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East Texas Regional Labor Market - December 2018

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Hibbs Outlook

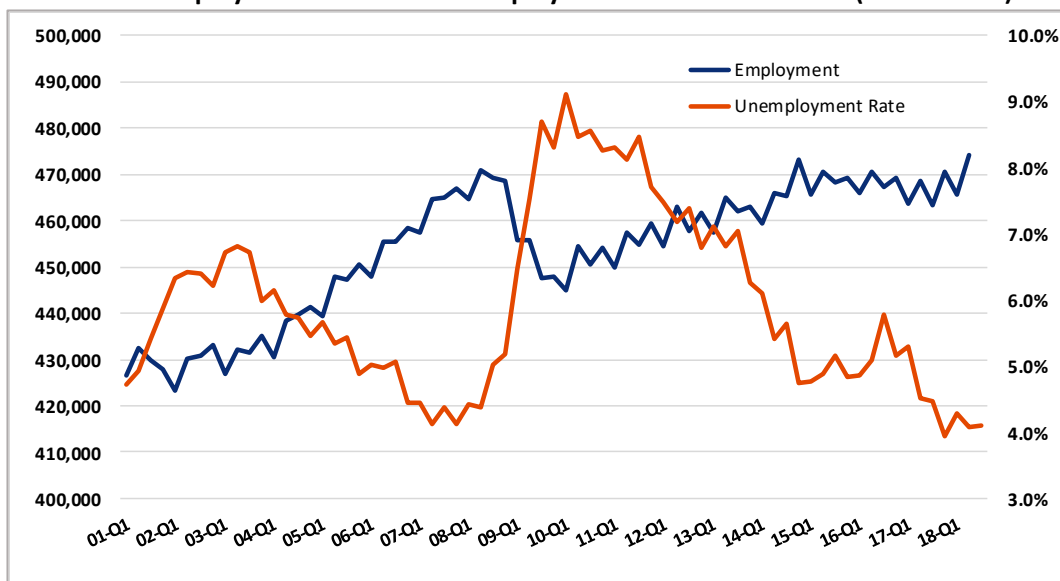
Hibbs Institute Projects Historic Low Unemployment Rate for 4th Quarter

This issue of **Hibbs Outlook** focuses on developing a regional Labor Market Profile for East Texas.¹ Employment levels in East Texas have reached historic figures in 2018. For the second quarter of 2018, the Bureau of Labor Statistics reported 479,568 employees in the region, the largest number ever recorded in East Texas.

Unemployment rates for East Texas during 2018 have also been remarkable, averaging just over 4%, the figure economists consider to be full employment. Unemployment rates for the first three quarters of 2018 were 4.3%, 4.1%, and 4.1%, respectively. These 2018 unemployment rates were considerably lower than the rates for the corresponding first three quarters of 2017, which were 5.3%, 4.5%, and 4.5%.

The **Hibbs Institute** projects an unemployment rate of 3.9% for the fourth quarter of 2018—reaching a new, historic low for East Texas.

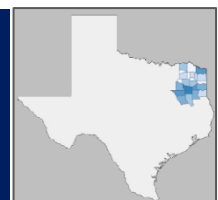
Chart 1. Employment Levels and Unemployment Rates in East Texas (2001 – 2018)



Source: JobsEQ.

¹ East Texas is a region with more than 1.1 million inhabitants in 23 counties:

Anderson	Bowie	Camp	Cass	Cherokee	Delta
Franklin	Gregg	Harrison	Henderson	Hopkins	Lamar
Marion	Morris	Panola	Rains	Red River	Rusk
Smith	Titus	Upshur	Van Zandt	Wood	



East Texas Regional Labor Market Profile

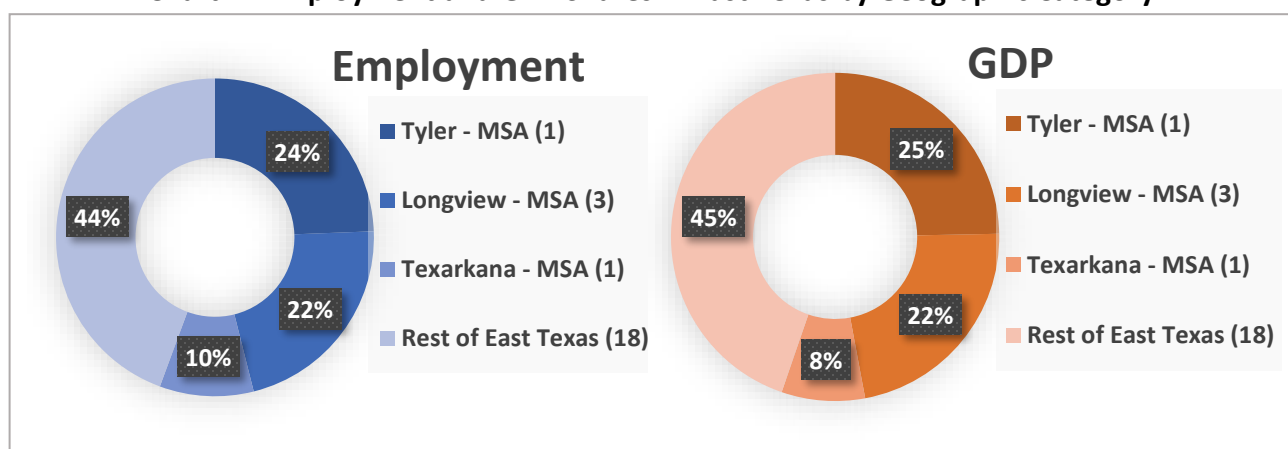
Where in East Texas does the most output and employment happen?

