

Houston Area Employment Situation

October 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 3,099,800 in October, up 33,100 jobs over the month, or 1.1 percent. A year ago Houston registered an over-the-month increase of 35,900 jobs. 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 October, Total Nonfarm has on average added 11,400 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

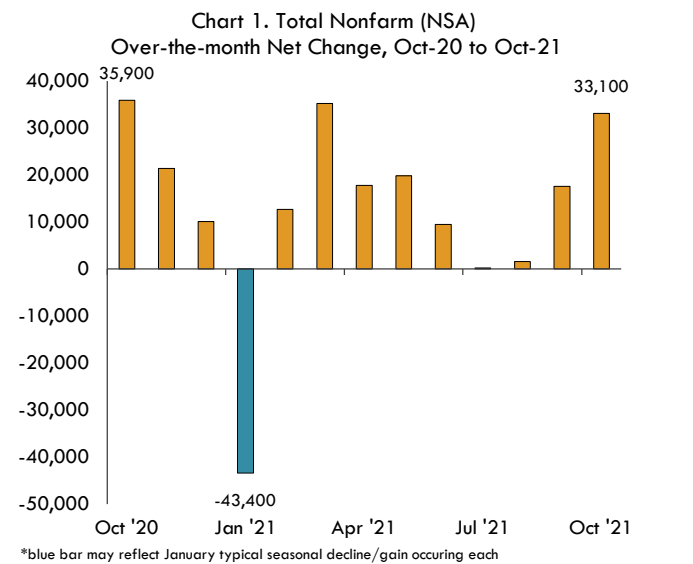
The primary drivers of this October's growth were increases in Education and Health Services, Trade, Transportation, and Utilities, and Government. Gains were also recorded in Professional and Business Services, Construction, and Other Services. The net increase in jobs over the month was partially offset by losses in Leisure and Hospitality and Financial Activities. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,085,600, up 10,300 jobs over the month, or 0.3 percent vs. a historical average of 5,500. 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 October

- Education and Health Services: 11,800
- Trade, Transportation, and Utilities: 7,600
- Government: 7,400

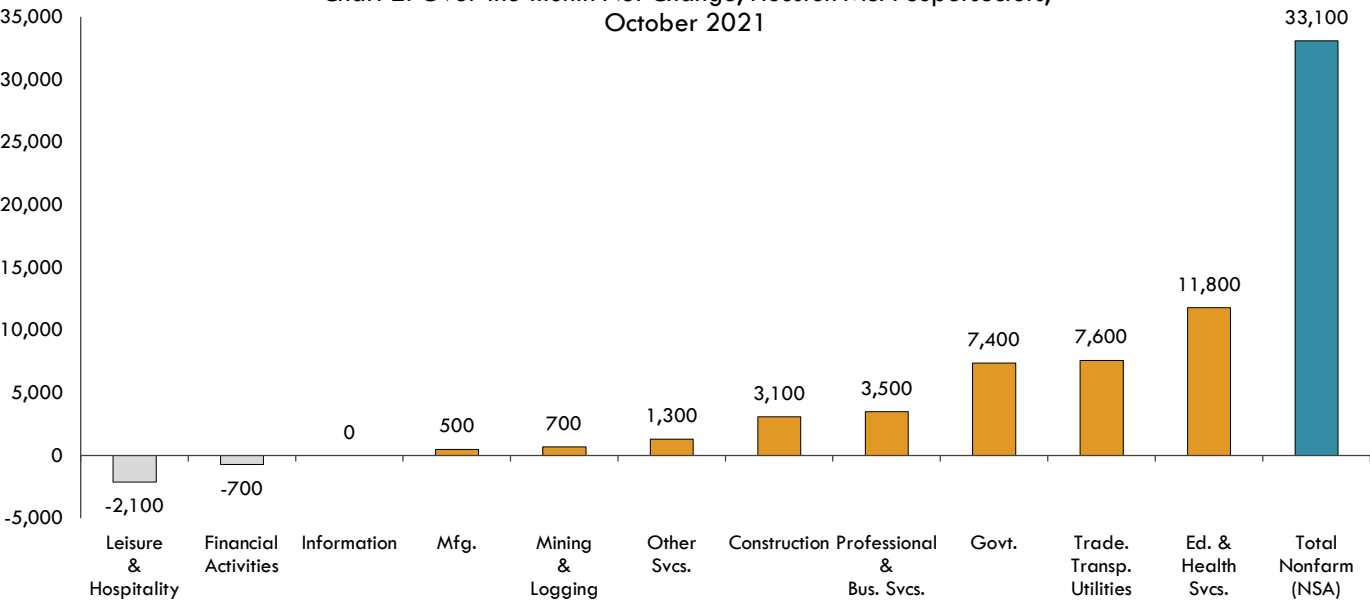
Over-the-year Change

Over the year, Total Nonfarm employment was up 135,600 or 4.6 percent on a not-seasonally-adjusted basis and up 135,000 or 4.6 percent on a seasonally-adjusted basis. (see NSA Chart 3.) To compare, October 2020 saw a year-over-year loss of -221,200 jobs (NSA) from October 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 9 out of 11 sectors show growth year over year of which the top-three are Professional and Business Services (31,800), Leisure and Hospitality (30,800), and Education and Health Services (24,800). (see Chart 4.) COVID-19 resulted in the loss of -361,400 jobs over March and April 2020 of which approximately 70 percent of Total Nonfarm employment has been recovered to date.

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



Previous Month's Revisions

Total Nonfarm employment was revised downward by -9,700 jobs for a August to September smaller net gain of 17,600 compared to an original estimate of 27,300 jobs. A downward revision of -4,700 jobs in Government was the largest contributor followed by Leisure and Hospitality (-1,500) and Education and Health Services (-1,500). Upward revisions in Financial Activities (+600), Other Services (+300), and Information (+100) 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 October
- Professional and Business Services: 31,800
 - Leisure and Hospitality: 30,800
 - Education and Health Services: 24,800

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

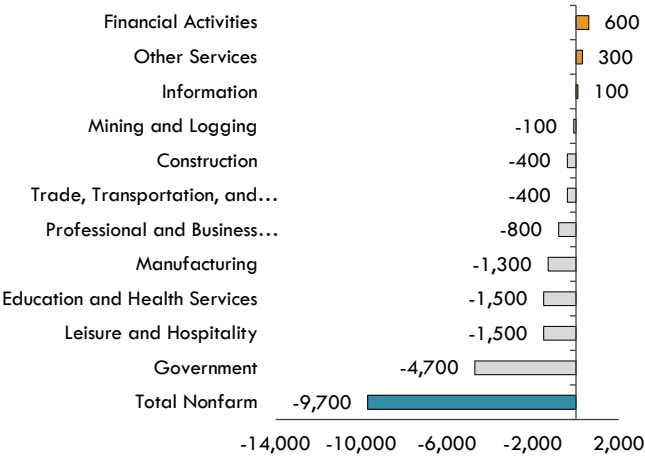


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Oct-06 to Oct-21

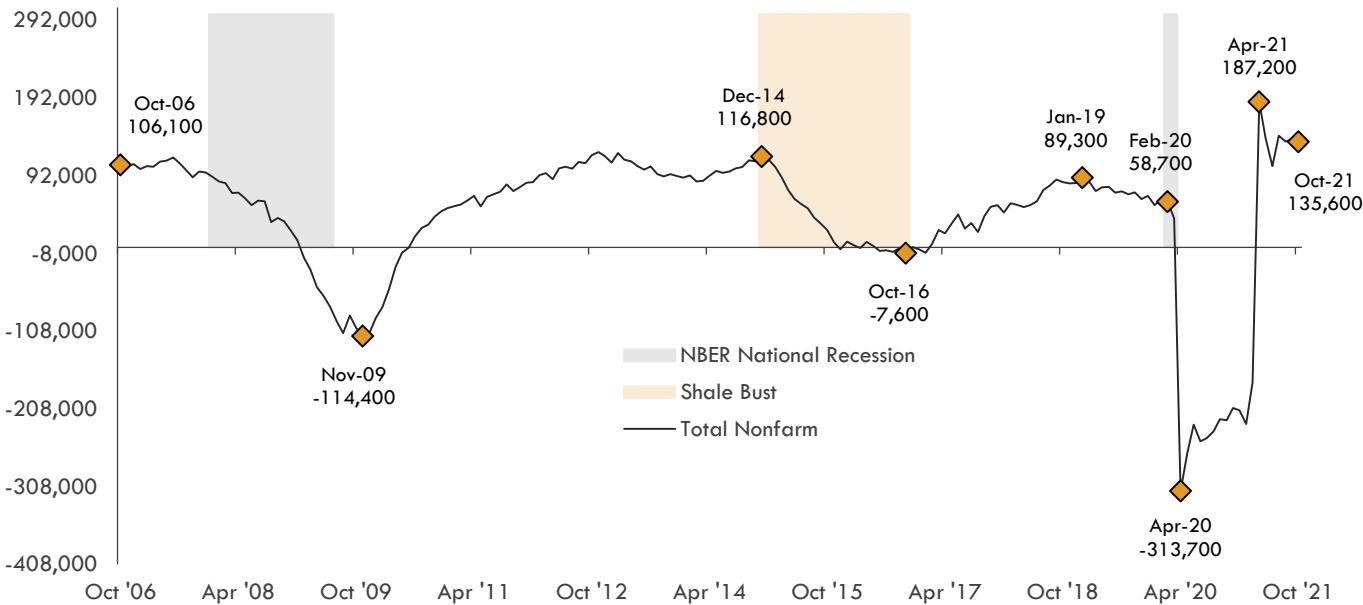
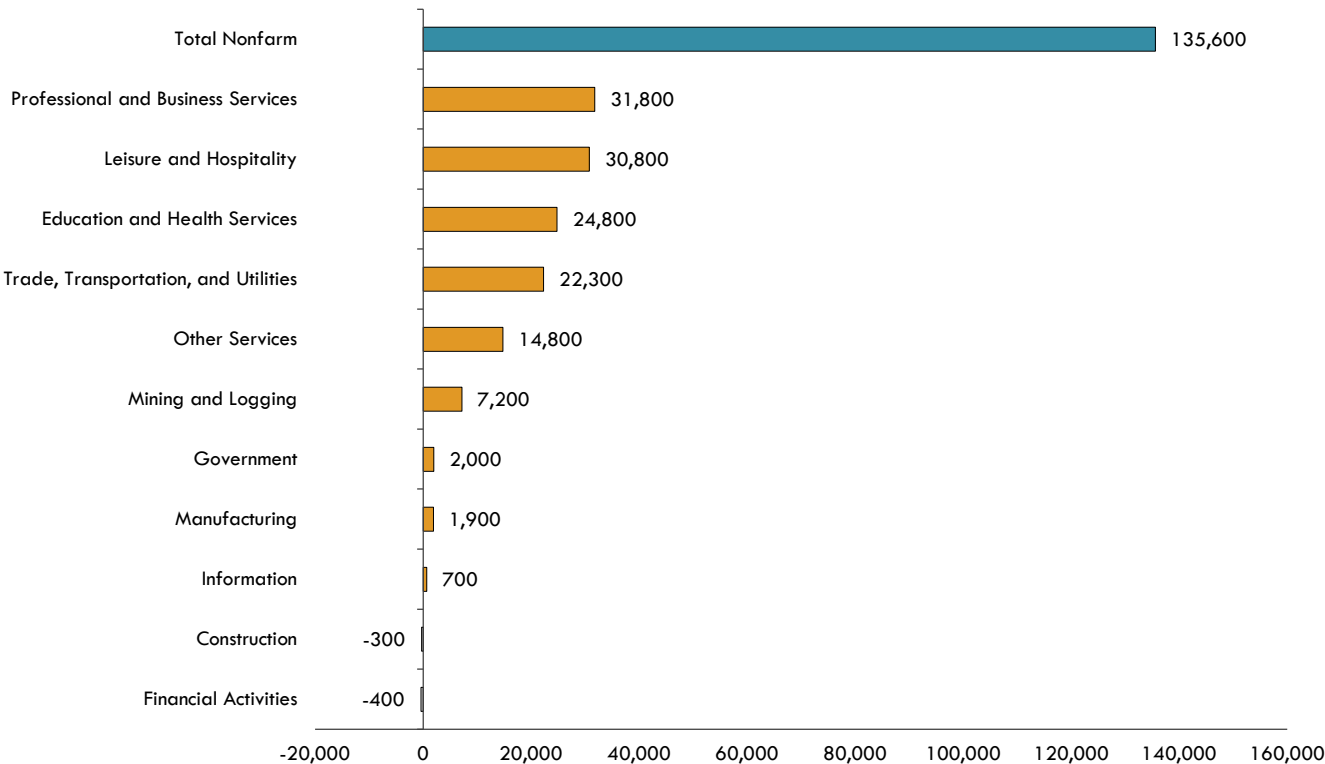


