

# Houston Area Employment Situation

October 2020

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*Recovery Continues with Topline Job Gains and a Return to Falling Unemployment Rates after September's Spike*

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm (not-seasonally adjusted) employment stood at 3,030,300 in October, up 38,700 jobs over the month, or 1.3 percent. A year ago Houston registered an over-the-month increase of 25,600 jobs. This was the largest-ever one-month gain in the month of October since records began in 1990. The largest over-the-month gain on record for Total Nonfarm Employment 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 October, Total Nonfarm has on average added 10,800 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

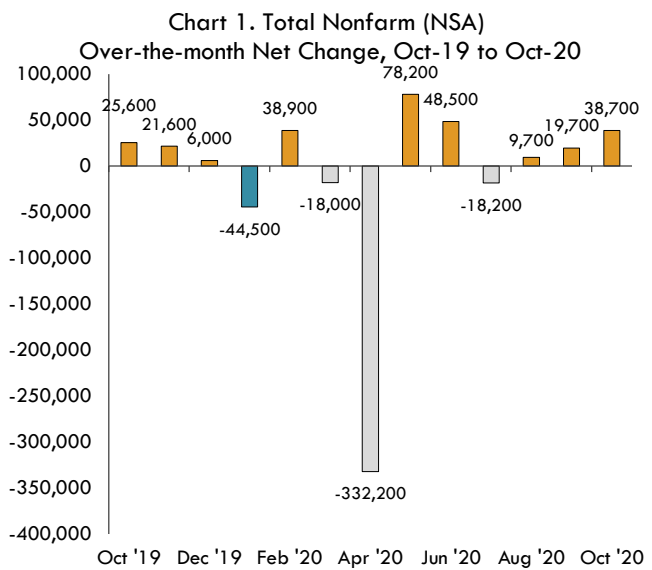
The primary drivers of this October's growth were increases in Trade, Transportation, and Utilities, Professional and Business Services, and Leisure and Hospitality. Gains were also recorded in Construction, Other Services, and Government. The net increase in jobs over the month was partially offset by losses in Manufacturing. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,018,200, up 19,400 jobs over the month, or 0.6 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 October**

- Trade, Transportation, and Utilities: 7,800
- Professional and Business Services: 7,500
- Leisure and Hospitality: 5,800

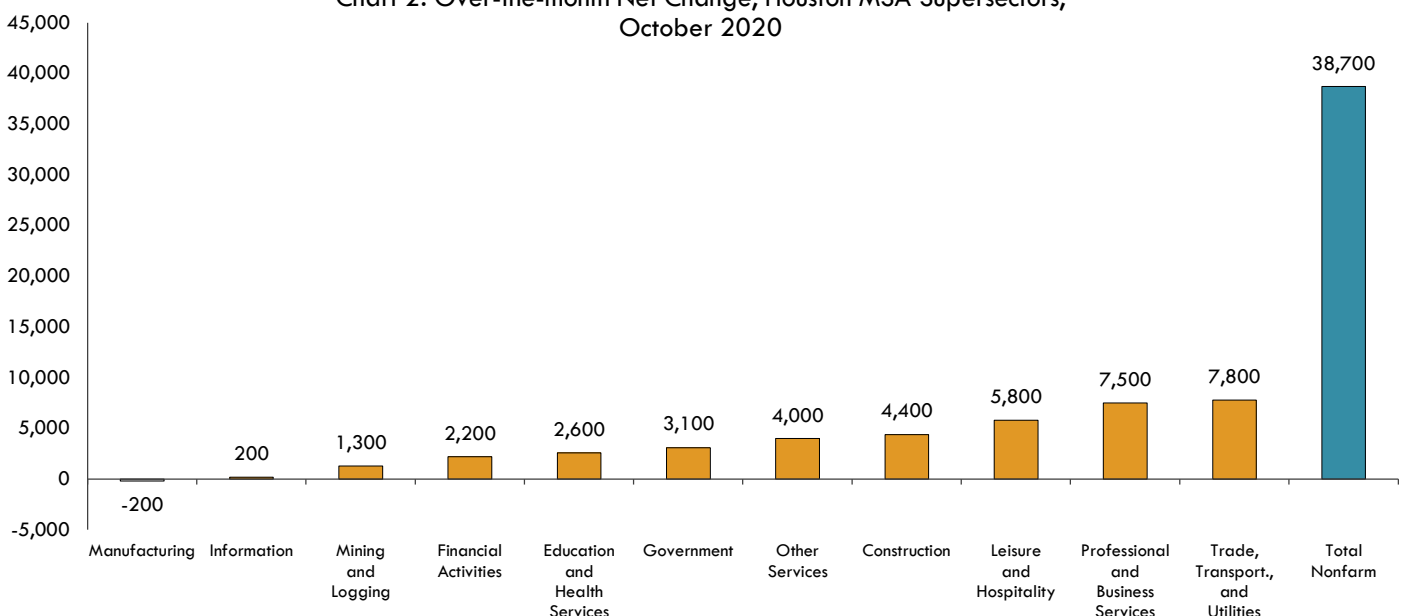
#### Over-the-year Change

Over the year, Total Nonfarm employment was down -151,600 or -4.8 percent on a not-seasonally-adjusted basis and down -150,700 or -4.8 percent on a seasonally-adjusted basis. To compare, October 2019 saw a year-over-year gain of 59,200 jobs (NSA) from October 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 (-45,800), Construction (-19,800), and Manufacturing (-19,100). (see Chart 4.) COVID-19 resulted in the loss of -350,200 jobs over March and April 2020 of which approximately 50 percent of Total Nonfarm employment has been recovered to date.

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



## Previous Month's Revisions

Total Nonfarm employment was revised downward by -4,700 jobs for a August to September smaller net gain of 19,700 compared to an original estimate of 24,400 jobs. A downward revision of -4,100 jobs in Government was the largest contributor followed by Leisure and Hospitality (-1,400) and Education and Health Services (-1,400). Upward revisions in Manufacturing (+1,700), Financial Activities (+500), and Professional and Business Services (+300) provided a partial offset of the overall downward revision to Total Nonfarm employment. (see Chart 5.)

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

- Leisure and Hospitality: -45,800
- Construction: -19,800
- Manufacturing: -19,100

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

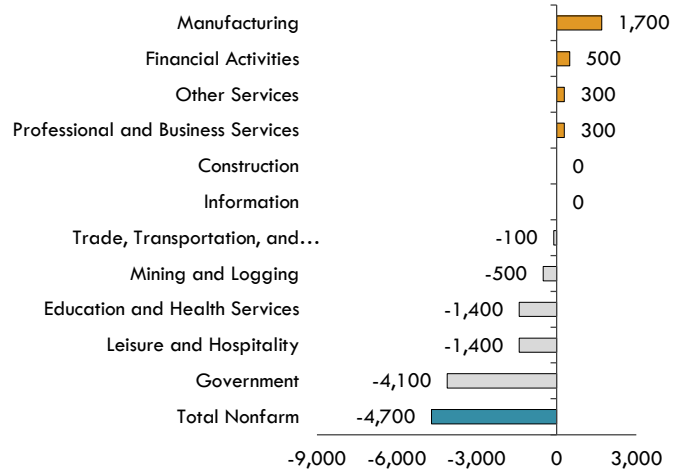


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, Oct-05 to Oct-20

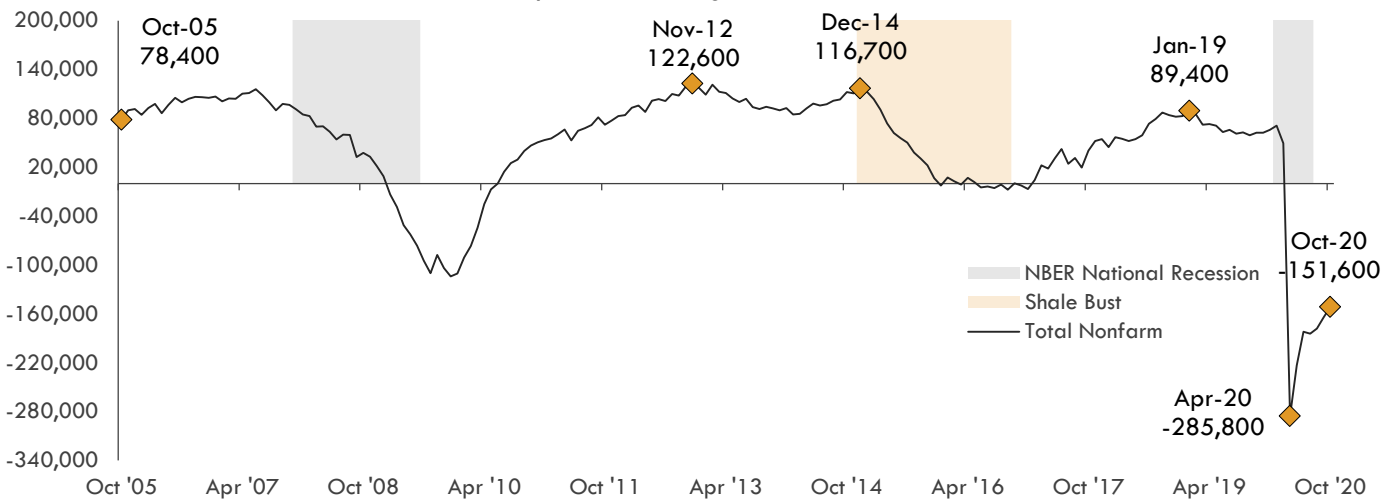
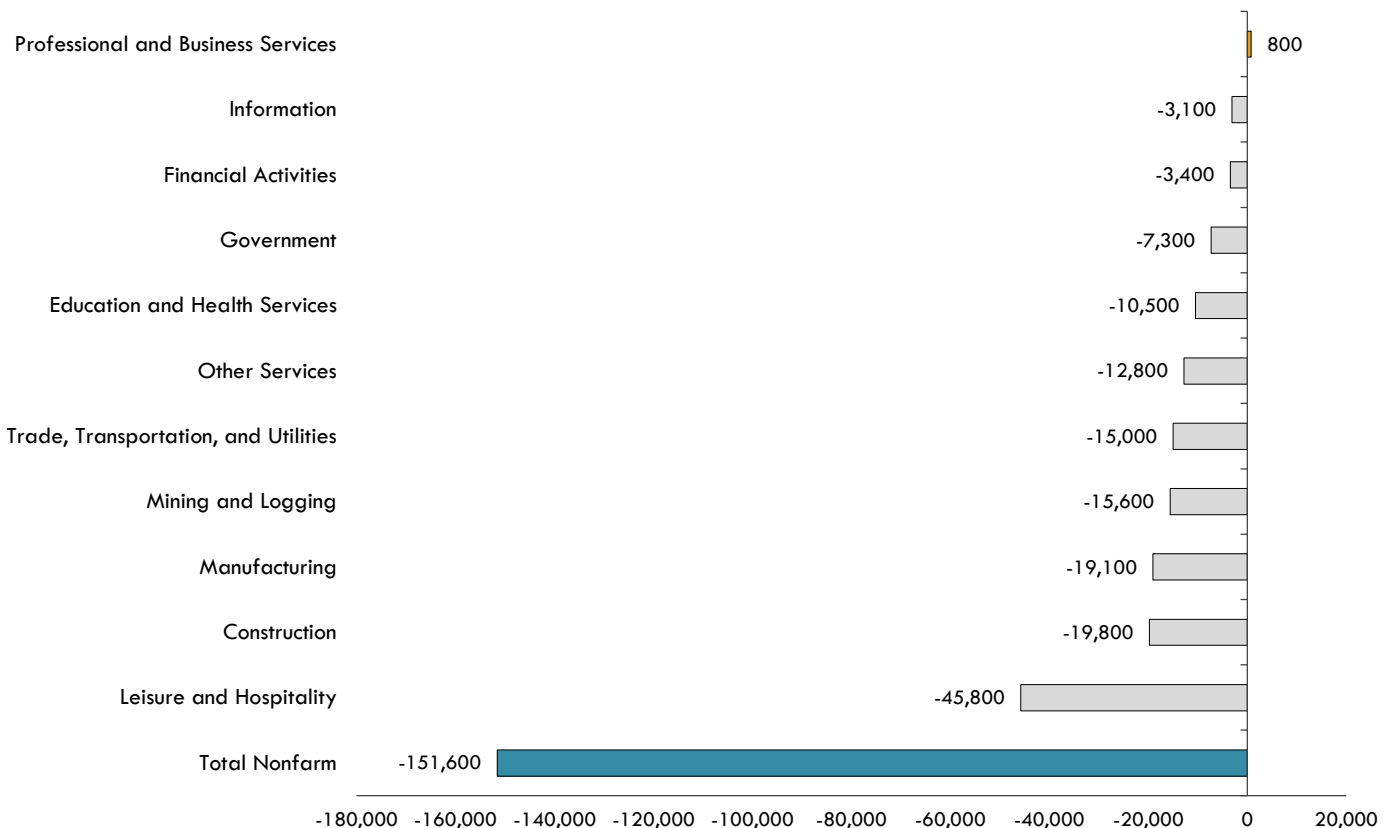


