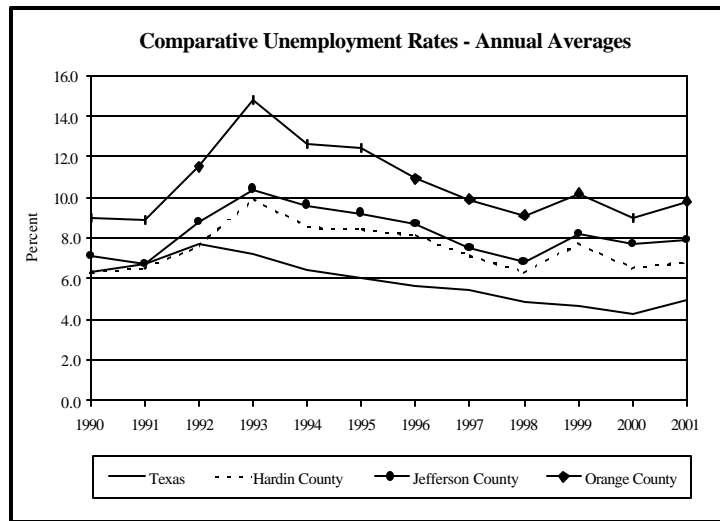


Study of the Unemployed in Southeast Texas

by Jim Van Geffen

The Southeast Texas Workforce Development Board (WDA) wanted to analyze the characteristics of the unemployed persons in their three-county area (Hardin, Jefferson and Orange Counties). Some jobs were apparently going unfilled while the area's unemployment rate was relatively high among the metropolitan areas in Texas. For example, the 2001 annual average unemployment rate for the area was 8.2%, which tied for the third-highest MSA unemployment rate, and it was the only non-Mexico border MSA to make the top four.



This study attempts to show the common characteristics of the unemployed in the local area. Although the study was requested by the Southeast Texas WDA, information presented may also have implications for employers, job seekers, economic developers, and the Texas Workforce Network.

Labor Force Trends

The Southeast Texas Community Audit was conducted in the three-county area known as the Golden Triangle. Data was analyzed for the time period covering 1990 to 2001.

The number of employed residents in the Southeast Texas WDA peaked at an annual average of 168,760 people in 1998 and has been on a decline through the end of 2001. During the past twelve years, the number of unemployed has varied between 12,000 and 21,000, with the 1993 annual average number of unemployed topping in at slightly over 21,000.

This area has a higher concentration of population age 55 and older than does Texas as a whole. The concentration of older workers in the Southeast Texas WDA may have some effects on the jobs that unemployed workers are willing to accept. For instance, younger employed workers may be more flexible in the type of work they will accept because they lack extensive experience in any particular field.

Industrial Composition

The Southeast Texas WDA is heavily dependent on the Construction, Manufacturing, and Local Government industries to bring in dollars from outside the area to fuel the local economy. The Construction industry was the last industry of employment for nearly 38 percent of those laid off over the last two years.

4th Quarter 2000 Industry Employment Composition				
Industry	Texas	% of Total*	Southeast Texas WDA	% of Total
Total	9,414,353	100.0%	157,369	100.0%
Agriculture	119,699	1.3%	927	0.6%
Mining	154,306	1.6%	908	0.6%
Construction	561,404	6.0%	17,795	11.3%
Manufacturing	1,088,750	11.6%	22,981	14.6%
Transportation & Public Util.	593,445	6.3%	7,734	4.9%
Trade	2,302,006	24.5%	36,682	23.3%
Fin., Insurance, & Real Est.	512,505	5.4%	5,052	3.2%
Services	2,516,757	26.7%	38,673	24.6%
State Government	322,567	3.4%	5,102	3.2%
Local Government	1,064,999	11.3%	18,789	11.9%
Federal Government	177,915	1.9%	2,726	1.7%

It appears major structural shifts have taken place in the area's economy. As this occurred, workers were displaced, and forced to seek employment in a different industry. This caused a real problem for the job seeker that did not have skills that were easily transferable from one industry to another.

Only two industries in Southeast Texas—Agriculture and Manufacturing—had an average weekly wage above the statewide average. Each of these industries suffered substantial employment declines from 1990 to 2000.

One of the contributing factors to the decline in employment has been a number of layoffs. The hardest hit industry was Construction with 21 of nearly 40 layoffs in the area during the past two years. These confirmed layoffs affected over 3,100 individuals. The second largest number of layoffs came from the Manufacturing industry with nine layoffs and over 2,000 separations. With the Construction and Manufacturing industries comprising over 17 percent of the industrial base, these layoffs have far reaching impacts. While these are not the largest industries, they have been two of the highest paying industries.

