Pennsylvania Economy League
of Greater Pittsburgh

An affiliate of the Allegheny Conference

Pittsburgh Region
Employment Update
January 2021 and 2020 Annual Update

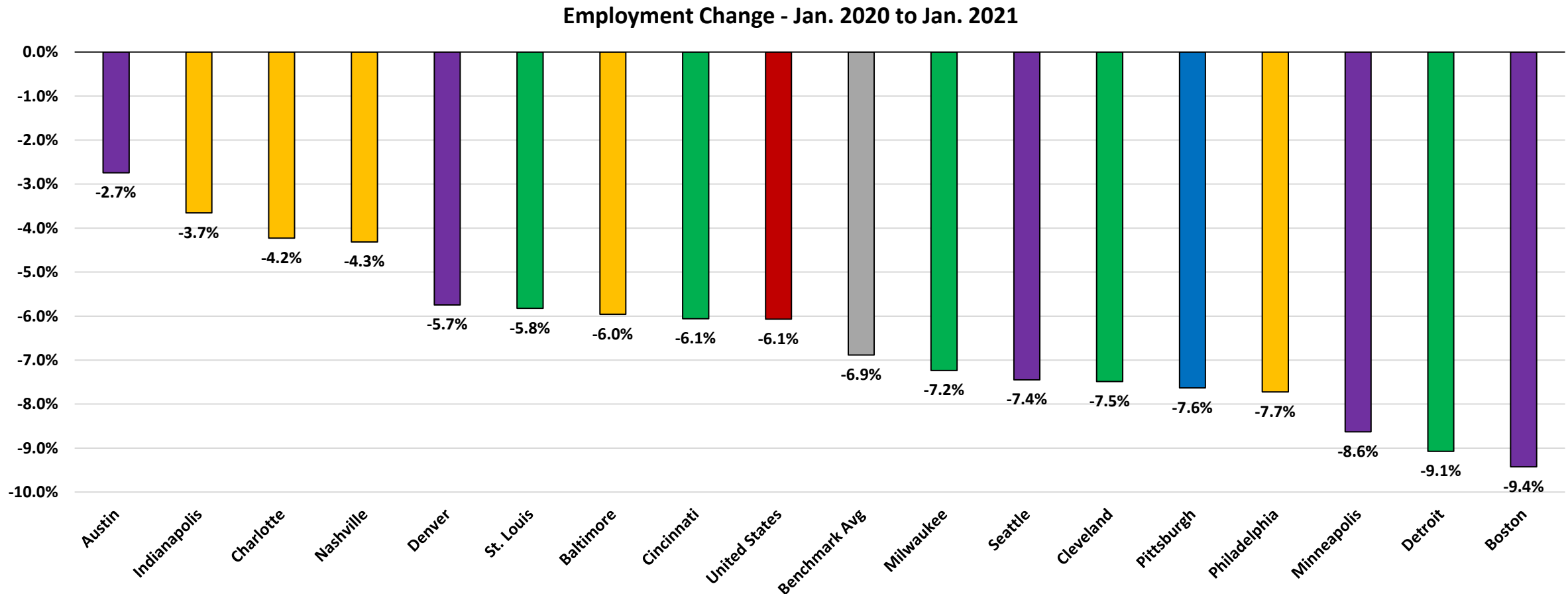Released March 18, 2021

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 revision as additional information is collected in subsequent surveys. With the calculation of annual averages each March, the data series is subject to further revisions. While that does not impact the broader conclusions of past reports, specific numbers may not be comparable.

- The Pittsburgh MSA had a 7.6% drop in employment between January 2020 and January 2021 as the region shed 89,300 jobs, similar to the year-over-year drops recorded during the fourth quarter of 2020. However, the region continues to rank among the bottom of the benchmark regions in year-over-year change with 11 of the 15 region's benchmarks experiencing smaller drops.

- The revised Current Employment Statistics numbers show that employment in the Pittsburgh MSA fell by 18.8% in April 2020 compared to April 2019, 5.4 percentage points worse than the nation. As the rebound began, the region lagged the nation by 2.0 to 2.5 percentage points, but by January, that gap had narrowed to 1.5 percentage points.

- It is not uncommon for the Pittsburgh region to shed employment between December and January due to seasonal factors. Between December 2020 and January 2021, employment in the Pittsburgh region dropped by 16,400 which was smaller than the drops between December 2018 and January 2019 (-24.900) and December 2019 and January 2020 (-29,900).

- The monthly employment index for Pittsburgh's largest industries show that most have been able to maintain employment within 10% of February 2020 levels although Construction, which had been exceeding pre-pandemic employment levels, has trailed off with the advent of winter. Educational Services is also experiencing a seasonal contraction following its fall rebound, while Leisure and Hospitality continues to lag, having fallen to its lowest level since May.

- According to revised CES data, the Pittsburgh MSA's Arts, Entertainment and Recreation sector was not as negatively impacted as initially thought and in January was at 78% of pre-pandemic employment. Accommodation employment, however, is now shown to be the biggest drag on the sector. While it was able to rebound to 62% of pre-pandemic employment in September, the fall slowdown in travel has reduced it to 46% by January. Food Service and Drinking Places, the largest sector of the Leisure and Hospitality industry had been able to rebound to 81% of pre-pandemic employment but dropped off to 72% in December with the reimposition of dining restrictions before a slight recovery in January.

