

Houston Area Employment Situation

June 2025

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Houston Job Growth Slows Sharply in June Amid Mixed Sector Signals

Total Nonfarm

Over-the-month Change

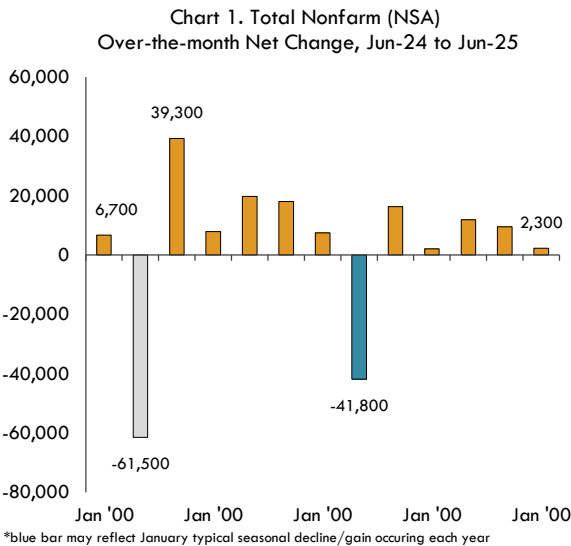
Houston MSA Total Nonfarm employment stood at 3,479,500 in June, up 2,300 jobs over the month, or 0.1 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 6,700 jobs. Prior to the pandemic, historically in the month of June, Total Nonfarm has on average added 11,000 jobs over the month, which indicates that this month's gains are substantially below the long-term average. In the history of the series, Total Nonfarm employment has lost jobs in June on only two occasions: 2009 and 2016, during the Great Recession and the late-2014 fracking bust.

The primary drivers of this June's growth were increases in Leisure and Hospitality; Construction; and Manufacturing. Gains were also recorded in Private Education and Health Services; Financial Activities; and Information. The net increase in jobs over the month was partially offset by losses in Government; Professional and Business Services; and Other Services. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,469,800, up 1,200 jobs over the month, or 0.0 percent vs. a historical average of 4,200. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Source: BLS/TWC unless otherwise noted. NOTE: The Houston-Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA) consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties.

- Top-3 Drivers of Over-the-month Job Growth in June
- Leisure and Hospitality: 4,200
 - Construction: 2,700
 - Manufacturing: 2,500

Over-the-year Change

Over the year, Total Nonfarm employment was up 31,100 or 0.9 percent on a not-seasonally-adjusted basis and up 30,800 or 0.9 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, June 2024 saw a year-over-year gain of 54,000 jobs (NSA) from June 2023. Currently 9 out of 11 sectors show growth year over year of which the top-three are Private Education and Health Services (12,700); Trade, Transportation, and Utilities (8,600); and Government (5,100) (see Chart 4). Total Nonfarm



employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,193,600 jobs by 285,900, or 9.0 percent (270,000 jobs, 8.4 percent above 3,199,800 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, June 2025



Previous Month's Revisions

Total Nonfarm employment was revised upward by 5,900 jobs for a April to May larger net gain of 9,500 compared to an original estimate of 3,600 jobs. An upward revision of +3,100 jobs in Professional and Business Services was the largest contributor followed by Other Services (+2,100) and Construction (+1,600). Downward revisions in Leisure and Hospitality (-1,400), Mining and Logging (-200), and Information (-200) provided a partial offset of the overall upward revision to Total Nonfarm employment (see Chart 5).

- Top-3 Drivers of Over-the-year Job Growth in June
- Private Education and Health Services: 12,700
 - Trade, Transportation, and Utilities: 8,600
 - Government: 5,100

Chart 5. Net Revisions for Selected Supersectors and Major Industries, May 2025

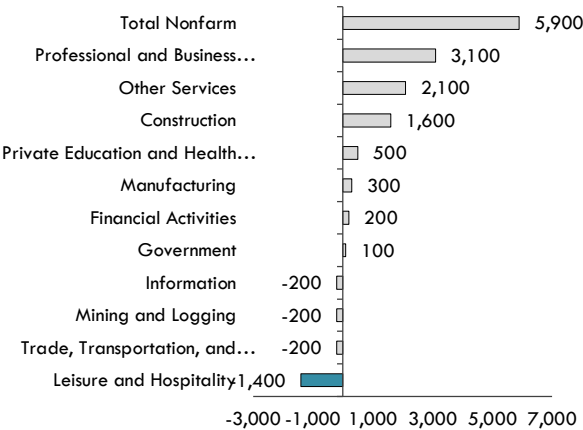


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Jun-10 to Jun-25

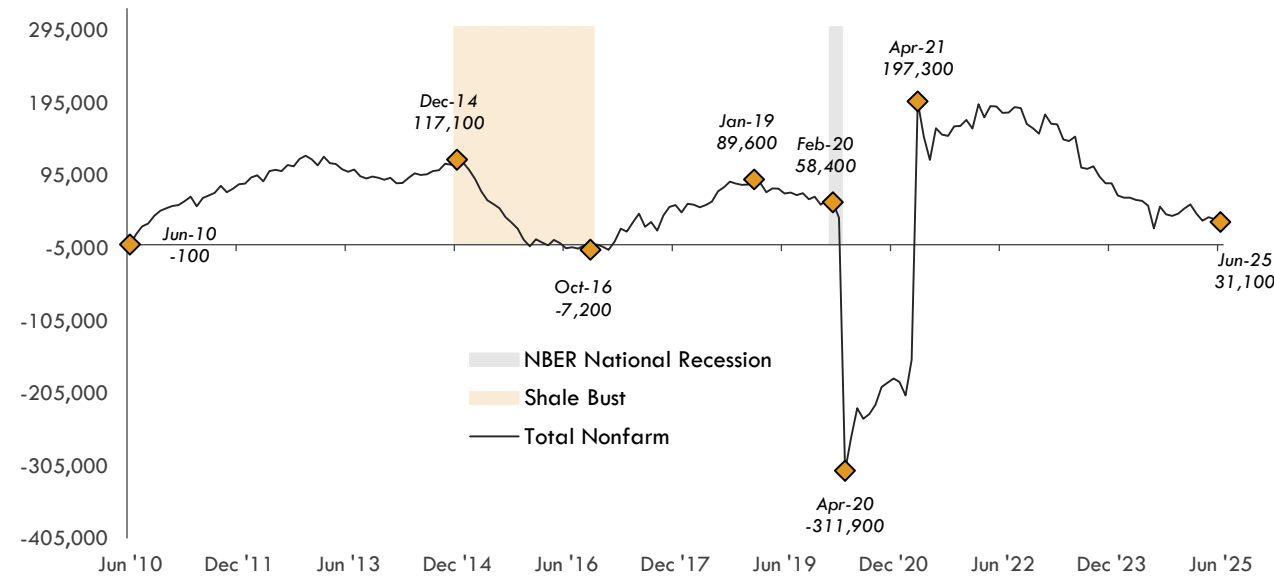
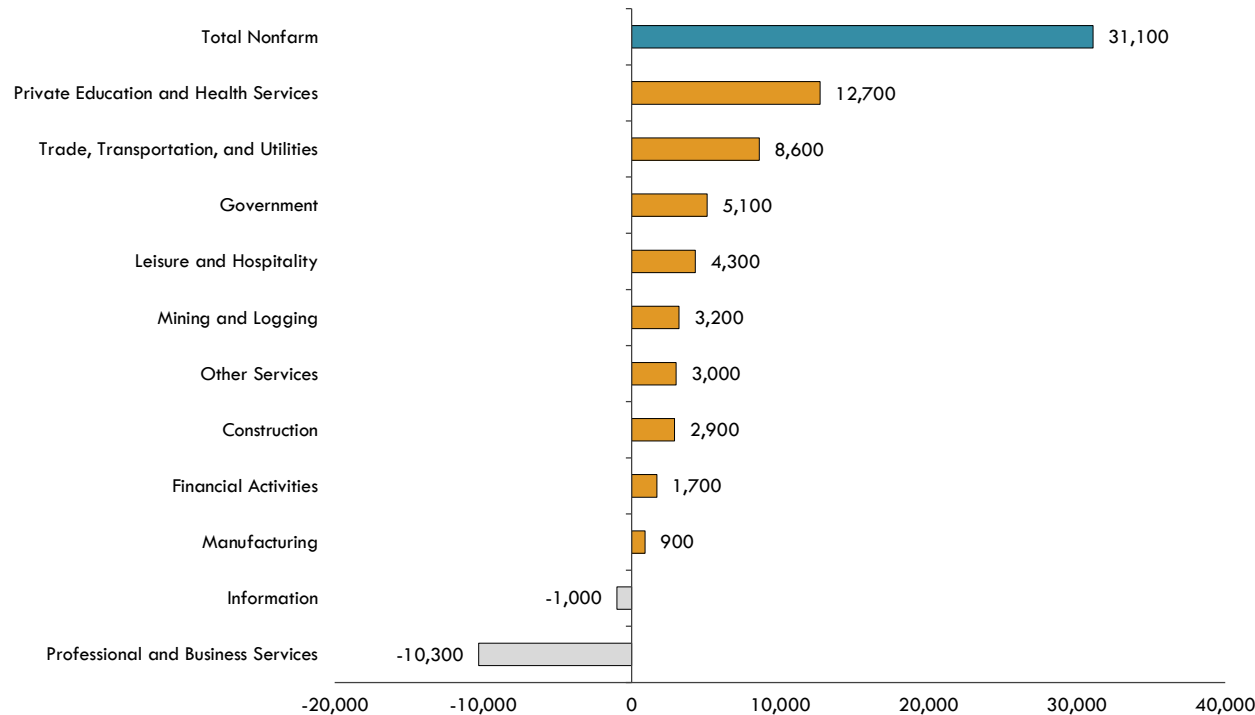


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
June 2024 to June 2025



Supplemental Commentary

Houston's labor market added just 2,300 jobs in June on a not-seasonally-adjusted basis, marking another month of subdued growth and reinforcing the theme of deceleration that has emerged throughout the second quarter. On a seasonally adjusted basis, total nonfarm employment rose by just 1,200 jobs, further underscoring the softening pace. Over the past 12 months, the region has gained 31,100 jobs, a 0.9% year-over-year increase—the slowest for this time of year since 2017, excluding the pandemic onset in 2020. It's worth noting that May's employment numbers were revised upward by 5,900 jobs, lifting the previously reported gain of 3,600 to 9,500. This revision offers some reassurance that late-spring momentum was stronger than initially estimated.

Leisure and Hospitality continued to be a key driver of job growth, adding 4,200 jobs in June. The majority of gains came from Food Services and Drinking Places (+2,800), reflecting strong seasonal demand. Accommodation Services grew by 400 jobs, and Arts, Entertainment, and Recreation added 1,000 jobs, benefiting from summer activity and events.

Private Education and Health Services also added 1,000 jobs, driven by a 1,500-job increase in Health Care and Social Assistance, including hospital employment (+700). However, Private Educational Services declined by 500, likely due to the typical end-of-academic-year workforce reductions.

Among goods-producing sectors, Construction added 2,700 jobs, with broad-based growth across Construction of Buildings (+700), Heavy and Civil Engineering Construction (+800), and Specialty Trade Contractors (+1,200). This marked one of the strongest monthly performances for the industry in 2025, likely reflecting continued momentum in infrastructure projects and commercial real estate development. Manufacturing employment rose by 2,500, with gains in Durable Goods (+1,400), notably fabricated metals, machinery, and electronics, and Nondurable Goods (+1,100), including chemical manufacturing, which added 500 jobs. These gains come despite broader headwinds facing the sector nationally and underscore the resilience of Houston's industries amid an otherwise slowing labor market.

