



APR 2023

TEXAS TALENT EXPERTS REPORT

2023 INDUSTRY ANALYSIS

Using industry data to determine workforce investment in the Austin metro

PREPARED FOR

Economic development, workforce development, and industry leaders

CONNECT WITH US

wfscapitalarea.com

EXECUTIVE SUMMARY

Workforce Solutions Capital Area (WFS) conducted a deep analysis of the Austin area labor market to identify and understand our region's *target industries* — the top industries experiencing substantial growth with opportunities for higher earning potential. We used data to help us find the industries with:

- Rapid growth
- Low-turnover
- Immediate employment opportunities for jobs with high earning potential
- Demand supported by local knowledge and employer input

The findings: Based on this analysis, we continue to classify **Healthcare, Technology, Advanced Manufacturing, and Skilled Trades/Construction** as Austin's targeted industries, but have added a new industry: **Mobility/Infrastructure**.

- **Of note:** The top 30 industries with the highest scores based on our criteria all fall within these targeted sector industries. 33% were classified as Mobility/Infrastructure, 30% in Healthcare, 20% in Skilled Trades/Construction, 10% in Advanced Manufacturing, and 7% in Technology.

Why it matters: Armed with these insights and through our collaborations and partnerships, our region will continue building a highly-skilled talent pool that meets the need of our employers and priority projects.

- **For workforce development:** By connecting data to workforce service delivery, our region can increase residents' access to higher-paying jobs through in-demand career pathways.
- **For economic development:** Businesses and organizations can better understand the local business climate, particularly industry growth and expansion.
- **For industry:** Businesses can better understand the local employment landscape — who's hiring, the competition for talent in fast-growing industries, and where to look for strategies to attract and retain that talent.

GROW YOUR BUSINESS THROUGH TALENT: Workforce Solutions is uniquely positioned to help employers of all industries directly connect with local job seekers and talent. We're collaborative and can tailor services based on your company needs. [Get started.](#)

PART 1

MARKET ANALYSIS METHODOLOGY

Four Main Criterion

Before we conducted our research, we laid out four important industry criterion that we believed impacted local job seekers and their overall success in today's economy. The factors for finding the most easy-access, high-reward industries include: 1) immediate employment, 2) higher wages that can lead to reduced poverty, 3) stability, and 4) whether the industry currently has champions or groundwork in the Austin economy.

MARKET ANALYSIS FACTORS CONSIDERED

1. Immediate employment

- High-growth industry and large market share with faster pathways to enter and advance (*low and middle skill jobs*)

2. Improve income and reduces poverty

- Offering living wages in Austin (\$20/hr)

3. Stability

- Low turnover

4. Locally targeted/focus industry

- Based on insights from local wisdom and input from stakeholders and existing sector partnerships

OF NOTE: To address affordability and equity concerns in our community, WFS launched the *Hire Local Plan* in May 2022. *Hire Local* involves Austin-area, community-based organizations, training providers, employers and elected leaders all coming together to work toward the same outcome: help close the gap between the number of local jobs available and the amount of skilled workers qualified to fill them. We do this in four ways: raising awareness for these opportunities, connecting Austinites to skills training, placing them in higher-paying jobs and upskilling underemployed workers. [Learn more.](#)

Additional Occupational Criteria

Additional considerations that informed the analysis include occupation-level criteria, such as the count of current and projected job openings; starting wage; required education; alignment to local targeted industries; local training outcomes; and feedback from industry partners. Our ongoing industry sector partnerships allow us to gather real-time learnings from various employers on the region’s occupational demand.

ADDITIONAL OCCUPATIONAL CRITERIA CONSIDERED

Based on the makeup of WFS’ data-informed [Targeted Occupations List](#), which is used to determine which careers to fund training

CRITERIA	THRESHOLD
Current job openings	= or > 45
Projected job openings (2018-2028)	= or > 50
Starting annual wage	\$20/hr, with the exception of entry-level occupations that feed into advanced career occupations (such as Certified Nursing Assistant occupation can lead to a Licensed Vocational Nurse career)
Required education	More than a high school diploma but less than a four-year degree (can include occupations with long-term on-the-job training such as apprenticeship or postsecondary, some college, no degree, and/or an associate’s degree)
Targeted industries	Goal to have 90% of occupations fall within Technology, Healthcare, Skilled Trades/Construction, Advanced Manufacturing, and Mobility/Infrastructure
Local training outcomes	Compare graduation outcome data from local training providers
Local wisdom	Employers and/or industry associations provide feedback based on the demand of the occupation in the region

Scoring

We combined all the above criteria into an aggregate score to get an objective assessment of what industries in our area are likely to benefit most from partnerships and resources from the workforce system.

