

Houston Area Employment Situation

August 2025

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Houston Job Market Stalls Amid National Slowdown

Total Nonfarm

Over-the-month Change

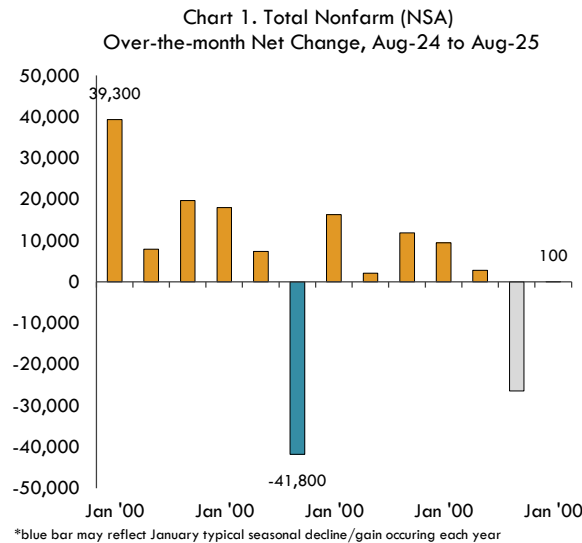
Houston MSA Total Nonfarm employment stood at 3,453,700 in August, up 100 jobs over the month, or 0.0 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 39,300 jobs. Prior to the pandemic, historically in the month of August, Total Nonfarm has on average added 7,400 jobs over the month, which indicates that this month's gains are substantially below the long-term average.

The primary drivers of this August's growth were increases in Government; Private Education and Health Services; and Construction. Gains were also recorded in Trade, Transportation, and Utilities. The net increase in jobs over the month was partially offset by losses in Leisure and Hospitality; Professional and Business Services; and Manufacturing. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,465,000, up 1,000 jobs over the month, or 0.0 percent vs. a historical average of 4,500. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Source: BLS/TWC unless otherwise noted. NOTE: The Houston-Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA) consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties.

- Top-3 Drivers of Over-the-month Job Growth in August
- Government: 4,200
 - Private Education and Health Services: 2,800
 - Construction: 1,900

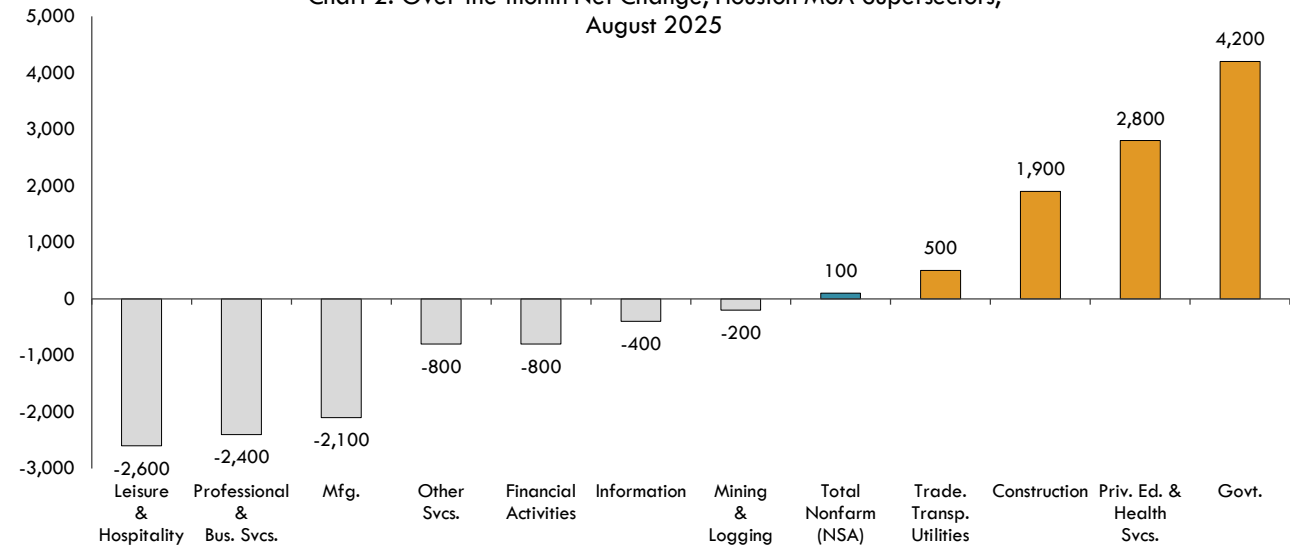
Over-the-year Change

Over the year, Total Nonfarm employment was up 27,500 or 0.8 percent on a not-seasonally-adjusted basis and up 25,300 or 0.7 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, August 2024 saw a year-over-year gain of 52,700 jobs (NSA) from August 2023. Currently 8 out of 11 sectors show growth year over year of which the top-three are Private Education and Health Services (13,200); Leisure and Hospitality (7,200); and Trade, Transportation, and Utilities (6,800) (see Chart 4).



Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,193,600 jobs by 260,100, or 8.1 percent (265,200 jobs, 8.3 percent above 3,199,800 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, August 2025



Previous Month's Revisions

Total Nonfarm employment was revised upward by 4,100 jobs for a June to July smaller net loss of -26,400 compared to an original estimate of -30,500 jobs. An upward revision of +2,300 jobs in Government was the largest contributor followed by Professional and Business Services (+2,000) and Private Education and Health Services (+1,200). Downward revisions in Leisure and Hospitality (-900), Trade, Transportation, and Utilities (-800), and Financial Activities (-400) provided a partial offset of the overall upward revision to Total Nonfarm employment (see Chart 5).

- Top-3 Drivers of Over-the-year Job Growth in August
- Private Education and Health Services: 13,200
 - Leisure and Hospitality: 7,200
 - Trade, Transportation, and Utilities: 6,800

Chart 5. Net Revisions for Selected Supersectors and Major Industries, July 2025

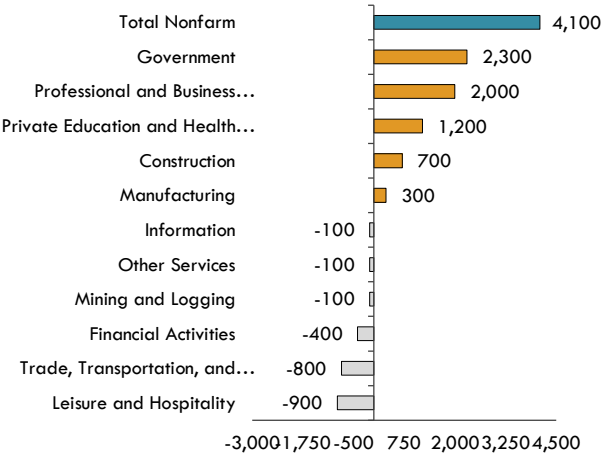


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Aug-10 to Aug-25

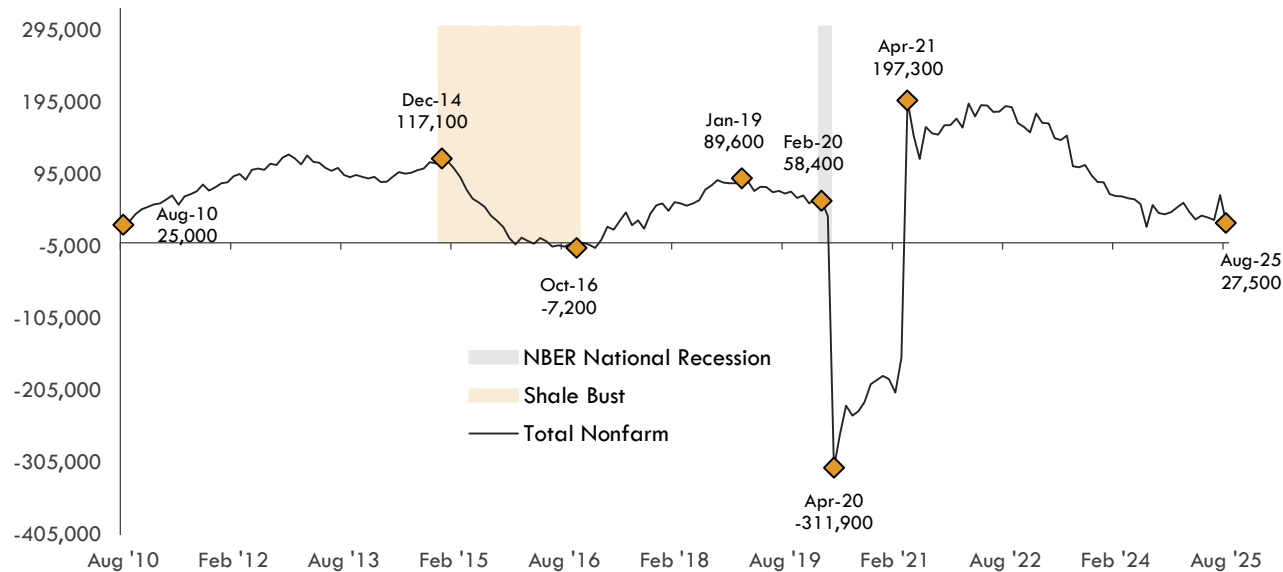
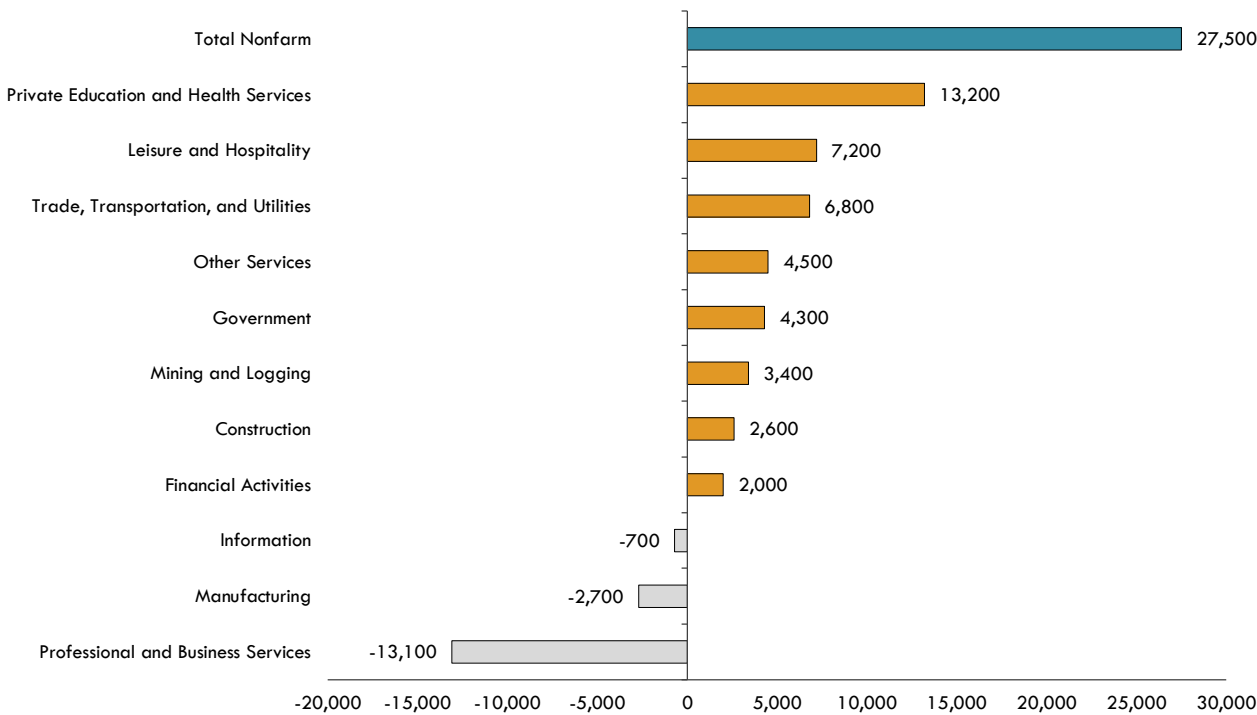


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
August 2024 to August 2025



Supplemental Commentary

Houston's labor market was broadly flat in August, with Total Nonfarm employment (NSA) edging up by just 100 jobs compared to a pre-pandemic August norm of about 7,400. On a seasonally adjusted basis, payrolls increased by 1,000, but the performance underscored a continuation of the slowing momentum that has characterized much of the summer. Over the year, Houston gained 27,500 jobs (+0.8%), down from the 0.9% year-over-year pace observed in June, reflecting a step-down from earlier in the year rather than residual distortions from Hurricane Beryl in July.

