

or 5.3 percent over the year with most of the increase in Durable Goods Manufacturing. Largest gains were in Fabricated Metal Product Manufacturing, up 3,100 jobs or 6.8 percent, and Machinery Manufacturing, up 3,300 jobs or 7.7 percent. Strong drilling activity continues drive demand for mining machinery and other equipment tied to oil and gas extraction. While Computer and Electronic Product Manufacturing lost 100 jobs in August, it did post an increase of 600 jobs over the year, up 3.3 percent. Employment in Nondurable Goods Manufacturing was up 2,300 jobs or 3.0 percent from one year ago. Petrochemical producers reported that demand remains strong for most resins with the exception of PVC products due to weak construction markets. Demand for oil products slipped in July but strengthened in August. Exports have been an important market for downstream industries since the recession. The Houston Purchasing Managers Index (PMI) remains positive but stumbled in July falling to 58.3 from 61.4 in June. Any index over 50 indicates production gains over the near term.

Trade Transportation & Utilities reported a loss for the month of August for the first time on record going back to the year 2000, down 900 jobs or 0.2 percent. The loss was largely due to seasonal hiring in Retail Trade that was the weakest on record, up 400 jobs. Transportation, Warehousing, and Utilities also played a part in this month's decline reporting a loss of 1,200 jobs in August, down 1.0 percent. The super sector was up 7,700 jobs or 1.5 percent over the year. Wholesale Trade was the primary source for job growth in the super sector, up 5,500 jobs or 4.2 percent. The rate of job growth in Retail Trade, which recently peaked at 3.2 percent in April, fell for the fourth consecutive month to 1.4 percent, an increase of 3,700 jobs over the year. Overall expectations by retail establishments have been for modest improvements in 2011 over 2010 although concerns remain regarding elevated levels of unemployment. Transportation, Warehousing, and Utilities reported its first over-the-year loss in over a year, down 1,500 jobs or 1.2 percent. Despite a net loss in Transportation, Warehousing, and Utilities several areas continued to report over-the-year job growth including Air Transportation, Truck Transportation, and Utilities. Transportation service firms have, however, recently suggested that uncertainty surrounding the national economy has weakened outlooks. Airline traffic held steady over the month but travel to Asia and Europe remained weak. Intermodal cargo volumes have increased from the prior month but container volumes have declined. Railroad shipments were up slightly with strong volume growth in metallic ores, petroleum products, and non-commercial building products.

Information was the only private super sector to report an over-the-year loss in August, down 2,100 jobs or 6.6 percent. Many industries within Information have been on the decline for years due to rapid technological changes and as many move away from wired telecommunication carriers. 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 received a big boost in August with preliminary estimates reporting an increase of 2,300 jobs over the month, up 1.7 percent. This was the largest single month increase for the super sector on record back to the year 2000. Financial Activities posted positive over-the-year job growth for the first time in three years as a result of this month's gains, up 800 jobs or 0.6 percent. While Finance and Insurance was up 1,200 jobs or 1.4 percent over the year, Real Estate and Rental and Leasing continued to report a loss, down 400 jobs or 0.8 percent. Apartment demand was strong in August with rental rates rising. Leasing activity for office and industrial space continued at a moderate pace with strong demand due in part due energy activity. Most financial firms are reporting flat loan demand with national banks concerned about the loss of momentum for self-sustaining recovery. Outlooks are less optimistic than they have been but there continues to be gradual improvement in lending conditions.

Professional and Business Services reported a gain of 2,800 jobs in August, up 0.7 percent. Most of the increase was in Administrative and Support Service, up 1,400 jobs or 0.8 percent. Professional, Scientific, and Technical Services also managed a slight increase of 200 jobs. The super sector added 14,400 jobs over the year, up 3.9 percent. Most areas within the super sector experienced increases. Employment Services reported one of the largest increases, up 2,300 jobs or 3.9 percent, where staffing firms are reporting demand held steady at high levels although several firms noted slight declines in activity. The only significant decline was in Architectural, Engineering and Related Services where firms are dealing with overall weak demand and budget cuts at NASA, down 1,300 jobs or 2.2 percent. Demand for accounting services was flat in August although some reported strength in mergers and acquisitions activity. Legal firms were reporting steady demand for intellectual property, energy, IPO, and mergers and acquisitions services.