CRITERIA	POINTS
Immediate employment	2 points <i>(1 for growth, 1 for market share)</i>
Improved income	1 point
Stability	1 point
Locally targeted/focus industry	2 points

We established a threshold for each of the four main criteria based on the average across all sectors. Passing the threshold for each factor results in one point. For example, if the industry average for turnover was below 4%, it got one point. Or, if employment was greater than 2,000, it got one point.

CRITERIA	THRESHOLD
Entry-level hourly wage	\$20
Employment	2,000
Growth	2%
Turnover	4%
Targeted industry (multiplier)	2
Overall Score Threshold	3.5

We also awarded two points if the industry is one of WFS’ current targeted industries, which are Technology, Healthcare, Skilled Trades/Construction, and Advanced Manufacturing.

The criteria for selection as a target industry is greater than or equal to 3.4 points out of a total possible six points.

PART 2

CONCLUSIONS

Targeted Industries & Proposed Addition

Based on the analysis, the top industries with the highest scores based on our criteria all fall within WFS’s existing industry sector areas of focus:

- Healthcare
- Manufacturing
- Skilled Trades/Construction
- Technology
- **New: Mobility/Infrastructure**

Mobility also found placement as a priority industry. Before the scoring, WFS had already been working with local leaders to address workforce demand due to historic infrastructure investment and large-scale planned projects. Also, identified industries such as skilled trades include subindustries of mobility with promising trends of growth, wages and employment.

A final notable point is that many of our [targeted occupations](#) — previously set as part of an annual, separate assessment — are within many of these industries.

TOP 30 INDUSTRIES OVERALL

Austin MSA, as of 2022Q3* (Continued on next page)

Targeted industry sectors represented in this list: **Mobility/Infrastructure (33%), Healthcare (30%), Skilled Trades/Construction (20%), Manufacturing (10%) and Technology (7%).**

INDUSTRY TITLE	TOTAL EMPLOYMENT	AVG HOURLY WAGE	AVG % TURNOVER	AVG % GROWTH	AVG SCORE
Offices of Dentists	6,280	\$23.26	5.50%	2.70%	5.2
Warehousing and Storage	8,330	\$21.43	4.50%	3.40%	5
Management, Scientific, and Technical Consulting Services	9,709	\$23.23	4.60%	3.10%	4.8
Home Health Care Services	4,930	\$21.05	6.20%	4.10%	4.8
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	4,101	\$18.52	6.30%	4.30%	4.6
Offices of Other Health Practitioners	6,764	\$21.13	5.90%	3.80%	4.6
Computer Systems Design and Related Services	12,213	\$26.59	3.80%	3.20%	4.6
Support Activities for Road Transportation	831	\$20.01	5.60%	2.40%	4.5
Urban Transit Systems	429	\$20.61	5.70%	2.80%	4.5
Other Ambulatory Health Care Services	1,995	\$22.37	4.60%	3.60%	4.4
Couriers and Express Delivery Services	5,463	\$25.35	4.30%	1.80%	4.4
Individual and Family Services	8,633	\$17.01	6.20%	4.40%	4.4
General Medical and Surgical Hospitals	11,063	\$21.88	4.90%	2.20%	4.4
Highway, Street, and Bridge Construction	6,698	\$24.25	4.20%	1.60%	4.4
Support Activities for Water Transportation	80	\$32.96	4.60%	1.50%	4.3
Charter Bus Industry	130	\$20.30	6.40%	2.20%	4.3
Interurban and Rural Bus Transportation	1,110	\$19.98	6.10%	1.90%	4.3
Scheduled Air Transportation	623	\$31.15	4.00%	1.70%	4.2
Architectural and Structural Metals Manufacturing	1,497	\$22.91	4.20%	2.40%	4.2
Local Messengers and Local Delivery	1,781	\$21.27	4.70%	1.80%	4.2
Foundation, Structure, and Building Exterior Contractors	9,016	\$23.09	4.10%	1.70%	4.2
Other Specialty Trade Contractors	9,163	\$23.13	4.20%	1.80%	4.2
Beverage Manufacturing	2,072	\$21.09	4.80%	2.70%	4.2

INDUSTRY TITLE	TOTAL EMPLOYMENT	AVG HOURLY WAGE	AVG % TURNOVER	AVG % GROWTH	AVG SCORE
Support Activities for Air Transportation	920	\$25.60	4.40%	3.00%	4.2
Offices of Physicians	11,992	\$21.42	5.00%	2.20%	4.2
Building Finishing Contractors	8,672	\$23.88	4.10%	1.90%	4.2
Utility System Construction	4,452	\$23.98	4.10%	2.50%	4.2
Other Electrical Equipment and Component Manufacturing	742	\$22.61	4.50%	1.70%	4.2
Land Subdivision	659	\$24.19	4.50%	2.30%	4.2
Medical and Diagnostic Laboratories	1,793	\$22.53	4.80%	2.70%	4.2

Source: JobsEQ

* Data as of 2022Q3, except wages which are as of 2022

Manufacturing Data and Current Demand

Manufacturing’s prominence is underrepresented in the data, as subindustries such as Semiconductors continue to shift from volatile parts of the world to U.S. based manufacturing. Austin is a prime location for this growth with a skilled labor force already in place.

