

Houston Area Employment Situation

August 2024

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Post-storm Rebound Turbo-charges Payrolls in August

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,444,700 in August, up 23,400 jobs over the month, or 0.7 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 9,700 jobs. This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 18,500 jobs in 1997. Prior to the pandemic, historically in the month of August, Total Nonfarm has on average added 7,500 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

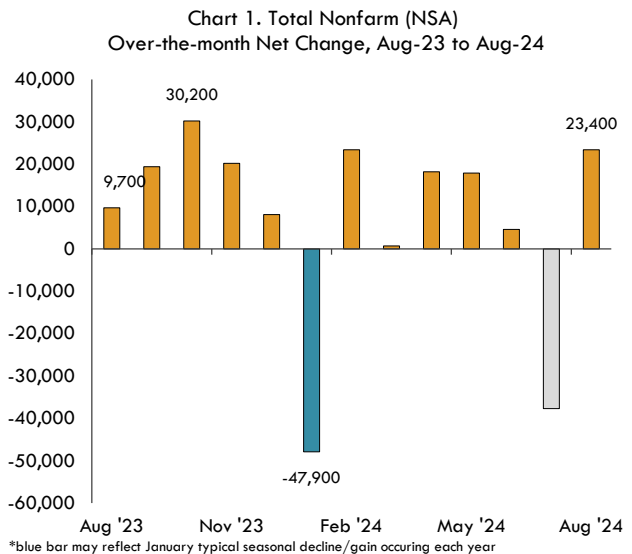
The primary drivers of this August's growth were increases in Trade, Transportation, and Utilities; Construction; and Private Education and Health Services. Gains were also recorded in Financial Activities; Professional and Business Services; and Leisure and Hospitality. The net increase in jobs over the month was partially offset by losses in Mining and Logging, and Information (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,457,700, up 32,300 jobs over the month, or 0.9 percent vs. a historical average of 5,000. This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 17,100 jobs in 2020. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC. NOTE: The Houston-Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA) consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. Analysis of major sectors and their sub-components throughout the remainder of this report references not-seasonally adjusted data. All data provided by BLS/TWC unless otherwise noted.

Top-3 Drivers of Over-the-month Job Growth in August

- Trade, Transportation, and Utilities: 6,100
- Construction: 4,500
- Private Education and Health Services: 3,400

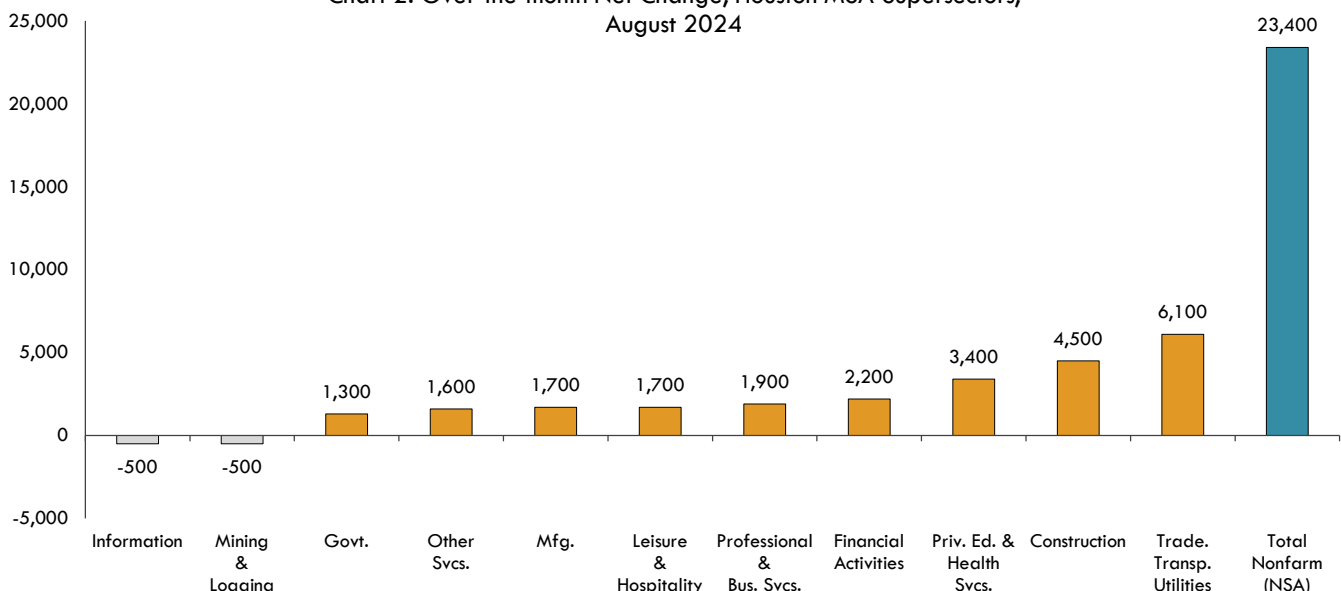
Over-the-year Change

Over the year, Total Nonfarm employment was up 80,500 or 2.4 percent on a not-seasonally-adjusted basis and up 76,600 or 2.3 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, August 2023 saw a year-over-year gain of 99,400 jobs (NSA) from August 2022. This was the largest over-the-year gain since May 2024's increase of 83,500 jobs. Currently 10 out of 11 sectors show growth year over year of which the top-three are Construction (15,900); Private Education and Health Services (15,600); and Government (13,200) (see Chart 4). Total



Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,191,800 jobs by 252,900, or 7.9 percent (260,700 jobs, 8.2 percent above 3,197,000 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, August 2024



Houston Area Employment Situation

August 2024

Previous Month's Revisions

Total Nonfarm employment was revised downward by -7,700 jobs for a June to July larger net loss of -37,700 compared to an original estimate of -30,000 jobs. A downward revision of -4,200 jobs in Government was the largest contributor followed by Trade, Transportation, and Utilities (-2,000) and Construction (-900). Upward revisions in Private Education and Health Services (+800), Other Services (+200), and Manufacturing (+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 August

- Construction: 15,900
- Private Education and Health Services: 15,600
- Government: 13,200

Chart 5. Net Revisions for Selected Supersectors and Major Industries, July 2024

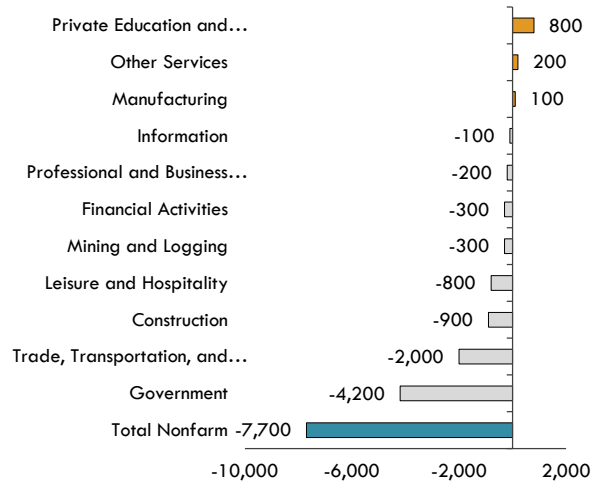


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Aug-09 to Aug-24

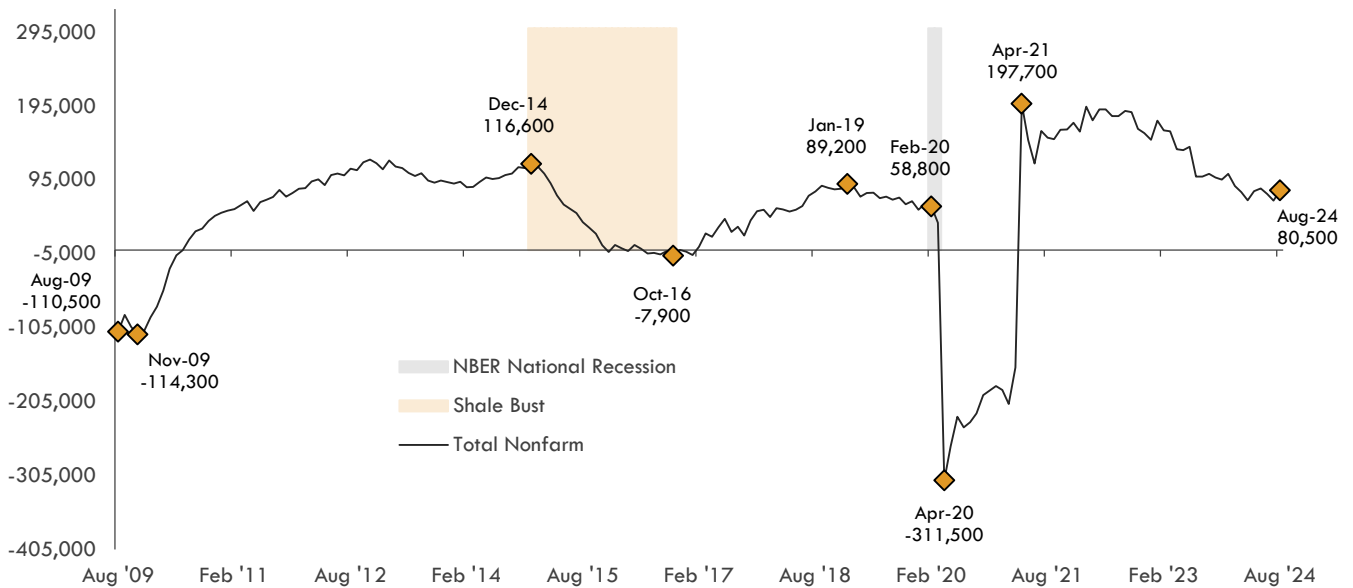
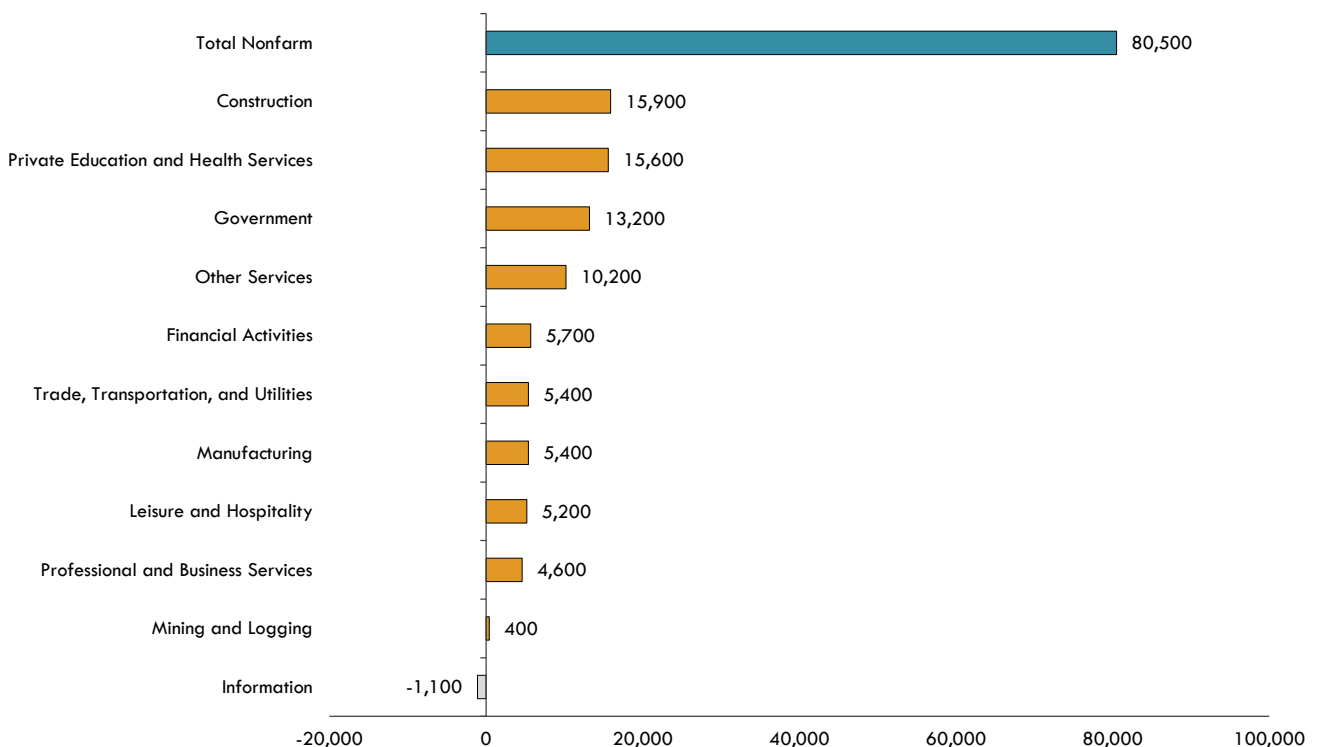


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
August 2023 to August 2024



Supplemental Commentary

Overall Impressions

Let's start off with the bad news. Thanks to Hurricane Beryl, Houston saw its worst July on record, both seasonally and not-seasonally-adjusted, with losses of -17,200 and -37,700, respectively. However, the storm also gave us our best August on record with gains of 32,000 and 23,400, again respectively. In short, the anticipated rebound effect from Hurricane Beryl delivered in spades. As a result, this year's two-month cumulative growth over July and August mirrors typical levels seen in the years immediately prior to the pandemic. Another side effect of August's recovery: over-the-year growth is back in the range of 76,000 to 80,000 after dipping into the mid to low 60s. Despite wind damage and extended power outages for some, it appears Houston returned to "business as usual" even more quickly than after Hurricane Harvey.

