

December 5, 2008

# Central Texas Economy In Perspective

by Beverly Kerr, Chamber Vice President of Research

While the number of unemployed in Austin increased substantially, from nearly 30,323 to over 41,522, over the last 12 months, indicators still hold that Austin may be one of the better places in the country to weather the recession (a recognition Austin received from [Forbes in May](#)). The numbers for October show that Austin retains its relative advantage over nearly all other major metropolitan areas with respect to the rate of unemployment. Statewide unemployment has increased from 4.2% to 5.4%, a change similar to Austin's, however during the same period, the national unemployment rate increased from 4.5% to 6.1%. Austin has not seen an unemployment rate in the realm of 6% since 2002 and 2003. From that period, unemployment in Austin steadily declined through the end of 2006 and remained below 4% through May 2008. While Austin's concentration in the tech sector contributed to the severity of the previous recession, economists such as Andrew Gledhill, with Moody's Economy.com, have attributed Texas's superior performance this time around to its tech sector, as well as the energy sector (in an another ["best of" Forbes](#) article in October).

Elsewhere in Texas, Ft. Worth, Houston and Dallas have October 2008 unemployment rates ranging from 5.2%-5.6%. The highest unemployment rates among large metros, ranging from 7.9 to 10.1% are seen in the Detroit & Warren metros in Michigan; Sacramento, Los Angeles & Riverside in California; and Providence in Rhode Island. San Jose, the California tech economy with the most notable corporate linkages with Austin, has an unemployment rate of 6.9%. However, San Francisco is faring better with 5.6% and Seattle's rate is 5.3%. Raleigh, not within the largest 50 metros, but another tech center that Austin often competes with, has a 5.2% unemployment rate.

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## Lowest Unemployment Rates Top 50 Metro Areas

	Unemployment Rate		Difference	Rank
	October '07	October '08		
Washington MDiv	3.0%	4.2%	1.2	1
Virginia Beach MSA	3.1	4.3	1.2	2
Boston MDiv	3.5	4.4	0.9	3
Austin MSA	3.5	4.8	1.3	4
Milwaukee MSA	4.6	4.8	0.2	5
Nassau MDiv	3.5	4.9	1.4	6
Pittsburgh MSA	3.9	5.0	1.0	7
San Antonio MSA	3.8	5.1	1.3	8
Baltimore MSA	3.6	5.1	1.5	9
Edison MDiv	3.4	5.2	1.8	10

Source: U.S. Bureau of Labor Statistics.