

# Houston Area Employment Situation

December 2020

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*Modest Job Growth in December Keeps Recovery on Track - Unemployment Rate Remains Elevated*

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm (not-seasonally adjusted) employment stood at 3,068,200 in December, up 10,600 jobs over the month, or 0.3 percent. A year ago Houston registered an over-the-month increase of 6,000 jobs. The largest all-time one-month gain on record for this sector occurred in May 2020, up 78,200 jobs. The largest one-month decline on record outside of seasonal job losses in January and July occurred in April 2020, down -332,200 jobs. (see Chart 1.) Historically in the month of December, Total Nonfarm has on average added 10,700 jobs over the month, which indicates that this month's gains are on par with the long-term average.

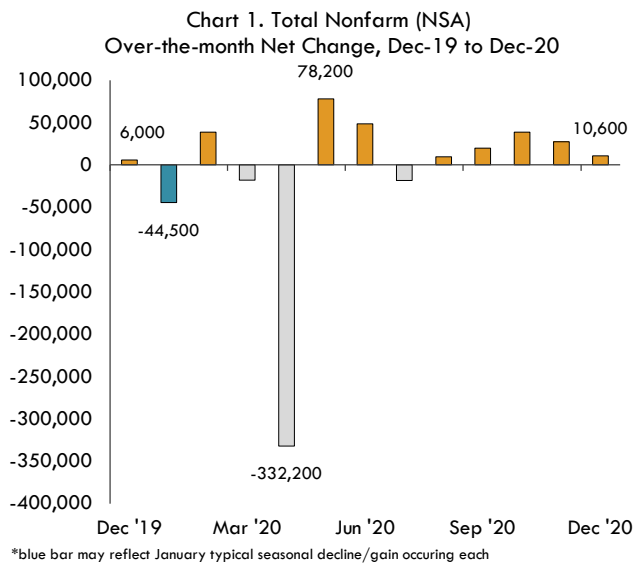
The primary drivers of this December's growth were increases in Trade, Transportation, and Utilities, Leisure and Hospitality, and Education and Health Services. Gains were also recorded in Government, Professional and Business Services, and Other Services. The net increase in jobs over the month was partially offset by losses in Construction, Financial Activities, and Information. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,050,500, up 12,300 jobs over the month, or 0.4 percent. Note that analysis throughout the remainder of this report references not-seasonally adjusted data as seasonally-adjusted data is unavailable for major sectors and their sub-components.

**Top-3 Drivers of Over-the-month Job Growth in December**

- Trade, Transportation, and Utilities: 6,300
- Leisure and Hospitality: 2,500
- Education and Health Services: 1,900

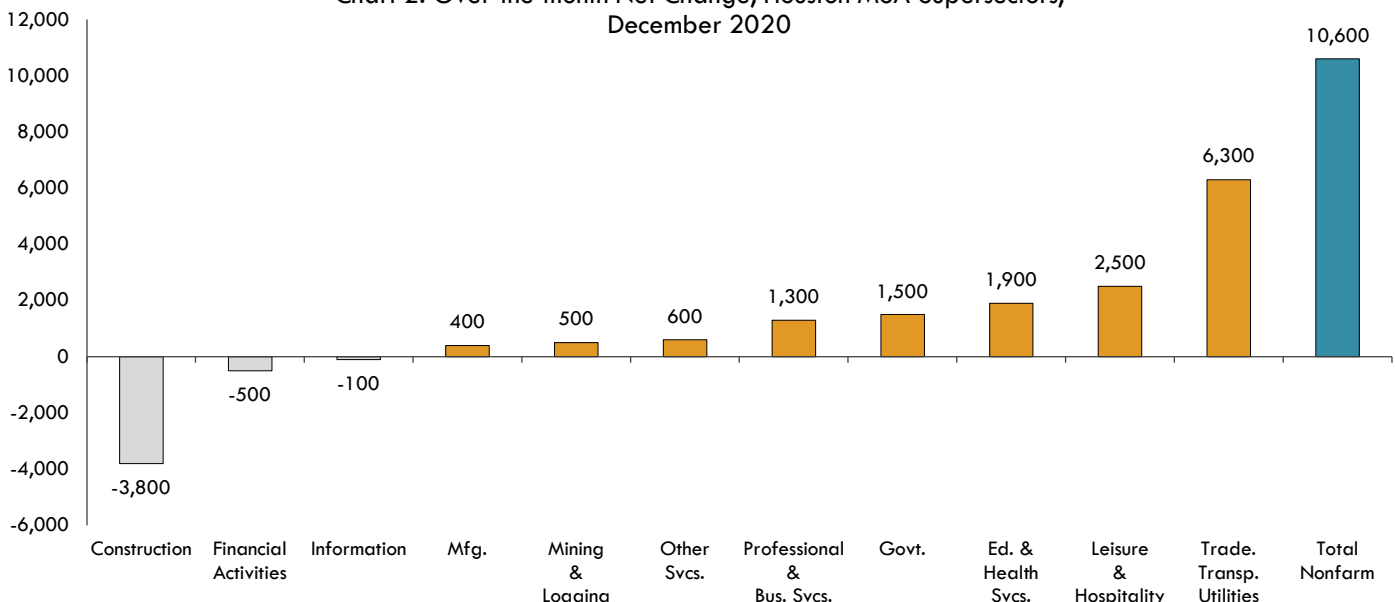
#### Over-the-year Change

Over the year, Total Nonfarm employment was down - 141,300 or -4.4 percent on a not-seasonally-adjusted basis and down -138,000 or -4.3 percent on a seasonally-adjusted basis. To compare, December 2019 saw a year-over-year gain of 62,200 jobs (NSA) from December 2018. The largest over-the-year gain on record for Total Nonfarm Employment occurred in November 2012, up 122,600 jobs. The largest over-the-year decline on record



occurred in April 2020, down -285,800 jobs. Currently 10 out of 11 sectors show declines in employment year over year of which the top-three are Leisure and Hospitality (-36,300), Construction (-24,500), and Manufacturing (-21,800). (see Chart 4.) COVID-19 resulted in the loss of -350,200 jobs over March and April 2020 of which approximately 60 percent of Total Nonfarm employment has been recovered to date.

**Chart 2. Over-the-month Net Change, Houston MSA Supersectors, December 2020**



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## Previous Month's Revisions

Total Nonfarm employment was revised upward by 1,400 jobs for a October to November larger net gain of 27,200 compared to an original estimate of 25,800 jobs. An upward revision of +2,700 jobs in Leisure and Hospitality was the largest contributor followed by Manufacturing (+1,000) and Professional and Business Services (+900). Downward revisions in Trade, Transportation, and Utilities (-1,300), Other Services (-1,000), and Education and Health Services (-900) provided a partial offset of the overall upward revision to Total Nonfarm employment. (see Chart 5.)

### Top-3 Drivers of Over-the-year Job Loss in December

- Leisure and Hospitality: -36,300
- Construction: -24,500
- Manufacturing: -21,800

Chart 5. Net Revisions for Selected Supersectors and Major Industries, November 2020

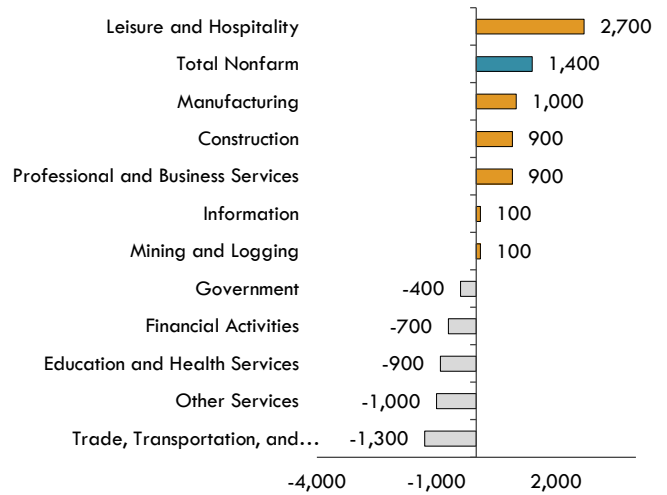


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20

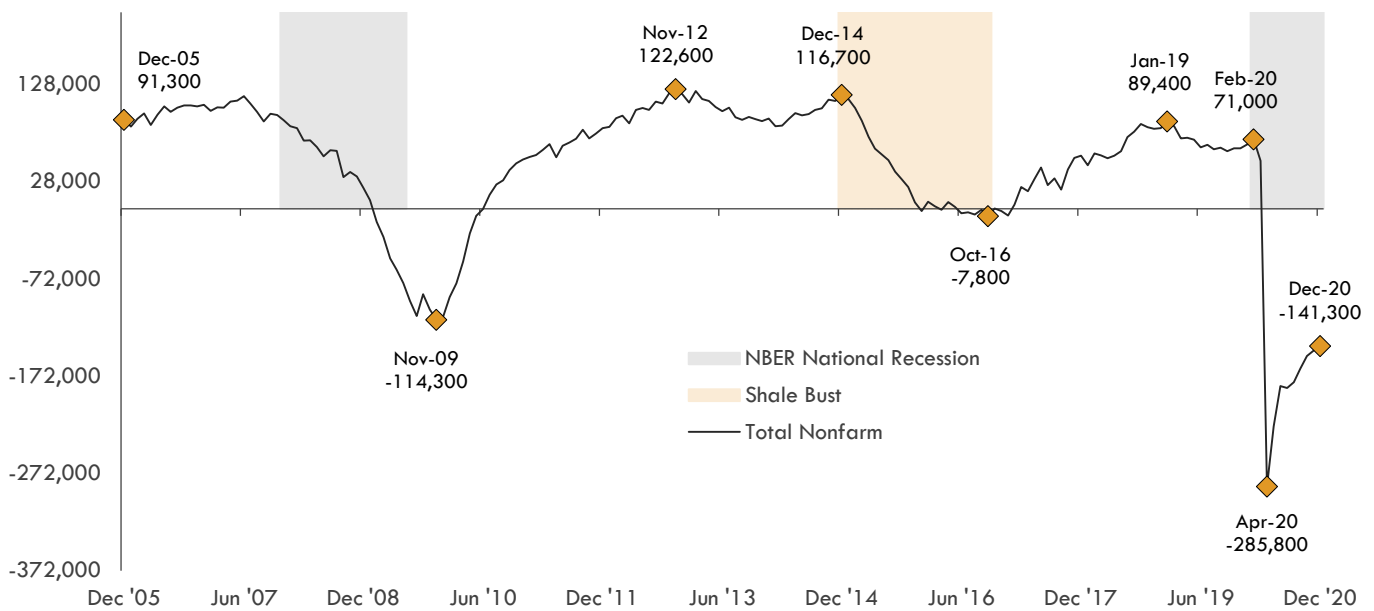
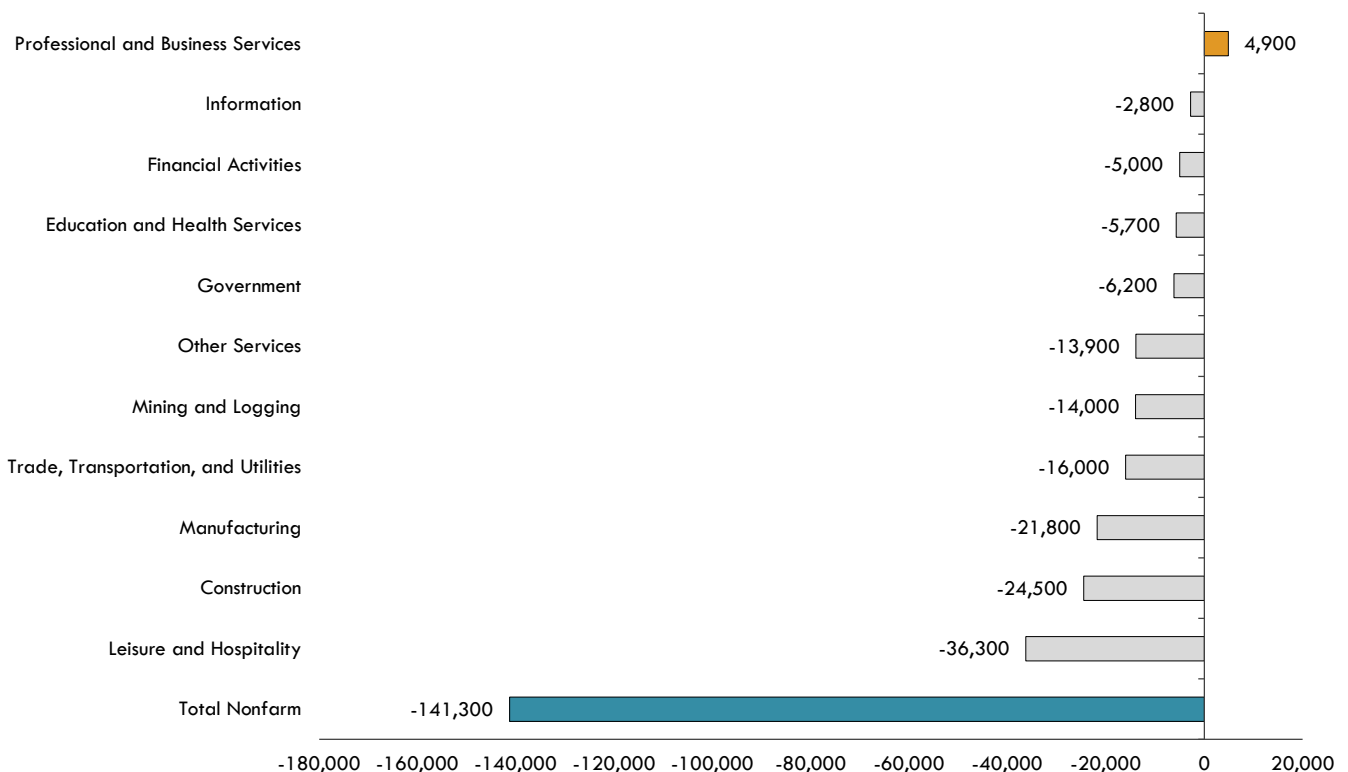


