

# Texas Economic Update

September 18, 2015

## Summary

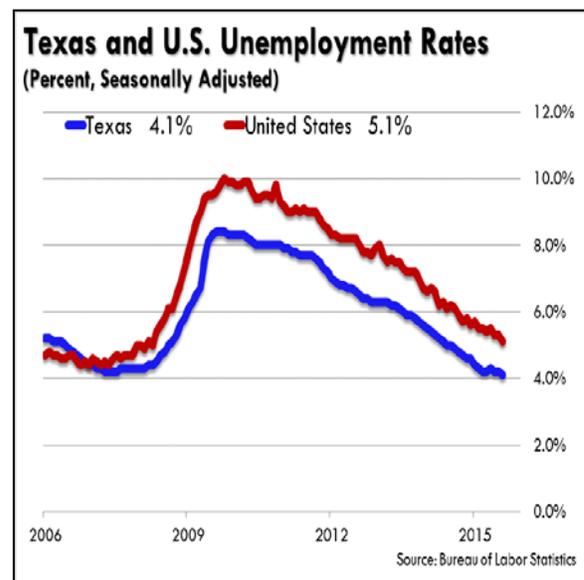
Nonfarm payroll employment in Texas declined by 13,700 jobs and the unemployment rate fell to 4.1 percent in August according to data released by the Bureau of Labor Statistics (BLS).

## Texas Unemployment Rate

During August, the unemployment rate in Texas declined by 0.1 percentage point to 4.1 percent. The number of people counted as unemployed fell by 3,139 in August to 538,038, while the labor force fell by 23,471 to 13,011,942. Among the 50 states and the District of Columbia, 10 posted lower unemployment rates for the month than Texas. A year earlier, the unemployment rate in Texas stood at 4.9 percent.

The 10 year peak for the unemployment rate in Texas was 8.4 percent in October 2009. The series high for the unemployment rate in Texas occurred in November 1986 when the unemployment rate reached 9.2 percent. The 10 year low for the unemployment rate in Texas was 4.1 percent in August 2015. The series low for the unemployment rate in Texas occurred in December 2000 when the unemployment rate reached 4.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.2 percentage point to 5.1 percent in August. August's unemployment rate was 1.0 percentage point lower than a year earlier. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



## Texas Payroll Employment

Texas nonfarm payrolls declined by 13,700 jobs, or 0.12 percent, on a seasonally adjusted basis during August. In the prior month, nonfarm payrolls increased by 25,800. Over the past 12 months nonfarm payrolls in Texas increased by 217,700, or 1.88 percent. Texas nonfarm payroll employment has increased in 10 of the past 12 months.

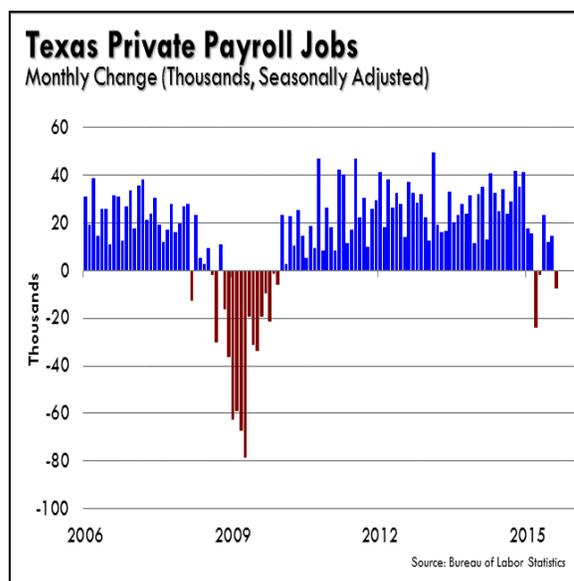
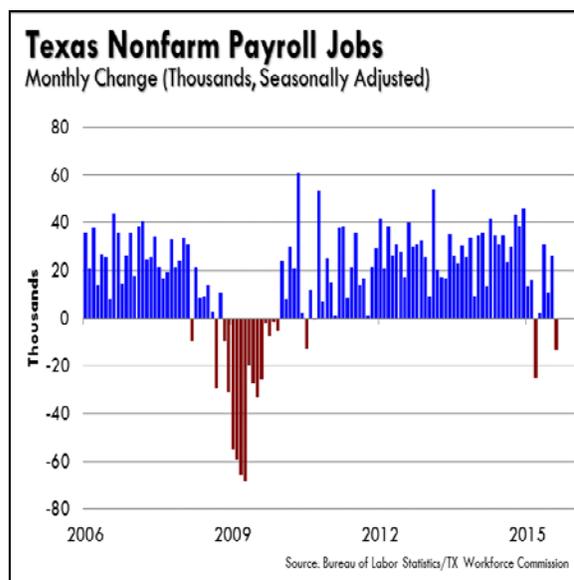
Nationally nonfarm payrolls increased by 173,000 jobs in August, or 0.12 percent. Over the 12 month period ending in August 2015 nonfarm payrolls grew by 2,919,000 jobs, or 2.09 percent. Texas ranks 20th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During August, Texas private sector payrolls declined by 7,500, or 0.08 percent. Private sector payrolls increased by 14,400 jobs in the prior month. Over the past 12 months, private sector payrolls in Texas increased by 196,700, or 2.02 percent. Texas private sector payroll employment has increased in 9 of the past 12 months.