Aligning with broader national and state labor market trends, Houston experienced one of its weakest August performances since 1990, excluding recession years such as 2009 and the shale bust years of 2015–2016. According to the Bureau of Labor Statistics, the U.S. labor market has added an average of just 26,500 jobs per month between May and August 2025, a dramatic slowdown from the 150,000 monthly average during the 12 months ending in April. This national cooling has cascaded into the local economy, with many of the same underlying drivers, such as slower consumer demand, energy-sector caution, and restrained business investment, contributing to Houston's muted job growth.

The strongest contributions to job growth in August came from Government (+4,200), largely reflecting seasonal increases in local education staffing ahead of the fall semester. Private Education & Health Services also expanded by +2,800 jobs, led by gains in hospitals and ambulatory care. This sector has been the single largest driver of Houston's job growth in 2025, adding nearly 11,900 jobs year-to-date. Robust investment in health care infrastructure, along with the national trend of rising demand for medical services, has reinforced Houston's role as a major health care hub in the country. The sector's steady expansion underscores both strong demand and structural factors such as population growth and aging demographics, which continue to push health care employment higher.

Construction added 1,900 jobs in August, marking another month of solid expansion across building construction, heavy and civil engineering, and specialty trade contractors. Year-to-date, the industry has gained nearly 2,400 jobs, reflecting steady momentum in both commercial development and infrastructure projects. Construction employment has also remained resilient despite higher borrowing costs, suggesting that steady momentum in commercial development, reshoring-related industrial projects and infrastructure projects.

Trade, Transportation, and Utilities posted a modest gain of +500 jobs in August, though the subsectors moved in very different directions. Transportation, Warehousing, and Utilities added +1,000 jobs, reflecting continued strength in logistics and freight-related activity in the Houston metro. Wholesale Trade employment was flat, underscoring the lack of momentum in this subsector. In contrast, Retail Trade shed 500 jobs, which is an unprecedented decline for August. This loss appears less tied to consumer demand and more to shifting seasonality: with many Houston-area school districts and universities now beginning their academic year in mid-August, a portion of retail's part-time workforce likely exited employment to return to school, pulling down payrolls earlier than in prior years. In fact, retail employment has never posted a net loss in August in Houston's CES data series going back to 1990, highlighting just how unusual this year's decline is.

Leisure and Hospitality declined by 2,600 jobs in August, a typical seasonal adjustment as summer hiring tapered off. Yet this modest pullback follows an unusually strong first half of the year: between February and June, the sector added 22,300 jobs, roughly 4,000 more than the long-term average for that period. This above-trend performance highlights the sector's resilience, supported by Houston's active calendar of conventions, major sporting events, and strong visitor demand, all of which boosted Food Services and entertainment venues. Looking forward, a pipeline of large events through late 2025 and into 2026 is expected to sustain momentum, reinforcing Leisure and Hospitality's role as one of Houston's most consistent drivers of job creation despite seasonal decline in this month.

Professional & Business Services posted another sharp decline (-2,400), extending a year-to-date pattern of underperformance. Losses were concentrated in Professional, Scientific, and Technical Services (-1,900) and Management of Companies (-800), and a modest loss in Employment Services (-100). The ISM-Houston August report highlights a sector in flux: while demand for professional services remains steady and staffing rates flat, firms remain cautious about headcount expansion. The availability of qualified labor exceeds opportunities, suggesting slack in the market. With oil prices hovering at \$60–65/bbl, many energy-related companies are adopting a "wait-and-see" approach, and the report notes the possibility of further layoffs or internal restructuring if prices remain soft.

Continues on next page

Supplemental Commentary

Other declining industries added to the subdued picture. Manufacturing lost 2,100 jobs, with cuts in both durable and nondurable goods, aligning with weak national new orders data and softer industrial demand. Mining & Logging slipped by 300 jobs, consistent with energy firms’ cautious stance on staffing despite stable drilling activity. Information edged down by 100 jobs and Other Services posted a minor loss of -200.

The unemployment rate rose to 5.0% at non-seasonally adjust basis (from 4.5% in July; 193,308 unemployed), above Texas (4.7%) and the U.S. (4.5%). The Gulf Coast Workforce Solutions Index ticked to 3.60 (from 3.59), below the 4.0 “balanced” threshold for the 23rd consecutive month, indicating a labor market still tilted slightly toward employers. Nearly all Texas MSAs saw unemployment rise in August, so Houston’s uptick is not unique.

Overall, Houston’s labor market continues to expand year-over-year, but at a slowing pace and with a widening gap between resilient consumer-facing sectors (health care, leisure, parts of retail) and weakening business- and trade-related industries (professional services, manufacturing, mining). While July’s upward revisions temper some earlier weakness, the August report reinforces that Houston is entering a period of cautious growth, with rising unemployment claims and uneven industry performance highlighting the growing fragility of the economy. The coming months will be critical to determine whether these trends reflect temporary seasonal or more lasting structural changes in the regional economy.

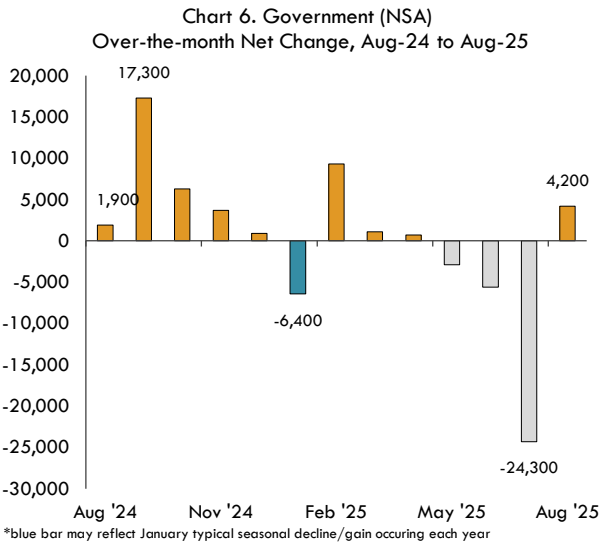
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GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

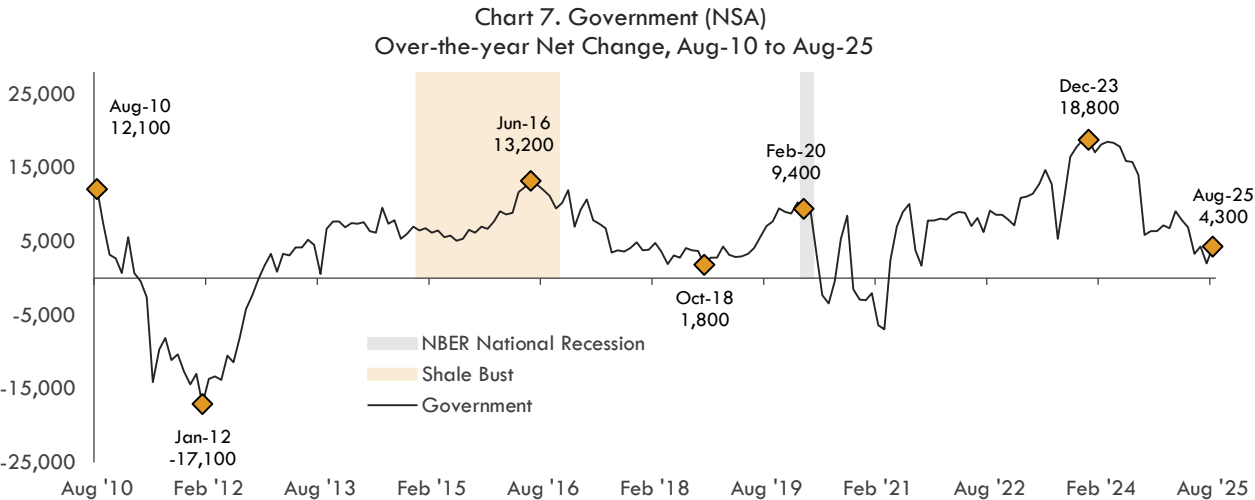
Government was the largest gaining sector over the month up 4,200 jobs, or 1.0 percent (see Chart 6). Historically in the month of August, Government has lost an average of -100 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Local Government was the largest contributor to the overall sector's increase, up 3,900 jobs over the month. The second-largest contributor was State Government, which added 900 jobs from July to August. Lastly, Federal Government offset a portion of the sector's gains with a loss of -600 jobs. Government employment was revised upward by 2,300 jobs for a June to July smaller net loss of -24,300 compared to an original estimate of -26,600 jobs.



Over-the-year Change

Year over year, Government was up 4,300 jobs, or 1.0 percent (see Chart 7). State Government was the largest contributor to the overall sector's increase, up 3,500 jobs over the year. The second-largest contributor was Local Government, which added 1,600 jobs from August a year ago. Lastly, Federal Government offset a portion of the sector's gains with a loss of -800 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 429,300 jobs by 13,900, or 3.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant

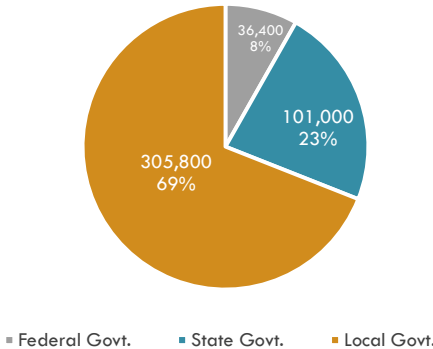
at 12.8 percent over the past year.



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 69 percent (see Chart 8).

Chart 8. Employment in Component Industries of Government Sector - August 2025

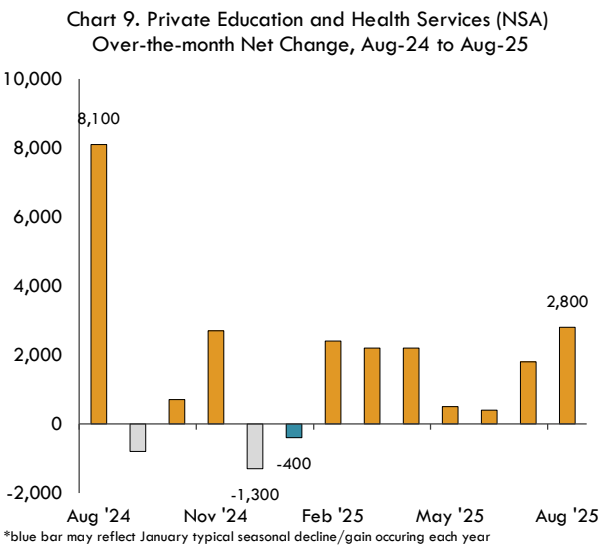


GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services was the second-largest gaining sector over the month up 2,800 jobs, or 0.6 percent (see Chart 9). 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 on par with the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 3,100 jobs over the month. One component industry that provided a partial offset was Private Educational Services, which lost -300 jobs from July to August. Private Education and Health Services employment was revised upward by 1,200 jobs for a June to July larger net gain of 1,800 compared to an original estimate of 600 jobs.

