

# Houston Area Employment Situation

December 2021

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

PLACEHOLDER FOR HEADLINE TO BE GENERATED EACH MONTH

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm (not-seasonally adjusted) employment stood at 3,147,500 in December, up 20,400 jobs over the month, or 0.7 percent. A year ago Houston registered an over-the-month increase of 10,100 jobs. This was the largest-ever gain in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 67,200 jobs. The largest one-month decline on record outside of seasonal job losses in January and July occurred in April 2020, down -343,400 jobs. (see Chart 1.) Prior to the pandemic, historically in the month of December, Total Nonfarm has on average added 10,400 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

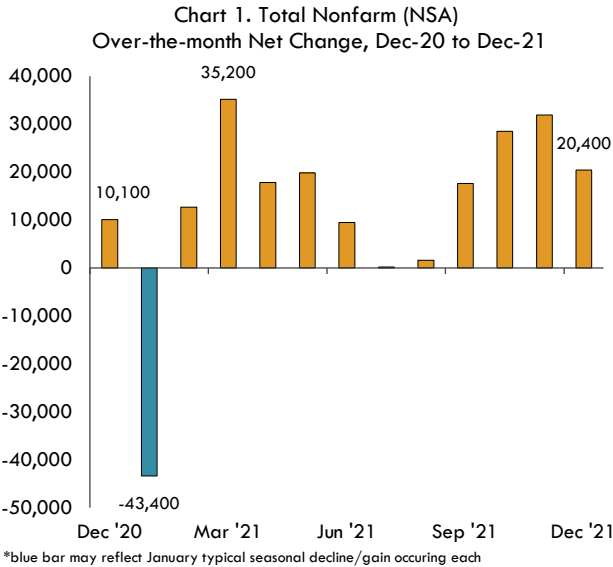
The primary drivers of this December's growth were increases in Trade, Transportation, and Utilities, Leisure and Hospitality, and Construction. Gains were also recorded in Manufacturing, Financial Activities, and Mining and Logging. The net increase in jobs over the month was partially offset by losses in Other Services and Education and Health Services. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,128,700, up 23,600 jobs over the month, or 0.8 percent vs. a historical average of 4,000. Note that analysis throughout the remainder of this report references not-seasonally adjusted data as seasonally-adjusted data is unavailable for major sectors and their sub-components.

Top-3 Drivers of Over-the-month Job Growth in December

- Trade, Transportation, and Utilities: 7,900
- Leisure and Hospitality: 3,700
- Construction: 3,200

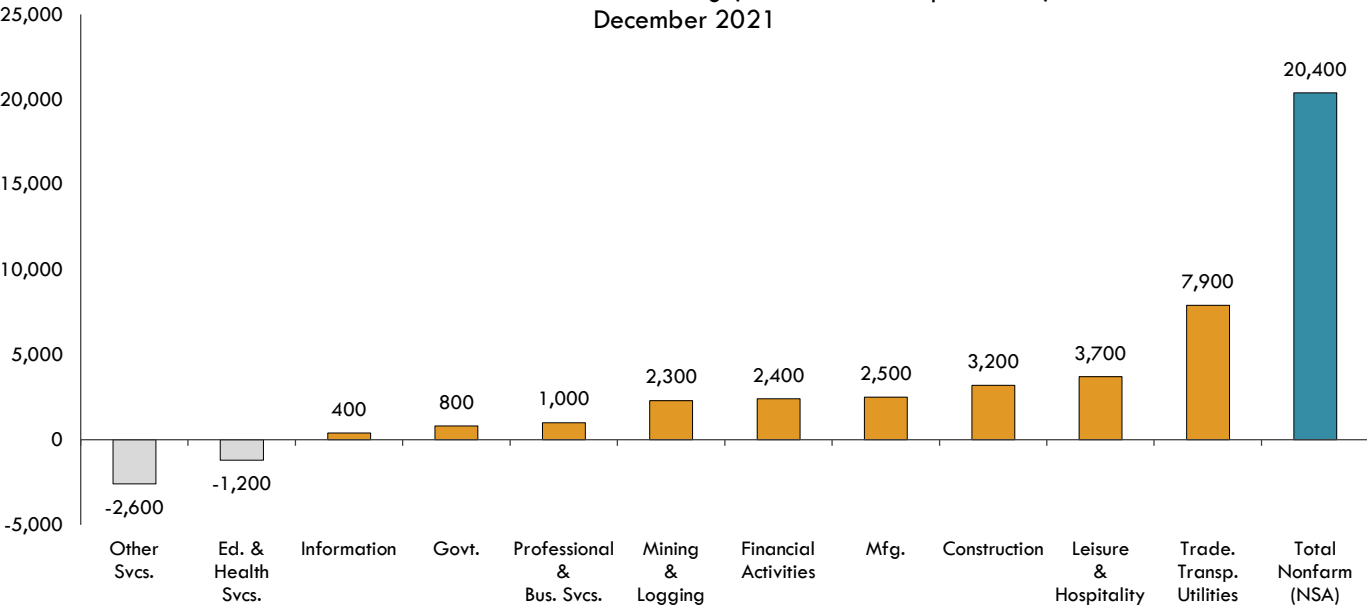
#### Over-the-year Change

Over the year, Total Nonfarm employment was up 151,800 or 5.1 percent on a not-seasonally-adjusted basis and up 154,700 or 5.2 percent on a seasonally-adjusted basis. (see NSA Chart 3.) To compare, December 2020 saw a year-over-year loss of -206,600 jobs (NSA) from December 2019. The largest over-the-year gain on record for Total Nonfarm Employment occurred in April 2021, up 187,200 jobs. The largest over-the-year decline on record occurred in April 2020, down -313,700 jobs.



Currently 10 out of 11 sectors show growth year over year of which the top-three are Professional and Business Services (30,300), Trade, Transportation, and Utilities (29,100), and Leisure and Hospitality (24,400). (see Chart 4.) COVID-19 resulted in the loss of -361,400 jobs over March and April 2020 of which approximately 90 percent of Total Nonfarm employment has been recovered to date.

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, December 2021



Previous Month's Revisions

Total Nonfarm employment was revised downward by -1,200 jobs for a October to November smaller net gain of 31,900 compared to an original estimate of 33,100 jobs. A downward revision of -1,000 jobs in Trade, Transportation, and Utilities was the largest contributor followed by Professional and Business Services (-600) and Leisure and Hospitality (-500). Upward revisions in Construction (+1,600), Manufacturing (+400), and Information (+) provided a partial offset of the overall downward revision to Total Nonfarm employment. (see Chart 5.)

- Top-3 Drivers of Over-the-year Job Growth in December
- Professional and Business Services: 30,300
  - Trade, Transportation, and Utilities: 29,100
  - Leisure and Hospitality: 24,400

Chart 5. Net Revisions for Selected Supersectors and Major Industries, November 2021

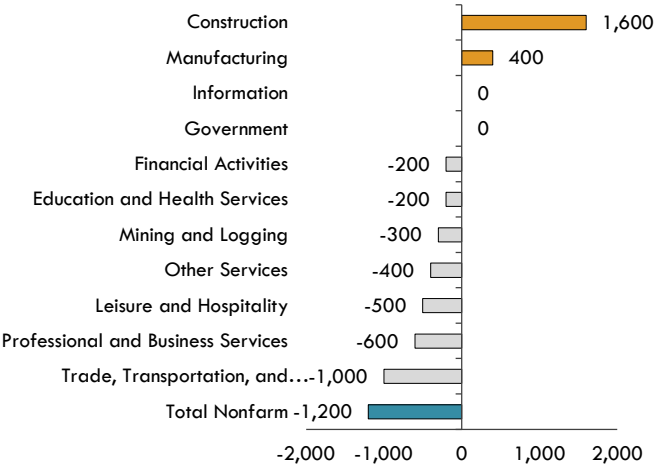


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21

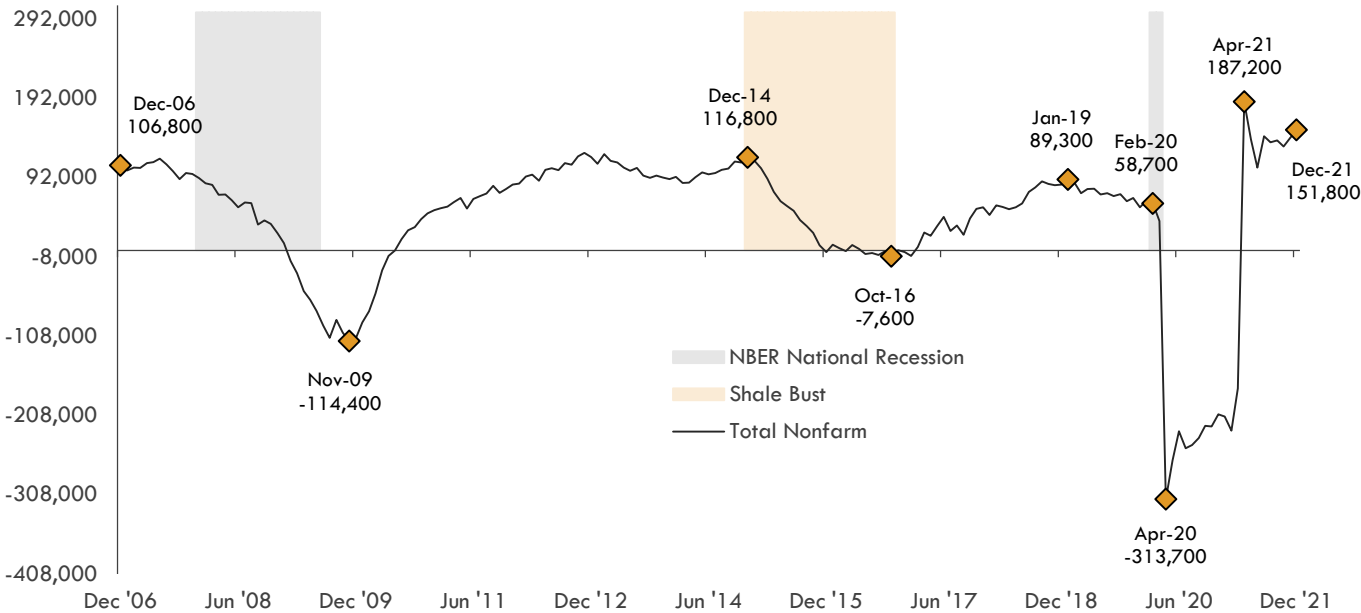
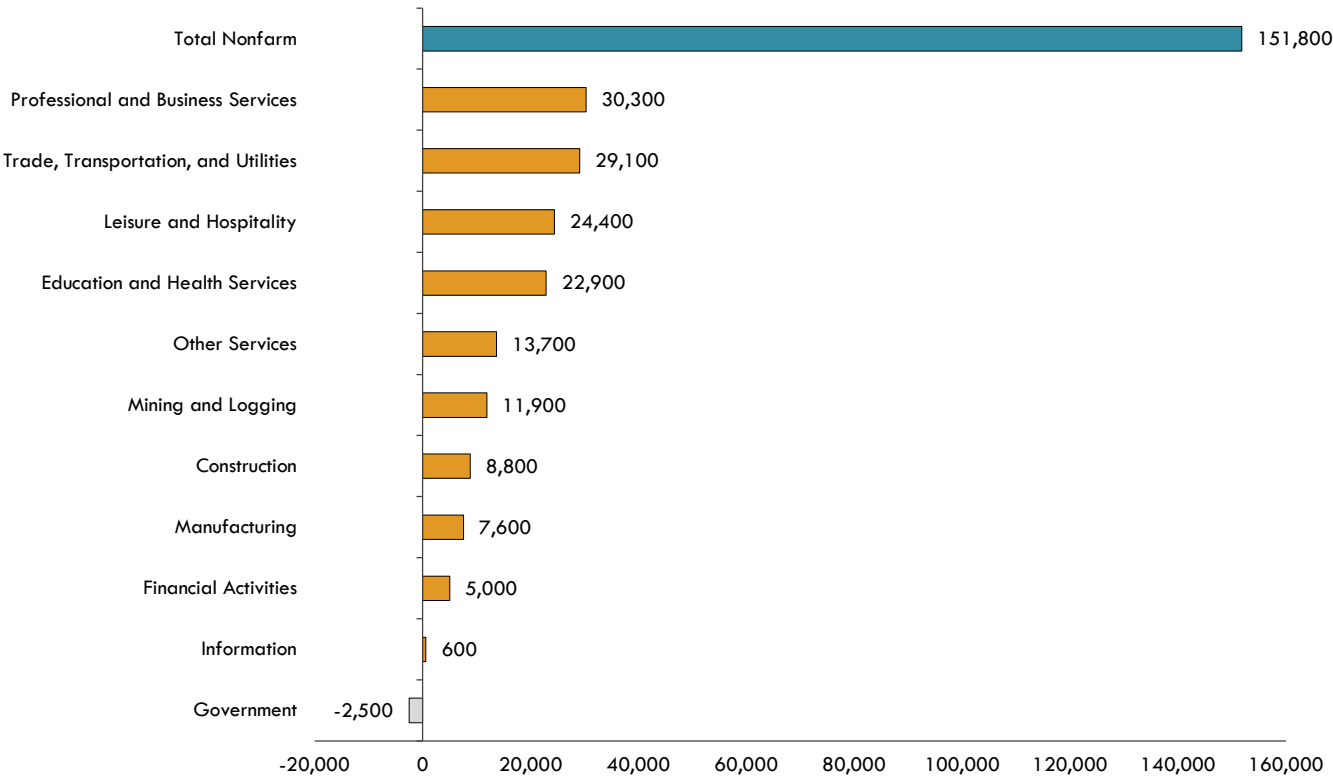


