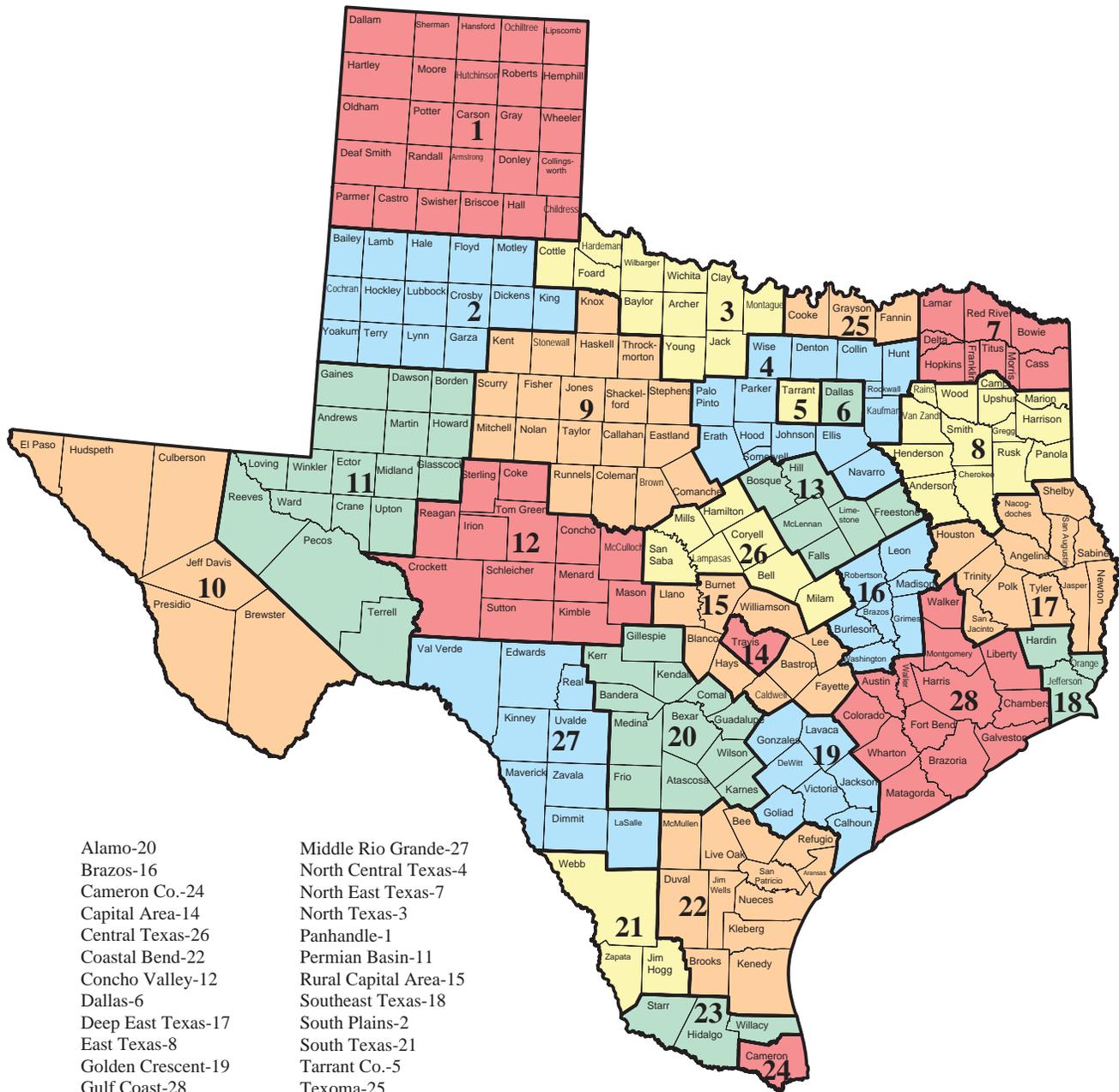


**A Forecast of the Texas Economy
and Job Market:
2008-2012**



Workforce Development Areas



- | | |
|---------------------|-----------------------|
| Alamo-20 | Middle Rio Grande-27 |
| Brazos-16 | North Central Texas-4 |
| Cameron Co.-24 | North East Texas-7 |
| Capital Area-14 | North Texas-3 |
| Central Texas-26 | Panhandle-1 |
| Coastal Bend-22 | Permian Basin-11 |
| Concho Valley-12 | Rural Capital Area-15 |
| Dallas-6 | Southeast Texas-18 |
| Deep East Texas-17 | South Plains-2 |
| East Texas-8 | South Texas-21 |
| Golden Crescent-19 | Tarrant Co.-5 |
| Gulf Coast-28 | Texoma-25 |
| Heart of Texas-13 | Upper Rio Grande-10 |
| Lower Rio Grande-23 | West Central Texas-9 |

Prepared by the Labor Market and Career Information Department, TWC

Figure 1.

A Forecast of the Texas Economy and Job Market: 2008-2012

Forecasts Developed by RDA Global for TWC/LMCI

This report presents summary findings and forecasts developed by RDA Global Inc., which was engaged as primary contractor for developing short-term industry employment forecasts. Accompanying this report are detailed tables of the employment forecasts by industry and Texas Workforce Commission workforce development areas of Texas. These forecasts are available electronically by clicking on <The Future> option at www.tracer2.com. This report also summarizes many other baseline economic forecasts for job growth in Texas along with the economic assumptions underlying the forecast models. The RDA Global team is projecting total employment in Texas to grow by 0.9 percent in 2010, grow by 1.5 percent in 2011, and grow by 1.6 percent in 2012.

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In his seminal 1902 book, *The Foundations of Science*, French mathematician Henri Poincare wrote, “It is far better to foresee even without certainty than not to foresee at all.” Despite significant economic uncertainty surrounding one of the worst national recessions in history, it is important to extend our glimpse into likely recovery scenarios in the Texas economy and labor market. There is no magic crystal ball or infallible oracle to lead us down the path of economic growth. Any number of unforeseen external events, such as the BP oil spill in the Gulf of Mexico, could reshape a job market forecast.

The Texas Workforce Commission’s Labor Market and Career Information (LMCI) department is responsible for providing short-term employment forecasts of state and regional job markets as part of a contractual agreement with the U.S. Department of Labor Employment and Training Administration (DOL/ETA).

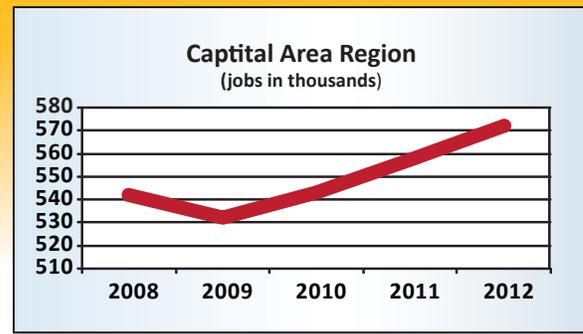
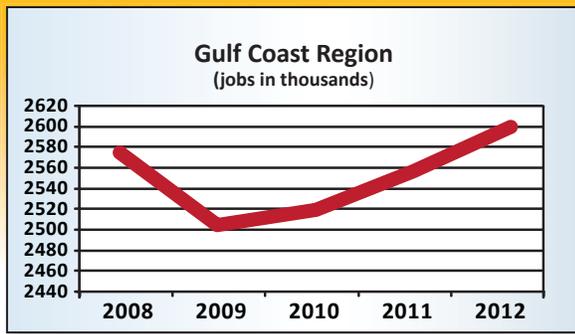
What to Expect: Moderate Job Growth Driven by Population Growth

Texas should see modest overall job growth combined with concentrated job growth in the largest metro areas through 2012, according to prognostications by international economic researchers at Houston-based RDA Global Inc.

RDA Global is projecting average job growth of a modest 1.3 percent a year for Texas through 2012.

“The bottom line is the Texas population is growing,” said Ray Duch, president of RDA Global and a professor of political economy doing research at Oxford University in England. “Job growth in general in Texas is going to be driven by the well-documented rapid population growth.”





Duch notes that Texas has a relatively high birth rate and a high immigration rate for working-age adults.

“The State seems likely to keep its comparative advantage in the world economy that makes it a growth region. This will necessarily drive up demand for both private and public services in relatively short order,” he said.

Population growth should trump budget concerns by federal, state and local governments, he said. And population growth should drive job expansion for Texas, especially in the fields of retail trade, public administration, education and health care. And RDA further projects the lion’s share of that job growth will come in the largest metro areas.

Impacts of a Changing Global and U.S. Economy

Texas is tied to the U.S. economy. And as the nation’s leading exporting state, local economies in Texas are also tied to the global economy. Duch cautions that international politics and economics could impede job growth in Texas.

With these global and national ties in mind, the RDA Global team forecasts feature relatively conservative assumptions of a sluggish recovery from the 2008 recession for Texas, the United States and the world. Assumptions regarding sluggish domestic and

international economic environments form the basis for this notion of a modest recovery in Texas.

