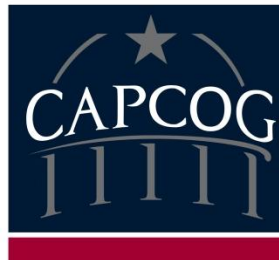


# LABOR MARKET TRENDS IN THE CAPITAL AREA

**An Initial Research Brief for the Capital Area  
Economic Development District Board**



# Question #1 - Unemployment

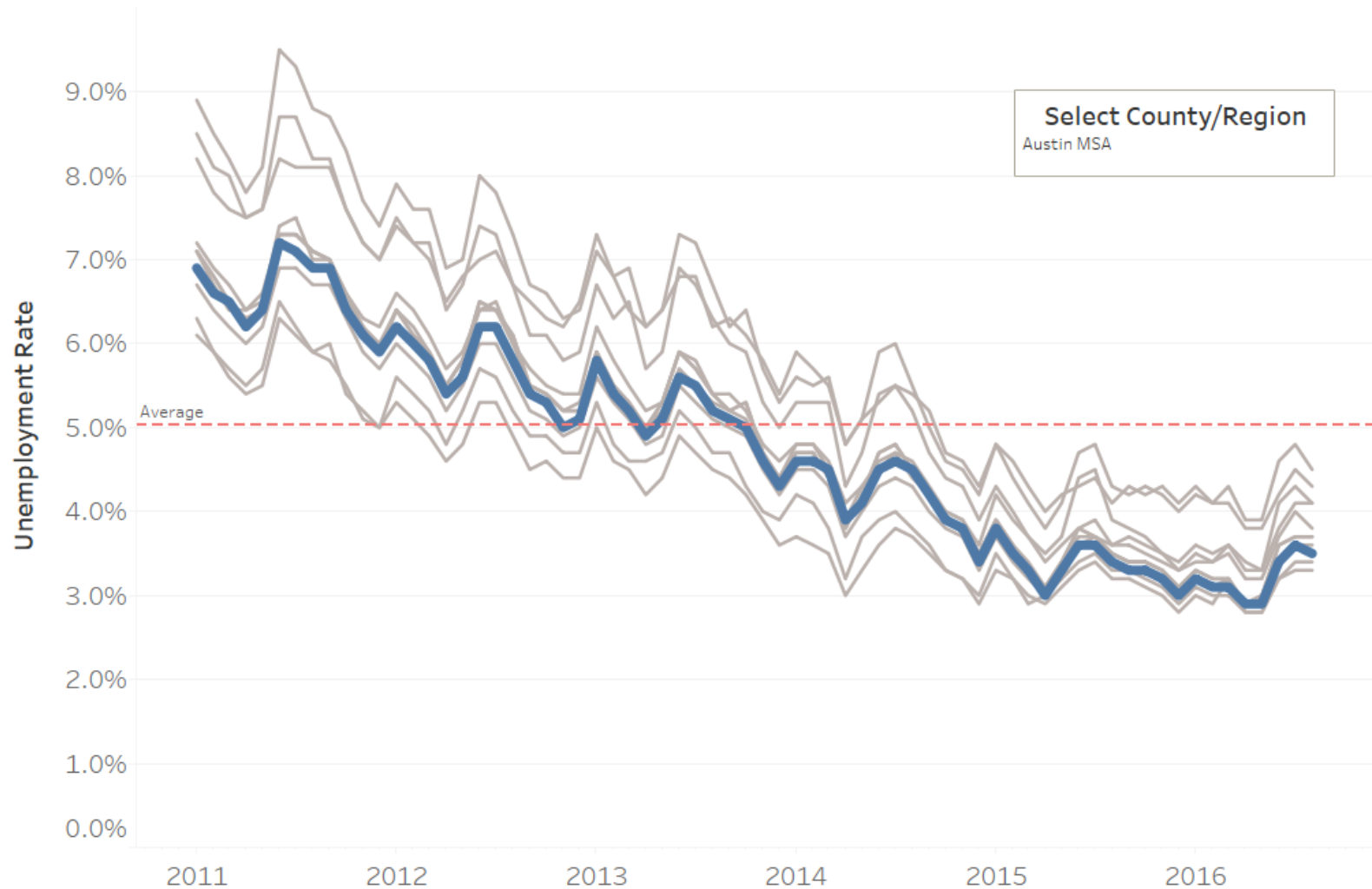
- What does unemployment look like in the region? Specifically, are there enough jobs, and are people qualified to get them?

# Unemployment Trending Down in the Region

Metropolitan area	August 2016 Unemployment Rate	Rank
Denver-Aurora-Lakewood, CO	3.2	1
Salt Lake City, UT	3.2	1
<b>Austin-Round Rock, TX</b>	<b>3.5</b>	<b>3</b>
Boston-Cambridge-Nashua, MA-NH	3.5	3
Minneapolis-St. Paul-Bloomington, MN-WI	3.6	5
Columbus, OH	3.9	6
Nashville-Davidson--Murfreesboro--Franklin, TN	3.9	6
Washington-Arlington-Alexandria, DC-VA-MD-WV	4	8
Cincinnati, O-KY-IN	4.1	9
<b>Dallas-Fort Worth-Arlington, TX</b>	<b>4.1</b>	<b>9</b>
Louisville/Jefferson County, KY-IN	4.1	9
<b>San Antonio-New Braunfels, TX</b>	<b>4.1</b>	<b>9</b>
San Francisco-Oakland-Hayward, CA	4.1	9
San Jose-Sunnyvale-Santa Clara, CA	4.1	9

# Unemployment Trending Down in the Region

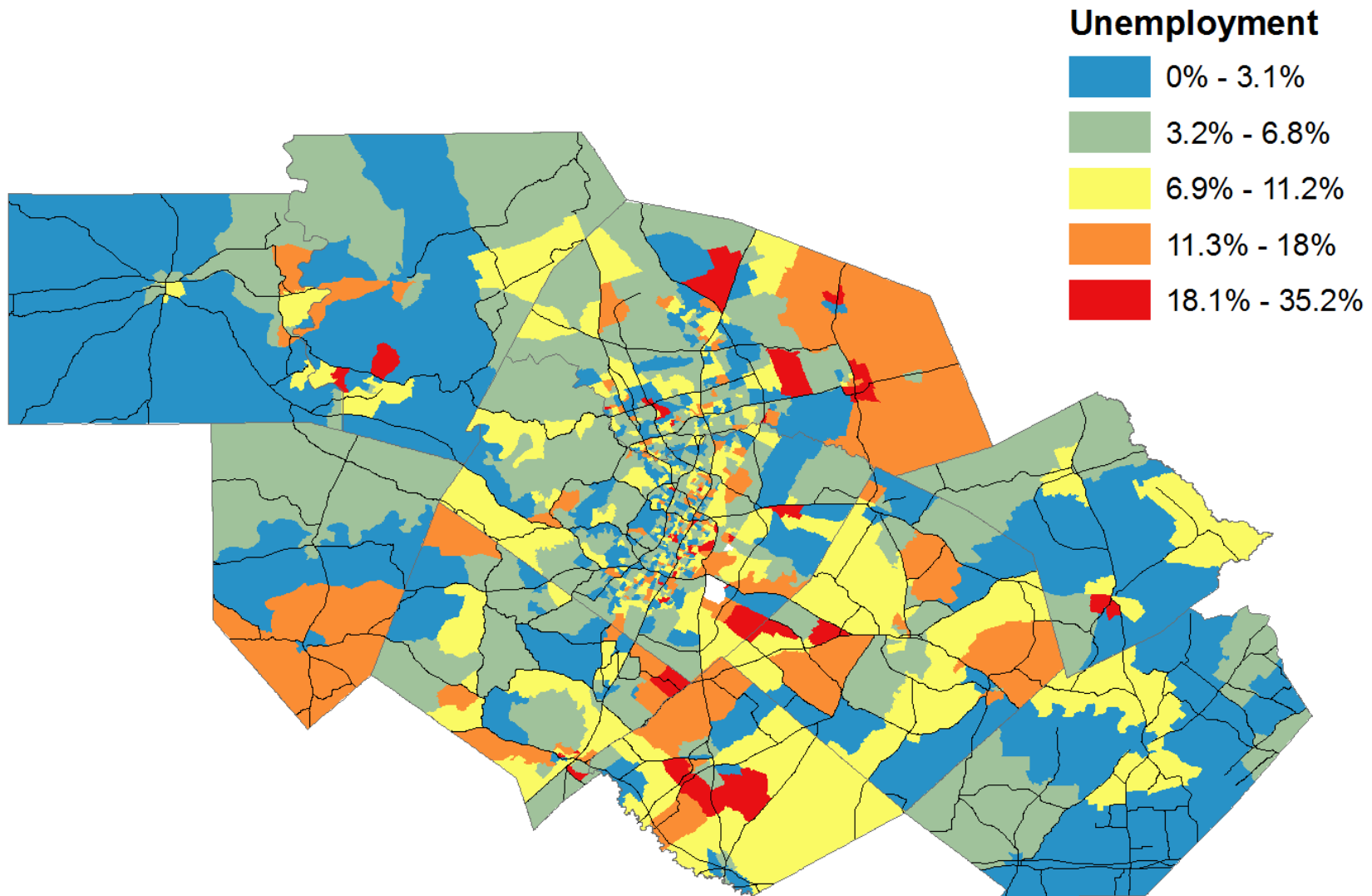
## Unemployment Over Time in the Capital Area



[Click Here! This Graphic is interactive.](#)

