

Houston Area Employment Situation

July 2025

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

End-of-School-Year Layoffs Drive Houston's Seasonal Job Decline

Total Nonfarm

Over-the-month Change

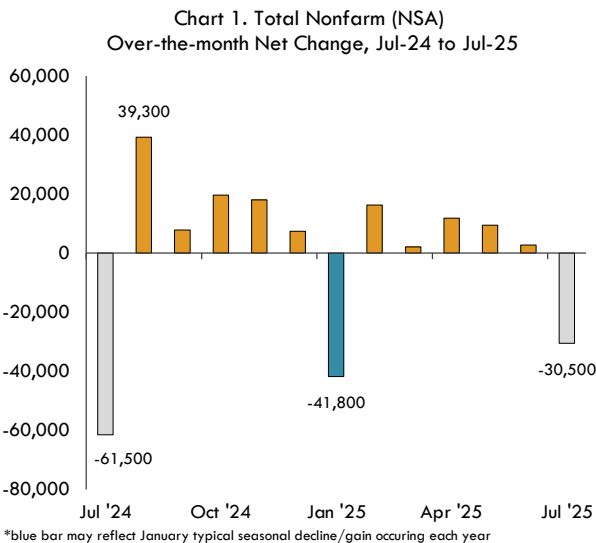
Houston MSA Total Nonfarm employment stood at 3,449,500 in July, down -30,500 jobs over the month, or -0.9 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month decrease of 61,500 jobs. Historically in the month of July, Total Nonfarm has on average lost -15,600 jobs over the month, which indicates that this month's losses are substantially greater than the long-term average. Over-the-month job losses are typical in July of each year which are largely driven by seasonal declines in Local Government Educational Services, Leisure and Hospitality, and Construction.

The primary drivers of this July's decline were decreases in Government; Professional and Business Services; and Other Services. Losses were also recorded in Trade, Transportation, and Utilities; Manufacturing; and Leisure and Hospitality. The net decrease in jobs over the month was partially offset by gains in Financial Activities; Private Education and Health Services; and Information. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,460,000, down -7,100 jobs over the month, or -0.2 percent vs. a historical average of 2,900. 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.

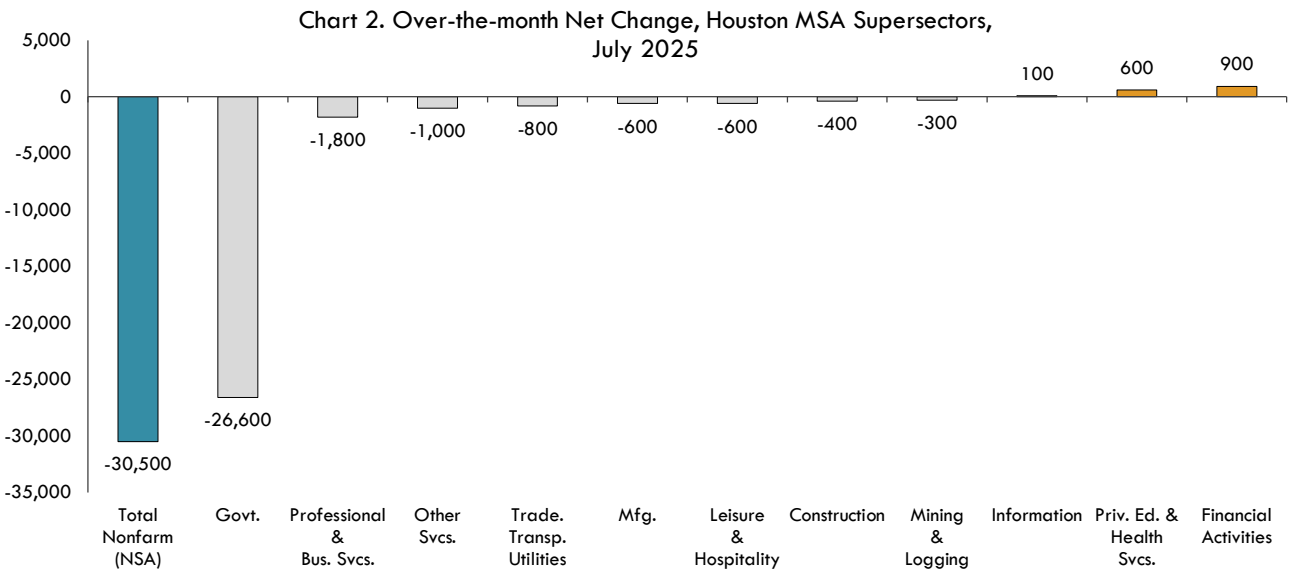
- Top-3 Drivers of Over-the-month Job Loss in July
- Government: -26,600
 - Professional and Business Services: -1,800
 - Other Services: -1,000

Over-the-year Change

Over the year, Total Nonfarm employment was up 62,600 or 1.8 percent on a not-seasonally-adjusted basis and up 67,700 or 2.0 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, July 2024 saw a year-over-year gain of 22,400 jobs (NSA) from July 2023. This was the largest over-the-year gain since March 2024's increase of 64,600 jobs. Currently 8 out of 11 sectors show growth year over year of which the top-three are Private Education and Health Services (17,300);



Trade, Transportation, and Utilities (14,200); and Leisure and Hospitality (14,200) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,193,600 jobs by 255,900, or 8.0 percent (260,200 jobs, 8.1 percent above 3,199,800 seasonally adjusted).



Previous Month's Revisions

Total Nonfarm employment was revised upward by 500 jobs for a May to June larger net gain of 2,800 compared to an original estimate of 2,300 jobs. An upward revision of +2,300 jobs in Other Services was the largest contributor followed by Trade, Transportation, and Utilities (+900) and Leisure and Hospitality (+700). Downward revisions in Construction (-1,100), Manufacturing (-900), and Government (-800) 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 July
- Private Education and Health Services: 17,300
 - Leisure and Hospitality: 14,200
 - Trade, Transportation, and Utilities: 14,200

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

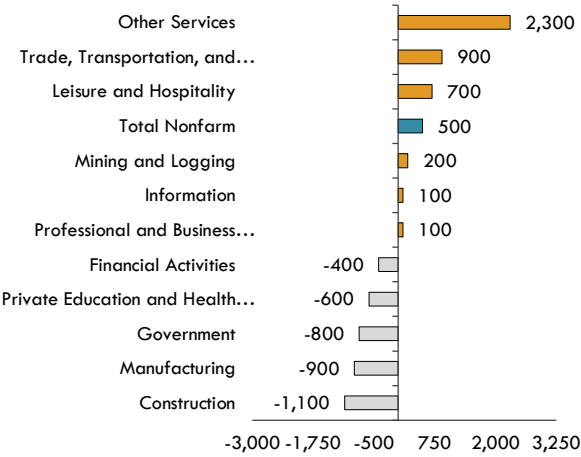


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Jul-10 to Jul-25

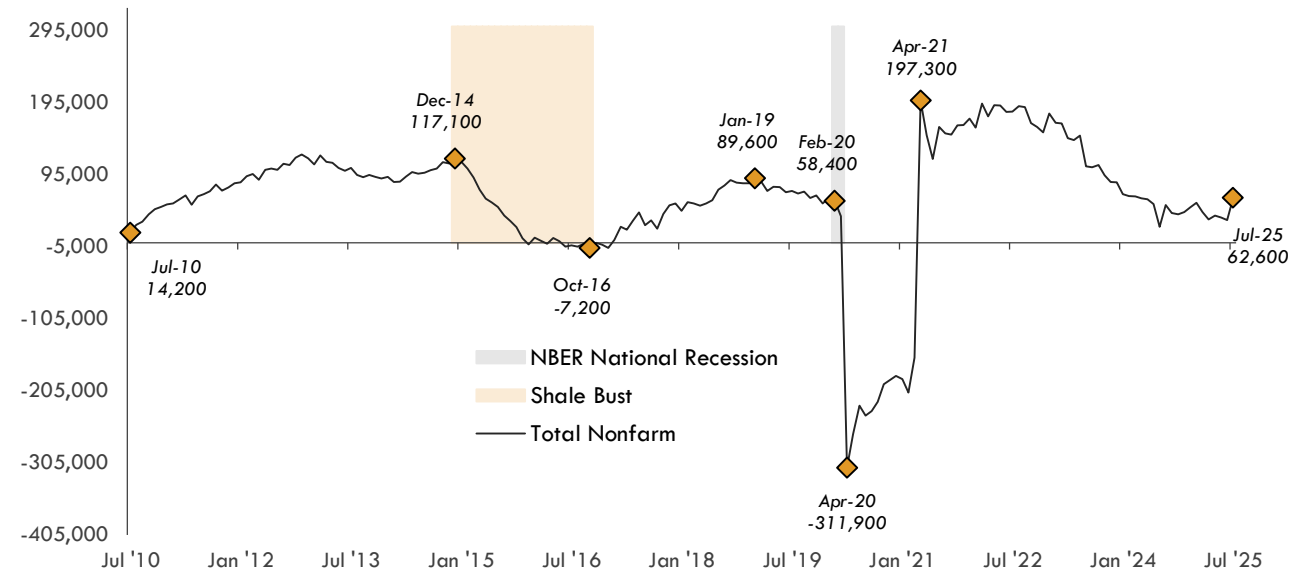
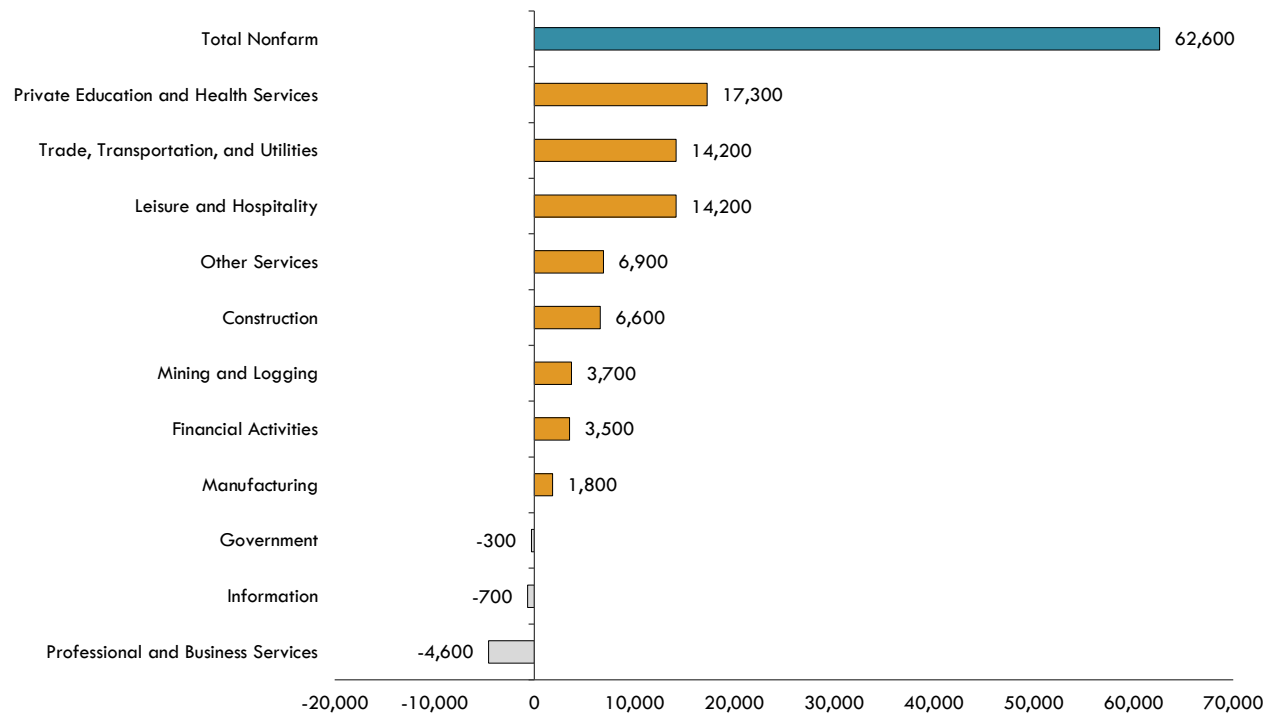


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
July 2024 to July 2025



Supplemental Commentary

Houston's labor market experienced a seasonal contraction in July, with payrolls declining by 30,500 jobs on a not-seasonally-adjusted basis. This drop is consistent with the typical summer slowdown when public and private educational institutions trim staffing after the academic year ends. On a seasonally adjusted basis, the region posted a net loss of 7,100 jobs, marking the fourth consecutive monthly decline and contrasting with the historical July average gain of roughly 2,900. Over the year, nonfarm employment grew by 62,600 jobs (+1.8%), but this acceleration is largely a base effect: last summer's counts were heavily depressed by the aftermath of Hurricane Beryl, when Houston temporarily lost 61,500 jobs, inflating this year's year-over-year comparisons across most sectors.