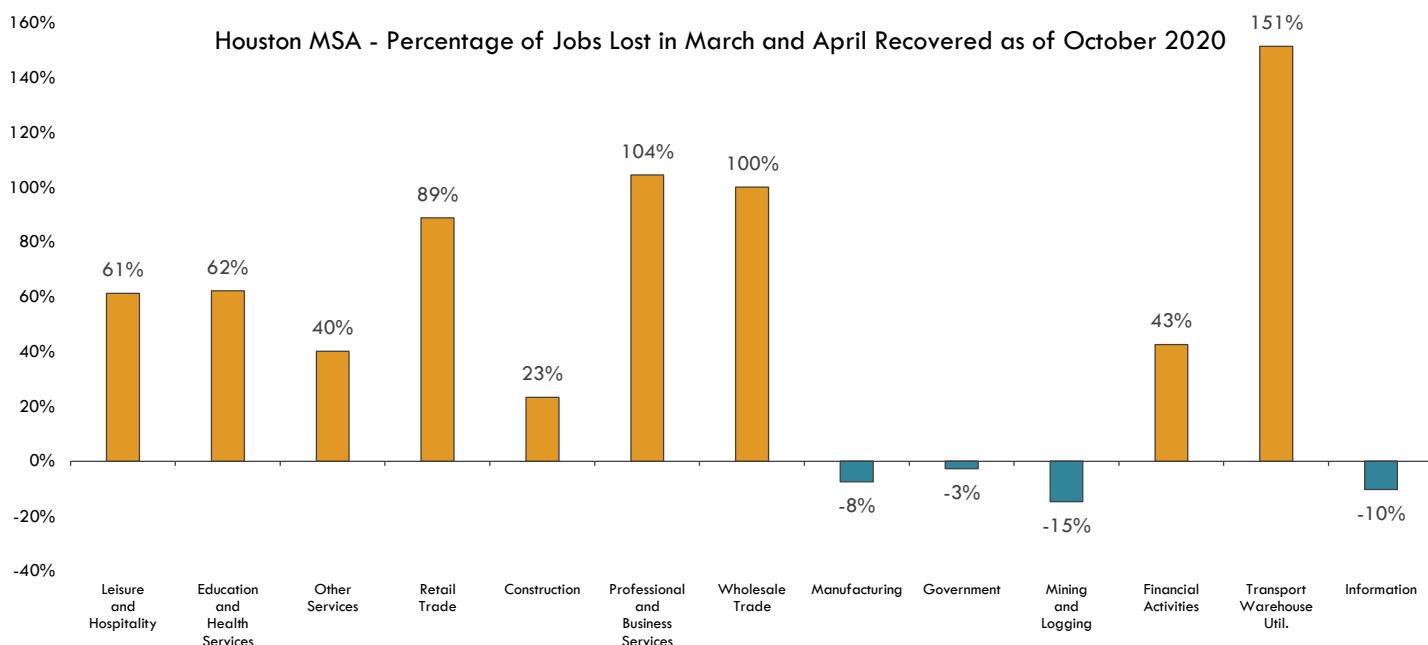
Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
October 2019 to October 2020



## Supplemental Commentary

### Sector Recovery Rates

On a not-seasonally-adjusted basis, October 2020 serves as yet another example of the lingering effects of the March-April COVID-19 induced disruption to the labor market resulting in exaggerated swings in employment. Nonetheless, employment gains are typical in October due to the start of seasonal holiday hiring in Retail, Transportation, and Warehousing with this October proving no exception. In fact October's gains in Transportation, Warehousing, and Utilities were sufficient to drive its recovery rate of jobs lost early on in the pandemic to more than 150 percent, i.e. this sector has recovered all jobs lost plus 50 percent more. Leisure and Hospitality, consisting of restaurants and to a lesser extent hotels, began seeing October gains for the first time in 2017 for unknown reasons. This nascent seasonal pattern was magnified this October given that it was the most severely impacted sector by forced business closures to counteract the pandemic seeing losses of nearly -128,000 jobs over March and April. To-date this sector has recovered just over 60 percent of jobs lost. See chart below for recovery rates by major sector.



### September's Anomalous Unemployment Rate

In September, unemployment rates for the Houston MSA saw significant increases from August whether seasonally adjusted (8.0 percent to 9.7 percent) or not-seasonally-adjusted (8.1 percent to 9.6 percent). These increases currently stand as the third-largest nationwide spikes in unemployment since records began in 1990. Given that over this same timeframe the national rate fell, there were concerns that the local recovery from the initial COVID-19 shock to the economy was beginning to falter. It now appears that September's unexpected rise in unemployment rates was a one-off. October's not-seasonally-adjusted rate fell to 7.7 percent, the lowest rate since March, which continues the trend of improvement reflected by various other measures such as payroll employment gains and falling claims for unemployment insurance.

### Other Miscellaneous Observations

- Three sectors have now recovered all jobs lost since the start of the pandemic in March with some exceed pre-pandemic employment levels: Transportation Warehousing and Utilities (151 percent), Professional and Business Services (104 percent), and Wholesale Trade (100 percent).
- All sectors except Manufacturing saw over-the-month job gains in October.
- Professional and Business Services is first sector to show over-the-year job growth since the pandemic began (800 jobs).

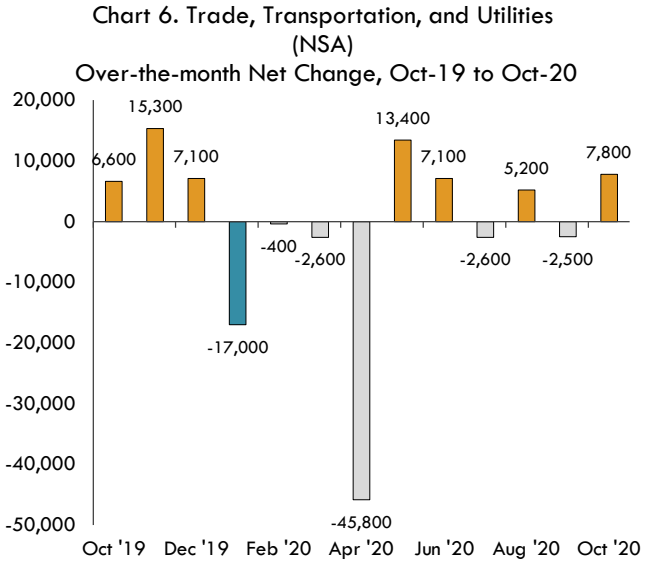
GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

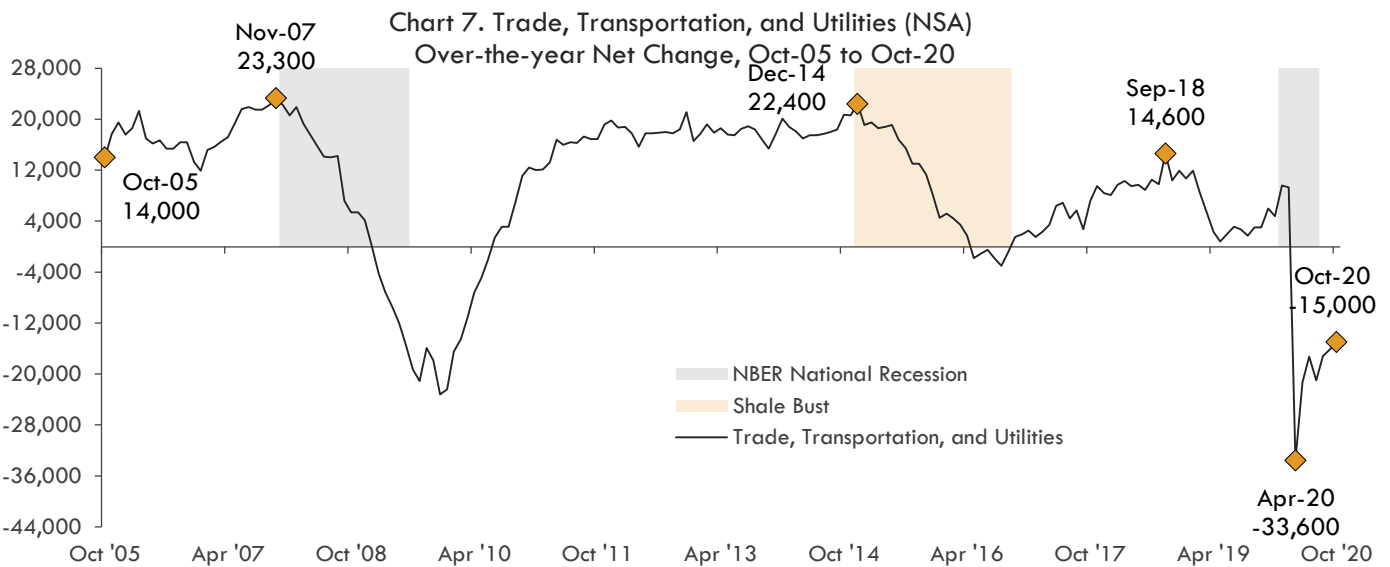
Trade, Transportation, and Utilities was the largest gaining sector over the month up 7,800 jobs, or 1.3 percent. (see Chart 6.) The largest over-the-month gain on record for this sector occurred in November 2019, up 15,300 jobs. The largest one-month decline on record occurred in April 2020, down -45,800 jobs. Historically in the month of October, Trade, Transportation, and Utilities has added an average of 2,900 jobs over the month, which indicates that this month's gains are substantially above the long-term average. October marks the start of temporary increases in payrolls related to the holiday season. Retail hiring typically peaks in November of each year while December typically sees only modest increases. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 4,400 jobs over the month. The second-largest contributor was Retail Trade, which added 3,500 jobs from September to October. Lastly, Wholesale Trade offset a portion of the sector's gains with a loss of -100 jobs. Trade, Transportation, and Utilities employment was revised downward by -100 jobs for a August to September larger net loss of -

larger net loss of -2,500 compared to an original estimate of -2,400 jobs.



Over-the-year Change

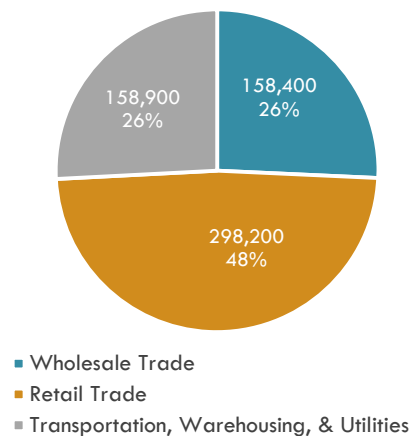
Year over year, Trade, Transportation, and Utilities was down -15,000 jobs, or -2.4 percent. (see Chart 7.) The largest over-the-year gain on record for this sector occurred in November 2007, up 23,300 jobs. The largest over-the-year decline on record occurred in April 2020, down -33,600 jobs. Wholesale Trade was the largest contributor to the overall sector's decline, down -15,100 jobs over the year. The second-largest declining contributor was Retail Trade, which lost -4,400 jobs from October a year ago. Lastly, Transportation, Warehousing, and Utilities offset a portion of the sector's losses with a gain of 4,500 jobs. Since shedding -48,400 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 60 percent of jobs lost as of October. Trade, Transportation, and Utilities's share of Houston area Total Nonfarm Employment has risen from 19.8 percent to 20.3 percent over the past year.



