

One and a half years since COVID: A look into the Texas employment recovery

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A YEAR AND A HALF SINCE THE COVID-19 outbreak, the public health crisis continues to pose challenges for labor markets across industries and skill levels. Between the lingering impacts of last year’s economic shutdown and emerging variants of the coronavirus, the long-term effects of the pandemic on the workforce are still uncertain.

In this issue, we follow up on last summer’s Brief, where we reported that the pandemic cost Texas 1.7 million jobs in April of 2020 – disproportionately impacting minorities, women, and low-skilled workers. In this Brief, we survey recent trends in Texas’s economic recovery, focusing on employment numbers at the state and metropolitan statistical area (MSA) levels.

Texas has recovered all the jobs lost from the early months of the pandemic. However, a closer examination of the numbers reveals an uneven economic recovery. We find that individuals from high-income households and college-educated Texans fared the pandemic downturn better than other groups. Jobs for low-skilled workers, low-to-medium income households, and people in the 55-64 age group, on the other hand, remain below pre-pandemic levels.

Job recovery in South Texas and the Border region varied considerably by demographic characteristics and industry. Labor market recovery in the Corpus Christi and Laredo MSAs lagged the rest of the state in nearly every sector and demographic category. Conversely, the Brownsville and Houston MSAs surpassed pre-pandemic employment numbers. The Border’s labor market is strongly influenced by the region’s dependence on economic activity from Mexico. International supply chain disruptions and pandemic restrictions on travel from Mexico curbed trade and tourism along the border, likely contributing factors to a slow recovery in Manufacturing, Retail and Wholesale, Transportation, IT, and Finance sectors.

The findings presented in this Brief are sourced from

the Current Population Survey (CPS), a monthly survey of about 60,000 households conducted by the US Census Bureau. CPS data were smoothed and seasonally adjusted to facilitate month-to-month comparisons and highlight trends. As of this print, the most recent CPS data are from July 2021. All tables and figures presented in this report use July 2019 as a baseline to compare relative gains and losses in statewide employment over the past year and a half.

Employment by select demographics

Figure 1 illustrates a relatively quick recovery from overall jobs lost to the pandemic for both men and women. The graph shows that employment was on an upward trend, particularly for women, into the first quarter of 2020. By March of that year, female employment was up 3% from July 2019, compared to no change in male employment during the same period. Things changed in April 2020, when female employment dropped to 5% under July 2019 levels. At its lowest point in May 2020, female employment was 9% below July 2019 levels.

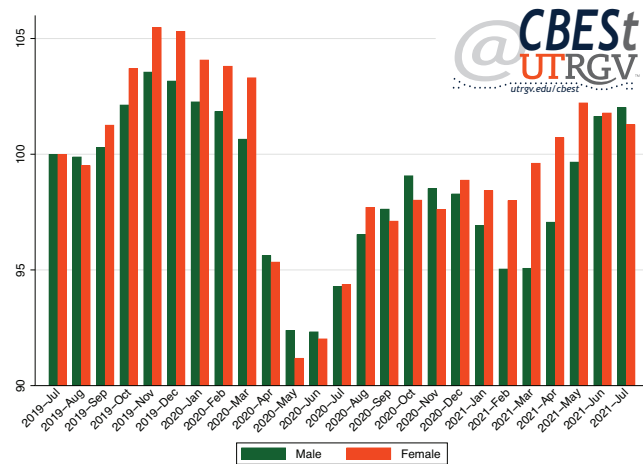


Figure 1: Employment index by sex (July 2019 = 100)

SOURCE: CURRENT POPULATION SURVEY

By October 2020, employment had all but recovered for both men and women – however, it was not until May 2021 that overall employment returned to pre-pandemic levels. Table 1 shows that male and female employment for July 2021 were 2% and 1% above July 2019 levels,

