



Labor Market Information  
 DECEMBER 2015 Employment Data

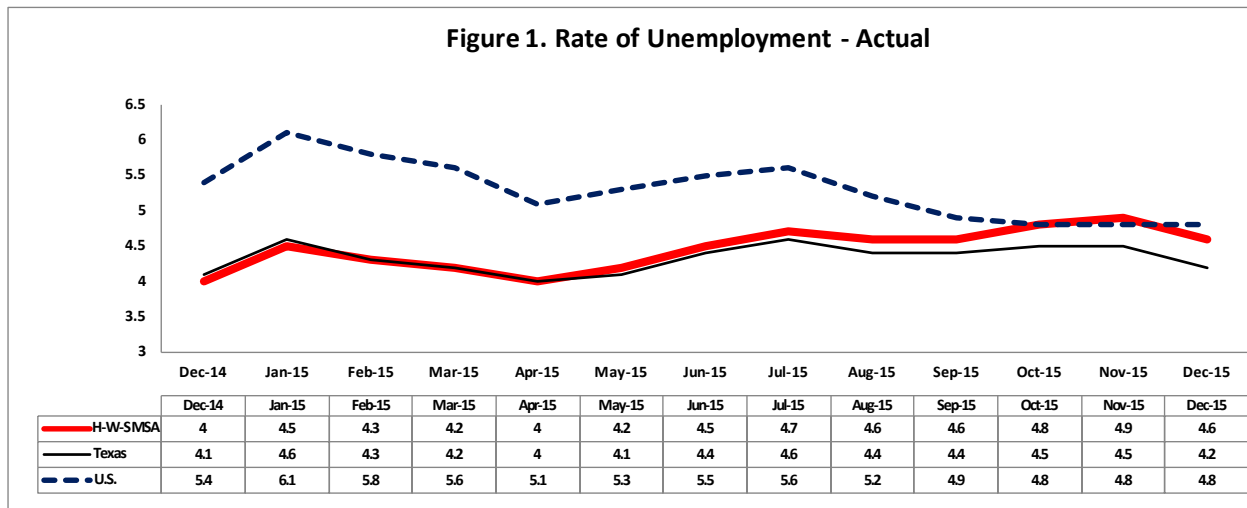
HOUSTON-THE WOODLANDS-SUGAR LAND METROPOLITAN STATISTICAL AREA  
 (H-W-S MSA)

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The Houston-The Woodlands-Sugar Land Metropolitan Statistical Area (H-W-S MSA) unemployment rate dropped three-tenths of a percentage point to 4.6 percent in December. The unemployment rate for Texas also dropped three-tenths of a percentage point in December to 4.2 percent while that national rate was unchanged at 4.8 percent. The H-S-B MSA unemployment rate was six-tenths of a percentage point higher than it was one year earlier. There were 18,002 more unemployed in the H-S-B MSA in December 2015 than there were one year earlier.

