

INDICATORS

Texas Unemployment Rate

Actual Series	
November 2002	6.0%
October 2002	5.9%
November 2001	5.3%

Seasonally Adjusted

November 2002	6.2%
October 2002	6.2%
November 2001	5.6%

U.S. Unemployment Rate

Actual Series	
November 2002	5.7%
October 2002	5.3%
November 2001	5.3%

Seasonally Adjusted

November 2002	6.0%
October 2002	5.7%
November 2001	5.6%

Texas Nonagricultural Wage & Salary Employment

Actual Series	9,469,500
OTM Change	20,100
OTY Change	-40,600

Seasonally Adjusted	9,410,700
OTM Change	-700
OTY Change	-38,900

Initial Claims for Unemployment Benefits

November 2002	90,429
October 2002	101,668
November 2001	100,095

Consumer Price Index (CPI) Annual Change

U.S.	2.2%
Dallas-Fort Worth	1.2%
Houston-Galveston (October)	2.0%

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TEXAS

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Texas Nonagricultural Wage and Salary Employment (Seasonally Adjusted)

Total Nonagricultural Employment in Texas remained nearly unchanged in November with an over-the-month loss of only 700 jobs. This modest monthly reduction falls on the heels of a 10,900-job drop in October. Government showed the largest employment gain in November with Construction and Services each experiencing more moderate growth. Transportation, Communications, and Public Utilities (TCPU), Manufacturing, and Trade suffered the largest job losses.

With the exception of a slight gain in September, employment in TCPU has been on the decline since June 2002. This descent continued in November as employment fell by 2,300 positions. However, this decrease was small when compared to the loss of 5,000 jobs recorded for TCPU in November 2001. *Transportation by Air* was responsible for the majority of the decrease as it suffered a loss of 1,900 jobs, followed by *Communications* with a drop of 800 jobs. Year-to-date losses continued to mount in November with a total of 9,800 jobs shed.

Manufacturing employment fell by 1,500 jobs in November. Losses were centered in *Durable Goods Manufacturing* with the largest declines occurring in *Electronic Equipment* and *Industrial Machinery*. *Nondurable Goods Manufacturing* posted its first job gain in two years driven by additions in *Rubber and Miscellaneous Plastic Products*.

Employment in Trade posted a loss of 1,200 positions in November, marking six straight months of declining employment in this industry. *Retail Trade* was responsible for the decline with a seasonally-adjusted drop of 1,300 jobs. Since November 2001, *Retail Trade* has shed 11,300 positions. Though still negative, the annual growth rate for Trade employment improved slightly in November to -0.8 percent, its highest level since December 2001.

Government employment grew for the fourth straight month, adding 2,800 jobs in November. *Local Government* had the biggest impact, contributing 2,900 positions over the month. Annual growth for Total Government remained at 2.3 percent for the fourth month in a row. A total of 29,900 Government jobs have been added since January 2002.

Construction employment grew by 700 jobs in November following four straight months of job losses. *Heavy Construction* added 1,000 jobs, while employment in both *General Building Contractors* and *Special Trade Contractors* posted slight declines. Construction employment has fallen by 2,900 positions since January 2002. The annual growth rate for Construction remained unchanged at -0.5 percent in November.

Metropolitan Statistical Area (MSA) Employment (Non-Seasonally Adjusted)

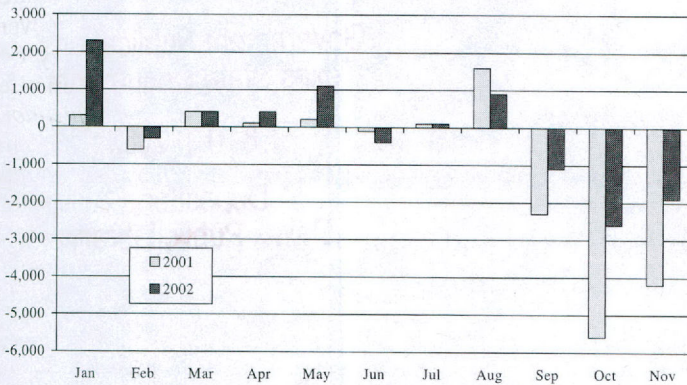
Total Nonagricultural Employment in the MSAs grew by 21,700 jobs in November, representing the fourth consecutive over-the-month increase. Additional hiring in the Houston, Fort Worth-Arlington and Austin-San Marcos MSAs accounted for over half of November's employment gain, adding a combined 11,900 jobs. In addition, employment in the MSAs climbed by 1,100 positions over the year, the highest annual increase in fifteen months.

Following a loss of 900 jobs in October, employment in the Trade industry grew by 23,200 jobs in November. *Retail Trade* claimed nearly the entire increase, chalking up a 23,100-job gain due to additional hiring for the holiday shopping season. Year to date, the Trade industry has added 99,800 jobs, almost double the year-to-date gain seen in November 2001.