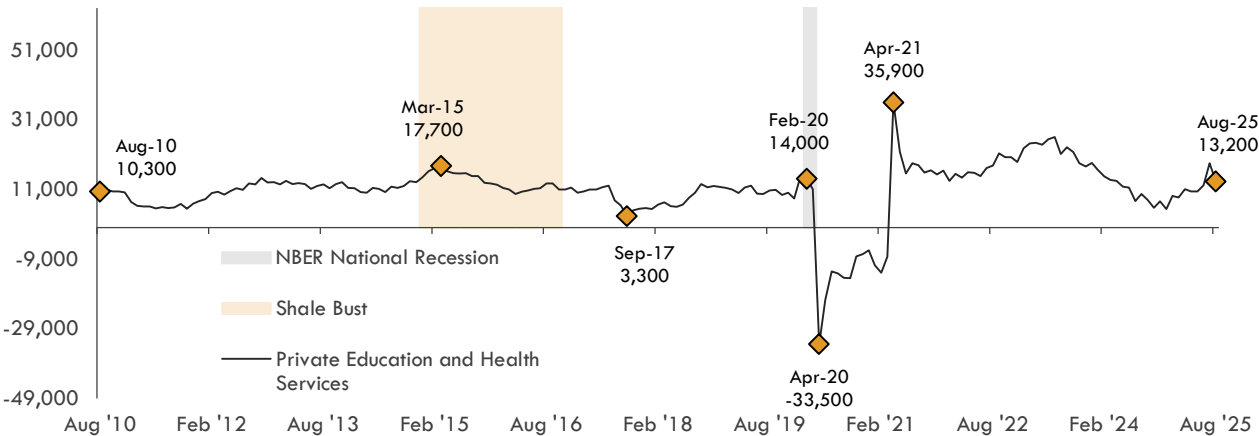


Over-the-year Change

Year over year, Private Education and Health Services was up 13,200 jobs, or 2.9 percent (see Chart 10). Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 30.0 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 13,200 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 414,600 jobs by 59,900, or 14.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.5 percent to 13.7 percent over the past year.

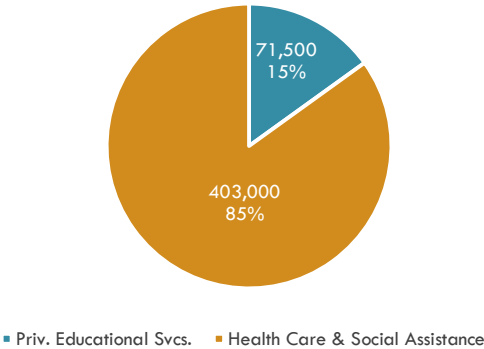
Chart 10. Private Education and Health Services (NSA)
Over-the-year Net Change, Aug-10 to Aug-25



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 11).

Chart 11. Employment in Component Industries of
Private Education and Health Services Sector - August
2025

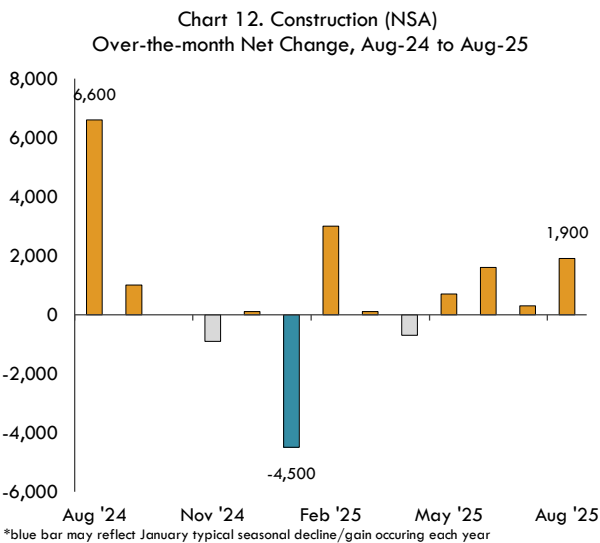


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

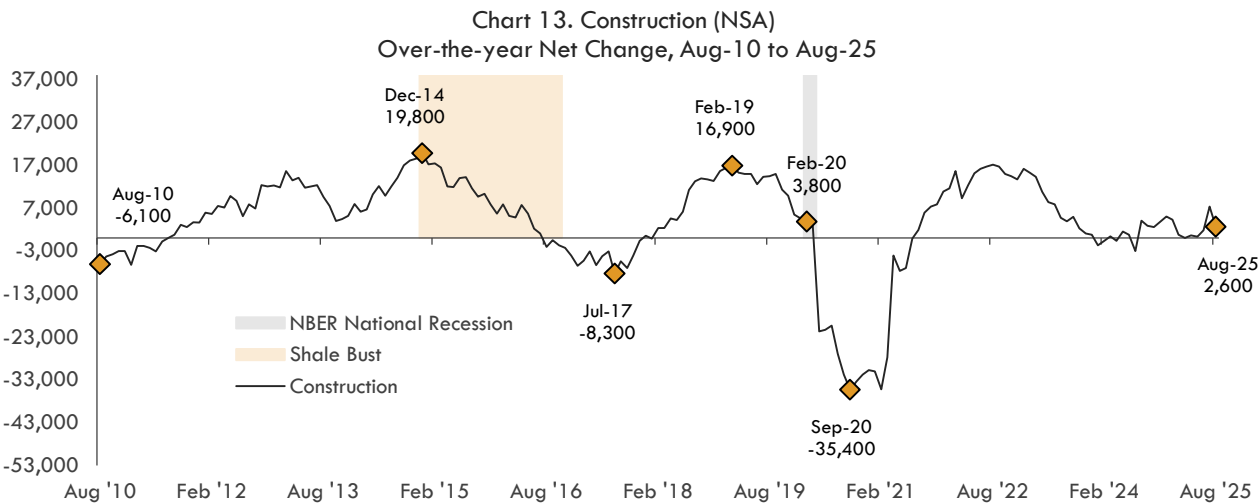
Construction was the third-largest gaining sector over the month up 1,900 jobs, or 0.8 percent (see Chart 12). Historically in the month of August, Construction has added an average of 1,100 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 1,100 jobs over the month. The second-largest contributor was Heavy and Civil Engineering Construction, which added 500 jobs from July to August. Lastly, Construction of Buildings contributed, 300 jobs. Construction employment was revised upward by 700 jobs for a June to July complete erasure of losses resulting in a net gain of 300 compared to an original estimate of -400 jobs.



Over-the-year Change

Year over year, Construction was up 2,600 jobs, or 1.1 percent (see Chart 13). Construction of Buildings was the largest contributor to the overall sector's increase, up 2,900 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 1,400 jobs from August a year ago. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -1,700 jobs. Total Construction employment (NSA) remains -300 jobs, or -0.1 percent below its February 2020 pre-pandemic level of 237,400. At the same time, the sector's share of Houston area Total Nonfarm

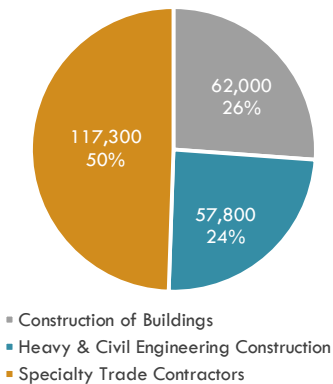
Employment has remained constant at 6.8 percent over the past year.



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 49 percent (see Chart 14).

Chart 14. Employment in Component Industries of Construction Sector - August 2025

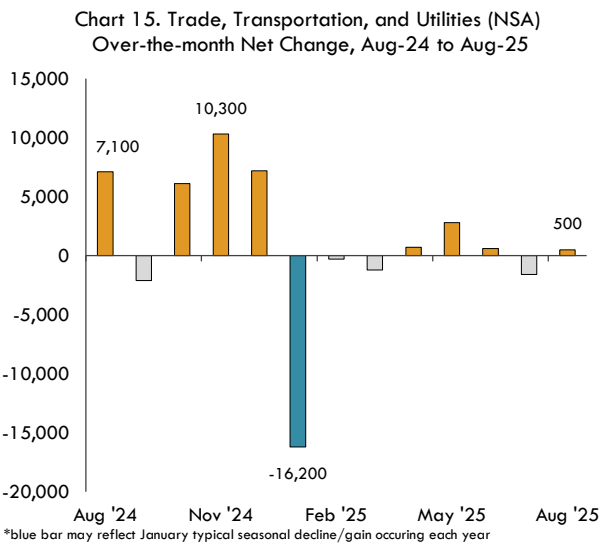


GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

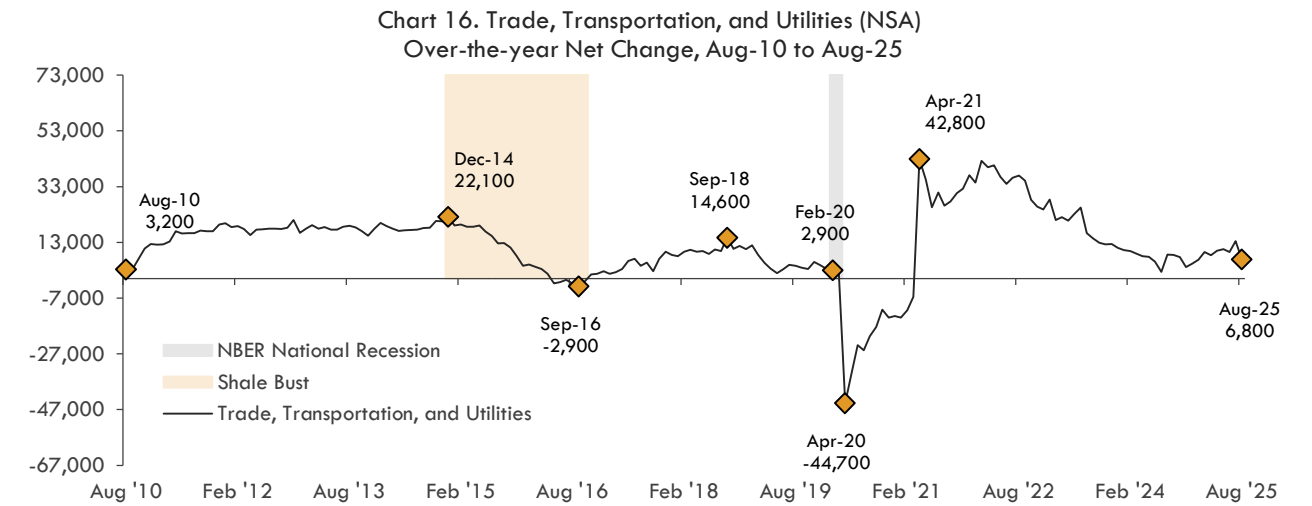
Trade, Transportation, and Utilities was the fourth-largest gaining sector over the month up 500 jobs, or 0.1 percent (see Chart 15). Historically in the month of August, Trade, Transportation, and Utilities has added an average of 2,700 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 1,000 jobs over the month. One component industry, Wholesale Trade, saw no change from July to August. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -500 jobs. Trade, Transportation, and Utilities employment was revised downward by -800 jobs for a June to July larger net loss of -1,600 compared to an original estimate of -800 jobs.



Over-the-year Change

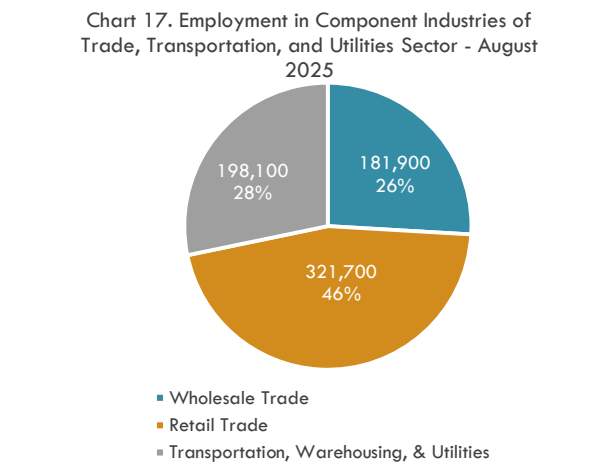
Year over year, Trade, Transportation, and Utilities was up 6,800 jobs, or 1.0 percent (see Chart 16). Furthermore, 15.5 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 4,400 jobs over the year. The second-largest contributor was Wholesale Trade, which added 3,100 jobs from August a year ago. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -700 jobs. Total Trade, Transportation, and Utilities employment

(NSA) now exceeds its February 2020 pre-pandemic level of 628,700 jobs by 73,000, or 11.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 20.3 percent over the past year.



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 17).