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
December 2019 to December 2020



## Supplemental Commentary

### A Look Back at 2020 through December

December 2020's jobs report released today serves as a first look at the conclusion of a tumultuous year for the region and the world as a whole marked by a global pandemic and widespread economic disruption. The Houston metropolitan area began 2020 with over-the-year job growth of nearly 65,000 jobs or 2.1 percent, a pace consistent with the region's long-term historical average during periods of economic expansion. Thanks in part to the longest national economic expansion in history at 126 months, the local unemployment rate sat just above the all-time lows of 3.6 percent recorded multiple times throughout 2019. In addition, fall of 2019 marked the third consecutive year of the region's recovery from a collapse in the oil and gas industry that lasted from roughly late-2014 to late-2016. While off the highs, early-2020 saw a steady North American rig count at around 800 active rigs sustained by an average price for West Texas Intermediate of \$55 per barrel. In short, the Houston region was poised to enter 2020 relatively sound economic footing.[1][2]

On December 31, 2019, the World Health Organization, the United Nations agency charged with establishing international public health standards and policies, received notice of a pneumonia-like condition of unknown origin affecting residents in Wuhan, China, which by January 3rd numbered at 44 cases.[3] By January 21st the U.S. Centers for Disease Control reported the first case of SARS-CoV-2, now known more commonly known as COVID-19 or "the coronavirus," in the continental United States with the first fatality, confirmed nearly two months later, having occurred on February 6th. By March 4th, the first confirmed case in Houston region appeared precipitating the cancellation of the Houston Rodeo and other major gatherings and a full-blown lockdown shortly thereafter.[4] Fast-forward to late-December 2020 early-January 2021, the national and local economies remain in a precarious state with virus resulting in nearly 25 million confirmed cases and 400,000 deaths nationally and 420,000 cases and 5,000 deaths across the Houston metropolitan area.

On the job market front, by December 2020 the Houston area had recovered roughly 60 percent of the 350,000 jobs lost over the preceding March and April. This rate of recovery remains impressive compared to previous downturns where a return to pre-recession employment levels took three to four years. Nonetheless, given the ongoing effects of the pandemic for the foreseeable future, the current recovery rate is likely to improve only moderately with each new jobs report making for a full recovery in three to five years according to various predictions.

### Other Miscellaneous Observations

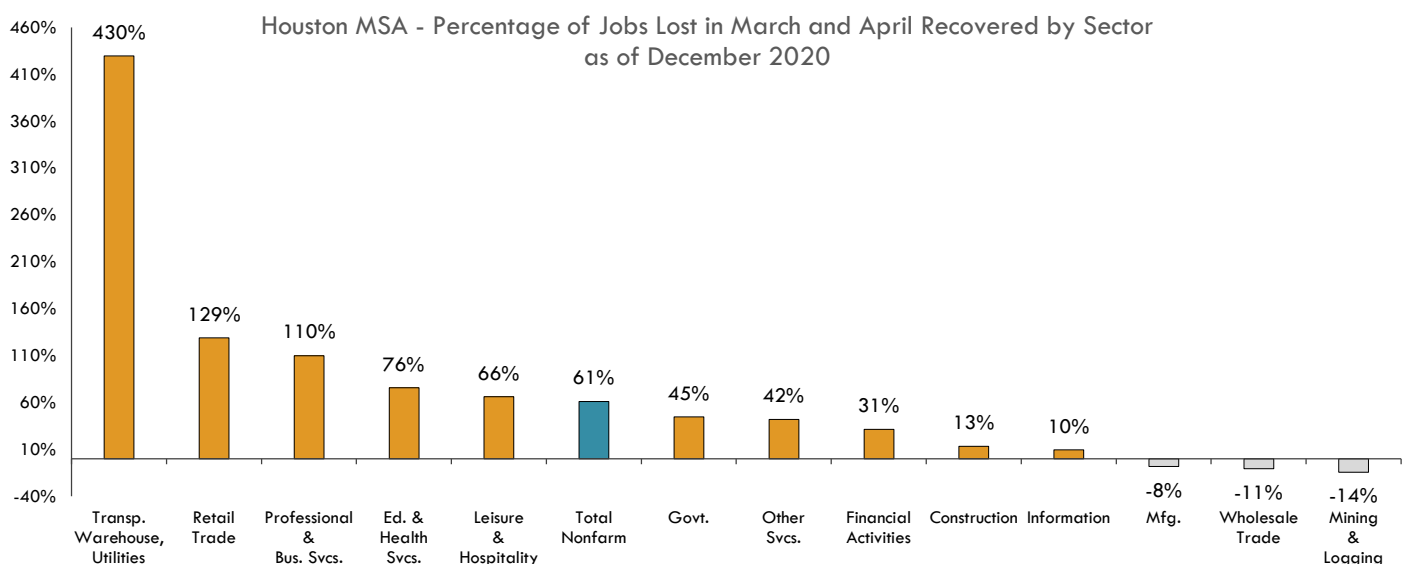
- On seasonally-adjusted basis, December's 12,300 jobs added over the month now stands as the best December on record for the Houston area. However, as with all monthly jobs estimates cautious interpretation is warranted until annual benchmark revisions and/or Quarterly Census of Employment and Wages are available.
- Professional and Business Services remains the only sector to show over-the-year job growth in the wake of the pandemic employment in this sector up by 4,300 from December 2019.
- Mining and Logging, Manufacturing, and Whole Trade, which are all part of the oil and gas industry value chain, remain down from their losses in March and April 2020, i.e. they have yet to experience any meaningful job recovery and in fact have continued to lose jobs since that time. Recovery in these sectors is likely to be slow and occur after other sectors improve even with oil prices having returned to early-2019 levels and a total rig count at approximately 370 up from an all-time low of nearly 250 during summer 2020.
- December's unadjusted unemployment rate of 8 percent down from 8.9 in November continues the pattern of large month-to-month swings that have characterized much of 2020 after the initial disruption. Whether this is the result of genuine movements of large numbers of individuals in and out of employment each month or difficulties in the estimation process is unclear. Weekly regular initial claims for unemployment insurance remain the range of 10,000 to 12,000 however Emergency Unemployment Compensation providing additional weeks of coverage suggests a growing segment of individuals who have exhausted their regular benefits.

[1]Petroleum & Other Liquids - U.S. Energy Information Administration (EIA)

[2]North America Rig Count | Baker Hughes Rig Count

[3]WHO | Pneumonia of unknown cause – China

[4]Exposed: COVID-19 was spreading in Houston before the rodeo, records show - Houston Chronicle



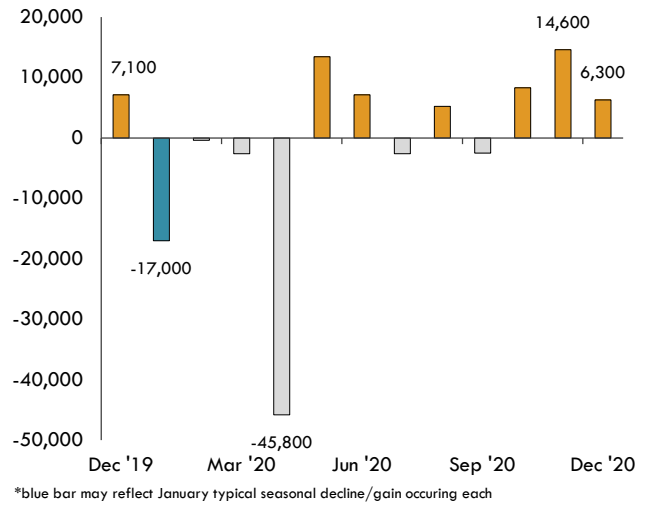
## GAINING INDUSTRY HIGHLIGHTS

### Trade, Transportation, and Utilities

#### Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 6,300 jobs, or 1.0 percent. (see Chart 6.) The largest all-time one-month gain on record for this sector occurred in November 2019, up 15,300 jobs. The largest decline on record occurred in April 2020, down -45,800 jobs. Historically in the month of December, Trade, Transportation, and Utilities has added an average of 8,100 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Retail Trade was the largest contributor to the overall sector's increase, up 3,100 jobs over the month. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 2,400 jobs from November to December. Lastly, Wholesale Trade contributed, 800 jobs. Trade, Transportation, and Utilities employment was revised downward by -1,300 jobs for a October to November smaller net gain of 14,600 compared to an original estimate of 15,900 jobs.

Chart 6. Trade, Transportation, and Utilities (NSA)  
Over-the-month Net Change, Dec-19 to Dec-20

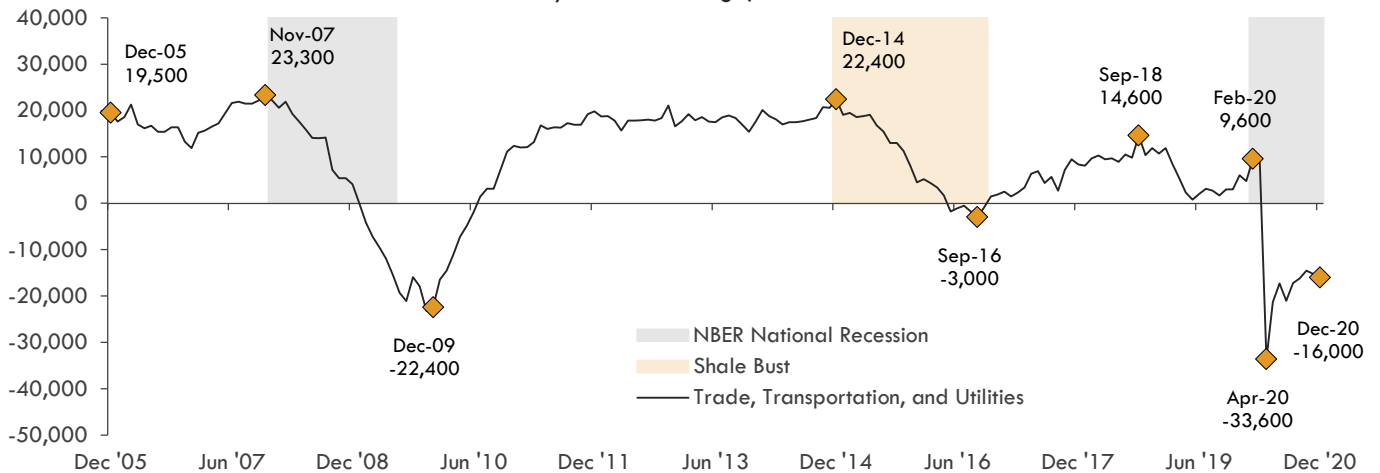


#### Over-the-year Change

Year over year, Trade, Transportation, and Utilities was down -16,000 jobs, or -2.5 percent. (see Chart 7.) The largest over-the-year gain on record for this sector occurred in November 2007, up 23,300 jobs. The largest decline on record occurred in April 2020, down -33,600 jobs. Wholesale Trade was the largest contributor to the overall sector's decline, down -19,000 jobs over the year. The second-largest declining contributor was Retail Trade, which lost -4,600 jobs from December a year ago. Lastly, Transportation, Warehousing, and Utilities offset a portion of the sector's losses with a gain of 7,600 jobs. Trade,

Transportation, and Utilities's share of Houston area Total Nonfarm Employment has risen from 20.3 percent to 20.8 percent over the past year.

