

Houston Area Employment Situation

April 2023

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Construction Falls Apart While the Rest of Job Market Continues Treading Water

Total Nonfarm

Over-the-month Change

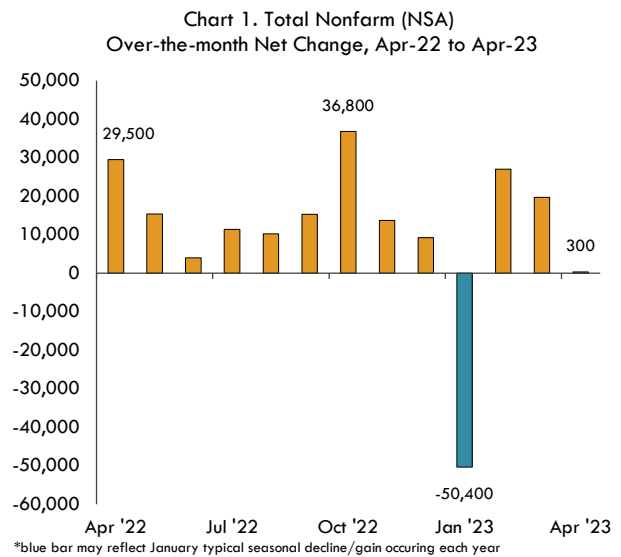
Houston MSA Total Nonfarm employment stood at 3,332,400 in April, up 300 jobs over the month, or 0.0 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 29,500 jobs. Prior to the pandemic, historically in the month of April, Total Nonfarm has on average added 7,300 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Disregarding typical seasonal declines in January and July of each year, April's gain was the smallest over-the-month increase since December 2020.

The primary drivers of this April's growth were increases in Leisure and Hospitality; Professional and Business Services; and Manufacturing. Gains were also recorded in Education and Health Services; Mining and Logging; and Government. The net increase in jobs over the month was partially offset by losses in Construction; Other Services; and Financial Activities. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,332,700, down -13,500 jobs over the month, or -0.4 percent vs. a historical average of 3,700. This was the largest April over-the-month decline in since 2020. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC.

- Top-3 Drivers of Over-the-month Job Growth in April
- Leisure and Hospitality: 5,300
 - Professional and Business Services: 2,200
 - Manufacturing: 900

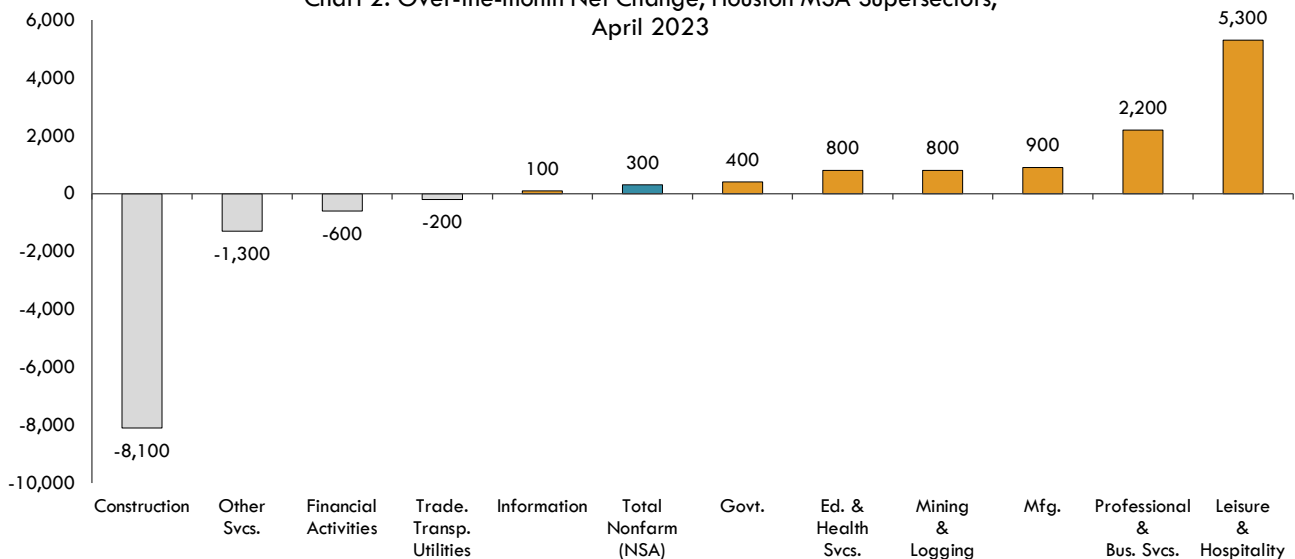
Over-the-year Change

Over the year, Total Nonfarm employment was up 112,600 or 3.5 percent on a not-seasonally-adjusted basis and up 111,300 or 3.5 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, April 2022 saw a year-over-year gain of 189,600 jobs (NSA) from April 2021. This was the third-largest over-the-year gain in April since records began in 1990. Currently 9 out of 11 sectors show growth year over year of which the top-three are Professional and Business Services (26,900); Education and



Health Services (22,500); and Trade, Transportation, and Utilities (22,300) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,191,800 jobs by 140,600, or 4.4 percent (134,800 jobs, 4.2 percent above 3,197,900 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, April 2023



Houston Area Employment Situation

April 2023

Previous Month's Revisions

Total Nonfarm employment was revised downward by -200 jobs for a February to March smaller net gain of 19,700 compared to an original estimate of 19,900 jobs. A downward revision of -800 jobs in Manufacturing was the largest contributor followed by Other Services (-700) and Government (-300). Upward revisions in Professional and Business Services (+1,100), Education and Health Services (+900), and Mining and Logging (+100) provided a partial offset of the overall downward revision to Total Nonfarm employment (see Chart 5).

Top-3 Drivers of Over-the-year Job Growth in April

- Professional and Business Services: 26,900
- Education and Health Services: 22,500
- Trade, Transportation, and Utilities: 22,300

Chart 5. Net Revisions for Selected Supersectors and Major Industries, March 2023

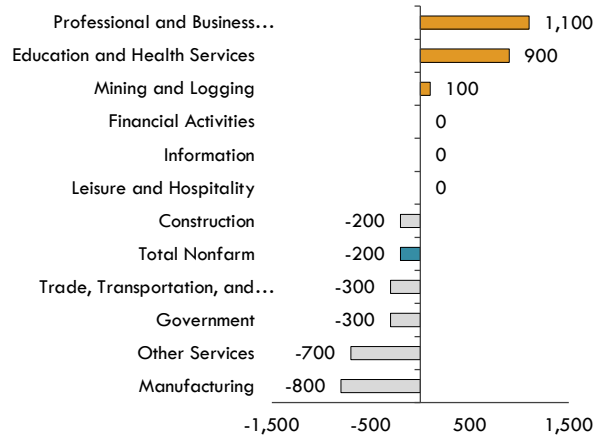


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Apr-08 to Apr-23

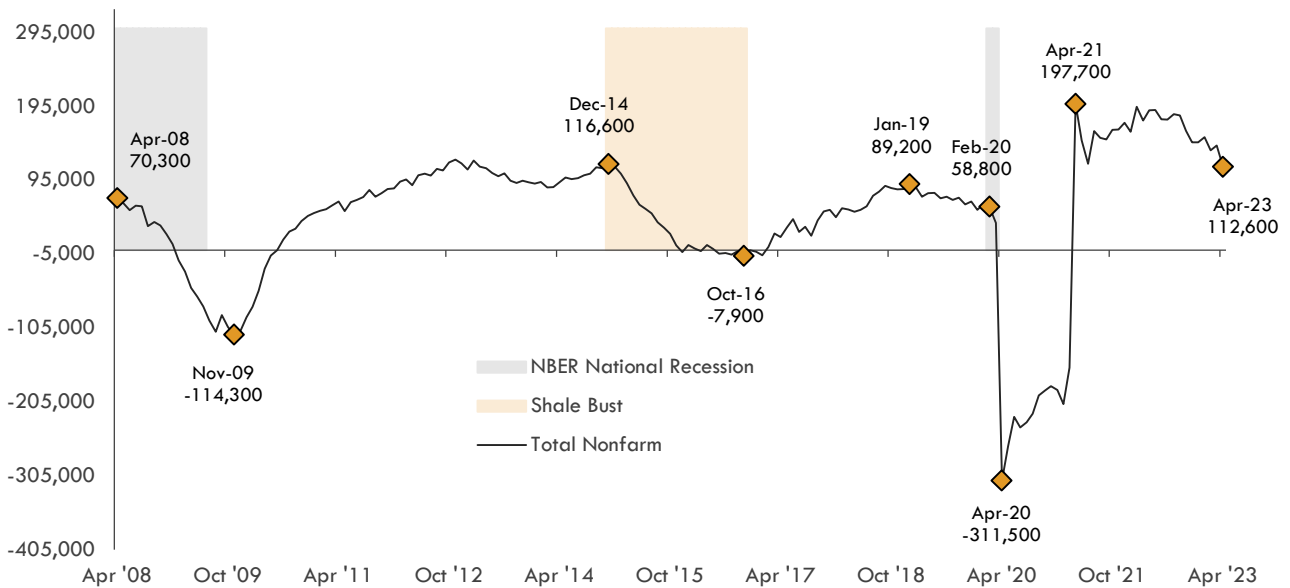
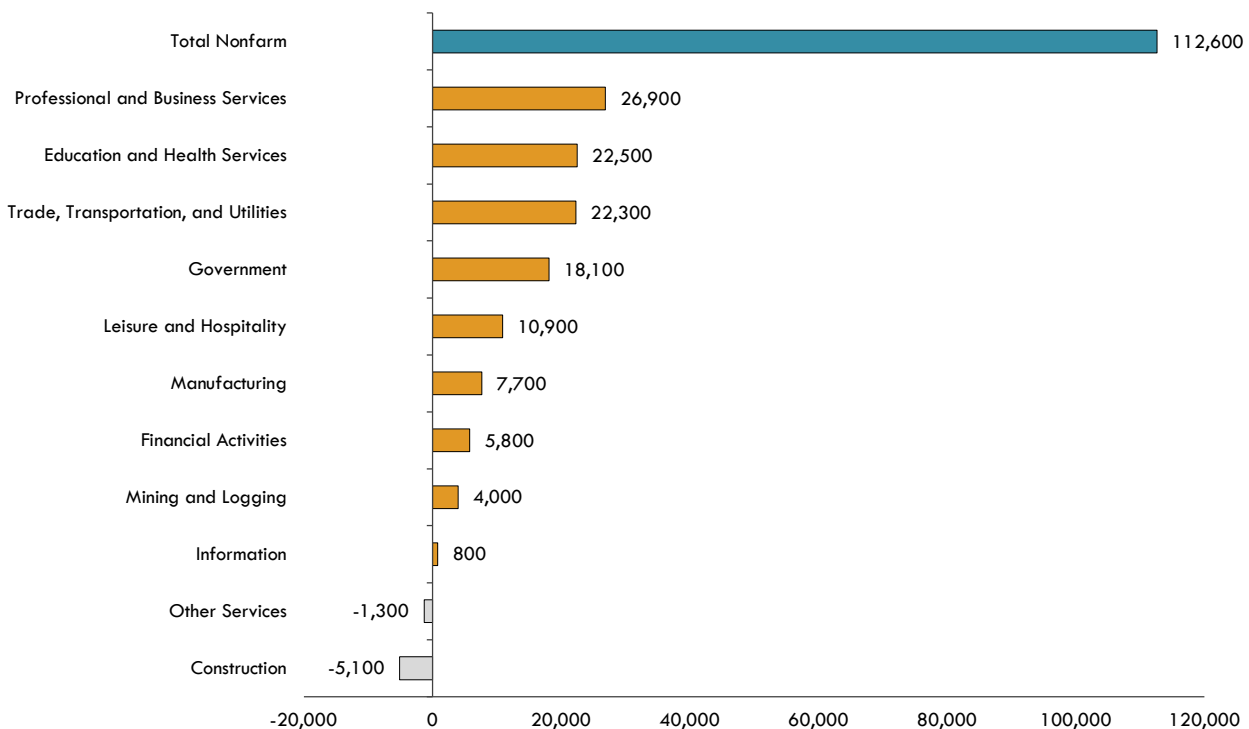


Chart 4. Over-the-year Net Change, Houston MSA Supersectors, April 2022 to April 2023



Supplemental Commentary

Overall Impressions

Three years ago, as of this April, the Houston metropolitan area, and virtually every other region across the world, experienced the single-largest one-month decline in employment on record. Almost overnight, our region lost nearly 345,000 jobs on top of March's 18,000-decline. In the process, seven years' worth of employment gains were erased as shelter-in-place orders were issued to try and stem the tide of the pandemic. At the time, many of us, myself included, hoped that the most disruptive effects would last no more than a quarter or two. Obviously, we know how that turned out. However, vaccines were developed in record time, and we learned to adapt, albeit with a wide range of opinions on what that meant in practice.