Key Findings (cont'd)

- Average annual employment in the Pittsburgh MSA fell by 8.1% in 2020, greater than both the nation (-6.5%) and benchmark average (-5.8%). Only two benchmark regions – Boston and Detroit – had a bigger drop in annual employment. The 8.1% decrease was the first annual employment drop since the Great Recession in 2009 when the region lost 2.4% of its employment. Unfortunately, annual employment growth in the MSA has trailed the nation since 2011 and the 2.3 percentage point gap is the largest annual gap in 30 years.

- On an annual basis, all major industry groups shed employment during 2020. Mining and Logging had the largest decrease relative to the nation, falling 23.9%, 9.0 percentage points more than the nation. Construction had a drop 7.6 percentage points worse than the U.S., while Leisure and Hospitality's decrease in the region was 6.9 percentage points larger. The Leisure and Hospitality industry in the Pittsburgh MSA lagged the U.S. across all three sectors with Accommodation performing worst relative to the nation, with employment dropping 41.5% compared to a 25.9% decrease nationally.

- In absolute terms, one-third of the Pittsburgh MSA's annual employment loss was in the Leisure and Hospitality industry. Other major contributors included Professional & Business Services (-10,600), Retail Trade (-8,400) and Healthcare and Social Assistance (-7,400).

- ***Outlook – The employment rebound in the Pittsburgh MSA has stalled as seasonal factors drove a month to month drop in employment in both December and January. As dining restrictions were lifted in January the Leisure and Hospitality industry experienced a slight rebound, but seasonal drops in Construction, Retail and Education resulted in a 16,400 decrease in employment between December and January, smaller than decreases in past years. The release of annual data showed that the Pittsburgh MSA experienced an 8.1% decrease in employment in 2020 compared to a 5.8% decrease nationally. While the Pittsburgh MSA usually trails the Pittsburgh MSA in annual employment growth, the 2.3 percentage point gap with the nation was the largest in more than 30 years and twice the average shortfall over the previous eight years. While Mining and Logging had the largest annual percentage point decrease in employment, the continuing struggles in the Leisure and Hospitality industry accounted for one-third of the annual loss in absolute terms (31,900 of the 97,100 jobs shed). In the end the narrative remains, the region's recovery will be dictated by how long it takes for Leisure and Hospitality – the third largest industry in terms of employment – to rebound.***

The Pittsburgh MSA had a 7.6% drop in employment between January 2020 and January 2021 as the region shed 89,300 jobs, similar to the year-over-year drops recorded during the fourth quarter of 2020. However, the region continues to rank among the bottom of the benchmark region in year-over-year change.

Employment Change - Jan. 2020 to Jan. 2021

Market	Change
Austin	-2.7%
Indianapolis	-3.7%
Charlotte	-4.2%
Nashville	-4.3%
Denver	-5.7%
St. Louis	-5.8%
Baltimore	-6.0%
Cincinnati	-6.1%
United States	-6.1%
Benchmark Avg	-6.9%
Milwaukee	-7.2%
Seattle	-7.4%
Cleveland	-7.5%
Pittsburgh	-7.6%
Philadelphia	-7.7%
Minneapolis	-8.6%
Detroit	-9.1%
Boston	-9.4%

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

Source: BLS Current Employment Statistics, December 2020, preliminary

March 2021

As part of its annual revision, the U.S. Bureau of Labor Statistics updated monthly data in its Current Employment Statistics series. The revised numbers show that employment in the Pittsburgh MSA fell by 18.8% in April 2020, 5.4 percentage points worse than the nation. As the rebound began, the region lagged the nation by 2.0 to 2.5 percentage points, but in January, that gap had narrowed to 1.5 percentage points.