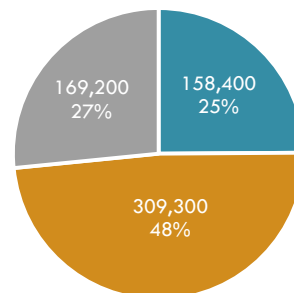
Chart 7. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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 49 percent. (see Chart 8.) Across the Houston MSA, the concentration of jobs in the overall sector is 7 percent higher than the national average, due to a 30-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 8. Employment in Component Industries of Trade, Transportation, and Utilities Sector - December 2020



- Wholesale Trade
- Retail Trade
- Transportation, Warehousing, & Utilities

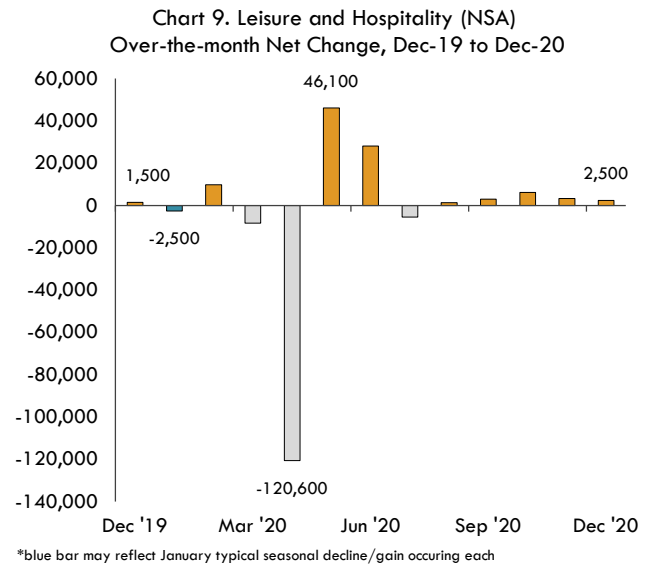
GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the second-largest gaining sector over the month up 2,500 jobs, or 0.9 percent. (see Chart 9.) This was the largest-ever gain in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 46,100 jobs. The largest decline on record occurred in April 2020, down -120,600 jobs. Historically in the month of December, Leisure and Hospitality has added an average of 700 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Modest gains have typically been recorded in December punctuated by occasional losses and/or over-the-month net zero changes in employment. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 2,300 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 200 jobs from November to December. Leisure and Hospitality employment was revised upward by 2,700 jobs for a

October to November larger net gain of 3,300 compared to an original estimate of 600 jobs.

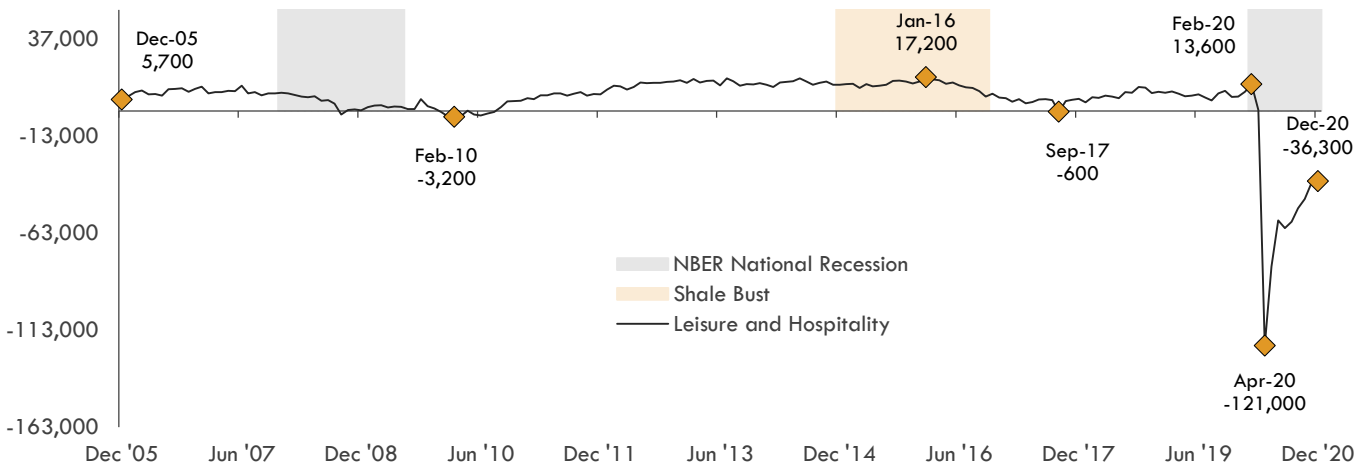


Over-the-year Change

Year over year, Leisure and Hospitality was down -36,300 jobs, or -10.9 percent. (see Chart 10.) This was the largest-ever year-over-year decline in the month of December since records began in 1990. Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Furthermore, 24.8 percent of total (gross) jobs lost across the region over the past year can be attributed to Leisure and Hospitality. The largest over-the-year gain on record for this sector occurred in January 2016, up 17,200 jobs. The largest decline on record occurred in April 2020, down -121,000 jobs.

Accommodation and Food Services was the largest contributor to the overall sector's decline, down -23,800 jobs over the year. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -12,500 jobs from December a year ago. Since shedding -128,900 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 70 percent of jobs lost as of December. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has fallen from 10.4 percent to 9.6 percent over the past year.

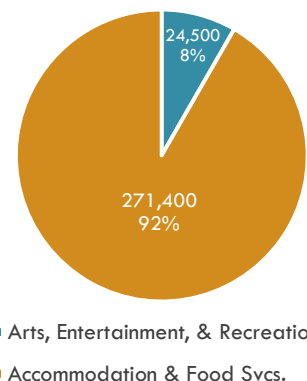
Chart 10. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



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. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 92 percent. (see Chart 11.) Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average.

Chart 11. Employment in Component Industries of Leisure and Hospitality Sector - December 2020



## GAINING INDUSTRY HIGHLIGHTS

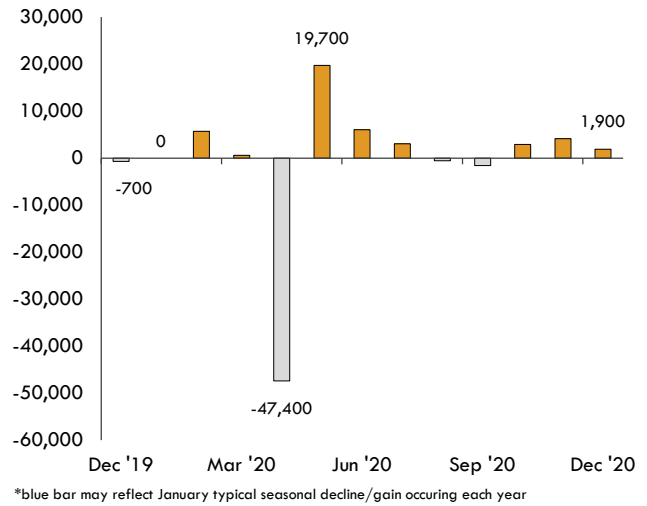
### Education and Health Services

#### Over-the-month Change

Education and Health Services was the third-largest gaining sector over the month up 1,900 jobs, or 0.5 percent. (see Chart 12.) This was the largest-ever gain in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 19,700 jobs. The largest decline on record occurred in April 2020, down -47,400 jobs. Historically in the month of December, Education and Health Services has added an average of 600 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 2,000 jobs over the month. One component industry that provided a partial offset was Educational Services, which lost -100 jobs from November to December. Education and Health Services employment was revised downward by -900 jobs for a October to November smaller net gain of 4,100 compared to an

original estimate of 5,000 jobs.

Chart 12. Education and Health Services (NSA)  
Over-the-month Net Change, Dec-19 to Dec-20

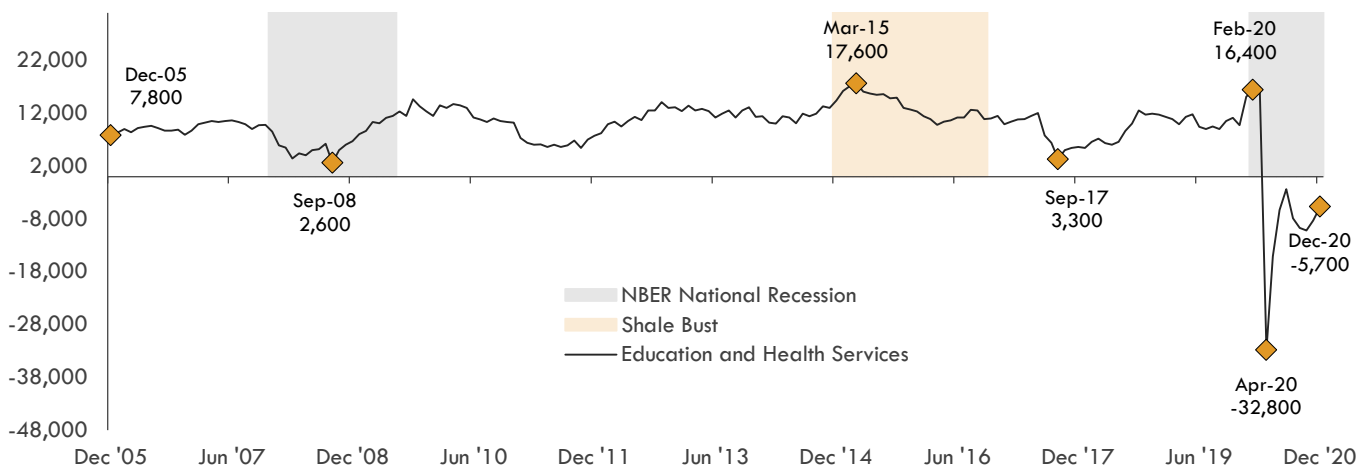


#### Over-the-year Change

Year over year, Education and Health Services was down -5,700 jobs, or -1.4 percent. (see Chart 13.) This was the largest-ever year-over-year decline in the month of December since records began in 1990. The largest over-the-year gain on record for this sector occurred in March 2015, up 17,600 jobs. The largest decline on record occurred in April 2020, down -32,800 jobs. Health Care and Social Assistance was the largest contributor to the overall sector's decline, down -5,700 jobs over the year. One component industry, Educational Services, saw no change from December a year ago. Since shedding -46,800

jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 80 percent of jobs lost as of December. Education and Health Services's share of Houston area Total Nonfarm Employment has risen from 12.8 percent to 13.2 percent over the past year.

