

# THE EMPLOYMENT RECOVERY RESEARCH ARTICLE

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## THE EMPLOYMENT RECOVERY

One of the key drivers of commercial real estate investment performance is employment or job growth. As of the 4th quarter of 2013, total employment in the U.S. stood at 136.7 million, after adding 2.28 million jobs in 2013. This level remains 0.9% below the peak employment of 138 million reached during the 1st quarter of 2008. Moody's Analytics forecasts that the U.S. will recover all of the employment losses from the "Great Recession" by the 2nd quarter of 2014.

As is expected in any economic downturn & recovery, the impact on the various employment sectors has been uneven. Private-sector employment fell 7.5% during the recession, but has since recovered most of these losses & currently stands just 0.6% below peak levels. Government jobs, on the other hand, fell only 3.1% from their peak, but have made almost no recovery & remain 3.1% below their peak levels today. In the private sector, the top performing jobs since 2007 have been in natural resources, education and health services, professional and business services, and leisure and hospitality.

Jobs recovery since the last recession has varied significantly across metropolitan areas. Some metro areas have recovered more jobs than they lost while others are still struggling to get back to where they were prior to the recession. The top 4 out of 5 markets are dominated by Texas cities & include Austin (467% of jobs lost have been recovered), San Antonio (303%), Houston (301%), Dallas-Ft. Worth (217%) & Nashville (197%). The bottom 5 markets include New Orleans (21%), Cleveland (24%), Memphis (26%), Las Vegas (31%) & Riverside-San Bernardino (31%). As we consider markets for current & future investment, these numbers are important.



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