**Unemployment Rate (Actual)**

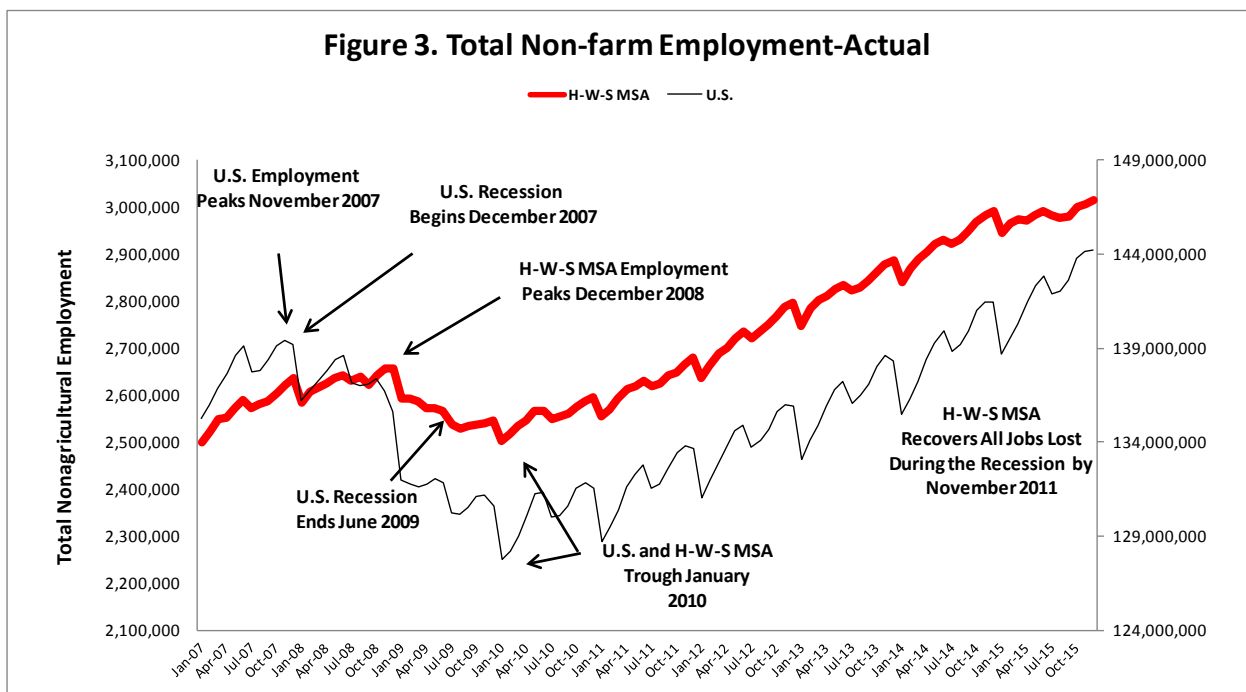
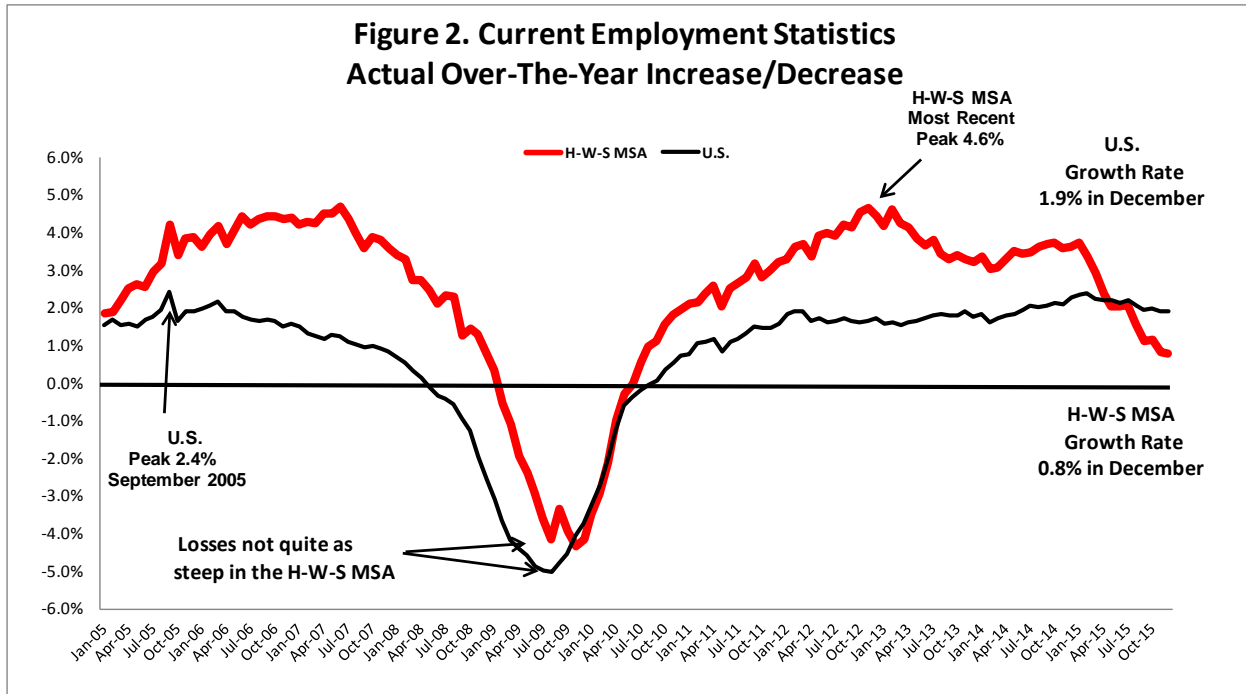
	DEC 2015	NOV 2015	DEC 2014
<b>Civilian Labor Force</b>	3,246,266	3,247,650	3,280,203
<b>Total Employed</b>	3,096,889	3,088,859	3,148,828
<b>Unemployed</b>	149,377	158,791	131,375
<b>Unemployment Rate</b>	4.6%	4.9%	4.0%



