

Why the Pittsburgh Region's Economy is Performing Better than the Nation

The Region's Economic Mix

Business Week magazine named Pittsburgh one of the 20 **Best Cities for Riding Out the Recession**, citing the emergence of the biomedical, health, and education sectors in the region.

- Despite the slowdown nationally, employment in the Pittsburgh region has continued to grow, totaling 1,164,100 in October. This marks the third straight month the region recorded record high levels of employment. The growth rate of 0.6% was well above the national rate, which fell by -0.1%.
- While the number of unemployed people in the Pittsburgh region increased by 13,800 between October 2007 and 2008, the labor force increased by 28,000 to 1,226,700 in October 2008, a record high for the month. The result was that while the unemployment rate increased from 3.9% to 5.0%, it remained well below the national rate of 6.1% (which was 1.7 percentage points above October 2007).
- The key reason for the continued strength of the regional economy is the size of the recession resistant Education and Health Services sectors. These sectors account for nearly 20% of the region's employment, 1.5 times higher than the national average.
- In recent years, the region has also experienced solid growth in the Professional and Business Services sectors (up 9.3% in since 2005, compared to 3.4% nationally) as employers sought to take advantage of the regions competitive business costs and quality workforce.
- Education and Health, along with Professional and Business Services, the region's strongest performing industries, continued to drive the regional economy, each growing by 2.3% and 2.2% in October over the previous year. Nationally, Professional & Business Services fell by -1.8% in October, while Education and Health grew by 2.8%.

The Real Estate Market

Recently, *Kiplinger.com* named Pittsburgh one of its six **Safe Havens in Real Estate**, cities with below average unemployment and foreclosure rates and high affordability. It was the only market among the Top 50 that made the list.

- While the region has seen a jump in foreclosures in 2008, the region's foreclosure rates totaled just 0.3% of housing units as of 3Q 08, half the national rate (0.6%) and less than half the rate of the Top 100 Metros (0.8%). In fact, only 27 of the 100 largest metros have a lower foreclosure rate.