Year over Year Employment Change - January 2008 to January 2021
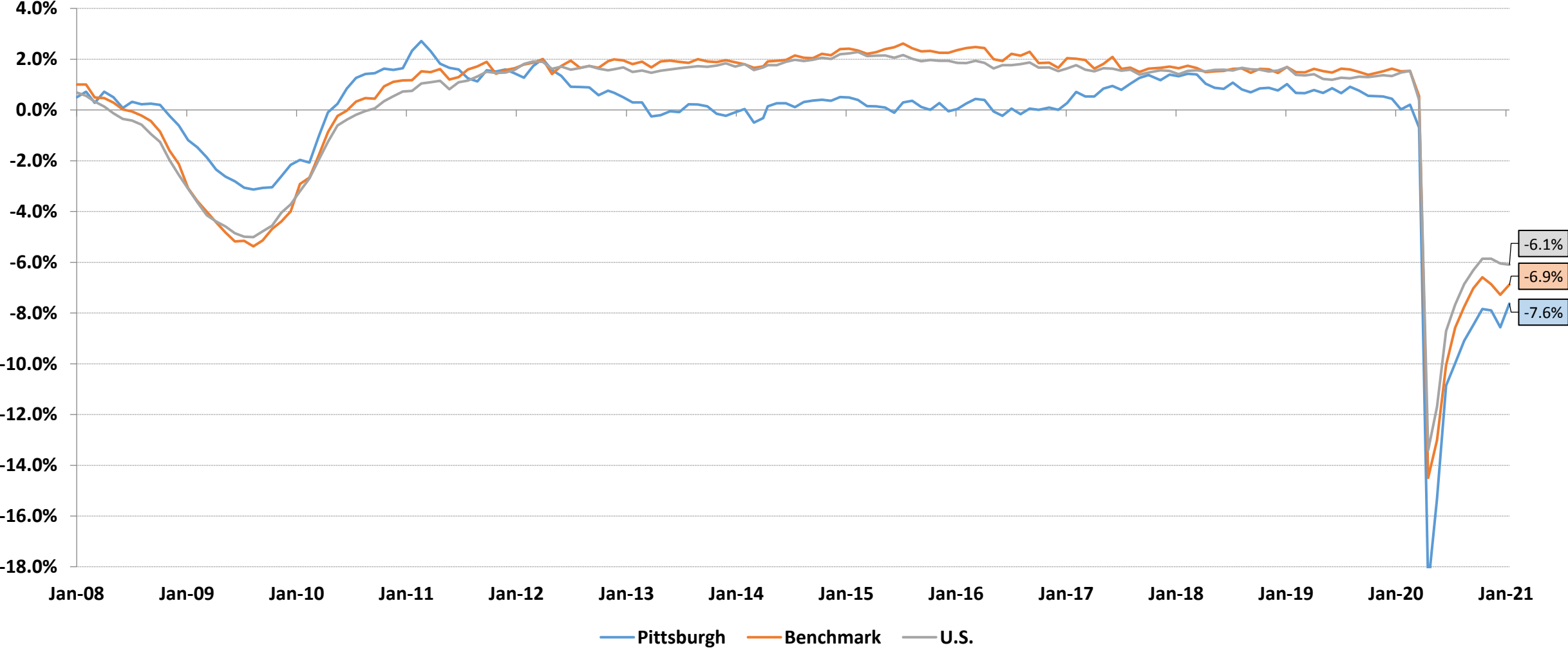
Legend: Pittsburgh, Benchmark, U.S.

End labels: -6.1%, -6.9%, -7.6%

**Source:** BLS Current Employment Statistics

March 2021

It is not uncommon for the Pittsburgh region to shed employment between December and January due to seasonal factors and between December 2020 and January 2021 employment in the Pittsburgh region dropped by 16,400 which was smaller than the drops between December 2018 and January 2019 (-24.900) and December 2019 and January 2020 (-29,900). The monthly employment index for Pittsburgh's largest industries show that most have been able to maintain employment within 10% of February levels although Construction, which had exceeded pre-pandemic employment levels, has trailed off with the advent of winter. Educational Services is also experiencing a seasonal contraction following its fall rebound while Leisure and Hospitality continues to lag, having fallen to its lowest level since May.