Naturally, the August rebound turbo-charged over the month job growth in several sectors. Trade, Transportation, and Utilities saw its second-best August on record up 6,100 jobs. Construction set a new August record up 4,500. Private Education and Health added 3,400 jobs over the month however this was no match for July's record loss of -3,800 leaving the sector a bit worse for wear post storm. Professional and Business Services performed similarly with its August gain of 1,900 failing to offset the previous month's record loss of -3,500. Financial Activities was seemingly unaffected by the storm, adding an above average 1,100 jobs in July, yet it still managed to turn in a new August record of 2,200. The picture for Leisure and Hospitality was a bit more complicated due to shifting seasonal patterns in recent years. Nonetheless the sector added a respectable 1,700 jobs in August. Manufacturing and Other Services set new August records up 1,700 and 1,600 respectively while Government defied its typical August losses to post a gain of 1,300. Only Mining and Logging, i.e. upstream oil and gas, and Information, i.e. TV and print media, telecommunications, etc. failed to see a rebound with both sectors coincidentally losing -500 jobs in August on top of July's losses of -300.

Despite a rebound in payrolls in August, the unemployment rate remained elevated with July rising to 4.9 percent with only slight improvement in August with 4.7 percent (NSA). Taken together with June's 4.8 percent, the region's unemployment rate continue to show signs of creeping higher back to levels last seen in early 2022. In an interesting twist of fate, initial claims for unemployment, since peaking at nearly 12,000 in the immediate aftermath of the storm, have resumed trending downward with the week of September 7th yielding just 3,522 for the fewest initial claims filed in a single week since the week of February 24th. Keep in mind these figures don't reflect the special category of unemployment insurance claims related to natural disasters however the week to week declines since the storm remain noteworthy. Lastly, continuing claims, which broke 45,000 in July for the highest number in roughly three years, fell to 37,000 in August, suggesting that the storm may have caused a temporary spike in continuing claims in the same month as the storm.

While the job market's performance in the remaining four months of the year remains to be seen, August provided a much needed shot in the arm and once again demonstrated the region's resilience in the face of yet another hurricane. With a larger-than-expected interest rate cut just a couple of days ago, there may be enough tailwinds to keep Houston's end of year job growth towards the upper end of expectations. Fingers crossed.

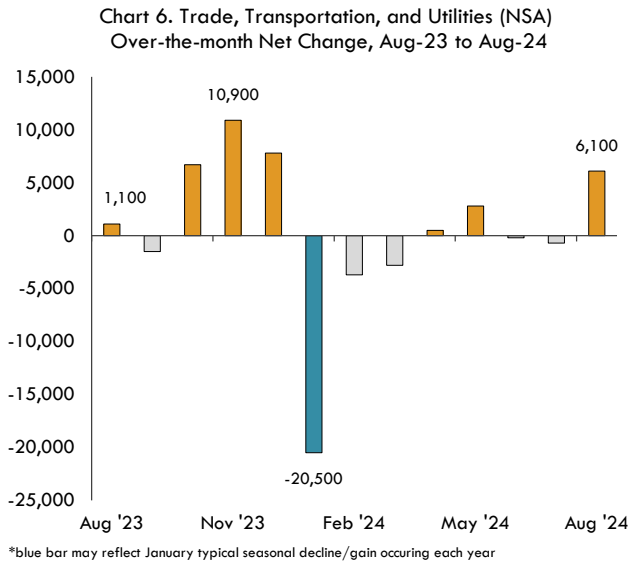
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GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 6,100 jobs, or 0.9 percent (see Chart 6). This was the largest August gain since 2020 and the second-largest gain historically for the month of August since records began in 1990. Historically in the month of August, Trade, Transportation, and Utilities has added an average of 2,700 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 2,800 jobs over the month. The second-largest contributor was Wholesale Trade, which added 1,700 jobs from July to August. Lastly, Retail Trade contributed, 1,600 jobs. Trade, Transportation, and Utilities employment was revised downward by -2,000 jobs for a June to July complete erasure of gains leaving a net loss of -700 compared to an original estimate of 1,300 jobs.

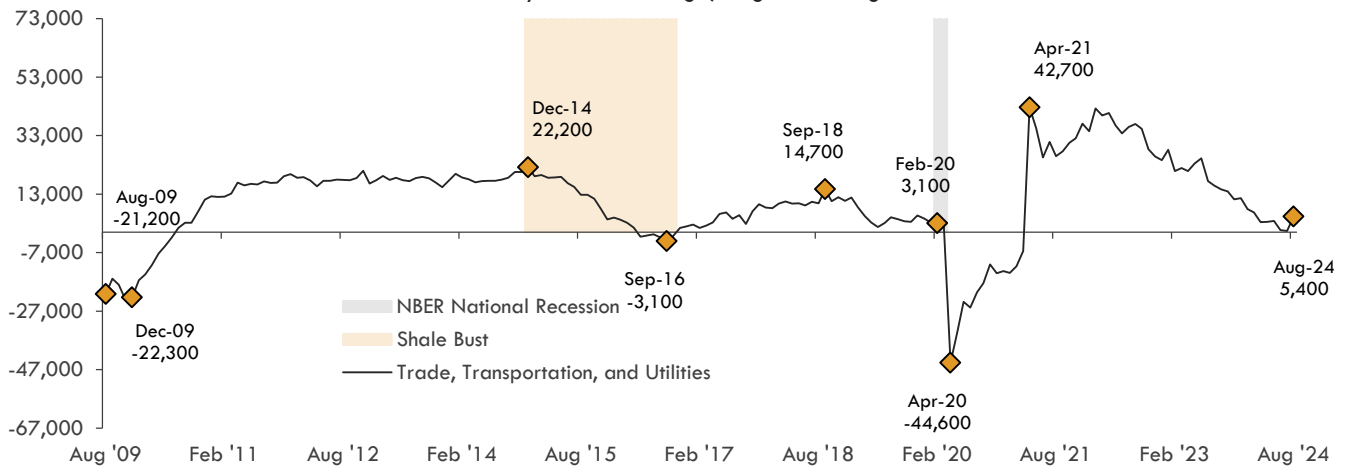


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 5,400 jobs, or 0.8 percent (see Chart 7). This was the largest over-the-year gain since February 2024's increase of 6,800 jobs. It also marks 41 consecutive months of over-the-year gains. Wholesale Trade was the largest contributor to the overall sector's increase, up 4,800 jobs over the year. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 2,200 jobs from August a year ago. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -1,600 jobs. Total Trade, Transportation, and Utilities employment (NSA) now

exceeds its February 2020 pre-pandemic level of 628,500 jobs by 64,100, or 10.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 20.4 percent to 20.1 percent over the past year.

Chart 7. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Aug-09 to Aug-24



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 8).

Chart 8. Employment in Component Industries of Trade, Transportation, and Utilities Sector - August 2024

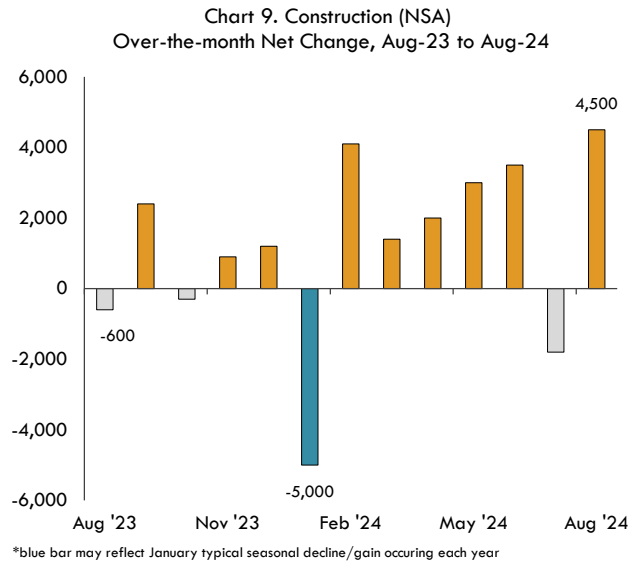


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the second-largest gaining sector over the month up 4,500 jobs, or 1.9 percent (see Chart 9). This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 4,300 jobs in 2012. Historically in the month of August, Construction has added an average of 1,100 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 2,700 jobs over the month. The second-largest contributor was Heavy and Civil Engineering Construction, which added 1,000 jobs from July to August. Lastly, Construction of Buildings contributed, 800 jobs. Construction employment was revised downward by -900 jobs for a June to July larger net loss of -1,800 compared to an original estimate of -900 jobs.

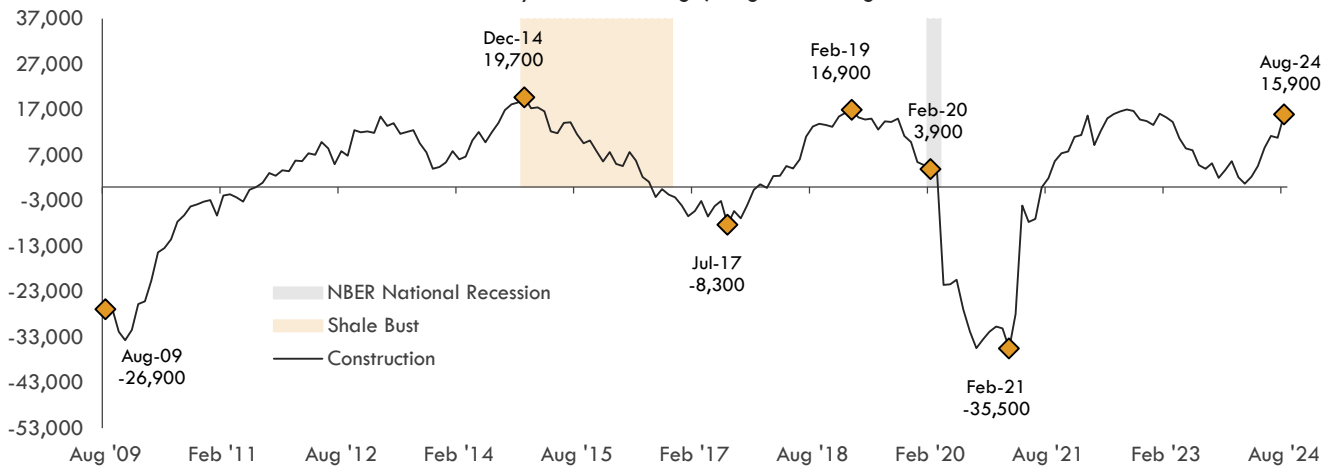


Over-the-year Change

Year over year, Construction was up 15,900 jobs, or 6.9 percent (see Chart 10). This was the third-largest over-the-year gain in August since records began in 1990 and the largest gain since January 2023's increase of 16,100 jobs. It also marks 37 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, 19.5 percent of total (gross) jobs added across the region over the past year can be attributed to Construction. Heavy and Civil Engineering Construction was the largest contributor to the overall

sector's increase, up 6,000 jobs over the year. The second-largest contributor was Construction of Buildings, which added 5,000 jobs from August a year ago. Lastly, Specialty Trade Contractors contributed, 4,900 jobs. Total Construction employment (NSA) now exceeds its February 2020 pre-pandemic level of 237,400 jobs by 8,800, or 3.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 6.8 percent to 7.1 percent over the past year.

