CONSTRUCTION: Employment Improves Across Texas During 2012

Construction employment grew at an annualized 6.7 percent rate through the first 10 months of the year, making the sector—which includes residential, commercial and industrial building—the second-fastest growing in the Texas economy after mining and logging, according to Bureau of Labor Statistics (BLS) data adjusted by the Federal Reserve Bank of Dallas. Nationally, construction jobs declined 0.2 percent over the same period. Nevada, still recovering from a severe housing bust, recorded an 11 percent construction employment drop during the period.

Despite robust growth, Texas construction employment remains 11 percent below its May 2008 peak. Nationally, it’s down 28 percent from the April 2006 peak, at the height of the housing boom.

Residential building is helping the construction jobs recovery in Texas. Building construction employment increased 6 percent year to date through October in Texas, but is down 0.8 percent in the U.S. In Texas, residential builders report that shortages of framers, plumbers and electricians are delaying the completion of new homes. Texas construction laborers were paid 5 cents more per hour in 2011 than in 2010, compared with a decline of 23 cents nationally, according to the BLS’s Occupational Employment Statistics. Since 2006, Texas hourly construction wages are up 10 percent in inflation-adjusted terms versus a 2.3 percent U.S. decline.

—Christina Daly

COMPENSATION: Texas Income, Earnings Mixed in Latest Census Report

Texas median household income fell in 2011, while median earnings for workers rose for a second consecutive year, according to new Census Bureau estimates. Texas median household income fell to $49,392 in 2011 from $50,010 in 2010, a 1.2 percent decline, smaller than the 2.2 percent drop in 2010. Nationally, median household income fell 1.5 percent to $50,054 from $50,831. Among Texas metropolitan areas, Houston matched the statewide decline, while Dallas–Fort Worth and Austin–Round Rock–San Marcos slipped by less than 1 percentage point. Falling household income can be attributed in part to a shrinking labor force and the loss of well-paying jobs in government and finance and real estate—the latter especially occurring in Dallas–Fort Worth in the aftermath of the 2008–09 recession.

Still, Texas workers earned more. Median earnings rose 1.4 percent to $28,015 in 2011 from $27,620 in 2010, while nationally they fell 2.5 percent. Although Texas numbers look good compared with the rest of the country, the estimates continue to reflect a trend of the “hollowing out” of the middle class. Between 2010 and 2011, the share of Texas households with incomes between $35,000 and $100,000 shrank to 54.1 percent from 55 percent.

Furthermore, Texas’ poverty rate rose to 18.5 percent in 2011 from 17.9 percent in 2010, continuing a trend of increasing poverty that has persisted since the recession.

—Melissa LoPalo

POLLUTION: More Natural Gas, Less Coal Pace CO₂ Emissions Drop

Carbon dioxide (CO₂) emissions in the U.S. in first quarter 2012 were at the lowest level for any first quarter in 20 years. Data from the Energy Information Administration (EIA) show that U.S. CO₂ emissions from energy consumption totaled 1,340 million metric tons (mmt) in first quarter 2012, an almost 8 percent decrease from first quarter 2011. First-quarter emissions have not been this low since 1992, when they roughly totaled 1,339 mmt.

The mild winter, a decline in coal-fired electricity generation in favor of natural gas-fired power, and reduced gasoline demand combined to lower emissions at the beginning of the year. CO₂ emissions are usually highest in the first quarter each year due to heating demand, according to the EIA.

Using cheaper natural gas to generate electricity is particularly important in emissions reductions. Natural gas produces the lowest CO₂ emissions of any fossil fuel, making it a much cleaner energy source than coal. Increasing supplies of gas, mainly shale gas, sent natural gas prices to a historical low in 2012. Shale gas is accessible through hydraulic fracturing, or fracking.

A reduction in emissions is good news for the U.S., but there are caveats. Global CO₂ levels are still rising, and natural gas price increases could reverse emissions drops if coal use increases. Additionally, fracking has raised environmental concerns, some involving groundwater contamination.

—Amy Jordan