

TEXAS MONTHLY SEASONALLY ADJUSTED EMPLOYMENT REVIEW



May 2009

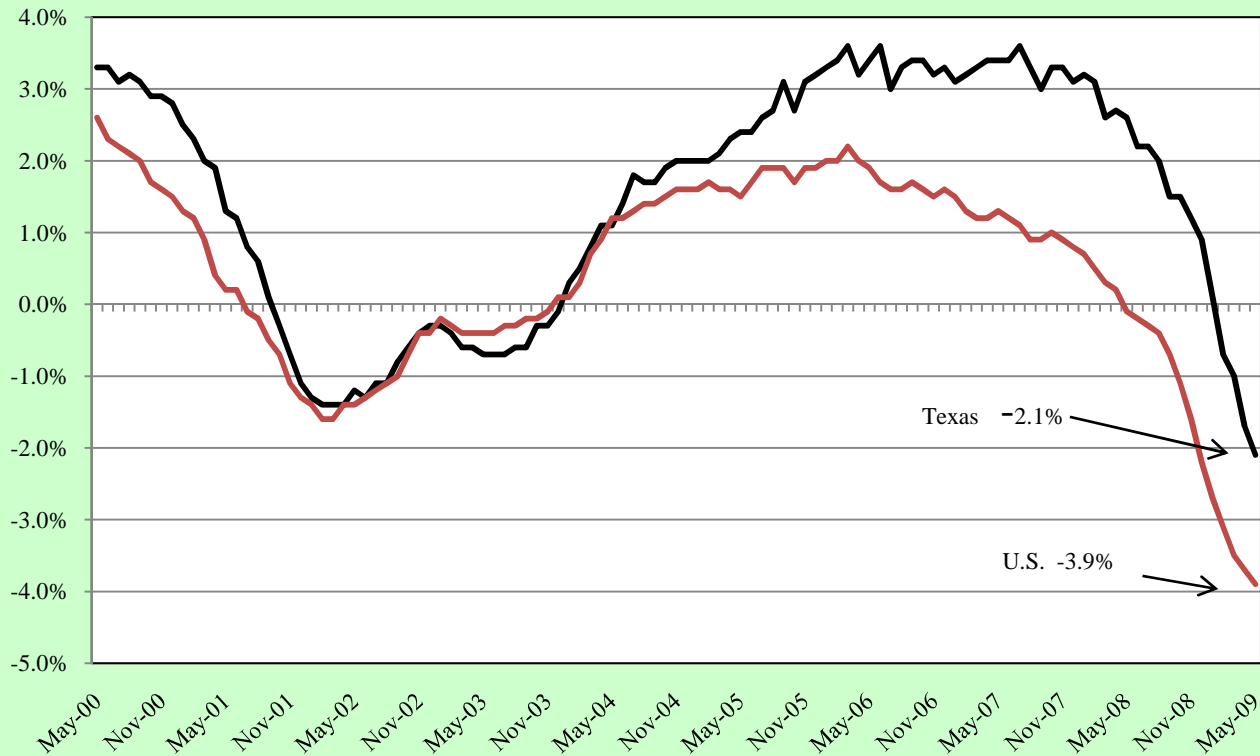
STATEWIDE OVERVIEW

Total Nonagricultural Employment lost 24,700 jobs in May 2009, following a revised drop in April of 47,500 positions. This was the seventh straight month of employment loss in this data series. Not all major industries shed jobs from April to May 2009, as four industries added to their payroll totals in May. The annual growth rate for Total Nonagricultural Employment has steadily fallen from 2.6 percent in May 2008 to a current rate of -2.1 percent for May 2009. Total Nonagricultural Employment was 222,600 jobs below the year-ago level.

Total Nonagricultural Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 10,401,900 | 10,426,600 | 10,624,500 | -24,700 | -0.2 | -222,600 | -2.1 |

Annual Growth for Texas and the U.S. May 2009 (Seasonally Adjusted)

