

# Texas Economic Update

August 21, 2015

## Summary

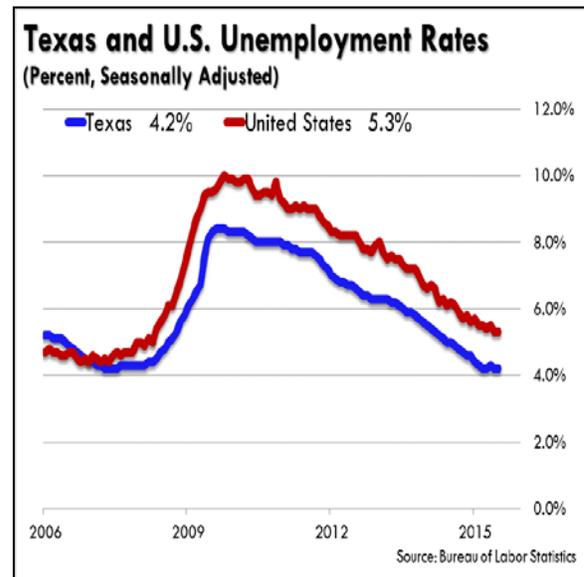
Nonfarm payroll employment in Texas increased by 31,400 jobs and the unemployment rate was unchanged at 4.2 percent in July according to data released by the Bureau of Labor Statistics (BLS).

## Texas Unemployment Rate

During July, the unemployment rate in Texas was unchanged at 4.2 percent. The number of people counted as unemployed fell by 3,461 in July to 541,269, while the labor force fell by 51,565 to 13,035,149. Among the 50 states and the District of Columbia, 12 posted lower unemployment rates for the month than Texas. A year earlier, the unemployment rate in Texas stood at 5.0 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 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 5.3 percent in July. July's unemployment rate was 0.9 percentage point lower than a year earlier when the rate stood at 6.2 percent. 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

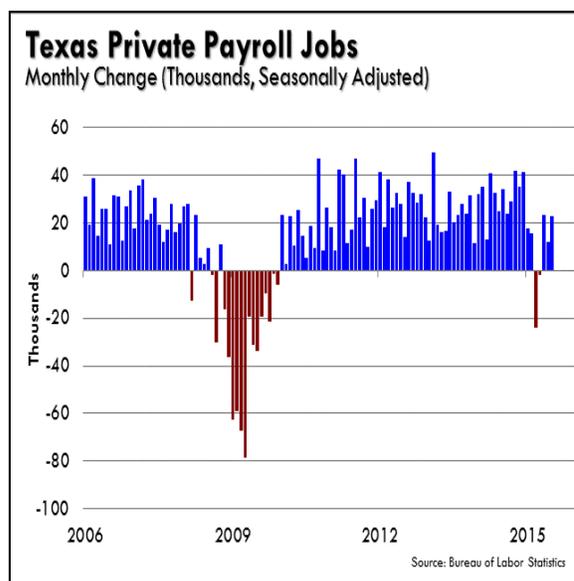
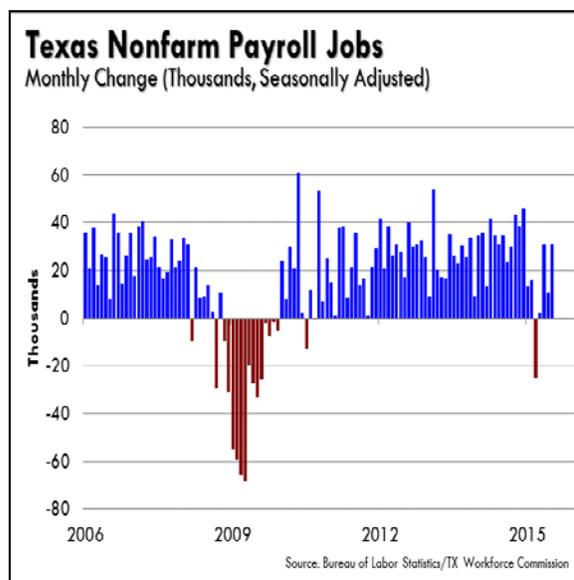
Texas nonfarm payrolls increased by 31,400 jobs, or 0.27 percent, on a seasonally adjusted basis during July. In the prior month, nonfarm payrolls increased by 10,500. Over the past 12 months nonfarm payrolls in Texas increased by 260,500, or 2.25 percent. Texas nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally nonfarm payrolls increased by 215,000 jobs in July, or 0.15 percent. Over the 12 month period ending in July 2015, nonfarm payrolls grew by 2,915,000 jobs, or 2.09 percent. Texas ranks 12nd among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During July, Texas private sector payrolls increased by 22,500, or 0.23 percent. Private sector payrolls increased by 12,200 jobs in the prior month. Over the past 12 months, private sector payrolls in Texas increased by 236,200, or 2.43 percent. Texas private sector payroll employment has increased in 10 of the past 12 months.

