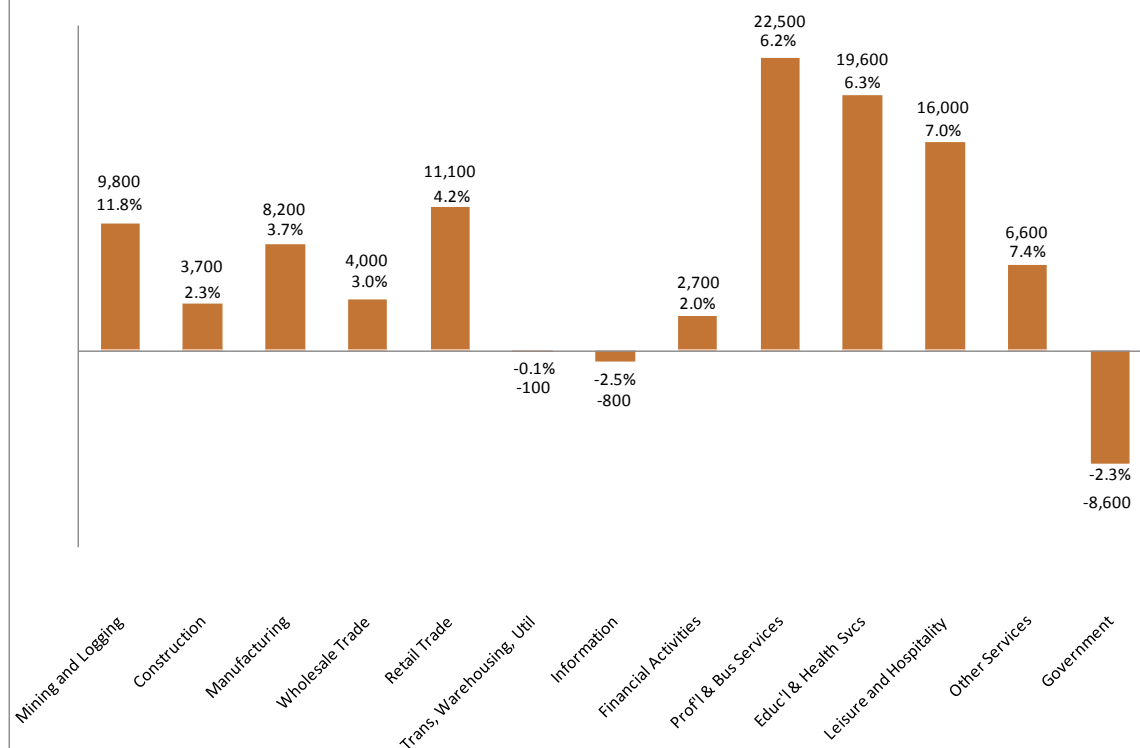


Mining and Logging received a small revision and was reporting 800 fewer jobs than originally estimated in December 2011. The super sector was up 400 jobs in January and continues to report strong over-the-year gains, up 9,800 jobs or 11.8 percent over the year, see figure 5. Support Activities for Mining experienced the fastest rate of job growth, up 4,300 jobs or 12.1 percent over the year. Oil and Gas Extraction also added jobs at a brisk pace, up 4,000 jobs or 8.5 percent over the year. The average weekly U.S. rig count was 2,003 in January. Oil activity continues to displace gas as producers take advantage of higher oil prices. Eagle Ford and other shale regions continue to be major sources of activity. Skill shortages are becoming a rising concern in the industry.

Revised data for **Construction** reports that losses since the beginning of the recession were deeper than originally estimated peaking at 45,600 jobs in January 2011 compared to the original estimated peak loss of 40,200 jobs. Job recovery in the super sector has been slow with 41,900 fewer jobs in January 2012 than there were at the start of the recession. While current estimates show the super sector up 3,700 jobs or 2.3 percent over the year there has not been an increase in payrolls since last August. Over-the-year job gains are found in Construction of Buildings, up 1,000 jobs or 2.2 percent, and Heavy and Civil Engineering Construction, up 3,100 jobs or 8.4 percent. Specialty Trade Contractors is reporting a loss of 400 jobs over the year, down 0.5 percent. Demand for housing and development of multifamily complexes continue to rise although construction remains at low levels.