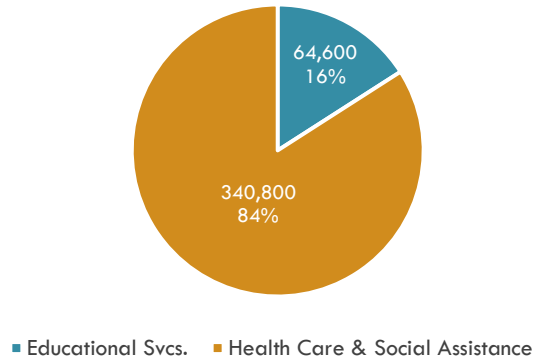
Chart 13. Education and Health Services (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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 84 percent. (see Chart 14.) Across the Houston MSA, the concentration of jobs in the overall sector is 19 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 14. Employment in Component Industries of Education and Health Services Sector - December 2020



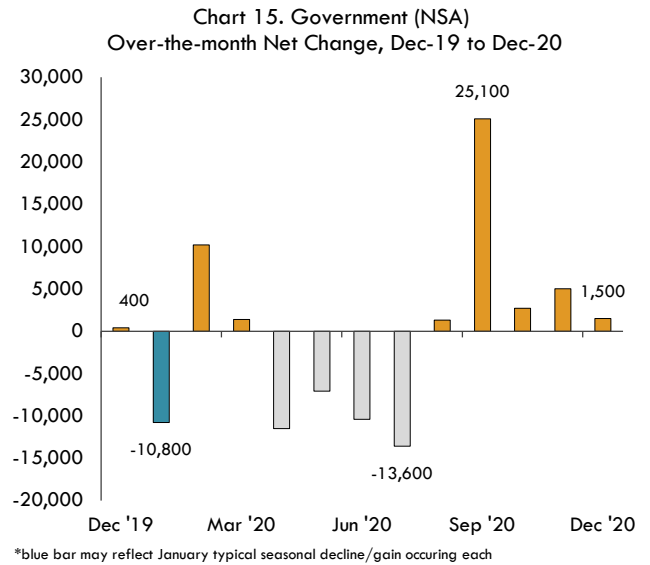
## GAINING INDUSTRY HIGHLIGHTS

### Government

#### Over-the-month Change

Government also saw an increase over the month up 1,500 jobs, or 0.4 percent. (see Chart 15.) The largest all-time one-month gain on record for this sector occurred in September 2020, up 25,100 jobs. The largest decline on record occurred in April 2020, down -11,500 jobs. Historically in the month of December, Government 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. Government, which includes primary, secondary, and postsecondary public education has in recent years begun posting slight gains in December possibly due mid-year staff replacement and/or additional hiring as final enrollment counts are received. Local Government was the largest contributor to the overall sector's increase, up 2,400 jobs over the month. The second-largest contributor was Federal Government, which added 500 jobs from November to December. Lastly, State Government offset a portion of the sector's gains with a loss of -1,400 jobs. Government

employment was revised downward by -400 jobs for a October to November smaller net gain of 5,000 compared to an original estimate of 5,400 jobs.

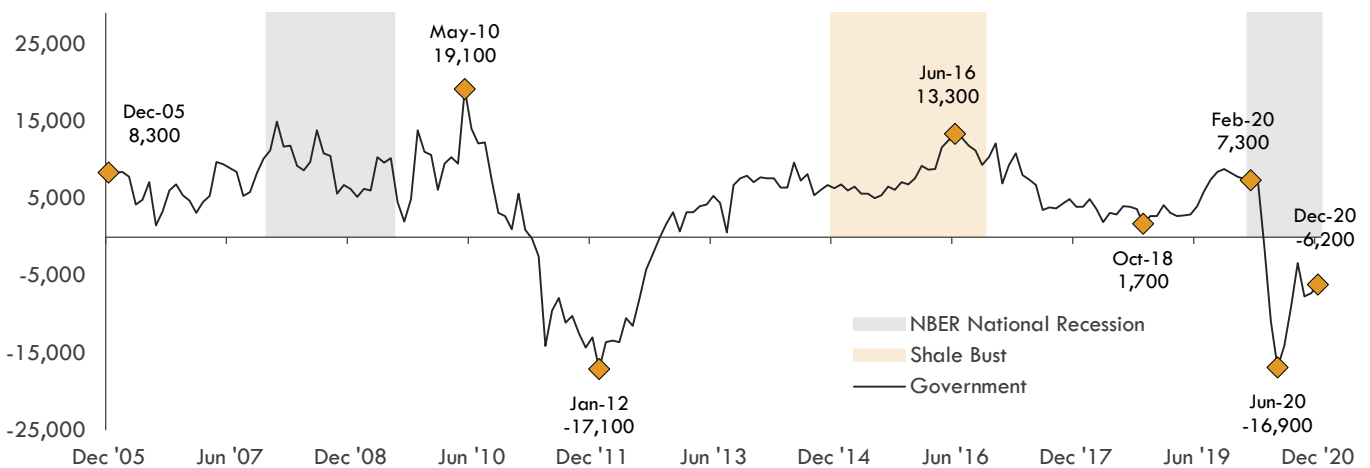


#### Over-the-year Change

Year over year, Government was down -6,200 jobs, or -1.5 percent. (see Chart 16.) The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest decline on record occurred in January 2012, down -17,100 jobs. State Government was the largest contributor to the overall sector's decline, down -5,400 jobs over the year. The second-largest declining contributor was Local Government, which lost -1,600 jobs from December a year ago. Lastly, Federal Government offset a portion of the sector's losses with a gain of 800 jobs. Since shedding -10,100 jobs over March and

2020 due to the impact of COVID-19, this sector has recovered approximately 40 percent of jobs lost as of December. Government's share of Houston area Total Nonfarm Employment has risen from 13.3 percent to 13.7 percent over the past year.

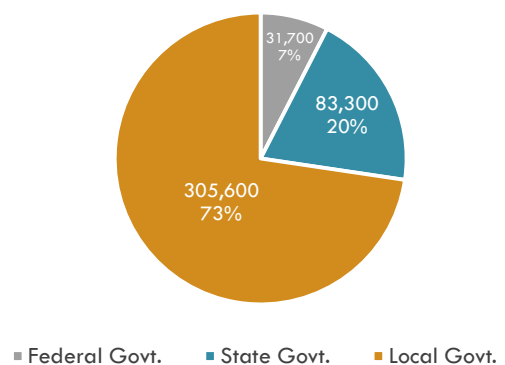
Chart 16. Government (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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 73 percent. (see Chart 17.) Across the Houston MSA, the concentration of jobs in the overall Government sector is 9 percent less than the national average.

Chart 17. Employment in Component Industries of Government Sector - December 2020



## GAINING INDUSTRY HIGHLIGHTS

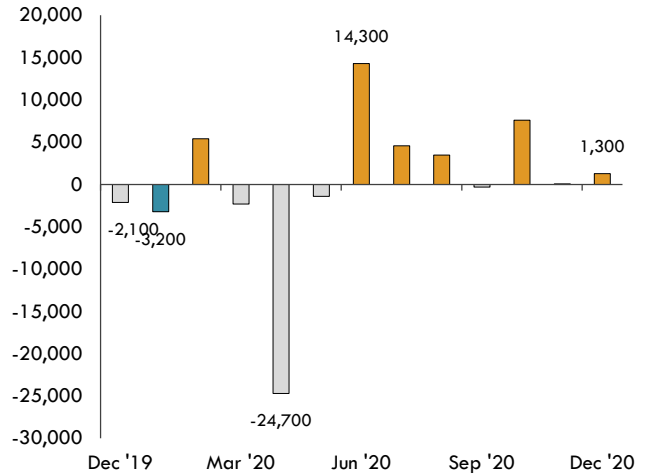
### Professional and Business Services

#### Over-the-month Change

Professional and Business Services also saw an increase over the month up 1,300 jobs, or 0.3 percent. (see Chart 18.) The largest all-time one-month gain on record for this sector occurred in June 2020, up 14,300 jobs. The largest decline on record occurred in April 2020, down -24,700 jobs. Historically in the month of December, Professional and Business Services has added an average of 800 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 2,500 jobs over the month. One component industry that provided a partial offset was Management of Companies and Enterprises, which lost -100 jobs from November to December. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's gains with a loss of -1,100 jobs. Professional and Business Services employment was revised upward by 900 jobs for a October to November

complete erasure of losses resulting in a net gain of 100 compared to an original estimate of -800 jobs.

Chart 18. Professional and Business Services (NSA)  
Over-the-month Net Change, Dec-19 to Dec-20



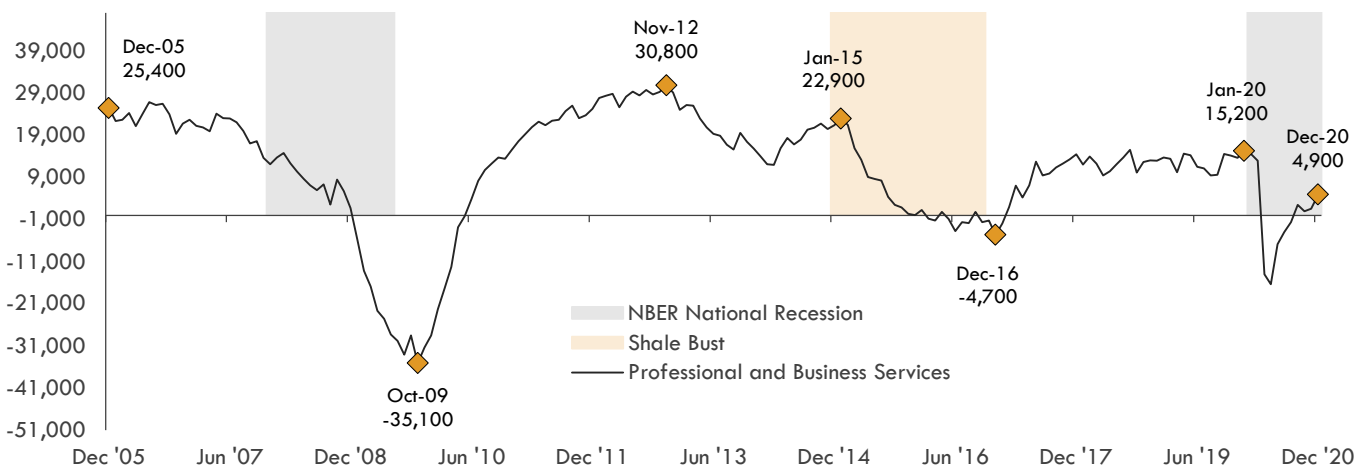
\*blue bar may reflect January typical seasonal decline/gain occurring each

#### Over-the-year Change

Year over year, Professional and Business Services was up 4,900 jobs, or 1.0 percent. (see Chart 19.) Furthermore, 100.0 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. The largest over-the-year gain on record for this sector occurred in November 2012, up 30,800 jobs. The largest decline on record occurred in October 2009, down -35,100 jobs. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 6,400 jobs over the year. The second-largest contributor was Administrative

and Support and Waste Management and Remediation Services, which added 600 jobs from December a year ago. Lastly, Management of Companies and Enterprises offset a portion of the sector's gains with a loss of -2,100 jobs. Since shedding -27,000 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 110 percent of jobs lost as of December. Professional and Business Services's share of Houston area Total Nonfarm Employment has risen from 16.0 percent to 16.9 percent over the past year.

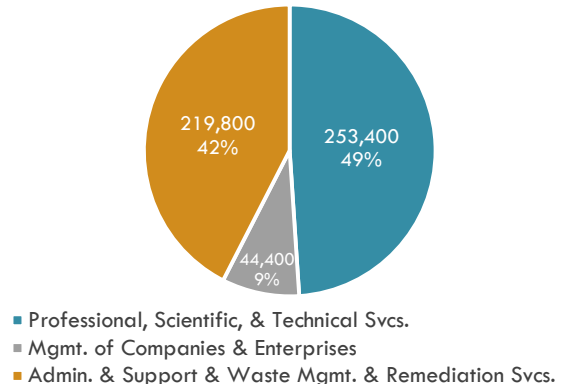
Chart 19. Professional and Business Services (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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 plurality of the sector's employment at 49 percent. (see Chart 20.) Across the Houston MSA, the concentration of jobs in the overall sector is 17 percent higher than the national average, due to a 24-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 20. Employment in Component Industries of Professional and Business Services Sector - December 2020



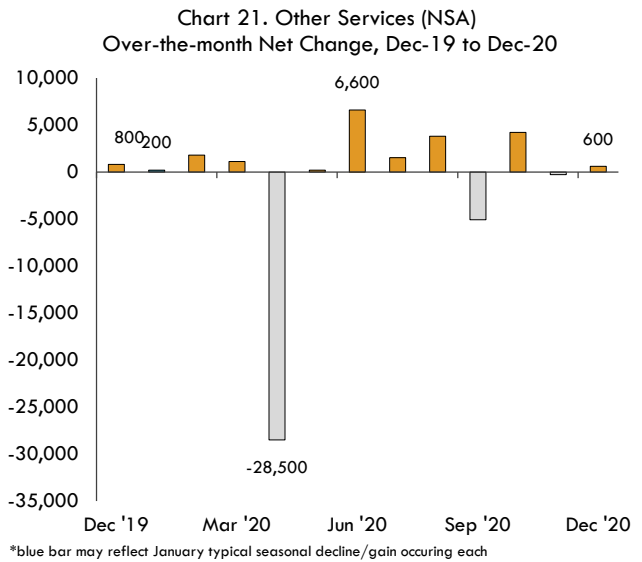


## GAINING INDUSTRY HIGHLIGHTS

### Other Services

#### Over-the-month Change

Other Services also saw an increase over the month up 600 jobs, or 0.6 percent. (see Chart 21.) The largest all-time one-month gain on record for this sector occurred in June 2020, up 6,600 jobs. The largest decline on record occurred in April 2020, down -28,500 jobs. Historically in the month of December, Other Services has lost an average of -10 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Gains in this sector have been recorded roughly two-thirds of the time over the past two and a half decades. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised downward by -1,000 jobs for a October to November complete erasure of gains leaving a net loss of -300 compared to an original estimate of 700 jobs.

