

# State Employment Monitor

July 2019



National Association of REALTORS® Research Group



# State Employment Monitor

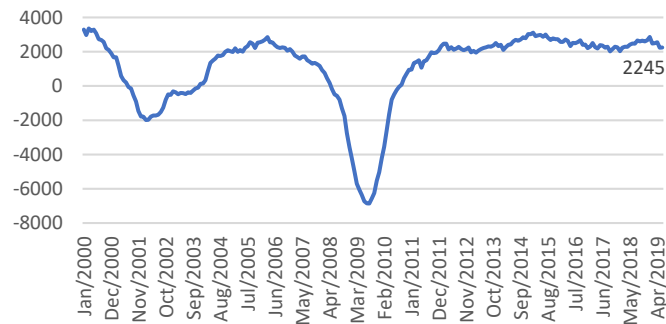


Employment and income are key factors affecting the demand for and supply of residential and commercial real estate. This month's report discusses employment trends as of June 2019 with a focus on the construction and real estate industries.

## 2.2 M Annual Job Gains in June 2019

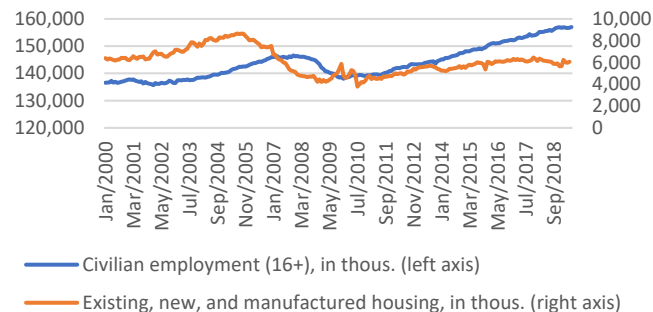
- Payroll employment increased by 2.2 million from one year ago, an increase of 1.5 percent. While this is still a significant gain, this is lower than the 2.5 million annual gain in June 2018. Jobs are getting harder to fill given the low unemployment rate of 3.7 percent.
- As of June 2019, civilian employment (which includes the self-employed) was at an all-time high of 157 million, 11 million more than the peak prior to the 2008–2009 economic recession. On the other hand, sales of existing, new, and manufactured homes which hit 6.1 million in May 2019 remain below the 8.7 million peak in July 2005, an indication of a tight housing market.
- All industries (2-digit level) had job gains, except for information services and retail trade, with the largest annual job increases in health care & social assistance (547,200), professional & technical services (294,200), accommodation & food services (282,400), construction (200,000), and manufacturing (160,000) industries.
- All states had job gains, with the strongest gains in the South and West states, led by Nevada (3.4%), Utah (3.0%), Arizona (2.8%), South Dakota (2.7%), Florida (2.6%), Washington (2.6%), Texas (2.5%), Idaho (2.4%), Wyoming (2.3%), and Colorado (2.0%).

Annual Change in Non-farm Employment in June 2019 ('000)

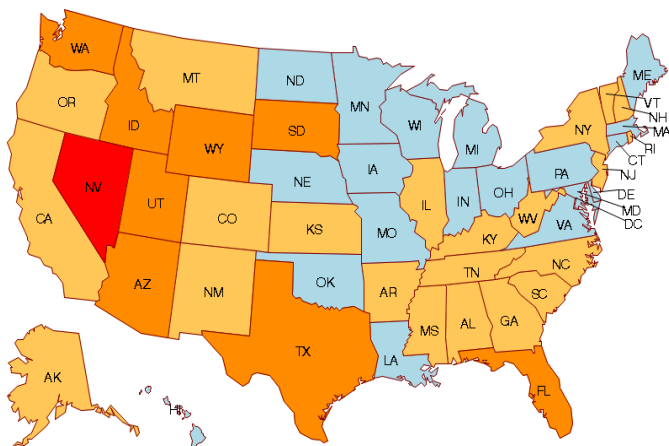


Source: BLS Establishment Survey

Civilian Employment vs. Existing, New, and Manufactured Housing Sales ('000)



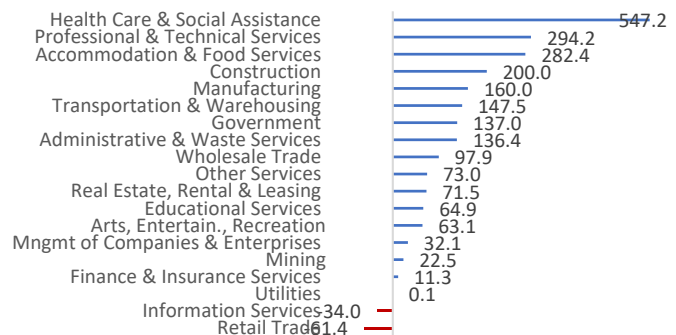
Source: BLS Household Survey, NAR, US Census Bureau



