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### MEMORANDUM

*OK for Distribution*

TO: Texas House of Representatives

FROM: Chairman Jim Dunnam

DATE: August 21, 2009

SUBJECT: Unemployment Rate Increases to 7.9% in July; Texas Qualifies for  
Approximately \$600 million in Additional Federal Medicaid Funds

According to the attached press release issued today by the Texas Workforce Commission (TWC), the unemployment rate in Texas increased to 7.9 % in July, up from 7.5% in June.

Although TWC highlighted the positive addition of 37,900 new jobs in July, it is important that we not overlook the sobering fact that 49,300 more Texans were unemployed in July than just one month ago. The total number of unemployed Texans in July was just under 1 million at 949,100, up from 899,800 in June. The combined increase in the unemployment rates for June and July of .8 percent accounts for the highest two-month job loss so far since the economic downturn began.

While we report this information to you each month in terms of numbers and statistics, we must keep in mind at all times that these are real people in families who make up our communities. Just to put the job loss in perspective, thus far this year, Texas has lost more jobs than the entire population of Corpus Christi. We lost the equivalent of the entire population of New Braunfels in just one month.

As I have mentioned in previous memos, Texas is eligible to receive as much as \$600 million in additional federal Medicaid funds under the Recovery Act if our average unemployment rate for three consecutive months exceeds 6.9%. The State has now qualified for these additional (Tier II) federal payments and should begin receiving them no later than October 2009. In order to receive Tier III funding, and receive an even higher federal Medicaid match rate, the state's unemployment rate would need to average 7.9% for three consecutive months.

The Select Committee asked the Workforce Commission to provide us with data on the number of unemployed Texans who will soon be exhausting their benefits. The Commission reported that 129,445 Texans will exhaust their unemployment benefits over the five-month period from August 2009 to January 2, 2010.

The Recovery Act also made it possible for states to temporarily increase the back-to-school payment to children receiving Temporary Assistance for Needy Families (TANF) at no cost to the state. The Texas Health and Human Services Commission was able to increase the one-time back-to-school payment for TANF children by \$75 and issued the payments to children in time to take advantage of the sales tax holiday this weekend. According to experts appearing before the Select Committee, dollars spent in this program will have a higher than average multiplier effect on the Texas economy.

# Texas Workforce Press Release

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**FOR RELEASE:** Embargoed until 9 a.m.      **CONTACT:** Labor Market and Career Information  
**DATE:** August 21, 2009                      **PHONE:** 1-866-938-4444 or (512) 491-4922

## **Texas Adds 37,900 Jobs in July**

*Texas Civilian Labor Force expands to 12 million for the first time*

AUSTIN — Total nonagricultural employment in Texas rose by 37,900 positions in July with significant job growth in Professional and Business Services, Education and Health Services, and Construction.

The number of employed Texans remained relatively steady in July, however the seasonally adjusted unemployment rate rose to 7.9 percent in July due to the number of people entering the workforce. Last month, the Texas labor force totaled more than 12 million people for the first time. The Texas unemployment rate is up from 7.5 percent in June. The U.S. seasonally adjusted unemployment rate for July stood at 9.4 percent.

“The national economic recession continued to have an adverse impact on the Texas economy. Nonetheless, the Texas unemployment rate remained well below the national rate, and there were signs of positive growth in certain industries,” said Texas Workforce Commission (TWC) Chairman Tom Pauken.

Texas employers recorded broad-based job gains in seven of eleven industries in July regaining some of the lost ground from earlier in the year. Professional and Business Services jumped by 18,700 jobs in July for the third monthly increase this year. Education and Health Services employment grew by 14,400 positions in July, bringing the industry’s total job growth to 63,800 jobs since July 2008.

“At more than 12 million workers, the Texas labor force is larger than ever,” said TWC Commissioner Representing Labor Ronny Congleton. “TWC is here to help those joining the labor force with work search assistance, skills training and other services.”

Construction posted a job gain in July of 3,000 jobs after several months of job losses. Leisure and Hospitality employment increased 2,800 positions in July bringing the annual job growth to 14,300 positions. Financial Activities employment increased by 1,800 jobs in July marking the third month of job growth.

“Although the Texas unemployment rate was up in July, Texas continued to trend well below the national unemployment rate of 9.4 percent,” said TWC Commissioner Representing the Public Andres Alcantar. “Job growth in many industries in July provided job opportunities for those entering the labor force.”

The Amarillo Metropolitan Statistical Area (MSA) experienced the lowest unemployment rate in the state at 5.8 percent (not seasonally adjusted) followed by the Lubbock MSA with 6.1 percent and the Midland MSA with 6.3 percent.

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Please note that the unemployment estimates for the United States and Texas in this chart are "Not Seasonally Adjusted" for purposes of comparison to the "Not Seasonally Adjusted" Metropolitan Statistical Area data.

