

State Employment Monitor

August 2019



National Association of REALTORS® Research Group



State Employment Monitor

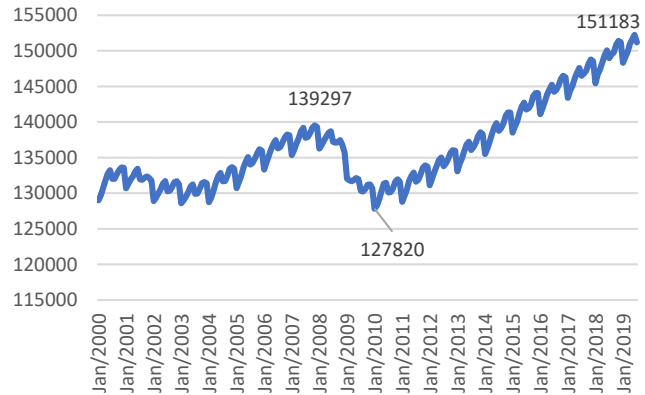


Employment and income are key factors affecting the demand for and supply of residential and commercial real estate. This month's report discusses employment trends as of July 2019 with a focus on the construction and real estate industries.

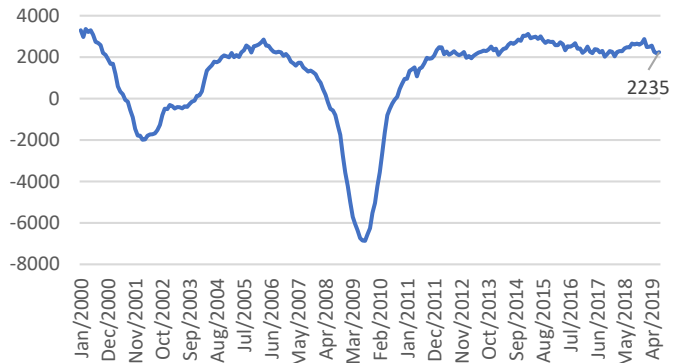
2.24 M Annual Payroll Job Gains in July 2019

- Payroll jobs increased by 2.3 million from one year ago, an increase of 1.5%. While this is still a significant gain, this is lower than the 2.5 million annual gain in July 2018. Jobs are getting harder to fill with a low unemployment rate of 3.7%. Since January 2010, 23.4 million jobs have been added to the payroll.
- All industries (2-digit level) had job gains, except for information services (-13,000) and retail trade (-73,200). The largest job creators were health care & social assistance (557,700), professional & technical services (306,200), accommodation & food services (280,800), construction (201,000), and manufacturing (152,000) industries.
- All states had job gains, with the strongest gains in Utah (3.6%), Nevada (3.3%), Washington (3.1%), Idaho (3.0%), Florida (2.9%), South Dakota (2.8%), Arizona (2.8%), Texas (2.7%), New Mexico (2.6%), and Oregon (2.3%). Twenty-six states posted higher job growth than the U.S. rate of 1.5%.

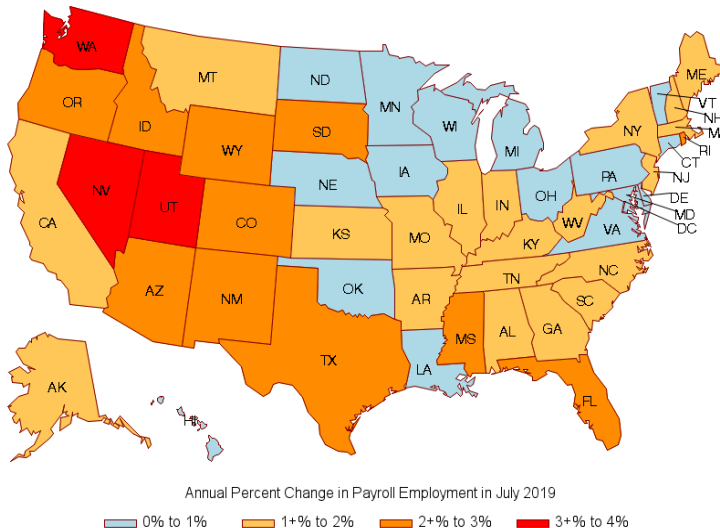
Total Non-farm Payroll Employees ('000)



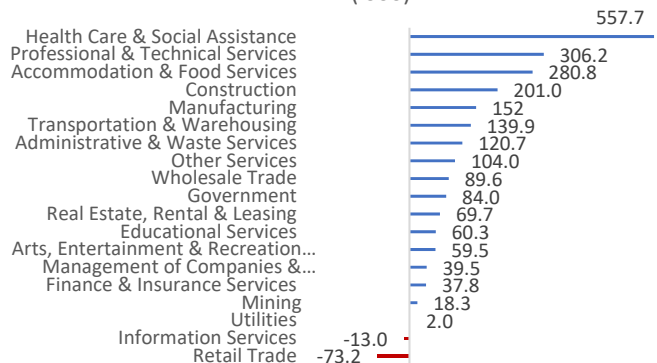
Annual Change in Non-farm Employment in July 2019 ('000)



Source: BLS Establishment Survey



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



Source: BLS



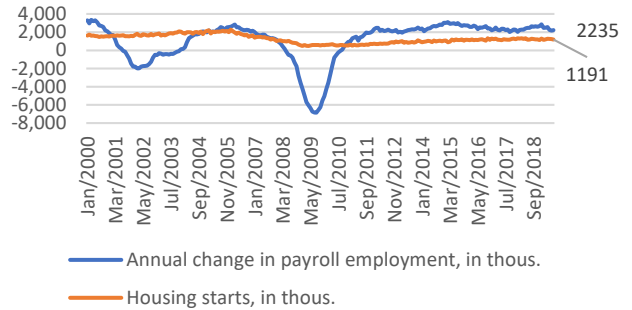
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Strong Job Growth Outpaces Housing Starts

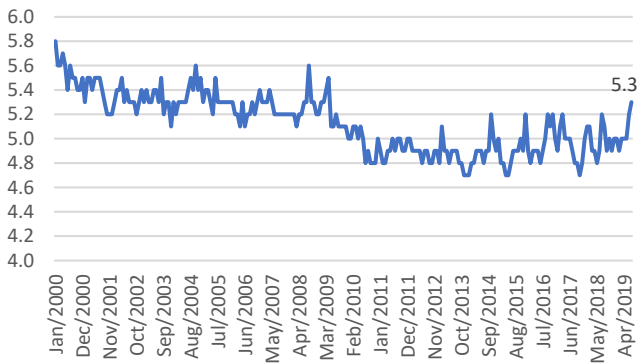
- Since 2010, annual job creation has outpaced housing starts, with 1.9 new jobs for every one housing start in the past 12 months ended July 2019. This is less than the 2.1 ratio in the same period one year ago.
- Other indicators of a strong job market:
 - Low unemployment rate of 3.7%, near a 50-year low.
 - Rising share of full-time workers to total employment, at 82.9%
 - Rising share of workers with multiple jobs, at 5.3% (workers are able to have multiple jobs if they so desire).
 - Declining share of self-employed workers, at 6.1%, indicating a higher fraction of workers are choosing payroll jobs.

Annual Change in Payroll Employment vs. Housing Starts ('000)

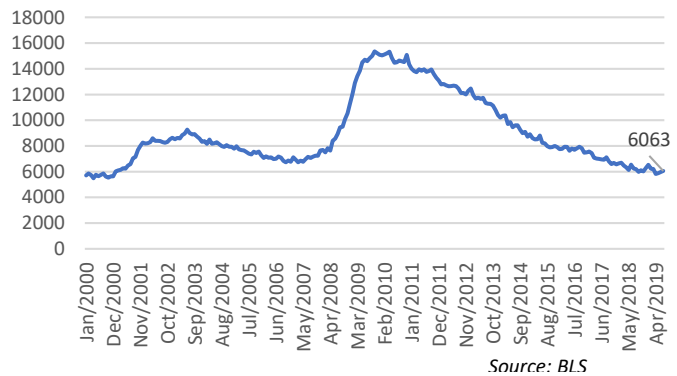


Source: BLS Household Survey, NAR, US Census

Multiple Job-holders as Percent of Total Employment

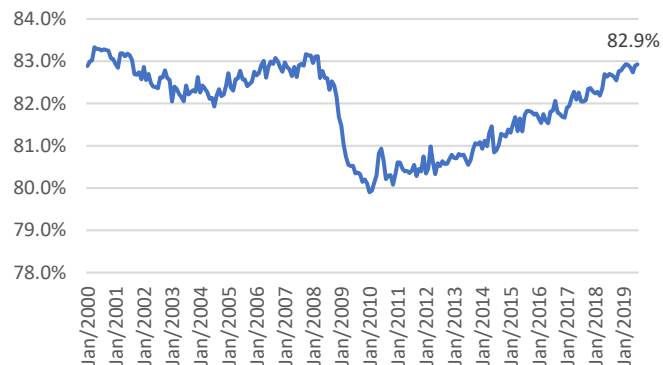


Number of Unemployed as of June 2019 (in '000)