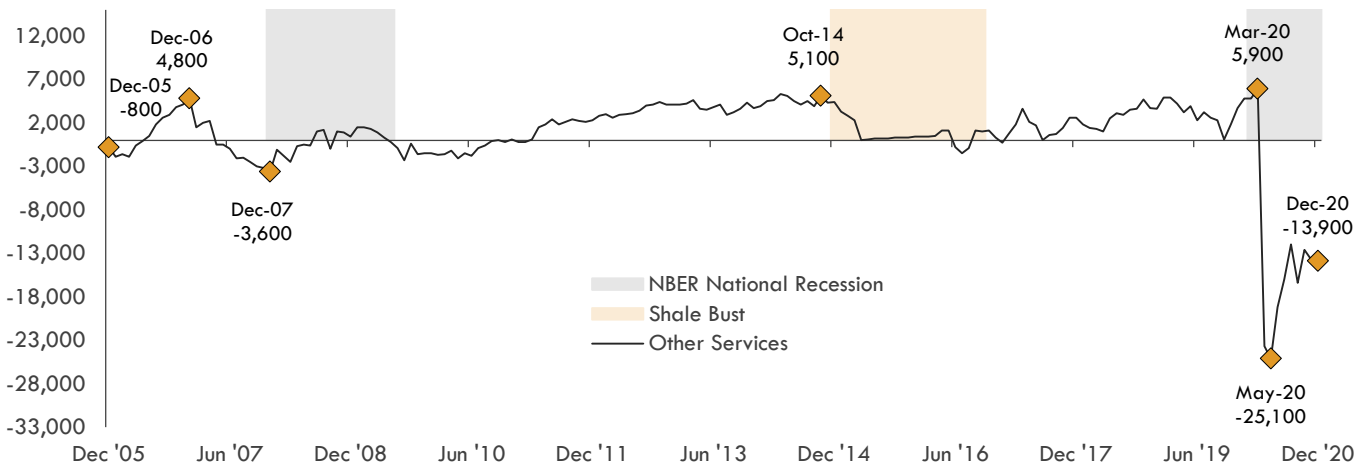


#### Over-the-year Change

Year over year, Other Services was down -13,900 jobs, or -11.8 percent. (see Chart 22.) This was the largest-ever year-over-year decline in the month of December since records began in 1990. Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in March 2020, up 5,900 jobs. The largest decline on record occurred in May 2020, down -25,100 jobs. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Since shedding

-27,400 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 40 percent of jobs lost as of December. Other Services's share of Houston area Total Nonfarm Employment has fallen from 3.7 percent to 3.4 percent over the past year.

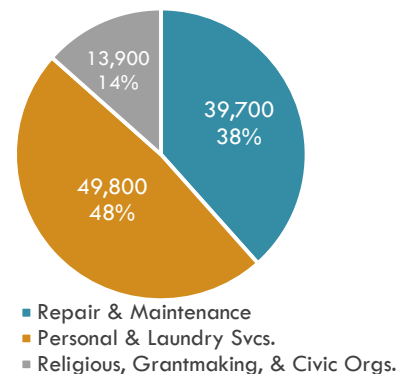
Chart 22. Other Services (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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 23.) Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 11 percent less than the national average.

Chart 23. Employment in Component Industries of Other Services Sector - December 2020

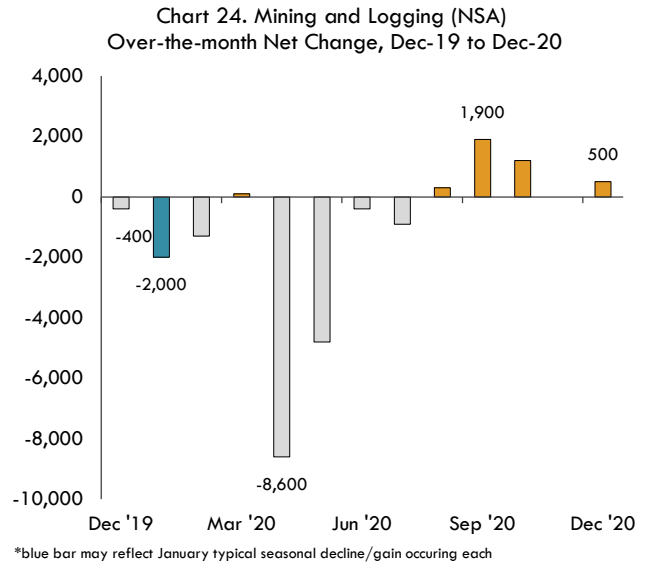


## GAINING INDUSTRY HIGHLIGHTS

### Mining and Logging

#### Over-the-month Change

Mining and Logging also saw an increase over the month up 500 jobs, or 0.8 percent. (see Chart 24.) The largest all-time one-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest decline on record occurred in April 2020, down -8,600 jobs. Historically in the month of December, Mining and Logging has added an average of 500 jobs over the month, which indicates that this month's gains are on par with the long-term average. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Other Mining and Logging Undefined, which added 200 jobs from November to December. Lastly, Support Activities for Mining offset a portion of the sector's gains with a loss of -100 jobs. Mining and Logging employment was revised upward by 100 jobs for a October to November complete erasure of losses resulting in a net change of zero compared to an original estimate of -100 jobs.

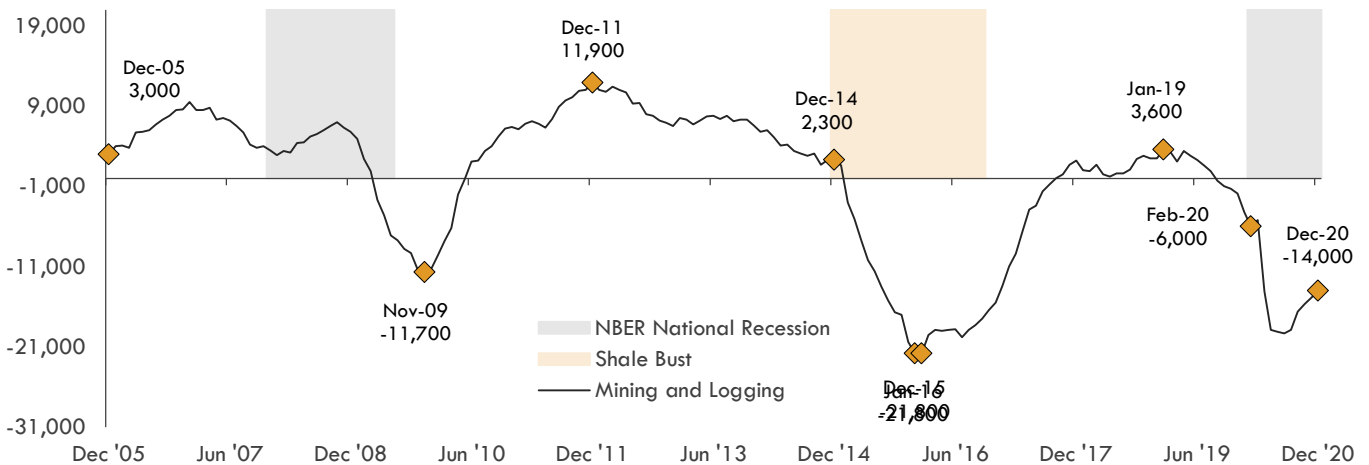


#### Over-the-year Change

Year over year, Mining and Logging was down -14,000 jobs, or -17.8 percent. (see Chart 25.) Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in December 2011, up 11,900 jobs. The largest decline on record occurred in December 2015, down -21,800 jobs. Support Activities for Mining was the largest contributor to the overall sector's decline, down -11,100 jobs over the year. The second-largest declining contributor was Oil and Gas Extraction, which lost -2,600 jobs

a year ago. Lastly, Other Mining and Logging Undefined subtracted, -300 jobs. Since shedding -8,500 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Mining and Logging's share of Houston area Total Nonfarm Employment has fallen from 2.4 percent to 2.1 percent over the past year.

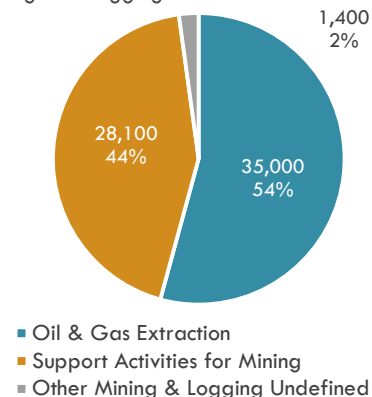
Chart 25. Mining and Logging (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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, Oil and Gas Extraction accounts for a slight majority of the sector's employment at just over 54 percent. (see Chart 26.) Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 4.8 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 26. Employment in Component Industries of Mining and Logging Sector - December 2020



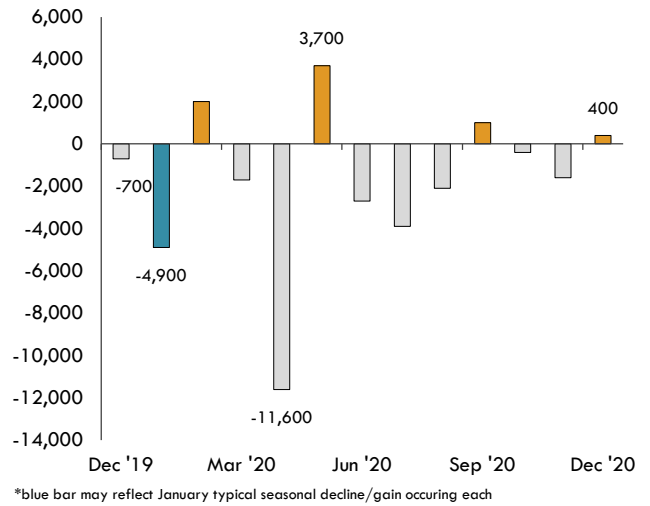
## GAINING INDUSTRY HIGHLIGHTS

### Manufacturing

#### Over-the-month Change

Manufacturing also saw an increase over the month up 400 jobs, or 0.2 percent. (see Chart 27.) The largest all-time one-month gain on record for this sector occurred in May 2020, up 3,700 jobs. The largest decline on record occurred in April 2020, down -11,600 jobs. Historically in the month of December, Manufacturing has added an average of 700 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Non-Durable Goods was the largest contributor to the overall sector's increase, up 400 jobs over the month. One component industry, Durable Goods, saw no change from November to December. Manufacturing employment was revised upward by 1,000 jobs for a October to November smaller net loss of -1,600 compared to an original estimate of -2,600 jobs.