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
October 2020 to October 2021



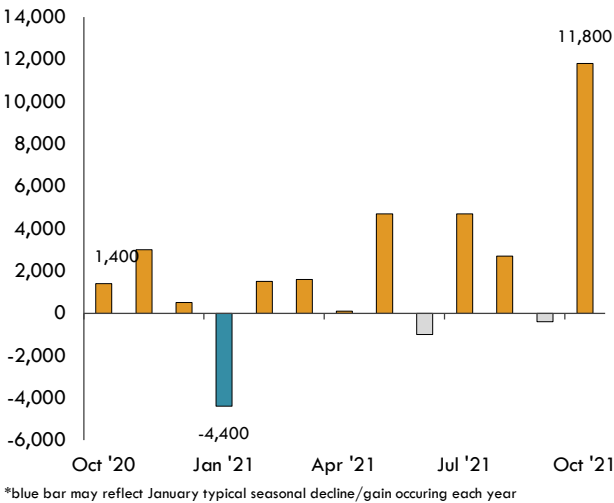
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services was the largest gaining sector over the month up 11,800 jobs, or 2.9 percent. (see Chart 6.) This was the largest-ever gain in the month of October 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 October, Education and Health Services has added an average of 800 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 7,900 jobs over the month. The second-largest contributor was Educational Services, which added 3,900 jobs from September to October. Education and Health Services employment was revised downward by -1,500 jobs for a August to September complete erasure of gains leaving a net loss of -400 compared to an original estimate of 1,100 jobs.

Chart 6. Education and Health Services (NSA)
Over-the-month Net Change, Oct-20 to Oct-21

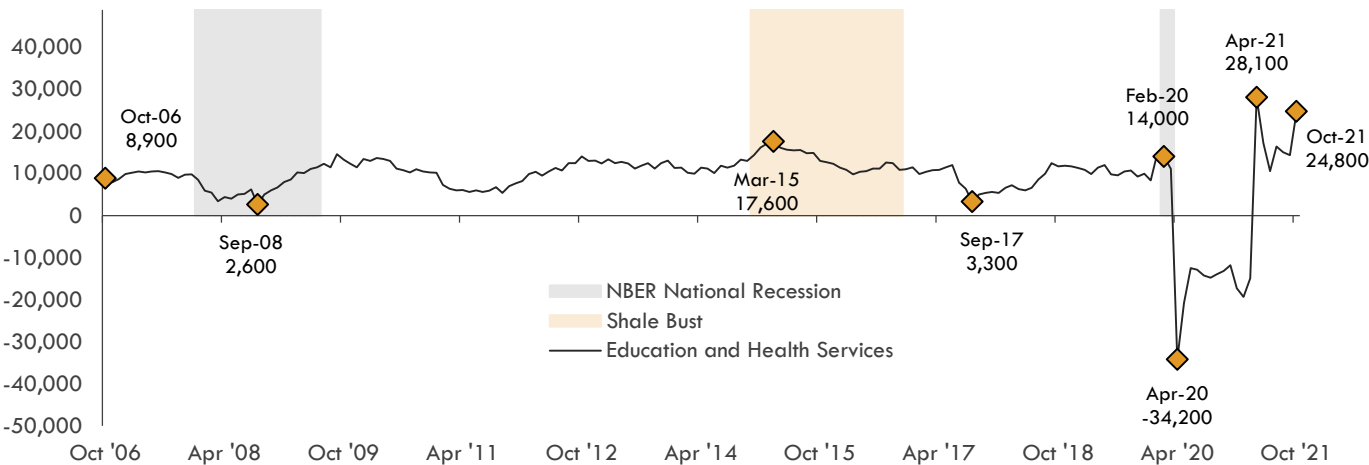


Over-the-year Change

Year over year, Education and Health Services was up 24,800 jobs, or 6.3 percent. (see Chart 7.) This was the largest-ever year-over-year gain in the month of October since records began in 1990. Furthermore, 18.2 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 17,500 jobs over

the year. The second-largest contributor was Educational Services, which added 7,300 jobs from October 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 October. Education and Health Services's share of Houston area Total Nonfarm Employment has risen from 13.3 percent to 13.5 percent over the past year.

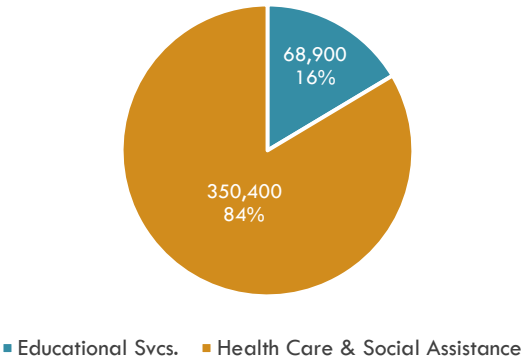
Chart 7. Education and Health Services (NSA)
Over-the-year Net Change, Oct-06 to Oct-21



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 8.)

Chart 8. Employment in Component Industries of
Education and Health Services Sector - October 2021



GAINING INDUSTRY HIGHLIGHTS

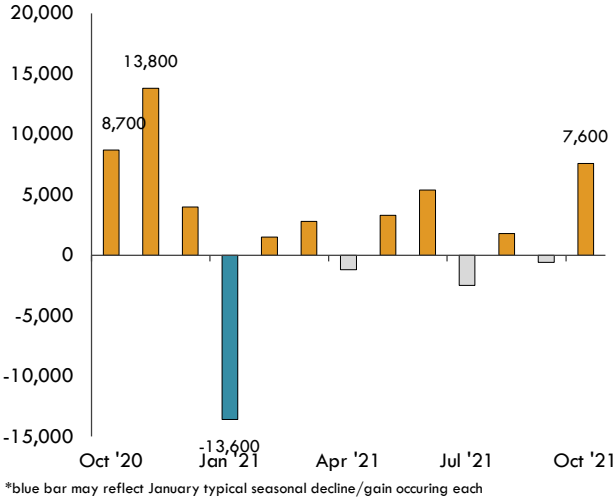
Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the second-largest gaining sector over the month up 7,600 jobs, or 1.2 percent. (see Chart 9.) 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 October, Trade, Transportation, and Utilities has added an average of 3,000 jobs over the month, which indicates that this month's gains are substantially above the long-term average. October marks the start of temporary increases in payrolls related to the holiday season. Retail hiring typically peaks in November of each year while December typically sees only modest increases. Retail Trade was the largest contributor to the overall sector's increase, up 5,800 jobs over the month. The second-largest contributor was Wholesale Trade, which added 1,200 jobs from September to October. Lastly, Transportation, Warehousing, and Utilities contributed, 600 jobs. Trade, Transportation, and Utilities employment was

revised downward by -400 jobs for a August to September larger net loss of -600 compared to an original estimate of -200 jobs.