Employment Index - February = 100

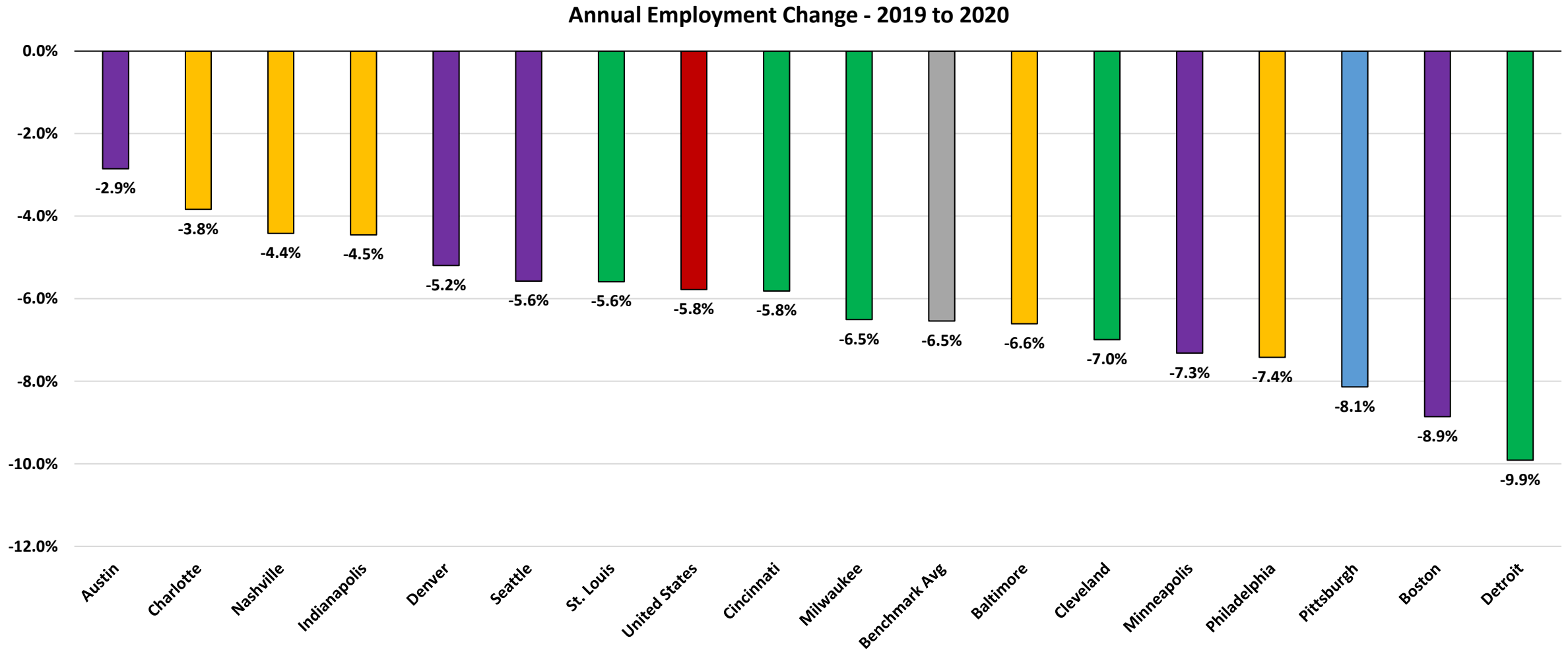**Source:** BLS Current Employment Statistics
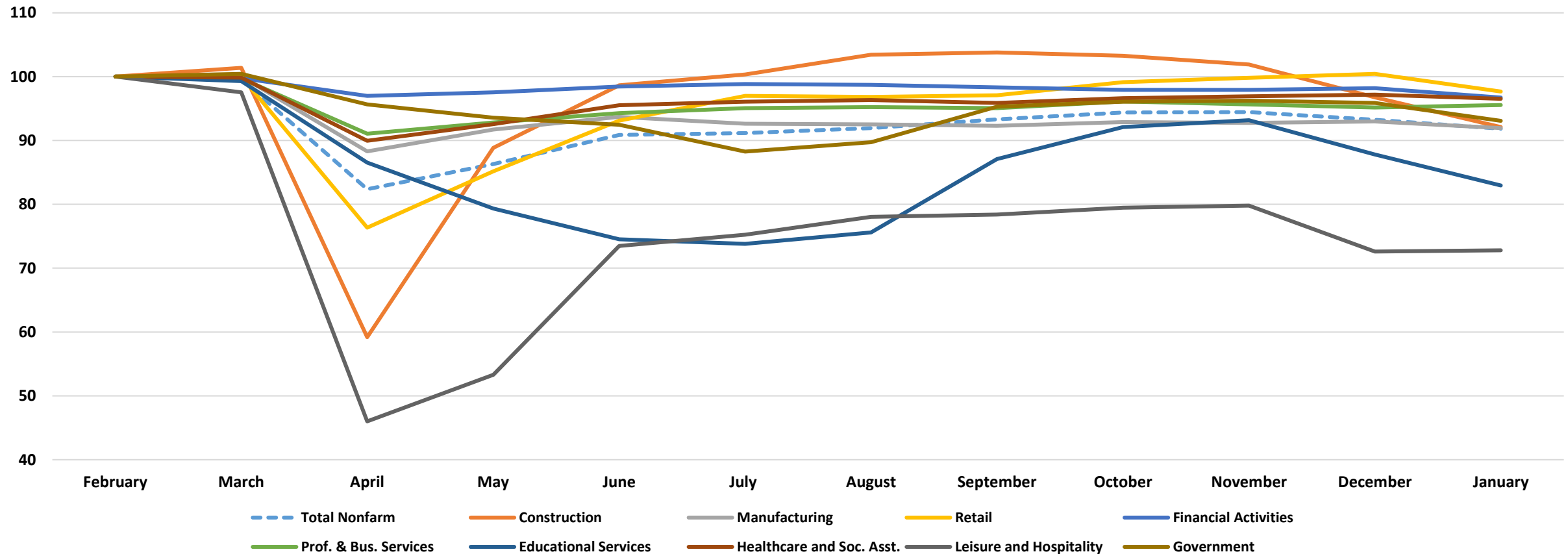
Indexing the Pittsburgh MSA's Leisure and Hospitality employment by month against the U.S. shows that the region has continued to lag the nation in the percentage of industry jobs recovered. Revised data, however, show that the Arts, Entertainment and Recreation sub-sector was not as negatively impacted as initially thought and in January was at 78% of pre-pandemic employment. It is the only Leisure and Hospitality sector outpacing the nation. Accommodation employment, however, is now shown to be the biggest drag on the sector. While it was able to rebound to 62% of pre-pandemic employment in September, the fall slowdown in travel has reduced it to 46% by January. This is only slightly above its low in May 2020 (41%). Food Service and Drinking Places, the largest sub-sector of the Leisure and Hospitality industry had been able to rebound to 81% of pre-pandemic employment, but dropped off to 72% in December with the reimposition of dining restrictions before a slight recovery in January.

