



# State Employment Monitor

May 2019

National Association of REALTORS® Research Group

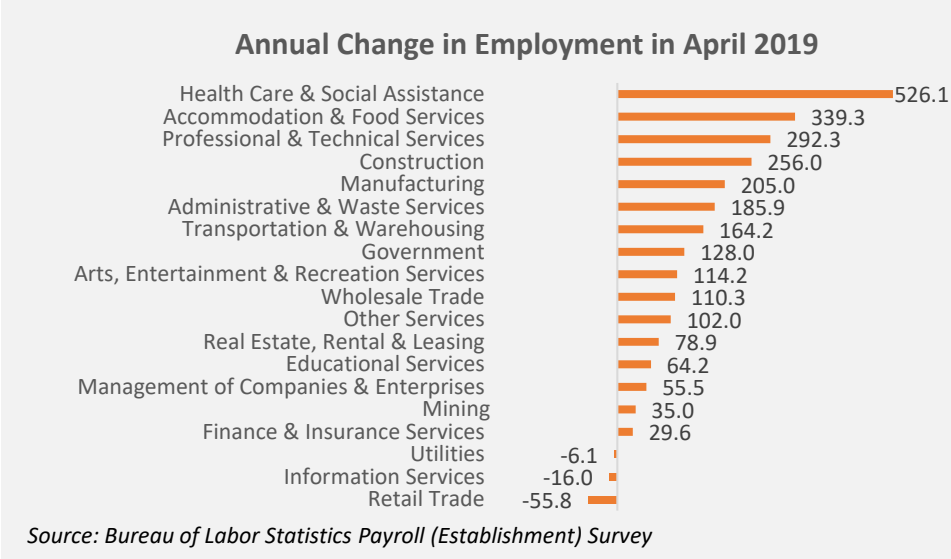


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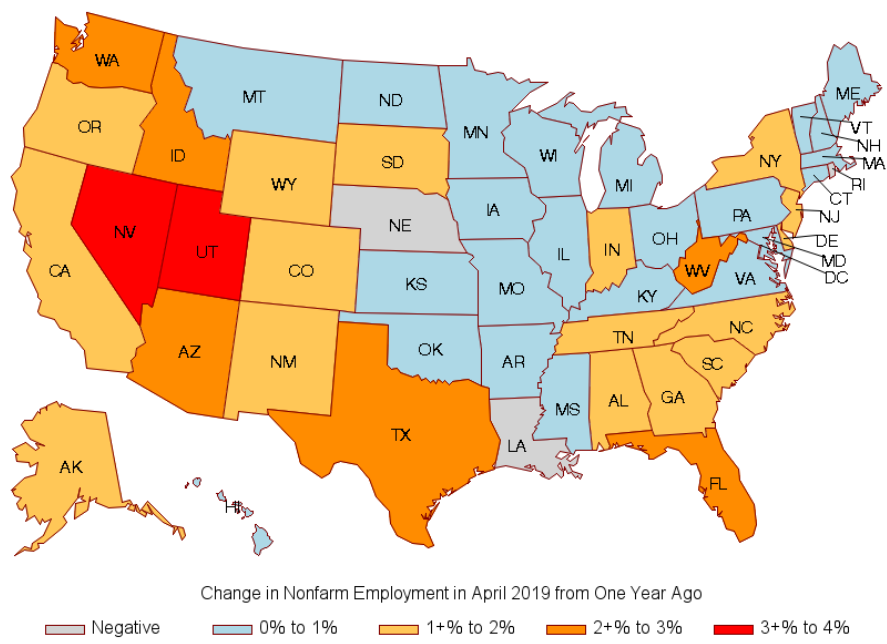
Employment and income are key factors affecting the demand for and supply of residential and commercial real estate. This month's report discusses the April 2019 employment data with a special feature on professional and technical services jobs.