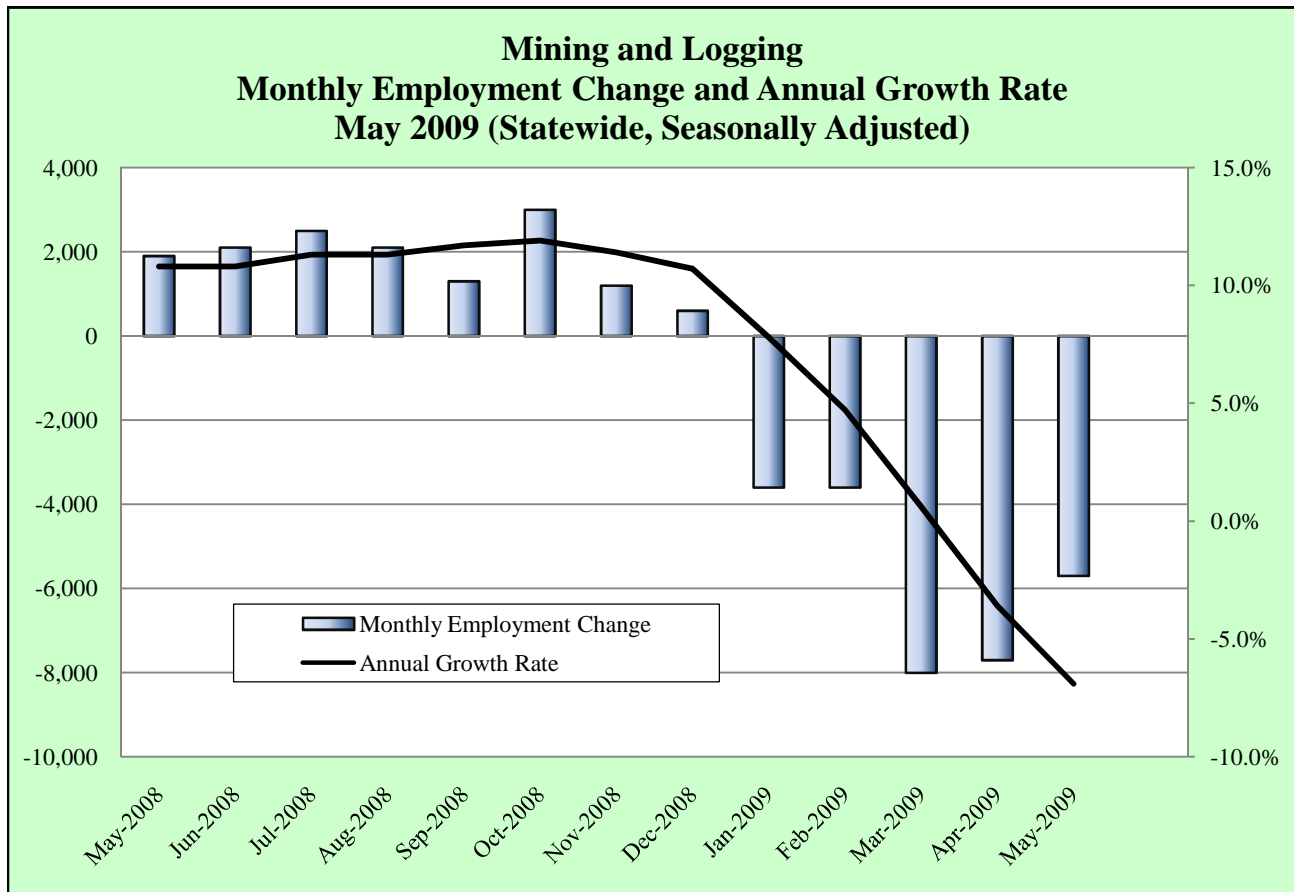


MINING AND LOGGING

Mining and Logging employment declined for the fifth straight month and recorded a loss of 5,700 jobs in May. The annual growth rate dropped to -6.9 percent, its lowest level posted since October 2002. The total number of jobs lost in Mining and Logging since May 2008 was 15,800.

Total Mining and Logging Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 211,600 | 217,300 | 227,400 | -5,700 | -2.6 | -15,800 | -6.9 |



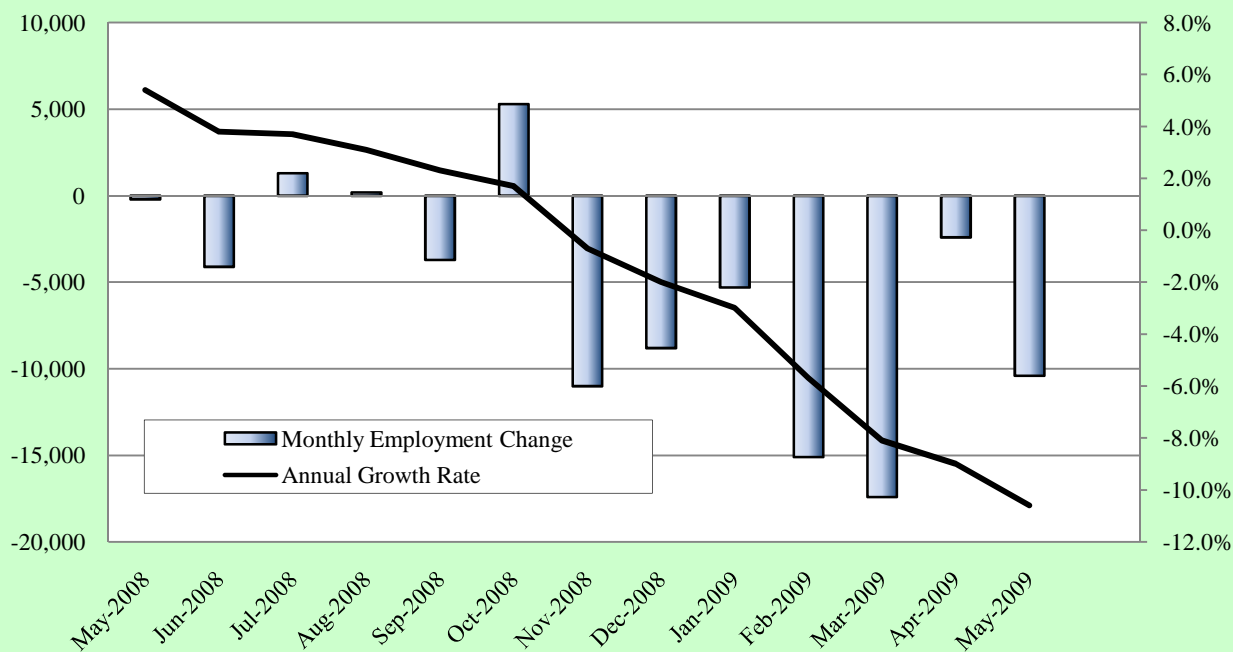
CONSTRUCTION

Construction employment was down 10,400 positions in May, after losing 2,400 jobs in April. The annual growth rate fell further into negative territory going from -9.0 percent in April to -10.6 percent in May. A total of 45,300 jobs have been lost in Construction since the beginning of 2009, while 71,400 jobs have been shed in this industry since May 2008.