Chart 27. Manufacturing (NSA)  
Over-the-month Net Change, Dec-19 to Dec-20

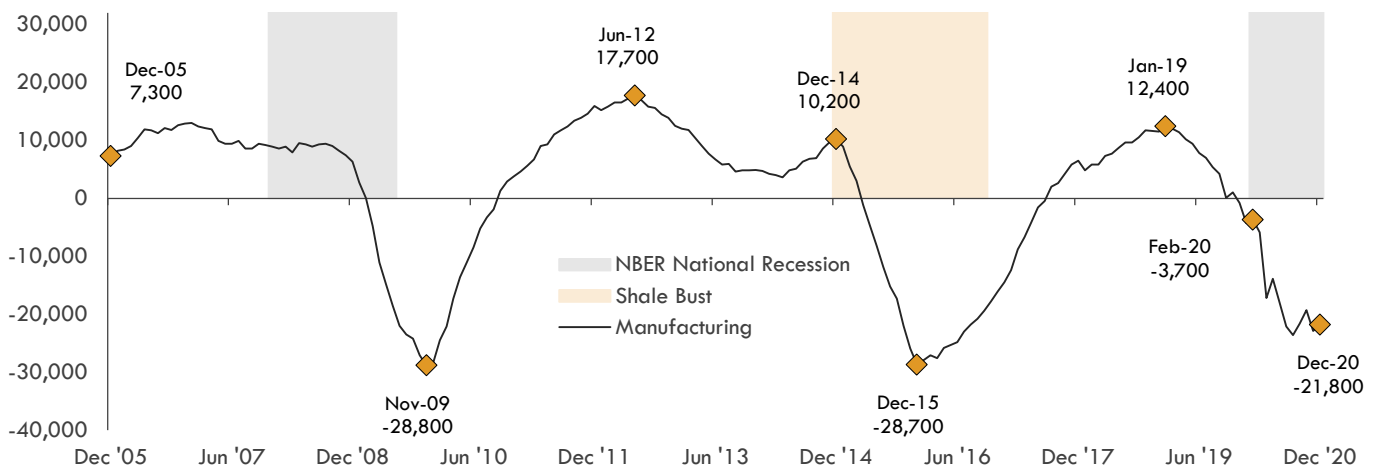


#### Over-the-year Change

Year over year, Manufacturing was down -21,800 jobs, or -9.3 percent. (see Chart 28.) Furthermore, 14.9 percent of total (gross) jobs lost across the region over the past year can be attributed to Manufacturing. The largest over-the-year gain on record for this sector occurred in June 2012, up 17,700 jobs. The largest decline on record occurred in November 2009, down -28,800 jobs. Durable Goods was the largest contributor to the overall sector's decline, down -21,500 jobs over the year. The second-largest declining contributor was Non-Durable Goods, which lost -300 jobs from December a year ago. Since

shedding -13,300 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Manufacturing's share of Houston area Total Nonfarm Employment has fallen from 7.3 percent to 6.9 percent over the past year.

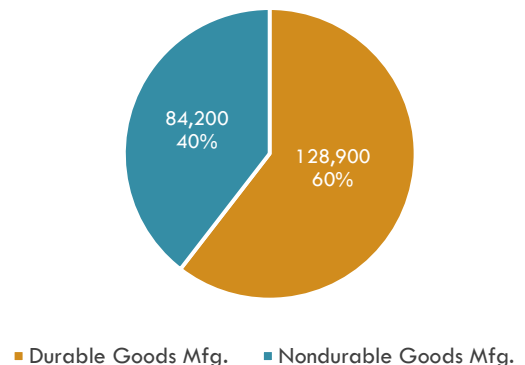
Chart 28. Manufacturing (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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 60 percent. (see Chart 29.) Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 19 percent less than the national average.

Chart 29. Employment in Component Industries of Manufacturing Sector - December 2020

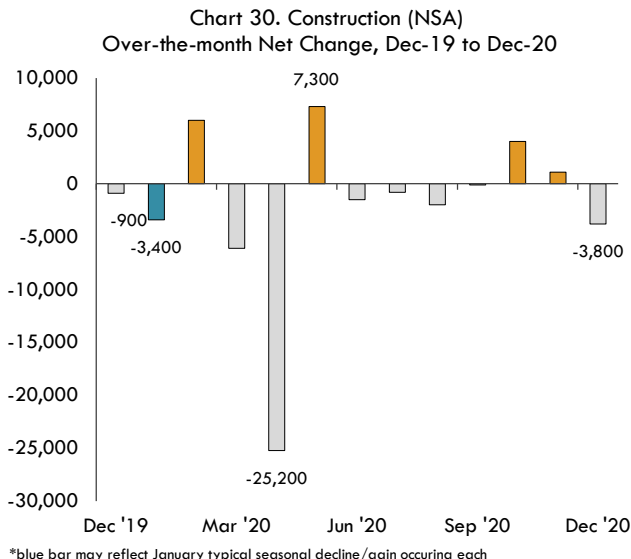


## DECLINING INDUSTRY HIGHLIGHTS

### Construction

#### Over-the-month Change

Construction was the largest declining sector over the month down -3,800 jobs, or -1.7 percent. (see Chart 30.) The largest all-time one-month gain on record for this sector occurred in February 2019, up 7,300 jobs. The largest decline on record occurred in April 2020, down -25,200 jobs. Historically in the month of December, Construction has lost an average of -900 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Job losses in Construction have been typical in most Decembers since records began. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -2,200 jobs over the month. The second-largest declining contributor was Construction of Buildings, which lost -1,200 jobs from November to December. Lastly, Heavy and Civil Engineering Construction subtracted, -400 jobs. Construction employment was revised upward by 900 jobs for a October to November larger net gain of 1,100 compared to an original estimate of 200 jobs.

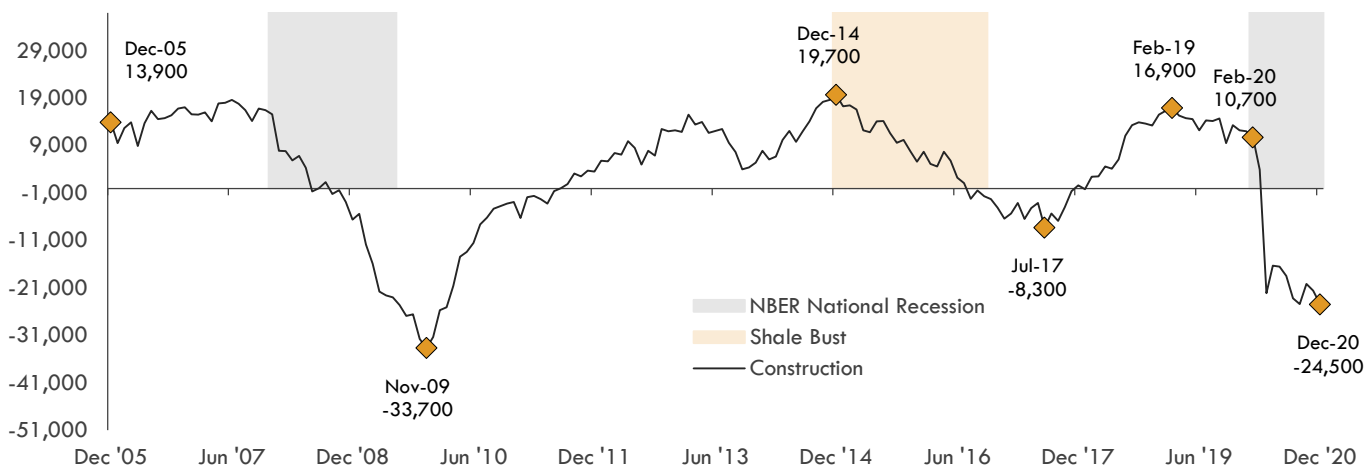


#### Over-the-year Change

Year over year, Construction was down -24,500 jobs, or -10.1 percent. (see Chart 31.) Furthermore, 16.8 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. The largest over-the-year gain on record for this sector occurred in December 2014, up 19,700 jobs. The largest decline on record occurred in November 2009, down -33,700 jobs. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -11,800 jobs over the year. The second-largest declining contributor was Heavy and Civil Engineering Construction, which lost -6,400 jobs

from December a year ago. Lastly, Construction of Buildings subtracted, -6,300 jobs. Since shedding -31,300 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 10 percent of jobs lost as of December. Construction's share of Houston area Total Nonfarm Employment has fallen from 7.5 percent to 7.1 percent over the past year.

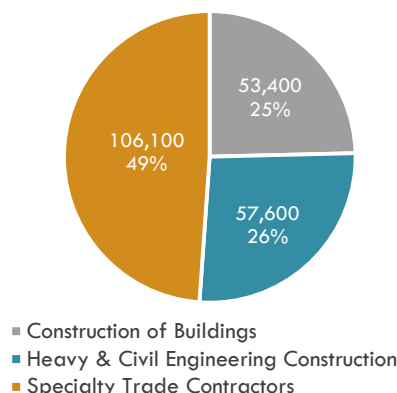
Chart 31. Construction (NSA)  
Over-the-year Net Change, Dec-05 to Dec-20



#### About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and subdivision, 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 49 percent. (see Chart 32.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 39 percent higher than the national average, due to 2.7 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 32. Employment in Component Industries of Construction Sector - December 2020

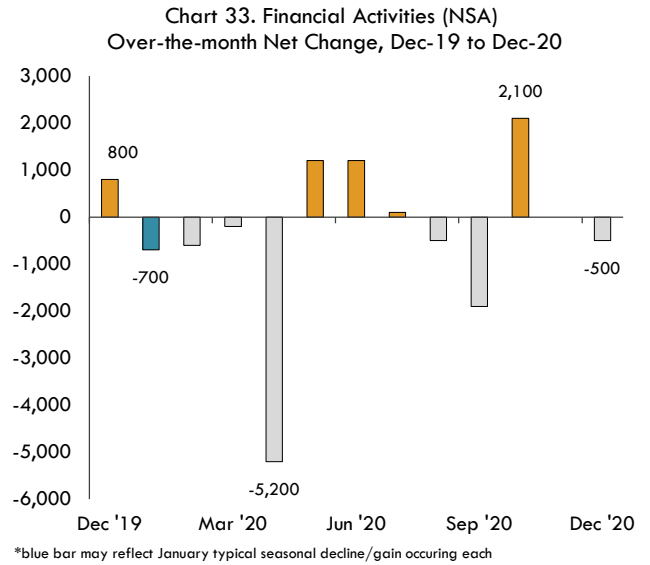


## DECLINING INDUSTRY HIGHLIGHTS

### Financial Activities

#### Over-the-month Change

Financial Activities was the second-largest declining sector over the month down -500 jobs, or -0.3 percent. (see Chart 33.) This was the largest-ever decline in the month of December since records began in 1990. The largest all-time one-month gain on record for this sector occurred in October 2020, up 2,100 jobs. The largest decline on record occurred in April 2020, down -5,200 jobs. Historically in the month of December, Financial Activities has added an average of 500 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -700 jobs over the month. One component industry that provided a partial offset was Finance and Insurance, which gained 200 jobs from November to December. Financial Activities employment was revised downward by -700 jobs for a October to November complete loss of gains resulting in a net change of zero compared to an original estimate of 700 jobs.