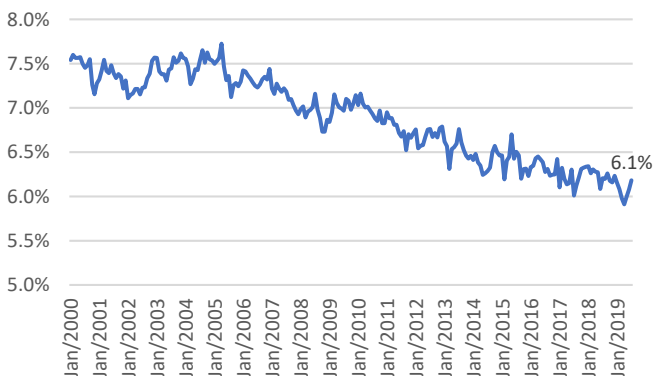


Source: BLS

Full-time Workers as Percent of Total Employment



Self-employed as a Percent of Total Employment





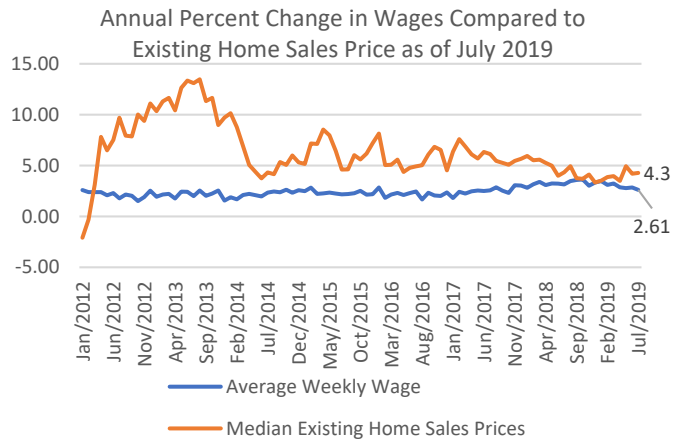
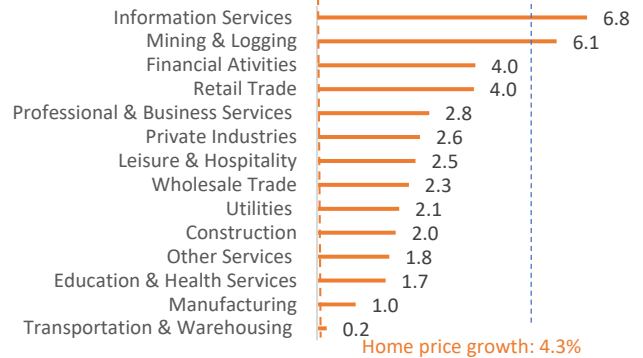
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Wages Growing, But House Prices Growing Faster

- Average weekly wages among those employed in private industry rose 2.6%, a slower pace compared to the annual change in the median price of existing home sales of 4.3% in July 2019.
- Average weekly wages rose at a slower pace compared to home prices in all industries (2-digit NAICS level) except in information services (6.8%) and mining & logging (6.1%).
- In industries where workers average weekly wage was at least \$1,000, single-earner households are more likely to afford a median priced home (\$280,800 nationally in July 2019), spending no more than 24 percent of wage income on a mortgage payment. Workers in industries that receive on average less than \$1,000 per week will spend nearly 30% or more of their income on mortgage with a single-earner income: transportation & warehousing (28%), education and health services (30%), retail trade (45%), leisure & hospitality (653), and other services (34%).
- Compared to one year ago, nominal wages rose in 34 states and in the District of Columbia led by Nevada (5.4%), Kansas (4.3%), Arkansas (4.2%), Wyoming (3.6%), Washington DC (3%), Minnesota (2.8%), Maine (2.7%), Colorado (2.6%), Nebraska (2.6%), and Kentucky (2.5%).

Y/Y Increase in Average Weekly Wage in July 2019 vs. Existing Homes Median Price Change

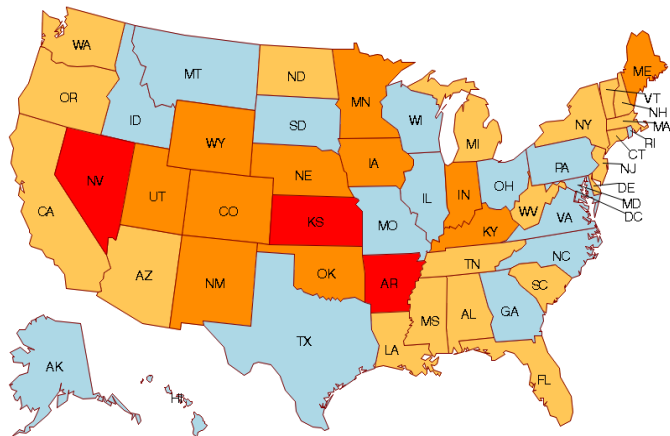


Mortgage Payment as Percent of Single-Worker Wages in July 2019

	Average Weekly Earnings	As percent of wage income
Utilities	\$1,746	16%
Mining & Logging	\$1,582	17%
Information Services	\$1,529	18%
Financial Activities	\$1,358	20%
Wholesale Trade	\$1,216	22%
Professional & Business Services	\$1,214	22%
Construction	\$1,202	23%
Manufacturing	\$1,119	24%
Private Industries	\$960	28%
Transportation & Warehousing	\$953	28%
Education & Health Services	\$905	30%
Other Services	\$795	34%
Retail Trade	\$607	45%
Leisure & Hospitality	\$428	63%

Calculations based on median price of \$280,800, 10% D/P, and 3.77% 30-year rate

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



Legend for Annual Percent Change in Average Weekly Wage in July 2019:

- Less than 0% (Light Blue)
- 0+% to 2% (Yellow)
- 2+% to 4% (Orange)
- 4+% to 6% (Red)

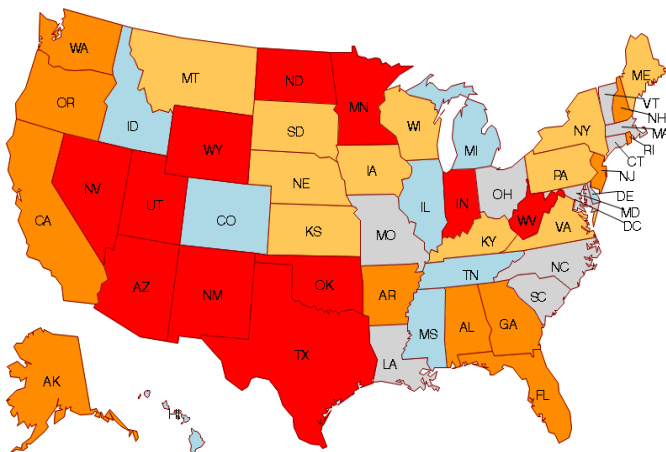
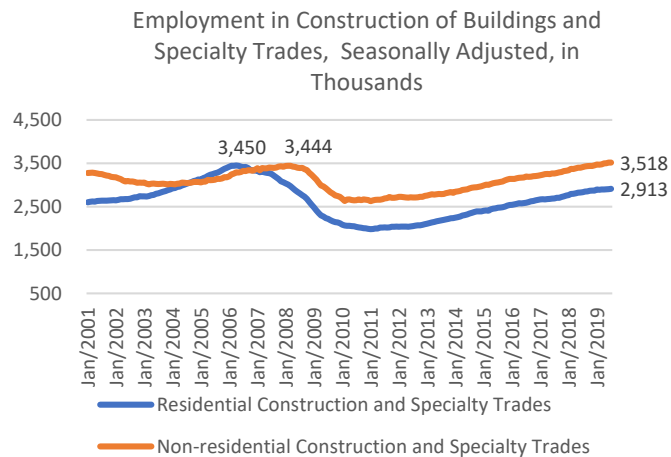
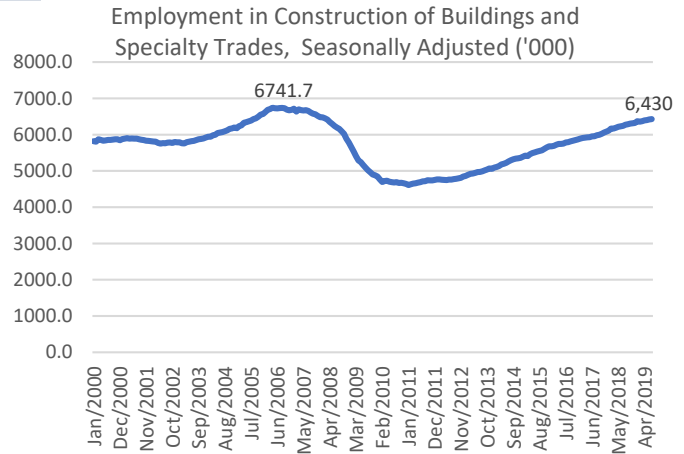