Total Construction Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|-------------------|----------------------------|-------------------|
| | | | Numeric Change | Percent Change | Numeric Change | Percent Change |
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | | | | |
| 605.200 | 615.600 | 676.600 | -10.400 | -1.7 | -71.400 | -10.6 |

Construction
Monthly Employment Change and Annual Growth Rate
May 2009 (Statewide, Seasonally Adjusted)



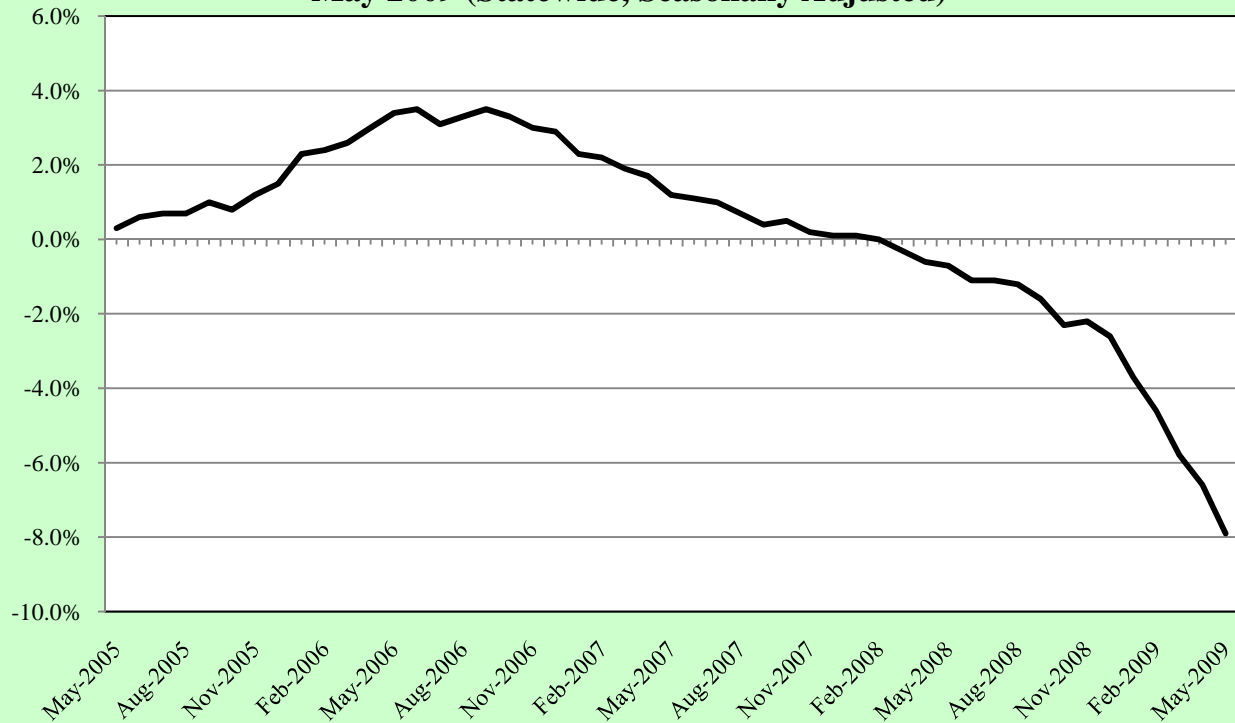
MANUFACTURING

Employment in Manufacturing recorded its second largest monthly decline this year with a loss of 12,800 jobs in May. Continuing with its fifteen-month long negative trend, the annual growth rate dropped from -6.6 percent in April to -7.9 percent in May. A total of 73,500 jobs have been lost in Manufacturing since May 2008.

Total Manufacturing Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 854,800 | 867,600 | 928,300 | -12,800 | -1.5 | -73,500 | -7.9 |