Annual Percent Change in Payroll Employment in June 2019

0% to 1% 1% to 2% 2% to 3% 3% to 4%

Year-on-Year Change in Employment in June 2019 ('000)



Source: BLS



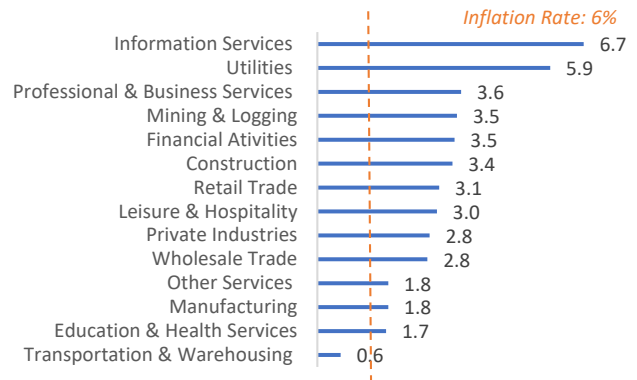
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## 3 Percent Annual Wage Gain in June 2019

- Average weekly wages among those employed in private industry rose 2.8 percent, a real gain because the inflation rate was only 1.6 percent. Average weekly wages rose in real terms in all industries (2-digit NAICS level) except in transportation and warehousing.
- In industries where workers average weekly wage was at least \$1,000, single-earner households are more likely to afford a median priced home (\$277,700 nationally in May 2019), spending no more than 25 percent of wage income on a mortgage payment. Workers in industries that pay receive on average less than \$1,000 per week will have to spend more of their income on mortgage and so will likely not purchase a home: transportation & warehousing (29%), education and health services (31%), retail trade (46%), leisure & hospitality (65%), and other services (35%). To afford a home, a household will need more than one wage earner.
- Nominal wages rose in all states led by Washington, DC (14.0%), Wyoming (8.7%), Nevada (8.2%), Utah (8.1%), Kansas (8.0%), Arkansas (7.4%), California (7.3%), Colorado (6.7%), Oklahoma (6.7%), New Mexico (6.2%), and Oregon (6.2%).

Y/Y Increase in Average Weekly Wage in June 2019 vs. Inflation Rate

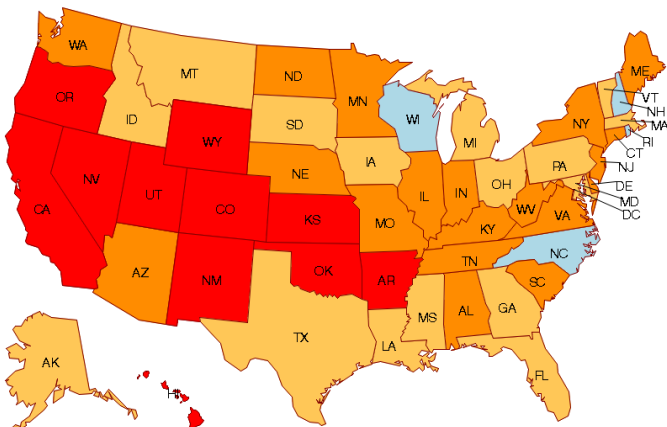


Mortgage Payment as Percent of Single-Worker Wages in May 2019

Industry	Average Weekly Earnings	As percent of wage income
Private Industries	\$958	29%
Utilities	\$1,767	16%
Mining & Logging	\$1,553	18%
Information Services	\$1,521	18%
Financial Activities	\$1,347	21%
Wholesale Trade	\$1,220	23%
Professional & Business Services	\$1,215	23%
Construction	\$1,200	23%
Manufacturing	\$1,120	25%
Transportation & Warehousing	\$958	29%
Education & Health Services	\$905	31%
Other Services	\$793	35%
Retail Trade	\$599	46%
Leisure & Hospitality	\$426	65%

Calculations based on median price of \$277,700, 10% D/P, and 4.07% 30-year rate

Sources of data: BLS (weekly wage), NAR (median price), Freddie Mac (mortgage rate)



