

# Texas Economic Update

September 20, 2016

## Summary

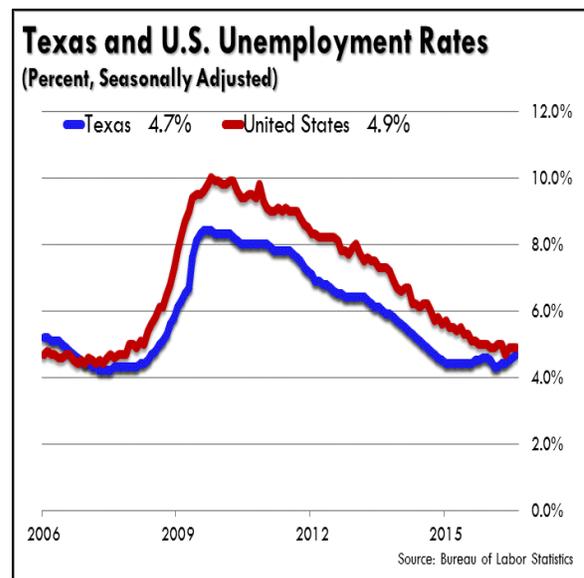
Nonfarm payroll employment in Texas increased by 21,400 jobs, and the unemployment rate rose to 4.7 percent in August according to data released by the Bureau of Labor Statistics (BLS).

## Texas Unemployment Rate

During August, the unemployment rate in Texas increased by 0.1 percentage point to 4.7 percent. The number of people counted as unemployed rose by 12,750 in August to 621,806, while the labor force grew by 20,570 to 13,311,880. Among the 50 states and the District of Columbia, 24 posted lower unemployment rates for the month than Texas. A year earlier, the unemployment rate in Texas stood at 4.4 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 4.2 percent in July 2007. The series low for the unemployment rate in Texas occurred in December 2000 when the unemployment rate was 4.0 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in August. August's unemployment rate was 0.2 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 2007.



## Texas Payroll Employment

Texas nonfarm payrolls increased by 21,400 jobs, or 0.18 percent, on a seasonally adjusted basis during August. In the prior month, nonfarm payrolls increased by 34,100. Over the past 12 months, nonfarm payrolls in Texas increased by 190,600, or 1.61 percent. Texas nonfarm payroll employment has increased in 11 of the past 12 months.

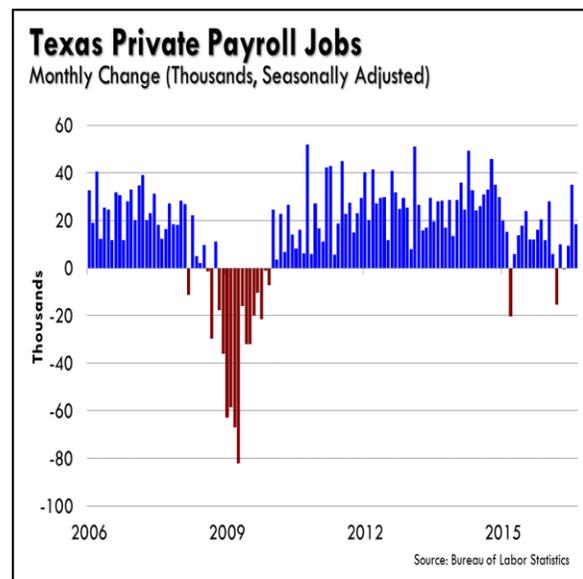
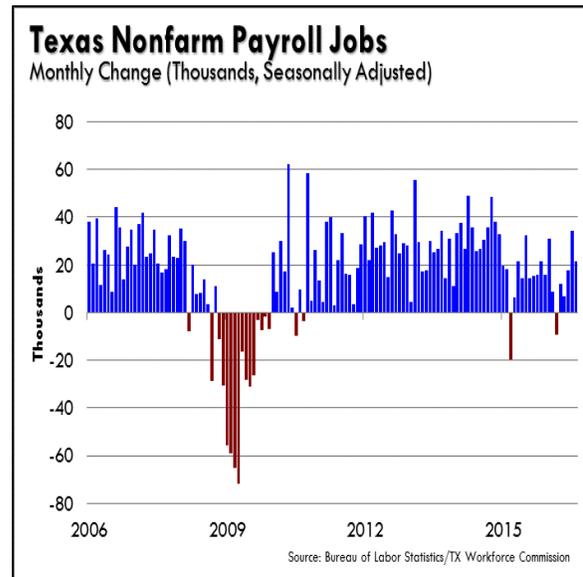
Nationally, nonfarm payrolls increased by 151,000 jobs in August, or 0.1 percent. Over the 12-month period ending August 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. Texas ranks 25th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During August, Texas private-sector payrolls increased by 18,500, or 0.18 percent. Private-sector payrolls increased by 35,000 jobs in the prior month. Over the past 12 months, private-sector payrolls in Texas increased by 150,900, or 1.51 percent. Texas private-sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 126,000 jobs in August, or 0.1 percent. Over the past 12 months, the nation's economy has added 2,283,000 jobs in the private sector, an increase of 1.9 percent. Texas ranks 27th 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 increased by 2,900, or 0.15 percent. Federal government payroll employment increased by 1,300, or 0.66 percent. State government payroll employment increased by 900, or 0.24 percent, while local government payroll employment increased by 700, or 0.05 percent.