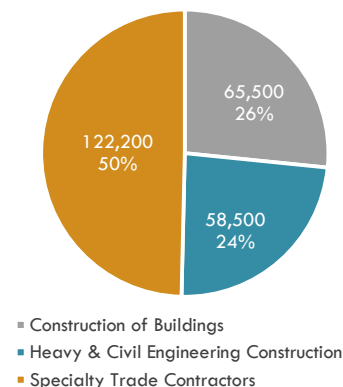
Chart 10. Construction (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 11). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 33 percent higher than the national average, due to 2.2 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 11. Employment in Component Industries of Construction Sector - August 2024

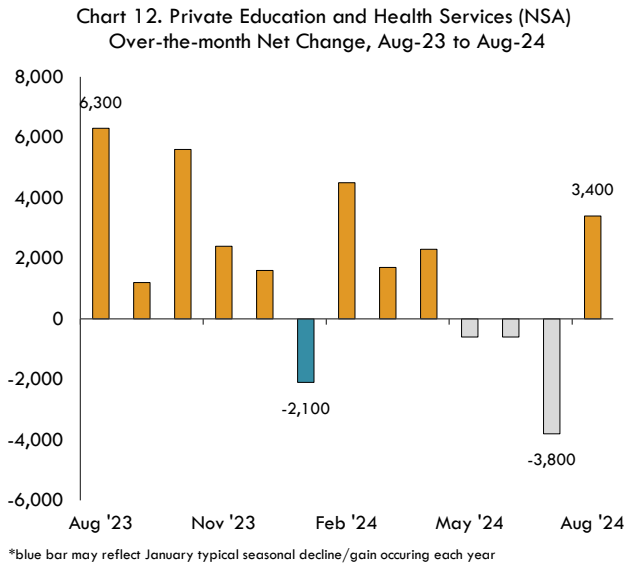


GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services was the third-largest gaining sector over the month up 3,400 jobs, or 0.7 percent (see Chart 12). Historically in the month of August, Private Education and Health Services has added an average of 2,600 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 1,800 jobs over the month. The second-largest contributor was Private Educational Services, which added 1,600 jobs from July to August. Private Education and Health Services employment was revised upward by 800 jobs for a June to July smaller net loss of -3,800 compared to an original estimate of -4,600 jobs.

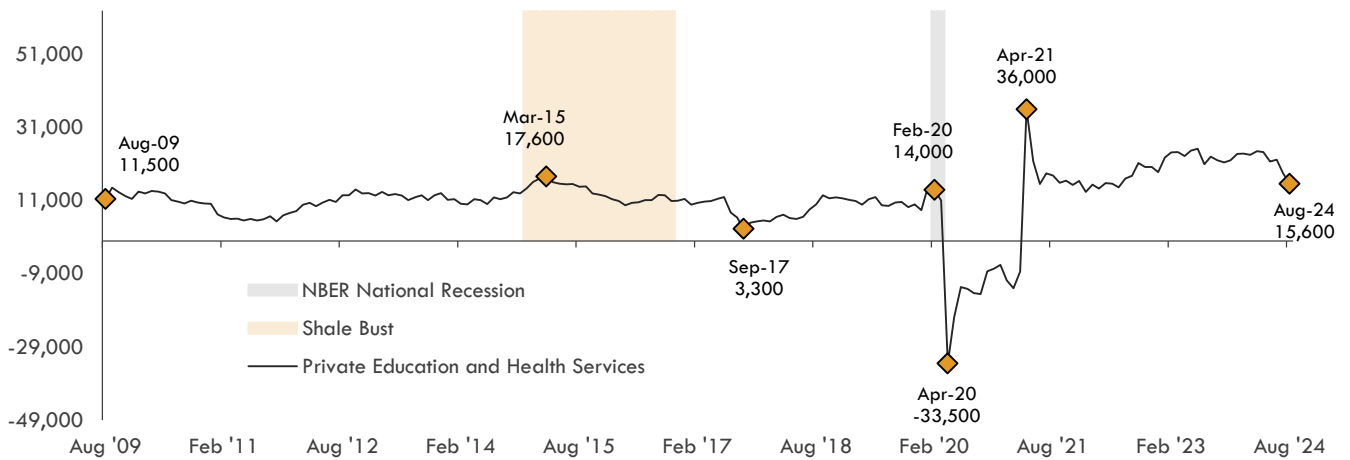


Over-the-year Change

Year over year, Private Education and Health Services was up 15,600 jobs, or 3.5 percent (see Chart 13). Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 19.1 percent of total (gross) jobs added across the region over the past year can be attributed to Private Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 15,600 jobs over the year. One component industry, Private Educational Services, saw no change from August a year ago. Total Private Education

and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 52,700, or 12.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.4 percent to 13.6 percent over the past year.

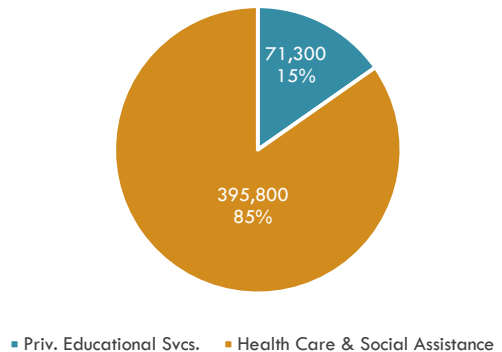
Chart 13. Private Education and Health Services (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 85 percent (see Chart 14). 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 14. Employment in Component Industries of Private Education and Health Services Sector - August 2024

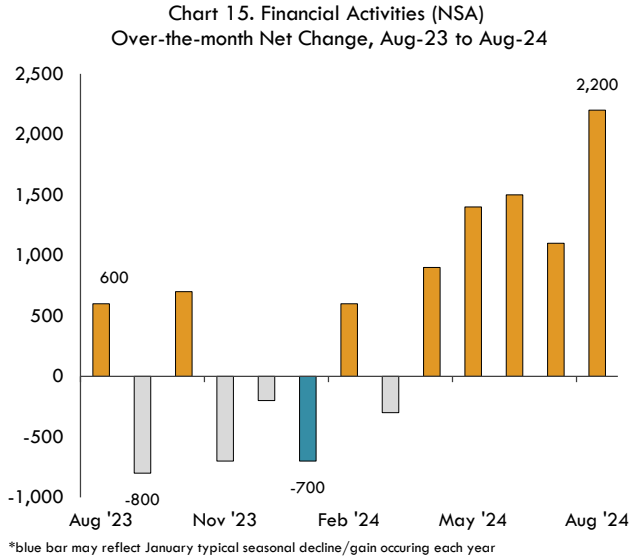


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 2,200 jobs, or 1.2 percent (see Chart 15). This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 1,000 jobs in 2003. Historically in the month of August, Financial Activities has added an average of 200 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Finance and Insurance was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. The second-largest contributor was Real Estate and Rental and Leasing, which added 1,000 jobs from July to August. Financial Activities employment was revised downward by -300 jobs for a June to July smaller net gain of 1,100 compared to an original estimate of 1,400 jobs.

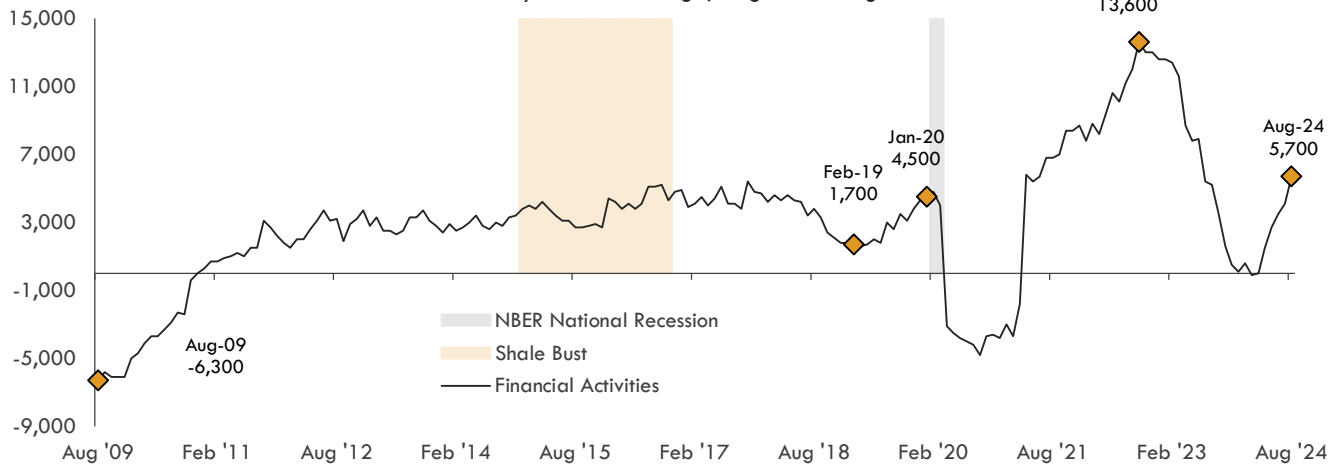


Over-the-year Change

Year over year, Financial Activities was up 5,700 jobs, or 3.0 percent (see Chart 16). This was the largest over-the-year gain since June 2023's increase of 7,900 jobs. It also marks nine consecutive months of over-the-year gains. Finance and Insurance was the largest contributor to the overall sector's increase, up 3,000 jobs over the year. The second-largest contributor was Real Estate and Rental and Leasing, which added 2,700 jobs from August a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 24,200, or 14.3 percent. At the same time, the

sector's share of Houston area Total Nonfarm Employment has remained constant at 5.6 percent over the past year.

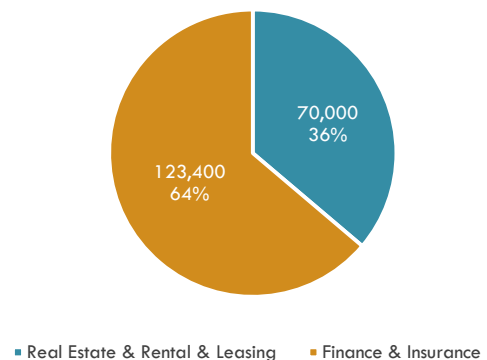
Chart 16. Financial Activities (NSA)
Over-the-year Net Change, Aug-09 to Aug-24



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 64 percent (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 4 percent less than the national average, due to a 16-percent lower concentration in Finance and Insurance offsetting a 27-percent higher concentration in Real Estate and Rental and Leasing.

Chart 17. Employment in Component Industries of
Financial Activities Sector - August 2024

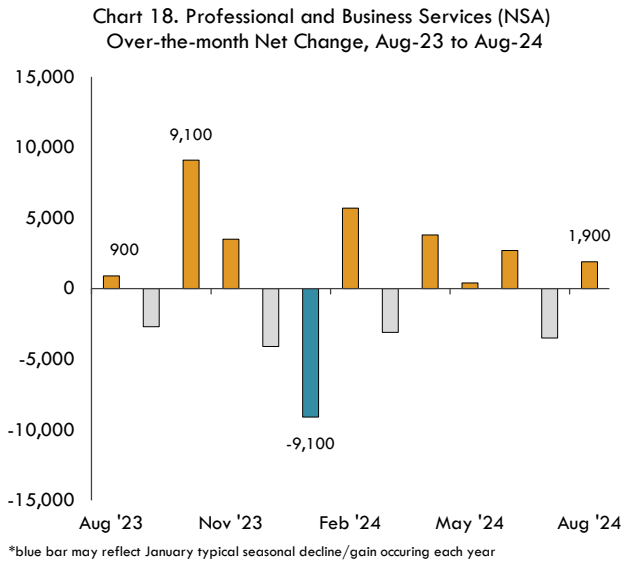


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services also saw an increase over the month up 1,900 jobs, or 0.3 percent (see Chart 18). This was the largest August over-the-month gain in since 2022. Historically in the month of August, Professional and Business Services has added an average of 1,800 jobs over the month, which indicates that this month's gains are on par with the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 3,100 jobs over the month. The second-largest contributor was Management of Companies and Enterprises, which added 100 jobs from July to August. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's gains with a loss of -1,300 jobs. Professional and Business Services employment was revised downward by -200 jobs for a June to July larger net loss of -3,500 compared to an original estimate of -3,300 jobs.