Annual Percent Change in Average Weekly Wage in June 2019

0% to 2%    2+% to 4%    4+% to 6%    6+% to 20%

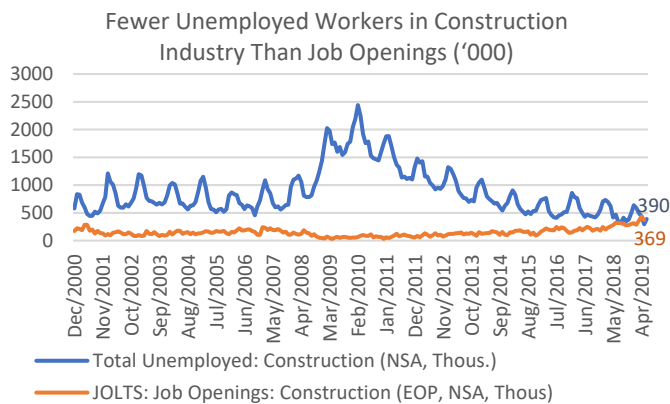
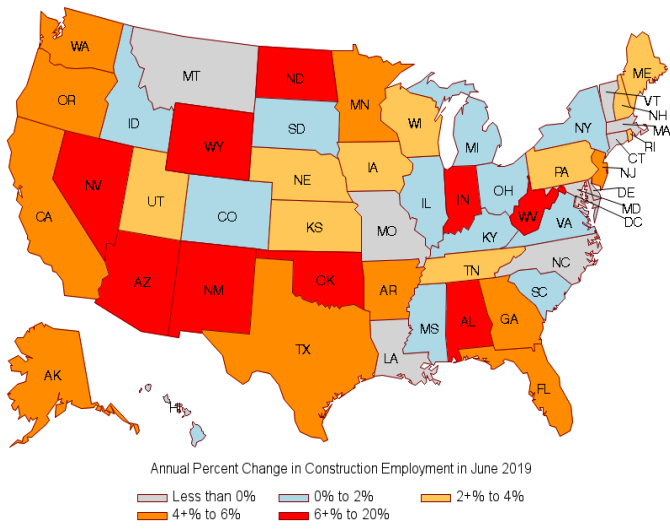
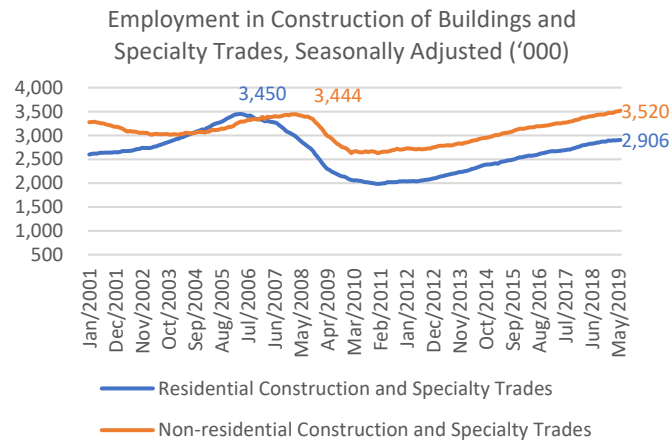
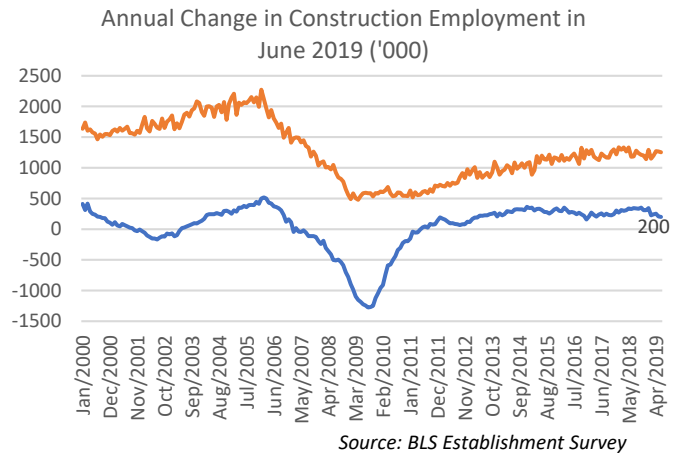


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## 200,000 Annual Construction Job Gains in June 2019

- In June 2019, payroll employment in construction increased by 200,000 from one year ago, the slowest annual pace in 2019, and a marked slowdown from the 320,000 monthly average annual pace in 2018. Lack of construction workers has constrained housing production.
- Construction employment (construction workers and specialty trade contractors) has remained below the peak level in April 2006, at 6.4 million on a seasonally adjusted basis, 300,000 below the 6.7 million peak in April 2006.
- As of June 2019, there were 76,000 more workers in commercial construction compared to the peak level for this subsector in 2006, while there were 500,000 fewer workers in residential construction compared to the 2006 peak level for this subsector.
- Compared to one year ago, payroll construction employment rose in 41 states, with the fastest pace in West and South states, led by West Virginia (19.2%), Arizona (11.5%), Wyoming (11.4%), North Dakota (10.0%), Alabama (8.7%), Nevada (8.7%), Indiana (6.3%), New Mexico (6.3%), Oklahoma (6.2%), and Arkansas (5.6%). Nationally, construction payroll employment rose 2.7 percent.