Chart 9. Trade, Transportation, and Utilities (NSA)
Over-the-month Net Change, Oct-20 to Oct-21

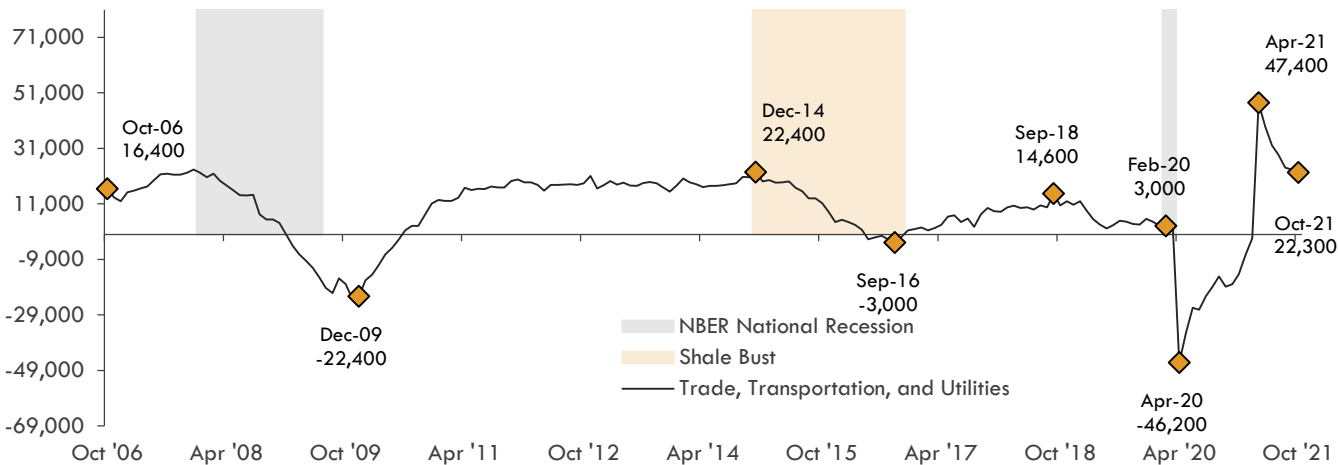


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 22,300 jobs, or 3.6 percent. (see Chart 10.) This was the largest-ever year-over-year gain in the month of October since records began in 1990. Furthermore, 16.4 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 11,600

jobs over the year. The second-largest contributor was Wholesale Trade, which added 5,600 jobs from October a year ago. Lastly, Retail Trade contributed, 5,100 jobs. Trade, Transportation, and Utilities's share of Houston area Total Nonfarm Employment has fallen from 20.8 percent to 20.6 percent over the past year.

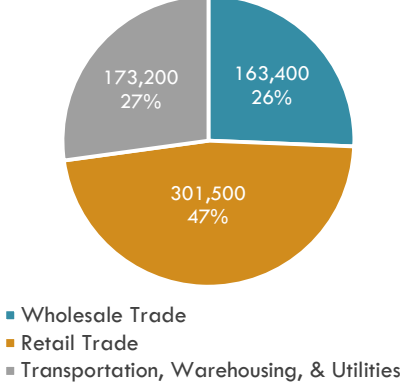
Chart 10. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Oct-06 to Oct-21



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 11.) Across the Houston MSA, the concentration of jobs in the overall sector is 11 percent higher than the national average, due to a 37-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 11. Employment in Component Industries of Trade, Transportation, and Utilities Sector - October 2021



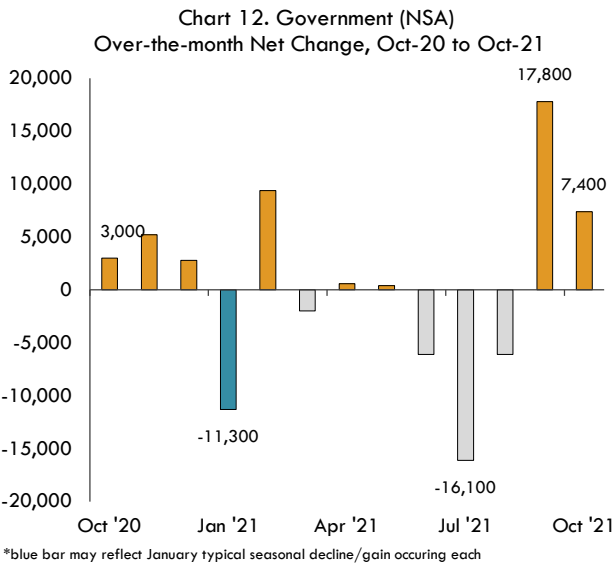
GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the third-largest gaining sector over the month up 7,400 jobs, or 1.8 percent. (see Chart 12.) 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 October, Government has added an average of 6,100 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Government, which includes primary, secondary, and postsecondary public education, sees an attenuated continuation of the gains observed in September related to the start of the academic year. Local Government was the largest contributor to the overall sector's increase, up 6,100 jobs over the month. The second-largest contributor was State Government, which added 1,500 jobs from September to October. Lastly, Federal Government offset a portion of the sector's gains with a loss of -200 jobs. Government employment was revised downward by -4,700 jobs

for a August to September smaller net gain of 17,800 compared to an original estimate of 22,500 jobs.

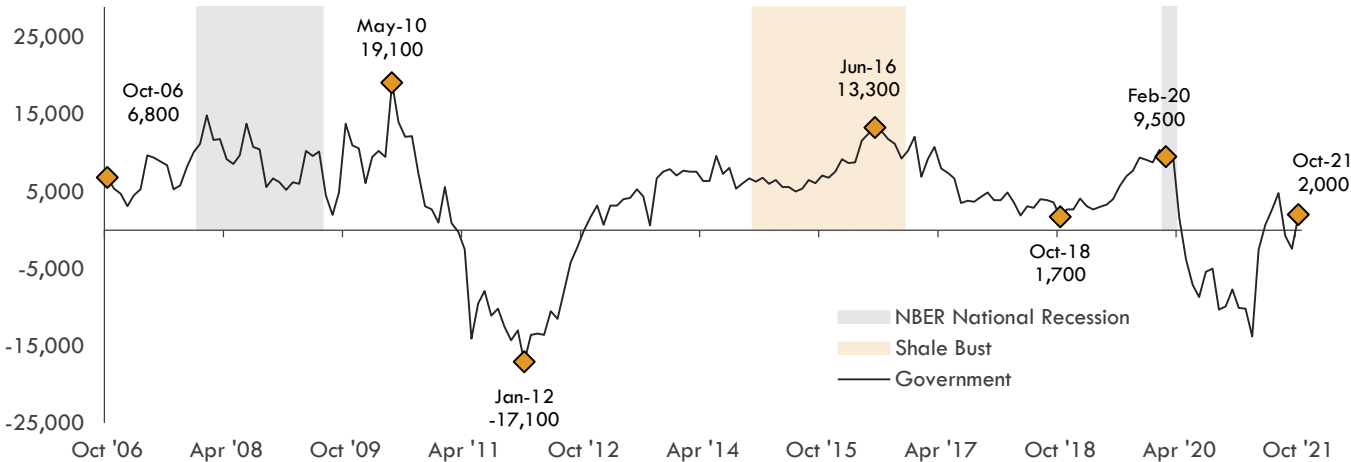


Over-the-year Change

Year over year, Government was up 2,000 jobs, or 0.5 percent. (see Chart 13.) 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 increase, up 1,900 jobs over the year. The second-largest contributor was State Government, which added 1,400 jobs from October a year ago. Lastly, Federal Government offset a portion of the sector's gains with a loss of -1,300 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 13.9 percent to 13.4 percent over the past year.

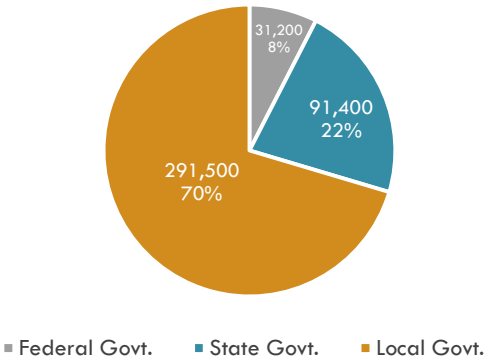
Chart 13. Government (NSA)
Over-the-year Net Change, Oct-06 to Oct-21



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 14.)

Chart 14. Employment in Component Industries of Government Sector - October 2021

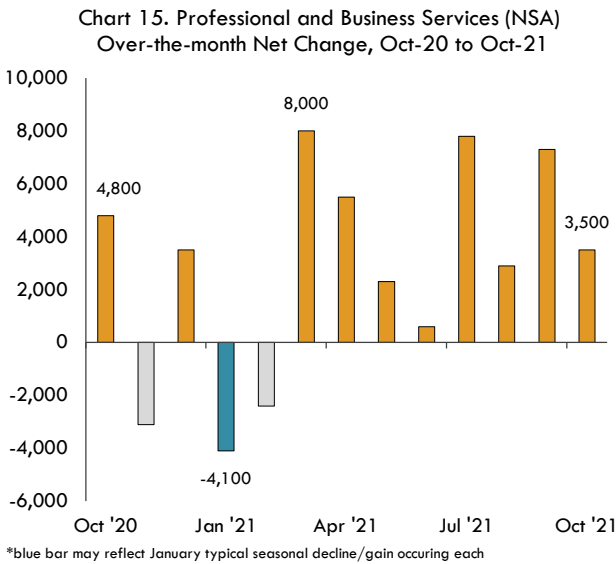


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services also saw an increase over the month up 3,500 jobs, or 0.7 percent. (see Chart 15.) 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 October, Professional and Business Services has added an average of 1,200 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 2,900 jobs over the month. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 500 jobs from September to October. Lastly, Management of Companies and Enterprises contributed, 100 jobs. Professional and Business Services employment was revised downward by -800 jobs for a August to September smaller net gain of 7,300 compared to an original estimate of 8,100 jobs.

