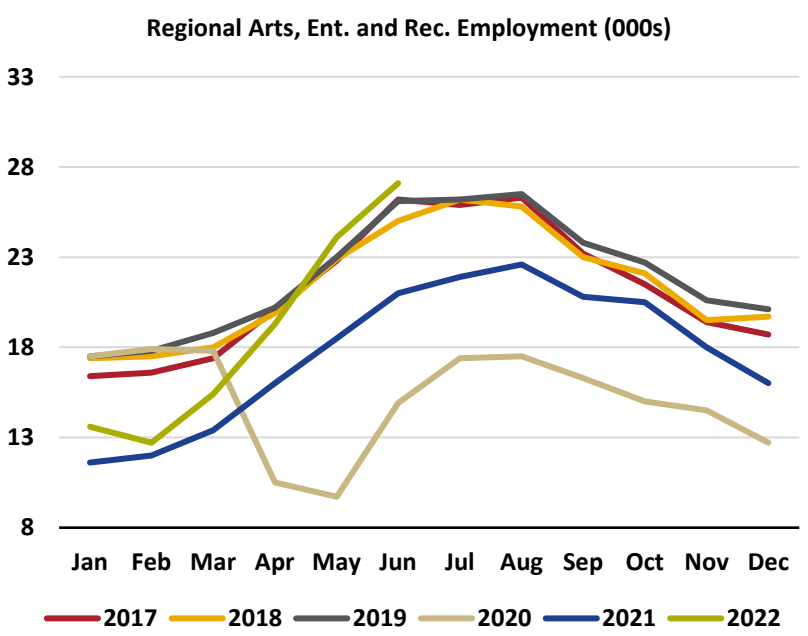

Leisure and Hospitality Employment Index - February, 2020 = 100

Legend:
- 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.)

Source: BLS Current Employment Statistics

August 2022

Regional Leisure and Hospitality Employment (000s)

2017 2018 2019 2020 2021 2022

Regional Accommodations Employment (000s)

2017 2018 2019 2020 2021 2022

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

2017 2018 2019 2020 2021 2022

Regional Food Svs. and Drinking Places Employment (000s)

2017 2018 2019 2020 2021 2022

Overall, Leisure and Hospitality employment in the Pittsburgh MSA saw rapid growth during the first half of the year and has almost returned to pre-pandemic levels.

Accommodations has seen solid growth in 2022, adding approximately 3,000 jobs (50%). Employment is now within 1,000 of historic levels.

Arts, Entertainment and Recreation has been the strongest sector coming out of the pandemic and by June 2022, employment reached record levels.

Food Services and Drinking Places, the largest and least seasonal sector, also continued to steadily close the gap with historic employment levels.

Source: BLS Current Employment Statistics

August 2022