Back to Work
How Texas Jobs Are Returning

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During the COVID-19 economic recession, Texas lost more than 1.4 million nonfarm jobs, dropping from a peak of 13 million in February 2020 to a trough of 11.6 million in April 2020, or 10.8 percent loss of total nonfarm employment (Figure 1). Over the same period, the U.S. lost 22.2 million nonfarm jobs (14.5 percent).

The recession's intensity varied widely across Texas Metropolitan Statistical Areas (MSAs), from a 5.5

The Takeaway

Boosted by both a recovering national economy and recovering oil prices, Texas has recouped more than half of the jobs it lost in March and April 2020.

percent loss in Sherman-Denison to 14.9 percent in Midland (Table 1). The Real Estate Center found three main factors that explain the recession's severity across MSAs:

- relative share of employment in the leisure and hospitality and other services industries;
- correlations between the growth rates of the state's metropolitan jobs and U.S. jobs; and
- the price of West Texas Intermediate (WTI) oil.

Figure 1. Texas, U.S. Nonfarm Jobs in COVID-19 Recession

Texas (left axis)
U.S. (right axis)
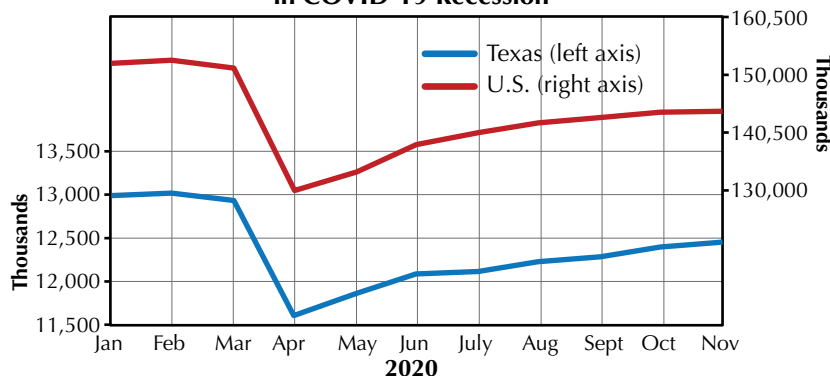
Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Table 1. Texas MSAs Ranked by Employment Decline Rate in COVID-19 Recession

Rank	MSA	Decline Rate (Percent)
1	Sherman-Denison	-5.5
2	Tyler	-7.8
3	College Station-Bryan	-7.9
4	Texarkana	-8.5
5	Longview	-8.9
5	Killeen-Temple	-8.9
7	Waco	-9.3
8	Abilene	-9.5
9	Dallas-Plano-Irving	-9.8
10	Amarillo	-9.9
11	McAllen-Edinburg-Mission	-10.1
	Texas	**-10.8**
12	San Antonio-New Braunfels	-10.8
13	Brownsville-Harlingen	-11.0
14	Laredo	-11.2
15	Houston-The Woodlands-Sugar Land	-11.3
16	Lubbock	-11.4
17	Odessa	-11.6
17	Austin-Round Rock	-11.6
19	Fort Worth-Arlington	-12.0
20	Victoria	-12.1
21	Wichita Falls	-12.5
22	Beaumont-Port Arthur	-12.7
23	El Paso	-12.8
24	San Angelo	-13.1
25	Corpus Christi	-13.3
26	Midland	-14.9

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Table 2. Texas Industries Ranked by Employment Decline Rate in COVID-19 Recession

Rank	Industry	Decline Rate (Percent)
1	Financial activities	-2.5
2	Manufacturing	-5.2
3	Government	-5.3
4	Trade, transportation, warehousing, utilities	-7.6
5	Information	-7.9
5	Professional and business services	-8.2
7	Education and health services	-10.1
8	Mining, logging, construction	-10.3
9	Other services	-19.5
10	Leisure and hospitality	-41.4

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

These factors have reversed. As a result, MSAs are regaining lost jobs.

Texas Job Losses by Industry

Job losses varied across the state's industries in the pandemic recession, from as small as 2.5 percent for financial activities to 41.4 percent in leisure and hospitality industry (Table 2). The latter, composed mainly of hotels and restaurants, bore the brunt of the recession followed by other services, mining and logging, and education and health services.

Leisure and hospitality jobs accounted for 10.6 percent of total nonfarm jobs in March 2020. Metros with larger shares of leisure and hospitality jobs, such Austin-Round Rock and San Antonio-New Braunfels, suffered more in the recession (Table 3).

Correlations Between Texas, U.S. Labor Markets

Economically, the U.S. suffered more than Texas in the pandemic recession, and Texas MSAs with economies that closely correlate with the U.S. economy suffered more than MSAs with economies that do not.

Correlations between Texas MSAs and U.S. job growth rates varied from more than 83 percent for Fort Worth-Arlington, San Antonio-New Braunfels, Dallas-Plano-Irving, and Austin-Round Rock to less than 50 percent for Laredo, Midland, College Station-Bryan, and Odessa (Table 4).

