

Unemployment in Texas was slow to rise, remaining below the national average through the recession. The rate peaked in August 2011 at 8.5 percent, still well below the national average. However, this translates into an estimated one million unemployed workers, and thus a considerable loss of potential tax revenue.

### Industry in Texas

Texas' economic vitality is quite remarkable given its already large population and workforce; it is both the largest state in the South, home to nearly a quarter of the region's population, and its second-fastest growing state, after Florida. The state also has the second-highest real GDP in the country after California, estimated at \$1.1 trillion in 2010.

In job creation, Texas has outperformed all other states since the recession; between 2009 and 2010, over half of all net new jobs in the country were created in Texas.<sup>81</sup> Its real GDP dipped in 2008 but has been growing ever since. At \$44,000, its per capita real GDP is 5<sup>th</sup> in the South, behind only the Mid-Atlantic States. Its GDP comes primarily from six sectors: financial services (15.7%), wholesale and retail trade services (13.4%), manufacturing (13.2%), natural resources (11.5%), government and public education services (10.9%), and professional and business services (10.6%).

As of 2010, the four largest employing sectors in Texas were government and public education services (16.2%), wholesale and retail trade services (15.4%), professional and business services (13.0%) and healthcare services (9.9%). The state's rapid employment growth is projected to continue over the next decade, but the growth will not be evenly distributed among sectors. On par with national trends, the fastest growth is expected for education-intensive services sectors, including educational services (40.9% projected growth through 2020), healthcare services (38.5%) and professional and business services (28.1%). In contrast, manufacturing will grow the least, by only 7.8 percent.

As in Oklahoma, 2009 output in Texas was boosted by a surge in revenue from the natural resources sector, which increased production by 20 percent, after a slight decline in 2008. For example, Ambit Energy, one of the fastest-growing companies in the nation, has grown by an astonishing 20,369 percent over the last three years. Texas produces and consumes more energy than any other state, and it ranks 1<sup>st</sup> in oil and natural gas output and in wind-powered energy capacity<sup>82</sup>

The state is also trying to evolve beyond its traditional economic mainstays. It has an Emerging Technology Fund (ETF) aimed at encouraging the development of new technologies. The fund supports innovation, research, and job creation in industries like semiconductor manufacturing, biotechnology, nanotechnology, environmental sciences, and advanced energy.<sup>83</sup> The developing life-sciences field, which has great potential, is comprised of four primary niches: agriculture, medical devices, pharmaceuticals, and research and testing.<sup>84</sup>

81. <http://www.areadevelopment.com/stateResources/texas/texas-leads-us-economic-recovery6342.shtml>

82. <http://www.eia.doe.gov/state/state-energy-profiles.cfm?sid=TX>

83. <http://www.areadevelopment.com/stateResources/texas/texas-leads-us-economic-recovery6342.shtml>

84. <http://www.areadevelopment.com/stateResources/texas/texas-state-report-october-2009.shtml>;

## Occupations in Texas

Several of the most postsecondary-intensive occupational clusters are expected to grow rapidly in Texas through 2020. Healthcare occupations will grow by 25 percent and comprise 7.5 percent of total employment in 2020. Education occupations will grow by 15 percent and reach 6.7 percent of employment, and STEM's 14 percent growth will bring it to 5.5 percent of projected employment. Food and personal services, which already employed 16.8 percent of the workforce in 2010, is expected to grow by 14 percent. The two largest occupational clusters are also expected to grow between 2010 and 2020. Sales and office support, which already employed 27.9 percent of Texans in 2010, should see 10 percent growth between 2010 and 2020, and blue collar, with 23.5 percent of state employment, will grow 17 percent.

### 59% OF JOBS IN TEXAS WILL REQUIRE POSTSECONDARY EDUCATION AND TRAINING IN 2020 (UP FROM 57% IN 2010)

Table 19: Snapshot of Education Demand for Total Jobs in Texas (2010 And 2020)

	2010	2020	% in 2020
High school or less	4,986,000	5,982,400	41%
Some college	2,715,700	3,416,200	24%
Associate's	774,700	1,119,500	8%
Bachelor's	2,123,000	2,815,600	19%
Graduate	924,800	1,163,400	8%
<b>Total</b>	<b>11,524,200</b>	<b>14,497,100</b>	<b>100%</b>

In 2020, 59 percent of all Texas jobs will require some postsecondary training.

Between 2010 and 2020, Texas is projected to add 4.4 million job vacancies both from new job opportunities and from vacancies due to retirement. Of these vacancies, 2.6 million will favor candidates with postsecondary qualifications; 1.9 million will go to high school graduates and high school dropouts.

Texas ranks 5<sup>th</sup> in the South in the proportion of its 2020 jobs requiring a bachelor's degree, 9<sup>th</sup> in the proportion requiring a graduate degree, and 2<sup>nd</sup> in jobs for high school dropouts.

## Arkansas > Natural resources > Growth in high-tech

Arkansas has been relatively sheltered from the nation's tumultuous business cycle in recent years. Though modestly increasing after the recession, Arkansas' unemployment rate has not risen above the national average since early 2008.

By 2010 the state's real GDP had risen above its 2007 pre-recession levels. However, its per-capita real GDP (\$31,500 as of 2010) remains among the lowest in the South.