Source: BLS JOLTS and Household Survey



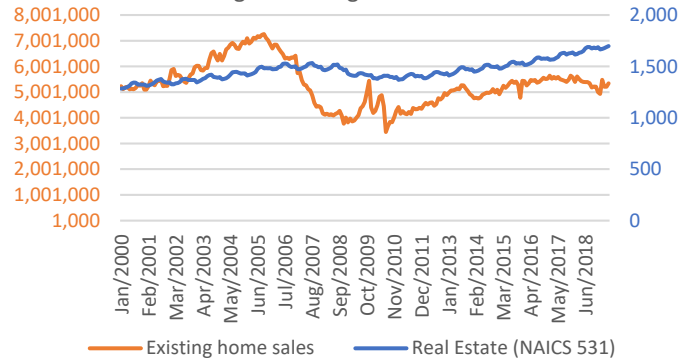
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## 51,400 Annual Real Estate Payroll Job Gains in June 2019

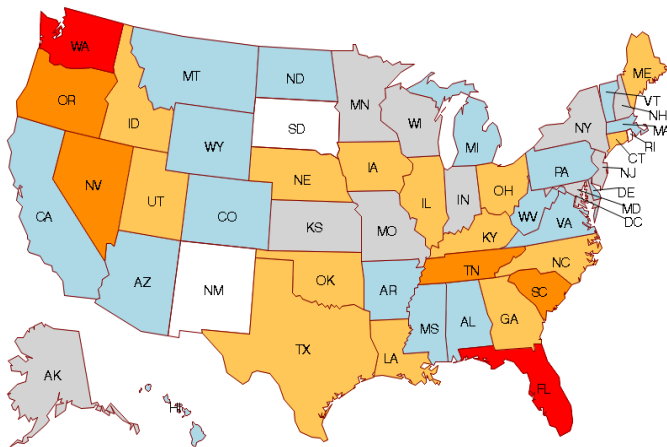
- As of June 2019, there were 1.7 million payroll jobs in the real estate industry (NAICS 531), 230,000 more jobs compared to 1.5 million in July 2006. From one year ago, there were 51,400 more jobs.
- Many real estate agents, including REALTORS® are self-employed. Counting the self-employed workers, the Bureau of Economic Analysis estimates 8.7 million workers in the real estate industry as of 2017, an increase of 1.6 million workers since 2009.
- As employment in the real estate industry has continued to increase, existing home sales have moderated, bringing down the ratio of existing home sales to payroll employment to 3.1 in May 2019 from 5.0 in 2005 and 4.0 in 2000.
- In June 2019, most states had a net gain in payroll employment in the real estate, rental, and leasing industry (NAICS 53) led by Washington (7.4%), Florida (6.3%), Tennessee (5.8%), South Carolina (5.8%), Nevada (5.3%), Oregon (4.4%), Louisiana (4%), North Carolina (3.6%), Connecticut (3.4%), Idaho (3.4%), Utah (3.3%), and Oklahoma (3.3%). (Note: data is not available for New Mexico, South Dakota, and Rhode Island).

Payroll Employment in Real Estate Industry ('000)  
Still Increasing as Existing Home Sales Moderate

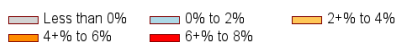


Source: BLS Establishment Survey, NAR

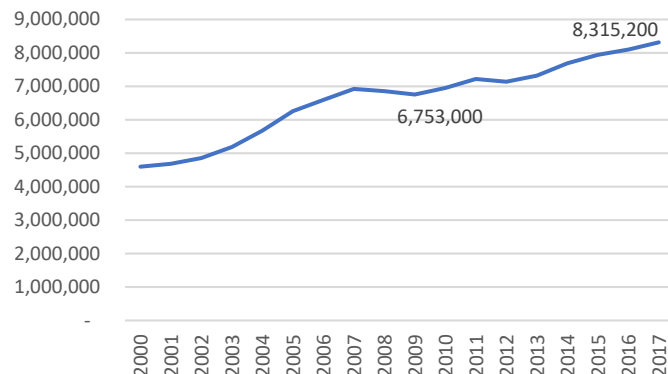
Ratio of Existing Home Sales to Payroll Employment in Real Estate Industry