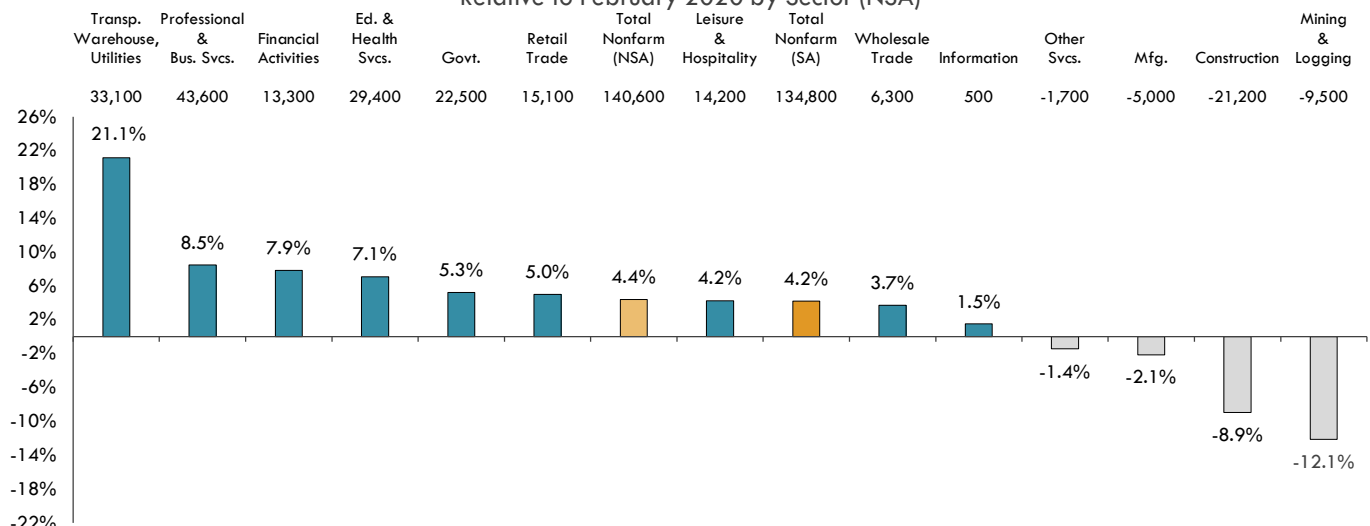
As the economy reopened in staggered fashion, Houston's job market began a daunting climb back towards to normalcy but with a pace of recovery behind the nation and many of its Texas metro peers. By March 2021, a little over 50 percent of the jobs lost over March and April 2020 were regained. It would take another year for the region to recover the remaining half ultimately returning us to our pre-pandemic highwater mark of just under 3.2 million jobs. Fast-forward another year and total employment in March 2023 managed to reach and new all-time high of 3,346,200 jobs. However, despite that milestone we can't help but notice storm clouds forming off in the distance.

Three-hundred. That's how many jobs (not-seasonally-adjusted) the Houston area added in April. Over the past three years, we've grown accustomed to five-digit job growth each month more often than not, which makes this month's paltry gains concerning to say the least. Switching to seasonally-adjusted figures, the picture appears even more dire with April serving as the first over-the-month loss since February 2021 (-13,500 jobs).

But before we enter a spiral of despair, it's important to note that losses were mainly confined to the Construction sector, which posted an unusually large decline of -8,100 jobs. Within Construction, all three major components shed jobs including Construction of Buildings, made up of residential, commercial, and industrial projects, Heavy and Civil Engineering made up of large infrastructure projects, and Specialty Trade Contractors. Beyond Construction, catchall category Other Services saw a non-trivial decline with some -1,300 jobs lost over the month accompanied by Trade Transportation and Utilities and Financial Activities also losing a few hundred jobs each. The remaining sectors by and large posted average, if not above average, growth for the month. The point here is that losses in April weren't broad-based, which gives us a reason to remain cautiously optimistic at least for the time being. Could Construction's poor showing in April be a harbinger of things to come? Sure, but after 10 interest rate hikes since March 2022, we shouldn't be surprised that a sector that's highly sensitive to changes in borrowing costs has finally started to crack.

So, where do we go from here? The good news is that a decent amount of rebound momentum from the pandemic continues to permeate the job market. Year over year job growth remains above 110,000 four months into 2023. While that's well off the 180,000+ figures seen throughout 2022, at the current pace coupled with likely only a few more interest rate hikes this year, we're on track to close out 2023 on the lower side of 60,000 jobs returning us to job growth typical of Houston before the pandemic. The unemployment rate, whether seasonally or not-seasonally-adjusted, is only slightly above where it was a year ago and still in the neighborhood of four percent. Unemployment insurance claims for the region have yet to cross the 5,000 mark for a single week keeping it within the range seen throughout the last 18 to 24 months, if not pre-pandemic. And despite restatements of recent job posting data by Lightcast (see page 17 for details), the Workforce Solutions Index still gives jobseekers a slight edge over employers. The not-so-good news is that the peak is almost guaranteed to be behind us, likely last summer, but it doesn't mean that the proverbial "bottom falling out" is imminent. If anything it appears that we've worked through much of the supply chain and labor market bottlenecks that defined 2022. Given that one-third of the year is already over and things have held up relatively well, the case for a "mild recession/soft landing" remains compelling, but if 2020 taught us anything, expect the unexpected.

Supplemental Chart 1. Houston MSA Current Employment Levels as of April 2023 Relative to February 2020 by Sector (NSA)

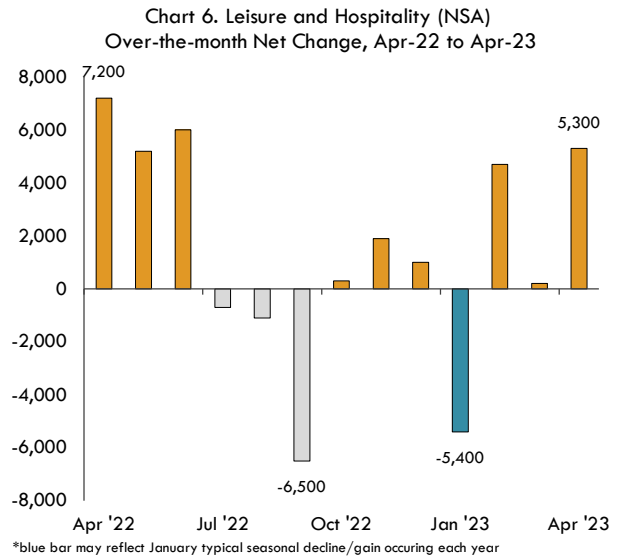


GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

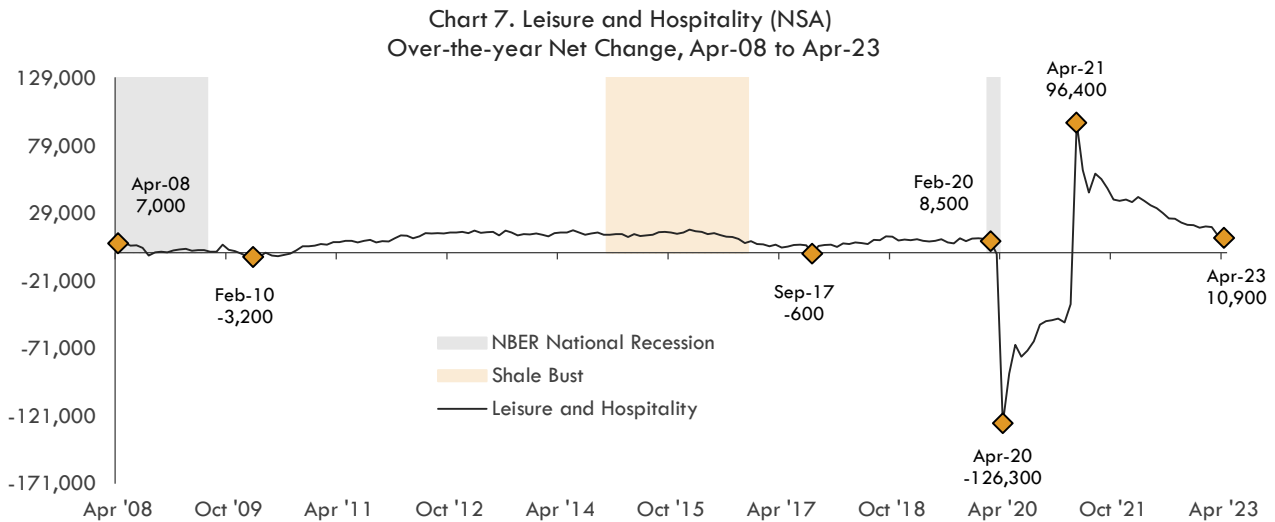
Leisure and Hospitality was the largest gaining sector over the month up 5,300 jobs, or 1.5 percent (see Chart 6). This was the largest April gain since 2022 and the third-largest gain historically for the month of April since records began in 1990. Historically in the month of April, Leisure and Hospitality has added an average of 2,200 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 5,600 jobs over the month. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -300 jobs from March to April.



Over-the-year Change

Year over year, Leisure and Hospitality was up 10,900 jobs, or 3.2 percent (see Chart 7). This April also marks 25 consecutive months of over-the-year gains. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 10,300 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 600 jobs from April a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 14,200, or 4.2 percent. At the same time, the sector's share of Houston area Total Nonfarm

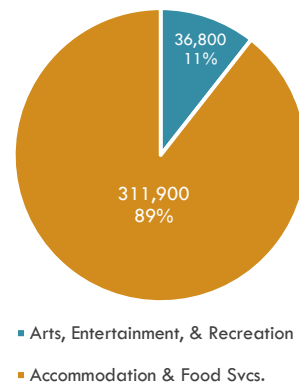
Employment has remained constant at 10.5 percent over the past year.



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. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 89 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 1 percent less than the national average.

Chart 8. Employment in Component Industries of Leisure and Hospitality Sector - April 2023

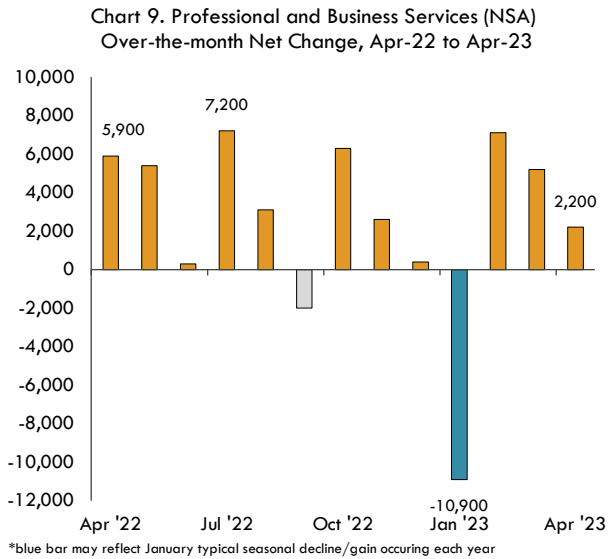


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the second-largest gaining sector over the month up 2,200 jobs, or 0.4 percent (see Chart 9). Historically in the month of April, Professional and Business Services has added an average of 1,500 jobs over the month, which indicates that this month's gains are moderately 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. The second-largest contributor was Management of Companies and Enterprises, which added 400 jobs from March to April. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's gains with a loss of -700 jobs. Professional and Business Services employment was revised upward by 1,100 jobs for a February to March larger net gain of 5,200 compared to an original estimate of 4,100 jobs.