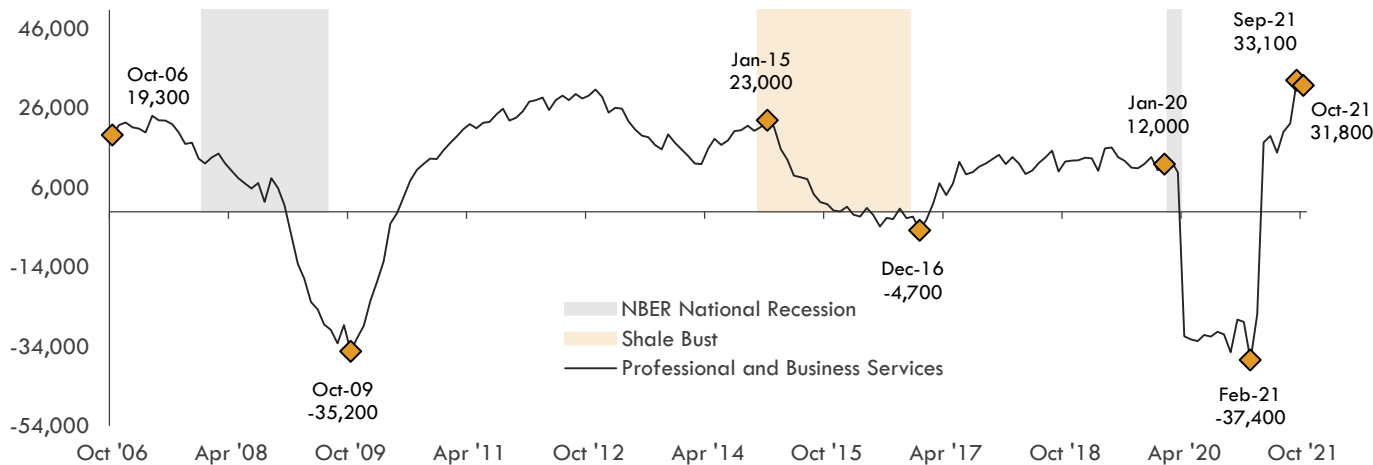


Over-the-year Change

Year over year, Professional and Business Services was up 31,800 jobs, or 6.6 percent. (see Chart 16.) This was the largest-ever year-over-year gain in the month of October since records began in 1990. Furthermore, 23.3 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. Administrative and Support and Waste Management and Remediation Services was the largest

contributor to the overall sector's increase, up 17,500 jobs over the year. The second-largest contributor was Professional, Scientific, and Technical Services, which added 14,800 jobs from October a year ago. Lastly, Management of Companies and Enterprises offset a portion of the sector's gains with a loss of -500 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 October. Professional and Business Services's share of Houston area Total Nonfarm Employment has risen from 16.3 percent to 16.6 percent over the past year.

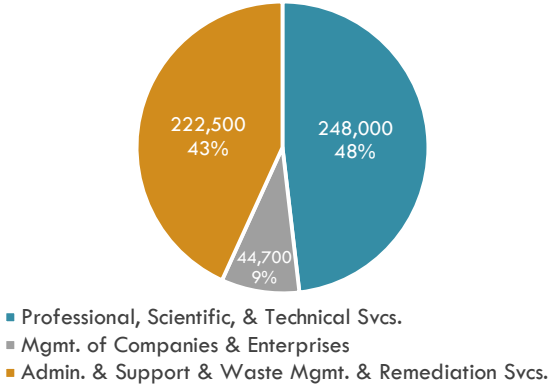
Chart 16. Professional and Business Services (NSA)
Over-the-year Net Change, Oct-06 to Oct-21



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 17.) Across the Houston MSA, the concentration of jobs in the overall sector is 15 percent higher than the national average, due to times more jobs in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 17. Employment in Component Industries of Professional and Business Services Sector - October 2021

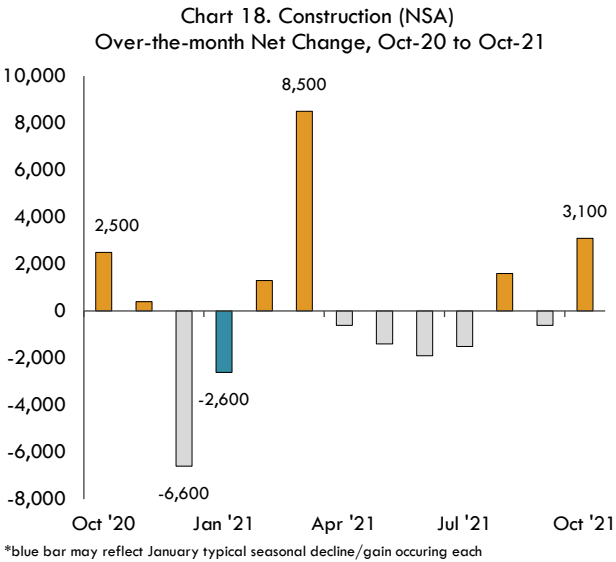


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

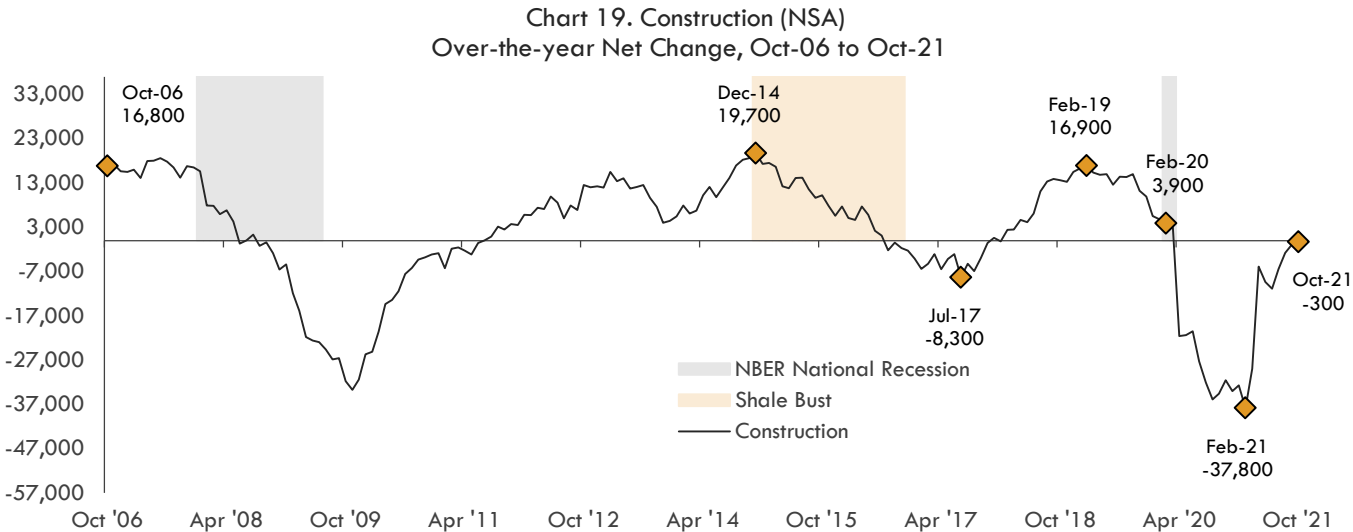
Construction also saw an increase over the month up 3,100 jobs, or 1.5 percent. (see Chart 18.) The largest all-time one-month gain on record for this sector occurred in March 2021, up 8,500 jobs. The largest decline on record occurred in April 2020, down -23,700 jobs. Historically in the month of October, Construction has added an average of 2,000 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 1,900 jobs over the month. The second-largest contributor was Construction of Buildings, which added 1,200 jobs from September to October. Lastly, Specialty Trade Contractors saw no change over the month. Construction employment was revised downward by -400 jobs for a August to September larger net loss of -600 compared to an original estimate of -200 jobs.



Over-the-year Change

Year over year, Construction was down -300 jobs, or -0.1 percent. (see Chart 19.) Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 42.9 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. 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 decline, down -1,400

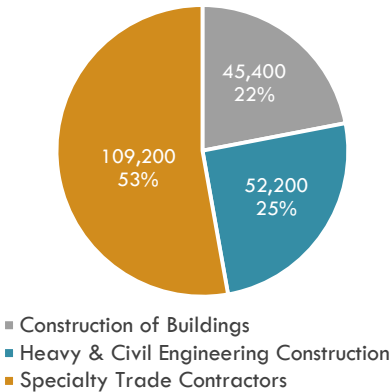
jobs over the year. The second-largest declining contributor was Construction of Buildings, which lost -900 jobs from October a year ago. Lastly, Heavy and Civil Engineering Construction offset a portion of the sector's losses with a gain of 2,000 jobs. Since shedding -24,000 jobs over March and April 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 fallen from 7.0 percent to 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 20.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 30 percent higher than the national average, due to 2.3 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 20. Employment in Component Industries of Construction Sector - October 2021

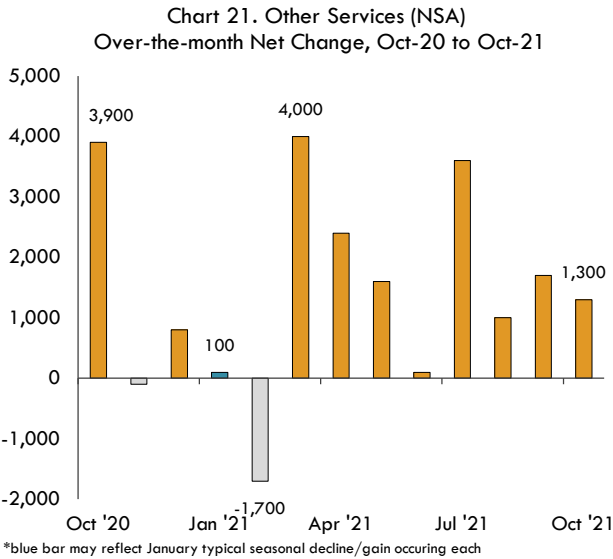


GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services also saw an increase over the month up 1,300 jobs, or 1.1 percent. (see Chart 21.) 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 October, Other Services 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. Historically October is typically a mixed month for Other Services with gains or losses encountered with near equal frequency. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised upward by 300 jobs for a August to September larger net gain of 1,700 compared to an original estimate of 1,400 jobs.

