

# Houston Area Employment Situation

May 2024

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*May's Job Growth Puts March Further in the Rear-view Mirror*

### Total Nonfarm

#### Over-the-month Change

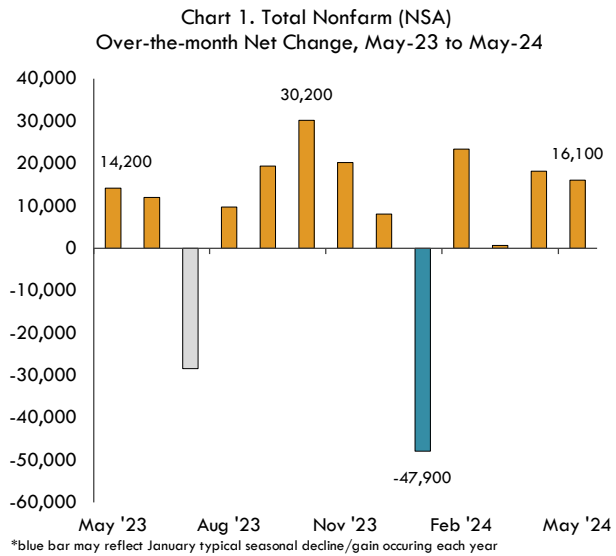
Houston MSA Total Nonfarm employment stood at 3,452,600 in May, up 16,100 jobs over the month, or 0.5 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 14,200 jobs. This was the largest May over-the-month gain in since 2020. Prior to the pandemic, historically in the month of May, Total Nonfarm has on average added 12,600 jobs over the month, which indicates that this month's gains are moderately above the long-term average.

The primary drivers of this May's growth were increases in Leisure and Hospitality; Trade, Transportation, and Utilities; and Construction. Gains were also recorded in Other Services; Manufacturing; and Government. The net increase in jobs over the month was partially offset by losses in Private Education and Health Services. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,446,900, up 4,900 jobs over the month, or 0.1 percent vs. a historical average of 4,300. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC. NOTE: The Houston-Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA) consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. Analysis of major sectors and their sub-components throughout the remainder of this report references not-seasonally adjusted data. All data provided by BLS/TWC unless otherwise noted.

- Top-3 Drivers of Over-the-month Job Growth in May
- Leisure and Hospitality: 6,300
  - Trade, Transportation, and Utilities: 3,300
  - Construction: 2,800

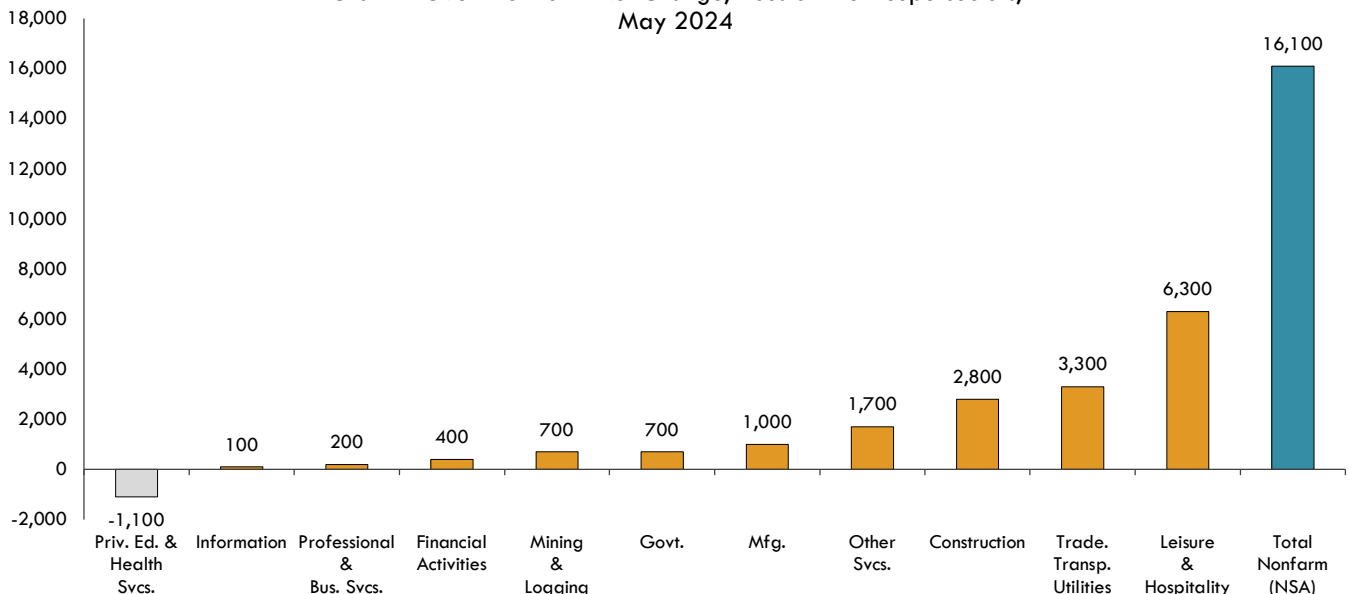
#### Over-the-year Change

Over the year, Total Nonfarm employment was up 81,700 or 2.4 percent on a not-seasonally-adjusted basis and up 78,300 or 2.3 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, May 2023 saw a year-over-year gain of 135,000 jobs (NSA) from May 2022. This was the largest over-the-year gain since January 2024's increase of 86,500 jobs. Currently 10 out of 11 sectors show growth year over year of which the top-three are Private Education and Health Services (21,200); Government (17,000); and Other Services (8,800) (see Chart 4).



Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,191,800 jobs by 260,800, or 8.2 percent (249,900 jobs, 7.8 percent above 3,197,000 seasonally adjusted).

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



# Houston Area Employment Situation

May 2024

## Previous Month's Revisions

Total Nonfarm employment was revised downward by -900 jobs for a March to April smaller net gain of 18,200 compared to an original estimate of 19,100 jobs. A downward revision of -1,200 jobs in Trade, Transportation, and Utilities was the largest contributor followed by Financial Activities (-300) and Construction (-300). Upward revisions in Private Education and Health Services (+500), Leisure and Hospitality (+300), and Information (+200) provided a partial offset of the overall downward revision to Total Nonfarm employment (see Chart 5).

- Top-3 Drivers of Over-the-year Job Growth in May**
- Private Education and Health Services: 21,200
  - Government: 17,000
  - Other Services: 8,800

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

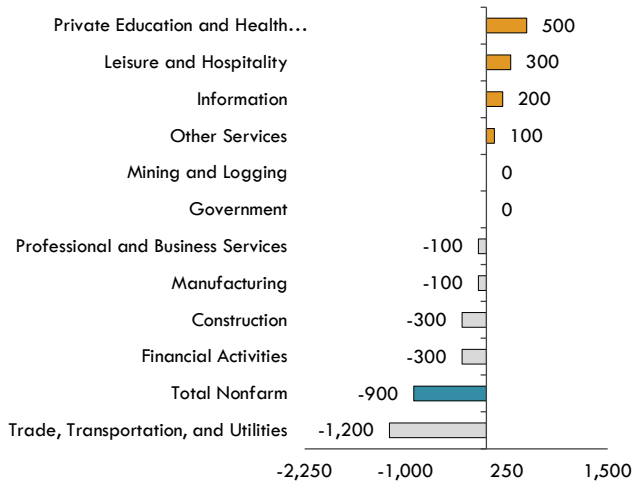


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, May-09 to May-24

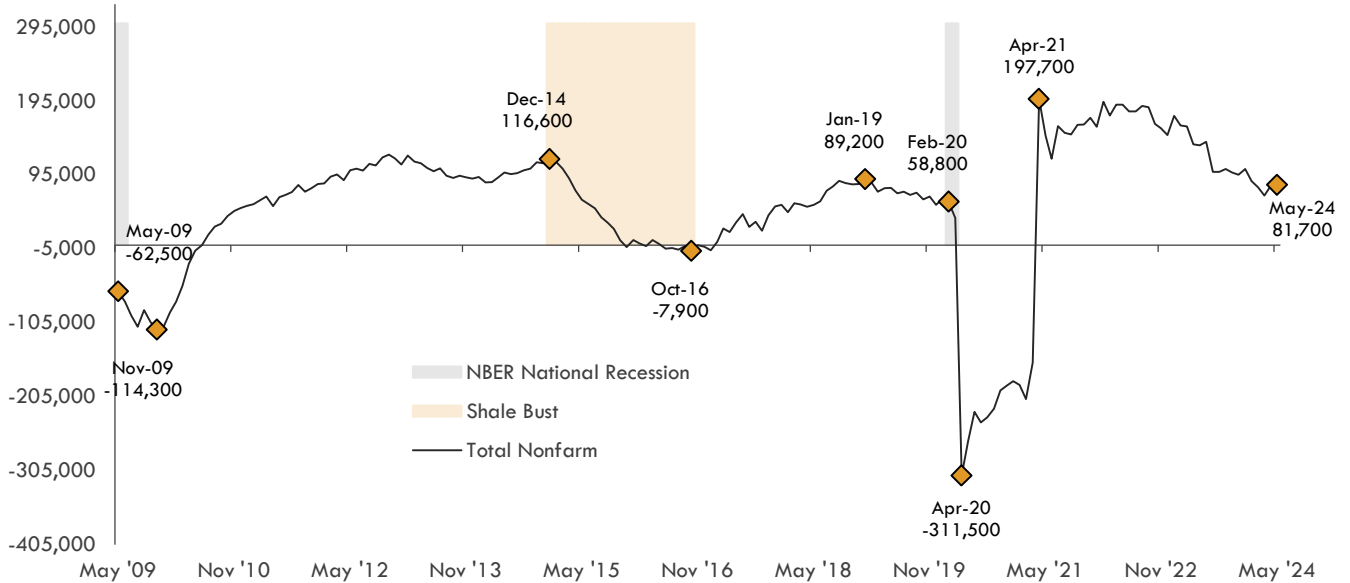
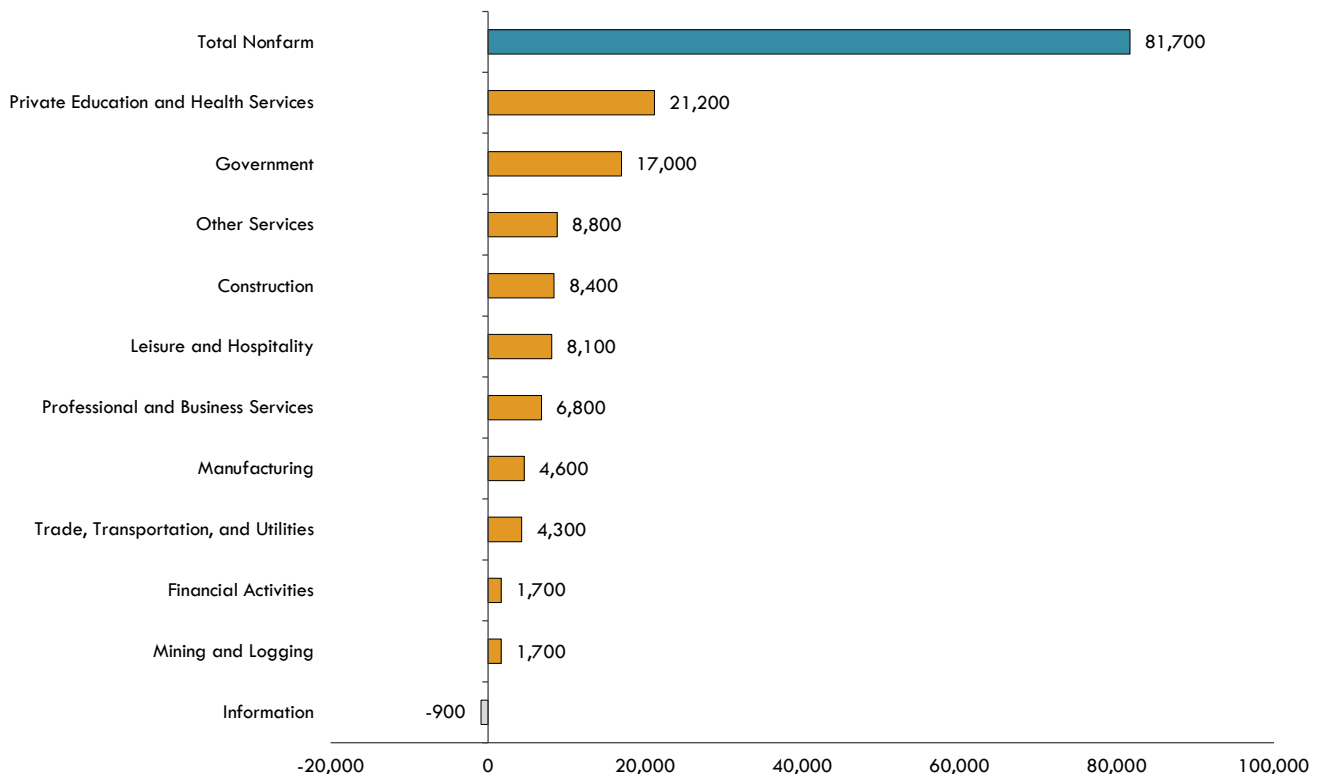