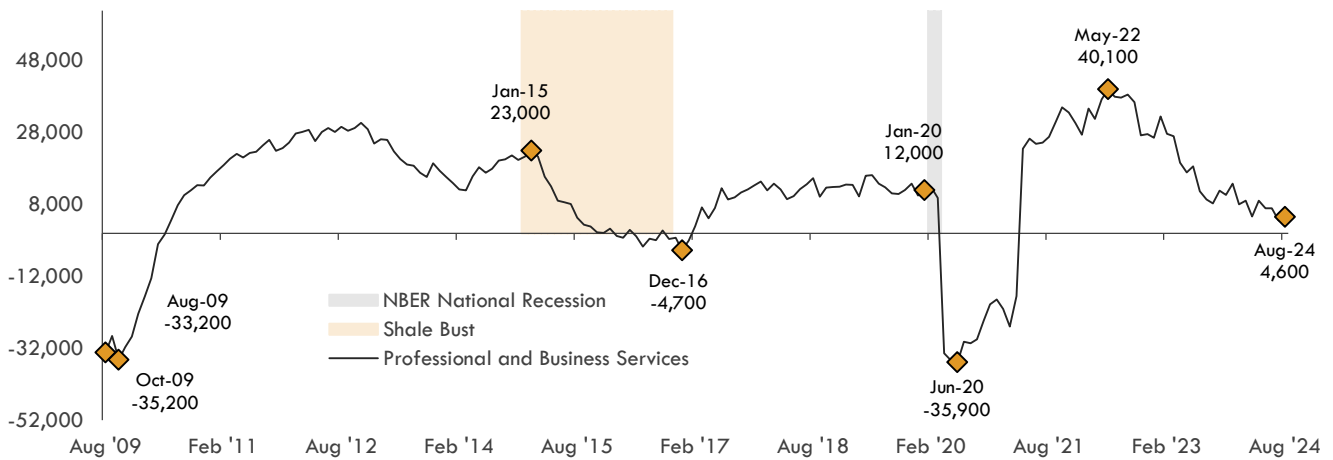


Over-the-year Change

Year over year, Professional and Business Services was up 4,600 jobs, or 0.8 percent (see Chart 19). This August also marks 41 consecutive months of over-the-year gains. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 4,700 jobs over the year. The second-largest contributor was Management of Companies and Enterprises, which added 300 jobs from August 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 -400 jobs. Total Professional and Business Services

employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 47,800, or 9.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.6 percent to 16.3 percent over the past year.

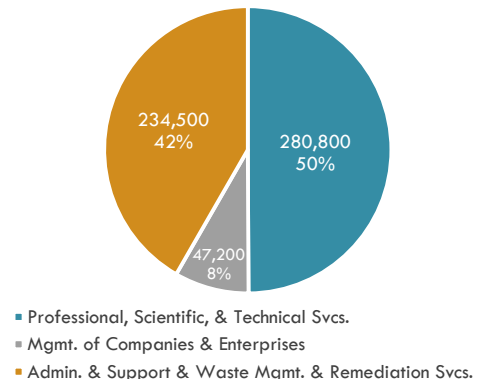
Chart 19. Professional and Business Services (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 50 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall sector is 12 percent higher than the national average, due to a 17-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 20. Employment in Component Industries of Professional and Business Services Sector - August 2024

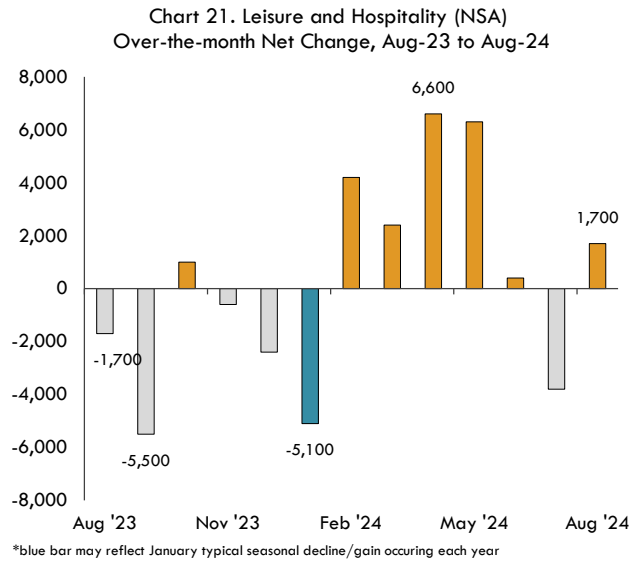


GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality also saw an increase over the month up 1,700 jobs, or 0.5 percent (see Chart 21). This was the largest August gain since 2020 and the third-largest gain historically for the month of August since records began in 1990. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 2,500 jobs over the month. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -800 jobs from July to August. Leisure and Hospitality employment was revised downward by -800 jobs for a June to July larger net loss of -3,800 compared to an original estimate of -3,000 jobs.

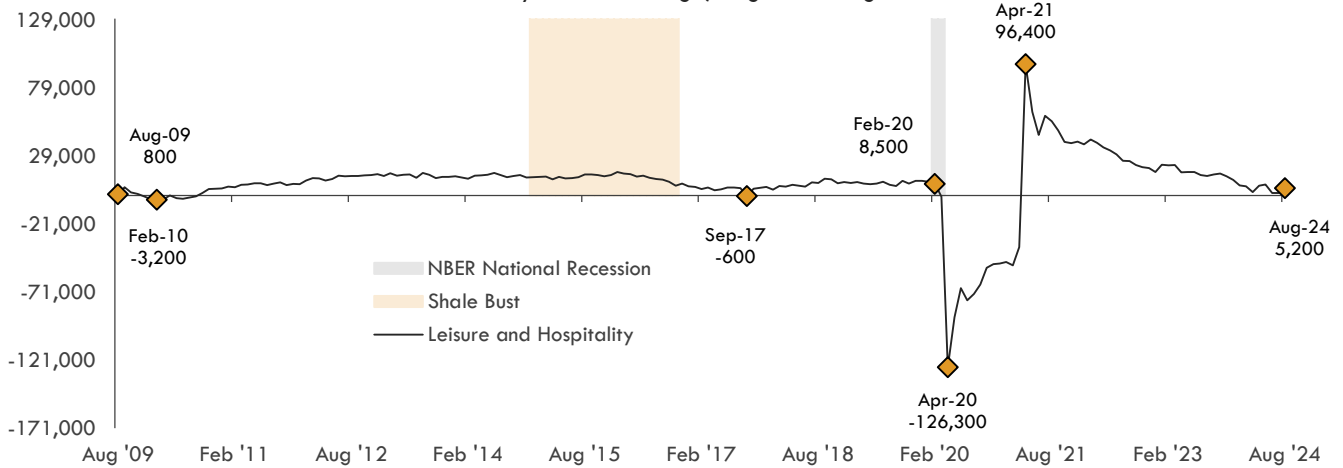


Over-the-year Change

Year over year, Leisure and Hospitality was up 5,200 jobs, or 1.4 percent (see Chart 22). This was the largest over-the-year gain since May 2024's increase of 8,100 jobs. It also marks 41 consecutive months of over-the-year gains. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 4,500 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 700 jobs from August a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 32,300, or 9.7 percent. At

the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 10.7 percent to 10.6 percent over the past year.

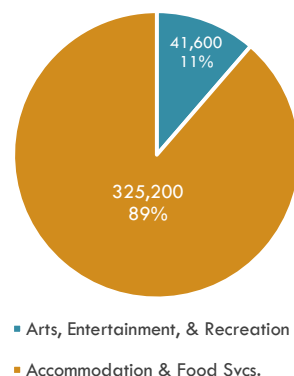
Chart 22. Leisure and Hospitality (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 23). Across the Houston MSA, the concentration of jobs in the overall sector is 4 percent less than the national average.

Chart 23. Employment in Component Industries of Leisure and Hospitality Sector - August 2024

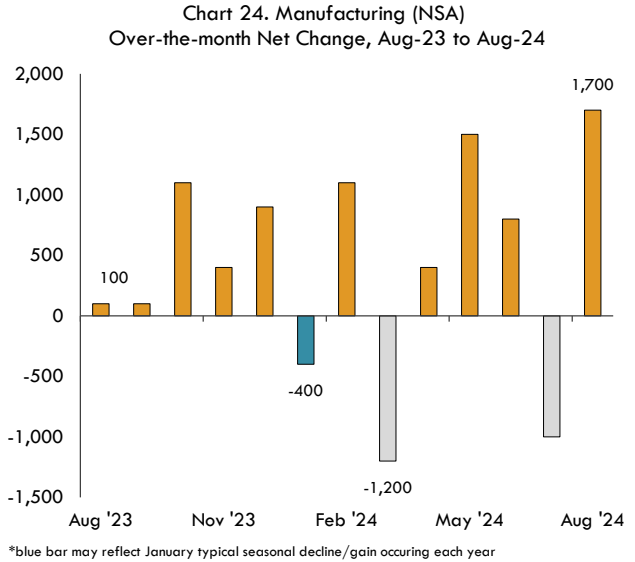


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 1,700 jobs, or 0.7 percent (see Chart 24). This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 1,200 jobs in 2006. Non-Durable Goods was the largest contributor to the overall sector's increase, up 900 jobs over the month. The second-largest contributor was Durable Goods, which added 800 jobs from July to August. Manufacturing employment was revised upward by 100 jobs for a June to July smaller net loss of -1,000 compared to an original estimate of -1,100 jobs.

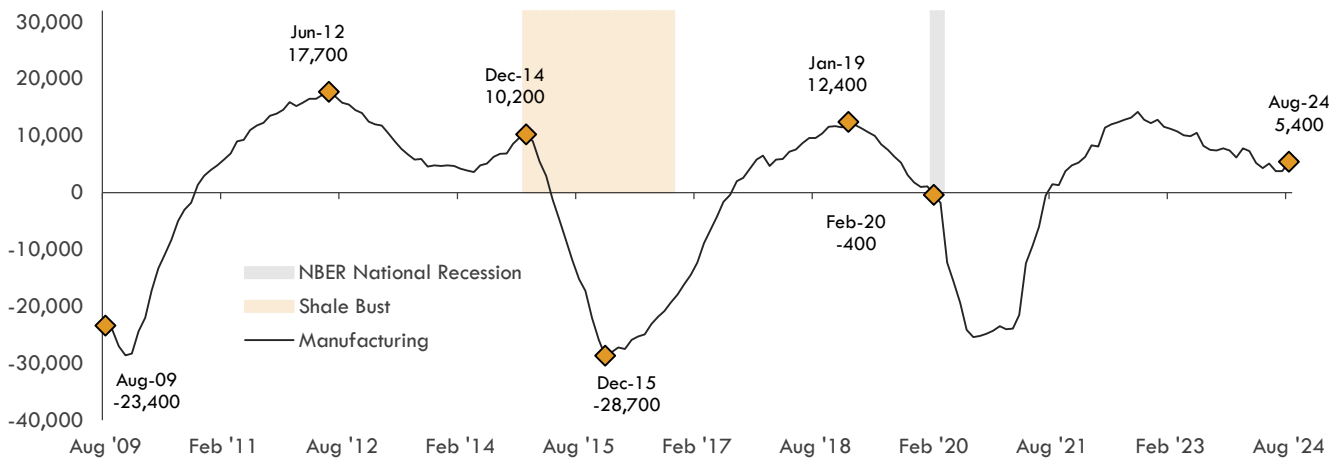


Over-the-year Change

Year over year, Manufacturing was up 5,400 jobs, or 2.3 percent (see Chart 25). This was the largest over-the-year gain since February 2024's increase of 7,300 jobs. It also marks 37 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 4,500 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 900 jobs from August a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,500 jobs by 5,100, or 2.2 percent. At the same time, the sector's share of Houston

area Total Nonfarm Employment has remained constant at 7.0 percent over the past year.