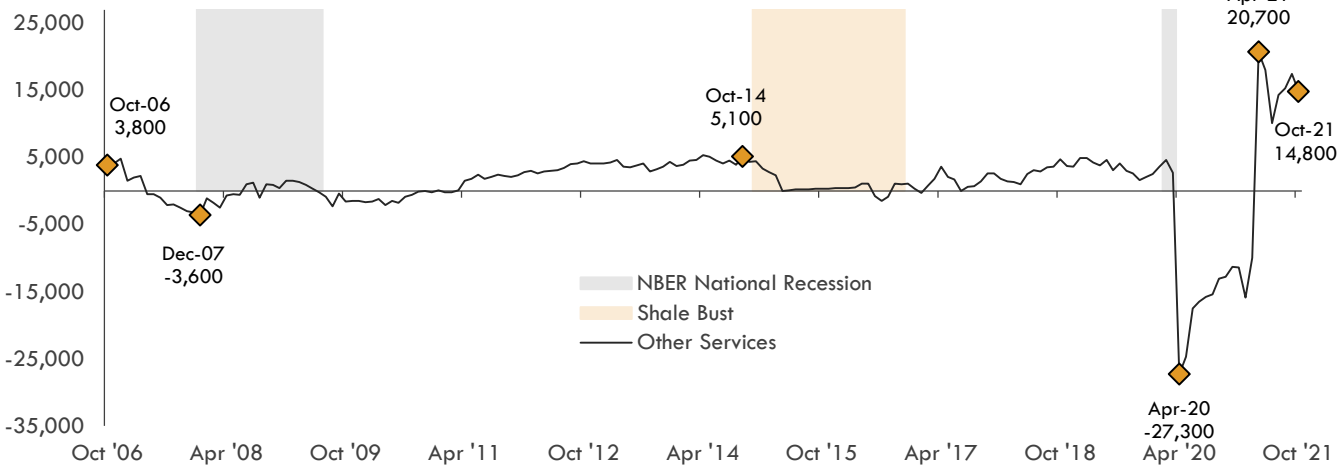


Over-the-year Change

Year over year, Other Services was up 14,800 jobs, or 14.2 percent. (see Chart 22.) This was the largest-ever year-over-year gain in the month of October since records began in 1990. 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 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 over March

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

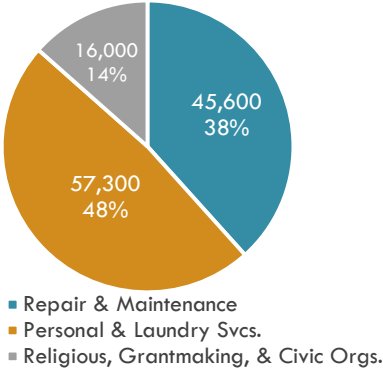
Chart 22. Other Services (NSA)
Over-the-year Net Change, Oct-06 to Oct-21



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 23.)

Chart 23. Employment in Component Industries of
Other Services Sector - October 2021



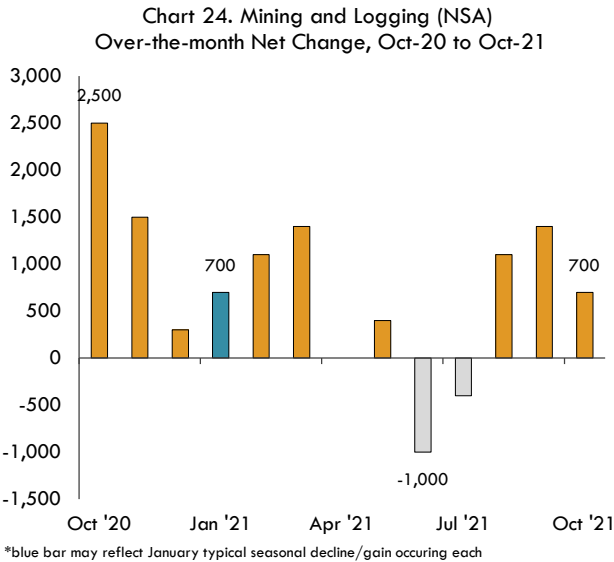
*estimated proportions based QCEW covered and NES self-employment

GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 700 jobs, or 1.0 percent. (see Chart 24.) The largest all-time one-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest decline on record occurred in April 2020, down -5,200 jobs. Historically in the month of October, Mining and Logging has added an average of 400 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Support Activities for Mining was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Oil and Gas Extraction, which added 300 jobs from September to October. Lastly, Other Mining and Logging Undefined saw no change over the month. Mining and Logging employment was revised downward by -100 jobs for a August to September smaller net gain of 1,400 compared to an original estimate of 1,500 jobs.

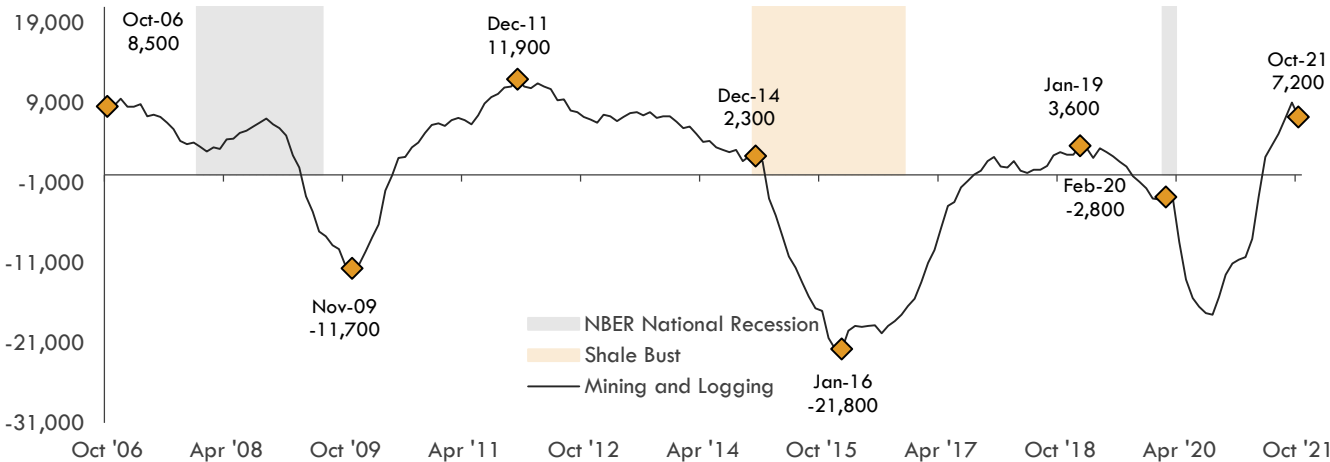


Over-the-year Change

Year over year, Mining and Logging was up 7,200 jobs, or 11.2 percent. (see Chart 25.) 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 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 5,100 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 1,200 jobs from October a year ago.

Lastly, Other Mining and Logging Undefined contributed, 900 jobs. Since shedding -6,100 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 -10 percent below levels reported in February 2020. Mining and Logging's share of Houston area Total Nonfarm Employment has risen from 2.2 percent to 2.3 percent over the past year.

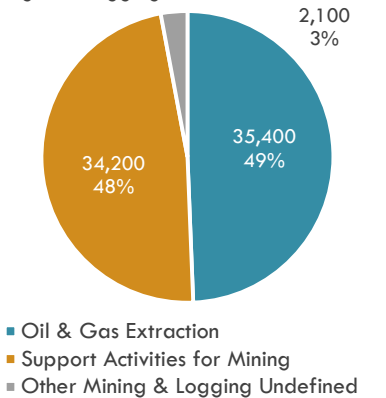
Chart 25. Mining and Logging (NSA)
Over-the-year Net Change, Oct-06 to Oct-21



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 26.) Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.3 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 26. Employment in Component Industries of
Mining and Logging Sector - October 2021

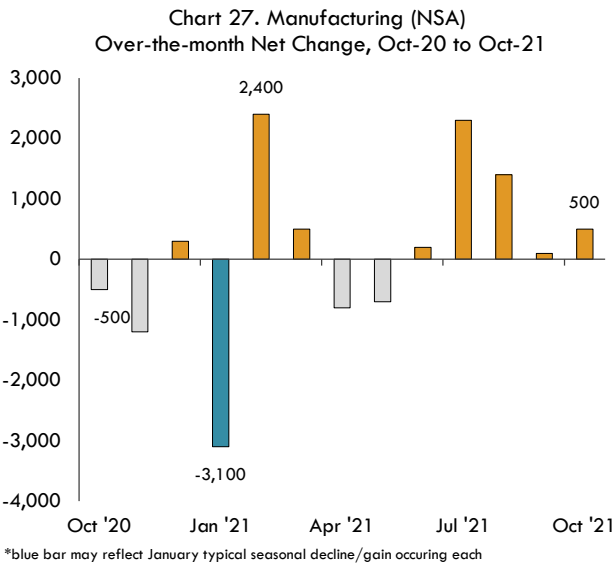


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 500 jobs, or 0.2 percent. (see Chart 27.) 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 October, Manufacturing has lost an average of -400 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Durable Goods was the largest contributor to the overall sector's increase, up 900 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which lost -400 jobs from September to October. Manufacturing employment was revised downward by -1,300 jobs for a August to September smaller net gain of 100 compared to an original estimate of 1,400 jobs.

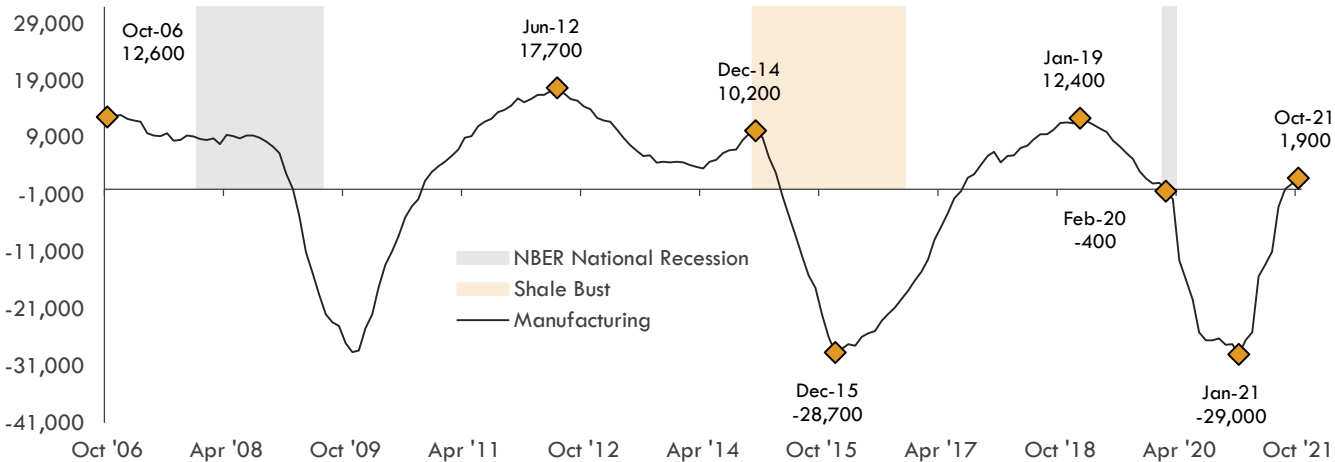


Over-the-year Change

Year over year, Manufacturing was up 1,900 jobs, or 0.9 percent. (see Chart 28.) 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 2,500 jobs over the year. One component industry that provided a partial offset was Non-Durable Goods, which lost -600 jobs from October 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 losses

resulting in total employment that remains -10 percent below levels reported in February 2020. Manufacturing's share of Houston area Total Nonfarm Employment has fallen from 7.1 percent to 6.8 percent over the past year.