Annual Percent Change in Real Estate, Rental, & Leasing Employment in June 2019



Payroll and Self-Employed Workers in Real Estate



Source: BEA

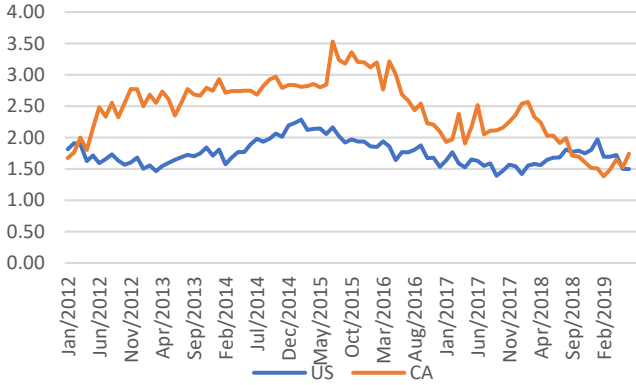




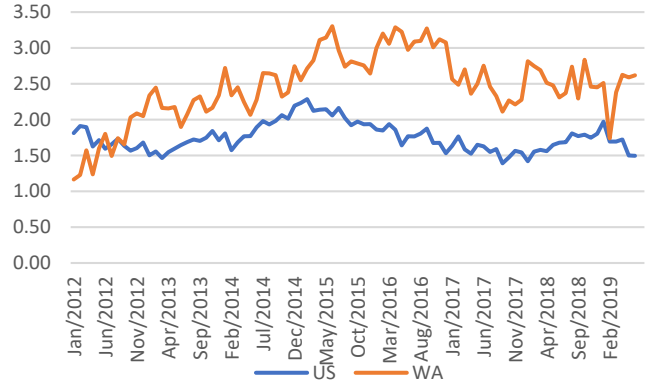
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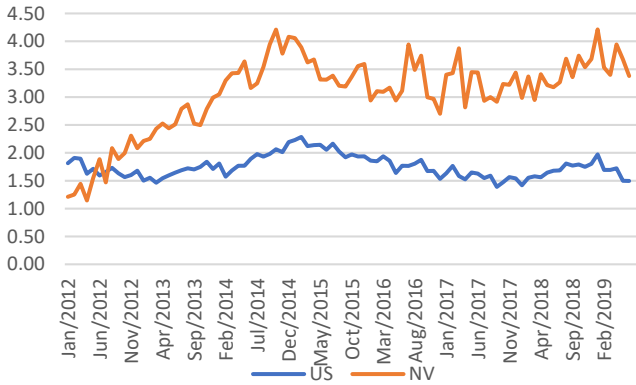
### California and U.S. Job Growth