About This Sector

The Trade, Transportation, and Utilities 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 48 percent. (see Chart 8.) Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average, due to a 33-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 - October 2020

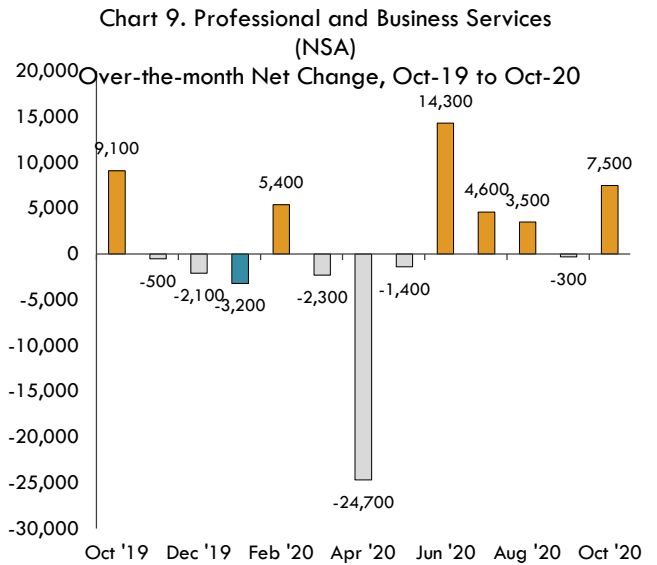


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

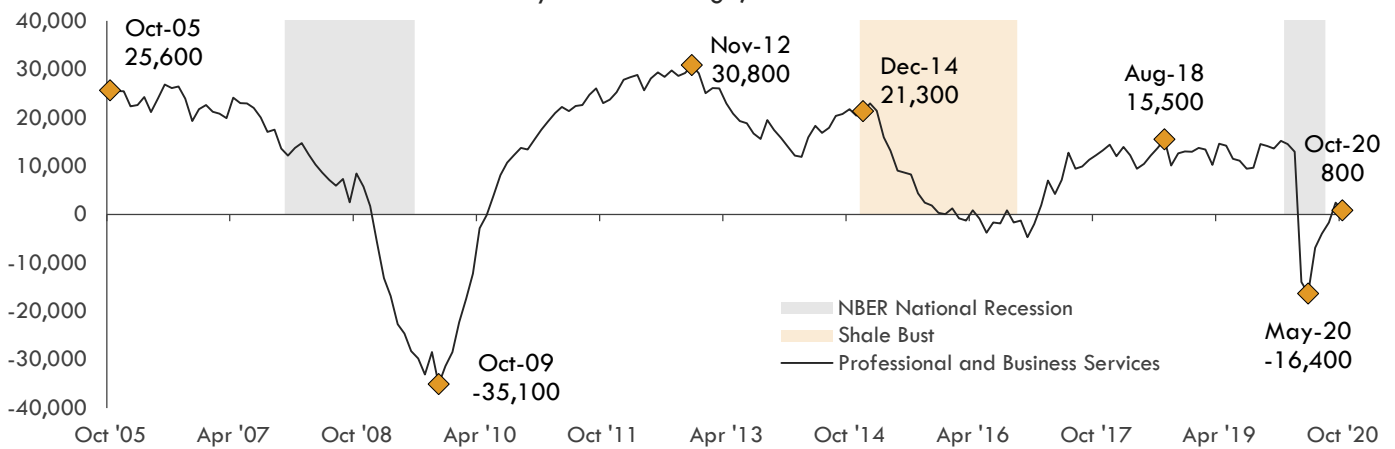
Professional and Business Services was the second-largest gaining sector over the month up 7,500 jobs, or 1.5 percent. (see Chart 9.) The largest over-the-month gain on record for this sector occurred in June 2020, up 14,300 jobs. The largest one-month decline on record occurred in April 2020, down -24,700 jobs. Historically in the month of October, Professional and Business Services has added an average of 1,300 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 5,000 jobs over the month. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 1,700 jobs from September to October. Lastly, Management of Companies and Enterprises contributed, 800 jobs. Professional and Business Services employment was revised upward by 300 jobs for a August to September smaller net loss of -300 compared to an original estimate of -600 jobs.



Over-the-year Change

Year over year, Professional and Business Services was up 800 jobs, or 0.2 percent. (see Chart 10.) 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 over-the-year 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 8,500 jobs over the year. One component industry that provided a partial offset was Management of Companies and Enterprises, which lost -2,300 jobs from October a year ago. Lastly, Administrative and Support and Waste Management and Remediation Services offset a portion of the sector's gains with a loss of -5,400 jobs. Since shedding -27,000 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 100 percent of jobs lost as of October. Professional and Business Services's share of Houston area Total Nonfarm Employment has risen from 16.2 percent to 17.0 percent over the past year.

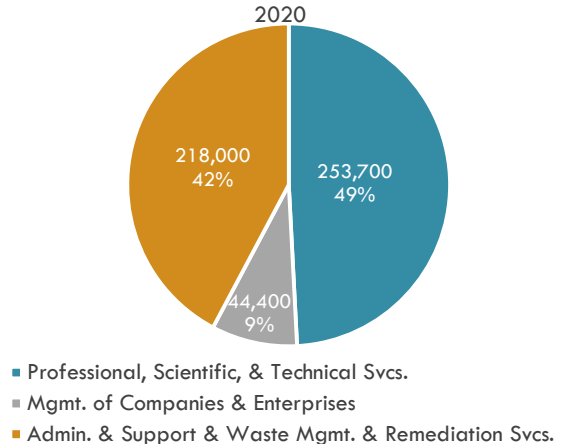
Chart 10. Professional and Business Services (NSA)  
Over-the-year Net Change, Oct-05 to Oct-20



About This Sector

The Professional and Business Services 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 11.) Across the Houston MSA, the concentration of jobs in the overall sector is 18 percent higher than the national average, due to a 27-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 11. Employment in Component Industries of Professional and Business Services Sector - October 2020



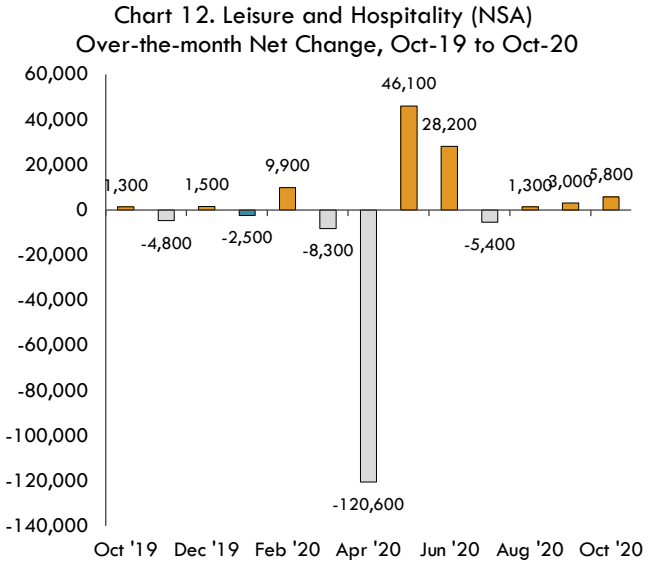
GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

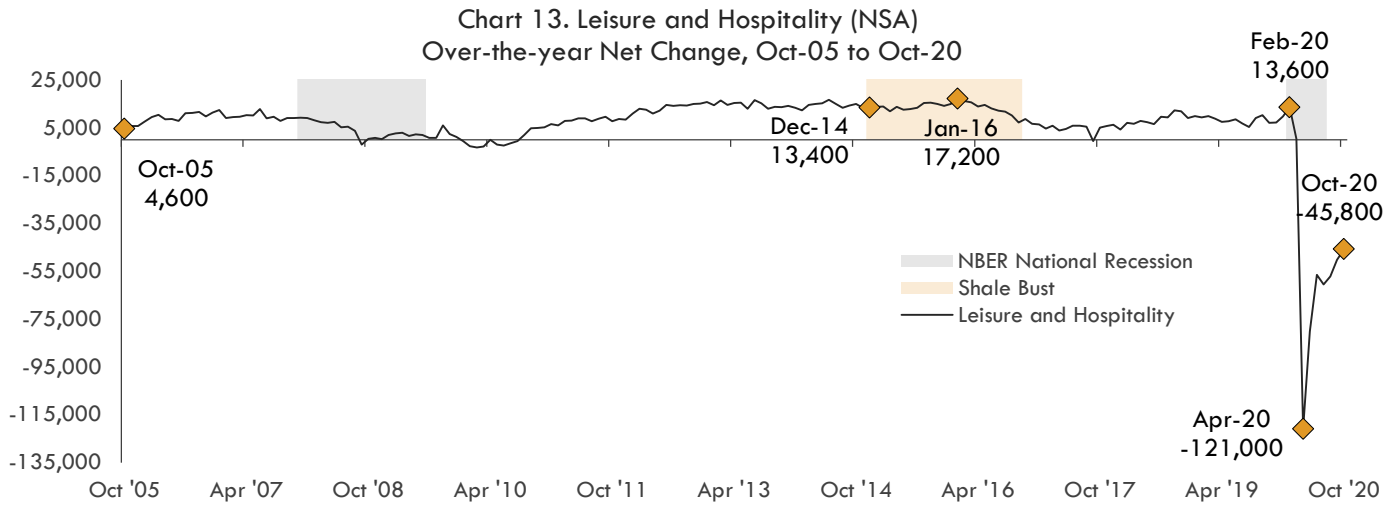
Leisure and Hospitality was the third-largest gaining sector over the month up 5,800 jobs, or 2.0 percent. (see Chart 12.) This was the largest-ever one-month gain in the month of October since records began in 1990. The largest over-the-month gain on record for this sector occurred in May 2020, up 46,100 jobs. The largest one-month decline on record occurred in April 2020, down -120,600 jobs. Historically in the month of October, Leisure and Hospitality has lost an average of -2,400 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Job losses are typical in October in Leisure and Hospitality with no example of gains ever recorded in the history of the series for this month. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 6,500 jobs over the month. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -700 jobs from September to October. Leisure and Hospitality employment was revised downward by -1,400 jobs for a August to September smaller net gain of 3,000 compared to an original

original estimate of 4,400 jobs.



Over-the-year Change

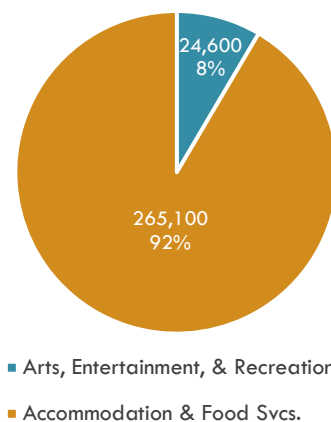
Year over year, Leisure and Hospitality was down -45,800 jobs, or -13.7 percent. (see Chart 13.) This was the largest-ever year-over-year decline in the month of October since records began in 1990. Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 30.1 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 over-the-year 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 -33,000 jobs over the year. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -12,800 jobs from October 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 60 percent of jobs lost as of October. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has fallen from 10.5 percent to 9.6 percent over the past year.



About This Sector

The Leisure and Hospitality 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 14.) Across the Houston MSA, the concentration of jobs in the overall sector is 3 percent higher than the national average.