## Payroll Jobs Created: 2.6 Million

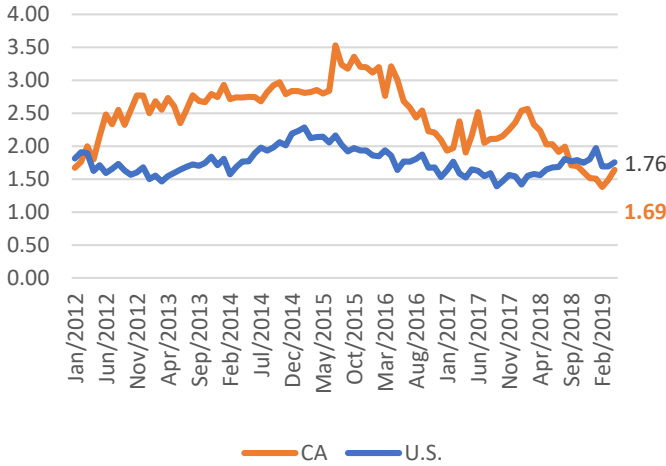
❖ In April 2019, net payroll employment increased by 2.6 million jobs from one year ago, an increase of 1.8 percent. Since December 2011, payroll employment has increased by at least 2 million annually. All industries created net new jobs except utilities, information services, and retail trade.



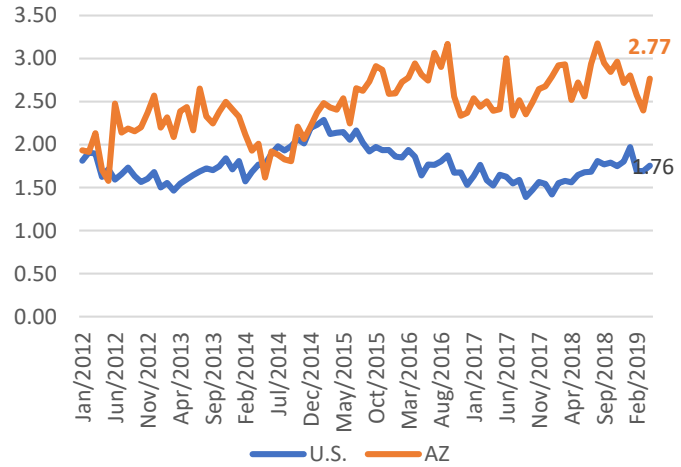
❖ Compared to the level one year ago, nonfarm payroll employment increased in the District of Columbia and in all states led by Nevada (3.8%), Utah (3.2%), Arizona (2.8%), Washington (2.7%), Texas (2.5%), Idaho (2.4%), South Dakota (2.4%), Florida (2.4%), West Virginia (2%), and South Carolina (1.9%).