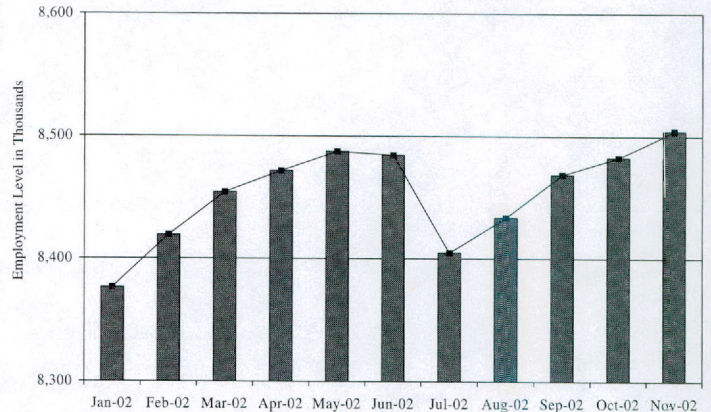
Manufacturing employment fell for the third straight month in November with a loss of 2,100 positions. *Durable Goods Manufacturing* accounted for the majority of November's drop, decreasing by 1,800 jobs. Although the over-the-year growth rate was -2.8 percent, the decline was much lower, by nearly half, of the previous year's annual growth rate of -5.4 percent.

The Transportation, Communications, and Public Utilities industry experienced its first over-the-month gain since June 2002. This industry added 300 jobs, faring better than last November, which posted a job loss of 900 workers. The Fort Worth-Arlington and Dallas MSAs captured the bulk of the gain, adding 500 jobs combined.

Transportation by Air Continues to Follow Employment Trend of 2001 (Statewide, Seasonally Adjusted)



Total MSA Employment on Upward Trend



TEXAS AND U.S. CIVILIAN LABOR FORCE ESTIMATES

TEXAS*					UNITED STATES**			
Actual	CLF	Employment	Unemp.	Rate	CLF	Employment	Unemp.	Rate
November '02	10,751,600	10,104,700	646,900	6.0	142,405,000	134,358,000	8,047,000	5.7
October '02	10,777,000	10,144,300	632,700	5.9	142,878,000	135,237,000	7,640,000	5.3
November '01	10,552,300	9,988,300	564,000	5.3	141,911,000	134,359,000	7,551,000	5.3
Seas. Adjusted	CLF	Employment	Unemp.	Rate	CLF	Employment	Unemp.	Rate
November '02	10,745,600	10,074,500	671,100	6.2	142,733,000	134,225,000	8,508,000	6.0
October '02	10,765,500	10,093,900	671,600	6.2	143,123,000	134,914,000	8,209,000	5.7
November '01	10,538,700	9,949,600	589,100	5.6	142,279,000	134,253,000	8,026,000	5.6

Note: Only the actual series estimates for Texas and the U.S. are comparable to sub-state estimates. Current month estimates for Texas are preliminary. All estimates are subject to revision. In seasonally adjusted estimates all elements of seasonality are factored out to achieve an estimate which reflects the basic underlying trend.

*Source - Labor Market Information Department, Texas Workforce Commission (model-based methodology)

**Source - Bureau of Labor Statistics, U.S. Department of Labor (Current Population Survey)

TEXAS NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT SEASONALLY ADJUSTED⁺

INDUSTRY TITLE	Nov. 2002*	Oct. 2002	Nov. 2001	Oct. '02 to Nov. '02		Nov. '01 to Nov. '02	
				Absolute Change	Percent Change	Absolute Change	Percent Change
TOTAL NONAG. W&S EMPLOYMENT	9,410,700	9,411,400	9,449,600	-700	0.0	-38,900	-0.4
GOODS PRODUCING	1,707,300	1,708,100	1,750,500	-800	0.0	-43,200	-2.5
Mining	156,300	156,300	162,800	0	0.0	-6,500	-4.0
Construction	556,100	555,400	558,900	700	0.1	-2,800	-0.5
Manufacturing	994,900	996,400	1,028,800	-1,500	-0.2	-33,900	-3.3
Durable Goods	600,700	602,900	624,800	-2,200	-0.4	-24,100	-3.9
Nondurable Goods	394,200	393,500	404,000	700	0.2	-9,800	-2.4
SERVICE PRODUCING	7,703,400	7,703,300	7,699,100	100	0.0	4,300	0.1
Transportation, Comm., Utilities	567,600	569,900	582,400	-2,300	-0.4	-14,800	-2.5
Trade	2,229,800	2,231,000	2,247,500	-1,200	-0.1	-17,700	-0.8
Wholesale Trade	520,900	520,800	527,300	100	0.0	-6,400	-1.2
Retail Trade	1,708,900	1,710,200	1,720,200	-1,300	-0.1	-11,300	-0.7
Finance, Insurance, & Real Estate	530,500	530,400	533,500	100	0.0	-3,000	-0.6
Services	2,740,200	2,739,500	2,737,600	700	0.0	2,600	0.1
Government	1,635,300	1,632,500	1,598,100	2,800	0.2	37,200	2.3

Note: The number of nonagricultural jobs in Texas is without reference to place of residence of workers.

