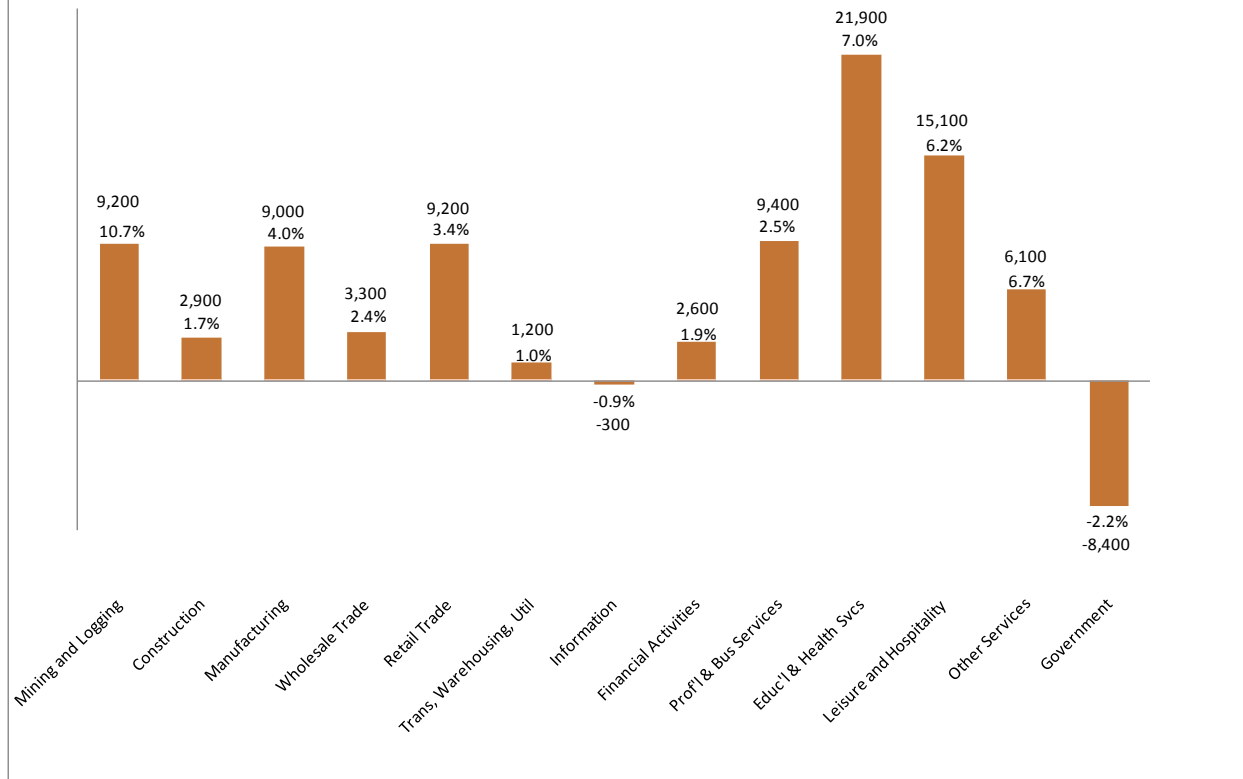


Mining and Logging increased payrolls by 300 jobs in April and continues to report strong over-the-year job growth, up 9,200 jobs or 10.7 percent, see figure 5. Support Activities for Mining was up 3,400 jobs or 9.2 percent over the year and Oil and Gas Extraction was up 4,000 jobs or 8.4 percent over the year. The average weekly U.S. rig count fell slightly to 1,958 and the number of active rigs in the Gulf of Mexico returned to pre-moratorium levels in April. Eagle Ford and other shale regions continue to be major sources of activity. Oil drilling continues to displace gas drilling as producers take advantage of high oil prices. Skilled labor shortages continue to mount and are increasingly a constraint to growth in the industry.

