The Pittsburgh metro area’s unemployment rate fell almost a percentage point in the first half of 2014. Nevertheless, employment gains have been muted in the metro area since it surpassed its pre-recession employment total in early 2012. This slowdown in employment growth is also evident across the area’s major industry segments. Additionally, average inflation-adjusted weekly wages have mostly moved sideways since early 2013. Still, Pittsburgh’s per capita GDP has surpassed the level it achieved in the last expansion, which has yet to be the case for the US. And, in 2014, home prices have risen somewhat more sharply in Pittsburgh than in the US.

Unemployment in the Pittsburgh metro area fell to 5.3% by June 2014.

Per capita GDP growth continues to surpass that of the nation and nearby metros.

Pittsburgh home prices are up 8.8% over the last year.

Unemployment rates in recent years have remained much lower in the Pittsburgh metro area than in the US, peaking at about 8.5 percent versus 10 percent for the US. This pattern is notably different from what we observed in the last expansion. More recently, both unemployment rates have declined sharply. Since the end of 2012, for instance, each of the two rates has fallen approximately 2 percentage points. Since the end of 2013, however, the declines have been somewhat sharper in the Pittsburgh metro area: 0.9 percentage points through June 2014 versus 0.6 percentage points in the US.

Per capita GDP has grown much more sharply in the Pittsburgh area than in the US during the recovery. From June 2009 (when the recovery began) to June 2012, per capita GDP grew approximately 8 percent in the metro. This compares to an increase of less than 3 percent for the US over the same span. Moreover, Pittsburgh’s per capita GDP has surpassed the level it achieved in the last expansion. The same still can’t be said for the US.

The Pittsburgh metro area experienced very little of the declines in residential real estate values that affected other parts of the country. As a consequence, according to Zillow, about 11 percent of the area’s homeowners are “underwater” on their mortgages, compared with nearly 19 percent for the US as a whole. As of June 2014, home prices have risen somewhat more sharply in the Pittsburgh metro area than in the US—8.8 percent versus 6.3 percent. However, Zillow projects that price gains in Pittsburgh will slow to 3 percent and be about even with what the US experiences in the next 12 months.
Employment losses in the Pittsburgh metro area spanned industry segments of all sizes in 2013. Because the two segments that experienced employment gains—leisure and hospitality and professional and business services—are relatively large in terms of their employment shares, their gains essentially offset losses occurring in other industry segments. As a consequence, there was almost no change in the metro area’s employment in 2013.

The slowdown in the metro area’s employment growth is evident across its industry segments. In 2013, essentially every major industry segment experienced less employment growth in the area than the same segment nationally. Indeed, most major industry segments saw declines in the metro area. The exceptions were leisure and hospitality and professional and business services.

Employment gains in two large industry segments in 2013 offset widespread losses. Employment losses in the Pittsburgh metro area spanned industry segments of all sizes in 2013. Because the two segments that experienced employment gains—leisure and hospitality and professional and business services—are relatively large in terms of their employment shares, their gains essentially offset losses occurring in other industry segments. As a consequence, there was almost no change in the metro area’s employment in 2013.
CONSUMER FINANCES

The Pittsburgh metro area’s per capita debt levels (excluding student loans) have been much more stable than levels in other areas over the past several years. This is partly the result of relative stability in the area’s home prices, since mortgage debt typically accounts for the vast majority of outstanding non-student loan debt per capita—more than 75 percent in the nation and the metro area in 2011. Both credit card and mortgage-related debt are down from their 2008 peaks in Pittsburgh—by 15.3 percent and 2.4 percent, respectively, between 2008 and 2011. Automobile-related debt, however, rose roughly 5.3 percent over the same period.

CONSUMER DEBT

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CREDIT CARD DELINQUENCY RATES

For much of the 2001–2007 expansion, credit card delinquency rates in the Pittsburgh metro area were comparable to the nation’s. As the financial crisis and recession took hold, however, these rates diverged: As of 2011 (the latest available data), credit card delinquency rates in the Pittsburgh metro area were more than 3 percentage points below the national average of 11.3 percent. This is the area’s lowest delinquency rate since 2001.

HOUSING MARKET

Building permits increased sharply in 2013 in both the Pittsburgh area and the US, rising approximately 20 percent in both locations. However, in 2014, new permit activity has slowed substantially in both geographies and is on pace in Pittsburgh to be somewhat below the levels achieved in 2013. Moreover, new permits remain well below the levels that prevailed during the last expansion. In the Pittsburgh metro area, total permits issued in 2013 were roughly 75 percent of the level achieved on average from 2002 to 2007. In the US, total permits in 2013 were about 50 percent of the average annual level over the same span.
The metro area's real weekly wages are down slightly

Dollars, three-month moving average


Income per capita has exceeded its pre-recession peak

Thousands

Source: Bureau of Economic Analysis/Haver Analytics.

**INCOME**

- **AVERAGE WEEKLY EARNINGS**

  Real weekly wages rose dramatically in Pittsburgh from 2010 to the beginning of 2013, well in excess of the gains experienced nationally or statewide over the same span. Since the beginning of 2013, however, real weekly wages in the area have mostly moved sideways, and are actually down slightly (0.5 percent). The US has also seen a slight decline over this period (0.2 percent), but Pennsylvania's real weekly wages have risen about 1.5 percent during this time.

- **INCOME PER CAPITA**

  Trends in per capita income have been more favorable for the Pittsburgh metro area than they have for the US in recent years. During the recession, the declines in income per capita in the US were much more severe than those seen in the metro—3.9 percent for the US versus 2.1 percent for the Pittsburgh area. Similarly, during the recovery (2009 to 2012), Pittsburgh saw much stronger gains—6.2 percent versus about 3.8 percent for the US. As a consequence, income per capita has exceeded its pre-recession peak for Pittsburgh, but not for the US as a whole.

**DEMOGRAPHICS AND EDUCATION**

- **PITTSBURGH, PENNSYLVANIA**

  According to 2012 Census estimates, Pittsburgh is the 22nd largest of the 381 metropolitan statistical areas in the United States.

<table>
<thead>
<tr>
<th>Pittsburgh metro</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change from 2009</td>
<td>Change from 2009</td>
</tr>
<tr>
<td>2012</td>
<td>2012</td>
</tr>
<tr>
<td>Population</td>
<td>2,360,733</td>
</tr>
<tr>
<td>Adults with less than a high school diploma</td>
<td>7.8%</td>
</tr>
<tr>
<td>Adults with an undergraduate degree or higher</td>
<td>30.5%</td>
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<tr>
<td>Median age (years)</td>
<td>42.8</td>
</tr>
<tr>
<td>Median household income</td>
<td>$52,413</td>
</tr>
</tbody>
</table>

  Sources: Census Population estimates; American Community Survey.

All monthly figures are seasonally adjusted and all dollar figures are in current dollars. Several charts use indexed measures to facilitate comparisons across regions and have a reference line at 100. These numbers can be thought of as the percentages of pre-recession levels. If levels were growing before the recession, pre-recession indexes will be below 100; if levels were falling before the recession, pre-recession indexes will be above 100. Employment data in the Metro Mix come from the Quarterly Census of Employment and Wages, which we have found to be the earliest accurate source of the number of jobs in metro areas.

The Federal Reserve Bank of Cleveland, including its branch offices in Cincinnati and Pittsburgh, serves the Fourth Federal Reserve District (Ohio, western Pennsylvania, the northern panhandle of West Virginia, and eastern Kentucky).