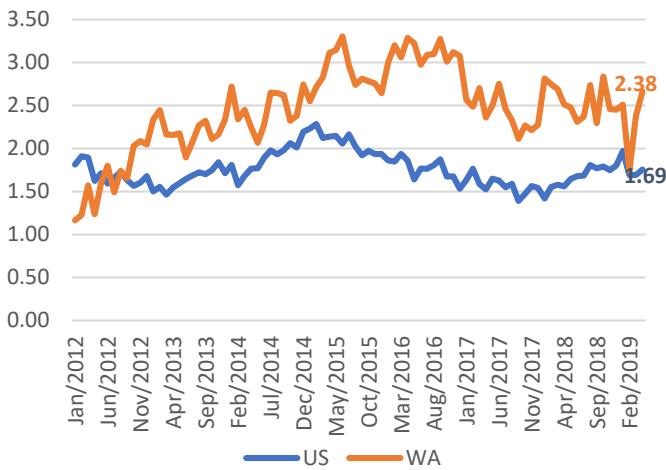
### California and U.S. Job Growth



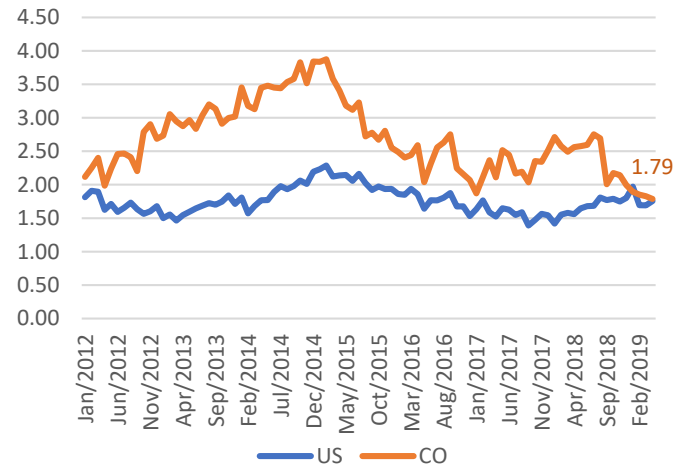
### Arizona and U.S. Job Growth



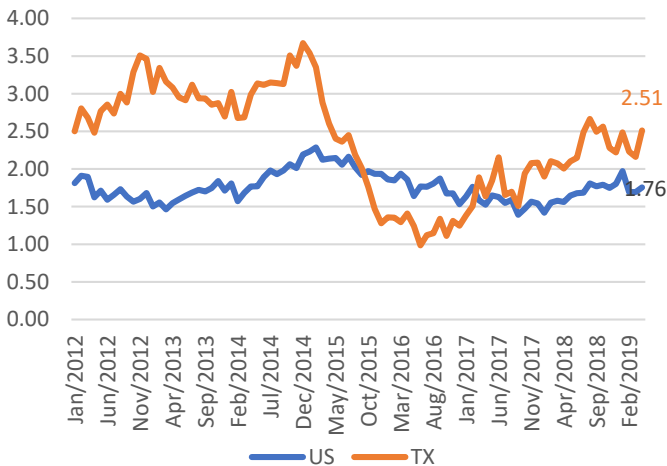
### Washington and U.S. Job Growth



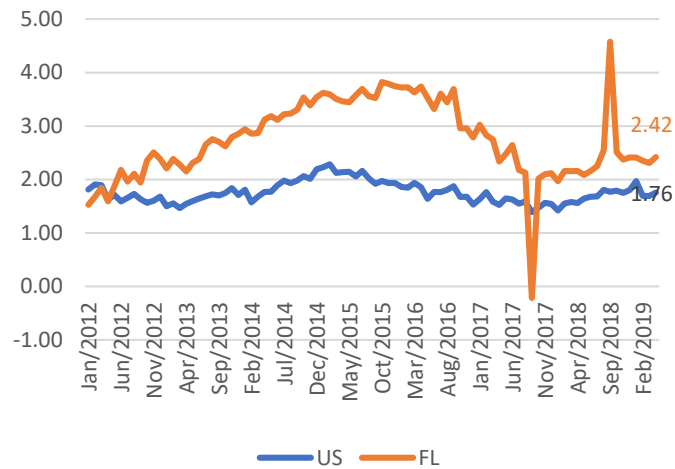