*Estimates for the current month are preliminary. All estimates are subject to revision.

⁺All elements of seasonality are factored out to achieve an estimate which reflects the basic underlying trend.

The Goods Producing Sector and Wholesale Trade estimates are probability-based. (See text box on page 9 for more information)

Jobs in the 21st Century

by Dorothy Gattis

In order to meet the demands of Texas employers in the 21st century, Texas faces the challenge of providing a skilled workforce for expanding industries, and in order to meet the replacement needs resulting from workers who leave the labor force or transfer to other occupations. With Texas ranking second in the nation in population and labor force, the opportunity to supply such a workforce is obtainable. Many businesses have changed the way they operate. These changes have resulted from the continued automation of office processes, including those related to electronic business, as well as placing a greater emphasis on a flexible workforce through the use of temporary workers. This has resulted in the automation of some job tasks while eliminating others altogether. However, a number of occupations that involve a great deal of contact with people are less affected by changing technology. Expected job growth over the next decade will largely be attributed to Texas' population growth and the needs of the dependent population groups. What are the projected occupational needs in the first ten years of the 21st century? Where can Texas expect occupational job growth to occur in 2010? The Texas Labor Market Information Department has released occupational employment projections for the 2000-2010 period. These projections should shed some light on these questions and provide valuable information to individuals wishing to prepare themselves for success in tomorrow's job market.

Total employment in Texas is projected to increase by over 1.8 million jobs between 2000 and 2010, rising to nearly 13 million jobs overall. Over 50 percent of the growth will be found in professional and service occupations. Additionally, almost 2.3 million job vacancies will occur as experienced workers leave their jobs to enter other occupations, retire, or leave the labor force for other reasons. Compared to a U.S. job growth rate of 15.2 percent for the projection period, Texas is expected to grow by 17.6 percent. Though employment in Texas is projected to grow at a faster pace than the nation, the rate is below that of the 1990-2000 period, when employment in Texas grew by 22.5 percent. As expected, Texas' list of top growing occupations over the 2000-2010 period closely mirrors the nation's.

Employment in the two largest major occupational groups in 2000, *Professional and Related Occupations* and *Service Occupations*, are projected to grow the fastest and are expected to add the most jobs between 2000 and 2010. Of the top twenty growing occupations, the majority will be found in these two major occupational groups. Accounting for most of that growth are occupations found in health, computer, and education-related fields.

The demand for computer-related occupations will continue to increase as a result of advances in computer technology and consumer's demand for new applications and improved performance. As businesses become more dependent on advanced technologies, *Computer Software Engineers* are expected to grow by nearly 75 percent, adding over 40,000 new jobs by 2010. Rapid growth for *Computer Support Specialists*, *Network and Computer System Administrators*, *Network System and Data Communication Analysts*, *Database Administrators*, *Computer System Analysts*, and *Computer and Information System Managers* is anticipated for the projection

period. These types of workers are needed by employers to set up additional hardware and software and maintain and oversee their current hardware and software systems. These occupations are predicted to add nearly 85,000 jobs over the period, for a total of over 215,000 positions by 2010. As businesses continue to rely on automation to improve services, some occupations will experience declines. Jobs for *Computer Operators*, *Tellers*, and *Communication Equipment Operators* will experience a decline of nearly 3,500. In an effort to reduce printing and publishing costs, employers will turn increasingly to the use of desktop publishing. This accounts for *Desktop Publishers* being one of the fastest growing occupations, increasing by over 75 percent between 2000 and 2010. *Customer Service Representatives* will lead the way as the occupation adding the most jobs by 2010 as employers strive to provide better quality customer service, including internet services. They are forecast to grow to over 240,000 by 2010, an addition of nearly 60,000 positions for the period.

According to estimates prepared by the Texas State Data Center at Texas A&M University, there will be approximately 24.2 million Texans by 2010. Twenty-six percent of that population will be school-age children, an increase of 454,000 from 2000. Over the past few years, many areas of Texas have experienced shortages of teachers in the wake of these population increases. In addition, school districts must also replace those teachers who have retired or left the teaching field to seek better pay and benefits. With the expected increases in student enrollment and the need to entice individuals to select a career in the field of education, over 105,000 new teaching positions are projected for the ten-year period and over 85,000 teachers will be needed to replace individuals who leave the occupation or retire.