**Manufacturing
Annual Growth Rate Over Five Years
May 2009 (Statewide, Seasonally Adjusted)**



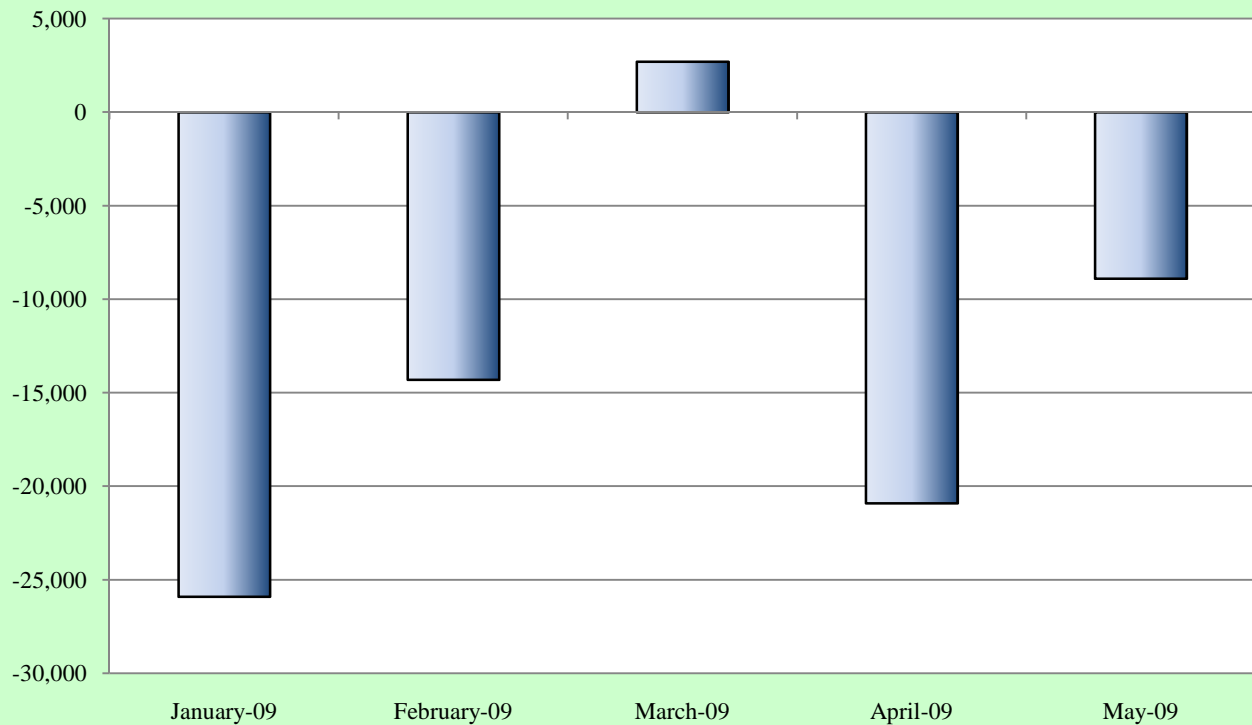
TRADE, TRANSPORTATION AND UTILITIES

Employment in Trade, Transportation and Utilities was down 8,900 jobs in May, following a revised loss of 20,900 jobs in April. The larger than average monthly drops in this industry has caused the annual growth rate to drop from 1.9 percent in May 2008 to its current rate of -3.3 percent. The annual growth rate of -3.3 percent constitutes a loss of 71,000 jobs since May of last year.

Total Trade, Transportation and Utilities Employment

| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Apr-2009 to May-2009</u> | | <u>May-2008 to May-2009</u> | |
|-----------------|-----------------|-----------------|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | | | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 2,076,200 | 2,085,100 | 2,147,200 | -8,900 | -0.4 | -71,000 | -3.3 |

Trade, Transportation and Utilities 2009 Over-the-Month Change (Statewide, Seasonally Adjusted)



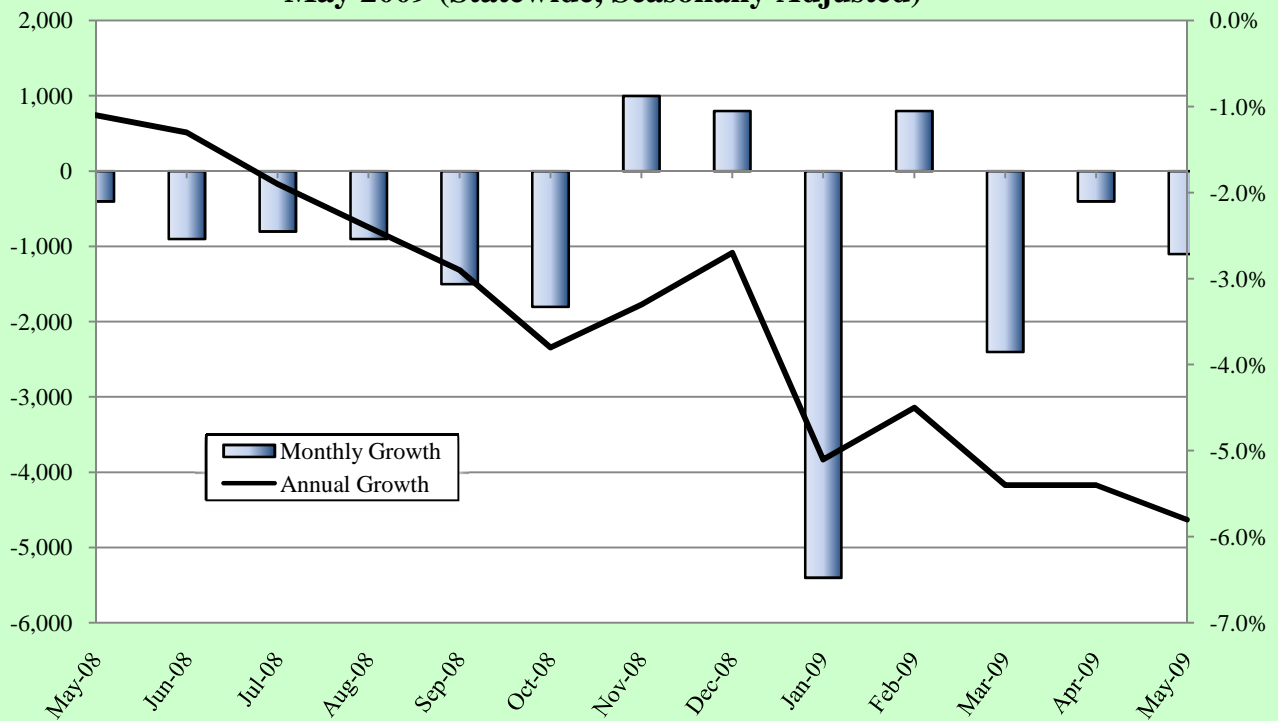
INFORMATION

Information employment dropped 1,100 jobs in May for a total of 206,100. Since January, this major industry lost 3,100 jobs. From year-ago levels, Information was down 12,600 jobs, a -5.8 percent decrease. This industry recorded its peak employment in September of 2000 with 280,100 jobs. Since then, the Information industry has been on a declining trend.