Source: Bureau of Labor Statistics

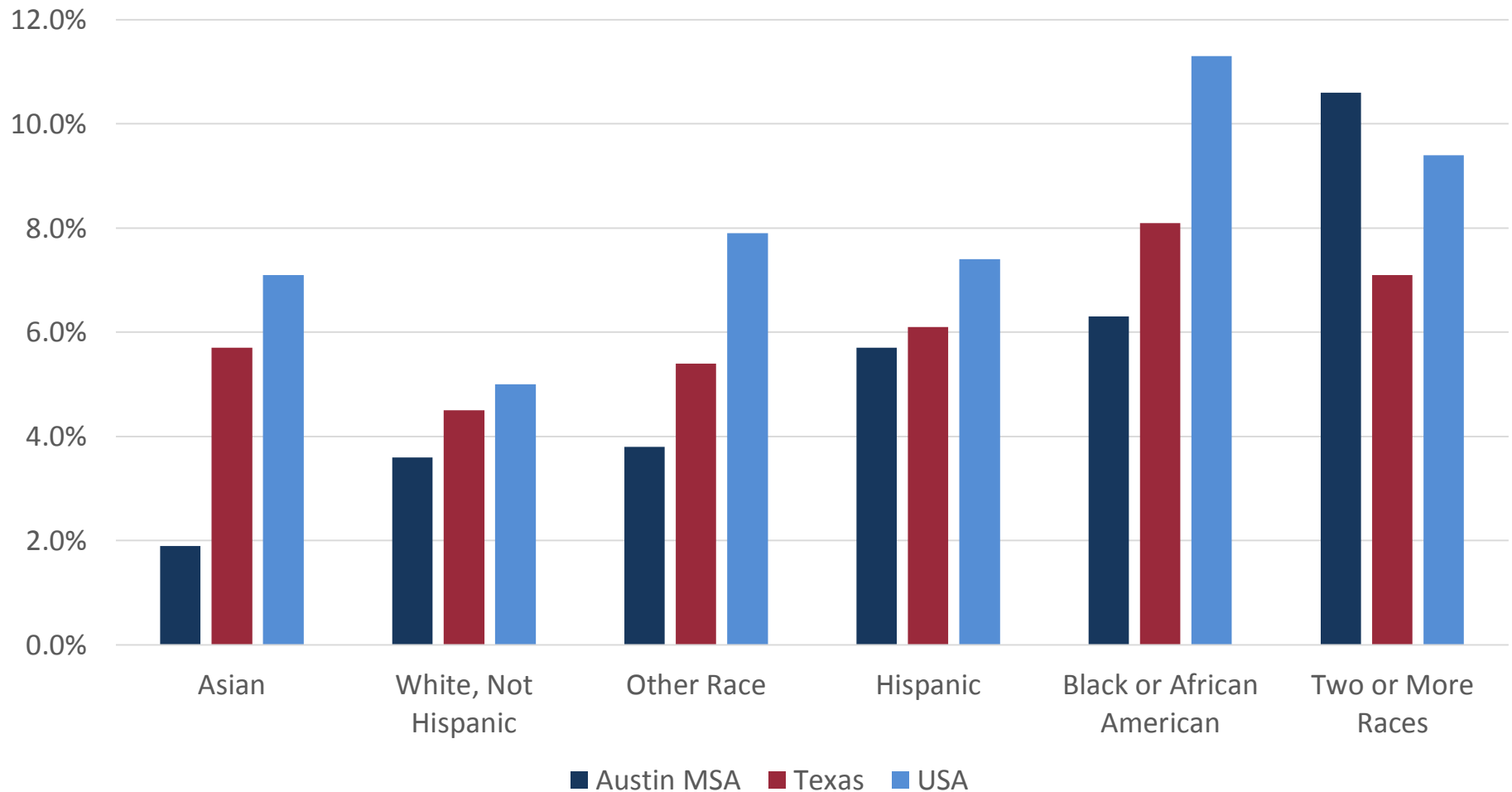
# Pockets of Deep Unemployment Remain



Source: U.S. Census Bureau

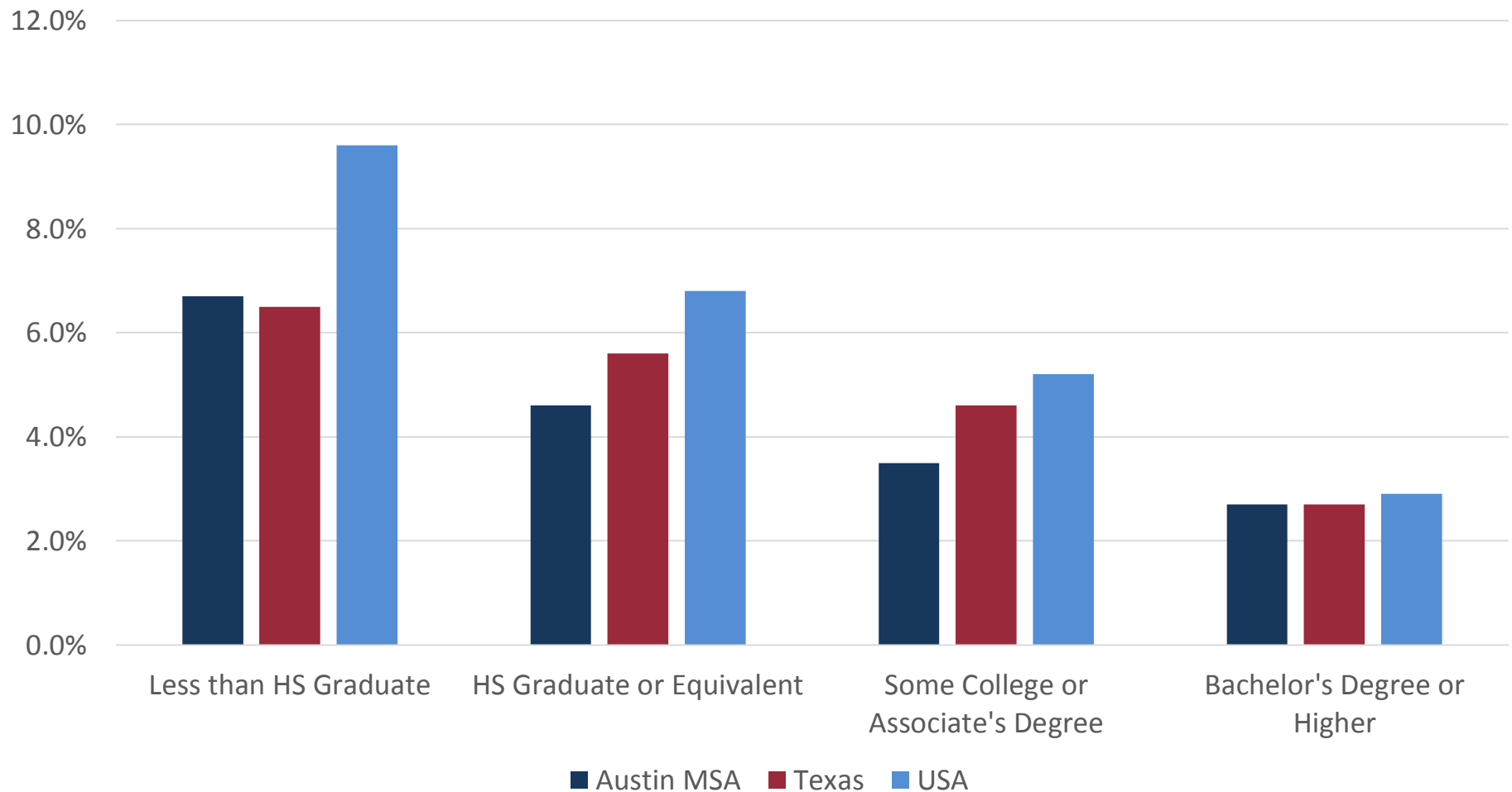
# Variation in Unemployment by Race/Ethnicity

Unemployment Rate by Race/Ethnicity (2015)

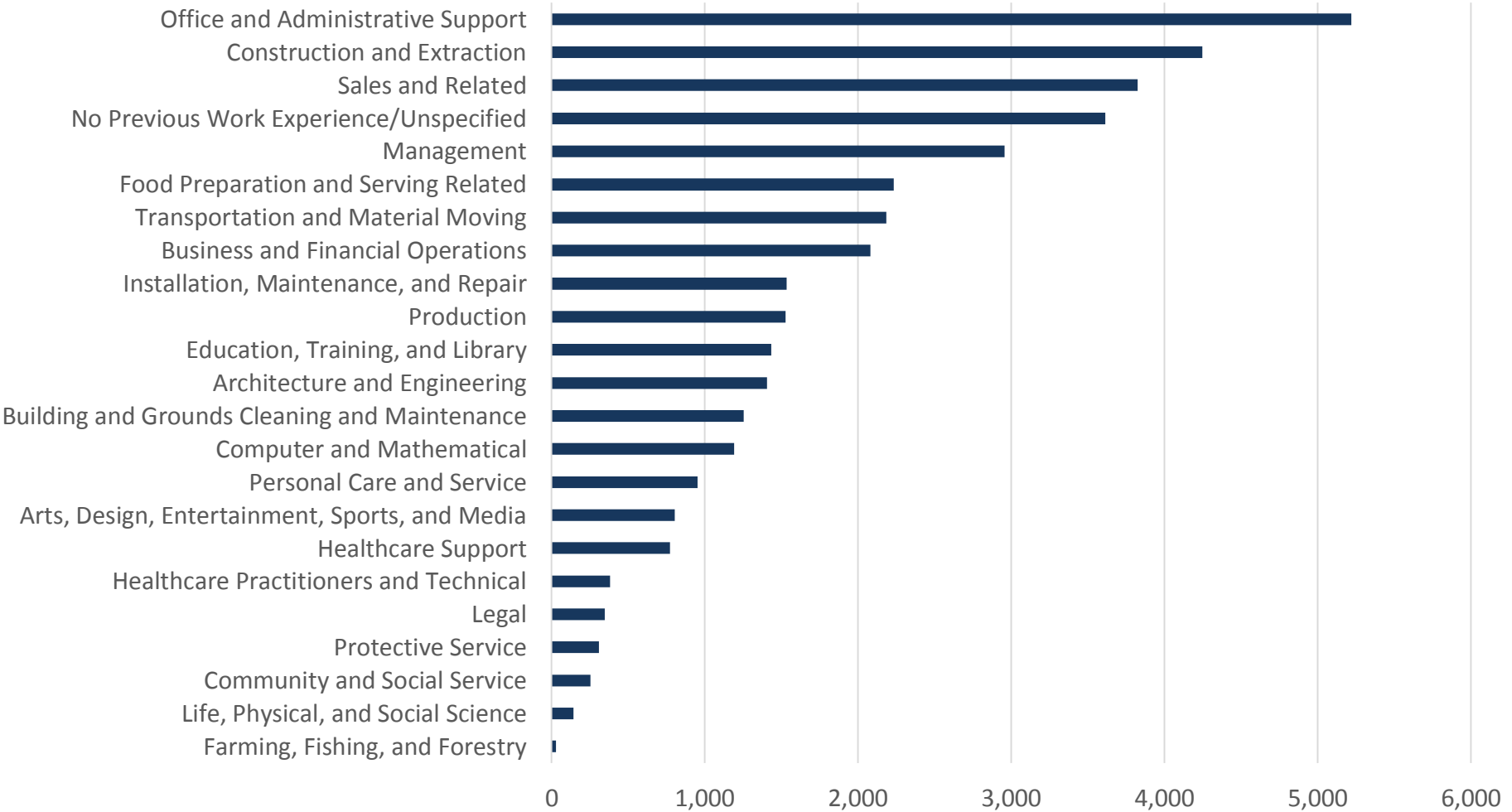


# Variation in Unemployment by Education

Unemployment Rate by Education (2015)