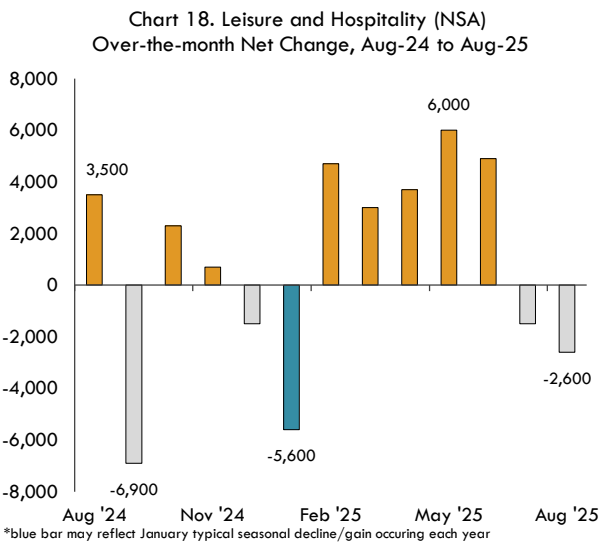


DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

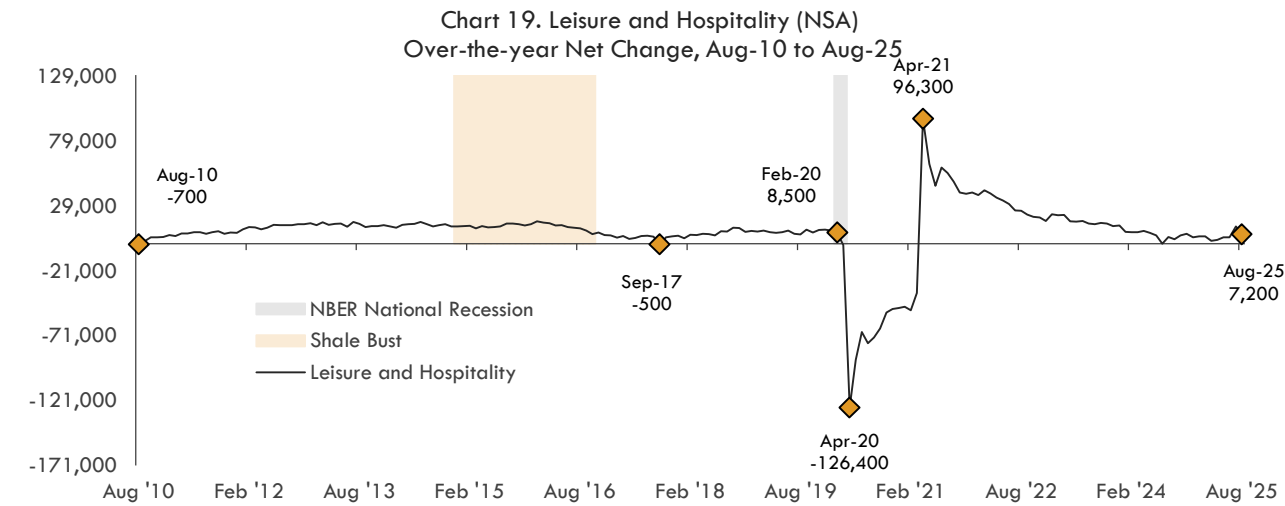
Leisure and Hospitality was the largest declining sector over the month down -2,600 jobs, or -0.7 (see Chart 18). This was the largest-ever decline in the month of August since records began in 1990. Historically in the month of August, Leisure and Hospitality has added an average of 100 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -1,700 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -900 jobs from July to August. Leisure and Hospitality employment was revised downward by -900 jobs for a June to July larger net loss of -1,500 compared to an original estimate of -600 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 7,200 jobs, or 2.0 percent (see Chart 19). Furthermore, 16.4 percent of total (gross) jobs added across the region over the past year can be attributed to Leisure and Hospitality. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 6,000 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 1,200 jobs from August a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,600 jobs by 40,100, or 12.0 percent.

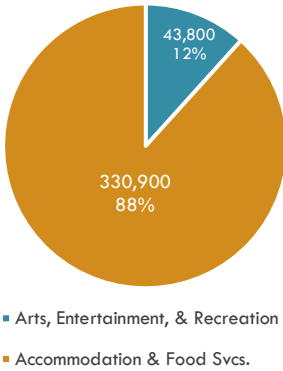
At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 10.7 percent to 10.8 percent over the past year.



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 88 percent (see Chart 20).

Chart 20. Employment in Component Industries of Leisure and Hospitality Sector - August 2025

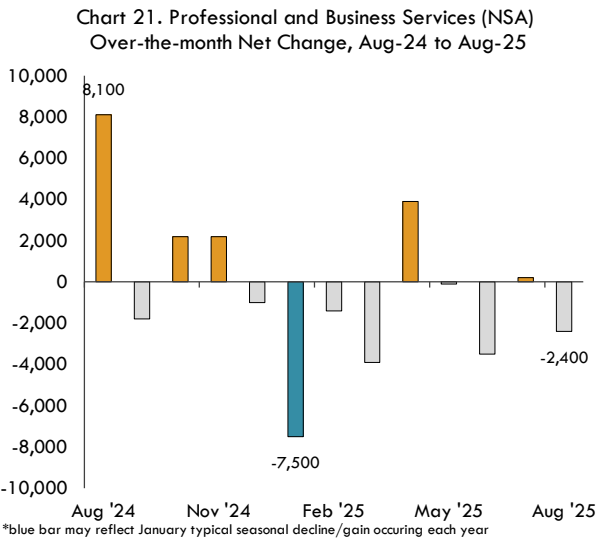


DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

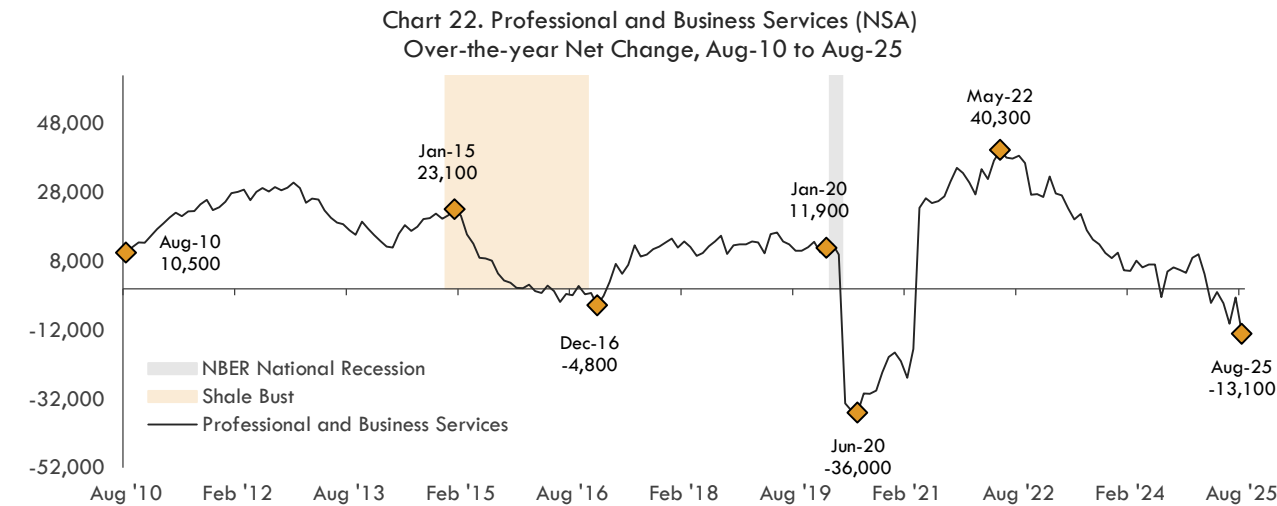
Professional and Business Services was the second-largest declining sector over the month down -2,400 jobs, or -0.4 (see Chart 21). This was the largest-ever decline in the month of August since records began in 1990, beating the previous August record of -1,600 jobs lost in 2009. Historically in the month of August, Professional and Business Services has added an average of 1,800 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's decline, down -1,900 jobs over the month. The second-largest declining contributor was Management of Companies and Enterprises, which lost -800 jobs from July to August. Lastly, Administrative and Support and Waste Management and Remediation Services offset a portion of the sector's losses with a gain of 300 jobs. Professional and Business Services employment was revised upward by 2,000 jobs for a June to July complete erasure of losses resulting in a net gain of 200 compared to an original estimate of -1,800 jobs.



Over-the-year Change

Year over year, Professional and Business Services was down -13,100 jobs, or -2.3 percent (see Chart 22). This was the third-largest over-the-year decline in August since records began in 1990 and the largest over-the-year decline since March 2021's loss of -17,500 jobs. Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 79.4 percent of total (gross) jobs lost across the region over the past year can be attributed to Professional and Business Services. Administrative and Support and Waste Management and Remediation

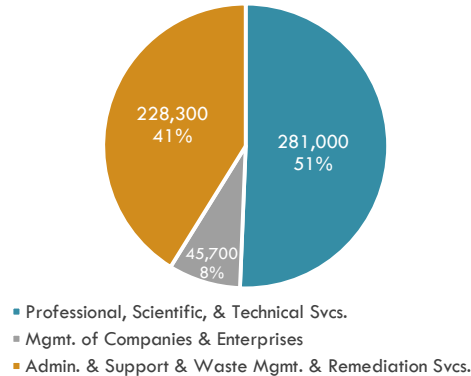
Services was the largest contributor to the overall sector's decline, down -9,800 jobs over the year. The second-largest declining contributor was Management of Companies and Enterprises, which lost -1,900 jobs from August a year ago. Lastly, Professional, Scientific, and Technical Services subtracted, -1,400 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,800 jobs by 40,200, or 7.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.6 percent to 16.1 percent over the past year.



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 slight majority of the sector's employment at just over 51 percent (see Chart 23).

Chart 23. Employment in Component Industries of Professional and Business Services Sector - August 2025

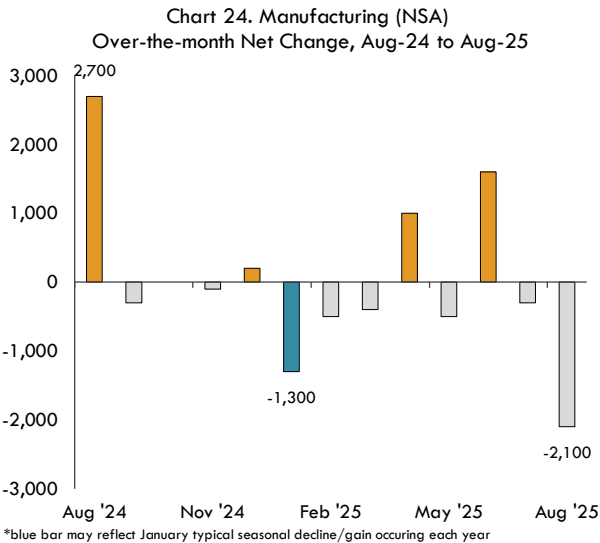


DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

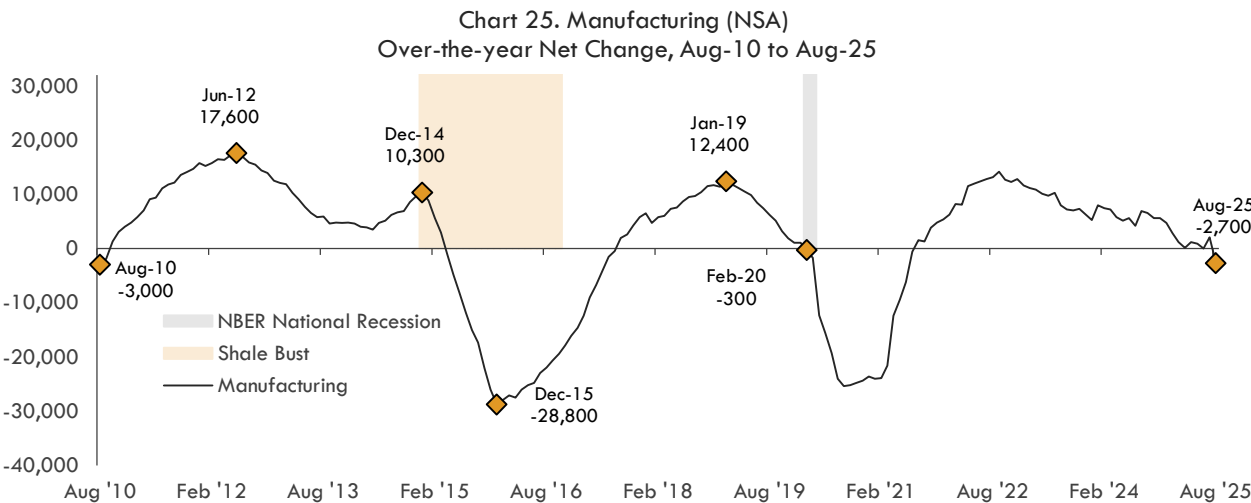
Manufacturing was the third-largest declining sector over the month down -2,100 jobs, or -0.9 (see Chart 24). This was the second-largest decline in the month of August since records began in 1990. Historically in the month of August, Manufacturing has seen no change in jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Non-Durable Goods was the largest contributor to the overall sector's decline, down -1,100 jobs over the month. The second-largest declining contributor was Durable Goods, which lost -1,000 jobs from July to August. Manufacturing employment was revised upward by 300 jobs for a June to July smaller net loss of -300 compared to an original estimate of -600 jobs.