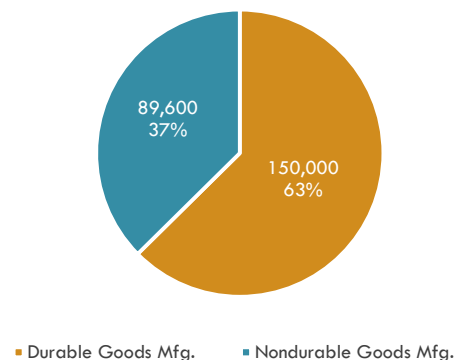
Chart 25. Manufacturing (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 63 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 15 percent less than the national average.

Chart 26. Employment in Component Industries of Manufacturing Sector - August 2024

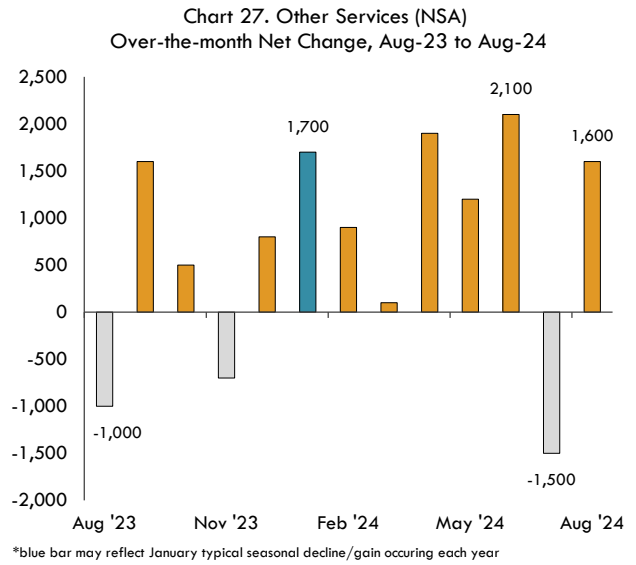


GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services also saw an increase over the month up 1,600 jobs, or 1.2 percent (see Chart 27). This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 400 jobs in 2018. Historically in the month of August, Other Services has lost an average of -800 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. 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 200 jobs for a June to July smaller net loss of -1,500 compared to an original estimate of -1,700 jobs.

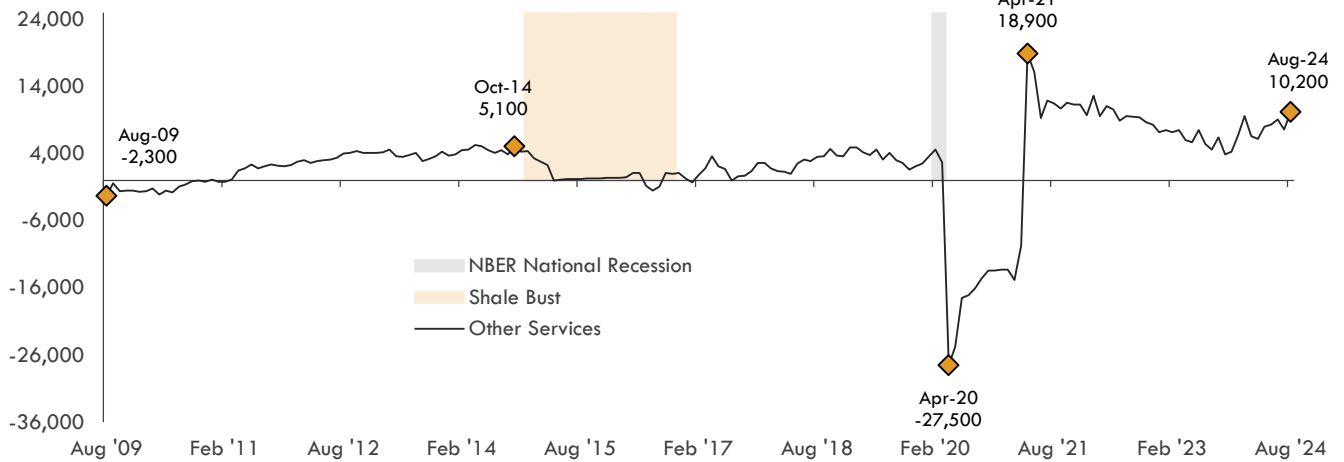


Over-the-year Change

Year over year, Other Services was up 10,200 jobs, or 8.1 percent (see Chart 28). This was the second-largest over-the-year gain in the month of August since records began in 1990 and the largest gain since May 2022's increase of 10,600 jobs. It also marks 41 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. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,100

jobs by 17,000, or 14.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 3.7 percent to 4.0 percent over the past year.

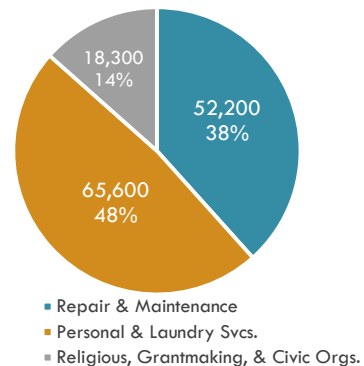
Chart 28. Other Services (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 29). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 5 percent higher than the national average.

Chart 29. Employment in Component Industries of Other Services Sector - August 2024



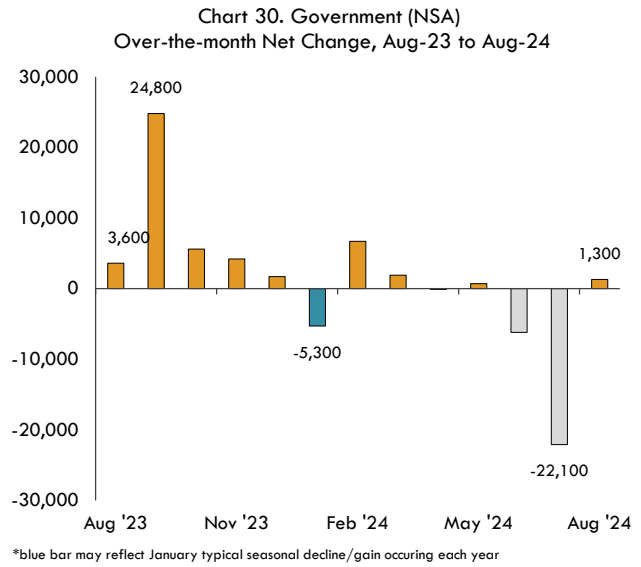
*estimated proportions based QCEW covered and NES self-employment

GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government also saw an increase over the month up 1,300 jobs, or 0.3 percent (see Chart 30). Historically in the month of August, Government has lost an average of -200 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Local Government was the largest contributor to the overall sector's increase, up 1,000 jobs over the month. The second-largest contributor was State Government, which added 300 jobs from July to August. Lastly, Federal Government saw no change over the month. Government employment was revised downward by -4,200 jobs for a June to July larger net loss of -22,100 compared to an original estimate of -17,900 jobs.

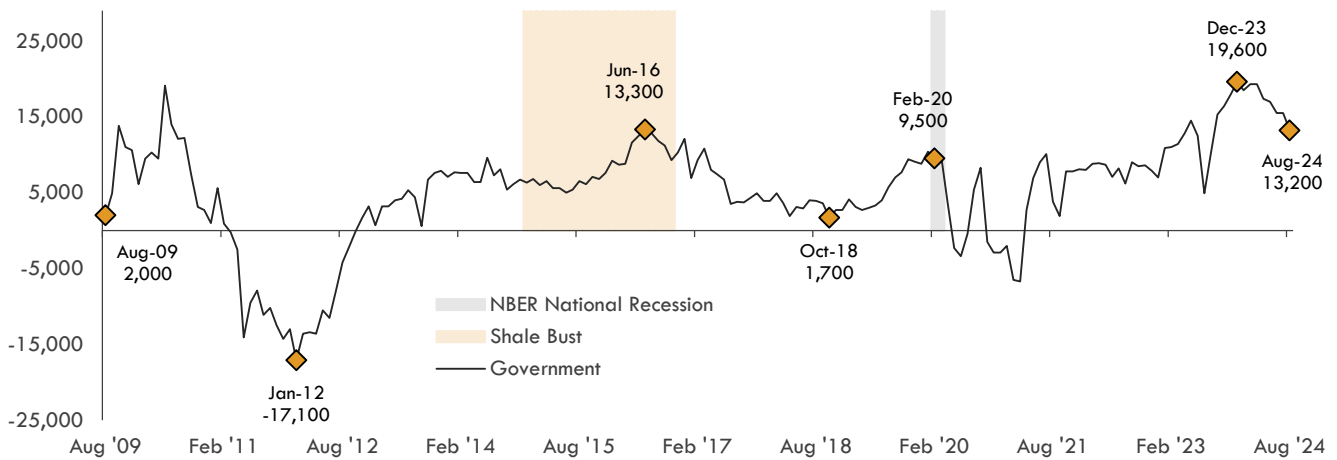


Over-the-year Change

Year over year, Government was up 13,200 jobs, or 3.1 percent (see Chart 31). This was the largest August over-the-year increase on record. It also marks 41 consecutive months of over-the-year gains. Furthermore, 16.2 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 9,100 jobs over the year. The second-largest contributor was State Government, which added 2,800 jobs from August 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 8,100, or 1.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 12.6 percent over the past year.

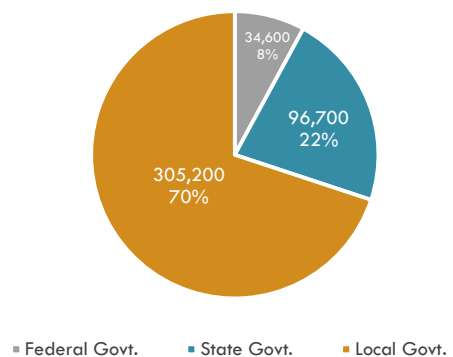
Chart 31. Government (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 70 percent (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall Government sector is 10 percent less than the national average.

Chart 32. Employment in Component Industries of Government Sector - August 2024

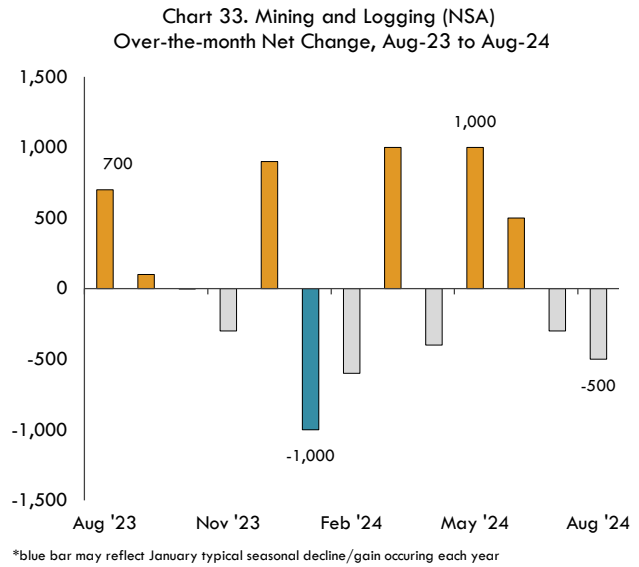


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging was the largest declining sector over the month down -500 jobs, or -0.7 (see Chart 33). This was the largest August over-the-month decline in since 2020. Historically in the month of August, Mining and Logging has added an average of 100 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Support Activities for Mining was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Oil and Gas Extraction, which lost -200 jobs from July to August. Lastly, Other Mining and Logging Undefined subtracted, -100 jobs. Mining and Logging employment was revised downward by -300 jobs for a June to July net loss of -300 compared to an original estimate of zero net change in jobs over the month.

