



# Monthly Review of the Texas Economy

By Ali Anari and Mark G. Dotzour

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The Texas economy lost 292,700 nonfarm jobs from September 2008 to September 2009, an annual job loss of 2.8 percent. Over the same period, the U.S. economy lost more than 5.7 million jobs or 4.2 percent of its total nonfarm jobs (Table 1 and Figure 1). The state's seasonally adjusted unemployment rate rose from 5.1 percent in September 2008 to 8.2 percent in September 2009, while the U.S. rate rose from 6.2 percent to 9.8 percent during the same period (Table 1).

Table 2 shows Texas industries ranked by employment growth rate from September 2008 to September 2009. Table 3 shows the relative importance of the state's industries based on number of employees.

The state's education and health services industry added 54,600 jobs from September 2008 to September 2009, an annual growth rate of 4.2 percent (Table 2 and Figure 2). Jobs gained consisted of 56,600 in health care and social assistance. Over the same period, the state's educational services lost 2,000 jobs.

The state's government sector added 52,700 jobs from September 2008 to September 2009, an annual growth rate of 3.0 percent (Table 2 and Figure 3). Government job gains consisted of 34,900 in local government, 13,600 in state government and 4,200 in federal government.

The other services industry (repair and maintenance, personal and laundry services, religious, civic and professional organizations) gained 10,100 jobs over the year, a 2.8 percent increase (Table 2 and Figure 4).

Financial activities (finance, insurance, real estate, rental and leasing services) added 800 jobs from September 2008 to September 2009, an annual growth rate of 0.1 percent (Table 2 and Figure 5). In this industry finance and insurance gained 1,000 jobs while real estate, rental and leasing lost 200 jobs.

The state's leisure and hospitality industry (arts, entertainment, recreation, accommodations and food services) lost 6,000 jobs from September 2008 to September 2009, a 0.6 percent annual rate of decline (Table 2 and Figure 6).

The state's trade industry lost 68,300 jobs from September 2008 to September 2009, a 4 percent annual rate of decline (Table 2 and Figure 7). Trade job losses comprised 44,500 jobs in wholesale trade and 23,800 jobs in retail trade. Trade is the state's largest industry after government, accounting for 16 percent of nonfarm employment (Table 3).

The state's professional and business services industry lost 77,400 jobs from September 2008 to September 2009, an annual rate decrease of 5.8 percent (Table 2 and Figure 8). Jobs lost consisted of 54,300 in administrative and support services, 19,400 in professional, scientific and technical services and 3,700 jobs in the management of companies and enterprises.

The state's information industry (internet service providers, web search portals, publishing industries, broadcasting and telecommunications) lost 13,200 jobs from September 2008 to September 2009, a 6.2 percent rate decrease (Table 2 and Figure 9).

The state's transportation, warehousing, and utilities industry lost 32,300 jobs over the year, a 7.3 percent rate decrease (Table 2 and Figure 10). Transportation and warehousing lost 32,400 jobs. Over the same period the state's utilities industry gained 100 jobs.

The state's manufacturing industry lost 89,300 jobs from September 2008 to September 2009, a rate decrease of 9.7 percent (Table 2 and Figure 11). Durable goods manufacturing lost 65,400 jobs while nondurable goods manufacturing lost 23,900 jobs. Major job losses in the state's durable goods manufacturing industry were in fabricated metal product manufacturing (31,200 jobs), transportation equipment manufacturing (1,500 jobs), nonmetallic mineral product manufacturing (2,500), computer and electronic product manufacturing (14,200 jobs), wood products (3,200 jobs), machinery manufacturing (5,400), furniture and related product manufacturing (3,300), and primary metal manufacturing (1,900 jobs). Major job losses in the state's nondurable manufacturing industry were in printing and related support manufacturing (1,500 jobs), plastic and rubber manufacturing (2,500 jobs), and paper manufacturing (900 jobs). The state's petroleum and coal products manufacturing industry gained 500 jobs over the same period.

The state's mining and logging industry lost 31,300 jobs from September 2008 to September 2009, representing 13.3 percent of its labor force (Table 2 and Figure 12). The average number of active rotary rigs has substantially decreased from 909.9 in September 2008 to 386.8 in September 2009 according to Hughes Tool Co.

The state's construction industry lost 93,100 jobs from September 2008 to September 2009, a 13.8 percent rate decrease (Table 2 and Figure 13). Jobs lost consisted of 23,500 jobs in heavy and civil engineering construction, 47,200 jobs in specialty trade contractors, and 22,400 in construction of buildings.