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
May 2023 to May 2024



## Supplemental Commentary

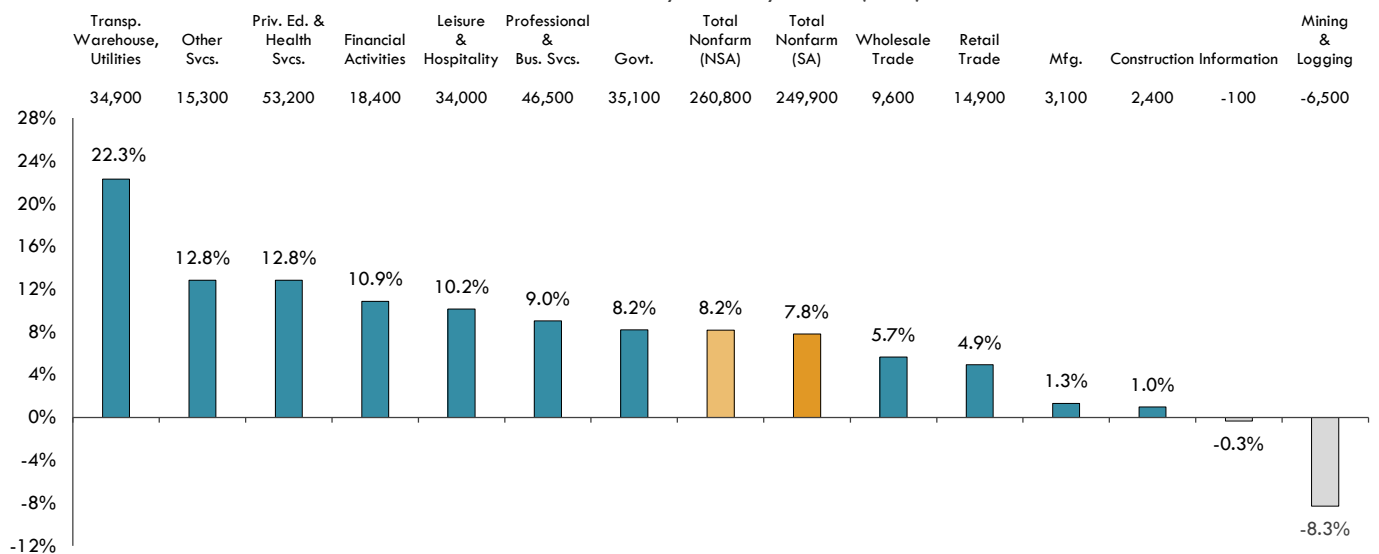
### Overall Impressions

After March’s debacle and April’s rebound, it was unclear going into May whether Houston’s job market had reached a genuine inflection point this spring or if job growth was simply delayed due to a one-off anomaly. While the jury’s still out, May’s data suggests some variation of the latter with the region adding 16,100 jobs not seasonally adjusted or 4,900 seasonally adjusted over the month. Both figures were more or less in line with job growth recorded over the past several Mays meaning that this May was average if not slightly better. Leisure and Hospitality lead the way 6,300 jobs added in keeping with typical seasonal growth going into the summer holiday months. Trade Transportation and Utilities added a typical 3,300 jobs over the month though Retail failed to contribute seeing no change in employment from April. At the same time, the logistics portion of the sector, Transportation and Warehousing, posted an impressive increase of 3,000 jobs for its best May on record. Construction had its best May since 2007 adding 2,800 jobs over the month. On a side note, total Construction employment surpassed its February 2020 pre-pandemic levels by 2,400 jobs or 1.0 percent in May after years of struggling to reach this crucial milestone. (See Supplemental Chart 1.)

In contrast to the top performers this month, Professional and Business Services saw minimal gains adding only 200 jobs while Private Education and Health Services was the only sector to experience outright losses in May shedding -1,100 jobs. While the Healthcare and Social Service segment posted a meager addition of only 300 jobs over the month for its smallest May increase on record, Private Education was the main source of the overall sector’s lackluster performance with a loss of -1,400 jobs resulting in its worst May to date. Nonetheless, Private Education and Health Services remains the sector with the largest absolute number of jobs added year over year, up 21,200. This sector along with Government, which includes public education, are responsible for more than 45 percent of the 80,000 jobs added over the last 12 months.

On a related note, the significance of the aforementioned 80,000 figure cannot be understated. Four years after the start of the pandemic, the region continues to see job growth at levels comparable to the peak of the last cycle where we managed to achieve job growth north of this level for a period of only six months between late-2018 and early-2019. Prior to that, one has to look back to early 2015 at the start of the Shale Bust to find something similar. In other words, Houston’s job market continues to hold up well as we approach the second half of 2024, though expectations remain for a gradual slowing to around 66,000 jobs by year-end. Turning to our other measures of job market performance, the unemployment rate remains relatively low at 4.0 percent while the number of unemployed individuals has stabilized at around 150,000 in any given month. Despite a modest uptick in initial claims for unemployment insurance throughout May where they briefly exceeded 5,000 for the first time in nearly a year, the first two weeks of June have seen a return to around 4,500 each week. This suggests that May’s increase may simply be a seasonal phenomenon. While continuing claims for unemployment insurance have risen from 29,000 in May 2023 to nearly 33,000 this May, they remain within this range much as they have throughout the past year. Lastly, the Workforce Solutions Index continues to signal that employers retain a slight edge over jobseekers echoing many of the aforementioned metrics that indicate a steady but less tight labor market compared to 2023 and especially 2022. Bottom line, after March’s disastrous jobs report, two consecutive months of solid job growth are a welcome boost to job market momentum that we’ll likely need as we navigate the second half of the year.

Supplemental Chart 1. Houston MSA Current Employment Levels as of May 2024 Relative to February 2020 by Sector (NSA)



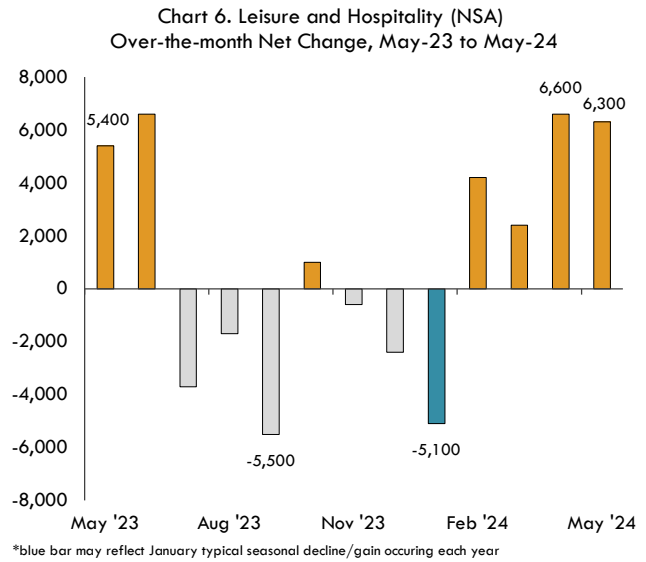
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GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

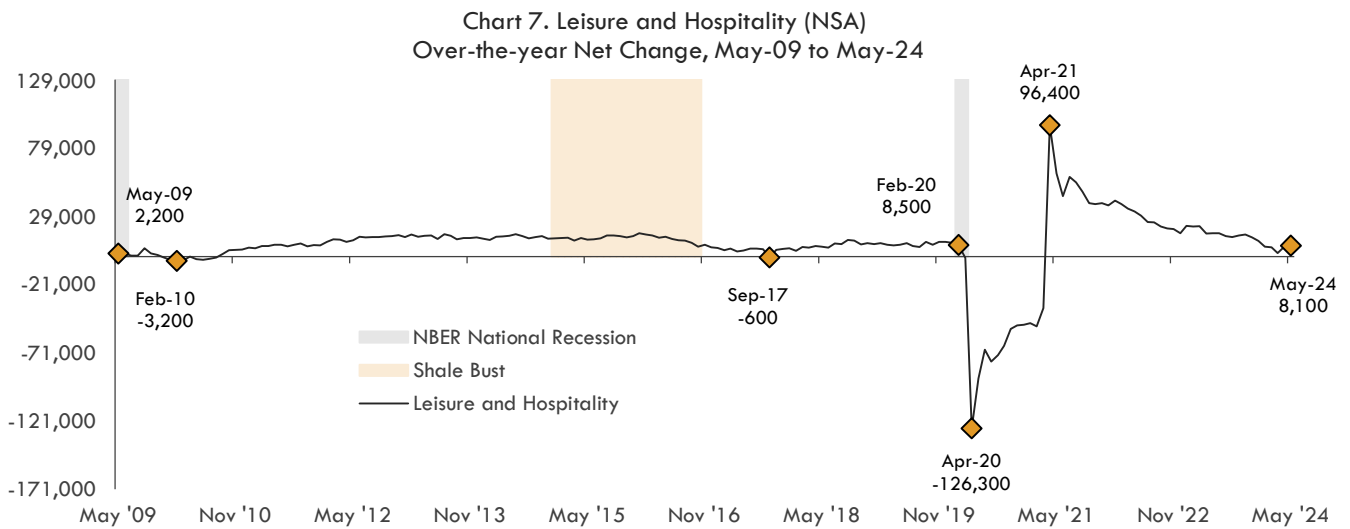
Leisure and Hospitality was the largest gaining sector over the month up 6,300 jobs, or 1.7 percent (see Chart 6). This was the largest May gain since 2021 and the third-largest gain historically for the month of May since records began in 1990. Historically in the month of May, Leisure and Hospitality has added an average of 4,400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 5,000 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 1,300 jobs from April to May. Leisure and Hospitality employment was revised upward by 300 jobs for a March to April larger net gain of 6,600 compared to an original estimate of 6,300 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 8,100 jobs, or 2.2 percent (see Chart 7). This was the largest over-the-year gain since December 2023's increase of 11,400 jobs. It also marks 38 consecutive months of over-the-year gains. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 7,200 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 900 jobs from May a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 34,000, or 10.2 percent. At

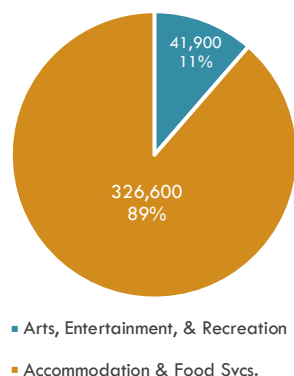
the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 10.7 percent over the past year.



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, or exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 89 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 1 percent less than the national average.

Chart 8. Employment in Component Industries of Leisure and Hospitality Sector - May 2024



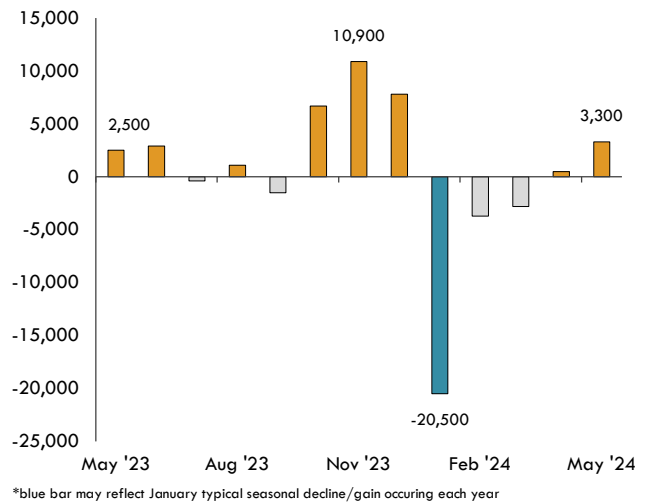
GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the second-largest gaining sector over the month up 3,300 jobs, or 0.5 percent (see Chart 9). This was the largest May over-the-month gain in since 2021. Historically in the month of May, Trade, Transportation, and Utilities has added an average of 1,900 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 3,000 jobs over the month. The second-largest contributor was Wholesale Trade, which added 300 jobs from April to May. Lastly, Retail Trade saw no change over the month. Trade, Transportation, and Utilities employment was revised downward by -1,200 jobs for a March to April smaller net gain of 500 compared to an original estimate of 1,700 jobs.

