

September 14, 2023

## THE ISSUE: Jobs and the Economy

**Summary:** Allegheny County lost more than 44,000 jobs over the past five years, the most of any county in the state, according to new data from PA Department of Community and Economic Development. Most of the jobs lost were a result of the region's demographics and population loss, such as in local hospitals. But nearly 20% were from the portion that provides goods and services for the rest of the country and the world, the kinds of jobs that are key to building broad prosperity and a robust economy.

**The Candidates:** *Sara Innamorato and Joe Rockey's plans to address the region's job loss are found at the end of this report.*

**Background:** The Pennsylvania Department of Community and Economic Development has developed a new data dashboard with "key data that can help inform economic and workforce development strategies in Pennsylvania."<sup>1</sup>

The story it tells for Allegheny County is not pretty. Since 2018, the county has lost 44,357 jobs, almost 40,000 more than any other county in the state. And every county in the 10-county region also lost jobs during that stretch.

The DCED analysis predicts that Allegheny County will continue to lose jobs over the next five years as well, because of local demographics and projected population declines.

By contrast, Philadelphia itself grew by nearly 19,000 jobs and the six-county region overall (Berks, Bucks, Chester, Delaware, and Montgomery in addition to Philadelphia) added 28,544 jobs, according to the DCED data.

The analysis projects that Philadelphia County will gain an additional 41,470 jobs by 2028.

The Pennsylvania OnTarget website uses a proprietary analysis from Lightcast, a private data analytics firm, so the numbers are not directly comparable to data released directly by federal government agencies such as the Bureau of Labor Statistics or the Bureau of Economic Analysis.

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<sup>1</sup> <https://dced.pa.gov/pennsylvania-on-target>

According to the DCED analysis, just over 80% of the Allegheny County job losses came from the portion of the economy that serves the local population. With an aging population and residents once again leaving the county for elsewhere, jobs and economic activity are bound to decline. The biggest declines came among local healthcare providers, followed by restaurants and other hospitality establishments that primarily serve the local market. Those jobs are expected to continue to decline over the next five years.

Around 19% of the jobs lost were from what is known as the “traded” sector – jobs associated with providing goods and services outside the local market. That would include Pittsburgh-based lawyers with clients around the globe and manufacturers who sell products outside the region. It also includes hotels and tourism, which along with insurance services, were the two biggest declining sectors. But growth in other traded sectors, such as headquarters staff and consulting services, helped offset the overall losses.

Encouragingly, the DCED analysis predicts that the county’s traded sector will grow over the next five years, particularly headquarters staff and IT services. But that growth is not predicted to completely offset the overall decline.

	Sector	2018-23 Job Change	2018-23 % Change
<b>Allegheny County</b>	Local	- 36,072	- 6.6%
	Traded	- 8,284	- 3.2%
	Total	- 44,356	- 5.5%
<b>Philadelphia County</b>	Local	2,286	0.4%
	Traded	16,642	6.9%
	Total	18,928	2.3%

Criticism has been raised about the usefulness of the DCED/Lightcast analysis, as other data sets do not show the same kind of job loss. There are also questions about how work-from-home trends have affected the numbers. If a national company closed its Pittsburgh office during the pandemic and its employees began to work from their residences, those jobs might look like they were lost when they were not.

However, work-from-home trends have had an impact in all areas, and no other large Pennsylvania county has numbers even close to Allegheny County’s.

Upcoming research briefs from **Pittsburgh Works Together** will use federal jobs data to measure Allegheny County’s job performance against its peer regions in Pennsylvania and Ohio (Philadelphia, Cleveland, Columbus, Cincinnati) as well as explore the population challenge in further detail.

## The Candidates' Vision\*

*To help bring new jobs to Allegheny County and improve the economy, who is the first person you would contact once you were in office, and why?*

**Sara Innamorato:** President Joe Biden. I want the president to know that Allegheny County is open for business to absorb and deploy the hundreds of billions of federal dollars to help us rebuild and reorient our economy in a sustainable and resilient way. President Biden launched his campaign right here in Pittsburgh because he knows that our labor built America — now we can serve as a model of what it means to shift to a green economy for post-industrial regions across the country. President Biden knows how important this region is and I look forward to a strong partnership with his administration.

**Joe Rockey:** There isn't one individual that defines our economy. I will reach out to business leaders, our universities, labor unions, state and federal officials, foundation leaders, and more to lead the execution of a plan to change the trajectory of our region. Further, I will meet with companies around the country to promote the advantages of joining the Allegheny County of the future. One with prosperity for all that is welcoming to industry and labor.

\* Candidates responses from May 1, 2023, Pittsburgh Works questionnaire

*The **Our County. Your Vote. Allegheny's Future** initiative is designed to call attention to the pressing issues that face the residents of Allegheny County and the next county executive.*

***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, to provide opportunity for all residents.*

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