Unemployment in the Austin MSA by Occupation Group

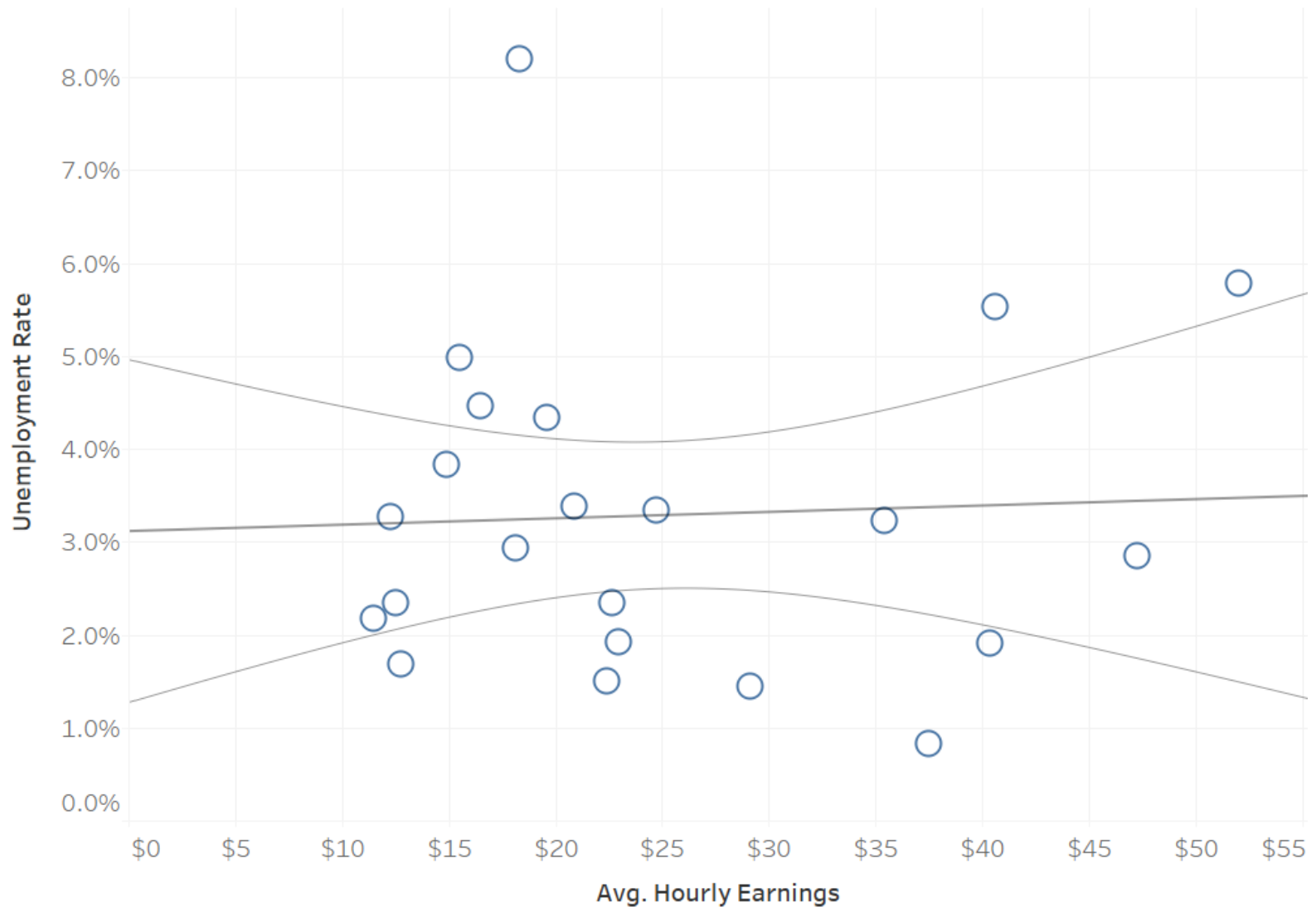


Source: EMSI



# Unemployment isn't really correlated with wage

Unemployment by Wage and Occupation Group



# Proposed Answer to Question #1

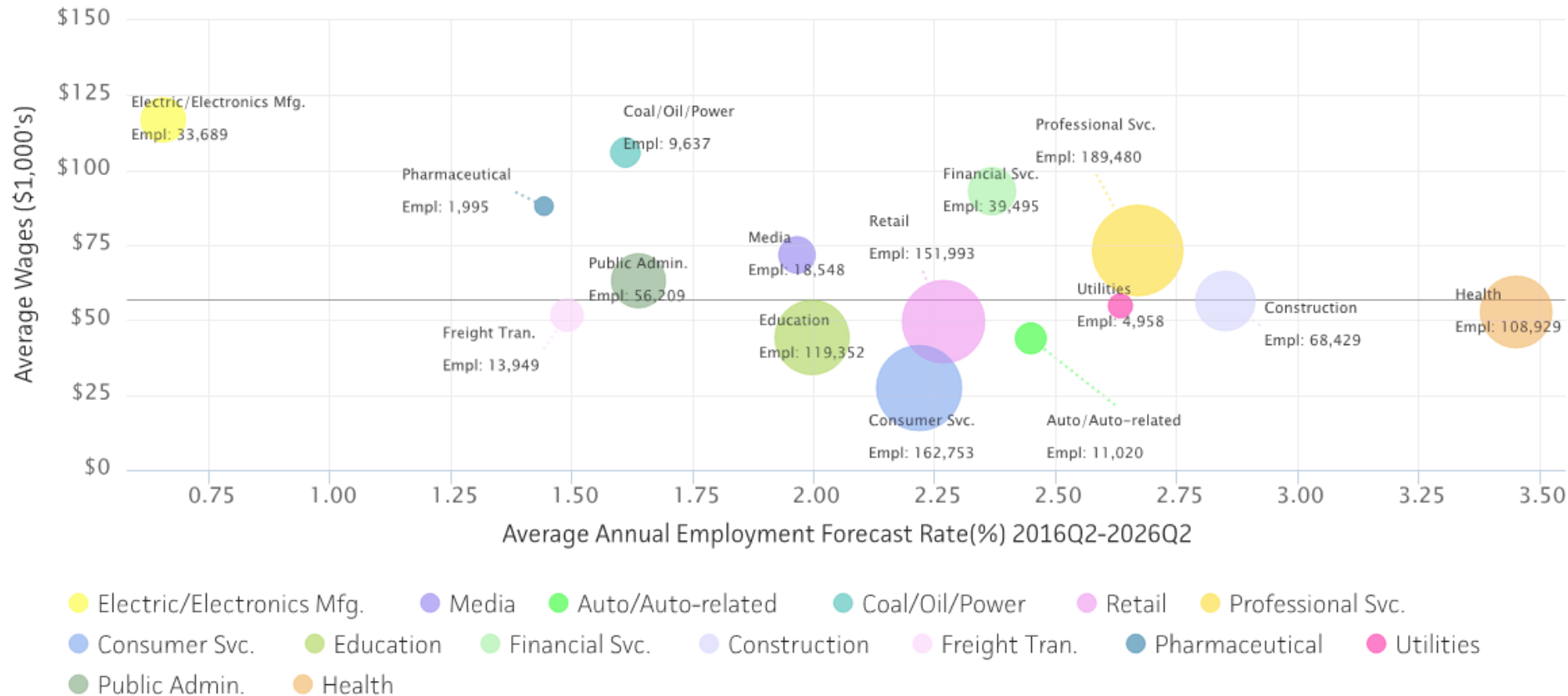
- What does unemployment look like in the region? Specifically, are there enough jobs, and are people qualified to get them?
  - Generally, unemployment is very low in the region
  - There are pockets of deep unemployment that are broadly geographically distributed
  - Unemployment is a bigger issue for workers with low educational attainment

## Question #2 – Job Creation and Distribution

- Are we creating the “right” jobs in terms of:
  - Economic resiliency?
  - Economic competitiveness?
  - Equity and affordability?

# Employment is distributed across a healthy number of clusters, and Austin's clusters are growing...

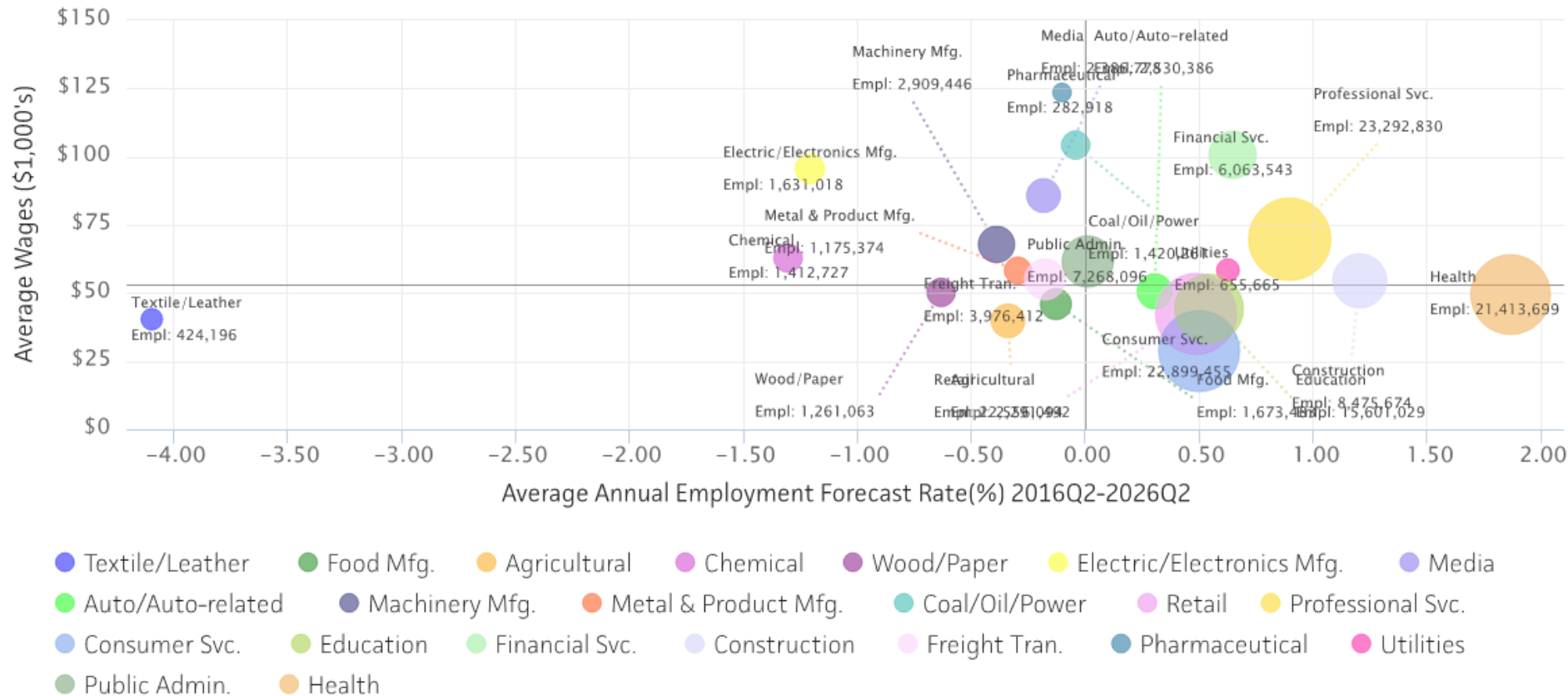
Industry Clusters for Austin-RR MSA as of 2016Q2



Source: JobsEQ®, Data as of 2016Q2

...particularly compared to the national picture

Industry Clusters for USA as of 2016Q2

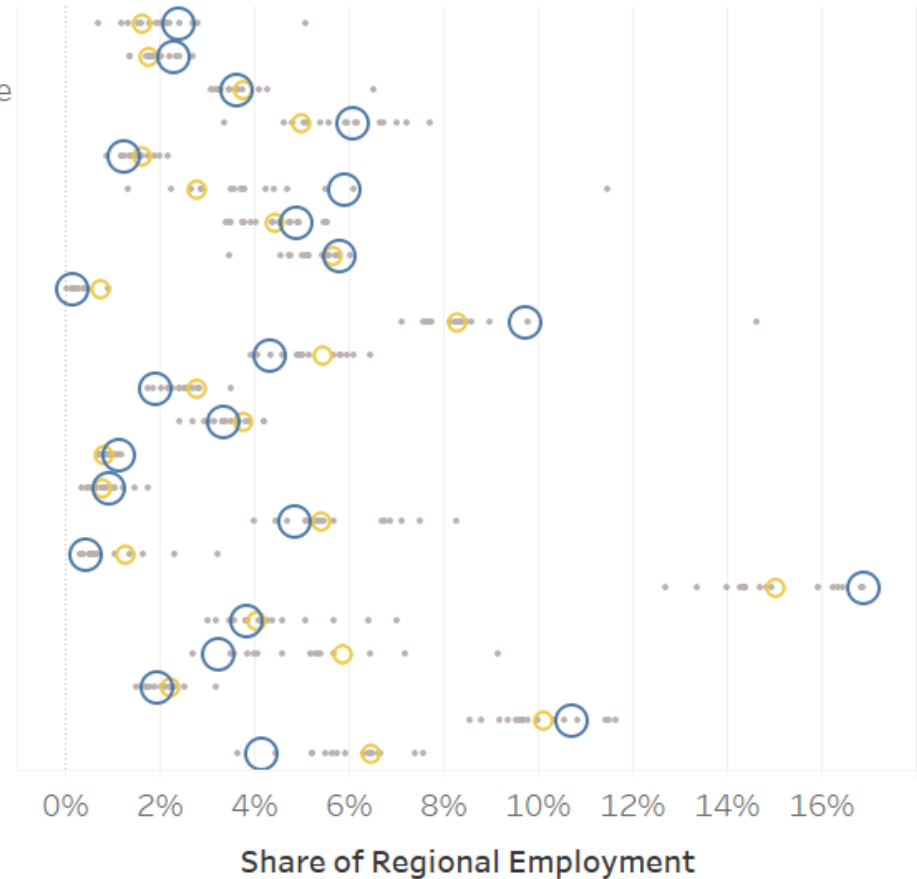


Source: JobsEQ®, Data as of 2016Q2

# How are Austin's jobs distributed, relative to peers?

## Employment by Occupation Group

Architecture and Engineering  
 Arts, Design, Entertainment, Sports, and Media  
 Building and Grounds Cleaning and Maintenance  
 Business and Financial Operations  
 Community and Social Service  
 Computer and Mathematical  
 Construction and Extraction  
 Education, Training, and Library  
 Farming, Fishing, and Forestry  
 Food Preparation and Serving Related  
 Healthcare Practitioners and Technical  
 Healthcare Support  
 Installation, Maintenance, and Repair  
 Legal  
 Life, Physical, and Social Science  
 Management  
 Military  
 Office and Administrative Support  
 Personal Care and Service  
 Production  
 Protective Service  
 Sales and Related  
 Transportation and Material Moving