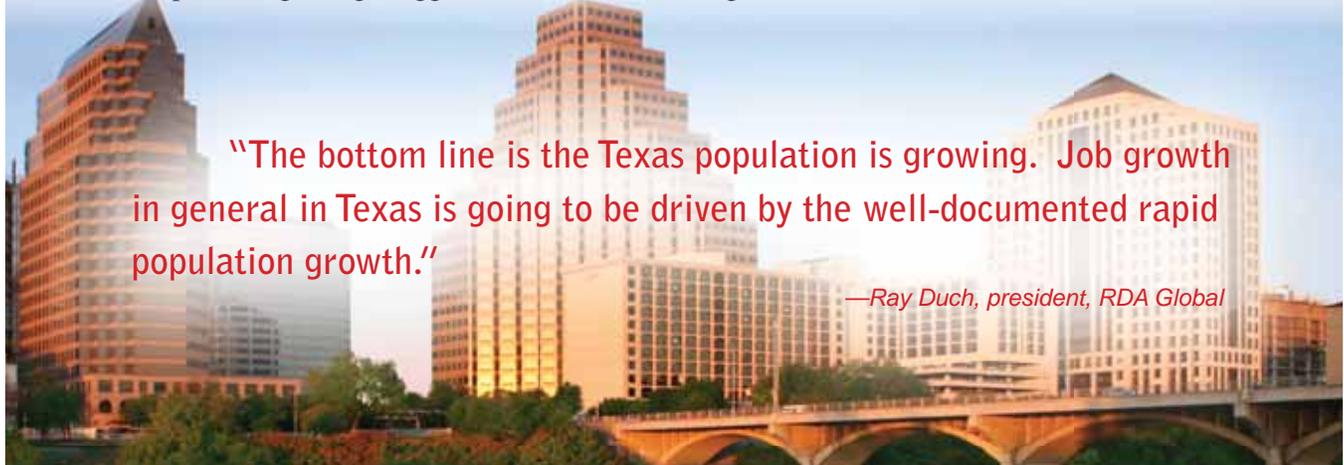
The RDA Global forecast points out that the 2008 recession was triggered by a crisis in the global financial sector and historic evidence suggests that recovery from such financial crises can be lengthy.

Credit markets have been seriously affected by this recession. Credit is tight, even in Texas. And credit has been especially tight for households, which is hurting a recovery for the Texas real estate and construction industries. In addition, credit remains tight for below-investment-grade firms and for small- and mid-sized businesses. This threatens overall job creation because small- and mid-sized businesses are vital in generating new jobs.

Financial institutions continue to experience problems, particularly in the consumer financing sector. RDA Global sees global financial instability as a continuing threat to the recovery of demand for U.S. goods and services through 2012.

The tight consumer credit situation is exacerbated by continued weaknesses in the U.S. labor market. Jobs are being created, but the number of unemployed persons remains high and growth in real disposable personal income remains anemic.

RDA Global economists point out that U.S. housing prices remain weak. While more evidence of stability in the housing market accumulates, some are forecasting a negative correction in 2010 or 2011.

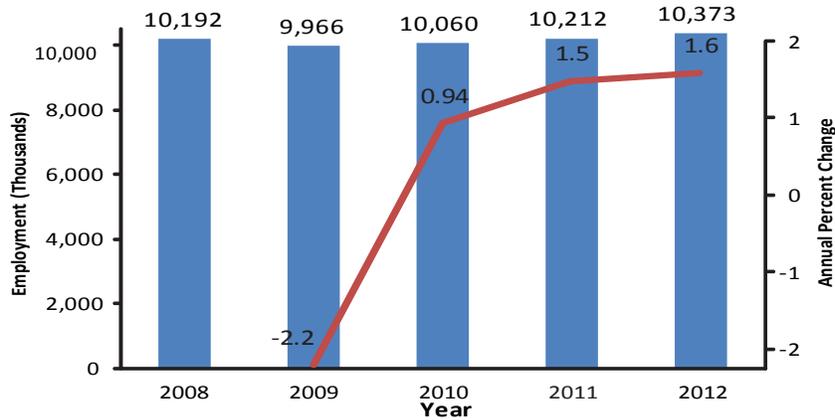


“The bottom line is the Texas population is growing. Job growth in general in Texas is going to be driven by the well-documented rapid population growth.”

—Ray Duch, president, RDA Global

Source: RDA Global 2010

Table 1. Texas Employment Forecast



A strong recovery in final demand (a.k.a. gross national product) will be handicapped by the financial situation of American households. There is a need for overstretched and over-indebted households to retrench by saving more as deleveraging takes place in the economy.

Excess capacity exists globally. International economists estimate that companies in the United States and Europe are operating at about 70 percent capacity in their production. RDA Global economists say such excess capacity should prevent a quick “V-shaped” recovery to the economies of Texas, the United States and the world.

Government fiscal stimulus spending could turn into fiscal drags by mid-2010, especially in Europe, according to RDA economists. The RDA team sees this government spending occurring in the United Kingdom in the aftermath of the recent British elections. Some of the larger European economies—particularly Portugal, Greece, Spain, Hungary and even Dubai—are under increasing pressure to reduce government debt. All of this government spending raises the concern about sovereign debt risk in advanced economies of Europe and the potential of eventual high inflation if large government deficits are monetized. In short, financial troubles in individual countries could lead to a second

recession in Europe, which could trigger a second global recession that would impact Texas.

Commodity prices remain high as China as well as India, Brazil and Russia continue to build and grow. Rising prices for goods like metals, cement and gasoline should deter consumption, which will slow recovery of the consumer-heavy economies of Texas and the United States.

Slack in labor markets is holding back wage and labor costs, while excess capacity is constraining the pricing power of corporations. Despite the possible reduction in potential output growth, wide output gaps, particularly in advanced economies, possibly will temper inflation. And the threat of inflation both globally and in the United States should keep most advanced economies’ central banks on hold throughout 2010.

Amid a weakened global economy, the U.S. dollar has been getting stronger which makes U.S. exports relatively more expensive. A robust U.S. dollar, combined with significant balance of payment deficits, should create new challenges for many of Texas’ major exports.

Another possible threat to an American economic recovery is if the United States and China get into a battle of protectionism as the two countries are currently debating the ability of U.S. companies to do business in that Asian country.

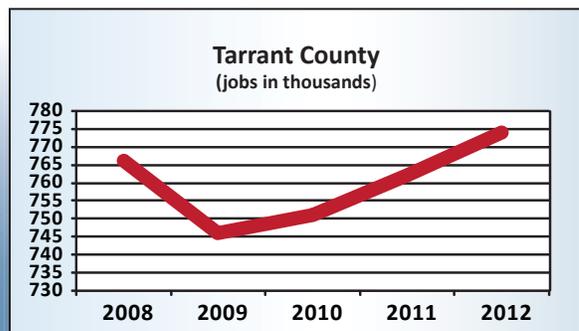
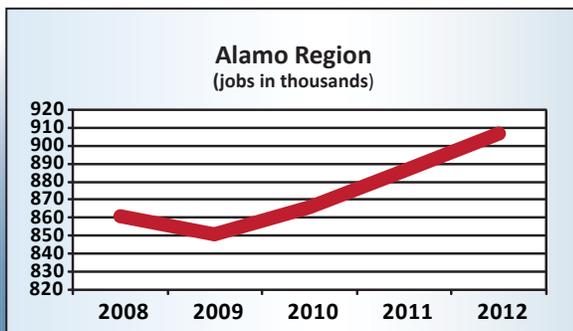
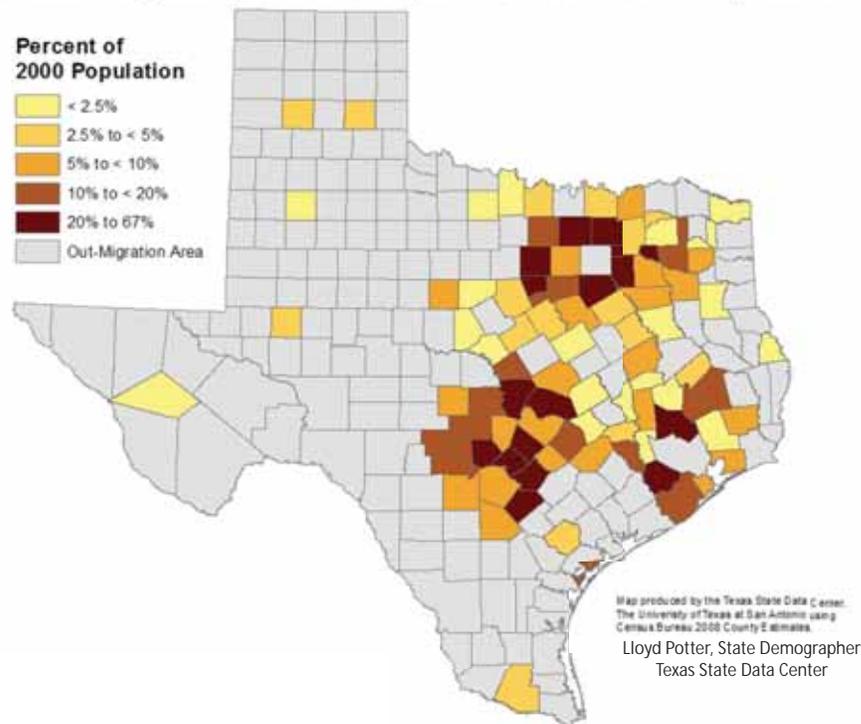


Figure 2.
Internal In-Migration, 2000 to 2008, as a Percent of 2000 Population



Uneven Job Growth Across Texas

Job growth over the next few years will not be evenly distributed across the state, according to the economic researchers. The RDA Global team projects that most job growth in the state should continue to be concentrated in the “Texas Triangle” area stretching from the Dallas-Fort Worth area south through Austin to San Antonio then east to Houston and then north back up to the DFW Metroplex. While the Lower Rio Grande Valley is one rural area that shows promise of job growth, the vast amount of new employment probably will be concentrated in the largest metro areas.