### **Texas Metropolitan Statistical Areas**

Only one Texas metro area, McAllen-Edinburg-Mission, experienced a positive employment growth rate from September 2008 to September 2009. Twenty-five metro areas experienced net job losses (Table 4).

The annual employment growth rate for the Austin-Round Rock metro area from September 2008 to September 2009 was -0.7 percent. The metro area ranked third in employment growth rate (Table 4 and Figure 14).

The Dallas-Plano-Irving metro area's annual employment growth rate from September 2008 to September 2009 was -2.6 percent, ranking the area 17<sup>th</sup> in employment growth rate (Table 4 and Figure 15).

The annual employment growth rate for the Fort Worth-Arlington metro area from September 2008 to September 2009 was -1.2 percent. The area ranked seventh in employment growth rate (Table 4 and Figure 16).

Houston-Sugar Land-Baytown's annual employment growth rate from September 2008 to September 2009 was -3.0 percent, ranking the metro area 21st in employment growth rate (Table 4 and Figure 17).

The annual employment growth rate for the San Antonio metro area over the year was -1.1, placing the metro area fourth in employment growth rate (Table 4 and Figure 18).

The state's actual unemployment rate in September 2009 was 8.3 percent. Lubbock had the lowest unemployment rate followed by Amarillo, Midland, Abilene, and College Station-Bryan (Table 5).

Table 1  
Texas and U.S. Labor Markets

<u>Nonfarm employment</u>	<u>Sept. 2009</u>	<u>Sept. 2008</u>	<u>Change</u>	
			<u>Absolute</u>	<u>Percent</u>
Texas	10,319,600	10,612,300	-292,700	-2.8
United States	131,399,000	137,119,000	-5,720,000	-4.2

<u>Unemployment Rate</u>	<u>Actual</u>		<u>Seasonally Adjusted</u>	
	<u>Sept. 2009</u>	<u>Sept. 2008</u>	<u>Sept. 2009</u>	<u>Sept. 2008</u>
Texas	8.3	5.1	8.2	5.1
United States	9.5	6.0	9.8	6.2

Sources: Texas Workforce Commission and Bureau of Labor Statistics

Table 2  
Texas Industries Ranked by Employment Growth Rate from September 2008 to September 2009

Rank	Industry	Sept. 2009	Sept. 2008	Change	
				Absolute	Percent
1	Education & Health Services	1,361,300	1,306,700	54,600	4.2
2	Government	1,824,100	1,771,400	52,700	3.0
3	Other Services	369,600	359,500	10,100	2.8
4	Financial Activities	647,800	647,000	800	0.1
5	Leisure & Hospitality	1,000,200	1,006,200	-6,000	-0.6
6	Trade	1,628,600	1,696,900	-68,300	-4.0
7	Professional & Business Services	1,260,900	1,338,300	-77,400	-5.8
8	Information	200,700	213,900	-13,200	-6.2
9	Transportation, Warehousing, Utilities	408,400	440,700	-32,300	-7.3
10	Manufacturing	832,300	921,600	-89,300	-9.7
11	Mining and logging	204,700	236,000	-31,300	-13.3
12	Construction	581,000	674,100	-93,100	-13.8

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Table 3  
Texas Industries' and Government Shares of Employment

Industry	September 2009	September 1990
Mining and logging	2.0	2.3
Construction	5.6	5.0
Manufacturing	8.5	13.0
Trade	16.0	18.0
Transportation, Warehousing, Utilities	4.0	4.3
Information	1.9	2.5
Financial Activities	6.3	6.4
Professional and Business Services	12.0	9.2
Education and Health Services	13.0	9.6
Leisure and Hospitality	9.7	8.4
Other Services	3.6	3.7
Government Sector	18.0	18.0

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Table 4  
Texas Metropolitan Areas Ranked by Employment Growth Rate,  
September 2008 to September 2009