Chart 9. Trade, Transportation, and Utilities (NSA)  
Over-the-month Net Change, May-23 to May-24

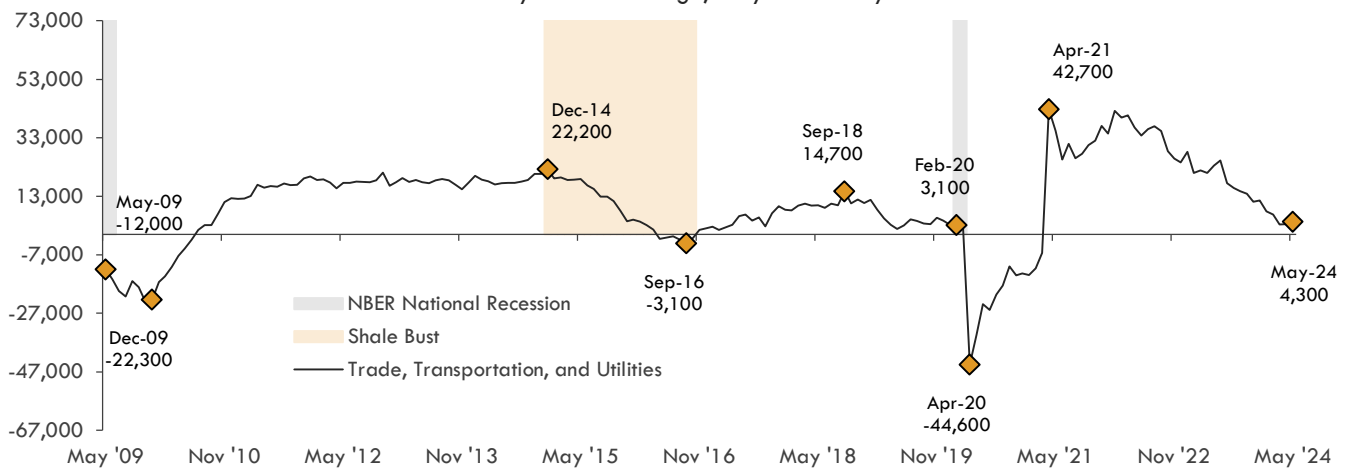


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 4,300 jobs, or 0.6 percent (see Chart 10). This was the largest over-the-year gain since February 2024's increase of 6,800 jobs. It also marks 38 consecutive months of over-the-year gains. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 3,300 jobs over the year. The second-largest contributor was Wholesale Trade, which added 2,300 jobs from May a year ago. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -1,300 jobs. Total Trade, Transportation, and Utilities employment (NSA) now

exceeds its February 2020 pre-pandemic level of 628,500 jobs by 59,400, or 9.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 20.3 percent to 19.9 percent over the past year.

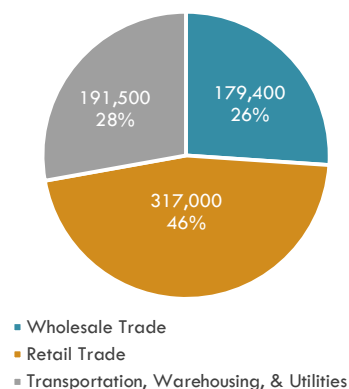
Chart 10. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, May-09 to May-24



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 46 percent (see Chart 11).

Chart 11. Employment in Component Industries of  
Trade, Transportation, and Utilities Sector - May 2024

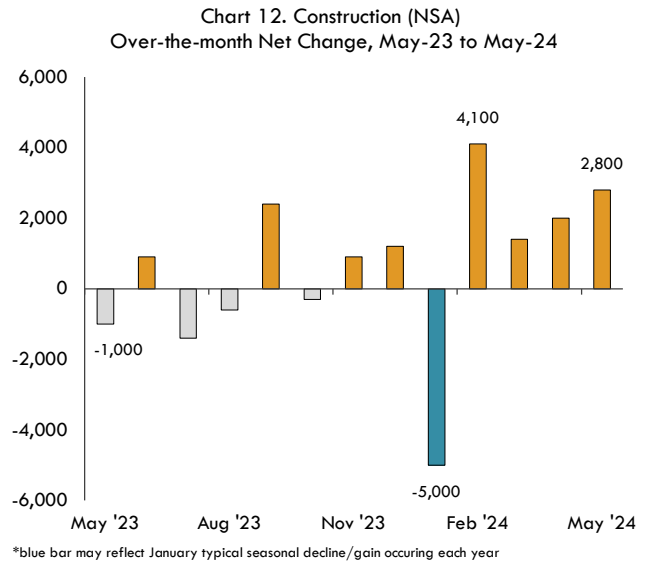


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the third-largest gaining sector over the month up 2,800 jobs, or 1.2 percent (see Chart 12). This was the largest May over-the-month gain in since 2007. Historically in the month of May, Construction has added an average of 1,300 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. The second-largest contributor was Specialty Trade Contractors, which added 1,100 jobs from April to May. Lastly, Construction of Buildings contributed, 500 jobs. Construction employment was revised downward by -300 jobs for a March to April smaller net gain of 2,000 compared to an original estimate of 2,300 jobs.

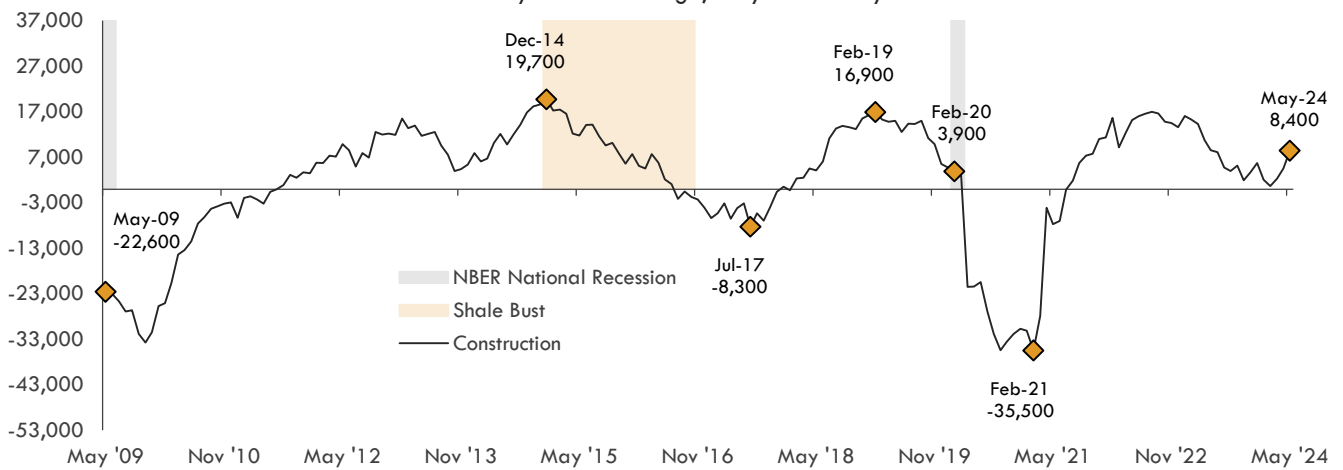


Over-the-year Change

Year over year, Construction was up 8,400 jobs, or 3.6 percent (see Chart 13). This was the largest over-the-year gain since May 2023's increase of 8,500 jobs. It also marks 34 consecutive months of over-the-year gains. Construction of Buildings was the largest contributor to the overall sector's increase, up 4,100 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 2,700 jobs from May a year ago. Lastly, Specialty Trade Contractors contributed, 1,600 jobs. Total Construction employment (NSA) now exceeds its February 2020

pre-pandemic level of 237,400 jobs by 2,400, or 1.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.9 percent over the past year.

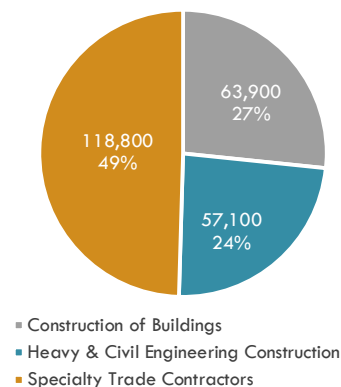
Chart 13. Construction (NSA) Over-the-year Net Change, May-09 to May-24



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 50 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 33 percent higher than the national average, due to 2.2 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 14. Employment in Component Industries of Construction Sector - May 2024

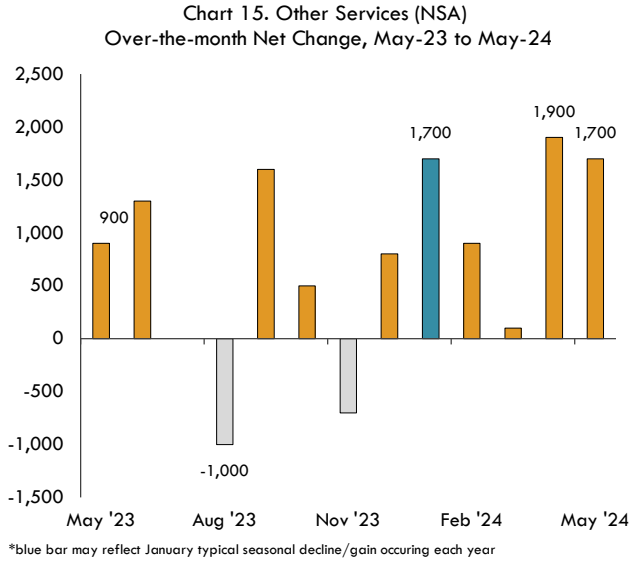


GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services also saw an increase over the month up 1,700 jobs, or 1.3 percent (see Chart 15). This May tied with 2021 and 2019 for the second-largest ever gain in the month of May since records began in 1990. Historically in the month of May, Other Services has added an average of 500 jobs over the month, which indicates that this month's gains are substantially above 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 upward by 100 jobs for a March to April larger net gain of 1,900 compared to an original estimate of 1,800 jobs.

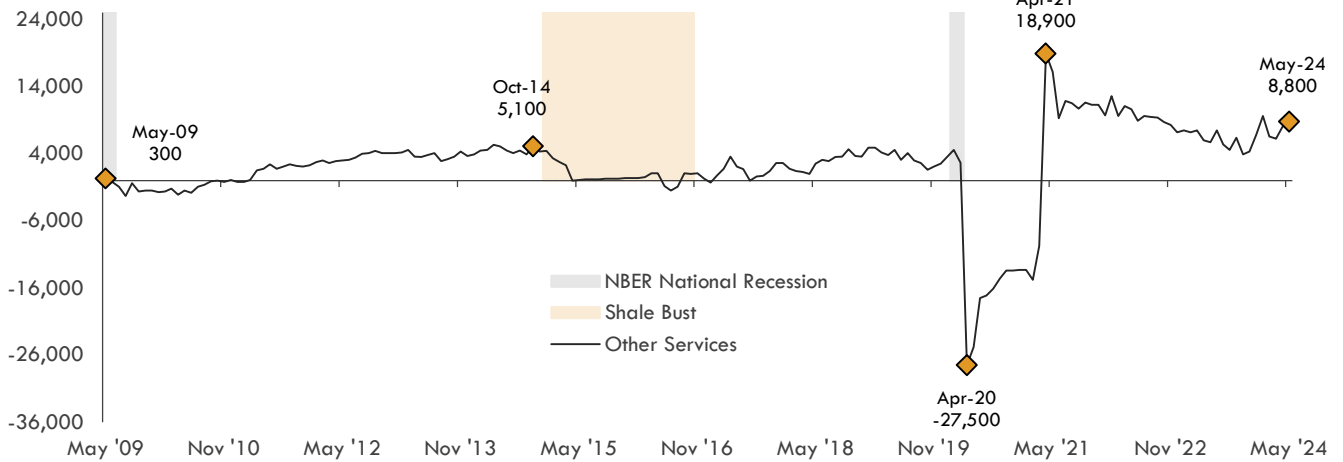


Over-the-year Change

Year over year, Other Services was up 8,800 jobs, or 7.0 percent (see Chart 16). This was the third-largest over-the-year gain in May since records began in 1990 and the largest gain since January 2024's increase of 9,600 jobs. It also marks 38 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,100

jobs by 15,300, or 12.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 3.7 percent to 3.9 percent over the past year.