### Colorado and U.S. Job Growth



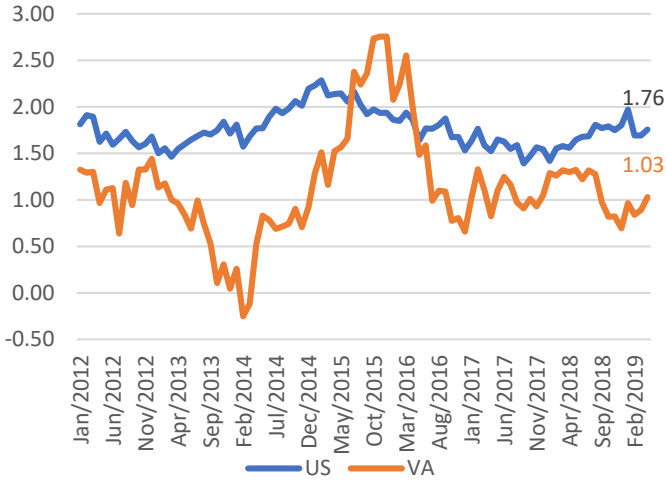
### Texas and U.S. Job Growth



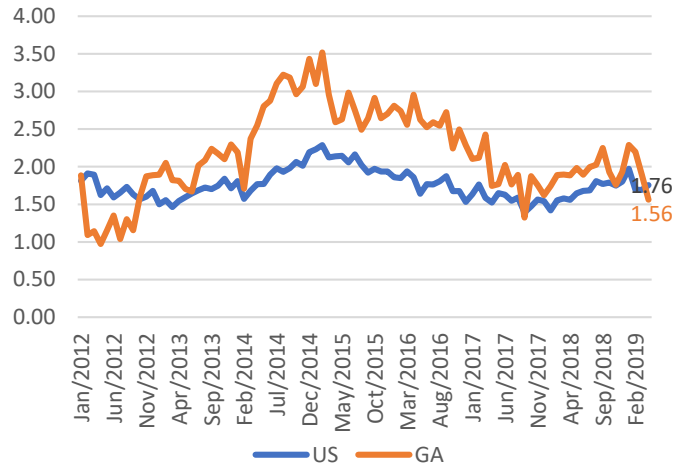
### Florida and U.S. Job Growth



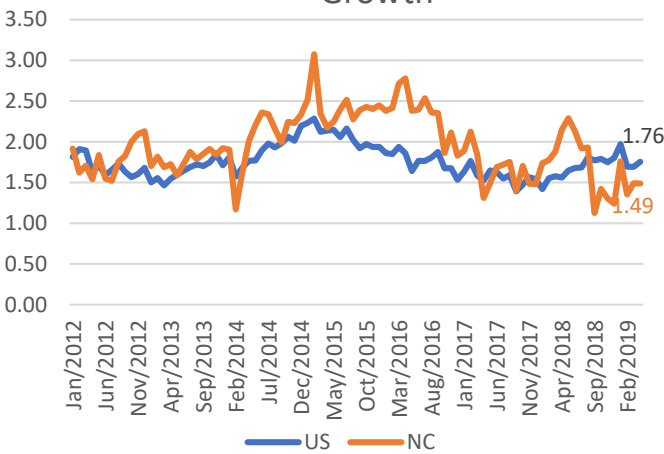
### Virginia and U.S. Job Growth



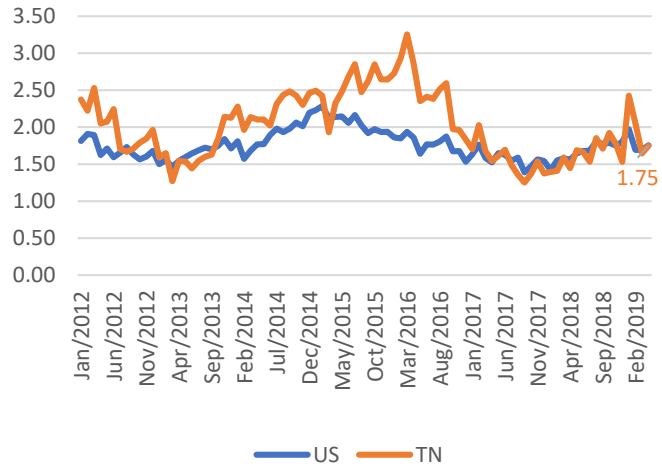