Construction had an unprecedented increase of 5,200 jobs in April, up 3.1 percent. While April gains were across the board, the strongest increase was at Specialty Trade Contractors, up 4,400 jobs or 5.6 percent. Overall recovery in Construction continues to be anemic with 37,500 fewer jobs than there were at the beginning of the recession. The super sector is posting an increase of 2,900 jobs over-the-year, up 1.7 percent. The over-the-year increase was made possible by a gain of 2,400 jobs, up 6.2 percent, in Heavy and Civil Engineering Construction, and 900 jobs, up 1.9 percent, in Construction of Buildings. Specialty Trade Contractors continued to report a slight loss of 400 jobs in April, down 0.5 percent. Metrostudy indicates that according to their survey participants that account for around 72 percent of the market in Houston new home starts were up 26 percent over the first quarter in comparison to 2011.

**Figure 5. Houston-Sugar Land-Baytown MSA
Annual Change April 2011 to April 2012**



Manufacturing continued to add jobs in April but not at the rapid pace seen in the previous two months, up 700 jobs or 0.3 percent. Nearly all of the increase was in Durable Goods Manufacturing, up 600 jobs. The super sector was up 9,000 jobs or 4.0 percent over the year, see figure 5. Most of the increase was at manufacturers of durable goods with the largest gain found in Fabricated Metal Product Fabricating where many companies that support the energy sector are found, up 4,800 jobs or 9.8 percent. Employment in Nondurable Goods Manufacturing was unchanged from one year ago. Demand for oil field and gas equipment continues to be strong. The recent shale boom and its resulting cheap gas prices should be a big boost to the Gulf Coast with several petrochemical companies making plans for new plants or expansions in the region. The Houston Purchasing Managers Index was 59.1 in April. Any index over 50 indicates production gains over the near term.

Trade Transportation & Utilities added 900 jobs in April primarily due to a gain of 1,200 jobs in Retail Trade. The super sector was up 13,700 jobs or 2.6 percent over the year. Most of the increase was in Retail Trade, up 9,200 jobs or 3.4 percent over the year, and Wholesale Trade, up 3,300 jobs or 2.4 percent over the year. Transportation Warehousing and Utilities was reporting an increase of 1,200 jobs over the year, up 1.0 percent. While Air Transportation was down 2,300 jobs or 10.5 percent, Utilities, Truck Transportation, and Pipeline Transportation were reporting positive over-the-year increases.

Employment in **Information** was down 300 jobs or 0.9 percent over the year, see figure 5. 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 reported its first over-the-month increase of the year, up 2,200 jobs or 1.6 percent in April. Nearly all of April's increase was in Finance and Insurance, up 2,000 jobs or 2.2 percent. The super sector is up 2,600 jobs or 1.9 percent over the year, see figure 5, where once again most of the increase was in Finance and Insurance, up 2,500 jobs or 2.8 percent. Financial firms reported a modest uptick in loan demand and several regional banks noted energy-related activity was robust. Outlooks were generally more optimistic than at year-end 2011. Nonresidential real estate activity continues to pick up. Demand from the energy sector is driving moderate gains on leasing for office and industrial space.

Job gains in **Professional and Business Services** have been weak over the last several months, up 900 jobs or 0.2 percent in April. Most of April's increase was in Employment Services where staffing firms are found, up 1,200 jobs or 1.7 percent. The pace of over-the-year job growth in Professional and Business Services has weakened considerably from 6.0 percent in January to 2.5 percent in April, an increase of 9,400 jobs, see figure 5. Most areas within the super sector continue to report positive job gains with strongest growth found in Employment Services, up 8,500 jobs or 13.0 percent. Staffing firms report demand softened slightly towards the end of March but demand has been holding steady for skilled accounting and IT professionals. Accounting, Tax Preparation, Bookkeeping, and Payroll Services continues to report an over-the-year decline, down 1,200 jobs or 6.1 percent from April 2011. Demand for professional and business services has been solid and outlooks for 2012 are optimistic despite a recent slowing in the pace of hiring.

Education and Health Services experienced a slight loss of 400 jobs in April as a result of declines in Health Care and Social Assistance. The super sector continues to report strong over-the-year growth, up 21,900 jobs or 7.0 percent from April 2011, see figure 5. Strongest job gains were in Ambulatory Health Care Services, up 15,200 jobs or 12.0 percent. Educational Services was up 1,700 jobs or 4.0 percent over the year. An aging population and a population growth rate that more than doubles that of the nation is responsible for growth in the super sector.

