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Greater Pittsburgh's 'halting,' 'uneven' jobs recovery

By Colin McNickle

The Greater Pittsburgh economy was dealt a huge blow by the coronavirus-related lockdown of businesses and citizens. And the latest-available payroll jobs numbers for the Pittsburgh Metropolitan Statistical Area (MSA) show a halting and uneven jobs recovery, concludes an analysis by the Allegheny Institute for Public Policy.

“The impact will be long-lasting and is leading to a slow recovery related to the slow release from the lockdown,” say Frank Gamrat, executive director of the Pittsburgh think tank, and Jake Haulk, its president-emeritus (in *Policy Brief Vol. 20, No. 25*).

As expected, the May data, the latest available to be released by the state, continue to show the economic devastation from the lockdown ordered by the governor in response to the coronavirus.

That's despite a loosening of restrictions with all counties in the metro area being moved into the governor's "yellow phase" by mid-month. On-going dramatic job declines from pre-virus levels continued.

In the yellow phase, the stay-at-home restriction was eliminated while some in-person retail resumed (though curbside pickup was recommended).

Several retail categories -- including grocery, pharmacy, gasoline stations and other "essential" businesses -- remained open. Several big box chains also remained open throughout the lockdown, mitigating the hit to retail jobs.

Other types of businesses were permitted to reopen but only if they followed building safety orders. Telecommuting was (and remains) encouraged. Indoor recreation, health and wellness facilities, education facilities, hair salons and all entertainment remained closed. Restaurants and bars were limited to carryout in May.

Keep in mind, however, that the region's coronavirus jobs losses come in a climate in which the MSA's jobs performance long has been restrained by bad public policies. Think onerous regulations and high taxes along with a generally unfriendly business climate.

"Compared to national job growth, the Pittsburgh MSA's performance has been lackluster," Gamrat and Haulk remind. "During the 2020 pre-virus period, nationally nonfarm jobs in January and February climbed 1.5 and 1.6 percent, respectively, above year-earlier levels.

"In 2019, national monthly jobs gains ranged from 1.2 percent to 1.7 percent," the Ph.D. economists recount. "After the virus impact arrived, nonfarm jobs nationally fell 11.7 percent in April and 8.7 in May from their year-earlier levels -- much smaller declines in both months than in the Pittsburgh MSA, which fell 18 percent and 15 percent in those months."

May 2020 nonfarm jobs in Greater Pittsburgh dropped by 175,800 or 15 percent from May 2019.

Service-producing sector jobs have been hardest hit, accounting for 90 percent of MSA nonfarm job losses. But in a sign of some improvement in job markets, the May 2020 decline of 158,100 jobs from the May 2019 reading was significantly smaller than the year-over-year loss in April (201,500). It represents evidence that jobs were being added as the lockdown loosened up slightly in the yellow phase.

But, again, as the Allegheny Institute has regularly documented, the area's economy has seen sluggish growth for the last few years and has been unable to keep pace with national growth rates.

"The business-unfriendly high-tax and regulatory environment in the state and area that was responsible for the pre-virus sluggish growth will also hamper the economy's recovery," the think tank scholars predict.

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