### Georgia and U.S. Job Growth



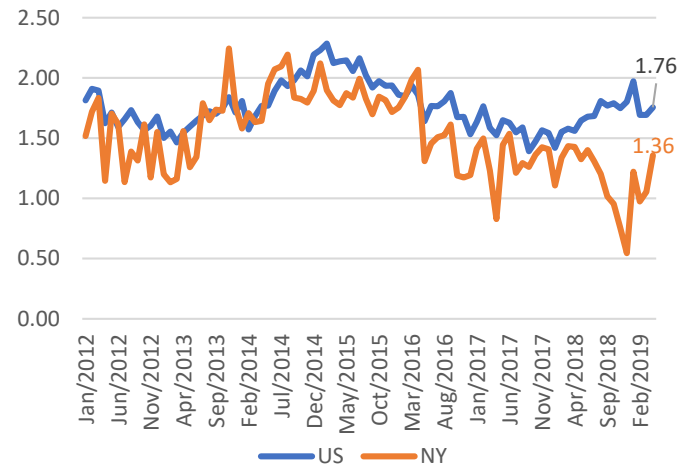
### North Carolina and U.S. Job Growth



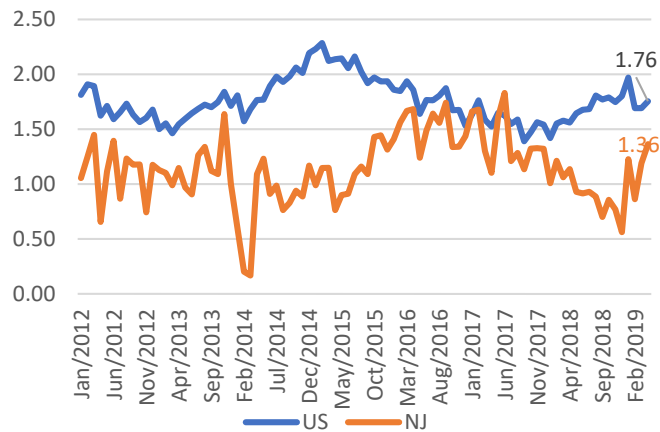
### Tennessee and U.S. Job Growth



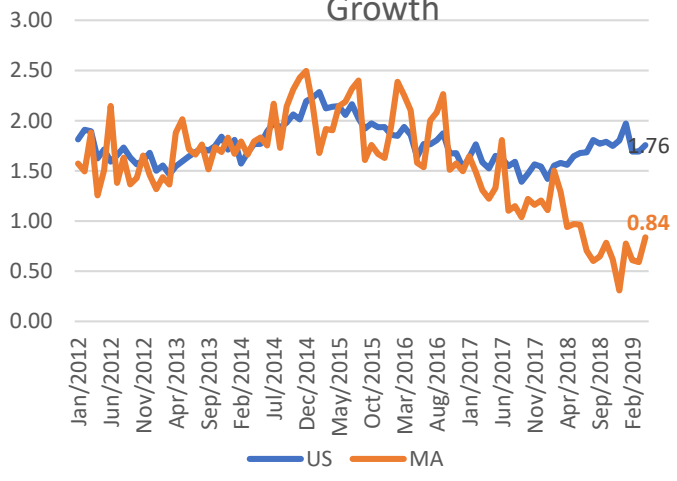
### New York and U.S. Job Growth



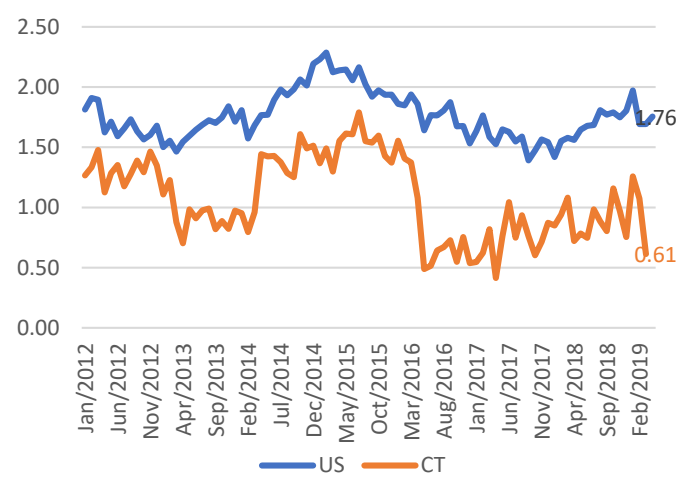