RDA economists point out that U.S. Census Bureau research finds that the lion’s share of the population growth in Texas is coming in the Dallas, Fort Worth, Austin, San Antonio and Houston areas—especially the Bayou City (See Figure 2).

“Houston will be seen as the first city to emerge from the economic downturn because of its diverse economy in energy with oil and natural gas and transportation with a busy airport and a busy seaport and because of all of its export activity,” Duch said.

The Gulf Coast region, which is dominated by Houston, took a big hit in the recession losing 70,000 jobs in 2009. Despite overall growth, RDA Global is projecting the Houston area will see a net loss of jobs in Construction, Manufacturing and Retail Trade for the 2008 to 2012 period.

Still, Houston is likely to be the state employment leader coming out of the recession because of its strength in sectors such as Energy, Health Care, and Transportation, Duch said. The Energy sector has shed jobs, but nothing like the 1980’s when the sector lost 25,000 jobs. The Energy sector lost about 3,000 jobs in 2009 but Duch’s team forecasts that employment levels will rebound to just under their 2008 numbers in 2012. White collar energy jobs are reasonably safe because of recent bullishness in the oil portion of the Energy sector and continued interest in natural gas will help maintain employment levels in this sector. Duch and his team are forecasting a small net decline in the Mining and Energy sectors for Houston over the forecast period.

The Houston housing market has held up comparatively well over the course of this recession. Larger homes and those located closer to the city center have experienced little price erosion. On the other hand, commercial real estate in Houston has experienced the same price free fall that has been seen in other national markets, Duch points out.

Houston is a global leader in the Health Care sector and the sector is the largest employer in the Gulf Coast region. The sector has weathered the recession very well—Duch and his team expect the Houston Health Care sector to generate a net increase of about 30,000 jobs for the region by 2012. Education and Professional Services are two service sectors that will account for a large part of Houston’s employment growth—those

sectors are expected together to create another 25,000 jobs by 2012.

Austin is particularly well positioned for strong employment growth because of its mix of economic activities. Austin's top six economic sectors, in terms of employment, are all forecasted to generate net employment growth over the forecast period. These are Accommodation and Food, Health Care, Retail Trade, Professional Services, Public Administration, and Education. The region will experience net declines in Manufacturing and Construction but these losses are significantly counter balanced by the job gains in these other sectors. Employment growth will be particularly strong in the Leisure Industries, Health and Education and Government

sectors. Duch pointed out that the Capital Region only lost about 10,000 jobs in the 2008 recession and job growth recovered quite robustly in 2010 and should continue to grow through 2012.

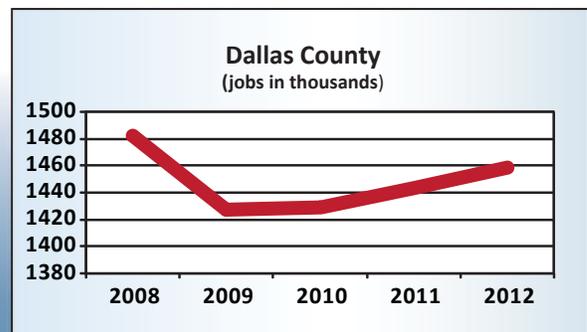
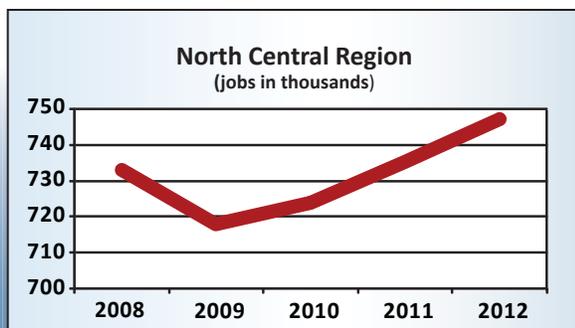
The Alamo region, dominated by San Antonio, is another area of the state that was relatively unscathed by the 2008 recession—the entire region lost about 9,000 jobs in 2009. Manufacturing accounts for a relatively small proportion of the total workforce in the San Antonio region and hence the area was spared the dramatic losses in manufacturing jobs that occurred in other parts of the state. Moreover, the largest employment sectors in the San Antonio region are expected to fare quite strongly through 2012—particularly the Leisure Industries, Health Care and Education sectors. The San Antonio region benefits from maintaining relatively low costs of doing business and has a large population of young workers.

The North Central region of Texas includes the suburbs around the Dallas-Fort Worth Metroplex and

Industry Title	2010	2012	Net Change 2009-2012
Texas Total, All Industries	10,053,129	10,366,496	407,280
Educational services	1,090,625	1,127,455	54,676
Food service & drinking places	823,192	861,178	52,323
Ambulatory health care	552,752	584,150	45,911
Professional & tech services	555,729	584,200	39,468
Hospitals	384,103	405,174	30,943
Local Government	337,085	349,057	16,829
Nursing & residential care	168,550	177,356	12,939
Social assistance	154,148	162,872	12,719
Merchant wholesalers, durable	284,530	293,070	10,218
Banking and credit intermediation	234,455	241,854	9,913
General merchandise stores	259,671	265,719	7,367
Administrative services	590,355	600,778	7,075

includes the counties of Collin, Denton, Ellis, Johnson and Rockwall. This suburban region took a relatively big hit in the 2008 recession—losing almost 15,000 jobs. Most of the job loss was in Manufacturing and Construction. RDA Global expects employment growth to rebound in the remaining forecast years 2010-2012. A primary factor driving this improved employment situation is the size of the education sector in the region's economy. Education is the largest employer in the region and Duch's team expects that education will be one of the fastest growing sectors in the Texas economy in the forecast period. In addition, the region has significant employment in the Health Care, Retail Trade and Leisure industries which are expected to generate strong growth in the post-2009 period and hence will contribute to the net creation of 25,000 jobs in this region for the 2008-2012 time period.

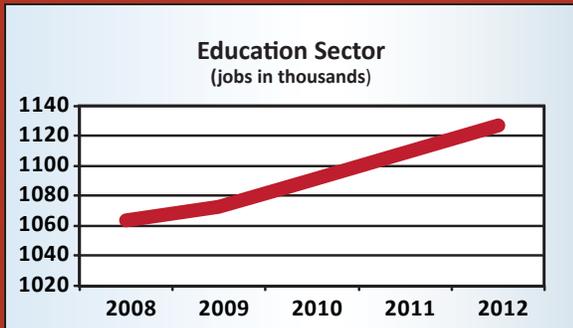
The North Central suburban region historically has experienced strong population growth and this is likely





“I agree that the lion’s share of the job growth will be in the big metro areas, including El Paso,” Clower said. “But I don’t think that the rest of the state will fail to take part in the economic recovery. There will be plenty of job activity all over Texas.”

—Terry Clower, Director, Center for Economic Development & Research



to continue at least in the short term over the 2008-2012 time period. This should also contribute to employment growth in the region. In particular, Duch’s team expects strong growth in public services as is witnessed by the 9,000 Public Administration jobs created in the region during this period; but also some of the Health Care job growth can be attributed to demographic trends.

The Lower Rio Grande Valley region that includes the McAllen-Edinburg-Pharr metro area should see smaller job growth than the bigger metro areas just mentioned, but considerable job growth nevertheless. In the 2008 recession, the McAllen-Edinburg-Pharr region lost only 2,000 jobs. The region is expected to see the creation of 12,000 net new jobs through 2012. The region’s two largest employers are Health Care

and Education, both of which are expected to generate significant new job opportunities in the near future.

Duch’s team also has a mixed employment outlook for the Dallas-Fort Worth urban area. Still, the economic researchers are projecting that the Dallas-Fort Worth area should see job growth similar to Houston. RDA Global also expects Fort Worth to experience most of the economic rebound in the Metroplex.