Total Information Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 206,100 | 207,200 | 218,700 | -1,100 | -0.5 | -12,600 | -5.8 |

Information Monthly Growth vs. Annual Growth May 2009 (Statewide, Seasonally Adjusted)



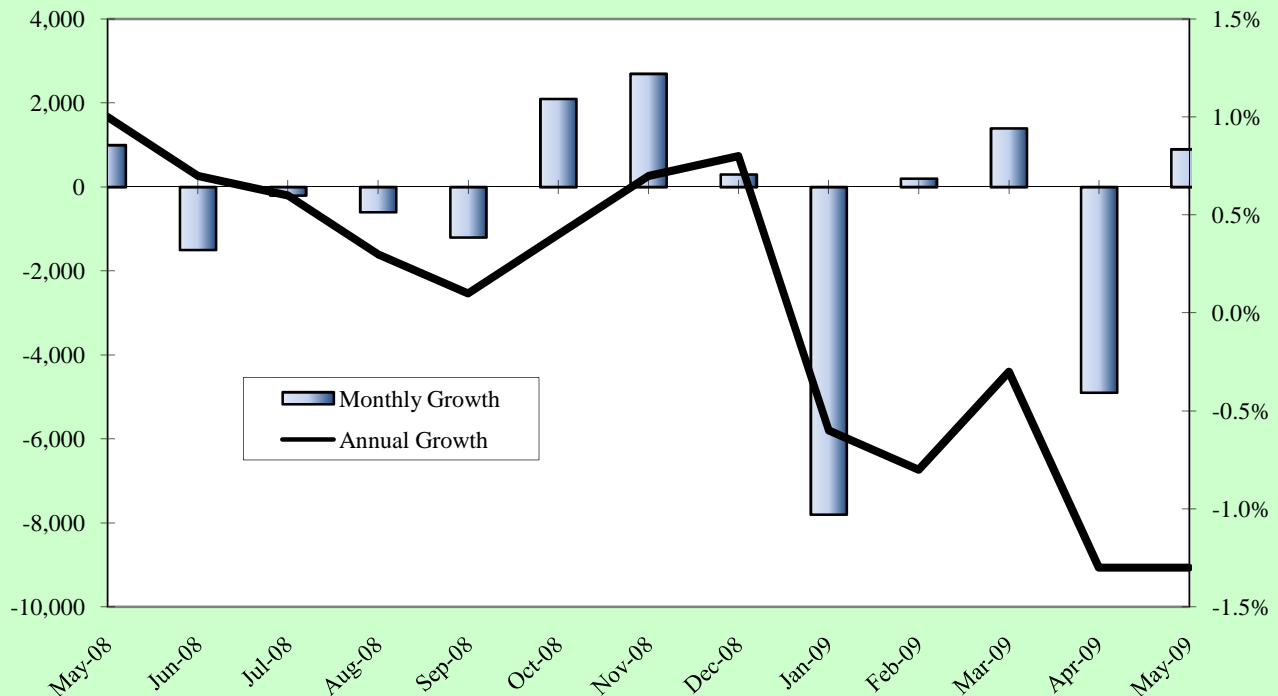
FINANCIAL ACTIVITIES

Financial Activities employment increased by 900 jobs in May, following a revised loss of 4,900 jobs in April. The April decline was not as steep as first estimated, but contributed heavily to the 2,400 jobs lost since January. Over the year, employment in Financial Activities decreased by 8,600 jobs, which was a -1.3 percent loss. Some of the businesses that make up this major industry are commercial banks along with credit unions and insurance agencies and brokers. Offices of real estate agents and brokers, passenger car rental, and office equipment rental and leasing are also part of this industry.

Total Financial Activities Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 641,400 | 640,500 | 650,000 | 900 | 0.1 | -8,600 | -1.3 |