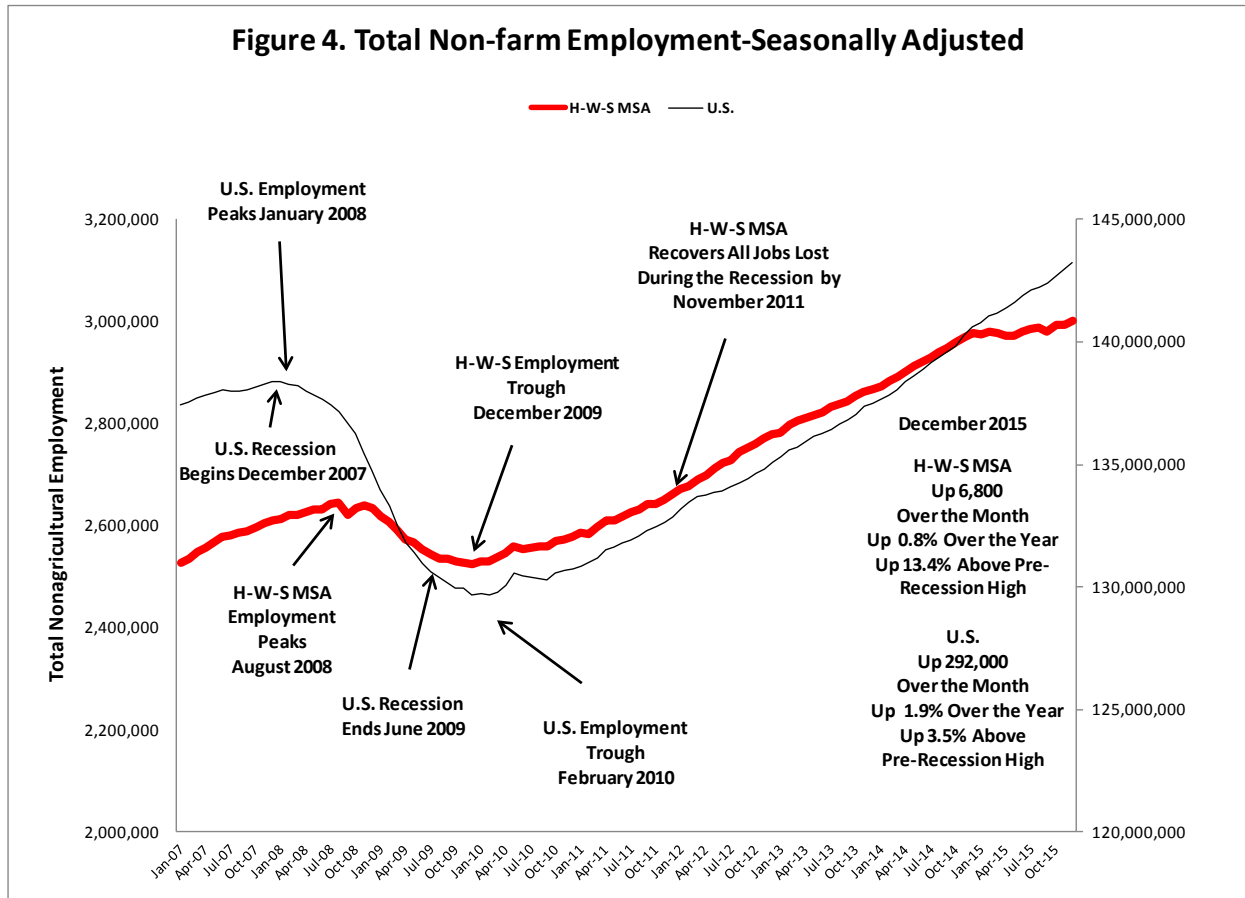
The H-W-S MSA added 8,500 jobs in December. The 0.3 percent increase was comparable to those of the previous three years. December job gains were primarily a result of seasonal hiring in Retail Trade, Food Services and Drinking Places, and Transportation, Warehousing, and Utilities. Additional increases were found in Health Care & Social Assistance and Nondurable Goods Manufacturing. A number of industry sectors were reporting declines associated with the struggling oil and gas industry including Mining and Logging, Financial Activities, and Other Services. Construction also incurred a loss as it does most years in December.

Continued declines of business activity related to oil and gas exploration and production has recently driven the pace of job growth in the H-W-S MSA down to 0.8 percent, an increase of 23,200 jobs over the year. Most of the job growth has been in population driven sectors of the economy such as

Leisure & Hospitality, Educational & Health Services, and Local Government. A number of industry sectors were reporting over-the-year losses. Deepest declines have been in Mining, Durable Goods Manufacturing, and Financial Activities. The overall outlook for 2016 is for continued weakness in sectors supporting the energy industry with a high probability of a slowing trend to spread across other sectors as more consumers are faced with reduced discretionary spending. Detailed data can be viewed on pages 8 & 9. Additional comments by super sector can be found beginning on page 3.