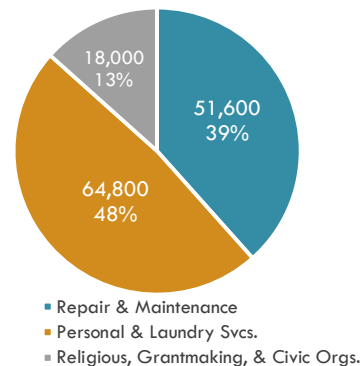
Chart 16. Other Services (NSA) Over-the-year Net Change, May-09 to May-24



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 4 percent higher than the national average.

Chart 17. Employment in Component Industries of Other Services Sector - May 2024



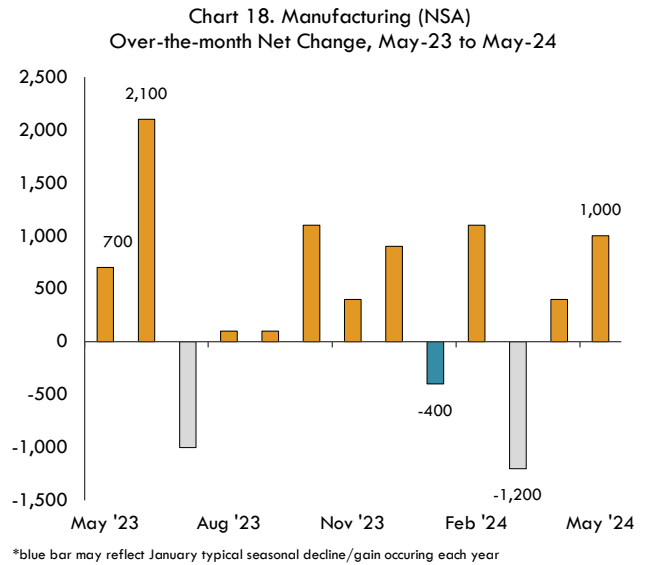
\*estimated proportions based QCEW covered and NES self-employment

## GAINING INDUSTRY HIGHLIGHTS

### Manufacturing

#### Over-the-month Change

Manufacturing also saw an increase over the month up 1,000 jobs, or 0.4 percent (see Chart 18). This was the largest May over-the-month gain in since 2018. Historically in the month of May, Manufacturing has added an average of 500 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Durable Goods was the largest contributor to the overall sector's increase, up 800 jobs over the month. The second-largest contributor was Non-Durable Goods, which added 200 jobs from April to May. Manufacturing employment was revised downward by -100 jobs for a March to April smaller net gain of 400 compared to an original estimate of 500 jobs.

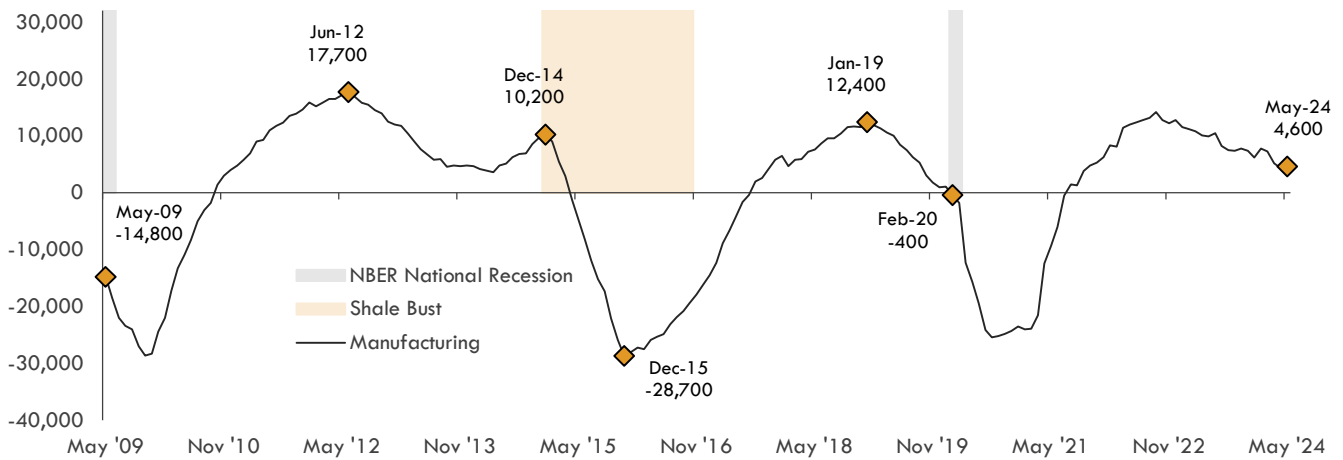


#### Over-the-year Change

Year over year, Manufacturing was up 4,600 jobs, or 2.0 percent (see Chart 19). This May also marks 34 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 5,300 jobs over the year. One component industry that provided a partial offset was Non-Durable Goods, which lost -700 jobs from May a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,500 jobs by 3,100, or 1.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.9

percent over the past year.

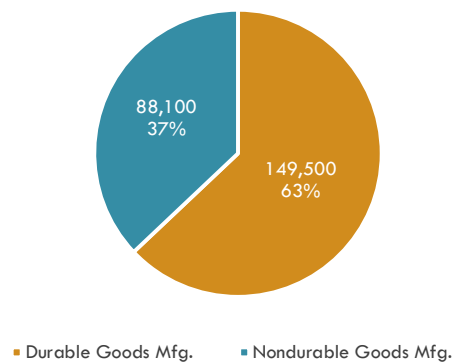
Chart 19. Manufacturing (NSA)  
Over-the-year Net Change, May-'09 to May-'24



#### About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 63 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 15 percent less than the national average.

Chart 20. Employment in Component Industries of Manufacturing Sector - May 2024



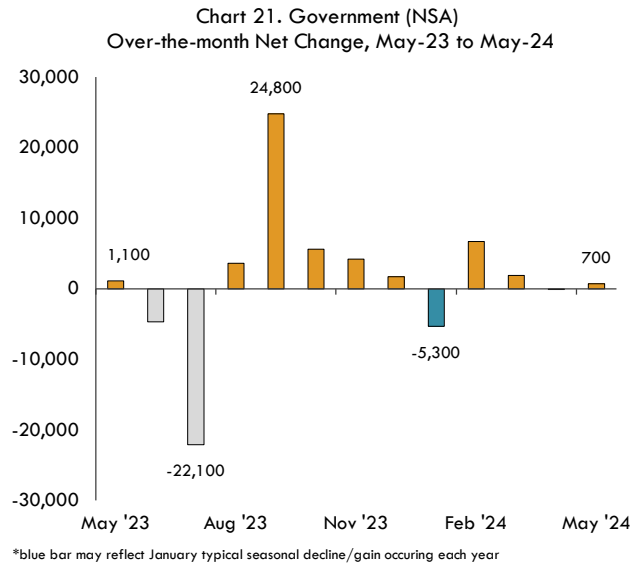


## GAINING INDUSTRY HIGHLIGHTS

### Government

#### Over-the-month Change

Government also saw an increase over the month up 700 jobs, or 0.2 percent (see Chart 21). Historically in the month of May, Government has added an average of 1,300 jobs over the month, which indicates that this month's gains are moderately below the long-term average. Local Government was the largest contributor to the overall sector's increase, up 800 jobs over the month. The second-largest contributor was State Government, which added 200 jobs from April to May. Lastly, Federal Government offset a portion of the sector's gains with a loss of -300 jobs. Government employment saw no revision from March to April leaving the previous month's original decrease of -100 intact.

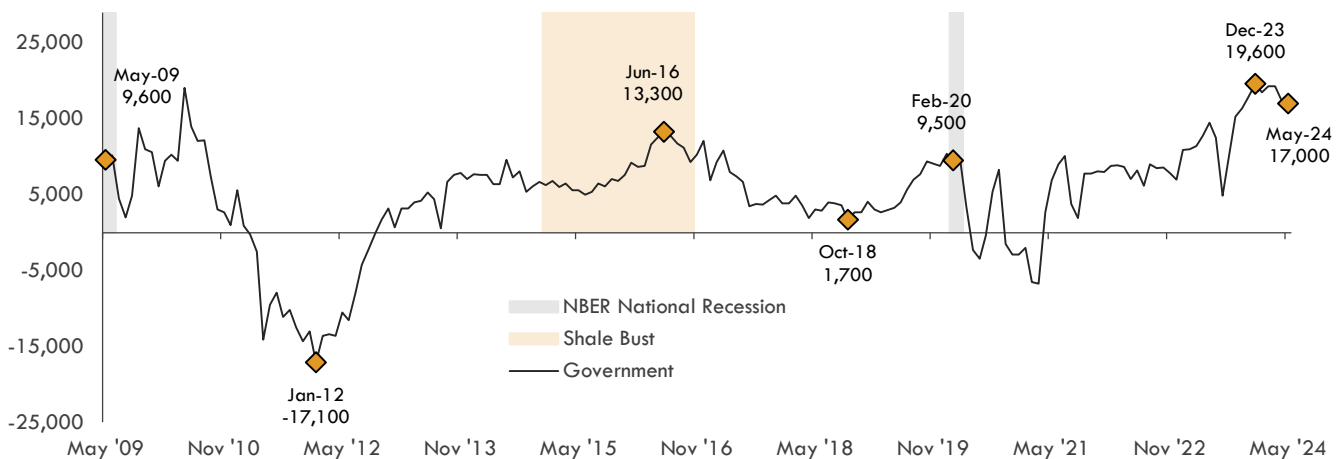


#### Over-the-year Change

Year over year, Government was up 17,000 jobs, or 3.8 percent (see Chart 22). This was the second-largest over-the-year gain in the month of May since records began in 1990. It also marks 38 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 20.6 percent of total (gross) jobs added across the region over the past year can be attributed to Government. Local Government was the largest contributor to the overall sector's increase, up 12,500 jobs over the year. The

second-largest contributor was State Government, which added 3,500 jobs from May a year ago. Lastly, Federal Government contributed, 1,000 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 428,400 jobs by 35,100, or 8.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.2 percent to 13.4 percent over the past year.

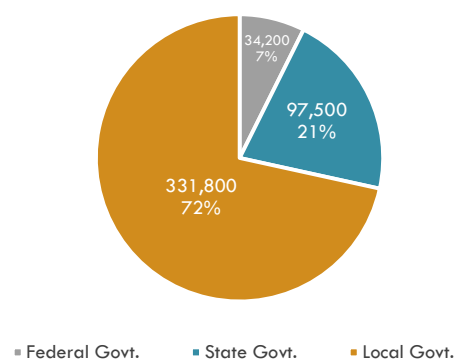
Chart 22. Government (NSA)  
Over-the-year Net Change, May-09 to May-24



#### About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 72 percent (see Chart 23). Across the Houston MSA, the concentration of jobs in the overall Government sector is 10 percent less than the national average.

Chart 23. Employment in Component Industries of Government Sector - May 2024

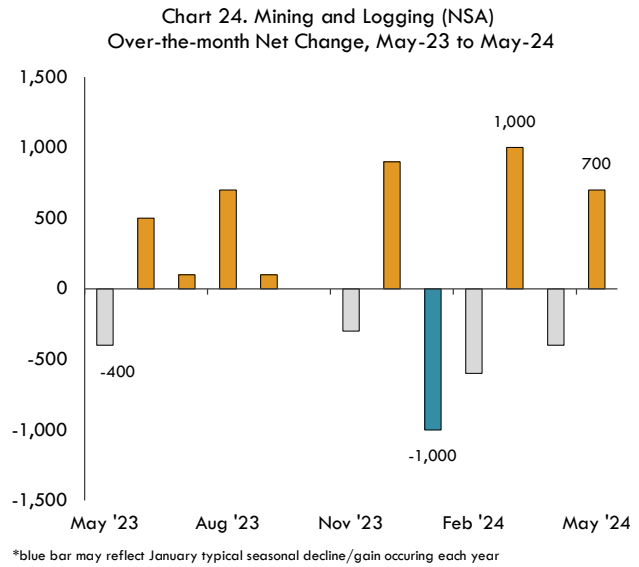


GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 700 jobs, or 1.0 percent (see Chart 24). This was the largest May over-the-month gain in since 2017. Historically in the month of May, Mining and Logging has added an average of 100 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 600 jobs over the month. The second-largest contributor was Support Activities for Mining, which added 200 jobs from April to May. Lastly, Other Mining and Logging Undefined offset a portion of the sector's gains with a loss of -100 jobs. Mining and Logging employment saw no revision from March to April leaving the previous month's original decrease of -400 intact.