Occupational Analysis

Any analysis of a local economy is not complete by looking only at the industrial side. To have the complete picture, one needs to look at the occupational distribution of jobs as well. A person's occupation is often how they describe their job, rather than just the skill sets involved in their work. In the Southeast Texas WDA, the top ten fastest growing occupations (in terms of percentage growth) include Systems Analysts, Correctional Officers, Special Education Teachers, and Police Patrol Officers. An examination of Texas Workforce

Commission administrative data for jobseekers showed that the top six most sought after occupations were Cashier, Administrative Clerk, General Office Clerk, Laborer (warehouse worker), Construction Worker, and Welder.

One sign of the local labor market flux is the apparent mismatch between desired jobs and available jobs. Of the most sought after occupations, six of them (Cooks - both Fast Food and Restaurants, Welders, Construction Workers, Heavy Truck Drivers, and Cashiers) were also found among the occupations that were projected to be growing the fastest within the area.

Within the Golden Triangle, the job of a Cashier was the single most desired occupation and was listed by the greatest number of applicants as their top priority. However, that occupation was the 12th lowest-paying occupation with an average salary of \$6.69 per hour. Of over 45,700 registered applicants, nearly 1,600 listed Cashier as their last occupation. The second most listed occupation was Laborer (1,029), followed by Cook (758), Welder (714), and Helper (591).

Each Workforce Development Board develops a targeted occupation list that is used for job training. The majority of the Southeast Texas Board's targeted occupations, 28 of 45 jobs (nearly 60 percent), require only some form of on-the-job training. There is a match between the education level the job seekers possess and the training required for the targeted occupations. Among the insured unemployed, 53 percent of them possessed at least a high school diploma or a GED.

Job Seeker Concerns

One of the main concerns of job seekers is wages. The average desired wage by the insured unemployed was \$9.65. The median desired wage was \$8.00. When the job seekers were looking for full-time employment they were expecting \$9.63 per hour, while part-time applicants were expecting only \$6.64 per hour.

According to the study, the three main things employees desire are to be treated fairly, to have employers operate out of care and concern for them, and to be trusted to do their job. Employees are more inclined to stay with an employer, even for lower wages, if job satisfaction (as measured by the three most common intangible benefits) is high. This is not necessarily the case with job seekers that are unemployed. While these other qualities are also important, money becomes their bottom line.

After interviewing several unemployed job seekers in the area, a few common themes were found. The first was pay based. Unemployed individuals are more willing to work for less pay if they are able to secure a job, and if certain other intangible factors are satisfied. The inclusion of other benefits, both tangible and intangible, would help

attract workers to certain jobs. Most of them believe that \$9.00 an hour is a livable wage, however, that figure falls to \$8.00 when benefits are offered.

A second theme from the job seekers was a belief that transportation and childcare issues had an impact on whether or not they could find suitable employment. Many of the unemployed job seekers said they lacked transportation (reliable or otherwise) to commute from their place of residence to where the available jobs were. Others also commented that childcare was generally only available during normal first-shift hours.

Conclusion

The Southeast Texas WDA is experiencing some structural changes in employment and the shift in job opportunities among industries is causing some workers to re-evaluate their work options. Workers are concerned about issues such as pay, transportation, and childcare. However, employees may require assistance in moving from working in one industry to working in another industry, a move that may make their current job skills obsolete.

Nearly 40 percent of the insured unemployed have been out of work for over 15 weeks. This is slightly higher than the 35 percent statewide who have been unemployed for over 15 weeks. Most of the individuals, 38 percent, come from the Construction industry, the Services industry was second.

Most of the unemployed (39 percent) were from the construction crafts: Welders, Carpenters, and Pipe Fitters. Skill sets that are not readily transferable to telemarketing or other services or retail trade occupations. The second highest unemployed occupation was service occupations like Waiters and Waitresses, Security Guards, and Cosmetologists.

The area's industrial mix has long been dominated by the Construction and Manufacturing industries. While these industries still play an important role, their dominance has diminished. In fact, of the two, only the Construction industry has continued to grow, with the Manufacturing industry declining by over eight percent in the last ten years. These two industries have also been the hardest hit industries in terms of mass layoffs. The Construction industry has seen 21 layoffs that have impacted 3,130 individuals during the survey period. In addition, the Manufacturing industry experienced nine layoff events with over 2,040 separations. Many people employed in construction jobs find themselves unemployed upon the completion of a contract. In fact, according to data from the Mass Layoff Statistics Program, the number-one cited reason for layoffs was contract completion. The cyclical nature of the construction industry may be one contributing factor to the higher unemployment rate in the region.