The three metropolitan statistical areas (MSAs)—Tyler, Longview and Texarkana—are important economic drivers in East Texas. Together, these MSAs generate slightly more than half of all employment (56%) and output (55%) in East Texas. See **Chart 2**.

However, those statistics serve as a reminder that almost half of all East Texas output and employment occur in the non-MSA counties of East Texas taken together.

Note in **Chart 3** that East Texas unemployment rates, although low during the first half of 2018 overall, differ somewhat by MSA.

Chart 2. Employment and GDP Shares in East Texas by Geographic Category



Notes: Number of counties in the geographic category is expressed in parentheses. For comparison purposes in East Texas, the Texarkana MSA includes only Bowie County in Texas.

Source: JobsEQ.

Chart 3. Labor Market Overview (East Texas and included MSAs)

	East Texas	Tyler - MSA	Longview - MSA	Texarkana - MSA
Labor Force	502,473	105,896	97,356	64,778
Employed	479,568	101,599	92,361	61,865
Unemployed	22,904	4,297	4,995	2,913
Unemployment Rate	4.6%	4.1%	5.1%	4.5%

Notes: Texarkana - MSA includes Bowie, TX and Miller, AR. 5-Digit, Standard Occupational Classification (SOC) system. Employment figures as of 2018Q2. Average wages as of 2017.

Source: JobsEQ.

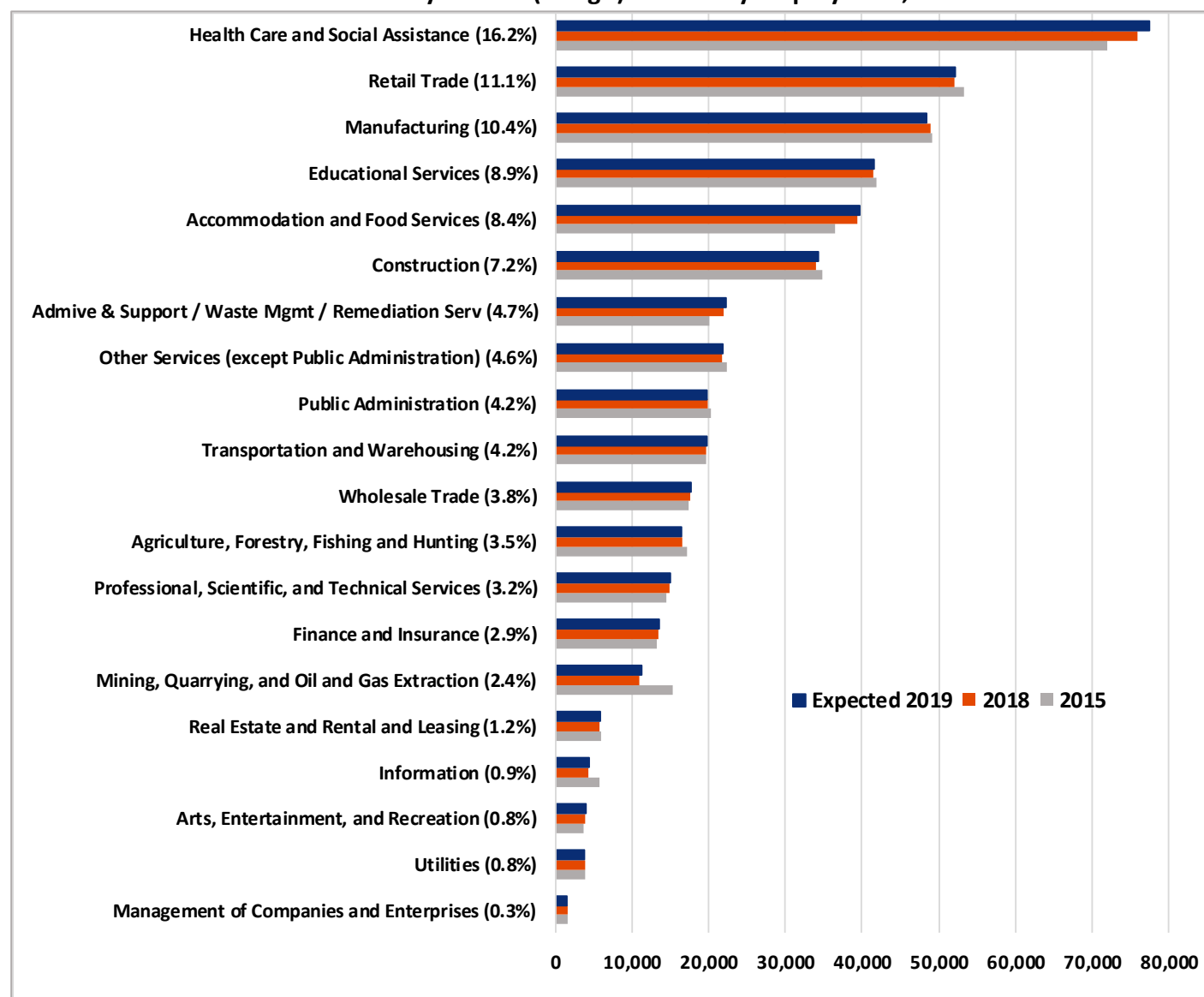
East Texas Regional Labor Market Profile