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
December 2020 to December 2021



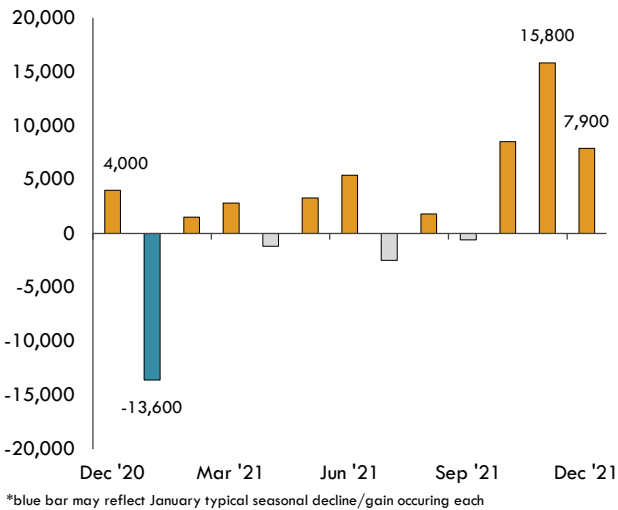
GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 7,900 jobs, or 1.2 percent. (see Chart 6.) The largest all-time one-month gain on record for this sector occurred in November 2019, up 17,400 jobs. The largest decline on record occurred in April 2020, down -50,000 jobs. Historically in the month of December, Trade, Transportation, and Utilities has added an average of 7,800 jobs over the month, which indicates that this month's gains are on par with above the long-term average. Retail Trade was the largest contributor to the overall sector's increase, up 4,500 jobs over the month. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 4,200 jobs from November to December. Lastly, Wholesale Trade offset a portion of the sector's gains with a loss of -800 jobs. Trade, Transportation, and Utilities employment was revised downward by -1,000 jobs for a October to November smaller net gain of 15,800 compared to an original estimate of 16,800 jobs.

Chart 6. Trade, Transportation, and Utilities (NSA)  
Over-the-month Net Change, Dec-20 to Dec-21

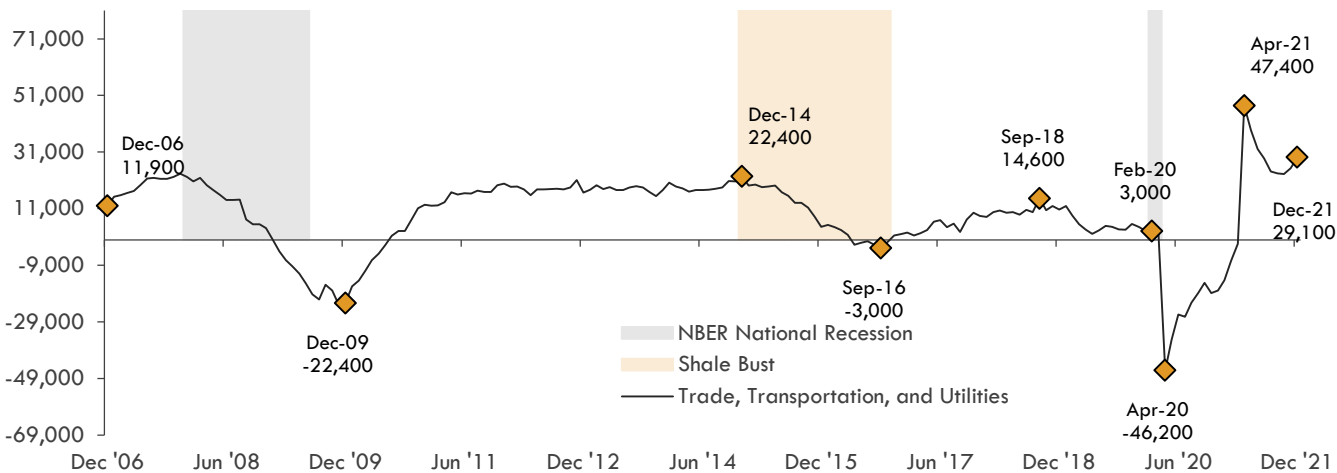


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 29,100 jobs, or 4.6 percent. (see Chart 7.) This was the largest-ever year-over-year gain in the month of December since records began in 1990. Furthermore, 18.9 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. The largest over-the-year gain on record for this sector occurred in April 2021, up 47,400 jobs. The largest decline on record occurred in April 2020, down -46,200 jobs. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's

increase, up 14,800 jobs over the year. The second-largest contributor was Retail Trade, which added 9,800 jobs from December a year ago. Lastly, Wholesale Trade contributed, 4,500 jobs. Trade, Transportation, and Utilities's share of Houston area Total Nonfarm Employment has remained constant at 21.2 percent over the past year.

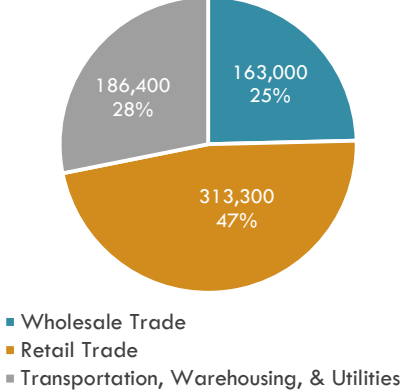
Chart 7. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 47 percent. (see Chart 8.) Across the Houston MSA, the concentration of jobs in the overall sector is 10 percent higher than the national average, due to a 34-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 8. Employment in Component Industries of Trade, Transportation, and Utilities Sector - December 2021



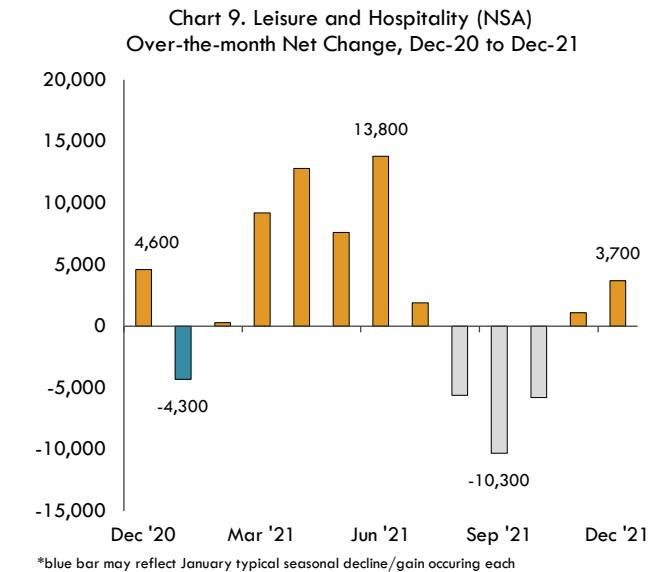
GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the second-largest gaining sector over the month up 3,700 jobs, or 1.2 percent. (see Chart 9.) The largest all-time one-month gain on record for this sector occurred in May 2020, up 42,100 jobs. The largest decline on record occurred in April 2020, down -123,400 jobs. Historically in the month of December, Leisure and Hospitality has added an average of 800 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Modest gains have typically been recorded in December punctuated by occasional losses and/or over-the-month net zero changes in employment. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 3,500 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 200 jobs from November to December. Leisure and Hospitality employment was revised downward by -500 jobs for a October to November smaller net gain of 1,100 compared to an original

1,600 jobs.

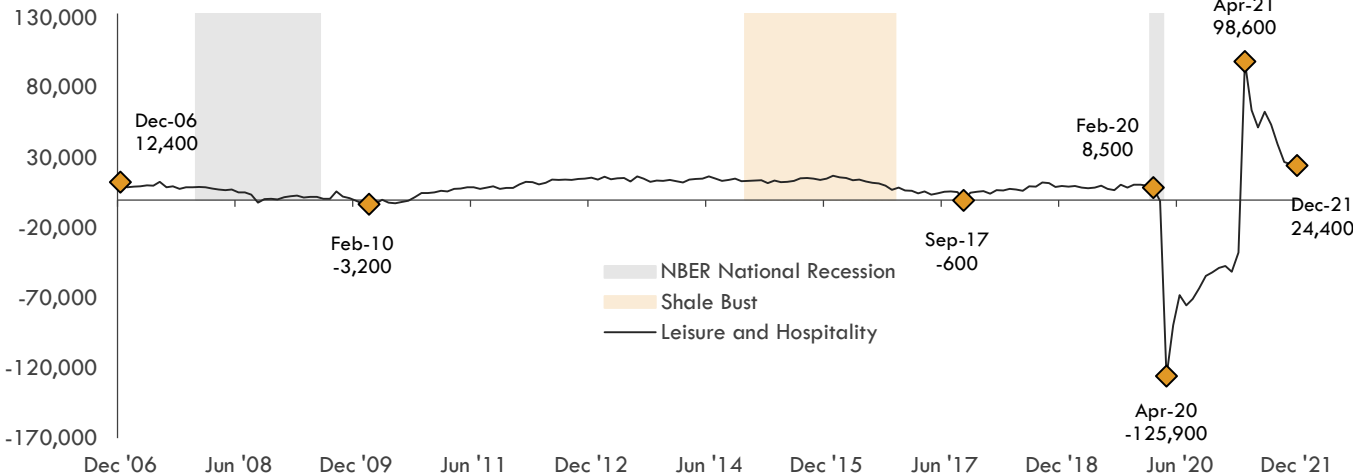


Over-the-year Change

Year over year, Leisure and Hospitality was up 24,400 jobs, or 8.5 percent. (see Chart 10.) This was the largest-ever year-over-year gain in the month of December since records began in 1990. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 15.8 percent of total (gross) jobs added across the region over the past year can be attributed to Leisure and Hospitality. The largest over-the-year gain on record for this sector occurred in April 2021, up 98,600 jobs. The largest decline on record occurred in April 2020, down -125,900

jobs. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 21,900 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 2,500 jobs from December a year ago. Since shedding -127,900 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 80 percent of jobs lost as of December. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has risen from 9.6 percent to 9.9 percent over the past year.

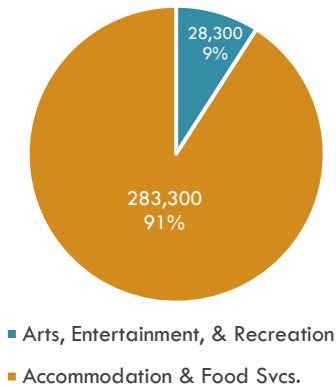
Chart 10. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, of exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 91 percent. (see Chart 11.)

