
Income in the United Way Service Area

Strategy Measures - 2014

The Institute for Urban Policy Research
At The University of Texas at Dallas



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Introduction

This report presents analysis conducted by the Institute for Urban Policy Research (IUPR) to measure progress related to the community-wide education goals set by the United Way of Metropolitan Dallas. The report uses publicly available data from the U.S. Census Bureau to produce estimates for Collin, Dallas, Denton and Rockwall Counties. Together, the area is referred to as the United Way of Metropolitan Dallas service area henceforth in this report. For the purpose of this report, except when specifically noted, all references to Denton County include the entirety of the county, rather than the southern portion. This is necessary for the consistency and availability of the data presented in this report.

The indicators analyzed include unemployment, joblessness, salaried employees, and small businesses; all data have been retrieved from the U.S. Census Bureau from either the American Community Survey or County Business Patterns data. Definitions for each of the indicators accompany the corresponding figures or tables.

Employment

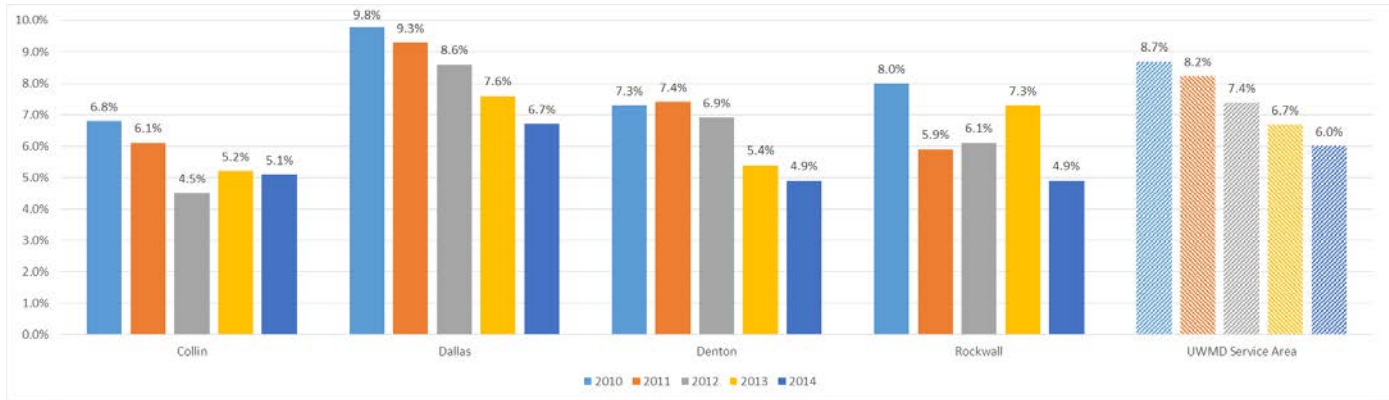
One of the most important indicators of the health of the economy is the unemployment rate. According to the American Community Survey, the rate of unemployment in the U.S. was 7.2% in 2014, down from 8.4% in 2013. This was the first year-over-year decline in the national unemployment rate since 2011. In 2014, every county in the United Way Service Area outperformed the national unemployment rate and demonstrated a steady decline in unemployment since 2010.¹ This trend is consistent for Dallas County, and, in large part, for Collin and Denton counties, as well. Rockwall County, on the other hand, has shown less stable unemployment rates over this time period. Since Rockwall County is, by far, the least populous of the counties, it is possible that such fluctuations are a product of its small sample size. Still, Rockwall County, like all of the counties in the service area, has experienced an overall decline in unemployment since 2010.

While there are several measures of unemployment available from various government agencies, rates expressed in Figure 1, as well as jobless rates in Figure 2, come from the American Community Survey. These numbers may differ from those published by other sources, like the Bureau of Labor Statistics (BLS). Rates reported by the BLS are based, in large part, on the Census Population Survey (CPS), which provides timely and fairly accurate employment statistics at the national and state levels. However, for sub-state geographies – like counties – only the ACS utilizes a large enough sample size to provide reliable estimates.²

¹Unemployment and Joblessness rates are not available for small enough geographies to approximate Southern Denton County. As a result, Figures 1 and 2 refer to the entirety of Denton County.

