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Pittsburgh's MSA unemployment rate is deceiving

Introduction: On June 30, the *Pittsburgh Post- Gazette* posted a story about the Pittsburgh Metropolitan Statistical Area's (MSA) unemployment rate. The account focused on the fact that Pittsburgh's unemployment rate of 4.0 percent in May was lower than the state and country and was seemingly implicating that the Pittsburgh MSA is doing well compared to other MSAs around the country with similar, or higher, unemployment rates.

MSA comparison

The real story, of course, is the level and growth of payroll employment. Growth in private-sector employment is a better measure of real economic strength and vitality. Government payrolls, unless federal, are funded from the taxes on income of private-sector employees. This *Policy Brief* focuses on 2026 unemployment rates as well as gains in total private-sector employment in the Pittsburgh MSA. For comparison, two MSAs in Right-to-Work states, Raleigh, N.C., and Salt Lake City, Utah, will be chosen as well as two MSAs in non-Right-to-Work states, Buffalo, N.Y. and Cleveland, Ohio. The common thread is that they all had comparable unemployment rates to the Pittsburgh MSA in May.

To simplify comparisons, data for the percentage change in private employment over the last 26 years and since 2019 (pre-COVID) and unemployment rates are shown below. All data is from the U.S. Bureau of Labor Statistics.

	Percent change to private employment growth		Unemployment rate
MSA	May 2000 to May 2026	May 2019 to May 2026	May 2026 (%)
Pittsburgh	3.5	-1.6	4.0
Buffalo	1.1	-1.7	4.2
Cleveland	-7.2	-1.2	3.1
Raleigh	84.3	23.4	3.0
Salt Lake City	57.8	14.9	3.4
United States	22.1	5.9	4.3

Discussion

Clearly, the May 2026 unemployment rate in the Pittsburgh MSA of 4.0 percent (as reported in the *Post Gazette* article from the Pennsylvania Department of Labor and Industry) nor the 3.1 percent rate in the Cleveland MSA are indicative of strong economic performance. Indeed, both

MSAs, along with Buffalo's, have produced minimal or no net total private job increases since 2000 or since pre-COVID's 2019.

The unemployment rate can be a useful measure of the number of people who are out of, *and* looking for, work. But it is not the best, or even a good indicator, of private jobs gains, which is a much better indicator of the true vitality of a city or region. Clearly, a high rate of unemployment can be problematic if it persists for a long period. But as the lower-than-national May unemployment rates of Pittsburgh, Cleveland and Buffalo demonstrate, they are not necessarily indicative of strong gains in private-sector employment.

One of the problems in calculating the unemployment rate is the so-called discouraged worker. These are people of working age and for whatever reason choose not to enter, or re-enter, the workforce. As a result, they do not show up in the unemployed count or the labor-force count. On net, they produce a lower unemployment rate than would be the case if they were actively seeking, but not finding, employment.

A Federal Reserve study for Pennsylvania showed that counting discouraged workers would have boosted the unemployment rate in 3rd quarter of 2025 from 4.5 percent to 5.2 percent. In North Carolina, including discouraged workers would have raised the unemployment rate from 3.5 percent to 3.8 percent in the same 2025 quarter.

With a net seven year—May 2019 to May 2026—decline in private-sector employment, the Pittsburgh MSA economy is not providing adequate numbers of jobs for all the people hoping to find good employment. Many have given up trying to find employment and are either leaving the area or have become discouraged. Thus, with no or very few new net jobs being added, the Pittsburgh MSA can still show a respectably low 4.0 percent unemployment rate and be lower than the U.S. rate in May 2026.

Conclusion

Attempts to use the low Pittsburgh MSA's May 2026 unemployment rate as showing the area is doing reasonably well economically are totally misguided and deceptive.

The results also reinforce the argument that MSAs in non-Right-to-Work states are generally (with rare exceptions) trailing the economic growth in Right-to-Work states as earlier *Policy Briefs* have demonstrated.

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