Chart 14. Employment in Component Industries of Leisure and Hospitality Sector - October 2020



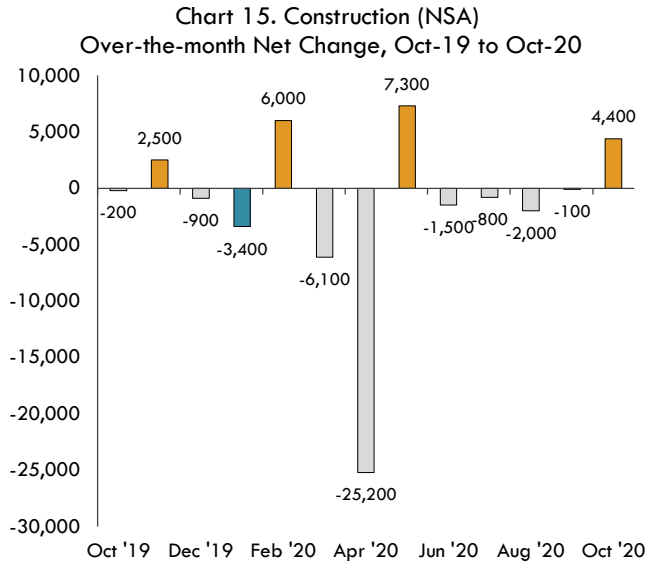


## GAINING INDUSTRY HIGHLIGHTS

### Construction

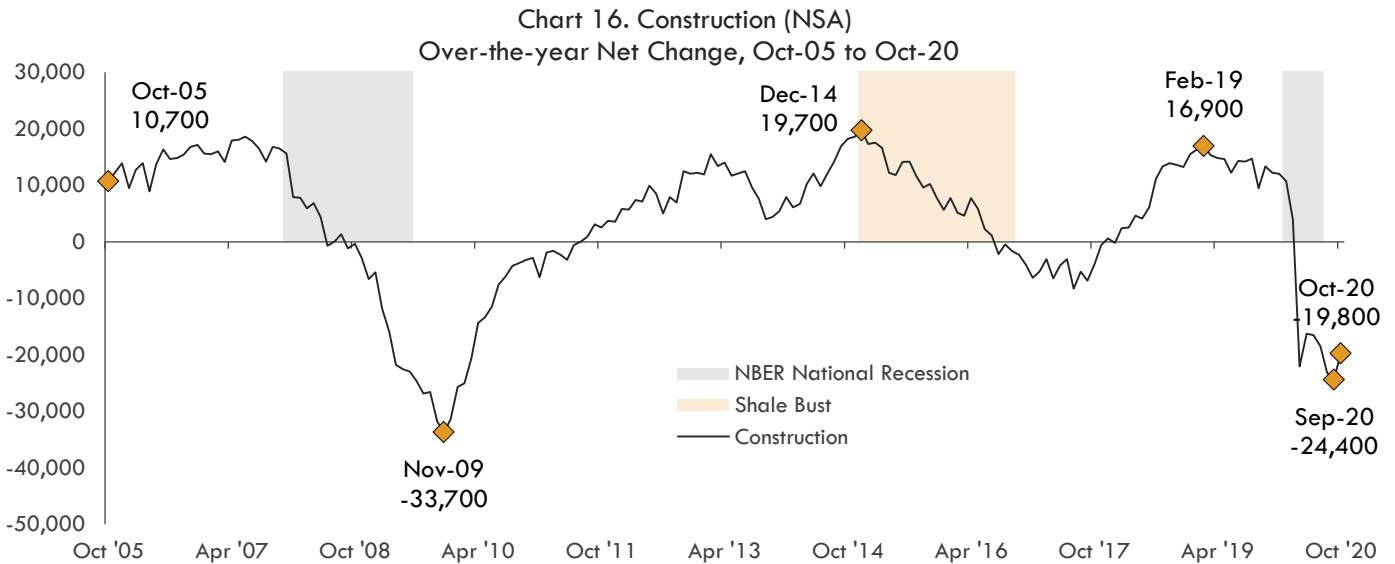
#### Over-the-month Change

Construction also saw an increase over the month up 4,400 jobs, or 2.0 percent. (see Chart 15.) The largest over-the-month gain on record for this sector occurred in February 2019, up 7,300 jobs. The largest one-month decline on record occurred in April 2020, down -25,200 jobs. Historically in the month of October, Construction has added an average of 2,000 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 4,400 jobs over the month. The second-largest contributor was Heavy and Civil Engineering Construction, which added 300 jobs from September to October. Lastly, Construction of Buildings offset a portion of the sector's gains with a loss of -300 jobs. Construction employment saw no revision from August to September leaving the previous month's original decrease of -100 intact.



#### Over-the-year Change

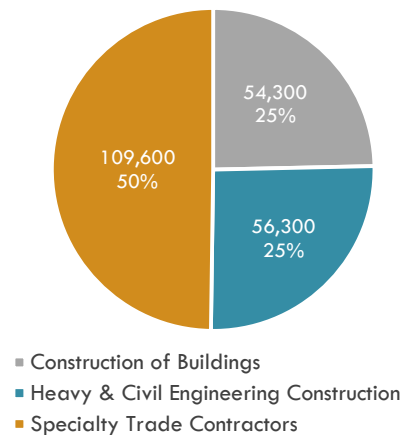
Year over year, Construction was down -19,800 jobs, or -8.3 percent. (see Chart 16.) The largest over-the-year gain on record for this sector occurred in December 2014, up 19,700 jobs. The largest over-the-year decline on record occurred in November 2009, down -33,700 jobs. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's decline, down -8,400 jobs over the year. The second-largest declining contributor was Specialty Trade Contractors, which lost -6,800 jobs from October a year ago. Lastly, Construction of Buildings subtracted -4,600 jobs. Since shedding -31,300 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 20 percent of jobs lost as of October. Construction's share of Houston area Total Nonfarm Employment has fallen from 7.5 percent to 7.3 percent over the past year.



#### About This Sector

The Construction sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, 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 50 percent. (see Chart 17.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 38 percent higher than the national average, due to 2.4 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 17. Employment in Component Industries of Construction Sector - October 2020

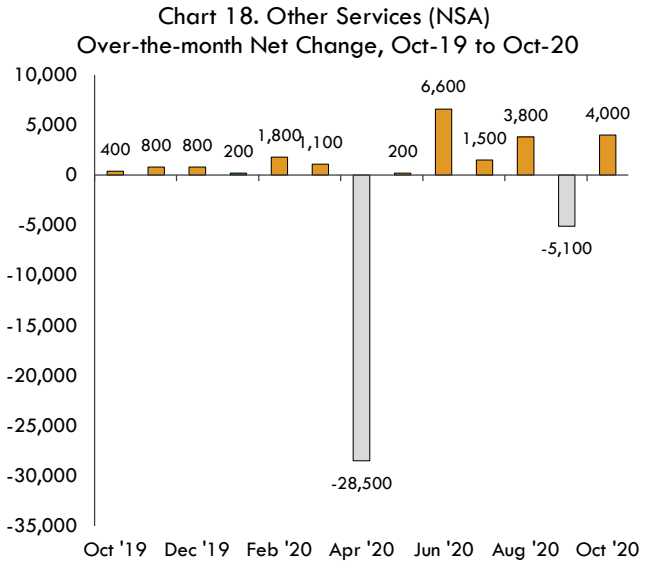


GAINING INDUSTRY HIGHLIGHTS

Other Services

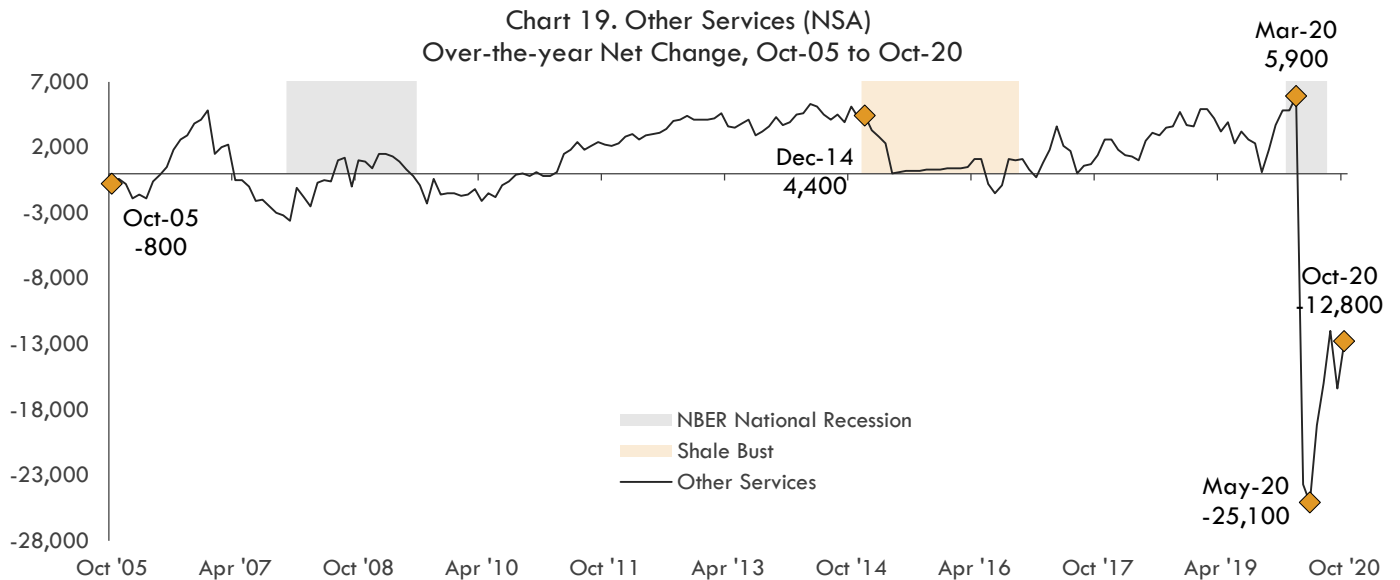
Over-the-month Change

Other Services also saw an increase over the month up 4,000 jobs, or 4.0 percent. (see Chart 18.) This was the largest-ever one-month gain in the month of October since records began in 1990. The largest over-the-month gain on record for this sector occurred in June 2020, up 6,600 jobs. The largest one-month decline on record occurred in April 2020, down -28,500 jobs. Historically in the month of October, Other Services 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. Historically October is typically a mixed month for Other Services with gains or losses encountered with near equal frequency. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised upward by 300 jobs for a August to September smaller net loss of -5,100 compared to an original estimate of -5,400 jobs.



Over-the-year Change

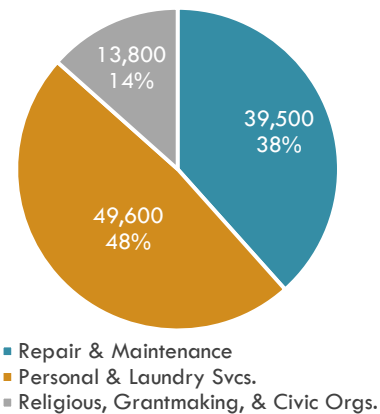
Year over year, Other Services was down -12,800 jobs, or -11.1 percent. (see Chart 19.) This was the largest-ever year-over-year decline in the month of October since records began in 1990. Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in March 2020, up 5,900 jobs. The largest over-the-year decline on record occurred in May 2020, down -25,100 jobs. 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 October. Other Services's share of Houston area Total Nonfarm Employment has fallen from 3.6 percent to 3.4 percent over the past year.



About This Sector

The Other Services (except Public Administration) 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 20.) Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 12 percent less than the national average.

Chart 20. Employment in Component Industries of Other Services Sector - October 2020



