Top 5 Metro Areas in Texas In Job Growth

2013 marked the fourth consecutive year in which Houston led the state in job growth. Houston, with 24.6 percent of the state's population, accounted for 32.1 percent of the state's new jobs. The 10-county metro area added 82,000 jobs, a 3.0 percent increase over the previous year. Greater Houston Partnership's employment forecast called for the region to create 76,000 jobs in 2013, so growth was slightly better than anticipated. At year's end, total nonfarm payroll employment in Houston stood at 2.84 million.

Texas Top 5 Metro Areas Ranked by Percentage Annual Change in Jobs Created

Metro Area	December Employment '13	December Employment '12	Annual Change (Nominal)	Annual Change (%)
Midland	88,600	83,800	4,800	5.7
Odessa	77,700	74,700	3,000	4.0
Corpus Christi	194,600	187,800	6,800	3.6
Houston-Sugar Land-Baytown	2,837,200	2,755,200	82,000	3.0
Longview	105,300	102,200	3,100	3.0

Local job gains in construction and engineering are giving the Houston area a boost. The construction industry is one of the drivers of Houston's job growth, adding 3,500 jobs between December 2012 and December 2013. It's a combination of new office buildings, apartment complexes, single-family homes, and industrial projects up and down the Houston Ship Channel. The sector is not growing as fast as it can because of a shortage of workers who have the electrical, plumbing, and other skills needed for the huge industrial and commercial projects. There were 5,800 additional engineering and architectural jobs from December 2012 to December 2013 which is an 8.6 percent year-over-year growth rate. It's growing nearly three times faster than the rest of the economy which is a reflection of Houston's oil and gas based economy.

All but two of the super sectors in Houston —financial activities and other services—reported job gains. Several factors continue to impact financial services employment: the decline in mortgage refinancing activity, the reduction in nonperforming loans and thus the need to service them, the migration of financial services to the web, and lingering uncertainty brought on by the Dodd–Frank Wall Street Reform and Consumer

Protection Act. It's not clear why other services lost jobs. The region's strong income, employment and population growth should be creating jobs in this sector. The true extent of Houston's job gains and losses won't be apparent until the Texas Workforce Commission releases its bench-mark employment revisions on March 7, so the losses in financial services and other services may be less severe than is currently reported.

Houston Sees Ups and Downs in Wages

Houston wages were down in the fourth quarter from the previous quarter, but up in year-over-year growth. And, Houston boasts the highest growth of pay of any metro since 2006. However, oil and gas wages are expected to cool this year from its recent major growth.

Unemployment Rate

Houston's unemployment rate fell to 5.5 percent in December 2013, the lowest point since December 2008, the month prior to Houston entering the Great Recession. Houston's unemployment rate peaked at 8.8 percent in June 2011 and has trended downward ever since. The unemployment rate averaged 6.2 percent in 2013, down from an average of 6.8 percent in 2012.

In Texas, the unemployment rate was 6 percent for December, down slightly from 6.1 percent in November. That marked the fifth consecutive monthly decline in the statewide unemployment rate.

The U.S. unemployment rate for December was 6.7 percent.

A United Nations agency said the number of unemployed around the world rose above 200 million last year as jobs did not grow at the same pace as the global workforce. The International Labor Organization said that jobless figure is 4.9 million more than the previous year.

U.S. Job Growth Weakens To Slow Pace in December

Just when it seemed like the economy was finally accelerating, the latest employment figures once again confounded expectations of better days ahead. The government said employers added jobs at the slowest pace in three years in December, reversing three months of steadily rising hiring that had persuaded economists and policymakers at the Federal Reserve that the labor market had finally turned the corner. Even after accounting for factors like cold temperatures and snow that may have inhibited hiring, many experts cautioned that other trends, like average hourly earnings and the labor participation rate, were hardly encouraging. The one apparent bright spot – a drop in the unemployment rate to 6.7 percent from 7 percent – was tarnished because it largely resulted from people exiting the workforce rather than landing jobs.

On Capitol Hill, the lackluster economic picture in December may strengthen the hand of Democrats who are pushing to extend unemployment benefits to 1.3 million Americans whose coverage expired at the end of the year. Since midsummer, the job market had been trending upward, with employers adding 241,000 workers in November, a robust performance that helped persuade the Fed to begin easing its stimulus program last month. But employers added just 74,000 jobs last month, a far cry from the 200,000 economists had been looking for. The workforce shrank by 347,000 in December, and returned the proportion of Americans in the labor force to its October level of 62.8 percent, the lowest in 35 years.

Employers Step In To Prevent Burnout

After years in which the ease of instant communication via e-mail and smartphones allowed bosses to place greater demands on white-collar workers, some companies are beginning to set limits, recognizing that successful employees must be able to escape from work. Though technology has helped boost worker productivity over the past few decades, it has come with related costs, like stress. It is hard for a company to control the amount of technology used in the workplace and at home since it is so integral to modern life.

After seeing colleagues lose their jobs during the Great Recession, workers are more inclined to come in to work, even when sick. After hours, physical presence is replaced by the next best thing – a virtual one. Many employees fear switching off, instead deciding to work on vacation, during dinner and in bed with the help of smart phones, laptops and tablet computers.

The cost of replacing employees who leave in search of better work conditions is also a concern. A study from the Center for American Progress put the cost of turnover at just over a fifth of the employee's salary for people making up to $75,000 a year. That goes up exponentially for top management, with turnover costs as high as 213 percent of salary for very highly paid positions. After worrying about trimming staff numbers during the recession, employers are focusing on how to keep those who are left from burning out. Goldman Sachs has tried to keep junior analysts from burning out in the attempt to prove their worth by hiring them as full-time employees, instead of taking them on as contract workers. It is also encouraging them to not work week-ends. Volkswagen turns off some employees' emails 30 minutes after their shifts end. BMW is planning new rules that will keep workers from being contacted after hours. This isn't an indication that employers are becoming kinder and gentler: it's about the bottom line.

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