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Texas dominates rankings for best cities for jobs

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For the second year in a row, Texas' five major metropolitan areas nailed down half the top 10 spots in an annual ranking of the best cities to find a job.

"If you look at all the regions, nothing else does as well as Texas," said Michael Shires, a professor at the Pepperdine University School of Public Policy in Malibu, Calif., who compiled the rankings with Joel Kotkin, a distinguished presidential fellow in urban futures at Chapman University in Orange, Calif. The report was published Wednesday by Newgeography.com.

Austin-Round Rock-San Marcos once again led the list of large cities. Rounding out the Texas quintet are San Antonio-New Braunfels (No. 2), Houston-Sugar Land-Baytown (No. 3), Dallas-Plano-Irving (No. 5) and Fort Worth-Arlington (No. 7).

On the list for medium-sized cities were El Paso (No. 5), McAllen-Mission-Edinburg (No. 6) and Corpus Christi (No.7). Among the top small cities were College Station-Bryan (No. 3) and Killeen-Temple-Fort Hood (No. 4).

"During volatile times, places with broad-based growth strategies -- like Texas and Utah -- do best," Shires wrote in an article accompanying the rankings, "Finding the Good in This Bad Time."

"Cities that are heavily dependent on a narrow set of industries leave themselves vulnerable, paying back the gains of good years in poor years.

"Texas and Utah are states that encourage entrepreneurship and have a low cost of living," he said. "That's why I think they are going to be a good measure as we go forward. At places like Fort Worth, the level of growth is going to come back pretty easily."

He noted that the high rankings for Texas cities weren't just a product of the energy industry. The state also made some key economic adjustments in response to a previous downturn, the savings-and-loan crisis of the 1980s.

"The state instituted new laws that imposed a range of disciplines on financial markets, such as limiting home-equity lines, thereby minimizing the damage to the state's economy as those markets went topsy-turvy," he wrote.

Shires said the rankings emphasize the "robustness of a region's growth both recently and over time." It is based on three-month rolling averages of monthly employment data from the Bureau of Labor Statistics from November 1999 to January 2010.

The bottom of the ranking is primarily made up of formerly high-flying real estate markets in the "sand states" -- California, Florida, Arizona and Nevada -- and manufacturing regions in the Rust Belt -- Detroit, Cleveland and Birmingham, Ala. -- where the recession throttled production.

Nationally, Shires said two employment sectors -- government and military -- drove job creation in highly ranked places like northern Virginia and Washington, D.C., and in small cities like Killeen and Fayetteville, N.C., that are home to large military bases.

"I think the big story nationally is that when we recover, it's going to happen, for the most part, in smaller cities and places like Fort Worth where the economy didn't dive as far. Those places are going to lead us out of the recession," he said.

"Texas is sitting well right now," he said. "But I do think some of these other places in the Midwest and mountain states are going to catch up."

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