# Community Development Initiatives

#### **Special Report**

# Employment and Wages in Four West Texas Cities March, 2013

For more information about this report, contact Kenneth L. Stewart (<u>Kenneth.stewart@angelo.edu</u>) or Casey Jones (<u>casey.jones@angelo.edu</u>) at Community Development Initiatives in the ASU Center for Community Wellness, Engagement, and Development. We acknowledge the special contributions to this report by Susan McLane at Community Development Initiatives.

Signs of San Angelo's economic recovery from the recent national recession stood out in the latest version of ASU's San Angelo Social Health Index released in January 2013. At the same, local leaders are sounding an excited sense of renewed opportunity in anticipation of a feverish local expansion for this year driven by the energy sector and associated forces.

These developments prompted the team at ASU's Community Development Initiatives (CDI) to conduct an analysis of the recent employment and wage history of San Angelo in comparison to the sister West Texas cities of Abilene, Midland, and Odessa. We originally presented the CDI viewpoint on the results in the attached article from the March 8, 2013 edition of the San Angelo Standard Times.

This Special Report provides a comprehensive review of the facts uncovered by the CDI comparative study of San Angelo employment and wages. We hope it contributes to a vigorous discussion of options for advancing the community as new economic development opportunities and resources unfold.

All data in this report originate from two sources:

- Occupational Employment Statistics, Bureau of Labor Statistics, US Department of Labor, May 2011 data and Archived Economic News Releases: <a href="http://stat.bls.gov/oes/#databases">http://stat.bls.gov/oes/#databases</a>.
- Poverty in America Living Wage Calculator, Massachusetts Institute of Technology: <a href="http://livingwage.mit.edu/">http://livingwage.mit.edu/</a>.

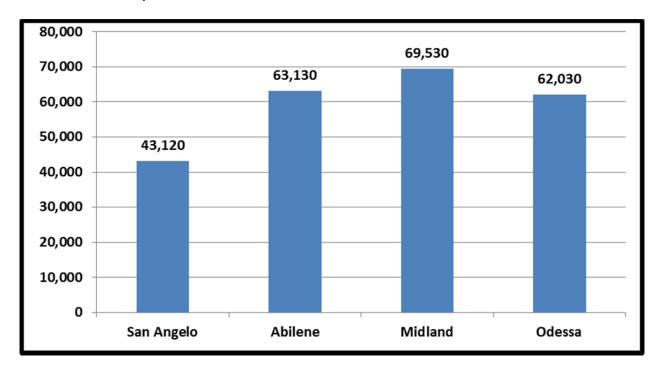
The following fact sheets report the compressive findings from the study of Employment and Wages in Four West Texas Cities.



## Total Private Sector Employment 2011

For more information about this report, contact Kenneth L. Stewart (<u>Kenneth.stewart@angelo.edu</u>) or Casey Jones (<u>casey.jones@angelo.edu</u>) at Community Development Initiatives in the ASU Center for Community Wellness, Engagement, and Development.

The Bureau of Labor Statistics Occupational Employment Statistics (OES) project estimated a combined 237,810 combined private sector employees in the West Texas urban centers of Abilene, Midland, Odessa, and San Angelo in 2011. This comprised approximately 2.3 percent of all Texas private sector employees. The distribution of private sector employment across the 4 urban centers is depicted below.



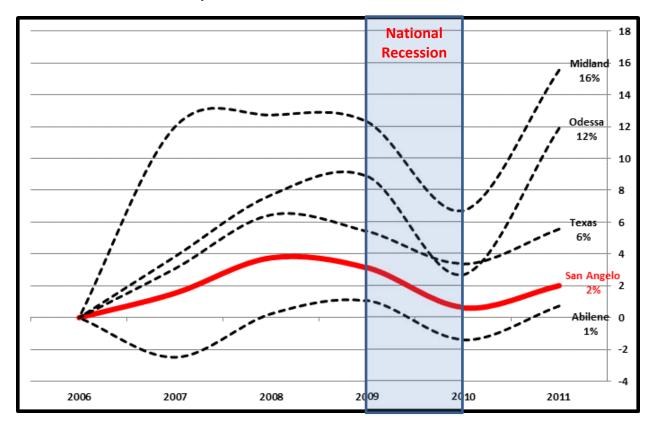
San Angelo has the smallest number of employees among the four cities (18.1% of the combined total for the cities). Midland has the largest number (29.2% of the combined 237,810 employees).



## Employment Growth in Four West Texas Cities 2006-2011

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Private sector employment growth in the four West Texas urban centers according to OES annual estimates for 2006-2011 is depicted below.