Leisure and Hospitality Employment Index - February = 100

Source: BLS Current Employment Statistics
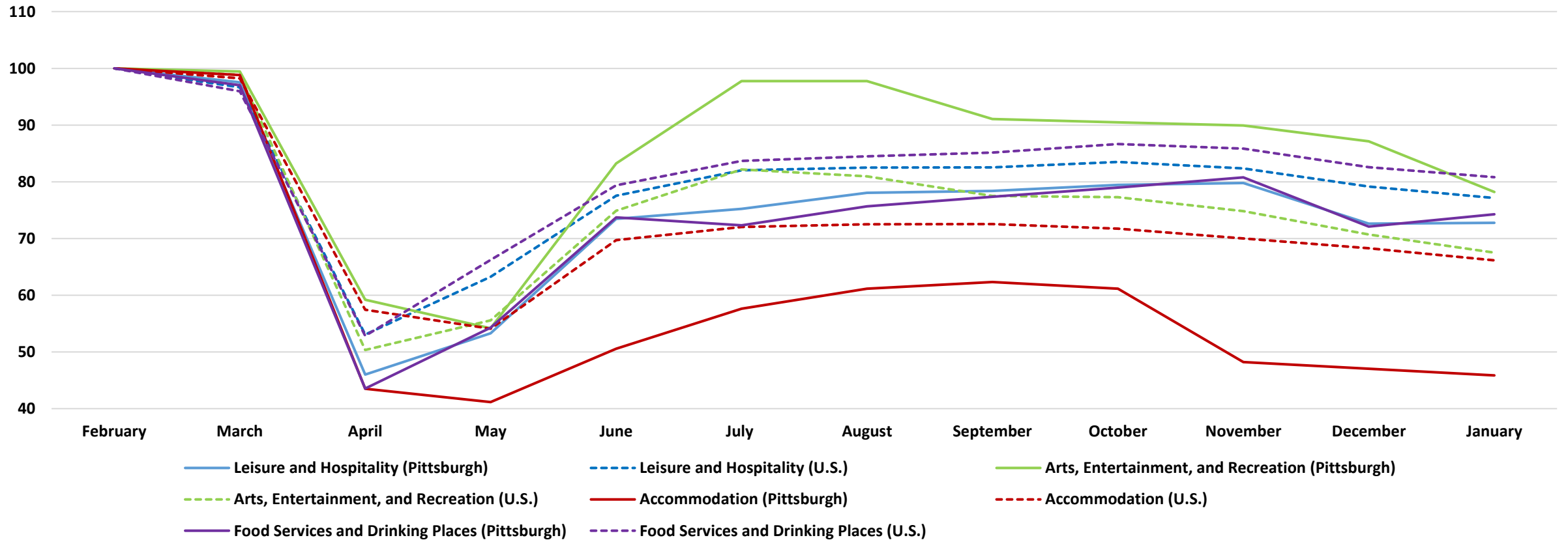
2020 Annual Update

Average annual employment in the Pittsburgh MSA fell by 8.1% in 2020, greater than both the nation (-6.5%) and benchmark average (-5.8%). Only two benchmark regions – Boston and Detroit – had a bigger drop in annual employment.

Annual Employment Change - 2019 to 2020

Region	Change
Austin	-2.9%
Charlotte	-3.8%
Nashville	-4.4%
Indianapolis	-4.5%
Denver	-5.2%
Seattle	-5.6%
St. Louis	-5.6%
United States	-5.8%
Cincinnati	-5.8%
Milwaukee	-6.5%
Benchmark Avg	-6.5%
Baltimore	-6.6%
Cleveland	-7.0%
Minneapolis	-7.3%
Philadelphia	-7.4%
Pittsburgh	-8.1%
Boston	-8.9%
Detroit	-9.9%

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

March 2021

Source: BLS Current Employment Statistics

The 8.1% drop in employment in the Pittsburgh MSA in 2020 was the first annual employment decrease since the Great Recession in 2009 when the region lost 2.4% of its employment. Unfortunately, annual employment growth in the MSA has trailed the nation since 2011 and the 2.3 percentage point gap is the largest annual gap in 30 years and twice the average gap over the previous eight years.

