

## Research Brief *PA Failing to Capitalize on U.S. Manufacturing Growth*

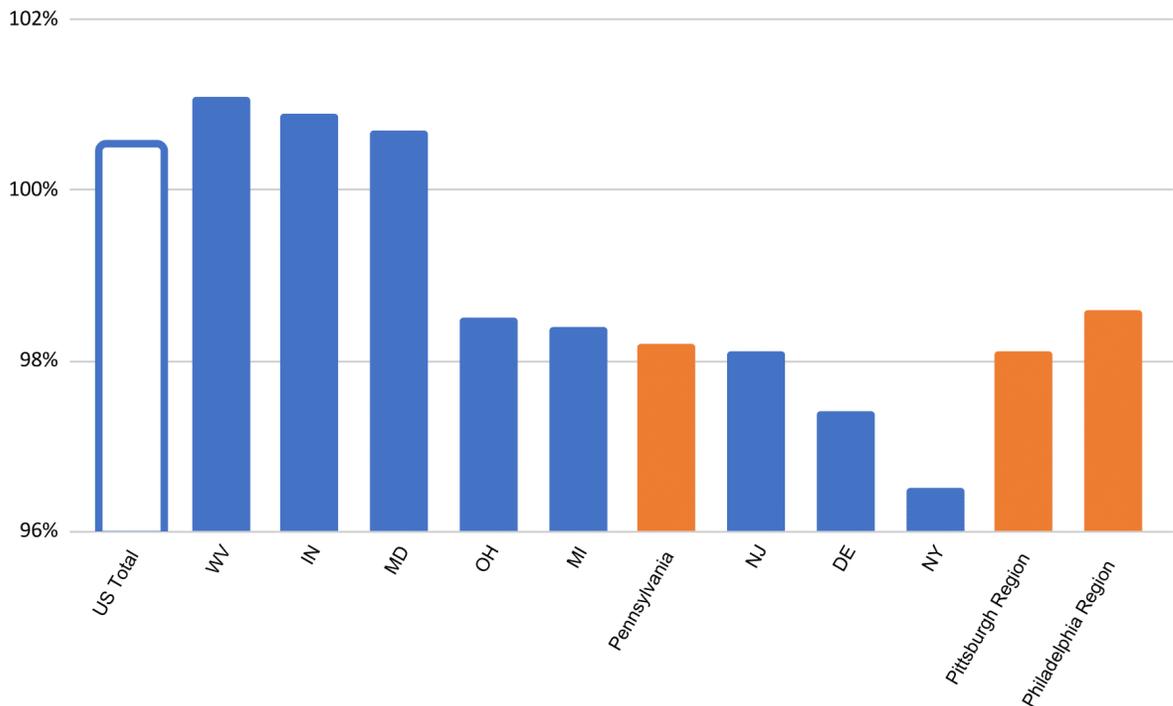
[“U.S. Factories See Rare Sight: Return of Jobs.”](#) *The New York Times* shouted on its front page this week. *The Wall Street Journal* made a similar point earlier in the month: [“European Manufacturers Shift to U.S.”](#)

There are varied opinions as to why the U.S. now has more manufacturing jobs than before Covid: The unique nature of the pandemic economic decline, threats to global supply chains, high energy prices in Europe, changing consumer habits.

What’s not in dispute is that Pennsylvania is not benefiting from this trend, and most of its neighbors are doing much better.

West Virginia now has more manufacturing jobs than it did before the pandemic started. So do Maryland and Indiana. And Ohio, Michigan, and Virginia have all recovered a greater share of their manufacturing jobs than Pennsylvania has.

The Pittsburgh metro region is doing relatively worse than the state overall, while the Philadelphia region is doing slightly better.



\*The Pittsburgh region is Allegheny, Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties.

\*The Philadelphia region is Bucks, Chester, Delaware, Montgomery, and Philadelphia counties.

The numbers in question are significant. Pennsylvania overall is down 10,000 manufacturing jobs compared to pre-pandemic (August 2022 versus February 2020.) The Pittsburgh region is down about 1,600 manufacturing jobs while the Philadelphia region is down about 1,700.