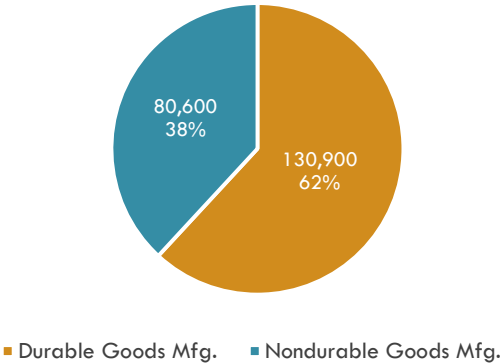
Chart 28. Manufacturing (NSA)
Over-the-year Net Change, Oct-06 to Oct-21



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 29.) Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 19 percent less than the national average.

Chart 29. Employment in Component Industries of
Manufacturing Sector - October 2021

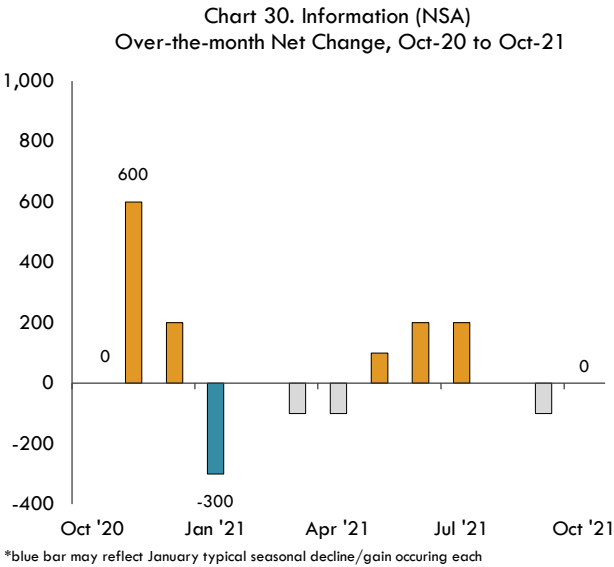


GAINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

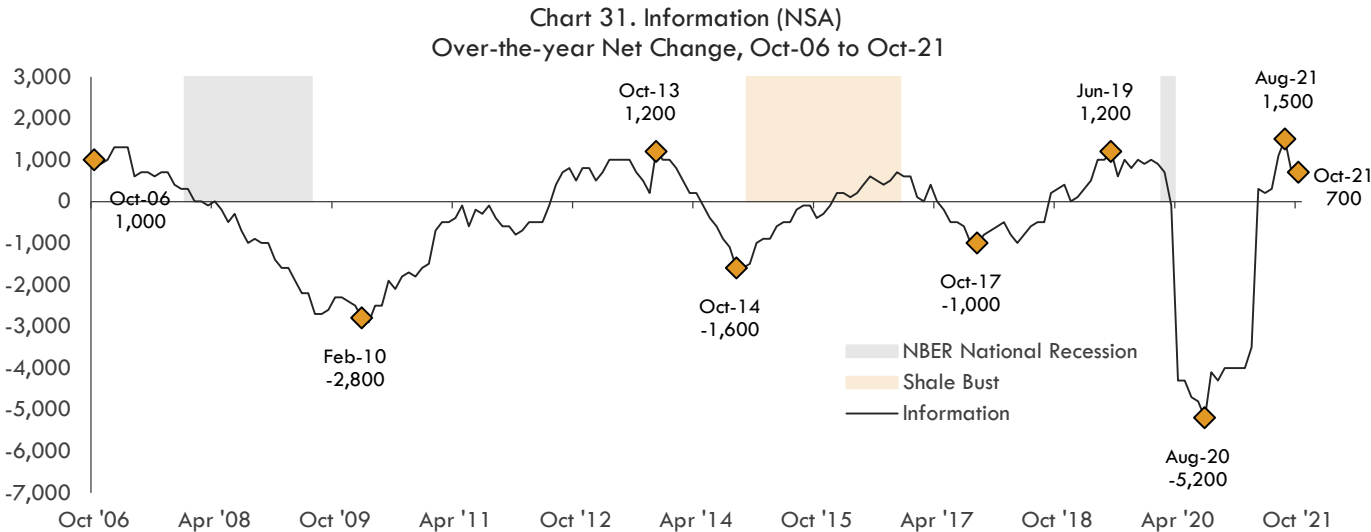
Information was unchanged over the month. (see Chart 30.) The largest all-time one-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest decline on record occurred in April 2020, down -3,900 jobs. Historically in the month of October, Information has lost an average of -10 jobs over the month, which indicates that this month's net zero change is slightly smaller than the long-term average decline. Information employment was revised upward by 100 jobs for a August to September smaller net loss of -100 compared to an original estimate of -200 jobs.



Over-the-year Change

Year over year, Information was up 700 jobs, or 2.5 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 800 jobs over the year. One component industry that provided a partial offset was Telecommunications, which lost -100 jobs from October 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 20 percent

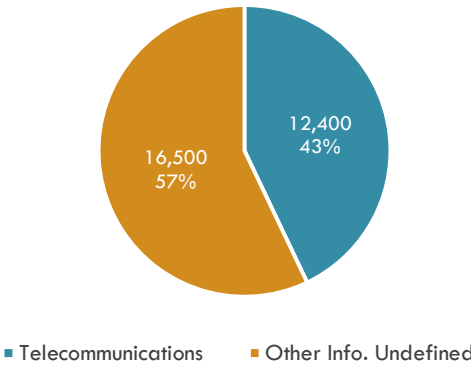
of jobs lost as of October. Information's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.



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 57 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 - October 2021



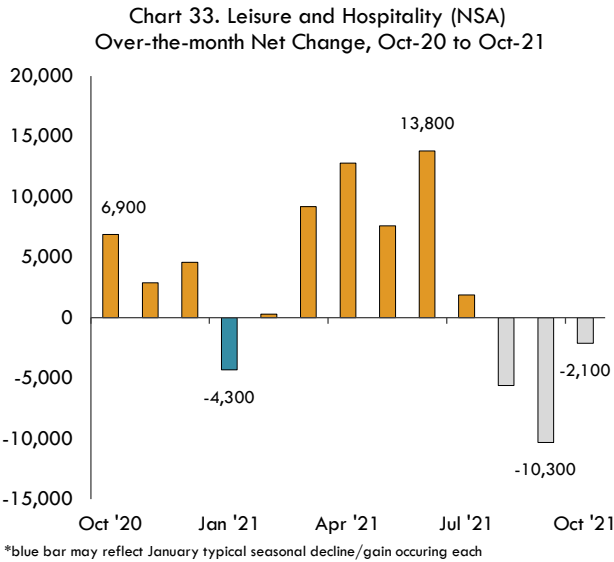
DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the largest declining sector over the month down -2,100 jobs, or -0.7 percent. (see Chart 33.) 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 October, Leisure and Hospitality has lost an average of -2,200 jobs over the month, which indicates that this month's losses are on par with smaller than the long-term average decline. Job losses are typical in October in Leisure and Hospitality with no example of gains ever recorded in the history of the series for this month. Arts, Entertainment, and Recreation was the largest contributor to the overall sector's decline, down -1,900 jobs over the month. The second-largest declining contributor was Accommodation and Food Services, which lost -200 jobs from September to October. Leisure and Hospitality employment was revised downward by -1,500 jobs for a August to September larger net loss of -10,300 compared

to an original estimate of -8,800 jobs.

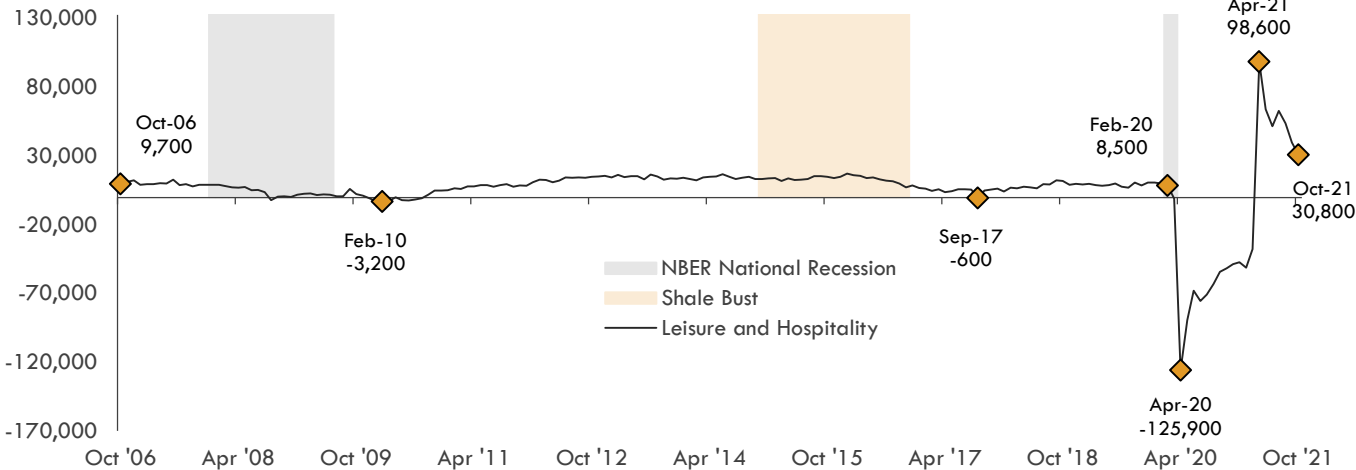


Over-the-year Change

Year over year, Leisure and Hospitality was up 30,800 jobs, or 11.0 percent. (see Chart 34.) This was the largest-ever year-over-year gain in the month of October 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, 22.6 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 27,600 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 3,200 jobs from October 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 October. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has risen from 9.4 percent to 10.0 percent over the past year.

