

AS EMPLOYMENT CONTINUES TO FALL, SPENDING CONTINUES TO RISE



[caption id="attachment_1229" align="alignnone" width="150" caption="Texas Flag"] [caption] For the fourth straight month and the fifth time in six months, the Abilene Economic Index rose in the month of September. The index rose from 108.5 in August to 109.2 in September and increased .9 percent from September of 2010, an index of 108.2. For the first time since June 2008, the Abilene Economic Index saw a year over year increase, marking a significant milestone in the recovery process in Abilene of its economy. Indicators for spending are driving the increase and improvement in the AEI. They are led by real general spending and real auto spending, both of which have posted strong double-digit percentage point gains over the previous year's spending levels. Up close to 19 percent in the third quarter was real taxable per third quarter sales tax receipts, which can be compared to the same time last year, and is the highest total ever recorded in the third quarter. Compared to September of 2010, the real spending total in September of 2011 increased by 33 percent. Compared to the same time frame in 2010, year over year spending increased have averaged more than 20 percent. In Abilene, the reason for the continued increase in numbers could be related to the increase in regional oil and gas exploration and production activity. Compared to 2009 and 2010, crude oil prices are much higher in 2011, and the value of crude oil from big country is much higher as well. The industry has become a major reason for the expanding sales activity to go along with the regional amount of rigs in the area. Experts feel that oil and gas activity does not account for the entire increase in spending in 2011 in Abilene. The reason for this is that local and regional customer confidence and spending has risen recently. Experts also believe that if this is the case, new employment opportunities in Abilene should follow suit. Even though spending is up in Abilene, employment in the area is still very bleak. In terms of Texas metro areas, the payroll employment for September in Abilene is the worst in the state. Compared to September of 2010, the numbers have decreased by 4.3 percent. There could have been a miscount in Abilene though, with more jobs being added in the area than are actually being counted. Data released by the Quarterly Census of Employment and Wages is delayed by four to six months by rule, so its data is only updated for the second quarter. Per estimates from recent Quarterly Census of Employment Wages data, total employment estimates in the second quarter of 2011 is higher than the second quarter estimate for 2010. Experts in the state of Texas believe that the numbers for the third quarter of 2011 are not correct and will be updated with an increase once all the final data is tallied.

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