<u>Rank</u>	<u>Metro Area</u>	<u>Percent Growth Rate</u>
1	McAllen-Edinburg-Mission	1.4
2	Laredo	-0.1
3	Austin-Round Rock	-0.7
4	Brownsville-Harlingen	-1.1
4	San Antonio	-1.1
4	El Paso	-1.1
7	Fort Worth-Arlington	-1.2
8	Waco	-1.4
9	Killeen-Temple-Fort Hood	-1.7
10	Amarillo	-2.0
10	Lubbock	-2.0
12	Tyler	-2.2
12	Abilene	-2.2
14	Midland	-2.4
14	Texarkana	-2.4
16	Odessa	-2.5
17	Dallas-Plano-Irving	-2.6
18	Sherman-Denison	-2.7
	<b>Texas</b>	<b>-2.8</b>
19	Longview	-2.9
19	Wichita Falls	-2.9
21	Houston-Sugar Land-Baytown	-3.0
22	San Angelo	-3.1
23	Corpus Christi	-3.9
23	Beaumont-Port Arthur	-3.9
25	Victoria	-4.1
26	College Station-Bryan	-4.2

Source: Texas Workforce Commission

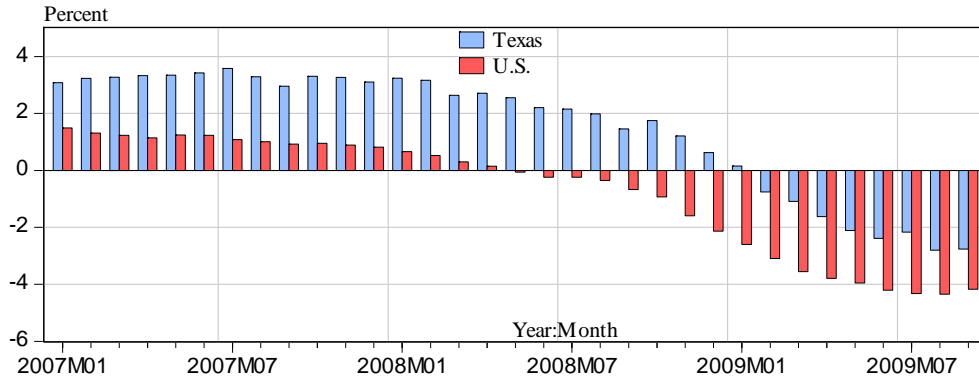
Table 5  
Texas Metropolitan Areas Ranked by Unemployment Rate, September 2009

<u>Rank</u>	<u>Metro Area</u>	<u>Unemployment Rate, Percent</u>
1	Lubbock	5.7
2	Amarillo	5.8
3	Midland	6.2
4	Abilene	6.3
5	College Station–Bryan	6.5
6	Texarkana	6.8
7	San Angelo	7.0
8	San Antonio	7.1
8	Waco	7.1
10	Austin–Round Rock	7.2
11	Killeen–Temple–Fort Hood	7.3
12	Wichita Falls	7.9
13	Corpus Christi	8.0
14	Victoria	8.1
	<b>Texas</b>	<b>8.3</b>
15	Fort Worth–Arlington	8.3
15	Longview	8.3
15	Tyler	8.3
15	Dallas-Plano-Irving	8.3
19	Houston–Sugar Land–Baytown	8.5
20	Sherman-Denison	8.7
21	Laredo	9.1
22	Odessa	9.2
23	El Paso	9.8
24	Beaumont–Port Arthur	10.8
24	Brownsville-Harlingen	10.8
26	McAllen-Edinburg-Mission	11.6

Source: Texas Workforce Commission

Figure 1

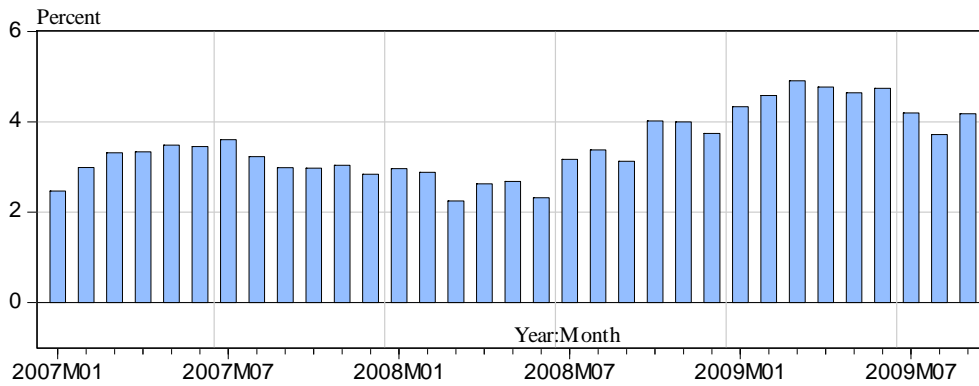
Nonfarm Employment Growth Rates for United States and Texas, 2007–2009



Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

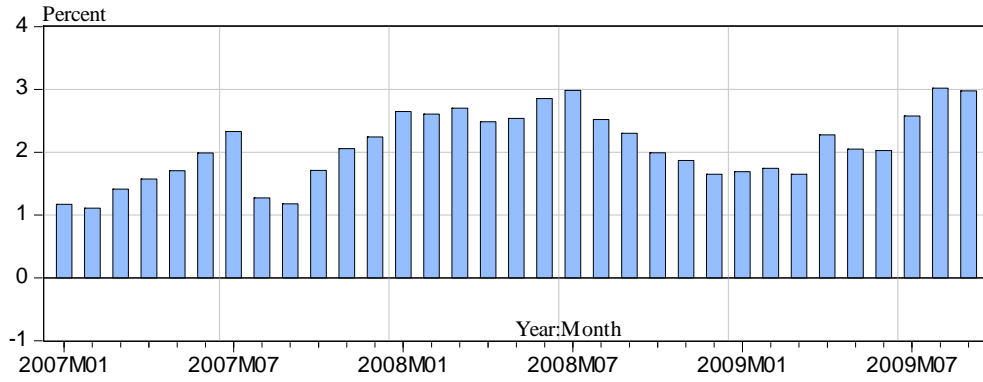
Figure 2

Employment Growth Rates in Texas Education and Health Services Industry, 2007–2009



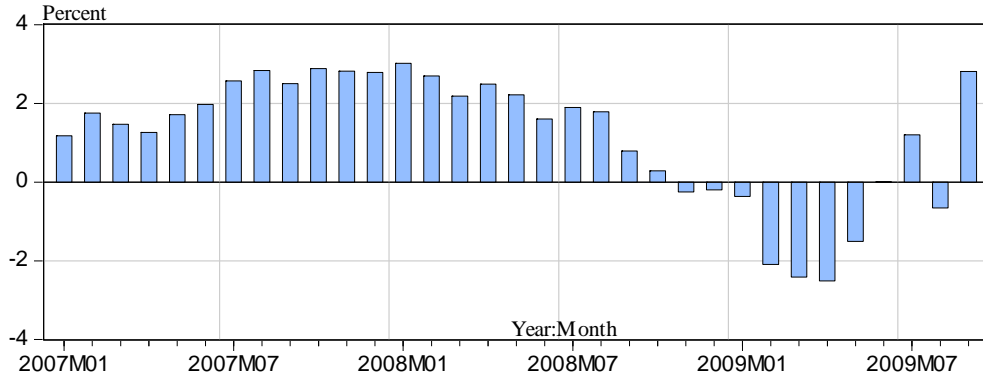
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 3  
Employment Growth Rates in Texas Government Sector, 2007–2009



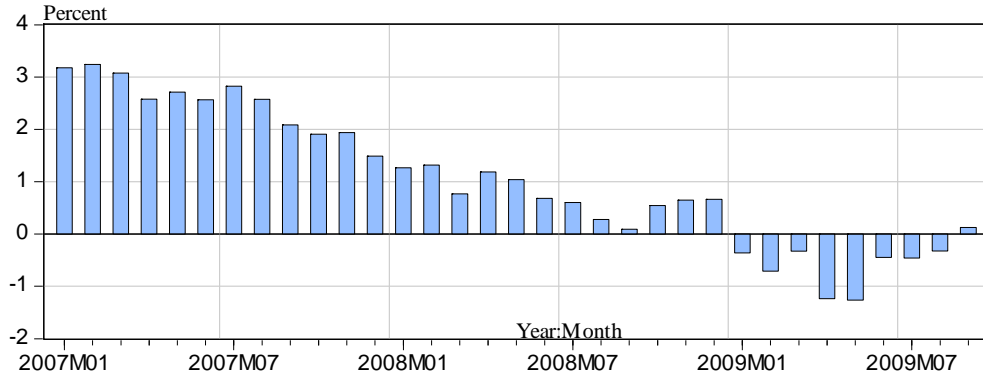
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 4  
Employment Growth Rates in Texas Other Services Industry, 2007–2009



