

Texas Economic Update

January 27, 2016

Summary

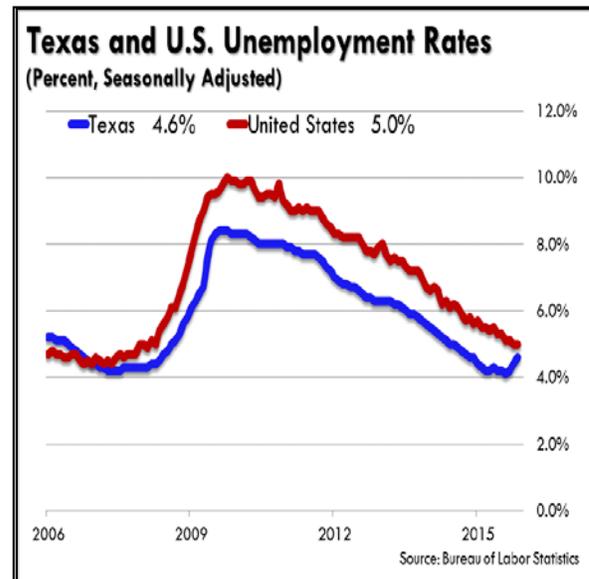
Nonfarm payroll employment in Texas increased by 24,900 jobs and the unemployment rate increased to 4.7 percent in December according to data released by the Bureau of Labor Statistics (BLS).

Texas Unemployment Rate

During December, the unemployment rate in Texas increased to 4.7 percent. The number of people counted as unemployed increased by 12,000 in December to 610,300, while the labor force increased by 26,600 to 13,097,200. A year earlier, the unemployment rate in Texas stood at 4.6 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 was unchanged at 5.0 percent in December. December's unemployment rate was 0.6 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2006.



Texas Payroll Employment

Texas nonfarm payrolls increased by 24,900 jobs, or 0.21 percent, on a seasonally adjusted basis during December. In the prior month, nonfarm payrolls increased by 25,200. Over the past 12 months nonfarm payrolls in Texas increased by 166,900, or 1.42 percent. Texas nonfarm payroll employment has increased in 10 of the past 12 months.

Nationally nonfarm payrolls rose by 292,000 in December, or 0.21 percent. Over the 12-month period ending in December 2015 nonfarm payrolls have increased by 2,650,000 jobs, or 1.9 percent.

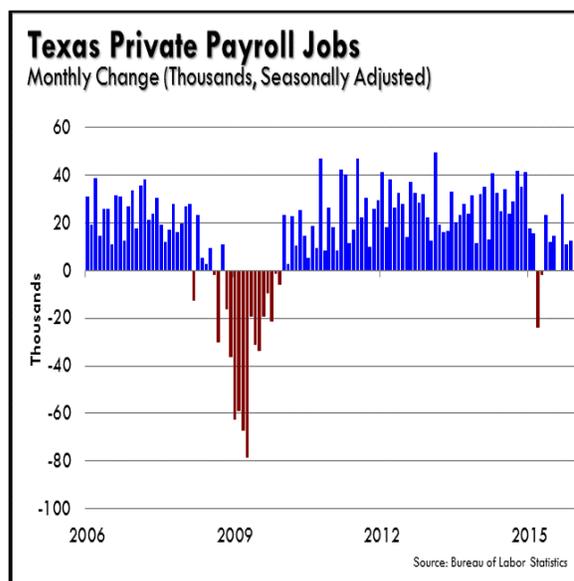
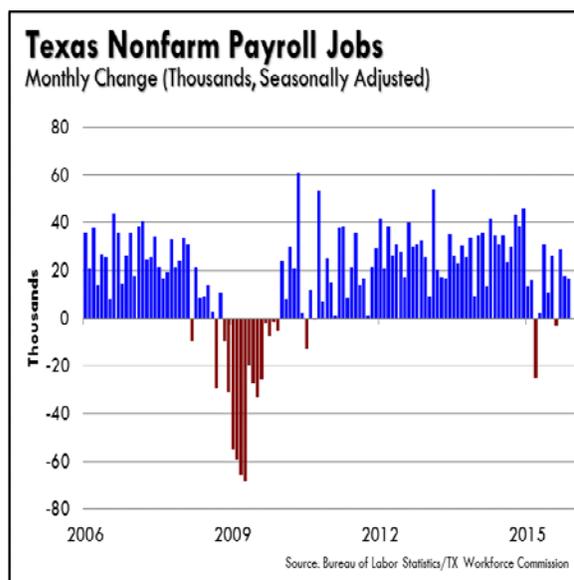
During December, Texas private sector payrolls increased by 21,300, or 0.2 percent. Private sector payrolls increased by 20,500 jobs in the prior month. Over the past 12 months, private sector payrolls in Texas increased by 141,300, or 1.43 percent. Texas private sector payroll employment has increased in 9 of the past 12 months.

