



## April 2018 Labor Market Report - Workforce Solutions Lower Rio

The Texas Workforce Commission (TWC) released the April 2018 Labor Market and Employment reports. The seasonally adjusted national unemployment rate declined by .2% to 3.9%, and Texas increased by .1% to 4.1%.

**Statewide Overview for April:** Texas had a net gain of 39,600 nonagricultural jobs in April and has added a total of 332,300 in the past year (seasonally adjusted). This represents a 2.7% annual employment growth rate.

Goods-Producing employment increased by 17,600 jobs in April, and a total of 95,800 jobs were added in the past twelve months. The Manufacturing sector led this month, with a gain of 8,600 jobs. The Goods-Producing sector has seen a 5.4% growth rate over the past twelve months, and the growth rate is accelerating.

The Service sectors in total gained 22,000 jobs in April and a total of 236,000 jobs in the past year. The Professional & Business Services sector led in April with an estimated 7,500 employees added, followed by Healthcare with 6,200.

**Regional Unemployment Recap:** The April data shows the unemployment rates generally decreasing across our region at the county level. We continue to see significantly lower unemployment rates than reported one year ago.

### Counties:

- Hidalgo County decreased by .4%, to 6.5%
- Cameron County decreased by .3 %, to 6.2%
- Starr County decreased by .4%, to 10.4%
- Willacy County was unchanged at 11.1%
- Webb County decreased by .4% to 3.6%

**Cities:** The cities showed improvement overall, with some decreasing slightly and others showing significant decreases in April:

- Edinburg again had the lowest unemployment rate in the RGV with 4.6%, a decrease of .1%.
- McAllen was the second-lowest, at 4.7%, a decrease of .3%
- Mission and Harlingen were tied for third, at 5.9%, with both decreasing by .2%.
- Laredo again had the lowest rate in our border region at 3.6%, a decrease of .4%

**Hidalgo, Cameron, and Webb County MSA Regional Employment Change Estimates for April 2018:**

<b>Employment Sectors</b>	<b>McAllen MSA</b>	<b>Brownsville MSA</b>	<b>Laredo MSA</b>	<b>Total Region</b>
<b>Healthcare &amp; Private Education</b>	<b>700</b>	<b>300</b>	<b>400</b>	<b>1,400</b>
Leisure & Hospitality	-200	200	200	200
<b>Government (Public Ed, Law Enforcement)</b>	400	200		<b>600</b>
Business & Professional Services	100		100	200
Mining & Construction	-100		-200	-300
Trade, Transportation, Utilities			-200	-200
Manufacturing		200		200
Information				
Financial Activities	100			100
Other Services				
<b>Total All Non-Agriculture Sectors:</b>	<b>1,000</b>	<b>900</b>	<b>300</b>	<b>2,200</b>

The primary contributor to the employment gains in our region was the Healthcare sector, which added an estimated 1,400 jobs. The Government sector had the next largest increase, with an estimated gain of 600 jobs.

**Spotlight on Manufacturing:**

In the McAllen and Brownsville MSA's (Cameron and Hidalgo counties), the Manufacturing sector has very quietly added a total of 1,000 new jobs in the past year- an annual growth rate of 9.3%! At 3-4% of the total employment, it remains one of the smallest sectors in the RGV, along with Construction and Energy. That being said, we are finally beginning to see this sector show signs of significant growth.

Bear in mind that the largest new manufacturing plant in several years- Stanley Black & Decker in Mission, is just beginning their startup, and has plans to hire another 400 or so people in the next year, based on their press release!

Through my work with EDCs and manufacturing companies around the region, I am aware of a large number of additional relocation and expansion projects that COULD occur in both the Construction and Manufacturing sectors.

Much depends on future NAFTA and trade policies, but the recently enacted tax reform, along with the more business-friendly climate in the USA, are making us much more attractive to Manufacturing companies from around the world. Companies who formerly only considered expansions and relocations to other countries are now taking a second look at the USA.

Our region, as I have mentioned here frequently, has a significant location advantage to companies with operations or customers in Mexico and other parts of the USA. The strategic value of the Port of Brownsville to industry is another major economic development resource for the entire region!

Our continued challenge (and opportunity) remains the small size of our experienced Manufacturing workforce, and the lack of skilled labor for key positions. We are finishing up the biannual STMA Wage & Benefit Survey for the industry, and I expect to see wages have risen significantly over the past two years, especially for the key skilled positions that are hard to fill.

In response to industry needs, both South Texas College and Texas Southmost College are working with STMA, Workforce Solutions, and industry leaders to develop Associate Degree programs in Industrial Maintenance Technology/Mechatronics. These programs will likely be offered as dual enrollment programs to area high schools, and they will complement the existing Advanced Manufacturing Technology Associate degree programs in place at TSTC and STC. TSTC already has a Mechatronics/Industrial Systems Maintenance Technology degree program that was created several years ago in response to industry requests. Once these are in place, we will have an excellent talent pipeline in place to help address the needs of the Manufacturing sector in the region. The biggest unmet demand in the Manufacturing industry here (and everywhere!) remains for Industrial Maintenance Mechanics and CNC Machinists/Tool & Die Makers.

As always, thanks again for your support and participation!

**Texas Labor Market Review from TWC:**

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