What East Texas industries employ the most workers?

East Texas industries are ranked according to their total employment (2018-Q2 data) in **Chart 4**. The *Health Care and Social Assistance* category with 76,027 jobs (16.2% of total East Texas employment) is our number one employer. The *Retail Trade* sector with 52,117 jobs (11.1%) is next, followed by *Manufacturing*, 48,844 (10.4%), and then *Educational Services*, 41,497 jobs (8.9%).

The *Health Care* sector grew 5.7% over the past three years (since 2015), with a projected growth of nearly 2% for 2019. Three of the top four sectors have employed fewer workers compared to 2015. Both the *Retail Trade* and *Manufacturing* sectors have lower employment than in 2015 and are projected to decline further next year. These two sectors will experience an employment decline of 2.2% and 0.8%, respectively, compared to 2015.

Chart 4. Industry Sectors (2-Digit) Ranked by Employment, 2018



Source: JobsEQ.

East Texas Regional Labor Market Profile

In what occupations do most East Texans work?

Chart 5 ranks occupations by number of employees size (using SOC 5-digit codes), rather than by the industry sector in which the employment occurs. It lists the 30 largest occupations in East Texas, plus average East Texas wages. To make the distinction clear between Chart 4 (industry employment) and Chart 5 (employment by occupation), a UT Tyler janitor is classified in the *Educational Services* Industry, but in the *Building Cleaning Worker* occupation category.

The largest East Texas occupations are *Fast Food and Counter Workers* with 15,110 workers and *Retail Salespersons* with 13,672 employees. Out of 461 (SOC 5-digit) occupations, these two represent 6% of all employees in East Texas and have average wages of \$19,400 and \$25,400, respectively.

Chart 5. Largest Occupations and Average Annual Wages, (Top 30 in East Texas)

Title	Employees	Avg. Annual Wages
Fast Food and Counter Workers	15,110	\$19,400
Retail Salespersons	13,672	\$25,400
Driver/Sales Workers and Truck Drivers	12,560	\$37,900
Office Clerks, General	11,356	\$32,900
Secretaries and Administrative Assistants	11,167	\$31,500
Nursing, Psychiatric, and Home Health Aides	10,857	\$25,100
Cashiers	10,446	\$19,700
Registered Nurses	10,072	\$61,800
Laborers and Material Movers, Hand	10,052	\$27,600
Building Cleaning Workers	9,295	\$21,600
Elementary and Middle School Teachers	8,544	\$47,500
Personal Care Aides	8,234	\$19,300
Cooks	7,005	\$22,100
Waiters and Waitresses	6,504	\$20,900
Customer Service Representatives	5,966	\$29,600
Stock Clerks and Order Fillers	5,895	\$25,800
General and Operations Managers	5,696	\$113,800
Sales Representatives, Wholesale and Manufacturing	4,885	\$63,100
Secondary School Teachers	4,842	\$49,700
Miscellaneous Assemblers and Fabricators	4,462	\$29,600
First-Line Supervisors of Sales Workers	4,320	\$46,100
Miscellaneous Healthcare Support Occupations	4,276	\$31,300
Bookkeeping, Accounting, and Auditing Clerks	4,158	\$38,500
Teacher Assistants	4,144	\$21,600
Maintenance and Repair Workers, General	4,043	\$34,500
Licensed Practical and Licensed Vocational Nurses	3,916	\$42,300
Welding, Soldering, and Brazing Workers	3,682	\$40,600
Construction Laborers	3,674	\$30,300
First-Line Supervisors of Office and Administrative Support Workers	3,613	\$54,100
Supervisors of Food Preparation and Serving Workers	3,310	\$40,600