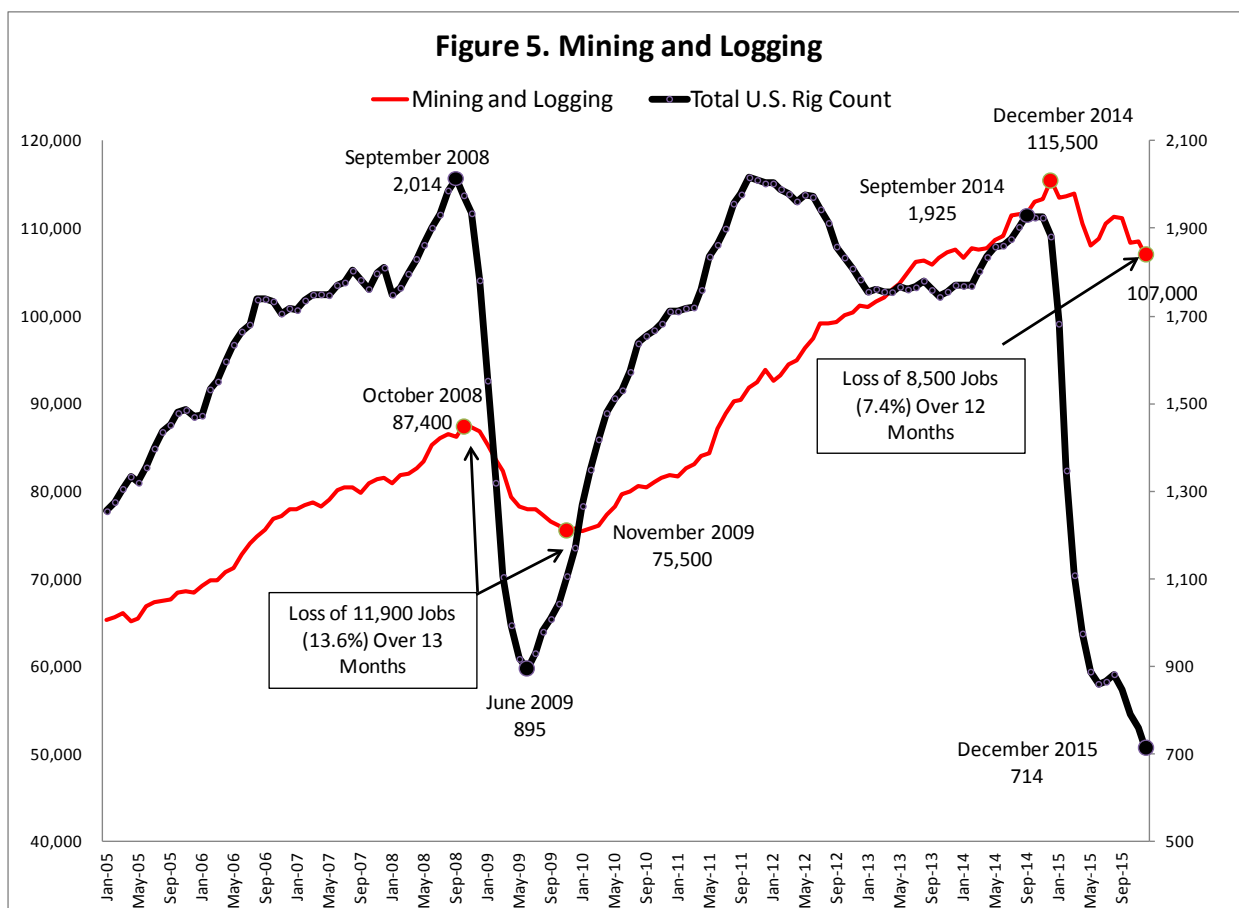


Seasonally adjusted data for the H-W-S MSA and U.S. seen in figure 4 provides an additional view of employment removing the erratic seasonal movement. Seasonally adjusted job growth in the H-W-S MSA remained strong until early 2015 but has since stalled. The pace of job growth at the national level surpassed that of the H-W-S MSA in May, currently up 1.9 percent over the year compared to the H-W-S MSA's increase of 0.8 percent.