Offsetting June's job gains were losses in major service-providing sectors, most notably Professional and Business Services (P&BS), which shed 3,600 jobs. This is not only a steep departure from its long-term June average gain of 3,900 jobs, but also marks the first June on record in which the sector has posted a loss, even during past national or local recessions. Excluding January's seasonal decline, this is the fourth month of losses in 2025 for P&BS, raising concerns about persistent weakness or possible data anomalies. The largest component of the loss came from Professional, Scientific, and Technical Services (-2,800), including declines in Computer Systems Design (-500), while Employment Services (-1,700) also saw significant cuts.

The ISM-Houston Business Report for June provides mixed signals. While the sector overall showed slight expansion, the employment index contracted slightly, and several major employers in energy-adjacent industries have implemented or announced staffing cuts. ISM noted that "many if not all energy companies are taking a wait-and-see attitude" due to weak oil prices and federal policy uncertainty. Recent WARN filings, including those from Encino Energy and Sunnova Energy, further point to localized slowdowns in business services tied to energy.

Trade, Transportation, and Utilities also turned negative, posting a net loss of 300 jobs, its first June decline since at least 1990. The loss was led by Retail Trade (-300) and modest declines in Transportation, Warehousing, and Utilities (-100), particularly air and truck transportation. This softness likely reflects a mix of consumer caution, ongoing inventory adjustments, and softer goods movement.

Other notable changes included a seasonal decline of 4,800 jobs in Government, largely from Local Government Education (-4,300) as schools entered summer break and consistent with typical seasonal patterns. Mining and Logging employment also edged down by 100 jobs, reflecting a modest pause following strong gains earlier in the year. On a more positive note, Financial Activities added 1,000 jobs, with strength across Real Estate and Rental and Leasing (+700) and Finance and Insurance (+300). Information employment remained flat, consistent with its longer-term stagnation trend.

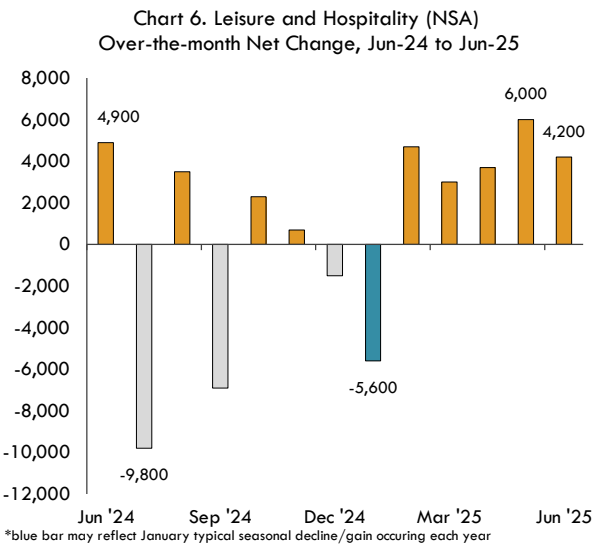
Looking ahead, the labor market appears to be at an inflection point. While Houston continues to add jobs, the slowing pace of growth and historical anomalies in key sectors like Professional and Business Services raise questions about the underlying strength of the expansion. At the same time, resilience in construction, leisure and hospitality, and health care suggests the region is not in contraction, but rather entering a phase of economic normalization following the post-pandemic years. Continued data revisions and upcoming releases will be critical in determining whether the recent softness reflects a temporary pause, structural shifts, or potential mismeasurement in certain industries.

GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

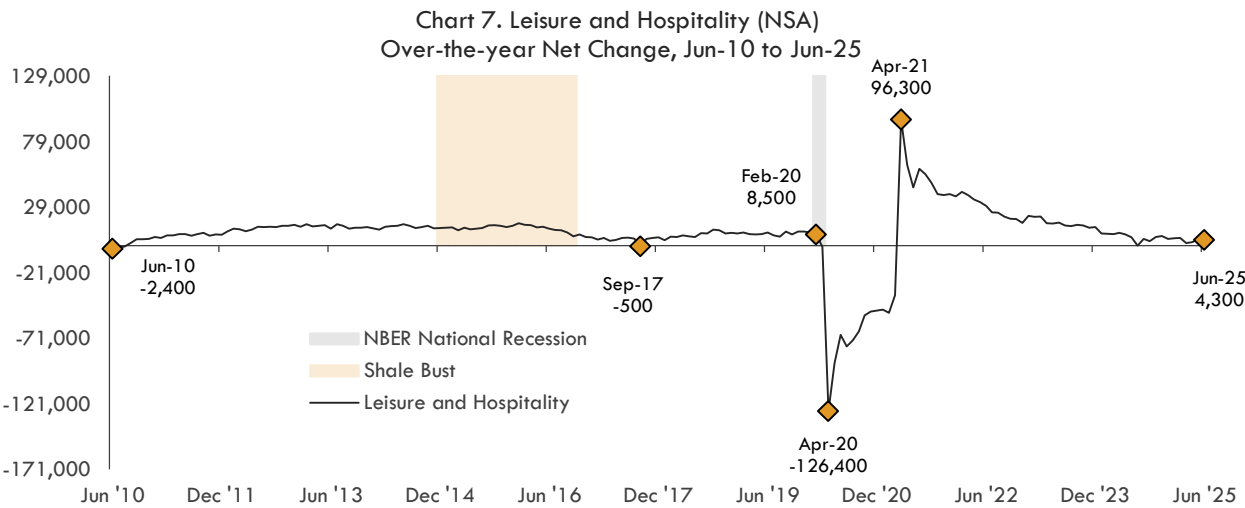
Leisure and Hospitality was the largest gaining sector over the month up 4,200 jobs, or 1.1 percent (see Chart 6). Historically in the month of June, Leisure and Hospitality has added an average of 3,700 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 3,200 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 1,000 jobs from May to June. Leisure and Hospitality employment was revised downward by -1,400 jobs for a April to May smaller net gain of 6,000 compared to an original estimate of 7,400 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 4,300 jobs, or 1.2 percent (see Chart 7). Accommodation and Food Services was the largest contributor to the overall sector's increase, up 5,300 jobs over the year. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -1,000 jobs from June a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,600 jobs by 43,500, or 13.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 10.8 percent

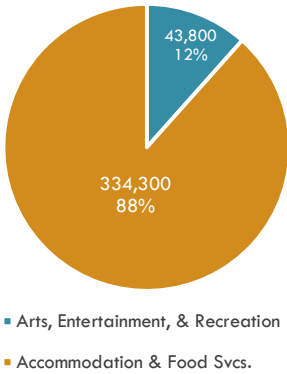
over the past year.



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. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 88 percent (see Chart 8).

Chart 8. Employment in Component Industries of Leisure and Hospitality Sector - June 2025

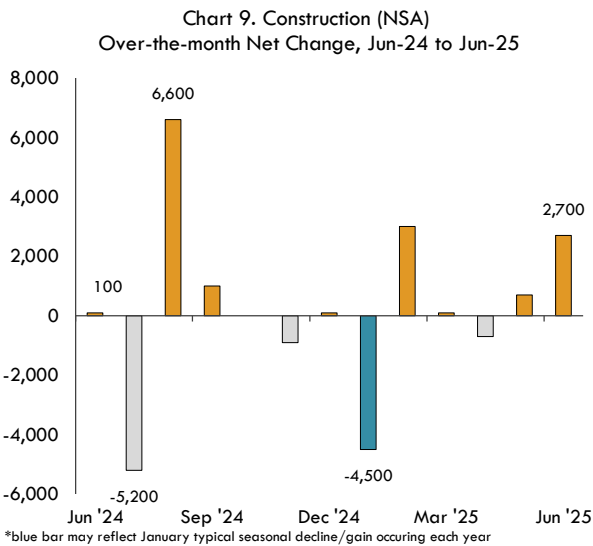


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

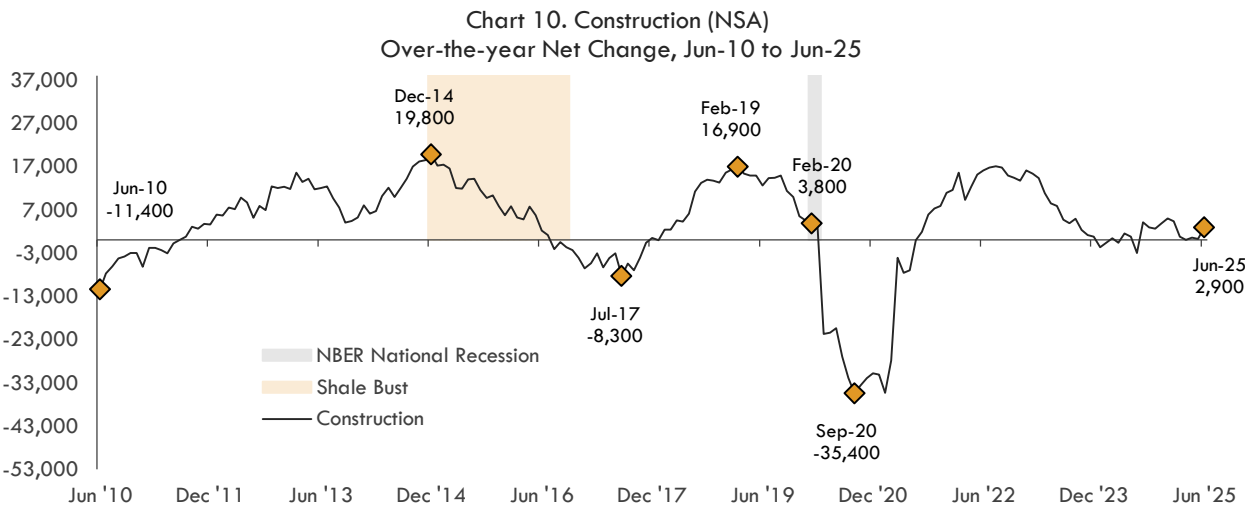
Construction was the second-largest gaining sector over the month up 2,700 jobs, or 1.2 percent (see Chart 9). Historically in the month of June, Construction has added an average of 600 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. The second-largest contributor was Heavy and Civil Engineering Construction, which added 800 jobs from May to June. Lastly, Construction of Buildings contributed, 700 jobs. Construction employment was revised upward by 1,600 jobs for a April to May complete erasure of losses resulting in a net gain of 700 compared to an original estimate of -900 jobs.



Over-the-year Change

Year over year, Construction was up 2,900 jobs, or 1.2 percent (see Chart 10). This was the largest over-the-year gain since January 2025's increase of 4,300 jobs. Construction of Buildings was the largest contributor to the overall sector's increase, up 2,700 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 500 jobs from June a year ago. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -300 jobs. Total Construction employment (NSA) remains -1,400 jobs, or -0.6 percent below its February 2020 pre-pandemic

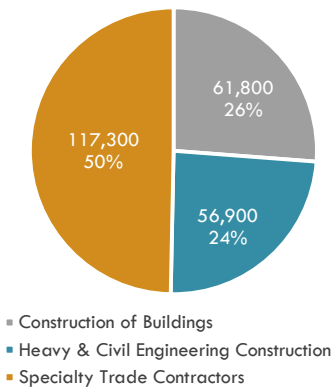
level of 237,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.8 percent over the past year.