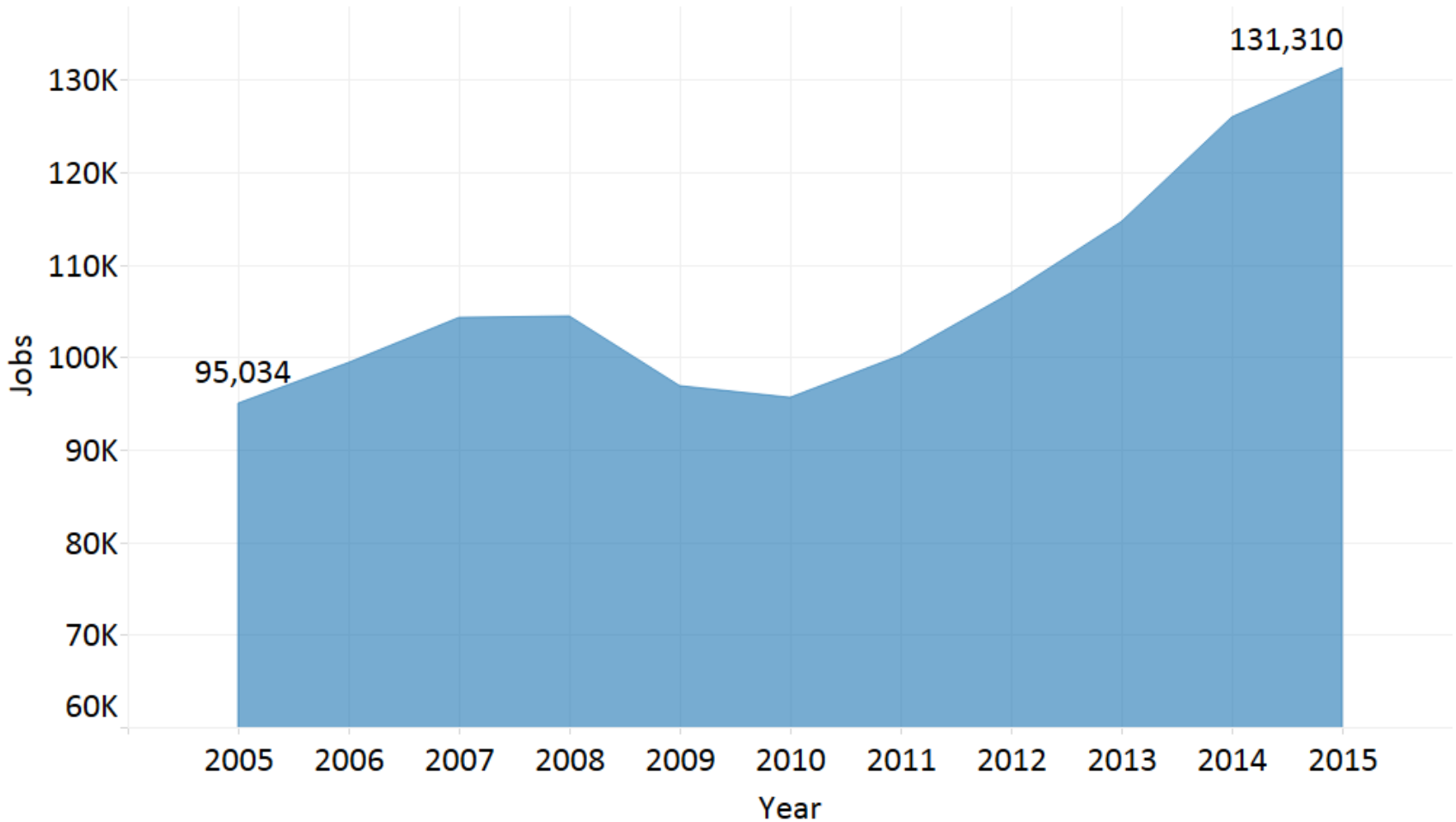
Occupation Group  
All

Compare the Austin MSA to Whom?  
USA

Color Legend  
 Austin  
 USA  
 Other Peer

# Employment in Advanced Industries is Booming

**Advanced Industries Employment in the Capital Area**



# Employment Change by Occupation Group

SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings
<b>11-0000</b>	<b>Management</b>	<b>40,963</b>	<b>51,187</b>	<b>10,224</b>	<b>25%</b>	<b>\$52.05</b>
<b>13-0000</b>	<b>Business and Financial Operations</b>	<b>51,319</b>	<b>64,374</b>	<b>13,055</b>	<b>25%</b>	<b>\$35.39</b>
<b>15-0000</b>	<b>Computer and Mathematical</b>	<b>40,961</b>	<b>62,290</b>	<b>21,329</b>	<b>52%</b>	<b>\$40.35</b>
17-0000	Architecture and Engineering	21,863	25,437	3,574	16%	\$40.63
19-0000	Life, Physical, and Social Science	8,907	9,797	890	10%	\$29.15
21-0000	Community and Social Service	12,161	13,206	1,045	9%	\$22.98
23-0000	Legal	10,557	12,149	1,592	15%	\$47.28
25-0000	Education, Training, and Library	59,203	61,228	2,025	3%	\$22.65
27-0000	Arts, Design, Entertainment, Sports, and Media	19,040	24,110	5,070	27%	\$24.74
29-0000	Healthcare Practitioners and Technical	36,398	45,873	9,475	26%	\$37.50
31-0000	Healthcare Support	15,982	20,202	4,220	26%	\$14.93
33-0000	Protective Service	18,607	20,506	1,899	10%	\$22.40
<b>35-0000</b>	<b>Food Preparation and Serving Related</b>	<b>73,853</b>	<b>102,676</b>	<b>28,823</b>	<b>39%</b>	<b>\$11.45</b>
37-0000	Building and Grounds Cleaning and Maintenance	29,529	38,356	8,827	30%	\$12.26
<b>39-0000</b>	<b>Personal Care and Service</b>	<b>30,516</b>	<b>40,624</b>	<b>10,108</b>	<b>33%</b>	<b>\$12.52</b>
<b>41-0000</b>	<b>Sales and Related</b>	<b>90,596</b>	<b>113,250</b>	<b>22,654</b>	<b>25%</b>	<b>\$20.89</b>
<b>43-0000</b>	<b>Office and Administrative Support</b>	<b>146,331</b>	<b>178,276</b>	<b>31,945</b>	<b>22%</b>	<b>\$18.16</b>
45-0000	Farming, Fishing, and Forestry	1,363	1,714	351	26%	\$12.78
<b>47-0000</b>	<b>Construction and Extraction</b>	<b>39,235</b>	<b>51,835</b>	<b>12,600</b>	<b>32%</b>	<b>\$18.31</b>
49-0000	Installation, Maintenance, and Repair	28,496	35,371	6,875	24%	\$19.63
51-0000	Production	29,563	34,187	4,624	16%	\$16.50
<b>53-0000</b>	<b>Transportation and Material Moving</b>	<b>33,519</b>	<b>43,852</b>	<b>10,333</b>	<b>31%</b>	<b>\$15.48</b>
55-0000	Military	4,205	4,608	403	10%	\$16.92



# Fast Growing Occupations: Management and Business

SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings
11-1021	General and Operations Managers	11,771	15,392	3,621	31%	\$57.67
13-1071	Human Resources Specialists	3,789	4,883	1,094	29%	\$32.83
13-1111	Management Analysts	5,008	6,209	1,201	24%	\$43.68
13-1161	Market Research Analysts and Marketing Specialists	3,883	5,711	1,828	47%	\$38.36
13-2011	Accountants and Auditors	9,498	12,462	2,964	31%	\$34.33

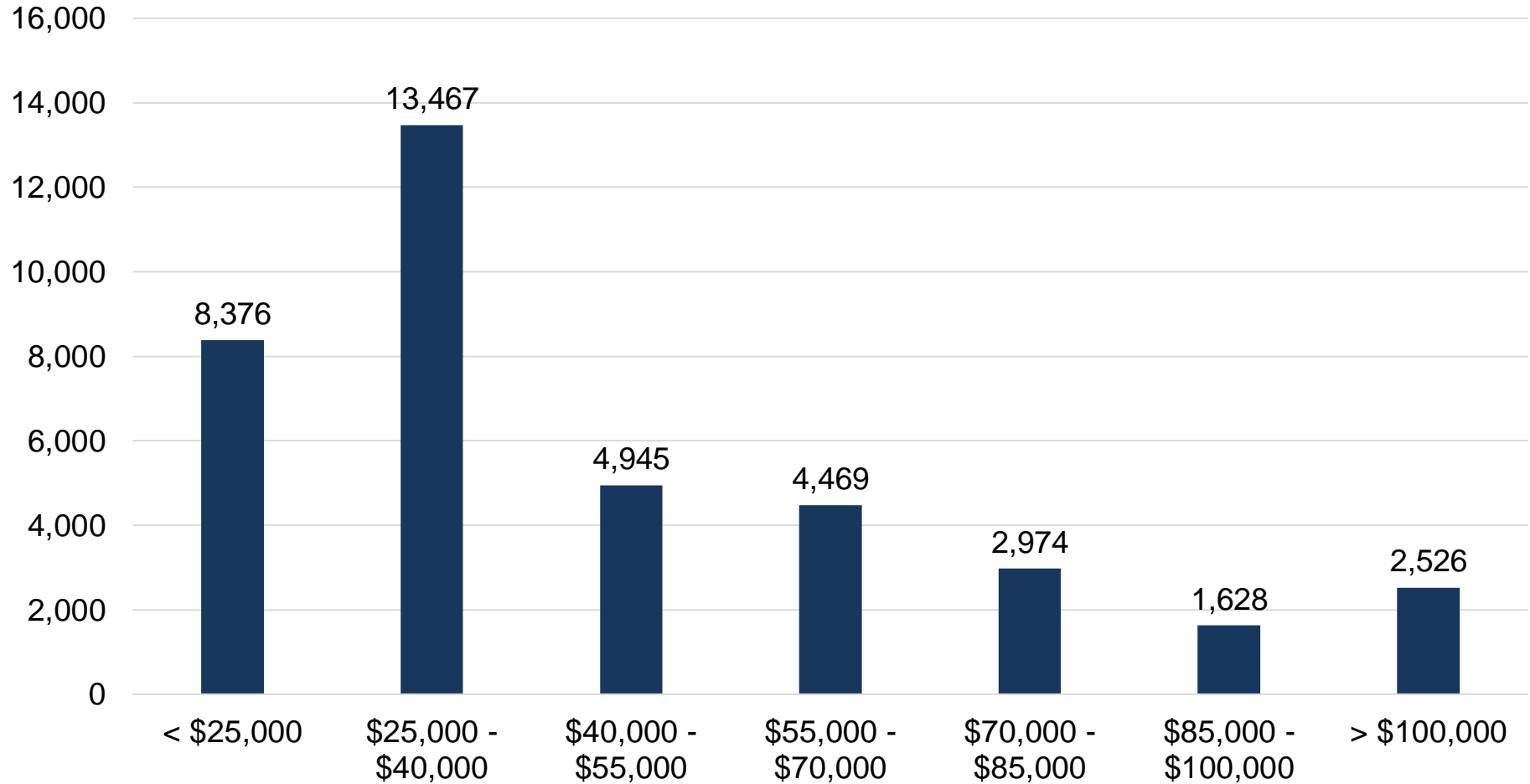
# Fast Growing Occupations: Computers Occupation Group



SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings
15-1121	Computer Systems Analysts	7,027	11,514	4,487	64%	\$40.33
15-1131	Computer Programmers	2,821	3,996	1,175	42%	\$42.75
15-1132	Software Developers, Applications	7,450	12,210	4,760	64%	\$45.96
15-1133	Software Developers, Systems Software	4,801	7,276	2,475	52%	\$48.18
15-1134	Web Developers	1,363	2,427	1,064	78%	\$33.71
15-1142	Network and Computer Systems Administrators	3,264	4,623	1,359	42%	\$41.48
15-1151	Computer User Support Specialists	6,124	8,774	2,650	43%	\$24.65

# Low-Wage Job Growth is Most Robust

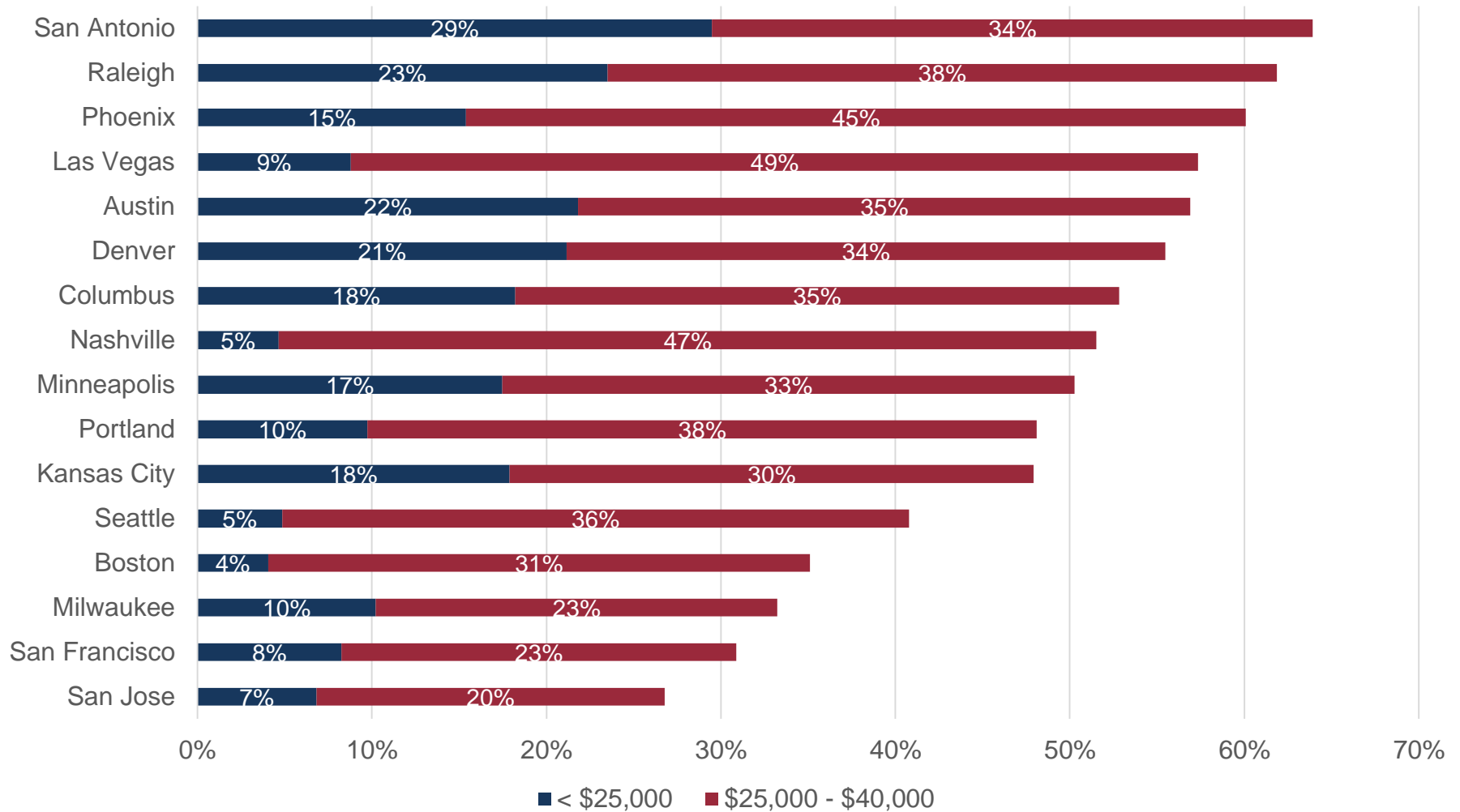
Job Creation by Average Annual Wage (2015-2016)



# Austin has more low-wage job growth than most peer cities



Share of New Jobs by Average Annual Wages (2015-2016)



# Fast Growing Occupations: Food Service

SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings
35-1012	First-Line Supervisors of Food Preparation and Serving Workers	4,886	6,887	2,001	41%	\$18.01
35-2014	Cooks, Restaurant	6,878	9,763	2,885	42%	\$11.34
35-2021	Food Preparation Workers	4,087	5,420	1,333	33%	\$11.67
35-3011	Bartenders	3,804	5,434	1,630	43%	\$13.37
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	18,408	27,211	8,803	48%	\$10.22
35-3031	Waiters and Waitresses	16,277	21,976	5,699	35%	\$11.30

# Fast Growing Occupations: Office Support

SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings
43-1011	First-Line Supervisors of Office and Administrative Support Workers	9,266	11,483	2,217	24%	\$30.92
43-3031	Bookkeeping, Accounting, and Auditing Clerks	9,049	10,557	1,508	17%	\$19.98
43-4051	Customer Service Representatives	18,506	23,937	5,431	29%	\$15.34
43-5081	Stock Clerks and Order Fillers	9,134	11,050	1,916	21%	\$12.63
43-6011	Executive Secretaries and Executive Administrative Assistants	7,962	9,231	1,269	16%	\$27.44
43-6013	Medical Secretaries	4,662	6,471	1,809	39%	\$17.20
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	19,028	23,056	4,028	21%	\$16.22
43-9061	Office Clerks, General	24,419	30,382	5,963	24%	\$16.62

# Fast Growing Occupations: Construction and Trades

SOC	Description	2010 Jobs	2016 Jobs	2010 - 2016 Change	2010 - 2016 % Change	Avg. Hourly Earnings
47-1011	First-Line Supervisors of Construction Trades and Extraction Workers	4,073	5,476	1,403	34%	\$28.96
47-2031	Carpenters	4,834	6,141	1,307	27%	\$17.02
47-2061	Construction Laborers	7,647	11,741	4,094	54%	\$13.74
49-3023	Automotive Service Technicians and Mechanics	3,563	4,563	1,000	28%	\$17.97
49-9071	Maintenance and Repair Workers, General	7,006	8,550	1,544	22%	\$17.28

# Wages in Austin are largely in line with statewide levels

Cost of Living Adjustment?

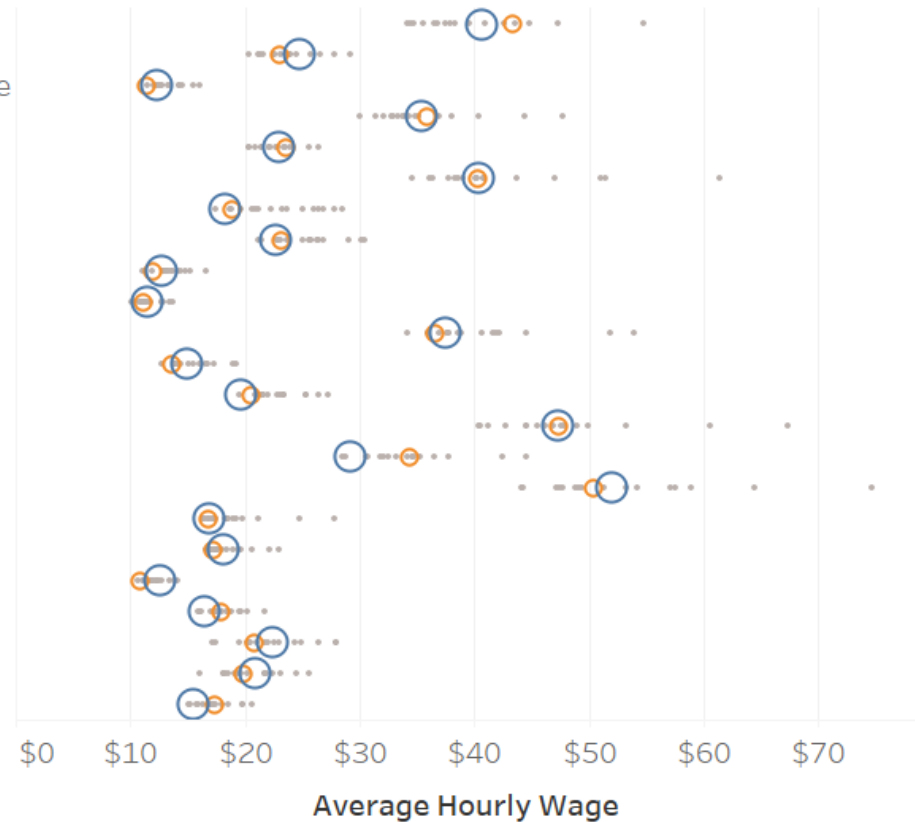
No

Compare Austin to Whom?

Texas

## Wages by Occupation Group

Architecture and Engineering  
Arts, Design, Entertainment, Sports, and Media  
Building and Grounds Cleaning and Maintenance  
Business and Financial Operations  
Community and Social Service  
Computer and Mathematical  
Construction and Extraction  
Education, Training, and Library  
Farming, Fishing, and Forestry  
Food Preparation and Serving Related  
Healthcare Practitioners and Technical  
Healthcare Support  
Installation, Maintenance, and Repair  
Legal  
Life, Physical, and Social Science  
Management  
Military  
Office and Administrative Support  
Personal Care and Service  
Production  
Protective Service  
Sales and Related  
Transportation and Material Moving



Color Legend

■ Austin ■ Texas ■ Other Peer

Source: EMSI

[Click Here! This Graphic is Interactive.](#)