Chart 11. Employment in Component Industries of  
Leisure and Hospitality Sector - December 2021



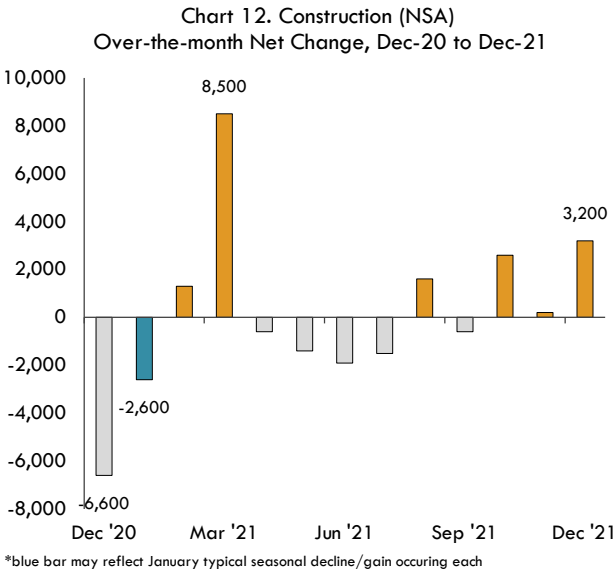
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the third-largest gaining sector over the month up 3,200 jobs, or 1.5 percent. (see Chart 12.) This was the largest-ever gain in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in March 2021, up 8,500 jobs. The largest decline on record occurred in April 2020, down -23,700 jobs. Historically in the month of December, Construction has lost an average of -1,200 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Job losses in Construction have been typical in most Decembers since records began. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 1,700 jobs over the month. The second-largest contributor was Construction of Buildings, which added 900 jobs from November to December. Lastly, Heavy and Civil Engineering Construction contributed, 600 jobs. Construction employment was revised upward by 1,600 jobs for a October

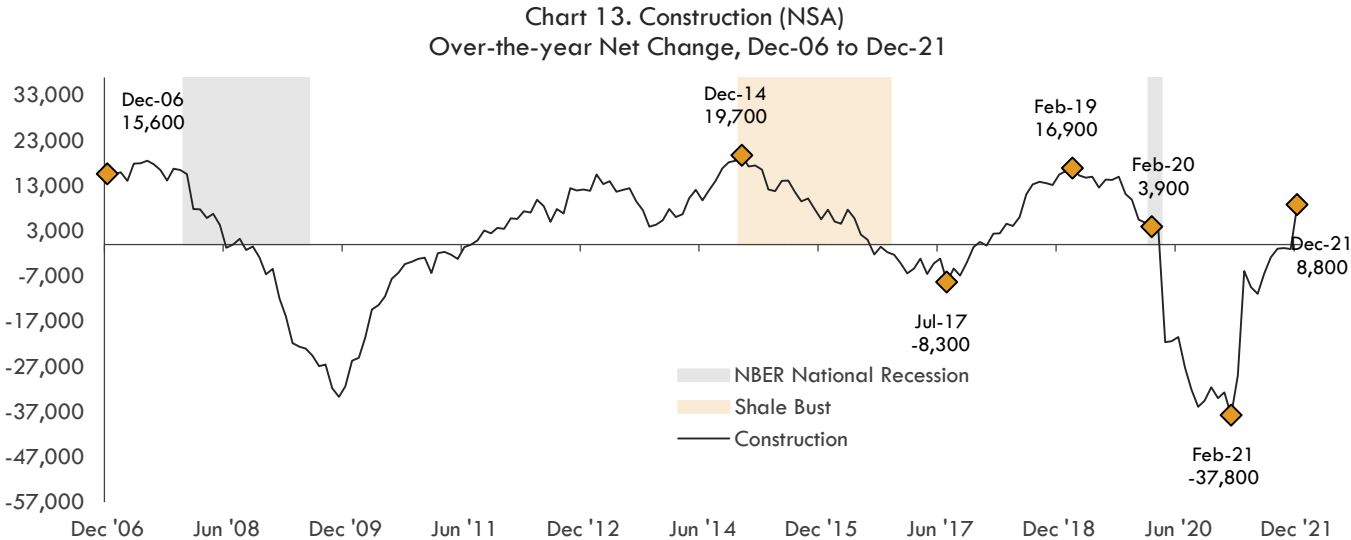
to November complete erasure of losses resulting in a net gain of 200 compared to an original estimate of -1,400 jobs.



Over-the-year Change

Year over year, Construction was up 8,800 jobs, or 4.4 percent. (see Chart 13.) The largest over-the-year gain on record for this sector occurred in December 2014, up 19,700 jobs. The largest decline on record occurred in February 2021, down -37,800 jobs. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 6,500 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 1,400 jobs from December a year ago. Lastly, Construction of Buildings contributed, 900 jobs. Since shedding -24,000 jobs over March

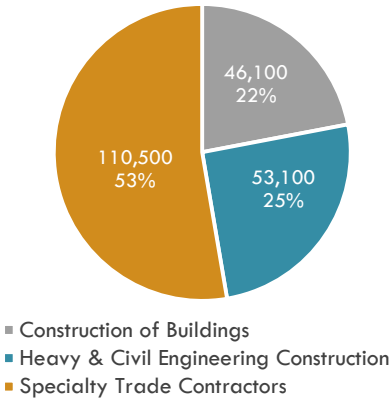
and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Construction's share of Houston area Total Nonfarm Employment has remained constant at 6.7 percent over the past year.



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and subdivision, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a slight majority of the sector's employment at just over 53 percent. (see Chart 14.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 34 percent higher than the national average, due to 2.5 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 14. Employment in Component Industries of Construction Sector - December 2021

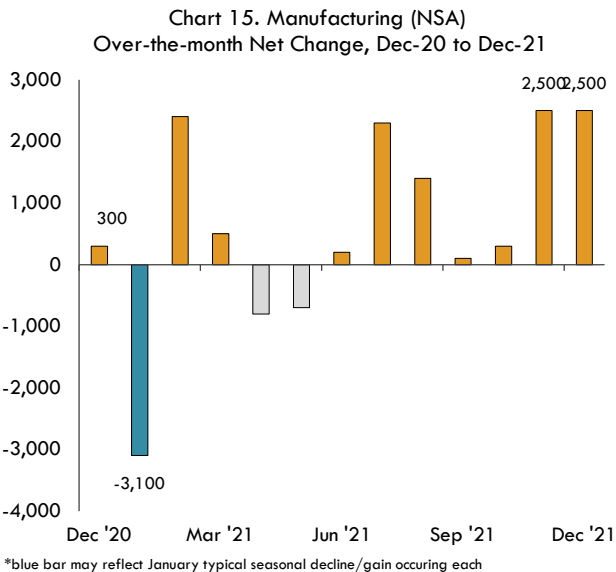


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 2,500 jobs, or 1.2 percent. (see Chart 15.) This was the largest-ever gain in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in June 1990, up 3,200 jobs. The largest decline on record occurred in April 2020, down -10,600 jobs. Historically in the month of December, Manufacturing has added an average of 700 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Durable Goods was the largest contributor to the overall sector's increase, up 1,600 jobs over the month. The second-largest contributor was Non-Durable Goods, which added 900 jobs from November to December. Manufacturing employment was revised upward by 400 jobs for a October to November larger net gain of 2,500 compared to an original estimate of 2,100 jobs.

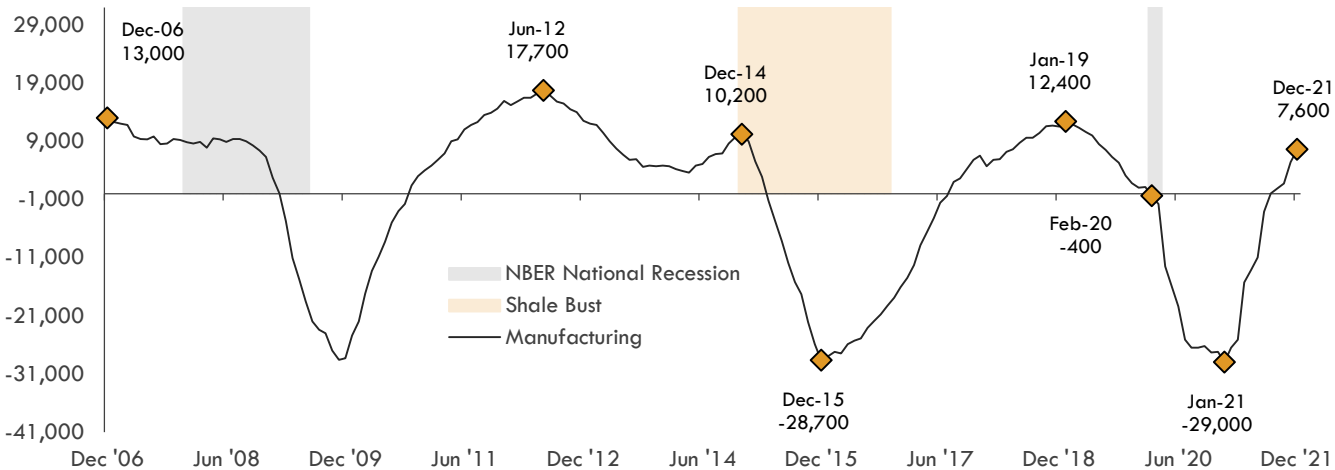


Over-the-year Change

Year over year, Manufacturing was up 7,600 jobs, or 3.6 percent. (see Chart 16.) The largest over-the-year gain on record for this sector occurred in June 2012, up 17,700 jobs. The largest decline on record occurred in January 2021, down -29,000 jobs. Durable Goods was the largest contributor to the overall sector's increase, up 8,600 jobs over the year. One component industry that provided a partial offset was Non-Durable Goods, which lost -1,000 jobs from December a year ago. Since shedding -11,500 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post

total employment that remains -10 percent below levels reported in February 2020. Manufacturing's share of Houston area Total Nonfarm Employment has remained constant at 7.0 percent over the past year.

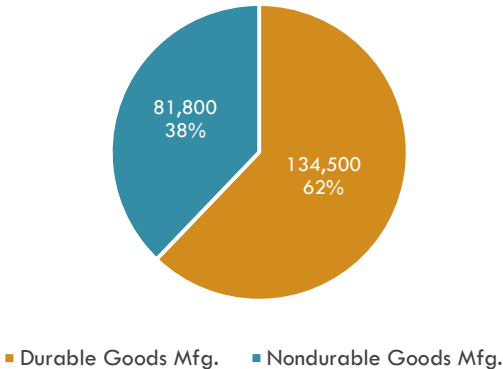
Chart 16. Manufacturing (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 62 percent. (see Chart 17.) Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 18 percent less than the national average.

Chart 17. Employment in Component Industries of  
Manufacturing Sector - December 2021



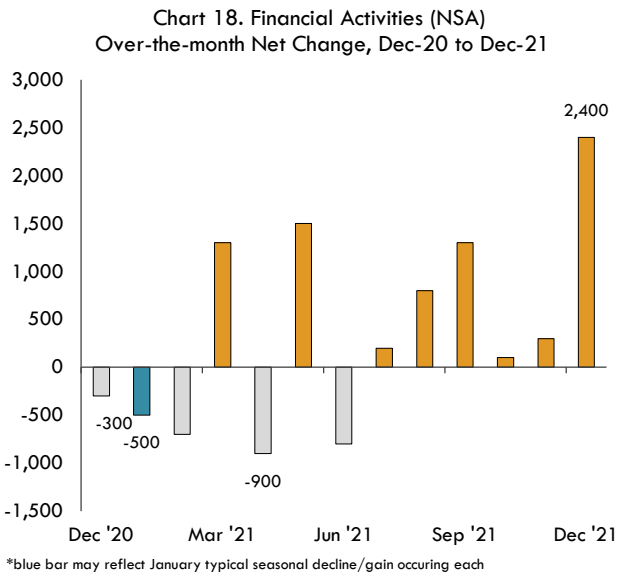


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

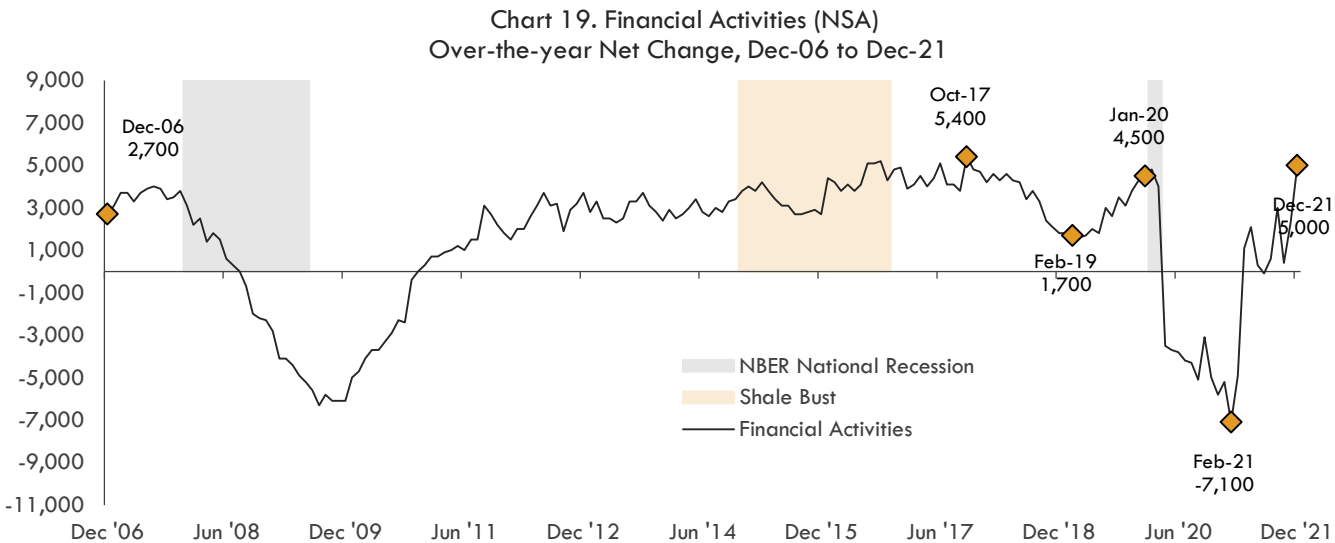
Financial Activities also saw an increase over the month up 2,400 jobs, or 1.4 percent. (see Chart 18.) This was the largest-ever gain in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in October 2020, up 2,700 jobs. The largest decline on record occurred in April 2020, down -6,900 jobs. Historically in the month of December, Financial Activities has added an average of 400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Finance and Insurance was the largest contributor to the overall sector's increase, up 1,700 jobs over the month. The second-largest contributor was Real Estate and Rental and Leasing, which added 700 jobs from November to December. Financial Activities employment was revised downward by -200 jobs for a October to November smaller net gain of 300 compared to an original estimate of 500 jobs.