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 50 percent (see Chart 11).

Chart 11. Employment in Component Industries of Construction Sector - June 2025

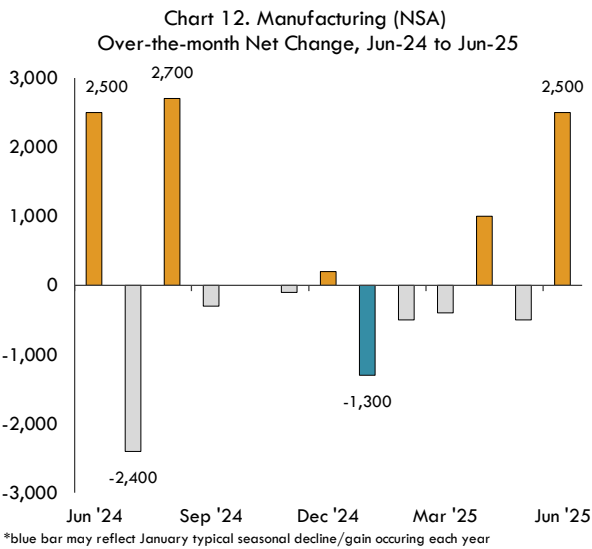


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

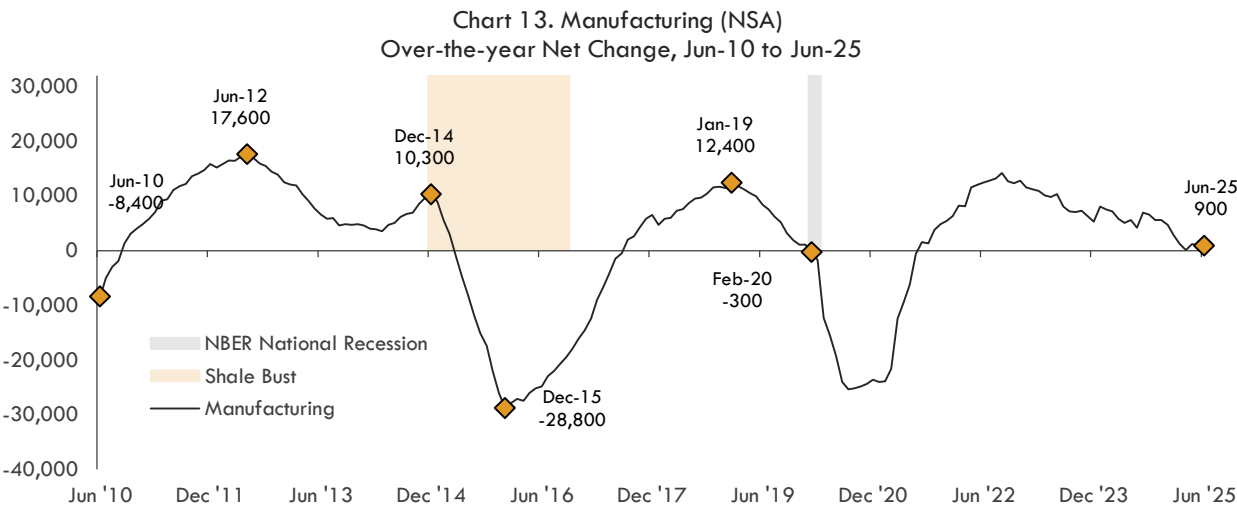
Over-the-month Change

Manufacturing was the third-largest gaining sector over the month up 2,500 jobs, or 1.0 percent (see Chart 12). Historically in the month of June, Manufacturing has added an average of 1,700 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Durable Goods was the largest contributor to the overall sector's increase, up 1,400 jobs over the month. The second-largest contributor was Non-Durable Goods, which added 1,100 jobs from May to June. Manufacturing employment was revised upward by 300 jobs for a April to May smaller net loss of -500 compared to an original estimate of -800 jobs.



Over-the-year Change

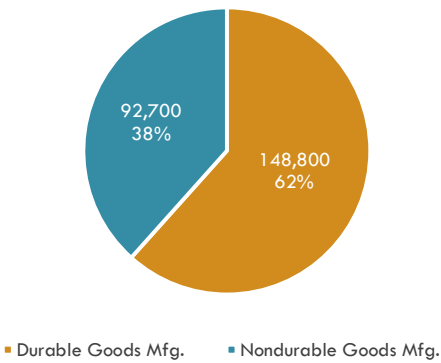
Year over year, Manufacturing was up 900 jobs, or 0.4 percent (see Chart 13). Non-Durable Goods was the largest contributor to the overall sector's increase, up 1,700 jobs over the year. One component industry that provided a partial offset was Durable Goods, which lost -800 jobs from June a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,700 jobs by 6,800, or 2.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 7.0 percent over the past year.



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 14).

Chart 14. Employment in Component Industries of Manufacturing Sector - June 2025

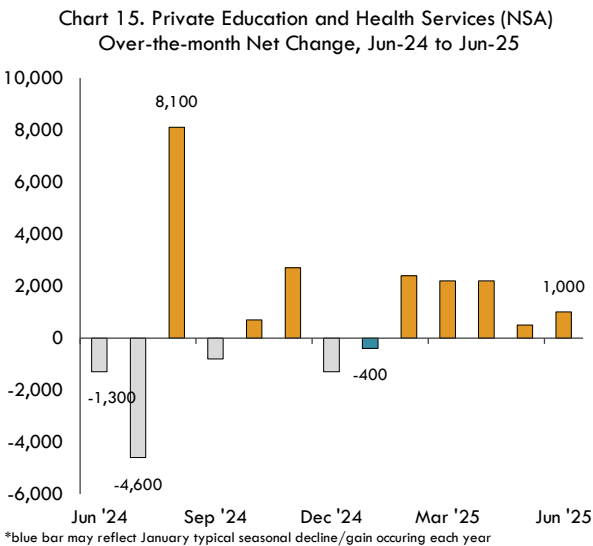


GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

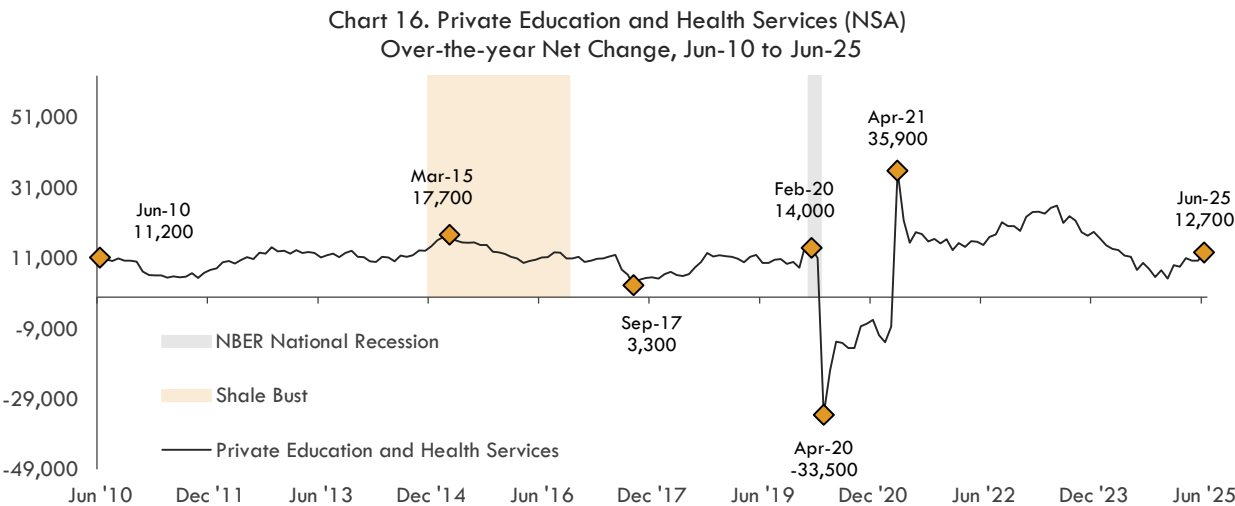
Private Education and Health Services was the fourth-largest gaining sector over the month up 1,000 jobs, or 0.2 percent (see Chart 15). This was the third-largest gain in the month of June since records began in 1990. Historically in the month of June, Private Education and Health Services has lost 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. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 1,500 jobs over the month. One component industry that provided a partial offset was Private Educational Services, which lost -500 jobs from May to June. Private Education and Health Services employment was revised upward by 500 jobs for a April to Maynet gain of 500 compared to an original estimate of zero net change in jobs over the month.



Over-the-year Change

Year over year, Private Education and Health Services was up 12,700 jobs, or 2.8 percent (see Chart 16). This was the largest over-the-year gain since April 2024's increase of 13,400 jobs. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 30.0 percent of total (gross) jobs added across the region over the past year can be attributed to Private Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 11,100 jobs over the year. The second-largest contributor was Private

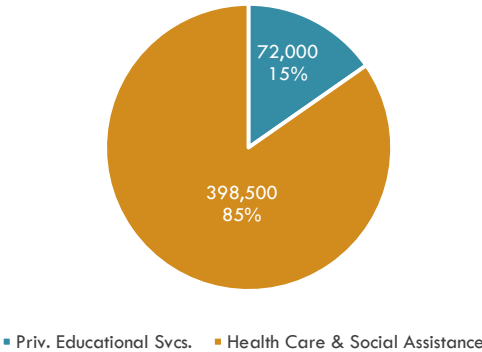
Educational Services, which added 1,600 jobs from June a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,600 jobs by 55,900, or 13.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.3 percent to 13.5 percent over the past year.



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 85 percent (see Chart 17).

Chart 17. Employment in Component Industries of Private Education and Health Services Sector - June 2025