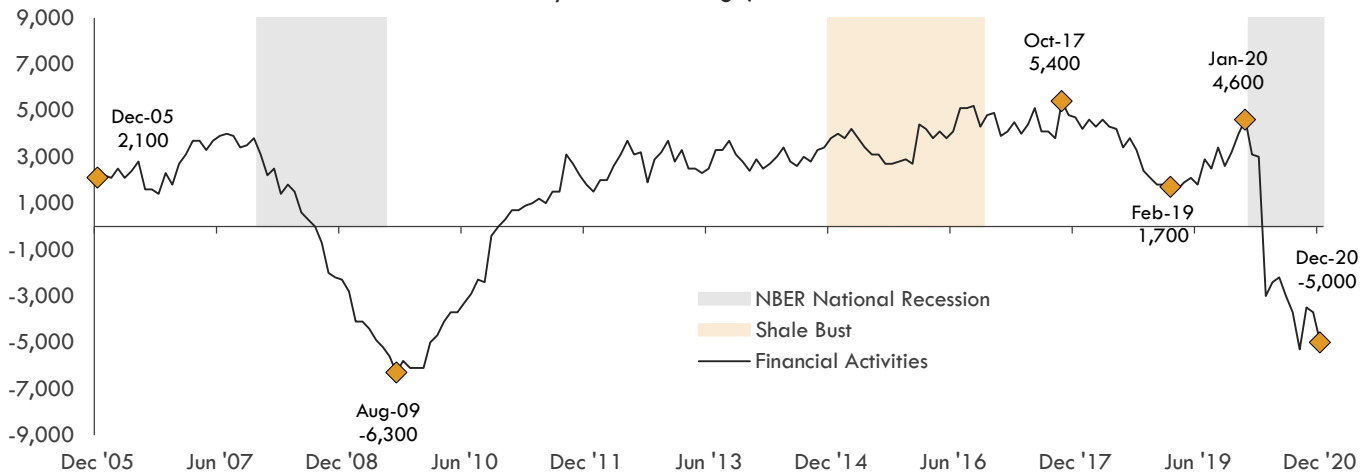


#### Over-the-year Change

Year over year, Financial Activities was down -5,000 jobs, or -3.0 percent. (see Chart 34.) The largest over-the-year gain on record for this sector occurred in September 1998, up 9,000 jobs. The largest decline on record occurred in August 2009, down -6,300 jobs. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -6,500 jobs over the year. One component industry that provided a partial offset was Finance and Insurance, which gained 1,500 jobs from December a year ago. Since shedding -5,400 jobs over March and April 2020 due to the impact of COVID-19,

this sector has recovered approximately 30 percent of jobs lost as of December. Financial Activities's share of Houston area Total Nonfarm Employment has remained constant at 5.3 percent over the past year.

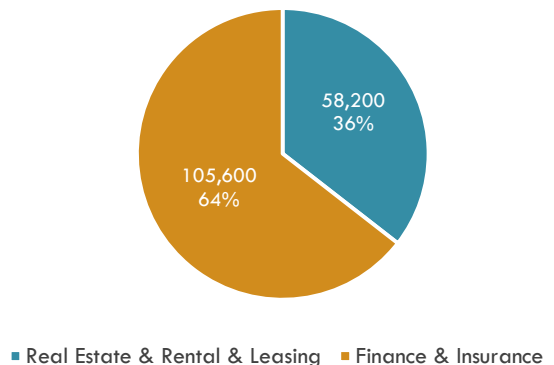
Chart 34. Financial Activities (NSA) Over-the-year Net Change, Dec-05 to Dec-20



#### 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 35.) Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 12 percent less than the national average, due to a 24-percent lower concentration in Finance and Insurance offsetting a 22-percent higher concentration in Real Estate and Rental and Leasing.

Chart 35. Employment in Component Industries of Financial Activities Sector - December 2020

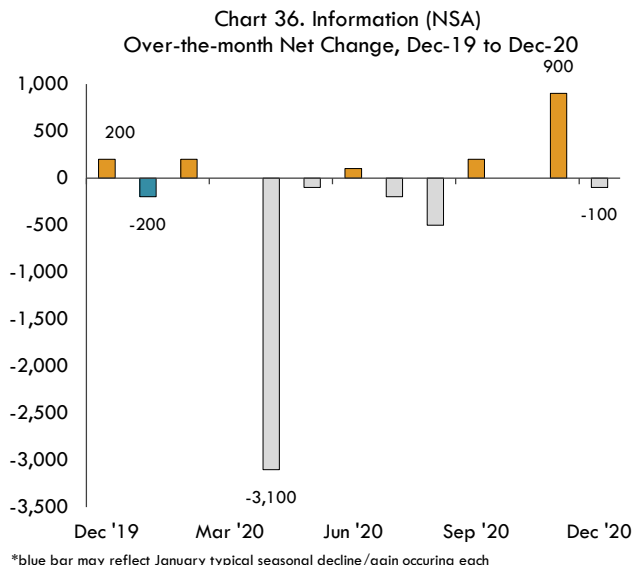


## DECLINING INDUSTRY HIGHLIGHTS

### Information

#### Over-the-month Change

Information was the third-largest declining sector over the month down -100 jobs, or -0.3 percent. (see Chart 36.) The largest all-time one-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest decline on record occurred in April 2020, down -3,100 jobs. Historically in the month of December, Information has added an average of 200 jobs over the month, which indicates that this month's losses are moderately in contrast to the long-term average gain. Other Information Undefined was the largest contributor to the overall sector's decline, down -700 jobs over the month. One component industry that provided a partial offset was Telecommunications, which gained 600 jobs from November to December. Information employment was revised upward by 100 jobs for a October to November larger net gain of 900 compared to an original estimate of 800 jobs.

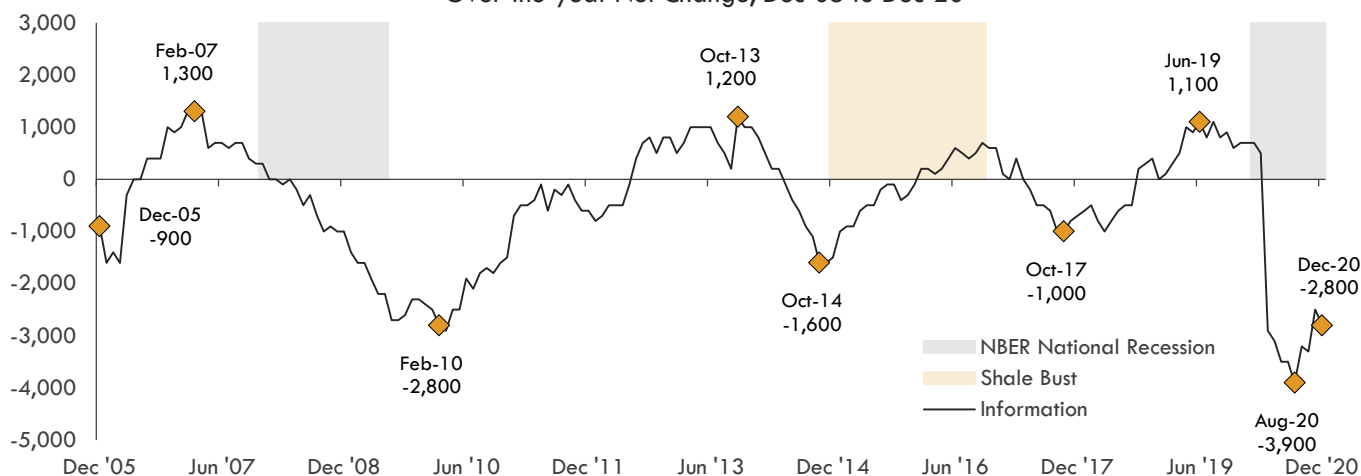


#### Over-the-year Change

Year over year, Information was down -2,800 jobs, or -8.6 percent. (see Chart 37.) The largest over-the-year gain on record for this sector occurred in June 1997, up 4,600 jobs. The largest decline on record occurred in April 2002, down -7,000 jobs. Other Information Undefined was the largest contributor to the overall sector's decline, down -2,400 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -400 jobs from December a year ago. Since shedding -3,100 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 10 percent

of jobs lost as of December. Information's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.

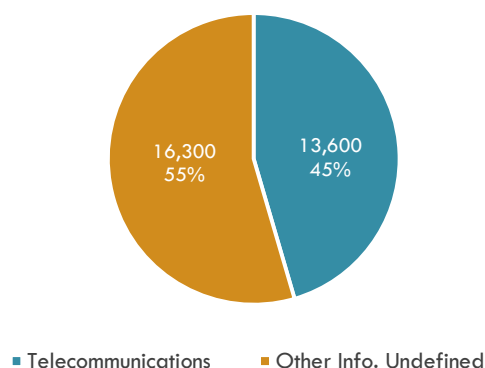
**Chart 37. Information (NSA)**  
Over-the-year Net Change, Dec-05 to Dec-20



#### 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 a slight majority of the sector's employment at just over 55 percent. (see Chart 38.) Across the Houston MSA, the concentration of jobs in the overall Information sector is 47 percent less than the national average.

**Chart 38. Employment in Component Industries of Information Sector - December 2020**



## Unemployment Rates

### Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 8.0 percent in December, down from November's 8.9 percent and up from 3.6 percent a year ago. This was above the statewide rate of 7.1 percent and above the national rate of 6.5 percent. 276,405 individuals were unemployed in Houston in December, down from November's 309,711 and up from 126,019 in December 2019.

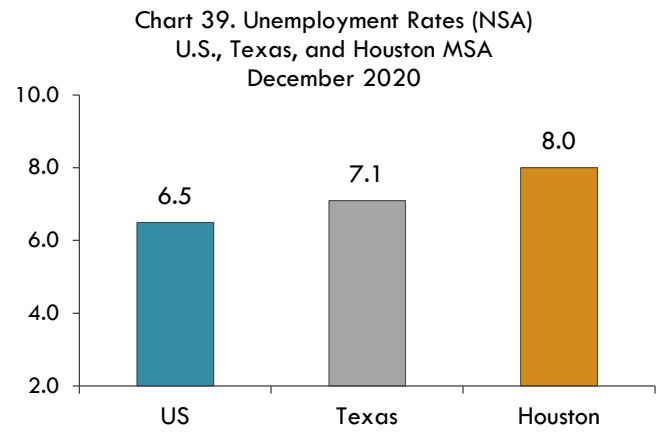
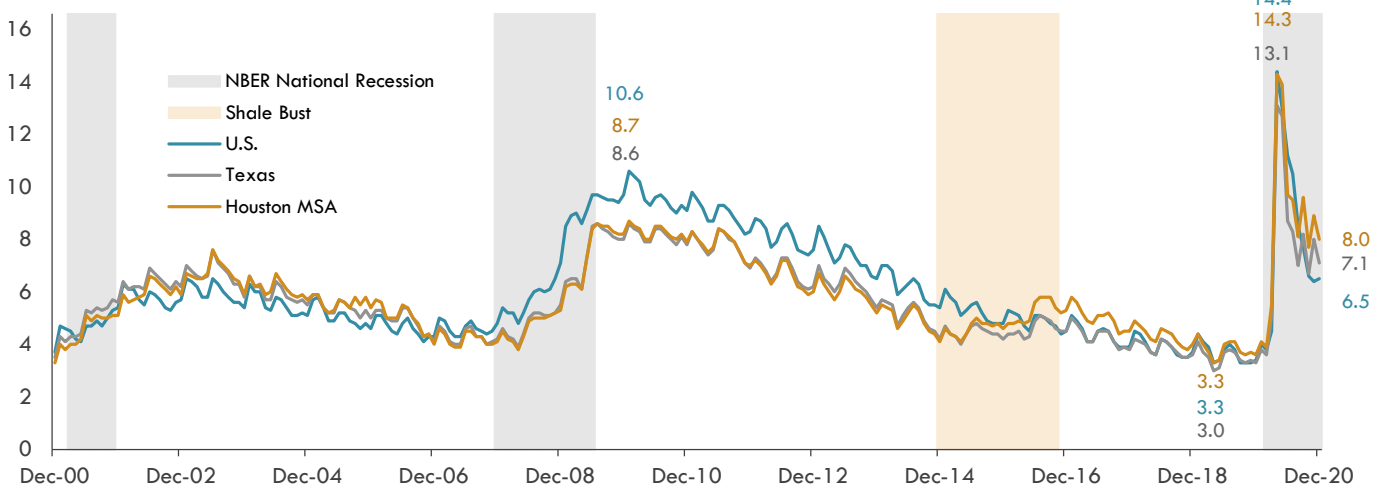


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)  
December 2000 to December 2020



### Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 9.2 percent in November, up from October's 7.9 percent and up from 3.6 percent a year ago. This was above the statewide rate of 8.1 percent and above the national rate of 6.7 percent. 316,295 individuals were unemployed in Houston in November, up from October's 270,434 and up from 126,175 in November 2019.