Education and Health Services reported an increase of 4,600 jobs in August, up 1.3 percent. This was the largest one-month increase on record going back to 2000. Education and Health Services was up 7,300 jobs or 2.4 percent over the year. Most of the increase was in Ambulatory Health Care Services where services are provided directly or indirectly to patients and do not usually require inpatient services, up 6,200 jobs or 5.0 percent. Hospitals, which generally experience job growth during difficult economic times, lost 1,100 jobs over the year, down 1.5 percent. Job losses in hospitals are a combined result of a smaller number of people insured by employers, fewer elective surgeries, and changes to third-party reimbursements. Educational Services continues to report a slight increase of 400 jobs over the year, up 0.9 percent. While an aging population and a population growth rate that more than doubles that of the nation has been responsible for growth in the super sector concerns continue to mount over budget shortfalls in private education and changes across the entire health care system.

Leisure and Hospitality experienced a loss of 4,000 jobs in August. Seasonal declines which normally occur in July were delayed by employers until August. The decline was, however, considerably higher than normal and similar to those of 2009 immediately after the recession ended. Over-the-year job growth suffered as a result with employment in Leisure and Hospitality up 5,100 jobs or 2.1 percent from last August compared to an increase of 9,600 jobs or 4.0 percent in the previous month. All of the increase was in Food Services and Drinking Places, up 6,500 jobs or 3.4 percent. Other areas reported losses over the year with Arts, Entertainment, and Recreation down 1,200 jobs or 4.1 percent and Accommodation down 200 jobs or 1.0 percent.

Other Services was down 1,600 jobs in August but was reporting an increase of 3,800 jobs over the year, up 4.1 percent. 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.

Government experienced a decline of 2,400 jobs in August, down 0.7 percent. The decline was similar to that of the last two years. Government was down 2,100 jobs or 0.6 percent over the year. Federal Government was down 2,200 jobs or 7.4 percent over the year and State Government was down 1,700 jobs or 2.4 percent over the year. State Government Educational Services was responsible for most of the decline in State Government, down 1,700 jobs or 2.4 percent. Local Government continued to report an increase of 1,800 jobs over the year, up 0.7 percent, despite an over-the-year loss in Local Government Educational Services, down 2,600 jobs or 1.5 percent. The full effects of budget cuts in education will not be known until staffing levels of those returning for the fall semester are identified over the next couple of months or possibly not until benchmark revisions are made to estimates in early 2012.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA	AUG 2011	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,595,600	3,200	0.1%	65,600	2.6%
Total Private	2,235,100	5,600	0.3%	67,700	3.1%
Goods Producing	504,300	2,600	0.5%	30,700	6.5%
.Mining and Logging	90,700	-300	-0.3%	8,700	10.6%
...Oil and Gas Extraction	48,900	0	0.0%	2,700	5.8%
...Support Activities for Mining	38,800	-200	-0.5%	4,100	11.8%
.Construction	183,300	2,200	1.2%	10,400	6.0%
..Construction of Buildings	51,100	500	1.0%	2,900	6.0%
..Heavy and Civil Engineering Construction	43,100	900	2.1%	4,700	12.2%
..Specialty Trade Contractors	89,100	800	0.9%	2,800	3.2%
.Manufacturing	230,300	700	0.3%	11,600	5.3%
..Durable Goods	150,500	500	0.3%	9,300	6.6%
...Fabricated Metal Product Manufacturing	48,900	600	1.2%	3,100	6.8%
...Machinery Manufacturing	46,400	500	1.1%	3,300	7.7%
....Agriculture, Construction, and Mining Machinery Manufacturing	33,900	100	0.3%	2,200	6.9%
...Computer and Electronic Product Manufacturing	19,000	-100	-0.5%	600	3.3%
..Non-Durable Goods	79,800	200	0.3%	2,300	3.0%
...Petroleum and Coal Products Manufacturing	12,700	0	0.0%	200	1.6%
...Chemical Manufacturing	34,700	0	0.0%	0	0.0%
Service Providing	2,091,300	600	0.0%	34,900	1.7%
.Private Service Providing	1,730,800	3,000	0.2%	37,000	2.2%
..Trade, Transportation, and Utilities	526,600	-900	-0.2%	7,700	1.5%
...Wholesale Trade	137,800	-100	-0.1%	5,500	4.2%
....Merchant Wholesalers, Durable Goods	82,200	0	0.0%	4,100	5.2%
.....Professional and Commercial Equipment and Supplies Merchant	10,300	100	1.0%	-100	-1.0%
....Merchant Wholesalers, Nondurable Goods	37,600	-100	-0.3%	100	0.3%
...Retail Trade	266,900	400	0.2%	3,700	1.4%
....Motor Vehicle and Parts Dealers	32,700	-100	-0.3%	400	1.2%
....Building Material and Garden Equipment and Supplies Dealers	19,300	-200	-1.0%	700	3.8%
....Food and Beverage Stores	55,700	-200	-0.4%	1,000	1.8%
....Health and Personal Care Stores	16,900	-100	-0.6%	100	0.6%
....Clothing and Clothing Accessories Stores	29,600	300	1.0%	400	1.4%
....General Merchandise Stores	58,100	500	0.9%	400	0.7%
.....Department Stores	22,800	400	1.8%	0	0.0%
.....Other General Merchandise Stores	35,300	100	0.3%	400	1.1%
...Transportation, Warehousing, and Utilities	121,900	-1,200	-1.0%	-1,500	-1.2%
...Utilities	16,500	-100	-0.6%	300	1.9%
....Air Transportation	24,000	-100	-0.4%	200	0.8%
....Truck Transportation	21,400	100	0.5%	700	3.4%
....Pipeline Transportation	10,300	-100	-1.0%	0	0.0%
..Information	29,700	-200	-0.7%	-2,100	-6.6%
...Telecommunications	15,200	100	0.7%	-1,100	-6.7%
..Financial Activities	136,700	2,300	1.7%	800	0.6%
...Finance and Insurance	88,300	1,700	2.0%	1,200	1.4%
....Credit Intermediation and Related Activities	41,500	400	1.0%	-100	-0.2%
.....Depository Credit Intermediation	28,700	300	1.1%	200	0.7%
.....Securities, Commodity Contracts, and Other Financial Investment	12,900	200	1.6%	200	1.6%
....Insurance Carriers and Related Activities	28,900	300	1.0%	-300	-1.0%
...Real Estate and Rental and Leasing	48,400	600	1.3%	-400	-0.8%