Over-the-year Change

Year over year, Manufacturing was down -2,700 jobs, or -1.1 percent (see Chart 25). This was the largest over-the-year decline since June 2021's decrease of -6,200 jobs. Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Furthermore, 16.4 percent of total (gross) jobs lost across the region over the past year can be attributed to Manufacturing. Durable Goods was the largest contributor to the overall sector's decline, down -2,100 jobs over the year. The second-largest declining contributor was Non-Durable Goods, which lost -600

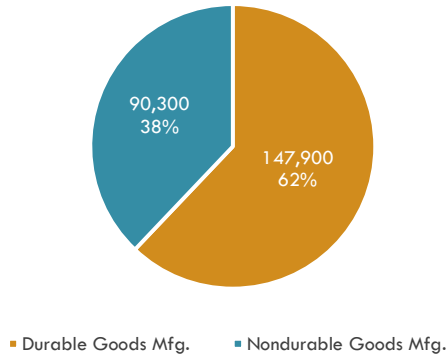
jobs from August a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,700 jobs by 3,500, or 1.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 7.0 percent to 6.9 percent over the past year.



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 26).

Chart 26. Employment in Component Industries of Manufacturing Sector - August 2025

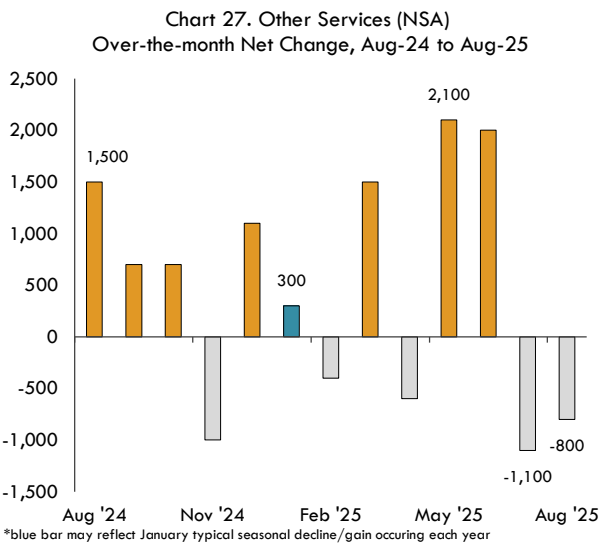


DECLINING INDUSTRY HIGHLIGHTS

Other Services

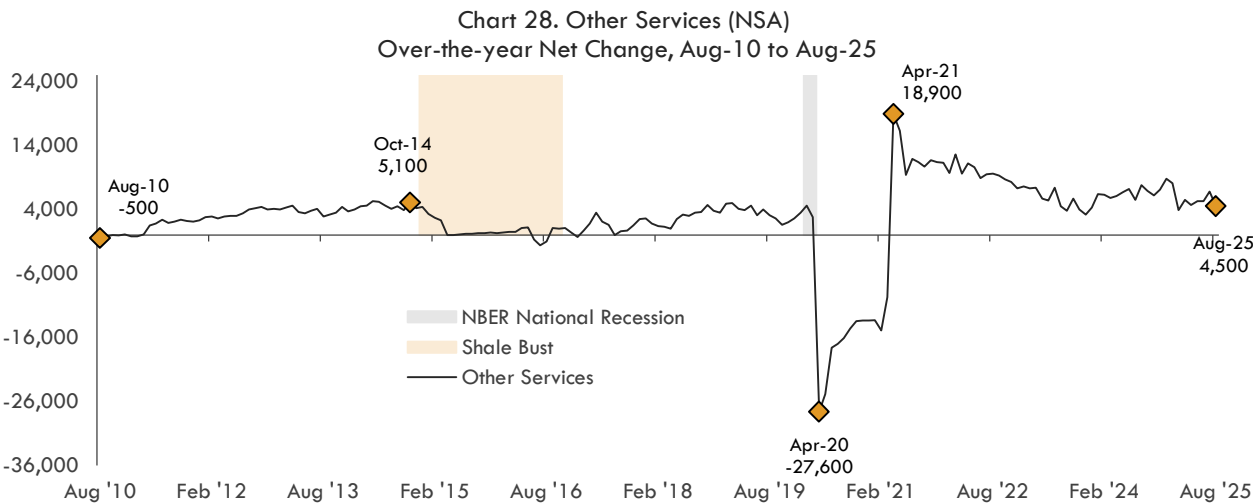
Over-the-month Change

Other Services also saw a decrease over the month down -800 jobs, or -0.6 (see Chart 27). Historically in the month of August, Other Services has lost an average of -800 jobs over the month, which indicates that this month's losses are on par with the long-term average. 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 -100 jobs for a June to July larger net loss of -1,100 compared to an original estimate of -1,000 jobs.



Over-the-year Change

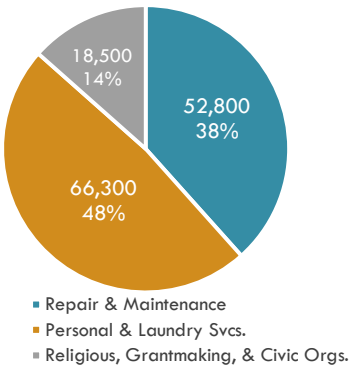
Year over year, Other Services was up 4,500 jobs, or 3.4 percent (see Chart 28). Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,200 jobs by 18,300, or 15.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 3.9 percent over the past year.



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 4 percent higher than the national average.

Chart 29. Employment in Component Industries of Other Services Sector - August 2025

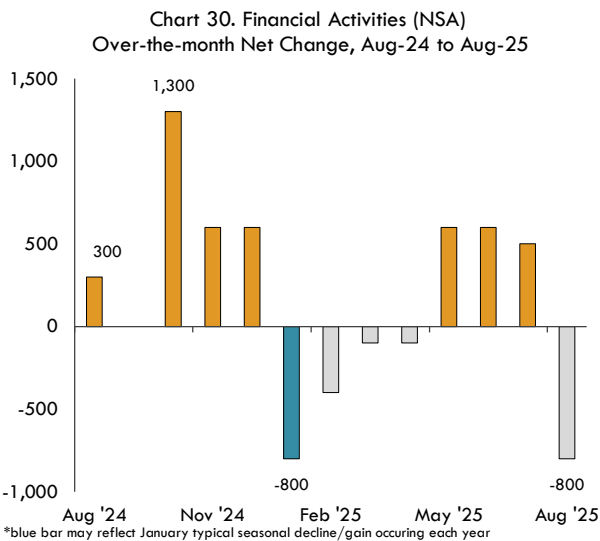


DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

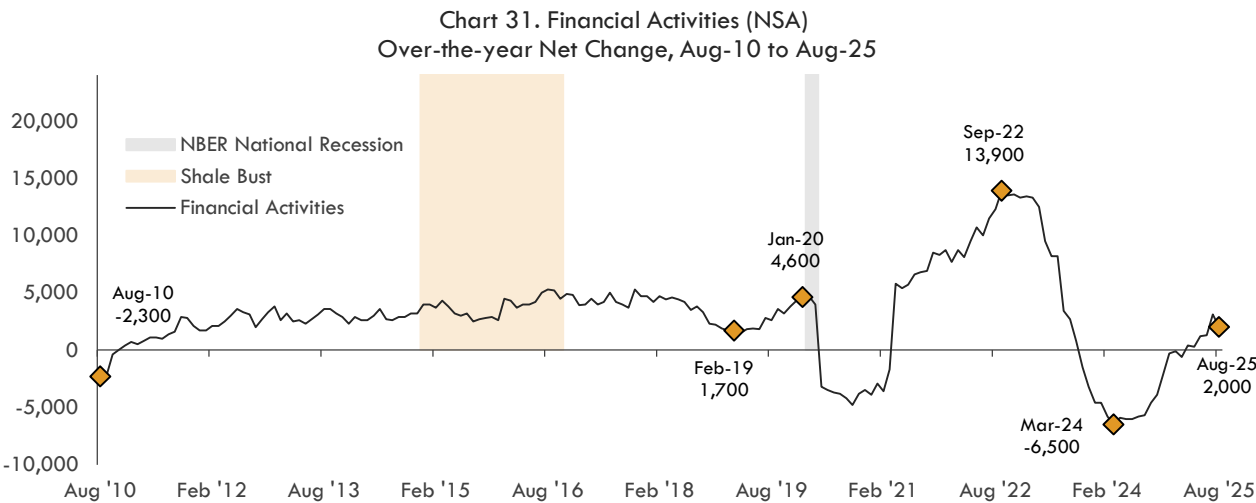
Over-the-month Change

Financial Activities also saw a decrease over the month down -800 jobs, or -0.4 (see Chart 30). This was the largest-ever decline in the month of August since records began in 1990, beating the previous August record of -600 jobs lost in 2009. Historically in the month of August, Financial Activities has added an average of 200 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 -400 jobs over the month. The second-largest declining contributor was Real Estate and Rental and Leasing, which lost -400 jobs from July to August. Financial Activities employment was revised downward by -400 jobs for a June to July smaller net gain of 500 compared to an original estimate of 900 jobs.



Over-the-year Change

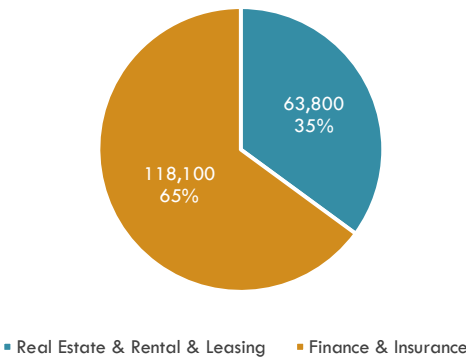
Year over year, Financial Activities was up 2,000 jobs, or 1.1 percent (see Chart 31). Finance and Insurance was the largest contributor to the overall sector's increase, up 1,300 jobs over the year. The second-largest contributor was Real Estate and Rental and Leasing, which added 700 jobs from August a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 12,700, or 7.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 5.3 percent over the past year.



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 65 percent (see Chart 32).

