

Employment Update

Houston Added 95,800 New Jobs

The Houston Metro Area added 95,800 net new jobs, a 3.6 percent annual increase, in the 12 months ending October '12, according to the Texas Workforce Commission. The private sector added 96,300 jobs, a 4.3 percent annual increase, during the same time frame. Every sector but government reported job gains over the past year, with the strongest job growth in construction (17,400 jobs, 10.1 percent), leisure and hospitality (22,300 jobs, 9.2 percent), and education & health services (18,400 jobs, 5.6 percent). Construction, which has been the laggard throughout the recovery, now leads Houston's economy with the strongest job growth of any sector. The information sector, which includes telecommunications, print and broadcast media, posted a 500 job gain in October and a 100 job gain over the past 12 months. While that may seem insignificant, information has been losing jobs since the beginning of the last decade, so even a slight uptick gives pause for hope. Houston continues to lead the state's economy, with no other metro area adding as many jobs. Houston's job growth exceeds the combined job growth of Dallas and Austin. Houston, which accounts for 23.7 percent of Texas' population, accounted for 34.7 percent of the 276,400 jobs created in the state during the past 12 months.

Job Growth, Top Texas Metros Oct '11 – Oct '12

Metro Area	Jobs	%
State of Texas	276,400	2.6
Houston-Sugar Land-Baytown	95,800	3.6
Dallas-Fort Worth-Arlington	66,500	2.3
Austin-Round Rock-San Marcos	28,200	3.5
San Antonio-New Braunfels	23,400	2.7
El Paso	4,600	1.6

Houston Top Metro Region in North America

Brookings Institution ranked Houston No. 40 among the world's largest metropolitan economies, but it was the top-rated metro region in North America. The report says the city has only partially recovered from the recession. The data show three-quarters of the fastest growing metro areas are in developing areas of Asia, Latin America, the Middle East, and Africa. Nearly 90 percent of the slowest growing economies are in Western Europe and North America.

These recent trends reflect the accelerating shift of economic growth from developed metro areas in the global west towards developing metropolitan areas in the global south and east. It says Dallas, Knoxville, and Pittsburgh are the only regions in North America to have fully recovered from the recession. The study analyzed the changes in per-capita gross domestic product and employment changes from 2011 to 2012.

Exxon Mobil's Campus Construction Creates New Jobs

Surrounding a huge corporate campus under construction for Exxon Mobil, a developer is creating a community it says will be "a true live, work, play environment" that will have jobs, homes and amenities from the day it opens. By 2015, the development of Springwoods Village will have some 11,000 people working in the community and 1,000 residents living there, per the developer, CDC. Springwoods Village is an 1800 acre development at the intersection of Interstate 45 and the Hardy Toll Road in north Harris County. Houston-based Southwestern Energy recently purchased 25 acres in Springwoods Village for a 500,000 square foot office building. The new facility will consolidate more than 1,000 Houston-area employees from several office buildings along the North Belt and is slated for completion in 2014. The 385-acre Exxon Mobil multiple building campus is expected to house 10,000 employees in a series of low-rise buildings and parking garages when it is finished in 2015.

Big Oil Digs Deeper To Attract Workers

Skyrocketing demand for petroleum engineers and other oil & gas workers has companies going to new lengths to lure top talent and keep employees out of competitors' grasps. Winning over recruits isn't just a matter of providing 35 percent salary hikes and \$100,000 signing bonuses. Headhunters say company culture and non-monetary perks are gaining sway in attracting and retaining employees. Stories abound of eager employers making unique concessions for high-demand job candidates. An oil executive started paying for his employees' shoe shines. Free gasoline and a reinstated pension enticed an experienced project manager back to a former employer. And recently, a company won a senior engineer by making annual \$2,000 donations to employees' favorite charities. The boom in domestic drilling has led to soaring demand for workers experienced in oil & natural gas fields. Some oil companies are giving their employees bonuses as high as \$10,000 for referring a successful recruit. To attract the most innovative engineering minds, Big Oil is emulating one of the Big Tech's most successful recruiting tools. Exxon Mobil's new headquarters in north Houston will consolidate its local employees on a 385-acre campus, featuring on-site child care, fitness classes and other amenities to improve worker lifestyles. The campus is designed in the same vein as the Googleplex, the California headquarters of tech giant Google that doubles as an adult playground, with volleyball games,

free haircuts and rec rooms. Tech companies regularly rate at the top of the Best Places to Work list produced by career site Glassdoor. This year, Chevron and Dow Chemical broke into the Top 20, with employees touting high pay, flexible schedules, and a good work-life balance. Employees care about culture almost as much as the salary and benefits packages. Counteroffers have become standard, driving some employees' salaries so high that competitors can't afford them. It's cheaper for a company to offer a candidate more money than the cost of replacing them which includes paying for a headhunter and training a new worker, in addition to delaying projects and breaking deadlines. Many oil companies are building up their mentoring programs and streamlining their internal talent pipeline.

Unemployment Rate

Houston's October unemployment rate was 6.2 percent, down from 6.3 percent in September and 7.7 percent in October '11. Texas' rate was 6.3 percent, unchanged from September and down from 7.6 percent in October '11. The U.S. rate was 7.5 percent, down from 7.6 percent in September and 8.5 percent in October '11.

American Consumers Confident about the Job Market

American consumers are growing more confident about the job market, companies are ordering more equipment, and home prices are rising in most major cities. The only threat is a package of huge spending cuts and tax increase, known as the "fiscal cliff" that will kick in unless Congress strikes a budget deal by year's end. Rising home values, more hiring, and lower gasoline prices pushed consumer confidence in November to the highest level in nearly five years. The real payoff could come early next year if businesses move forward with the expansion plans that could lead to more hiring. Employers nationwide added 171,000 jobs in October and more jobs were created in August and September than first thought.

Recession and Recovery Nationwide

December marks the fifth anniversary of the Great Recession. The National Bureau of Economic Research (NBER), the organization that dates U.S. business cycles, places the start in December '07 and the end in June '09. Houston fared better than most metros, entering the recession late (September'08), leaving early (January '10), and losing a smaller share of jobs (4.5 percent) compared to others. Houston is also one of only three major metros that have recouped all jobs lost in the recession. Several metros are more than halfway there, but many continue to struggle. There have been hopeful signs that the job market is improving nationwide. Employers added 171,000 jobs in October and hiring in August and September was stronger

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than first estimated. The economy has gained an average of 173,000 jobs a month since July. That's up from an average of 67,000 a month in April through June. The economy appears to have grown faster over the summer than first thought.

**Employment Losses and Gains – Recession and Recovery
Largest U.S. Metro Areas**

Metro Areas	Jobs Lost	Jobs Recouped	Jobs to Full Recovery	Jobs Added Since 10/11	Annual Growth Rate
New York	392,400	269,800	122,600	127,900	1.5%
Los Angeles	550,500	167,100	383,400	76,900	1.5%
Chicago	338,100	104,200	233,900	28,700	0.7%
Dallas	155,200	167,400	Completed	66,300	2.3%
Houston	116,900	213,500	Completed	95,800	3.7%

Sources: Greater Houston Partnership; Houston Chronicle; Houston Business Journal