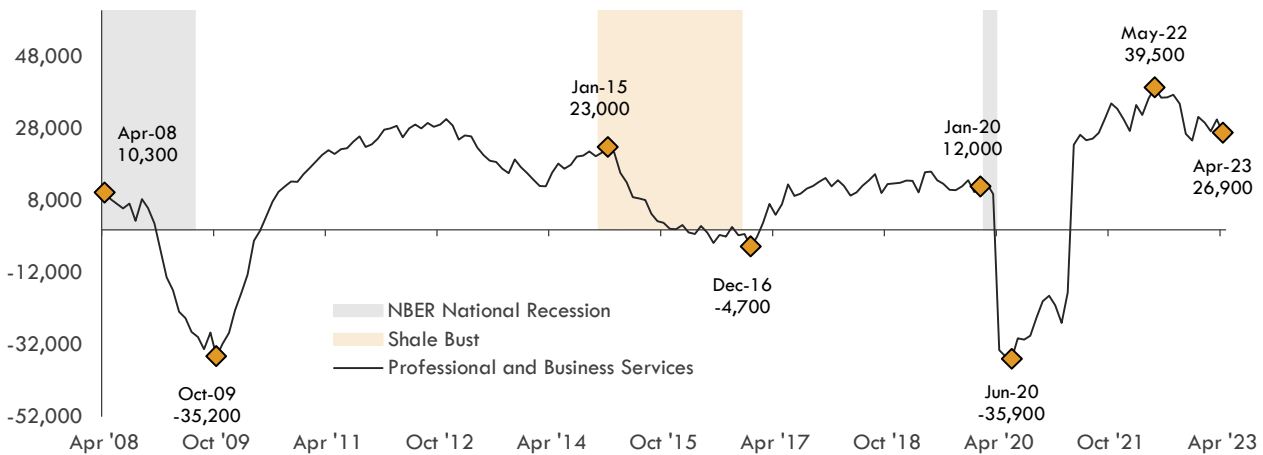


Over-the-year Change

Year over year, Professional and Business Services was up 26,900 jobs, or 5.1 percent (see Chart 10). This was the second-largest over-the-year gain in the month of April since records began in 1990. It also marks 25 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 22.6 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. Professional, Scientific, and Technical Services was the largest contributor to the overall

sector's increase, up 17,800 jobs over the year. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 6,500 jobs from April a year ago. Lastly, Management of Companies and Enterprises contributed, 2,600 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 43,600, or 8.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 16.5 percent to 16.8 percent over the past year.

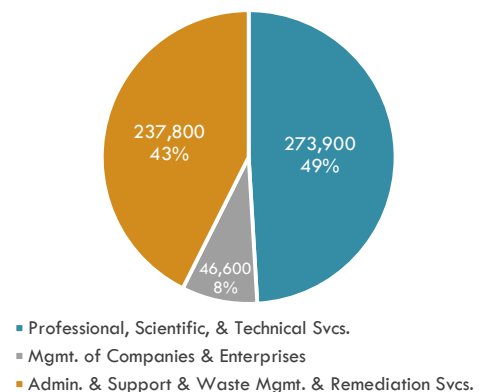
Chart 10. Professional and Business Services (NSA)
Over-the-year Net Change, Apr-08 to Apr-23



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 11). Across the Houston MSA, the concentration of jobs in the overall sector is 14 percent higher than the national average, due to a 18-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 - April 2023

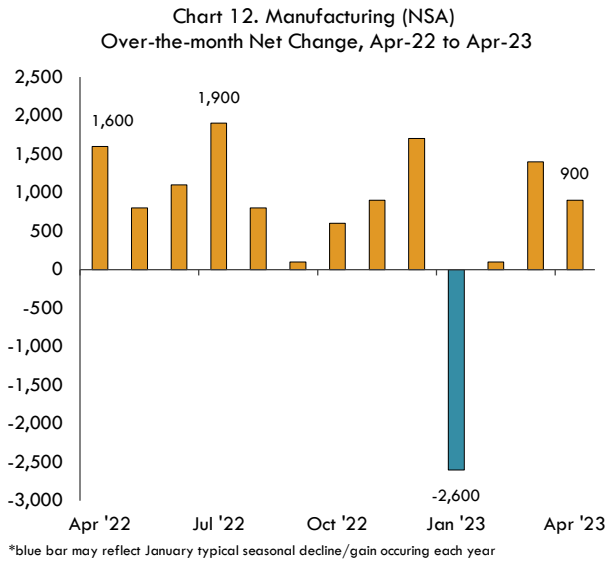


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing was the third-largest gaining sector over the month up 900 jobs, or 0.4 percent (see Chart 12). Historically in the month of April, Manufacturing has lost an average of -300 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Durable Goods was the largest contributor to the overall sector's increase, up 700 jobs over the month. The second-largest contributor was Non-Durable Goods, which added 200 jobs from March to April. Manufacturing employment was revised downward by -800 jobs for a February to March smaller net gain of 1,400 compared to an original estimate of 2,200 jobs.

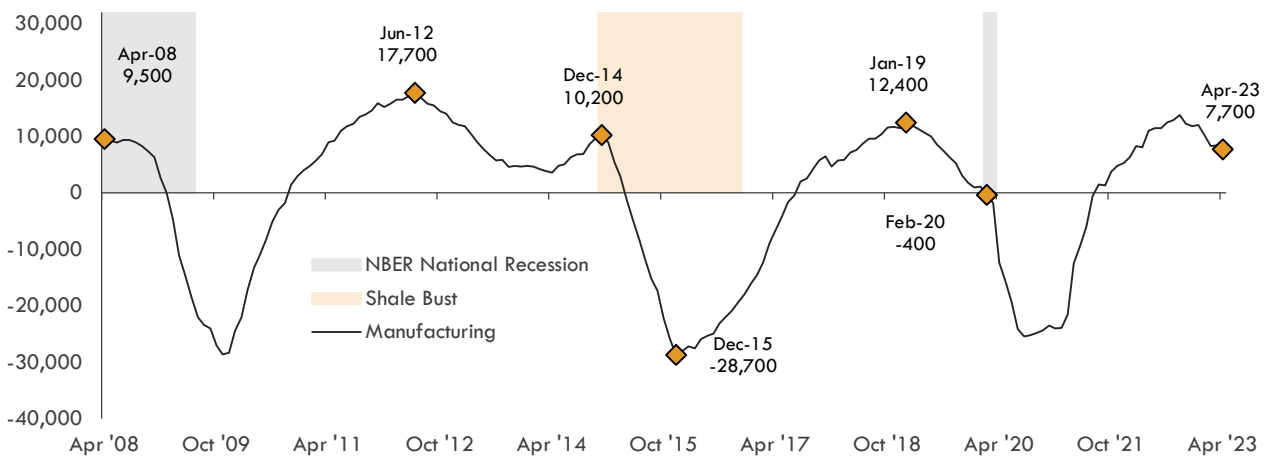


Over-the-year Change

Year over year, Manufacturing was up 7,700 jobs, or 3.5 percent (see Chart 13). This April also marks 21 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 5,700 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 2,000 jobs from April a year ago. Total Manufacturing employment (NSA) remains -5,000 jobs, or -2.1 percent below its February 2020 pre-pandemic level of 234,500. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.9 percent

over the past year.

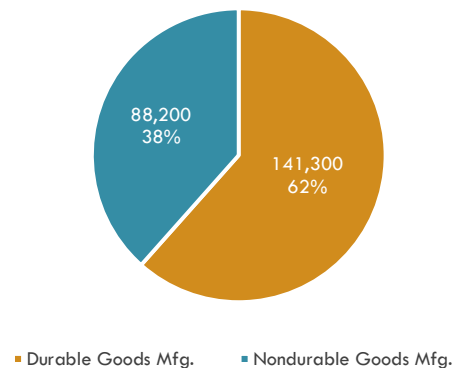
Chart 13. Manufacturing (NSA) Over-the-year Net Change, Apr-08 to Apr-23



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 62 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 17 percent less than the national average.

Chart 14. Employment in Component Industries of Manufacturing Sector - April 2023

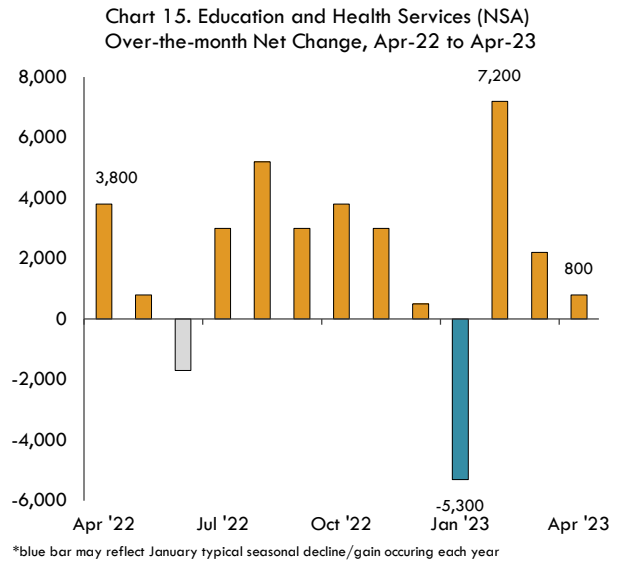


GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services also saw an increase over the month up 800 jobs, or 0.2 percent (see Chart 15). Historically in the month of April, Education and Health Services has added an average of 1,000 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 1,000 jobs over the month. One component industry that provided a partial offset was Educational Services, which lost -200 jobs from March to April. Education and Health Services employment was revised upward by 900 jobs for a February to March larger net gain of 2,200 compared to an original estimate of 1,300 jobs.

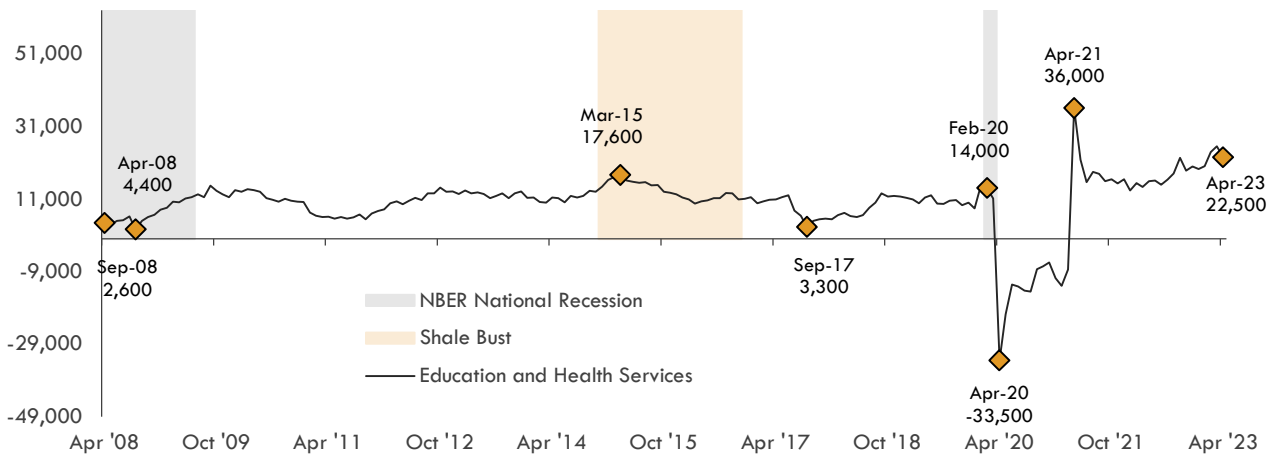


Over-the-year Change

Year over year, Education and Health Services was up 22,500 jobs, or 5.3 percent (see Chart 16). This was the second-largest over-the-year gain in the month of April since records began in 1990. It also marks 25 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 18.9 percent of total (gross) jobs added across the region over the past year can be attributed to Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up

19,000 jobs over the year. The second-largest contributor was Educational Services, which added 3,500 jobs from April a year ago. Total Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 29,400, or 7.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.1 percent to 13.3 percent over the past year.