Oil Prices Take a Hit

Price of WTI crude oil fell from $57.50 per barrel in January 2020 to $16.61 in April 2020 (Figure 2). Texas metros with larger shares of mining jobs suffered more in the pandemic recession due to the price collapse. In March 2020, mining jobs accounted for 34 percent of nonfarm employment in Midland and 25.6 percent in Odessa. Consequently, these petroplexes bore the brunt of falling oil prices.

By November 2020, oil prices hovered around $40, not sufficient to stimulate overall economic conditions.

Regaining Texas Jobs

On March 5, President Trump signed an $8.3 billion emergency aid package to help combat

Table 3. Texas, Texas MSA Shares of Jobs by Industry, March 2020

Region	MLC	MAN	TTU	INF	FA	PBS	EHS	LHS	OS	GOV
Texas	**7.9**	**7.0**	**19.7**	**1.6**	**6.3**	**14.2**	**13.7**	**10.6**	**3.5**	**15.4**
MSA										
Abilene	7.4	4.4	18.7	1.7	5.6	8.7	21.0	10.6	3.9	18.0
Amarillo	6.0	11.5	21.2	1.0	5.6	7.5	13.7	11.0	4.1	18.5
Austin-Round Rock	6.4	5.7	16.6	3.5	6.1	17.9	11.5	11.4	4.4	16.6
Beaumont-Port Arthur	12.2	13.5	19.6	0.6	3.5	8.5	12.9	9.6	3.7	15.9
Brownsville-Harlingen	2.1	4.5	16.8	0.5	3.4	8.7	29.6	11.4	2.2	20.8
College Station-Bryan	6.1	5.0	13.3	1.1	3.1	8.0	10.4	13.5	2.6	37.1
Corpus Christi	12.0	4.4	17.1	0.8	4.3	9.9	16.8	13.1	3.3	18.3
Dallas-Plano-Irving	5.7	6.9	19.6	2.6	9.4	19.4	11.9	9.7	3.1	11.5
El Paso	5.4	5.1	20.8	1.5	4.1	11.4	14.9	11.5	2.8	22.5
Fort Worth-Arlington	7.0	9.3	24.1	1.0	6.3	11.2	13.1	11.2	3.8	13.0
Houston-The Woodlands-Sugar Land	9.8	7.2	19.9	1.0	5.3	16.1	13.1	10.4	3.8	13.4
Killeen-Temple	4.9	5.2	18.7	0.9	4.4	8.3	16.7	10.7	3.5	26.7
Laredo	3.1	0.6	30.7	0.7	3.6	9.3	16.3	10.4	2.2	23.0
Longview	15.5	9.6	19.1	1.1	4.8	8.9	15.8	9.2	3.3	12.8
Lubbock	6.1	3.2	20.0	1.7	5.1	8.8	14.8	13.5	4.2	22.7
McAllen-Edinburg-Mission	3.0	2.3	19.6	1.1	3.2	6.5	29.8	9.7	2.1	22.6
Midland	34.0	3.7	19.9	0.9	4.2	9.9	5.9	9.6	3.6	8.4
Odessa	25.6	6.1	23.2	1.0	4.2	6.1	6.5	10.8	4.4	12.2
San Angelo	8.1	6.5	20.2	1.0	5.3	7.7	15.8	12.7	3.4	19.4
San Antonio-New Braunfels	6.3	4.8	16.9	1.8	8.6	13.2	15.5	12.8	3.7	16.3
Sherman-Denison	5.9	11.5	17.8	1.0	5.1	6.3	23.5	11.2	2.0	15.5
Texarkana	4.6	9.0	22.3	0.5	3.6	7.0	15.9	11.6	3.4	22.0
Tyler	6.1	4.7	22.2	1.3	4.2	9.4	23.3	10.5	3.6	14.7
Victoria	10.0	5.1	26.2	0.7	3.9	6.4	14.9	11.0	4.2	17.6
Waco	6.6	13.1	17.4	0.8	5.9	10.1	16.9	10.1	2.9	16.4
Wichita Falls	4.9	8.8	17.9	1.3	4.4	7.8	18.9	10.8	3.7	21.6

Notes: MLC=mining, logging, construction, MAN=manufacturing, TTU=trade, transportation, utilities, INF=information, FA=financial activities, PBS=professional and business services, EHS=education, health services, LHS=leisure and hospitality, OS=other services, GOV=government.