The Dallas-Fort Worth area—Tarrant and Dallas counties—was hit hard by the 2008 recession. Dallas was the hardest hit having lost 50,000 jobs in 2009, concentrated in Manufacturing and Construction. Through 2012, RDA Global is expecting some rebound to the number of jobs in High Technology, Paper and Transportation Manufacturing sub-sectors, yet the economists are projecting net job loss in Manufacturing and Construction in Dallas through 2012. Also, export products from Dallas are expected to be hurt by the strengthening of the U.S. dollar compared to other currencies, which will gradually make Dallas products more expensive relative to foreign goods.

Pockets of significant net employment growth are expected in the Dallas-Fort Worth area through 2012. In particular, RDA Global is forecasting strong employment growth in Health Care (27,000 net job creation) and Education (10,000 net job creation).

Population Trends and Employment in Texas

The Texas population has been rising rapidly since 2005 and is not slowing down. U.S. Census Bureau research has found that in 2010 more than 1,000 people a day are moving into Texas from other states and countries. That makes Texas the fastest growing state in the nation by far—and the percentage growth in population is second only to Utah.

Most current population growth is really coming in the Big 4 metro areas of Dallas-Fort Worth, Houston, San Antonio and Austin. Overall state employment patterns are largely driven by these four huge economic regions that make up “the Texas Triangle.” The southern bases are metro Houston and Austin-San Antonio, and the tip of the triangle is the Dallas-Fort Worth area. This region is the economic engine for the state. This Texas Triangle region has outperformed the rest of the state’s economy for the past 30 years and is expected to continue thanks to the in-migration of more workers and consumers.

Table 3. Short-Term Forecasted Job Growth by Region

LWDA	2010	2011	2012	AVG 2009-12
Lower Rio Grande/Brownsville	2.5	2.8	2.8	2.7%
Travis County/Austin	2.1	2.5	2.7	2.4%
South Texas/McAllen	2.0	2.2	2.2	2.2%
Alamo/San Antonio	1.8	2.2	2.4	2.1%
Rural Capital/Round Rock	1.9	2.2	2.2	2.1%
Permian /Midland-Odessa	1.5	2.0	2.1	1.9%
Central Texas/ Killeen-Temple	1.4	1.7	1.9	1.7%
Upper Rio Grande/ El Paso	1.9	1.6	1.6	1.7%
Brazos Valley/ Bryan	1.1	1.6	1.7	1.5%
Heart of Texas/ Waco	1.7	1.3	1.3	1.4%
North Central Texas/Plano	0.7	1.6	1.6	1.3%



RDA Global projects the following job growth for the major metro areas:

- Dallas County and Dallas—0.2 percent job growth in 2010, 0.9 percent growth in 2011, 0.9 percent growth in 2012.
- Tarrant County and Fort Worth—0.6 percent job growth in 2010, 1.5 percent growth in 2011, 1.6 percent growth in 2012.
- Travis County and Austin—2.1 percent job growth in 2010, 2.5 percent growth in 2011, 2.7 percent growth in 2012.
- Alamo region with San Antonio—1.8 percent job growth in 2010, 2.2 percent growth in 2011, 2.4 percent growth in 2012.
- Gulf Coast region with Houston—0.6 percent job growth in 2010, 1.5 percent growth in 2011, 1.6 percent growth in 2012.
- Upper Rio Grande area with El Paso—1.9 percent job growth in 2010, 1.6 percent growth in 2011, 1.6 percent growth in 2012.
- South Plains region with Lubbock—1.0 percent job growth in 2010, 1.0 percent growth in 2011, 1.0 percent growth in 2012.
- South Texas region with McAllen and Edinburg—2.0 percent job growth in 2010, 2.2 percent growth in 2011, 2.2 percent growth in 2012.

- Central Texas region with Killeen and Temple—1.5 percent job growth in 2010, 1.7 percent job growth in 2011, 2.0 percent growth in 2012.
- Heart of Texas region with Waco—1.7 percent job growth in 2010, 1.3 percent growth in 2011, 1.3 percent growth in 2012.
- Permian Basin region with Odessa and Midland—1.5 percent job growth in 2010, 2.0 percent growth in 2011, 2.1 percent growth in 2012.
- West Central Texas region with Abilene—1.1 percent job growth in 2010, 1.1 percent growth in 2011, 1.1 percent growth in 2012.

Still, RDA Global points out some caveats to this economic growth.

While the suburbs of the Dallas-Fort Worth and San Antonio areas have experienced the most population growth, RDA Global economists expect fewer people to move to those areas and more to move to Houston and its surrounding areas. More people moved to the Houston metro area (100,000) than anywhere else in the United States according to the most recent Census Bureau population estimates that cover July 1, 2008, to July 1, 2009.

RDA Global points out Houston’s economy is beginning to disproportionately benefit from the firming up of oil prices—the price of oil reached \$134 a barrel in June 2008 before falling to \$39 a barrel in February 2009 and by May 2010 had moved back to about \$70

Table 4. Total Employment 2012
by Sector in Thousands of Jobs



a barrel. And more people have been moving to the Houston area searching for jobs as the economy starts to rebound.

Duch also pointed out that Exxon-Mobil’s purchase of natural gas giant XTO Energy for more than \$30 billion is expected to eventually shift more jobs to Houston; despite the fact that the new XTO Energy headquarters will remain in Ft. Worth. And that acquisition shows Exxon-Mobil is growing and diversifying while expanding its office operations in the Houston area.

Duch points out that his counterpart, economist Barton Smith, head of the Institute for Regional Forecasting at the University of Houston, recently projected that the Houston area would be one of the first regions out of the recession thanks to more profitable local oil companies and a fast growing population. Smith is projecting these factors should lead to new jobs across the Houston metro area, enough employment upsurge to result in 2 percent to 2.5 percent annual job growth after 2011. Smith, who points out that the Houston region accounts for about a quarter of the Texas economy, predicts that more companies and residents will move to the Houston suburbs, whose economies should grow as construction rebounds to

provide new housing. This is where Duch and Smith have differing opinions.

Duch feels the 2008 recession should impact the mindset of consumers and make them more cost conscious—particularly cost conscious of rising energy costs, which will make commuting to work from far away “exurbs” more costly. Duch also thinks Texans will shift away from large homes and become more willing to live in smaller and more affordable homes closer to urban work centers. He and his team think eventual suburban flight will mean more long-term job growth not for the sprawling suburbs but for the higher density urban cities of Dallas-Fort Worth, Houston, San Antonio and Austin.

Texas Government Sector Employment Growth

Tax receipts are falling in Texas—the State comptroller expects that for the upcoming biennium (2010-2011) net revenues will decline approximately 4.7 percent from what they were in the previous biennium. Both the state and local governments will have smaller budgets in the forecast period. While this is significant it is much less drastic than the declines experienced by many other state budgets, according to RDA Global.

RDA Global economists estimate that tax receipts fell throughout most of 2009 and into the early months of 2010. But the most recent evidence suggests the drop has bottomed out and a slow recovery is likely through the last 9 months of the year and into 2011. Duch said that Texas State finances have avoided the serious negative shocks experienced in other states.

Duch’s team expects the State and local Texas governments will pare their budgets a bit. State agencies are required to find 5 percent in spending cuts for the remainder of this fiscal year. Still, RDA Global expects most cuts will be minor and could have a small negative impact on employment in Texas in 2010. And Duch points out that a growing population should create new demand for local and state government services, which eventually should result in small job growth in 2012.

“The state can’t not provide services to the growing population,” Duch said.

Duch expects that federal spending will continue to have a positive impact on employment in Texas. The federal government stimulus efforts are not likely to grind to a halt. Consistent with the comments of most economists when the stimulus package was passed, the impact of stimulus dollars is likely to peak in the years 2010-2011. Much of the 2009 stimulus money for infrastructure is still in the pipeline and the Obama Administration is not backing off its commitment



to keep pushing these dollars into the economy. The federal Office of the Management of the Budget (OMB) projects that about half the money from the stimulus bill will be disbursed in 2010 and should help bolster employment in state and local government jobs. In addition, recent federal jobs programs have included additional funding for state and local governments to help maintain services.

Duch has also focused on federal health care reform, which he expects will result in more federal and state government spending on health care.

Hence, Duch expects that on balance Texas state and local government employment will resume growth fairly early in the economic recovery. As a result, there will be net employment growth over the forecast period—approximately 30,000 jobs in this sector are expected to be added, representing about a 1.8 percent annual growth in employment.