\*estimated proportions based QCEW covered and NES self-employment

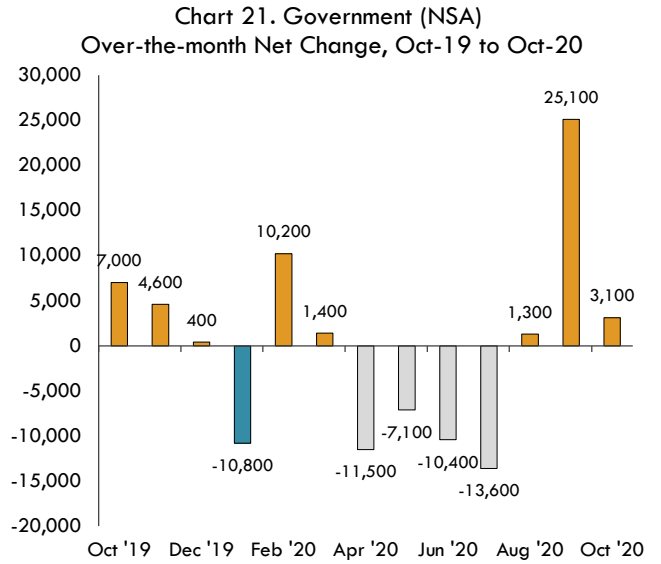


## GAINING INDUSTRY HIGHLIGHTS

### Government

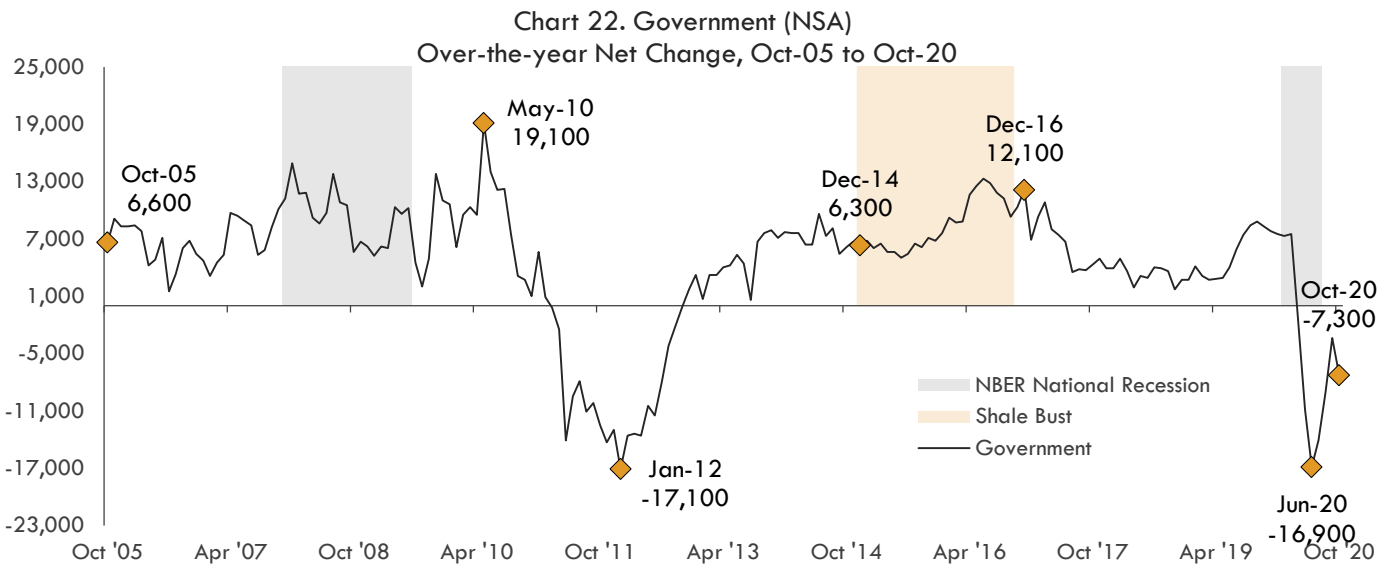
#### Over-the-month Change

Government also saw an increase over the month up 3,100 jobs, or 0.8 percent. (see Chart 21.) The largest over-the-month gain on record for this sector occurred in September 2020, up 25,100 jobs. The largest one-month decline on record occurred in April 2020, down -11,500 jobs. Historically in the month of October, Government has added an average of 6,200 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Employment in Government, particularly Local Government Educational Services (i.e. public primary and secondary schools) and to a lesser extent State Government Educational Services (i.e. public colleges and universities) in October sees an attenuated continuation of the gains observed in September of each year coinciding with the start of the academic year. Local Government was the largest contributor to the overall sector's increase, up 5,900 jobs over the month. The second-largest contributor was State Government, which added 1,200 jobs from September to October. Lastly, Federal Government offset a portion of the sector's gains with a loss of -4,000 jobs. Government employment was revised



#### Over-the-year Change

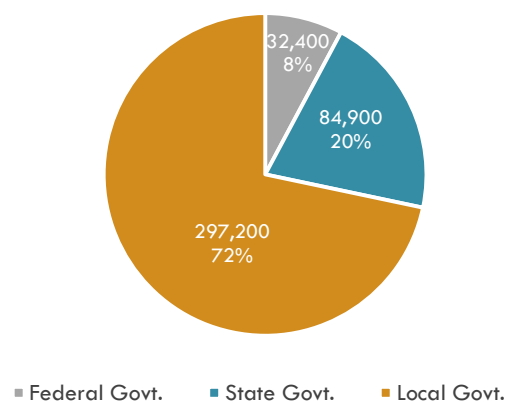
Year over year, Government was down -7,300 jobs, or -1.7 percent. (see Chart 22.) The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest over-the-year decline on record occurred in January 2012, down -17,100 jobs. Local Government was the largest contributor to the overall sector's decline, down -6,400 jobs over the year. The second-largest declining contributor was State Government, which lost -3,000 jobs from October a year ago. Lastly, Federal Government offset a portion of the sector's losses with a gain of 2,100 jobs. Since shedding -10,100 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 0 percent below levels reported in February 2020. Government's share of Houston area Total Nonfarm Employment has risen from 13.3 percent to 13.7 percent over the past year.



#### About This Sector

The Government 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 72 percent. (see Chart 23.) Across the Houston MSA, the concentration of jobs in the overall Government sector is 11 percent less than the national average.

Chart 23. Employment in Component Industries of Government Sector - October 2020

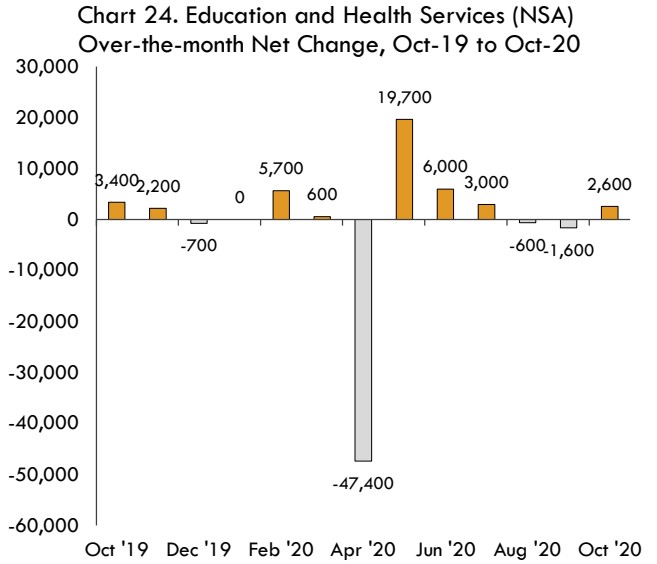


GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

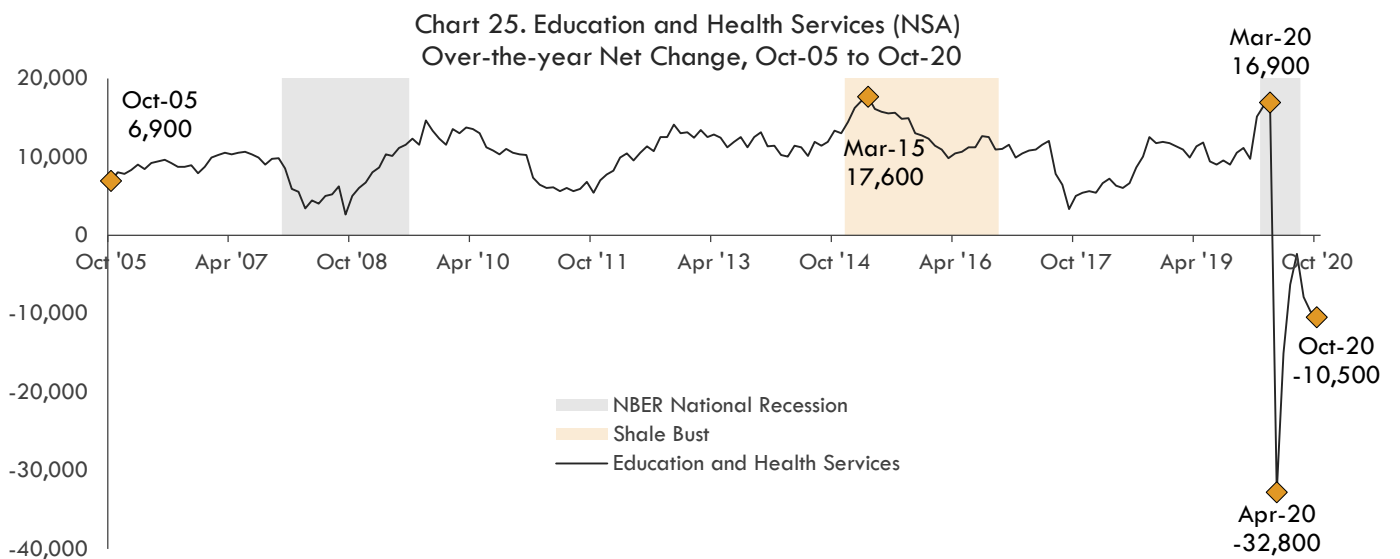
Over-the-month Change

Education and Health Services also saw an increase over the month up 2,600 jobs, or 0.7 percent. (see Chart 24.) The largest over-the-month gain on record for this sector occurred in May 2020, up 19,700 jobs. The largest one-month decline on record occurred in April 2020, down -47,400 jobs. Historically in the month of October, Education and Health Services has added an average of 900 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Educational Services was the largest contributor to the overall sector's increase, up 1,900 jobs over the month. The second-largest contributor was Health Care and Social Assistance, which added 700 jobs from September to October. Education and Health Services employment was revised downward by -1,400 jobs for a August to September larger net loss of -1,600 compared to an original estimate of -200 jobs.



Over-the-year Change

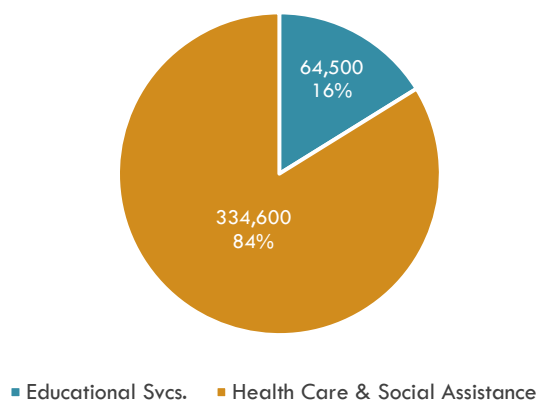
Year over year, Education and Health Services was down -10,500 jobs, or -2.6 percent. (see Chart 25.) This was the largest-ever year-over-year decline in the month of October since records began in 1990. The largest over-the-year gain on record for this sector occurred in March 2015, up 17,600 jobs. The largest over-the-year 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 -10,600 jobs over the year. One component industry that provided a partial offset was Educational Services, which gained 100 jobs from October 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 60 percent of jobs lost as of October. Education and Health Services's share of Houston area Total Nonfarm Employment has risen from 12.9 percent to 13.2 percent over the past year.



About This Sector

The Education and Health Services 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 26.) Across the Houston MSA, the concentration of jobs in the overall sector is 20 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 26. Employment in Component Industries of Education and Health Services Sector - October 2020

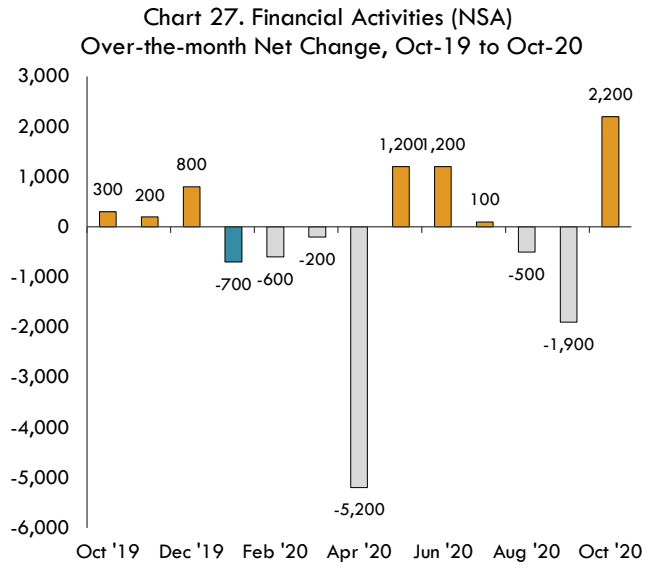


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

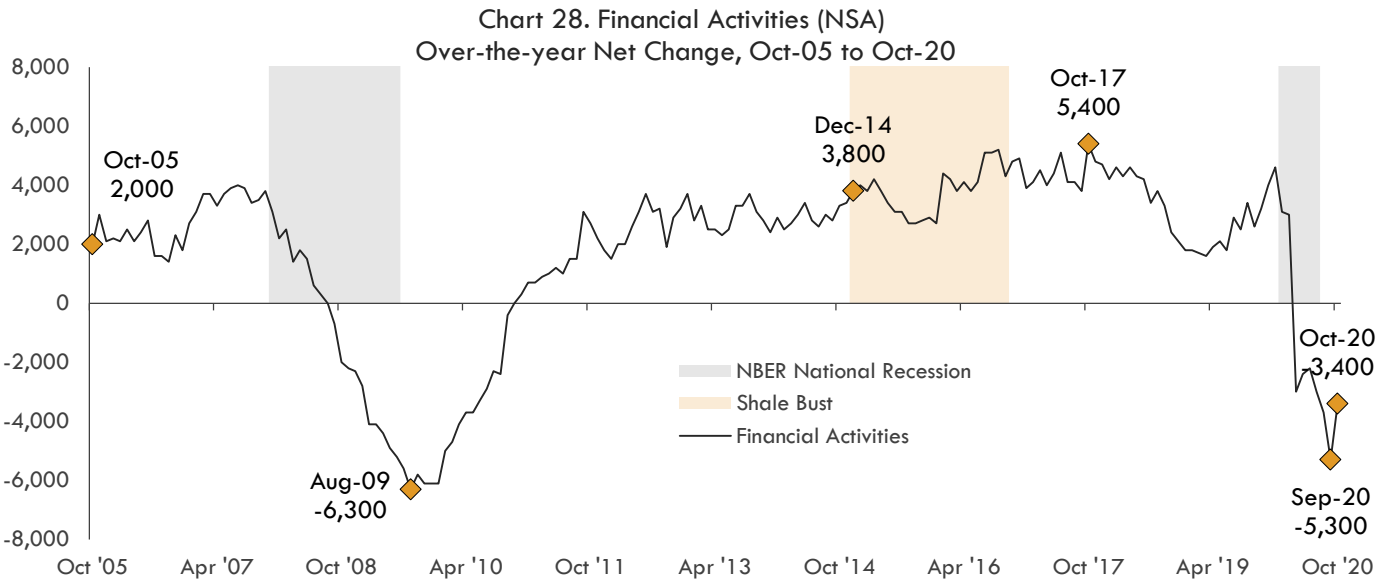
Over-the-month Change

Financial Activities also saw an increase over the month up 2,200 jobs, or 1.4 percent. (see Chart 27.) This was the largest-ever one-month gain in the month of October since records began in 1990. The largest over-the-month gain on record for this sector occurred in October 2020, up 2,200 jobs. The largest one-month decline on record occurred in April 2020, down -5,200 jobs. Historically in the month of October, Financial Activities has added an average of 400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 1,500 jobs over the month. The second-largest contributor was Finance and Insurance, which added 700 jobs from September to October. Financial Activities employment was revised upward by 500 jobs for a August to September smaller net loss of -1,900 compared to an original estimate of -2,400 jobs.