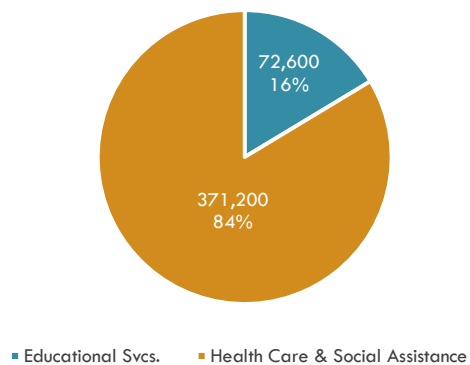
Chart 16. Education and Health Services (NSA) Over-the-year Net Change, Apr-08 to Apr-23



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 17). Across the Houston MSA, the concentration of jobs in the overall sector is 18 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 17. Employment in Component Industries of Education and Health Services Sector - April 2023

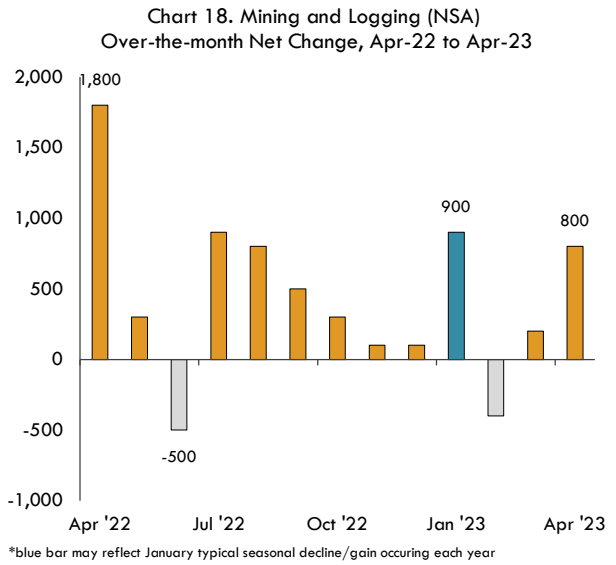


GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 800 jobs, or 1.2 percent (see Chart 18). Support Activities for Mining was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Oil and Gas Extraction, which added 200 jobs from March to April. Lastly, Other Mining and Logging Undefined contributed, 200 jobs. Mining and Logging employment was revised upward by 100 jobs for a February to March larger net gain of 200 compared to an original estimate of 100 jobs.

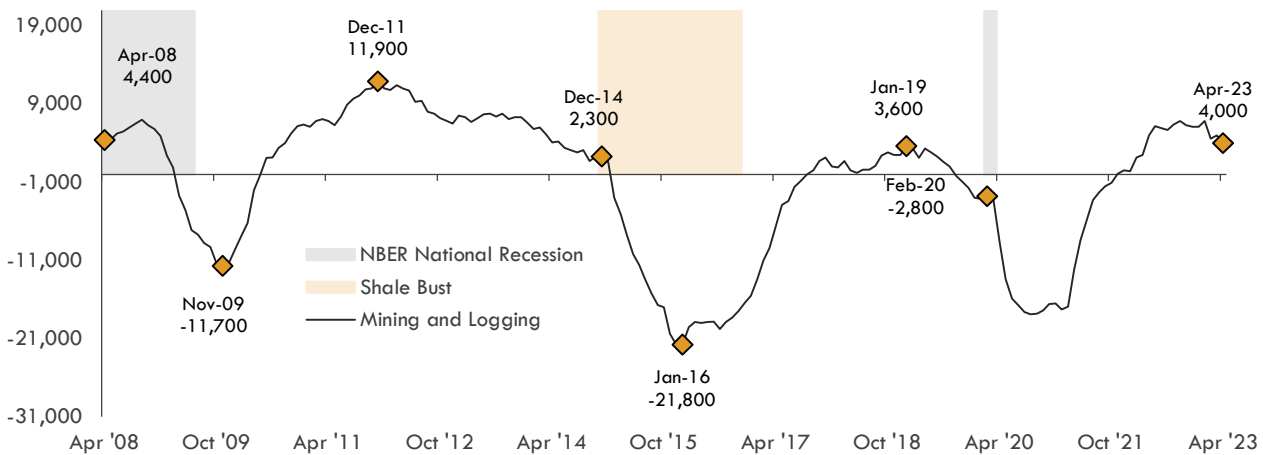


Over-the-year Change

Year over year, Mining and Logging was up 4,000 jobs, or 6.2 percent (see Chart 19). This April also marks 18 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Support Activities for Mining was the largest contributor to the overall sector's increase, up 2,800 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 700 jobs from April a year ago. Lastly, Other Mining and Logging Undefined contributed, 500 jobs. Total Mining and Logging employment (NSA) remains -9,500

jobs, or -12.1 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 2.0 percent over the past year.

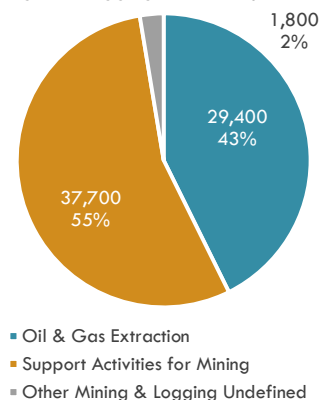
Chart 19. Mining and Logging (NSA)
Over-the-year Net Change, Apr-08 to Apr-23



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, Support Activities for Mining accounts for a slight majority of the sector's employment at just over 55 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.1 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 20. Employment in Component Industries of Mining and Logging Sector - April 2023



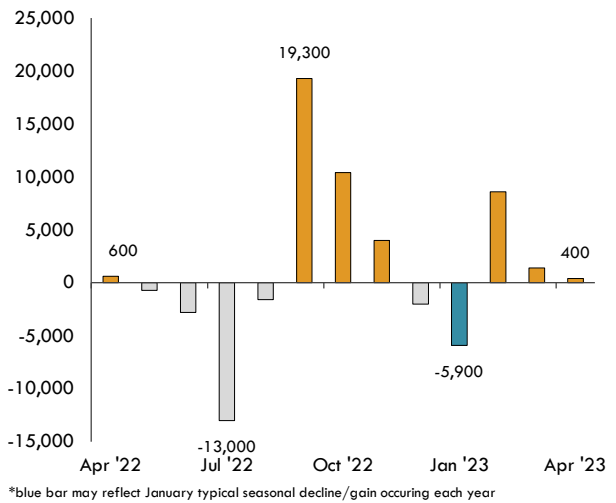
GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government also saw an increase over the month up 400 jobs, or 0.1 percent (see Chart 21). Historically in the month of April, Government has added an average of 800 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Local Government was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Federal Government, which added 300 jobs from March to April. Lastly, State Government offset a portion of the sector's gains with a loss of -300 jobs. Government employment was revised downward by -300 jobs for a February to March smaller net gain of 1,400 compared to an original estimate of 1,700 jobs.

Chart 21. Government (NSA)
Over-the-month Net Change, Apr-22 to Apr-23

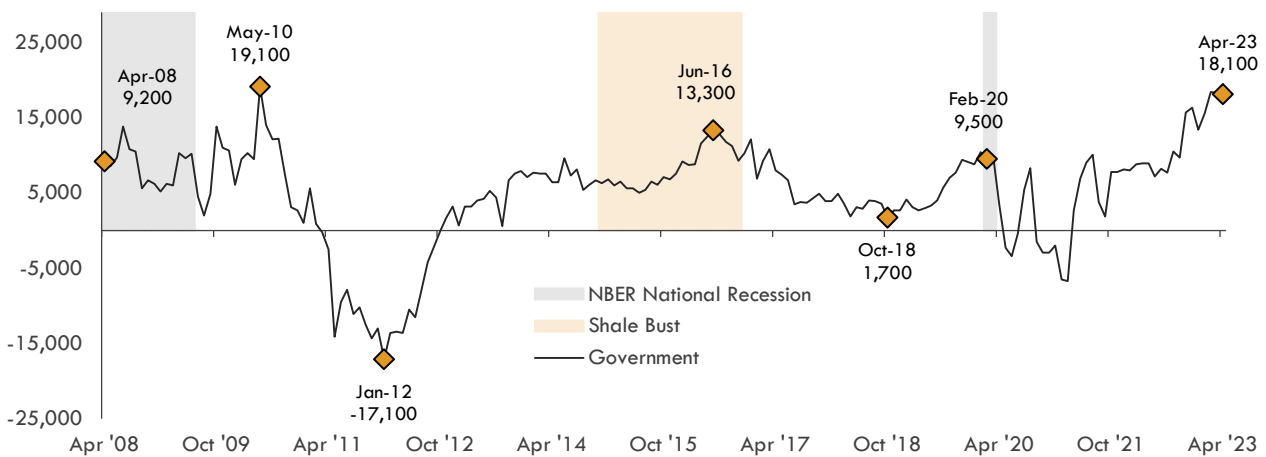


Over-the-year Change

Year over year, Government was up 18,100 jobs, or 4.2 percent (see Chart 22). This was the largest April over-the-year increase on record. It also marks 25 consecutive months of over-the-year gains. Furthermore, 15.2 percent of total (gross) jobs added across the region over the past year can be attributed to Government. Local Government was the largest contributor to the overall sector's increase, up 12,100 jobs over the year. The second-largest contributor was State Government, which added 4,700 jobs from April a year ago. Lastly, Federal Government contributed, 1,300 jobs. Total Government employment (NSA)

now exceeds its February 2020 pre-pandemic level of 428,400 jobs by 22,500, or 5.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.4 percent over the past year.

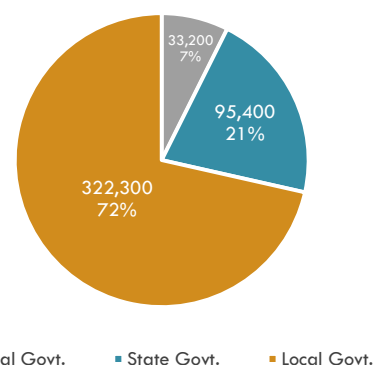
Chart 22. Government (NSA)
Over-the-year Net Change, Apr-08 to Apr-23



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 71 percent (see Chart 23). Across the Houston MSA, the concentration of jobs in the overall Government sector is 8 percent less than the national average.

Chart 23. Employment in Component Industries of Government Sector - April 2023



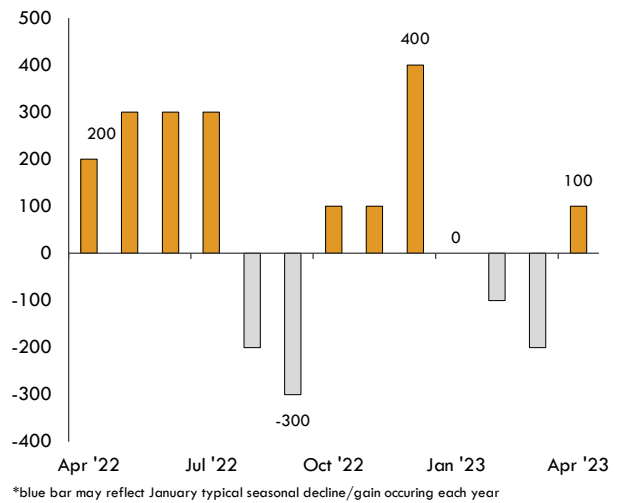
GAINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information also saw an increase over the month up 100 jobs, or 0.3 percent (see Chart 24). Historically in the month of April, Information has lost an average of -100 jobs over the month, which indicates that this month's gains are moderately in contrast to the long-term average decline. Telecommunications was the largest contributor to the overall sector's increase, up 100 jobs over the month. One component industry, Other Information Undefined, saw no change from March to April. Information employment saw no revision from February to March leaving the previous month's original decrease of -200 intact.