### New Jersey and U.S. Job Growth



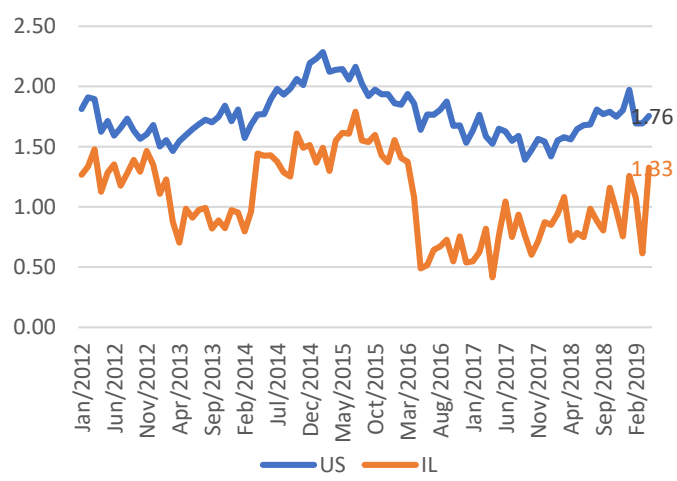
### Massachusetts and U.S. Job Growth



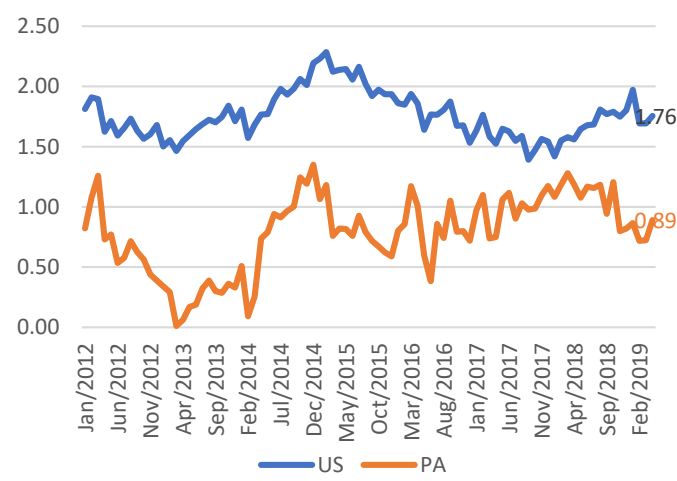
### Connecticut and U.S. Job Growth



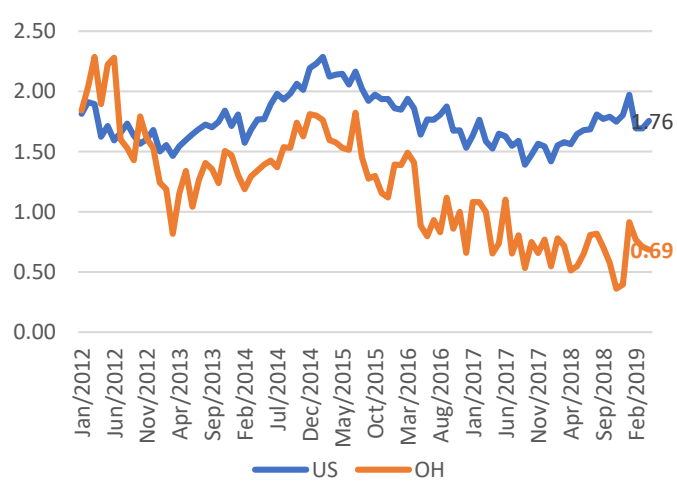