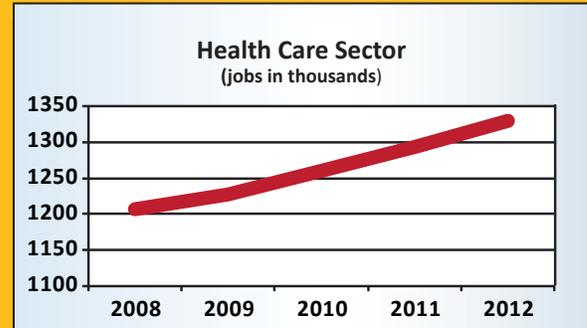
Robust Employment Growth in Health Care

The national health care bill should impact Texas more than most states due to approximately a quarter of the population in the Lone Star State lacking health insurance. Duch expects this will mean health care job creation in Texas through 2012 and beyond.

“There’s a demographic double whammy going on. Texas has a lot of Baby Boomers, who use a lot of health care, and a lot of young families, who use a lot of health care,” Duch said. “The national health care reform act will mean Texas will have to change its health care system somehow. With change will come more job opportunities and job growth. Whether consumers or businesses or governments pay for more health care in the United States remains to be seen, but somebody is going to pay for more health care for Americans and Texans—and the result will be more health care jobs.”

“There’s a demographic double whammy going on. Texas has a lot of Baby Boomers, who use a lot of health care, and a lot of young families, who use a lot of health care.”

—Ray Duch, president, RDA Global



Further, Texans are getting fatter. Duch points out that the U.S. Centers for Disease Control ranks Texas 45th among states for diabetes. Diabetes is usually brought on by obesity and the Texas population is also among the heaviest in the nation. Obesity and diabetes in an aging and growing population should further drive medical needs and increase health care jobs in Texas, according to Duch.

Retail Trade Employment Rising

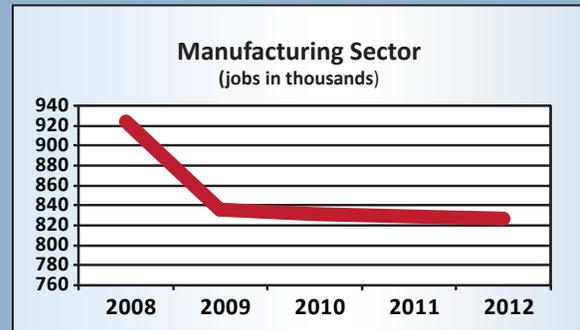
The retail trade sector experienced a sharp decline in employment in 2009 as unemployment rose, credit dried up and consumers slowed spending and significantly increased savings. Duch and his team expect retail employment to rebound in the recovery adding jobs to the tune of 1 percent per year through 2012. Nevertheless, this still means the sector will suffer a small net total drop in employment compared with 2008 retail employment levels.

“Retail typically tends to rebound quickly from a recession. It’s easy for retailers to scale up their workforces,” said Duch, who added that American consumers are going to be less extravagant shoppers for many years. “American consumers are tapped out. Consumers have wised up to debt and they are getting more conservative. They are more interested in mid-market retail stores. Consumers are likely



“Retail typically tends to rebound quickly from a recession, it’s easy for retailers to scale up their workforces,”

—Ray Duch, president, RDA Global



to be going less to high-end stores and more to the Lowes, the Targets and the Sears of the world.”

Recent evidence suggests retail spending is recovering and the retail trade employment outlook is already improving. As of February 2010, core retail sales (retail sales without autos, building supplies or gasoline) had risen for six of the previous seven months, albeit at a slow pace of about 0.5 percent. Retail trade establishments reported particularly robust March sales results. Nevertheless, Duch expects that weakness in labor income and continued contraction in revolving consumer credit will continue to put pressure on the Retail sector.

Manufacturing Employment Stabilizes

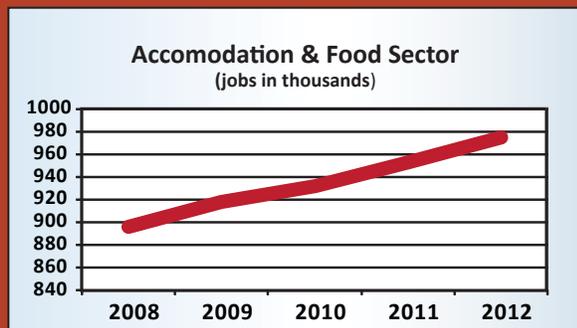
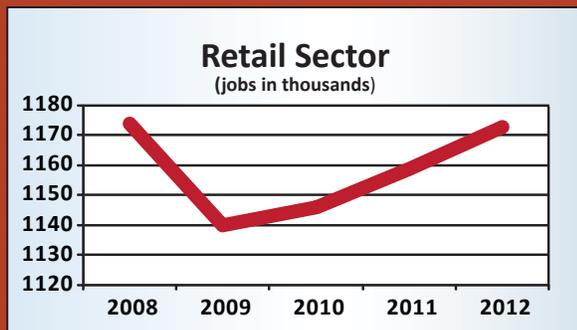
RDA Global is forecasting continued slow shrinkage in manufacturing jobs in Texas. Duch said RDA Global is still forecasting manufacturing job decline despite some recent job growth in Texas as manufacturers have been fulfilling orders from global companies whose inventory levels had been shrinking and need to be replenished. Such replenishment and manufacturing activity should be temporary, he said.

“Manufacturing jobs levels have been historically going down and they went down a lot during the recession,” Duch said. “An area of weakness is the banks that are not lending to small- and medium-businesses—and these are the businesses that add jobs, particularly in manufacturing. If these businesses can’t get any loans to operate then they cannot add jobs.”

The lingering credit crunch should continue to hurt the manufacturing sector and prevent any major job expansion in the United States and Texas, Duch said.

Over the 2008-2012 forecast period, Duch expects Texas to shed almost 100,000 net manufacturing jobs.

“The manufacturing sector in Texas, like the manufacturing sector in the country as a whole, has





“Regardless of whether the Mexican economy grows or not, the Texas export economy has to further diversify and get more goods into the BRIC countries (Brazil, Russia, India and China).”

—Ray Duch, president, RDA Global

experienced a quite significant decline in employment over the last couple of decades. In the recent recession, again consistent with previous recessions, the manufacturing sector took a serious hit. Employment declined by just under 10 percent in 2009. The manufacturing sector is now recovering from the recession but manufacturers will not be adding many jobs even as the sector recovers,” Duch said. “At the same time though, manufacturing exports from Texas are going up and they are likely to continue to rise. But this will not reverse negative trends in manufacturing employment. One reason simply is that big export manufacturing industries in Texas—oil, natural gas, chemicals and microchips—have recently demonstrated they are good at increasing production while decreasing their number of workers.”

Duch indicates that while Texas exports are increasing, those exports are mainly headed to Mexico, a market that is improving but has its drawbacks, Duch said. Texas exports are dominated by chemicals, petroleum and coal while once dominant electronics are now a shrinking part of the Texas export portfolio. In contrast, he said that other major states, such as California, are sending their more diversified basket of exports to a more diversified and growing customer base in the markets of Brazil, Russia, India and China (BRIC).

“Regardless of whether the Mexican economy grows or not, the Texas export economy has to further diversify and get more goods into the BRIC countries,” Duch said.

He projects that the manufacturing sector in Texas will continue to lose less than 1 percent of its jobs a year through 2012. The current trade situation represents a further constraint. A stronger U.S. dollar makes Texas goods more expensive in global markets and there are balance of payments problems in a number of Texas export markets.

“It is true that recent reports have suggested that manufacturing activity has improved significantly.

For example, the Institute for Supply Management manufacturing index registered its 8th consecutive improvement in March of 2010. This increase has been expected given the significant contraction in inventories in the two prior years,” Duch said. “Continued improvement in manufacturing activity will be contingent upon improvement in global final demand which is still uncertain.”