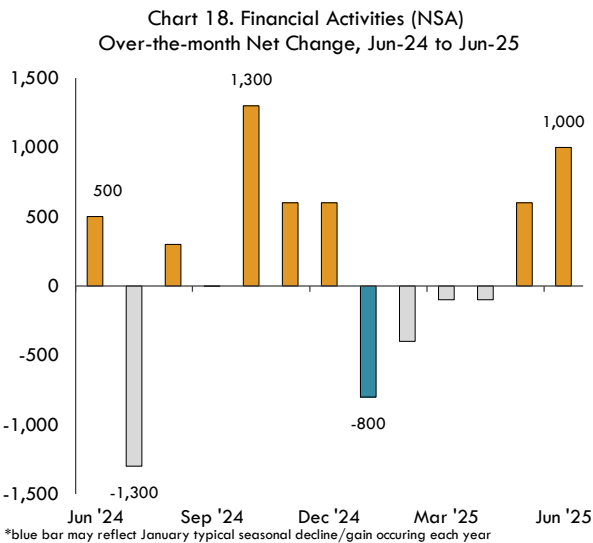


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

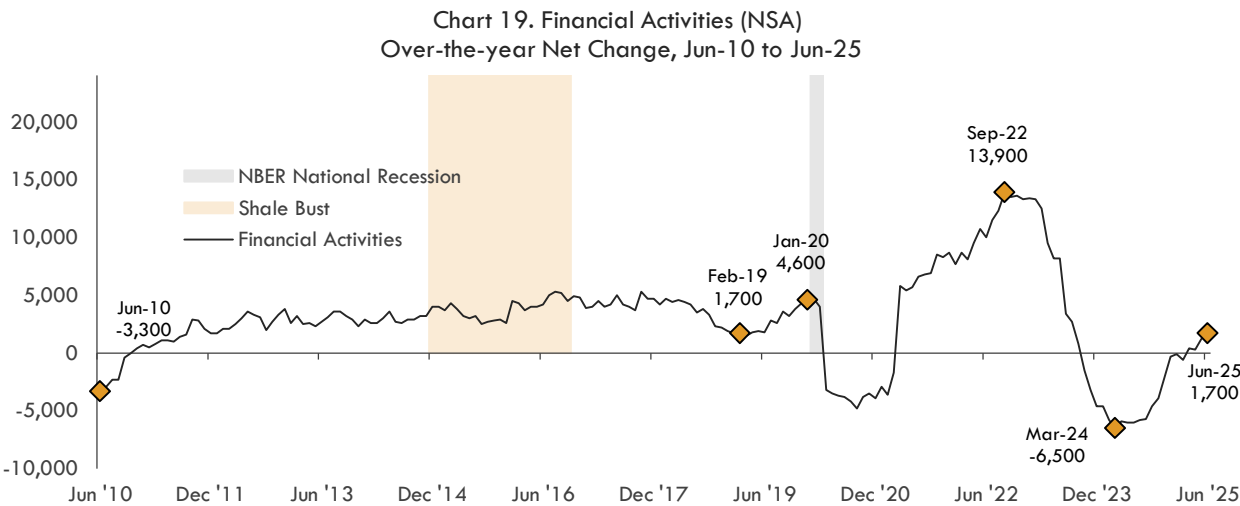
Financial Activities was the fifth-largest gaining sector over the month up 1,000 jobs, or 0.6 percent (see Chart 18). Historically in the month of June, Financial Activities has added an average of 900 jobs over the month, which indicates that this month's gains are on par with the long-term average. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 700 jobs over the month. The second-largest contributor was Finance and Insurance, which added 300 jobs from May to June. Financial Activities employment was revised upward by 200 jobs for a April to May larger net gain of 600 compared to an original estimate of 400 jobs.



Over-the-year Change

Year over year, Financial Activities was up 1,700 jobs, or 0.9 percent (see Chart 19). This was the largest over-the-year gain since August 2023's increase of 2,700 jobs. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 1,200 jobs over the year. The second-largest contributor was Finance and Insurance, which added 500 jobs from June a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 13,400, or 7.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has

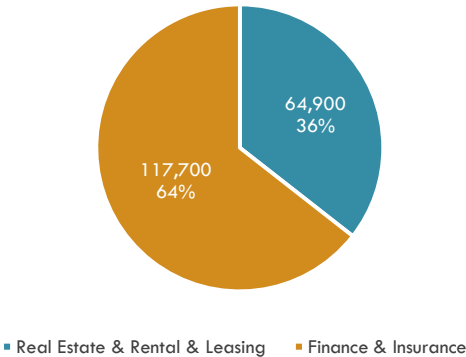
remained constant at 5.2 percent over the past year.



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 64 percent (see Chart 20).

Chart 20. Employment in Component Industries of Financial Activities Sector - June 2025

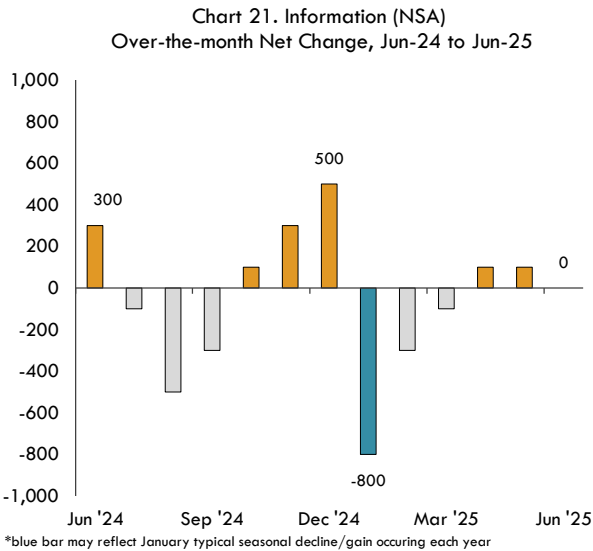


GAINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

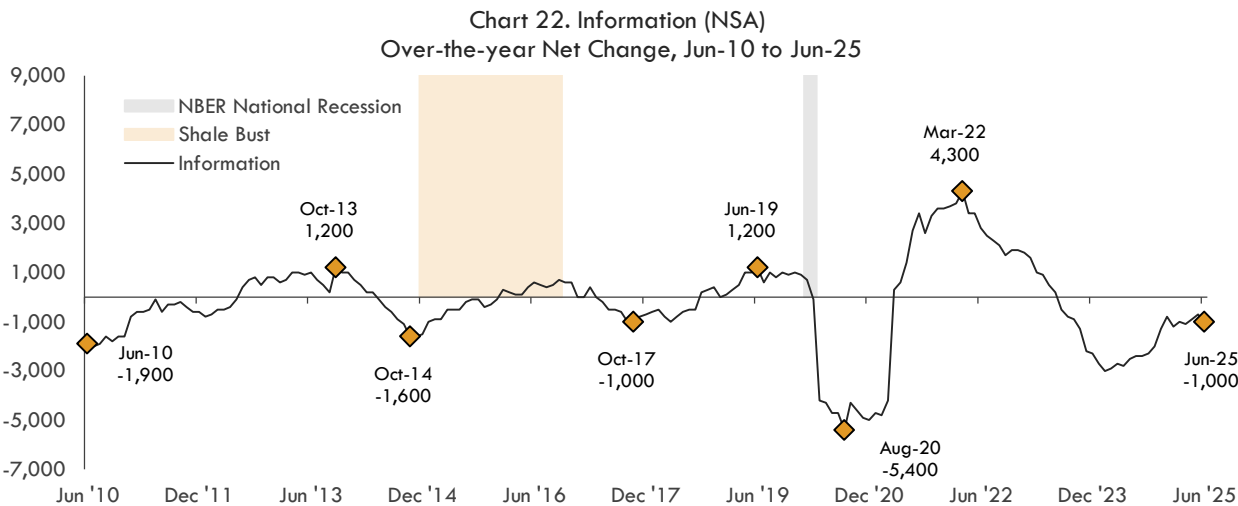
Information was unchanged over the month. (see Chart 21). Historically in the month of June, Information has added an average of 300 jobs over the month, which indicates that this month's net zero change is on par with the long-term average. Telecommunications and Other Information Undefined like the overall sector also saw no change over the month. Information employment was revised downward by -200 jobs for a April to May smaller net gain of 100 compared to an original estimate of 300 jobs.



Over-the-year Change

Year over year, Information was down -1,000 jobs, or -3.3 percent (see Chart 22). This was the largest over-the-year decline since March 2025's decrease of -1,100 jobs. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Telecommunications was the largest contributor to the overall sector's decline, down -800 jobs over the year. The second-largest declining contributor was Other Information Undefined, which lost -200 jobs from June a year ago. Total Information employment (NSA) remains -3,300 jobs, or -10.1 percent below its February 2020

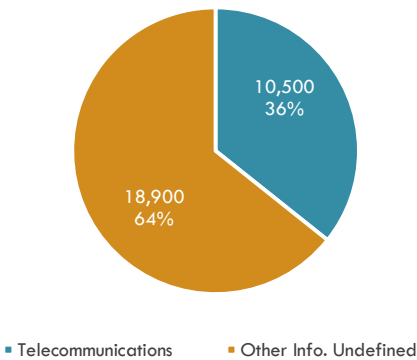
pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 0.9 percent over the past year.



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 64 percent (see Chart 23).

Chart 23. Employment in Component Industries of Information Sector - June 2025

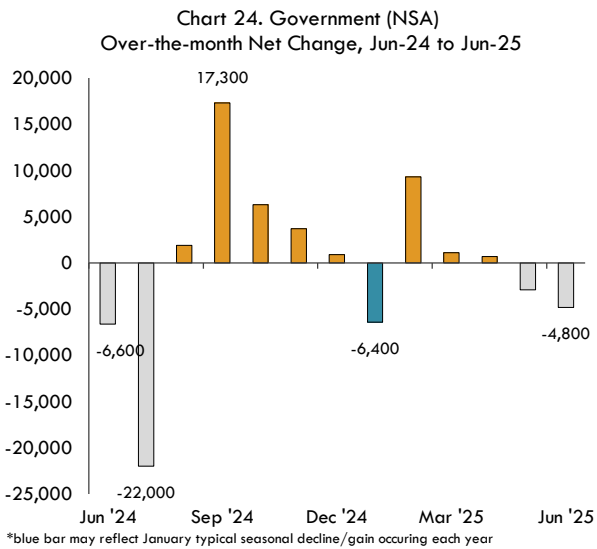


DECLINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

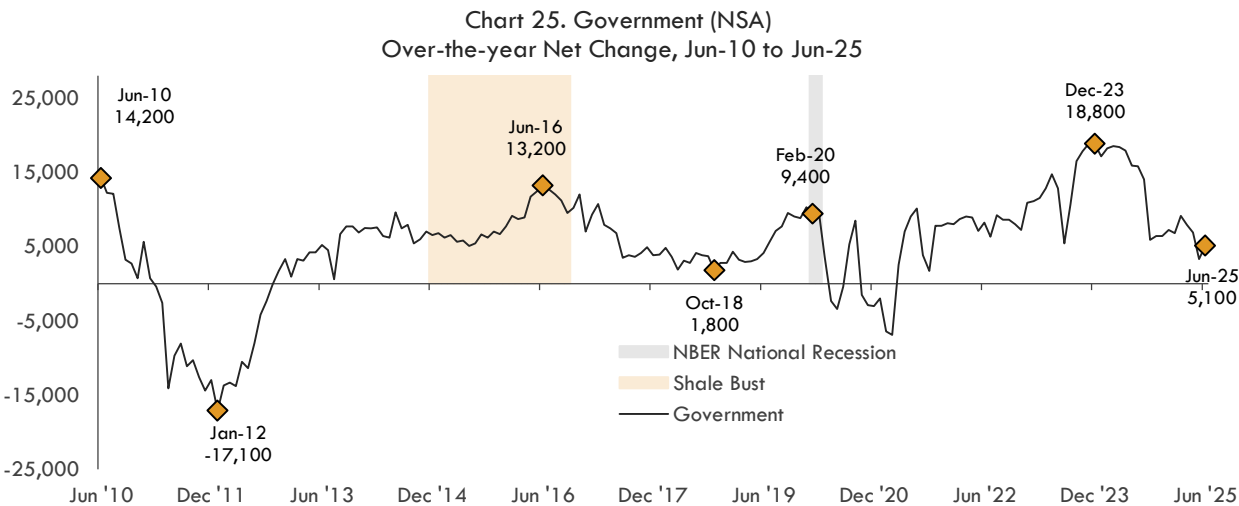
Government was the largest declining sector over the month down -4,800 jobs, or -1.0 (see Chart 24). Historically in the month of June, Government has lost an average of -7,300 jobs over the month, which indicates that this month's losses are moderately smaller than the long-term average decline. Local Government was the largest contributor to the overall sector's decline, down -3,700 jobs over the month. The second-largest declining contributor was State Government, which lost -1,100 jobs from May to June. Lastly, Federal Government saw no change over the month. Government employment was revised upward by 100 jobs for a April to May smaller net loss of -2,900 compared to an original estimate of -3,000 jobs.



