Regional Update

1994 was another strong year for the Eleventh District (Texas, northern Louisiana and southern New Mexico). For the sixth consecutive year, employment grew faster in all three District states than in the nation as a whole. Louisiana and New Mexico outpaced national growth in all major industrial categories. Texas grew faster than the nation in all major categories except mining, which lost jobs. Such broad-based growth illustrates the Southwest’s appeal to all types of firms as a low-cost/low-wage region.

Other factors also contributed to the region’s relative strength. Proximity to Mexico made the Southwest a major beneficiary of NAFTA. The finance, insurance and real estate (FIRE) sector grew strongly despite weak employment growth nationally, and state and local government employment in District states grew at twice the national rate.

State-by-State Highlights

Louisiana. Casino gambling appears to be paying off for Louisiana, at least in the short run. In 1994, employment directly linked to river-boat gambling (hotels, amusements and water transportation) grew nearly 25 percent, accounting for one-sixth of the state’s employment growth. Some of this growth may have come at the expense of Texas’ tourism industries, which lost 3,400 jobs in 1994.

New Mexico. New Mexico has the region’s fastest growing manufacturing and construction sectors. Manufacturing employment grew 5.5 percent in 1994, led by strong growth in the electronic and electrical equipment industry. Demand from the manufacturing sector helped generate double-digit growth in construction employment and nonresidential construction contract values.

Texas. Texas appears to have profited from its position as a distribution hub and its efforts to deregulate intrastate trucking. Employment in railroad transportation and trucking and warehousing grew nearly 10 percent in 1994.

— Lori L. Taylor

Note

1 Based on job growth from December to December each year.