² For a more detailed discussion of the differences among employment estimates, visit <https://www.census.gov/hhes/www/laborfor/laborguidance092209.html>

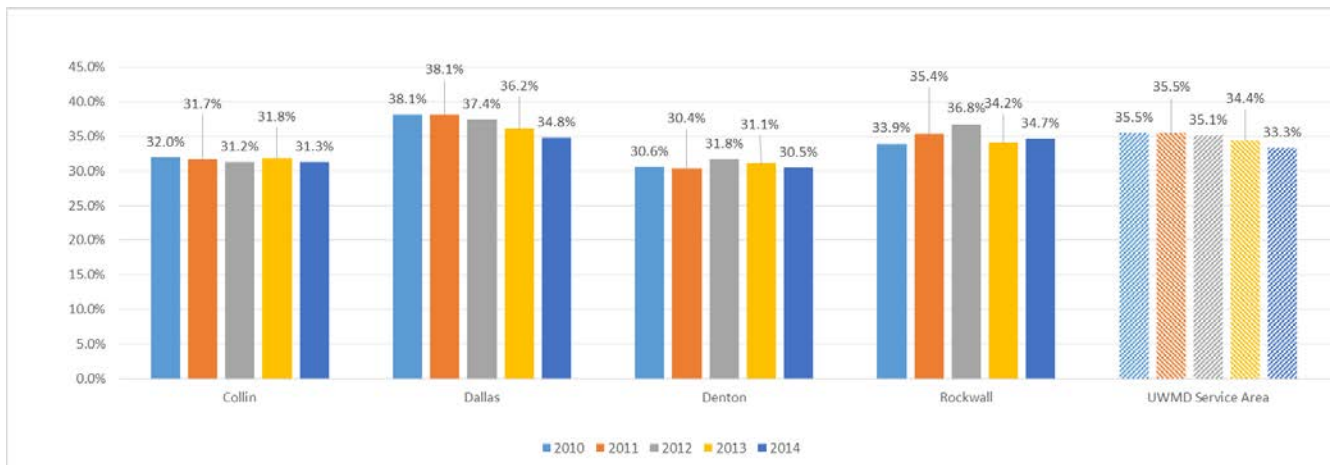
Figure 1. Unemployment rate by County in United Way of Metropolitan Dallas service area, 2011-2014.



While unemployment rates serve as a key economic indicator, its definition is specific and often overlooked. The unemployment rate refers to the percentage of individuals in the labor force who lack employment, and the labor force is defined as only those actively seeking employment. As a result, the unemployment rate does not account for several groups of people, most notably discouraged workers – those who have stopped looking for a job because they cannot find one. The result of excluding discouraged workers is that the unemployment rates can improve without additional job creation if enough individuals leave the labor force.

Figure 2 illustrates the rate of joblessness in the United Way of Metropolitan Dallas service area over the same time period. Joblessness, unlike unemployment, includes individuals who do not participate in the labor force. In other words, the jobless rate reflects the percentage of all working age persons without a job, regardless of any attempt to secure one. By definition, the jobless rate should be higher than the unemployment rate because it includes the aforementioned discouraged workers; it also includes individuals who willingly forgo the labor force – like retirees, students, and homemakers, among others.

Figure 2. Jobless rate by county, United Way of Metropolitan Dallas service area, 2010-2014.



For the service area as a whole, joblessness is down slightly since 2010 from 35.5% to 33.3%. Rates have remained nearly unchanged over that time period for Collin and Denton counties, while Dallas County has experienced an overall decline from 38.1% in 2010 to 34.8% in 2014. Rockwall County experienced a slight increase over the four year period, but its small population did not affect the overall trend.

The number of paid employees in the county is based on business responses to the U.S. Census Bureau and is compiled as part of the County Business Patterns data. Unlike the unemployment and jobless rates, the number of paid employees is available for smaller geographies on an annual basis, which makes it possible to approximate Southern Denton County. Table 1 reflects the number of paid employees in the service area, by county when specifying only Southern Denton County.

Table 1. Number of paid employees, United Way of Metropolitan Dallas service area, 2010-2013 (Southern Denton).