NONAGRICULTURAL EMPLOYMENT**Houston-Sugar Land-Baytown MSA**

	AUG 2011	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	380,400	2,800	0.7%	14,400	3.9%
...Professional, Scientific, and Technical Services	178,800	200	0.1%	2,200	1.2%
....Legal Services	23,100	0	0.0%	-100	-0.4%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	16,900	-100	-0.6%	100	0.6%
....Architectural, Engineering, and Related Services	58,600	300	0.5%	-1,300	-2.2%
....Computer Systems Design and Related Services	25,800	100	0.4%	1,200	4.9%
...Administrative and Support and Waste Management and Remediation Services	183,100	2,800	1.6%	13,300	7.8%
....Administrative and Support Services	170,800	1,400	0.8%	9,200	5.7%
.....Employment Services	62,000	400	0.6%	2,300	3.9%
.....Services to Buildings and Dwellings	42,100	-100	-0.2%	1,000	2.4%
..Educational and Health Services	317,200	4,600	1.5%	7,300	2.4%
...Educational Services	42,600	700	1.7%	400	0.9%
...Health Care and Social Assistance	274,600	3,900	1.4%	6,900	2.6%
....Ambulatory Health Care Services	129,700	1,600	1.2%	6,200	5.0%
....Hospitals	71,300	100	0.1%	-1,100	-1.5%
..Leisure and Hospitality	244,200	-4,000	-1.6%	5,100	2.1%
...Arts, Entertainment, and Recreation	28,200	-1,600	-5.4%	-1,200	-4.1%
...Accommodation and Food Services	216,000	-2,400	-1.1%	6,300	3.0%
....Accommodation	20,300	-300	-1.5%	-200	-1.0%
....Food Services and Drinking Places	195,700	-2,100	-1.1%	6,500	3.4%
..Other Services	96,000	-1,600	-1.6%	3,800	4.1%
Government	360,500	-2,400	-0.7%	-2,100	-0.6%
.Federal Government	27,500	-300	-1.1%	-2,200	-7.4%
.State Government	67,800	0	0.0%	-1,700	-2.4%
..State Government Educational Services	34,800	100	0.3%	-1,000	-2.8%
.Local Government	265,200	-2,100	-0.8%	1,800	0.7%
..Local Government Educational Services	175,300	-2,900	-1.6%	-2,600	-1.5%

UNEMPLOYMENT RATE

	AUG 2011	JUL 2011	AUG 2010
H-S-B MSA	8.6	8.9	8.6
Texas (Actual)	8.5	8.7	8.3
United States (Actual)	9.1	9.3	9.5

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 2010 levels. Estimated by the Texas Workforce Commission in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics. All Data 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 (which covers Texas, northern Louisiana and southern New Mexico).