



## Pittsburgh metro economy: a very sluggish last decade

**Introduction:** The seven-county Pittsburgh Metropolitan Statistical Area's (MSA) economy over the last 10 years has performed very poorly compared to national gains and many metro areas. This *Brief* compares the MSA's performance on three key indicators of economic strength to 10 MSAs from around the country and to the U.S. economy over the period September 2014 to September 2024.

To paint a broader picture of the relative economic strength of the Pittsburgh MSA, this analysis looks at average weekly earnings gains over the period as well as the growth in private-sector jobs. The earnings growth is then measured against the increase in the national cost of living. For comparison purposes, along with the U.S., the following MSAs were used: Hartford; Cleveland; Columbus; Detroit; Dallas; St. Louis; Salt Lake City; Tampa Bay-St. Petersburg; Nashville and Raleigh.

The analysis ranks the MSAs over the 10 years in three steps. First, the MSAs are ranked in a table from fastest to slowest in private sector job gains. Second, the MSAs are ranked by their increase in average weekly earnings. Finally, they are ranked by total private sector weekly earnings growth.

*Table 1: Percentage growth in private sector jobs September 2014 to September 2024.*

Rank	MSA	Growth in percent
1	Raleigh	37.3
2	Nashville	33
3	Dallas	32.8
4	Tampa-St. Pete	32
5	Salt Lake City	30.3
6	Columbus	13.2
7	St. Louis	11.0
8	Detroit	7.1
9	Cleveland	3.3
10	Hartford	3.1
11	Pittsburgh	2.4
	U.S.	15

Note that all the MSAs with faster growth rates than the U.S. are in Right-to-Work (RTW) states. All with slower growth than the U.S. are not in RTW states. This is not to argue that all MSAs in RTW states have enjoyed the spectacular growth as posted by those in this analysis. Or,

conversely, that there were no stronger MSAs than the national rate in non-RTW states. However, several previous *Briefs* have consistently shown RTW states have better jobs gains than non-RTW states. In any case, the Pittsburgh MSA has experienced exceptionally small job gains over the last 10 years.

*Table 2: Average weekly earnings growth ranking*

<i>Rank</i>	<i>MSA</i>	<i>Growth in percent</i>
1	Tampa-St. Pete	50.2
2	Columbus	48.5
3	Nashville	47.4
4	Salt Lake City	46.3
5	Cleveland	45.6
6	St. Louis	42.7
7	Raleigh	41.5
8	Hartford	34.8
9	Detroit	34
10	Dallas	32.1
11	Pittsburgh	23.3
	<i>U.S.</i>	<i>43</i>

In this ranking, the Ohio MSAs—Cleveland and Columbus—stand out in terms of earnings increase while Dallas, with all its job growth, comes in 10<sup>th</sup>. Note that the U.S. increase was about the median of the 11 MSAs.

Cleveland is especially notable for its better than national growth despite the very weak job increase over the 10-year period. Meanwhile, Pittsburgh’s gain in earnings is far below the average of the group and about half the national increase.

The Consumer Price Index (CPI) rose 32 percent during the ten years. Thus, compared to national inflation, on average, employees in most MSAs enjoyed real gains in real purchasing power. Sadly, Pittsburgh’s average wage growth at 23.3 percent was lower than inflation and means that, on average, workers lost significant purchasing power while the number with major losses will clearly outnumber workers whose earnings outpaced inflation.

#### *Ranking MSAs by total private-earnings growth*

Total private earnings in MSAs for each year can be estimated by multiplying the average weekly earnings for September 2014 and September 2024 by the number of private employees on payrolls in those months. The growth for the 10-year period can then be calculated.

While the weekly average income provides a measure of how well individual workers are faring relative to inflation and other MSAs, total private income gains are a measure of how the MSAs are doing relative to other regions.

*Table 3: Ranking by total MSAs private income growth*

<i>Rank</i>	<i>MSA</i>	<i>Growth in percent</i>
1	Tampa-St. Pete	98.3
2	Nashville	96.1
3	Raleigh	94.5
4	Salt Lake City	90.7
5	Dallas	75
6	Columbus	67.8
7	St. Louis	58.3
8	Hartford	46.2
9	Cleveland	42
10	Detroit	44.1
11	Pittsburgh	26.3
	U.S.	64.5

By the measure of total private income growth all the MSAs with faster than national gains were in RTW states, except for Columbus, which was just above the U.S. growth rate. Unfortunately, the Pittsburgh MSA posted, by far, the smallest gain over the ten years as a result of both very weak job gains and weekly average income growth that failed to keep up with the national inflation rate.

### *Conclusion*

For over 20 years the Allegheny Institute has demonstrated the gaping differences in employment between Right-to-Work states and non-Right-to-Work states and between metro areas in RTW states and metro areas in non-RTW states.

Then, too, public sector unionization tends to be much more prevalent in non-RTW states. Both factors have weighed heavily on the long-running relative decline in the Pittsburgh region.

Clearly, the core City of Pittsburgh still enjoys the lasting benefits of the presence of colleges and universities, hospitals and government payrolls, along with the legacy benefits of the fortunes made in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries.

However, the dampening weight of the very high cost of government per capita, the outlandishly high city school district costs per student, along with the very expensive operations cost of the mass transit system and at the airport, all reflect the power of public-sector unions and the public officials who must work with them. This has become an unwieldy burden that prevents the city from a meaningful resurgence of population and employment.

Unfortunately, the city's lack of economic dynamism is reflective of the region as a whole. This is not to say that some counties are not faring better than the city. But the region is falling behind the nation and many other better-performing metro areas.

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