### Illinois and U.S. Job Growth



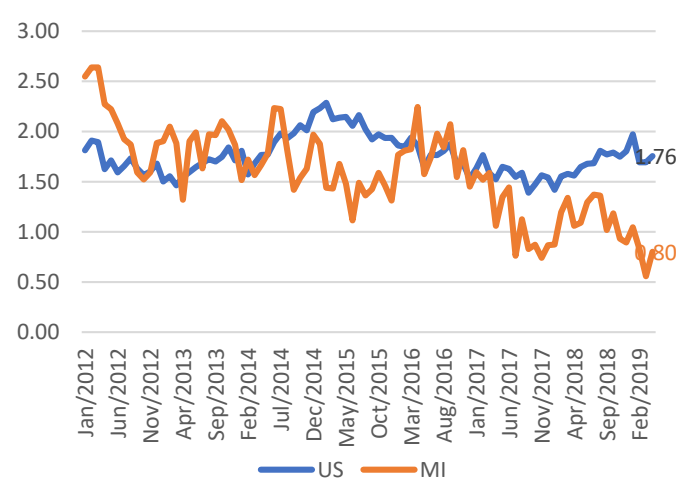
### Pennsylvania and U.S. Job Growth



### Ohio and U.S. Job Growth



### Michigan and U.S. Job Growth

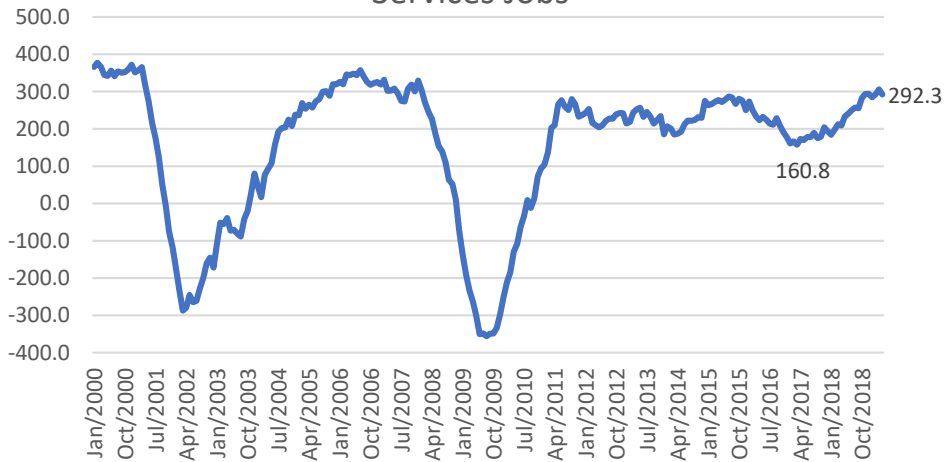




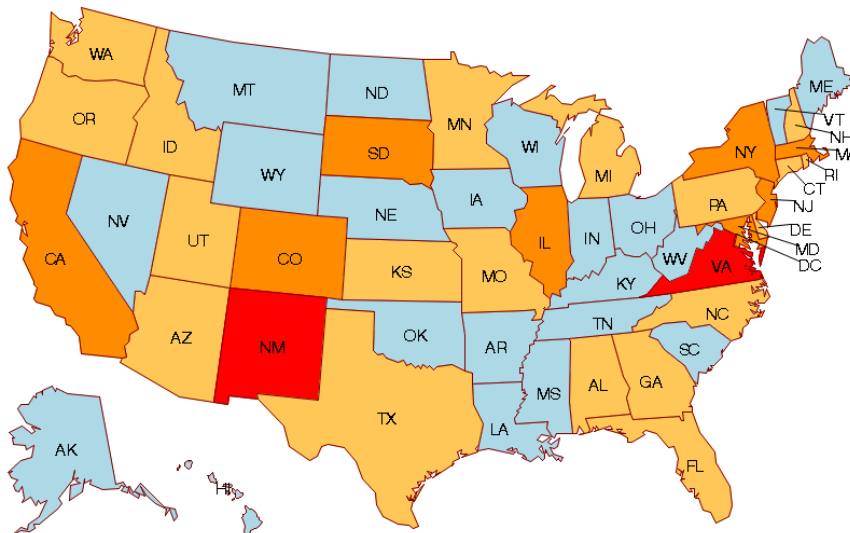
## Industry Focus: Professional & Technical Services