Annual Change in Employment - 1990 to 2020

Legend: Pittsburgh MSA, Benchmark Average, United States

Labeled values: -5.8%, -6.5%, -8.1%
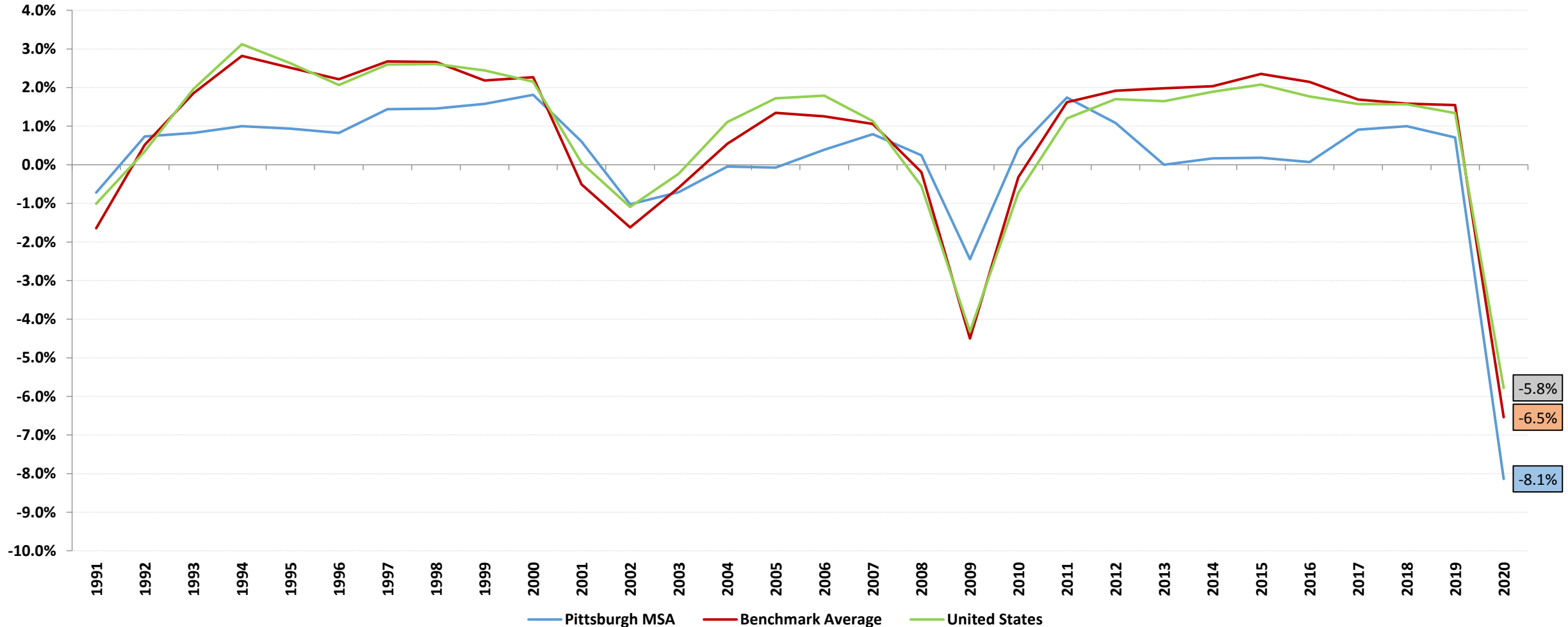
On an annual basis, all major industry groups shed employment during 2020. While several experienced decreases in-line with the national drops including Utilities, Information, Financial Activities, Professional and Business Services, Educational Services, Healthcare and Social Assistance and Government, others lagged. Mining and Logging had the largest e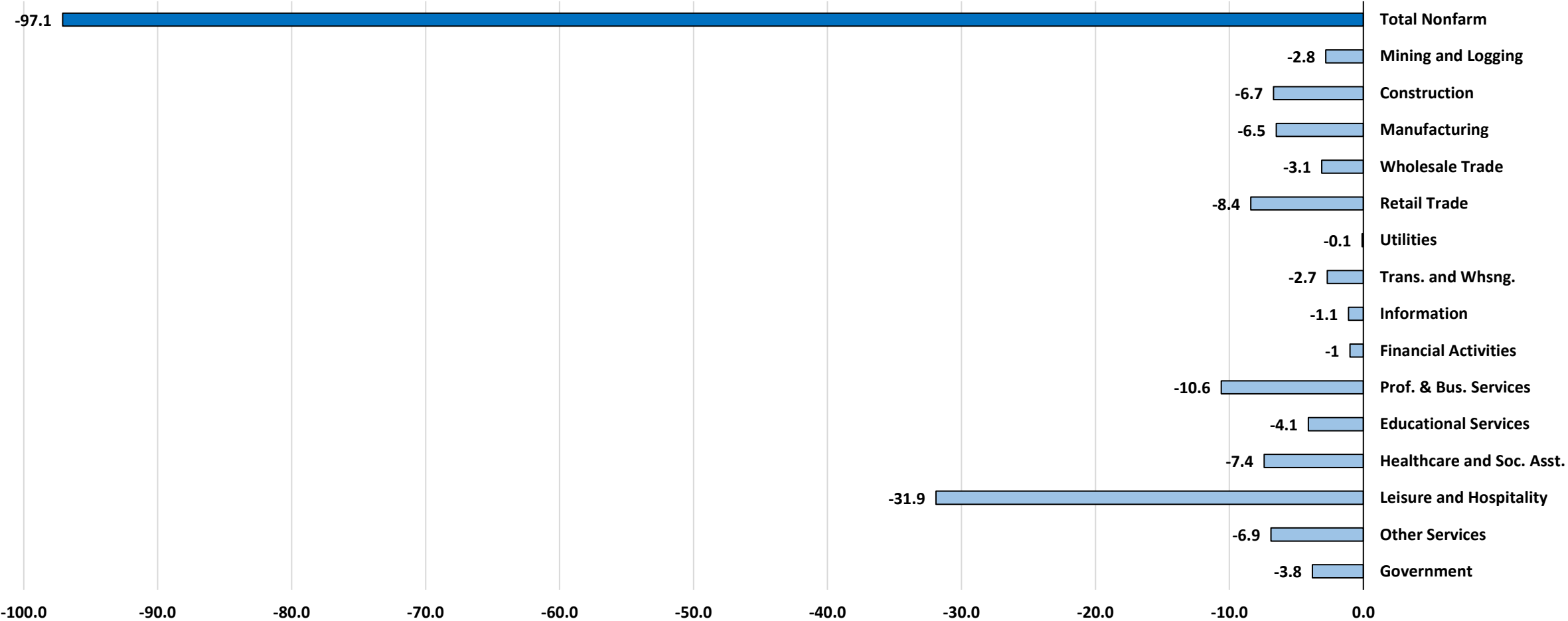mployment decrease relative to the nation, falling 23.9%, which is 9.0 percentage points worse than the nation. Construction had a drop 7.6 percentage points larger than the nation, while Leisure and Hospitality's decrease in the region was 6.9 percentage points larger.