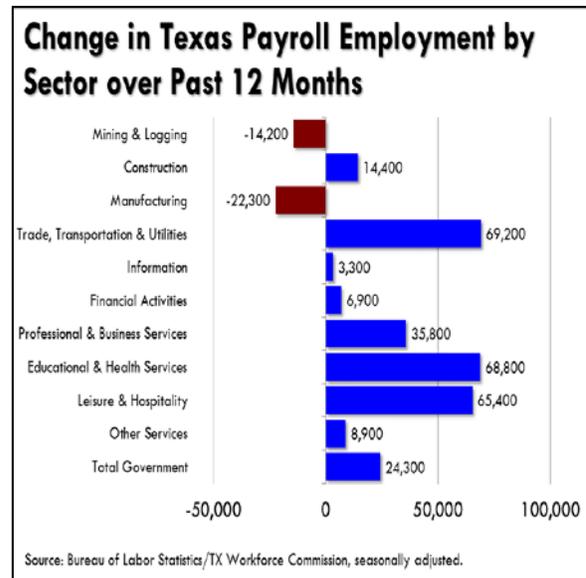
Nationally, private sector payroll jobs increased by 210,000 in July, or 0.18 percent. Over the past 12 months, the nation's economy has added 2,853,000 private sector payroll jobs, an increase of 2.43 percent. Texas ranks 16th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During July, total government payroll employment in Texas increased by 8,900, or 0.48 percent. Federal government payroll employment increased by 600, or 0.31 percent. State government payroll employment declined by 300, or 0.08 percent, while local government payroll employment increased by 8,600, or 0.67 percent.



Over the past year, total government payroll employment increased by 24,300, or 1.33 percent. State government payroll employment declined by 4,000, or 1.10 percent. Local government payroll employment increased by 26,500, or 2.08 percent.

The best performing sectors on a seasonally adjusted basis during July were Trade, Transportation & Utilities (+13,300) and Total Government (+8,900). The poorest performing sectors during the month were Financial Activities (-4,600) and Professional & Business Services (-2,200).



The best performing sectors during the last twelve months were Trade, Transportation & Utilities (+69,200) and Educational & Health Services (+68,800). The poorest performing sectors for the year were Manufacturing (-22,300) and Mining & Logging (-14,200).

#### Other Texas Labor Force Statistics

The labor force participation rate in Texas declined to 63.6 percent in July from 64.0 percent the prior month. This represents a new ten year low for labor force participation in Texas. Among the 50 states and the District of Columbia, 24 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 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 remained at 62.6 percent in July. That rate is 0.2 percentage point lower than a year earlier. The rate for June and July are the lowest recorded 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 61.0 percent in July from 61.3 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 0.9 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 held steady at 59.3 percent in July. At 59.3 percent, the national employment-to-population ratio is below its level of 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 August is scheduled for release on Friday, September 18. The national employment situation report for August will be released on Friday, September 4.