Over-the-year Change

Year over year, Financial Activities was up 5,000 jobs, or 3.1 percent. (see Chart 19.) The largest over-the-year gain on record for this sector occurred in September 1998, up 9,000 jobs. The largest decline on record occurred in February 2021, down -7,100 jobs. Finance and Insurance was the largest contributor to the overall sector's increase, up 5,000 jobs over the year. One component industry, Real Estate and Rental and Leasing, saw no change from December a year ago. Since shedding -7,800 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately

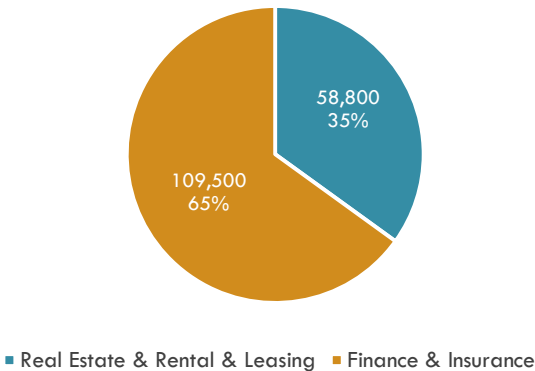
of December. Financial Activities's share of Houston area Total Nonfarm Employment has fallen from 5.5 percent to 5.3 percent over the past year.



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 65 percent. (see Chart 20.)

Chart 20. Employment in Component Industries of Financial Activities Sector - December 2021

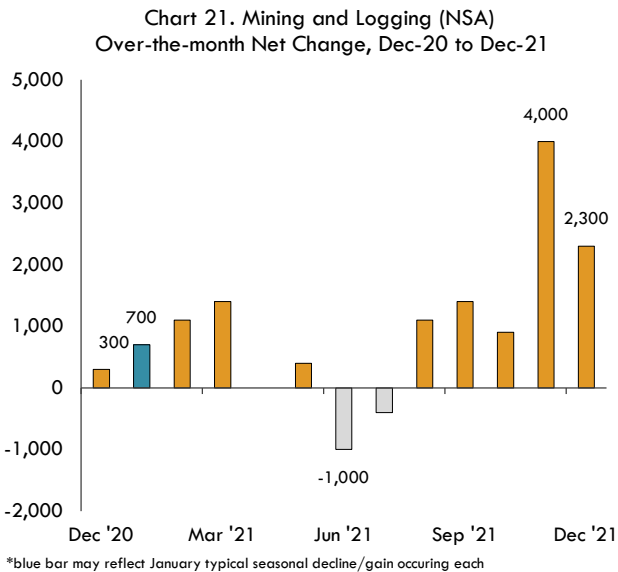


GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 2,300 jobs, or 3.0 percent. (see Chart 21.) This was the largest-ever gain in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in November 2021, up 4,000 jobs. The largest decline on record occurred in April 2020, down -5,200 jobs. Historically in the month of December, Mining and Logging has added an average of 400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Support Activities for Mining was the largest contributor to the overall sector's increase, up 1,300 jobs over the month. The second-largest contributor was Oil and Gas Extraction, which added 700 jobs from November to December. Lastly, Other Mining and Logging Undefined contributed, 300 jobs. Mining and Logging employment was revised downward by -300 jobs for a October to November smaller net gain of 4,000 compared to an original estimate of 4,300 jobs.

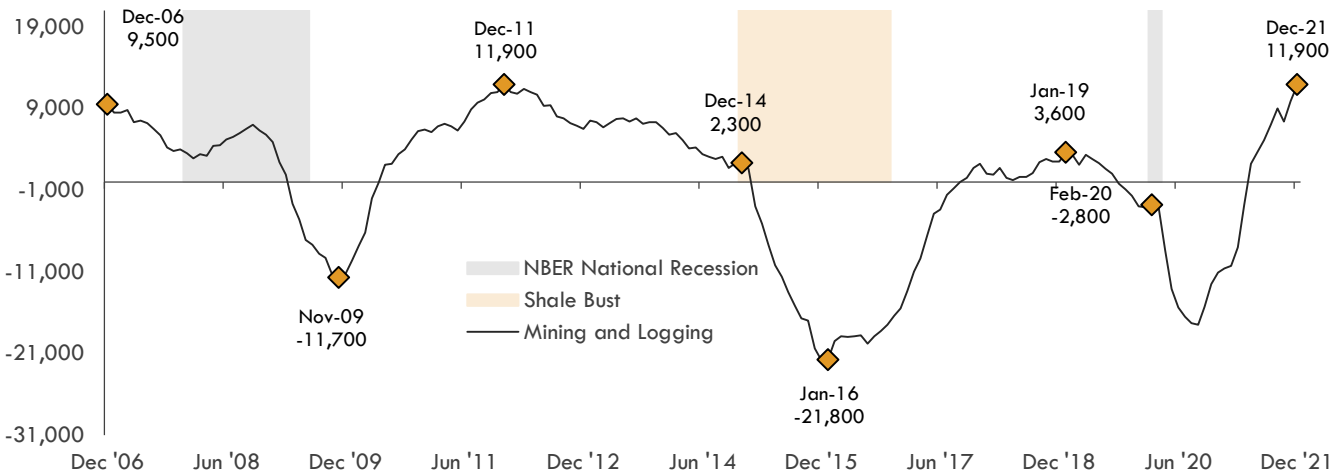


Over-the-year Change

Year over year, Mining and Logging was up 11,900 jobs, or 17.9 percent. (see Chart 22.) Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in December 2011, up 11,900 jobs. The largest decline on record occurred in January 2016, down -21,800 jobs. Support Activities for Mining was the largest contributor to the overall sector's increase, up 7,000 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 3,500 jobs from December a year ago.

Other Mining and Logging Undefined contributed, 1,400 jobs. Since shedding -6,100 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 100 percent of jobs lost as of December. Mining and Logging's share of Houston area Total Nonfarm Employment has risen from 2.2 percent to 2.5 percent over the past year.

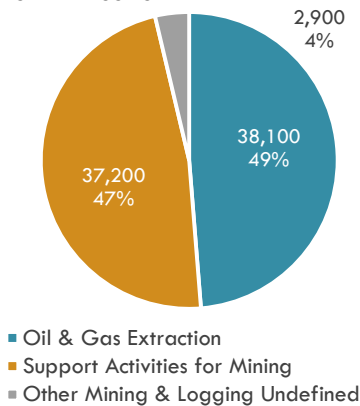
Chart 22. Mining and Logging (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Oil and Gas Extraction accounts for a plurality of the sector's employment at 49 percent. (see Chart 23.) Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.7 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 23. Employment in Component Industries of  
Mining and Logging Sector - December 2021





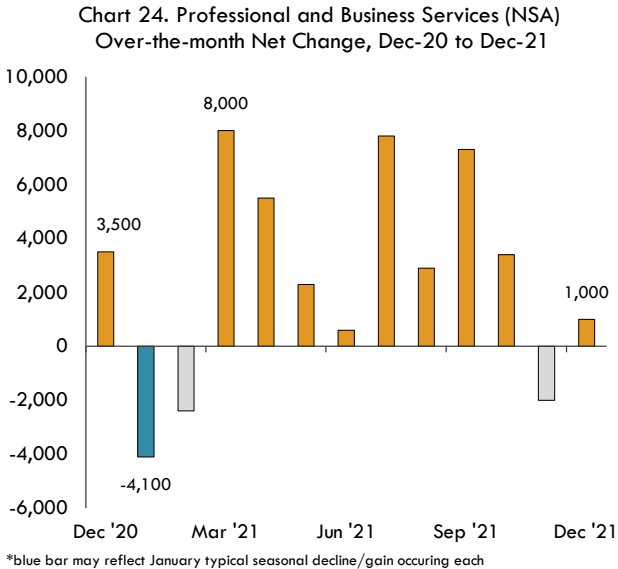
GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services also saw an increase over the month up 1,000 jobs, or 0.2 percent. (see Chart 24.) The largest all-time one-month gain on record for this sector occurred in March 2021, up 8,000 jobs. The largest decline on record occurred in April 2020, down -37,800 jobs. Historically in the month of December, Professional and Business Services has added an average of 800 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. One component industry, Professional, Scientific, and Technical Services, saw no change from November to December. Lastly, Management of Companies and Enterprises offset a portion of the sector's gains with a loss of -200 jobs. Professional and Business Services employment was revised downward by -600 jobs for a October to November larger net loss of -2,000 compared to an original

estimate of -1,400 jobs.

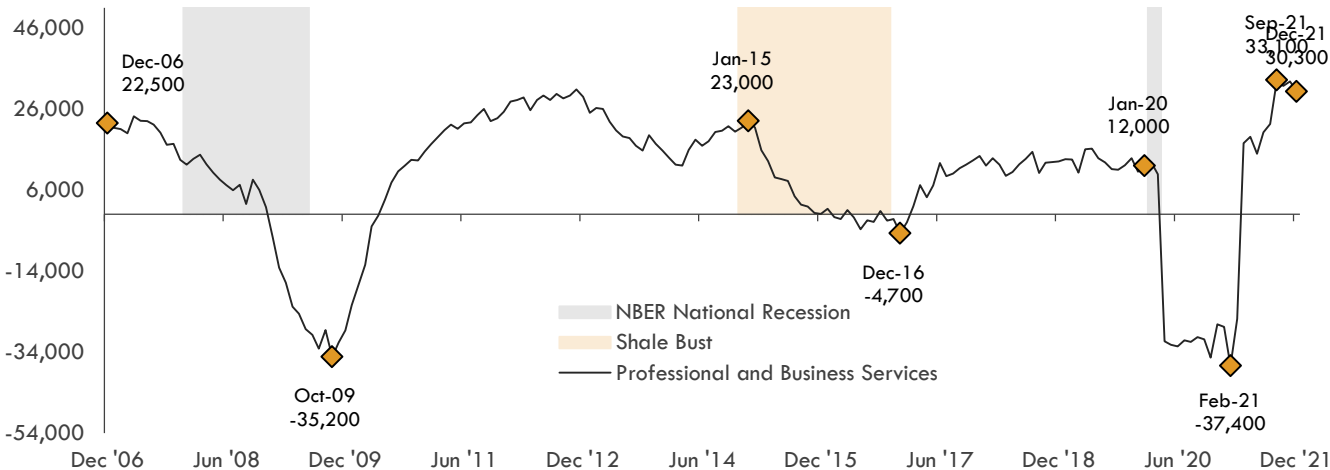


Over-the-year Change

Year over year, Professional and Business Services was up 30,300 jobs, or 6.3 percent. (see Chart 25.) This was the largest-ever year-over-year gain in the month of December since records began in 1990. Furthermore, 19.6 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. The largest over-the-year gain on record for this sector occurred in September 2021, up 33,100 jobs. The largest decline on record occurred in February 2021, down -37,400 jobs. Professional, Scientific, and Technical Services was the largest contributor to the

overall sector's increase, up 15,900 jobs over the year. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 15,200 jobs from December a year ago. Lastly, Management of Companies and Enterprises offset a portion of the sector's gains with a loss of -800 jobs. Since shedding -41,400 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 100 percent of jobs lost as of December. Professional and Business Services's share of Houston area Total Nonfarm Employment has risen from 16.1 percent to 16.3 percent over the past year.