Chart 24. Information (NSA)
Over-the-month Net Change, Apr-22 to Apr-23

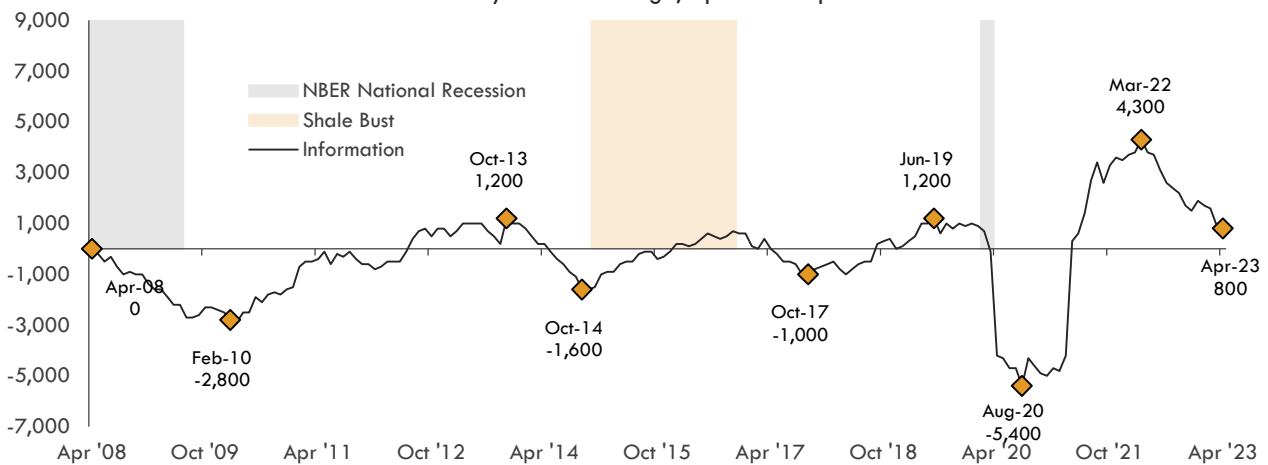


Over-the-year Change

Year over year, Information was up 800 jobs, or 2.5 percent (see Chart 25). This April also marks 25 consecutive months of over-the-year gains. Other Information Undefined was the largest contributor to the overall sector's increase, up 700 jobs over the year. The second-largest contributor was Telecommunications, which added 100 jobs from April a year ago. Total Information employment (NSA) now exceeds its February 2020 pre-pandemic level of 32,700 jobs by 500, or 1.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent

over the past year.

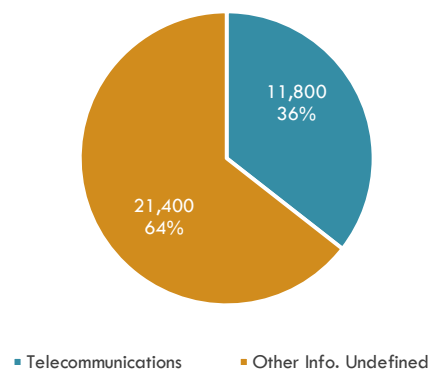
Chart 25. Information (NSA)
Over-the-year Net Change, Apr-08 to Apr-23



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 the majority of the sector's employment at 64 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Information sector is 50 percent less than the national average.

Chart 26. Employment in Component Industries of Information Sector - April 2023

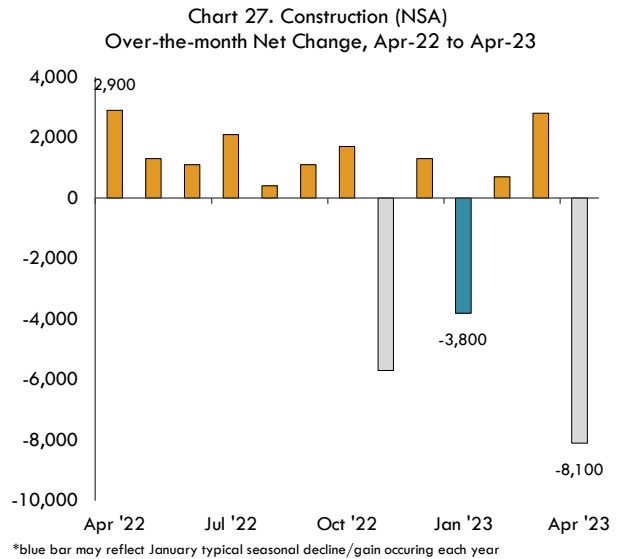


DECLINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the largest declining sector over the month down -8,100 jobs, or -3.6 (see Chart 27). This was the largest April decline since 2020 and the second-largest decline historically for the month of April since records began in 1990. Historically in the month of April, Construction has lost an average of -400 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -4,000 jobs over the month. The second-largest declining contributor was Construction of Buildings, which lost -2,100 jobs from March to April. Lastly, Heavy and Civil Engineering Construction subtracted, -2,000 jobs. Construction employment was revised downward by -200 jobs for a February to March smaller net gain of 2,800 compared to an original estimate of 3,000 jobs.

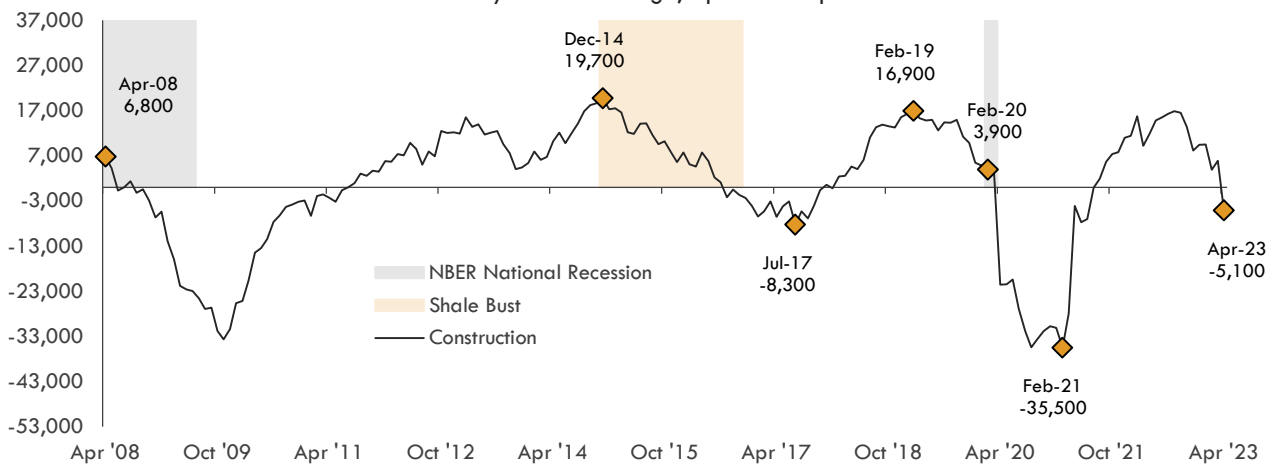


Over-the-year Change

Year over year, Construction was down -5,100 jobs, or -2.3 percent (see Chart 28). This was the largest over-the-year decline since June 2021's decrease of -7,000 jobs. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 79.7 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -6,400 jobs over the year. One component industry that provided a partial offset was Construction of

Buildings, which gained 500 jobs from April a year ago. Lastly, Heavy and Civil Engineering Construction offset a portion of the sector's losses with a gain of 800 jobs. Total Construction employment (NSA) remains -21,200 jobs, or -8.9 percent below its February 2020 pre-pandemic level of 237,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 6.9 percent to 6.5 percent over the past year.

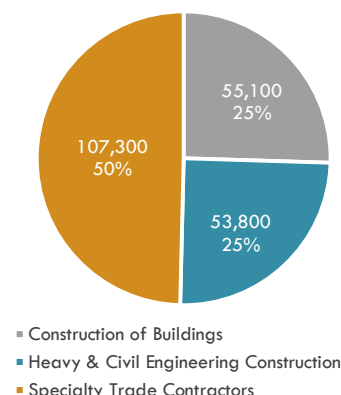
Chart 28. Construction (NSA) Over-the-year Net Change, Apr-08 to Apr-23



About This Sector

This 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 29). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 29 percent higher than the national average, due to 2.3 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 29. Employment in Component Industries of Construction Sector - April 2023

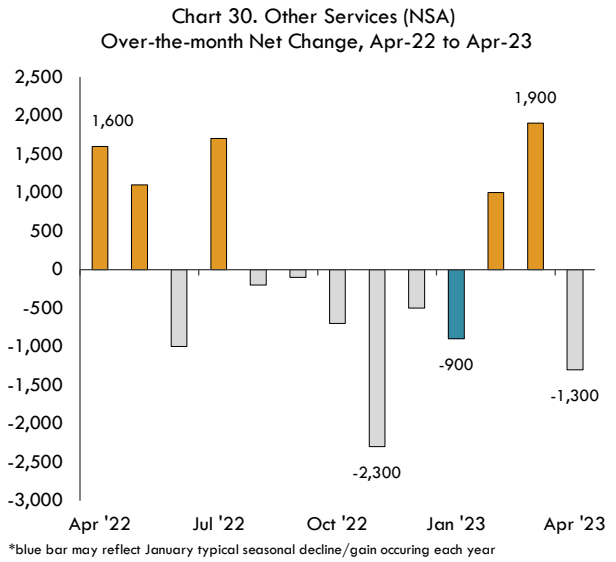


DECLINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services was the second-largest declining sector over the month down -1,300 jobs, or -1.1 (see Chart 30). This was the largest April decline since 2020 and the second-largest decline historically for the month of April since records began in 1990. Historically in the month of April, Other Services has added an average of 1,700 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. 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 -700 jobs for a February to March smaller net gain of 1,900 compared to an original estimate of 2,600 jobs.

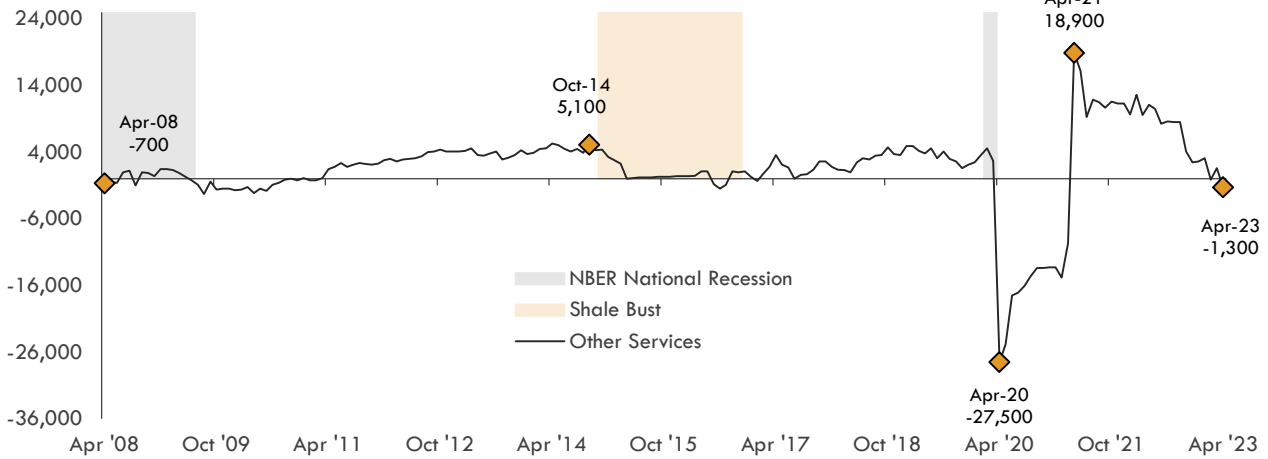


Over-the-year Change

Year over year, Other Services was down -1,300 jobs, or -1.1 percent (see Chart 31). This was the third-largest over-the-year decline in April since records began in 1990 and the largest over-the-year decline since March 2021's loss of -9,700 jobs. Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 20.3 percent of total (gross) jobs lost across the region over the past year can be attributed to Other Services. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other

Services employment (NSA) remains -1,700 jobs, or -1.4 percent below its February 2020 pre-pandemic level of 119,100. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 3.7 percent to 3.5 percent over the past year.