The largest July losses occurred in Government (-26,600), almost entirely from Local Government Educational Services (-23,700). This drop is roughly 3,000 deeper than the typical July swing seen in recent years, potentially reflecting a larger-than-usual spring staffing ramp-up driven by population growth and consequently more teachers and support staff, which then produced a proportionally larger summer adjustment. State Government Educational Services (-1,200) followed seasonal norms, while Federal Government employment inched up (+100). Despite the steep drop, this remains a seasonal phenomenon and is expected to reverse with the start of the new school year.

Professional and Business Services (P&BS) posted another notable decline of -1,800 jobs, extending its year-to-date underperformance. The decline in July was concentrated in Administrative and Support and Waste Management Services (-2,900), while Professional, Scientific, and Technical Services added 1,500 jobs after two months of losses. Local sentiment from the June ISM-Houston Business Report showed the sector's employment index in contraction territory despite moderate expansion in overall activity. Nationally, the July ISM Services PMI edged up to 50.1%, barely signaling growth, while the employment index slid to 46.4%, indicating contraction. With oil prices lingering near \$68/bbl, many energy-related professional firms are in "wait-and-see" mode, with several major players (Apache, BP, Chevron, Dow) announcing workforce reductions in anticipation of continued price stagnation or mild declines. The next few months will reveal whether Houston's Professional, Scientific, and Technical Services can regain momentum.

Trade, Transportation, and Utilities dipped by 800 jobs, driven by Wholesale Trade (-1,100) and a modest decline in Transportation, Warehousing, and Utilities (-100). However, Retail Trade added 400 jobs, continuing a steady expansion since April. The sector's resilience underscores ongoing consumer demand, even as wholesale and freight-related hiring softens amid inventory adjustments and slower goods movement on the business-to-business side. In contrast, Leisure and Hospitality saw only a -600 job seasonal pullback, its mildest July decline in at least two decades, highlighting the sustained strength of local demand for dining, travel, and entertainment. Arts, Entertainment, and Recreation slipped by -200, while Food Services and Drinking Places held steady. The sector remains a leading contributor to Houston's 2025 job growth.

Other notable movements included Mining and Logging (-300), where oilfield services hiring has slowed despite stable drilling counts, Financial Activities (+900), supported by gains in both real estate and finance; and Information (+100), maintaining its long-run stagnation despite modest seasonal gains. Manufacturing (-600) and Construction (-400) each posted typical seasonal declines but remain ahead of last year on the strength of early-2025 growth. The unemployment rate (NSA) rose to 4.6% in July from 4.3% in June, partly reflecting seasonal education layoffs and P&BS weakness.

Looking ahead, Houston's labor appears to be in a phase of normalization, with strength concentrated in leisure, health care, and certain goods-producing industries, while professional services and trade-related segments lag. Macro uncertainty, energy-sector caution, and shifting consumer spending patterns remain headwinds. Fall hiring trends and future revisions will clarify whether current softness represents a temporary seasonal adjustment or a more persistent structural moderation.

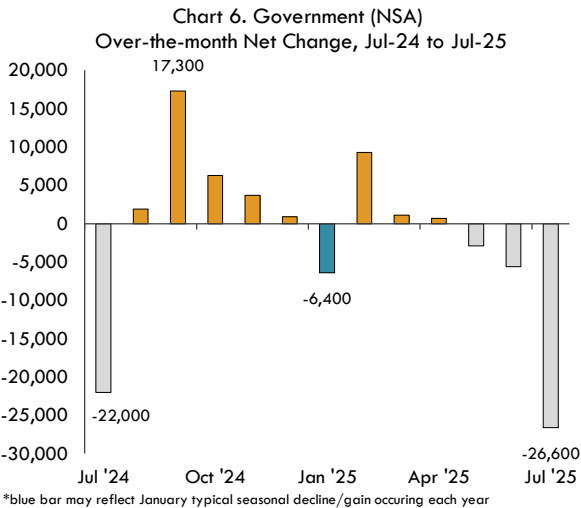
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DECLINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

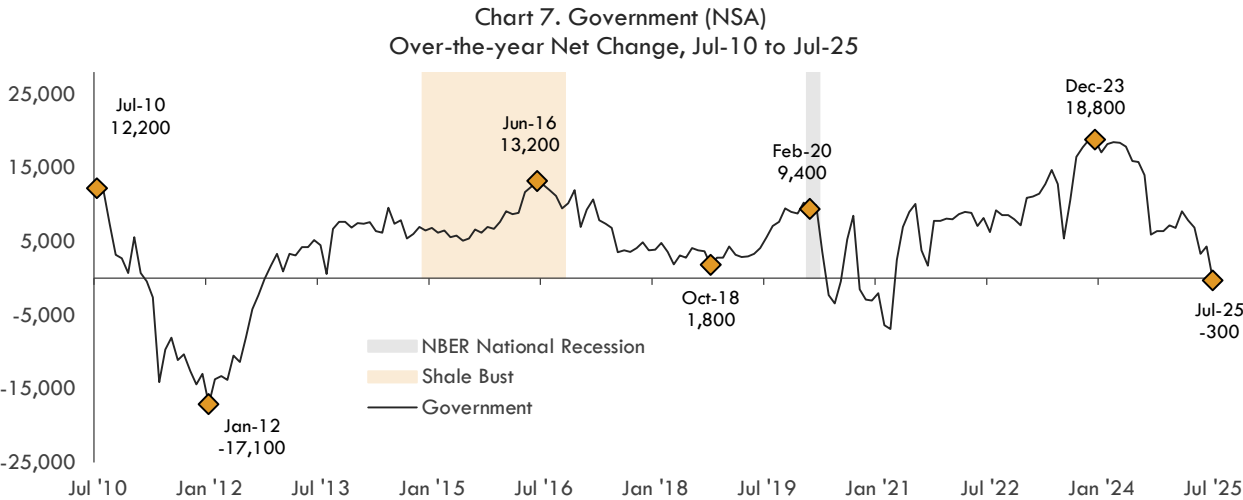
Government was the largest declining sector over the month down -26,600 jobs, or -5.7 percent (see Chart 6). This was the largest-ever decline in the month of July since records began in 1990, beating the previous July record of -22,000 jobs lost in 2024, and now stands as the largest over-the-month decrease of any month in the past three decades. Historically in the month of July, Government has lost an average of -13,800 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Local Government was the largest contributor to the overall sector's decline, down -26,000 jobs over the month. The second-largest declining contributor was State Government, which lost -700 jobs from June to July. Lastly, Federal Government offset a portion of the sector's losses with a gain of 100 jobs. Government employment was revised downward by -800 jobs for a May to June larger net loss of -5,600 compared to an original estimate of -4,800 jobs.



Over-the-year Change

Year over year, Government was down -300 jobs, or -0.1 percent (see Chart 7). This was the largest over-the-year decline since March 2021's decrease of -6,900 jobs. Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Local Government was the largest contributor to the overall sector's decline, down -3,600 jobs over the year. The second-largest declining contributor was Federal Government, which lost -100 jobs from July a year ago. Lastly, State Government offset a portion of the sector's losses with a gain of 3,400 jobs. Total

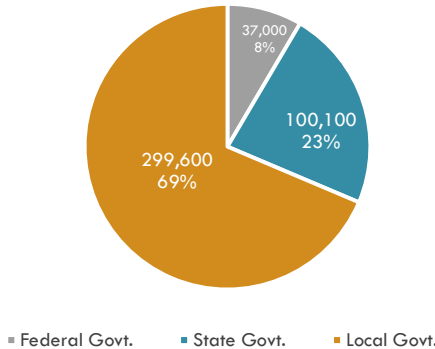
Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 429,300 jobs by 7,400, or 1.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 12.9 percent to 12.7 percent over the past year.



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

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

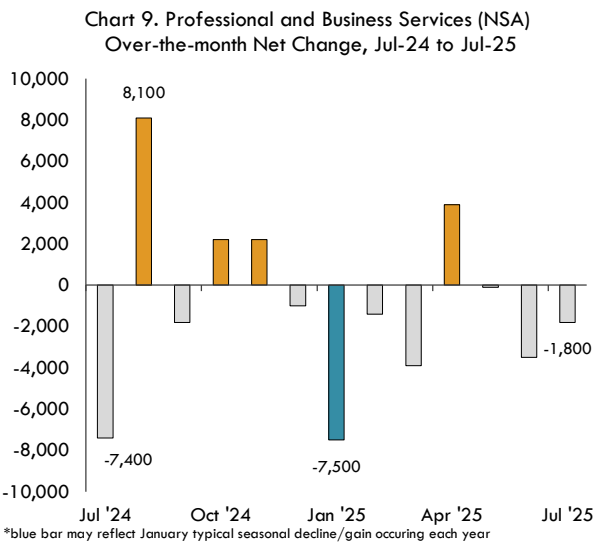


DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

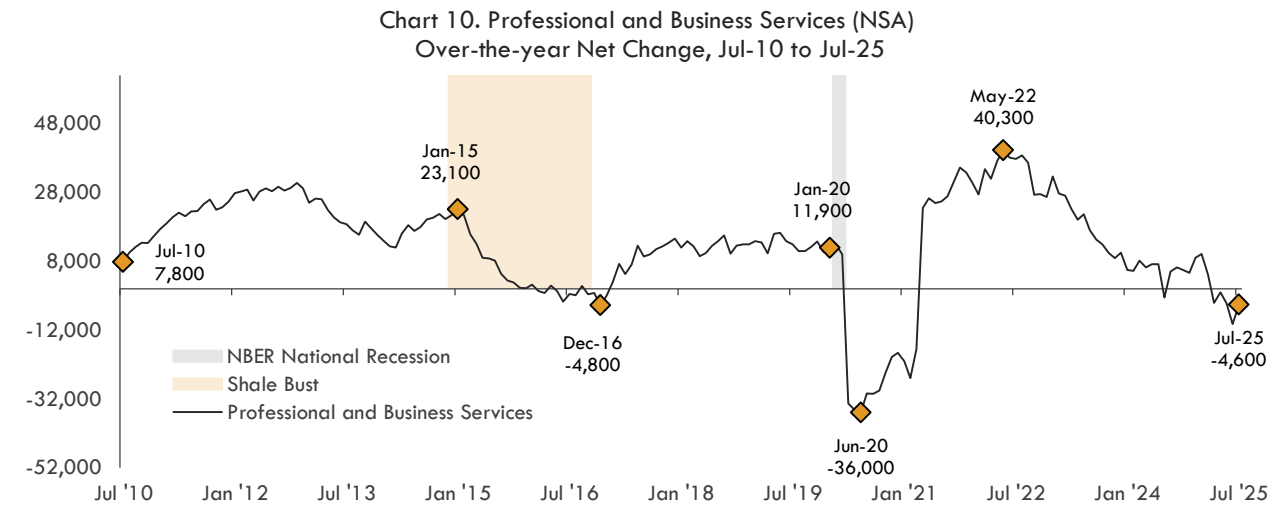
Professional and Business Services was the second-largest declining sector over the month down -1,800 jobs, or -0.3 percent (see Chart 9). Historically in the month of July, Professional and Business Services has added an average of 800 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's decline, down -2,900 jobs over the month. The second-largest declining contributor was Management of Companies and Enterprises, which lost -400 jobs from June to July. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's losses with a gain of 1,500 jobs. Professional and Business Services employment was revised upward by 100 jobs for a May to June smaller net loss of -3,500 compared to an original estimate of -3,600 jobs.