But the U.S. overall is bucking a trend in place since automation and global supply chains began to increase in the 1970s – after every recession, manufacturing jobs would jump back up, but would never reach their pre-recession levels, [according to U.S. Bureau of Labor statistics data](#).

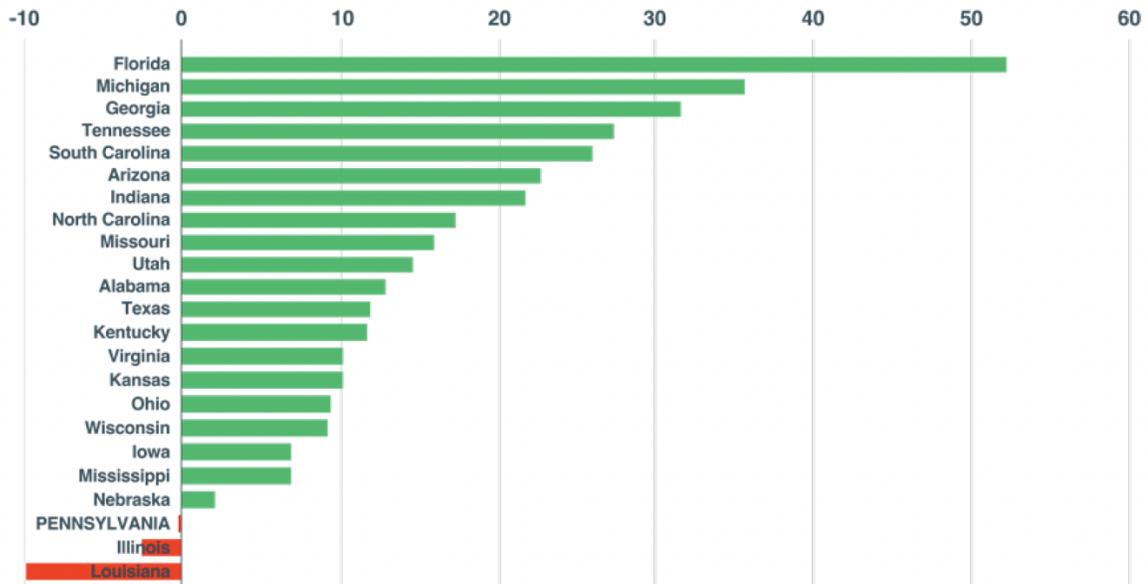
It's different this time around. The U.S. overall has about 67,000 more manufacturing jobs now compared to February 2020. Texas, Florida, and Utah are among the big winners, with a combined total of 59,000 more than pre-pandemic. Much of the overall growth has been in the South and Southeast.

But Indiana (+4,800), West Virginia (+500), and Maryland (+800) are all winners in this unprecedented growth. Michigan and Ohio are both below their 2020 levels but have recaptured a larger percentage of their manufacturing jobs than Pennsylvania.

If Pennsylvania were growing at the national average, it would have 12,900 more manufacturing jobs than it does today. If it were even growing at Ohio's rate, it would have 1,400 more.

This continues a disturbing trend that existed years before Covid hit. In the most recent ranking by Site Selection magazine, an industry publication for company expansions and relocations, Pennsylvania was tied for 22<sup>nd</sup> in ranking state business climates. Below is a chart showing how the states ranked the same or better than Pennsylvania fared in attracting manufacturing jobs in the five years before the pandemic.

## Manufacturing Job Growth in the Five Years Before COVID-19 Jan. 2015 – Jan. 2020 (000s)<sup>2</sup>



<sup>2</sup> States that scored better than or the same as PA in *Site Selection* magazine's 2021 Business Climate Rankings.

It's no surprise to see states like Florida, Georgia, and South Carolina near the top. But Michigan and Indiana are up there as well.

From 2015 to 2020, Ohio, Michigan, and Indiana combined to add more than 66,000 manufacturing jobs. Pennsylvania lost 300 over that same time span.

*Pittsburgh Works Together* is a business-organized labor-workforce-economic development alliance working to grow jobs and expand the industries that are the foundation of our economy, including energy, manufacturing, and construction, in order to provide opportunity for all Pennsylvania residents.

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