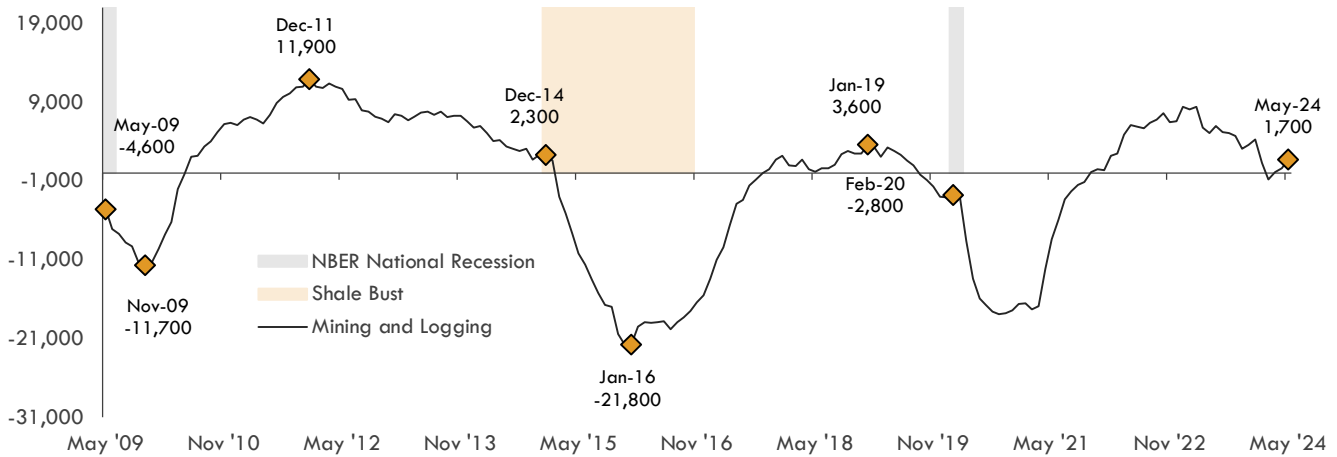


Over-the-year Change

Year over year, Mining and Logging was up 1,700 jobs, or 2.4 percent (see Chart 25). This was the largest over-the-year gain since December 2023's increase of 4,300 jobs. It also marks three consecutive months of over-the-year gains. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 1,200 jobs over the year. The second-largest contributor was Support Activities for Mining, which added 600 jobs from May a year ago. Lastly, Other Mining and Logging Undefined offset a portion of the sector's gains with a loss of -100 jobs. Total Mining and Logging employment (NSA) remains

-6,500 jobs, or -8.3 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 2.1 percent over the past year.

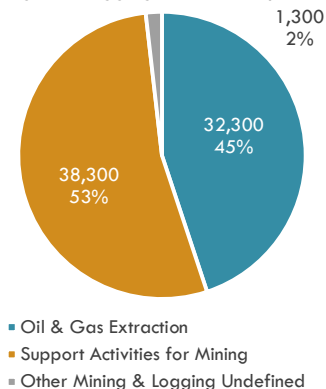
Chart 25. Mining and Logging (NSA)  
Over-the-year Net Change, May-'09 to May-'24



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Support Activities for Mining accounts for a slight majority of the sector's employment at just over 53 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.2 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 26. Employment in Component Industries of Mining and Logging Sector - May 2024

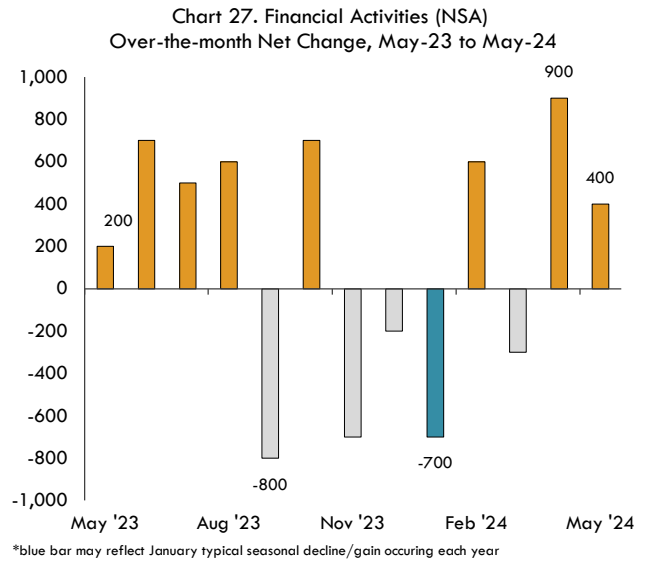


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 400 jobs, or 0.2 percent (see Chart 27). This was the largest May over-the-month gain in since 2022. Historically in the month of May, Financial Activities has added an average of 400 jobs over the month, which indicates that this month's gains are on par with the long-term average. Finance and Insurance was the largest contributor to the overall sector's increase, up 400 jobs over the month. One component industry, Real Estate and Rental and Leasing, saw no change from April to May. Financial Activities employment was revised downward by -300 jobs for a March to April smaller net gain of 900 compared to an original estimate of 1,200 jobs.

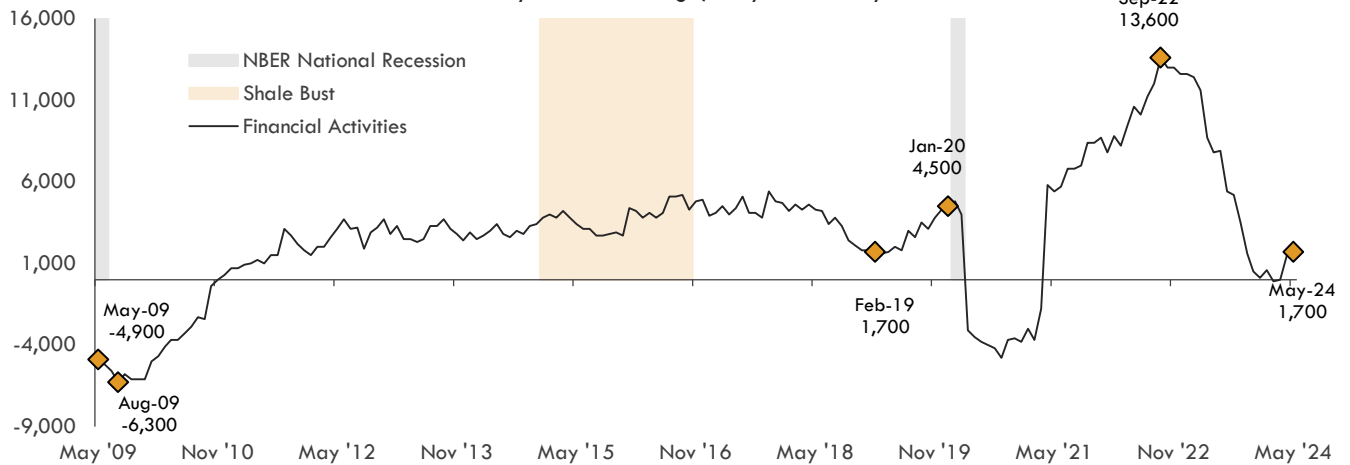


Over-the-year Change

Year over year, Financial Activities was up 1,700 jobs, or 0.9 percent (see Chart 28). This was the largest over-the-year gain since September 2023's increase of 3,500 jobs. It also marks nine consecutive months of over-the-year gains. Finance and Insurance was the largest contributor to the overall sector's increase, up 2,500 jobs over the year. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which lost -800 jobs from May a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 18,400, or 10.9 percent. At

the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 5.5 percent over the past year.

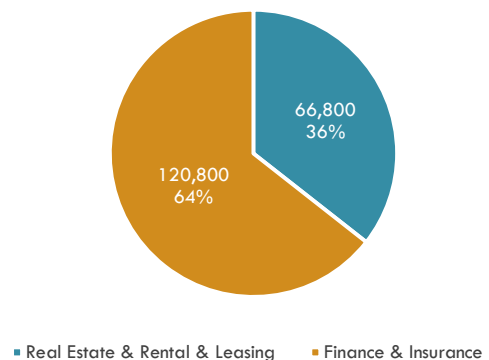
Chart 28. Financial Activities (NSA) Over-the-year Net Change, May-09 to May-24



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 64 percent (see Chart 29). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 6 percent less than the national average, due to a 17-percent lower concentration in Finance and Insurance offsetting a 24-percent higher concentration in Real Estate and Rental and Leasing.

Chart 29. Employment in Component Industries of Financial Activities Sector - May 2024



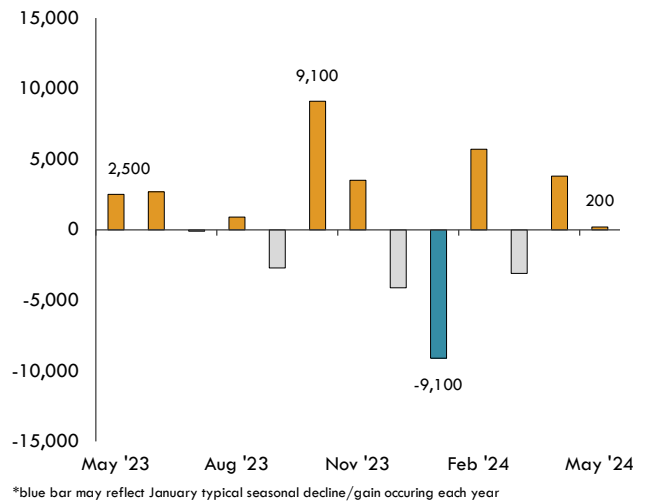
GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services also saw an increase over the month up 200 jobs, or 0.0 percent (see Chart 30). Historically in the month of May, Professional and Business Services has added an average of 1,000 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 1,000 jobs over the month. The second-largest contributor was Management of Companies and Enterprises, which added 300 jobs from April to May. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's gains with a loss of -1,100 jobs. Professional and Business Services employment was revised downward by -100 jobs for a March to April smaller net gain of 3,800 compared to an original estimate of 3,900 jobs.

Chart 30. Professional and Business Services (NSA)  
Over-the-month Net Change, May-23 to May-24

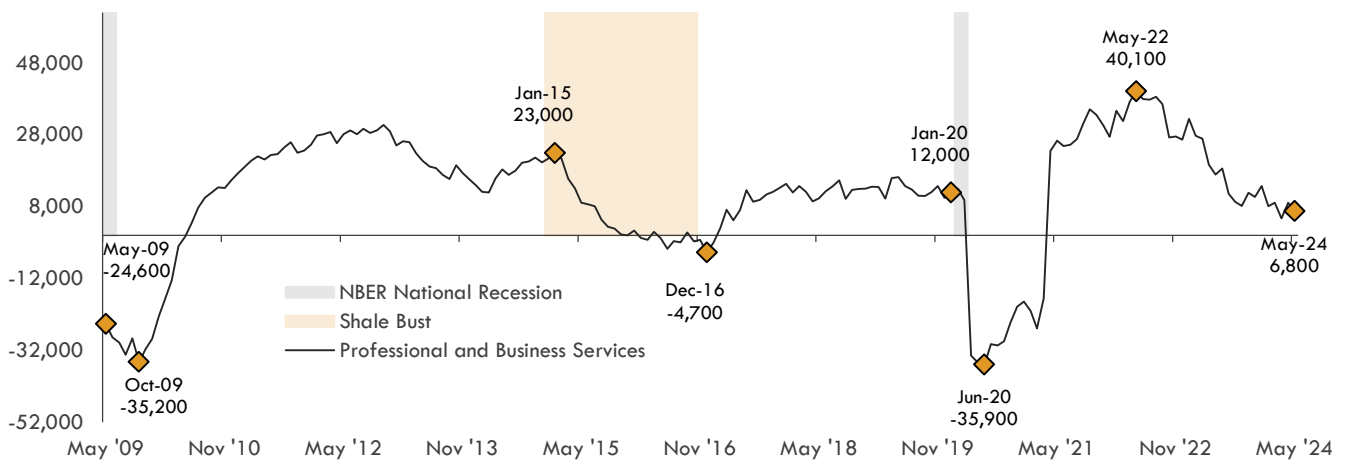


Over-the-year Change

Year over year, Professional and Business Services was up 6,800 jobs, or 1.2 percent (see Chart 31). This May also marks 38 consecutive months of over-the-year gains. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 5,300 jobs over the year. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 1,200 jobs from May a year ago. Lastly, Management of Companies and Enterprises contributed, 300 jobs. Total Professional and Business Services employment (NSA) now

exceeds its February 2020 pre-pandemic level of 514,700 jobs by 46,500, or 9.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.4 percent to 16.3 percent over the past year.