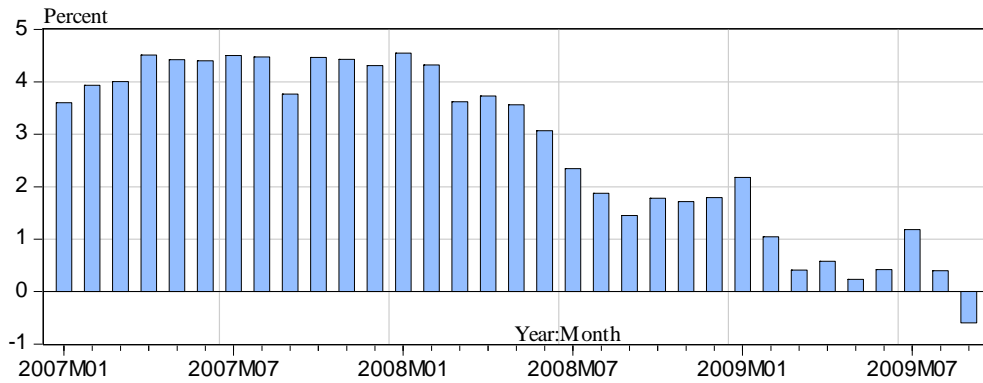
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 5  
Employment Growth Rates in Texas Financial Activities Industry, 2007–2009



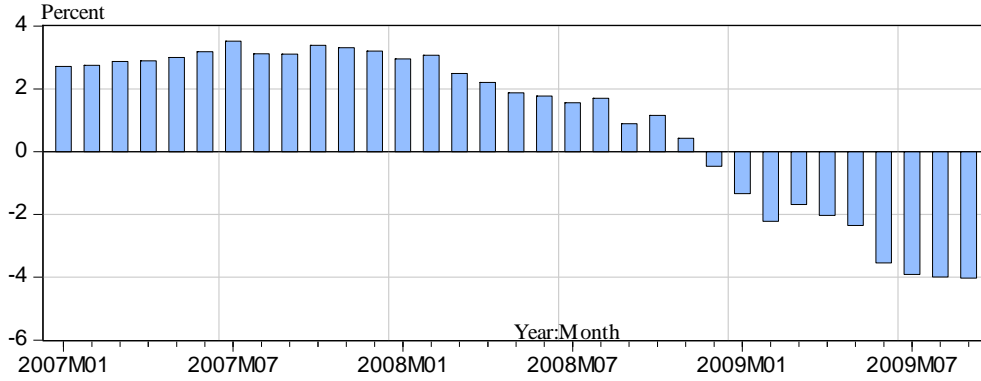
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 6  
Employment Growth Rates in Texas Leisure and Hospitality Industry, 2007–2009



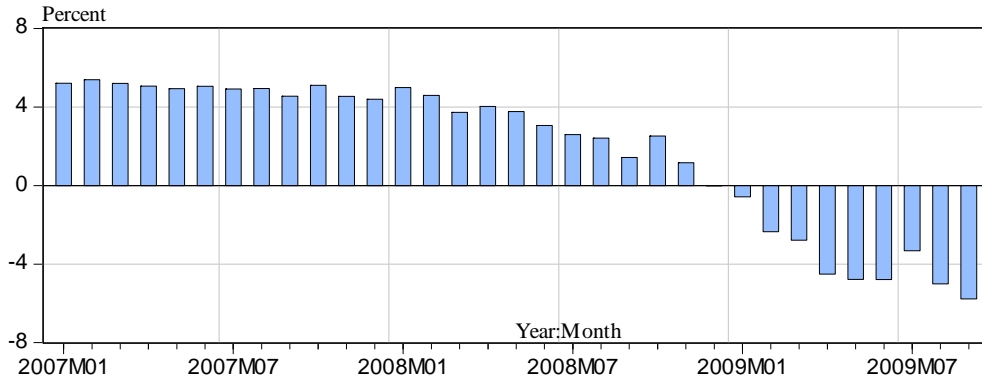
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 7  
Employment Growth Rates in Texas Trade Industry, 2007–2009