### DETAILS BY SUPER SECTOR

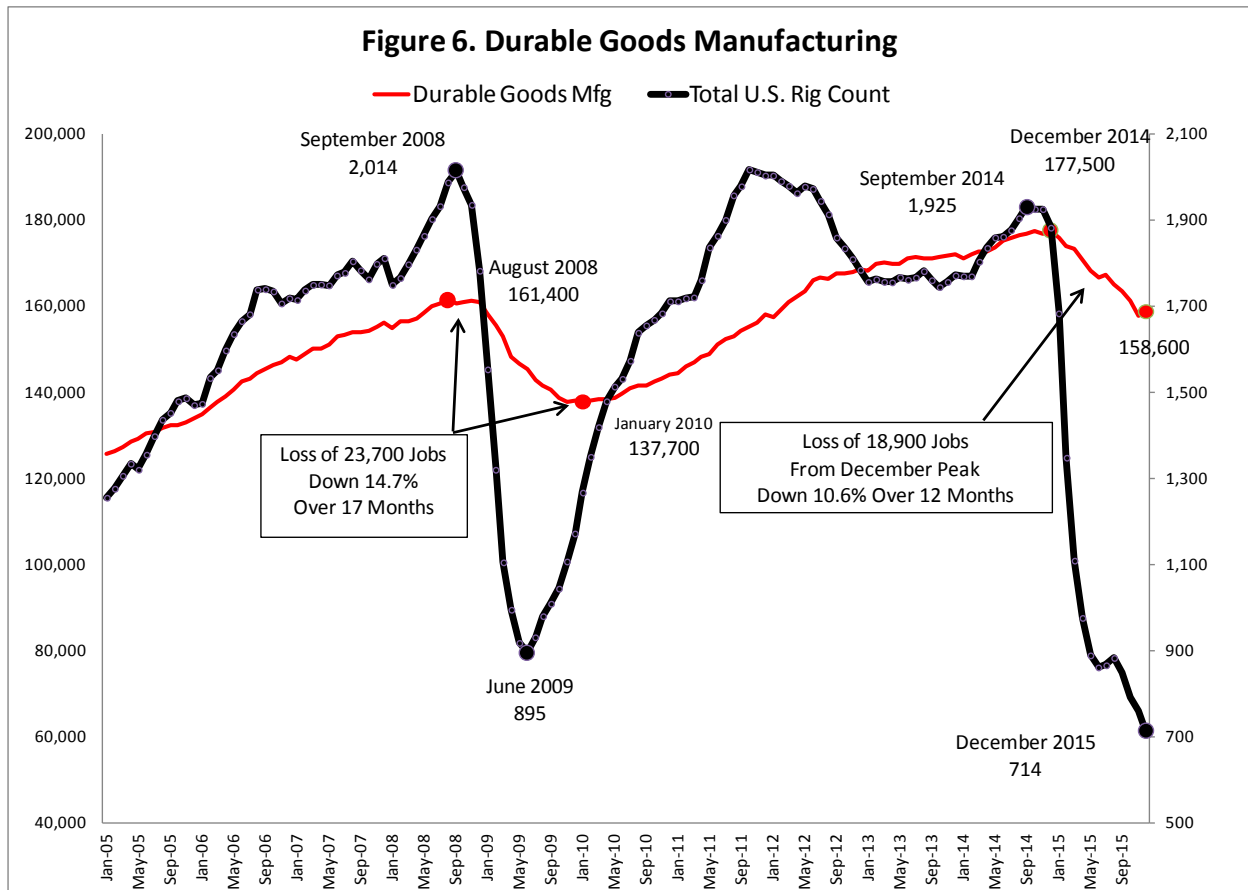
**Mining and Logging** experienced a loss 1,500 jobs in December, down 1.4 percent. Job losses continued to mount in the super sector with payrolls down 8,500 jobs or 7.4 percent over the year. Most oilfield jobs are found in Support Activities for Mining and unsurprisingly the sector has incurred the steepest job cuts with payrolls down 4,600 jobs or 8.2 percent over the year. Oil and Gas Extraction was reporting a loss of 1,300 jobs, down 2.3 percent. The Mining and Logging super sector reduced payrolls by 11,900 jobs (-13.6%) over a thirteen month period after drilling activity collapsed during the Great Recession. Declines in the super sector have not been as deep during the current collapse in drilling activity with payrolls down 8,500 jobs (-7.4%) from the most recent peak, see figure 5. The average U.S. rig count was 714 in December, down 46 from November and 1,168 (62.1%) from one year earlier. The average Texas rig count was 324 in December, down 15 from November and 544 (62.4%) from one year earlier. With continued low drilling activity, WTI oil prices around \$30 per barrel, and no evidence of a recovery in prices the probability for additional declines in the super sector remain high for the near future.



**Construction** reported a loss of 1,000 jobs over the month as a result of seasonal declines, down 0.5 percent. Most of the loss was in Construction of Buildings and Specialty Trade Contractors, down 300 jobs and 1,000 jobs respectively. Heavy and Civil Engineering Construction managed a slight increase of 300 jobs. Construction was up 2,900 jobs over the year, an increase of 1.4 percent from December 2014. Over-the-year growth was a result of gains in Specialty Trade Contractors, up 4,500 or 4.4 percent, and Heavy and Civil Engineering Construction, up 1,200 jobs or 2.6 percent. A substantial loss in Construction of Buildings was responsible for offsetting job gains, down 2,800 jobs or 4.8 percent. While slowdowns are expected in some areas of construction, more than 50 billion dollars in heavy industrial projects are under way in the region's petrochemical complex and more than 5.5 billion in education bonds are in the pipeline for 2016 and into 2017.

**Manufacturing** reported a gain of 2,200 jobs over the month. The 0.9 percent increase was largely due to gains in Non-durable Goods Manufacturing, up, 1,400 jobs, and also included an unexpected increase of 800 jobs in Durable Goods Manufacturing which has been struggling due to weak demand associated with declines in oil and gas exploration and production. Manufacturing continues to report considerable over-the-year declines with payrolls down 16,000 jobs or 6.2 percent over the year. All of the loss was in Durable Goods Manufacturing, down 18,900 jobs or 10.6 percent. Nondurable Goods Manufacturing added 2,900 jobs over, up 3.6 percent, largely due to strong November and December gains. The job situation for Durable goods manufacturing is similar to that of Mining and Logging. Durable goods manufacturing reduced payrolls by 23,700 jobs (-14.7%) over a seventeen month period after drilling activity collapsed during the Great Recession. Declines in the super sector have not been as deep during the current collapse in drilling activity with payrolls down by 18,900 jobs over twelve months as of November (-10.6%), see figure 6. The Houston

Purchasing Managers Index fell from 44.9 in November to 43.3% in December. Any index below 50 generally indicates contraction near term.