# Proposed Answer to Question #2

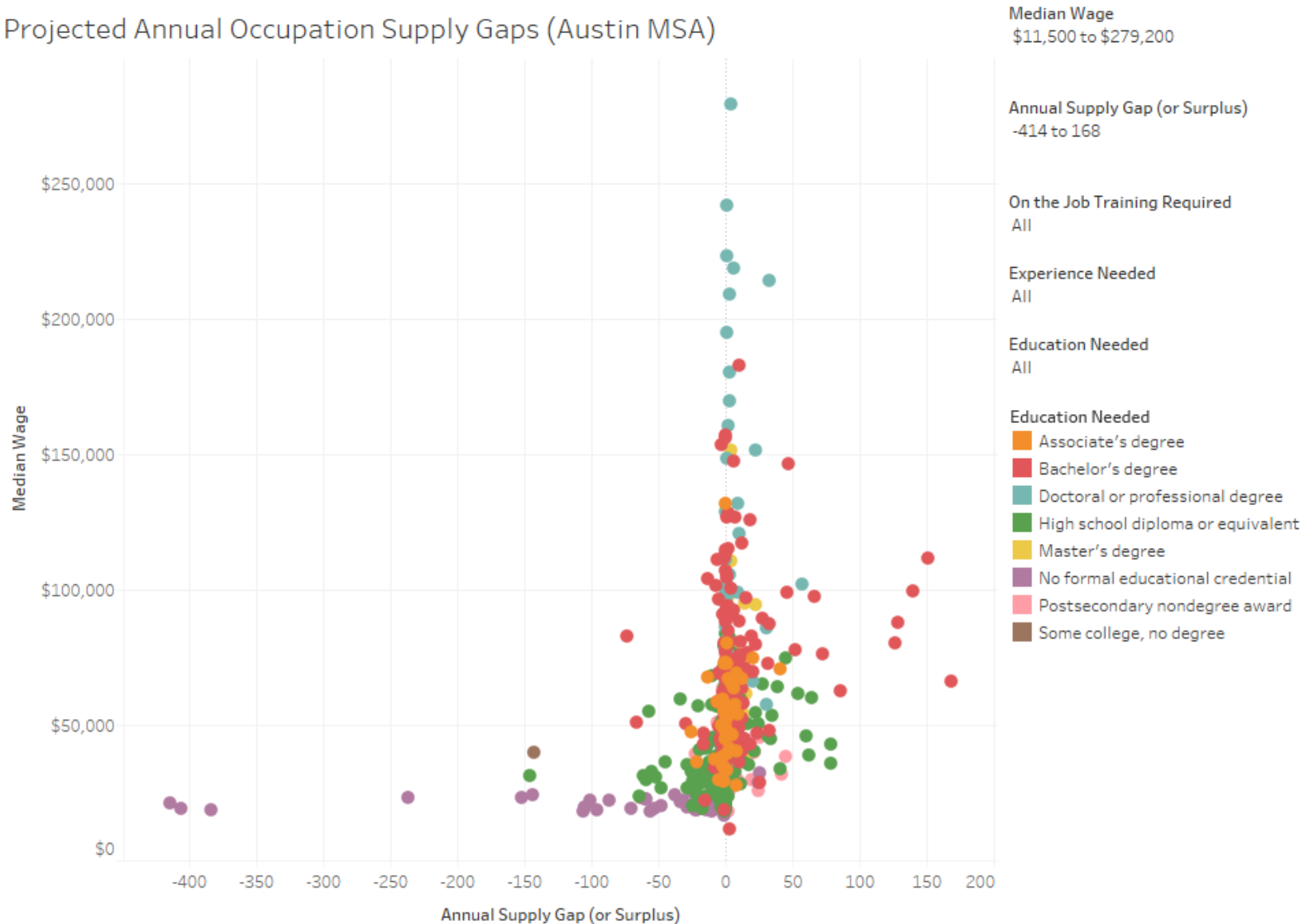
- Are we creating the “right” jobs in terms of:
  - Economic resiliency?
  - Economic competitiveness?
  - Equity and affordability?
- We seem to have a broadly diversified base of employment, with strong growth numbers shown across multiple sectors
- We are showing growth in “Advanced Industries” employment and in high-skill occupations that is consistent with a strong outlook for economic competitiveness
- That said, in terms of volume, job creation is weighted toward the low-end of the wage spectrum. This seems like a function of robust growth in retail, office support, and food service sectors. It may not be feasible to expect wage growth in these sectors that will keep pace with rising cost-of-living in the region.

## Question #3 – Job Matching

- So, new jobs are being created. That seems good. And unemployment is low. That also seems good. But is everyone happy where they are?
- In other words, can employers find the qualified candidates they're looking for? Can workers find the training and vacancies needed to change jobs?

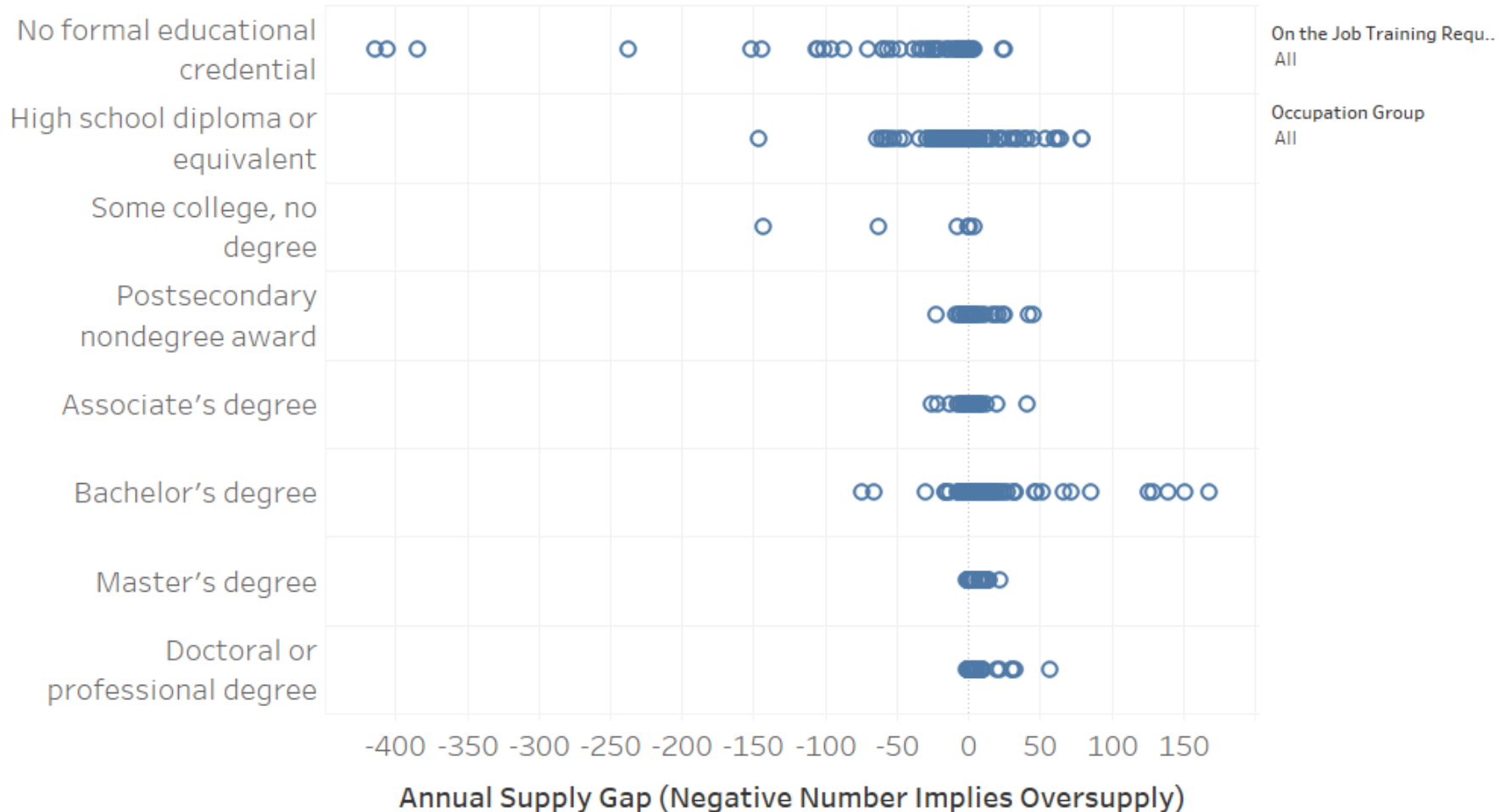
# There does seem to be a need for more workers, particularly in fields that pay between \$40k and \$100k

Projected Annual Occupation Supply Gaps (Austin MSA)



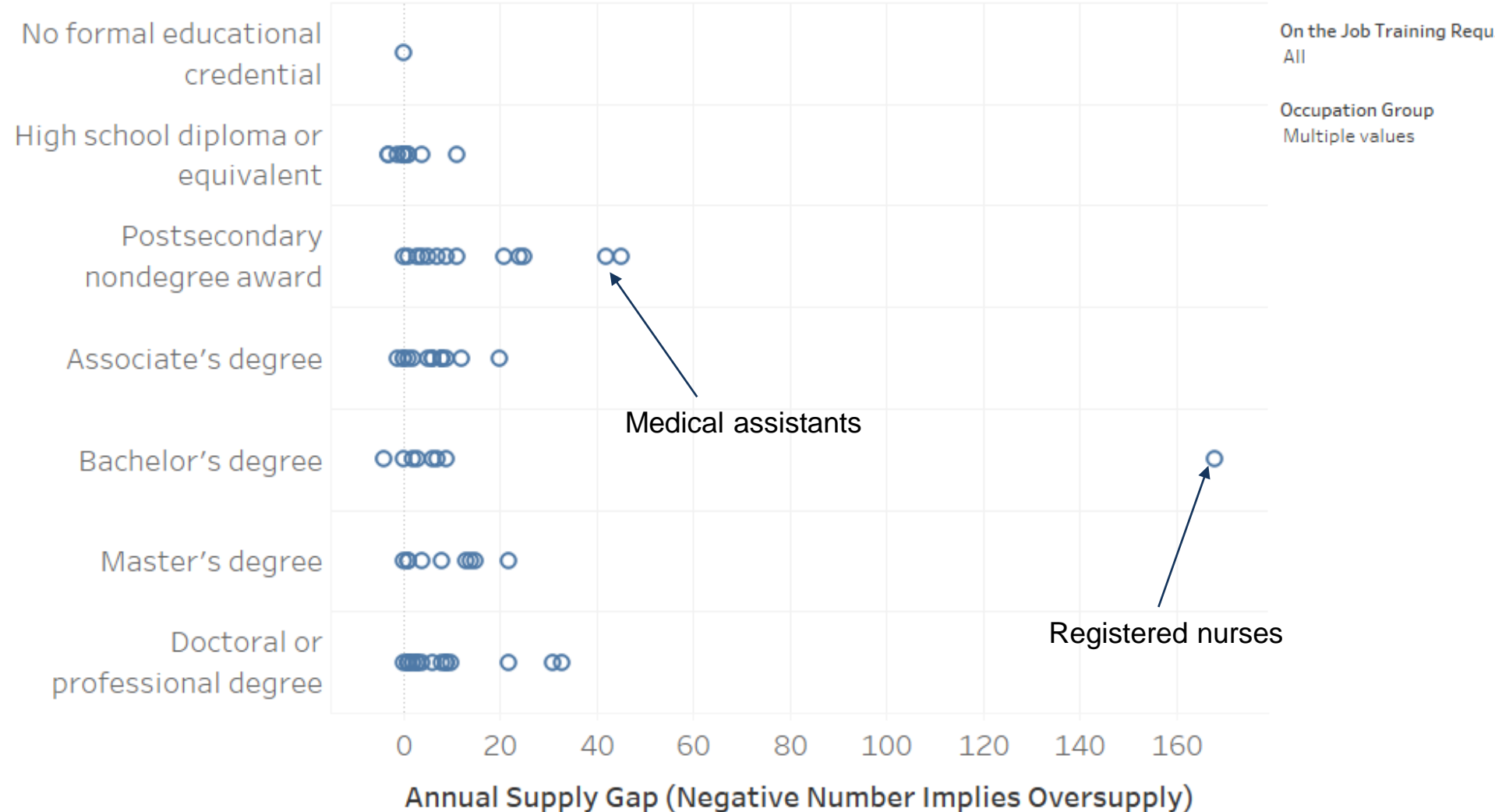
# The largest projected gaps are for occupations that require a Bachelor's Degree

Projected Annual Occupation Supply Gaps by Education Required (Austin MSA)