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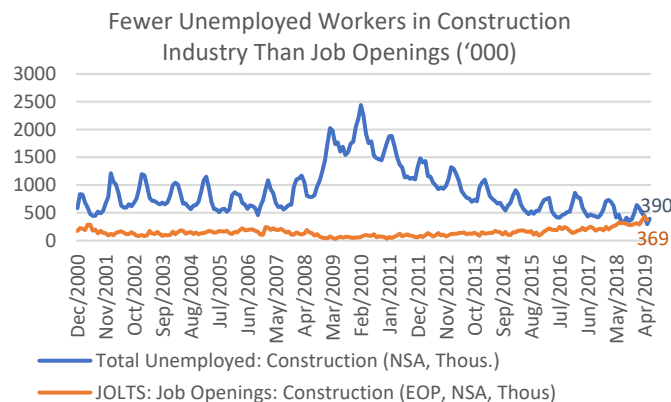
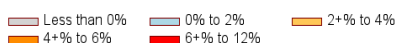


Construction Jobs Still 300,000 Below 2006 Peak

- In July 2019, payroll jobs in the construction industry increased by 201,000 from one year ago, a 2.7% annual gain. This is the slowest increase in 2019 and less than the 343,000 annual increase in the same period in 2018.
- As of July 2019, construction jobs stood at 6.4 million on a seasonally adjusted level, which is 300,000 below the 6.7 million peak in April 2006. The lack of construction workers has been a major roadblock to housing construction.
- There is a more serious decline in residential than in commercial construction jobs relative to the peak levels in mid-2000. As of July 2019, there were 74,000 more workers in commercial construction compared to the peak level for this subsector in 2006, while there were 537,000 fewer workers in residential construction compared to the 2006 peak level for this subsector.
- Compared to one year ago, construction jobs rose in 41 states, led by West Virginia (11.2%), Arizona (11%), Wyoming (10.2%), North Dakota (10.2%), New Mexico (8.9%), Oklahoma (8.8%), Nevada (8.6%), Texas (6.8%), Minnesota (6.3%), and Indiana (6.2%).



Annual Percent Change in Construction Employment in July 2019



Source: BLS JOLTS and Household Survey



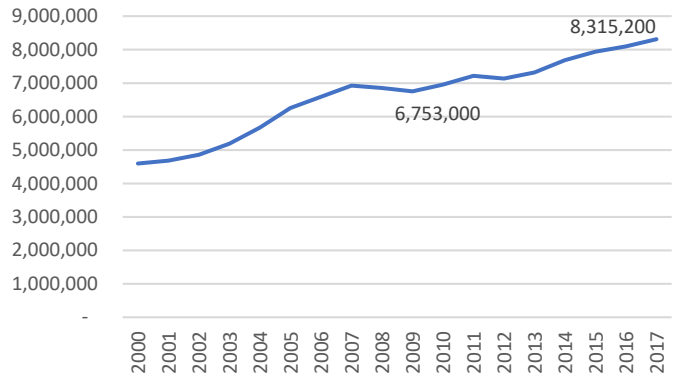
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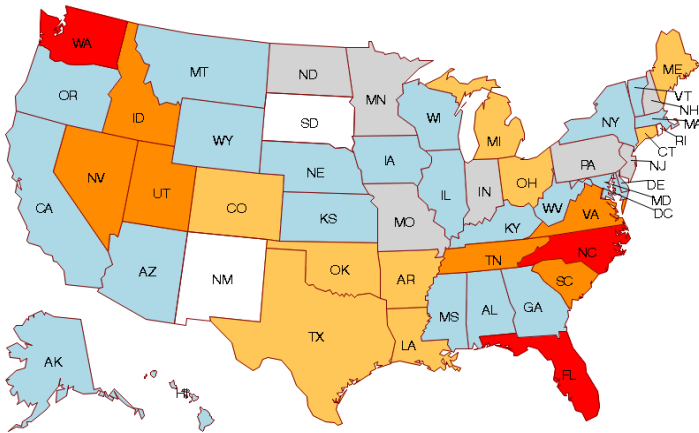
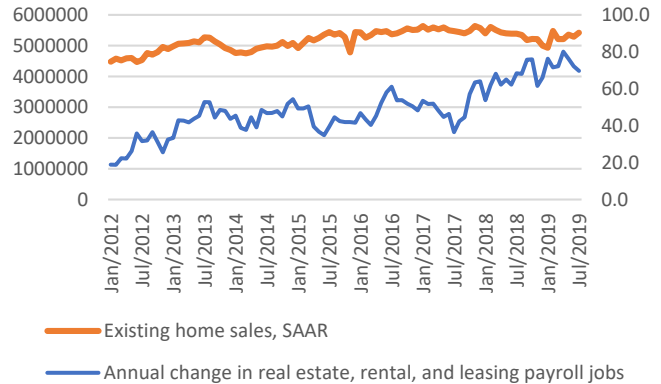
46,900 Annual Real Estate Payroll Job Gains in July 2019

- Many real estate agents, including REALTORS®, are self-employed. Counting the self-employed workers, the Bureau of Economic Analysis estimates 8.3 million workers in the real estate industry in 2017, an increase of 1.6 million workers since 2009.
- In terms of payroll jobs, there were 2.4 million jobs in the real estate, rental, and leasing industry (NAICS 53) as of July 2019, an increase of 69,700 jobs from one year ago. Payroll employment has trended up since 2017, but appears to have slowed somewhat compared to the 76,200 jobs created in June 2019 from one year ago.
- In July 2019, 41 states saw an increase in payroll employment in the real estate, rental, and leasing industry (NAICS 53) from one year ago, led by Washington (9.6%), Florida (6.9%), North Carolina (6.8%), Nevada (5.3%), Tennessee (5.1%), South Carolina (5%), Idaho (4.3%), Utah (3.3%), Virginia (4.1%), and Connecticut (3.9%).

Payroll and Self-Employed Workers in Real Estate



Annual Change in Payroll Jobs in Real Estate, Rental, and Leasing ('000)



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

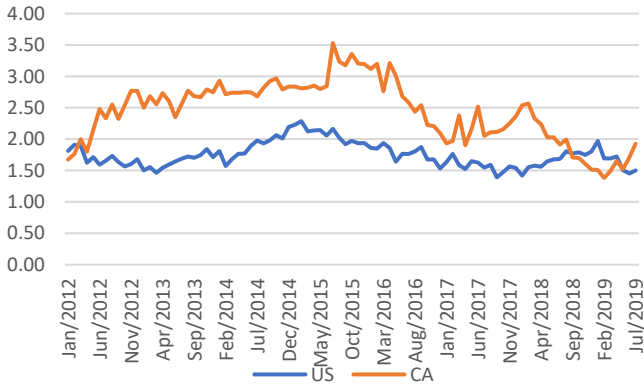
■ Negative
 ■ 0% to 2%
 ■ 2% to 4%
 ■ 4% to 6%
 ■ 6% to 10%