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



While revised estimates for **Manufacturing** as a whole were mostly unchanged there were changes at sub-sector levels. Durable Goods Manufacturing was reporting an additional 2,400 jobs as of December 2011 than originally estimated with most of the increase found in Machinery Manufacturing. Nondurable Goods was reporting 1,800 fewer jobs as of December 2011. The super sector was up 8,200 jobs or 3.7 percent over the year in January, see figure 5. There remain, however, 16,500 fewer jobs in Manufacturing than there were at its most recent peak in November 2008. Durable Goods Manufacturing is currently reporting an increase of 7,900 jobs over the year, up 5.5 percent, with the largest gain found in Fabricated Metal Product Fabricating, up 4,800 jobs or 10.1 percent. Employment in Nondurable Goods Manufacturing is up 300 jobs or 0.4 percent over the year. Demand for oil field and gas equipment continues to be strong. Petrochemical producers report that export demand for polyethylene and caustic soda continued to trend up while domestic PVC demand remained weak due to low levels of housing construction and infrastructure projects. Refiners described weak demand for petroleum products nationally. The Houston Purchasing Managers Index was 59.6 in February, a 0.1 reduction from January. Any index over 50 indicates production gains over the near term.

Revised estimates for **Trade Transportation & Utilities** as a whole left most recent employment estimates virtually unchanged. There were, however, several areas within the super sector that received revisions. Estimates for Air Transportation were lowered significantly reporting 4,500 fewer jobs in December 2011, an 18.5 percent reduction. There were several areas that received favorable revisions offsetting the decline in Air Transportation including an increase of 1,500 jobs in Retail Trade and 1,100 jobs in Truck Transportation. Trade, Transportation & Utilities incurred a seasonal loss of 8,100 jobs in January, much smaller than a loss of 17,300 jobs in January 2011. The super sector was up 15,000 jobs or 2.9 percent over the year. Most of the increase was in Retail Trade, up

11,100 jobs or 4.2 percent over the year, and Wholesale Trade, up 4,000 jobs or 3.0 percent over the year. Transportation Warehousing and Utilities was reporting a loss of 100 jobs over the year as a result of declines in Air Transportation which was down 3,400 jobs or 14.7 percent from January 2011. Utilities, Truck Transportation, and Pipeline Transportation reported job gains helping to offset losses in Air Transportation. Reports from transportation service firms have been positive. Railroads noted a broad based increase of various materials and equipment.

Revised data for **Information** reports that the super sector lost fewer jobs than originally thought over 2011 raising employment estimates by 2,000 jobs for December. Information was one of the few sectors to report an over-the-year loss in January, down 800 jobs or 2.5 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.

Revised data for **Financial Activities** indicate there were fewer jobs lost during the second half of 2010 than originally estimated and by December 2011 the super sector was reporting an additional 2,600 jobs. As of January the super sector was reflecting an increase of 2,700 jobs over the year, up 2.0 percent, see figure 5. 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.

Revised estimates show that there were 4,300 additional jobs in **Professional and Business Services** by December 2011. Most of the revision was a result of higher estimates for Employment Services and Architectural, Engineering, and Related Services. The super sector suffered a seasonal decline of 3,600 jobs in January but continues to report healthy over-the-year growth, up 22,500 jobs or 6.2 percent, see figure 5. More than half of the increase is found in Employment Services, up 12,400 jobs or 21.5 percent. Staffing firms report demand has been holding steady at high levels noting more direct hires than temporary placements. Demand for skilled professionals, particularly IT workers, was strong while orders from the banking sector and demand for clerical staff declined. Accounting, Tax Preparation, Bookkeeping, and Payroll Services is still reporting an over-the-year decline, down 900 jobs or 4.6 percent from January 2011.

Revised data for **Education and Health Services** reflect that growth was stronger over the second half of 2011 than originally estimated resulting in an additional 6,300 jobs by December. The super sector suffered a seasonal decline of 1,700 jobs in January but continues to report healthy over-the-year growth, up 19,600 jobs or 6.3 percent, see figure 5. The largest job gains were in Ambulatory Health Care Services, up 14,100 jobs or 11.1 percent from January 2011. Educational Services was up 1,500 jobs or 3.5 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.