Over-the-year Change

Year over year, Professional and Business Services was down -4,600 jobs, or -0.8 percent (see Chart 10). Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 82.1 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 -4,800 jobs over the year. The second-largest declining contributor was

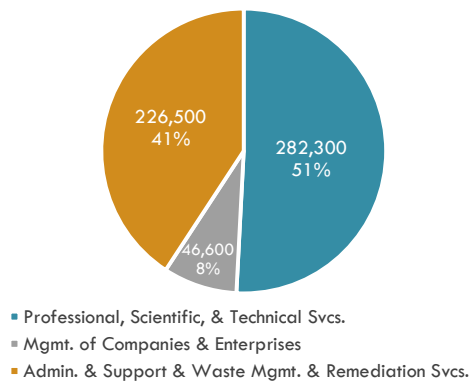
Management of Companies and Enterprises, which lost -1,300 jobs from July a year ago. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's losses with a gain of 1,500 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,800 jobs by 40,600, or 7.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.5 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 11). Across the Houston MSA, the concentration of jobs in the overall sector is 13 percent higher than the national average, due to a 19-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 11. Employment in Component Industries of Professional and Business Services Sector - July 2025

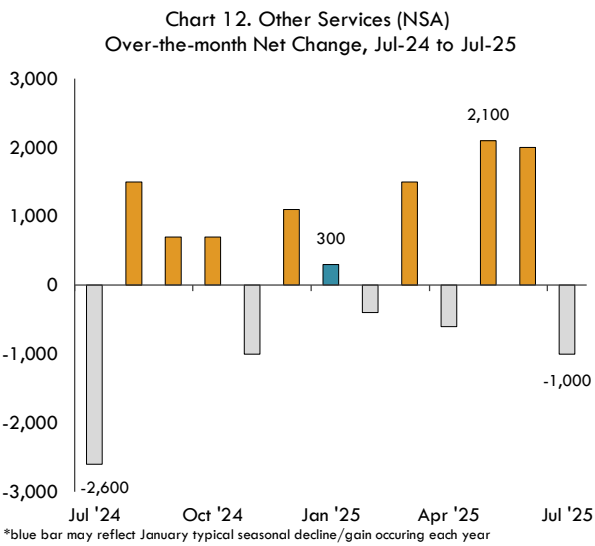


DECLINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

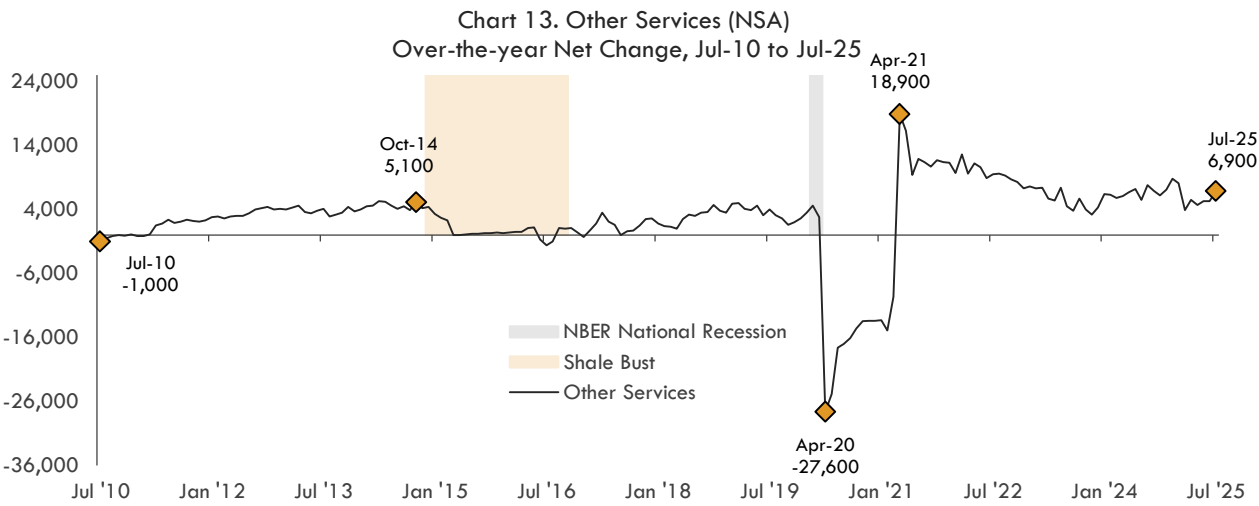
Other Services was the third-largest declining sector over the month down -1,000 jobs, or -0.7 percent (see Chart 12). Historically in the month of July, Other Services has lost an average of -200 jobs over the month, which indicates that this month's losses are substantially larger than the long-term 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 2,300 jobs for a May to June complete erasure of losses resulting in a net gain of 2,000 compared to an original estimate of -300 jobs.



Over-the-year Change

Year over year, Other Services was up 6,900 jobs, or 5.2 percent (see Chart 13). This was the third-largest over-the-year gain in July since records began in 1990 and the largest gain since January 2025's increase of 8,100 jobs. 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 119,200 jobs by 19,200, or 16.1 percent. At the same time, the sector's

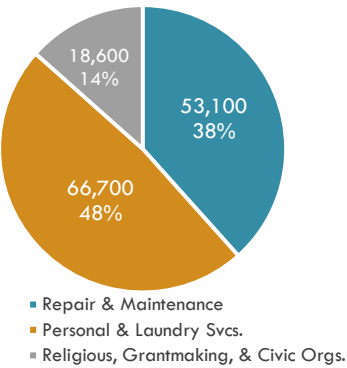
share of Houston area Total Nonfarm Employment has risen from 3.9 percent to 4.0 percent over the past year.



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

Chart 14. Employment in Component Industries of Other Services Sector - July 2025

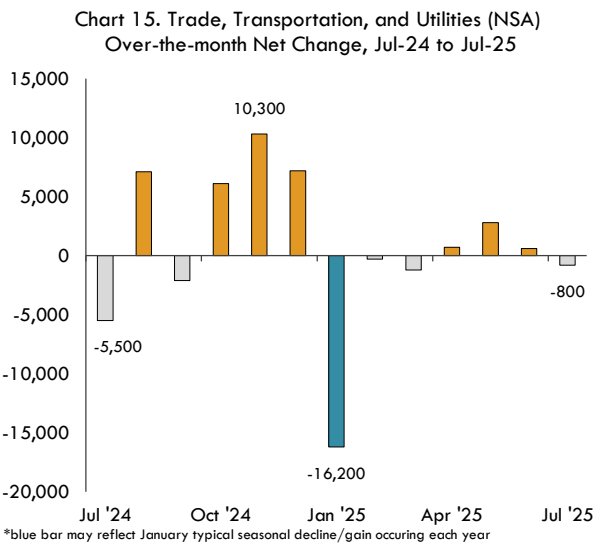


DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

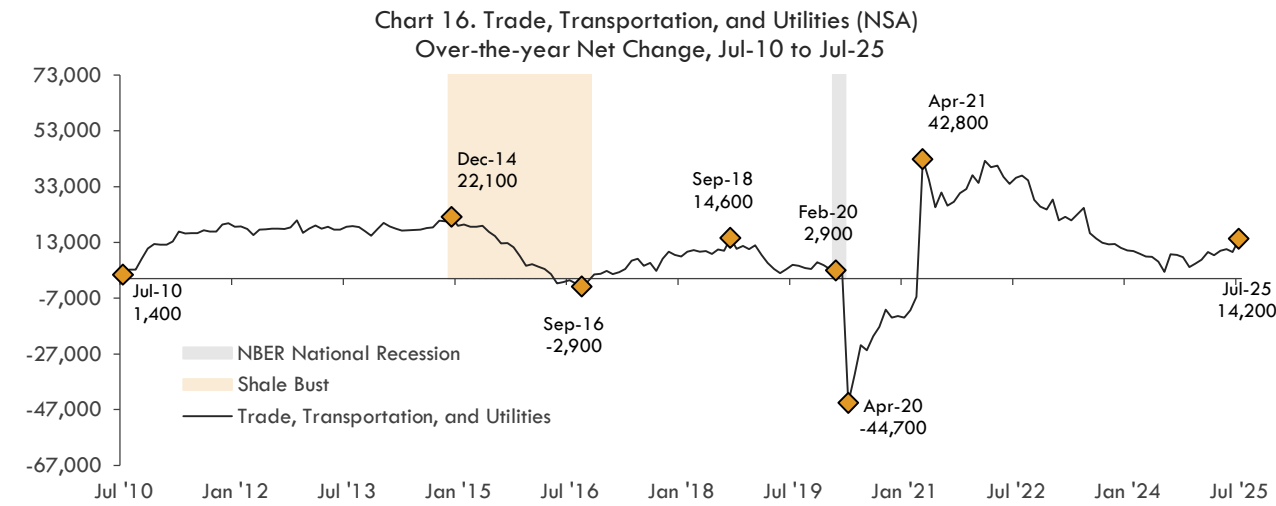
Trade, Transportation, and Utilities was the fourth-largest declining sector over the month down -800 jobs, or -0.1 percent (see Chart 15). Historically in the month of July, Trade, Transportation, and Utilities has seen no change in jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Wholesale Trade was the largest contributor to the overall sector's decline, down -1,100 jobs over the month. The second-largest declining contributor was Transportation, Warehousing, and Utilities, which lost -100 jobs from June to July. Lastly, Retail Trade offset a portion of the sector's losses with a gain of 400 jobs. Trade, Transportation, and Utilities employment was revised upward by 900 jobs for a May to June complete erasure of losses resulting in a net gain of 600 compared to an original estimate of -300 jobs.



Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 14,200 jobs, or 2.1 percent (see Chart 16). This was the largest over-the-year gain since August 2023's increase of 14,400 jobs. Furthermore, 20.8 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Retail Trade was the largest contributor to the overall sector's increase, up 5,800 jobs over the year. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 5,400 jobs from July a year ago. Lastly, Wholesale Trade contributed, 3,000 jobs.

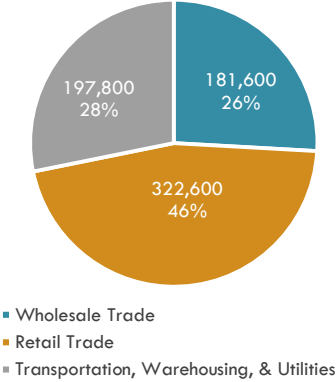
Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,700 jobs by 73,300, or 11.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 20.3 percent over the past year.



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).