Annual Pct. Change in Employment - 2019 to 2020
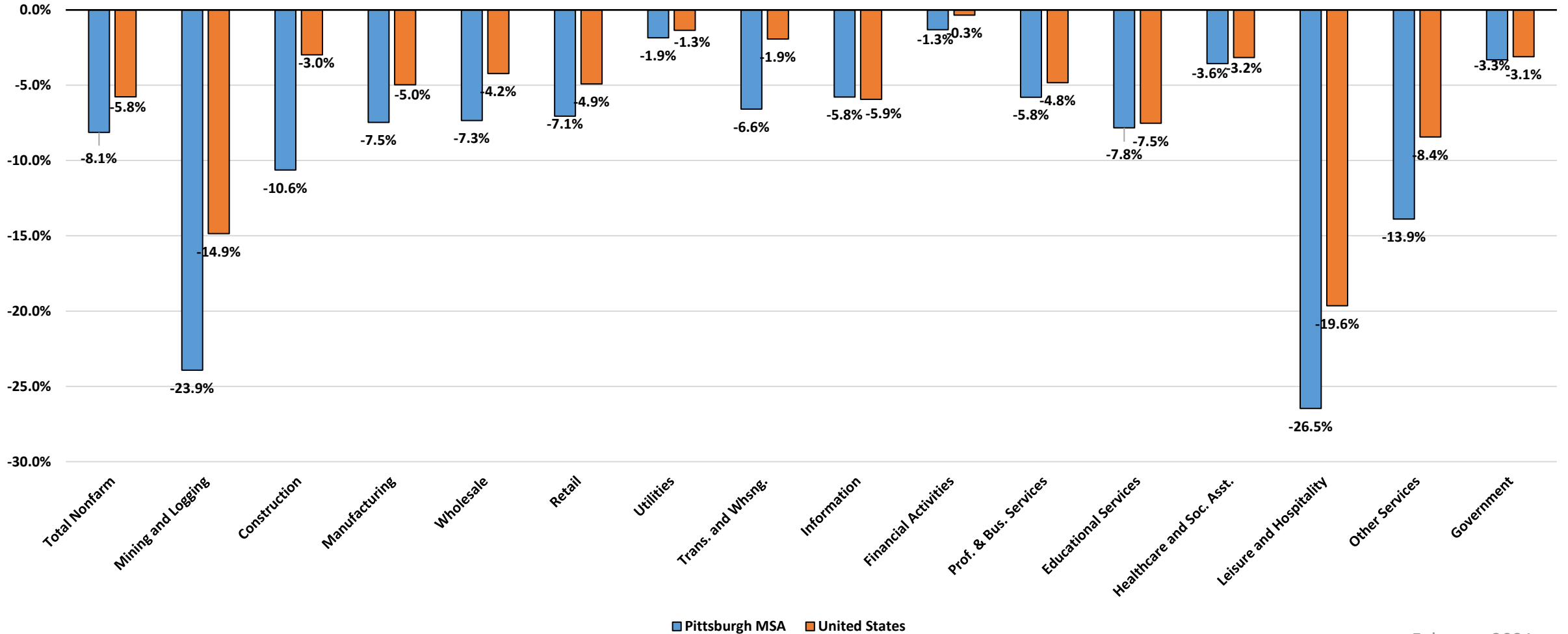
Legend: ■ Pittsburgh MSA ■ United States

Industry	Pittsburgh MSA	United States
Total Nonfarm	-8.1%	-5.8%
Mining and Logging	-23.9%	-14.9%
Construction	-10.6%	-3.0%
Manufacturing	-7.5%	-5.0%
Wholesale	-7.3%	-4.2%
Retail	-7.1%	-4.9%
Utilities	-1.9%	-1.3%
Trans. and Whsng.	-6.6%	-1.9%
Information	-5.8%	-5.9%
Financial Activities	-1.3%	-0.3%
Prof. & Bus. Services	-5.8%	-4.8%
Educational Services	-7.8%	-7.5%
Healthcare and Soc. Asst.	-3.6%	-3.2%
Leisure and Hospitality	-26.5%	-19.6%
Other Services	-13.9%	-8.4%
Government	-3.3%	-3.1%