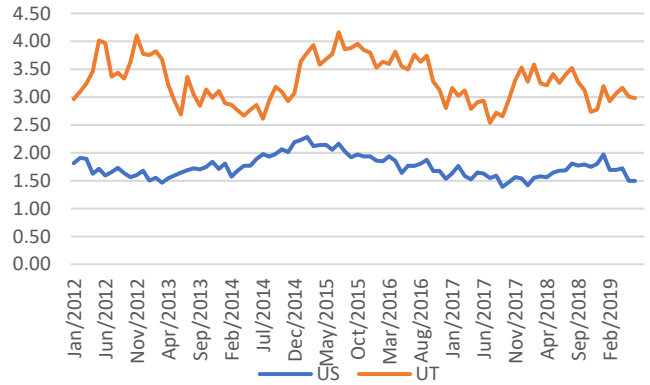
### Washington and U.S. Job Growth



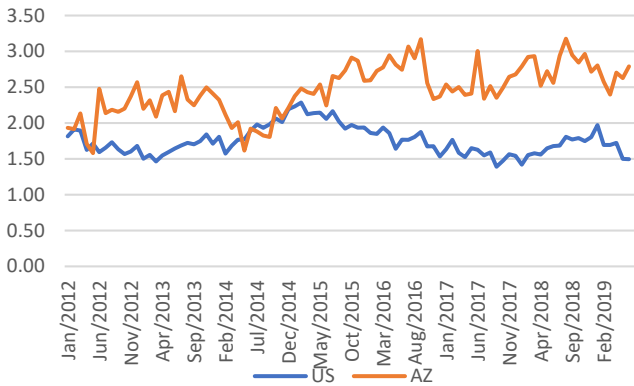
### Nevada and U.S. Job Growth



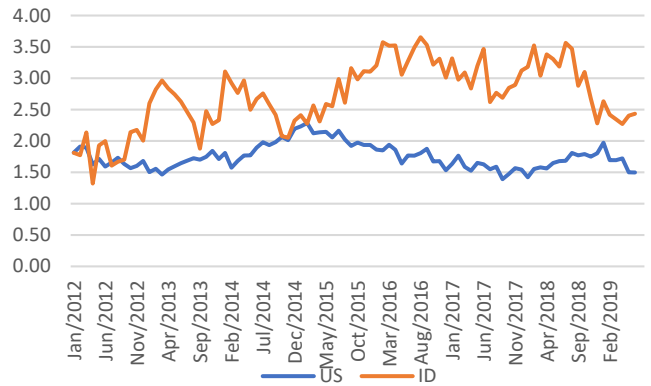
### Utah and U.S. Job Growth



### Arizona and U.S. Job Growth



### Idaho and U.S. Job Growth

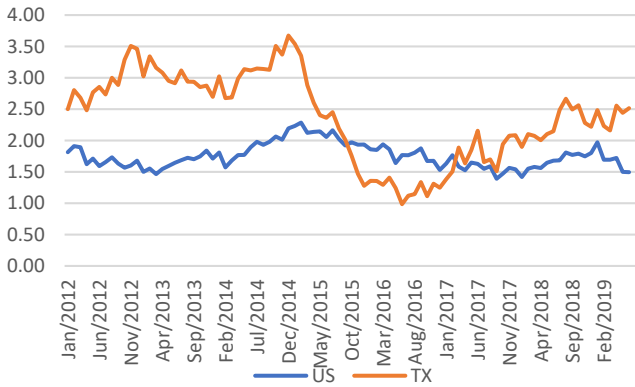




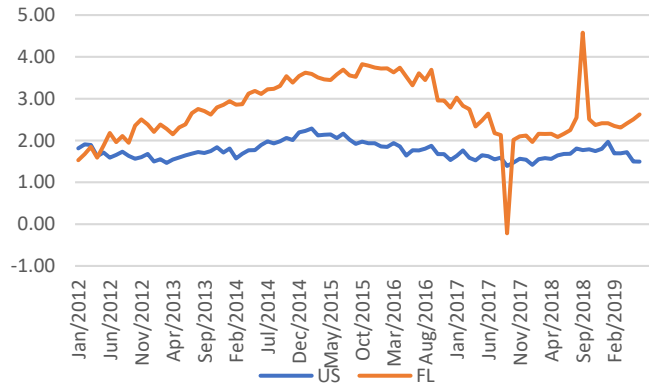
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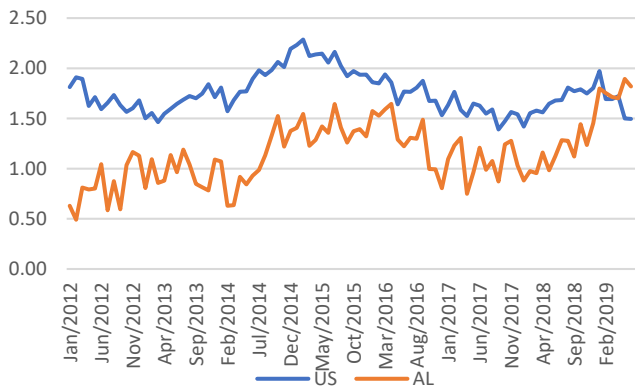
### Texas and U.S. Job Growth