The larger 12 and 16 percent overall 2006-2011 employment increases in Odessa and Midland may be attributed to developments in the energy sector around which their local economies are more specialized. Also, the specialized energy sector focus of Midland and Odessa likely contributed to their greater degree of employment volatility (i.e. steeper declines and sharper increases) going into and coming out of the recent national recession.

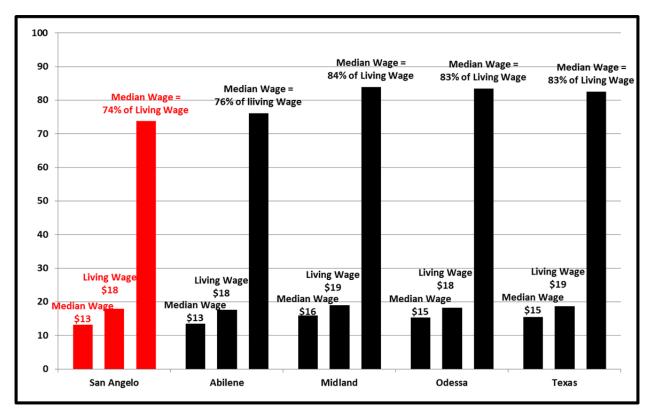
San Angelo's local economy (along with that of Abilene) is more diversified than Odessa or Midland. That diversification is reflected in slower, but less volatile, employment growth (only 2 percent) for the city between 2006 and 2011. Notably, however, the overall employment growth of San Angelo (and Abilene) is slower than the also diversified and less volatile economy of the state as a whole.



## The Median Wage, the Living Wage, and the Median Wage as a Percentage of the Living Wage

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This fact sheet depicts the OES 2011 estimate of the median hourly wage for private sector employment in the four West Texas cities. The median hourly wage also is compared to each city's living wage estimate from the Massachusetts Institute of Technology.



The median hourly wage estimate for San Angelo in 2011 was equivalent to 74 percent of the estimated living wage. San Angelo has the least favorable comparison of median-to-living wage for employees in the four West Texas cities.

Also, the median-to-living wage comparison is less favorable for employees in the two more diversified local economies (Abilene and San Angelo) than in the more specialized local economies (Midland and Odessa). It may be that the median-to-living wage comparisons in specialized local economies like Midland and Odessa are more volatile over time than in diverse local economies like Abilene or San Angelo. The current data, however, lack the time sensitivity needed to test this possibility.



### San Angelo's High Demand Employment Sectors 2011

For more information about this report, contact Kenneth L. Stewart (<u>Kenneth.stewart@angelo.edu</u>) or Casey Jones (<u>casey.jones@angelo.edu</u>) at Community Development Initiatives in the ASU Center for Community Wellness, Engagement, and Development.

San Angelo has higher than typical demand for labor (i.e. the Location Quotient is greater than 1) in 10 of 22 major (2-digit NAICS) industry sectors according to 2011 OES data. The following table depicts basic characteristics of San Angelo's high demand employment sectors.

| San Angelo High Demand Employment Sectors, 2011    | Total Employment | Location Quotient (LQ)*  | Total Wages     | Median Hourly Wage   | Median Hourly Wage as a Percent of Living Wage |
|--|------------------|--------------------------|-----------------|--|--|
| Employment in All Sectors                          | 43,120           |                          | \$1,559,650,400 | \$13.20  | 74%  |
| High Demand Sectors                                |                  |                          |                 |  |  |
| Construction and Extraction Occupations            | 2,180            | 1.31                     | \$73,684,000    | \$15.23  | 85%  |
| Education, Training, and Library Occupations       | 3,080            | 1.09                     | \$146,454,000   | \$24.19  | 135%   |
| Farming, Fishing, and Forestry Occupations         | 140              | 1.03                     | \$4,219,600     | \$15.74  | 88%  |
| Food Preparation and Serving Related Occupations   | 4,180            | 1.11                     | \$76,995,600    | \$8.54   | 48%  |
| Healthcare Practitioners and Technical Occupations | 3,400            | 1.35                     | \$198,662,000   | \$22.87  | 128%   |
| Healthcare Support Occupations                     | 1,530            | 1.15                     | \$36,704,700    | \$10.59  | 59%  |
| Installation, Maintenance, and Repair Occupations  | 2,010            | 1.20                     | \$72,621,300    | \$15.59  | 87%  |
| Office and Administrative Support Occupations      | 7,380            | 1.03                     | \$209,296,800   | \$12.27  | 69%  |
| Personal Care and Service Occupations              | 1,800            | 1.48                     | \$36,306,000    | \$8.77   | 49%  |
| Sales and Related Occupations                      | 4,960            | 1.08                     | \$147,411,200   | \$9.90   | 55%  |
| Ten Sector Total                                   | 30,660           | *LQ = Local %/National % | \$1,002,355,200 | Note: The San Angelo Living Wage Estimate for a family of 4 is \$17.89/hour. FMI go to livingwage.mit.edu. |  |
| Ten Sector Pecentage of All Sectors                | 71               | emloyment in the sector. | 64              |  |  |