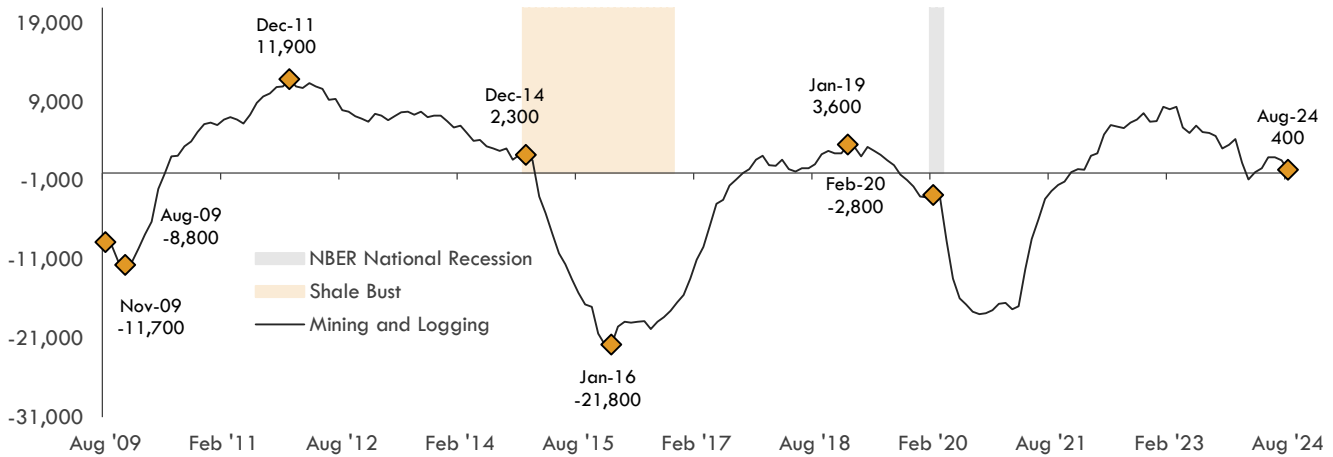


Over-the-year Change

Year over year, Mining and Logging was up 400 jobs, or 0.6 percent (see Chart 34). This August also marks six consecutive months of over-the-year gains. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 500 jobs over the year. One component industry, Other Mining and Logging Undefined, saw no change from August a year ago. Lastly, Support Activities for Mining offset a portion of the sector's gains with a loss of -100 jobs. Total Mining and Logging employment (NSA) remains -6,500 jobs, or -8.3 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 2.1 percent over the past year.

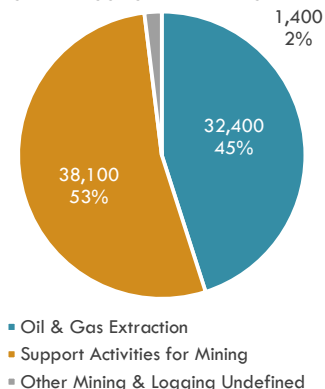
Chart 34. Mining and Logging (NSA) Over-the-year Net Change, Aug-09 to Aug-24



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 53 percent (see Chart 35). 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 35. Employment in Component Industries of Mining and Logging Sector - August 2024

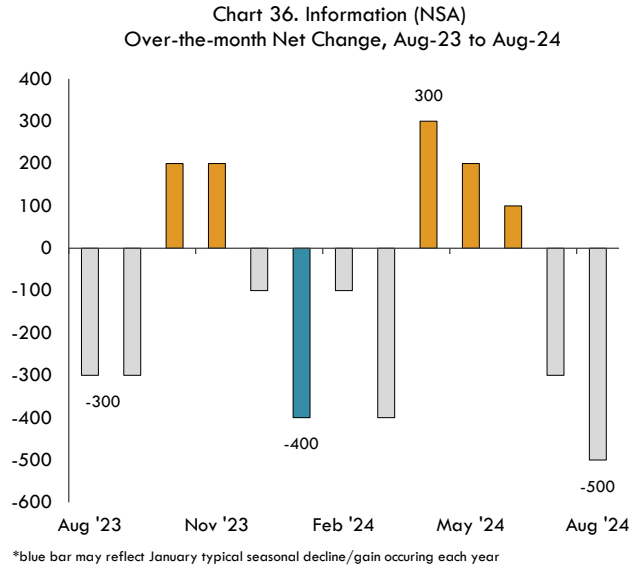


DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information was the second-largest declining sector over the month down -500 jobs, or -1.5 (see Chart 36). This was the largest August decline since 2020 and the second-largest decline historically for the month of August since records began in 1990. Historically in the month of August, Information has lost an average of -100 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Other Information Undefined was the largest contributor to the overall sector's decline, down -400 jobs over the month. The second-largest declining contributor was Telecommunications, which lost -100 jobs from July to August. Information employment was revised downward by -100 jobs for a June to July larger net loss of -300 compared to an original estimate of -200 jobs.

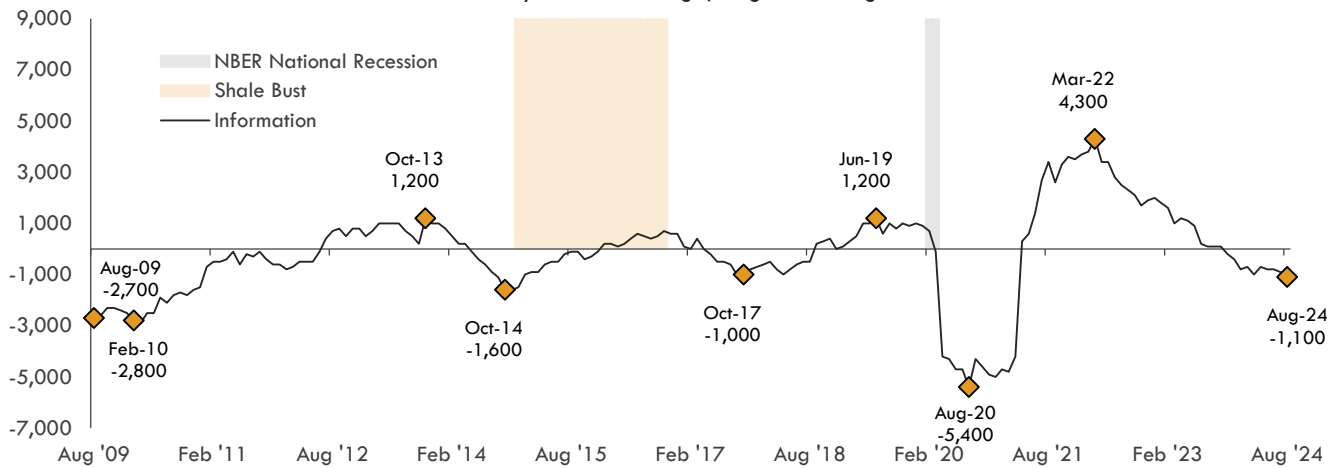


Over-the-year Change

Year over year, Information was down -1,100 jobs, or -3.3 percent (see Chart 37). This was the largest over-the-year decline since March 2021's decrease of -4,200 jobs. It also marks 10 consecutive months of over-the-year losses. Furthermore, 100.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Information. Other Information Undefined was the largest contributor to the overall sector's decline, down -900 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -200 jobs from August a year ago. Total Information employment

(NSA) remains -700 jobs, or -2.1 percent below its February 2020 pre-pandemic level of 32,700. 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.

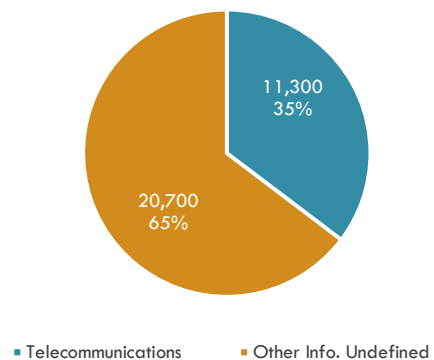
Chart 37. Information (NSA) Over-the-year Net Change, Aug-'09 to Aug-'24



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 65 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall Information sector is 51 percent less than the national average.

Chart 38. Employment in Component Industries of Information Sector - August 2024



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.7 percent in August, down from July's 4.9 percent and up from 4.5 percent a year ago. This was above the statewide rate of 4.4 percent and above the national rate of 4.4 percent. An over-the-month decline in August is typical having occurred roughly 75 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 177,565 individuals were unemployed in Houston in August, down from July's 181,942 and up from 165,145 in August 2023 (see Charts 39 and 40).

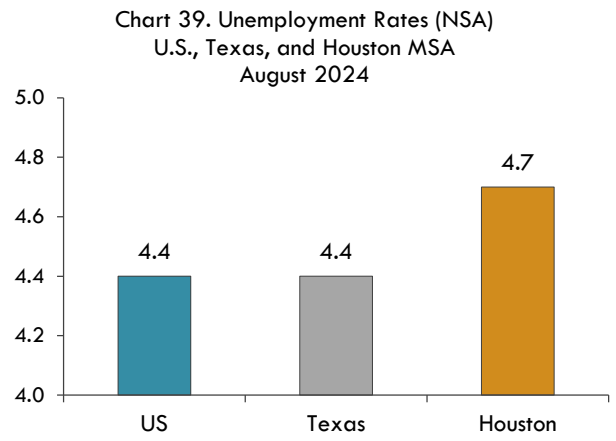
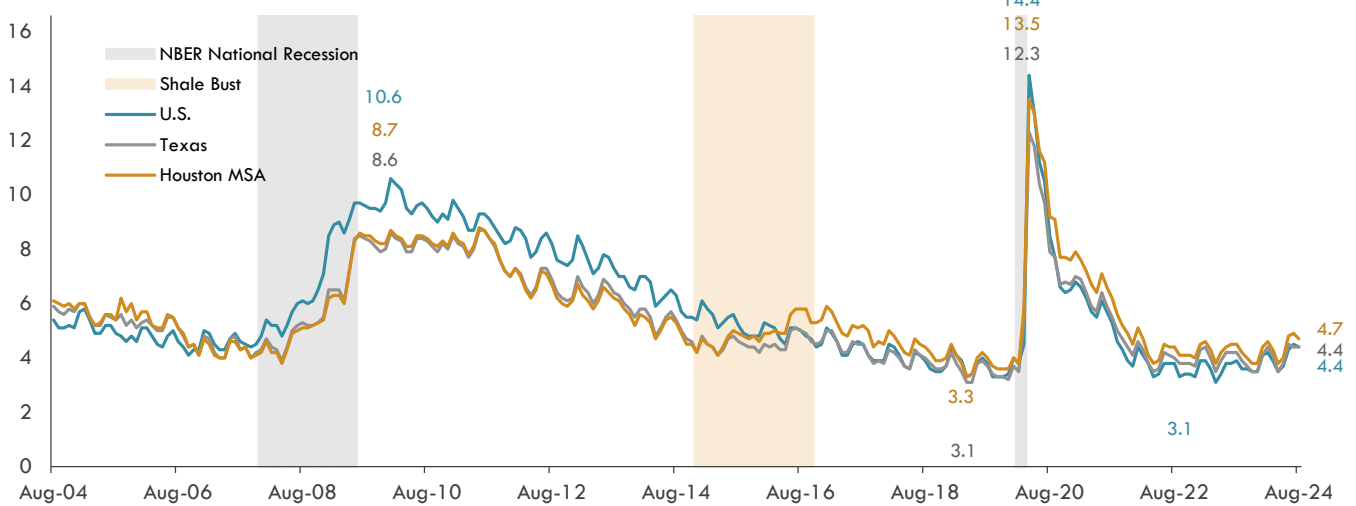


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) August 2004 to August 2024