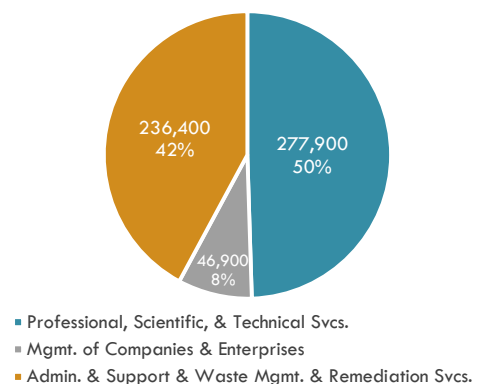
Chart 31. Professional and Business Services (NSA)  
Over-the-year Net Change, May-09 to May-24



About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a plurality of the sector's employment at 50 percent (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall sector is 12 percent higher than the national average, due to a 17-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 32. Employment in Component Industries of  
Professional and Business Services Sector - May 2024



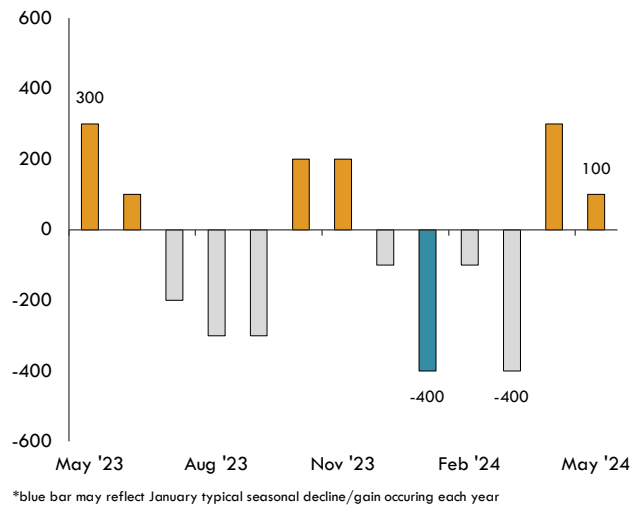
## GAINING INDUSTRY HIGHLIGHTS

### Information

#### Over-the-month Change

Information also saw an increase over the month up 100 jobs, or 0.3 percent (see Chart 33). Historically in the month of May, Information has added 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 200 jobs over the month. One component industry that provided a partial offset was Telecommunications, which lost -100 jobs from April to May. Information employment was revised upward by 200 jobs for a March to April larger net gain of 300 compared to an original estimate of 100 jobs.

Chart 33. Information (NSA)  
Over-the-month Net Change, May-23 to May-24

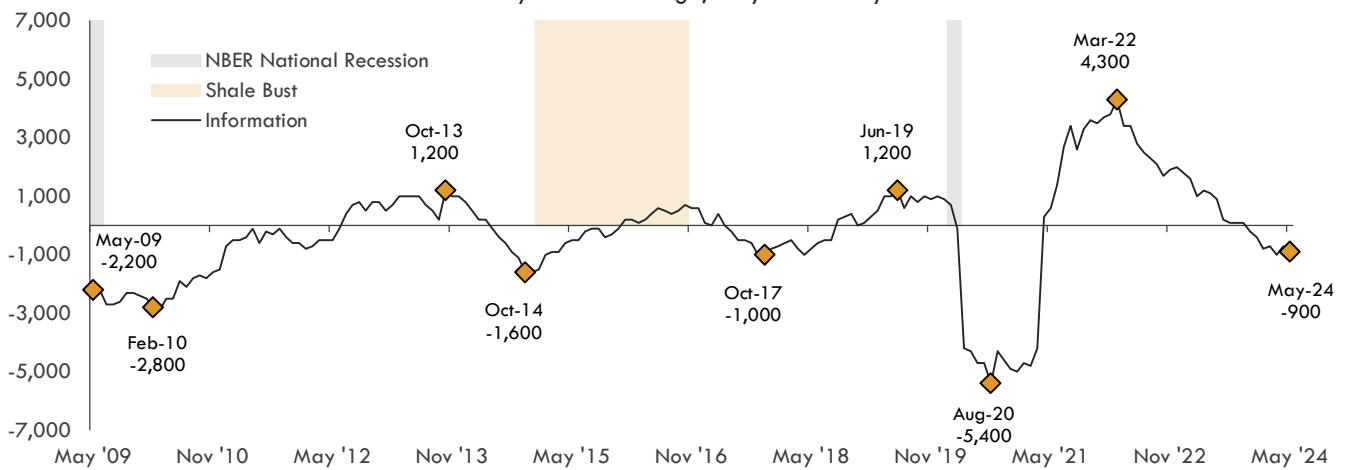


#### Over-the-year Change

Year over year, Information was down -900 jobs, or -2.7 percent (see Chart 34). This May also marks seven consecutive months of over-the-year losses. Furthermore, 100.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Information. Other Information Undefined was the largest contributor to the overall sector's decline, down -700 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -200 jobs from May a year ago. Total Information employment (NSA) remains -100 jobs, or -0.3 percent below its February 2020 pre-pandemic level of 32,700.

At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.

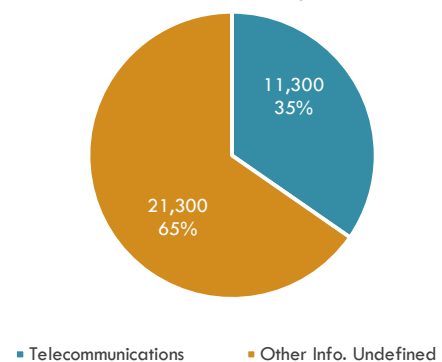
Chart 34. Information (NSA)  
Over-the-year Net Change, May-09 to May-24



#### About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 65 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Information sector is 50 percent less than the national average.

Chart 35. Employment in Component Industries of Information Sector - May 2024



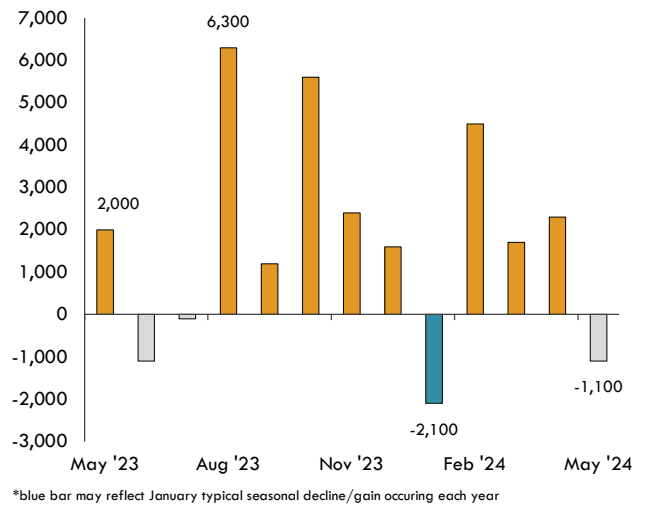
DECLINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services was the largest declining sector over the month down -1,100 jobs, or -0.2 (see Chart 36). This was the largest-ever decline in the month of May since records began in 1990, beating the previous May record of -700 jobs lost in 1993. Historically in the month of May, Private Education and Health Services has added an average of 1,200 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Private Educational Services was the largest contributor to the overall sector's decline, down -1,400 jobs over the month. One component industry that provided a partial offset was Health Care and Social Assistance, which gained 300 jobs from April to May. Private Education and Health Services employment was revised upward by 500 jobs for a March to April larger net gain of 2,300 compared to an original estimate of 1,800 jobs.

Chart 36. Private Education and Health Services (NSA)  
Over-the-month Net Change, May-'23 to May-'24

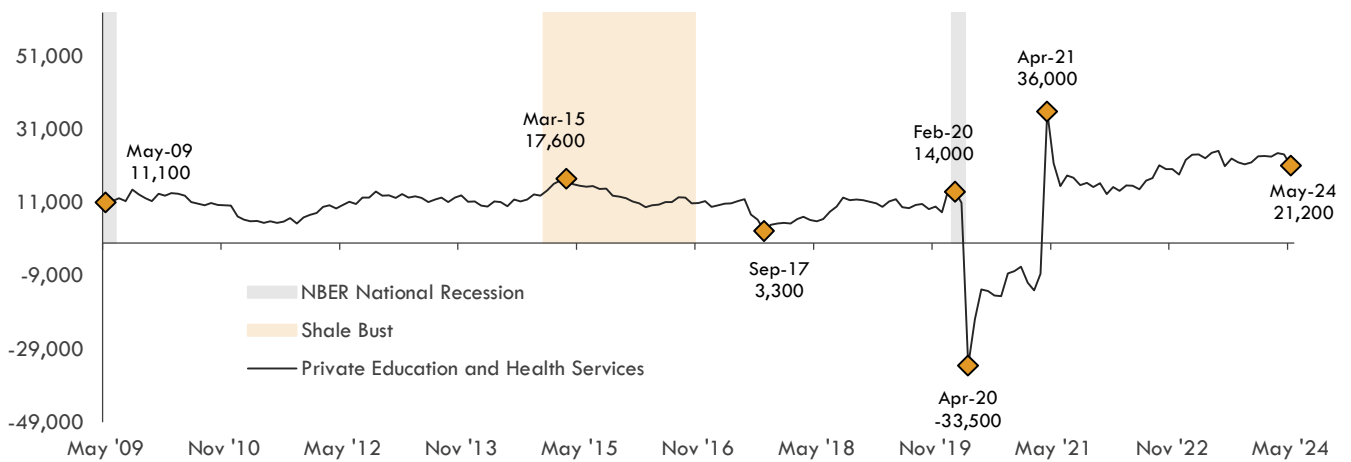


Over-the-year Change

Year over year, Private Education and Health Services was up 21,200 jobs, or 4.7 percent (see Chart 37). This was the third-largest over-the-year gain in May since records began in 1990. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 25.7 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 18,300 jobs over the year. The second-largest contributor was Private

Educational Services, which added 2,900 jobs from May a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 53,200, or 12.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.2 percent to 13.5 percent over the past year.

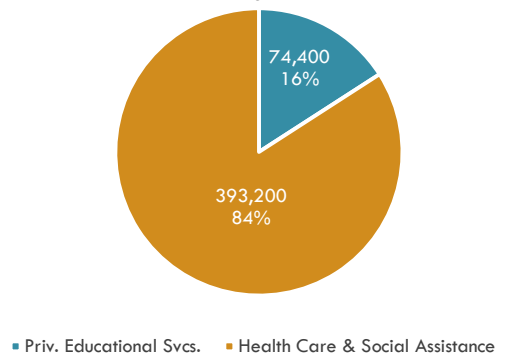
Chart 37. Private Education and Health Services (NSA)  
Over-the-year Net Change, May-'09 to May-'24



About This Sector

This sector is composed of establishments that provide private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 84 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall sector is 18 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 38. Employment in Component Industries of  
Private Education and Health Services Sector - May  
2024



## Local Area Unemployment Statistics

### Not-Seasonally Adjusted

#### Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.0 percent in May, up from April's 3.8 percent and down from 4.2 percent a year ago. This was above the statewide rate of 3.8 percent and above the national rate of 3.7 percent. Houston's unemployment rate typically rises in May of each year and has occurred 80 percent of the time over the past three decades making this month's increase consistent with historical seasonal trends. 147,447 individuals were unemployed in Houston in May, up from April's 139,292 and down from 150,740 in May 2023 (see Charts 39 and 40).