February 2021

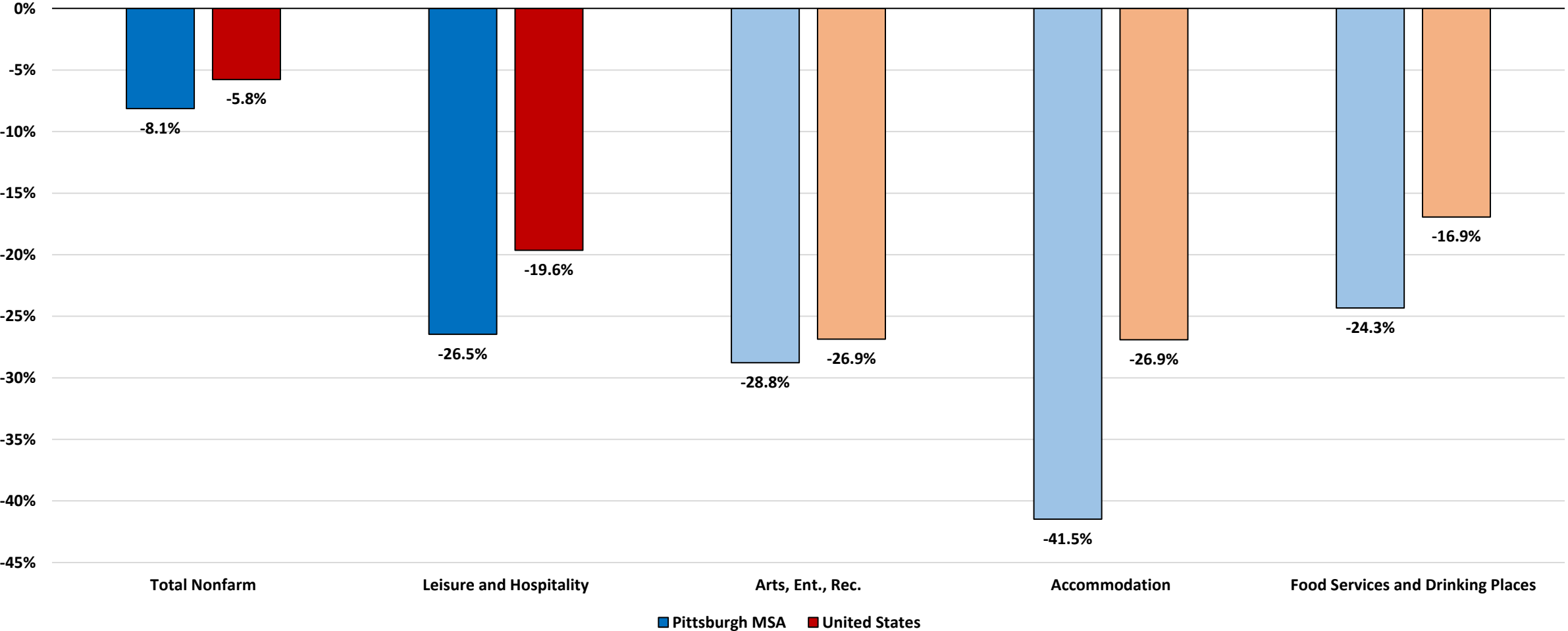**Source:** BLS Current Employment Statistics

In absolute terms, one-third of the Pittsburgh MSA's annual employment loss was in the Leisure and Hospitality industry. Other major contributors included Professional & Business Services (-10,600), Retail Trade (-8,400) and Healthcare and Social Assistance (-7,400).

Absolute Change in Employment by Industry (000 jobs) - Pittsburgh MSA - 2019 to 2020

Industry	Change
Total Nonfarm	-97.1
Mining and Logging	-2.8
Construction	-6.7
Manufacturing	-6.5
Wholesale Trade	-3.1
Retail Trade	-8.4
Utilities	-0.1
Trans. and Whsng.	-2.7
Information	-1.1
Financial Activities	-1
Prof. & Bus. Services	-10.6
Educational Services	-4.1
Healthcare and Soc. Asst.	-7.4
Leisure and Hospitality	-31.9
Other Services	-6.9
Government	-3.8

March 2021

The Leisure and Hospitality industry in the Pittsburgh MSA lagged the U.S. across all three sub-sectors – Arts, Entertainment and Recreation, Accommodation and Food Services and Drinking Places. Accommodation performed the worst relative to the nation with employment falling by 41.5% compared to a 25.9% decrease nationally. Food Services and Drinking Places fell by 24.3%, compared to a 16.9% decrease nationally. Arts, Entertainment and Recreation saw a decrease only slightly higher than the nation.

Annual Employment Change - Leisure & Hospitality - 2019 to 2020

Legend: ■ Pittsburgh MSA ■ United States

Categories and values:
- Total Nonfarm: Pittsburgh MSA -8.1%, United States -5.8%
- Leisure and Hospitality: Pittsburgh MSA -26.5%, United States -19.6%
- Arts, Ent., Rec.: Pittsburgh MSA -28.8%, United States -26.9%
- Accommodation: Pittsburgh MSA -41.5%, United States -26.9%
- Food Services and Drinking Places: Pittsburgh MSA -24.3%, United States -16.9%

March 2021