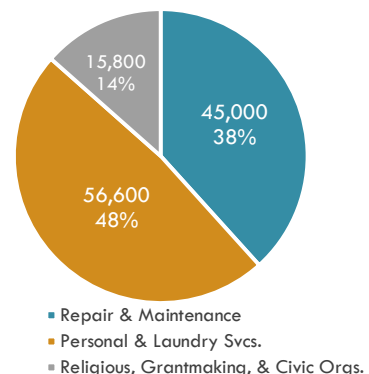
Chart 31. Other Services (NSA) Over-the-year Net Change, Apr-08 to Apr-23



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 32). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 6 percent less than the national average.

Chart 32. Employment in Component Industries of Other Services Sector - April 2023



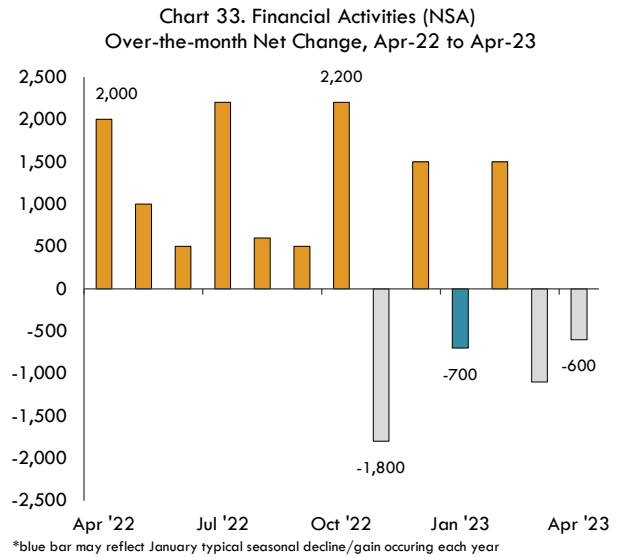
*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities was the third-largest declining sector over the month down -600 jobs, or -0.3 (see Chart 33). This was the largest April over-the-month decline in since 2020. Historically in the month of April, Financial Activities has added an average of 300 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Finance and Insurance was the largest contributor to the overall sector's decline, down -500 jobs over the month. The second-largest declining contributor was Real Estate and Rental and Leasing, which lost -100 jobs from March to April. Financial Activities employment saw no revision from February to March leaving the previous month's original decrease of -1,100 intact.

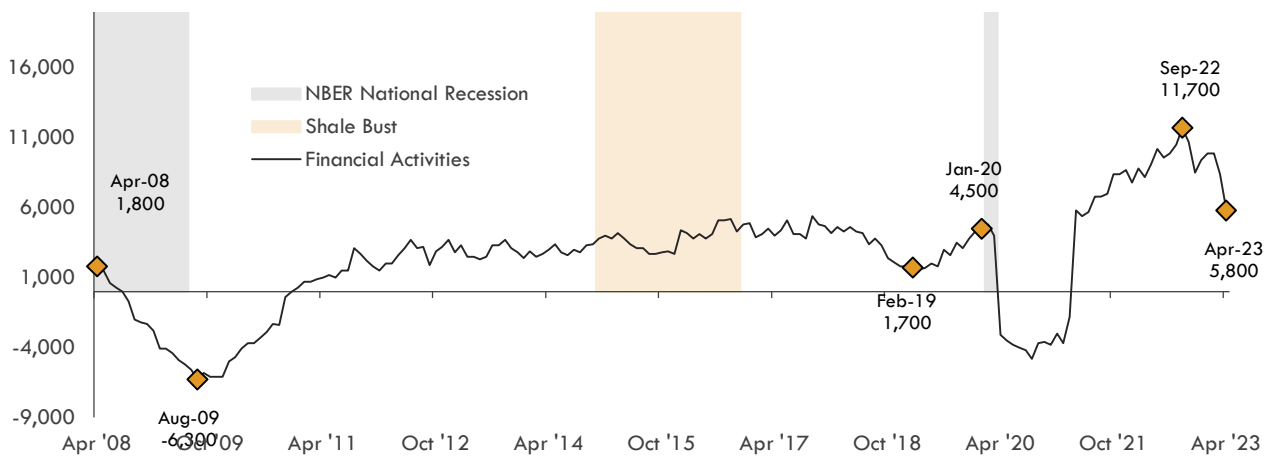


Over-the-year Change

Year over year, Financial Activities was up 5,800 jobs, or 3.3 percent (see Chart 34). This April also marks nine consecutive months of over-the-year gains. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 3,700 jobs over the year. The second-largest contributor was Finance and Insurance, which added 2,100 jobs from April a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 13,300, or 7.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has

remained constant at 5.5 percent over the past year.

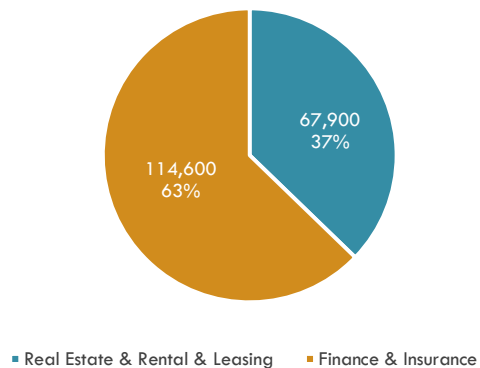
Chart 34. Financial Activities (NSA) Over-the-year Net Change, Apr-08 to Apr-23



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 63 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 6 percent less than the national average, due to a 20-percent lower concentration in Finance and Insurance offsetting a 32-percent higher concentration in Real Estate and Rental and Leasing.

Chart 35. Employment in Component Industries of Financial Activities Sector - April 2023



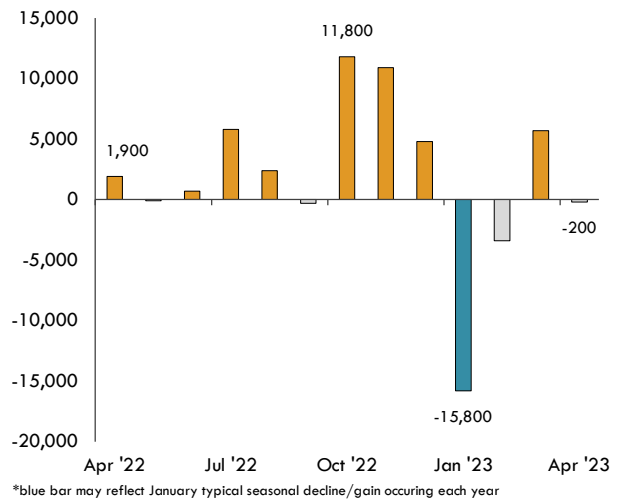
DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities also saw a decrease over the month down -200 jobs, or 0.0 (see Chart 36). This was the largest April over-the-month decline in since 2020. Historically in the month of April, Trade, Transportation, and Utilities has added an average of 500 jobs over the month, which indicates that this month's losses are moderately in contrast to the long-term average gain. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's decline, down -2,100 jobs over the month. One component industry that provided a partial offset was Retail Trade, which gained 500 jobs from March to April. Lastly, Wholesale Trade offset a portion of the sector's losses with a gain of 1,400 jobs. Trade, Transportation, and Utilities employment was revised downward by -300 jobs for a February to March smaller net gain of 5,700 compared to an original estimate of 6,000 jobs.

Chart 36. Trade, Transportation, and Utilities (NSA)
Over-the-month Net Change, Apr-22 to Apr-23

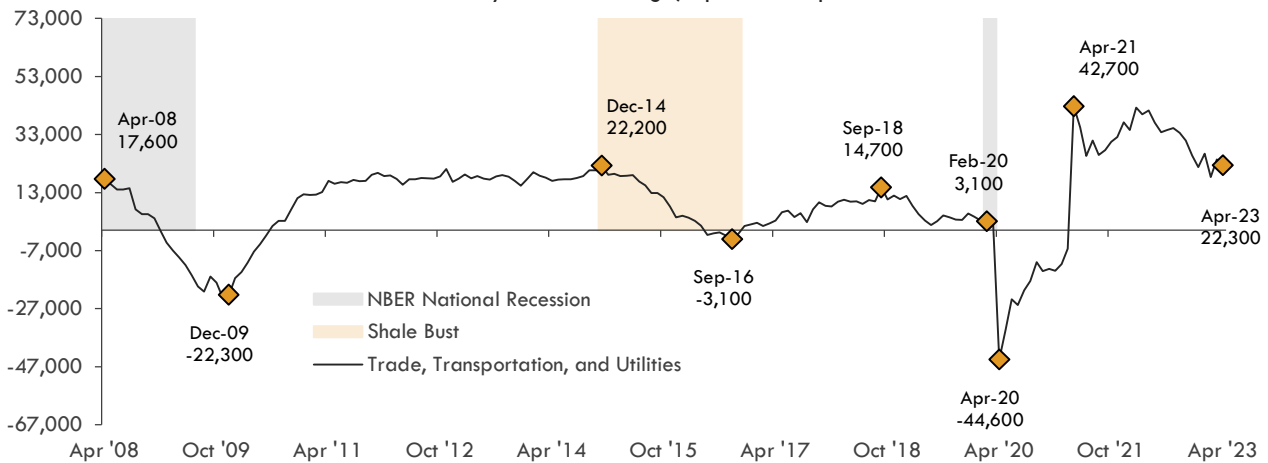


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 22,300 jobs, or 3.4 percent (see Chart 37). This was the third-largest over-the-year gain in April since records began in 1990. It also marks 25 consecutive months of over-the-year gains. Furthermore, 18.7 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 8,900 jobs over the year. The second-largest contributor was Wholesale Trade, which added 8,700 jobs from April a year

ago. Lastly, Retail Trade contributed, 4,700 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,500 jobs by 54,500, or 8.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 20.5 percent over the past year.

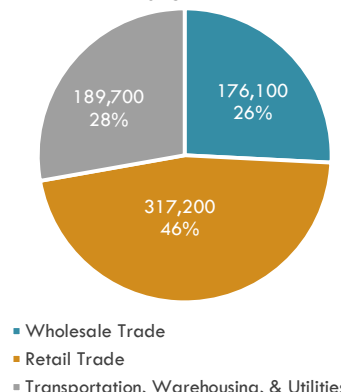
Chart 37. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Apr-08 to Apr-23



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 46 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall sector is 11 percent higher than the national average, due to a 36-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 38. Employment in Component Industries of Trade, Transportation, and Utilities Sector - April 2023



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.0 percent in April, down from March's 4.4 percent and up from 3.9 percent a year ago. This was above the statewide rate of 3.7 percent and above the national rate of 3.1 percent. An over-the-month decline in April is typical having occurred nearly 85 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 141,733 individuals were unemployed in Houston in April, down from March's 160,889 and up from 134,392 in April 2022 (see Charts 39 and 40).