**Financial Activities
Monthly Growth vs. Annual Growth
May 2009 (Statewide, Seasonally Adjusted)**



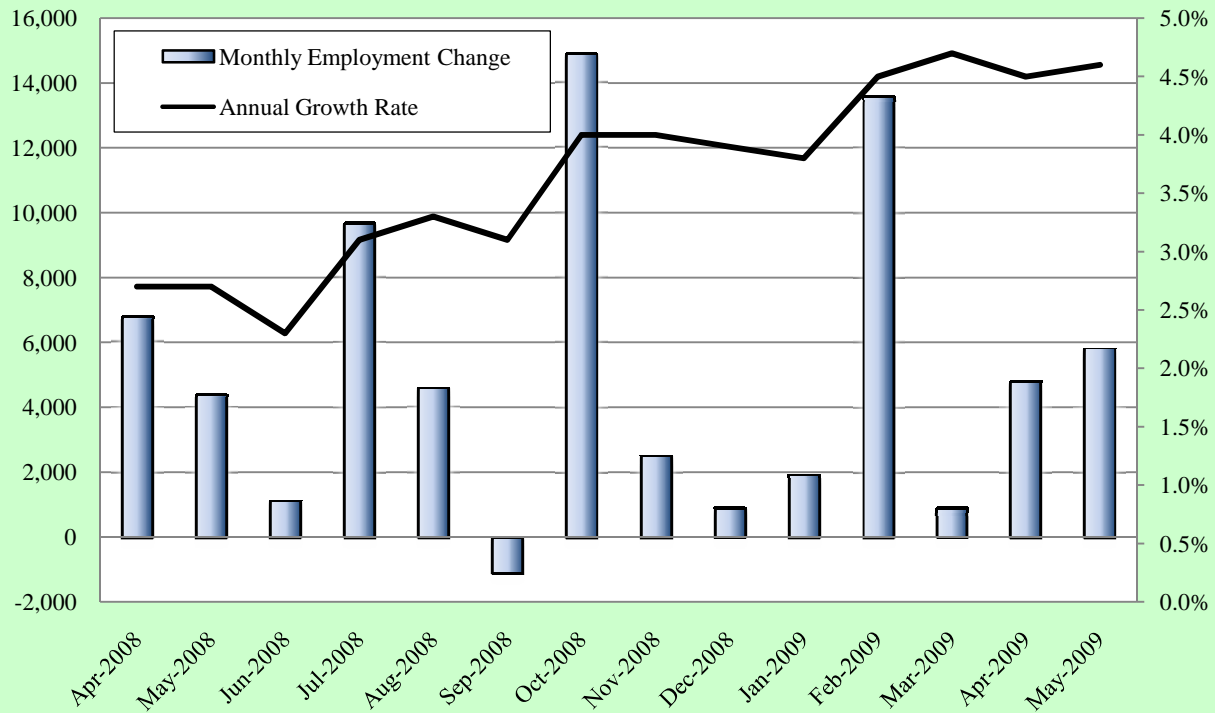
EDUCATION AND HEALTH SERVICES

Education and Health Services increased 5,800 jobs in May for a total of 1,344,400. This was the eighth consecutive month of growth for Education and Health Services, and the 11th month of employment expansions in the last 12 months. The year-to-date growth in Education and Health Services reached 25,100 jobs. The annual job growth was 59,600 jobs, or 4.6 percent. Private colleges and private universities along with business schools and technical and trade schools are part of this major industry. Public education including State universities and local school districts are in the Government sector and not in this industry.

Total Education and Health Services Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 1,344,400 | 1,338,600 | 1,284,800 | 5,800 | 0.4 | 59,600 | 4.6 |

Education and Health Services Monthly Employment Change and Annual Growth Rate (Statewide, Seasonally Adjusted)



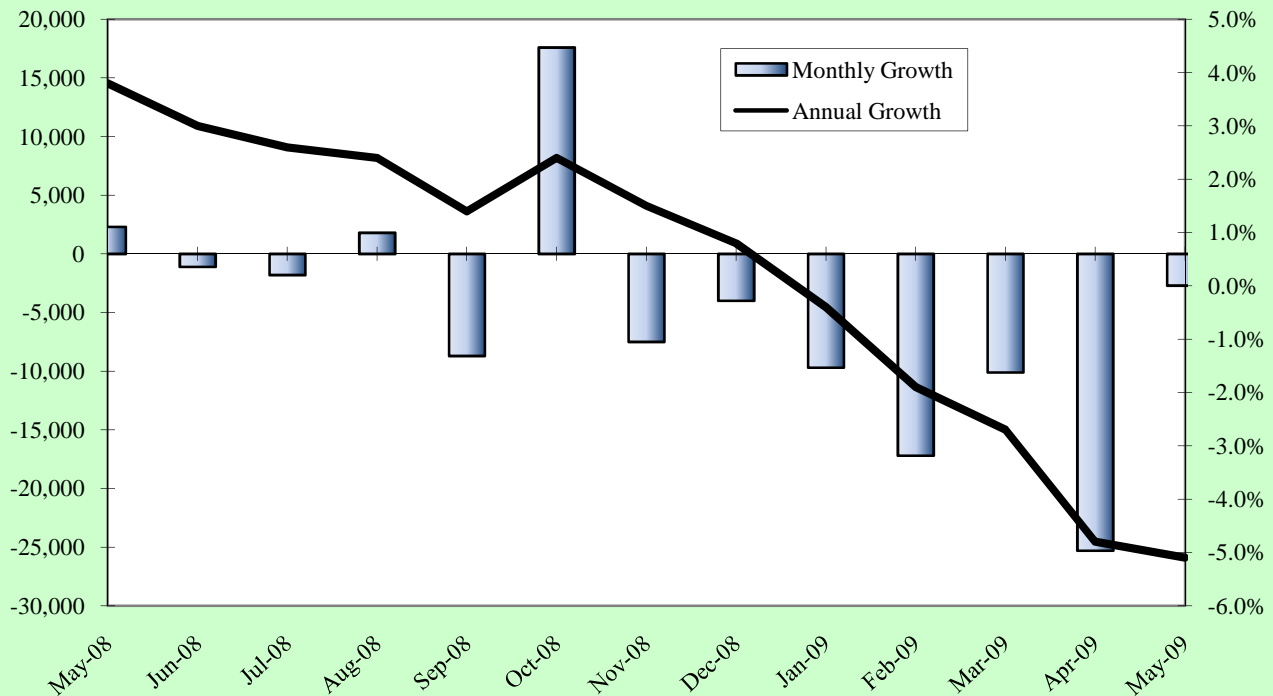
PROFESSIONAL AND BUSINESS SERVICES

Following a revised job loss of 25,300 in April, Professional and Business Services employment decreased 2,700 jobs in May. This was the seventh month in a row that employment has dropped. The last time this major industry added employment was October 2008. Since last May, Professional and Business Services lost 68,700 jobs, a -5.1 percent decline.

Total Professional and Business Services Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 1,274,200 | 1,276,900 | 1,342,900 | -2,700 | -0.2 | -68,700 | -5.1 |

Professional and Business Services Monthly Growth vs. Annual Growth May 2009 (Statewide, Seasonally Adjusted)