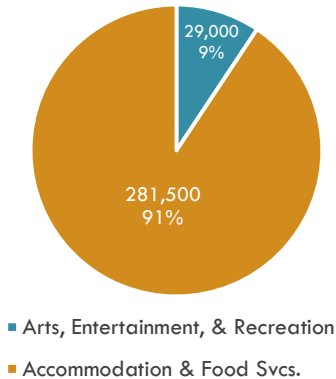
Chart 34. Leisure and Hospitality (NSA)
Over-the-year Net Change, Oct-'06 to Oct-'21



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 35.)

Chart 35. Employment in Component Industries of
Leisure and Hospitality Sector - October 2021

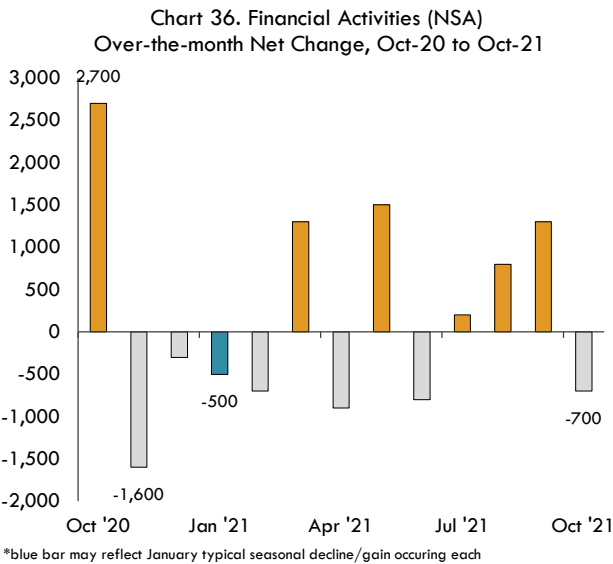


DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

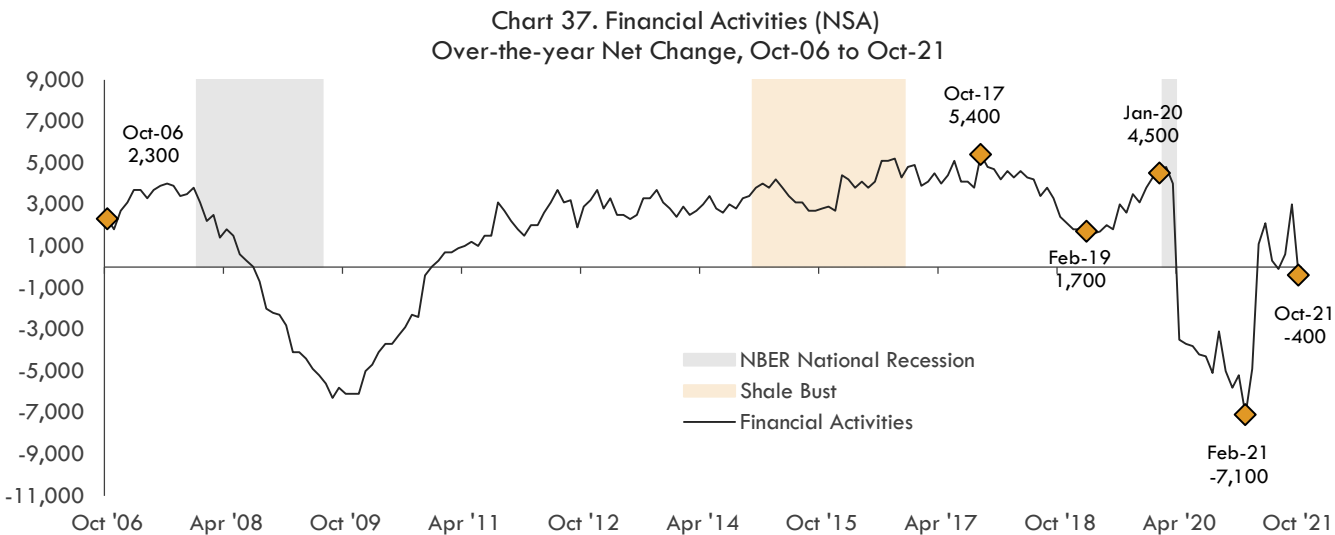
Financial Activities was the second-largest declining sector over the month down -700 jobs, or -0.4 percent. (see Chart 36.) The largest all-time one-month gain on record for this sector occurred in October 2020, up 2,700 jobs. The largest decline on record occurred in April 2020, down -6,900 jobs. Historically in the month of October, Financial Activities has added an average of 500 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -1,400 jobs over the month. One component industry that provided a partial offset was Finance and Insurance, which gained 700 jobs from September to October. Financial Activities employment was revised upward by 600 jobs for a August to September larger net gain of 1,300 compared to an original estimate of 700 jobs.



Over-the-year Change

Year over year, Financial Activities was down -400 jobs, or -0.2 percent. (see Chart 37.) Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 57.1 percent of total (gross) jobs lost across the region over the past year can be attributed to Financial Activities. 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. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -3,800

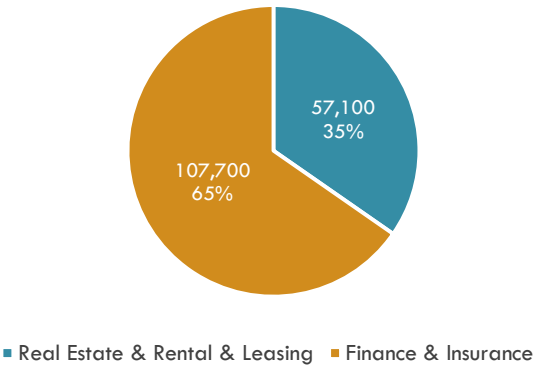
jobs over the year. One component industry that provided a partial offset was Finance and Insurance, which gained 3,400 jobs from October a year ago. Since shedding -7,800 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 40 percent of jobs lost as of October. Financial Activities's share of Houston area Total Nonfarm Employment has fallen from 5.6 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 38.) Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 11 percent less than the national average, due to a 21-percent lower concentration in Finance and Insurance offsetting a 17-percent higher concentration in Real Estate and Rental and Leasing.

Chart 38. Employment in Component Industries of Financial Activities Sector - October 2021



Unemployment Rates

Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 5.4 percent in October, down from September's 5.6 percent and down from 8.0 percent a year ago. This was above the statewide rate of 4.8 percent and above the national rate of 4.3 percent. 184,892 individuals were unemployed in Houston in October, down from September's 191,437 and down from 272,957 in October 2020.

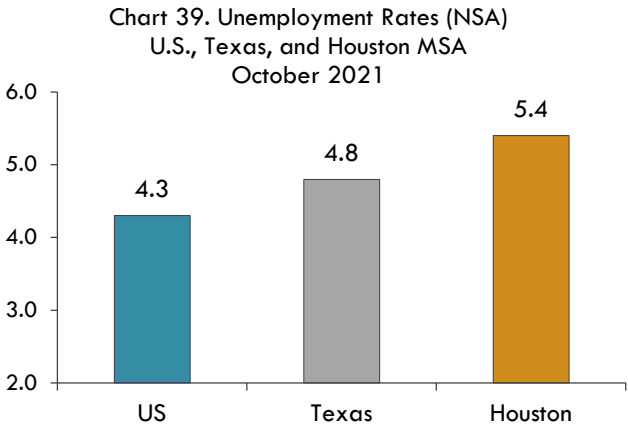
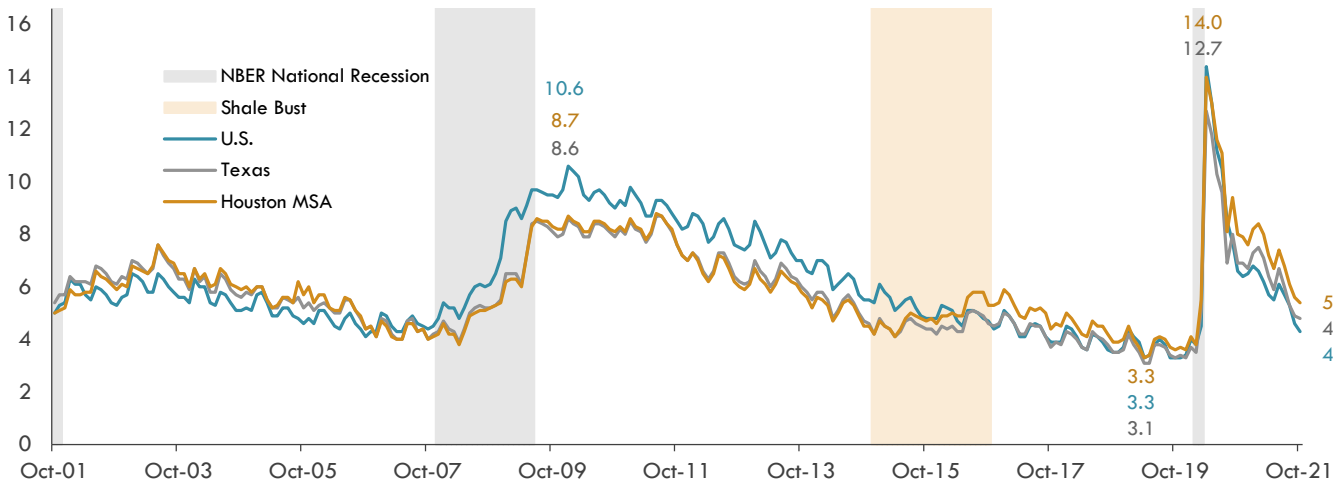


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
October 2001 to October 2021



Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 5.8 percent in September, down slightly from August's 5.9 percent and down from 9.6 percent a year ago. This was above the statewide rate of 5.6 percent and above the national rate of 4.8 percent. 198,678 individuals were unemployed in Houston in September, virtually unchanged, down slightly from August's 201,739 and down from 333,568 in September 2020.