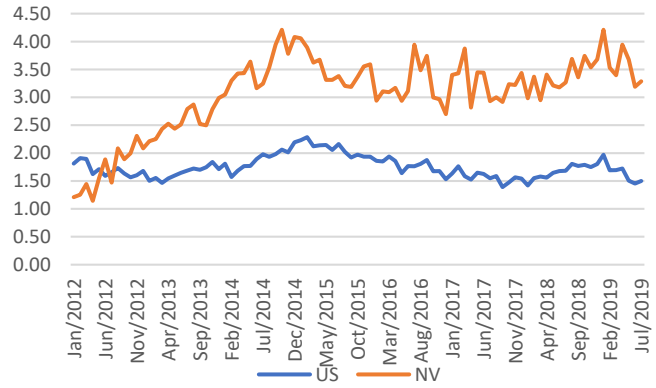
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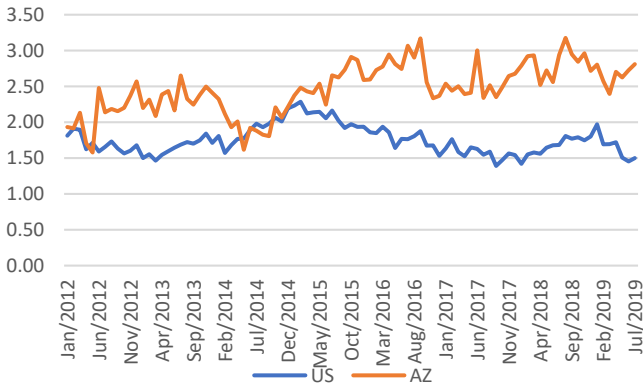
California and U.S. Job Growth



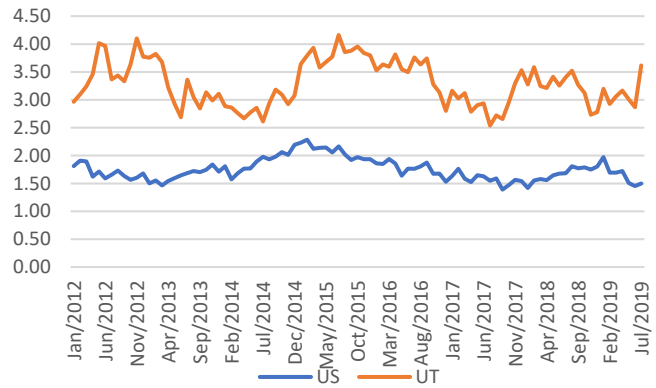
Nevada and U.S. Job Growth



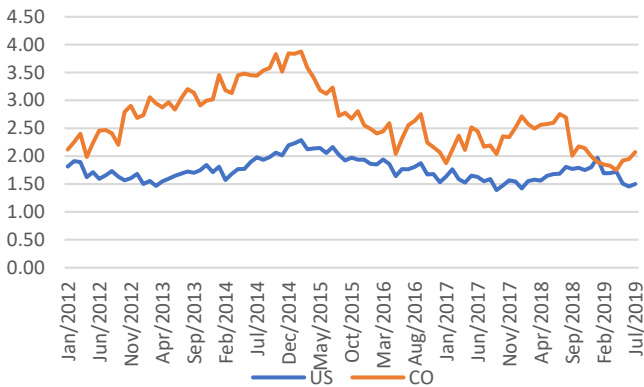
Arizona and U.S. Job Growth



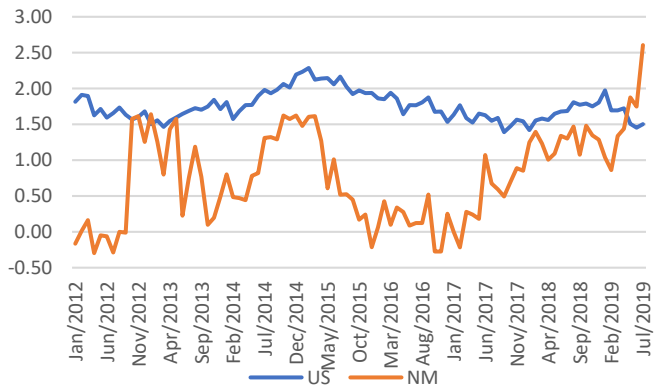
Utah and U.S. Job Growth



Colorado and U.S. Job Growth



New Mexico and U.S. Job Growth

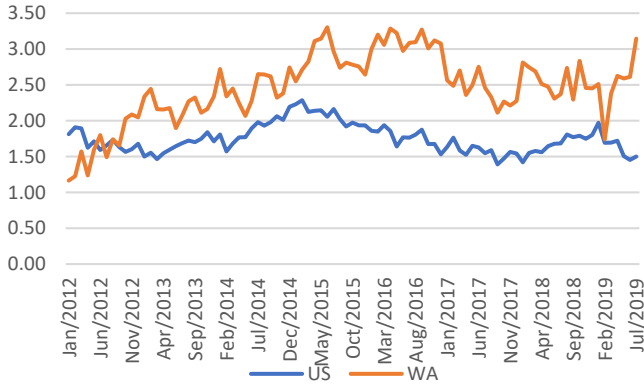




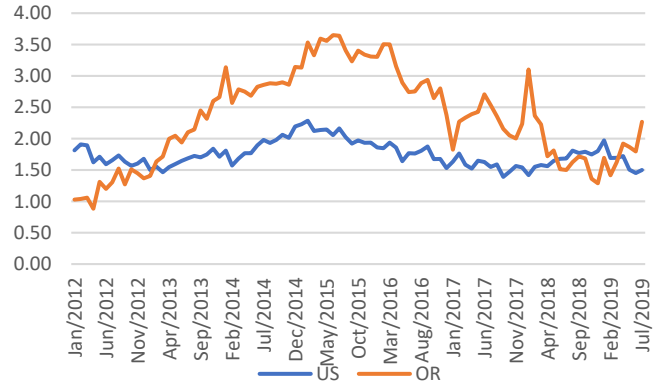
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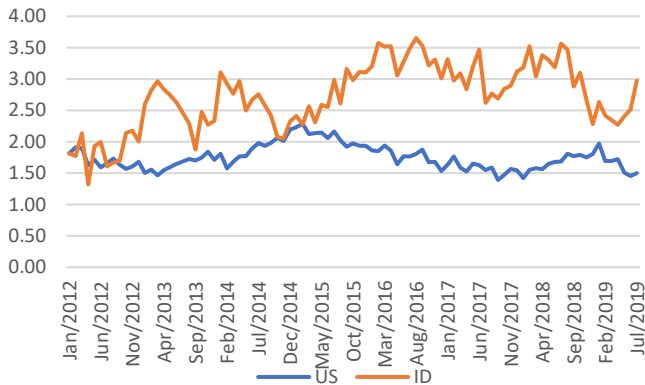
Washington and U.S. Job Growth