Characteristics	Index (July 2019 = 100)		Unemployment rate		
	July-2020	July-2021	July-2019	July-2020	July-2021
Gender					
Male	94.3	102	3.5	10.0	5.4
Female	94.4	101.3	3.8	10.7	5.3
Education					
High School	69.6	87.1	5.2	16.6	12.1
Some College	91.3	97.5	3.3	11.8	4.6
College	109.3	111	2.5	6.3	3.4
Race					
White	94.9	97.4	2.4	7.7	4.2
Asian	104.5	143.4	0.9	10.0	2.6
Black	87.2	102	5.7	16.4	8.1
Hispanic	92.1	98.6	5.1	11.2	6.8
Age group					
16-24	83.8	98.9	9.1	19.2	9.8
25-34	90.2	105.1	4.1	11.3	6.4
35-44	100.8	101.1	1.9	7.5	3.5
45-54	101.1	108.4	2.8	7.5	3.9
55-64	87.4	88.7	1.7	10.1	3.7
65+	109.7	113.8	2.2	7.5	6.4
Family income					
Under \$25,000	67.6	108.4	8.7	20.8	12.9
\$25,000 - 50,000	79.5	82.6	3.7	12.7	7.5
\$50,000 - 75,000	85.7	96.4	3.7	12.5	4.3
\$75,000 and over	112.5	112.5	2.4	6.8	3.0
Total	94.3	101.7	3.6	10.3	5.3

Table 1: Texas employment, selected characteristics

respectively.

Figure 2 presents female employment share by industry in July 2019, July 2020, and July 2021. It shows that female employment share increased 2% in the Education and Health Services industry and fell 4% in the Services industry compared to July 2019. Notably, females gained 3% share in the traditionally male-dominated Agriculture, Construction, Mining, and Utilities industry over this period.

Figure 3 highlights employment numbers by level of education. The labor market for people with a college degree was practically immune to the pandemic. In April 2020, at the lows in employment for this group, employment was 5% above July 2019 levels.

Jobs for Texans with some college education hit pandemic lows in May 2020 – 15% below July 2019. However, as pandemic restrictions began to ease earlier this year, this group saw steady monthly increases, rebounding to near-2019 levels in July 2021.

Although the labor market for workers with a high school degree showed consistent growth from July 2020 to January 2021, it experienced consecutive losses from

February to May 2021, and is currently 13% down from July 2019 levels.

SOURCE: CURRENT POPULATION SURVEY

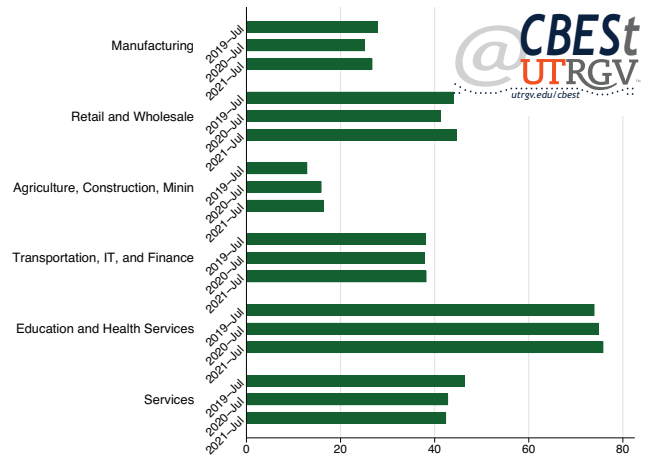


Figure 2: Female employment share by industry

SOURCE: CURRENT POPULATION SURVEY

Figure 4 presents July 2021 employment by race and level of education. Workers of Asian descent experienced the most gains in employment. Blacks and Hispanics with

a high school education experienced the biggest loss in employment. College-educated Asian employment exceeded July 2019 levels by 50%. Blacks and Hispanics with a high school education are respectively 36% and 19% below their July 2019 levels. Whites with a high school education and those with a college degree slightly surpassed July 2019 employment levels. However, whites and Hispanics with some college are both 6% below July 2019 levels.