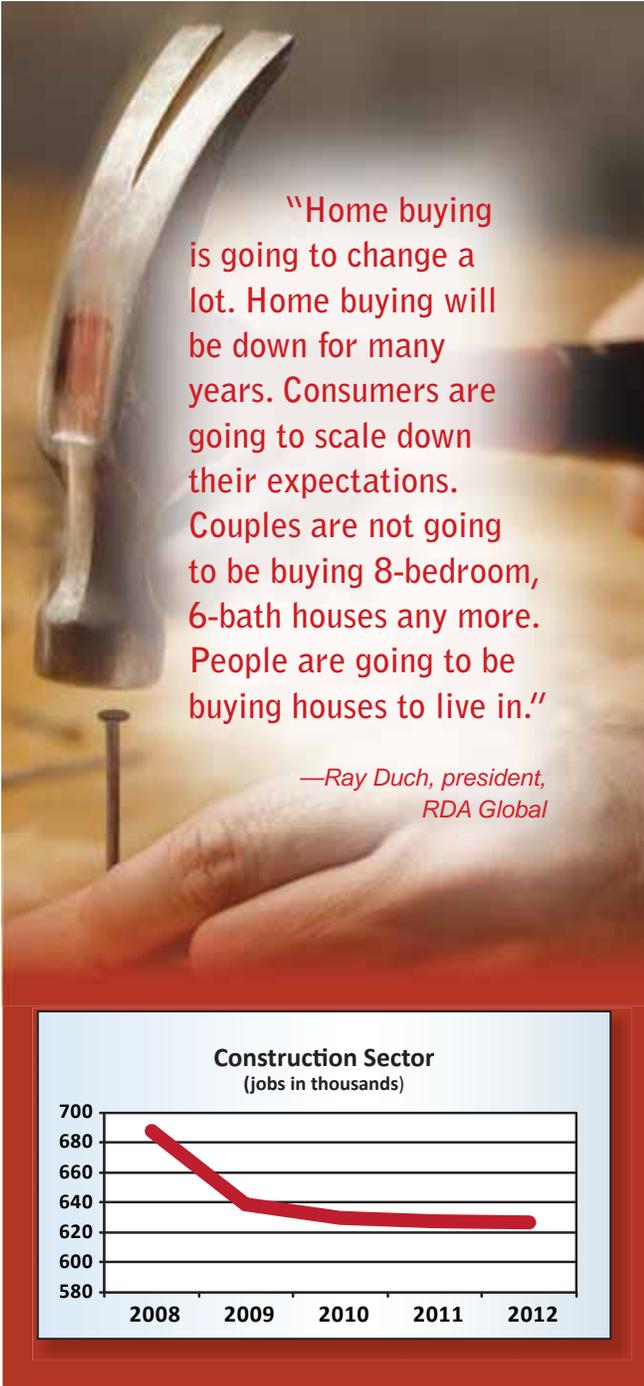
Construction and Real Estate Midway Through Doldrums

Texas went through a major boom statewide in construction of new hotels and restaurants in 2005-2007, but that expansion has slowed down as almost all construction has slowed down with the recession and “credit crunch,” Duch said. RDA Global does not expect this sector to return to robust growth for several years. Mid-level banks financed much of this construction and still have major problems; thus no recovery is likely here for the next 2-3 years as limited credit will be available.

The prognosis for residential home construction through 2012 is not encouraging with housing prices remaining relatively flat and fewer home buyers wanting to spend smaller amounts of money.

“The attractiveness of very large homes in the ‘exurbs’ is likely to decline,” Duch said. “Home buying is going to change a lot. Home buying will be down for many years. Consumers are going to scale down their expectations. Couples are not going to be buying 8-bedroom, 6-bath houses any more. People are going to be buying houses to live in.”

Duch also points out the commercial real estate market in Texas is flat and problematic. Banks have constrained their financing for new and existing commercial real estate. RDA Global economists think Texas commercial real estate will not improve until after 2012.



The federal stimulus package and push for renewable energy sources such as wind and solar have stimulated some utility construction in parts of the state—notably in West Texas. There is a likelihood of similar construction growth in the Lower Rio Grande Valley and along the Gulf of Mexico coastline. While such work should add construction jobs in the forecast period, significant externalities such as continued tax incentives and availability of electric transmission lines to remote locations may slow or soften job growth prospects.

Energy Employment Broadens

Energy prices are expected to stabilize at higher levels in 2010 and 2011 in response to rising demand as the global economy recovers, particularly in the developing regions of the world, said Duch. The existence of reasonable supplies will subdue although not eliminate the threat of supply disruptions from geopolitical shocks. This bodes well for employment growth in the energy sector in Texas, he said.

The industry standard break-even price for extracting oil is between \$60 and \$70 a barrel. Having prices above that rate for a year and with the industry expecting prices to stay that high bodes well as the world recovers from the global recession and demand rises. As a result, Duch and his team expect white collar employment in the energy sector especially will recover over the forecast period.

Meanwhile, renewable energy production is growing but adding small numbers of jobs, Duch points out. Texas utilities have been increasing their payrolls a little but acknowledge that they do not know how many employees they will need in 5 years when more renewable energy is brought online. Smart meters are starting to be installed on some buildings and smart grid technology is expected to eventually make electricity and natural gas distribution more efficient in Texas. Hence, Duch points out that quantifying the likely jobs created from renewable energy initiatives is quite difficult.

The uncertainty of renewable energy jobs along with higher efficiencies in oil production and depressed natural gas prices all mean that the Texas energy sector should have nearly flat employment numbers through 2012, RDA Global economists project.

Modest Job Growth in Other Key Industries in Texas

With projected population growth, RDA Global is forecasting job growth in the Hotel and Restaurant sector of about 2.3 percent a year as well as 3 percent annual growth in the Arts and Leisure sector, which includes parks and even fitness clubs. These sectors should see job growth as more Texans vacation closer to home and hit the gym.

Duch’s team is also projecting small job growth in the Financial Services sector as banks and insurance companies reorganize and revisit business practices in an attempt to avoid another collapse in their industry.



Reaction from other Texas Economists

RDA Global's estimates are rooted in expectations of high population growth amid a struggling national economy leading to modest job growth in Texas. These employment estimates essentially fall in line with projections from many other economists in the Lone Star State.

"I can't disagree with these projections," said William Green, economics professor at Sam Houston State University in Huntsville. "I'm pretty optimistic about our economy. I see Texas as benefitting from the declines in California and Florida for workers and companies... People are not following companies anymore, companies are following people. And people are coming to Texas."

Green expects the Dallas-Fort Worth Metroplex will attract the most new residents.

"I see more people growth in Dallas, Fort Worth, Arlington, Plano and elsewhere in that metro area because it's such a nice, business friendly area. And they have room to grow up there," he said. But Green sees that Houston's growth should be bigger than the other metro areas because Houston has two key advantages: water and exports.

"Houston has water to help it grow while places like Austin and San Antonio are struggling to secure water for their future," Green said. "Houston is very fortunate to have water and they did a better job of securing the water they need to grow. New industry needs water. People and jobs need water."

Green agrees that construction and real estate employment will continue to struggle for the next couple years but should then recover.

"We've got a lot of excess inventory in commercial real estate in Texas," Green said. "It's going to take us two, three or more years to work through all that inventory. But I think we're going to see housing construction rebound in a year or two as our population grows. Texas didn't get as overbuilt in housing as many of the other sunshine states."

Still, Green said he has nagging concerns about falling tax receipts that could result in constricting money to grow jobs in key areas like education and public administration. For example, Green points out that employment is rising in the Huntsville area yet local government officials show that tax receipts are falling. That tells him that more local residents are working but are less confident in the economy so have reduced their consumption for now.

Population expansion, particularly from immigrant and Hispanic family growth, should still drive up real estate tax receipts in larger Texas metro areas, Green said. And that population growth should increase total employment in kindergarten through high schools as well as community colleges, he said.

"Consumer confidence coming back is important, so is business confidence in the economy," Green said. "Bankers tell me there's nobody borrowing but [consumer] saving is up. There's not a lot of new business activity going on now. Business people are holding things close to the vest."

Texas consumers and business people may become more active as the U.S. economy rebounds, which Green thinks should be especially good for the Lone Star State. Green said that U.S. corporate inventory levels continue to remain low. So he expects that during the next two years corporate inventory levels will have to be replenished, particularly with Texas-made goods like high-tech electronic equipment, auto parts and petrochemical goods.



"I think we're going to see employment growth for the United States in the next two years and Texas is going to outpace the nation. We've got competitive advantages in logistics and transportation and I think we'll benefit from those advantages."

—Terry Clower, Director, Center for Economic Development & Research

While the RDA Global job growth forecasts for Texas are being labeled "modest" by other economists in Texas, the forecasts are also being called realistic.

"These forecasts are in line with my own, perhaps a small bit more optimistic," said James LeSage, economist at Texas State University in San Marcos.

"Overall, [RDA Global's] conclusions are sound," said Monty Lynn, economist at Abilene Christian University. "Population growth should lead to job growth."

Lynn added that while job growth will be concentrated in the major metro areas, mid-sized cities like Abilene have been barely impacted by the national recession and are well-positioned for growth. He is concerned about the rural counties in West Texas whose

economies may further contract now that the wind energy construction boom is slowing.

One economist who is currently more bullish on the Texas job market is Terry Clower, director of the Center for Economic Development & Research at the University of North Texas in Denton. Clower is projecting almost 1.5 percent job growth in Texas in 2010 and more than 2 percent job growth in 2011.

"I think we're going to see employment growth for the United States in the next two years and Texas is going to outpace the nation," Clower said.

Clower sees that the Dallas-Fort Worth and San Antonio areas will be the big beneficiaries of an economic rebound over the next two years. The Dallas-Fort Worth and North Texas regions should benefit from rising activity at plants making automobiles, semiconductors, electronics and equipment for oil and natural gas drilling, Clower said. And he anticipates that San Antonio will continue to benefit from federal spending along with regional tourism.

A rebounding U.S. economy should cause demand and employment gains for the transportation sector, which San Antonio, Houston and the Dallas-Fort Worth areas can capitalize on, he said.

"We've got competitive advantages in logistics and transportation and I think we'll benefit from those advantages," Clower said.