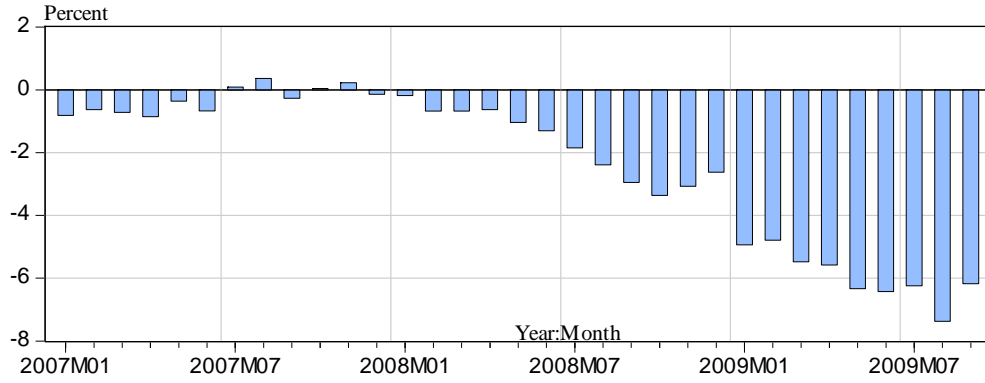
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 8  
Employment Growth Rates in Texas Professional and Business Services Industry, 2007–2009



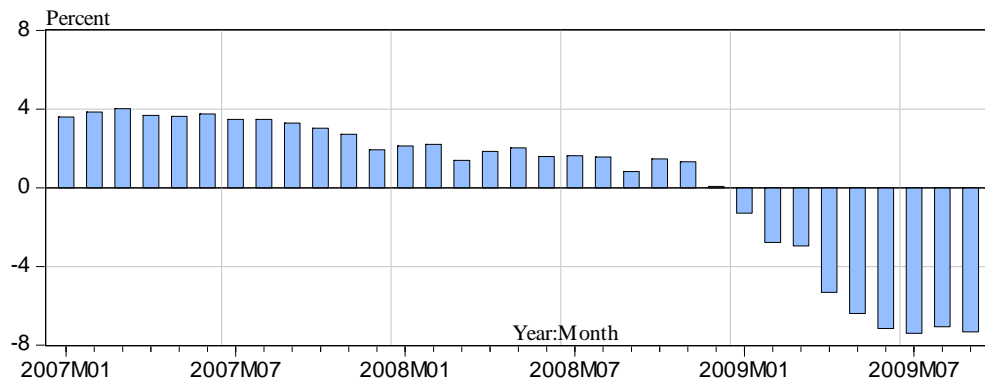
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 9  
Employment Growth Rates in Texas Information Industry, 2007–2009



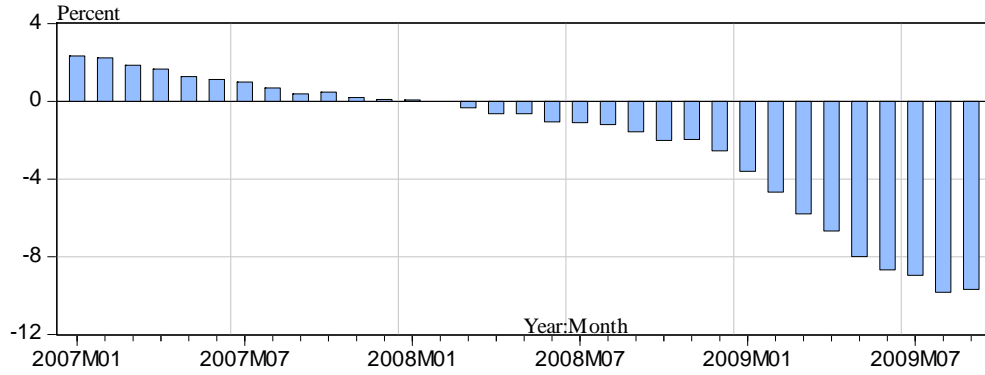
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 10  
Employment Growth Rates in Texas Transportation, Warehousing, and Utilities Industry, 2007–2009



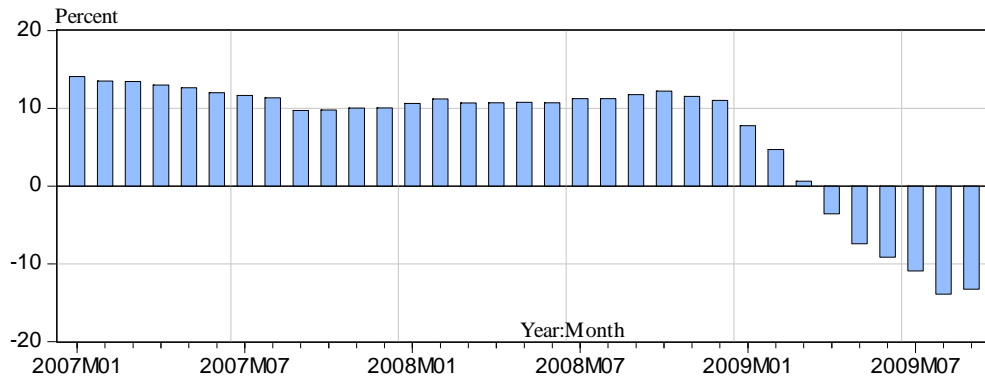
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 11  
Employment Growth Rates in Texas Manufacturing Industry, 2007–2009