Projected job growth in health services reflects an expected increase in the number of elderly Texans, technological advances in medicine, and the greater use of more cost-effective healthcare support personnel. Elderly Texans will make up over ten percent of the population by 2010, an increase of nearly 22 percent between 2000 and 2010. This population group typically requires more healthcare services resulting in the expected increase in healthcare occupations. For example, *Physical Therapist Aides*, *Physical Therapist Assistants*, and *Medical Assistants*, along with *Social and Human Service Assistants* are projected to increase by nearly 48 percent, a gain of nearly 17,000 jobs by 2010. *Registered Nurses* and *Nursing Aides, Orderlies, and Attendants*, adding over 56,000 jobs, are among the largest growing occupations employed in personal and residential care facilities. *Physician Assistants* will experience a growth of nearly 1,500, an increase of over 44 percent which makes it one of the fastest growing occupations over the decade. These workers are tapped to improve efficiency and help control the cost of medical services. Advanced home medical treatments explain the expected growth in *Personal and Home Care Aides* which are projected to increase by nearly 33 percent to an employment level of over 84,000 by 2010.

Job openings occur not only due to industry expansion but also because of existing workers leaving jobs to enter other occupations, retire, or leave the labor force for other reasons. Leading the list of occupations with the largest anticipated replacement needs are *Retail Salespersons* and *Cashiers* which are expected to have over 200,000 job openings during the decade. Full and part-time jobs are projected to be abundant for *Food Preparation and Service Workers*, *Including Fast Food* and

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Waiters and Waitresses due simply to the large number of positions in these occupations, over 375,000. Since these are high-turnover occupations, it will be necessary to replace over 17,000 positions annually.

Landscaping and Groundskeeping Workers and Pest Controllers will each experience a growth rate of over 24 percent, adding nearly 14,000 jobs as a result of consumers' demand for their services. With the rising public concern for security, Security Guards, Police and Sheriff's Patrol Officers, Detectives and Criminal Investigators, and Private Detectives and Investigators are projected to increase by over 30 percent, an addition of nearly 43,000 jobs between 2000 and 2010.

The majority of the new jobs in Texas over the next ten years will be found in occupations such as Cashiers, General Office Clerks, General and Operations Managers, and Janitors and Cleaners, which occur across many industries.

With many areas of Texas facing higher unemployment rates and more competitive labor markets, the need for careful career planning becomes essential. To assist in identifying potential job opportunities, occupational employment projections are prepared by the Labor Market Information Department for Texas and each of its twenty-eight Workforce Development Areas (WDAs). It is important to remember that employment projections are just one variable to consider when planning for your career.

To view the complete list of 2000-2010 industrial and occupational employment projections, go to LMI's website at www.texasworkforce.org/lmi and select Future Job Growth.

Occupational Group	Annual Employment		Change	
	2000	2010	Number	Percent
Total, All Occupations	10,393,760	12,217,920	1,824,160	17.6
Management, Business, & Financial Occupations	1,277,630	1,496,090	218,460	17.1
Professional & Related Occupations	1,891,950	2,394,800	502,850	26.6
Service Occupations	1,842,700	2,254,960	412,260	22.4
Sales & Related Occupations	1,073,640	1,218,830	145,190	13.5
Office & Administrative Support Occupations	1,683,320	1,874,690	191,370	11.4
Farming, Fishing, & Forestry Occupations	140,220	148,440	8,220	5.9
Construction & Extraction Occupations	581,120	671,520	90,400	15.6
Installation, Maintenance, & Repair Occupations	444,320	502,500	58,180	13.1
Production Occupations	761,470	846,800	85,330	11.2
Transportation & Material Moving Occupations	697,400	809,300	111,900	16.0

Occupational Group	Annual Employment		Change	
	2000	2010	Number	Percent
Total, All Occupations	10,393,760	12,217,920	1,824,160	17.6
Customer Service Representatives	181,920	241,600	59,680	32.8
Food Preparation & Serving Workers, Including Fast Food	152,790	206,490	53,700	35.1
Child Care Workers	135,960	180,820	44,860	33.0
Retail Salespersons	283,710	324,110	40,400	14.2
Registered Nurses	132,220	167,580	35,360	26.7
Cashiers	214,170	248,260	34,090	15.9
Computer Support Specialists	39,270	72,760	33,490	85.3
Office Clerks, General	199,630	230,020	30,390	15.2
Waiters & Waitresses	138,310	168,540	30,230	21.9
General & Operations Managers	198,770	227,960	29,190	14.7
Elementary School Teachers, Ex Special Education	124,160	152,650	28,490	22.9
Teacher Assistants	79,620	105,200	25,580	32.1
Secondary School Teachers, Ex Special/Voc Education	83,930	108,160	24,230	28.9
Janitors & Cleaners, Ex Maids & Housekeeping Cleaners	150,220	174,270	24,050	16.0
Truck Drivers, Heavy & Tractor-Trailer	130,080	153,790	23,710	18.2
Computer Software Engineers, Applications	29,380	52,900	23,520	80.1
Security Guards	76,660	100,160	23,500	30.7
Nursing Aides, Orderlies, & Attendants	81,680	102,350	20,670	25.3
Personal & Home Care Aides	63,410	84,020	20,610	32.5
Laborers & Freight, Stock, & Material Movers, Hand	141,070	161,670	20,600	14.6