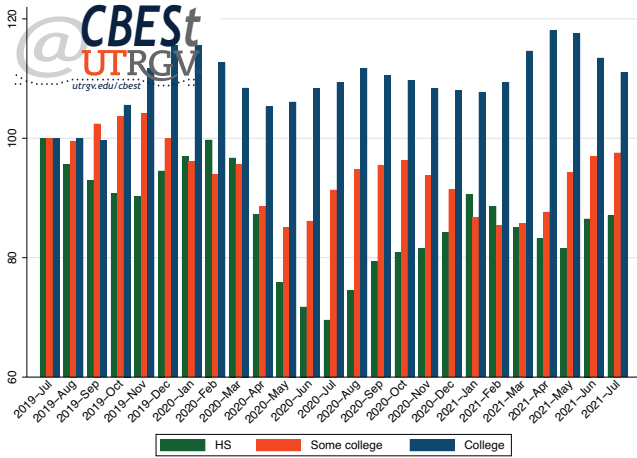


Figure 3: Employment by education level (July 2019 = 100)

SOURCE: CURRENT POPULATION SURVEY

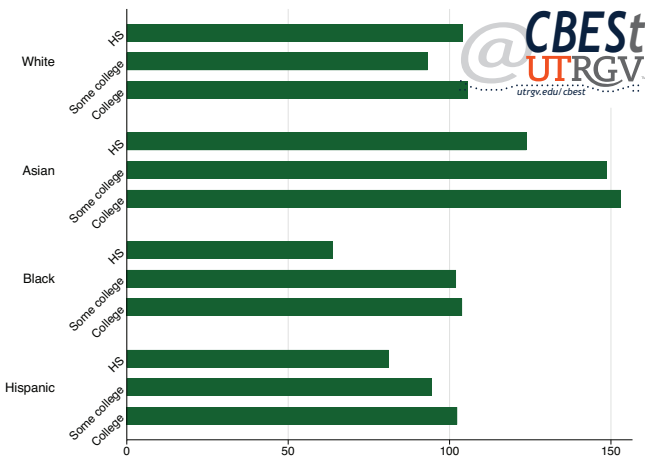


Figure 4: July 2021 employment by race and education (July 2019 = 100)

SOURCE: CURRENT POPULATION SURVEY

Employment by industry

Figure 5 presents employment levels for the ten largest states. Texas experienced comparatively low overall job loss, and employment figures were resilient throughout the pandemic. Along with Texas, Georgia saw the lowest drop in employment in May 2020. As of July 2021,

Florida, Georgia, and Texas were on par with their July 2019 employment levels. The other seven states are within six percent of their July 2019 levels.

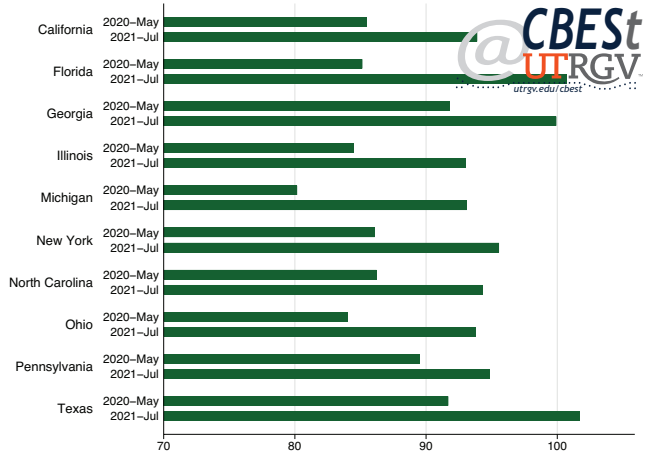


Figure 5: Employment by state (July 2019 = 100)

SOURCE: CURRENT POPULATION SURVEY

Figure 6 shows July 2021 employment figures across industries. With the exception of Manufacturing (-5% from July 2019) and Services (-2% from July 2019), most industrial sectors have recovered the employment lost earlier in the pandemic.