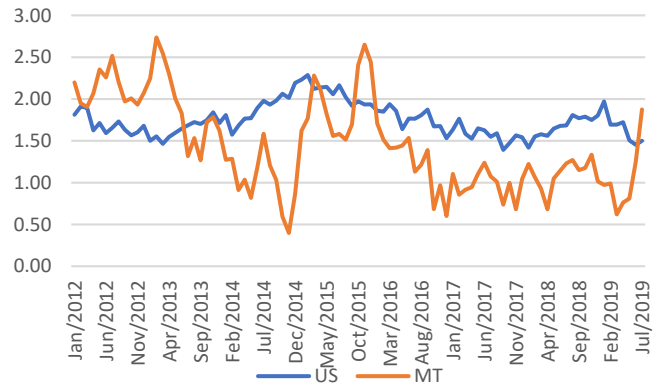
Oregon and U.S. Job Growth



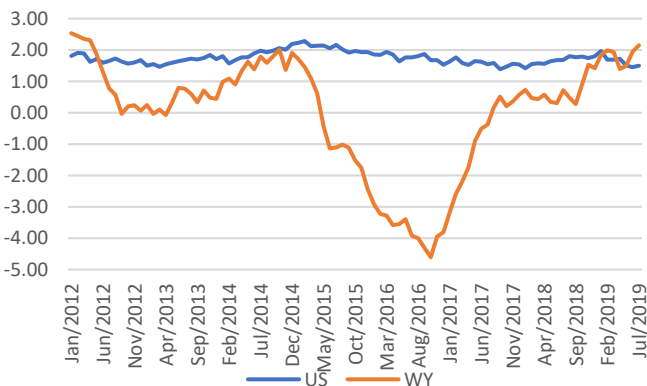
Idaho and U.S. Job Growth



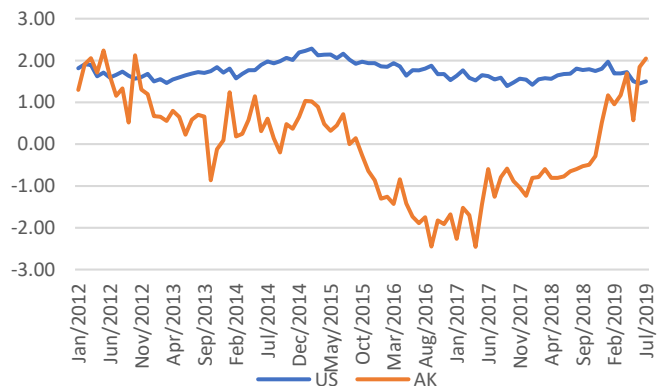
Montana and U.S. Job Growth



Wyoming and U.S. Job Growth



Alaska and U.S. Job Growth

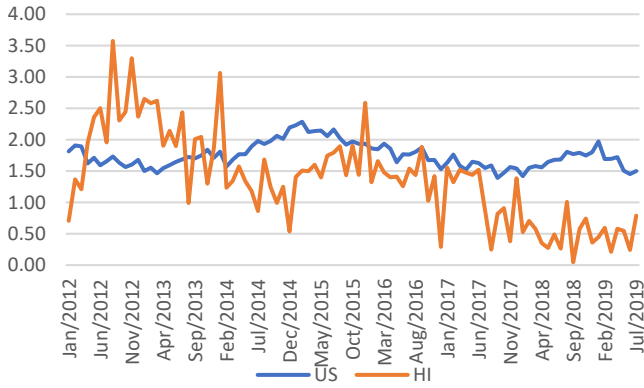




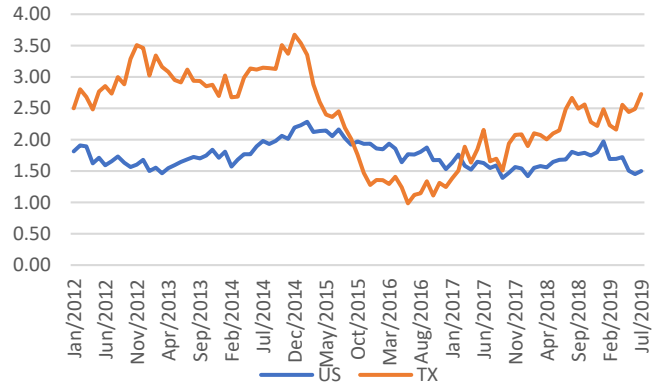
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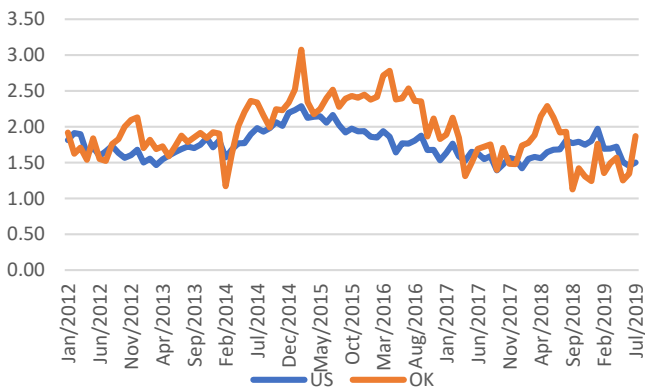
Hawaii and U.S. Job Growth



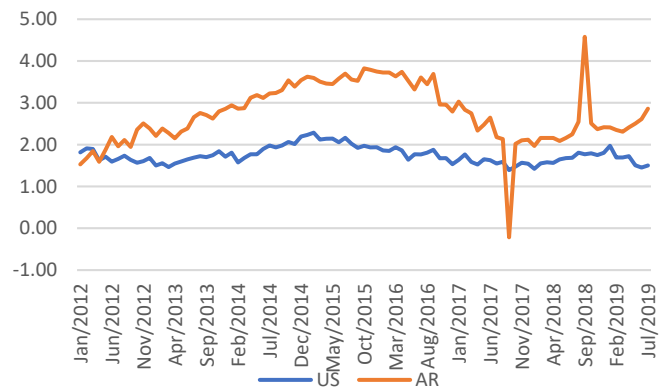
Texas and U.S. Job Growth



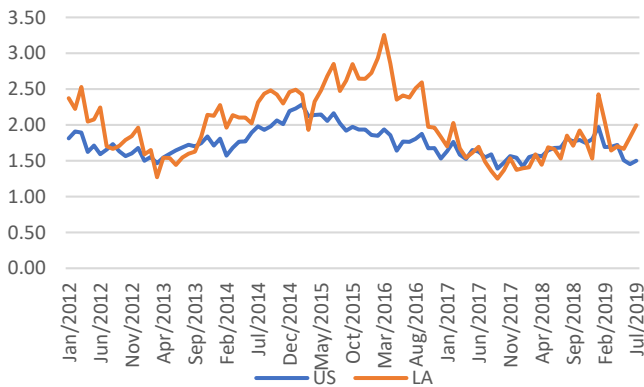
Oklahoma and U.S. Job Growth



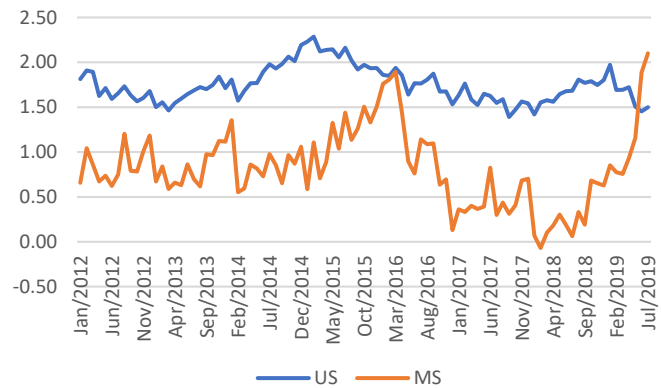
Arkansas and U.S. Job Growth



Louisiana and U.S. Job Growth



Mississippi and U.S. Job Growth

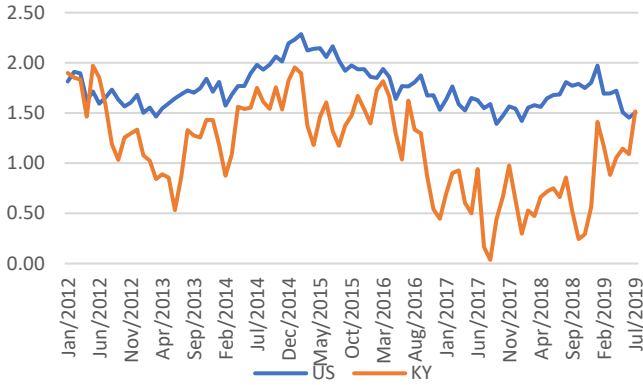




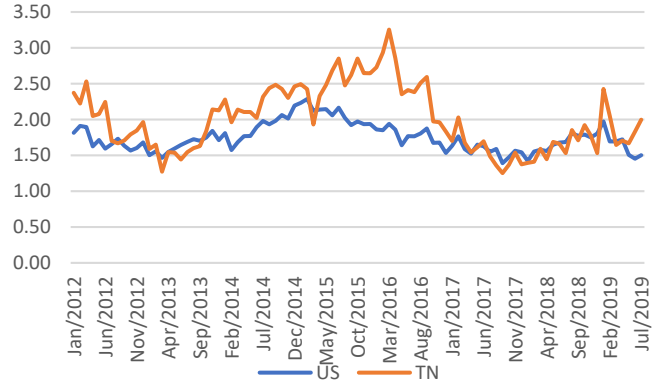
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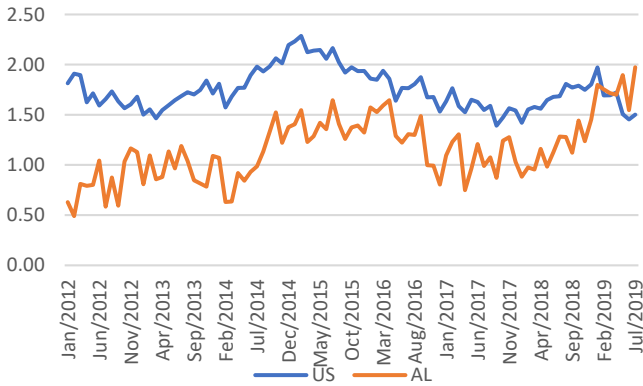
Kentucky and U.S. Job Growth