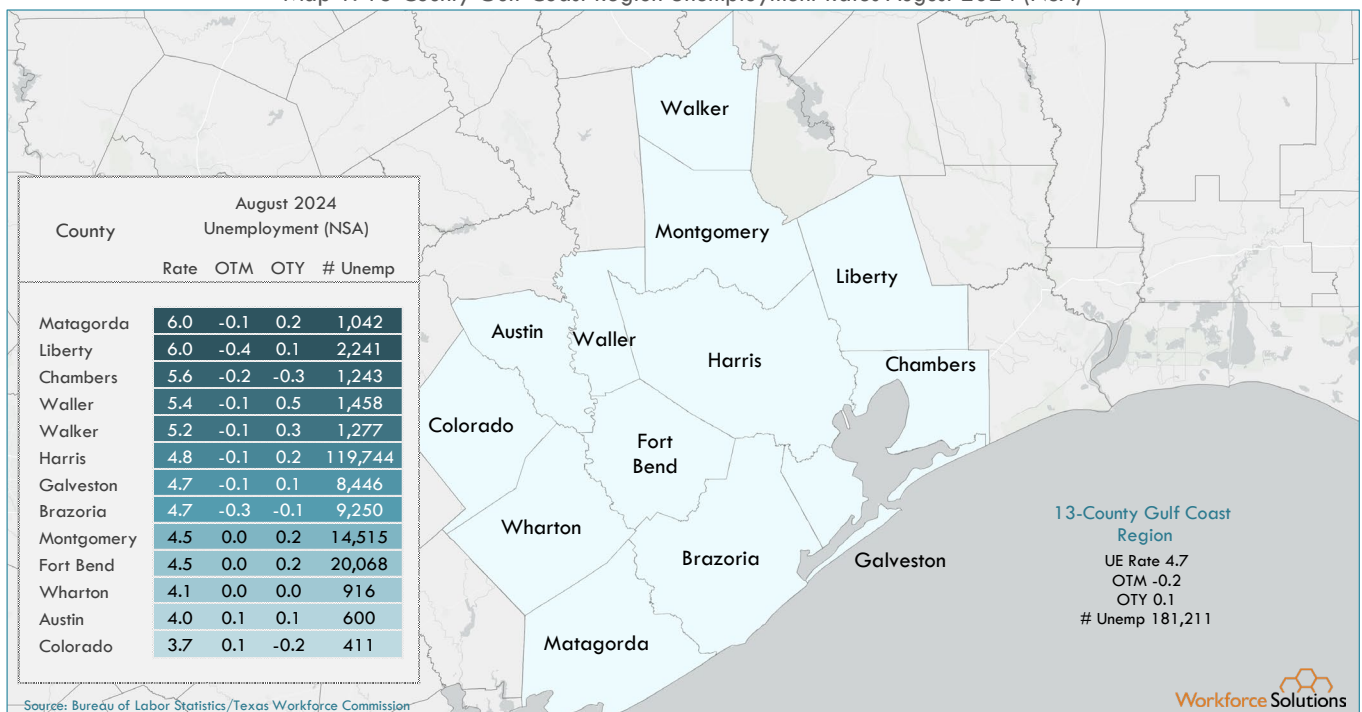


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in August ranged from a high of 6.0 percent in Matagorda County to a low of 3.7 percent in Colorado. Over the month, eight counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.2 percentage points while three saw no changes and two increased. Liberty saw the largest percentage-point decrease in unemployment down -0.4 pp. representing -157 fewer unemployed workers compared to the previous month. This was followed by Brazoria (-0.3 pp, -619 workers) and

Chambers (-0.2 pp, -55 workers). Over the year unemployment rates rose with, Waller posting the largest increase, up 0.5 percentage points representing 157 more unemployed workers compared to a year ago followed by Walker (0.3 pp, 92 workers) and Harris (0.2 pp, 8,718 workers). Since peaking at 448,855 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -267,644 as of this August (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates August 2024 (NSA)



Local Area Unemployment Statistics (continued)

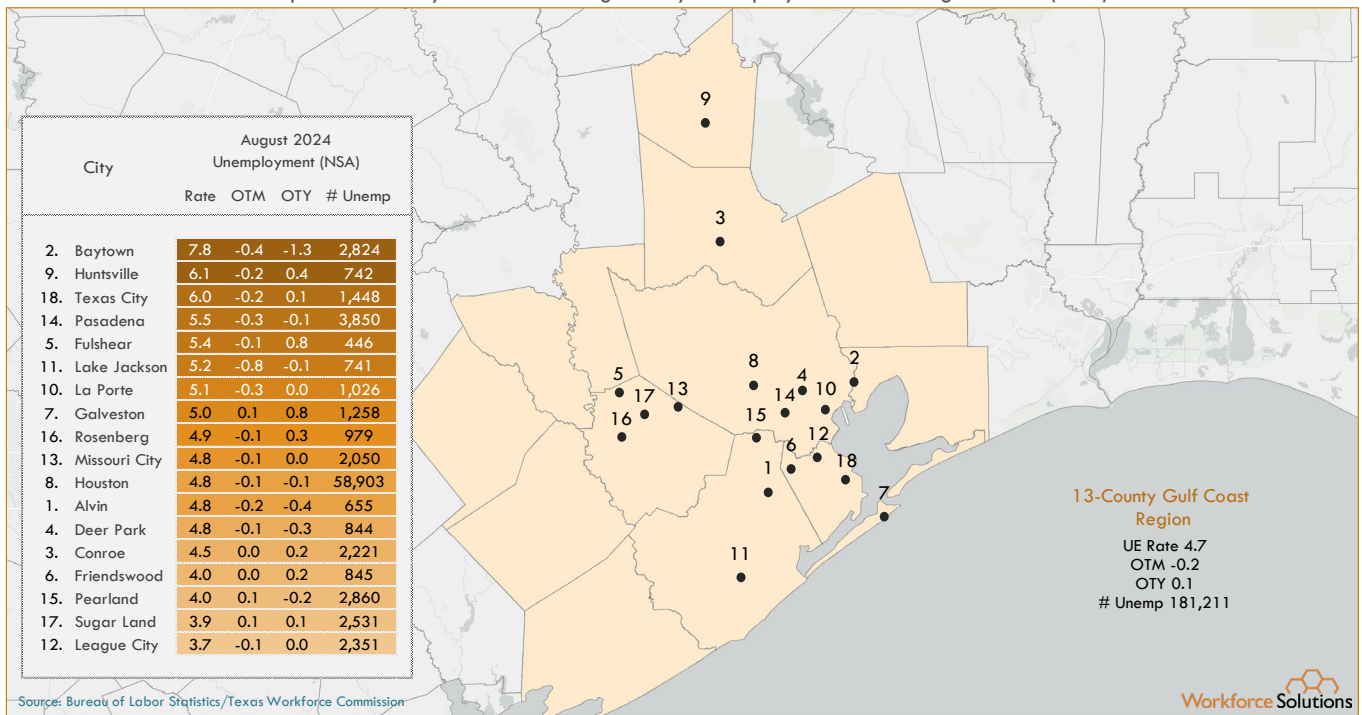
Not-Seasonally Adjusted

Unemployment Rates for Select Municipalities

Among the 18 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in August ranged from a high of 7.8 percent in Baytown to a low of 3.7 percent in League City (see Map 2 legend). Over the month, 13 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.2 percentage points while three increased and two saw no changes. Lake Jackson saw the largest percentage-point

decrease in unemployment down -0.8 pp. representing -128 fewer unemployed workers compared to the previous month. This was followed by Baytown (-0.4 pp, -146 workers) and La Porte (-0.3 pp, -43 workers). Over the year unemployment rates rose with, Fulshear posting the largest increase, up 0.8 percentage points representing 80 more unemployed workers compared to a year ago followed by Galveston (0.8 pp, 226 workers) and Huntsville (0.4 pp, 61 workers). The 18 cities below accounted for 48 percent of the 181,211 unemployed workers across the Gulf Coast Region as of this August (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates August 2024 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.4 percent in July, up from June's 4.3 percent and up from 4.2 percent a year ago. This was above the statewide rate of 4.1 percent and above the national rate of 4.3 percent. 161,383 individuals were unemployed in Houston in July, up from June's 158,295 and up from 153,746 in July 2023 (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 18 cities.

Chart 41. Unemployment Rates (SA)
 U.S., Texas, and Houston MSA
 July 2024

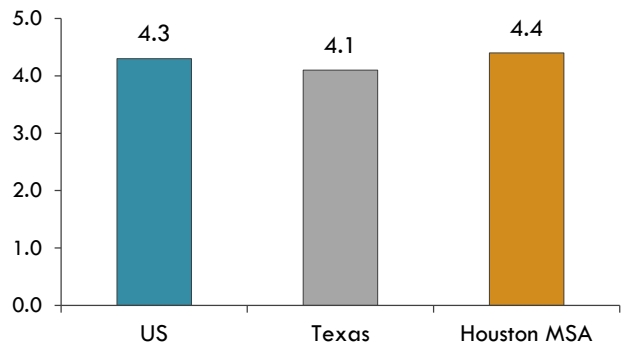
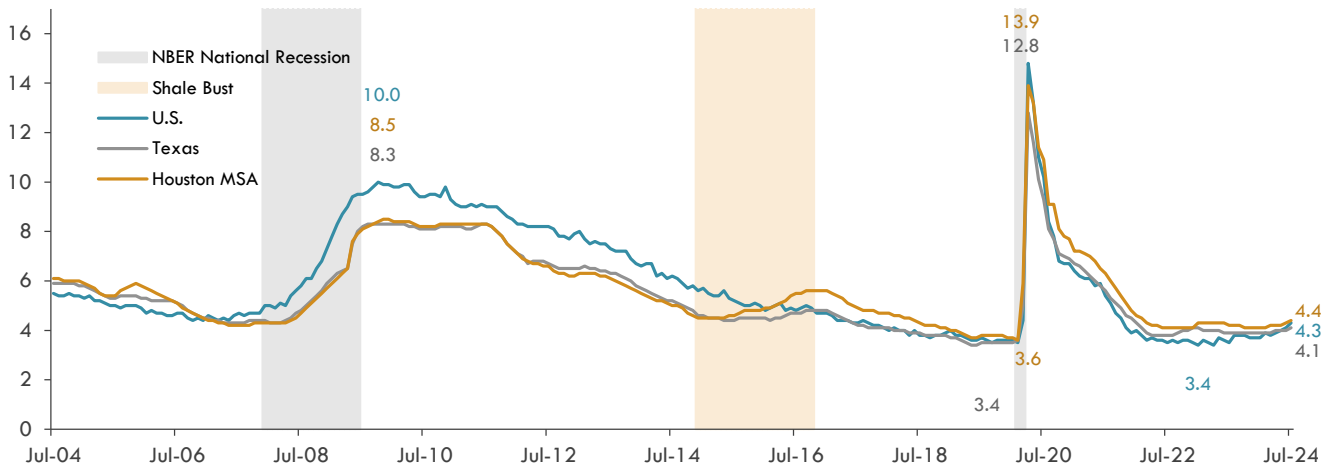


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
 July 2004 to July 2024



Gulf Coast Workforce Solutions Index (WSI)

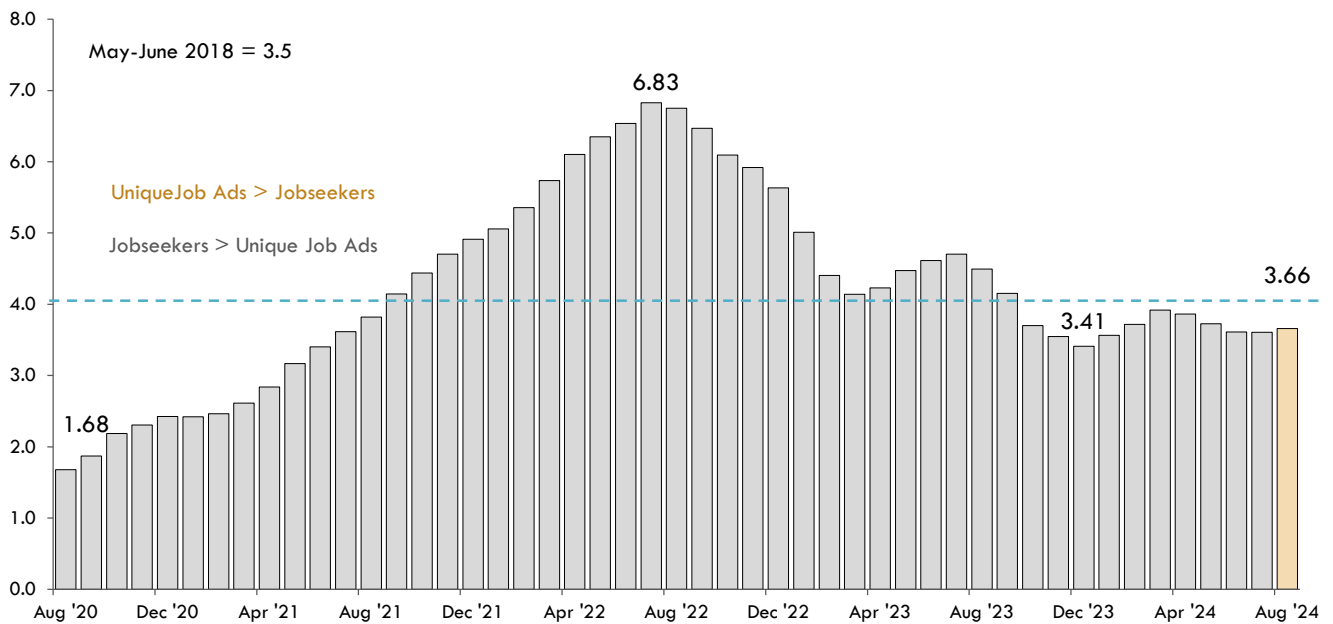


The Gulf Coast Workforce Solutions Index (WSI)

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
August
2024:
3.66

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 August 2024

The Houston MSA WSI for August stood at 3.66, up from July's downward revised reading of 3.61. This was the result of a modest increase in the number of active job ads exceeding an equally modest increase in the number of unemployed individuals. The net effect of these changes was a slight rise in the index without a meaningful change in leverage held by employers relative to job seekers.