Over-the-year Change

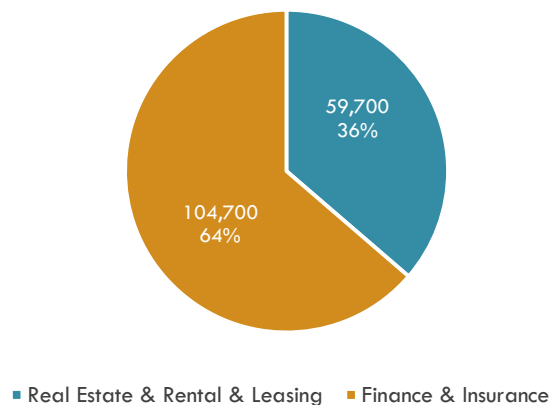
Year over year, Financial Activities was down -3,400 jobs, or -2.0 percent. (see Chart 28.) The largest over-the-year gain on record for this sector occurred in September 1998, up 9,000 jobs. The largest over-the-year decline on record occurred in August 2009, down -6,300 jobs. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -4,700 jobs over the year. One component industry that provided a partial offset was Finance and Insurance, which gained 1,300 jobs from October 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 40 percent of jobs lost as of October. Financial Activities's share of Houston area Total Nonfarm Employment has risen from 5.3 percent to 5.4 percent over the past year.



About This Sector

The Financial Activities 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 29.) Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 11 percent less than the national average, due to a 24-percent lower concentration in Finance and Insurance offsetting a 27-percent higher concentration in Real Estate and Rental and Leasing.

Chart 29. Employment in Component Industries of Financial Activities Sector - October 2020

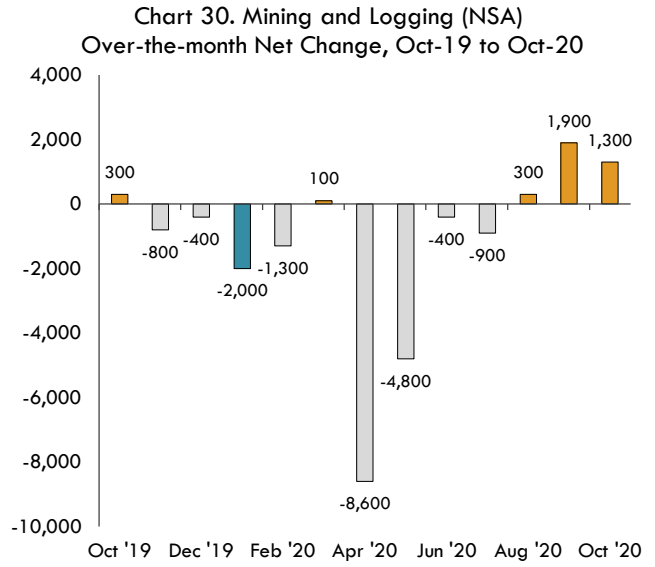


GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

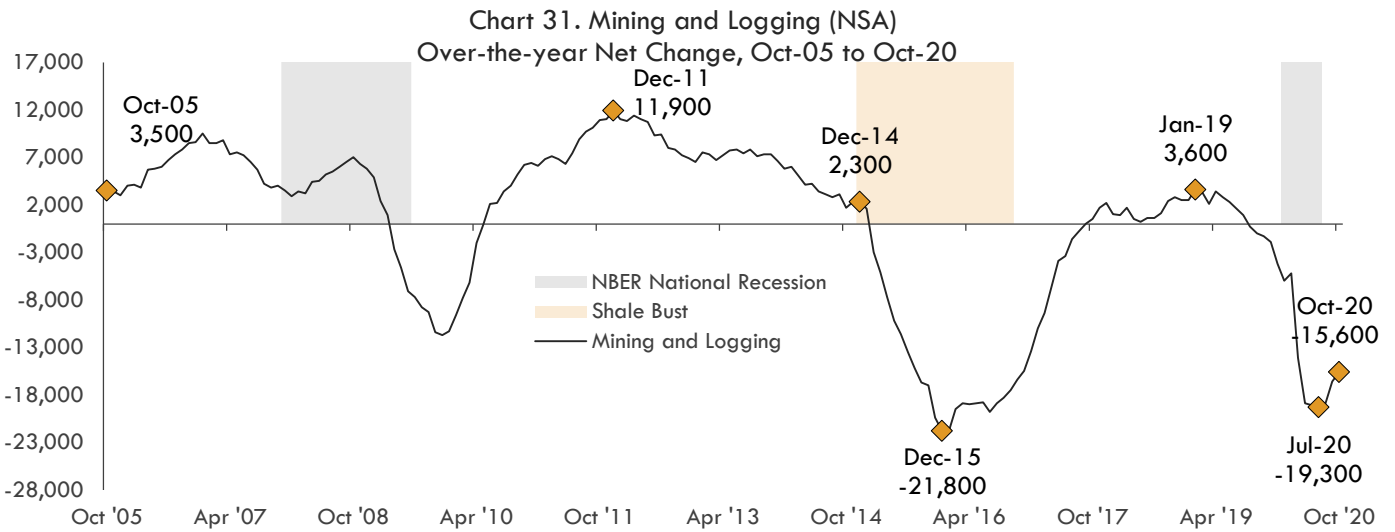
Over-the-month Change

Mining and Logging also saw an increase over the month up 1,300 jobs, or 2.1 percent. (see Chart 30.) The largest over-the-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest one-month decline on record occurred in April 2020, down -8,600 jobs. Historically in the month of October, Mining and Logging has added an average of 300 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 900 jobs over the month. The second-largest contributor was Support Activities for Mining, which added 300 jobs from September to October. Lastly, Other Mining and Logging Undefined contributed, 100 jobs. Mining and Logging employment was revised downward by -500 jobs for a August to September smaller net gain of 1,900 compared to an original estimate of 2,400 jobs.



Over-the-year Change

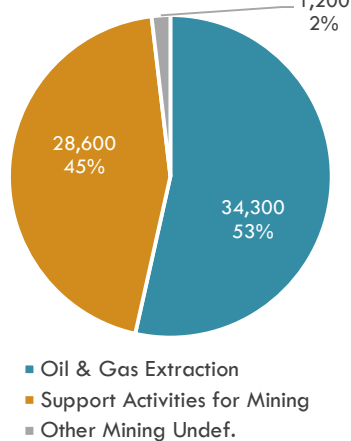
Year over year, Mining and Logging was down -15,600 jobs, or -19.6 percent. (see Chart 31.) Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in December 2011, up 11,900 jobs. The largest over-the-year 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 -12,400 jobs over the year. The second-largest declining contributor was Oil and Gas Extraction, which lost -2,900 jobs from October 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 2.5 percent to 2.1 percent over the past year.



About This Sector

The Mining and Logging 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 32.) 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 32. Employment in Component Industries of Mining and Logging Sector - October 2020

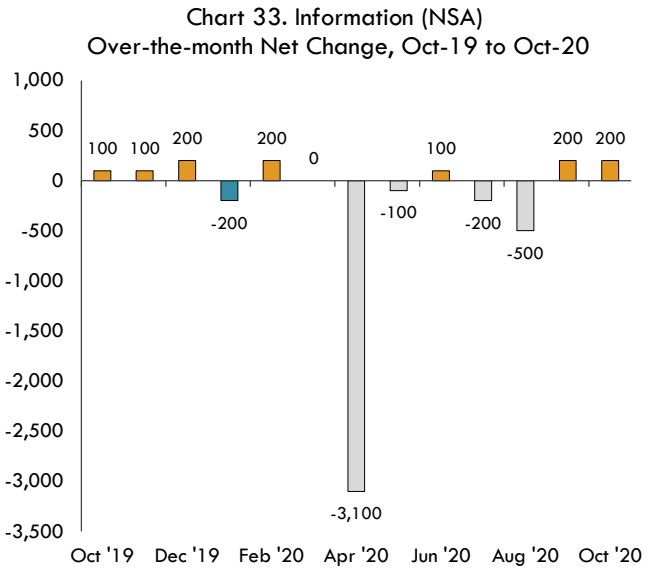


GAINING INDUSTRY HIGHLIGHTS

Information

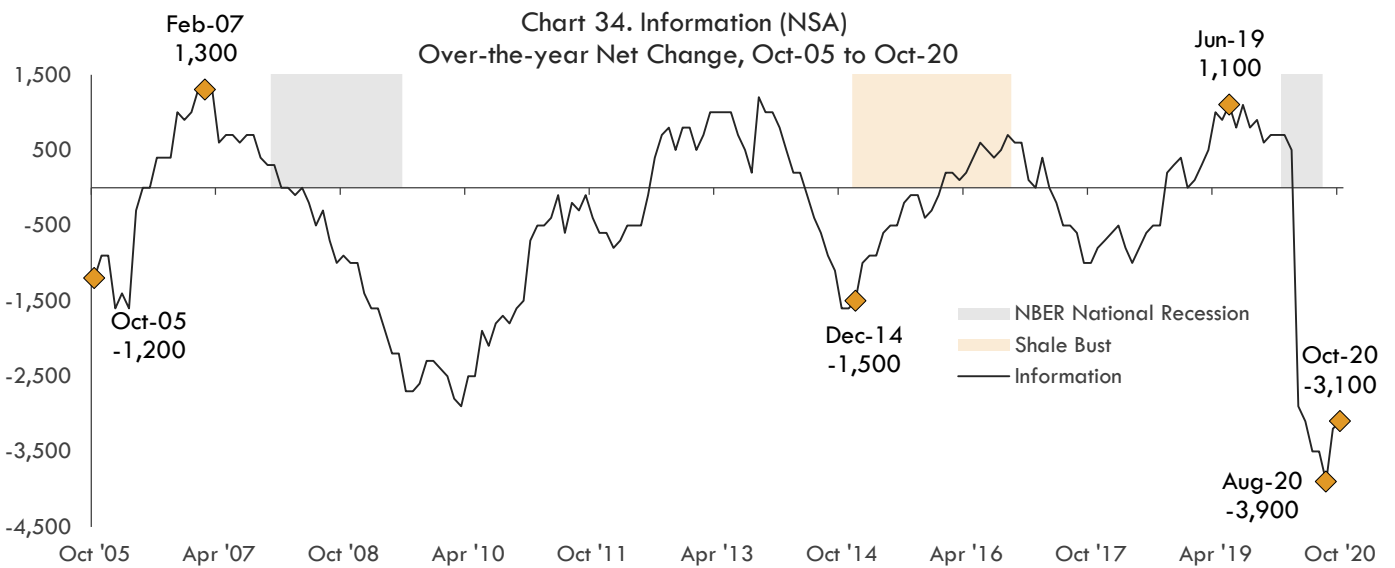
Over-the-month Change

Information also saw an increase over the month up 200 jobs, or 0.7 percent. (see Chart 33.) The largest over-the-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest one-month decline on record occurred in April 2020, down -3,100 jobs. Historically in the month of October, Information 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. Other Information Undefined was the largest contributor to the overall sector's increase, up 200 jobs over the month. One component industry, Telecommunications, saw no change from September to October. Information employment saw no revision from August to September leaving the previous month's original increase of 200 intact.