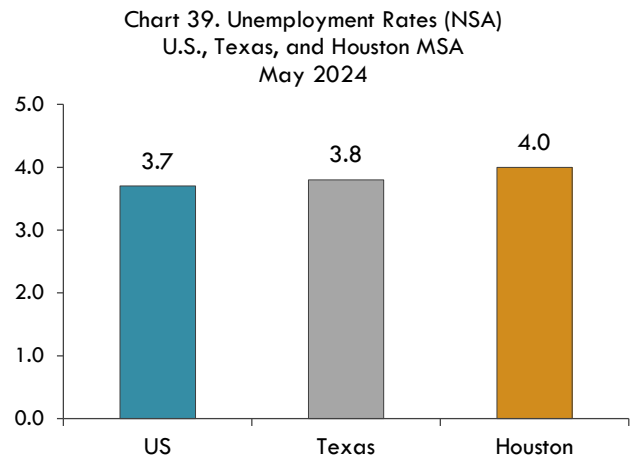
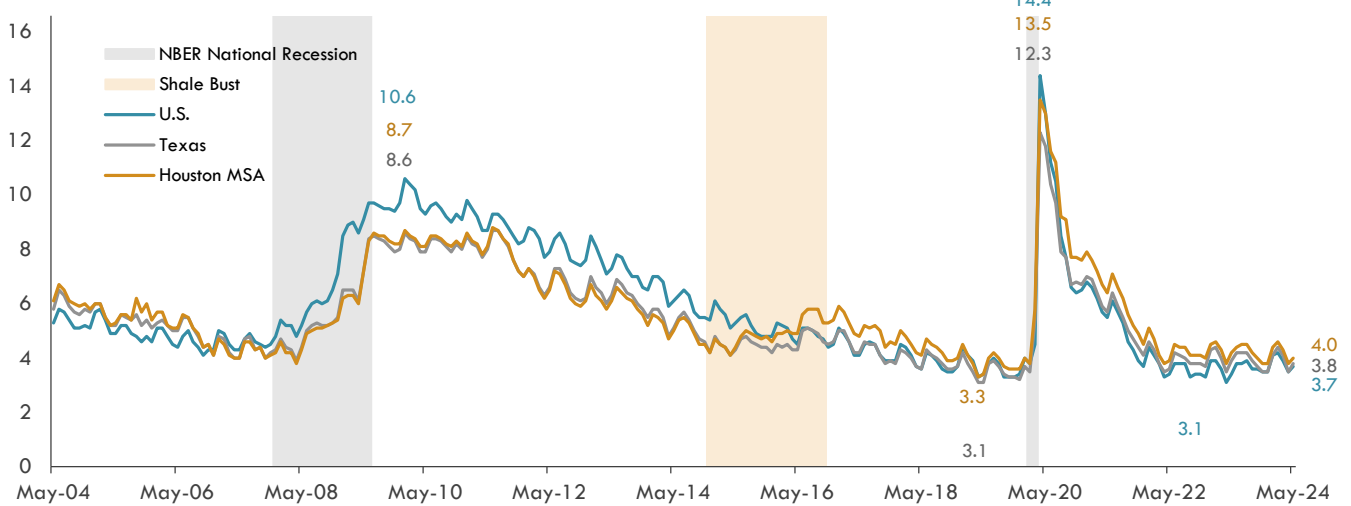


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) May 2004 to May 2024

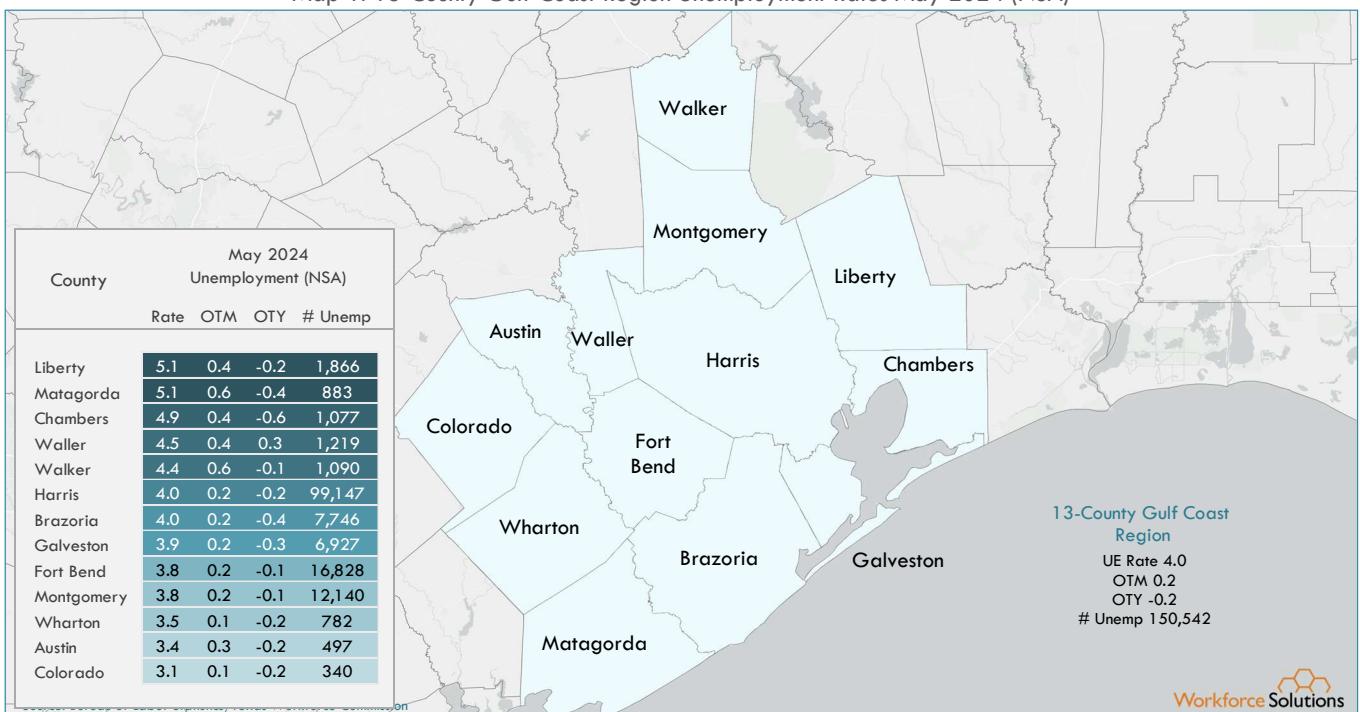


### County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in May ranged from a high of 5.1 percent in Liberty County to a low of 3.1 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. Walker saw the largest percentage-point increase in unemployment up 0.6 pp. representing 142 more unemployed workers compared to the previous month. This was followed by Matagorda (0.6 pp, 100 workers) and Waller (0.4 pp, 111 workers). Over the year

unemployment rates fell, with Chambers posting the largest decrease, down -0.6 percentage points representing -104 fewer unemployed workers compared to a year ago followed by Brazoria (-0.4 pp, -516 workers) and Matagorda (-0.4 pp, -41 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 -298,313 as of this May (see Map 1 legend).

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



## Local Area Unemployment Statistics (continued)

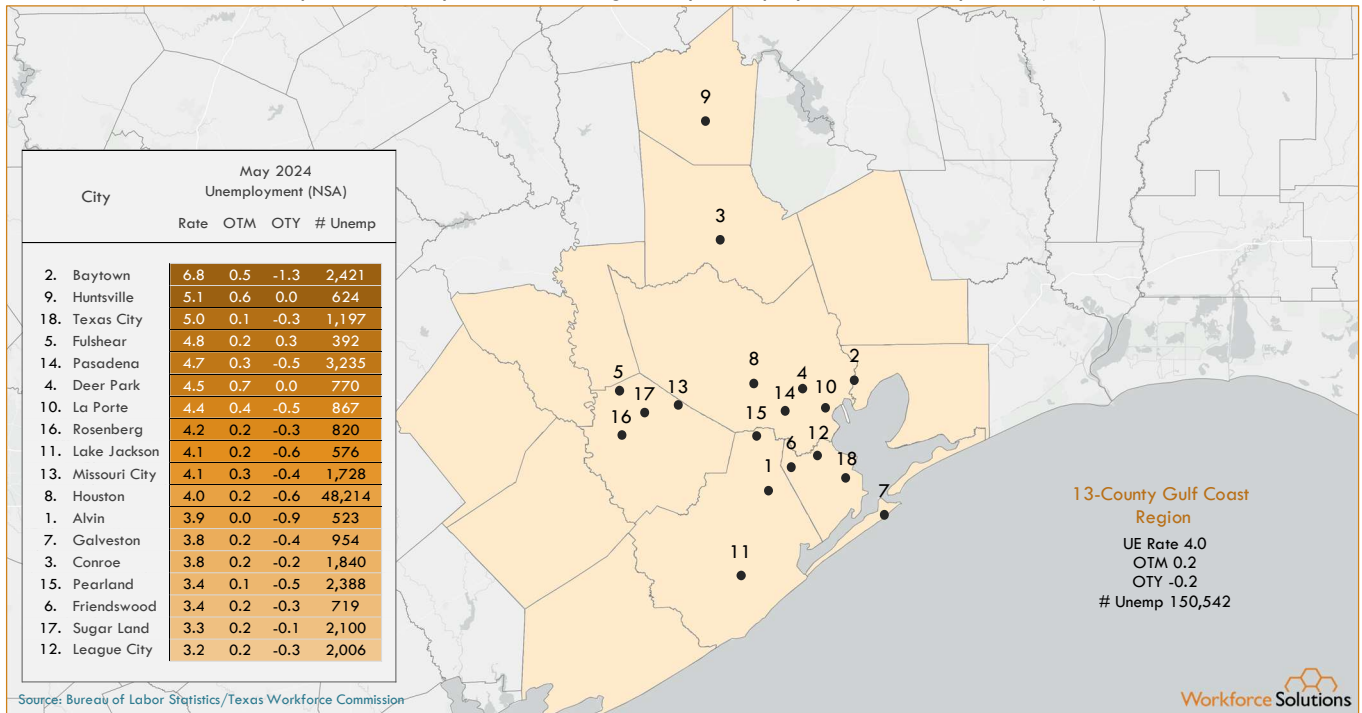
### Not-Seasonally Adjusted

#### Unemployment Rates for Select Municipalities

Among the 18 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in May ranged from a high of 6.8 percent in Baytown to a low of 3.2 percent in League City (see Map 2 legend). Over the month, 17 cities saw their unemployment rates rise in keeping with the region-wide increase of 0.2 percentage points while one saw no change. Deer Park saw the largest percentage-point increase in unemployment up 0.7 pp.

representing 115 more unemployed workers compared to the previous month. This was followed by Huntsville (0.6 pp, 75 workers) and Baytown (0.5 pp, 182 workers). Over the year unemployment rates fell, with Baytown posting the largest decrease, down -1.3 percentage points representing -428 fewer unemployed workers compared to a year ago followed by Alvin (-0.9 pp, -111 workers) and Lake Jackson (-0.6 pp, -80 workers). The 18 cities below accounted for 47 percent of the 150,542 unemployed workers across the Gulf Coast Region as of this May (see Map 2 legend).

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



### Seasonally Adjusted

#### Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.2 percent in April, unchanged from March's 4.2 percent and down from 4.3 percent a year ago. This was above the statewide rate of 4.0 percent and above the national rate of 3.9 percent. 154,039 individuals were unemployed in Houston in April, down slightly from March's 153,587 and down from 154,545 in April 2023 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 18 cities.