Occupational Group	Annual Employment		Change	
	2000	2010	Number	Percent
Total, All Occupations	10,393,760	12,217,920	1,824,160	17.6
Computer Support Specialists	39,270	72,760	33,490	85.3
Computer Software Engineers, Applications	29,380	52,900	23,520	80.1
Network & Computer Systems Administrators	17,780	31,430	13,650	76.8
Desktop Publishers	1,980	3,490	1,510	76.3
Computer Software Engineers, Systems Software	27,030	45,190	18,160	67.2
Network Systems & Data Communications Analysts	8,780	14,570	5,790	65.9
Computer Specialists, NEC	12,490	19,600	7,110	56.9
Database Administrators	7,080	10,870	3,790	53.5
Medical Records & Health Information Technicians	11,650	17,770	6,120	52.5
Social & Human Service Assistants	9,470	14,280	4,810	50.8
Special Ed. Teachers, Preschool, Kindergarten, & Elem. Sch.	12,060	17,870	5,810	48.2
Computer Systems Analysts	36,420	53,940	17,520	48.1
Medical Assistants	21,390	31,480	10,090	47.2
Physician Assistants	3,230	4,680	1,450	44.9
Computer & Information Systems Managers	23,080	33,380	10,300	44.6
Speech-Language Pathologists	6,360	9,160	2,800	44.0
Respiratory Therapy Technicians	3,090	4,440	1,350	43.7
Cardiovascular Technologists & Technicians	2,160	3,070	910	42.1
Physical Therapist Aides	2,160	3,070	910	42.1
Physical Therapist Assistants	2,530	3,590	1,060	41.9

Highlights of the Texas Labor Force (Non-Seasonally Adjusted)

Bryce Bayles, LMI Economist

The Texas actual series unemployment rate nudged upward by one-tenth of a percentage point to 6.0 percent in November, reversing four consecutive months of rate reductions. November's rate was the highest recorded for the month since 1993, when it reached 6.7 percent. Though November's rise was less than the average two-tenths increase typically seen this time of year, the rate was still seven-tenths of a percentage point higher than last November's rate of 5.3 percent. Nationally, the U.S. unemployment rate rose four-tenths of a percentage point to 5.7 percent in November after declining (or holding steady) the previous four months. The U.S. rate was four-tenths of a percentage point higher than last November's rate of 5.3 percent and was the highest national rate for the month since 1993 when it stood at 6.2 percent.

Employment in Texas decreased by 39,600 over the month, from 10,144,300 in October to 10,104,700 in November. On average, the over-the-month change from October to November is a gain of 5,000. More recent over-the-month employment drops are reflective of the sluggish economy coupled with slower than anticipated seasonal hiring. Even with this decrease, employment in November was 116,400 above last year's level of 9,988,300. In addition, employment in Texas was at its highest recorded level in November and has remained above the 10 million mark for eight consecutive months.

The number of unemployed Texans increased in November, reversing a four-month trend of declines. The increase of 14,200 brought October's level of 632,700 to 646,900 in November. This year's gain was less than half of last November's addition of 35,600. Though November's unemployment level was the highest reported for the month since 1992 (when it reached 667,300), it rose by less than the 21,100 gain typically seen in November. Even with November's smaller than anticipated increase, the overall unemployment level was 82,900 higher than last year's level of 564,000.

The number of statewide claims for unemployment benefits without earnings edged upward in November after registering declines for three straight months. Claims increased by 700 from 161,200 in October to 161,900 in November. Over the last three months, claims have vacillated between 161,200 and 161,900, suggesting a possible stabilizing in layoff activity. Though claims grew over the month, November was the first month in 2002 to report fewer claims over the year, recording 2,300 fewer claims than last November's 164,200.