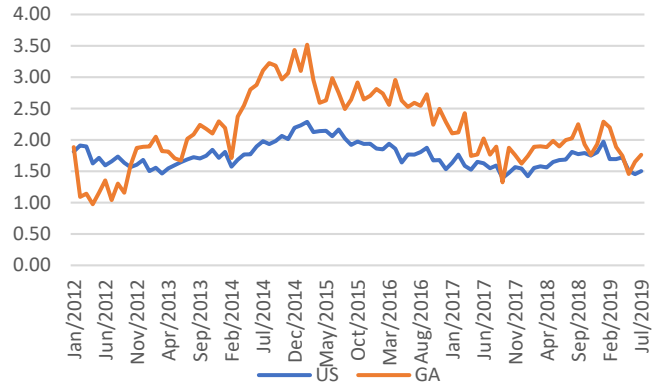
Tennessee and U.S. Job Growth



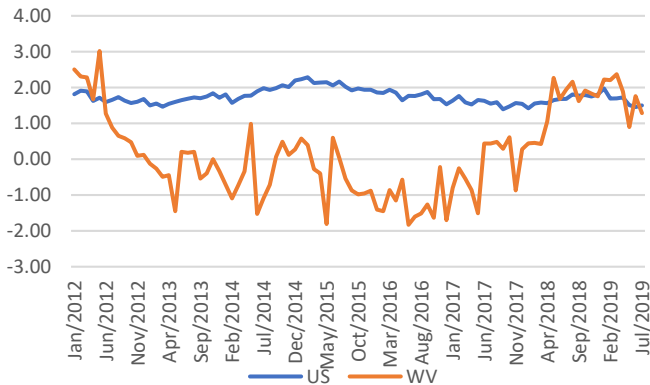
Alabama and U.S. Job Growth



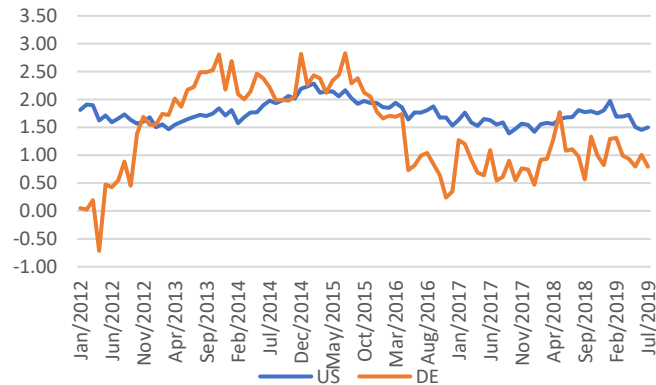
Georgia and U.S. Job Growth



West Virginia and U.S. Job Growth



Delaware and U.S. Job Growth

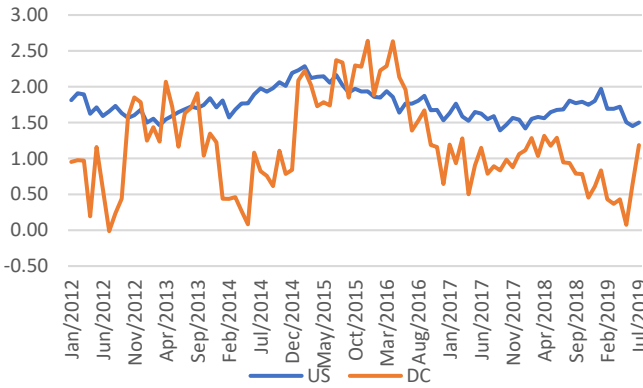




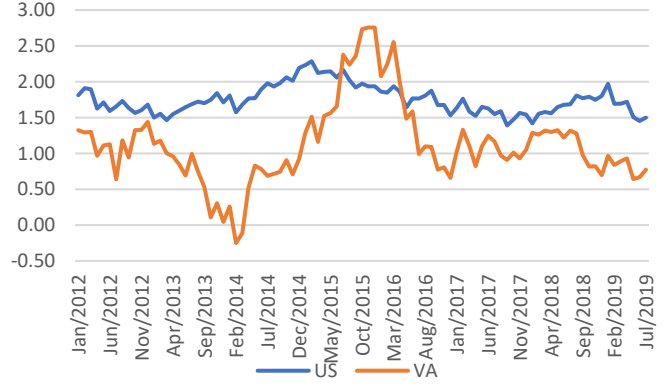
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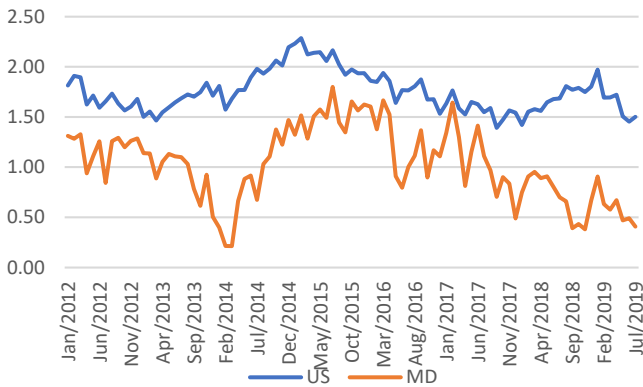
Washington, D.C. and U.S. Job Growth



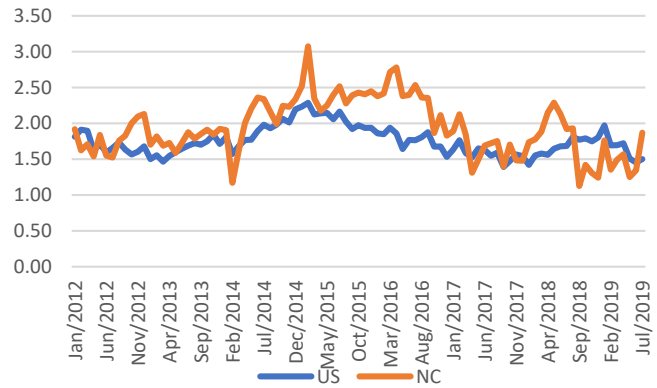
Virginia and U.S. Job Growth



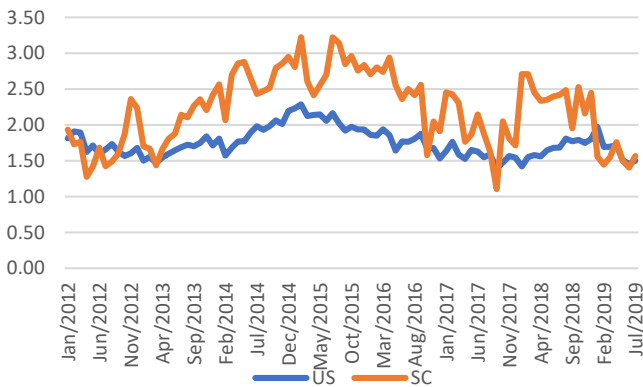
Maryland and U.S. Job Growth



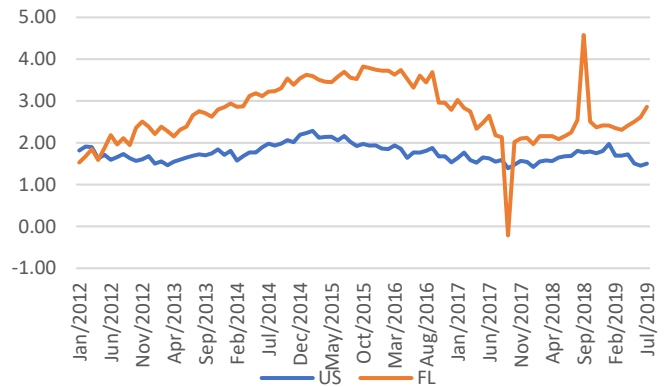
North Carolina and U.S. Job Growth



South Carolina and U.S. Job Growth



Florida and U.S. Job Growth

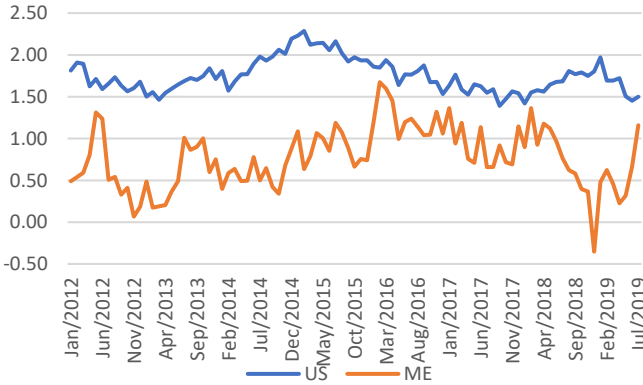




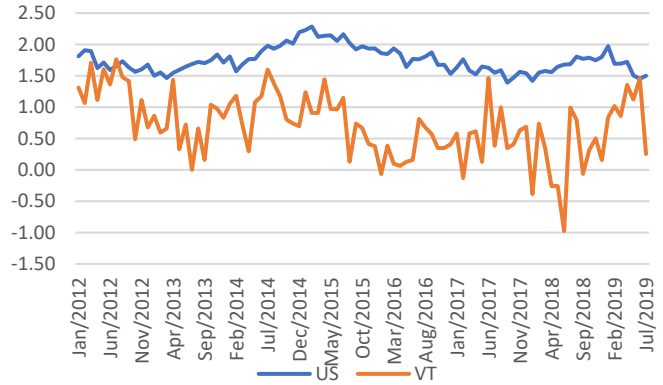
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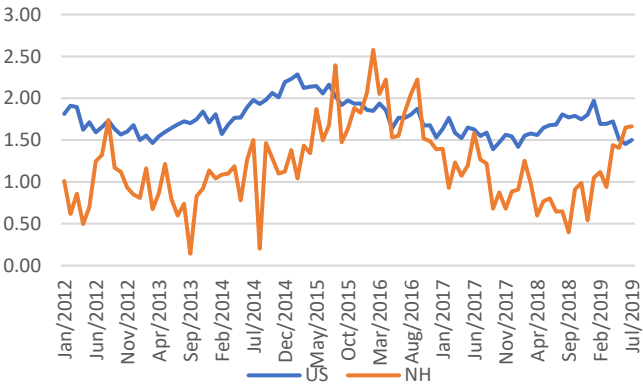
Maine and U.S. Job Growth