Nationally, private-sector payroll jobs increased by 275,000 in December, or 0.23 percent. Over the past 12 months, the nation's economy has added 2,551,000 jobs in the private sector, an increase of 2.1 percent.

During December, total government payroll employment in Texas increased by 3,700, or 0.2 percent. Federal government payroll employment increased by 1,800, or 0.93 percent. State government payroll employment decreased by 200, or 0.05 percent, while local government payroll employment increased by 2,100, or 0.16 percent.

Over the past year, total government payroll employment increased by 25,600, or 1.4 percent. State government payroll employment increased by 3,600, or 0.98 percent. Local government payroll employment increased by 19,900, or 1.6 percent.

The best performing sectors on a seasonally adjusted basis during December were Professional and Business Services (+12,500) and Education and Health Services (+7,400).



The poorest performing sectors during the month were Manufacturing (-4,800) and Trade, Transportation, and Utilities (-900).

The best performing sectors during the last twelve months were Education and Health Services (+68,300) and Leisure and Hospitality (+55,300). The poorest performing sectors for the year were Manufacturing (-41,900) and Financial Activities (-2,300).

Other Texas Labor Force Statistics

The labor force participation rate in Texas remained unchanged at 63.4 in December. The labor force participation rate in Texas is lower than 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 67.1 percent in March 2005. 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 63.3 percent in October 2015.

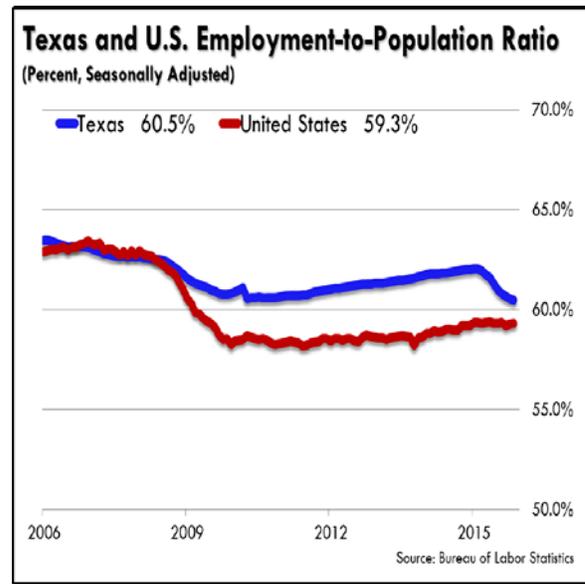
The national labor force participation rate increased to 62.6 percent in December. That rate was 0.1 percentage point lower than a year earlier. At 62.6 percent, the labor force participation rate remains near its post-recession low.

The employment-to-population ratio, or the percentage of the Texas civilian noninstitutionalized population 16 years and older counted as employed, remained unchanged at 60.5 percent in December. The employment-to-population ratio in Texas is 1.5 percentage point lower than a year earlier.

The 10-year high for the employment-to-population ratio in Texas was 63.5 percent in July 2005. The series high for the employment-to-population ratio in Texas occurred in October 1998 when the employment-to-population ratio hit 65.7 percent. The 10-year low for the employment-to-population ratio was 60.5 percent in December 2015. The series low for the employment-to-population ratio occurred in January 1976 when the employment-to-population ratio hit 59.5 percent.



The national employment-to-population ratio rose by 0.1 percentage point to 59.5 percent in December. That rate was 0.3 percentage point higher than a year earlier, and 0.1 percentage point higher than it was 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 January is scheduled for release on March 14th. The national employment situation report for January will be released on Friday, February 5th.