Over-the-year Change

Year over year, Government was up 5,100 jobs, or 1.1 percent (see Chart 25). State Government was the largest contributor to the overall sector's increase, up 3,400 jobs over the year. The second-largest contributor was Local Government, which added 1,500 jobs from June a year ago. Lastly, Federal Government contributed, 200 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 429,300 jobs by 34,800, or 8.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.3 percent over the past

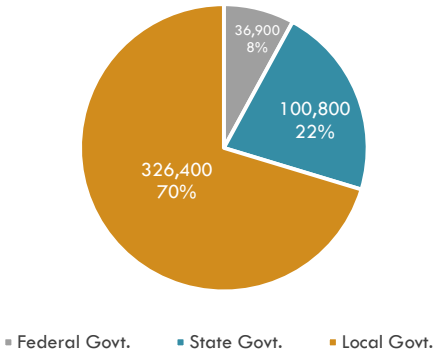
year.



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 26).

Chart 26. Employment in Component Industries of Government Sector - June 2025

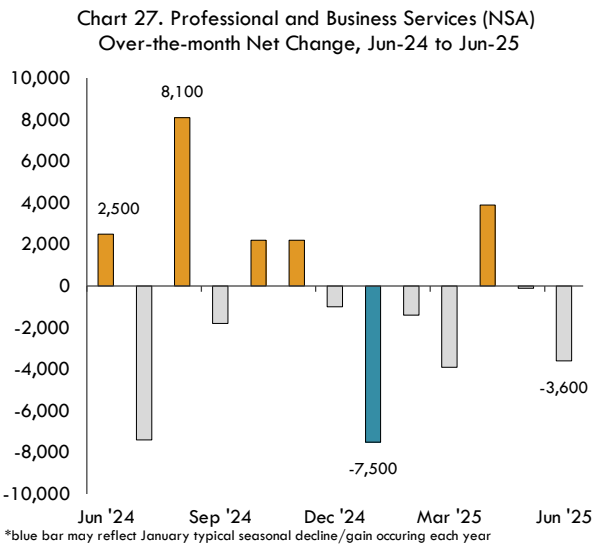


DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

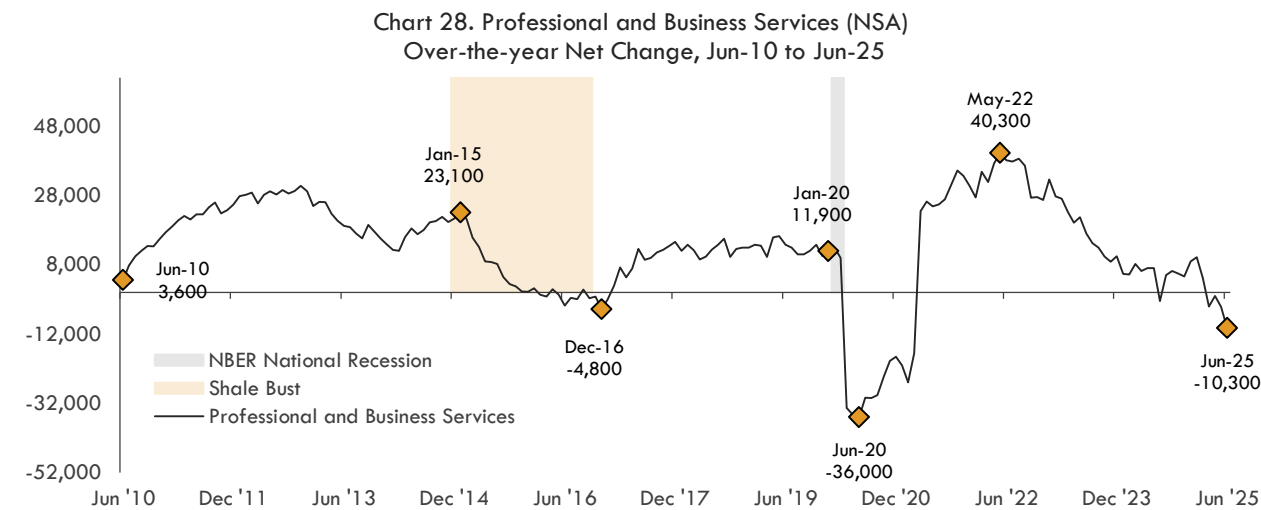
Professional and Business Services was the second-largest declining sector over the month down -3,600 jobs, or -0.6 (see Chart 27). This was the largest-ever decline in the month of June since records began in 1990. Historically in the month of June, Professional and Business Services has added an average of 3,900 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's decline, down -2,800 jobs over the month. The second-largest declining contributor was Administrative and Support and Waste Management and Remediation Services, which lost -1,100 jobs from May to June. Lastly, Management of Companies and Enterprises offset a portion of the sector's losses with a gain of 300 jobs. Professional and Business Services employment was revised upward by 3,100 jobs for a April to May smaller net loss of -100 compared to an original estimate of -3,200 jobs.



Over-the-year Change

Year over year, Professional and Business Services was down -10,300 jobs, or -1.8 percent (see Chart 28). This was the third-largest over-the-year decline in June since records began in 1990 and the largest over-the-year decline since March 2021's loss of -17,500 jobs. Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 91.2 percent of total (gross) jobs lost across the region over the past year can be attributed to Professional and Business Services. Administrative and Support and Waste Management and Remediation Services

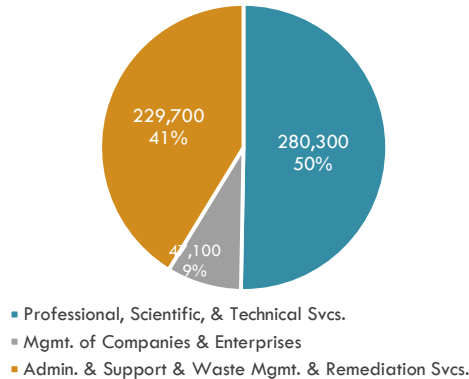
was the largest contributor to the overall sector's decline, down -9,500 jobs over the year. The second-largest declining contributor was Management of Companies and Enterprises, which lost -1,300 jobs from June a year ago. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's losses with a gain of 500 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,800 jobs by 42,300, or 8.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.5 percent to 16.0 percent over the past year.



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 slight majority of the sector's employment at just over 50 percent (see Chart 29).

Chart 29. Employment in Component Industries of Professional and Business Services Sector - June 2025

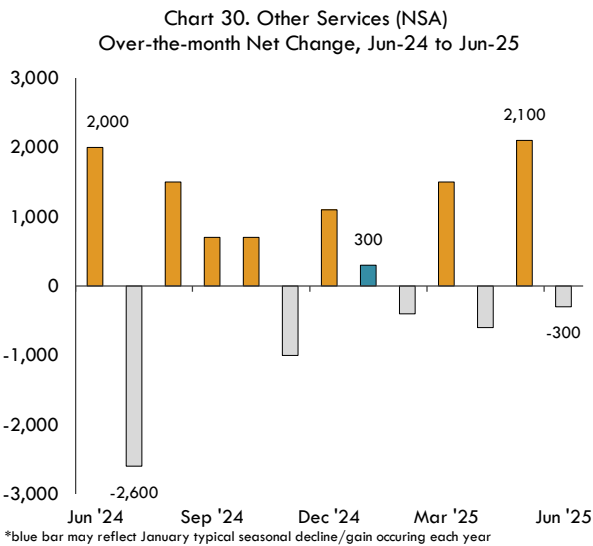


DECLINING INDUSTRY HIGHLIGHTS

Other Services

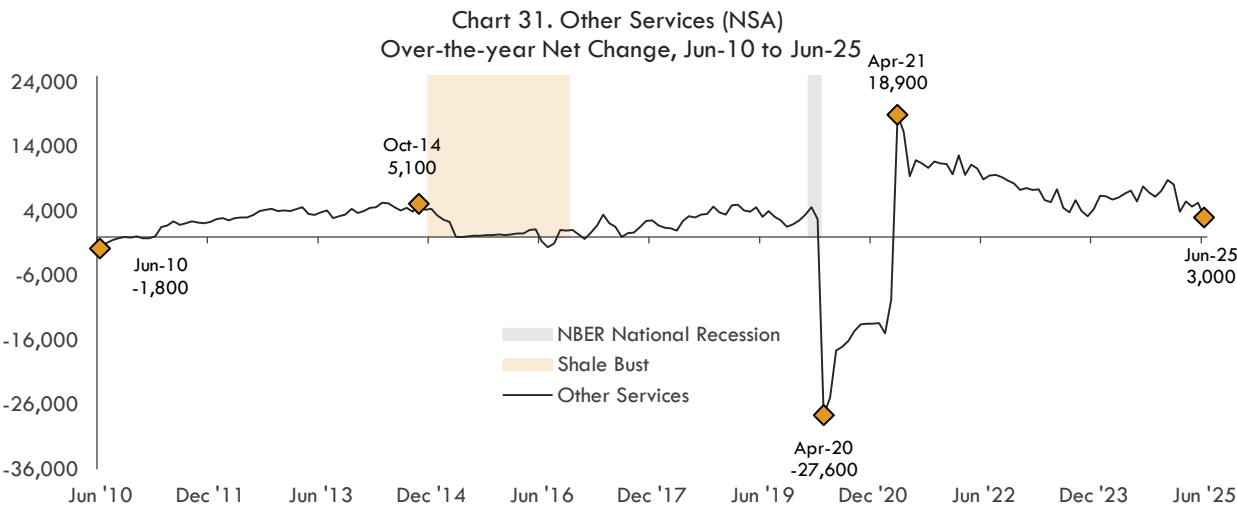
Over-the-month Change

Other Services was the third-largest declining sector over the month down -300 jobs, or -0.2 (see Chart 30). This was the second-largest decline in the month of June since records began in 1990. Historically in the month of June, Other Services has added an average of 3,500 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. 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 2,100 jobs for a April to Maynet gain of 2,100 compared to an original estimate of zero net change in jobs over the month.



Over-the-year Change

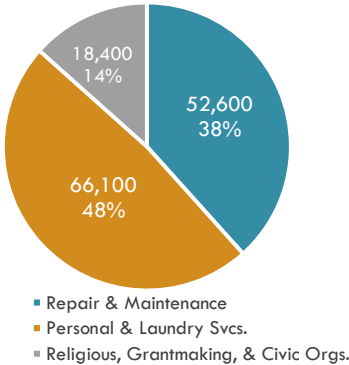
Year over year, Other Services was up 3,000 jobs, or 2.2 percent (see Chart 31). Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,200 jobs by 17,900, or 15.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 3.9 percent over the past year.



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 32). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 4 percent higher than the national average.