Nationally private-sector payroll jobs increased by 140,000 jobs in August, or 0.12 percent. Over the past 12 months, the nation's economy has added 2,789,000 jobs in the private sector, an increase of 2.37 percent.

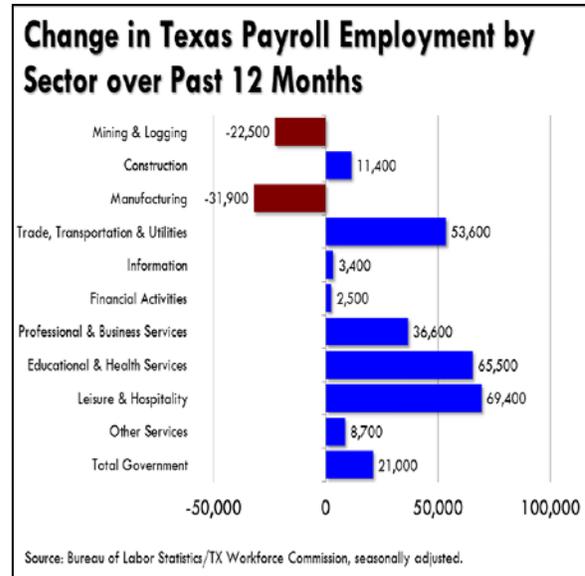
Texas ranks 22nd among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During August, total government payroll employment in Texas declined by 6,200, or 0.33 percent. Federal government payroll employment declined by 200, or 0.10 percent. State government payroll employment declined by 500, or 0.14 percent, while local government payroll employment declined by 5,500, or 0.42 percent.



Over the past year, total government payroll employment increased by 21,000, or 1.15 percent. State government payroll employment declined by 1,100, or 0.30 percent. Local government payroll employment increased by 20,300, or 1.59 percent.

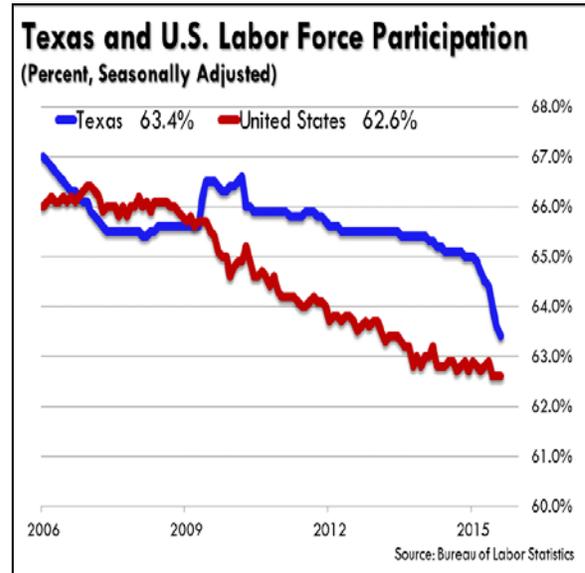
The best performing sectors on a seasonally adjusted basis during August were Leisure & Hospitality (+5,900) and Professional & Business Services (+4,000). The poorest performing sectors during the month were Total Government (-6,200) and Trade, Transportation & Utilities (-6,200).



The best performing sectors during the last twelve months were Leisure & Hospitality (+69,400) and Educational & Health Services (+65,500). The poorest performing sectors for the year were Manufacturing (-31,900) and Mining & Logging (-22,500).

#### Other Texas Labor Force Statistics

The labor force participation rate in Texas declined to 63.4 percent in August from 63.6 percent the prior month. Among the 50 states and the District of Columbia, 25 have a higher labor force participation rate than Texas. The labor force participation rate in Texas is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10 year high for the labor force participation rate in Texas was 67.0 percent in January 2006. The series high for the labor force participation rate in Texas occurred in September 1995 when the labor force participation rate hit 69.4 percent. The 10 year low for the labor force participation rate was 63.4 percent in August 2015. The series low for the labor force participation rate occurred in January 1976 when the labor force participation rate hit 63.2 percent.

The national labor force participation rate was unchanged at 62.6 percent in August. That rate was 0.3 percentage point lower than a year earlier. At 62.6 percent, the labor force participation rate is at its lowest level since October 1977.

The employment-to-population ratio, or the percentage of the Texas civilian noninstitutionalized population 16 years and older counted as employed, declined to 60.8 percent in August from 61.0 percent the prior month. Among the 50 states and the District of Columbia, 21 have higher employment-to-population ratios than Texas. The employment-to-population ratio in Texas is 1.1 percentage point lower than a year earlier.

The 10 year high for the employment-to-population ratio in Texas was 63.5 percent in February 2006. The series high for the employment-to-population ratio in Texas occurred in November 1998 when the employment-to-population ratio hit 65.7 percent. The 10 year low for the employment-to-population ratio was 60.6 percent in December 2010. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 59.5 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.4 percent in August. That rate was 0.4 percentage point higher than a year earlier. The employment-to-population ratio stood at 59.4 percent when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in April 2000. The 10 year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for September is scheduled for release on Tuesday, October 20. The national employment situation report for September will be released on Friday, October 2.