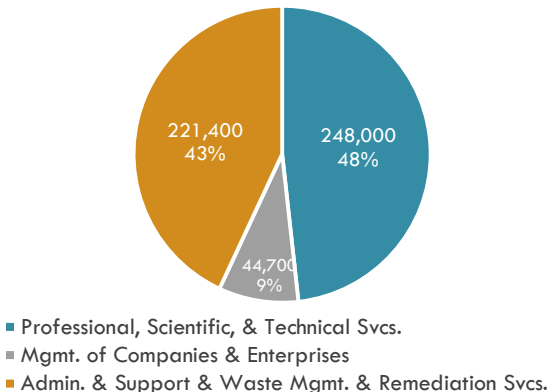
Chart 25. Professional and Business Services (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a plurality of the sector's employment at 48 percent. (see Chart 26.)

Chart 26. Employment in Component Industries of Professional and Business Services Sector - December 2021



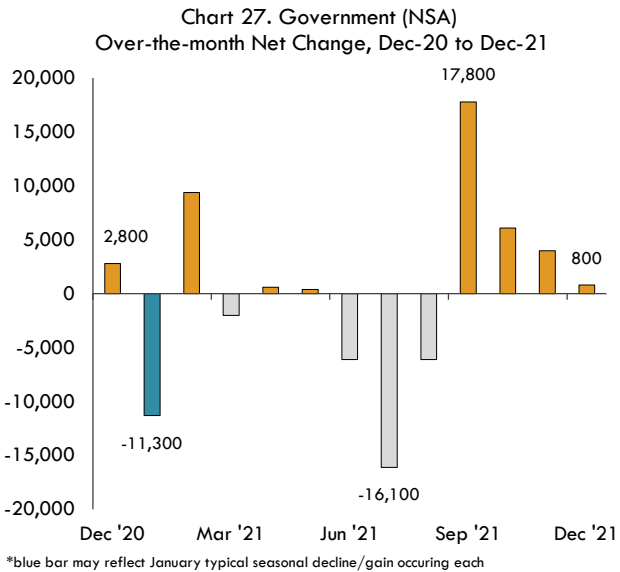
GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government also saw an increase over the month up 800 jobs, or 0.2 percent. (see Chart 27.) The largest all-time one-month gain on record for this sector occurred in September 2013, up 22,500 jobs. The largest decline on record occurred in April 2020, down -10,700 jobs. Historically in the month of December, Government has lost an average of -300 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Government, which includes primary, secondary, and postsecondary public education has in recent years begun posting slight gains in December possibly due mid-year staff replacement and/or additional hiring as final enrollment counts are received. Local Government was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Federal Government, which added 300 jobs from November to December. Lastly, State Government contributed, 100 jobs. Government employment saw no revision from October to

leaving the previous month's original increase of 4,000 intact.

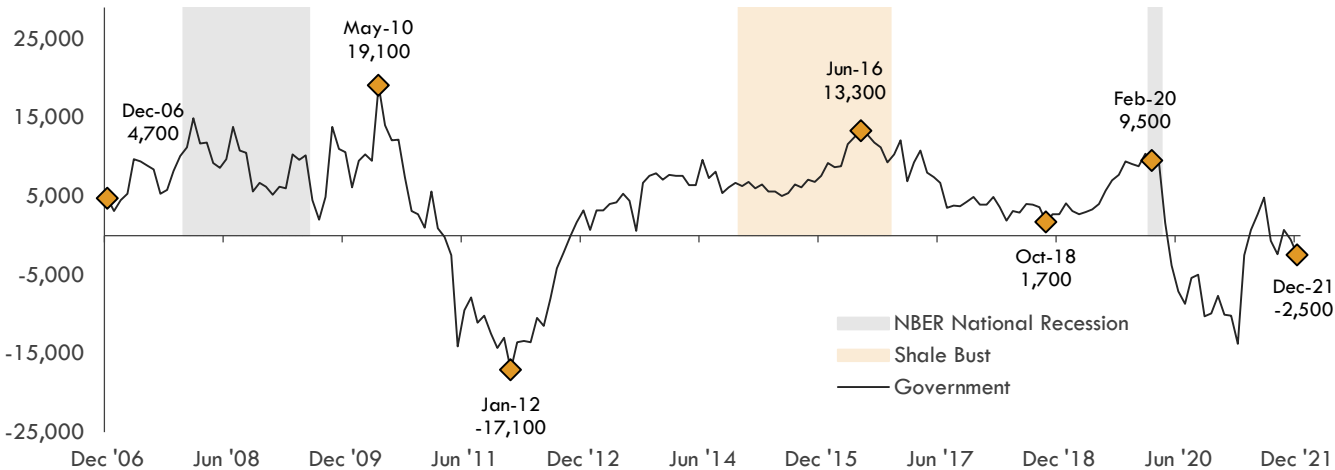


Over-the-year Change

Year over year, Government was down -2,500 jobs, or -0.6 percent. (see Chart 28.) Furthermore, 100.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Government. The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest decline on record occurred in January 2012, down -17,100 jobs. Local Government was the largest contributor to the overall sector's decline, down -4,700 jobs over the year. One component industry that provided a partial offset was Federal Government, which gained 800 jobs from December a

year ago. Lastly, State Government offset a portion of the sector's losses with a gain of 1,400 jobs. Since shedding -9,100 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains 0 percent below levels reported in February 2020. Government's share of Houston area Total Nonfarm Employment has fallen from 14.0 percent to 13.3 percent over the past year.

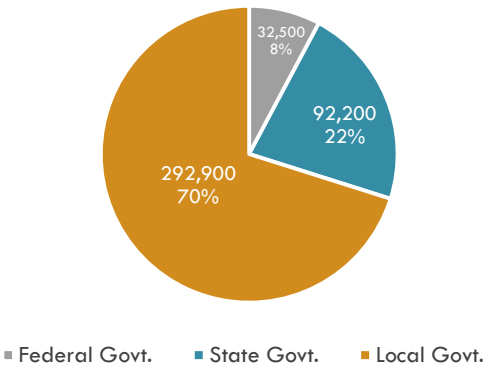
Chart 28. Government (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 70 percent. (see Chart 29.)

Chart 29. Employment in Component Industries of Government Sector - December 2021

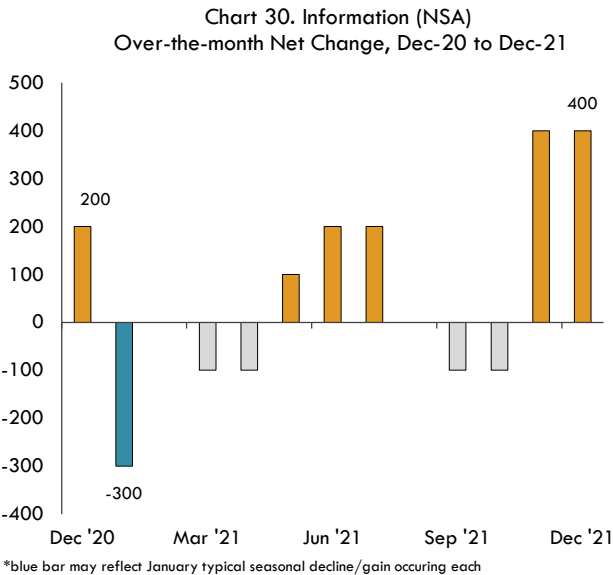


GAINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

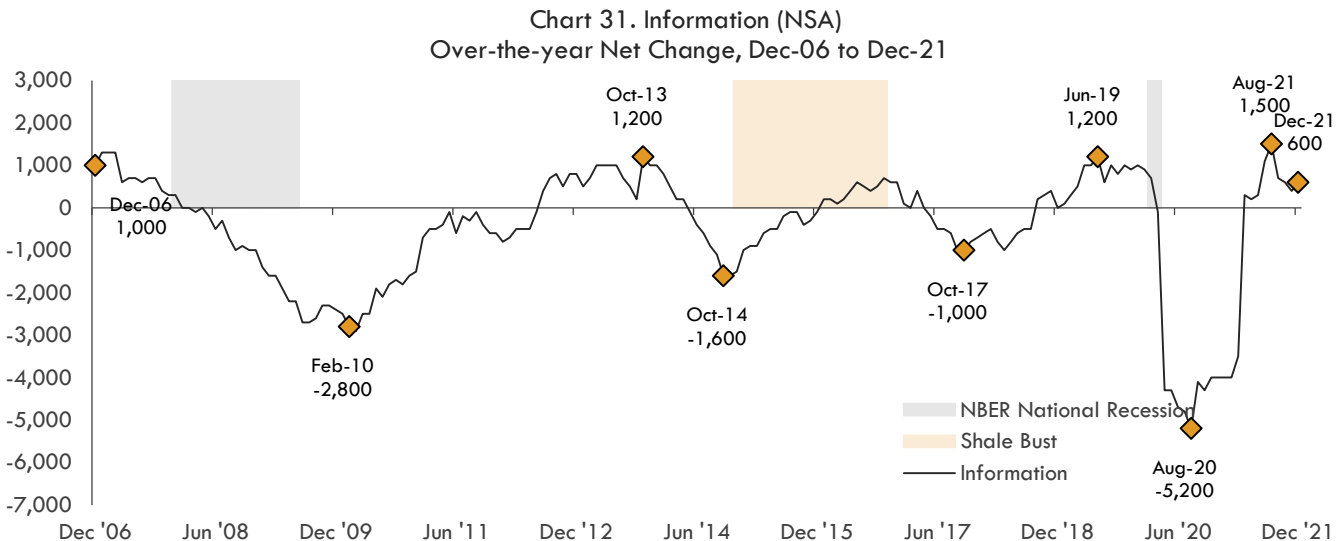
Information also saw an increase over the month up 400 jobs, or 1.4 percent. (see Chart 30.) The largest all-time one-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest decline on record occurred in April 2020, down -3,900 jobs. Historically in the month of December, Information has added an average of 200 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Other Information Undefined was the largest contributor to the overall sector's increase, up 400 jobs over the month. One component industry, Telecommunications, saw no change from November to December. Information employment saw no revision from October to November leaving the previous month's original increase of 400 intact.



Over-the-year Change

Year over year, Information was up 600 jobs, or 2.1 percent. (see Chart 31.) The largest over-the-year gain on record for this sector occurred in June 1997, up 4,600 jobs. The largest decline on record occurred in April 2002, down -7,000 jobs. Other Information Undefined was the largest contributor to the overall sector's increase, up 900 jobs over the year. One component industry that provided a partial offset was Telecommunications, which lost -300 jobs from December a year ago. Since shedding -4,500 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 30 percent

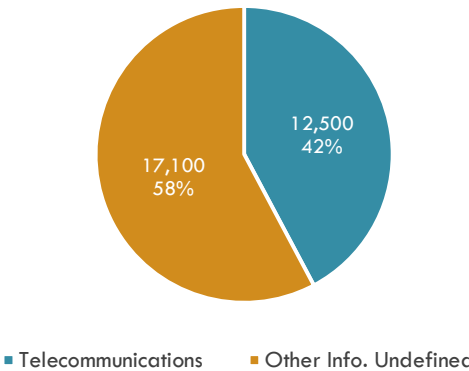
of jobs lost as of December. Information's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.



About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 58 percent. (see Chart 32.) Across the Houston MSA, the concentration of jobs in the overall Information sector is 50 percent less than the national average.