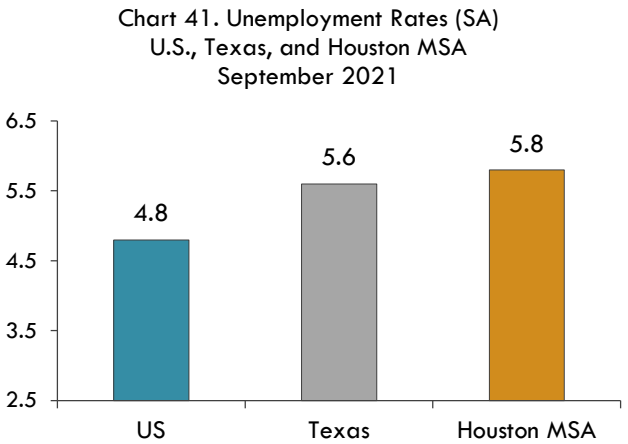
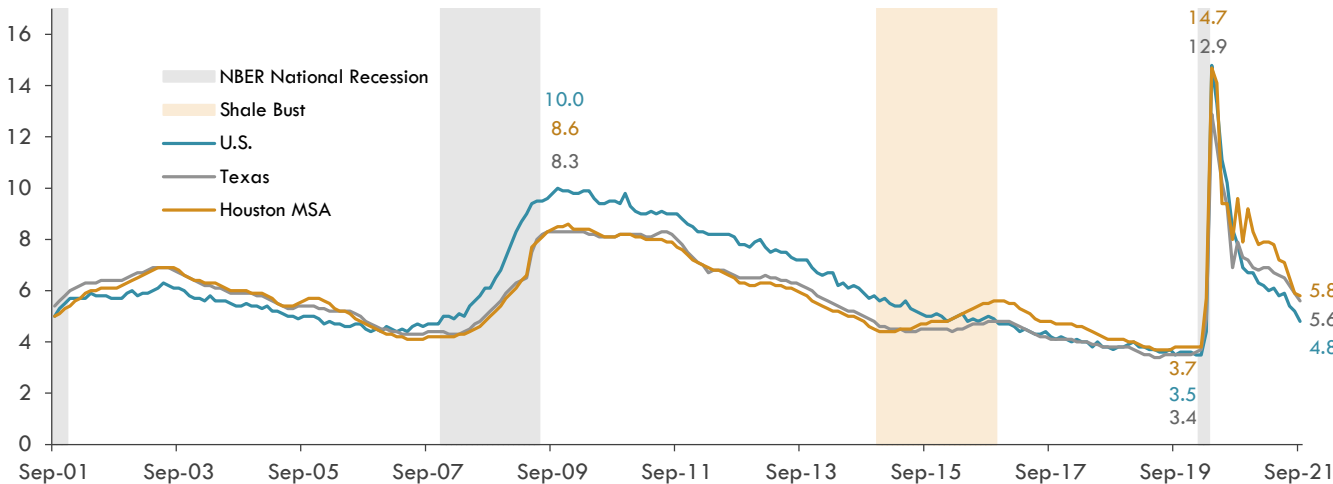


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
September 2001 to September 2021



Houston Area Employment Situation

October 2021

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Oct-21	Sep-21	Oct-20	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,099,800	3,066,700	2,964,200	33,100	1.1%	135,600	4.6%
Total Private	2,685,700	2,660,000	2,552,100	25,700	1.0%	133,600	5.2%
Goods Producing	490,000	485,700	481,200	4,300	0.9%	8,800	1.8%
.Mining and Logging	71,700	71,000	64,500	700	1.0%	7,200	11.2%
...Oil and Gas Extraction	35,400	35,100	34,200	300	0.9%	1,200	3.5%
...Support Activities for Mining	34,200	33,800	29,100	400	1.2%	5,100	17.5%
.Construction	206,800	203,700	207,100	3,100	1.5%	-300	-0.1%
..Construction of Buildings	45,400	44,200	46,300	1,200	2.7%	-900	-1.9%
..Heavy and Civil Engineering Construction	52,200	50,300	50,200	1,900	3.8%	2,000	4.0%
..Specialty Trade Contractors	109,200	109,200	110,600	0	0.0%	-1,400	-1.3%
.Manufacturing	211,500	211,000	209,600	500	0.2%	1,900	0.9%
..Durable Goods	130,900	130,000	128,400	900	0.7%	2,500	1.9%
...Fabricated Metal Product Manufacturing	43,800	43,600	43,100	200	0.5%	700	1.6%
...Machinery Manufacturing	37,000	37,600	39,300	-600	-1.6%	-2,300	-5.9%
....Agriculture, Construction, and Mining Machinery Mfg.	19,600	19,700	20,800	-100	-0.5%	-1,200	-5.8%
...Computer and Electronic Product Manufacturing	12,900	12,900	13,000	0	0.0%	-100	-0.8%
..Non-Durable Goods	80,600	81,000	81,200	-400	-0.5%	-600	-0.7%
...Petroleum and Coal Products Manufacturing	9,100	8,900	8,600	200	2.2%	500	5.8%
...Chemical Manufacturing	38,300	38,500	39,100	-200	-0.5%	-800	-2.0%
Service Providing	2,609,800	2,581,000	2,483,000	28,800	1.1%	126,800	5.1%
.Private Service Providing	2,195,700	2,174,300	2,070,900	21,400	1.0%	124,800	6.0%
..Trade, Transportation, and Utilities	638,100	630,500	615,800	7,600	1.2%	22,300	3.6%
...Wholesale Trade	163,400	162,200	157,800	1,200	0.7%	5,600	3.5%
....Merchant Wholesalers, Durable Goods	101,200	100,000	97,000	1,200	1.2%	4,200	4.3%
.....Prof. and Commercial Equip. Supplies Wholesalers	16,900	16,900	16,700	0	0.0%	200	1.2%
....Merchant Wholesalers, Nondurable Goods	50,500	49,900	50,500	600	1.2%	0	0.0%
...Retail Trade	301,500	295,700	296,400	5,800	2.0%	5,100	1.7%
....Motor Vehicle and Parts Dealers	42,000	41,500	40,700	500	1.2%	1,300	3.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,200	23,700	23,500	-500	-2.1%	-300	-1.3%
....Food and Beverage Stores	72,000	70,200	70,000	1,800	2.6%	2,000	2.9%
....Health and Personal Care Stores	19,400	18,600	18,400	800	4.3%	1,000	5.4%
....Clothing and Clothing Accessories Stores	25,100	24,500	22,600	600	2.4%	2,500	11.1%
....General Merchandise Stores	59,500	57,700	57,500	1,800	3.1%	2,000	3.5%
.....Department Stores	17,100	16,600	16,100	500	3.0%	1,000	6.2%
.....Other General Merchandise Stores	42,400	41,100	41,400	1,300	3.2%	1,000	2.4%
...Transportation, Warehousing, and Utilities	173,200	172,600	161,600	600	0.3%	11,600	7.2%
....Utilities	17,100	17,000	17,100	100	0.6%	0	0.0%
.....Air Transportation	18,300	18,300	18,300	0	0.0%	0	0.0%
.....Truck Transportation	27,300	27,300	26,500	0	0.0%	800	3.0%
.....Pipeline Transportation	11,600	11,500	12,000	100	0.9%	-400	-3.3%
..Information	28,900	28,900	28,200	0	0.0%	700	2.5%
...Telecommunications	12,400	12,400	12,500	0	0.0%	-100	-0.8%
..Financial Activities	164,800	165,500	165,200	-700	-0.4%	-400	-0.2%
...Finance and Insurance	107,700	107,000	104,300	700	0.7%	3,400	3.3%
....Credit Intermediation and Related Activities	43,400	43,100	43,700	300	0.7%	-300	-0.7%
.....Depository Credit Intermediation	28,200	28,300	29,100	-100	-0.4%	-900	-3.1%
....Securities, Commodity Contracts, and Fin. Investments	21,000	20,900	20,600	100	0.5%	400	1.9%
....Insurance Carriers and Related Activities	43,300	43,000	40,000	300	0.7%	3,300	8.3%
...Real Estate and Rental and Leasing	57,100	58,500	60,900	-1,400	-2.4%	-3,800	-6.2%
..Professional and Business Services	515,200	511,700	483,400	3,500	0.7%	31,800	6.6%
...Professional, Scientific, and Technical Services	248,000	245,100	233,200	2,900	1.2%	14,800	6.3%
....Legal Services	28,700	28,400	28,300	300	1.1%	400	1.4%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	24,200	23,700	23,900	500	2.1%	300	1.3%
....Architectural, Engineering, and Related Services	66,400	66,600	66,500	-200	-0.3%	-100	-0.2%
....Computer Systems Design and Related Services	37,800	37,700	33,300	100	0.3%	4,500	13.5%
...Management of Companies and Enterprises	44,700	44,600	45,200	100	0.2%	-500	-1.1%
...Admin. and Support and Waste Mgmt. and Remediation	222,500	222,000	205,000	500	0.2%	17,500	8.5%
....Administrative and Support Services	208,600	208,500	193,500	100	0.0%	15,100	7.8%
.....Employment Services	85,200	82,900	71,600	2,300	2.8%	13,600	19.0%
.....Services to Buildings and Dwellings	53,600	54,800	51,100	-1,200	-2.2%	2,500	4.9%
..Educational and Health Services	419,300	407,500	394,500	11,800	2.9%	24,800	6.3%
...Educational Services	68,900	65,000	61,600	3,900	6.0%	7,300	11.9%
...Health Care and Social Assistance	350,400	342,500	332,900	7,900	2.3%	17,500	5.3%
....Ambulatory Health Care Services	174,800	171,300	165,400	3,500	2.0%	9,400	5.7%
....Hospitals	89,300	89,300	87,900	0	0.0%	1,400	1.6%
..Leisure and Hospitality	310,500	312,600	279,700	-2,100	-0.7%	30,800	11.0%
...Arts, Entertainment, and Recreation	29,000	30,900	25,800	-1,900	-6.1%	3,200	12.4%
...Accommodation and Food Services	281,500	281,700	253,900	-200	-0.1%	27,600	10.9%
....Accommodation	22,000	22,300	19,200	-300	-1.3%	2,800	14.6%
....Food Services and Drinking Places	259,500	259,400	234,700	100	0.0%	24,800	10.6%
..Other Services	118,900	117,600	104,100	1,300	1.1%	14,800	14.2%
Government	414,100	406,700	412,100	7,400	1.8%	2,000	0.5%
.Federal Government	31,200	31,400	32,500	-200	-0.6%	-1,300	-4.0%
.State Government	91,400	89,900	90,000	1,500	1.7%	1,400	1.6%
..State Government Educational Services	53,100	51,500	52,400	1,600	3.1%	700	1.3%
.Local Government	291,500	285,400	289,600	6,100	2.1%	1,900	0.7%
..Local Government Educational Services	195,900	191,200	195,500	4,700	2.5%	400	0.2%