"Health care, education and public administration have been consistent growth areas in this recession and should continue as the population grows," Clower said. "But I think we can expect home construction to come back in 2011 because the population has been growing with people who have been sitting on the sidelines."

Clower is a bit unique in that he projects that residential real estate construction should rebound in 2011 as Texas continues to see its population of residents over the age of 30 expand. Those potential home buyers should feel better about the Texas economy next year and be ready to buy, he said.

"I agree that the lion's share of the job growth will be in the big metro areas, including El Paso," Clower said. "But I don't think that the rest of the state will fail to take part in the economic recovery. There will be plenty of job activity all over Texas."

A pro-business environment combined with a state government that is not overly hungry for taxes should make Texas attractive for renewed corporate recruiting efforts in 2012, Clower said.

As these university economists demonstrate, there is a range of opinion about the projected size of job growth this year and next in Texas.

The RDA Global forecasts may seem conservative as we approach midway through 2010.

While RDA Global forecasted that Texas would gain 94,000 jobs in 2010, which translates into a 1 percent job growth rate, the Texas Workforce Commission has estimated that the state added 155,400 jobs from January through May of this year, including temporary Census workers.

There is even disagreement within the Federal Reserve Bank of Dallas regarding job growth projections for Texas. Dallas Fed economists Pia Orrenius and Laila Assanie projected in January that Texas would see 1 percent to 2 percent job growth in 2010. Nevertheless, the most aggressive projections on job growth in Texas are from Keith Phillips, senior economist with the Federal Reserve Bank of Dallas.

Phillips projects 3.1 percent job growth for Texas in 2010, which would result in 320,000 new jobs created in the state this year. And his model shows that most of that growth will come in the second half of 2010.

“I’m more positive than most [Texas economists]. I’m not projecting a boom but I am projecting growth,” Phillips said. “We have had good growth in Texas, certainly better than most expected.”

Phillips points out that his economic model for Texas employment has shown positive job creation in many industry sectors and particularly strong job creation in the Dallas-Fort Worth, Austin and Houston areas this year.

“It’s clear we’re in an expansion in Texas for three reasons,” Phillips said. “Our consumers are in better shape without having lost wealth from big home value losses. So our consumers are doing well, our high tech industries are bouncing back strong and hiring, and we have the energy sector rebounding as oil prices have come back up.”

Phillips also points out that while Texas banks have twice the national ratio of overvalued commercial loans on their books, Texas banks also have half the national ratio of bad loans overall. And while Texas bank lending continues to be low, the banks are using this time to improve their financial health, he said.

“Banks have been improving their balance sheets and healthier banks are good for an economy,” he said.

Much of Phillips’ positive outlook for Texas is due to his positive outlook for the U.S. economy, even after federal stimulus spending starts to lose its direct impact in the second half of 2010.

“Most people think that as the stimulus money goes away the growth goes away, but the private sector continues on,” Phillips said. “The ‘cash for clunkers’ program ended but auto sales did not end. The \$8,000 tax credit for new homes is great but



“It’s clear we’re in an expansion in Texas for three reasons...our consumers are in better shape without having lost wealth from big home value losses. So our consumers are doing well, our high tech industries are bouncing back strong and hiring, and we have the energy sector rebounding as oil prices have come back up.”

—Keith Phillips, senior economist with the Federal Reserve Bank of Dallas.

historically low mortgage rates will save a lot of people a lot more than \$8,000.”

Having seen Texas real estate construction slow down and real estate prices drop a little in the past year further encourages him. Lower prices for different products and corporate failures “clear markets” to help introduce economic recoveries, Phillips said.

“The market rejuvenates itself when prices come down and people take advantage of that,” Phillips said.

Another private sector forecasting service, IHS Global Insight, an international economic forecasting company, offers a forecast for the Texas economy that is also slightly more optimistic than the RDA numbers. Global Insight believes that the unemployment rate has peaked at 8.3 percent and should trend slowly down over the next several years. They are forecasting 1.3 percent job growth between the 4th quarter 2009 and the 4th quarter 2010, and real gross state product growth of 3.9 percent over the same period. Their longer term employment forecast is 2.4 percent job growth in 2011, with an average of 1.9 percent between 2010 and 2013 and 2.3 percent between 2010 and 2015.

**Table 5.
Uncertainty in RDA Global Forecast Estimates: Net Job Creation 2008-12**

	<i>Low Range</i>	<i>Estimate</i>	<i>High Range</i>
Health Care	1,170	1,330	1,490
Retail trade	1,032	1,173	1,314
Education	992	1,127	1,262
Accommodation and Food	858	975	1,082
Manufacturing	728	827	926
Administration and Waste	528	634	710
Construction	552	627	702
Professional	517	588	659
Wholesale	437	496	555
Public Administration	404	459	514
Finance	401	456	511
Transportation	396	450	504
Other Services	261	297	333
Information	198	225	252
Mining	192	218	244
Real Estate	160	182	204
Arts	123	140	157
Utilities	71	81	91
Management Enterprise	68	77	86

IHS Global Insight notes that Texas ranks fourth (1.7%) in forecasted net population growth through 2015 and second in net migration; just behind Florida and more than twice the rate of California. They also recognize the resilience of the Texas housing market, with prices of Texas real estate declining by 2.4 percent from the pre-recession peak. By comparison, real estate prices in the most hard-hit states like California, Florida, Arizona and Nevada declined anywhere from 18 to 52 percent. Global Insight economist Jim Diffley believes that stabilizing oil prices, solid population growth, an increase in exports and a resilient housing market bode well for Texas and predicts Texas will be among the fastest growing states during the recovery. He also notes that Austin, the Dallas/Ft. Worth Metroplex and the Houston metro area are among the top 15 metro areas nationwide for job growth through 2014.

These public and private economists from Texas universities and the Dallas Federal Reserve are making their own projections of between .5 percent to 3.1 percent job growth in the Lone Star State this year. This shows the range of opinions on the state's economy.

And the RDA Global forecast of 1 percent growth in 2010 is within the range of estimates by most Texas economists.

Uncertainty Associated with the RDA Global Forecasts

There are two types of uncertainty that we associate with the RDA Global forecasts. One type of uncertainty is associated with the data and forecasting methods employed for these forecasts. A second form of uncertainty is associated with unexpected events or shocks that could significantly impact the forecasts summarized in this report.

RDA Global has 25 years of experience conducting economic forecasts for clients from both the public and private sectors. These are forecasts of both economic (employment and macro-economic indicators) and business conditions (business-to-business demand for various goods and services). As with most forecast efforts, RDA Global provided an assessment of the

degree of uncertainty associated with the hundreds of forecasts they have conducted over this period. These assessments are done with comparisons of forecasts with actual economic and business outcomes. The estimated error associated with the RDA Global forecasts is +/- 12 percent. Table 5 illustrates the estimated error with respect to the forecasted net number of jobs generated in industry segments in Texas over the 2009-2012 forecast period.

Uncertainties from a variety of unforeseen events are always a challenge to any short-term forecast – especially when the forecast period begins at the trough of a significant recession. As indicated throughout the report, the strength of economic recovery in the U.S. and global economies will influence the strength of economic growth in Texas. Continued slow U.S. growth or an international debt crisis event could dampen the prospects of economic growth in Texas. The massive oil spill in the Gulf of Mexico will impact the economies of Louisiana, Mississippi and Florida, but there may be additional impacts on the Texas economy. Underlying the prospects for recovery from the recession is also significant domestic political uncertainty. Major reforms such the federal health care legislation as well as new financial services regulation, new immigration regulation and the proposed “cap and trade” energy pricing policy reforms, inject costs and market uncertainties for the business community. It goes without saying that when companies are uncertain

about the future, it becomes much more difficult for third party forecasters to confidently predict the size and timing of business investments and potential hiring.

Finally, these forecasts assume continuation of previous trends in population and labor force growth rates. Texas has been one of the few states with job opportunities which has stimulated considerable in-migration over the past several years. Should population growth and labor force in-migration significantly exceed baseline growth rates then these forecasts could be more conservative than expected. At the time of this writing, Texas job growth through the first five months of 2010 has exceeded the RDA Global forecast targets. With Texas leading the national economic recovery by a wide margin, it is yet unclear the extent to which the job growth pattern early in 2010 will be sustainable after federal stimulus dollars are reduced and temporary Census Bureau workers are eventually laid off. Such continued externalities should be monitored over the forecast period and their potential impact assessed against the RDA Global baseline forecast.

Written by Mick Normington and Richard Froeschle.

Employment Projections from RDA Global.
www.rdaglobal.com

For more information: In addition to these short-term forecasts the TWC/LMCI does detailed long-term projections of industry and occupational employment for Texas and Local Workforce areas. To view these projections click on <The Future> at www.tracer2.com.

