

Area gets a jolly job forecast for 2007

Lowest November jobless rate in five years bodes well for 2007.

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The Central Texas region is poised to kick off the new year with healthy job growth and the lowest unemployment rate in five years.

And economists have predicted that there will be more good news to come for workers in 2007.

Job growth will "accelerate in the second half of next year," Rakesh Shankar, a senior economist for Moody's Economy.com, said of the group's most recent Austin report. More high-tech and government jobs will support growth, while the retail sector will take the lead in fueling new jobs, he said.

The five-county region posted a 3.7 percent unemployment rate in November, according to Texas Workforce Commission figures released Friday. That's unchanged from October and is the lowest rate since May 2001.

Overall, the region's total work force, excluding agricultural jobs, reached a record 728,100.

The region, which comprises Travis, Williamson, Bastrop, Caldwell and Hays counties, added 19,800 jobs compared with a year earlier, a 2.8 percent annual growth rate, which is considered healthy. That's slower, however, than the 4 percent rate seen a year earlier.

A big share of those new jobs were added by the government, construction, and professional and business service sectors, such as engineering and legal firms.

An unemployment rate below 3 percent, which economists say makes for a tight job market, is good for workers but challenging for employers. Temporary employment agencies in the Austin area are seeing more sign-on bonuses and other incentives.

As retail hiring picks up steam next year, employers in the lower-paying sectors could run into an even tougher hunt for workers.

Two major projects, the Hill Country Galleria in Bee Cave and upscale North Austin shopping village the Domain, are poised to add hundreds of new jobs next year.

The Texas jobless rate, which unlike the local rate is adjusted for seasonal changes such as retailers hiring for the holiday season, fell to 4.7 percent in November. The statewide unemployment rate was 4.8 percent in October and 5.3 percent a year earlier.

Texas employers have added 204,300 jobs over the past 12 months, a 2.1 percent annual growth rate, the Texas Workforce Commission said. That was stronger than the national rate of 1.3 percent.

The U.S. unemployment rate reached 4.5 percent in November.

"Job growth has steadily increased for more than two years, which indicates a robust Texas labor market," said Diane Rath, chairwoman of the state agency.