Chart 32. Employment in Component Industries of Financial Activities Sector - August 2025

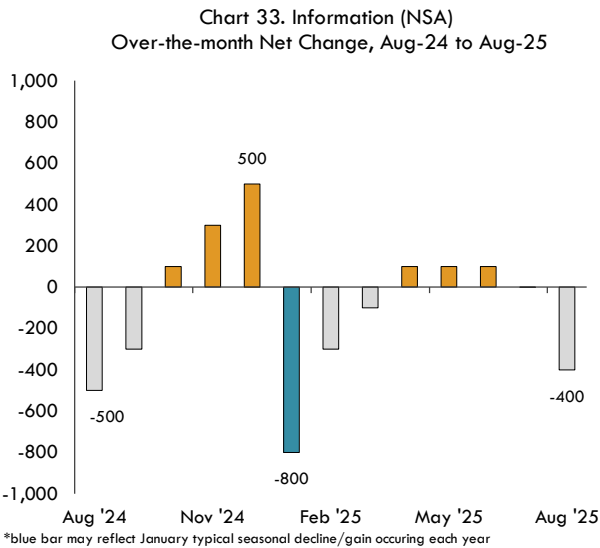


DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

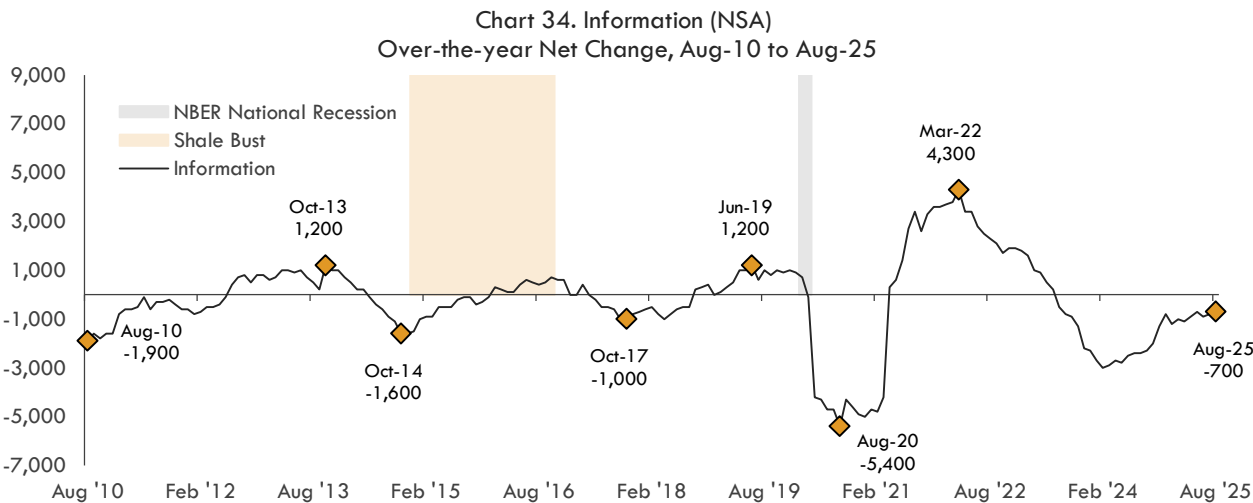
Information also saw a decrease over the month down -400 jobs, or -1.4 (see Chart 33). Historically in the month of August, Information has lost an average of -100 jobs over the month, which indicates that this month's losses are on par with the long-term average. Other Information Undefined was the largest contributor to the overall sector's decline, down -500 jobs over the month. One component industry that provided a partial offset was Telecommunications, which gained 100 jobs from July to August. Information employment was revised downward by -100 jobs for a June to July complete loss of gains resulting in a net change of zero compared to an original estimate of 100 jobs.



Over-the-year Change

Year over year, Information was down -700 jobs, or -2.3 percent (see Chart 34). Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Other Information Undefined was the largest contributor to the overall sector's decline, down -400 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -300 jobs from August a year ago. Total Information employment (NSA) remains -3,600 jobs, or -11.0 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area

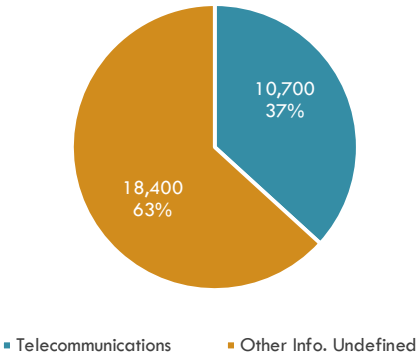
Total Nonfarm Employment has remained constant at 0.9 percent over the past year.



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 63 percent (see Chart 35).

Chart 35. Employment in Component Industries of Information Sector - August 2025

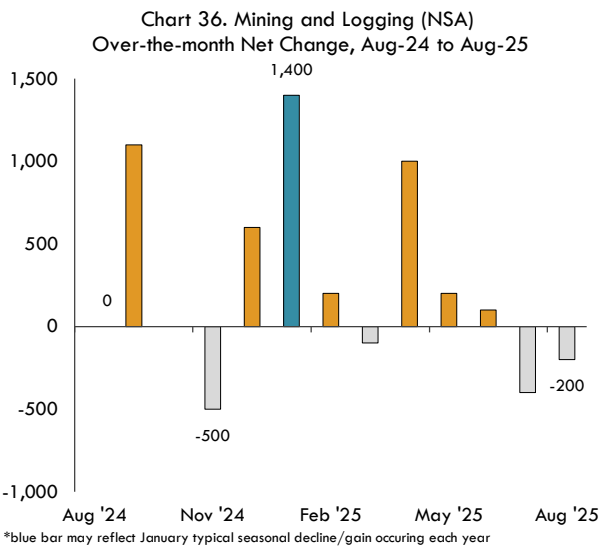


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

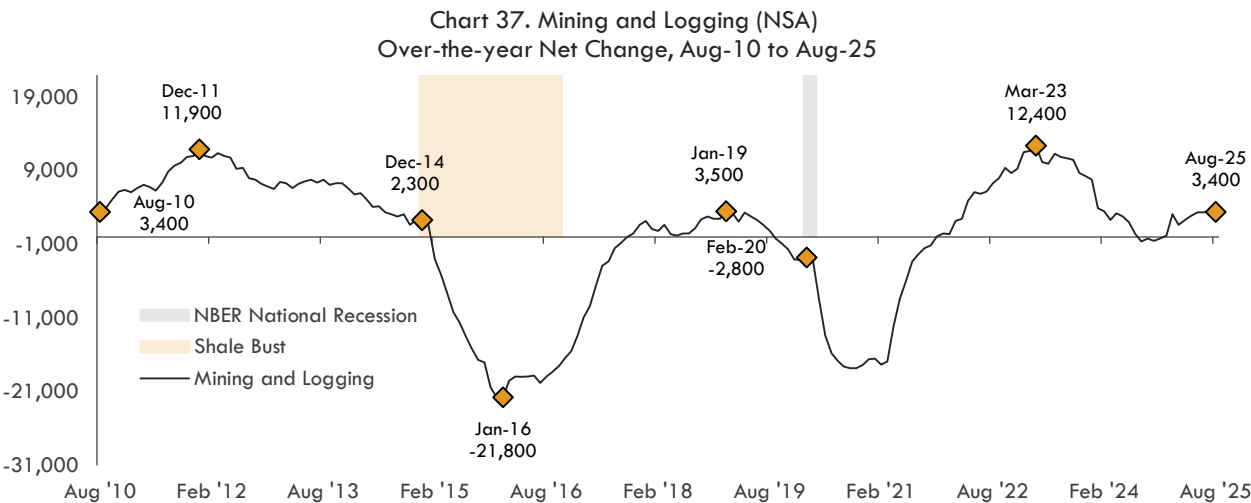
Mining and Logging also saw a decrease over the month down -200 jobs, or -0.2 (see Chart 36). Historically in the month of August, Mining and Logging has added an average of 100 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Support Activities for Mining was the largest contributor to the overall sector's decline, down -100 jobs over the month. The second-largest declining contributor was Oil and Gas Extraction, which lost -100 jobs from July to August. Lastly, Other Mining and Logging Undefined saw no change over the month. Mining and Logging employment was revised downward by -100 jobs for a June to July larger net loss of -400 compared to an original estimate of -300 jobs.



Over-the-year Change

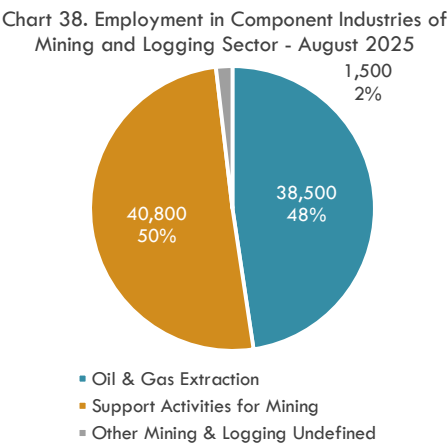
Year over year, Mining and Logging was up 3,400 jobs, or 4.4 percent (see Chart 37). Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Support Activities for Mining was the largest contributor to the overall sector's increase, up 2,200 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 1,100 jobs from August a year ago. Lastly, Other Mining and Logging Undefined contributed, 100 jobs. Total Mining and Logging employment (NSA) now exceeds its February 2020 pre-pandemic level of 78,400 jobs by 2,400,

or 3.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 2.3 percent over the past year.



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 50 percent (see Chart 38).



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 5.0 percent in August, up from July's 4.5 percent and up from 4.8 percent a year ago. This was above the statewide rate of 4.7 percent and above the national rate of 4.5 percent. An over-the-month decline in August is typical having occurred roughly 75 percent of the time over the past three decades. 193,308 individuals were unemployed in Houston in August, up from July's 174,316 and up from 184,483 in August 2024 (see Charts 39 and 40).

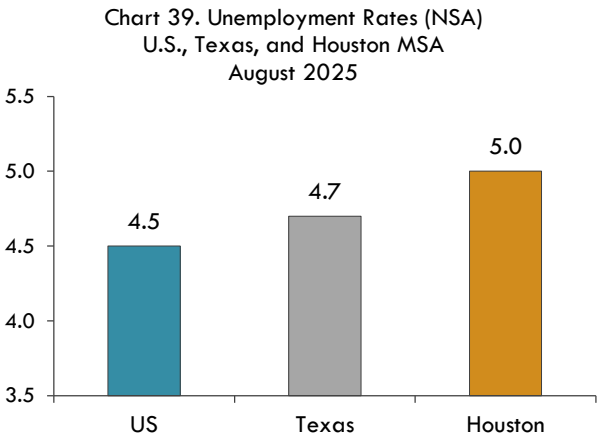
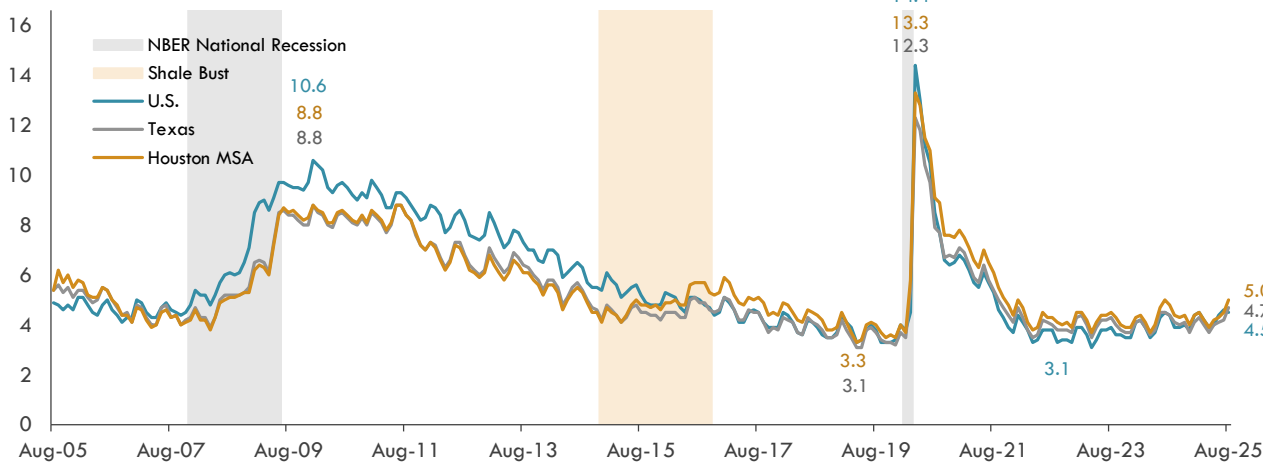