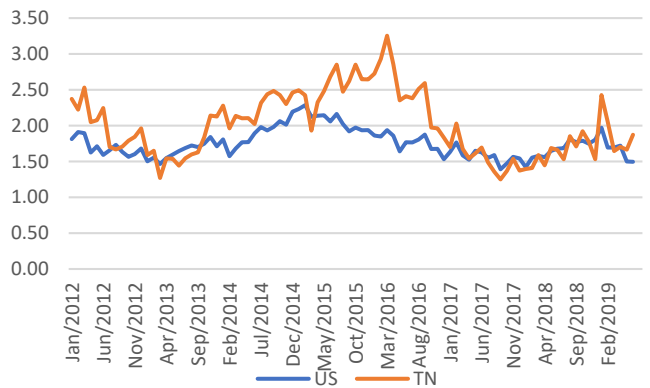
### Florida and U.S. Job Growth



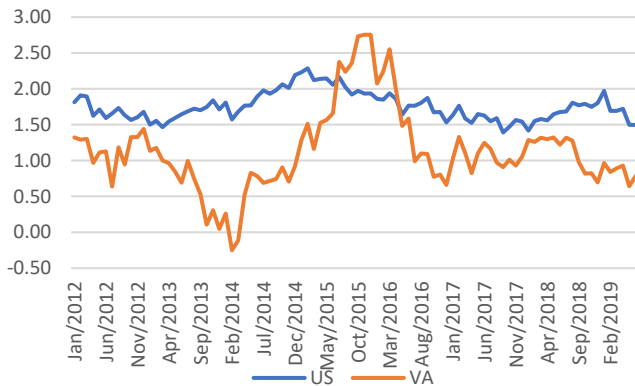
### Alabama and U.S. Job Growth



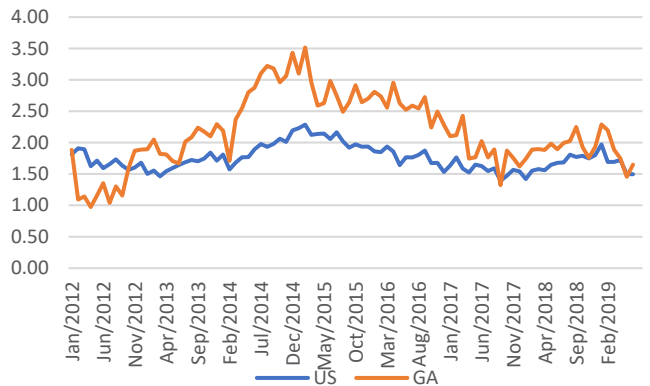
### Tennessee and U.S. Job Growth



### Virginia and U.S. Job Growth



### Georgia and U.S. Job Growth

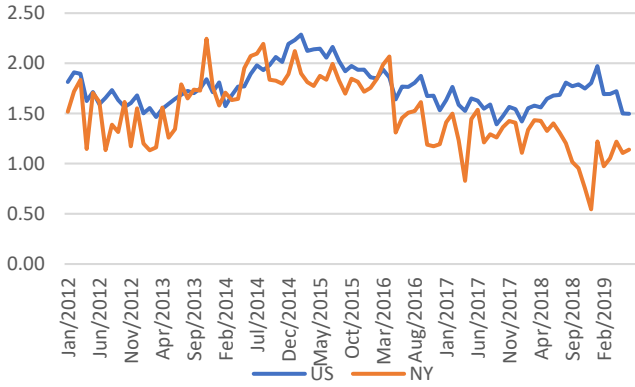




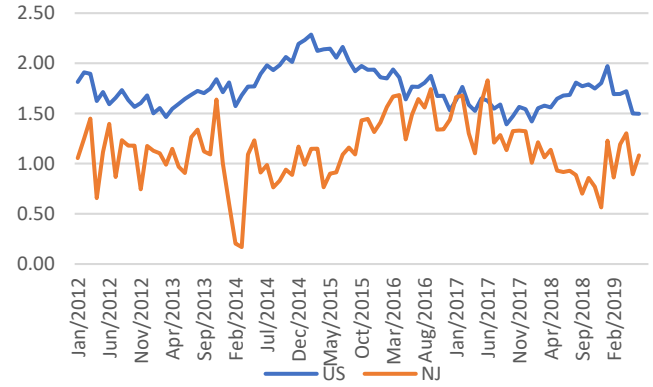
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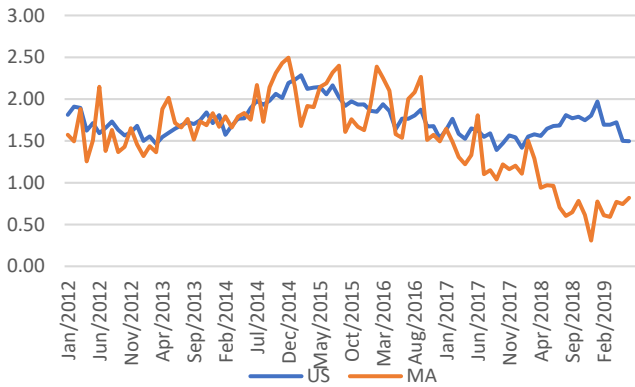
### New York and U.S. Job Growth