After rising slightly since December 2023 and trending sideways to date, the index remains below the equilibrium value of 4.0. As a result, the WSI continues to suggest that a requirement of three work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



Houston Area Employment Situation

August 2024

Table 1. Houston MSA Sectors and Major Industry Subcomponents

| NAICS Industry | Aug-24 | Jul-24 | Aug-23 | Monthly | Monthly | Yearly | Yearly % |
|---|------------------|------------------|------------------|---------------|--------------|---------------|--------------|
| Total Nonfarm | 3,444,700 | 3,421,300 | 3,364,200 | 23,400 | 0.7% | 80,500 | 2.4% |
| Total Private | 3,008,200 | 2,986,100 | 2,940,900 | 22,100 | 0.7% | 67,300 | 2.3% |
| Goods Producing | 557,700 | 552,000 | 536,000 | 5,700 | 1.0% | 21,700 | 4.0% |
| .Mining and Logging | 71,900 | 72,400 | 71,500 | -500 | -0.7% | 400 | 0.6% |
| ...Oil and Gas Extraction | 32,400 | 32,600 | 31,900 | -200 | -0.6% | 500 | 1.6% |
| ...Support Activities for Mining | 38,100 | 38,300 | 38,200 | -200 | -0.5% | -100 | -0.3% |
| .Construction | 246,200 | 241,700 | 230,300 | 4,500 | 1.9% | 15,900 | 6.9% |
| ..Construction of Buildings | 65,500 | 64,700 | 60,500 | 800 | 1.2% | 5,000 | 8.3% |
| ..Heavy and Civil Engineering Construction | 58,500 | 57,500 | 52,500 | 1,000 | 1.7% | 6,000 | 11.4% |
| ..Specialty Trade Contractors | 122,200 | 119,500 | 117,300 | 2,700 | 2.3% | 4,900 | 4.2% |
| .Manufacturing | 239,600 | 237,900 | 234,200 | 1,700 | 0.7% | 5,400 | 2.3% |
| ..Durable Goods | 150,000 | 149,200 | 145,500 | 800 | 0.5% | 4,500 | 3.1% |
| ...Fabricated Metal Product Manufacturing | 53,100 | 52,600 | 50,800 | 500 | 1.0% | 2,300 | 4.5% |
| ...Machinery Manufacturing | 43,200 | 43,100 | 42,500 | 100 | 0.2% | 700 | 1.6% |
|Agriculture, Construction, and Mining Machinery Mfg. | 23,100 | 23,100 | 22,800 | 0 | 0.0% | 300 | 1.3% |
| ...Computer and Electronic Product Manufacturing | 14,600 | 14,600 | 14,500 | 0 | 0.0% | 100 | 0.7% |
| ..Non-Durable Goods | 89,600 | 88,700 | 88,700 | 900 | 1.0% | 900 | 1.0% |
| ...Petroleum and Coal Products Manufacturing | 8,300 | 8,100 | 8,000 | 200 | 2.5% | 300 | 3.8% |
| ...Chemical Manufacturing | 42,600 | 42,100 | 42,500 | 500 | 1.2% | 100 | 0.2% |
| Service Providing | 2,887,000 | 2,869,300 | 2,828,200 | 17,700 | 0.6% | 58,800 | 2.1% |
| .Private Service Providing | 2,450,500 | 2,434,100 | 2,404,900 | 16,400 | 0.7% | 45,600 | 1.9% |
| ..Trade, Transportation, and Utilities | 692,600 | 686,500 | 687,200 | 6,100 | 0.9% | 5,400 | 0.8% |
| ...Wholesale Trade | 183,400 | 181,700 | 178,600 | 1,700 | 0.9% | 4,800 | 2.7% |
|Merchant Wholesalers, Durable Goods | 114,700 | 113,900 | 111,500 | 800 | 0.7% | 3,200 | 2.9% |
|Prof. and Commercial Equip. Supplies Wholesalers | 19,100 | 19,000 | 18,700 | 100 | 0.5% | 400 | 2.1% |
|Merchant Wholesalers, Nondurable Goods | 56,600 | 55,900 | 55,200 | 700 | 1.3% | 1,400 | 2.5% |
| ...Retail Trade | 317,600 | 316,000 | 319,200 | 1,600 | 0.5% | -1,600 | -0.5% |
|Motor Vehicle and Parts Dealers | 44,300 | 44,200 | 44,600 | 100 | 0.2% | -300 | -0.7% |
|Bldg. Material and Garden Equip. and Supplies Dealers | 24,300 | 23,800 | 24,000 | 500 | 2.1% | 300 | 1.3% |
|Food and Beverage Stores | 74,500 | 74,500 | 74,200 | 0 | 0.0% | 300 | 0.4% |
|Health and Personal Care Stores | 62,000 | 61,600 | 62,000 | 400 | 0.6% | 0 | 0.0% |
|Clothing and Clothing Accessories Stores | 19,300 | 19,400 | 19,500 | -100 | -0.5% | -200 | -1.0% |
|General Merchandise Stores | 42,700 | 42,200 | 42,500 | 500 | 1.2% | 200 | 0.5% |
|Department Stores | 20,700 | 20,700 | 21,300 | 0 | 0.0% | -600 | -2.8% |
|Other General Merchandise Stores | 26,300 | 26,100 | 27,200 | 200 | 0.8% | -900 | -3.3% |
| ...Transportation, Warehousing, and Utilities | 191,600 | 188,800 | 189,400 | 2,800 | 1.5% | 2,200 | 1.2% |
|Utilities | 23,300 | 23,200 | 22,200 | 100 | 0.4% | 1,100 | 5.0% |
|Air Transportation | 22,600 | 22,600 | 22,400 | 0 | 0.0% | 200 | 0.9% |
|Truck Transportation | 30,200 | 29,900 | 29,900 | 300 | 1.0% | 300 | 1.0% |
|Pipeline Transportation | 14,300 | 14,200 | 13,700 | 100 | 0.7% | 600 | 4.4% |
| ..Information | 32,000 | 32,500 | 33,100 | -500 | -1.5% | -1,100 | -3.3% |
| ...Telecommunications | 11,300 | 11,400 | 11,500 | -100 | -0.9% | -200 | -1.7% |
| ..Financial Activities | 193,400 | 191,200 | 187,700 | 2,200 | 1.2% | 5,700 | 3.0% |
| ...Finance and Insurance | 123,400 | 122,200 | 120,400 | 1,200 | 1.0% | 3,000 | 2.5% |
|Credit Intermediation and Related Activities | 49,100 | 48,700 | 47,800 | 400 | 0.8% | 1,300 | 2.7% |
|Depository Credit Intermediation | 31,500 | 31,300 | 30,800 | 200 | 0.6% | 700 | 2.3% |
|Securities, Commodity Contracts, and Fin. Investments | 25,100 | 25,100 | 25,000 | 0 | 0.0% | 100 | 0.4% |
|Insurance Carriers and Related Activities | 49,200 | 48,400 | 47,600 | 800 | 1.7% | 1,600 | 3.4% |
| ...Real Estate and Rental and Leasing | 70,000 | 69,000 | 67,300 | 1,000 | 1.4% | 2,700 | 4.0% |
| ..Professional and Business Services | 562,500 | 560,600 | 557,900 | 1,900 | 0.3% | 4,600 | 0.8% |
| ...Professional, Scientific, and Technical Services | 280,800 | 282,100 | 276,100 | -1,300 | -0.5% | 4,700 | 1.7% |
|Legal Services | 32,300 | 32,800 | 31,900 | -500 | -1.5% | 400 | 1.3% |
|Accounting, Tax Preparation, Bookkeeping, and Payroll | 28,600 | 28,900 | 29,100 | -300 | -1.0% | -500 | -1.7% |
|Architectural, Engineering, and Related Services | 77,800 | 78,100 | 74,300 | -300 | -0.4% | 3,500 | 4.7% |
|Computer Systems Design and Related Services | 40,900 | 40,900 | 42,500 | 0 | 0.0% | -1,600 | -3.8% |
| ...Management of Companies and Enterprises | 47,200 | 47,100 | 46,900 | 100 | 0.2% | 300 | 0.6% |
| ...Admin. and Support and Waste Mgmt. and Remediation | 234,500 | 231,400 | 234,900 | 3,100 | 1.3% | -400 | -0.2% |
|Administrative and Support Services | 221,000 | 218,200 | 222,300 | 2,800 | 1.3% | -1,300 | -0.6% |
|Employment Services | 79,600 | 78,700 | 80,400 | 900 | 1.1% | -800 | -1.0% |
|Services to Buildings and Dwellings | 56,500 | 56,000 | 57,200 | 500 | 0.9% | -700 | -1.2% |
| ..Educational and Health Services | 467,100 | 463,700 | 451,500 | 3,400 | 0.7% | 15,600 | 3.5% |
| ...Educational Services | 71,300 | 69,700 | 71,300 | 1,600 | 2.3% | 0 | 0.0% |
| ...Health Care and Social Assistance | 395,800 | 394,000 | 380,200 | 1,800 | 0.5% | 15,600 | 4.1% |
|Ambulatory Health Care Services | 200,300 | 199,400 | 192,300 | 900 | 0.5% | 8,000 | 4.2% |
|Hospitals | 99,700 | 98,800 | 94,800 | 900 | 0.9% | 4,900 | 5.2% |
| ..Leisure and Hospitality | 366,800 | 365,100 | 361,600 | 1,700 | 0.5% | 5,200 | 1.4% |
| ...Arts, Entertainment, and Recreation | 41,600 | 42,400 | 40,900 | -800 | -1.9% | 700 | 1.7% |
| ...Accommodation and Food Services | 325,200 | 322,700 | 320,700 | 2,500 | 0.8% | 4,500 | 1.4% |
|Accommodation | 27,200 | 27,300 | 26,800 | -100 | -0.4% | 400 | 1.5% |
|Food Services and Drinking Places | 298,000 | 295,400 | 293,900 | 2,600 | 0.9% | 4,100 | 1.4% |
| ..Other Services | 136,100 | 134,500 | 125,900 | 1,600 | 1.2% | 10,200 | 8.1% |
| Government | 436,500 | 435,200 | 423,300 | 1,300 | 0.3% | 13,200 | 3.1% |
| .Federal Government | 34,600 | 34,600 | 33,300 | 0 | 0.0% | 1,300 | 3.9% |
| .State Government | 96,700 | 96,400 | 93,900 | 300 | 0.3% | 2,800 | 3.0% |
| ..State Government Educational Services | 52,000 | 51,700 | 51,100 | 300 | 0.6% | 900 | 1.8% |
| .Local Government | 305,200 | 304,200 | 296,100 | 1,000 | 0.3% | 9,100 | 3.1% |
| ..Local Government Educational Services | 204,700 | 204,100 | 199,000 | 600 | 0.3% | 5,700 | 2.9% |