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
August 2005 to August 2025

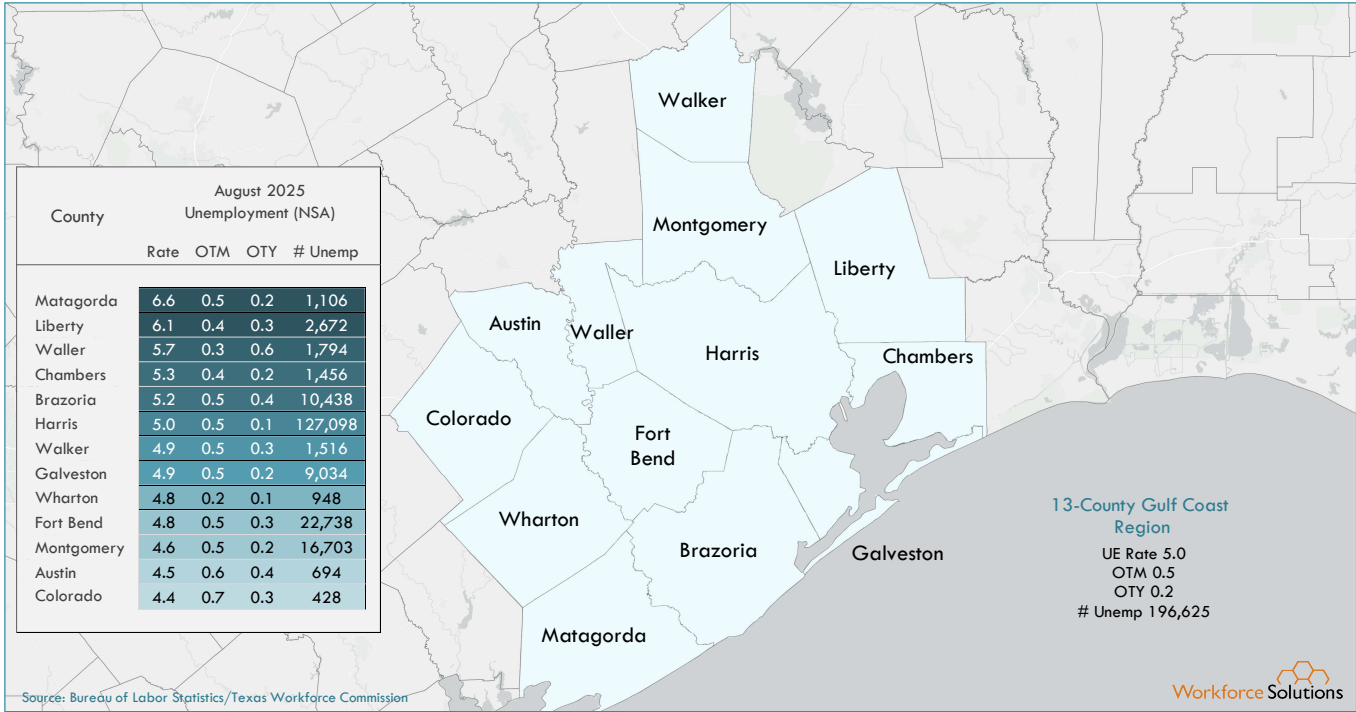


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in August ranged from a high of 6.6 percent in Matagorda County to a low of 4.4 percent in Colorado. Over the month, all 13 counties saw their unemployment rates rise in keeping with the region-wide increase of 0.5 percentage points. Colorado saw the largest percentage-point increase in unemployment up 0.7 pp. representing 63 more unemployed workers compared to the previous month. This was followed by Austin (0.6 pp, 88 workers) and Matagorda (0.5 pp, 94 workers). Over the year

unemployment rates also rose with, Waller posting the largest increase, up 0.6 percentage points representing 206 more unemployed workers compared to a year ago followed by Austin (0.4 pp, 68 workers) and Brazoria (0.4 pp, 855 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 -252,230 as of this August (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates August 2025 (NSA)



Local Area Unemployment Statistics (continued)

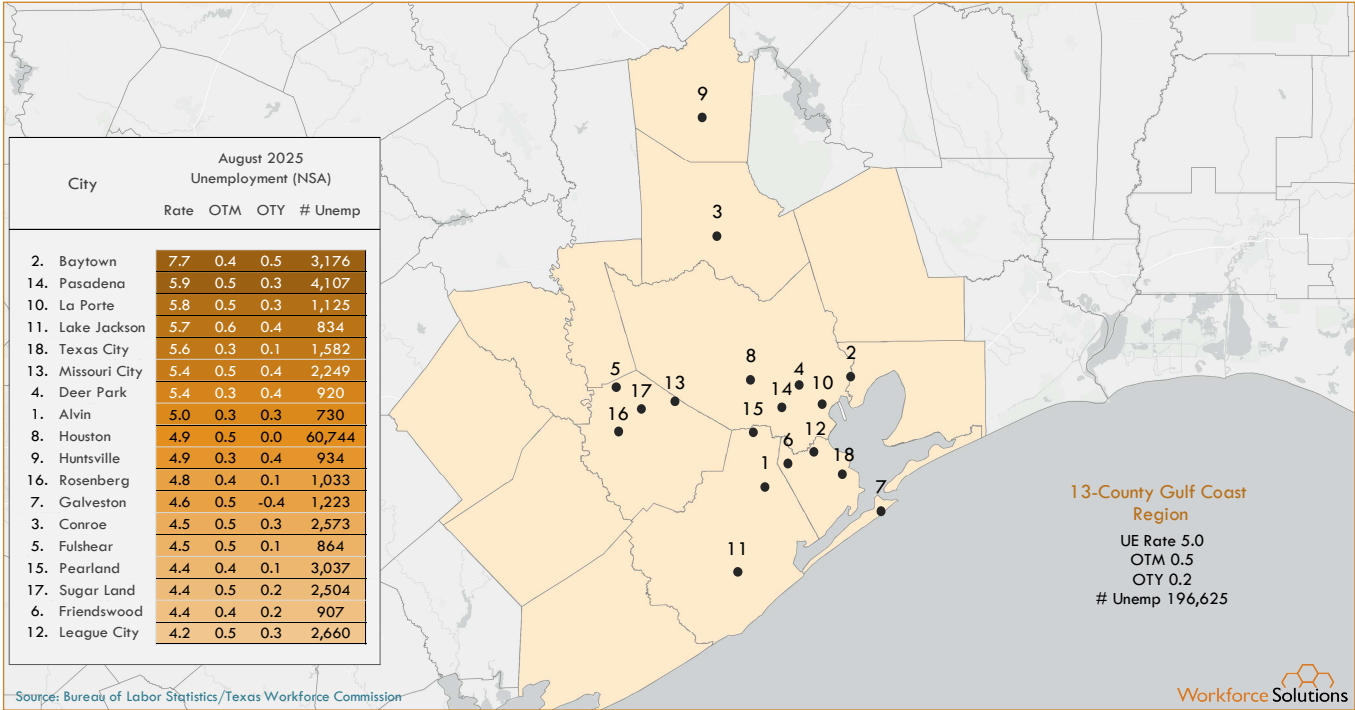
Not-Seasonally Adjusted

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 7.7 percent in Baytown to a low of 4.2 percent in League City (see Map 2 legend). Over the month, all 18 cities saw their unemployment rates rise in keeping with the region-wide increase of 0.5 percentage points. Lake Jackson saw the largest percentage-point increase in unemployment up 0.6 pp.

representing 85 more unemployed workers compared to the previous month. This was followed by Sugar Land (0.5 pp, 266 workers) and Conroe (0.5 pp, 309 workers). Over the year unemployment rates also rose with, Baytown posting the largest increase, up 0.5 percentage points representing 232 more unemployed workers compared to a year ago followed by Missouri City (0.4 pp, 196 workers) and Huntsville (0.4 pp, 87 workers). The 18 cities below accounted for 46 percent of the 196,625 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 2025 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.2 percent in July, down from June's 4.3 percent and down from 4.5 percent a year ago. This was above the statewide rate of 4.0 percent and 164,861 individuals were unemployed in Houston in July, down from June's 165,911 and down from 172,014 in July 2024 (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 2025

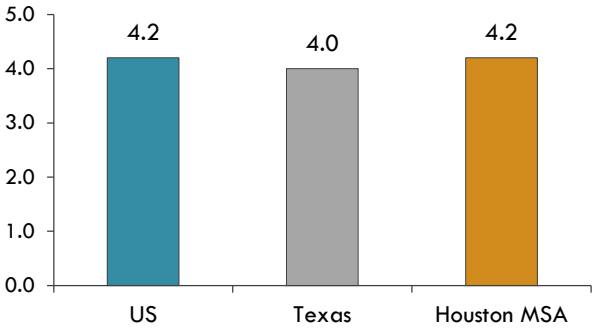
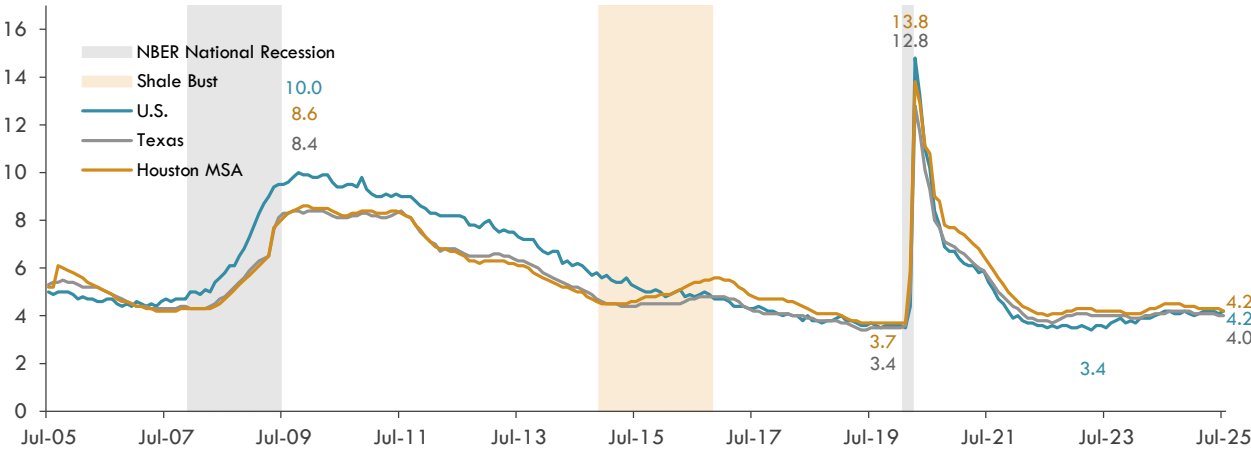


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
July 2005 to July 2025



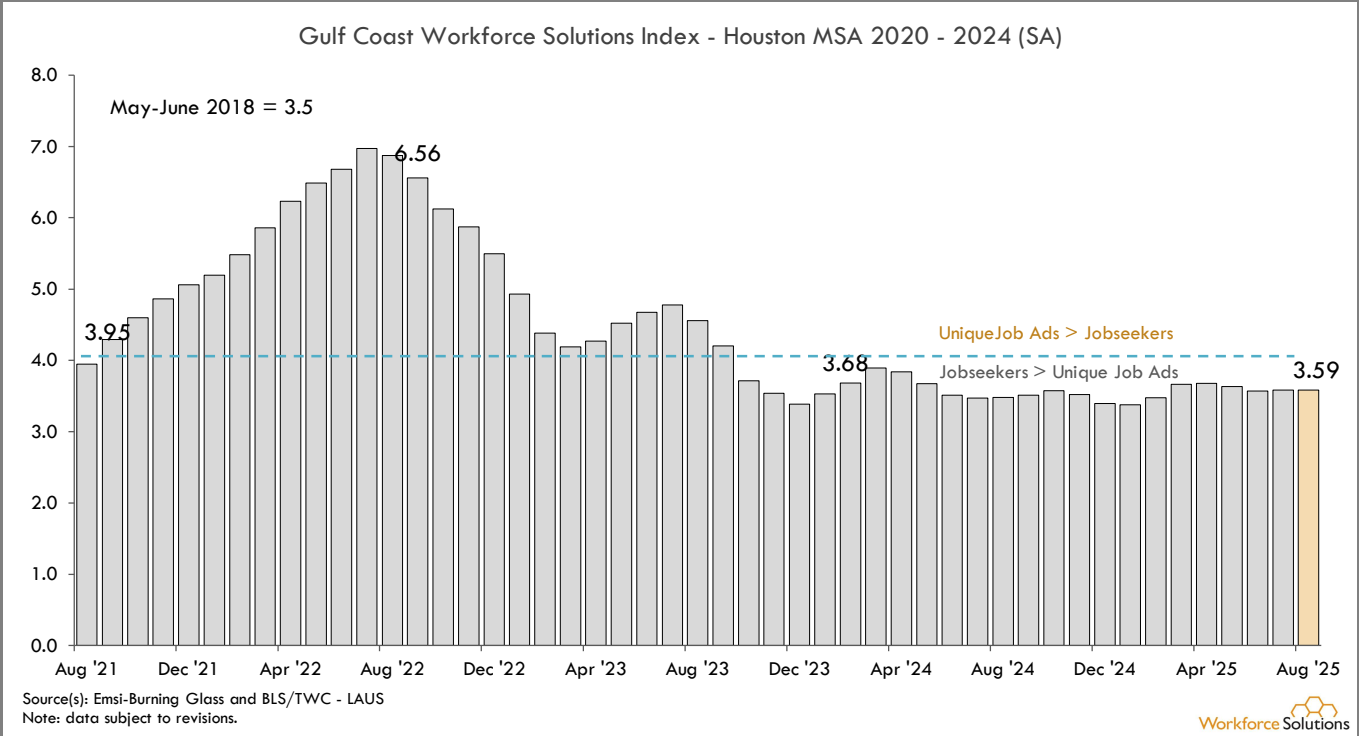
Gulf Coast Workforce Solutions Index (WSI)



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
2025:
3.59



Workforce Solutions Index August 2025

The Houston MSA WSI for August stood at 3.59, up from July's slight upward revision to 3.58. This was the result of a 1,800 increase in the number of active job ads between July and August coupled with a 3,500 decrease in the number of unemployed individuals between July and August. As of August the index has remained below the equilibrium value of 4.0. for 23 consecutive months while remaining above 3.0. As a result, the WSI continues to suggest that a requirement of three work search activities each week may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.