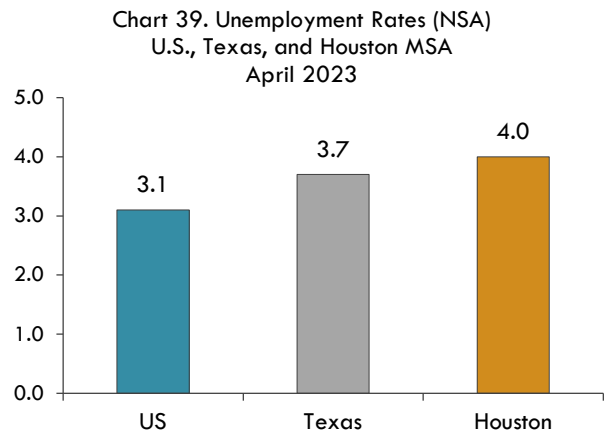
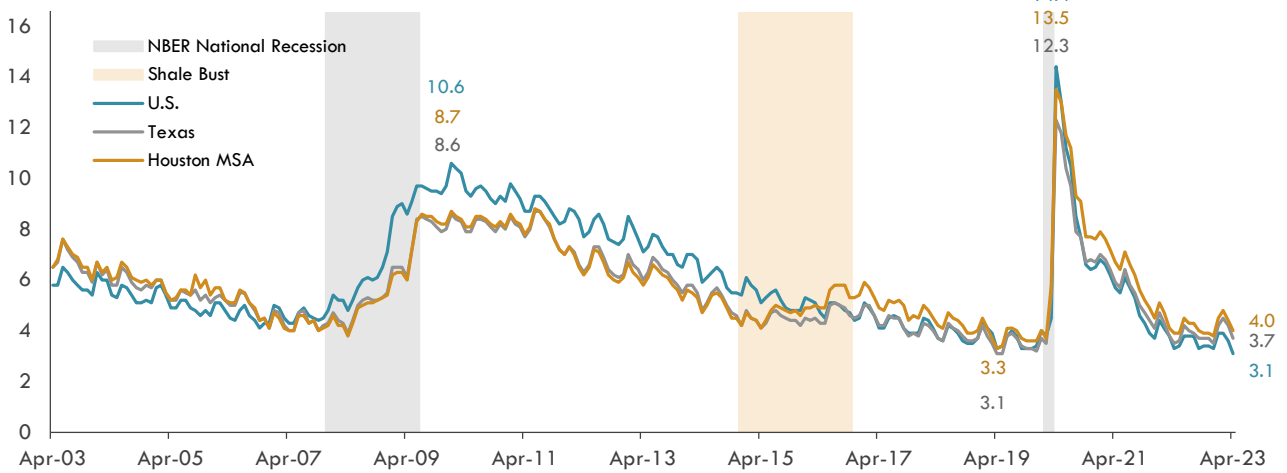


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) April 2003 to April 2023

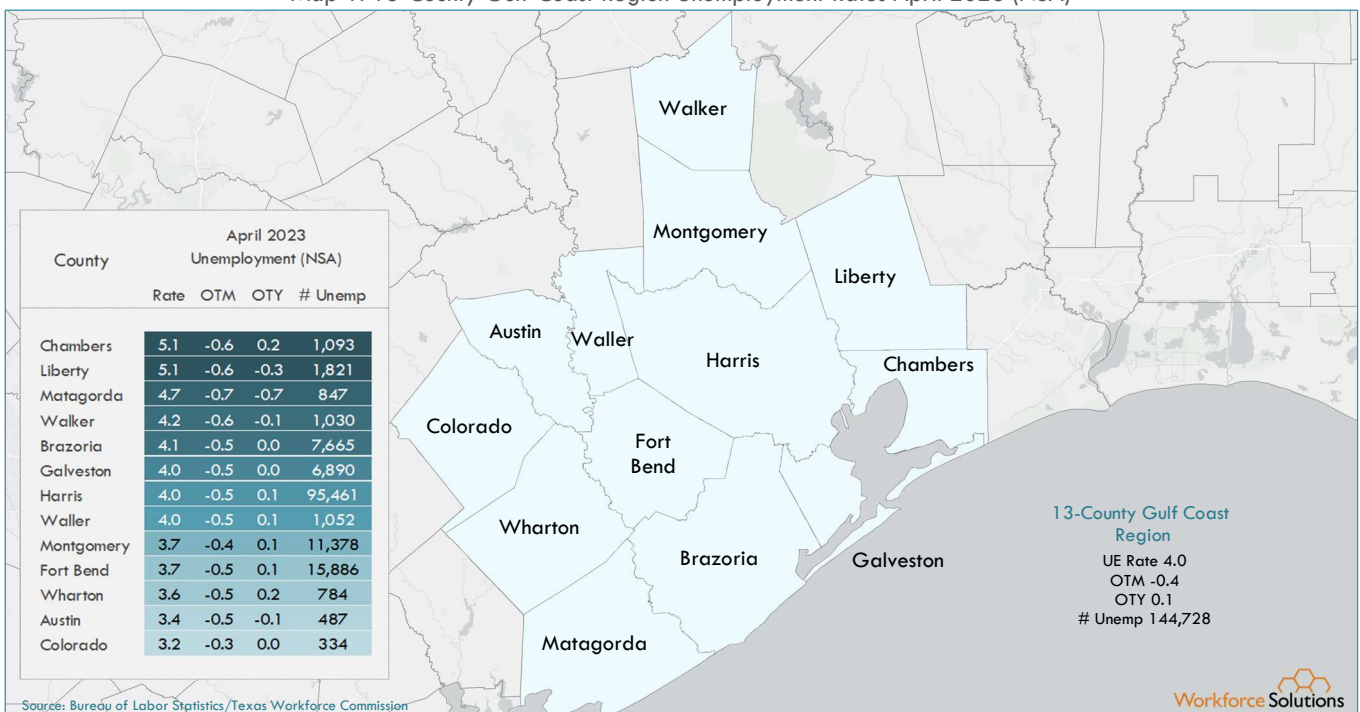


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in April ranged from a high of 5.1 percent in Chambers County to a low of 3.2 percent in Colorado. Over the month, all 13 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.4 percentage points. Matagorda saw the largest percentage-point decrease in unemployment down -0.7 pp. representing -141 fewer unemployed workers compared to the previous month. This was followed by Chambers (-0.6 pp, -136 workers) and Liberty (-0.6 pp, -263 workers). Over the year

unemployment rates rose with, Wharton posting the largest increase, up 0.2 percentage points representing 40 more unemployed workers compared to a year ago followed by Chambers (0.2 pp, 78 workers) and Waller (0.1 pp, 55 workers). Since peaking at 449,312 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -304,584 as of this April (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates April 2023 (NSA)



Local Area Unemployment Statistics (continued)

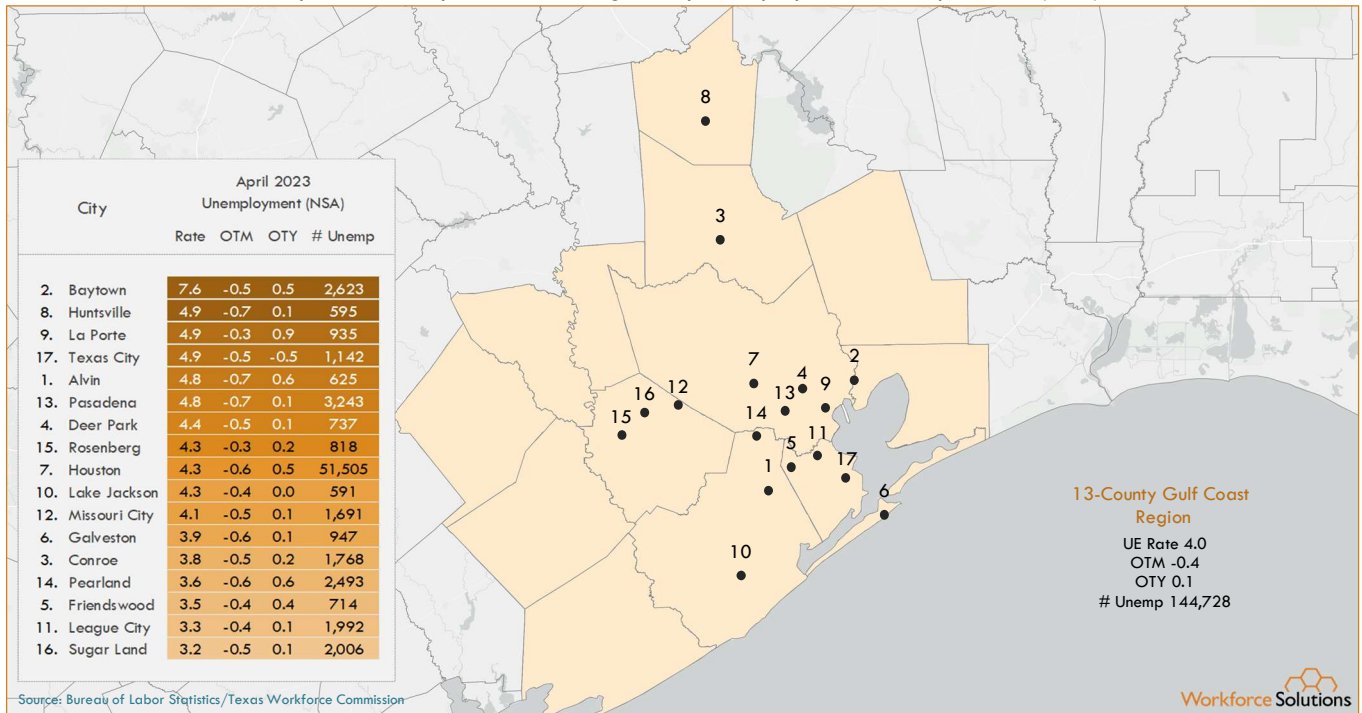
Not-Seasonally Adjusted

Unemployment Rates for Select Municipalities

Among the 17 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in April ranged from a high of 7.6 percent in Baytown to a low of 3.2 percent in Sugar Land (see Map 2 legend). Over the month, all 17 cities saw their unemployment rates decline in keeping with region-wide decrease of -0.4 percentage points. Pasadena saw the largest percentage-point decrease in unemployment down -0.7 pp.

representing -459 fewer unemployed workers compared to the previous month. This was followed by Huntsville (-0.7 pp, -91 workers) and Alvin (-0.7 pp, -97 workers). Over the year unemployment rates rose with, La Porte posting the largest increase, up 0.9 percentage points representing 204 more unemployed workers compared to a year ago followed by Pearland (0.6 pp, 485 workers) and Alvin (0.6 pp, 92 workers). The 17 cities below accounted for 51 percent of the 144,728 unemployed workers across the Gulf Coast Region as of this April (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates April 2023 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.3 percent in March, up from February's 4.2 percent and This was above the statewide rate of 4.0 percent and above the national rate of 3.5 percent. 152,479 individuals were unemployed in Houston in March, up from February's 148,406 and up from 151,691 in March 2022 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 17 cities.

Chart 41. Unemployment Rates (SA)
 U.S., Texas, and Houston MSA
 March 2023

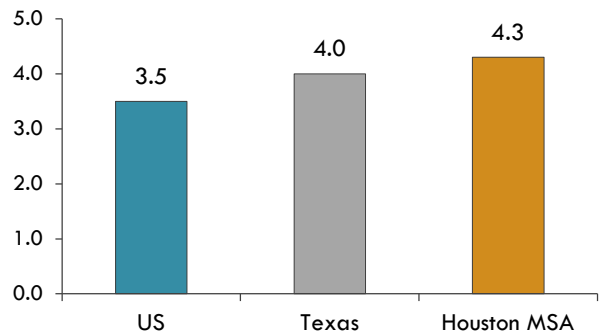
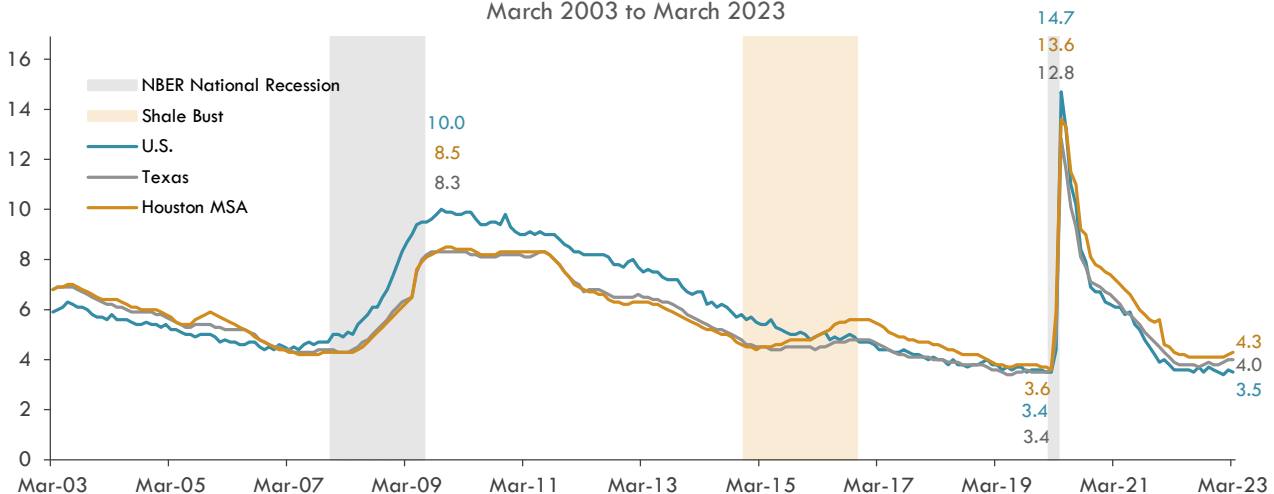