❖ The professional and technical services<sup>1</sup> industry (NAICS Code 54) industry created 292,300 jobs in April 2019 from one year ago, the third largest source of job growth. Given the increasing use of technology in business, consumer spending, social media, and daily life ('internet of things'), job creation has surged since the middle of 2017 and is nearing the peak level of 350 to 350 thousand jobs in 2000 and 2006.

Annual Change in Professional & Technical Services Jobs



❖ As a share to total employment, New Mexico (13%) and Virginia (11%) had the highest shares, as well as Massachusetts (9%), Maryland (9%), California (8%), South Dakota (8%), New York (7%), Florida (7%), Illinois (7%), Michigan (7%), and New Jersey (7%).



Share of Prof & Tech to Payroll Employment as of April 2019

2%+ to 5%    5%+ to 7%    7% to 10%    10%+ to 15%

1] Professional & technical services (54) is composed of legal services (5411), accounting and bookkeeping (5412), architectural and engineering services (5413), specialized design services (5414), computer systems design and related services (5415), management & technical consulting (5416), scientific research & development services (5417), advertising and related services (5418), and other professional and technical services (5419).

## What this Means for Residential and Commercial Real Estate

- ❖ The growth of professional & technical service jobs is beneficial for both residential and commercial real estate.
- ❖ Professional & business services<sup>2</sup> jobs pay well, with an average weekly wage at \$1,209 which is equivalent to an annual wage of \$63,041 (52.14 weeks/year). A single person household paying a 4.5% effective 30-year fixed mortgage rate on a 10 percent down payment mortgage for a \$267,300 home (median price) will spend 23 percent of his income on mortgage payment, which is still affordable (if more than 30 percent, the household is considered cost-burdened). In comparison, workers in the leisure & hospitality sector, retail trade, education & health services, & other services will pay more than 30 percent of their income on monthly mortgage. ( 2-earner households will be less cost-burdened).
- ❖ Rising employment in the professional and business services jobs increases the demand for office or industrial flex properties.

| Home Affordability by Occupations |                |             |                                      |     |
|-----------------------------------|----------------|-------------|--------------------------------------|-----|
| Industry                          | Average Weekly |             | Share of Monthly Mortgage to Income* |     |
|                                   | Wage           | Annual Wage |                                      |     |
| Leisure & Hospitality             | \$428          | \$22,300    |                                      | 66% |
| Retail Trade                      | \$598          | \$31,166    |                                      | 47% |
| Other Services                    | \$795          | \$41,432    |                                      | 35% |
| Education & Health Services       | \$908          | \$47,369    |                                      | 31% |
| All Private Industries            | \$955          | \$49,809    |                                      | 29% |
| Transportation & Warehousing      | \$957          | \$49,888    |                                      | 29% |
| Manufacturing                     | \$1,118        | \$58,294    |                                      | 25% |
| Construction                      | \$1,196        | \$62,383    |                                      | 23% |
| Professional & Business Services  | \$1,209        | \$63,041    |                                      | 23% |
| Wholesale Trade                   | \$1,215        | \$63,342    |                                      | 23% |
| Financial Activities              | \$1,348        | \$70,273    |                                      | 21% |
| Information Services              | \$1,512        | \$78,811    |                                      | 19% |
| Mining & Logging                  | \$1,562        | \$81,449    |                                      | 18% |
| Utilities                         | \$1,752        | \$91,363    |                                      | 16% |

\*Assumes 30-year effective fixed rate of 4.5% on a \$267,300 home (median price) with 10 percent downpayment.

2/ Professional and business services also includes professional & technical services (54), management of companies and enterprises (55), and administrative & waste services (56).