Chart 32. Employment in Component Industries of Information Sector - December 2021

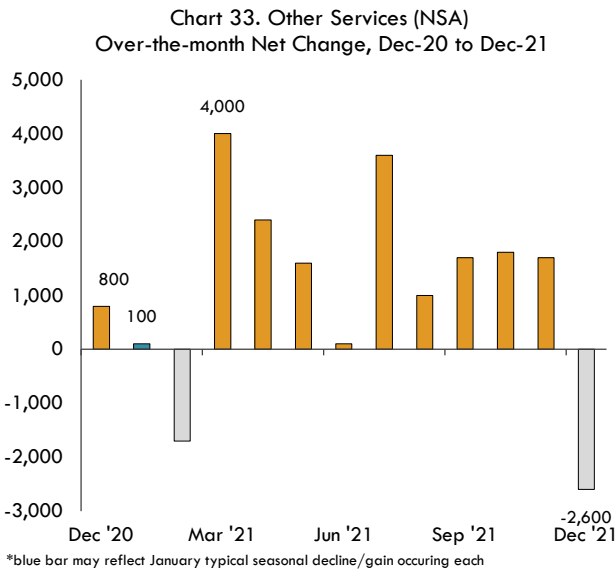


DECLINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services was the largest declining sector over the month down -2,600 jobs, or -2.1 percent. (see Chart 33.) This was the largest-ever decline in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in June 2020, up 8,000 jobs. The largest decline on record occurred in April 2020, down -28,300 jobs. Historically in the month of December, Other Services has lost an average of -30 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Gains in this sector have been recorded roughly two-thirds of the time over the past two and a half decades. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised downward by -400 jobs for a October to November smaller net gain of 1,700 compared to an original estimate of 2,100 jobs.

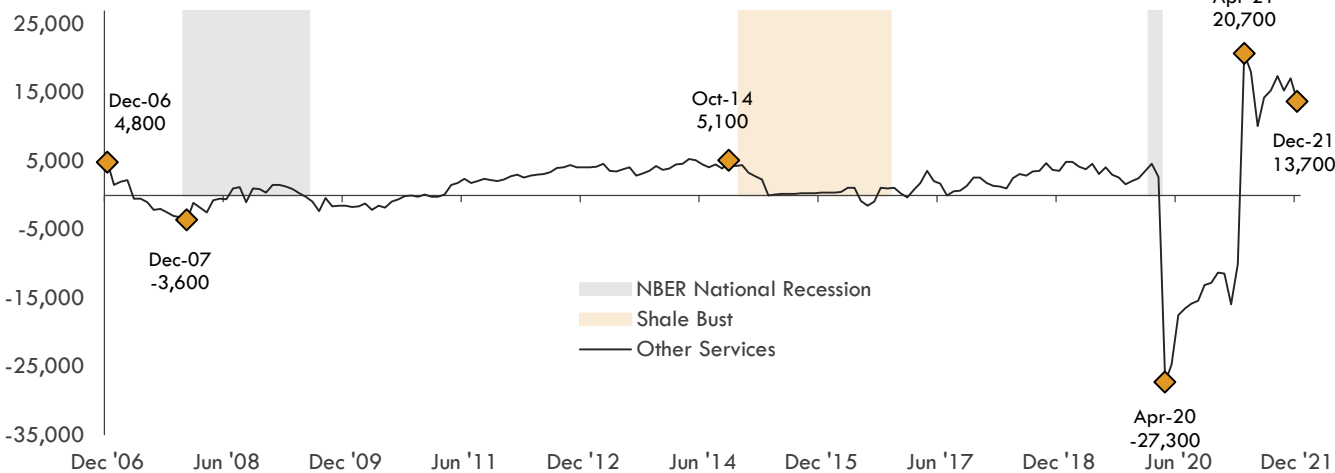


Over-the-year Change

Year over year, Other Services was up 13,700 jobs, or 13.1 percent. (see Chart 34.) This was the largest-ever year-over-year gain in the month of December since records began in 1990. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in April 2021, up 20,700 jobs. The largest decline on record occurred in April 2020, down -27,300 jobs. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Since shedding -30,200 jobs

and April 2020 due to the impact of COVID-19, this sector has recovered approximately 100 percent of jobs lost as of December. Other Services's share of Houston area Total Nonfarm Employment has risen from 3.5 percent to 3.8 percent over the past year.

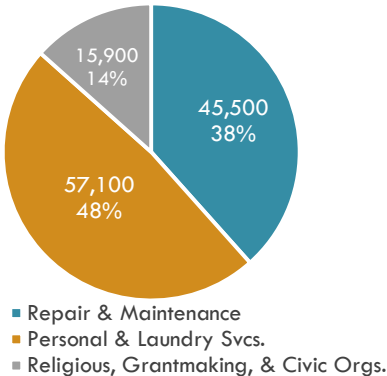
Chart 34. Other Services (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages). (see Chart 35.)

Chart 35. Employment in Component Industries of  
Other Services Sector - December 2021



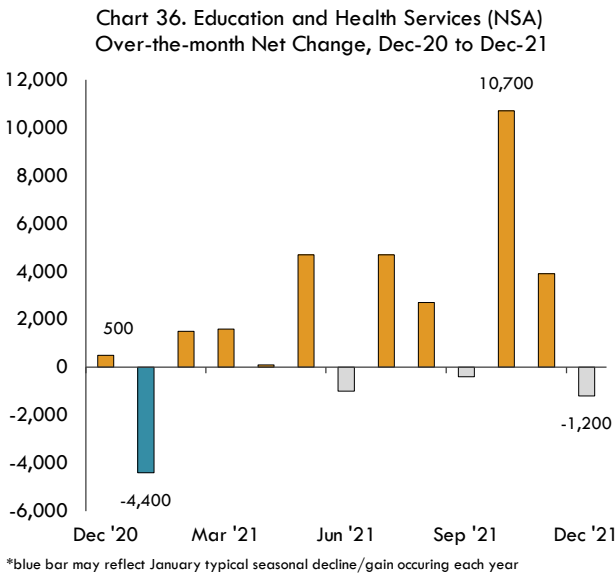
\*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services was the second-largest declining sector over the month down -1,200 jobs, or -0.3 percent. (see Chart 36.) This was the largest-ever decline in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 15,500 jobs. The largest decline on record occurred in April 2020, down -42,900 jobs. Historically in the month of December, Education and Health Services has added an average of 600 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Health Care and Social Assistance was the largest contributor to the overall sector's decline, down -1,100 jobs over the month. The second-largest declining contributor was Educational Services, which lost -100 jobs from November to December. Education and Health Services employment was revised downward by -200 jobs for a October to November smaller net gain of 3,900 compared to an original estimate of 4,100.

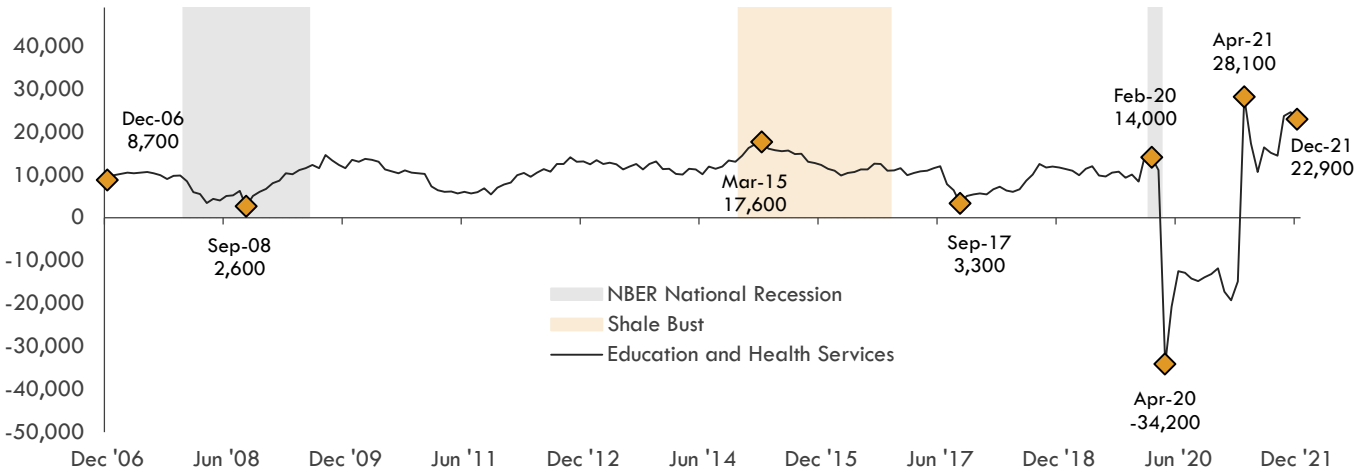


Over-the-year Change

Year over year, Education and Health Services was up 22,900 jobs, or 5.8 percent. (see Chart 37.) This was the largest-ever year-over-year gain in the month of December since records began in 1990. Furthermore, 14.8 percent of total (gross) jobs added across the region over the past year can be attributed to Education and Health Services. The largest over-the-year gain on record for this sector occurred in April 2021, up 28,100 jobs. The largest decline on record occurred in April 2020, down -34,200 jobs. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 15,700 jobs

over the year. The second-largest contributor was Educational Services, which added 7,200 jobs from December a year ago. Since shedding -45,700 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 110 percent of jobs lost as of December. Education and Health Services's share of Houston area Total Nonfarm Employment has remained constant at 13.3 percent over the past year.

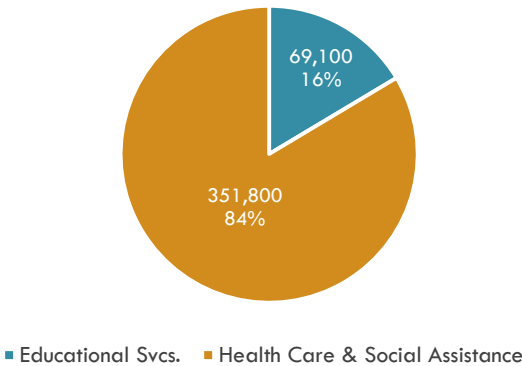
Chart 37. Education and Health Services (NSA)  
Over-the-year Net Change, Dec-06 to Dec-21



About This Sector

This sector is composed of establishments that provide private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 84 percent. (see Chart 38.)

Chart 38. Employment in Component Industries of Education and Health Services Sector - December 2021





Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.8 percent in December, down from November's 5.1 percent and down from 7.6 percent a year ago. This was above the statewide rate of 4.3 percent and above the national rate of 3.7 percent. An over-the-month decline in December is typical having occurred roughly 70 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 168,216 individuals were unemployed in Houston in December, down from November's 178,070 and down from 260,520 in December 2020.

Chart 39. Unemployment Rates (NSA)  
U.S., Texas, and Houston MSA  
December 2021

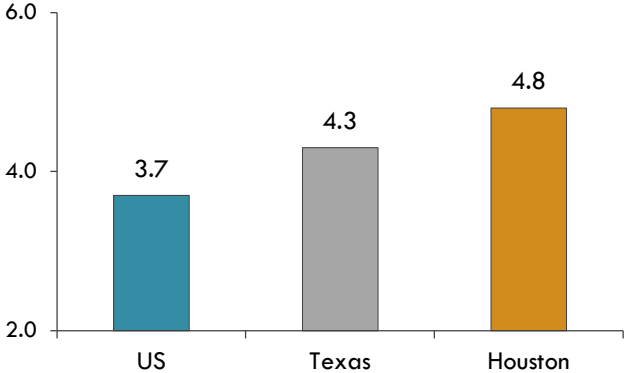
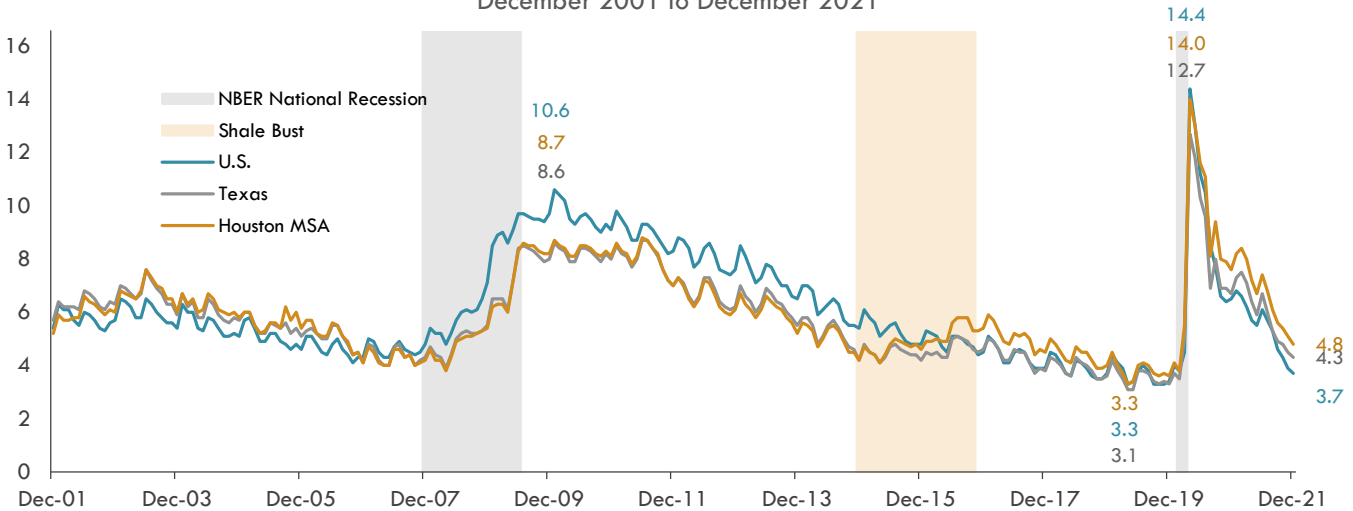