Over-the-year Change

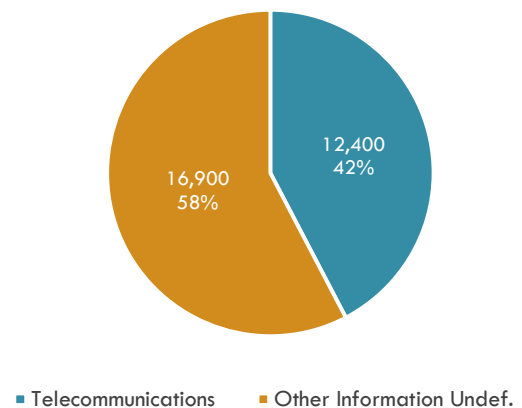
Year over year, Information was down -3,100 jobs, or -9.6 percent. (see Chart 34.) The largest over-the-year gain on record for this sector occurred in June 1997, up 4,600 jobs. The largest over-the-year decline on record occurred in April 2002, down -7,000 jobs. Other Information Undefined was the largest contributor to the overall sector's decline, down -1,600 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -1,500 jobs from October a year ago. Since shedding -3,100 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. Information's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.



About This Sector

The Information 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 the majority of the sector's employment at 58 percent. (see Chart 35.) Across the Houston MSA, the concentration of jobs in the overall Information sector is 47 percent less than the national average.

Chart 35. Employment in Component Industries of Information Sector - October 2020

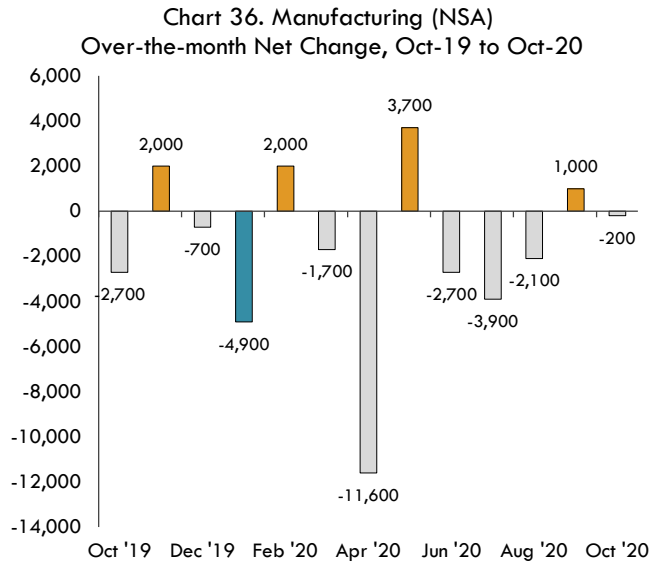


## DECLINING INDUSTRY HIGHLIGHTS

### Manufacturing

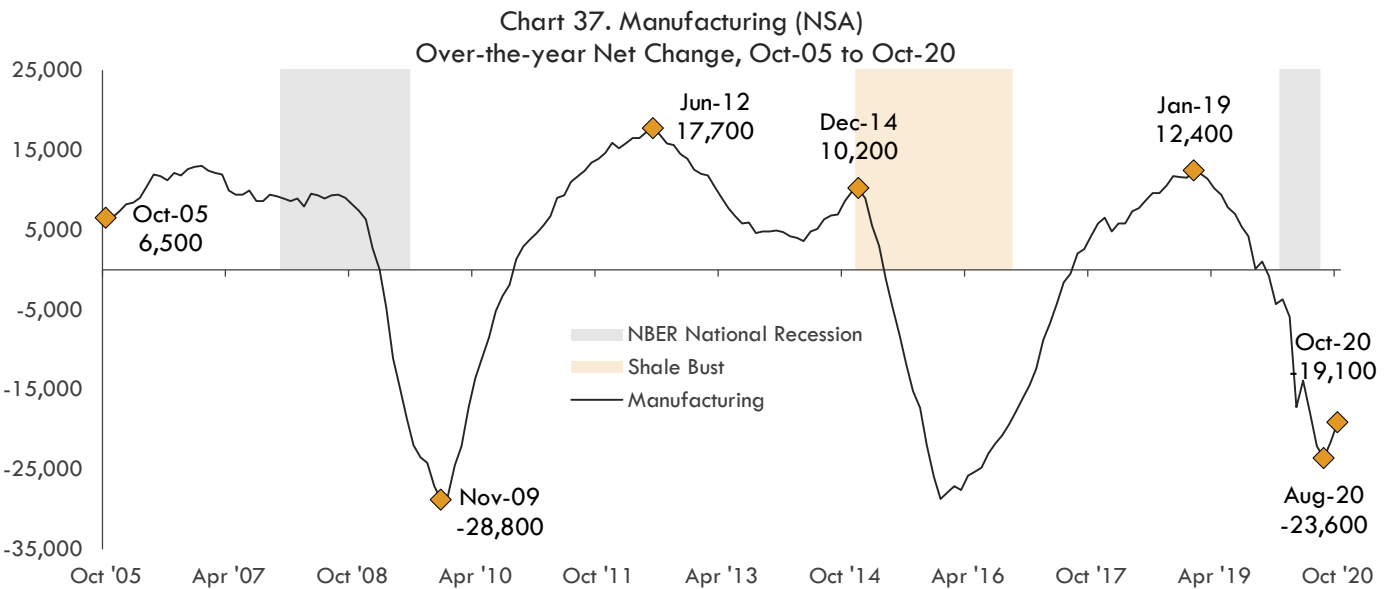
#### Over-the-month Change

Manufacturing was the largest declining sector over the month down -200 jobs, or -0.1 percent. (see Chart 36.) The largest over-the-month gain on record for this sector occurred in May 2020, up 3,700 jobs. The largest one-month decline on record occurred in April 2020, down -11,600 jobs. Historically in the month of October, Manufacturing has lost an average of -400 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. Durable Goods was the largest contributor to the overall sector's decline, down -300 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which gained 100 jobs from September to October. Manufacturing employment was revised upward by 1,700 jobs for a August to September complete erasure of losses resulting in a net gain of 1,000 compared to an original estimate of -700 jobs.



#### Over-the-year Change

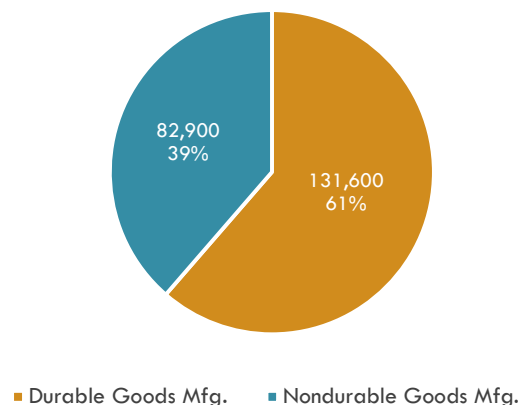
Year over year, Manufacturing was down -19,100 jobs, or -8.2 percent. (see Chart 37.) The largest over-the-year gain on record for this sector occurred in June 2012, up 17,700 jobs. The largest over-the-year decline on record occurred in November 2009, down -28,800 jobs. Durable Goods was the largest contributor to the overall sector's decline, down -17,800 jobs over the year. The second-largest declining contributor was Non-Durable Goods, which lost -1,300 jobs from October 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 7.1 percent over the past year.



#### About This Sector

The Manufacturing 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 61 percent. (see Chart 38.) Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 17 percent less than the national average.

**Chart 38. Employment in Component Industries of Manufacturing Sector - October 2020**





## Unemployment Rates

### Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 7.7 percent in October, down from September's 9.6 percent and up from 3.6 percent a year ago. This was above the statewide rate of 6.7 percent and above the national rate of 6.6 percent. 265,523 individuals were unemployed in Houston in October, down from September's 332,292 and up from 124,867 in October 2019.

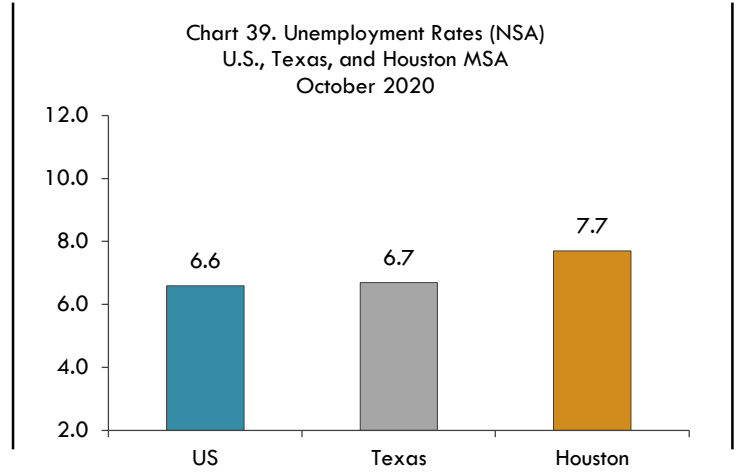
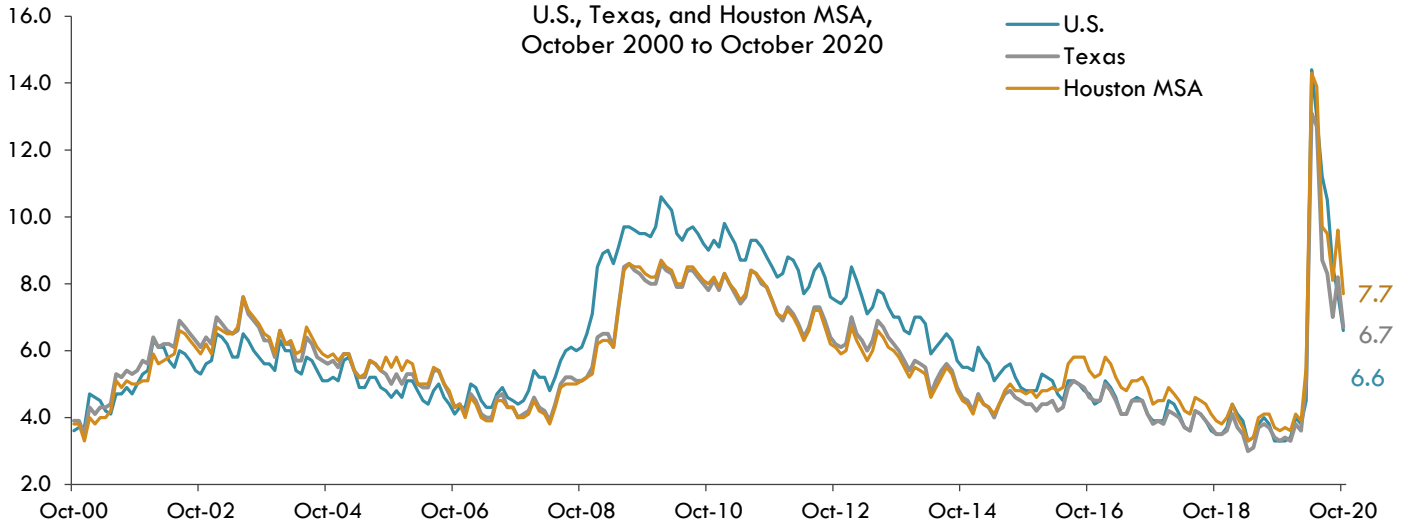


Chart 40. Unemployment Rates (Not-seasonally Adjusted)  
U.S., Texas, and Houston MSA,  
October 2000 to October 2020



### Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 9.7 percent in September, up from August's 8.0 percent and up from 3.6 percent a year ago. This was above the statewide rate of 8.3 percent and above the national rate of 7.9 percent. 336,813 individuals were unemployed in Houston in September, up from August's 279,690 and up from 123,026 in September 2019.