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
 March 2003 to March 2023



Gulf Coast Workforce Solutions Index (WSI)

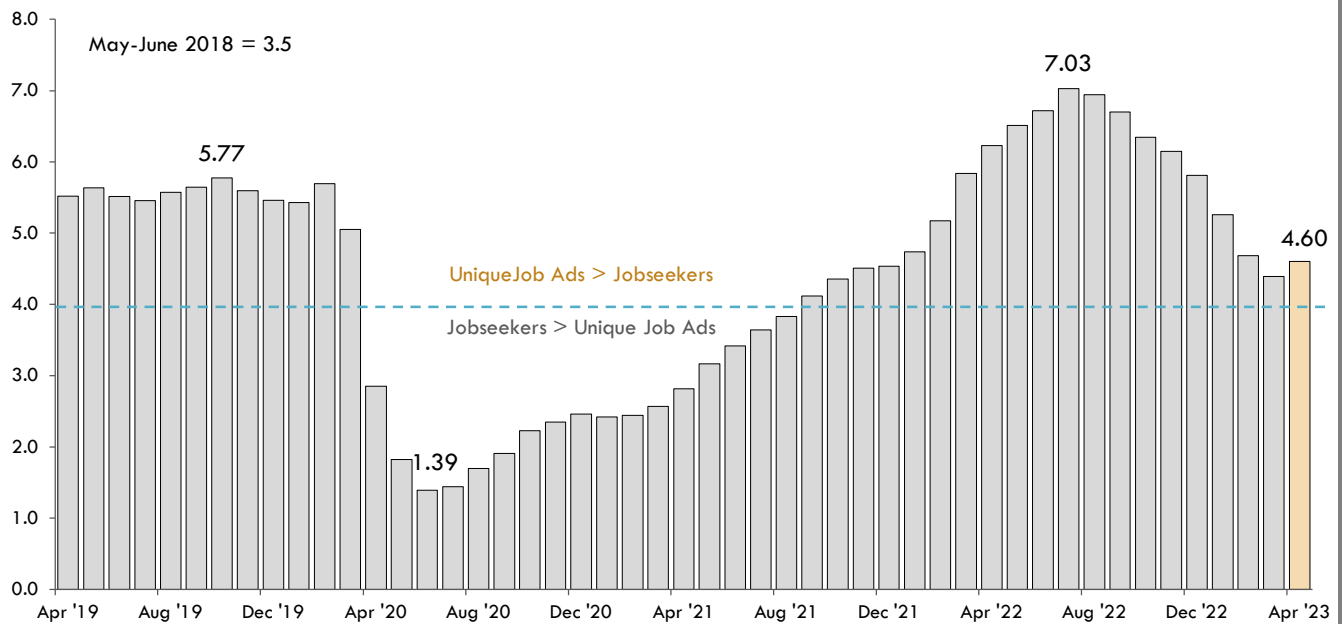


The Gulf Coast Workforce Solutions Index (WSI)

The WSI is an indicator designed to capture shifts in the local labor market, specifically the balance between available jobs and unemployed workers at a given point in time. Values above 4.0 signal a surplus of jobs while values less than 4.0 signal a surplus of jobseekers. The Gulf Coast Workforce Board monitors the WSI as part of its ongoing review of the region's unemployment insurance work search requirement and reserves the right to adjust the number of weekly job search contacts as labor market conditions warrant. In the event of change to the work search requirement, the Board will notify the Texas Workforce Commission who will in turn notify UI recipients.

WSI Reading
April
2023:
4.60

Gulf Coast Workforce Solutions Index - Houston MSA 2017 - 2022 (SA)



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS
Note: data subject to revisions.



Workforce Solutions Index April 2023

The Houston MSA WSI for April stood at 4.6, up from March's revised reading of 4.39. This April's value was the result of an 25,000-increase in job ads over from March coupled with a modest increase in unemployed workers by 4,100 from February to March (SA). However Lightcast issued a notice stating that it has

"completed its restatement of US posting data covering March and April 2023, effective May 12th. Total postings have decreased by 23% compared to previous numbers, so any analysis including those months completed prior to the restatement may overstate results."

Nonetheless, April's reading continues to suggest that a requirement of four work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



Houston Area Employment Situation

April 2023

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Apr-23	Mar-23	Apr-22	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,332,400	3,332,100	3,219,800	300	0.0%	112,600	3.5%
Total Private	2,881,500	2,881,600	2,787,000	-100	0.0%	94,500	3.4%
Goods Producing	514,600	521,000	508,000	-6,400	-1.2%	6,600	1.3%
..Mining and Logging	68,900	68,100	64,900	800	1.2%	4,000	6.2%
...Oil and Gas Extraction	29,400	29,200	28,700	200	0.7%	700	2.4%
...Support Activities for Mining	37,700	37,300	34,900	400	1.1%	2,800	8.0%
..Construction	216,200	224,300	221,300	-8,100	-3.6%	-5,100	-2.3%
..Construction of Buildings	55,100	57,200	54,600	-2,100	-3.7%	500	0.9%
..Heavy and Civil Engineering Construction	53,800	55,800	53,000	-2,000	-3.6%	800	1.5%
..Specialty Trade Contractors	107,300	111,300	113,700	-4,000	-3.6%	-6,400	-5.6%
..Manufacturing	229,500	228,600	221,800	900	0.4%	7,700	3.5%
..Durable Goods	141,300	140,600	135,600	700	0.5%	5,700	4.2%
...Fabricated Metal Product Manufacturing	49,000	48,900	46,100	100	0.2%	2,900	6.3%
...Machinery Manufacturing	41,800	41,700	39,800	100	0.2%	2,000	5.0%
....Agriculture, Construction, and Mining Machinery Mfg.	21,800	21,800	20,400	0	0.0%	1,400	6.9%
...Computer and Electronic Product Manufacturing	14,200	14,200	13,700	0	0.0%	500	3.6%
..Non-Durable Goods	88,200	88,000	86,200	200	0.2%	2,000	2.3%
...Petroleum and Coal Products Manufacturing	7,800	7,800	7,800	0	0.0%	0	0.0%
...Chemical Manufacturing	42,000	41,900	40,500	100	0.2%	1,500	3.7%
Service Providing	2,817,800	2,811,100	2,711,800	6,700	0.2%	106,000	3.9%
.Private Service Providing	2,366,900	2,360,600	2,279,000	6,300	0.3%	87,900	3.9%
..Trade, Transportation, and Utilities	683,000	683,200	660,700	-200	0.0%	22,300	3.4%
...Wholesale Trade	176,100	174,700	167,400	1,400	0.8%	8,700	5.2%
....Merchant Wholesalers, Durable Goods	109,800	108,500	102,900	1,300	1.2%	6,900	6.7%
....Prof. and Commercial Equip. Supplies Wholesalers	17,600	17,600	17,100	0	0.0%	500	2.9%
....Merchant Wholesalers, Nondurable Goods	53,800	53,800	52,900	0	0.0%	900	1.7%
...Retail Trade	317,200	316,700	312,500	500	0.2%	4,700	1.5%
....Motor Vehicle and Parts Dealers	43,500	43,300	43,100	200	0.5%	400	0.9%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,800	24,500	25,000	300	1.2%	-200	-0.8%
....Food and Beverage Stores	73,700	73,700	71,200	0	0.0%	2,500	3.5%
....Health and Personal Care Stores	61,400	61,100	61,200	300	0.5%	200	0.3%
....Clothing and Clothing Accessories Stores	19,700	19,700	19,300	0	0.0%	400	2.1%
....General Merchandise Stores	41,700	41,400	41,900	300	0.7%	-200	-0.5%
....Department Stores	20,600	20,500	21,300	100	0.5%	-700	-3.3%
....Other General Merchandise Stores	25,000	25,000	24,700	0	0.0%	300	1.2%
...Transportation, Warehousing, and Utilities	189,700	191,800	180,800	-2,100	-1.1%	8,900	4.9%
....Utilities	20,300	20,300	19,300	0	0.0%	1,000	5.2%
....Air Transportation	20,300	20,200	19,900	100	0.5%	400	2.0%
....Truck Transportation	30,900	30,900	29,900	0	0.0%	1,000	3.3%
....Pipeline Transportation	12,900	12,900	12,200	0	0.0%	700	5.7%
..Information	33,200	33,100	32,400	100	0.3%	800	2.5%
...Telecommunications	11,800	11,700	11,700	100	0.9%	100	0.9%
..Financial Activities	182,500	183,100	176,700	-600	-0.3%	5,800	3.3%
...Finance and Insurance	114,600	115,100	112,500	-500	-0.4%	2,100	1.9%
....Credit Intermediation and Related Activities	45,600	46,000	46,000	-400	-0.9%	-400	-0.9%
....Depository Credit Intermediation	29,500	29,700	29,200	-200	-0.7%	300	1.0%
....Securities, Commodity Contracts, and Fin. Investments	22,800	23,000	22,100	-200	-0.9%	700	3.2%
....Insurance Carriers and Related Activities	46,200	46,100	44,400	100	0.2%	1,800	4.1%
...Real Estate and Rental and Leasing	67,900	68,000	64,200	-100	-0.1%	3,700	5.8%
..Professional and Business Services	558,300	556,100	531,400	2,200	0.4%	26,900	5.1%
...Professional, Scientific, and Technical Services	273,900	274,600	256,100	-700	-0.3%	17,800	7.0%
....Legal Services	32,100	32,000	30,500	100	0.3%	1,600	5.2%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	29,600	29,500	28,600	100	0.3%	1,000	3.5%
....Architectural, Engineering, and Related Services	75,900	75,400	67,600	500	0.7%	8,300	12.3%
....Computer Systems Design and Related Services	43,600	43,300	41,400	300	0.7%	2,200	5.3%
...Management of Companies and Enterprises	46,600	46,200	44,000	400	0.9%	2,600	5.9%
...Admin. and Support and Waste Mgmt. and Remediation	237,800	235,300	231,300	2,500	1.1%	6,500	2.8%
....Administrative and Support Services	224,200	221,700	218,700	2,500	1.1%	5,500	2.5%
....Employment Services	86,000	85,800	87,700	200	0.2%	-1,700	-1.9%
....Services to Buildings and Dwellings	56,000	54,000	52,800	2,000	3.7%	3,200	6.1%
..Educational and Health Services	443,800	443,000	421,300	800	0.2%	22,500	5.3%
...Educational Services	72,600	72,800	69,100	-200	-0.3%	3,500	5.1%
...Health Care and Social Assistance	371,200	370,200	352,200	1,000	0.3%	19,000	5.4%
....Ambulatory Health Care Services	186,900	186,900	178,100	0	0.0%	8,800	4.9%
....Hospitals	94,100	94,200	87,800	-100	-0.1%	6,300	7.2%
..Leisure and Hospitality	348,700	343,400	337,800	5,300	1.5%	10,900	3.2%
...Arts, Entertainment, and Recreation	36,800	37,100	36,200	-300	-0.8%	600	1.7%
...Accommodation and Food Services	311,900	306,300	301,600	5,600	1.8%	10,300	3.4%
....Accommodation	27,000	26,300	25,500	700	2.7%	1,500	5.9%
....Food Services and Drinking Places	284,900	280,000	276,100	4,900	1.8%	8,800	3.2%
..Other Services	117,400	118,700	118,700	-1,300	-1.1%	-1,300	-1.1%
Government	450,900	450,500	432,800	400	0.1%	18,100	4.2%
.Federal Government	33,200	32,900	31,900	300	0.9%	1,300	4.1%
.State Government	95,400	95,700	90,700	-300	-0.3%	4,700	5.2%
..State Government Educational Services	54,100	54,800	51,000	-700	-1.3%	3,100	6.1%
.Local Government	322,300	321,900	310,200	400	0.1%	12,100	3.9%
..Local Government Educational Services	224,800	224,800	215,600	0	0.0%	9,200	4.3%