Also, the economic data used for this analysis is often delayed by three to four quarters, and projections are based on 2018-2028 trends. With current, real-time trends such as the Samsung expansion and new Tesla facility, we rely on real-time labor market insights from industry partners like Austin Regional Manufacturers Association (ARMA) to better understand the demand in today’s economy.

PART 3

NOTABLE METHODOLOGY CONSIDERATIONS

Pitfalls of a Single Focus: Immediate Employment

When reviewing industry data for individual criteria, it becomes clear why other factors must be considered collectively.

When looking at top industries for immediate employability alone, the largest industry sectors are restaurants and grocery stores, education, and services. However, these industries generally have lower pay, average growth, and high turnover rates.

Technical industries such as computer systems design and semi-conductor manufacturing are also high on the list and these have generally better turnover rates, but mixed growth rates. Nevertheless, these industries are expected to grow based on local and national trends and investment.

**TOP 10 IMMEDIATE EMPLOYMENT INDUSTRIES
FOR LOW-MIDDLE SKILL JOBS**

Austin MSA, as of 2022Q3*

INDUSTRY TITLE	AVG HOURLY WAGE	EMPLOYMENT
Restaurants and Other Eating Places	\$18.57	85,800
Grocery Stores	19.93	22,814
Employment Services	20.72	22,035
Services to Buildings and Dwellings	21.16	20,948
Building Equipment Contractors	24.05	20,730
Elementary and Secondary Schools	17.91	20,002
Justice, Public Order, and Safety Activities	24.58	13,809
Computer Systems Design and Related Services	26.59	12,213
Executive, Legislative, and Other General Government Support	24.83	12,094
Offices of Physicians	21.42	11,992

Source: JobsEQ

* Data as of 2022Q3, except wages which are as of 2022

Pitfalls of a Single Focus: Growth

The same pitfalls can be seen when reviewing industry data for growth alone.

The industries with the highest growth are motion picture and video industries, arts, and recreation. These jobs are generally lower paid, with a relatively small overall number of jobs and high turnover rates.

TOP 15 GROWTH INDUSTRIES

Austin MSA, as of 2022Q3* (continued on next page)

INDUSTRY TITLE	AVG HOURLY WAGE	EMPLOYMENT	AVG % GROWTH	AVG % TURNOVER
Motion Picture and Video Industries	\$22.63	2,496	6.8%	6.9%
Other Schools and Instruction	18.70	3,219	5.6	6.2
Promoters of Performing Arts, Sports, and Similar Events	21.79	384	5.2	5.5
Other Amusement and Recreation Industries	19.13	8,540	5.2	6.5
Museums, Historical Sites, and Similar Institutions	19.51	2,590	5.0	5.8

INDUSTRY TITLE	AVG HOURLY WAGE	EMPLOYMENT	AVG % GROWTH	AVG % TURNOVER
Support Activities for Mining	25.63	968	4.7	4.2
Individual and Family Services	17.01	8,633	4.4	6.2
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	18.52	4,101	4.3	6.3
Other Personal Services	16.63	5,013	4.2	5.5
Home Health Care Services	21.05	4,930	4.1	6.2
Performing Arts Companies	23.55	616	3.9	5.4
Civic and Social Organizations	17.57	1,957	3.9	6.2
Offices of Other Health Practitioners	21.13	6,764	3.8	5.9
Independent Artists, Writers, and Performers	24.88	1,139	3.8	4.4
Other Ambulatory Health Care Services	22.37	1,995	3.6	4.6

Source: JobsEQ

* Data as of 2022Q3, except wages which are as of 2022

About Workforce Solutions Capital Area (WFS):

WFS is the leadership and governing body for the Austin-Travis County workforce system. We are responsible for the data-driven planning, oversight, and evaluation of workforce development activities in Austin-Travis County. Simply put, we connect local people to the most in-demand industries with quality jobs.

By understanding where local employers see the greatest need for talent, WFS is helping focus our community’s workforce development efforts to build the talent pool while addressing affordability and equity concerns through immediate economic advancement opportunities. We are proud to continue researching and sharing labor market information to drive workforce investment where it is needed most.

GROW YOUR BUSINESS THROUGH TALENT: Workforce Solutions is uniquely positioned to help employers of all industries directly connect with local job seekers and talent. We’re collaborative and can tailor services based on your company needs. [Get started.](#)