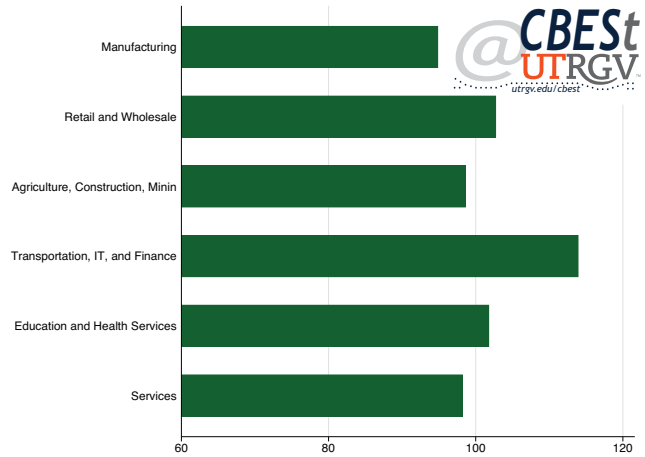


Figure 6: July 2021 employment by industry (July 2019 = 100)

SOURCE: CURRENT POPULATION SURVEY

Table 1 shows that families earning under \$25,000 made the biggest comeback of any group (up 40% from July 2020 levels). However, this group's current 12.9% unemployment rate is the highest of the income groups. Those with a college degree and workers from households making over \$75,000 maintained or slightly improved their employment levels. Groups that have yet to recover from

Metro	Age group			Education		
	16-34	35-54	55+	HS	Some college	College
Austin-Round Rock, TX	107.8	103.1	98.1	78.7	79.6	124.2
Brownsville-Harlingen, TX	153.2	115.2	317.4	283.2	120.7	126.9
Corpus Christi, TX	26.8	93.4	53.3	236.2	51.3	24.9
Dallas-Fort Worth-Arlington, TX	101	98.6	85.2	89.5	88.5	104.8
El Paso, TX	74.5	103.4	127	48.8	96.6	118
Houston-Baytown-Sugar Land, TX	110.8	121.4	92.7	84.8	107.6	124.9
Laredo, TX	51.5	54.1	87.8	78.3	30.3	85.3
McAllen-Edinburg-Pharr, TX	90.1	104.7	141.6	94	112.8	104.8
San Antonio, TX	76.4	110	97.2	50.1	89.7	111.5

Table 2: July 2021 age and education employment (July 2019 = 100), selected MSAs

SOURCE: CURRENT POPULATION SURVEY

Metro	Sex		Family income		Employment status	
	Male	Female	Under \$50K	\$50K +	Full-time	Part-time
Austin-Round Rock, TX	94.3	116.7	77.6	111.6	99.7	116.2
Brownsville-Harlingen, TX	239.5	101.8	237.3	109.2	140	256.3
Corpus Christi, TX	60.4	34.9	30.6	56.1	40.2	66.9
Dallas-Fort Worth-Arlington, TX	99.5	93.2	76.2	104.3	98.7	86.3
El Paso, TX	80.8	113.7	53.4	150.5	87.6	119.6
Houston-Baytown-Sugar Land, TX	107.7	116	111.8	111.2	111.9	108.7
Laredo, TX	63	54.5	67.6	57.9	81.6	27.9
McAllen-Edinburg-Pharr, TX	86.2	121.2	134.8	71.2	94.5	124
San Antonio, TX	98.7	89.7	70.1	104.5	93.3	98.5

Table 3: July 2021 sex, income, and employment status employment (July 2019 = 100), selected MSAs

SOURCE: CURRENT POPULATION SURVEY

the pandemic job losses include Texans 55-64 of age (down 11% from July 2019) and individuals from families earning \$25,000-\$50,000 (down 17% from July 2019).

Border region employment

Table 2 shows selected MSAs employment by age and level of education. Smaller MSAs have fewer observations, subjecting the analysis to greater measurement error. The reader should use caution in reading too much into the Brownsville, Corpus Christi, and Laredo MSAs statistics. The Corpus Christi and Laredo MSAs saw significant job losses across age groups. The Local Area Unemployment Statistics Report (<https://texaslmi.com/>) show that employment in these MSAs is 4% below July 2019 levels. Our estimates reported in the last column of Table 4, have these MSAs 48% and 41% below July 2019 employment levels, respectively.