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)  
December 2001 to December 2021

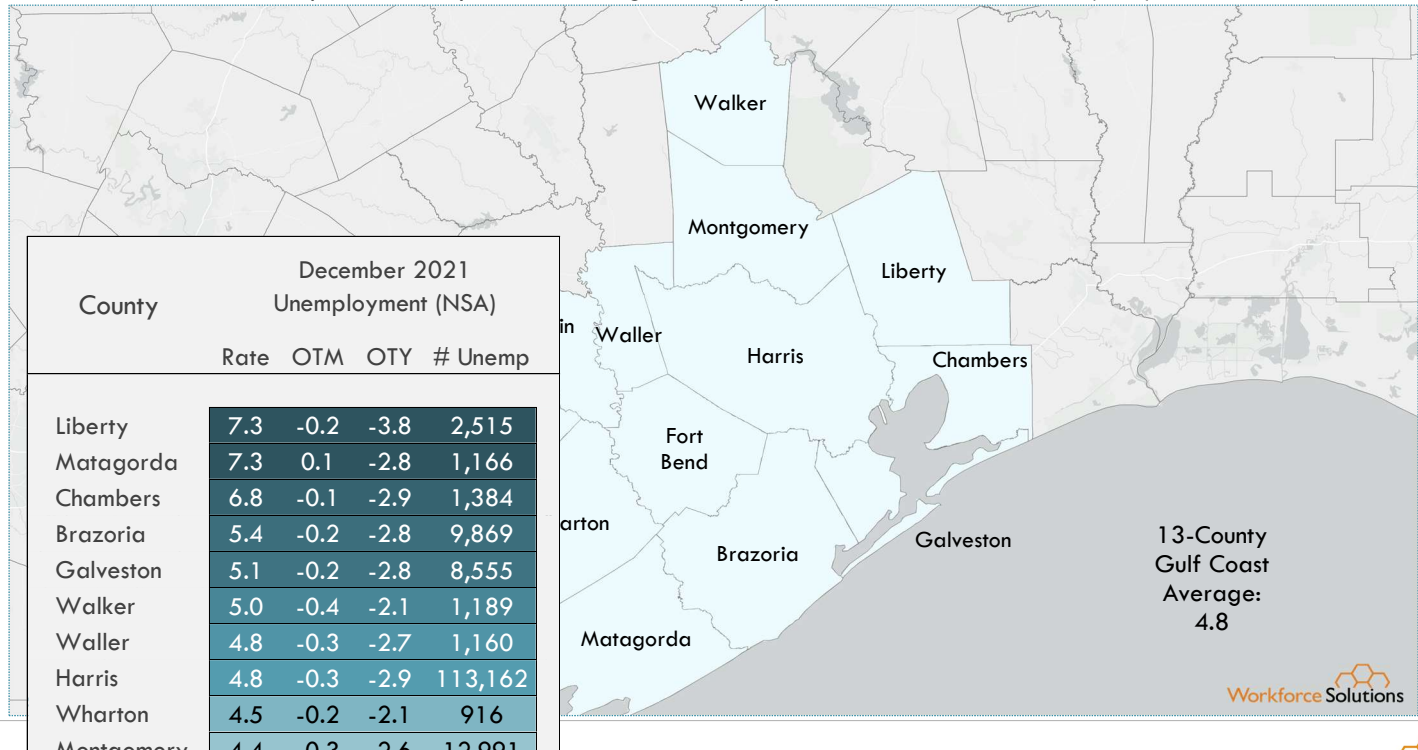


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in December ranged from a high of 7.3 percent in Liberty County to a low of 3.8 percent in Colorado. (see Map 1.) Over the month, 12 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.3 percentage points while one increased. Austin saw the largest percentage-point decrease in unemployment down -0.5 pp. representing -62 fewer unemployed workers compared to the previous month. This was

followed by Fort Bend (-0.4 pp, -1,308 workers) and Walker (-0.4 pp, -98 workers). Over the year unemployment rates also fell, with Liberty posting the largest decrease, down -3.8 percentage points representing -1,277 fewer unemployed workers compared to a year ago followed by Chambers (-2.9 pp, -567 workers) and Harris (-2.9 pp, -63,516 workers). Since peaking at 466,478 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -294,628 as of this December.

Map 1. 13-County Gulf Coast Region Unemployment Rates December 2021 (NSA)





Montgomery	4.4	-0.3	-2.8	12,791
Fort Bend	4.4	-0.4	-2.6	18,000
Austin	4.1	-0.5	-2.3	580
Colorado	3.8	-0.3	-1.9	363

Local Area Unemployment Statistics (continued)

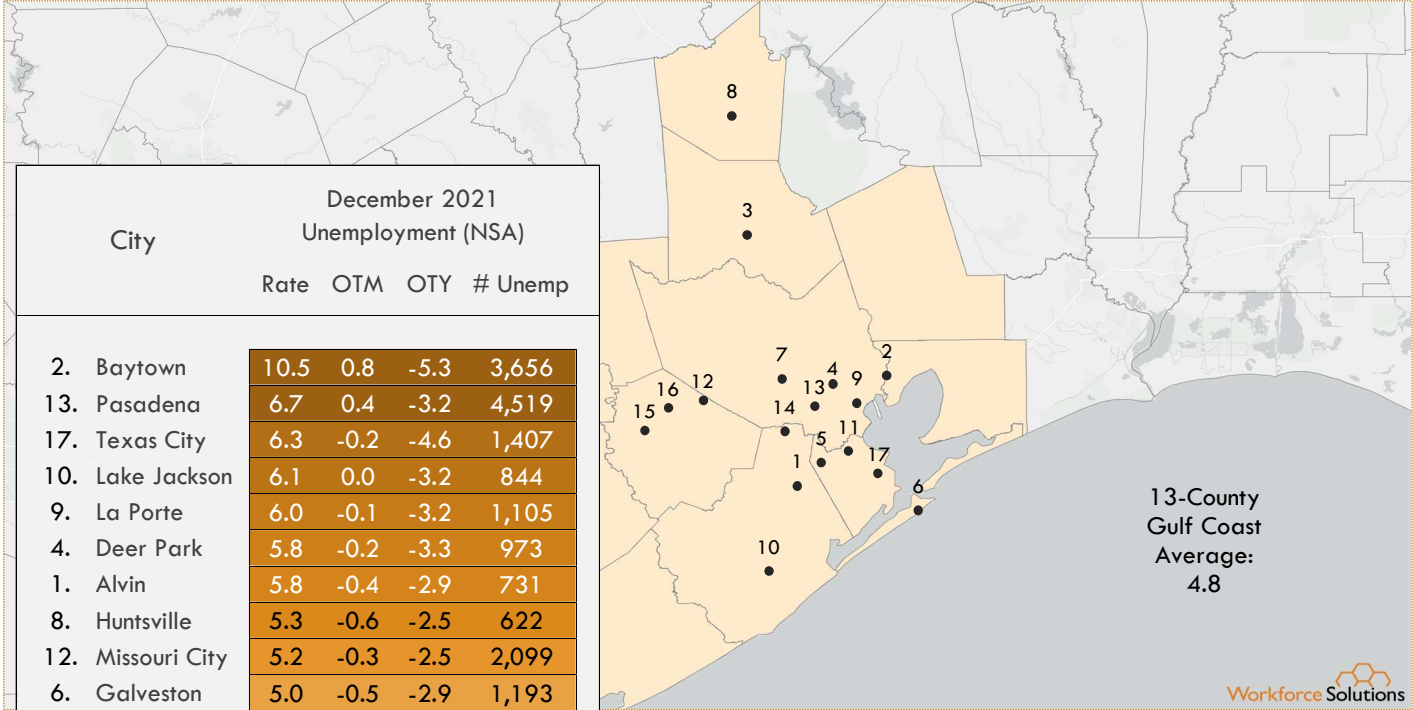
Not-Seasonally Adjusted

Unemployment Rates for Select Municipalities

Among the 17 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in December ranged from a high of 10.5 percent in Baytown to a low of 3.5 percent in Pearland. Over the month, 14 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.3 percentage points while two increased and one saw no change. Huntsville saw the

largest percentage-point decrease in unemployment down -0.6 pp. representing -77 fewer unemployed workers compared to the previous month. This was followed by Galveston (-0.5 pp, -118 workers) and Alvin (-0.4 pp, -56 workers). Over the year unemployment rates also fell, with Baytown posting the largest decrease, down -5.3 percentage points representing -1,920 fewer unemployed workers compared to a year ago followed by Texas City (-4.6 pp, -1,029 workers) and Deer Park (-3.3 pp, -530 workers). The 17 cities below accounted for 47 percent of the 171,850 unemployed workers across the Gulf Coast Region as of this December.

Map 2. 13-County Gulf Coast Region City Unemployment Rates December 2021 (NSA)



rate of 4.2 percent. 193,711 individuals were unemployed in Houston in November, virtually unchanged, down slightly from October's 197,021 and down from 316,785 in November 2020. NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay while they are not published for the 13-County Region or 17 cities.

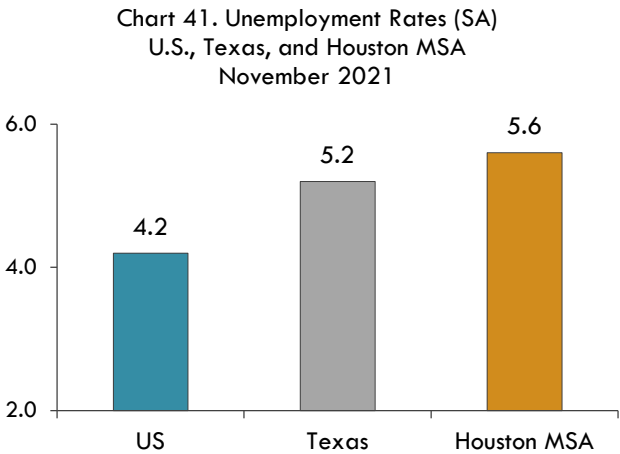
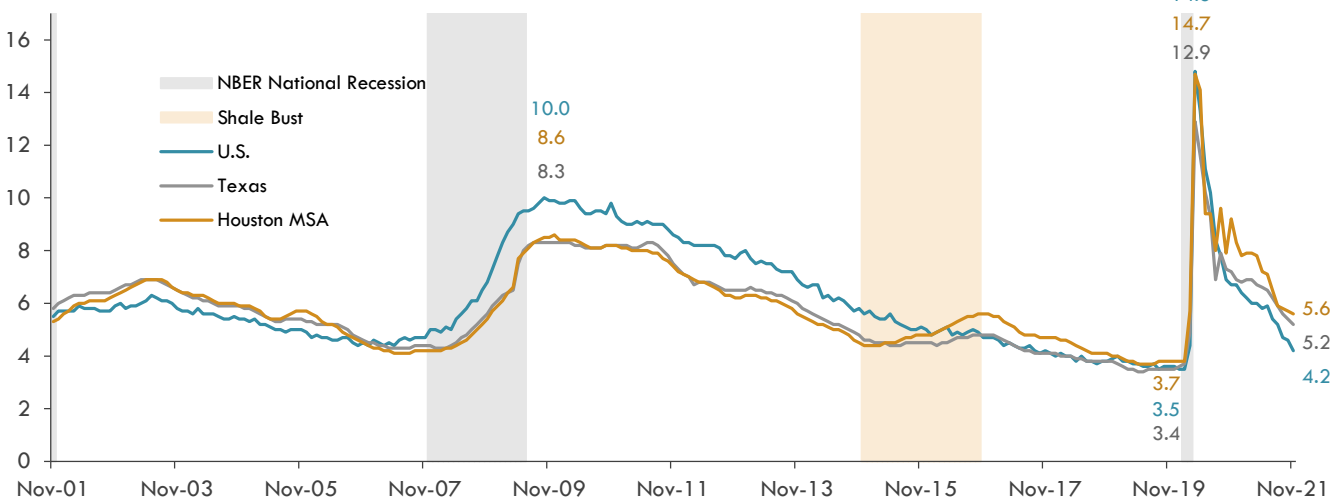