Chart 17. Employment in Component Industries of Trade, Transportation, and Utilities Sector - July 2025

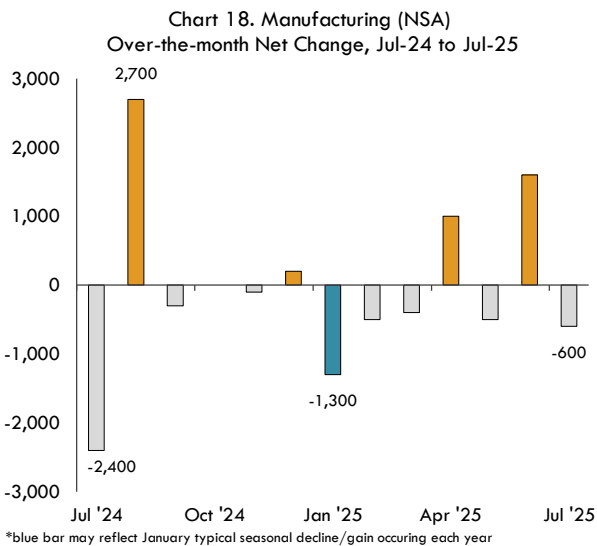


DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

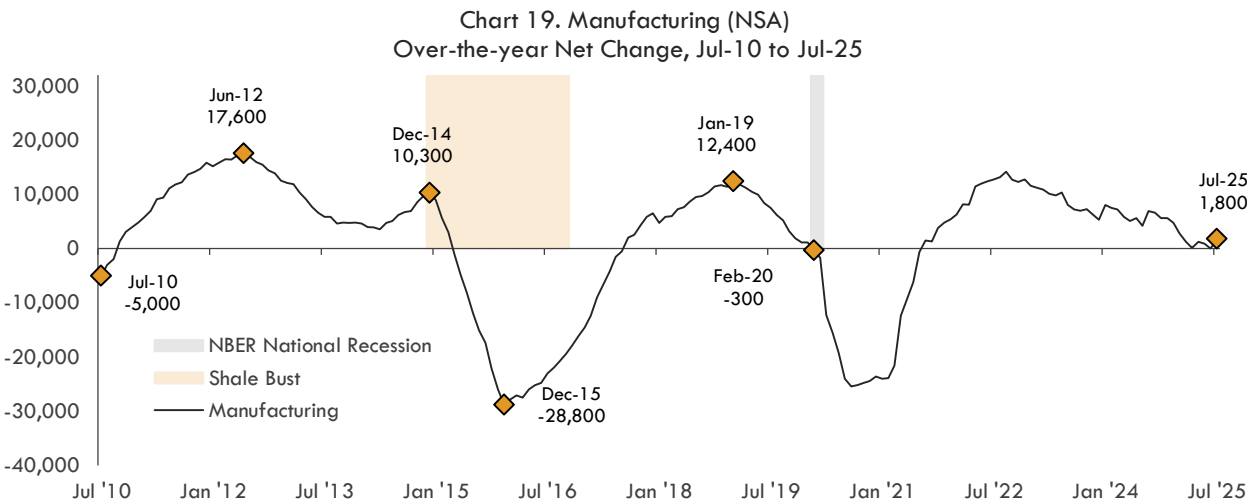
Manufacturing was the fifth-largest declining sector over the month down -600 jobs, or -0.2 percent (see Chart 18). Historically in the month of July, Manufacturing has lost an average of -300 jobs over the month, which indicates that this month's losses are slightly larger than the long-term average decline. Non-Durable Goods was the largest contributor to the overall sector's decline, down -1,100 jobs over the month. One component industry that provided a partial offset was Durable Goods, which gained 500 jobs from June to July. Manufacturing employment was revised downward by -900 jobs for a May to June smaller net gain of 1,600 compared to an original estimate of 2,500 jobs.



Over-the-year Change

Year over year, Manufacturing was up 1,800 jobs, or 0.8 percent (see Chart 19). This was the largest over-the-year gain since January 2025's increase of 2,800 jobs. Non-Durable Goods was the largest contributor to the overall sector's increase, up 1,100 jobs over the year. The second-largest contributor was Durable Goods, which added 700 jobs from July a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,700 jobs by 5,300, or 2.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant

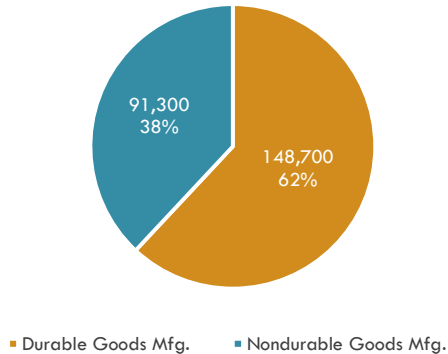
at 7.0 percent over the past year.



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 20). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 13 percent less than the national average.

Chart 20. Employment in Component Industries of Manufacturing Sector - July 2025

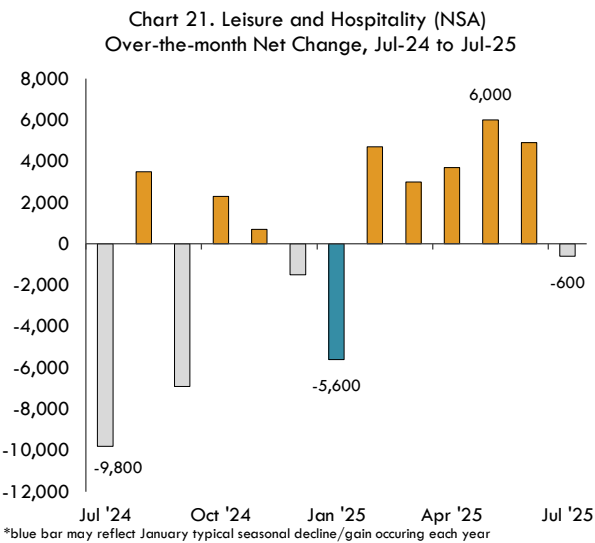


DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

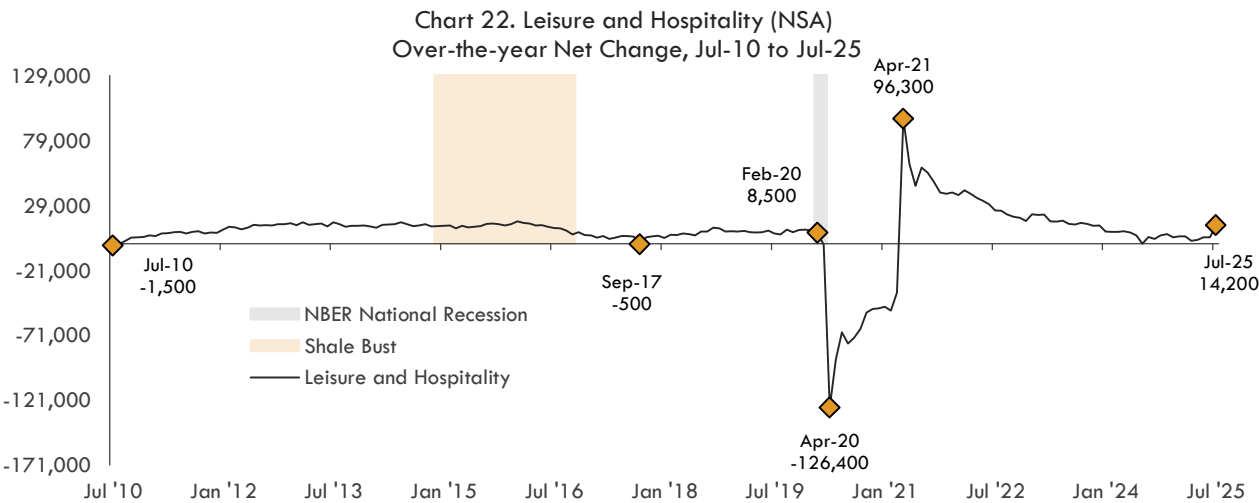
Leisure and Hospitality was the sixth-largest declining sector over the month down -600 jobs, or -0.2 percent (see Chart 21). Historically in the month of July, Leisure and Hospitality has lost an average of -1,600 jobs over the month, which indicates that this month's losses are moderately smaller than the long-term average decline. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -400 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -200 jobs from June to July. Leisure and Hospitality employment was revised upward by 700 jobs for a May to June larger net gain of 4,900 compared to an original estimate of 4,200 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 14,200 jobs, or 3.9 percent (see Chart 22). This was the largest over-the-year gain since October 2023's increase of 15,400 jobs. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 20.8 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 12,300 jobs over the year. The second-largest contributor was Arts, Entertainment,

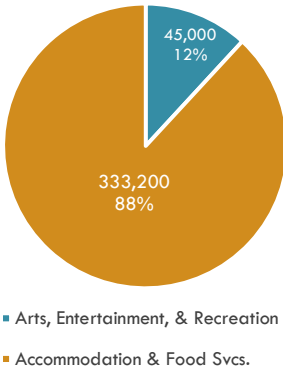
and Recreation, which added 1,900 jobs from July a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,600 jobs by 43,600, or 13.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 10.7 percent to 11.0 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 23). Across the Houston MSA, the concentration of jobs in the overall sector is 2 percent less than the national average.

Chart 23. Employment in Component Industries of Leisure and Hospitality Sector - July 2025

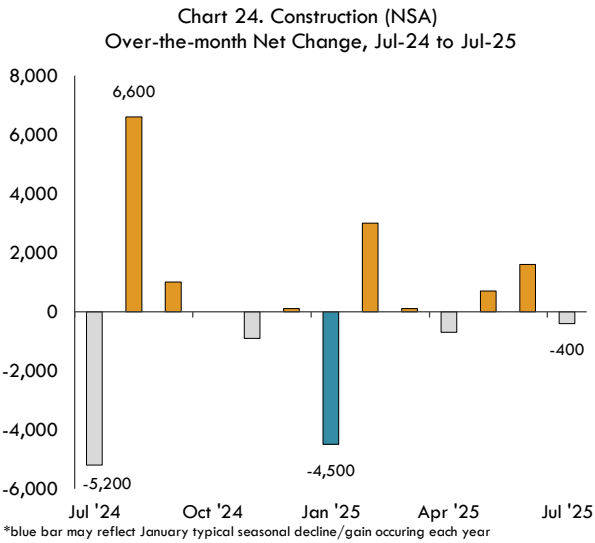


DECLINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

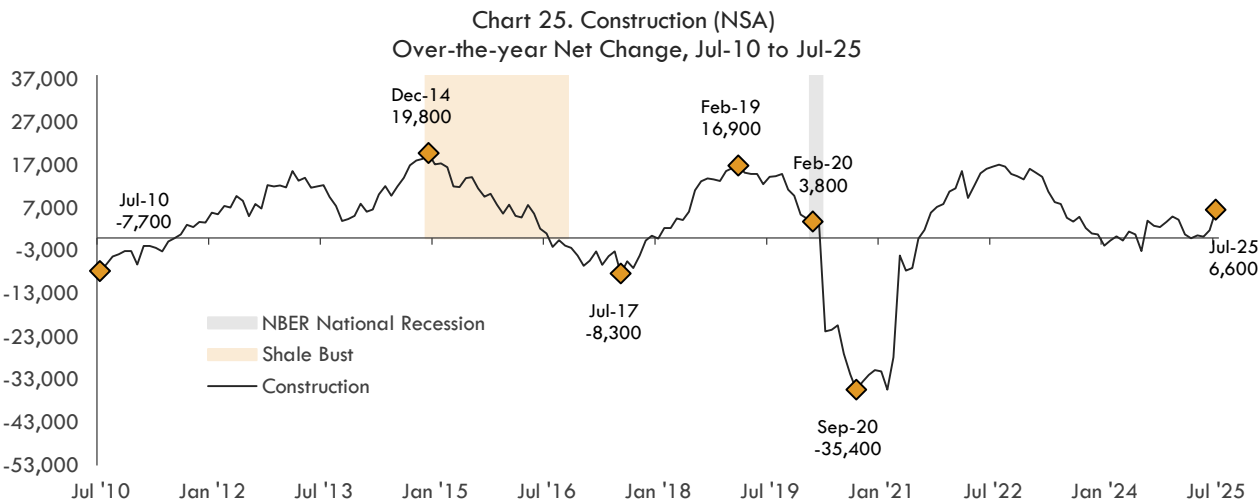
Construction was the seventh-largest declining sector over the month down -400 jobs, or -0.2 percent (see Chart 24). Historically in the month of July, Construction has lost an average of -1,100 jobs over the month, which indicates that this month's losses are moderately smaller than the long-term average decline. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -700 jobs over the month. The second-largest declining contributor was Construction of Buildings, which lost -100 jobs from June to July. Lastly, Heavy and Civil Engineering Construction offset a portion of the sector's losses with a gain of 400 jobs. Construction employment was revised downward by -1,100 jobs for a May to June smaller net gain of 1,600 compared to an original estimate of 2,700 jobs.



