



December 2018 Labor Market Report - Workforce Solutions Lower Rio

The Texas Workforce Commission (TWC) released the December 2018 Labor Market and Employment reports. The seasonally adjusted Texas unemployment rate was unchanged from last month at 3.7%. The National unemployment rate increased by .2%, to 3.9%.

Statewide Overview for December: Texas had a net gain of 38,000 nonagricultural jobs in December, and has added 391,800 in the past year (seasonally adjusted). This represents a 3.2% annual employment growth rate.

Goods-Producing employment increased by 10,900 jobs in December, and a total of 126,700 jobs were added in the past twelve months. The Construction sector led this month, with a gain of 4,500 jobs. The Goods-Producing sector has seen a 7.0% growth rate over the past twelve months.

The Service sectors in total gained 27,100 jobs in December and a total of 265,100 jobs in the past year. This sector is growing at a 2.5% annual rate. The Leisure & Hospitality sector led in December, with an estimated 10,200 employees added.

Regional Unemployment Recap: The December data shows the unemployment rates increasing across our region at the county and city levels. We continue to see generally lower unemployment rates than reported one year ago.

Counties:

- Hidalgo County increased by .9%, to 6.7%
- Cameron County increased by .5 %, to 5.8%
- Starr County increased by 1.3%, to 9.4%
- Willacy County increased by .5% to 8.6%
- Webb County increased by .3% to 3.8%

Cities:

- McAllen had the lowest unemployment rate in the RGV with 4.5%, an increase of 0.4%.
- Edinburg was second at 4.6%, an increase of .3%.
- Harlingen was third at 5.2%, an increase of .2%.
- Laredo again had the lowest rate in our border region, at 3.7%, an increase of 0.3% from November.

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

Employment Sectors	McAllen MSA	Brownsville MSA	Laredo MSA	Total Region
Healthcare & Private Education	100	-100	400	400
Leisure & Hospitality	400		-100	300
Government (Public Ed, Law Enforcement)	600	100		700
Professional & Business Services	500		-100	400
Mining & Construction	-200			-200
Trade, Transportation, Utilities	100	100	300	500
Manufacturing	100			100
Information		-100		-100
Financial Activities	100			100
Other Services				0
Total All Non-Agriculture Sectors:	1,700	0	500	2,200

The primary contributor to the December employment gains in our region was the Government sector, with an estimated 700 new jobs, followed closely by Trade. The gains in the Trade sector reflect additional seasonal hiring that takes place in the Retail Trade sector as merchants gear up for the holiday shopping season. The Government sector includes primarily public education and law enforcement jobs.

The Year 2018 in Review:

Hidalgo, Cameron, and Webb County MSA Regional Employment Change Estimates for full year 2018:

Employment Sectors	McAllen MSA	Brownsville MSA	Laredo MSA	Total Region	Employed 12/31/17:	Growth Rate:
Healthcare & Private Education	2,400	1,000	-200	3,200	129,000	2.5%
Leisure & Hospitality	1,100	-100	400	1,400	51,900	2.7%
Government (Public Ed, Law Enf.)	500		100	600	114,600	0.5%
Professional & Business Services	500	800	600	1,900	39,900	4.8%
Mining & Construction	-400	-100	-200	-700	15,500	-4.5%
Trade, Transportation, Utilities	800	900	200	1,900	112,700	1.7%
Manufacturing	600	500		1,100	13,000	8.5%
Information	-100	-100		-200	4,200	-4.8%
Financial Activities	0	0	0	0	17,900	0%
Other Services	100	100		200	10,700	1.9%
Total All Non-Agriculture Sectors:	5,500	3,000	900	9,400	509,400	
Annual Job Growth Rate:	2.1%	2.1%	0.9%	1.8%		1.8%

For the first time in years, Manufacturing was the fastest-growing sector in the region. A total of 1,100 new Manufacturing jobs were created in 2018. Professional & Business Services, which includes staffing agencies, Customer Care Centers, and other Professional service companies, grew at a 4.8% rate, and was the second-fastest growing sector.

In terms of total new job creation, Healthcare created the most new jobs at 3,200, followed by both Professional & Business Services and Trade, Transportation & Utilities with 1,900 each.

Workforce Solutions has mentioned previously that it appears that the region's population growth rate has decelerated significantly since 2008. This could potentially be a reason that the Government sector job growth has decelerated in recent years. The Public Education Subsector makes up a significant portion of the jobs in the Government sector, along with Law Enforcement. It is possible that the enrollment declines seen in some area school districts are as much a result of the slowing population growth as they are a result of the competition between school districts for students.

Next month we will dig into the Trade Supersector and look at the Retail Trade Sub-sector, to see how 2018 compared to some of the past years that were showing slower job growth.

As always, thanks again for your support and participation!

Texas Labor Market Review from TWC:

http://www.tracer2.com/admin/uploadedPublications/2138_TLMR-Current_Edition.pdf