The fact the San Angelo urban area employs workers at a higher rate than the nation in 45 percent of the major NAICS industry sectors is testimony to the diversity of the local economy. On the other hand, the fact that only two of the 10 high demand sectors of local economy pay median wages that are above the living wage level impedes the area's level of community development.



## San Angelo's High Demand Occupations 2011

For more information about this report, contact Kenneth L. Stewart (<u>Kenneth.stewart@angelo.edu</u>) or Casey Jones (<u>casey.jones@angelo.edu</u>) at Community Development Initiatives in the ASU Center for Community Wellness, Engagement, and Development.

Further testimony to the diversity of San Angelo's local economy is that fact that the urban area has higher than typical employment demand (i.e. the Location Quotient is greater than 1) in 100 specific (6-digit SOC) occupations according to 2011 OES data. The following table depicts the 20 highest demand occupations as measured by the Location Quotient.

| 20 High Demand Occupations in San Angelo, 2011                 | Total Employment | Location Quotient (LQ)*            | Median Hourly Wage  | Median Hourly Wage as a<br>Percent of Living Wage |
|--|------------------|------------------------------------|---|---|
| Employment in All Occupations                                  | 43,120           |                                    | \$13.20   | 74%   |
| High Demand Occupations  |                  |                                    |   |   |
| Wellhead Pumpers   | 100              | 21.85                              | \$18.35   | 103%  |
| Slaughterers and Meat Packers                                  | 350              | 12.85                              | \$8.84  | 49%   |
| Roustabouts, Oil and Gas                                       | 130              | 7.39                               | \$16.88   | 94%   |
| HelpersExtraction Workers                                      | 60               | 6.94                               | \$18.35   | 103%  |
| Counselors, All Other  | 60               | 6.62                               | \$25.99   | 145%  |
| Bill and Account Collectors                                    | 470              | 3.61                               | \$12.53   | 70%   |
| Physical Therapist Aides                                       | 60               | 3.55                               | \$8.02  | 45%   |
| Civil Engineering Technicians                                  | 80               | 3.12                               | \$16.20   | 91%   |
| HelpersInstallation, Maintenance, and Repair Workers           | 130              | 3.11                               | \$8.91  | 50%   |
| First-Line Supervisors of Fire Fighting and Prevention Workers | 60               | 3.11                               | \$32.92   | 184%  |
| Firefighters   | 270              | 2.82                               | \$21.18   | 118%  |
| Licensed Practical and Licensed Vocational Nurses              | 610              | 2.62                               | \$18.28   | 102%  |
| Medical Records and Health Information Technicians             | 150              | 2.49                               | \$16.18   | 90%   |
| New Accounts Clerks  | 50               | 2.41                               | \$11.52   | 64%   |
| Food Service Managers  | 140              | 2.37                               | \$20.47   | 114%  |
| Medical Secretaries  | 340              | 2.19                               | \$12.95   | 72%   |
| Life, Physical, and Social Science Technicians, All Other      | 40               | 2.09                               | \$22.28   | 125%  |
| Pressers, Textile, Garment, and Related Materials              | 30               | 2.00                               | \$8.46  | 47%   |
| Detectives and Criminal Investigators                          | 70               | 1.99                               | \$45.49   | 254%  |
| Instructional Coordinators                                     | 80               | 1.94                               | \$36.39   | 203%  |
| 20 Occupations Total   | 3,280            | *LQ = Local %/National % emloyment | Note: The San Angelo Living Wage Estimate for a family of 4 is \$17.89/hour.<br>FMI go to livingwage.mit.edu. |   |
| 20 Occupations Pecentage of Total Employment                   | 8                | in the occupation.                 |   |   |

As with high demand industry sectors, median wages that fail to reach the equivalent of the living wage impede community development. This is the case for 10 of the top 20 high demand San Angelo occupations. The same theme holds for the remaining high demand occupations.