Over-the-year Change

Year over year, Construction was up 6,600 jobs, or 2.9 percent (see Chart 25). This was the largest over-the-year gain since June 2023's increase of 7,900 jobs. Construction of Buildings was the largest contributor to the overall sector's increase, up 3,600 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 2,700 jobs from July a year ago. Lastly, Specialty Trade Contractors contributed, 300 jobs. Total Construction employment (NSA) remains -2,900 jobs, or -1.2 percent below its February 2020 pre-pandemic level of 237,400. At the same

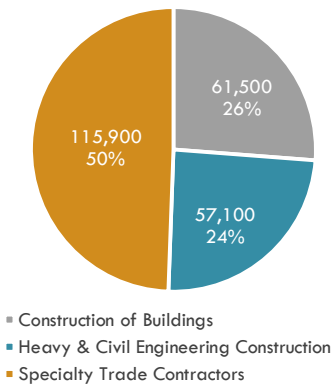
time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.7 percent over the past year.



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 26). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 27 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 26. Employment in Component Industries of Construction Sector - July 2025

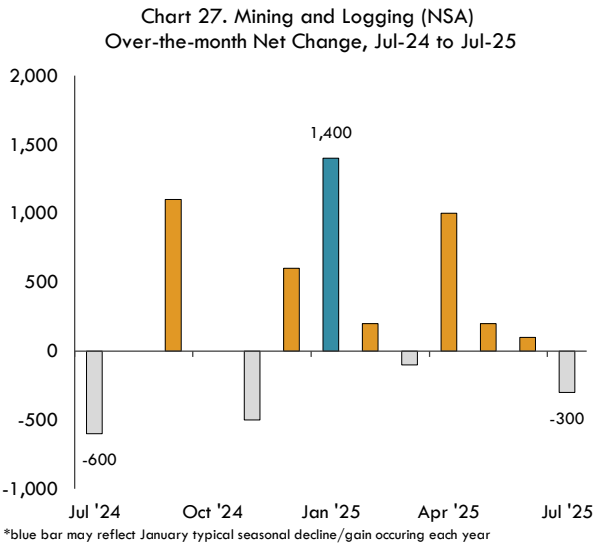


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

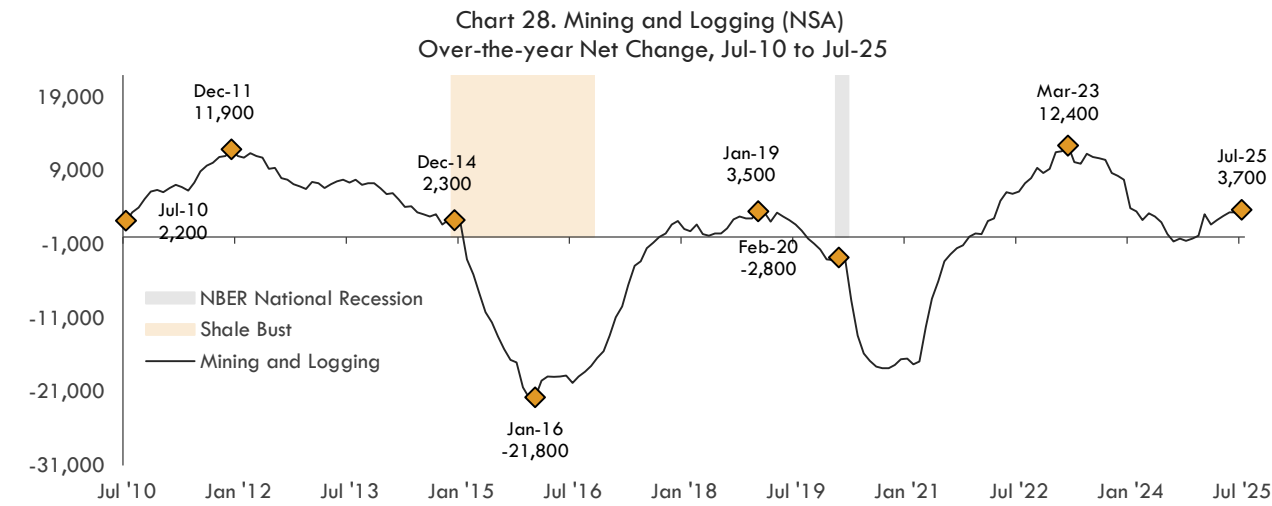
Mining and Logging was the eighth-largest declining sector over the month down -300 jobs, or -0.4 percent (see Chart 27). Historically in the month of July, Mining and Logging has added an average of 300 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Support Activities for Mining was the largest contributor to the overall sector's decline, down -400 jobs over the month. One component industry, Oil and Gas Extraction, saw no change from June to July. Lastly, Other Mining and Logging Undefined offset a portion of the sector's losses with a gain of 100 jobs. Mining and Logging employment was revised upward by 200 jobs for a May to June complete erasure of losses resulting in a net gain of 100 compared to an original estimate of -100 jobs.



Over-the-year Change

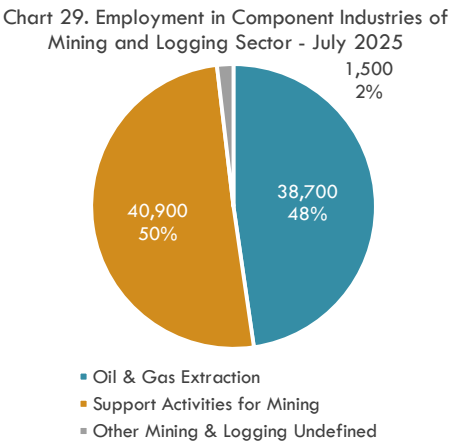
Year over year, Mining and Logging was up 3,700 jobs, or 4.8 percent (see Chart 28). This was the largest over-the-year gain since January 2024's increase of 3,900 jobs. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Support 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 1,300 jobs from July a year ago. Lastly, Other Mining and Logging Undefined contributed, 200 jobs. Total Mining and

Logging employment (NSA) now exceeds its February 2020 pre-pandemic level of 78,400 jobs by 2,700, or 3.4 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 29). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 6.0 times the national average, due to the region's role as a global hub for the oil and gas industry.

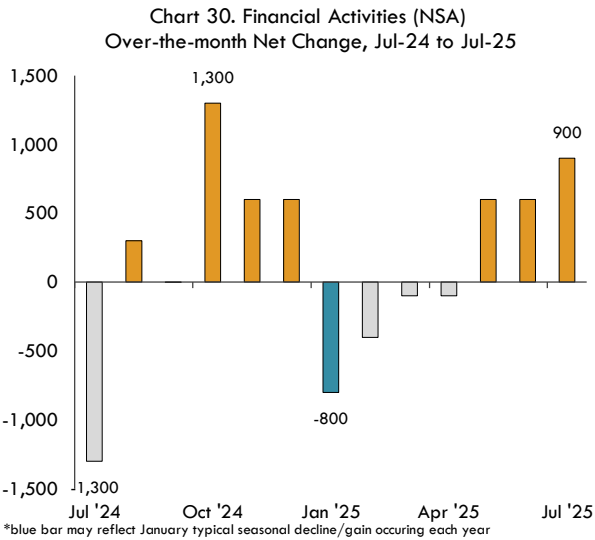


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

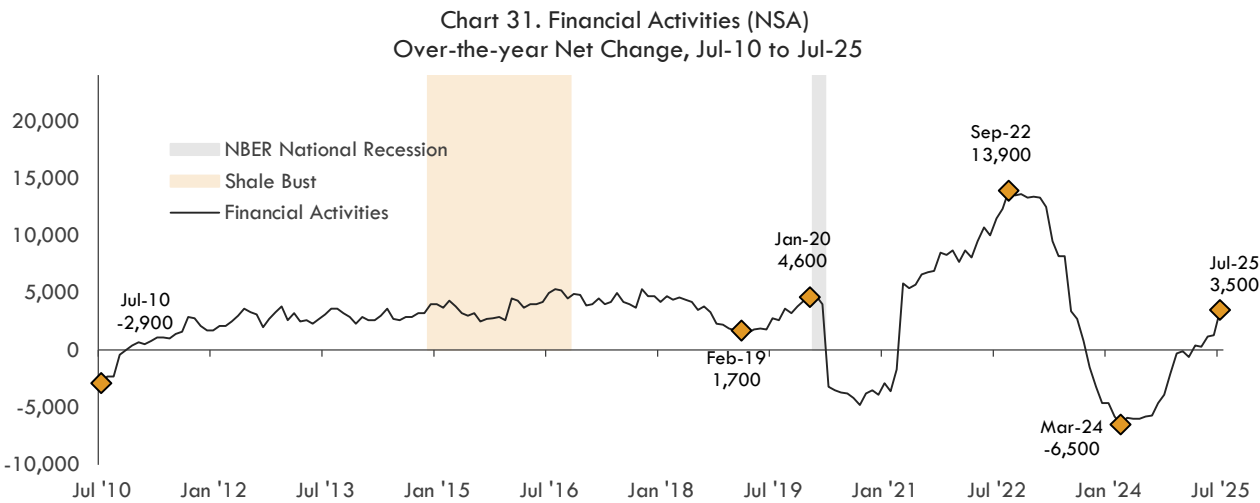
Financial Activities was the largest gaining sector over the month up 900 jobs, or 0.5 (see Chart 30). Historically in the month of July, Financial Activities has added an average of 400 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Finance and Insurance was the largest contributor to the overall sector's increase, up 900 jobs over the month. One component industry, Real Estate and Rental and Leasing, saw no change from June to July. Financial Activities employment was revised downward by -400 jobs for a May to June smaller net gain of 600 compared to an original estimate of 1,000 jobs.



Over-the-year Change

Year over year, Financial Activities was up 3,500 jobs, or 1.9 percent (see Chart 31). This was the largest over-the-year gain since June 2023's increase of 8,200 jobs. Finance and Insurance was the largest contributor to the overall sector's increase, up 1,900 jobs over the year. The second-largest contributor was Real Estate and Rental and Leasing, which added 1,600 jobs from July a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 13,900, or 8.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has

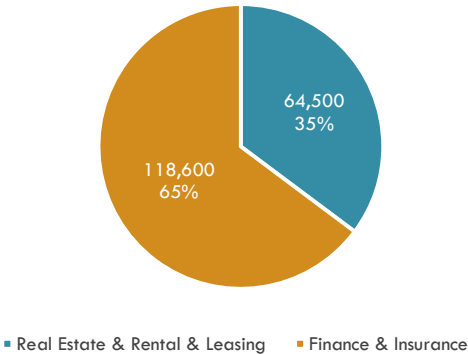
remained constant at 5.3 percent over the past year.