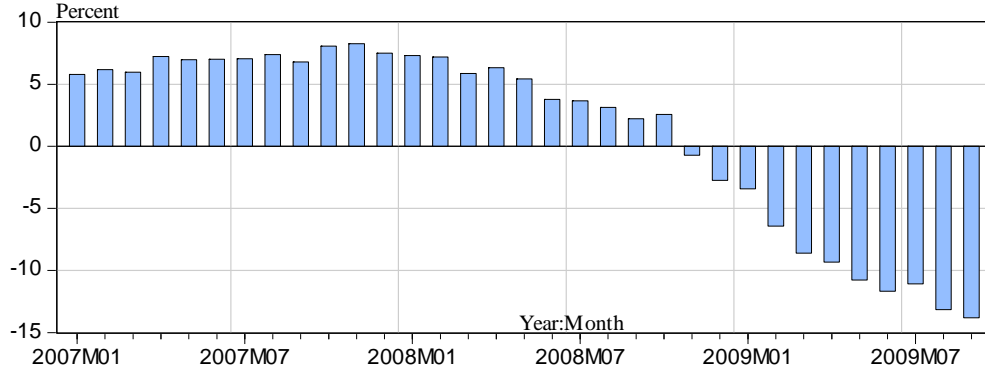
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 12  
Employment Growth Rates in Texas Natural Resources and Mining Industry, 2007–2009



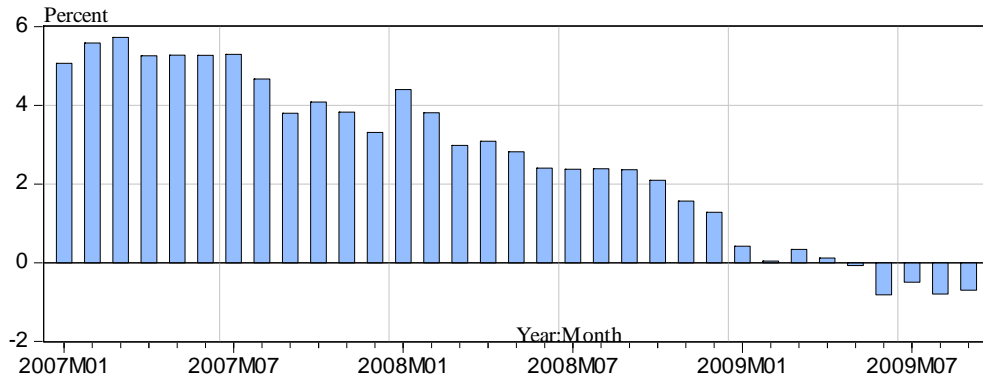
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 13  
Employment Growth Rates in Texas Construction Industry, 2007–2009



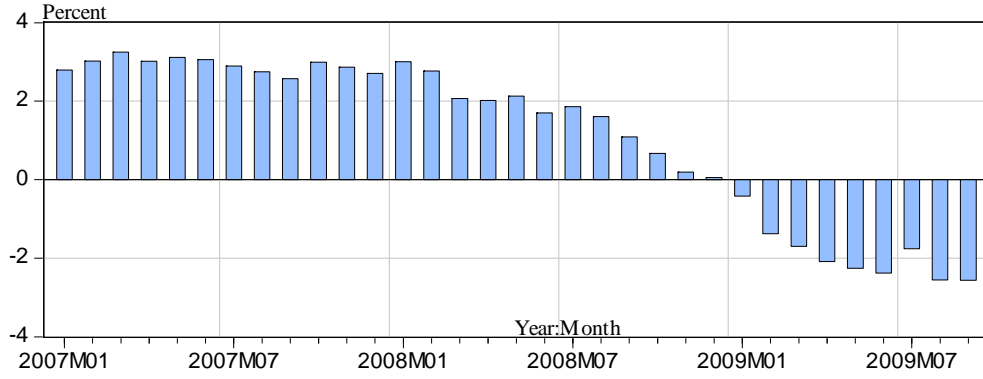
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 14  
Nonfarm Employment Growth Rates, Austin-Round Rock, 2007–2009