To conduct additional analysis of Texas Employment growth visit www.texasindustryprofiles.com and take advantage of the many analytical tools including Country Narrative Profiles for detailed Texas county information, the Labor Availability Estimator to conduct “what if” job growth scenarios, and the strategic Workforce Assessment Program (SWAP) to analyze occupational and skill needs for industry clusters and sectors.



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Appendix A

**Texas LWDA Regional Employment Forecast 2009 through 2012
Annualized Growth Rates All Industries (Percent)**

LWDA Workforce Region	Percent 2009-2010	Percent 2010-2011	Percent 2011-2012	AVG PCT 2009-2012
Lower Rio Grande (McAllen-Edinburg)	2.55	2.81	2.83	2.73
Austin (Travis County)	2.07	2.53	2.73	2.44
South Texas (Laredo)	2.04	2.20	2.22	2.15
Alamo (San Antonio)	1.80	2.22	2.37	2.13
Rural Capital (Round Rock)	1.90	2.20	2.24	2.11
Permian Basin (Midland - Odessa)	1.49	2.00	2.09	1.86
Central Texas (Killeen- Temple)	1.45	1.68	1.95	1.69
Upper Rio Grande (El Paso)	1.88	1.64	1.56	1.69
Brazos Valley (Bryan-College Station)	1.14	1.63	1.66	1.48
Heart of Texas (Waco)	1.71	1.28	1.29	1.43
North Central (Plano- Denton)	0.73	1.58	1.65	1.32
East Texas (Tyler)	1.25	1.23	1.26	1.25
Gulf Coast (Houston)	0.56	1.53	1.63	1.24
Cameron (Brownsville-Harlingen)	1.22	1.16	1.31	1.23
Ft. Worth (Tarrant County)	0.58	1.48	1.55	1.20
Rural Coastal (Corpus Christi)	0.97	1.18	1.20	1.12
West Central Texas (Abilene)	1.06	1.07	1.09	1.07
Middle Rio Grande (Uvalde)	0.97	1.09	1.10	1.05
Deep East Texas (Angelina-Nacogdoches)	1.16	0.96	0.97	1.03
South Plains (Lubbock)	0.96	1.01	1.02	1.00
Panhandle (Amarillo)	1.04	1.02	0.87	0.98
North East Texas (Texarkana)	0.96	0.76	0.77	0.83
Concho Valley (San Angelo)	0.36	1.05	0.78	0.73
Dallas (Dallas County)	0.19	0.93	0.94	0.69
Golden Crescent (Victoria)	0.46	1.12	0.35	0.64
Texoma (Sherman-Denison)	0.35	0.73	0.74	0.61
North Texas (Wichita Falls)	0.42	0.37	0.40	0.40
South East Texas (Beaumont- Port Arthur)	0.09	0.10	0.11	0.10

Source: RDA Global 2010

Appendix B
Texas Statewide Short-term Jobs Forecast 2010-2012

Industry	2010	2011	2012	Net Change 2010-2012
Texas Total, All Industries	10,053,129	10,205,373	10,366,496	407,280
Education Services (public & private)	1,090,625	1,108,864	1,127,455	54,676
Food services and drinking places	823,192	841,900	861,178	52,323
Ambulatory health care services (public & private)	552,752	568,047	584,150	45,911
Professional and Technical Services	555,729	569,396	584,200	39,468
Hospitals (public & private)	384,103	394,372	405,174	30,943
Local Government (ex. education & health)	337,085	342,952	349,057	16,829
Nursing and residential care facilities (public & private)	168,550	172,847	177,356	12,939
Social assistance (public & private child & family care)	154,148	158,372	162,872	12,719
Merchant wholesalers, durable goods	284,530	288,790	293,070	10,218
Banking and credit intermediation	234,455	238,119	241,854	9,913
General merchandise stores	259,671	262,621	265,719	7,367
Administrative support services (call centers, personnel supply)	590,355	594,727	600,778	7,075
Accommodation	107,265	109,809	112,436	7,064
Amusements, gambling, and recreation	82,939	85,501	88,164	7,043
Federal Government (excluding Postal Services)	122,508	124,668	126,892	6,562
State Government (ex. education & health)	111,599	113,706	115,838	6,197
Insurance carriers and related activities	148,371	150,615	152,899	6,117
Management of companies and enterprises	72,515	74,785	77,137	6,007
Food and beverage stores	196,578	198,832	201,201	5,660
Merchant wholesalers, nondurable goods	147,990	150,129	152,280	5,208
Telecommunications	93,616	95,350	97,122	5,041
Real estate	115,253	117,207	119,200	4,952
Motor vehicle and parts dealers	151,864	153,603	155,430	4,356
Support activities for mining	121,023	123,973	127,301	4,211
Truck transportation	113,795	115,312	116,613	3,904
Clothing and clothing accessories stores	111,752	113,067	114,451	3,283
Repair and maintenance	105,974	107,068	108,566	3,241
Personal and laundry services	93,363	94,374	95,788	3,016
Building material and garden supply stores	90,847	91,935	93,076	2,749
Rental and leasing services	58,567	59,601	60,655	2,661
Support activities for transportation	69,982	70,966	71,894	2,605
Air transportation	63,029	63,980	64,935	2,568
Publishing industries, except Internet	45,583	46,434	47,305	2,533
Membership associations and organizations	58,180	58,941	59,909	2,270
Oil and gas extraction	76,939	78,615	80,455	2,264
Gasoline stations	67,374	68,176	69,010	2,127
Securities, commodity contracts, investments	48,575	49,292	50,022	1,919
Performing arts and spectator sports	21,560	22,209	22,883	1,786
Warehousing and storage	47,573	48,227	48,774	1,662
Utilities	46,967	47,589	48,452	1,660
Health and personal care stores	59,987	60,649	61,346	1,635
Electronic markets and agents and brokers	48,236	48,924	49,614	1,634
Miscellaneous store retailers	56,705	57,349	58,026	1,599
Data processing, hosting and related services	27,812	28,382	28,965	1,595

Appendix B (Continued)				
Industry	2010	2011	2012	Net Change 2010-2012
Postal Service (Including Federal Government)	48,408	49,014	49,563	1,579
Couriers and messengers	37,894	38,404	38,887	1,360
Broadcasting, except Internet	22,811	23,234	23,668	1,300
Furniture and home furnishings stores	42,682	43,153	43,651	1,147
Electronics and appliance stores	44,624	45,099	45,602	1,144
Sporting goods, hobby, book and music stores	36,630	37,057	37,507	1,071
Private households	29,840	30,164	30,599	947
Motion picture and sound recording industries	15,556	15,852	16,154	872
Museums, historical sites, zoos, and parks	8,095	8,343	8,600	684
Transit and ground passenger transportation	16,857	17,101	17,308	627
Food manufacturing	79,567	79,596	79,599	532
Nonstore retailers	19,641	19,851	20,071	527
Pipeline transportation	12,825	12,986	13,143	419
Waste management and remediation services	25,393	25,582	25,839	343
Funds, trusts, and other financial vehicles	8,221	8,337	8,455	313
Mining, except oil and gas	10,004	10,233	10,495	307
Other information services	4,361	4,459	4,560	280
Water transportation	4,963	5,029	5,093	169
Wood product manufacturing	22,684	22,690	22,693	163
Leather and allied product manufacturing	3,833	3,846	3,858	94
Lessors of nonfinancial intangible assets	2,191	2,225	2,261	88
Textile mills	2,878	2,892	2,904	81
Monetary authorities - central bank	1,821	1,846	1,871	66
Unclassified	4,354	4,367	4,428	63
Apparel manufacturing	5,062	5,071	5,080	52
Primary metal manufacturing	23,321	23,313	23,302	49
Scenic and sightseeing transportation	673	681	689	22
Rail transportation	89	91	93	4
Textile product mills	6,424	6,425	6,423	(1)
Paper manufacturing	17,487	17,468	17,446	(35)
Beverage and tobacco product manufacturing	10,411	10,403	10,390	(62)
Nonmetallic mineral product manufacturing	38,032	37,973	37,905	(149)
Furniture and related product manufacturing	25,971	25,938	25,899	(154)
Miscellaneous manufacturing	27,329	27,284	27,231	(227)
Printing and related support activities	29,459	29,407	29,345	(357)
Petroleum and coal products manufacturing	22,742	22,665	22,589	(369)
Electrical equipment and appliance mfg.	18,252	18,162	18,071	(404)
Plastics and rubber products manufacturing	39,065	38,958	38,848	(448)
Transportation equipment manufacturing	85,692	85,387	85,051	(1,205)
Computer and electronic product manufacturing	95,666	95,369	95,068	(1,637)
Chemical manufacturing	67,219	66,887	66,554	(1,714)
Machinery manufacturing	85,731	85,359	84,983	(1,801)
Fabricated metal product manufacturing	120,801	120,394	119,973	(1,972)
Heavy and civil engineering construction	119,348	119,107	118,863	(2,288)
Construction of buildings	142,961	142,704	142,550	(2,490)
Specialty trade contractors	345,748	344,688	343,831	(7,222)