Leisure and Hospitality added 4,300 jobs in April, up 1.7 percent, and overall job growth in the super sector continues to be strong, up 15,100 jobs or 6.2 percent over the year, see figure 5. Most of the new jobs are found in Food Services and Drinking Places, up 13,700 jobs or 7.0 percent. Accommodation was reporting an increase of 800 jobs over the year, up 3.9 percent, and Arts, Entertainment, and Recreation was up 600 jobs or 2.2 percent over the year. Like many other industries in the H-S-B MSA, population growth continues to be the driving factor to job gains in the super sector.

Other Services added 1,700 jobs in April, up 1.8 percent, and was up 6,100 jobs or 6.7 percent over the year, see figure 5. Other Services includes, as a partial list, industries such as various repair services, personal care services, dry cleaning and laundry services, and religious and social advocacy organizations.

Employment in **Government** remained virtually unchanged in April despite an increase of 5,700 jobs in Local Government Educational Services. Changes in estimation procedures by the Bureau of Labor Statistics (BLS) have resulted in more volatile estimates and historical hiring patterns suggest that the increase in Local Government Educational Services more likely occurred in February and March. Government continues to struggle with budget constraints and has reported over-the-year losses for the last fourteen consecutive months, currently down 8,400 jobs or 2.2 percent, see figure 5. Most of the decline was in Local Government, down 6,800 jobs or 2.4 percent from April 2011 where 4,600 of the jobs lost were in Local Government Educational Services.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA	APR 2012	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,666,900	15,900	0.6%	81,200	3.1%
Total Private	2,291,800	15,800	0.7%	89,600	4.1%
Goods Producing	501,600	6,200	1.3%	21,100	4.4%
.Mining and Logging	95,000	300	0.3%	9,200	10.7%
...Oil and Gas Extraction	51,700	100	0.2%	4,000	8.4%
...Support Activities for Mining	40,400	200	0.5%	3,400	9.2%
.Construction	172,500	5,200	3.1%	2,900	1.7%
..Construction of Buildings	47,600	400	0.8%	900	1.9%
..Heavy and Civil Engineering Construction	41,400	400	1.0%	2,400	6.2%
..Specialty Trade Contractors	83,500	4,400	5.6%	-400	-0.5%
.Manufacturing	234,100	700	0.3%	9,000	4.0%
..Durable Goods	157,300	600	0.4%	9,000	6.1%
...Fabricated Metal Product Manufacturing	53,700	600	1.1%	4,800	9.8%
...Machinery Manufacturing	50,800	200	0.4%	4,500	9.7%
....Agriculture, Construction, and Mining Machinery Manufacturing	36,900	200	0.5%	2,700	7.9%
...Computer and Electronic Product Manufacturing	19,600	0	0.0%	400	2.1%
..Non-Durable Goods	76,800	100	0.1%	0	0.0%
...Petroleum and Coal Products Manufacturing	12,200	0	0.0%	100	0.8%
...Chemical Manufacturing	34,600	200	0.6%	700	2.1%
Service Providing	2,165,300	9,700	0.4%	60,100	2.9%
.Private Service Providing	1,790,200	9,600	0.5%	68,500	4.0%
..Trade, Transportation, and Utilities	538,900	900	0.2%	13,700	2.6%
...Wholesale Trade	138,100	-700	-0.5%	3,300	2.4%
....Merchant Wholesalers, Durable Goods	81,900	-300	-0.4%	3,000	3.8%
.....Professional and Commercial Equipment and Supplies Merchant	10,200	-100	-1.0%	-200	-1.9%
....Merchant Wholesalers, Nondurable Goods	39,000	-100	-0.3%	300	0.8%
...Retail Trade	276,300	1,200	0.4%	9,200	3.4%
....Motor Vehicle and Parts Dealers	33,000	0	0.0%	400	1.2%
....Building Material and Garden Equipment and Supplies Dealers	19,900	200	1.0%	-700	-3.4%
....Food and Beverage Stores	57,000	600	1.1%	1,700	3.1%
....Health and Personal Care Stores	17,300	200	1.2%	600	3.6%
....Clothing and Clothing Accessories Stores	30,000	0	0.0%	1,300	4.5%
....General Merchandise Stores	59,000	200	0.3%	-300	-0.5%
.....Department Stores	22,500	0	0.0%	-600	-2.6%
.....Other General Merchandise Stores	36,500	200	0.6%	300	0.8%
...Transportation, Warehousing, and Utilities	124,500	400	0.3%	1,200	1.0%
...Utilities	17,000	300	1.8%	1,000	6.3%
....Air Transportation	19,700	0	0.0%	-2,300	-10.5%
....Truck Transportation	22,600	200	0.9%	1,000	4.6%
....Pipeline Transportation	10,700	0	0.0%	400	3.9%
..Information	31,400	0	0.0%	-300	-0.9%
...Telecommunications	15,600	0	0.0%	-500	-3.1%
..Financial Activities	139,400	2,200	1.6%	2,600	1.9%
...Finance and Insurance	91,000	2,000	2.2%	2,500	2.8%
....Credit Intermediation and Related Activities	42,300	100	0.2%	200	0.5%
.....Depository Credit Intermediation	29,200	200	0.7%	600	2.1%
.....Securities, Commodity Contracts, and Other Financial Investment	13,500	100	0.7%	400	3.1%
....Insurance Carriers and Related Activities	29,700	100	0.3%	100	0.3%
...Real Estate and Rental and Leasing	48,400	200	0.4%	100	0.2%