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). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 10 percent less than the national average, due to a 19-percent lower concentration in Finance and Insurance offsetting a 17-percent higher concentration in Real Estate and Rental and Leasing.

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

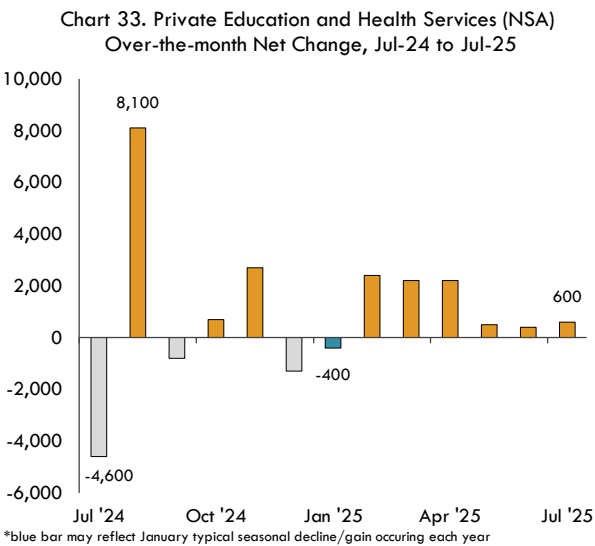


GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

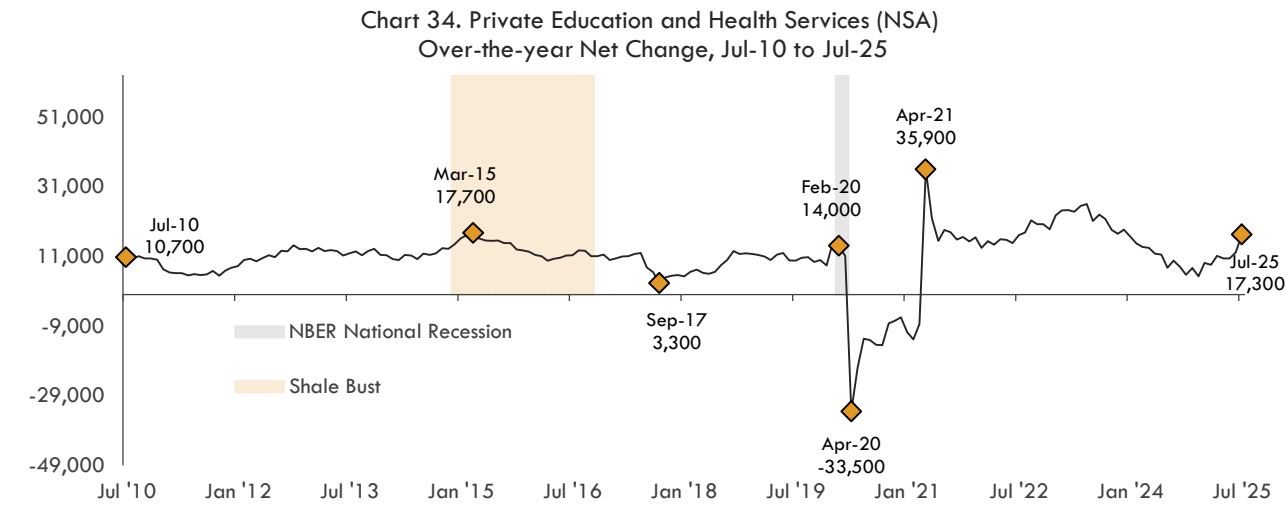
Private Education and Health Services was the second-largest gaining sector over the month up 600 jobs, or 0.1 (see Chart 33). Historically in the month of July, Private Education and Health Services has seen no change in jobs over the month, which indicates that this month's gains are substantially above the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 1,100 jobs over the month. One component industry that provided a partial offset was Private Educational Services, which lost -500 jobs from June to July. Private Education and Health Services employment was revised downward by -600 jobs for a May to June smaller net gain of 400 compared to an original estimate of 1,000 jobs.



Over-the-year Change

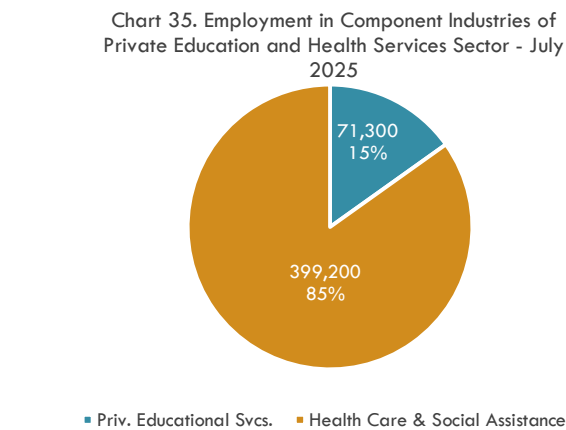
Year over year, Private Education and Health Services was up 17,300 jobs, or 3.8 percent (see Chart 34). This was the third-largest over-the-year gain in July since records began in 1990 and the largest gain since December 2023's increase of 18,600 jobs. Furthermore, 25.4 percent of total (gross) jobs 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 14,400 jobs over the year. The second-largest contributor was Private Educational Services, which added 2,900

jobs from July a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,600 jobs by 55,900, or 13.5 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.



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

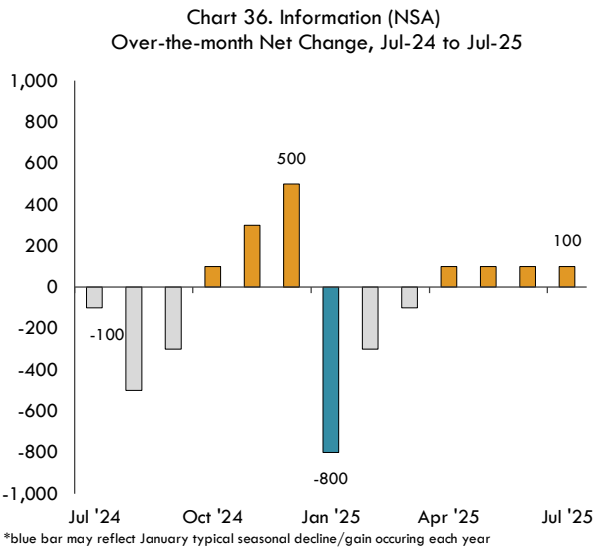


GAINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

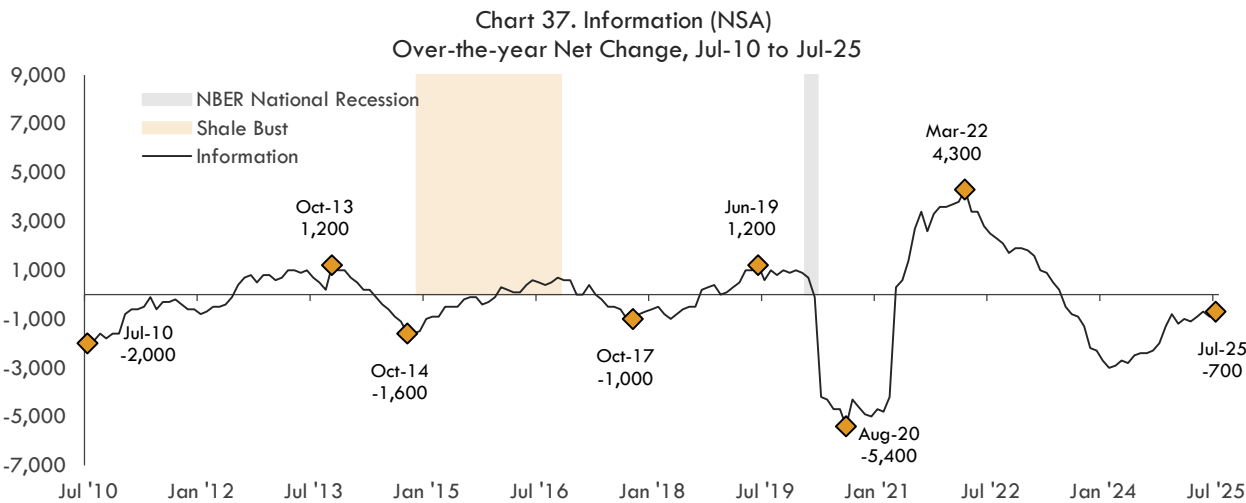
Information was the third-largest gaining sector over the month up 100 jobs, or 0.3 (see Chart 36). Historically in the month of July, Information has lost an average of -100 jobs over the month, which indicates that this month's gains are on par with the long-term average. Other Information Undefined was the largest contributor to the overall sector's increase, up 100 jobs over the month. One component industry, Telecommunications, saw no change from June to July. Information employment was revised upward by 100 jobs for a May to Junenet gain of 100 compared to an original estimate of zero net change in jobs over the month.



Over-the-year Change

Year over year, Information was down -700 jobs, or -2.3 percent (see Chart 37). Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Telecommunications was the largest contributor to the overall sector's decline, down -700 jobs over the year. One component industry, Other Information Undefined, saw no change from July a year ago. Total Information employment (NSA) remains -3,100 jobs, or -9.5 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total Nonfarm

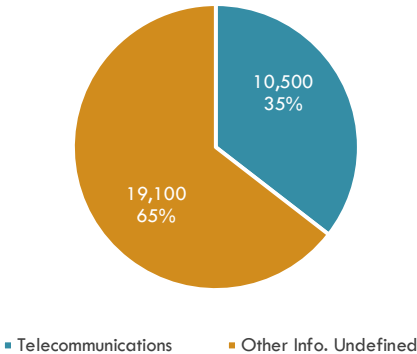
Employment has remained constant at 0.9 percent over the past year.



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 65 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall Information sector is 54 percent less than the national average.

Chart 38. Employment in Component Industries of Information Sector - July 2025



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.5 percent in July, up from June's 4.3 percent and down from 5.0 percent a year ago. This was above the statewide rate of 4.2 percent and below the national rate of 4.6 percent. Performance of the unemployment rate in July has been mixed historically with a 60/40 split of declines to increases 174,255 individuals were unemployed in Houston in July, up from June's 167,763 and down from 192,855 in July 2024 (see Charts 39 and 40).