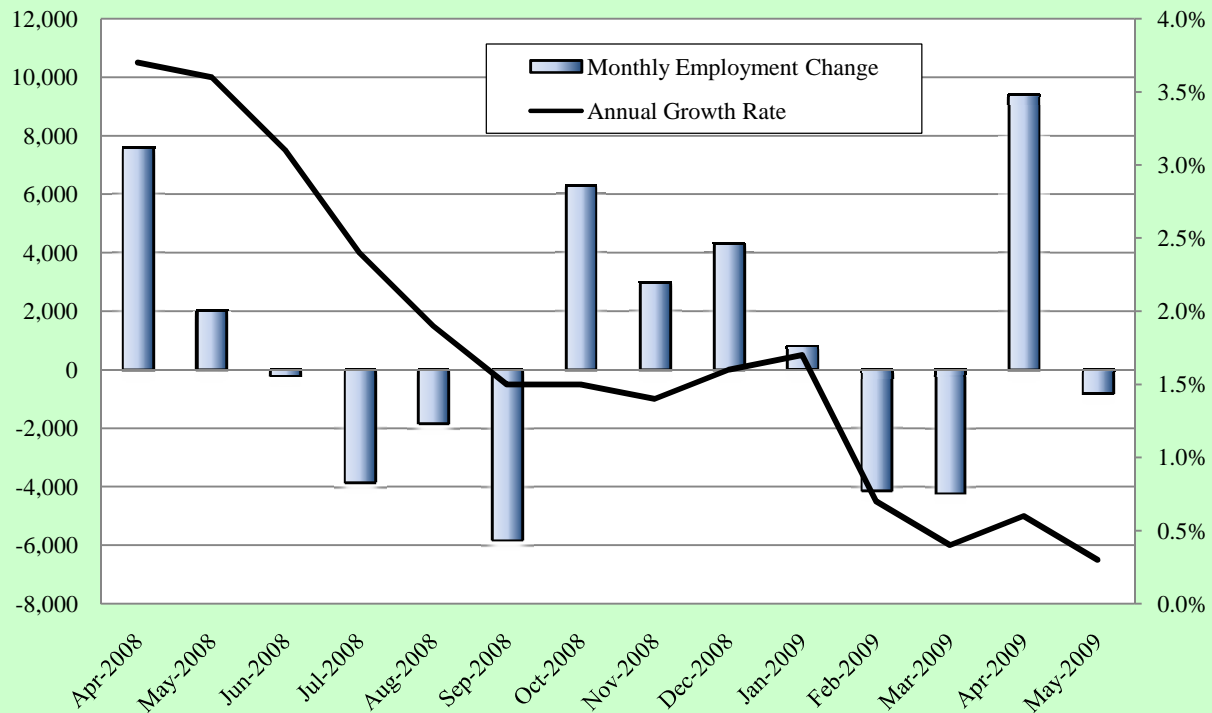
LEISURE AND HOSPITALITY

For the month of May, Leisure and Hospitality employment decreased by 800 jobs. This decline was the third month of losses out of the last eight months. The year-to-date gains in Leisure and Hospitality stood at 300 jobs in May. The loss in employment for May brings the annual job growth to 3,100 positions, or 0.3 percent.

Total Leisure and Hospitality Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 1,015,200 | 1,016,000 | 1,012,100 | -800 | -0.1 | 3,100 | 0.3 |

Leisure and Hospitality Monthly Employment Change and Annual Growth Rate (Statewide, Seasonally Adjusted)



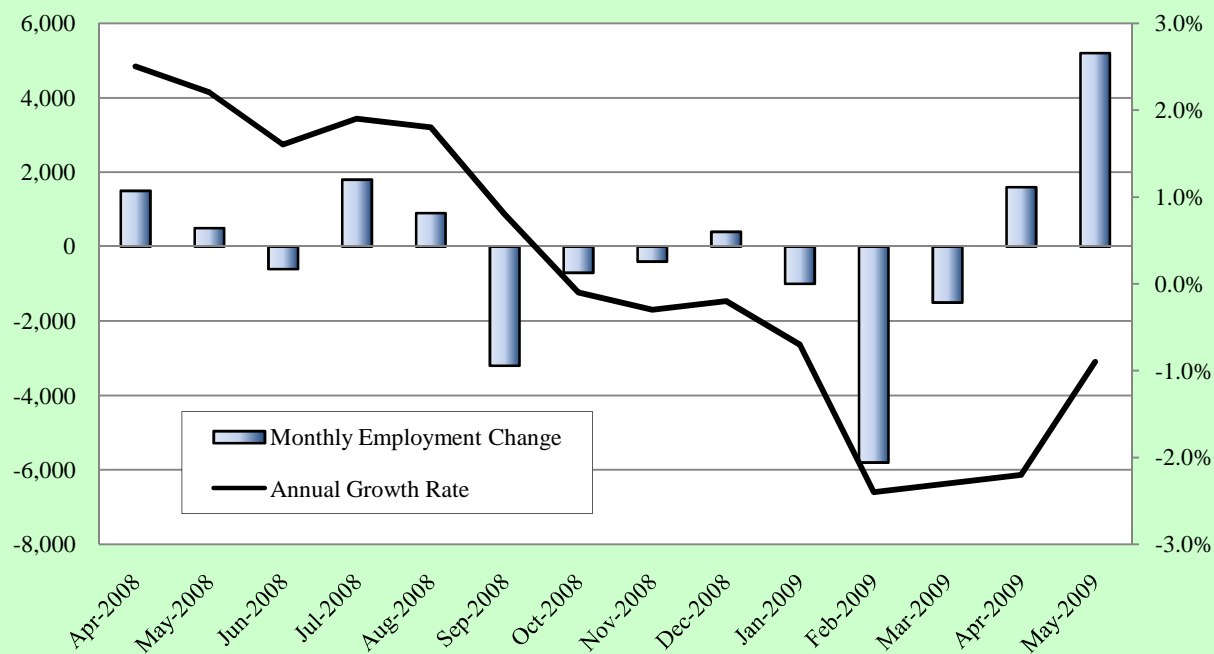
OTHER SERVICES

Employment in Other Services moved upward by 5,200 positions in May. This rise in May was the second consecutive month of gains in employment following seven months of declines. The year-to-date employment in Other Services was a loss of 500 positions. Despite the employment increase in May, Other Services recorded an annual decrease of 3,300 positions, or -0.9 percent. The annual growth rate has been negative since October 2008, but appears to be headed to positive territory.

