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Negative job growth dogs Greater Pittsburgh

By Colin McNickle

There has been lots of happy talk about Greater Pittsburgh's supposed economic "resilience," if not an outright "renaissance." But the latest jobs report belies that notion and yet again exposes the many elephants in the room that continue to retard growth, concludes an analysis by scholars at the Allegheny Institute for Public Policy.

"The effects of market-interfering regulations and anti-business attitudes are clearly manifested in this jobs report," say Frank Gamrat, executive director of the Pittsburgh think tank, and Jake Haulk, its president-emeritus and a senior advisor.

"Without substantial changes to the regulatory and tax environment, slow to no job growth will be the status quo for the foreseeable future," the Ph.D. economists say (in *Policy Brief Vol. 19, No. 44*).

The October 2019 jobs report for the Pittsburgh Metropolitan Statistical Area (MSA) -- the latest available numbers as reported by the U.S. Bureau of Labor Statistics -- shows that the number of non-farm jobs fell by 3,000 from the count posted in October 2018.

The year-over-year loss -- a decline of 0.3 percent -- is the first since August 2016, when jobs dipped by 1,900 from August 2015. And it's not as if Pittsburgh's slide mirrors what is going on elsewhere.

"In a word, the Pittsburgh region's employment looks very weak compared to other metro areas," Gamrat and Haulk say.

Nationwide, non-farm jobs rose in the same year-over-year metric by 1.4 percent. Pennsylvania's statewide job growth was a mere half-percent. But the picture was rosier in the Philadelphia MSA (including only the Pennsylvania counties) with a year-over-year jobs gain of 1.48 percent.

But among similarly sized metros, Pittsburgh's job performance lagged badly. To wit, San Antonio's non-farm growth from October 2018 to October 2019 was 3.4 percent. In Charlotte, the growth was 2.3 percent. For Cincinnati, it was 2 percent.

While year-over-year job growth was 0.9 percent and 0.8 percent, respectively, in Cleveland and Indianapolis, thus trailing the national performance, Pittsburgh's 0.3 percent drop stands in stark contrast. And peeling back the layers of the October jobs report onion reveals some very troubling statistics, indeed.

Goods-producing jobs, those prized for their typically higher pay and multiplier effect on jobs in other industries, rose just under one percent nationally in the year-to-year comparison. The Pennsylvania number fell 0.5 percent. But the number of goods-producing jobs in the Pittsburgh MSA fell 2.4 percent.

While the Cleveland and Charlotte metros also saw declines in goods-producing jobs (of 0.1 percent and 0.8 percent, respectively), San Antonio and Indianapolis posted quite strong growth (of 4.4 percent and 4.1 percent, respectively).

And for all the touting of Greater Pittsburgh as a center for "eds and meds," it significantly not only lags the national (2.6 percent growth) and state (0.5 percent growth) numbers for the year-over-year comparison but also its peer MSAs. Pittsburgh saw a one percent jobs drop in the "eds and meds" category.

The Pittsburgh region also struggled in the leisure and hospitality industries, down 0.6 percent in October 2019 compared to October 2018.

Nationally, job growth was a strong 3.9 percent for the period. Pennsylvania saw a 0.4 percent decline despite Philadelphia's 4 percent growth rate. Once again, too, the comparable MSAs all saw strong leisure and hospitality jobs growth.

The Pittsburgh MSA also was outpaced in its best-performing metric for the year ended this past October. While it saw a 1.3 percent-jobs gain in professional and business services, the metros of San Antonio, Cleveland, Charlotte and Philadelphia outpaced Pittsburgh – 7.8 percent, 5.6 percent, 3.1 percent and 2.4 percent, respectively.

"This outcome is not surprising," Gamrat and Haulk say. "As we have noted for years, the constant interference with the market and generally unfriendly attitude toward the private sector and employers have tamped down growth prospects."

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