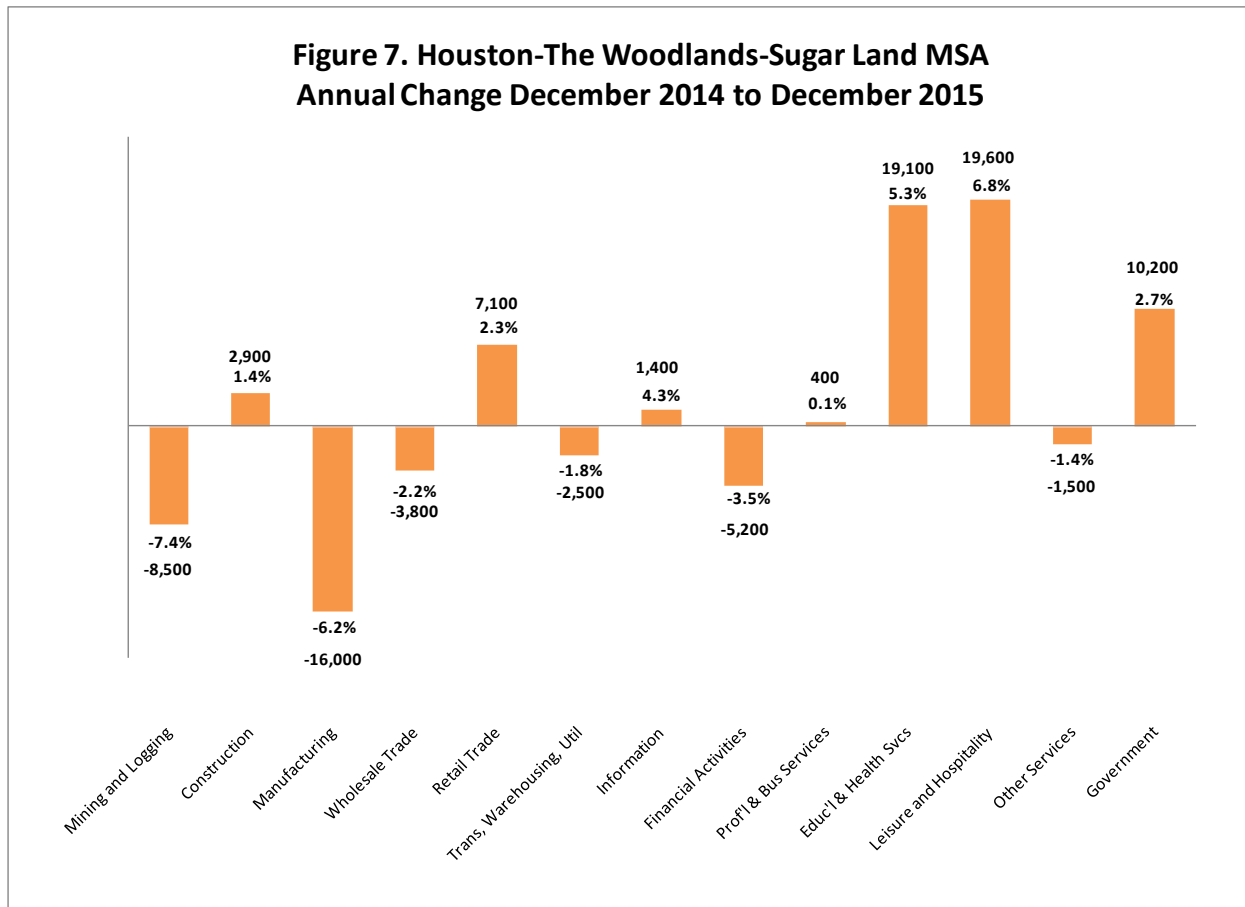


**Trade Transportation & Utilities** added 8,300 jobs to payrolls over the month, up 1.4 percent. December’s increase was similar to those of the last several years and a result of seasonal hiring in Retail Trade and Transportation, Warehousing, and Utilities. Job growth remained positive in the super sector with payrolls up a meager 800 jobs or 0.1 percent over the year. Most of the job growth was due to gains in Retail Trade, up 7,100 jobs or 2.3 percent. Strongest growth in the retail sector has been at Motor Vehicle and Parts Dealers and Building Material and Garden Equipment and Supplies Dealers. Weak global demand and a strong dollar continue to impact Wholesale Trade, down 3,800 jobs or 2.2 percent over the year, and Transportation, Warehousing, and Utilities, down 2,500 jobs or 1.8 percent over the year.

**Information** added 1,400 jobs over the year, up 4.3 percent. About half of the MSA’s employment in information resides in telecommunications with the remainder found in newspaper and periodical publishing, software publishing, motion picture and sound recording, and data processing hosting and related services.

**Financial Activities** incurred a loss of 800 jobs in December, down 0.6 percent. Most of the loss was in Credit Intermediation and Related Activities, down 200 jobs, and Real Estate and Rental and Leasing, down 300 jobs. Job losses in the super sector continued to mount with payrolls down 5,200 jobs or 3.5 percent over the year, up from a loss of 3,900 jobs in November. Real Estate and Rental and Leasing experienced the deepest decline, down 3,600 jobs or 6.6 percent, followed by Credit Intermediation and Related Activities, down 2,300 jobs or 5.3 percent. Securities, Commodity

Contracts, and Other Financial Investments continued to report a healthy increase of 600 jobs over the year, up 3.2 percent.