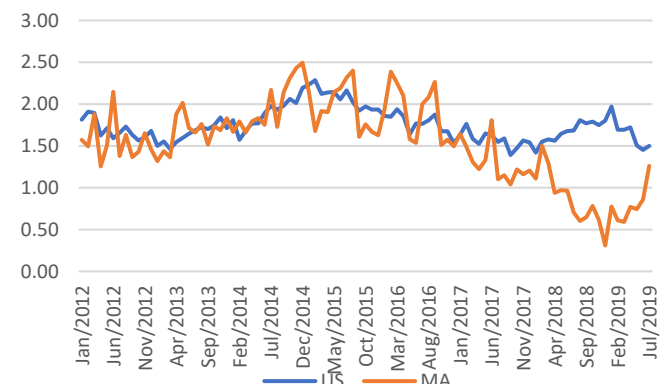
Vermont and U.S. Job Growth



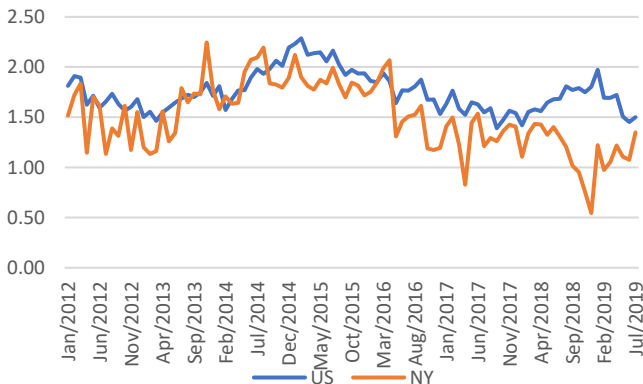
New Hampshire and U.S. Job Growth



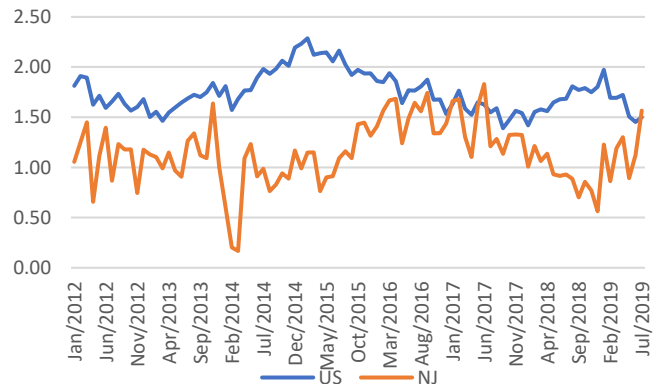
Massachusetts and U.S. Job Growth



New York and U.S. Job Growth



New Jersey and U.S. Job Growth

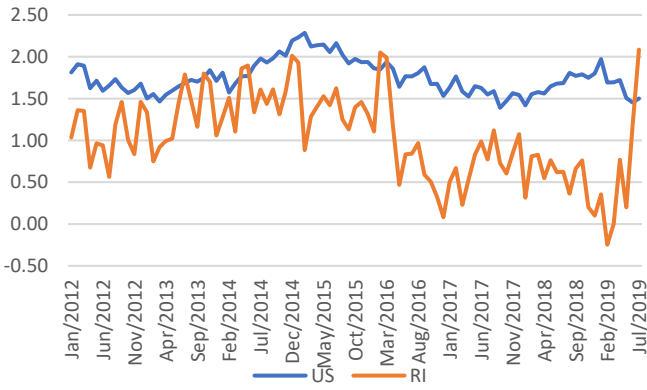




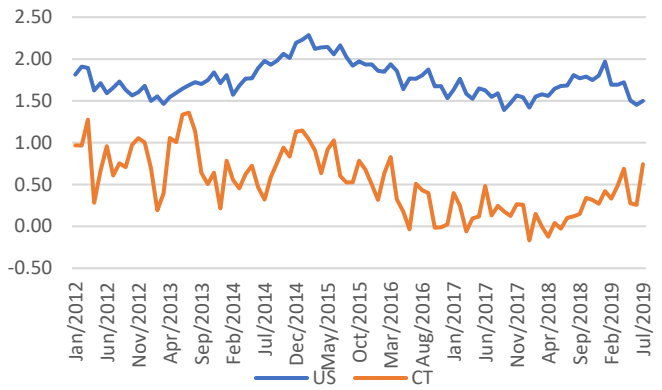
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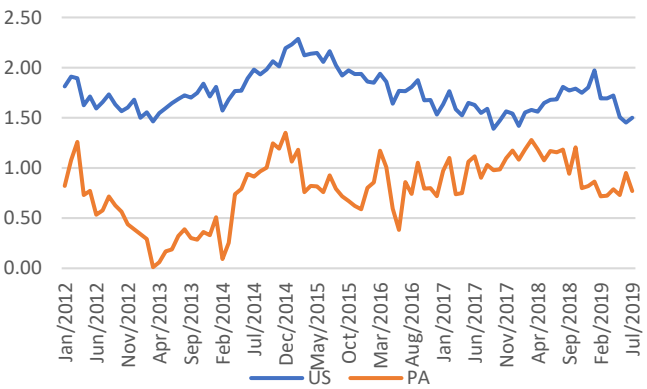
Rhode Island and U.S. Job Growth