The Austin, El Paso, Houston, and San Antonio MSAs posted the biggest gains in employment for those with a college degree. In the El Paso, McAllen, and San Antonio MSAs, individuals 55 and older saw a more robust recovery in employment than younger workers. This could indicate that older Texans took up some of the slack in the labor market left by low-wage workers.

Table 3 presents employment levels for sex, income, and employment status. The Brownsville and McAllen MSAs saw the highest gains from individuals in families earning less than \$50,000. Female employment grew most in the Austin, El Paso, and McAllen MSAs. Male employment in these MSAs, meanwhile, remains below July 2019 levels.

The last two columns of Table 3 highlight employment levels by full and part-time status. We observe that part-time employment had large gains in the Austin, Brownsville, El Paso, Houston, and McAllen MSAs. In the case of the El Paso and McAllen MSAs, it may suggest a substitution in favor of the underemployed.

Metro	Manufacturing	Retail and Wholesale	Agriculture, Construction, Mining, and Utilities	Transportation, IT, and Finance	Education and Health Services	Services	Total
Austin-Round Rock, TX	115.2	91.8	67.5	150.4	128.7	83.2	103.7
Brownsville-Harlingen, TX	80.5	225.9	548	159	69.3	153.8	156.3
Corpus Christi, TX		57.8	97.7	172.5	48.5	37.6	51.5
Dallas-Fort Worth-Arlington, TX	101.6	93.3	86.8	115.9	91.2	92.1	95.1
El Paso, TX	43.6	159.1	30.5	204	164.6	52.1	95.4
Houston-Baytown-Sugar Land, TX	100.5	103	104.2	132.7	121.7	104.1	112.8
Laredo, TX		34.7		80.4	44.7	71.7	58.7
McAllen-Edinburg-Pharr, TX	82.4	76.9	132	36.4	131.7	131.6	99.1
San Antonio, TX	118.6	97.5	83.3	64.3	87.8	118.7	94.6

Table 4: July 2021 industry employment (July 2019 = 100), selected MSAs

SOURCE: CURRENT POPULATION SURVEY

Table 4 presents employment by industry. The table shows that jobs in the Education and Health Services sector climbed in the Austin, El Paso, Houston, and McAllen MSAs. Manufacturing, Retail and Wholesale, and Transportation, IT, and Finance industries are down in the Laredo and McAllen MSAs. International supply chain disruptions and pandemic restrictions on international travel have likely slowed economic activity in the Border region.

Trade of goods through the Border region's ports and retail sales figures support the idea that limited cross-border economic activity is hurting employment. The inflation-adjusted value of total trade (exports plus imports) with Mexico in the second quarter of 2021 through the ports of El Paso and Laredo are down 72% and 2%, respectively, compared to 2019. The ports of Hidalgo and Brownsville saw a gain of 2% and 7%, respectively.

Further evidence of Laredo's underperformance can be seen in retail sales. Cameron, El Paso, and Hidalgo County saw price adjusted retail sales growth of about 20% in the second quarter of 2021 compared to 2019. Webb County had sales growth of 8%.

Laredo's relative low growth in retail sales and negative growth in trade-flows support the weak employment figures reported here. Cameron County had the highest gain in retail sales and trade-flows among Border counties. These are consistent with the relatively large increase in Brownsville MSA employment relative to the other Border MSAs.

Summary

This report uses the Current Population Survey (CPS) to explore Texas and MSA-level employment trends one and a half years after the start of the COVID-19 pandemic.

Although Texas employment has returned to pre-pandemic levels, CPS data suggests that the recovery has been uneven – disproportionately impacting black and Hispanic low-skilled workers, low-to-medium income households, and Texans in the 55-64 age group. On the Border region, the Brownsville MSA had strong employment gains. The McAllen and El Paso MSAs have all but return to pre-pandemic levels. While, the Laredo MSA has yet to fully recover. Overall, employment trends provide reason for optimism.

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Endnotes

1.Flood, S., King, M., Rodgers, R., Ruggles, S., and Warren, J. R. (2020). Integrated Public Use Microdata Series, Current Population Survey: Version 8.0 [dataset]. Minneapolis, MN: IPUMS.
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