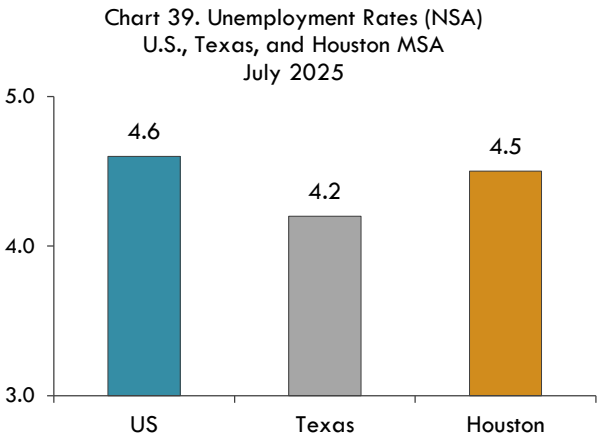
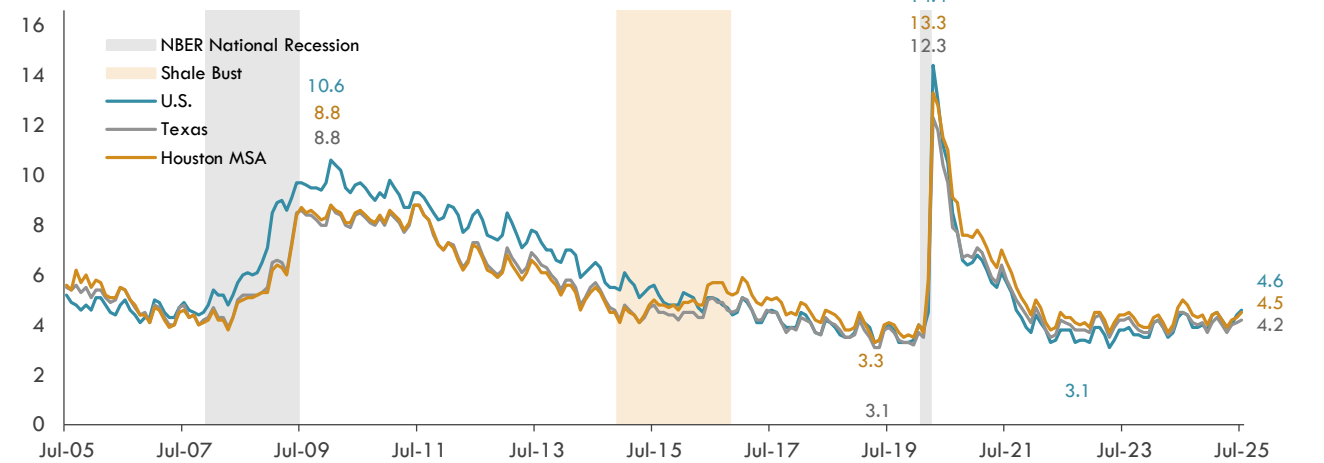


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
July 2005 to July 2025

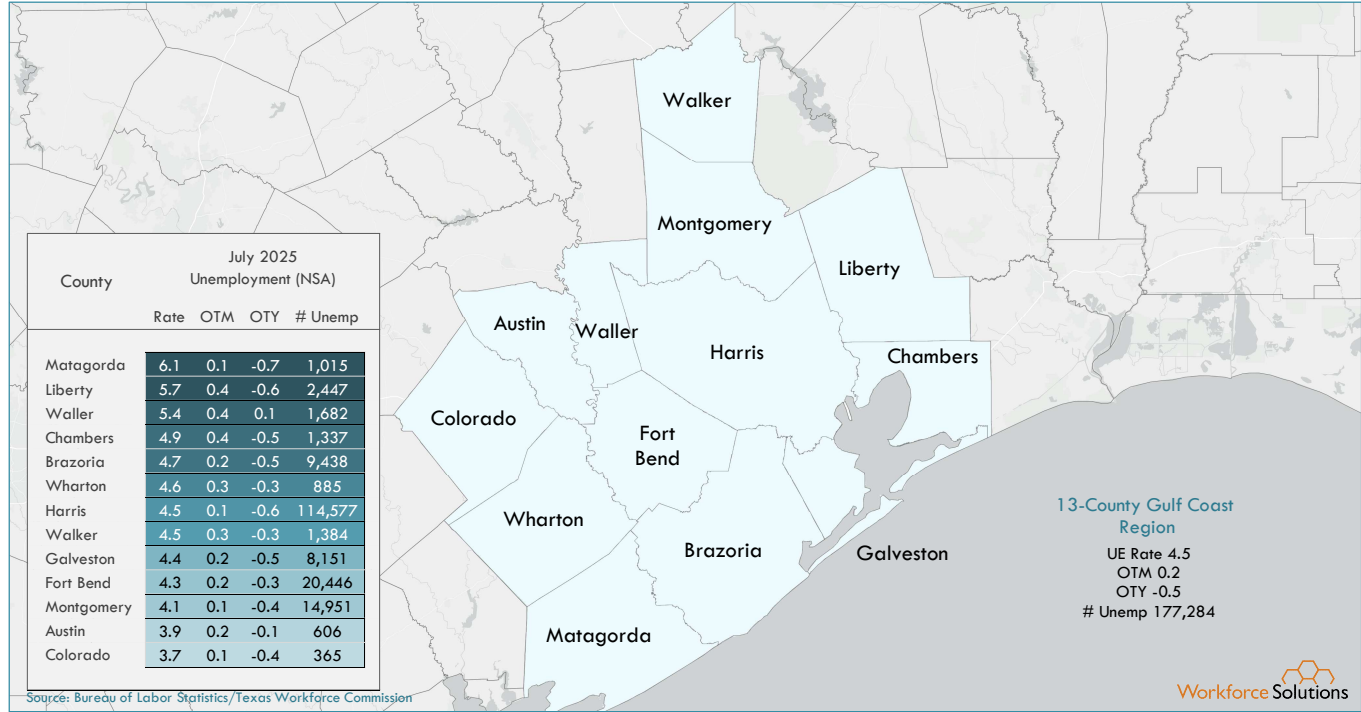


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in July ranged from a high of 6.1 percent in Matagorda County to a low of 3.7 percent in Colorado. Over the month, all 13 counties saw their unemployment rates rise in keeping with the region-wide increase of 0.2 percentage points. Chambers saw the largest percentage-point increase in unemployment up 0.4 pp. representing 107 more unemployed workers compared to the previous month. This was followed by Liberty (0.4 pp, 157 workers) and Waller (0.4 pp, 125 workers). Over the year

unemployment rates fell, with Matagorda posting the largest decrease, down -0.7 percentage points representing -96 fewer unemployed workers compared to a year ago followed by Harris (-0.6 pp, -13,929 workers) and Liberty (-0.6 pp, -257 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 -271,571 as of this July (see Map 1 legend).

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



Local Area Unemployment Statistics (continued)

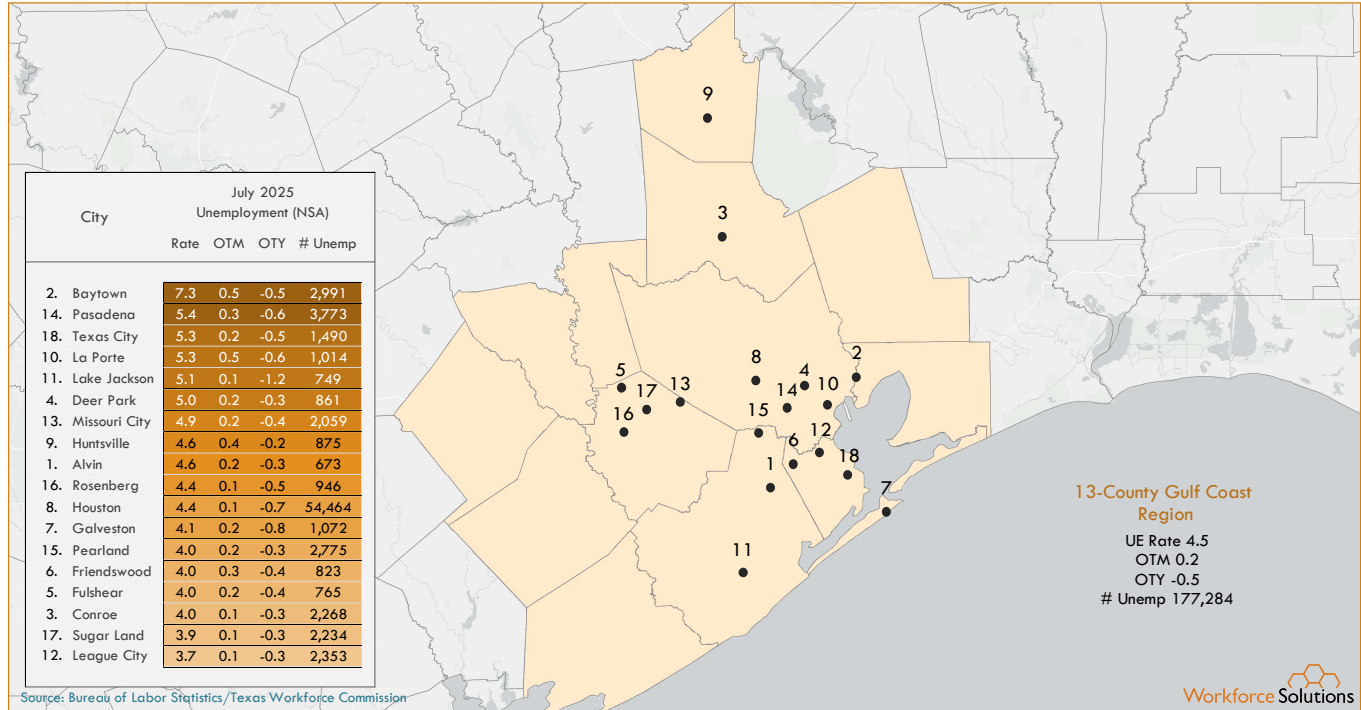
Not-Seasonally Adjusted

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 July ranged from a high of 7.3 percent in Baytown to a low of 3.7 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 0.2 percentage points. Baytown saw the largest percentage-point increase in unemployment up 0.5 pp.

representing 214 more unemployed workers compared to the previous month. This was followed by La Porte (0.5 pp, 88 workers) and Huntsville (0.4 pp, 69 workers). Over the year unemployment rates fell, with Lake Jackson posting the largest decrease, down -1.2 percentage points representing -160 fewer unemployed workers compared to a year ago followed by Galveston (-0.8 pp, -220 workers) and Houston (-0.7 pp, -8,137 workers). The 18 cities below accounted for 46 percent of the 177,284 unemployed workers across the Gulf Coast Region as of this July (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates July 2025 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.3 percent in June, unchanged from May's 4.3 percent and down from 4.4 percent a year ago. This was above the statewide rate of 4.0 percent and above the national rate of 4.1 percent. 165,904 individuals were unemployed in Houston in June, down slightly from May's 168,316 and down from 168,967 in June 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
June 2025

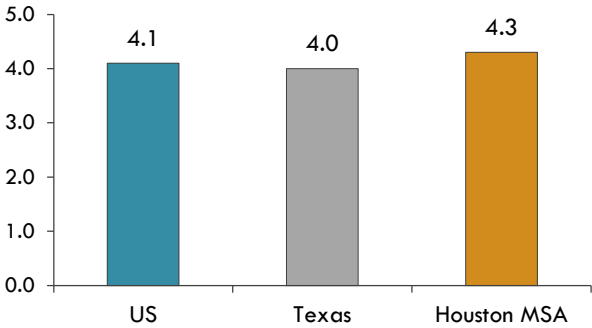
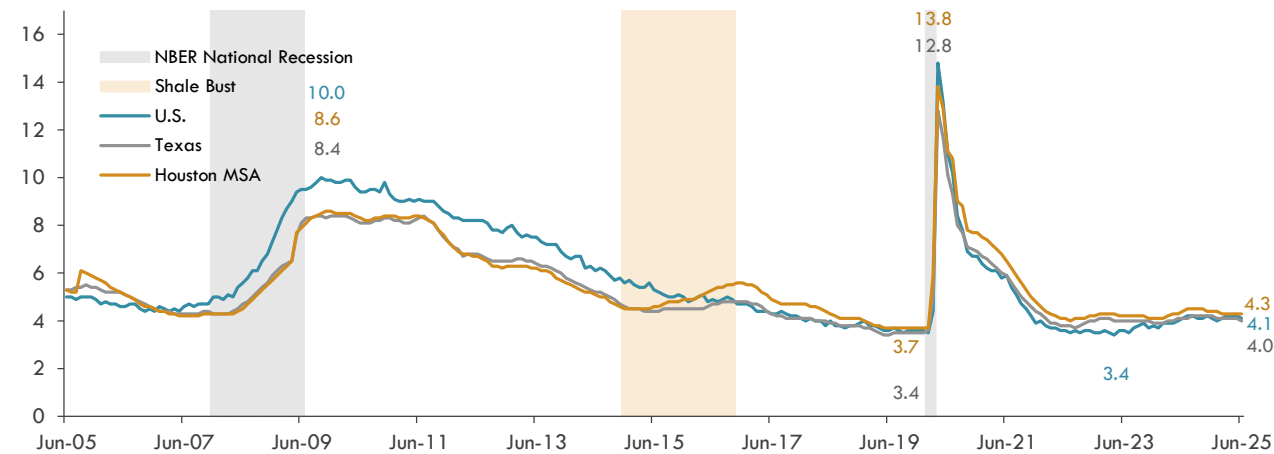