**Professional and Business Services** reported a loss of 700 jobs over the month. December declines were widespread with the exception of Accounting, Tax Preparation, Bookkeeping, and Payroll Services where businesses were adding seasonal staff for tax season. The super sector was reporting an over-the-year increase of only 400 jobs in December resulting from an accumulation of 10,900 jobs lost since July 2015. The sectors most heavily impacted by the current slump in the energy industry have been Architectural, Engineering and Related Services, down 4,500 jobs or 5.9 percent, Computer Systems Design and Related Services, down 1,000 jobs or 3.0 percent, and Management of Companies and Enterprises (where holding companies, corporate, subsidiary, and regional managing offices are found), down 1,200 jobs or 3.5 percent. Strongest job gains have been in Accounting, Tax Preparation, Bookkeeping, and Payroll Services, up 1,000 jobs or 4.3 percent, and Services to Buildings and Dwellings, up 1,600 jobs or 3.4 percent. Layoffs in Professional and Business Services are expected to continue in the up and coming months as demand for services decline and businesses continue to restructure.

**Education and Health Services** added 2,600 jobs over the month. The 0.7 percent December increase, the strongest on record since 1998, was driven by gains in Health Care and Social Assistance. Education and Health Services is the second largest contributor of job growth in the H-W-S MSA with payrolls up 19,100 jobs or 5.3 percent over the year. All subsectors were reporting healthy over-the-year increases. The majority of job growth has been in the health sector with Ambulatory Healthcare Services up 6,100 jobs or 4.2 percent and Hospitals up 5,500 jobs or 6.9 percent.

**Leisure and Hospitality** experienced a seasonal increase of 800 jobs over the month, up 0.3 percent. Food Services and Drinking Places were responsible for the increase with payrolls up 1,400 jobs. Leisure and Hospitality has contributed the most new jobs to the H-W-S MSA over the year and was also the fastest growing super sector with payrolls up 19,600 jobs or 6.8 percent. While all subsectors were reporting increases, most of the new jobs are found in Food Services and Drinking Places, up 18,000 jobs or 17.6 percent.

**Other Services** reported a loss of 900 jobs in December, down 0.9 percent. Other Services includes, a number of various repair services (industrial equipment, mining machinery and equipment, and many others related to the oil and gas industry). Other establishments in this category include personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

**Government** experienced a small seasonal decline of 500 jobs in December as a result of reduced staff at educational institutions over the holidays. The super sector was up 10,200 jobs or 2.7 percent over the year. Most of the increase has been in Local Government, up 9,700 jobs or 3.4 percent.

## NONAGRICULTURAL EMPLOYMENT

### Houston-The Woodlands-Sugar Land MSA

	DEC 2015	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	3,015,800	8,500	0.3%	23,200	0.8%
Total Private	2,621,900	9,000	0.3%	13,000	0.5%
Goods Producing	561,400	-300	-0.1%	-21,600	-3.7%
..Mining and Logging	107,000	-1,500	-1.4%	-8,500	-7.4%
...Oil and Gas Extraction	54,300	100	0.2%	-1,300	-2.3%
...Support Activities for Mining	51,500	-1,300	-2.5%	-4,600	-8.2%
..Construction	211,700	-1,000	-0.5%	2,900	1.4%
..Construction of Buildings	55,900	-300	-0.5%	-2,800	-4.8%
..Heavy and Civil Engineering Construction	48,000	300	0.6%	1,200	2.6%
..Specialty Trade Contractors	107,800	-1,000	-0.9%	4,500	4.4%
..Manufacturing	242,700	2,200	0.9%	-16,000	-6.2%
..Durable Goods	158,600	800	0.5%	-18,900	-10.6%
...Fabricated Metal Product Manufacturing	58,500	100	0.2%	-7,000	-10.7%
...Machinery Manufacturing	55,200	-100	-0.2%	-2,300	-4.0%
....Agriculture, Construction, and Mining Machinery Manufacturing	39,500	0	0.0%	-2,400	-5.7%
...Computer and Electronic Product Manufacturing	16,800	-100	-0.6%	-900	-5.1%
..Non-Durable Goods	84,100	1,400	1.7%	2,900	3.6%
...Petroleum and Coal Products Manufacturing	9,800	100	1.0%	-200	-2.0%
...Chemical Manufacturing	37,900	0	0.0%	600	1.6%
Service Providing	2,454,400	8,800	0.4%	44,800	1.9%
..Private Service Providing	2,060,500	9,300	0.5%	34,600	1.7%
..Trade, Transportation, and Utilities	620,900	8,300	1.4%	800	0.1%
...Wholesale Trade	168,600	800	0.5%	-3,800	-2.2%
....Merchant Wholesalers, Durable Goods	96,000	200	0.2%	-3,100	-3.1%
.....Professional and Commercial Equipment and Supplies Merchant Wholesale	13,100	100	0.8%	500	4.0%
....Merchant Wholesalers, Nondurable Goods	44,300	100	0.2%	-1,500	-3.3%
...Retail Trade	315,800	4,400	1.4%	7,100	2.3%
....Motor Vehicle and Parts Dealers	40,500	200	0.5%	1,500	3.8%
....Building Material and Garden Equipment and Supplies Dealers	22,500	200	0.9%	1,700	8.2%
....Food and Beverage Stores	63,600	0	0.0%	1,200	1.9%
....Health and Personal Care Stores	19,400	300	1.6%	300	1.6%
....Clothing and Clothing Accessories Stores	30,600	100	0.3%	-1,600	-5.0%
....General Merchandise Stores	72,500	2,100	3.0%	800	1.1%
.....Department Stores	24,900	1,400	6.0%	-100	-0.4%
.....Other General Merchandise Stores	47,600	700	1.5%	900	1.9%
...Transportation, Warehousing, and Utilities	136,500	3,100	2.3%	-2,500	-1.8%
....Utilities	16,400	100	0.6%	400	2.5%
.....Air Transportation	20,600	100	0.5%	100	0.5%
.....Truck Transportation	25,500	-200	-0.8%	0	0.0%
.....Pipeline Transportation	10,700	0	0.0%	300	2.9%
..Information	34,000	0	0.0%	1,400	4.3%
...Telecommunications	15,500	0	0.0%	200	1.3%
..Financial Activities	144,100	-800	-0.6%	-5,200	-3.5%
...Finance and Insurance	93,000	-500	-0.5%	-1,600	-1.7%
....Credit Intermediation and Related Activities	41,300	-200	-0.5%	-2,300	-5.3%
.....Depository Credit Intermediation	27,700	-100	-0.4%	-1,000	-3.5%
....Securities, Commodity Contracts, and Other Financial Investments and Related Activities	19,100	100	0.5%	600	3.2%
....Insurance Carriers and Related Activities	32,000	0	0.0%	-100	-0.3%
...Real Estate and Rental and Leasing	51,100	-300	-0.6%	-3,600	-6.6%



