



June 13, 2018

Allegheny Institute Op-Ed

530 words

Pittsburgh's out-of-sync jobs numbers

By Colin McNickle

The Greater Pittsburgh area's job growth is lagging the national rate. And researchers at the Allegheny Institute for Public Policy cite chronic long-term practices – including high taxation, over-regulation, kowtowing to unions and corporate wealthfare -- that tamp down real employment progress.

Jobs numbers from the April 2017 to April 2018 period for the seven-county Pittsburgh Metropolitan Statistical Area (MSA) “are not too encouraging,” say Jake Haulk, president of the Pittsburgh think tank, and Frank Gamrat, the senior research associate there.

“While growth was positive, it does not keep pace with the nation overall and underscores just how much work needs to be done to boost the area's economy,” they say (*in Policy Brief Vol. 18, No. 23*).

Overall, U.S. Department of Labor data show the region's labor force fell by 17,500, or 1.5 percent, in the year-over-year period while household employment (the number of people employed) fell by 8,500, or 0.7 percent.

Nationally, the labor force numbers rose by nearly 1.35 million, or 0.8 percent, while household employment jumped by 2.02 million, or 1.3 percent.

Indeed, the Labor Department's Establishment Survey, which counts the number of payroll jobs as opposed to the number of people working, shows private employment in the Pittsburgh MSA rose by 14,300, or 1.35 percent, in the April-to-April period. That growth was driven largely by jobs in health and education, leisure and hospitality and professional services.

But to put this in context, the national growth in private payroll was 33 percent better than the Pittsburgh area.

Even though the region's nearly 1.1 million payroll jobs represent the highest level over the last decade, the 4.7 percent growth is well under a half-percent per year. And the April-to-April gain represents the smallest gain thus far in 2018.

"In the Pittsburgh MSA, leisure and hospitality added 3,500 new jobs from April 2017, a gain of just under 3 percent. That was the smallest 12-month gain so far this year," the Ph.D. economists note.

The national April-to-April gain was 1.6 percent and has been gradually declining since January's high rate of 2.09 percent.

Education and health jobs paced Greater Pittsburgh's growth, up 5,400 jobs, a 2.2 percent increase, over a year ago, with 5,000 of those jobs coming in health care and social services. The national growth rate was 1.87 percent.

While employment in the national trade, transportation and utilities sector posted an April-over-April gain of 1.11 percent, it was the weakest sector in the Pittsburgh MSA with 1,400 fewer jobs, or a 0.66 percent drop.

"As we have been writing for years, reducing taxes, repealing onerous regulations and curtailing the power of unions would go a long way (in) boosting the business climate which in turn will lead to better labor market numbers," Haulk and Gamrat say.

"Curbing the desire and willingness to subsidize development and highly questionable ventures that should fund themselves would be a giant step toward relying on the free market to drive the economy," the Allegheny Institute scholars conclude.

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