Over the past year, total government payroll employment increased by 39,700, or 2.14 percent. State government payroll employment increased by 12,100, or 3.33 percent. Local government payroll employment increased by 23,000, or 1.77 percent.



The best performing sectors on a seasonally adjusted basis during August were Financial Activities (+6,200) and Other Services (+5,500). The poorest performing sectors during the month were Educational & Health Services (-2,100), Manufacturing (-200), and Leisure & Hospitality (-200).

The best performing sectors during the last twelve months were Educational & Health Services (+61,500) and Leisure & Hospitality (+48,400). The poorest performing sectors during the last twelve months were Mining & Logging (-35,800) and Manufacturing (-28,900).

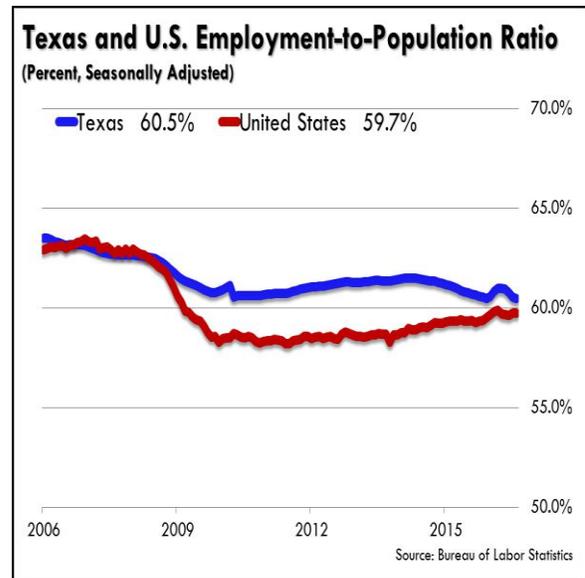
#### Other Texas Labor Force Statistics

The labor force participation rate in Texas was unchanged at 63.4 percent in August. Among the 50 states and the District of Columbia, 26 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 66.6 percent in March 2010. 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 2016. 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 62.8 percent, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Texas civilian noninstitutionalized population 16 years and older counted as employed, was unchanged at 60.5 percent in August. Among the 50 states and the District of Columbia, 24 have higher



employment-to-population ratios than Texas. The employment-to-population ratio in Texas is 0.2 percentage point lower than a year earlier.

The 10-year high for the employment-to-population ratio in Texas was 63.2 percent in November 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 60.5 percent in August 2016. 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 held steady at 59.7 percent in August. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 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 ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for September is scheduled for release on October 21, 2016. The national employment situation report for September will be released on Friday, October 7, 2016.