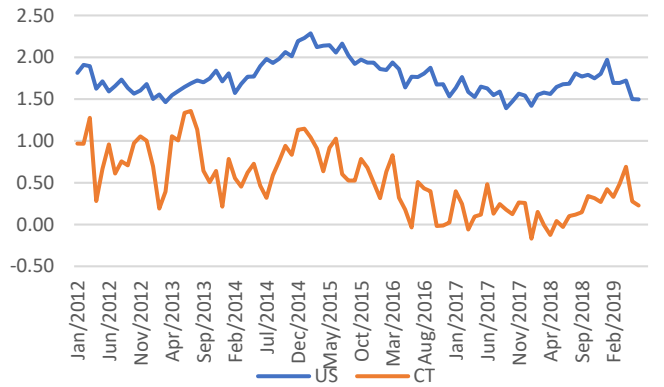
### New Jersey and U.S. Job Growth



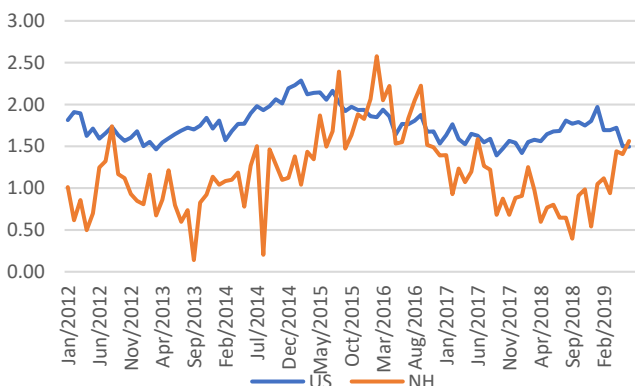
### Massachusetts and U.S. Job Growth



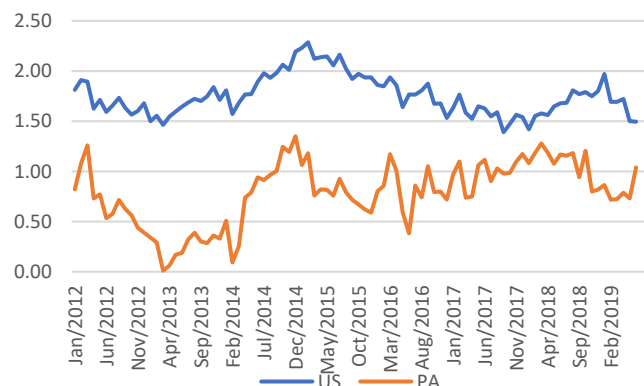
### Connecticut and U.S. Job Growth



### New Hampshire and U.S. Job Growth



### Pennsylvania and U.S. Job Growth



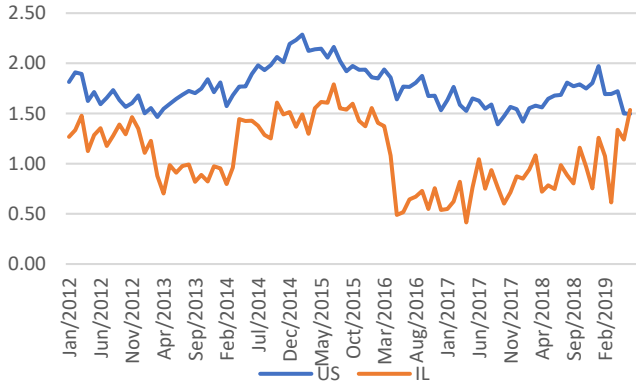




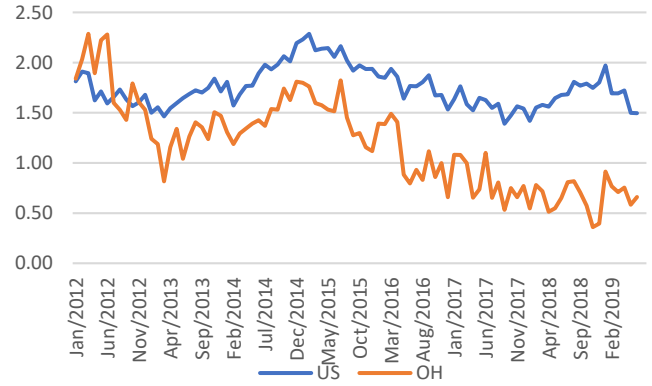
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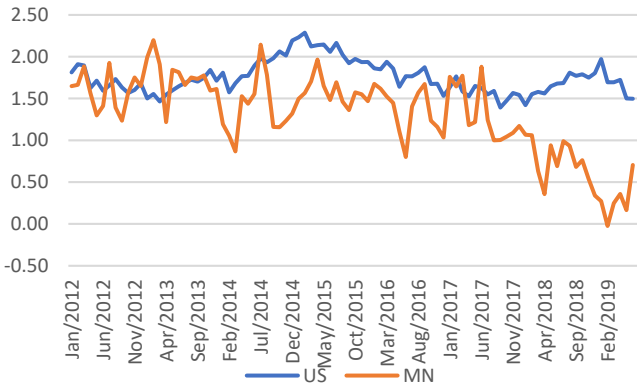
### Illinois and U.S. Job Growth



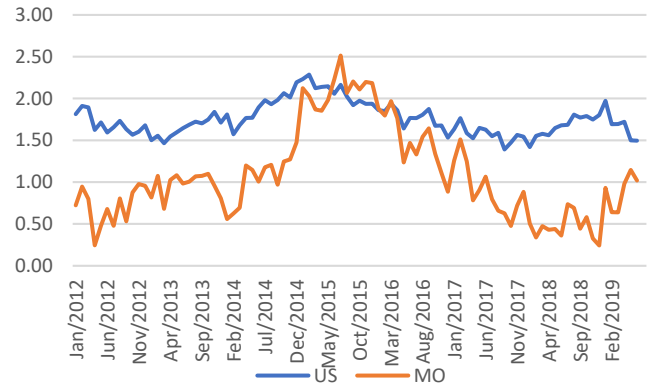
### Ohio and U.S. Job Growth



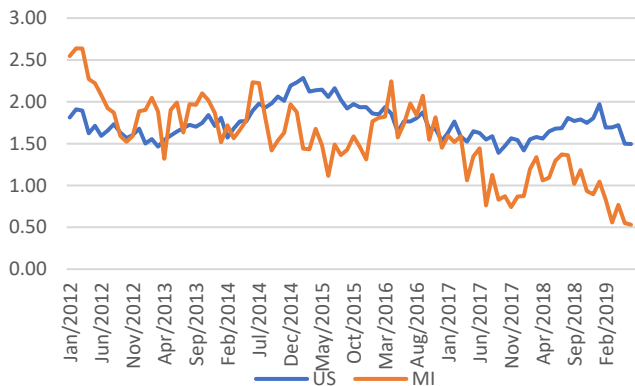
### Minnesota and U.S. Job Growth



### Missouri and U.S. Job Growth



### Michigan and U.S. Job Growth



### Indiana and U.S. Job Growth