Revisions to estimates in **Leisure and Hospitality** show that there were 2,700 additional jobs than originally estimated by December 2011. Current estimates show that the super sector did not follow historical trends and shed jobs in January and instead added 100 jobs over the month due to an atypical increase at Food Services and Drinking Places. Payrolls in Leisure and Hospitality were up 16,000 jobs or 7.0 percent over the year in January, see figure 5, with almost all of the increase found in Food Services and Drinking Places, up 15,100 jobs or 8.1 percent. While Accommodation also managed to experience healthy job growth over the year, up 700 jobs or 3.6 percent, Arts, Entertainment, and Recreation was reporting much weaker growth, up 200 jobs or 0.8 percent.

Revisions to estimates in **Other Services** were not favorable reflecting 2,700 fewer jobs by December 2011 as a result of weaker job growth in 2010. The super sector added 600 jobs over the

month and was reporting a healthy increase of 6,600 jobs over the year in January, up 7.4 percent, 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.

Revisions to **Government** estimates show that losses were deeper than originally estimated reporting 5,400 fewer jobs by December 2011. While State Government received a favorable revision of an additional 1,300 jobs, Local Government is now reporting 6,900 fewer jobs on payrolls by December 2011. The super sector suffered a seasonal loss of 6,800 jobs in January, down 1.8 percent, and is down 8,600 jobs or 2.3 percent over the year, see figure 5. Most of the decline was in Local Government Educational Services, down 7,200 jobs or 3.7 percent from January 2011.

NONAGRICULTURAL EMPLOYMENT

Houston-Sugar Land-Baytown MSA

	JAN 2012	Month Change		Year Change	
		Net	Percent	Net	Percent
Total Nonfarm	2,622,500	-24,000	-0.9%	94,700	3.7%
Total Private	2,253,400	-17,200	-0.8%	103,300	4.8%
Goods Producing	490,100	-2,400	-0.5%	21,700	4.6%
..Mining and Logging	93,200	400	0.4%	9,800	11.8%
...Oil and Gas Extraction	51,000	200	0.4%	4,000	8.5%
...Support Activities for Mining	39,700	100	0.3%	4,300	12.1%
..Construction	168,100	-800	-0.5%	3,700	2.3%
..Construction of Buildings	46,800	-300	-0.6%	1,000	2.2%
..Heavy and Civil Engineering Construction	40,200	-300	-0.7%	3,100	8.4%
..Specialty Trade Contractors	81,100	-200	-0.2%	-400	-0.5%
..Manufacturing	228,800	-2,000	-0.9%	8,200	3.7%
..Durable Goods	152,200	-800	-0.5%	7,900	5.5%
...Fabricated Metal Product Manufacturing	52,100	100	0.2%	4,800	10.1%
...Machinery Manufacturing	49,700	300	0.6%	4,800	10.7%
....Agriculture, Construction, and Mining Machinery Manufacturing	36,400	200	0.6%	3,300	10.0%
...Computer and Electronic Product Manufacturing	19,300	-200	-1.0%	500	2.7%
..Non-Durable Goods	76,600	-1,200	-1.5%	300	0.4%
...Petroleum and Coal Products Manufacturing	12,100	-100	-0.8%	-100	-0.8%
...Chemical Manufacturing	34,400	-200	-0.6%	700	2.1%
Service Providing	2,132,400	-21,600	-1.0%	73,000	3.5%
..Private Service Providing	1,763,300	-14,800	-0.8%	81,600	4.9%
..Trade, Transportation, and Utilities	535,400	-8,100	-1.5%	15,000	2.9%
...Wholesale Trade	136,200	-800	-0.6%	4,000	3.0%
....Merchant Wholesalers, Durable Goods	80,900	-200	-0.2%	3,700	4.8%
.....Professional and Commercial Equipment and Supplies Merchant	10,300	-200	-1.9%	100	1.0%
....Merchant Wholesalers, Nondurable Goods	38,900	-200	-0.5%	800	2.1%
...Retail Trade	275,900	-5,800	-2.1%	11,100	4.2%
....Motor Vehicle and Parts Dealers	32,500	-100	-0.3%	700	2.2%
....Building Material and Garden Equipment and Supplies Dealers	18,700	-200	-1.1%	200	1.1%
....Food and Beverage Stores	56,400	-300	-0.5%	1,100	2.0%
....Health and Personal Care Stores	17,500	-400	-2.2%	900	5.4%
....Clothing and Clothing Accessories Stores	31,200	-3,200	-9.3%	2,200	7.6%
....General Merchandise Stores	61,000	-3,100	-4.8%	2,000	3.4%
.....Department Stores	24,300	-1,800	-6.9%	700	3.0%
.....Other General Merchandise Stores	36,700	-1,300	-3.4%	1,300	3.7%
...Transportation, Warehousing, and Utilities	123,300	-1,500	-1.2%	-100	-0.1%
...Utilities	16,500	0	0.0%	500	3.1%
....Air Transportation	19,800	0	0.0%	-3,400	-14.7%
....Truck Transportation	22,300	-200	-0.9%	1,300	6.2%
....Pipeline Transportation	10,700	0	0.0%	400	3.9%
..Information	31,100	-400	-1.3%	-800	-2.5%
...Telecommunications	15,700	-100	-0.6%	-500	-3.1%
..Financial Activities	138,600	-1,700	-1.2%	2,700	2.0%
...Finance and Insurance	90,500	-1,000	-1.1%	2,500	2.8%
....Credit Intermediation and Related Activities	42,800	0	0.0%	700	1.7%
.....Depository Credit Intermediation	29,200	100	0.3%	500	1.7%
....Securities, Commodity Contracts, and Other Financial Investment	13,400	-100	-0.7%	600	4.7%
....Insurance Carriers and Related Activities	29,600	-400	-1.3%	200	0.7%
..Real Estate and Rental and Leasing	48,100	-700	-1.4%	200	0.4%