**NONAGRICULTURAL EMPLOYMENT****Houston-The Woodlands-Sugar Land MSA**

	DEC 2015	Month Change		Year Change	
		Net	Percent	Net	Percent
<b>..Professional and Business Services</b>	<b>470,800</b>	<b>-700</b>	<b>-0.1%</b>	<b>400</b>	<b>0.1%</b>
...Professional, Scientific, and Technical Services	221,000	-500	-0.2%	-2,100	-0.9%
....Legal Services	24,400	-400	-1.6%	-700	-2.8%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	24,100	700	3.0%	1,000	4.3%
....Architectural, Engineering, and Related Services	72,300	-200	-0.3%	-4,500	-5.9%
....Computer Systems Design and Related Services	32,500	-200	-0.6%	-1,000	-3.0%
...Management of Companies and Enterprises	32,700	-100	-0.3%	-1,200	-3.5%
...Administrative and Support and Waste Management and Remediation Services	217,100	-100	0.0%	3,700	1.7%
....Administrative and Support Services	204,800	-300	-0.1%	1,200	0.6%
.....Employment Services	81,200	-100	-0.1%	700	0.9%
.....Services to Buildings and Dwellings	49,200	-700	-1.4%	1,600	3.4%
<b>..Educational and Health Services</b>	<b>378,300</b>	<b>2,600</b>	<b>0.7%</b>	<b>19,100</b>	<b>5.3%</b>
...Educational Services	56,600	-200	-0.4%	2,400	4.4%
...Health Care and Social Assistance	321,700	2,800	0.9%	16,700	5.5%
....Ambulatory Health Care Services	152,000	1,500	1.0%	6,100	4.2%
....Hospitals	85,400	100	0.1%	5,500	6.9%
<b>..Leisure and Hospitality</b>	<b>309,600</b>	<b>800</b>	<b>0.3%</b>	<b>19,600</b>	<b>6.8%</b>
...Arts, Entertainment, and Recreation	29,800	-300	-1.0%	1,000	3.5%
...Accommodation and Food Services	279,800	1,100	0.4%	18,600	7.1%
....Accommodation	25,700	-300	-1.2%	600	2.4%
....Food Services and Drinking Places	254,100	1,400	0.6%	18,000	7.6%
<b>..Other Services</b>	<b>102,800</b>	<b>-900</b>	<b>-0.9%</b>	<b>-1,500</b>	<b>-1.4%</b>
<b>Government</b>	<b>393,900</b>	<b>-500</b>	<b>-0.1%</b>	<b>10,200</b>	<b>2.7%</b>
.Federal Government	28,400	500	1.8%	300	1.1%
.State Government	72,600	-600	-0.8%	200	0.3%
..State Government Educational Services	39,700	-600	-1.5%	200	0.5%
.Local Government	292,900	-400	-0.1%	9,700	3.4%
..Local Government Educational Services	203,000	-300	-0.1%	5,100	2.6%

**UNEMPLOYMENT RATE**

	DEC 2015	NOV 2015	DEC 2014
H-W-S MSA	4.6	4.9	4.0
Texas (Actual)	4.2	4.5	4.1
United States (Actual)	4.8	4.8	5.4

**Houston-The Woodlands-Sugar Land MSA:** Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. All Data is Subject To Revision.

Sources: U.S. Department of Labor, BLS, Texas Workforce Commission, Institute for Supply Management, Baker Hughes Incorporated, Kiley Advisors, Metrostudy, and The Federal Reserve Bank of Dallas.