Chart 32. Employment in Component Industries of Other Services Sector - June 2025



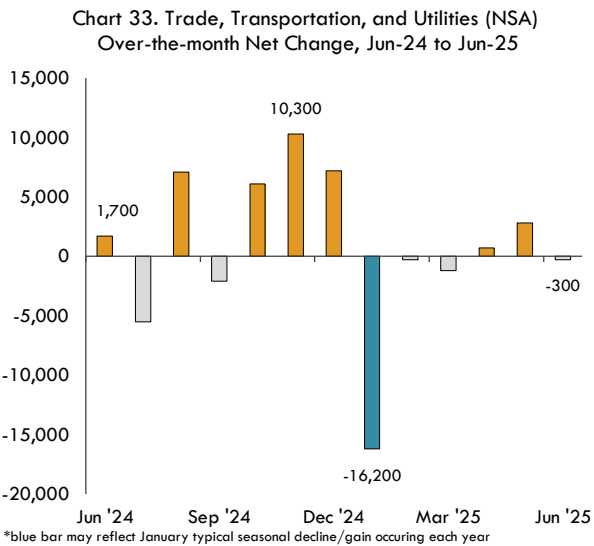
*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

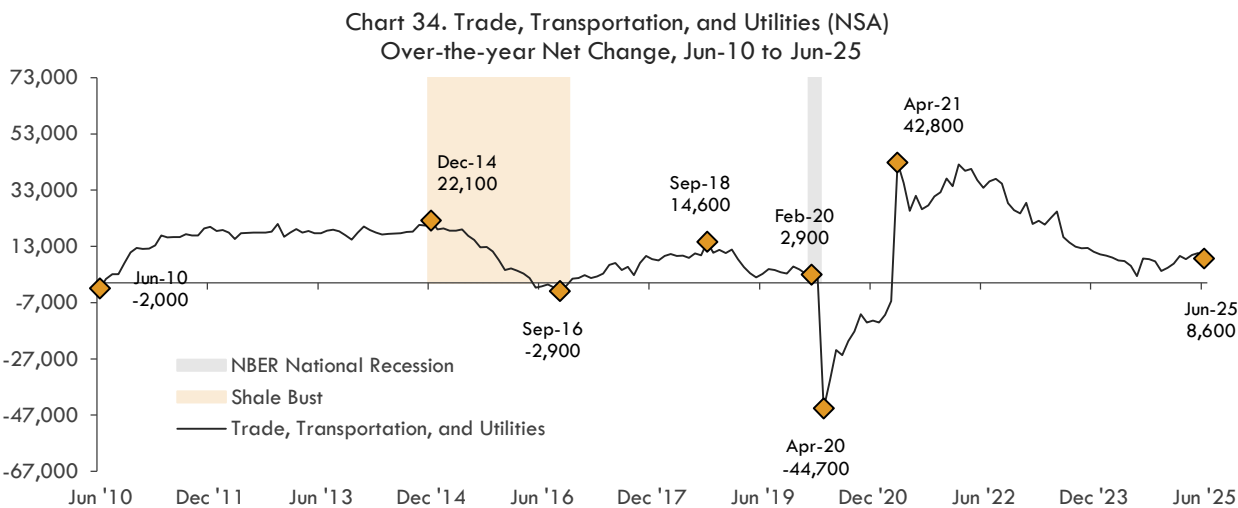
Trade, Transportation, and Utilities also saw a decrease over the month down -300 jobs, or 0.0 (see Chart 33). This was the largest-ever decline in the month of June since records began in 1990. Historically in the month of June, Trade, Transportation, and Utilities has added an average of 3,400 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Retail Trade was the largest contributor to the overall sector's decline, down -300 jobs over the month. The second-largest declining contributor was Transportation, Warehousing, and Utilities, which lost -100 jobs from May to June. Lastly, Wholesale Trade offset a portion of the sector's losses with a gain of 100 jobs. Trade, Transportation, and Utilities employment was revised downward by -200 jobs for a April to May smaller net gain of 2,800 compared to an original estimate of 3,000 jobs.



Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 8,600 jobs, or 1.2 percent (see Chart 34). Furthermore, 20.3 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Wholesale Trade was the largest contributor to the overall sector's increase, up 4,100 jobs over the year. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 3,600 jobs from June a year ago. Lastly, Retail Trade contributed, 900 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020

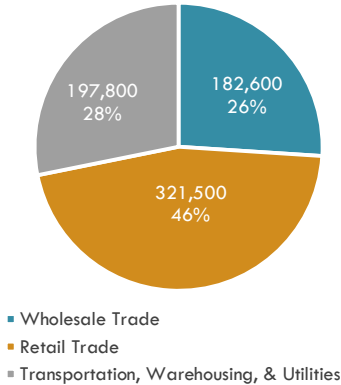
pre-pandemic level of 628,700 jobs by 73,200, or 11.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 20.1 percent over the past year.



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 46 percent (see Chart 35).

Chart 35. Employment in Component Industries of Trade, Transportation, and Utilities Sector - June 2025

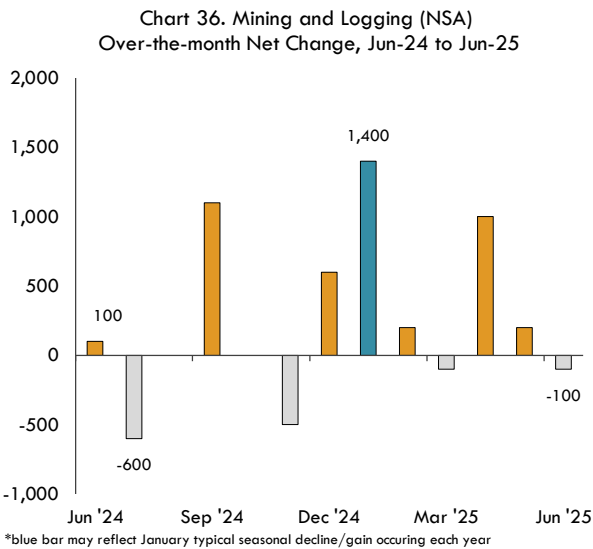


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

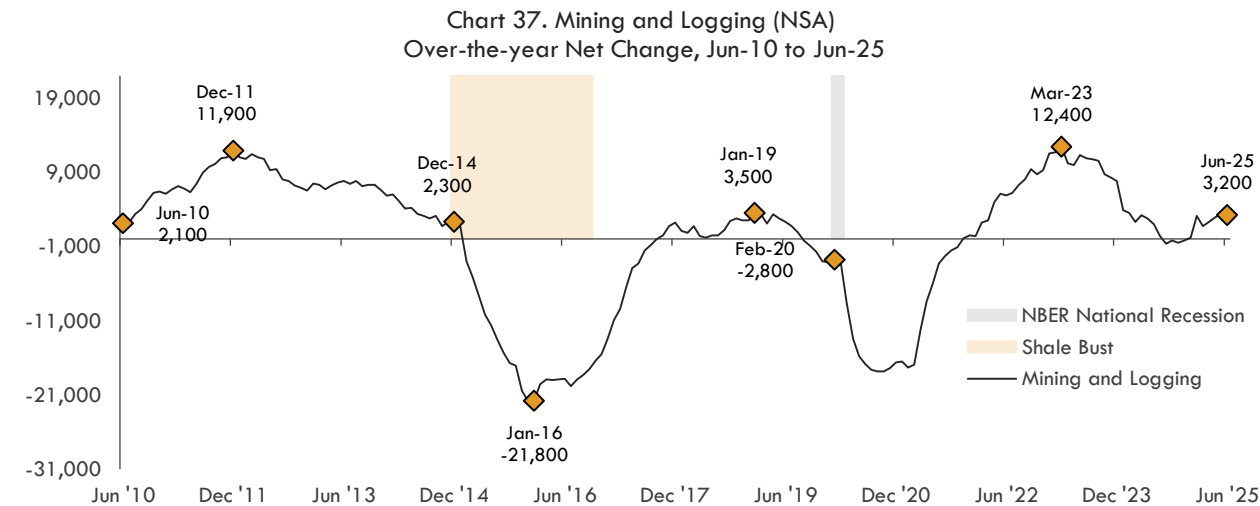
Mining and Logging also saw a decrease over the month down -100 jobs, or -0.1 (see Chart 36). Historically in the month of June, Mining and Logging has added an average of 800 jobs over the month, which indicates that this month's losses are moderately in contrast to the long-term average gain. Support Activities for Mining was the largest contributor to the overall sector's decline, down -200 jobs over the month. One component industry, Other Mining and Logging Undefined, saw no change from May to June. Lastly, Oil and Gas Extraction offset a portion of the sector's losses with a gain of 100 jobs. Mining and Logging employment was revised downward by -200 jobs for a April to May smaller net gain of 200 compared to an original estimate of 400 jobs.



Over-the-year Change

Year over year, Mining and Logging was up 3,200 jobs, or 4.1 percent (see Chart 37). Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Support Activities for Mining was the largest contributor to the overall sector's increase, up 1,900 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 1,100 jobs from June a year ago. Lastly, Other Mining and Logging Undefined contributed, 200 jobs. Total Mining and Logging employment (NSA) now exceeds its February 2020 pre-pandemic level of 78,400 jobs by 2,800, or

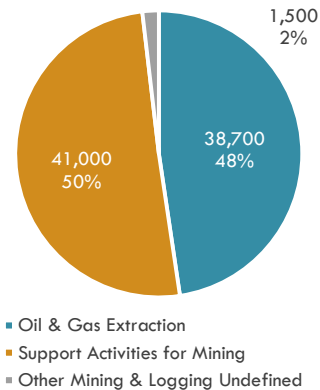
3.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 2.3 percent over the past year.



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, Support Activities for Mining accounts for a slight majority of the sector's employment at just over 50 percent (see Chart 38).

Chart 38. Employment in Component Industries of Mining and Logging Sector - June 2025



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.3 percent in June, up from May's 4.2 percent and down from 4.7 percent a year ago. This was above the statewide rate of 4.1 percent and below the national rate of 4.4 percent. June typically exhibits an over-the-month increase with the only exception occurring in 2020 due to partial reopening after April's pandemic-driven closures 167,732 individuals were unemployed in Houston in June, up from May's 164,693 and down from 179,933 in June 2024 (see Charts 39 and 40).

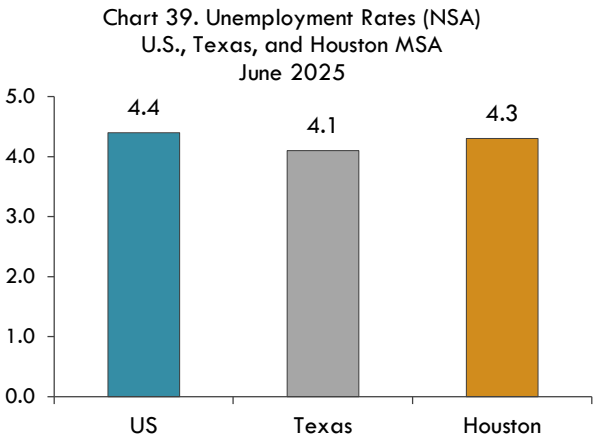
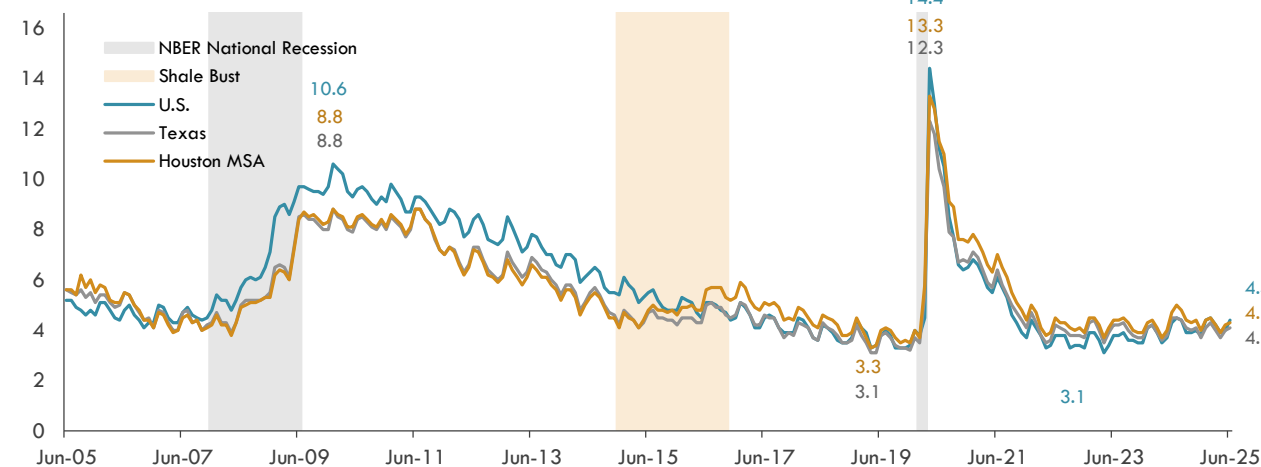