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

	JAN 2012	Month Change		Year Change	
		Net	Percent	Net	Percent
..Professional and Business Services	386,600	-3,600	-0.9%	22,500	6.2%
...Professional, Scientific, and Technical Services	188,100	-1,200	-0.6%	9,500	5.3%
....Legal Services	23,000	-400	-1.7%	200	0.9%
....Accounting, Tax Preparation, Bookkeeping, and Payroll Services	18,800	600	3.3%	-900	-4.6%
....Architectural, Engineering, and Related Services	62,200	-1,000	-1.6%	3,300	5.6%
....Computer Systems Design and Related Services	25,800	0	0.0%	1,500	6.2%
....Management of Companies and Enterprises	21,200				
....Administrative and Support and Waste Management and Remediation Services	177,300	-2,300	-1.3%	12,000	7.3%
....Administrative and Support Services	167,100	-3,000	-1.8%	9,700	6.2%
.....Employment Services	70,000	-2,900	-4.0%	12,400	21.5%
.....Services to Buildings and Dwellings	39,000	-1,200	-3.0%	1,000	2.6%
..Educational and Health Services	329,300	-1,700	-0.5%	19,600	6.3%
...Educational Services	43,800	-200	-0.5%	1,500	3.5%
...Health Care and Social Assistance	285,500	-1,500	-0.5%	18,100	6.8%
....Ambulatory Health Care Services	138,200	-400	-0.3%	14,100	11.4%
....Hospitals	75,500	-100	-0.1%	2,800	3.9%
..Leisure and Hospitality	246,000	100	0.0%	16,000	7.0%
...Arts, Entertainment, and Recreation	24,300	-1,000	-4.0%	200	0.8%
...Accommodation and Food Services	221,700	1,100	0.5%	15,800	7.7%
....Accommodation	20,100	-600	-2.9%	700	3.6%
....Food Services and Drinking Places	201,600	1,700	0.9%	15,100	8.1%
..Other Services	96,300	600	0.6%	6,600	7.4%
Government	369,100	-6,800	-1.8%	-8,600	-2.3%
.Federal Government	27,300	-200	-0.7%	-600	-2.2%
.State Government	72,100	-300	-0.4%	-500	-0.7%
..State Government Educational Services	38,800	-600	-1.5%	-600	-1.5%
.Local Government	269,700	-6,300	-2.3%	-7,500	-2.7%
..Local Government Educational Services	187,700	-5,000	-2.6%	-7,200	-3.7%

UNEMPLOYMENT RATE

	JAN 2012	DEC 2011	JAN 2011
H-S-B MSA	7.6	7.2	8.7
Texas (Actual)	7.6	7.1	8.4
United States (Actual)	8.8	8.3	9.8

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.