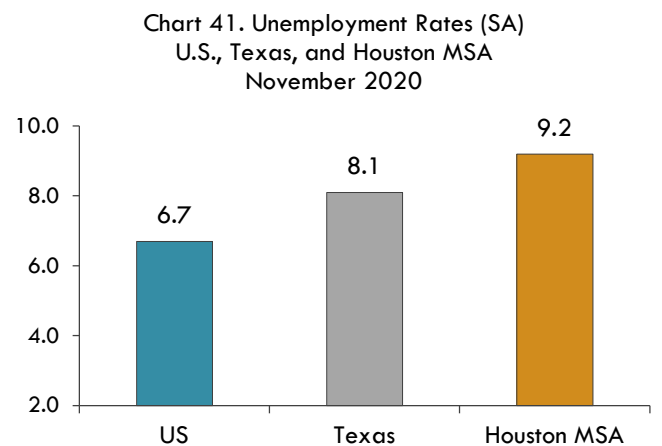
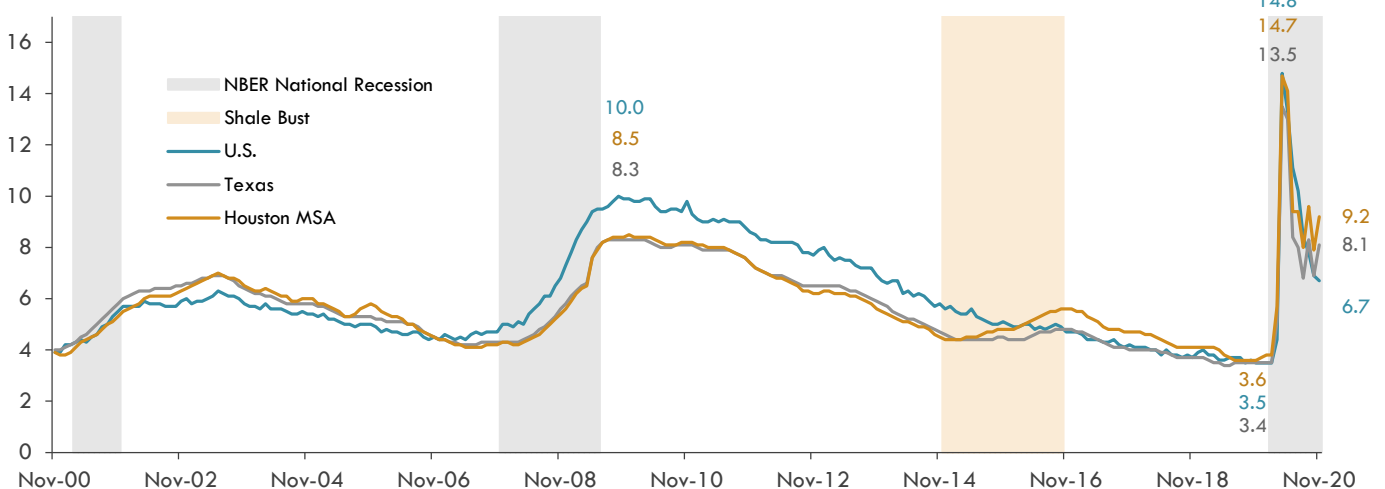


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
November 2000 to November 2020



# Houston Area Employment Situation

December 2020

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Dec-20	Nov-20	Dec-19	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,068,200</b>	<b>3,057,600</b>	<b>3,209,500</b>	<b>10,600</b>	<b>0.3%</b>	<b>-141,300</b>	<b>-4.4%</b>
Total Private	2,647,600	2,638,500	2,782,700	9,100	0.3%	-135,100	-4.9%
Goods Producing	494,700	497,600	555,000	-2,900	-0.6%	-60,300	-10.9%
<b>..Mining and Logging</b>	<b>64,500</b>	<b>64,000</b>	<b>78,500</b>	<b>500</b>	<b>0.8%</b>	<b>-14,000</b>	<b>-17.8%</b>
...Oil and Gas Extraction	35,000	34,600	37,600	400	1.2%	-2,600	-6.9%
...Support Activities for Mining	28,100	28,200	39,200	-100	-0.4%	-11,100	-28.3%
<b>..Construction</b>	<b>217,100</b>	<b>220,900</b>	<b>241,600</b>	<b>-3,800</b>	<b>-1.7%</b>	<b>-24,500</b>	<b>-10.1%</b>
..Construction of Buildings	53,400	54,600	59,700	-1,200	-2.2%	-6,300	-10.6%
..Heavy and Civil Engineering Construction	57,600	58,000	64,000	-400	-0.7%	-6,400	-10.0%
..Specialty Trade Contractors	106,100	108,300	117,900	-2,200	-2.0%	-11,800	-10.0%
<b>..Manufacturing</b>	<b>213,100</b>	<b>212,700</b>	<b>234,900</b>	<b>400</b>	<b>0.2%</b>	<b>-21,800</b>	<b>-9.3%</b>
..Durable Goods	128,900	128,900	150,400	0	0.0%	-21,500	-14.3%
...Fabricated Metal Product Manufacturing	47,400	47,300	53,100	100	0.2%	-5,700	-10.7%
...Machinery Manufacturing	42,600	42,300	48,700	300	0.7%	-6,100	-12.5%
....Agriculture, Construction, and Mining Machinery Mfg.	23,800	23,700	30,300	100	0.4%	-6,500	-21.5%
...Computer and Electronic Product Manufacturing	13,100	13,200	13,500	-100	-0.8%	-400	-3.0%
..Non-Durable Goods	84,200	83,800	84,500	400	0.5%	-300	-0.4%
...Petroleum and Coal Products Manufacturing	12,300	12,000	10,600	300	2.5%	1,700	16.0%
...Chemical Manufacturing	41,200	41,000	40,500	200	0.5%	700	1.7%
Service Providing	2,573,500	2,560,000	2,654,500	13,500	0.5%	-81,000	-3.1%
..Private Service Providing	2,152,900	2,140,900	2,227,700	12,000	0.6%	-74,800	-3.4%
<b>..Trade, Transportation, and Utilities</b>	<b>636,900</b>	<b>630,600</b>	<b>652,900</b>	<b>6,300</b>	<b>1.0%</b>	<b>-16,000</b>	<b>-2.5%</b>
...Wholesale Trade	158,400	157,600	177,400	800	0.5%	-19,000	-10.7%
....Merchant Wholesalers, Durable Goods	93,400	93,700	109,300	-300	-0.3%	-15,900	-14.5%
....Prof. and Commercial Equip. Supplies Wholesalers	18,700	18,600	18,000	100	0.5%	700	3.9%
....Merchant Wholesalers, Nondurable Goods	51,000	50,000	52,800	1,000	2.0%	-1,800	-3.4%
...Retail Trade	309,300	306,200	313,900	3,100	1.0%	-4,600	-1.5%
....Motor Vehicle and Parts Dealers	44,000	43,600	43,300	400	0.9%	700	1.6%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,400	23,600	20,600	800	3.4%	3,800	18.4%
....Food and Beverage Stores	68,000	68,400	67,400	-400	-0.6%	600	0.9%
....Health and Personal Care Stores	18,200	17,800	20,000	400	2.2%	-1,800	-9.0%
....Clothing and Clothing Accessories Stores	33,900	30,700	32,700	3,200	10.4%	1,200	3.7%
....General Merchandise Stores	64,000	62,500	63,100	1,500	2.4%	900	1.4%
....Department Stores	21,500	20,800	22,600	700	3.4%	-1,100	-4.9%
....Other General Merchandise Stores	42,500	41,700	40,500	800	1.9%	2,000	4.9%
...Transportation, Warehousing, and Utilities	169,200	166,800	161,600	2,400	1.4%	7,600	4.7%
....Utilities	17,300	17,300	17,200	0	0.0%	100	0.6%
....Air Transportation	17,900	17,900	20,200	0	0.0%	-2,300	-11.4%
....Truck Transportation	28,300	28,300	28,200	0	0.0%	100	0.4%
....Pipeline Transportation	11,400	11,700	12,100	-300	-2.6%	-700	-5.8%
<b>..Information</b>	<b>29,900</b>	<b>30,000</b>	<b>32,700</b>	<b>-100</b>	<b>-0.3%</b>	<b>-2,800</b>	<b>-8.6%</b>
...Telecommunications	13,600	13,000	14,000	600	4.6%	-400	-2.9%
<b>..Financial Activities</b>	<b>163,800</b>	<b>164,300</b>	<b>168,800</b>	<b>-500</b>	<b>-0.3%</b>	<b>-5,000</b>	<b>-3.0%</b>
...Finance and Insurance	105,600	105,400	104,100	200	0.2%	1,500	1.4%
....Credit Intermediation and Related Activities	43,800	43,700	44,000	100	0.2%	-200	-0.5%
....Depository Credit Intermediation	30,200	30,300	30,400	-100	-0.3%	-200	-0.7%
....Securities, Commodity Contracts, and Fin. Investments	21,500	21,500	21,100	0	0.0%	400	1.9%
....Insurance Carriers and Related Activities	40,300	40,200	39,000	100	0.2%	1,300	3.3%
...Real Estate and Rental and Leasing	58,200	58,900	64,700	-700	-1.2%	-6,500	-10.0%
<b>..Professional and Business Services</b>	<b>517,600</b>	<b>516,300</b>	<b>512,700</b>	<b>1,300</b>	<b>0.3%</b>	<b>4,900</b>	<b>1.0%</b>
...Professional, Scientific, and Technical Services	253,400	254,500	247,000	-1,100	-0.4%	6,400	2.6%
....Legal Services	27,400	27,800	27,400	-400	-1.4%	0	0.0%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	29,600	29,100	27,300	500	1.7%	2,300	8.4%
....Architectural, Engineering, and Related Services	74,100	74,500	75,200	-400	-0.5%	-1,100	-1.5%
....Computer Systems Design and Related Services	35,600	35,600	35,400	0	0.0%	200	0.6%
...Management of Companies and Enterprises	44,400	44,500	46,500	-100	-0.2%	-2,100	-4.5%
...Admin. and Support and Waste Mgmt. and Remediation	219,800	217,300	219,200	2,500	1.2%	600	0.3%
....Administrative and Support Services	206,100	203,600	207,200	2,500	1.2%	-1,100	-0.5%
....Employment Services	71,100	70,200	77,000	900	1.3%	-5,900	-7.7%
....Services to Buildings and Dwellings	53,400	53,400	50,500	0	0.0%	2,900	5.7%
<b>..Educational and Health Services</b>	<b>405,400</b>	<b>403,500</b>	<b>411,100</b>	<b>1,900</b>	<b>0.5%</b>	<b>-5,700</b>	<b>-1.4%</b>
...Educational Services	64,600	64,700	64,600	-100	-0.2%	0	0.0%
...Health Care and Social Assistance	340,800	338,800	346,500	2,000	0.6%	-5,700	-1.6%
....Ambulatory Health Care Services	175,300	176,000	165,900	-700	-0.4%	9,400	5.7%
....Hospitals	88,000	87,600	89,100	400	0.5%	-1,100	-1.2%
<b>..Leisure and Hospitality</b>	<b>295,900</b>	<b>293,400</b>	<b>332,200</b>	<b>2,500</b>	<b>0.9%</b>	<b>-36,300</b>	<b>-10.9%</b>
...Arts, Entertainment, and Recreation	24,500	24,300	37,000	200	0.8%	-12,500	-33.8%
...Accommodation and Food Services	271,400	269,100	295,200	2,300	0.9%	-23,800	-8.1%
....Accommodation	22,700	22,400	28,700	300	1.3%	-6,000	-20.9%
....Food Services and Drinking Places	248,700	246,700	266,500	2,000	0.8%	-17,800	-6.7%
<b>..Other Services</b>	<b>103,400</b>	<b>102,800</b>	<b>117,300</b>	<b>600</b>	<b>0.6%</b>	<b>-13,900</b>	<b>-11.8%</b>
<b>Government</b>	<b>420,600</b>	<b>419,100</b>	<b>426,800</b>	<b>1,500</b>	<b>0.4%</b>	<b>-6,200</b>	<b>-1.5%</b>
..Federal Government	31,700	31,200	30,900	500	1.6%	800	2.6%
..State Government	83,300	84,700	88,700	-1,400	-1.7%	-5,400	-6.1%
..State Government Educational Services	45,700	47,100	51,200	-1,400	-3.0%	-5,500	-10.7%
..Local Government	305,600	303,200	307,200	2,400	0.8%	-1,600	-0.5%
..Local Government Educational Services	209,800	207,900	215,100	1,900	0.9%	-5,300	-2.5%