Notes: 5-Digit, Standard Occupational Classification (SOC) system. Employment figures as of 2018Q2. Average wages as of 2017.

Source: JobsEQ.

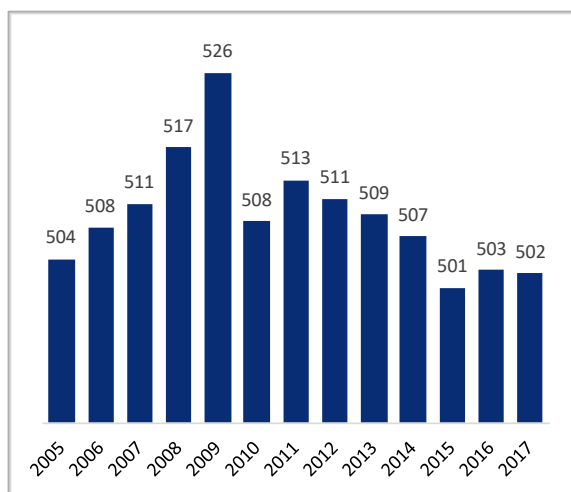
East Texas Regional Labor Market Profile

Other Important Workforce Characteristics.

There is some concern for the declining workforce in East Texas since the last recession ended in 2009, as shown in **Chart 6**. Population has increased steadily since 2009, although slowly, from 1,092,177 people to 1,144,106 by 2017 (nearly 4.8% in eight years). A declining labor force in spite of increasing population (even if slowly increasing) suggests a declining labor force participation rate, and this has been the case in East Texas. The region's participation rate has fallen from 61.5% to 55.6% over those same eight years.

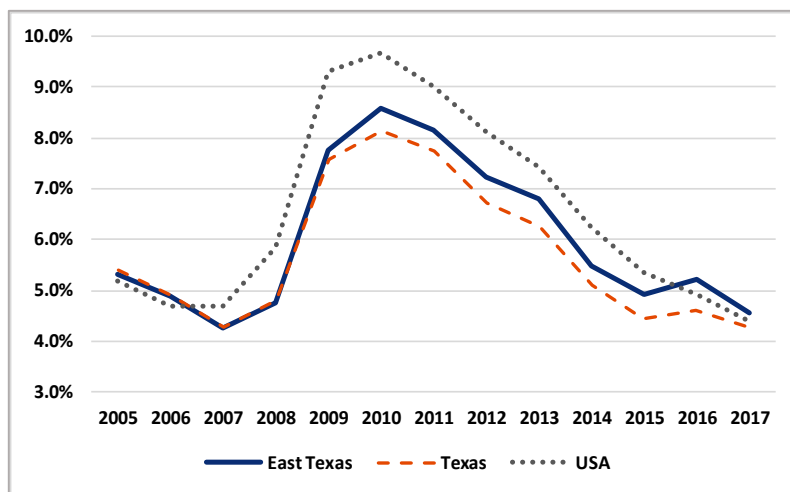
Finally, we noted earlier that there are differences in unemployment rates within areas of East Texas. **Chart 7**, on the other hand, compares East Texas unemployment rates with those of Texas and the nation. For most of the last decade, Texas and East Texas have done better than the nation. Only in the last two years has the nation caught up and experienced lower rates of unemployment than those in East Texas.

Chart 6. Labor Force, in thousands



Source: JobsEQ.

Chart 7. Unemployment Rates in East Texas, Texas & USA



Source: JobsEQ.



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The Hibbs Institute is a unit of The University of Texas at Tyler's Soules College of Business. The mission of the Hibbs Institute is to provide expert research and analysis for businesses, local governments, and economic development councils with the common goal of increasing economic activity and personal income in East Texas.

Services provided. East Texas Data, Economic Impact Analyses, Industry Contribution Analysis, Business Development Analysis, Labor Market Analysis, Feasibility Studies, Project Evaluation, Secondary Data Analysis, Policy Analysis; Investment Project Analysis; Economic Forecasting and Requested Data.

The full Hibbs team draws from a number of universities and includes expertise in economics, finance, management, marketing, accounting and business law.

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