Civilian Labor Force Estimates for Texas Metropolitan Statistical Areas (In Thousands)

	November 2002*				October 2002				November 2001			
	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate
State of Texas	10,751.6	10,104.7	646.9	6.0	10,777.0	10,144.3	632.7	5.9	10,552.3	9,988.3	564.0	5.3
Abilene	56.4	54.2	2.2	3.9	56.6	54.4	2.2	3.9	56.8	54.8	2.0	3.5
Amarillo	113.0	109.0	4.0	3.5	113.0	108.9	4.1	3.6	112.6	109.1	3.5	3.1
Austin-San Marcos	776.0	736.3	39.7	5.1	777.0	737.2	39.8	5.1	763.1	726.0	37.1	4.9
Beaumont-Port Arthur	179.0	164.9	14.1	7.9	179.3	165.5	13.8	7.7	176.2	162.8	13.4	7.6
Brazoria	110.2	102.6	7.6	6.9	110.9	103.4	7.5	6.8	108.6	102.4	6.2	5.7
Brownsville-Harlingen	137.0	122.0	15.0	10.9	136.5	122.5	14.0	10.3	133.9	120.4	13.5	10.1
Bryan-College Station	81.1	79.7	1.4	1.7	81.4	80.0	1.4	1.7	80.3	79.1	1.2	1.5
Corpus Christi	177.7	167.4	10.3	5.8	178.2	168.0	10.2	5.7	172.8	163.5	9.3	5.4
Dallas	2,052.7	1,917.7	135.0	6.6	2,064.7	1,929.7	135.0	6.5	2,028.1	1,904.7	123.4	6.1
El Paso	287.5	262.4	25.1	8.7	287.9	263.4	24.5	8.5	284.6	261.6	23.0	8.1
Fort Worth-Arlington	951.8	896.2	55.6	5.8	954.1	900.1	54.0	5.7	939.7	892.9	46.8	5.0
Galveston-Texas City	119.3	110.9	8.4	7.1	119.8	111.3	8.5	7.1	117.5	110.3	7.2	6.2
Houston	2,272.9	2,143.9	129.0	5.7	2,276.5	2,148.5	128.0	5.6	2,222.0	2,121.0	101.0	4.5
Killeen-Temple	118.5	112.4	6.1	5.2	119.2	113.2	6.0	5.0	117.6	112.2	5.4	4.6
Laredo	78.2	73.1	5.1	6.6	77.9	72.9	5.0	6.5	75.9	70.9	5.0	6.5
Longview-Marshall	103.5	97.0	6.5	6.3	104.3	97.9	6.4	6.2	102.8	97.1	5.7	5.6
Lubbock	131.9	128.4	3.5	2.7	133.0	129.6	3.4	2.6	128.6	125.7	2.9	2.2
McAllen-Edinburg-Mission	221.5	191.9	29.6	13.3	215.3	189.9	25.4	11.8	209.6	183.4	26.2	12.5
Odessa-Midland	123.5	116.6	6.9	5.6	124.0	117.0	7.0	5.6	120.9	116.0	4.9	4.0
San Angelo	51.5	49.6	1.9	3.7	51.7	49.8	1.9	3.6	50.1	48.6	1.5	2.9
San Antonio	813.3	772.3	41.0	5.0	815.4	775.4	40.0	4.9	797.4	760.5	36.9	4.6
Sherman-Denison	49.6	46.6	3.0	6.0	50.0	47.0	3.0	5.9	49.9	46.6	3.3	6.7
Texarkana	56.6	53.9	2.7	4.8	56.7	54.0	2.7	4.8	55.6	53.2	2.4	4.3
Tyler	95.8	91.6	4.2	4.4	95.7	91.9	3.8	4.0	93.8	89.2	4.6	4.9
Victoria	45.3	43.2	2.1	4.7	45.3	43.1	2.2	4.8	44.1	42.3	1.8	4.1
Waco	101.8	97.6	4.2	4.2	102.9	98.7	4.2	4.1	101.5	97.5	4.0	3.9
Wichita Falls	64.5	61.2	3.3	5.2	65.2	61.6	3.6	5.5	63.7	61.2	2.5	4.0

*Estimates for the current month are preliminary. All estimates are subject to revision. Estimates reflect actual (not seasonally adjusted) data. Civilian Labor Force (C.L.F.) includes wage and salary workers, self-employed, unpaid family, domestics in private households, agricultural workers, workers involved in labor disputes and the unemployed, all by place of residence. Employment and Unemployment data are first rounded then added together to derive the rounded CLF total. Because of this rounding technique, this rounded total of the CLF may not agree with a rounding of the CLF total itself. Percent Unemployed is based upon unrounded Labor Force, Employment and Unemployment numbers. Estimates of the TWC are in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

“ASK THE EXPERT”

Q. How do companies use economic data when deciding to relocate to a market? What are the factors considered? *by Dr. Larry Allen, Ph.D.*

Economic data is a way of taking the temperature and pulse for a regional economy, of lighting up the radar screen with the diastolic and systolic echoes of regional economic activity. Businesses vary in the depth of economic analysis they conduct before choosing a location. A personally-owned business may make decisions rooted in family considerations, and familiarity of local conditions. An Everest of data collection and analysis will precede the location of retail chain stores and large manufacturing plants.

