

## Employment Update

### Houston Ranks 5<sup>th</sup> Largest Metro in U.S.

The Houston-Sugar Land-Baytown Metropolitan Statistical Area now ranks as the 5th largest metro in the United States, according to data recently released by the U.S. Census Bureau. The bureau estimates that Houston added 139,738 residents, between April 1, 2010 (the date of the decennial census) and July 1, 2011 (the date of the intercensal estimates). Houston overtook the formerly 5th ranked Philadelphia metro area, which only added 27,071 residents during the same time frame. The bureau looked at three components to estimate population change:

- The natural increase (*i.e.*, the number of births minus the number of deaths)
- Net international migration (*i.e.*, the number of residents moving into Houston from outside the U.S. minus those who left Houston for locations overseas), and
- Net domestic migration (*i.e.*, the number of residents moving into Houston from elsewhere in the U.S. minus those who moved from Houston to locations elsewhere in the U.S.)

Houston had the fourth highest rate of net migration among the nation's 10 largest metro areas. Several metro areas had negative net in-migration and would have lost population without the natural increase. Based on the most recent Census Bureau estimates, Houston's population is growing at the rate of 112,000 new residents each year, 64,000 through natural increase and 48,000 through net in-migration. That's slightly off the pace of the past decade when Houston added 120,000 residents per year, 62,000 through natural increase and 58,000 through net in-migration. If net migration dropped to zero, an unlikely scenario given Houston's current job growth and strong economy, Houston would still grow by 60,000 residents per year and add well over 600,000 during the next decade. At the current rate of growth, Houston will add another million residents this decade. Over the past three decades, Houston's population has grown by a million or more residents per decade. Over the past 30 years, the metro population has doubled and Houston has risen from being the 10th to the 5th most populous metro area in the nation. Houston will be home to between 7.9 and 11.4 million residents by 2035, according to forecasts by the Texas State Data Center (TSDC). Based on the U.S. Census Bureau and data from the Internal Revenue Service (IRS), it is estimated that people are relocating to Houston from the top five cities: New Orleans, Los Angeles, New York, Chicago, & Miami.

### Houston Experiencing Fastest Job Growth in U.S.

Houston continues to enjoy the fastest pace of job growth among the nation's major metro areas, the U.S. Bureau of Labor Statistics reported recently. For the 12 months ending March '12, Houston's added 82,300 jobs, a 3.2 percent over the year increase. The addition of 82,300

Houston jobs was the second-largest number added behind that of New York, a metro area with three times Houston's population, which added 112,500 jobs. Houston's annualized growth is more than double the national rate. Nationally, total nonfarm employment rose 1.5 percent from March 2011. Other Houston highlights included:

- The private sector created 90,000 jobs in the past 12 months, a 4.2 percent annual growth rate.
- The nonpublic education and health services supersector reported the largest employment gain in the Houston area, up 23,200 (7.4 percent) from the previous March.
- Trade, transportation, and utilities added 14,300 jobs over the year. The 2.7-percent increase was more than double the nationwide rate of 1.2 percent.
- Mining and logging, in Houston primarily oil and gas, registered the fastest growth rate, up 11.7 percent or 9,900 jobs over the year.

Houston is one of only two major metro areas, the other being Washington, D.C., that has returned to pre-recession employment levels. Per Ted Jones, Chief Economist for Stewart Title, Houston can expect continued job growth for the next two years. The greater Houston area will add 70,400 jobs in 2012, 72,400 jobs in 2013 and 74,400 jobs in 2014, Jones predicted.

### **Nationwide Openings for Jobs Highest in 4 Years**

U.S. companies in March posted the highest number of job openings in nearly four years, a sign that hiring could strengthen in the coming months after slowing this spring. Per the Labor Department, employers advertised 3.74 million job openings in March. That's up from a revised 3.57 million in February and the most since July 2008, just before the financial crisis erupted. The increase in U.S. job openings suggests that weaker hiring gains in March and April could be temporary. It usually takes one to three months for employers to fill openings. Roughly 12.7 million people were unemployed in March which means an average of 3.4 people competed for each open job. That's far better than the nearly 7-to-1 ratio when the recession ended. In a healthy job market, the ratio is usually around 2 to 1.

### **Houston - Top 10 City for Recruiting Workers to Calgary**

Already facing a workforce shortage, Houston's energy and health care industries will now have heightened competition from Canada, which is hatching plans to poach Bayou City talent. Economic development officials in Calgary identified 25 occupations reaching critical demand levels by 2020 in that Canadian city. Rounding out the top 5 U.S. cities were Houston, Los Angeles, Chicago, Phoenix, and Denver. Calgary Mayor Naheed Nenshi said the city's interest in Houston stems from similar cultures, quality of life and a higher pay grade. Houston is Calgary's No. 1 place to recruit for the following occupations: geologists, geochemists and geophysicists; mechanical, chemical, and petroleum engineers; construction; and oil & gas well services. Houston's oil & gas industry is preparing for a perfect storm of labor demand as a result of the looming retirement of Baby Boomers. That's exacerbated by a steep surge of need for workers in the newly productive domestic shale plays.

## **“Down Under” Looks to Houston to Fill Energy Jobs**

Not only are the U.S. neighbors to the north looking to Houston to fill gaps in their energy workforce, but folks are also coming here from “Down Under” to recruit. Sponsored by the Australian Department of Immigration and Citizenship, dozens of Australian energy companies will gather in the Bayou City May 19-20th in its first on-site North American “Skills Australia Needs” job fair. Companies are looking to fill about 650 positions, including jobs for petrochemical engineers, surveyors, spatial scientists, and mining & construction workers. Recruiters will be looking to hire workers for positions in shale plays, offshore drilling, coal & iron ore mining, as well as pipeline development. Much of the work is performed in shifts in remote areas. In Australia, pay starts at a minimum of \$50,000 a year for unskilled workers and up to \$250,000 plus free health care, at least four weeks paid time off, and a company-funded retirement plan.

## **Forbes List of the Best Big Cities for Job Growth – Houston Ranks No. 2**

Houston bumped up from third to second place on Forbes List of the Best Big Cities for Job Growth. Houston experienced a 3.3 percent job growth of the same year-ago period in 2011. The city leads the country’s 20 largest cities in wage growth since 2006, climbing 9.8 percent since that golden year before the recession, per Seattle-based Pay-Scale Inc. Houston’s wages are driven by the city’s sprawling energy sector that has powered up wages. When the dominant industry in any city does well, it trickles down to all the other industries because the workers have more money to spend.

## **Hiring Source Update – Construction of our New Office Continues . . .**



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