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA) November 2001 to November 2021



## Houston Area Employment Situation

December 2021

Gulf Coast Workforce Solutions Index (WSI)

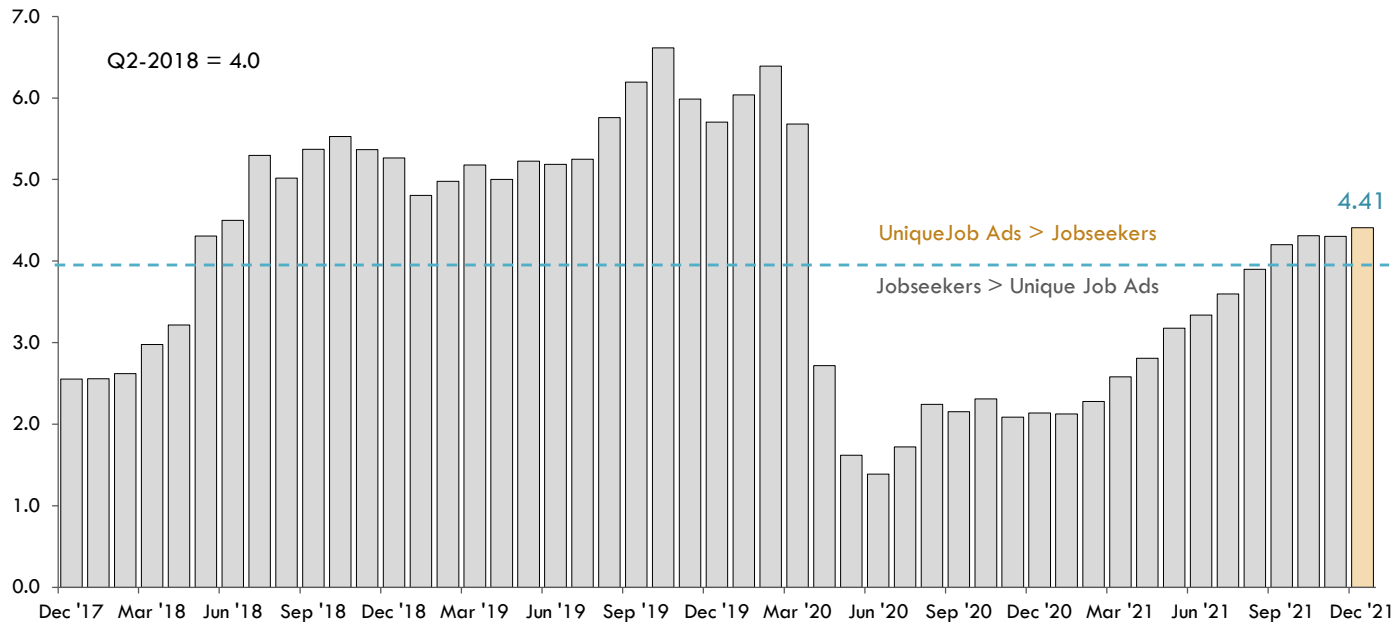


The Gulf Coast Workforce Solutions Index (WSI)

The WSI is an indicator designed to capture shifts in the local labor market, specifically the balance between available jobs and unemployed workers at a given point in time. Values above 4.0 signal a surplus of jobs while values less than 4.0 signal a surplus of jobseekers. The Gulf Coast Workforce Board monitors the WSI as part of its ongoing review of the region's unemployment insurance work search requirement and reserves the right to adjust the number of weekly job search contacts as labor market conditions warrant. In the event of change to the work search requirement, the Board will notify the Texas Workforce Commission who will in turn notify UI recipients.

WSI Reading  
December  
2021:  
4.41

Gulf Coast Workforce Solutions Index - Houston MSA 2017 - 2021 (SA)



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS



Workforce Solutions Index December

The Houston MSA WSI for December stood at 4.41, up from November's 4.30, and marking four consecutive months with a reading above 4.0. The most recent similar inflection point occurred between April and May 2018, roughly a year and a half into the recovery from the 2015-2016 Shale Bust. December's reading reflects continued improvement in the local economy observed throughout 2021. It also indicates that employer demand for workers continues to exceed supply reflecting the phenomenon dubbed "The Great Resignation."



# Houston Area Employment Situation

December 2021

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Dec-21	Nov-21	Dec-20	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,147,500	3,127,100	2,995,700	20,400	0.7%	151,800	5.1%
Total Private	2,729,900	2,710,300	2,575,600	19,600	0.7%	154,300	6.0%
Goods Producing	504,200	496,200	475,900	8,000	1.6%	28,300	5.9%
..Mining and Logging	78,200	75,900	66,300	2,300	3.0%	11,900	17.9%
...Oil and Gas Extraction	38,100	37,400	34,600	700	1.9%	3,500	10.1%
...Support Activities for Mining	37,200	35,900	30,200	1,300	3.6%	7,000	23.2%
..Construction	209,700	206,500	200,900	3,200	1.5%	8,800	4.4%
...Construction of Buildings	46,100	45,200	45,200	900	2.0%	900	2.0%
...Heavy and Civil Engineering Construction	53,100	52,500	51,700	600	1.1%	1,400	2.7%
...Specialty Trade Contractors	110,500	108,800	104,000	1,700	1.6%	6,500	6.3%
..Manufacturing	216,300	213,800	208,700	2,500	1.2%	7,600	3.6%
...Durable Goods	134,500	132,900	125,900	1,600	1.2%	8,600	6.8%
...Fabricated Metal Product Manufacturing	44,400	44,200	42,900	200	0.5%	1,500	3.5%
...Machinery Manufacturing	37,100	37,200	38,900	-100	-0.3%	-1,800	-4.6%
....Agriculture, Construction, and Mining Machinery Mfg.	19,600	19,600	20,600	0	0.0%	-1,000	-4.9%
...Computer and Electronic Product Manufacturing	12,900	12,900	12,800	0	0.0%	100	0.8%
..Non-Durable Goods	81,800	80,900	82,800	900	1.1%	-1,000	-1.2%
...Petroleum and Coal Products Manufacturing	9,300	9,200	8,900	100	1.1%	400	4.5%
...Chemical Manufacturing	38,400	38,300	39,400	100	0.3%	-1,000	-2.5%
Service Providing	2,643,300	2,630,900	2,519,800	12,400	0.5%	123,500	4.9%
..Private Service Providing	2,225,700	2,214,100	2,099,700	11,600	0.5%	126,000	6.0%
..Trade, Transportation, and Utilities	662,700	654,800	633,600	7,900	1.2%	29,100	4.6%
...Wholesale Trade	163,000	163,800	158,500	-800	-0.5%	4,500	2.8%
....Merchant Wholesalers, Durable Goods	100,400	100,800	96,700	-400	-0.4%	3,700	3.8%
.....Prof. and Commercial Equip. Supplies Wholesalers	17,100	17,000	16,900	100	0.6%	200	1.2%
....Merchant Wholesalers, Nondurable Goods	51,200	51,300	51,800	-100	-0.2%	-600	-1.2%
...Retail Trade	313,300	308,800	303,500	4,500	1.5%	9,800	3.2%
....Motor Vehicle and Parts Dealers	41,800	42,300	40,800	-500	-1.2%	1,000	2.5%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,000	22,800	24,100	1,200	5.3%	-100	-0.4%
....Food and Beverage Stores	72,900	72,800	69,900	100	0.1%	3,000	4.3%
....Health and Personal Care Stores	20,200	19,900	18,700	300	1.5%	1,500	8.0%
....Clothing and Clothing Accessories Stores	28,700	27,400	26,800	1,300	4.7%	1,900	7.1%
....General Merchandise Stores	62,500	61,400	60,100	1,100	1.8%	2,400	4.0%
.....Department Stores	18,800	18,400	17,200	400	2.2%	1,600	9.3%
.....Other General Merchandise Stores	43,700	43,000	42,900	700	1.6%	800	1.9%
...Transportation, Warehousing, and Utilities	186,400	182,200	171,600	4,200	2.3%	14,800	8.6%
...Utilities	17,000	17,100	17,200	-100	-0.6%	-200	-1.2%
....Air Transportation	18,400	18,400	18,400	0	0.0%	0	0.0%
....Truck Transportation	27,400	27,400	26,700	0	0.0%	700	2.6%
....Pipeline Transportation	11,800	11,700	11,600	100	0.9%	200	1.7%
..Information	29,600	29,200	29,000	400	1.4%	600	2.1%
...Telecommunications	12,500	12,500	12,800	0	0.0%	-300	-2.3%
..Financial Activities	168,300	165,900	163,300	2,400	1.4%	5,000	3.1%
...Finance and Insurance	109,500	107,800	104,500	1,700	1.6%	5,000	4.8%
....Credit Intermediation and Related Activities	44,000	43,400	43,900	600	1.4%	100	0.2%
....Depository Credit Intermediation	29,000	28,700	29,000	300	1.0%	0	0.0%
....Securities, Commodity Contracts, and Fin. Investments	21,700	21,300	20,600	400	1.9%	1,100	5.3%
....Insurance Carriers and Related Activities	43,800	43,100	40,000	700	1.6%	3,800	9.5%
...Real Estate and Rental and Leasing	58,800	58,100	58,800	700	1.2%	0	0.0%
..Professional and Business Services	514,100	513,100	483,800	1,000	0.2%	30,300	6.3%
...Professional, Scientific, and Technical Services	248,000	248,000	232,100	0	0.0%	15,900	6.9%
....Legal Services	28,900	28,700	28,000	200	0.7%	900	3.2%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	25,300	24,800	24,700	500	2.0%	600	2.4%
....Architectural, Engineering, and Related Services	67,000	66,800	65,000	200	0.3%	2,000	3.1%
....Computer Systems Design and Related Services	37,800	37,800	35,500	0	0.0%	2,300	6.5%
...Management of Companies and Enterprises	44,700	44,900	45,500	-200	-0.4%	-800	-1.8%
...Admin. and Support and Waste Mgmt. and Remediation	221,400	220,200	206,200	1,200	0.5%	15,200	7.4%
....Administrative and Support Services	207,500	206,600	193,100	900	0.4%	14,400	7.5%
....Employment Services	80,700	81,200	72,600	-500	-0.6%	8,100	11.2%
....Services to Buildings and Dwellings	51,700	52,800	50,400	-1,100	-2.1%	1,300	2.6%
..Educational and Health Services	420,900	422,100	398,000	-1,200	-0.3%	22,900	5.8%
...Educational Services	69,100	69,200	61,900	-100	-0.1%	7,200	11.6%
...Health Care and Social Assistance	351,800	352,900	336,100	-1,100	-0.3%	15,700	4.7%
....Ambulatory Health Care Services	176,600	176,000	167,900	600	0.3%	8,700	5.2%
....Hospitals	89,800	89,700	88,500	100	0.1%	1,300	1.5%
..Leisure and Hospitality	311,600	307,900	287,200	3,700	1.2%	24,400	8.5%
...Arts, Entertainment, and Recreation	28,300	28,100	25,800	200	0.7%	2,500	9.7%
...Accommodation and Food Services	283,300	279,800	261,400	3,500	1.3%	21,900	8.4%
....Accommodation	21,700	21,600	19,300	100	0.5%	2,400	12.4%
....Food Services and Drinking Places	261,600	258,200	242,100	3,400	1.3%	19,500	8.1%
..Other Services	118,500	121,100	104,800	-2,600	-2.1%	13,700	13.1%
Government	417,600	416,800	420,100	800	0.2%	-2,500	-0.6%
..Federal Government	32,500	32,200	31,700	300	0.9%	800	2.5%
..State Government	92,200	92,100	90,800	100	0.1%	1,400	1.5%
...State Government Educational Services	53,600	53,600	52,900	0	0.0%	700	1.3%
..Local Government	292,900	292,500	297,600	400	0.1%	-4,700	-1.6%
...Local Government Educational Services	198,200	197,900	201,800	300	0.2%	-3,600	-1.8%