



Pittsburgh metro area jobs still lagging

Summary: The release of the November 2022 employer payroll survey for the seven-county Pittsburgh Metropolitan Statistical Area (MSA) showed mixed results. There was some growth to the year-over-year totals from November 2021 but in most sectors the numbers of jobs have yet to return to the pre-pandemic levels of November 2019, and in some cases haven't even returned to the levels from a decade ago in 2012. Whatever progress that was made trails the national growth rates. The Pittsburgh MSA is still falling woefully short in adding jobs.

Total nonfarm and total private jobs

In November 2022, the Pittsburgh MSA recorded 1.165 million total nonfarm jobs. This was 2.4 percent higher than the November 2021 number (1.138 million). But that still lagged the pre-pandemic November 2019 number (1.206 million) by 3.5 percent. In fact, it was still lower than the number recorded a decade earlier in November 2012 (1.171 million).

By comparison, the national employer payroll survey showed year-over-year total nonfarm jobs increasing by 3.2 percent from November 2021. And while the Pittsburgh MSA has struggled to rebound from November 2019, the national total had surpassed that level by 1.2 percent. Furthermore, the November 2022 national total nonfarm jobs reading was a healthy 14 percent higher than it was a decade ago.

The picture was the same for total private jobs. The November year-over-year change for the Pittsburgh MSA was an increase of 2.5 percent. But that fell short of the 3.5 percent gain nationally. The number of total private jobs in the Pittsburgh MSA was 3.5 percent lower than that recorded in pre-pandemic November 2019. However, the nation had surpassed the pre-pandemic total with growth of 1.7 percent. But the largest discrepancy occurred over the last decade. From November 2012 to November 2022, the number of total private jobs in the Pittsburgh area grew by just 0.3 percent—barely noticeable—whereas the national economy grew those same jobs at a 16.2 percent rate.

Goods-producing and service-providing jobs

Jobs are divided into two main categories, goods-producing (mining and logging, construction and manufacturing) and service-providing, which include sectors such as professional and business services, education and health services, leisure and hospitality and government.

Goods-producing jobs in the Pittsburgh MSA were up from the November 2021 reading by 2.5 percent (154,400 vs. 150,600) However, the November 2022 reading trailed the November 2019 reading by 4.5 percent (161,600) and the decade-ago level by 0.7 percent (155,500). In the last 20 years, the high-water mark was in 2002 with 176,900 goods-producing jobs. Those numbers have been steadily declining for years.

Nationally, the number of goods-producing jobs has been growing. The November 2022 year-over-year growth rate was 3.4 percent. The growth rate since November 2019 was 1.2 percent and 15.1 percent since 2012.

Service-providing jobs in the Pittsburgh MSA follow the same pattern as the goods-producing jobs. The number of jobs was up year-over-year for November 2022 (2.3 percent) but down from November 2019 (3.3 percent) and down slightly from a decade ago (0.5 percent). Meanwhile, the national economy also showed growth in this area. From November 2021 to November 2022, the payrolls nationally added 3.2 percent more service-providing jobs. The November 2022 number was also 1.3 percent better than the level in 2019 and a healthy 13.8 percent since November 2012.

Education and health services jobs

With the large number of colleges, universities and hospitals, the Pittsburgh MSA touts itself as being an “eds and meds” economy. But the growth to this sector has been tepid at best. The November 2022 reading was up just one percent over the November 2021 number (241,200 vs. 238,800). But that 2022 total remained 8.5 percent lower than pre-pandemic 2019 and, surprisingly, 1.2 percent lower than November 2012’s reading of 244,500 jobs.

This was in stark contrast to the growth to this sector in the national economy. The year-over-year growth to the “eds and meds” jobs was a robust 3.9 percent in November 2022. It had also recovered from the pandemic by posting growth of 1.8 percent since November 2019. And over the last decade, the national growth was a solid 18.8 percent.

The harder hit of the two sectors is the educational services sector—described as private k-12 schools and any post-secondary schools or training facilities. In November 2022 there were 47,900 educational service-sector jobs in the Pittsburgh MSA—2.8 percent lower than the 49,300 jobs in the previous November. That’s even less than the pandemic year of 2020 when there were 49,200 jobs posted and 14.5 percent lower than a decade ago.

Compare that to the national growth where the November 2022 year-over-year increase was 4.3 percent. The increase over November 2019 was 2.3 percent while the increase from November 2012 was 14.7 percent.

The Pittsburgh MSA’s healthcare and social assistance sector fared a little better. The November 2022 number of 193,300 was 2 percent higher than the year-ago total but down 6.4 percent from pre-pandemic 2019 (206,400). And since November 2012, the growth rate to this sector was just 2.6 percent. That’s not a strong endorsement of the area’s “meds” sector.

Again, these rates do not compare favorably to the national experience as the year-over-year growth rate came in at 3.8 percent. The number of healthcare and social assistance jobs nationally was up 1.7 percent over pre-pandemic 2019 and 19.6 percent better than November 2012.

Leisure and hospitality

The one sector that provides a bit of a bright spot for the Pittsburgh MSA is the leisure and hospitality sector—although it is probably the sector with the lowest wage rates. In November 2022, the Pittsburgh MSA posted 114,500 jobs to leisure and hospitality—a 9.8 percent increase over the year earlier total. This strong growth is perhaps the result of this sector being hardest hit, and the slowest to recover, from the pandemic shutdowns. However, the sector has not recovered to its pre-pandemic 2019 total of 118,800 jobs—a shortfall of 3.6 percent. And for the decade, the growth rate was just 3.6 percent.

These rates are, however, better than the national. The national growth rate in the leisure and hospitality sector was just 7.2 percent year-over-year and down 3.9 percent from the total posted in November 2019. But, over the decade, the number of national leisure and hospitality jobs is up 15.9 percent. So, on a longer-term basis, the Pittsburgh MSA once again falls short of the nation in terms of job growth.

Conclusion

The Pittsburgh MSA continues to struggle to create jobs. This is an ongoing problem that we have been documenting for years. But instead of working to improve the business climate in the area, local policymakers focus more on quality-of-life issues such as parks and trails. While a benefit to current residents, it's not enough to lure new businesses to the area.

Consider the new Pittsburgh Regional Transit (PRT) Bus Rapid Transit Proposal, designed to move people more quickly between the Oakland neighborhood, with its “eds and meds” jobs, to downtown Pittsburgh. It's being touted as “getting more cars off the road.” But with fewer and fewer “eds and meds” jobs, there is a very high probability it will not be worth the money being spent—especially with the high lingering office vacancy rate Downtown and the fact that current PRT ridership is substantially below the pre-pandemic mark and unlikely to recover.

Making Pittsburgh, and Pennsylvania, a more business-friendly area, should be the top priority of local and state officials. Sadly, that doesn't seem to be the case.

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