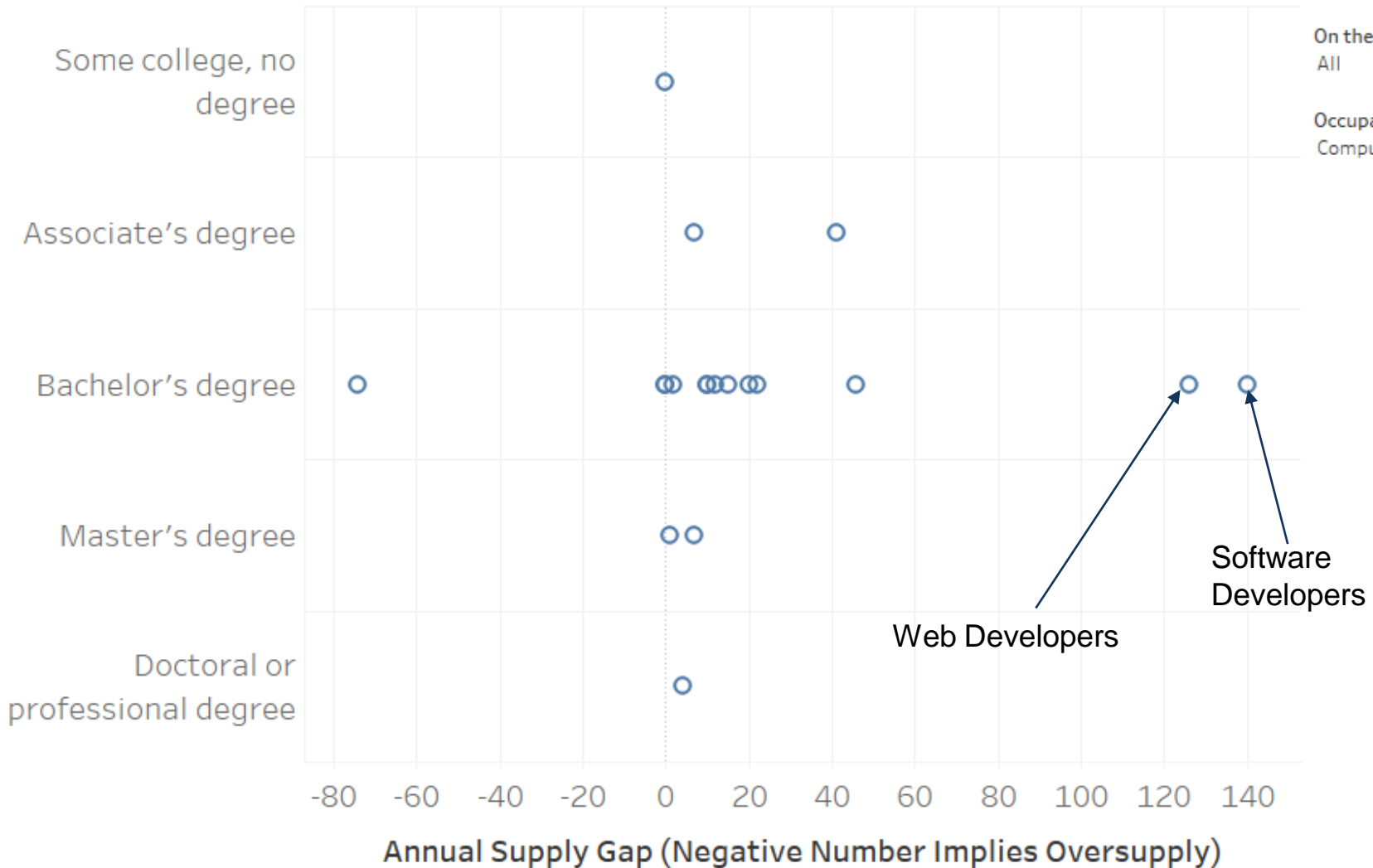
# Here's the picture for the healthcare sector

Projected Annual Occupation Supply Gaps by Education Required (Austin MSA)



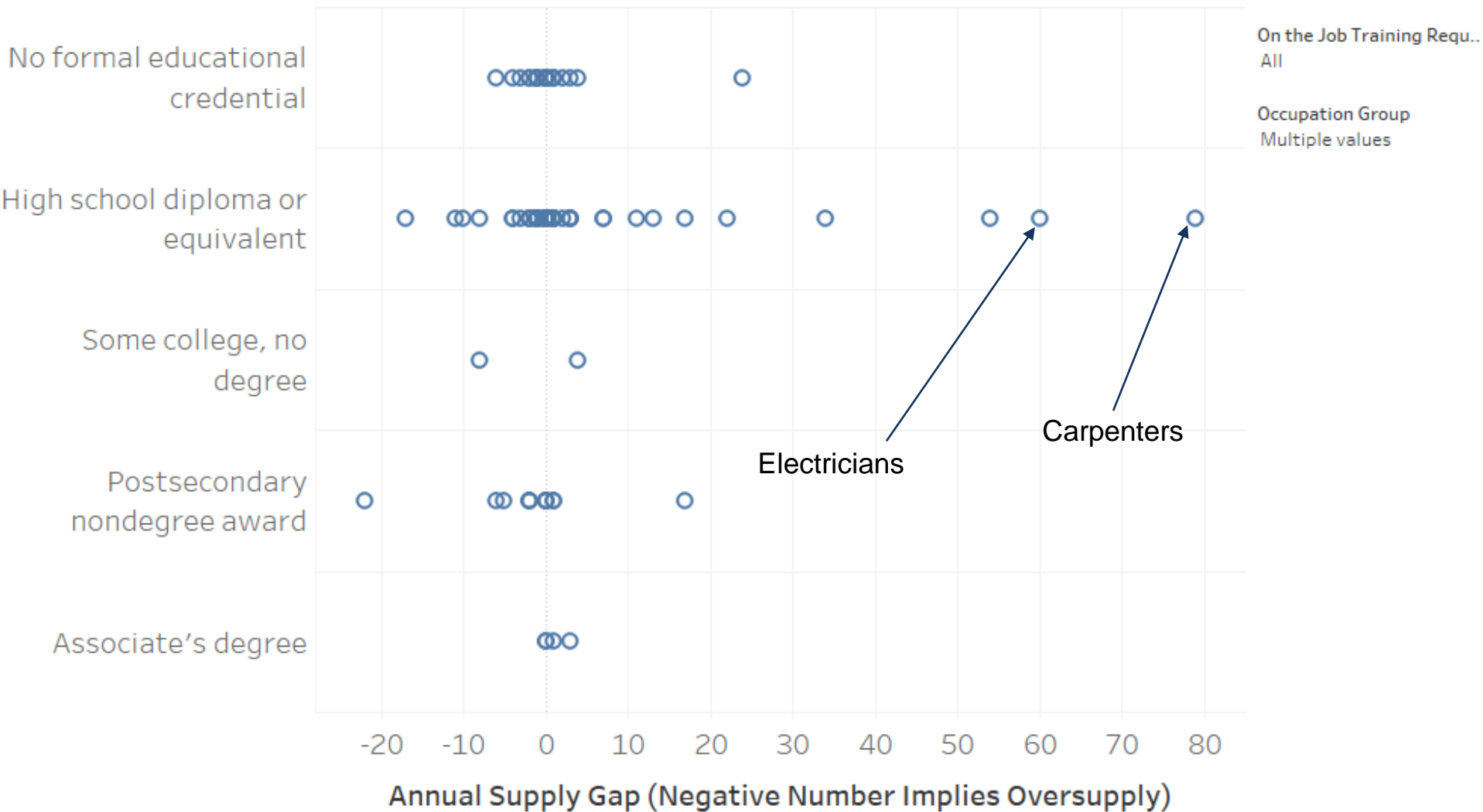
# And for “Computer and Mathematical” Occupations

Projected Annual Occupation Supply Gaps by Education Required (Austin MSA)

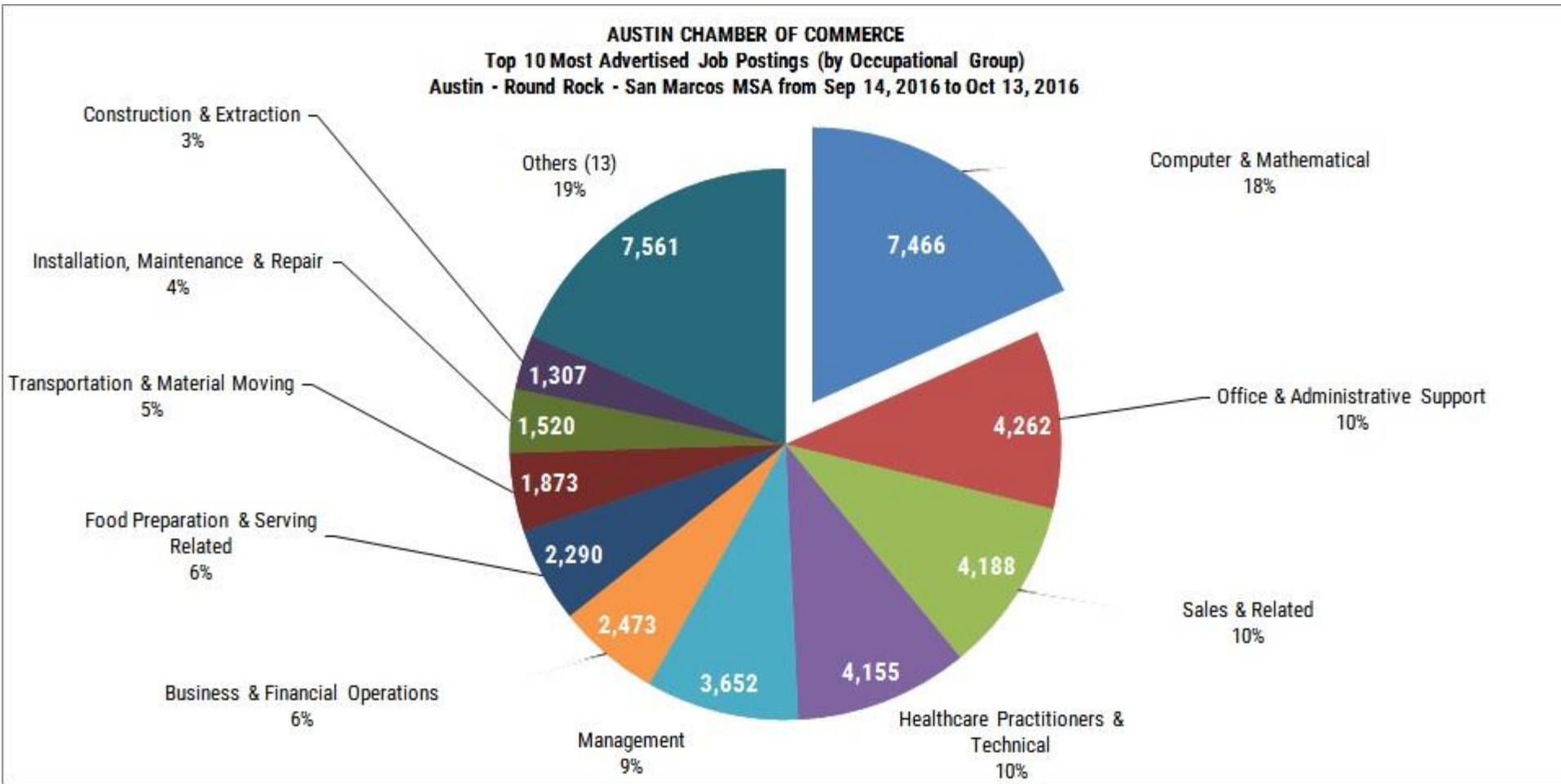


# And for “Construction and Trades” Occupations

Projected Annual Occupation Supply Gaps by Education Required (Austin MSA)