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Figure 2. Price of West Texas Intermediate Crude Oil
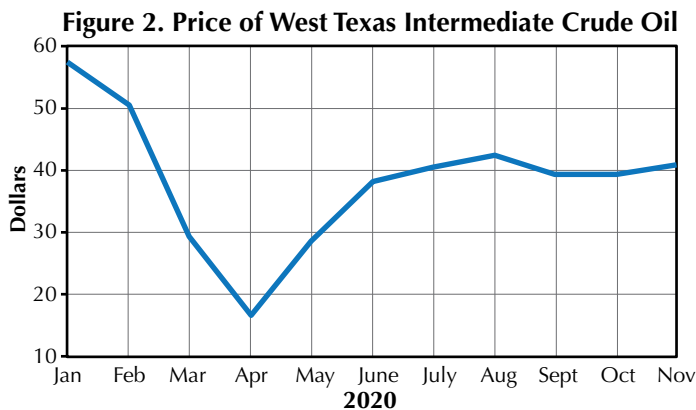
Source: Haver Analytics

the coronavirus and its adverse economic impacts. The Federal Reserve stepped in by:

- lowering the Federal funds rate to its zero lower bound;

- helping ensure interest rates will remain low;

- lowering long-term interest rates by purchasing massive amounts of long-term Treasury securities and mortgage-backed securities;

- providing short-term low interest rate loans to security firms (primary dealers); and

- offering Money Market Mutual Fund Liquidity Facility, repurchase agreement (repo) operations, and direct lending to banks, state and local governments, and other credit facilities.

From April to November 2020, the nation gained 12.3 million jobs because of actions by the U.S. government and the Federal Reserve and because of people's willingness to return to work. The gain accounted for 55.4

Table 4. Texas MSAs Ranked by Correlation with U.S. Employment Growth Rate

Rank	MSA	Correlation Coefficient (Percent)
1	Fort Worth-Arlington	91.0
2	San Antonio-New Braunfels	88.8
3	Dallas-Plano-Irving	88.1
4	Austin-Round Rock	83.8
5	Lubbock	77.8
6	Houston	77.1
7	Tyler	76.2
8	Wichita Falls	74.0
9	El Paso	73.7
10	Corpus Christi	72.5
11	Amarillo	70.2
12	Waco	69.7
13	Sherman-Denison	68.8
14	McAllen-Edinburg-Mission	68.0
15	San Angelo	64.3
16	Brownsville-Harlingen	61.9
17	Killeen-Temple	60.9
18	Victoria	54.1
19	Longview	53.1
20	Texarkana	53.0
21	Abilene	51.7
22	Beaumont-Port Arthur	50.0
23	Laredo	49.3
24	Midland	37.3
25	College Station-Bryan	35.7
26	Odessa	35.6

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Table 5. November 2020 Texas MSA Jobs as Percentages of Pre-Pandemic Levels

Rank	MSA	Recovery Indicator (Percent)
1	Waco	99.5
2	Texarkana	99.2
3	Sherman-Denison	98.8
4	Tyler	98.2
5	Austin-Round Rock	98.1
6	Dallas-Plano-Irving	97.2
7	College Station-Bryan	97.1
7	Abilene	97.1
9	Fort Worth-Arlington	96.4
10	Lubbock	96.2
11	Killeen-Temple	96.0
	Texas	**95.6**
12	San Antonio-New Braunfels	95.5
12	Wichita Falls	95.5
14	El Paso	95.4
15	McAllen-Edinburg-Mission	94.6
16	Houston	94.3
17	Brownsville-Harlingen	94.1
18	Victoria	94.0
19	Amarillo	93.6
20	Beaumont-Port Arthur	93.4
21	Longview	93.3
22	Laredo	92.9
23	San Angelo	92.4
24	Corpus Christi	92.3
25	Odessa	89.0
26	Midland	88.0

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

Table 6. November 2020 Texas Jobs by Industry as Percentages of Pre-Pandemic Levels

Industry	Recovery Index (Percent)
Transportation, utilities, warehousing	101.7
Financial activities	101.2
Professional and business services	99.3
Government	97.2
Manufacturing	96.4
Trade	95.8
Construction	95.3
Education and health services	95.0
Information	93.6
Other services	93.4
Leisure and hospitality	86.0
Mining and logging	81.1

Sources: Texas Workforce Commission and Real Estate Center at Texas A&M University

percent of jobs lost in the pandemic recession. Texas gained 844,200 jobs (59.8 percent of jobs lost in the recession) but remains more than 474,200 jobs below the year-ago level.

The latest job recovery indicator for Texas, defined as the ratio of the number of jobs in November 2020 to the number of jobs in April 2020 (seasonally adjusted and expressed as a percentage) stood at 95.6 percent (Table 5). The state's transportation, utilities, warehousing and financial activities industries have recovered more than their job losses, and job recovery indexes among the rest of Texas industries currently vary from as high as 99.3 percent for the professional and business services industry to 81.1 percent for the mining industry (Table 6).

National job gains are helping Texas MSA economies that track closely with the U.S. economy. Meanwhile, oil price recovery is helping metros with larger shares of mining jobs. As of November 2020, Waco ranked first in job recovery followed by Texarkana, Sherman-Denison, Tyler, Austin-Round Rock, and Dallas-Plano-Irving. Midland had the smallest job recovery followed by Odessa, Corpus Christi, San Angelo, and Laredo. ♣

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