



December 2017 Labor Market Report - Workforce Solutions Lower Rio

The Texas Workforce Commission (TWC) released the December 2017 Labor Market and Employment reports. The seasonally adjusted national unemployment rate was unchanged at 4.1%, and Texas increased by .1%, to 3.9%.

Statewide Overview for December: TWC advised us that the federal government's data that is used for the official *Texas Labor Market Review* would not be available until Tuesday 1/23, and possibly could be further delayed by the "government shutdown" situation. I was able to go into the TWC database and pull overall Texas and USA unemployment estimates to put this report together, but the state-level job changes by sector information was not readily available in report form. The TLMR will be shared with you once it is released, and the TWC press release will also summarize the state-level employment changes once it can be published. mw

Regional Unemployment Recap: The December data shows the county-level unemployment rates increasing an average of .5% across our region.

Counties:

- Hidalgo County increased by .5%, to 6.7%
- Cameron County increased by .2 %, to 6.0%
- Starr County increased by 1.0%, to 10.2%
- Willacy County increased by .4%, to 9.0%
- Webb County was unchanged at 3.4%

Cities: Most cities in the region showed increases in their unemployment rates in December:

- McAllen had the lowest unemployment rate in the RGV at 4.5%, an increase of .1% from November
- Edinburg was the second-lowest rate at 4.9%, an increase of .1%
- Harlingen was next at 5.5%, a decrease of .2%. Harlingen was the only city in the region whose unemployment rate decreased in December.
- Laredo again had the lowest rate in our border region at 3.4%, unchanged from November.

Hidalgo, Cameron, and Webb County MSA Regional Employment Change Estimates for December 2017:

Employment Sectors	McAllen MSA	Brownsville MSA	Laredo MSA	Total Region
Healthcare & Private Education	-200	100	-100	-200
Leisure & Hospitality	300	-200	100	200
Government (Public Ed, Law Enforcement)	400	0	-100	300
Business & Professional Services	300	100	0	400
Mining & Construction	0	-100	-100	-200
Trade, Transportation, Utilities	-200	0	200	0
Manufacturing	100	0	0	100
Information	-100	0	0	-100
Financial Activities	0	0	0	0
Other Services	-100	0	-100	-200
Total All Non-Agriculture Sectors:	500	-100	-100	300

The Business & Professional Services sector added an estimated 400 jobs in December. The largest subgroups in this category are staffing agencies and call centers. Several of our region's Customer Care Centers have continued to add staff this fall, including the most recent addition to the industry, Charter Communications (*Spectrum*), located in McAllen.

Annual Estimated Employment Changes:

Hidalgo, Cameron, and Webb County MSA Regional Employment Change Estimates for past year (Jan. – Dec. 2017):

Employment Sectors	McAllen MSA	Brownsville MSA	Laredo MSA	Total Region	Job Growth %
Healthcare & Private Education	700	-900	-100	-300	-0.2%
Leisure & Hospitality	1,200	500	600	2,300	4.6%
Government (Public Ed, Law Enforcement)	1,100	-100	400	1,400	1.2%
Business & Professional Services	700	700	200	1,600	4.1%
Mining & Construction	200	300	-100	400	2.8%
Trade, Transportation, Utilities	200	-1,000	100	-700	-0.6%
Manufacturing	100	100	0	200	1.6%
Information	-100	-100	0	-200	-0.6%
Financial Activities	0	0	100	100	0.6%
Other Services	200	200	0	400	3.6%
Total All Non-Agriculture Sectors:	4,300	-300	1,200	5,200	
% Job Growth:	1.7%	-0.2%	1.1%	1.0%	1.0%

Job Growth

Hidalgo County had the strongest reported job growth in 2017 between the three MSAs, at 4,300 jobs, or a 1.7% growth rate.

The Leisure & Hospitality sector added the most total jobs (2,300) and had the highest job growth rate at 4.6%. This sector has shown robust employment growth, as new hotels, restaurants, and entertainment venues open across the region.

The Trade sector, led by the Retail Trade subsector, was down slightly for 2017. As we have noted previously, the employment growth in the Retail Trade subsector has slowed over the past two years. Most likely contributing factors include:

- Increased use of technology and “self-serve” checkouts to counter rising labor costs.
- A decrease in shoppers from Mexico due to a combination of a weaker peso, concerns about security when traveling through Tamaulipas to the U.S. border, and possibly some impact from rumored Monterey-area boycott efforts following the 2017 elections.
- Increase in online shopping

Sales Tax

The consistent increases in Sales Tax revenues that we were accustomed to in the past have moderated over the past two years. This is a significant portion of the revenue for most area communities. Since revenue from some of the new Leisure & Hospitality sector businesses also contributes to sales tax receipts, the growth in this sector has probably mitigated somewhat the loss in sales tax revenue from retail sales.

Another consideration is that gasoline prices are somewhat in 2017, which could increase the sales tax revenue from that subsector of Retail Trade. The November sales tax collections reports here were encouraging, but we also had seven shopping days this year between Thanksgiving Day and November 30, compared to only six in 2016. It may be that the extra day during this peak shopping period caused the “year-over-year” increase in November collections- we will have to wait for the December Sales Tax reports to know whether overall sales are trending up or not.

Texas Labor Market Review from TWC: *not available until 1/23 or later*

As always, thanks again for your support and participation!