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
June 2005 to June 2025

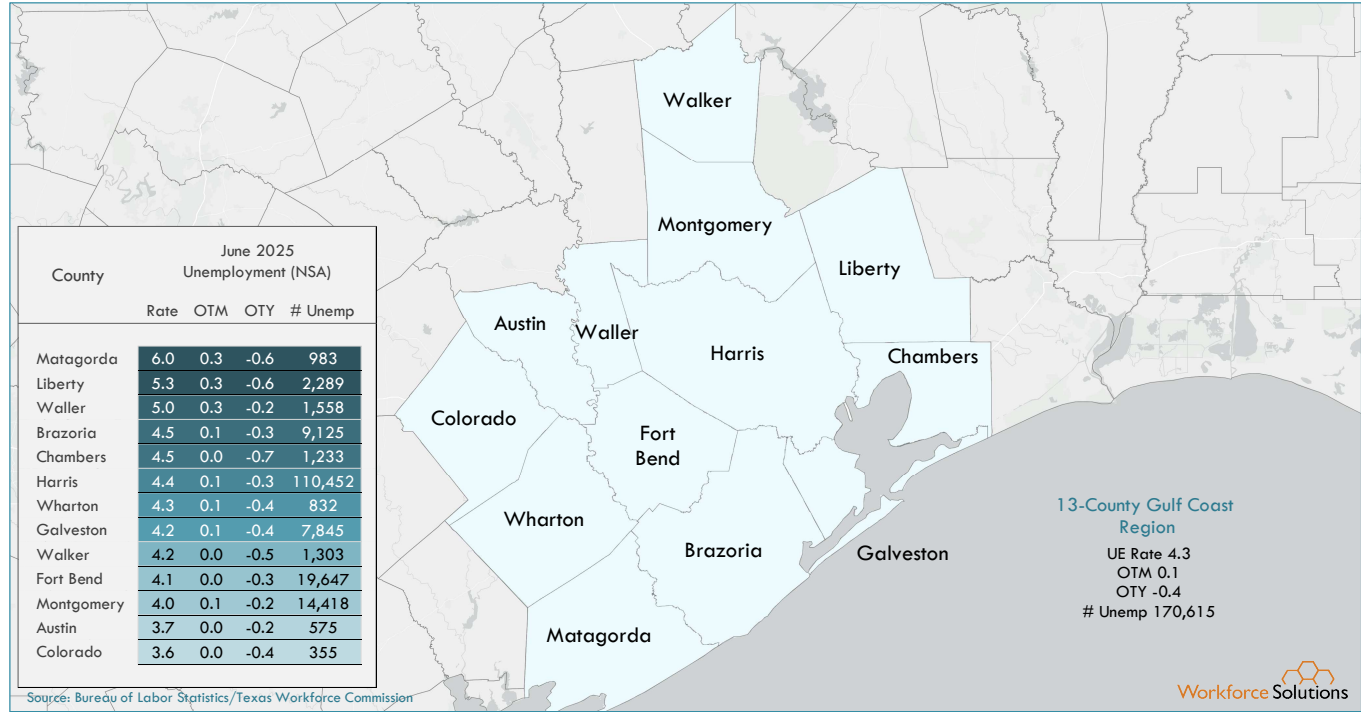


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in June ranged from a high of 6.0 percent in Matagorda County to a low of 3.6 percent in Colorado. Over the month, eight counties saw their unemployment rates rise in keeping with the region-wide increase of 0.1 percentage points while five saw no changes. Matagorda saw the largest percentage-point increase in unemployment up 0.3 pp. representing 42 more unemployed workers compared to the previous month. This was followed by Waller (0.3 pp, 75 workers) and Liberty (0.3 pp, 115 workers).

Over the year unemployment rates fell, with Chambers posting the largest decrease, down -0.7 percentage points representing -164 fewer unemployed workers compared to a year ago followed by Liberty (-0.6 pp, -231 workers) and Matagorda (-0.6 pp, -91 workers). Since peaking at 448,855 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -278,240 as of this June (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates June 2025 (NSA)



Local Area Unemployment Statistics (continued)

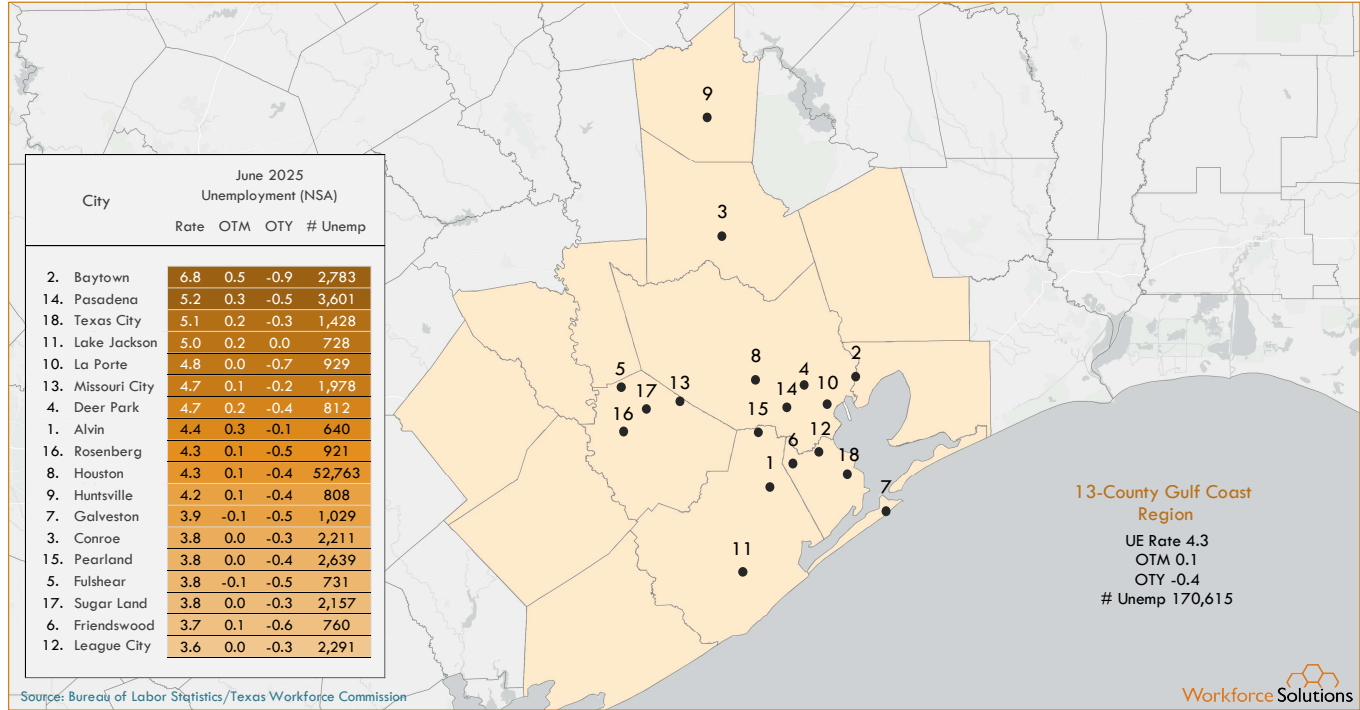
Not-Seasonally Adjusted

Unemployment Rates for Select Municipalities

Among the 18 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in June ranged from a high of 6.8 percent in Baytown to a low of 3.6 percent in League City (see Map 2 legend). Over the month, 11 cities saw their unemployment rates rise in keeping with the region-wide increase of 0.1 percentage points while five saw no changes and two declined. Baytown saw the largest percentage-point increase in unemployment

up 0.5 pp. representing 226 more unemployed workers compared to the previous month. This was followed by Alvin (0.3 pp, 44 workers) and Pasadena (0.3 pp, 174 workers). Over the year unemployment rates fell, with Baytown posting the largest decrease, down -0.9 percentage points representing -376 fewer unemployed workers compared to a year ago followed by La Porte (-0.7 pp, -126 workers) and Friendswood (-0.6 pp, -103 workers). The 18 cities below accounted for 46 percent of the 170,615 unemployed workers across the Gulf Coast Region as of this June (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates June 2025 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.3 percent in May, unchanged from April's 4.3 percent and unchanged from a year ago. This was above the statewide rate of 4.1 percent and above the national rate of 4.2 percent. 168,301 individuals were unemployed in Houston in May, down slightly from April's 166,994 and up from 165,474 in May 2024 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 18 cities.

Chart 41. Unemployment Rates (SA)
U.S., Texas, and Houston MSA
May 2025

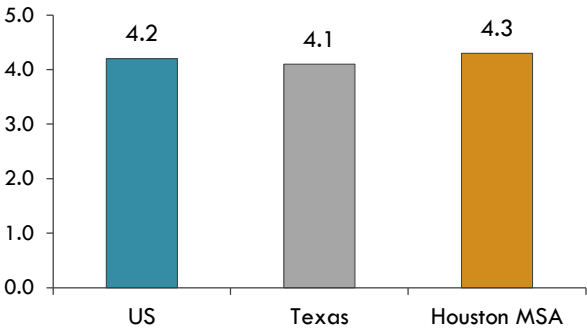
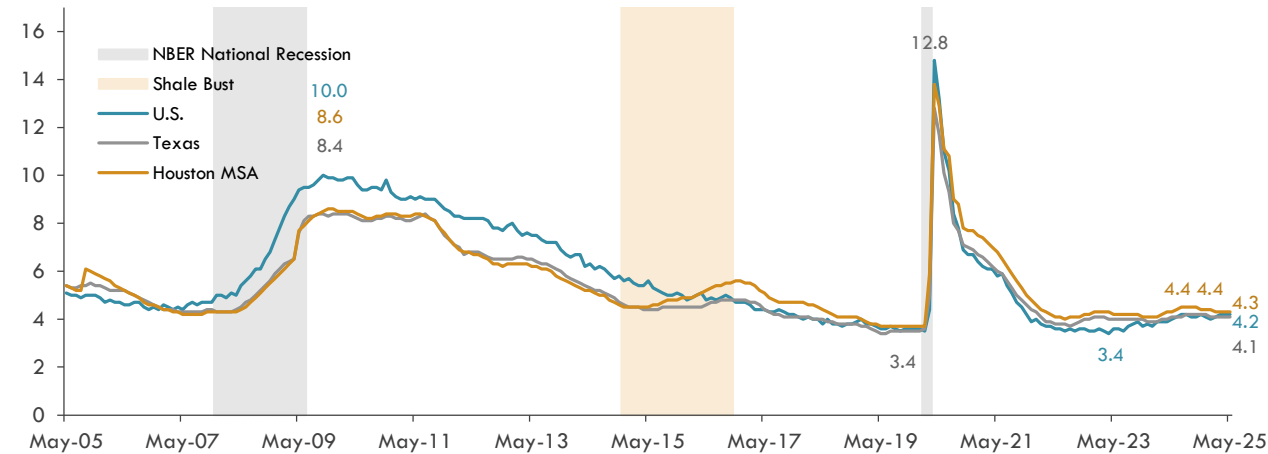


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
May 2005 to May 2025



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.