Total Other Services Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 357,900 | 352,700 | 361,200 | 5,200 | 1.5 | -3,300 | -0.9 |

Other Services
Monthly Employment Change and Annual Growth Rate
(Statewide, Seasonally Adjusted)

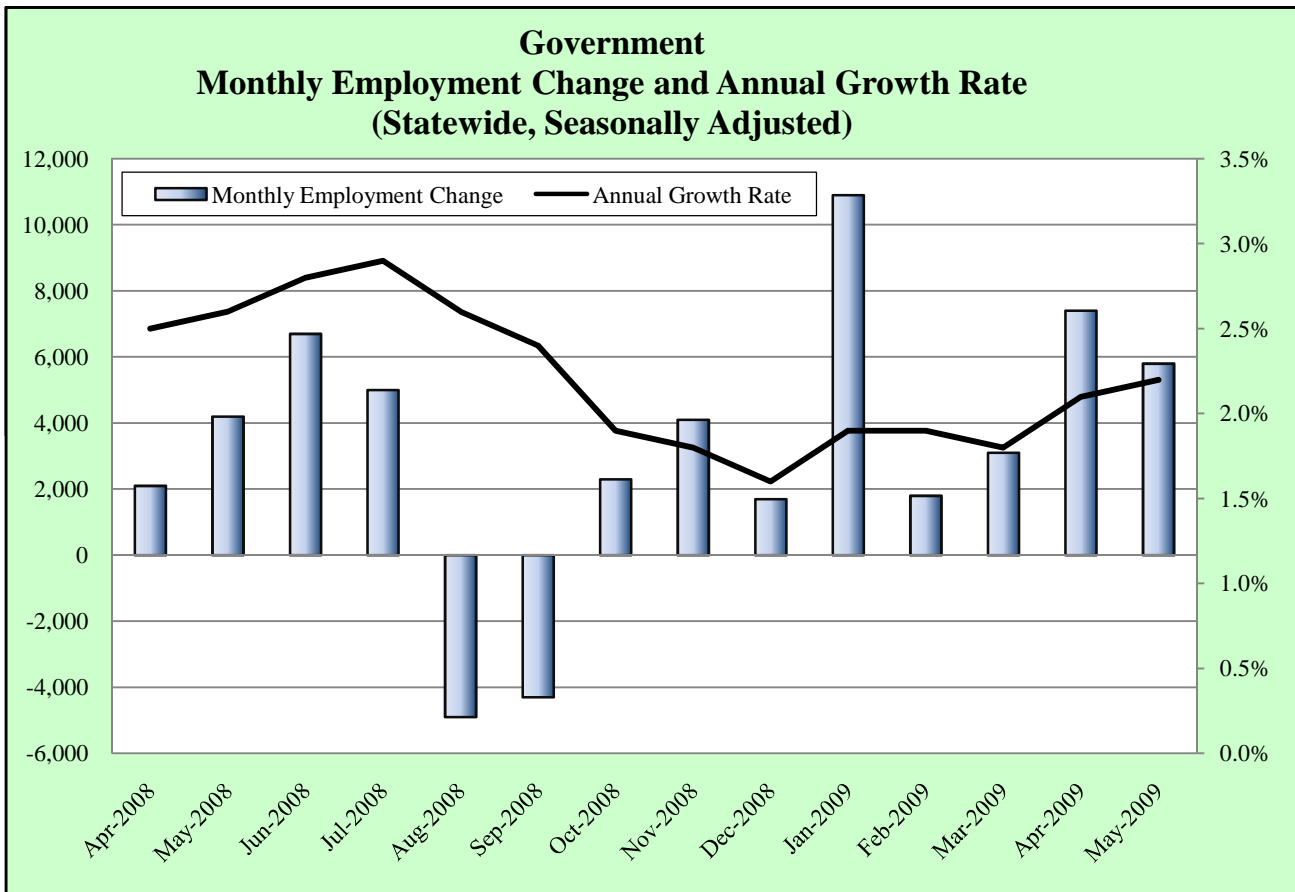


GOVERNMENT

Following a revised increase of 7,400 jobs in April, Government employment added 5,800 positions for May. This was the eighth consecutive month of growth in Government employment after two months of decline in late 2008. The annual growth rate stood at 2.2 percent, or 39,600 jobs. The year-over-year job growth has been positive for the past 61 months.

Total Government Employment

| | | | Apr-2009 to May-2009 | | May-2008 to May-2009 | |
|-----------------|-----------------|-----------------|----------------------------|---------------------------|----------------------------|---------------------------|
| <u>May-2009</u> | <u>Apr-2009</u> | <u>May-2008</u> | <u>Numeric Change</u> | <u>Percent Change</u> | <u>Numeric Change</u> | <u>Percent Change</u> |
| 1,814,900 | 1,809,100 | 1,775,300 | 5,800 | 0.3 | 39,600 | 2.2 |



TEXAS MONTHLY SEASONALLY ADJUSTED EMPLOYMENT REVIEW

What is seasonally adjusted data, and why do we examine seasonally adjusted data?

Seasonally adjusted data represents data that have been modified to account for seasonal fluctuations. One of the reasons for seasonal adjustments is that it allows us to compare data from one month to another. Labor force statistics are based on data collected monthly. Therefore annual events such as crop cycles, climate, holidays, vacation periods and students looking for summer employment can make them vary abnormally. The purpose of seasonally adjusting a statistical series is to smooth out the normal seasonal fluctuations so that data for any given month can be more meaningfully compared with data from any other month.

For more information: **Analyst Hotline** - Talk to a Labor Market Economist by dialing 1.866.938.4444 (toll free) & 512.491.4922 Or **E-mail us** at lmi@twc.state.tx.us