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
June 2005 to June 2025



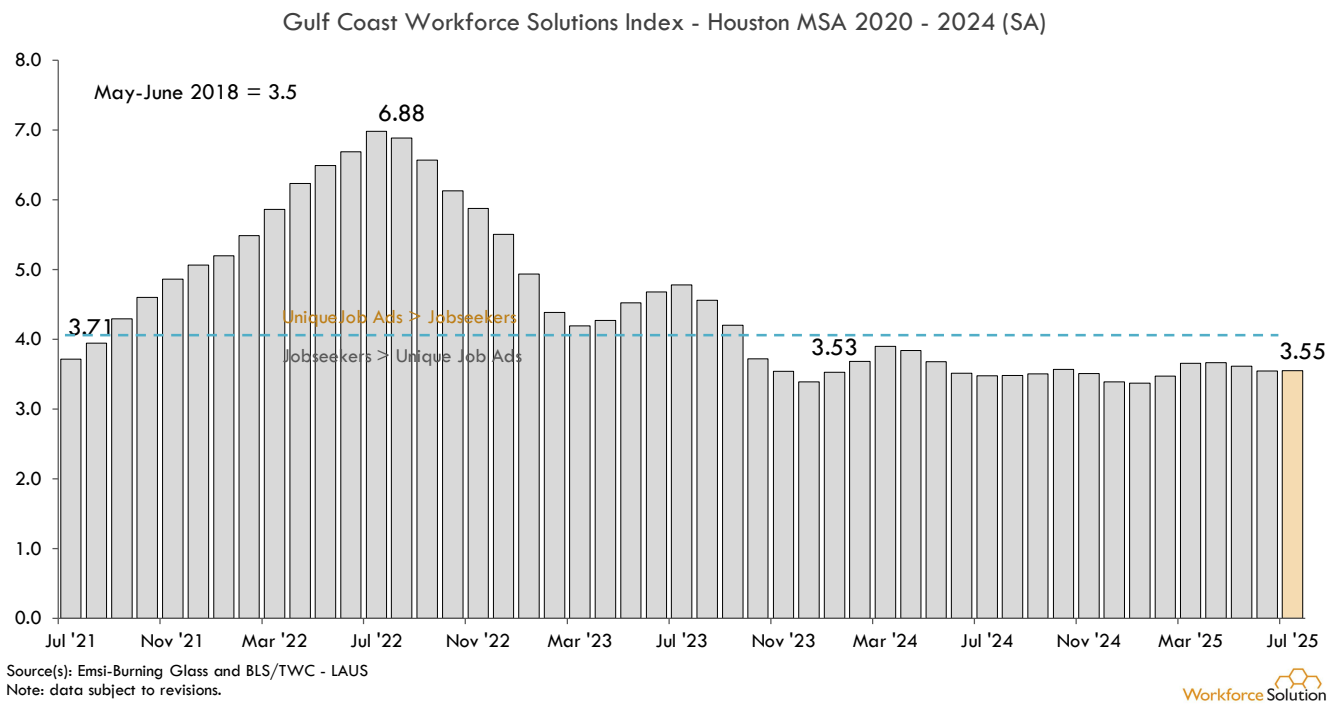
Gulf Coast Workforce Solutions Index (WSI)



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
July
2025:
3.55



Workforce Solutions Index July 2025

The Houston MSA WSI for July stood at 3.53, up from June's slight upward revision to 3.54. This was the result of a 6,400 increase in the number of active job ads in July coupled with a 7,000 increase in the number of unemployed individuals between June and July. As of July the index has remained below the equilibrium value of 4.0. for 22 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

July 2025

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Jul-25	Jun-25	Jul-24	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,449,500	3,480,000	3,386,900	-30,500	-0.9%	62,600	1.8%
Total Private	3,012,800	3,016,700	2,949,900	-3,900	-0.1%	62,900	2.1%
Goods Producing	555,600	556,900	543,500	-1,300	-0.2%	12,100	2.2%
..Mining and Logging	81,100	81,400	77,400	-300	-0.4%	3,700	4.8%
...Oil and Gas Extraction	38,700	38,700	37,400	0	0.0%	1,300	3.5%
...Support Activities for Mining	40,900	41,300	38,700	-400	-1.0%	2,200	5.7%
..Construction	234,500	234,900	227,900	-400	-0.2%	6,600	2.9%
..Construction of Buildings	61,500	61,600	57,900	-100	-0.2%	3,600	6.2%
..Heavy and Civil Engineering Construction	57,100	56,700	54,400	400	0.7%	2,700	5.0%
..Specialty Trade Contractors	115,900	116,600	115,600	-700	-0.6%	300	0.3%
..Manufacturing	240,000	240,600	238,200	-600	-0.2%	1,800	0.8%
..Durable Goods	148,700	148,200	148,000	500	0.3%	700	0.5%
...Fabricated Metal Product Manufacturing	54,600	54,600	52,900	0	0.0%	1,700	3.2%
...Machinery Manufacturing	40,200	40,200	40,300	0	0.0%	-100	-0.2%
...Agriculture, Construction, and Mining Machinery Mfg.	20,300	20,300	20,800	0	0.0%	-500	-2.4%
...Computer and Electronic Product Manufacturing	14,300	14,300	14,300	0	0.0%	0	0.0%
..Non-Durable Goods	91,300	92,400	90,200	-1,100	-1.2%	1,100	1.2%
...Petroleum and Coal Products Manufacturing	7,800	7,800	8,100	0	0.0%	-300	-3.7%
...Chemical Manufacturing	44,000	44,300	43,600	-300	-0.7%	400	0.9%
Service Providing	2,893,900	2,923,100	2,843,400	-29,200	-1.0%	50,500	1.8%
.Private Service Providing	2,457,200	2,459,800	2,406,400	-2,600	-0.1%	50,800	2.1%
..Trade, Transportation, and Utilities	702,000	702,800	687,800	-800	-0.1%	14,200	2.1%
...Wholesale Trade	181,600	182,700	178,600	-1,100	-0.6%	3,000	1.7%
....Merchant Wholesalers, Durable Goods	112,600	113,600	111,300	-1,000	-0.9%	1,300	1.2%
....Prof. and Commercial Equip. Supplies Wholesalers	18,000	18,300	18,300	-300	-1.6%	-300	-1.6%
....Merchant Wholesalers, Nondurable Goods	56,000	56,000	55,500	0	0.0%	500	0.9%
...Retail Trade	322,600	322,200	316,800	400	0.1%	5,800	1.8%
....Motor Vehicle and Parts Dealers	45,800	45,700	44,200	100	0.2%	1,600	3.6%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,700	24,000	24,400	-300	-1.3%	-700	-2.9%
....Food and Beverage Stores	78,600	78,500	76,000	100	0.1%	2,600	3.4%
....Health and Personal Care Stores	63,400	62,900	62,700	500	0.8%	700	1.1%
....Clothing and Clothing Accessories Stores	20,500	20,400	20,600	100	0.5%	-100	-0.5%
....General Merchandise Stores	42,900	42,500	42,100	400	0.9%	800	1.9%
.....Department Stores	21,600	21,700	21,700	-100	-0.5%	-100	-0.5%
.....Other General Merchandise Stores	25,200	25,100	25,000	100	0.4%	200	0.8%
...Transportation, Warehousing, and Utilities	197,800	197,900	192,400	-100	-0.1%	5,400	2.8%
....Utilities	24,900	25,000	24,100	-100	-0.4%	800	3.3%
.....Air Transportation	22,100	22,000	21,600	100	0.5%	500	2.3%
.....Truck Transportation	31,300	31,200	30,400	100	0.3%	900	3.0%
.....Pipeline Transportation	14,600	14,500	13,900	100	0.7%	700	5.0%
..Information	29,600	29,500	30,300	100	0.3%	-700	-2.3%
...Telecommunications	10,500	10,500	11,200	0	0.0%	-700	-6.3%
..Financial Activities	183,100	182,200	179,600	900	0.5%	3,500	1.9%
...Finance and Insurance	118,600	117,700	116,700	900	0.8%	1,900	1.6%
....Credit Intermediation and Related Activities	46,100	46,200	46,300	-100	-0.2%	-200	-0.4%
.....Depository Credit Intermediation	31,000	30,900	31,000	100	0.3%	0	0.0%
.....Securities, Commodity Contracts, and Fin. Investments	21,800	21,600	21,500	200	0.9%	300	1.4%
....Insurance Carriers and Related Activities	50,700	49,900	48,900	800	1.6%	1,800	3.7%
...Real Estate and Rental and Leasing	64,500	64,500	62,900	0	0.0%	1,600	2.5%
..Professional and Business Services	555,400	557,200	560,000	-1,800	-0.3%	-4,600	-0.8%
...Professional, Scientific, and Technical Services	282,300	280,800	280,800	1,500	0.5%	1,500	0.5%
....Legal Services	34,000	33,800	33,600	200	0.6%	400	1.2%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,800	27,500	27,600	300	1.1%	200	0.7%
....Architectural, Engineering, and Related Services	79,700	79,100	76,900	600	0.8%	2,800	3.6%
....Computer Systems Design and Related Services	42,400	42,100	44,100	300	0.7%	-1,700	-3.9%
...Management of Companies and Enterprises	46,600	47,000	47,900	-400	-0.9%	-1,300	-2.7%
...Admin. and Support and Waste Mgmt. and Remediation	226,500	229,400	231,300	-2,900	-1.3%	-4,800	-2.1%
....Administrative and Support Services	214,000	216,800	218,600	-2,800	-1.3%	-4,600	-2.1%
.....Employment Services	74,300	76,200	74,600	-1,900	-2.5%	-300	-0.4%
.....Services to Buildings and Dwellings	57,600	57,600	59,300	0	0.0%	-1,700	-2.9%
..Educational and Health Services	470,500	469,900	453,200	600	0.1%	17,300	3.8%
...Educational Services	71,300	71,800	68,400	-500	-0.7%	2,900	4.2%
...Health Care and Social Assistance	399,200	398,100	384,800	1,100	0.3%	14,400	3.7%
....Ambulatory Health Care Services	200,800	200,100	192,900	700	0.3%	7,900	4.1%
....Hospitals	101,700	101,600	98,400	100	0.1%	3,300	3.4%
..Leisure and Hospitality	378,200	378,800	364,000	-600	-0.2%	14,200	3.9%
...Arts, Entertainment, and Recreation	45,000	45,200	43,100	-200	-0.4%	1,900	4.4%
...Accommodation and Food Services	333,200	333,600	320,900	-400	-0.1%	12,300	3.8%
....Accommodation	28,600	28,900	27,900	-300	-1.0%	700	2.5%
....Food Services and Drinking Places	304,600	304,700	293,000	-100	0.0%	11,600	4.0%
..Other Services	138,400	139,400	131,500	-1,000	-0.7%	6,900	5.2%
Government	436,700	463,300	437,000	-26,600	-5.7%	-300	-0.1%
.Federal Government	37,000	36,900	37,100	100	0.3%	-100	-0.3%
.State Government	100,100	100,800	96,700	-700	-0.7%	3,400	3.5%
..State Government Educational Services	52,900	54,100	51,600	-1,200	-2.2%	1,300	2.5%
.Local Government	299,600	325,600	303,200	-26,000	-8.0%	-3,600	-1.2%
..Local Government Educational Services	196,500	220,200	202,400	-23,700	-10.8%	-5,900	-2.9%