County	2010	2011	2012	2013
Collin	288,674	304,938	314,129	336,461
Dallas	1,231,305	1,239,445	1,290,410	1,322,022
Southern Denton	77,083	83,676	89,602	90,483
Rockwall	18,768	19,861	20,681	20,809
UWMD Service Area	1,615,830	1,647,920	1,714,822	1,769,775

Because previous charts in this report have necessarily reflected the entirety of Denton County, Table 2 reflects the same information from Table 1, except that it includes the entirety of Denton County. This is to provide a consistent basis of comparison between the various measures of employment provided in this report.

Table 2. Number of paid employees by county, United Way of Metropolitan Dallas service area, 2010-2013.

County	2010	2011	2012	2013
Collin	288,674	304,938	314,129	336,461
Dallas	1,231,305	1,239,445	1,290,410	1,322,022
Denton	155,931	166,739	179,848	182,916
Rockwall	18,768	19,861	20,681	20,809
UWMD Service Area	1,694,679	1,729,890	1,805,068	1,862,208

When interpreting the number of paid employees, it is important to recognize that the County Business Patterns data is measured by employers and not households; thus, an individual who works for more than one business would be counted more than once in the data. Similarly, because these numbers are based on the location of the business, and not the employee, it is also possible that paid employees in one county, actually reside in another. Therefore, it is possible for a county to experience an increase in joblessness that is accompanied by an increase in paid employees, as was the case for Collin County from 2011 to 2012. This could be a result of existing workforce participants taking on additional jobs or the fact that new jobs have been filled by commuters from another county.

Small Businesses

Small businesses may not generate as much revenue as larger corporations, but they are still essential to the strength of a local economy. Small businesses are able to provide job opportunities to those that larger corporations cannot. Although the nation has struggled with steady job growth since the recession began, small business job growth has been an important asset to replacing jobs lost. Additionally, small businesses often drive innovation, in part because employees usually work in closer proximity to consumers and are able to learn and hear firsthand about their needs and desires. Moreover, due to the nature of the U.S. retail market and the continuing expansion of online sales, a small business has the potential to develop into a national or international operation; others remain in the community, and continue to provide more and more employment, and stimulate the local economy.

Table 3. Number of Small businesses (fewer than 50 employees) by county, United Way of Metropolitan Dallas service area, 2010-2013 (Southern Denton).

County	2010	2011	2012	2013
Collin	16,733	17,170	17,883	18,716
Dallas	56,796	56,458	56,892	57,639
Southern Denton	4,976	5,033	5,191	5,365
Rockwall	1,597	1,544	1,761	1,806
UWMD Service Area	80,102	80,205	81,727	83,526

As with paid employees, the number of small businesses can be approximated for Southern Denton County; therefore, Table 3 demonstrates the number of small businesses in the service area when approximating Southern Denton County, while Table 4 includes the entirety of Denton County for purposes of comparison to figures presented in the employment section of this report.

Table 4. Number of Small businesses (fewer than 50 employees) by county, United Way of Metropolitan Dallas service area, 2010-2013.

County	2010	2011	2012	2013
Collin	16,733	17,170	17,883	18,716
Dallas	56,796	56,458	56,892	57,639
Denton	10,758	10,857	11,420	11,877
Rockwall	1,597	1,544	1,761	1,806
UWMD Service Area	85,884	86,569	87,956	90,038

For the purposes of this report, a small business is included in Table 3 or Table 4 if it lies within the specified county and employs fewer than 50 people. Across the four counties, the number of small businesses increased slightly from 2010 to 2013; although, both Dallas and Rockwall counties saw nominal decreases between 2010 and 2011. Although the decrease in small businesses in Rockwall County appears small in number, it represents a 6% decrease in the share of overall businesses in the county. In 2011, Rockwall County became the only county in either year where small businesses made up less than 90% of all businesses.

Conclusion

Generally speaking, the United Way of Metropolitan Dallas service area shows signs of sustained economic growth since 2010. Unemployment has steadily decreased across the area, joblessness has remained fairly stable, and the numbers of paid employees and small businesses are on the rise. Moreover, the area's unemployment rates have consistently outperformed national averages, demonstrating the continued economic vitality of the region since the recession.



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