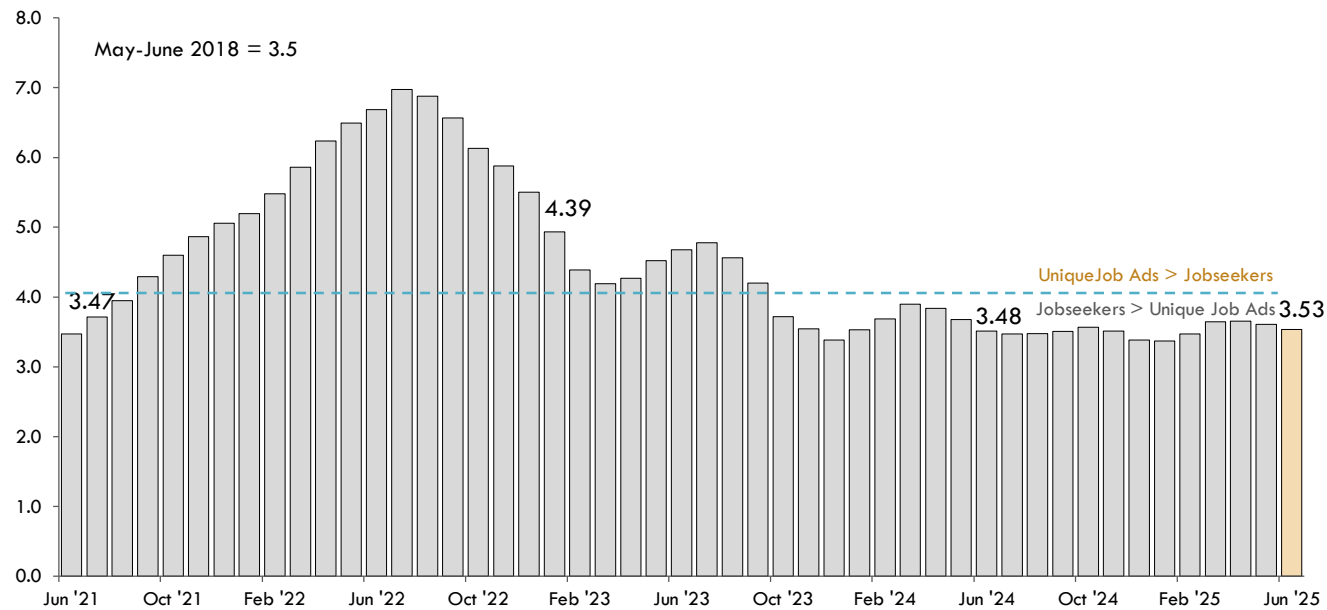
WSI Reading

June

2025:

3.53

Gulf Coast Workforce Solutions Index - Houston MSA 2020 - 2025 (SA)



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS
Note: data subject to revisions.



Workforce Solutions Index June 2025

The Houston MSA WSI for June stood at 3.53, down from May's slight downward revision to 3.61. This was the result of a cumulative -5,000 decline in the number of active job ads over May and June coupled with a 10,000 increase in the number of unemployed individuals between May and June. As of June the index has remained below the equilibrium value of 4.0. for 21 consecutive months while remaining above 3.0. As a result, the WSI continues to suggest that a requirement of three work search activities each week may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



Houston Area Employment Situation

June 2025

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Jun-25	May-25	Jun-24	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,479,500	3,477,200	3,448,400	2,300	0.1%	31,100	0.9%
Total Private	3,015,400	3,008,300	2,989,400	7,100	0.2%	26,000	0.9%
Goods Producing	558,700	553,600	551,700	5,100	0.9%	7,000	1.3%
..Mining and Logging	81,200	81,300	78,000	-100	-0.1%	3,200	4.1%
...Oil and Gas Extraction	38,700	38,600	37,600	100	0.3%	1,100	2.9%
...Support Activities for Mining	41,000	41,200	39,100	-200	-0.5%	1,900	4.9%
..Construction	236,000	233,300	233,100	2,700	1.2%	2,900	1.2%
..Construction of Buildings	61,800	61,100	59,100	700	1.1%	2,700	4.6%
..Heavy and Civil Engineering Construction	56,900	56,100	56,400	800	1.4%	500	0.9%
..Specialty Trade Contractors	117,300	116,100	117,600	1,200	1.0%	-300	-0.3%
..Manufacturing	241,500	239,000	240,600	2,500	1.0%	900	0.4%
..Durable Goods	148,800	147,400	149,600	1,400	0.9%	-800	-0.5%
...Fabricated Metal Product Manufacturing	54,600	54,300	53,800	300	0.6%	800	1.5%
...Machinery Manufacturing	40,400	40,100	40,700	300	0.7%	-300	-0.7%
...Agriculture, Construction, and Mining Machinery Mfg.	20,300	20,200	20,700	100	0.5%	-400	-1.9%
...Computer and Electronic Product Manufacturing	14,300	14,200	14,200	100	0.7%	100	0.7%
..Non-Durable Goods	92,700	91,600	91,000	1,100	1.2%	1,700	1.9%
...Petroleum and Coal Products Manufacturing	7,800	7,800	8,100	0	0.0%	-300	-3.7%
...Chemical Manufacturing	44,400	43,900	43,300	500	1.1%	1,100	2.5%
Service Providing	2,920,800	2,923,600	2,896,700	-2,800	-0.1%	24,100	0.8%
.Private Service Providing	2,456,700	2,454,700	2,437,700	2,000	0.1%	19,000	0.8%
..Trade, Transportation, and Utilities	701,900	702,200	693,300	-300	0.0%	8,600	1.2%
...Wholesale Trade	182,600	182,500	178,500	100	0.1%	4,100	2.3%
....Merchant Wholesalers, Durable Goods	113,600	113,500	111,100	100	0.1%	2,500	2.3%
....Prof. and Commercial Equip. Supplies Wholesalers	18,300	18,300	18,200	0	0.0%	100	0.5%
....Merchant Wholesalers, Nondurable Goods	56,000	56,100	55,500	-100	-0.2%	500	0.9%
...Retail Trade	321,500	321,800	320,600	-300	-0.1%	900	0.3%
....Motor Vehicle and Parts Dealers	45,700	45,700	44,300	0	0.0%	1,400	3.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,700	24,200	24,800	-500	-2.1%	-1,100	-4.4%
....Food and Beverage Stores	78,600	78,300	77,500	300	0.4%	1,100	1.4%
....Health and Personal Care Stores	62,900	62,500	63,200	400	0.6%	-300	-0.5%
....Clothing and Clothing Accessories Stores	20,500	20,300	20,700	200	1.0%	-200	-1.0%
....General Merchandise Stores	42,400	42,200	42,500	200	0.5%	-100	-0.2%
.....Department Stores	21,800	21,500	21,700	300	1.4%	100	0.5%
.....Other General Merchandise Stores	25,100	24,900	25,200	200	0.8%	-100	-0.4%
...Transportation, Warehousing, and Utilities	197,800	197,900	194,200	-100	-0.1%	3,600	1.9%
....Utilities	25,000	24,900	24,300	100	0.4%	700	2.9%
.....Air Transportation	22,000	22,100	21,700	-100	-0.5%	300	1.4%
.....Truck Transportation	31,200	31,300	30,900	-100	-0.3%	300	1.0%
.....Pipeline Transportation	14,500	14,500	13,900	0	0.0%	600	4.3%
..Information	29,400	29,400	30,400	0	0.0%	-1,000	-3.3%
...Telecommunications	10,500	10,500	11,300	0	0.0%	-800	-7.1%
..Financial Activities	182,600	181,600	180,900	1,000	0.6%	1,700	0.9%
...Finance and Insurance	117,700	117,400	117,200	300	0.3%	500	0.4%
....Credit Intermediation and Related Activities	46,300	46,200	46,600	100	0.2%	-300	-0.6%
.....Depository Credit Intermediation	30,900	30,900	31,000	0	0.0%	-100	-0.3%
.....Securities, Commodity Contracts, and Fin. Investments	21,500	21,500	21,400	0	0.0%	100	0.5%
....Insurance Carriers and Related Activities	49,900	49,700	49,200	200	0.4%	700	1.4%
...Real Estate and Rental and Leasing	64,900	64,200	63,700	700	1.1%	1,200	1.9%
..Professional and Business Services	557,100	560,700	567,400	-3,600	-0.6%	-10,300	-1.8%
...Professional, Scientific, and Technical Services	280,300	283,100	279,800	-2,800	-1.0%	500	0.2%
....Legal Services	33,900	33,600	33,400	300	0.9%	500	1.5%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,400	27,600	27,900	-200	-0.7%	-500	-1.8%
....Architectural, Engineering, and Related Services	78,600	79,000	76,700	-400	-0.5%	1,900	2.5%
....Computer Systems Design and Related Services	42,200	42,700	42,300	-500	-1.2%	-100	-0.2%
...Management of Companies and Enterprises	47,100	46,800	48,400	300	0.6%	-1,300	-2.7%
...Admin. and Support and Waste Mgmt. and Remediation	229,700	230,800	239,200	-1,100	-0.5%	-9,500	-4.0%
....Administrative and Support Services	217,200	218,300	226,500	-1,100	-0.5%	-9,300	-4.1%
.....Employment Services	75,800	77,500	82,800	-1,700	-2.2%	-7,000	-8.5%
.....Services to Buildings and Dwellings	57,600	57,700	59,200	-100	-0.2%	-1,600	-2.7%
..Educational and Health Services	470,500	469,500	457,800	1,000	0.2%	12,700	2.8%
...Educational Services	72,000	72,500	70,400	-500	-0.7%	1,600	2.3%
...Health Care and Social Assistance	398,500	397,000	387,400	1,500	0.4%	11,100	2.9%
....Ambulatory Health Care Services	199,900	199,900	194,700	0	0.0%	5,200	2.7%
....Hospitals	102,000	101,300	98,200	700	0.7%	3,800	3.9%
..Leisure and Hospitality	378,100	373,900	373,800	4,200	1.1%	4,300	1.2%
...Arts, Entertainment, and Recreation	43,800	42,800	44,800	1,000	2.3%	-1,000	-2.2%
...Accommodation and Food Services	334,300	331,100	329,000	3,200	1.0%	5,300	1.6%
....Accommodation	29,000	28,600	28,700	400	1.4%	300	1.0%
....Food Services and Drinking Places	305,300	302,500	300,300	2,800	0.9%	5,000	1.7%
..Other Services	137,100	137,400	134,100	-300	-0.2%	3,000	2.2%
Government	464,100	468,900	459,000	-4,800	-1.0%	5,100	1.1%
.Federal Government	36,900	36,900	36,700	0	0.0%	200	0.5%
.State Government	100,800	101,900	97,400	-1,100	-1.1%	3,400	3.5%
..State Government Educational Services	54,100	55,400	52,800	-1,300	-2.3%	1,300	2.5%
.Local Government	330,000	332,100	330,500	-2,100	-0.6%	-500	-0.2%
..Local Government Educational Services	225,000	227,200	228,300	-2,200	-1.0%	-3,300	-1.4%