**Civilian Labor Force Estimates for Texas Metropolitan Statistical Areas  
Not Seasonally Adjusted (In Thousands)**

	July 2009				June 2009				July 2008			
	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate
United States	156,255.0	141,055.0	15,201.0	9.7	155,921.0	140,826.0	15,095.0	9.7	156,300.0	146,867.0	9,433.0	6.0
State of Texas	12,136.5	11,137.7	998.8	8.2	12,074.9	11,110.3	964.6	8.0	11,799.1	11,179.3	619.8	5.3
Abilene	84.3	78.9	5.4	6.4	84.3	79.0	5.3	6.3	83.1	79.6	3.5	4.2
Amarillo	132.2	124.5	7.7	5.8	131.5	124.0	7.5	5.7	131.5	126.4	5.1	3.9
Austin-Round Rock	902.6	836.6	66.0	7.3	895.0	831.2	63.8	7.1	870.0	829.4	40.6	4.7
Beaumont-Port Arthur	184.3	164.8	19.5	10.6	183.7	165.1	18.6	10.1	182.8	170.3	12.5	6.8
Brownsville-Harlingen	150.8	134.7	16.1	10.7	150.4	134.7	15.7	10.4	148.2	137.7	10.5	7.1
College Station-Bryan	105.4	98.5	6.9	6.5	105.2	98.4	6.8	6.5	104.4	99.6	4.8	4.6
Corpus Christi	209.1	192.4	16.7	8.0	209.2	193.1	16.1	7.7	207.0	196.4	10.6	5.1
Dallas-Fort Worth-Arlington	3,253.3	2,983.0	270.3	8.3	3,219.6	2,956.6	263.0	8.2	3,163.5	2,996.4	167.1	5.3
Dallas-Plano-Irving MD	2,174.6	1,994.4	180.2	8.3	2,145.8	1,972.2	173.6	8.1	2,116.7	2,004.2	112.5	5.3
Fort Worth-Arlington MD	1,078.7	988.6	90.1	8.4	1,073.8	984.4	89.4	8.3	1,046.9	992.3	54.6	5.2
El Paso	311.3	281.3	30.0	9.6	308.6	279.3	29.3	9.5	295.8	276.0	19.8	6.7
Houston-Sugar Land-Baytown	2,855.0	2,615.8	239.2	8.4	2,832.3	2,605.2	227.1	8.0	2,815.3	2,671.4	143.9	5.1
Killeen-Temple-Fort Hood	162.5	150.8	11.7	7.2	162.7	151.1	11.6	7.1	158.8	150.2	8.6	5.4
Laredo	97.5	88.3	9.2	9.4	96.8	87.7	9.1	9.4	92.3	86.8	5.5	6.0
Longview	113.0	103.4	9.6	8.5	111.9	102.9	9.0	8.0	109.3	104.2	5.1	4.7
Lubbock	144.6	135.8	8.8	6.1	143.7	135.1	8.6	6.0	141.6	135.3	6.3	4.4
McAllen-Edinburg-Mission	297.5	263.0	34.5	11.6	298.7	265.7	33.0	11.0	280.3	257.7	22.6	8.1
Midland	78.9	73.9	5.0	6.3	78.6	73.8	4.8	6.1	76.1	73.8	2.3	3.1
Odessa	76.6	69.4	7.2	9.5	75.9	68.9	7.0	9.2	71.3	68.6	2.7	3.7
San Angelo	53.9	50.2	3.7	6.9	54.2	50.5	3.7	6.8	52.9	50.5	2.4	4.5
San Antonio	981.8	912.2	69.6	7.1	977.9	910.6	67.3	6.9	958.1	909.9	48.2	5.0
Sherman-Denison	58.1	53.1	5.0	8.6	57.7	52.9	4.8	8.3	56.6	53.4	3.2	5.7
Texarkana	64.7	60.4	4.3	6.7	64.8	60.6	4.2	6.5	64.5	61.4	3.1	4.8
Tyler	103.7	95.4	8.3	8.0	103.1	95.0	8.1	7.9	100.6	95.3	5.3	5.3
Victoria	59.4	54.7	4.7	8.0	59.2	54.6	4.6	7.7	58.7	56.1	2.6	4.4
Waco	114.9	106.6	8.3	7.2	114.3	106.2	8.1	7.1	112.6	106.8	5.8	5.1
Wichita Falls	74.3	68.3	6.0	8.0	73.9	67.9	6.0	8.1	73.3	69.7	3.6	4.9

**TEXAS AND U.S. CIVILIAN LABOR FORCE ESTIMATES**

TEXAS*					UNITED STATES**				
Not Seasonally Adjusted	CLF	Employment	Unemp.	Rate	CLF	Employment	Unemp.	Rate	
July 2009	12,136,500	11,137,700	998,800	8.2	156,255,000	141,055,000	15,201,000	9.7	
June 2009	12,074,900	11,110,300	964,600	8.0	155,921,000	140,826,000	15,095,000	9.7	
July 2008	11,799,100	11,179,300	619,800	5.3	156,300,000	146,867,000	9,433,000	6.0	
Seasonally Adjusted	CLF	Employment	Unemp.	Rate	CLF	Employment	Unemp.	Rate	
July 2009	12,017,500	11,068,400	949,100	7.9	154,504,000	140,041,000	14,462,000	9.4	
June 2009	11,972,800	11,073,000	899,800	7.5	154,926,000	140,196,000	14,729,000	9.5	
July 2008	11,708,500	11,132,200	576,300	4.9	154,506,000	145,596,000	8,910,000	5.8	

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the services it offers in unison with its network of local workforce development boards, call (512) 463-8556 or visit [www.texasworkforce.org](http://www.texasworkforce.org).