Before looking at regional economic data, a business may already have a region in mind for relocation. Desire to penetrate new markets, segregate or integrate corporate functions, or a loftier visibility may be considerations. Maybe a business hopes to whittle down the dual transportation costs of acquiring inputs and marketing outputs. Some regions hold out the likelihood of savings in production costs that outweigh costlier transportation. Production costs may benefit from bargain labor costs or a natural resource such as water. Modern technology has subtracted from the large place of raw materials, but energy prices can be a weighty locational factor, particularly for branch plant locations. A retail business may be looking at a population size, household income, and opportunities to monopolize a population within a given radius. Unionization may enter into the decision if a company needs a low-wage, cooperative work force for manual and routine work. Capital-intensive industries may shun the bite of high corporate profits' taxes, and high personal taxes seem to slacken regional growth.

Some location considerations transcend the boundaries of economic measurement. A business may want to know the kind of commercial and political ties that could develop, and if the citizens of the adopted community will make intelligent and useful allies in the quest for survival and profits. Political and legal atmospherics favorable to business are a plus. Much can be learned about a community by learning the ideals to which it responds. Fears of losing strategic employees may add weight to these factors. Amenities such as good weather, good roads, museums, sunshine, and other public services may allow firms to recruit more productive workers at lower costs.

Some factors may be over rated. All businesses are going to say that low taxes and right-to-work laws are important because they regard it unwise to say differently, definitely not wanting to encourage these things. Myopic litmus tests are unlikely to shackle location decisions, but in these matters exceptions disturb every generalization.

The selection of a broad region will focus on labor, state taxes, business climate, and proximity to customers and suppliers. The choice of a particular site within a region will stress such things as land cost, access to good roads, and good local schools.

A company may identify several locations that stand roughly equal, but often a business must accept trade offs in a location decision. Businesses differ in taste and logic, and may rank good schools above good laws. Once a group of locations falls within the circle of acceptability, a business analyzes economic data to see beyond protective colorization and look for hidden and maybe even nameless costs and benefits of each location relevant to that business. If a location looks ideal except for one glaring and disturbing anomaly, a business can look into the economic and social data to study the issue from more than one angle. Maybe an area has above average wages, a negative trait considered alone, but there may be compensating benefits. If the area enjoys a high concentration of large multi-national enterprises that voluntarily pay high wages and screen employees with demanding aptitude tests, high wages may be indicative of a top-drawer workforce. Also, a high wage region that has long endured brutally high unemployment may be home to hundreds of workers willing to work for much lower wages.

Economic data leads to the formation of expectations, often with a prejudice toward believing that existing conditions will obstinately persevere into the future. Forecasters are biased in favor of underestimating the strength of changes already in sight, and may smile at predictions of a dramatic turning point in a region's economy. Prospective businesses will put out of court the idea that a raring upturn is right around the corner for a region muddling through a slump or weak-winged recovery. Outside businesses will declare a depressed region a case of incurable economic arteriosclerosis before they heroically forecast the bright dawn of a fresh prosperity. If a region has been reporting strong growth, outsiders are likely to predict strong growth in the future. In the 1970s exploding oil prices fueled a lusty growth in oil patch regions, which regional forecasters confidently predicted would continue in the 1980s as forecasted oil prices wildly soared to \$80 per barrel. Hardly one person in a million is able to fathom the tangled wheels of an economic turning point.

Things that can be counted and quantified may receive more consideration than more important things that cannot be measured.

Have a question for us?

If you have a question regarding labor markets, the economy, or anything related, please let us hear from you. All questions will be answered, with selected questions being featured in this section of the *Texas Labor Market Review*. Depending on the topic, questions will be answered by LMI staff or by guest "experts" from academia or government who have graciously volunteered their expertise.

The same data may be looked upon with dissimilar features depending upon how the community has reacted to it. Has the community been finding successful responses to new challenges, and will it accept the leadership it receives from the officials of a new employer? A community loosing population is guilty until proven innocent. It helps if a community has a self-respecting business and political leadership that intelligently acts as an initiative center amid a flux of economic forces, adding its own redirecting and remolding energy to the external economic forces that drive (and whipsaw) the region. A community that has overcome difficulties will be viewed more favorably than a community fortunate enough to have had problems go away without community action.

Data from published and government sources is more likely to shape a decision to open a facility in a broad region than in a particular community, more likely to shape a decision to open a branch plant in North East Texas than a branch plant in Greenville, Texas, and more likely to shape a decision to open a plant in Greenville than open a plant on a particular site in Greenville. Communities with the right mix of ability and adaptability outdo other communities. A decision will depend more on non-standard and non-published data as the process zeros in on one community and finally pinpoints one spot of real estate.

Dr. Larry Allen is a Professor of Economics at Lamar University. Contact Dr. Allen at allencl@hal.lamar.edu.