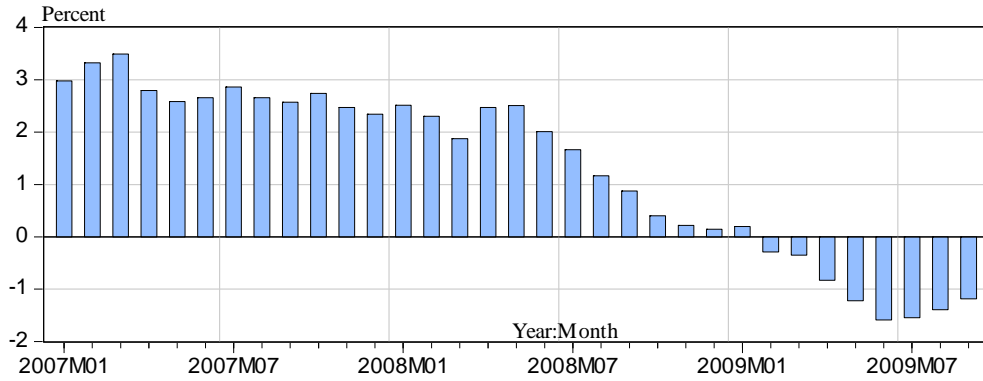
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 15  
Nonfarm Employment Growth Rates, Dallas-Plano-Irving, 2007–2009



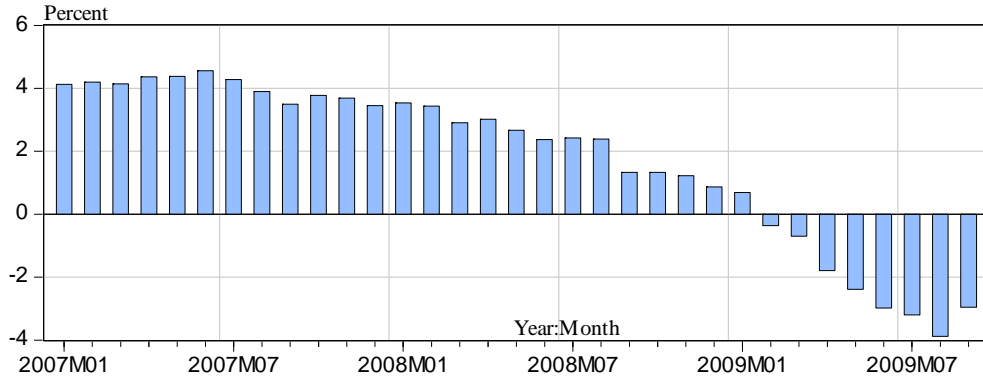
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 16  
Nonfarm Employment Growth Rates, Fort Worth-Arlington, 2007–2009



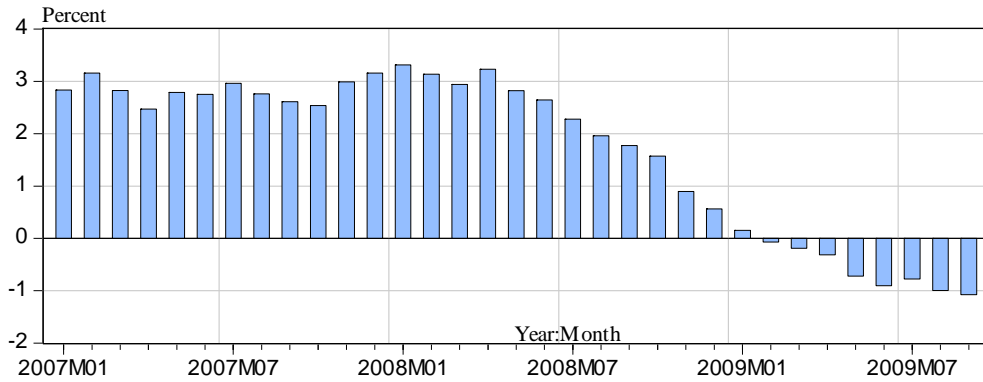
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 17  
Nonfarm Employment Growth Rates, Houston-Sugar Land-Baytown, 2007–2009



Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 18  
Nonfarm Employment Growth Rates, San Antonio, 2007–2009



Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University