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	APR 2012	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	388,200	900	0.2%	9,400	2.5%
...Professional, Scientific, and Technical Services	188,700	200	0.1%	7,000	3.9%
....Legal Services	23,100	0	0.0%	200	0.9%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	18,600	-500	-2.6%	-1,200	-6.1%
....Architectural, Engineering, and Related Services	62,800	0	0.0%	3,000	5.0%
....Computer Systems Design and Related Services	26,300	300	1.2%	1,600	6.5%
...Management of Companies and Enterprises	21,000				
...Administrative and Support and Waste Management and Remediation Services	178,500	700	0.4%	1,900	1.1%
....Administrative and Support Services	168,300	600	0.4%	-300	-0.2%
.....Employment Services	73,800	1,200	1.7%	8,500	13.0%
.....Services to Buildings and Dwellings	41,500	1,100	2.7%	200	0.5%
..Educational and Health Services	336,000	-400	-0.1%	21,900	7.0%
...Educational Services	44,700	0	0.0%	1,700	4.0%
...Health Care and Social Assistance	291,300	-400	-0.1%	20,200	7.5%
....Ambulatory Health Care Services	141,600	200	0.1%	15,200	12.0%
....Hospitals	76,300	-200	-0.3%	3,300	4.5%
..Leisure and Hospitality	258,700	4,300	1.7%	15,100	6.2%
...Arts, Entertainment, and Recreation	27,300	600	2.2%	600	2.2%
...Accommodation and Food Services	231,400	3,700	1.6%	14,500	6.7%
....Accommodation	21,300	200	0.9%	800	3.9%
....Food Services and Drinking Places	210,100	3,500	1.7%	13,700	7.0%
..Other Services	97,600	1,700	1.8%	6,100	6.7%
Government	375,100	100	0.0%	-8,400	-2.2%
.Federal Government	27,300	0	0.0%	-600	-2.2%
.State Government	73,500	0	0.0%	-1,000	-1.3%
..State Government Educational Services	40,200	100	0.2%	-1,100	-2.7%
.Local Government	274,300	100	0.0%	-6,800	-2.4%
..Local Government Educational Services	193,400	5,700	3.0%	-4,600	-2.3%

UNEMPLOYMENT RATE

	APR 2012	MAR 2012	APR 2011
H-S-B MSA	6.5	7.0	7.8
Texas (Actual)	6.5	7.0	7.8
United States (Actual)	7.7	8.4	8.7

Houston-Sugar Land-Baytown MSA: Includes Austin, Brazoria, Chambers, Ft. Bend, Galveston, Harris, Liberty, Montgomery, and San Jacinto & Waller Counties. Houston-Baytown-Sugar Land MSA CES data series are benchmarked to March 2011 levels and are estimated by the U.S. Department of Labor, Bureau of Labor Statistics. All Data is Subject To Revision.

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