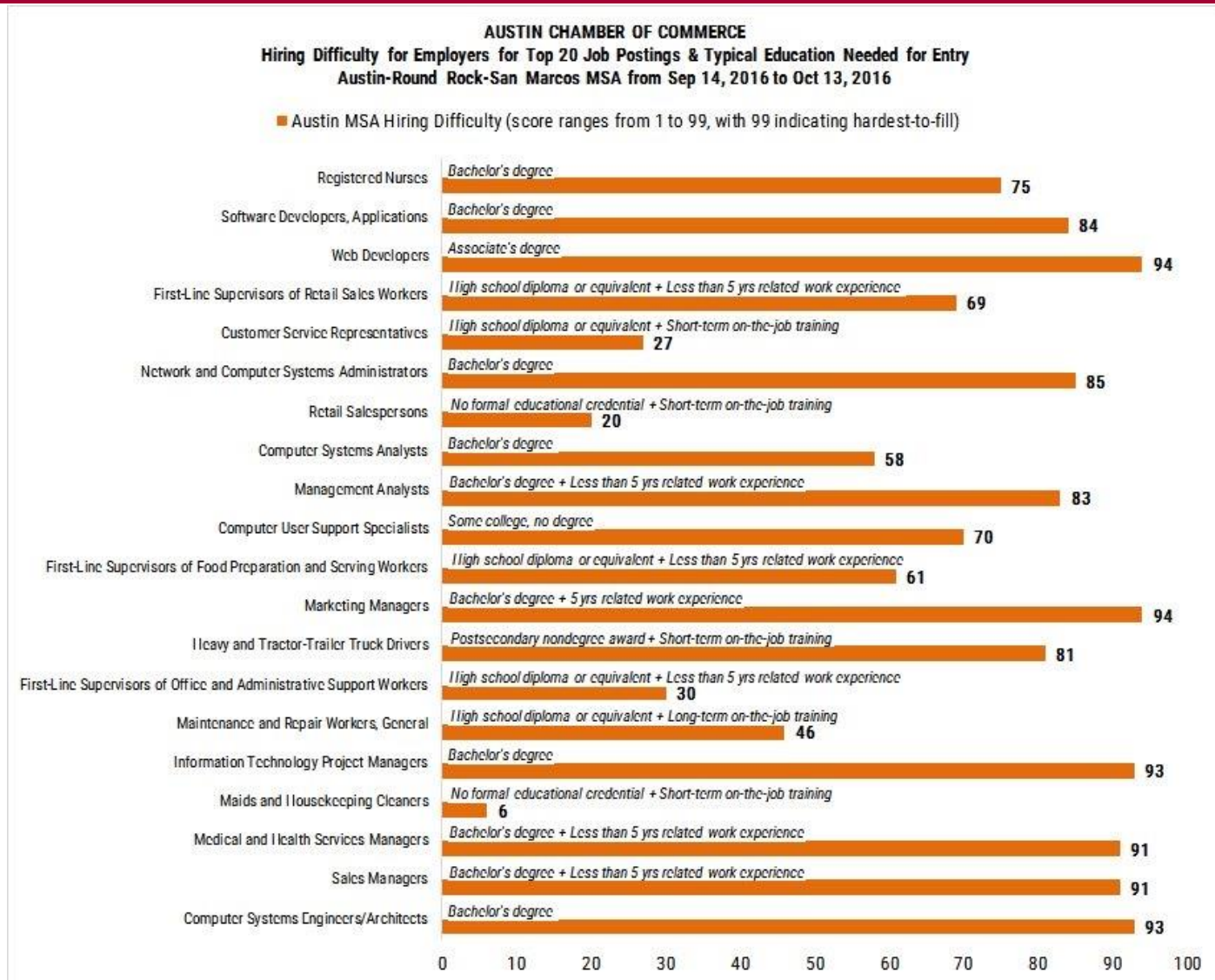


# Job Postings



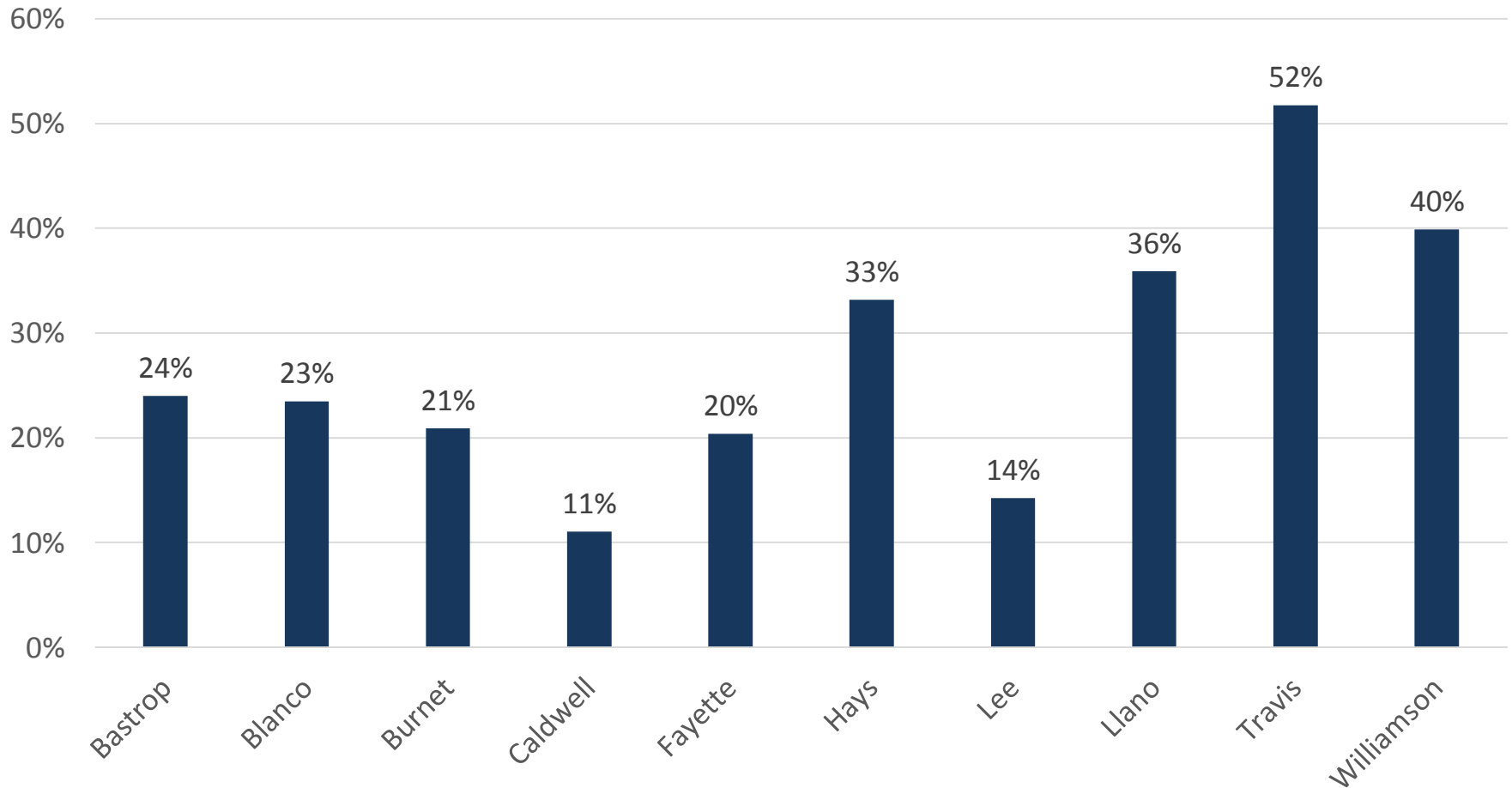


# Hiring Difficulty



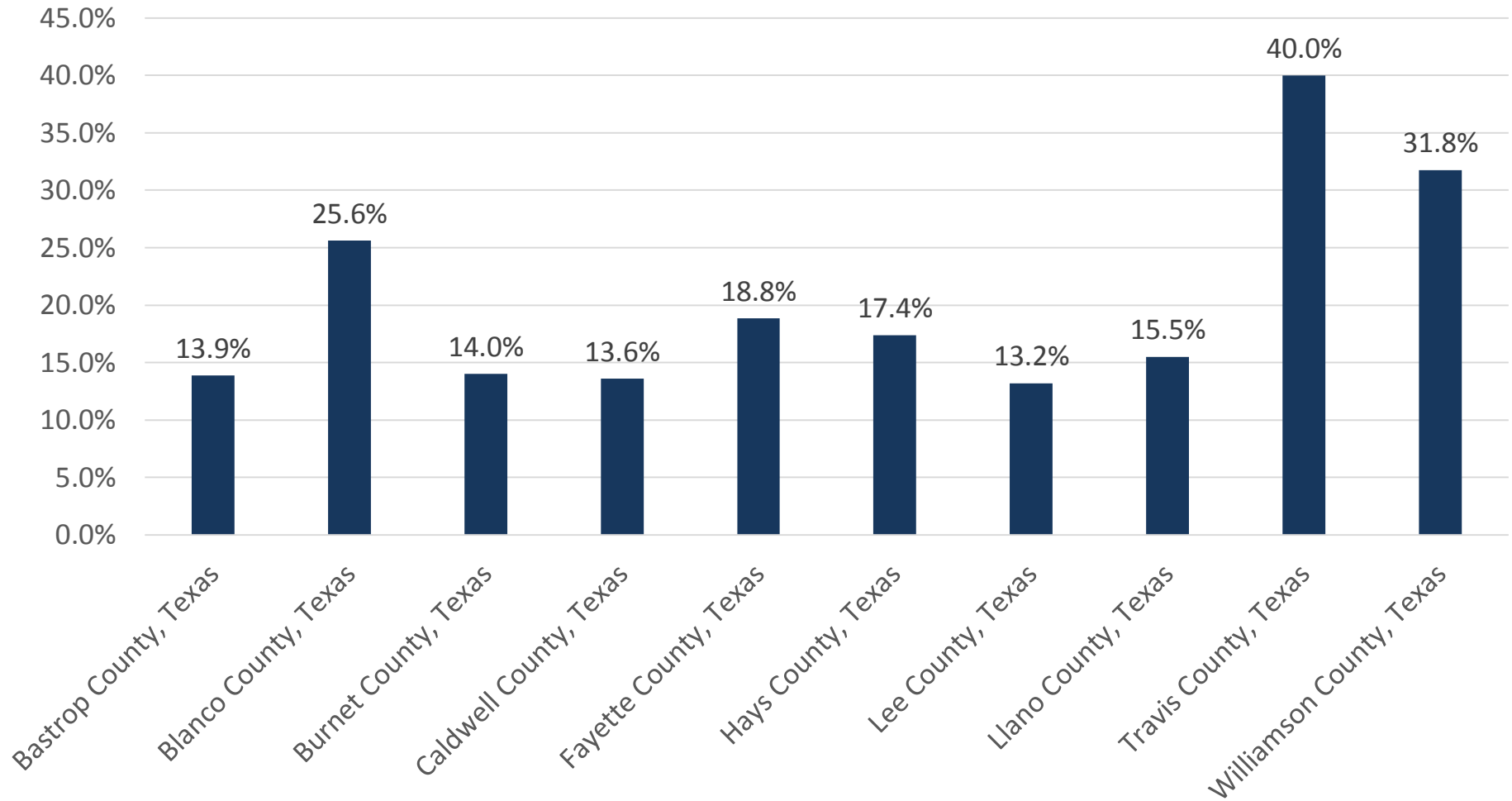
# In-Migration by Education

Share of 2014 In-Migration with a Bachelor's Degree or Above



# In-Migration by Origin

Share of 2014 In-Migration from Another State



## Question #3 – Job Matching

- So, new jobs are being created. That seems good. And unemployment is low. That also seems good. But is everyone happy where they are?
- In other words, can employers find the qualified candidates they're looking for? Can workers find the training and vacancies needed to change jobs?
  - Employers seem to be having a harder time finding enough high-skilled workers, particularly in computers fields.
  - Some of the in-migration appears to be a function of demand for workers with a bachelor's degree
  - For workers, the decision to up-skill and may or may not pay off, depending on credential achieved and occupation chosen.

# Where do we go from here?

- Now that we've got a solid foundation in the data, how do we move to policy and programmatic recommendations and advocacy?
- How do we narrow the focus?
  - Focus on unemployment and uncovering issues where deep pockets of unemployment remain?
  - Focus on supply of workers?
    - High skill – can we produce more, so that existing occupation gaps are filled?
    - Medium skill – should we drill down into specific needs here?
  - Look for case studies from peer regions that inform our current situation?
  - Focus on labor/skills competitiveness in Target Industries for recruitment/expansion across the region?

# Thank you



Capital Area Council of Governments

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