“HAPPENINGS AROUND THE STATE”

Ground Broken for Large Grocery Store

KILLEEN, Tex. (Killeen Daily Herald-Jenifer Putnam)—Construction has started on the largest Fort Hood area H-E-B near U.S. Highway 190 in Killeen. The new 90,000-square-foot store should be finished in the early summer of 2003. The facility is expected to employ 200 workers when fully operational.

Hal Collett, H-E-B vice president and general manager for the Central Texas region, said, “We’re building the biggest and best we have to support the community in this area.” H-E-B has 300 stores in Texas, Louisiana and Mexico.

Newsprint Mill Closing

HOUSTON, Tex. (HoustonChronicle.com)—Abitibi-Consolidated, a Canadian newsprint manufacturing company, will shutdown its mill in Sheldon, a community northeast of Houston. Three hundred fifty-seven people will lose their jobs.

Debbie Johnston, an Abitibi spokeswoman, said the Sheldon plant was a money-losing facility and idling it will save about \$32 million in fiscal 2003.

The ink removal plant and newsprint mill, which Abitibi purchased in 2000, uses recycled paper exclusively. There are no plans to sell the Sheldon mill at this time.

San Antonio to Add Wal-Mart Super Centers

SAN ANTONIO, Tex. (San Antonio Express-News—Aissatou Sidime)—Wal-Mart Stores Inc. plans to build two new Supercenters in the area in the near future. A Supercenter store’s construction is just beginning in a wooded area just inside Loop 410 near Vance Jackson on the northwest side of the city. Completion of the Supercenter should occur during the summer of 2003.

The other Supercenter store will be located in the south-side part of the city, tentatively planned for the Roosevelt and Southeast Military Drive area. Wal-Mart is aggressively building these new types of stores that offer groceries. “People shop for food more frequently than durable goods offered at traditional stores, according to David Merrefield of Supermarket News in New York, increasing “store traffic significantly.”

Longview Sign Company to Close

LONGVIEW, Tex (Longview News-Journal-Mike Elswick)—Zimmerman Sign Co. in Longview will close up local operations for consolidation of the

company’s operations in Jacksonville. This means an estimated loss of about 130 Longview jobs by April.

Chris James, vice president of finance and human resources for Zimmerman, said Thursday that operations in Longview and Tyler will be moved to Jacksonville. “The Longview plant will discontinue operations in April,” James said. “Longview associates will be given the opportunity to apply for positions in Jacksonville over the next several months.”

Tyler, which serves as corporate headquarters for Zimmerman, will lose about 60 jobs in the move, he said. Tyler workers can expect to have their work base moved to Jacksonville by the end of December. “These changes are critical for the company’s competitive position in the global marketplace,” James said. “In order to service our customer base and improve efficiencies, we will be consolidating our present three facilities into the Jacksonville campus.”

Exxon Doubles Plant Production in Beaumont

BEAUMONT, Tex (ExxonMobil Corporation)—ExxonMobil has recently finished a \$7 million expansion at its lube oil blending plant that will double its Beaumont grease manufacturing capacity. According to Elizabeth Bennett, grease-marketing manager-North America, ExxonMobil Lubricants & Specialties, “We’ve doubled our grease production at Beaumont and incorporated a revolutionary new quality control technology.”

Mike Purcell, plant manager at the Lube Oil Blending Plant believes, “This new process will set a new industry standard for consistency and quality.” The proprietary “GreasePro” control manufacturing process is the result of three years of research and development and is unique to ExxonMobil.

Austin High-Tech Plant to Close

AUSTIN, Tex. (Austin Business Journal)—A Portland, Oregon company is shutting down its northeast Austin high-tech manufacturing plant and laying off the plant’s 53 employees. Tosoh Quartz Inc. produces quartz glassware used for semiconductor manufacturing. The initial round of Austin layoffs will begin Dec. 30, according to a notice from Tosoh Quartz. The plant will close in February.

In early December, Tosoh Quartz announced it was restructuring its U.S. operations, resulting in the closure of the Austin plant and a workforce reduction of 20 percent. Only jobs in Austin and Portland are being affected.

2003 Labor Market Information Release Dates

<u>Reference Month</u>	<u>Release Date</u>
December 2002	Friday, January 24 th
January 2003	Friday, March 7 th
February 2003	Friday, March 28 th
March 2003	Friday, April 25 th
April 2003	Thursday, May 22 nd
May 2003	Thursday, June 19 th
June 2003	Thursday, July 17 th
July 2003	Thursday, August 14 th
August 2003	Thursday, September 18 th
September 2003	Thursday, October 16 th
October 2003	Thursday, November 20 th
November 2003	Thursday, December 18 th
December 2003	Friday, January 23 rd 2004

Texas Labor Market Review Labor Market Information



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