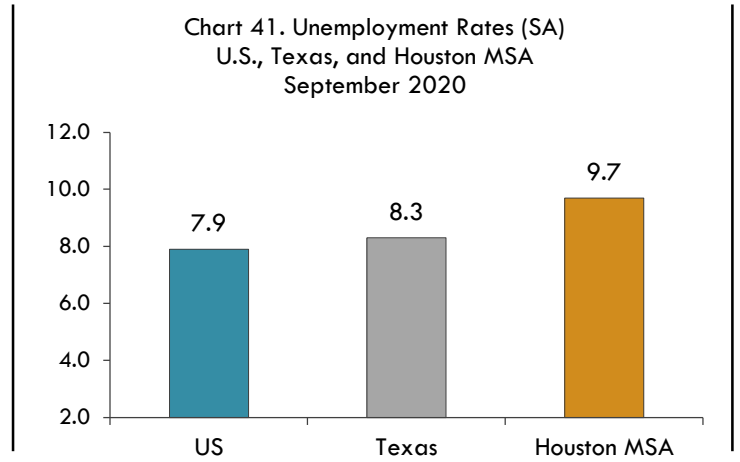
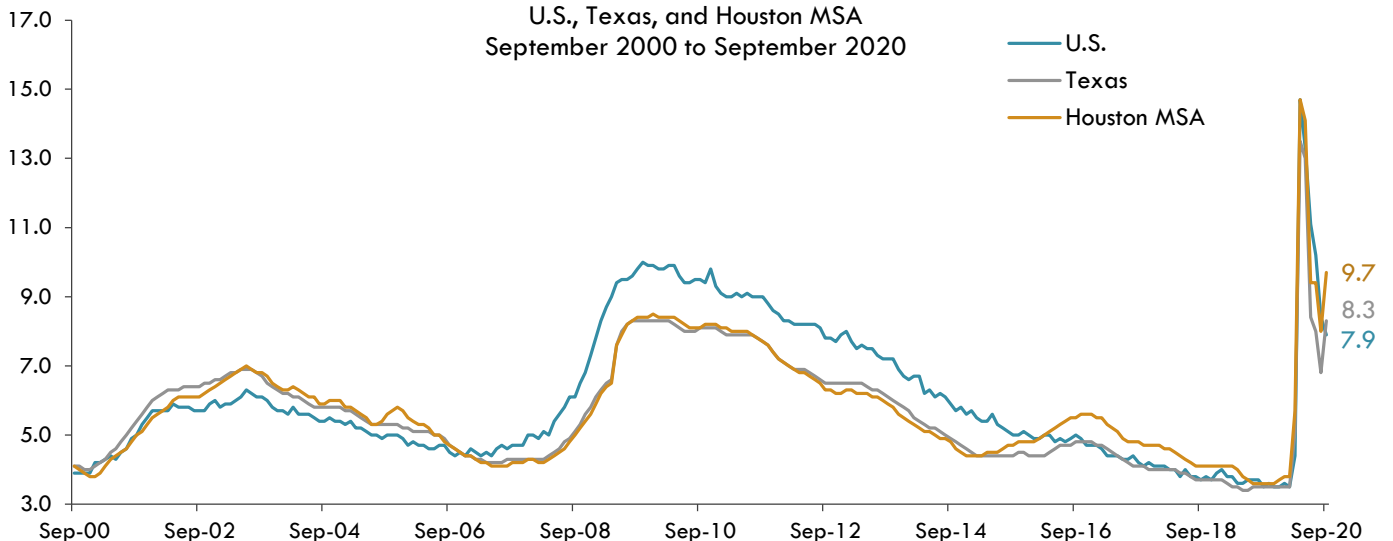


Chart 42. Unemployment Rates (Seasonally Adjusted)  
U.S., Texas, and Houston MSA  
September 2000 to September 2020



# Houston Area Employment Situation

October 2020

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Oct-20	Sep-20	Oct-19	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,030,300</b>	<b>2,991,600</b>	<b>3,181,900</b>	<b>38,700</b>	<b>1.3%</b>	<b>-151,600</b>	<b>-4.8%</b>
Total Private	2,615,800	2,580,200	2,760,100	35,600	1.4%	-144,300	-5.2%
Goods Producing	498,800	493,300	553,300	5,500	1.1%	-54,500	-9.8%
<b>.Mining and Logging</b>	<b>64,100</b>	<b>62,800</b>	<b>79,700</b>	<b>1,300</b>	<b>2.1%</b>	<b>-15,600</b>	<b>-19.6%</b>
...Oil and Gas Extraction	34,300	33,400	37,200	900	2.7%	-2,900	-7.8%
...Support Activities for Mining	28,600	28,300	41,000	300	1.1%	-12,400	-30.2%
<b>.Construction</b>	<b>220,200</b>	<b>215,800</b>	<b>240,000</b>	<b>4,400</b>	<b>2.0%</b>	<b>-19,800</b>	<b>-8.3%</b>
..Construction of Buildings	54,300	54,600	58,900	-300	-0.5%	-4,600	-7.8%
..Heavy and Civil Engineering Construction	56,300	56,000	64,700	300	0.5%	-8,400	-13.0%
..Specialty Trade Contractors	109,600	105,200	116,400	4,400	4.2%	-6,800	-5.8%
<b>.Manufacturing</b>	<b>214,500</b>	<b>214,700</b>	<b>233,600</b>	<b>-200</b>	<b>-0.1%</b>	<b>-19,100</b>	<b>-8.2%</b>
..Durable Goods	131,600	131,900	149,400	-300	-0.2%	-17,800	-11.9%
...Fabricated Metal Product Manufacturing	47,600	48,700	54,200	-1,100	-2.3%	-6,600	-12.2%
...Machinery Manufacturing	42,900	42,800	47,200	100	0.2%	-4,300	-9.1%
....Agriculture, Construction, and Mining Machinery Mfg.	24,000	24,000	29,200	0	0.0%	-5,200	-17.8%
...Computer and Electronic Product Manufacturing	13,400	13,300	13,400	100	0.8%	0	0.0%
..Non-Durable Goods	82,900	82,800	84,200	100	0.1%	-1,300	-1.5%
...Petroleum and Coal Products Manufacturing	11,900	11,700	10,400	200	1.7%	1,500	14.4%
...Chemical Manufacturing	40,900	41,100	40,200	-200	-0.5%	700	1.7%
Service Providing	2,531,500	2,498,300	2,628,600	33,200	1.3%	-97,100	-3.7%
.Private Service Providing	2,117,000	2,086,900	2,206,800	30,100	1.4%	-89,800	-4.1%
<b>..Trade, Transportation, and Utilities</b>	<b>615,500</b>	<b>607,700</b>	<b>630,500</b>	<b>7,800</b>	<b>1.3%</b>	<b>-15,000</b>	<b>-2.4%</b>
...Wholesale Trade	158,400	158,500	173,500	-100	-0.1%	-15,100	-8.7%
....Merchant Wholesalers, Durable Goods	93,900	94,200	106,500	-300	-0.3%	-12,600	-11.8%
....Prof. and Commercial Equip. Supplies Wholesalers	18,400	18,400	17,700	0	0.0%	700	4.0%
....Merchant Wholesalers, Nondurable Goods	50,700	50,200	52,600	500	1.0%	-1,900	-3.6%
...Retail Trade	298,200	294,700	302,600	3,500	1.2%	-4,400	-1.5%
....Motor Vehicle and Parts Dealers	43,600	43,100	43,100	500	1.2%	500	1.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,500	23,900	21,400	-400	-1.7%	2,100	9.8%
....Food and Beverage Stores	68,000	67,300	66,300	700	1.0%	1,700	2.6%
....Health and Personal Care Stores	18,400	18,100	19,100	300	1.7%	-700	-3.7%
....Clothing and Clothing Accessories Stores	28,500	28,000	28,000	500	1.8%	500	1.8%
....General Merchandise Stores	59,100	57,800	57,700	1,300	2.2%	1,400	2.4%
.....Department Stores	19,100	18,300	19,400	800	4.4%	-300	-1.5%
.....Other General Merchandise Stores	40,000	39,500	38,300	500	1.3%	1,700	4.4%
...Transportation, Warehousing, and Utilities	158,900	154,500	154,400	4,400	2.8%	4,500	2.9%
...Utilities	17,200	17,200	17,100	0	0.0%	100	0.6%
....Air Transportation	18,000	17,800	20,200	200	1.1%	-2,200	-10.9%
....Truck Transportation	28,000	28,000	28,300	0	0.0%	-300	-1.1%
....Pipeline Transportation	11,900	11,900	11,900	0	0.0%	0	0.0%
<b>..Information</b>	<b>29,300</b>	<b>29,100</b>	<b>32,400</b>	<b>200</b>	<b>0.7%</b>	<b>-3,100</b>	<b>-9.6%</b>
...Telecommunications	12,400	12,400	13,900	0	0.0%	-1,500	-10.8%
<b>..Financial Activities</b>	<b>164,400</b>	<b>162,200</b>	<b>167,800</b>	<b>2,200</b>	<b>1.4%</b>	<b>-3,400</b>	<b>-2.0%</b>
...Finance and Insurance	104,700	104,000	103,400	700	0.7%	1,300	1.3%
....Credit Intermediation and Related Activities	43,000	43,100	43,800	-100	-0.2%	-800	-1.8%
.....Depository Credit Intermediation	29,900	30,100	30,200	-200	-0.7%	-300	-1.0%
.....Securities, Commodity Contracts, and Fin. Investments	21,500	21,300	20,900	200	0.9%	600	2.9%
....Insurance Carriers and Related Activities	40,200	39,600	38,700	600	1.5%	1,500	3.9%
...Real Estate and Rental and Leasing	59,700	58,200	64,400	1,500	2.6%	-4,700	-7.3%
<b>..Professional and Business Services</b>	<b>516,100</b>	<b>508,600</b>	<b>515,300</b>	<b>7,500</b>	<b>1.5%</b>	<b>800</b>	<b>0.2%</b>
...Professional, Scientific, and Technical Services	253,700	248,700	245,200	5,000	2.0%	8,500	3.5%
....Legal Services	28,700	27,300	27,200	1,400	5.1%	1,500	5.5%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	28,500	27,800	26,700	700	2.5%	1,800	6.7%
....Architectural, Engineering, and Related Services	76,200	76,100	75,600	100	0.1%	600	0.8%
....Computer Systems Design and Related Services	34,000	33,900	35,200	100	0.3%	-1,200	-3.4%
...Management of Companies and Enterprises	44,400	43,600	46,700	800	1.8%	-2,300	-4.9%
...Admin. and Support and Waste Mgmt. and Remediation	218,000	216,300	223,400	1,700	0.8%	-5,400	-2.4%
....Administrative and Support Services	204,600	202,800	211,800	1,800	0.9%	-7,200	-3.4%
.....Employment Services	68,500	64,300	81,000	4,200	6.5%	-12,500	-15.4%
.....Services to Buildings and Dwellings	54,300	54,500	52,400	-200	-0.4%	1,900	3.6%
<b>..Educational and Health Services</b>	<b>399,100</b>	<b>396,500</b>	<b>409,600</b>	<b>2,600</b>	<b>0.7%</b>	<b>-10,500</b>	<b>-2.6%</b>
...Educational Services	64,500	62,600	64,400	1,900	3.0%	100	0.2%
...Health Care and Social Assistance	334,600	333,900	345,200	700	0.2%	-10,600	-3.1%
....Ambulatory Health Care Services	173,000	172,700	165,800	300	0.2%	7,200	4.3%
....Hospitals	87,300	87,100	88,300	200	0.2%	-1,000	-1.1%
<b>..Leisure and Hospitality</b>	<b>289,700</b>	<b>283,900</b>	<b>335,500</b>	<b>5,800</b>	<b>2.0%</b>	<b>-45,800</b>	<b>-13.7%</b>
...Arts, Entertainment, and Recreation	24,600	25,300	37,400	-700	-2.8%	-12,800	-34.2%
...Accommodation and Food Services	265,100	258,600	298,100	6,500	2.5%	-33,000	-11.1%
....Accommodation	23,000	22,100	28,700	900	4.1%	-5,700	-19.9%
....Food Services and Drinking Places	242,100	236,500	269,400	5,600	2.4%	-27,300	-10.1%
<b>..Other Services</b>	<b>102,900</b>	<b>98,900</b>	<b>115,700</b>	<b>4,000</b>	<b>4.0%</b>	<b>-12,800</b>	<b>-11.1%</b>
<b>Government</b>	<b>414,500</b>	<b>411,400</b>	<b>421,800</b>	<b>3,100</b>	<b>0.8%</b>	<b>-7,300</b>	<b>-1.7%</b>
.Federal Government	32,400	36,400	30,300	-4,000	-11.0%	2,100	6.9%
.State Government	84,900	83,700	87,900	1,200	1.4%	-3,000	-3.4%
..State Government Educational Services	47,200	45,700	50,900	1,500	3.3%	-3,700	-7.3%
.Local Government	297,200	291,300	303,600	5,900	2.0%	-6,400	-2.1%
..Local Government Educational Services	203,200	198,500	211,800	4,700	2.4%	-8,600	-4.1%