Houston Area Employment Situation

August 2025

Table 1. Houston MSA Sectors and Major Industry Subcomponents

| NAICS Industry | Aug-25 | Jul-25 | Aug-24 | Monthly | Monthly | Yearly | Yearly % |
|---|------------------|------------------|------------------|---------------|--------------|----------------|--------------|
| Total Nonfarm | 3,453,700 | 3,453,600 | 3,426,200 | 100 | 0.0% | 27,500 | 0.8% |
| Total Private | 3,010,500 | 3,014,600 | 2,987,300 | -4,100 | -0.1% | 23,200 | 0.8% |
| Goods Producing | 556,100 | 556,500 | 552,800 | -400 | -0.1% | 3,300 | 0.6% |
| .Mining and Logging | 80,800 | 81,000 | 77,400 | -200 | -0.2% | 3,400 | 4.4% |
| ...Oil and Gas Extraction | 38,500 | 38,600 | 37,400 | -100 | -0.3% | 1,100 | 2.9% |
| ...Support Activities for Mining | 40,800 | 40,900 | 38,600 | -100 | -0.2% | 2,200 | 5.7% |
| .Construction | 237,100 | 235,200 | 234,500 | 1,900 | 0.8% | 2,600 | 1.1% |
| ..Construction of Buildings | 62,000 | 61,700 | 59,100 | 300 | 0.5% | 2,900 | 4.9% |
| ..Heavy and Civil Engineering Construction | 57,800 | 57,300 | 56,400 | 500 | 0.9% | 1,400 | 2.5% |
| ..Specialty Trade Contractors | 117,300 | 116,200 | 119,000 | 1,100 | 0.9% | -1,700 | -1.4% |
| .Manufacturing | 238,200 | 240,300 | 240,900 | -2,100 | -0.9% | -2,700 | -1.1% |
| ..Durable Goods | 147,900 | 148,900 | 150,000 | -1,000 | -0.7% | -2,100 | -1.4% |
| ...Fabricated Metal Product Manufacturing | 54,500 | 54,700 | 54,000 | -200 | -0.4% | 500 | 0.9% |
| ...Machinery Manufacturing | 40,100 | 40,300 | 40,500 | -200 | -0.5% | -400 | -1.0% |
|Agriculture, Construction, and Mining Machinery Mfg. | 20,300 | 20,300 | 20,700 | 0 | 0.0% | -400 | -1.9% |
| ...Computer and Electronic Product Manufacturing | 14,300 | 14,400 | 14,300 | -100 | -0.7% | 0 | 0.0% |
| ..Non-Durable Goods | 90,300 | 91,400 | 90,900 | -1,100 | -1.2% | -600 | -0.7% |
| ...Petroleum and Coal Products Manufacturing | 7,700 | 7,800 | 8,000 | -100 | -1.3% | -300 | -3.8% |
| ...Chemical Manufacturing | 43,700 | 43,900 | 43,700 | -200 | -0.5% | 0 | 0.0% |
| Service Providing | 2,897,600 | 2,897,100 | 2,873,400 | 500 | 0.0% | 24,200 | 0.8% |
| .Private Service Providing | 2,454,400 | 2,458,100 | 2,434,500 | -3,700 | -0.2% | 19,900 | 0.8% |
| ..Trade, Transportation, and Utilities | 701,700 | 701,200 | 694,900 | 500 | 0.1% | 6,800 | 1.0% |
| ...Wholesale Trade | 181,900 | 181,900 | 178,800 | 0 | 0.0% | 3,100 | 1.7% |
|Merchant Wholesalers, Durable Goods | 112,500 | 112,800 | 111,500 | -300 | -0.3% | 1,000 | 0.9% |
|Prof. and Commercial Equip. Supplies Wholesalers | 18,200 | 18,200 | 18,200 | 0 | 0.0% | 0 | 0.0% |
|Merchant Wholesalers, Nondurable Goods | 56,100 | 56,000 | 55,500 | 100 | 0.2% | 600 | 1.1% |
| ...Retail Trade | 321,700 | 322,200 | 322,400 | -500 | -0.2% | -700 | -0.2% |
|Motor Vehicle and Parts Dealers | 45,800 | 45,700 | 45,200 | 100 | 0.2% | 600 | 1.3% |
|Bldg. Material and Garden Equip. and Supplies Dealers | 23,100 | 23,800 | 24,500 | -700 | -2.9% | -1,400 | -5.7% |
|Food and Beverage Stores | 78,700 | 78,500 | 78,000 | 200 | 0.3% | 700 | 0.9% |
|Health and Personal Care Stores | 63,600 | 63,300 | 63,700 | 300 | 0.5% | -100 | -0.2% |
|Clothing and Clothing Accessories Stores | 20,600 | 20,500 | 20,700 | 100 | 0.5% | -100 | -0.5% |
|General Merchandise Stores | 43,000 | 42,800 | 43,000 | 200 | 0.5% | 0 | 0.0% |
|Department Stores | 21,600 | 21,700 | 21,900 | -100 | -0.5% | -300 | -1.4% |
|Other General Merchandise Stores | 25,500 | 25,200 | 25,600 | 300 | 1.2% | -100 | -0.4% |
| ...Transportation, Warehousing, and Utilities | 198,100 | 197,100 | 193,700 | 1,000 | 0.5% | 4,400 | 2.3% |
|Utilities | 25,100 | 24,900 | 24,300 | 200 | 0.8% | 800 | 3.3% |
|Air Transportation | 22,100 | 22,100 | 21,400 | 0 | 0.0% | 700 | 3.3% |
|Truck Transportation | 31,500 | 31,400 | 30,800 | 100 | 0.3% | 700 | 2.3% |
|Pipeline Transportation | 14,500 | 14,500 | 13,900 | 0 | 0.0% | 600 | 4.3% |
| ..Information | 29,100 | 29,500 | 29,800 | -400 | -1.4% | -700 | -2.3% |
| ...Telecommunications | 10,700 | 10,600 | 11,000 | 100 | 0.9% | -300 | -2.7% |
| ..Financial Activities | 181,900 | 182,700 | 179,900 | -800 | -0.4% | 2,000 | 1.1% |
| ...Finance and Insurance | 118,100 | 118,500 | 116,800 | -400 | -0.3% | 1,300 | 1.1% |
|Credit Intermediation and Related Activities | 46,000 | 46,100 | 46,400 | -100 | -0.2% | -400 | -0.9% |
|Depository Credit Intermediation | 30,800 | 30,900 | 31,000 | -100 | -0.3% | -200 | -0.6% |
|Securities, Commodity Contracts, and Fin. Investments | 21,700 | 21,800 | 21,600 | -100 | -0.5% | 100 | 0.5% |
|Insurance Carriers and Related Activities | 50,400 | 50,600 | 48,800 | -200 | -0.4% | 1,600 | 3.3% |
| ...Real Estate and Rental and Leasing | 63,800 | 64,200 | 63,100 | -400 | -0.6% | 700 | 1.1% |
| ..Professional and Business Services | 555,000 | 557,400 | 568,100 | -2,400 | -0.4% | -13,100 | -2.3% |
| ...Professional, Scientific, and Technical Services | 281,000 | 282,900 | 282,400 | -1,900 | -0.7% | -1,400 | -0.5% |
|Legal Services | 33,400 | 34,000 | 33,200 | -600 | -1.8% | 200 | 0.6% |
|Accounting, Tax Preparation, Bookkeeping, and Payroll | 27,300 | 27,700 | 27,700 | -400 | -1.4% | -400 | -1.4% |
|Architectural, Engineering, and Related Services | 79,900 | 79,600 | 77,600 | 300 | 0.4% | 2,300 | 3.0% |
|Computer Systems Design and Related Services | 42,200 | 42,400 | 44,600 | -200 | -0.5% | -2,400 | -5.4% |
| ...Management of Companies and Enterprises | 45,700 | 46,500 | 47,600 | -800 | -1.7% | -1,900 | -4.0% |
| ...Admin. and Support and Waste Mgmt. and Remediation | 228,300 | 228,000 | 238,100 | 300 | 0.1% | -9,800 | -4.1% |
|Administrative and Support Services | 215,400 | 215,000 | 225,200 | 400 | 0.2% | -9,800 | -4.4% |
|Employment Services | 74,800 | 74,900 | 79,900 | -100 | -0.1% | -5,100 | -6.4% |
|Services to Buildings and Dwellings | 58,000 | 57,500 | 59,500 | 500 | 0.9% | -1,500 | -2.5% |
| ..Educational and Health Services | 474,500 | 471,700 | 461,300 | 2,800 | 0.6% | 13,200 | 2.9% |
| ...Educational Services | 71,500 | 71,800 | 71,500 | -300 | -0.4% | 0 | 0.0% |
| ...Health Care and Social Assistance | 403,000 | 399,900 | 389,800 | 3,100 | 0.8% | 13,200 | 3.4% |
|Ambulatory Health Care Services | 202,000 | 200,800 | 195,600 | 1,200 | 0.6% | 6,400 | 3.3% |
|Hospitals | 102,600 | 102,100 | 99,100 | 500 | 0.5% | 3,500 | 3.5% |
| ..Leisure and Hospitality | 374,700 | 377,300 | 367,500 | -2,600 | -0.7% | 7,200 | 2.0% |
| ...Arts, Entertainment, and Recreation | 43,800 | 44,700 | 42,600 | -900 | -2.0% | 1,200 | 2.8% |
| ...Accommodation and Food Services | 330,900 | 332,600 | 324,900 | -1,700 | -0.5% | 6,000 | 1.8% |
|Accommodation | 28,200 | 28,500 | 27,800 | -300 | -1.1% | 400 | 1.4% |
|Food Services and Drinking Places | 302,700 | 304,100 | 297,100 | -1,400 | -0.5% | 5,600 | 1.9% |
| ..Other Services | 137,500 | 138,300 | 133,000 | -800 | -0.6% | 4,500 | 3.4% |
| Government | 443,200 | 439,000 | 438,900 | 4,200 | 1.0% | 4,300 | 1.0% |
| .Federal Government | 36,400 | 37,000 | 37,200 | -600 | -1.6% | -800 | -2.2% |
| .State Government | 101,000 | 100,100 | 97,500 | 900 | 0.9% | 3,500 | 3.6% |
| ...State Government Educational Services | 53,700 | 52,900 | 52,400 | 800 | 1.5% | 1,300 | 2.5% |
| .Local Government | 305,800 | 301,900 | 304,200 | 3,900 | 1.3% | 1,600 | 0.5% |
| ..Local Government Educational Services | 201,800 | 198,000 | 203,000 | 3,800 | 1.9% | -1,200 | -0.6% |