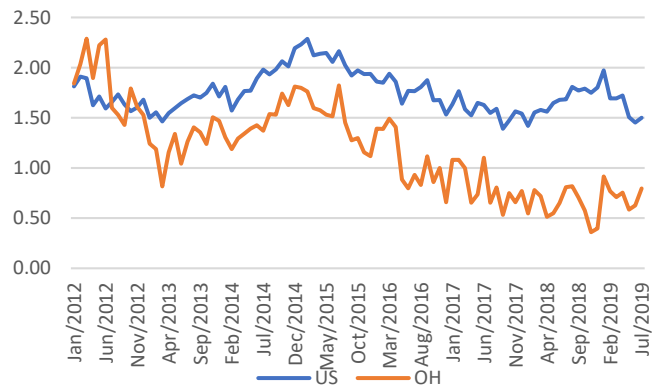
Connecticut and U.S. Job Growth



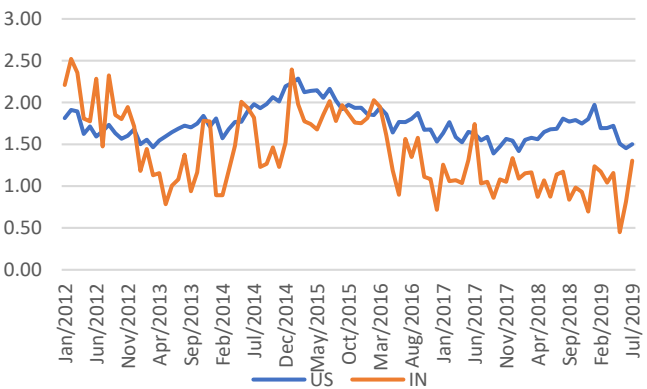
Pennsylvania and U.S. Job Growth



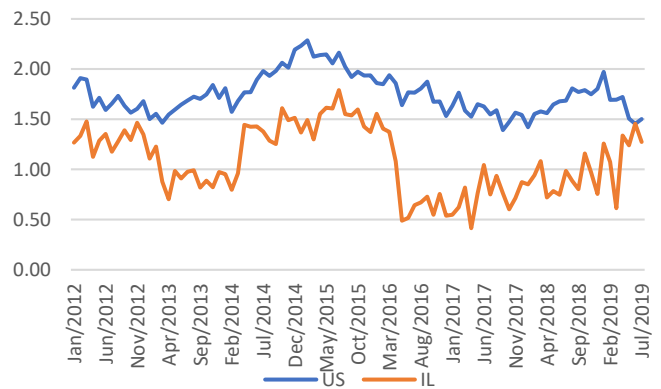
Ohio and U.S. Job Growth



Indiana and U.S. Job Growth



Illinois and U.S. Job Growth

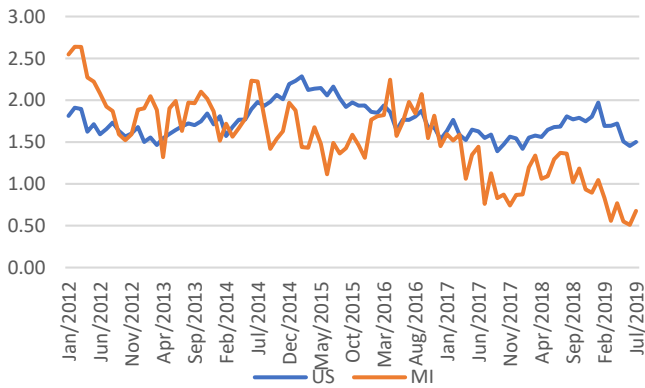




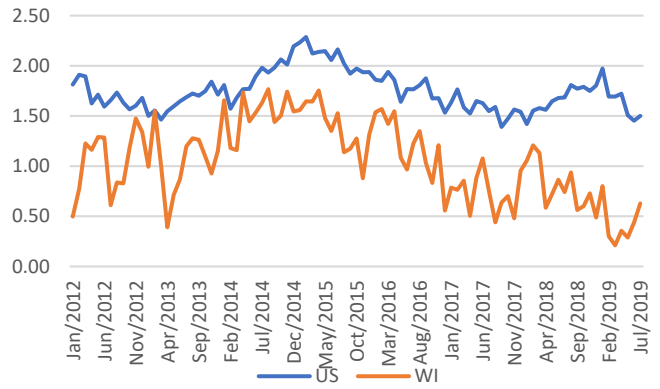
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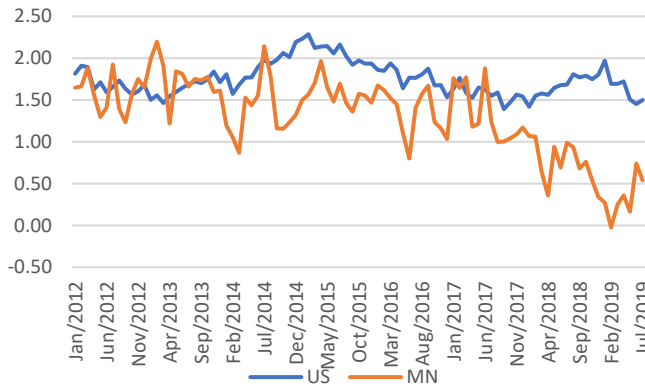
Michigan and U.S. Job Growth



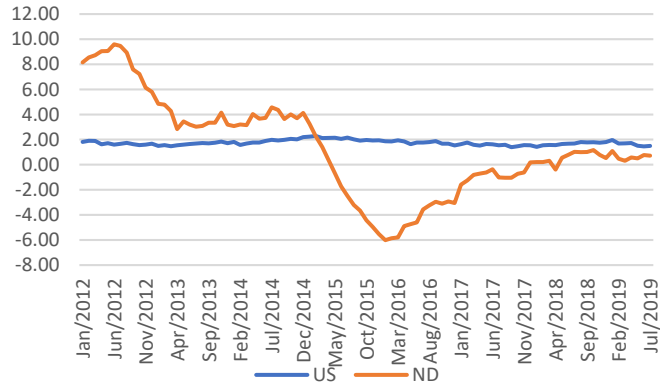
Wisconsin and U.S. Job Growth



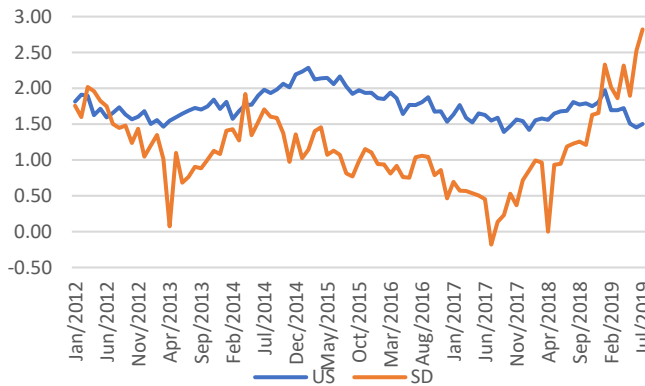
Minnesota and U.S. Job Growth



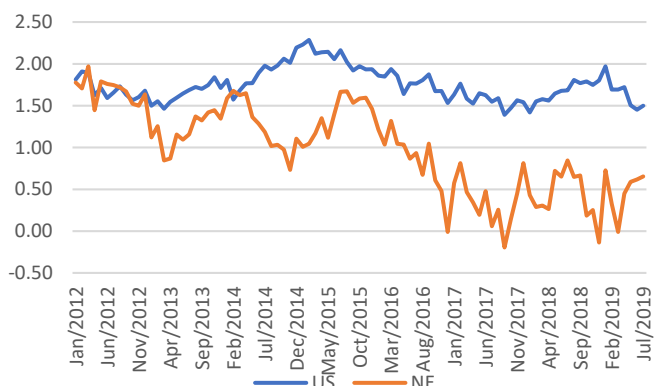
North Dakota and U.S. Job Growth



South Dakota and U.S. Job Growth



Nebraska and U.S. Job Growth

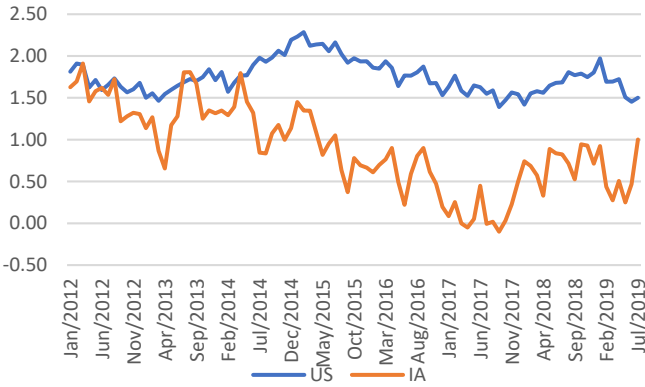




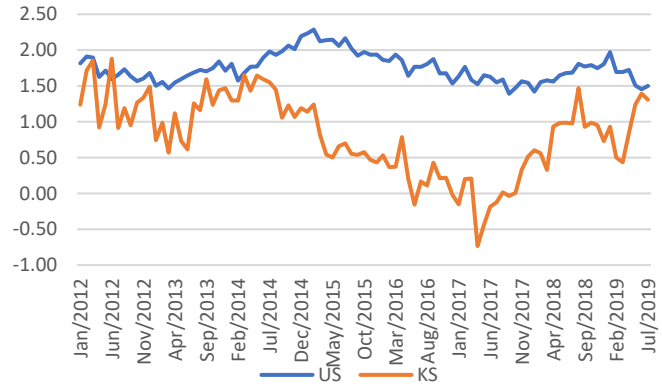
State Employment Monitor



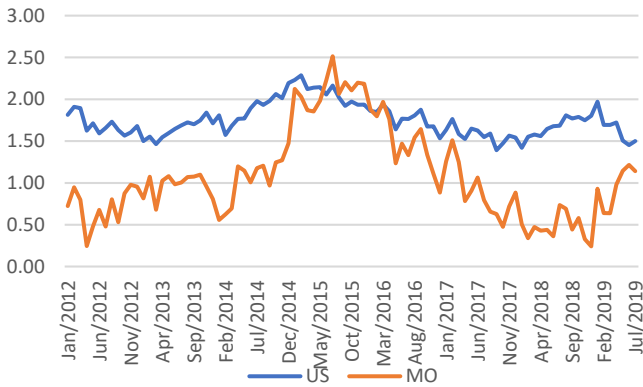
Iowa and U.S. Job Growth



Kansas and U.S. Job Growth



Missouri and U.S. Job Growth



Puerto Rico and U.S. Job Growth