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

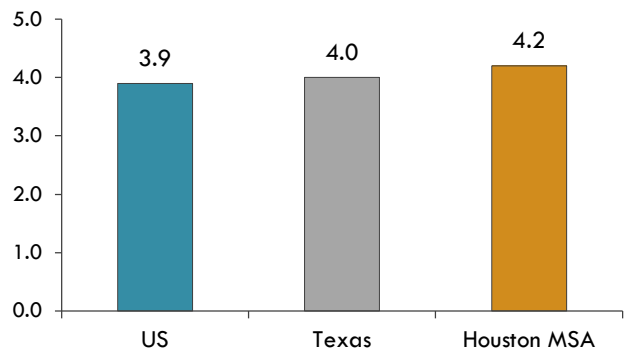
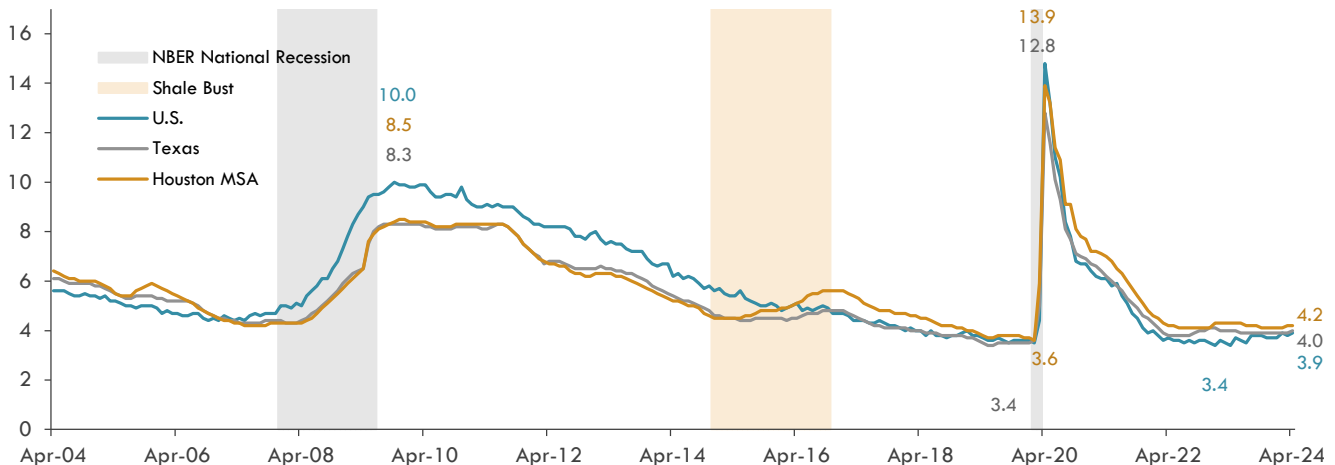


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
 April 2004 to April 2024





## Gulf Coast Workforce Solutions Index (WSI)

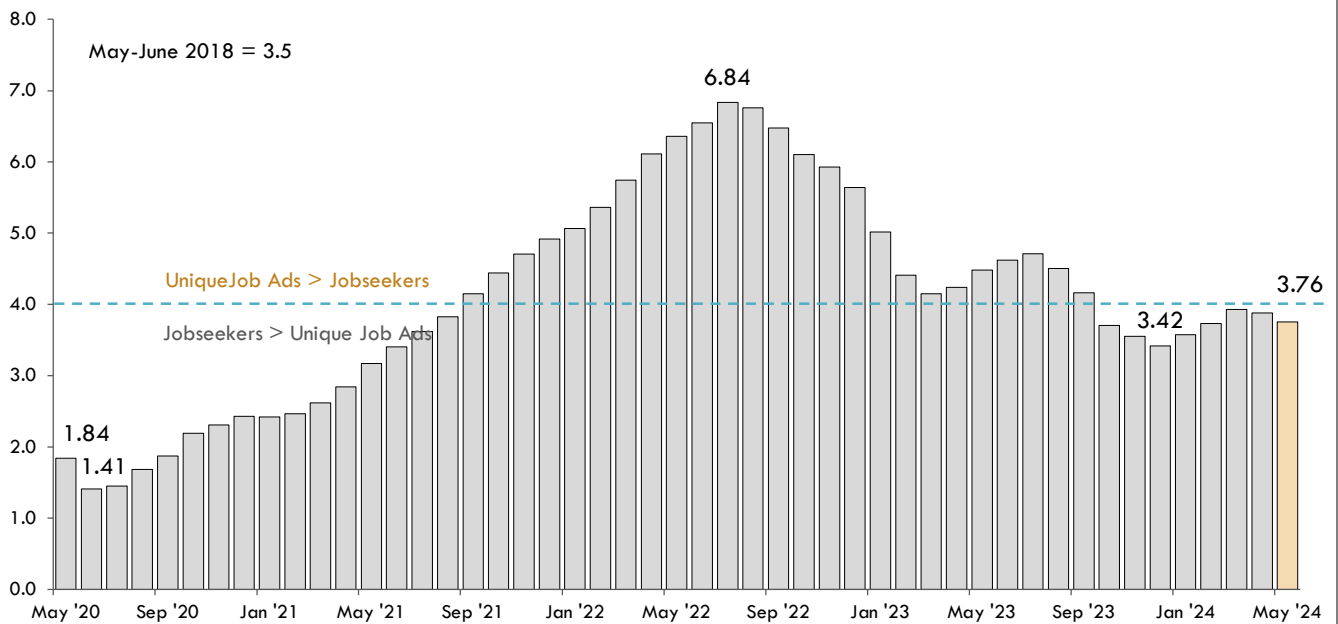


### The Gulf Coast Workforce Solutions Index (WSI)

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

WSI Reading  
May  
2024:  
**3.76**

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



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



### Workforce Solutions Index May 2024

The Houston MSA WSI for May stood at 3.76, down slightly from April's reading of 3.88. This was the result of slight decreases in the number of active job ads accompanied by slight increases in the number of unemployed individuals. The net effect of these changes was modest drop in the index reflecting an incremental gain in leverage by employers relative to job seekers.

Despite the index rising since December 2023 to approach the index equilibrium of 4.0, a value of 3.76 continues to suggest that a requirement of three work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



# Houston Area Employment Situation

May 2024

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	May-24	Apr-24	May-23	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,452,600</b>	<b>3,436,500</b>	<b>3,370,900</b>	<b>16,100</b>	<b>0.5%</b>	<b>81,700</b>	<b>2.4%</b>
Total Private	2,989,100	2,973,700	2,924,400	15,400	0.5%	64,700	2.2%
Goods Producing	549,300	544,800	534,600	4,500	0.8%	14,700	2.7%
<b>.Mining and Logging</b>	<b>71,900</b>	<b>71,200</b>	<b>70,200</b>	<b>700</b>	<b>1.0%</b>	<b>1,700</b>	<b>2.4%</b>
...Oil and Gas Extraction	32,300	31,700	31,100	600	1.9%	1,200	3.9%
...Support Activities for Mining	38,300	38,100	37,700	200	0.5%	600	1.6%
<b>.Construction</b>	<b>239,800</b>	<b>237,000</b>	<b>231,400</b>	<b>2,800</b>	<b>1.2%</b>	<b>8,400</b>	<b>3.6%</b>
..Construction of Buildings	63,900	63,400	59,800	500	0.8%	4,100	6.9%
..Heavy and Civil Engineering Construction	57,100	55,900	54,400	1,200	2.1%	2,700	5.0%
..Specialty Trade Contractors	118,800	117,700	117,200	1,100	0.9%	1,600	1.4%
<b>.Manufacturing</b>	<b>237,600</b>	<b>236,600</b>	<b>233,000</b>	<b>1,000</b>	<b>0.4%</b>	<b>4,600</b>	<b>2.0%</b>
..Durable Goods	149,500	148,700	144,200	800	0.5%	5,300	3.7%
...Fabricated Metal Product Manufacturing	52,700	52,400	50,600	300	0.6%	2,100	4.2%
...Machinery Manufacturing	43,100	43,100	42,200	0	0.0%	900	2.1%
....Agriculture, Construction, and Mining Machinery Mfg.	23,000	23,000	22,400	0	0.0%	600	2.7%
...Computer and Electronic Product Manufacturing	14,600	14,600	14,100	0	0.0%	500	3.5%
..Non-Durable Goods	88,100	87,900	88,800	200	0.2%	-700	-0.8%
...Petroleum and Coal Products Manufacturing	8,000	8,000	7,900	0	0.0%	100	1.3%
...Chemical Manufacturing	42,000	41,900	42,100	100	0.2%	-100	-0.2%
Service Providing	2,903,300	2,891,700	2,836,300	11,600	0.4%	67,000	2.4%
.Private Service Providing	2,439,800	2,428,900	2,389,800	10,900	0.4%	50,000	2.1%
<b>..Trade, Transportation, and Utilities</b>	<b>687,900</b>	<b>684,600</b>	<b>683,600</b>	<b>3,300</b>	<b>0.5%</b>	<b>4,300</b>	<b>0.6%</b>
...Wholesale Trade	179,400	179,100	177,100	300	0.2%	2,300	1.3%
....Merchant Wholesalers, Durable Goods	112,100	111,800	110,300	300	0.3%	1,800	1.6%
....Prof. and Commercial Equip. Supplies Wholesalers	18,600	18,600	18,800	0	0.0%	-200	-1.1%
....Merchant Wholesalers, Nondurable Goods	55,500	55,500	54,900	0	0.0%	600	1.1%
...Retail Trade	317,000	317,000	318,300	0	0.0%	-1,300	-0.4%
....Motor Vehicle and Parts Dealers	44,500	44,400	44,000	100	0.2%	500	1.1%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,300	24,100	24,500	200	0.8%	-200	-0.8%
....Food and Beverage Stores	74,600	74,600	74,500	0	0.0%	100	0.1%
....Health and Personal Care Stores	61,000	61,000	61,300	0	0.0%	-300	-0.5%
....Clothing and Clothing Accessories Stores	19,200	19,100	19,400	100	0.5%	-200	-1.0%
....General Merchandise Stores	41,800	41,900	41,900	-100	-0.2%	-100	-0.2%
....Department Stores	21,100	21,300	21,400	-200	-0.9%	-300	-1.4%
....Other General Merchandise Stores	25,900	25,700	26,100	200	0.8%	-200	-0.8%
...Transportation, Warehousing, and Utilities	191,500	188,500	188,200	3,000	1.6%	3,300	1.8%
....Utilities	23,100	23,100	21,500	0	0.0%	1,600	7.4%
....Air Transportation	22,600	22,600	22,200	0	0.0%	400	1.8%
....Truck Transportation	30,100	30,000	30,500	100	0.3%	-400	-1.3%
....Pipeline Transportation	14,200	14,100	13,500	100	0.7%	700	5.2%
<b>..Information</b>	<b>32,600</b>	<b>32,500</b>	<b>33,500</b>	<b>100</b>	<b>0.3%</b>	<b>-900</b>	<b>-2.7%</b>
...Telecommunications	11,300	11,400	11,500	-100	-0.9%	-200	-1.7%
<b>..Financial Activities</b>	<b>187,600</b>	<b>187,200</b>	<b>185,900</b>	<b>400</b>	<b>0.2%</b>	<b>1,700</b>	<b>0.9%</b>
...Finance and Insurance	120,800	120,400	118,300	400	0.3%	2,500	2.1%
....Credit Intermediation and Related Activities	48,500	48,100	47,400	400	0.8%	1,100	2.3%
....Depository Credit Intermediation	31,300	31,000	30,400	300	1.0%	900	3.0%
....Securities, Commodity Contracts, and Fin. Investments	24,600	24,600	24,600	0	0.0%	0	0.0%
....Insurance Carriers and Related Activities	47,700	47,700	46,300	0	0.0%	1,400	3.0%
...Real Estate and Rental and Leasing	66,800	66,800	67,600	0	0.0%	-800	-1.2%
<b>..Professional and Business Services</b>	<b>561,200</b>	<b>561,000</b>	<b>554,400</b>	<b>200</b>	<b>0.0%</b>	<b>6,800</b>	<b>1.2%</b>
...Professional, Scientific, and Technical Services	277,900	279,000	272,600	-1,100	-0.4%	5,300	1.9%
....Legal Services	32,200	32,100	31,100	100	0.3%	1,100	3.5%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	28,700	29,800	29,500	-1,100	-3.7%	-800	-2.7%
....Architectural, Engineering, and Related Services	75,400	75,500	72,100	-100	-0.1%	3,300	4.6%
....Computer Systems Design and Related Services	40,900	41,100	42,400	-200	-0.5%	-1,500	-3.5%
...Management of Companies and Enterprises	46,900	46,600	46,600	300	0.6%	300	0.6%
...Admin. and Support and Waste Mgmt. and Remediation	236,400	235,400	235,200	1,000	0.4%	1,200	0.5%
....Administrative and Support Services	223,500	222,500	222,500	1,000	0.4%	1,000	0.4%
....Employment Services	80,700	80,100	83,500	600	0.7%	-2,800	-3.4%
....Services to Buildings and Dwellings	56,500	55,800	55,800	700	1.3%	700	1.3%
<b>..Educational and Health Services</b>	<b>467,600</b>	<b>468,700</b>	<b>446,400</b>	<b>-1,100</b>	<b>-0.2%</b>	<b>21,200</b>	<b>4.7%</b>
...Educational Services	74,400	75,800	71,500	-1,400	-1.8%	2,900	4.1%
...Health Care and Social Assistance	393,200	392,900	374,900	300	0.1%	18,300	4.9%
....Ambulatory Health Care Services	198,900	198,400	190,300	500	0.3%	8,600	4.5%
....Hospitals	98,400	98,200	92,500	200	0.2%	5,900	6.4%
<b>..Leisure and Hospitality</b>	<b>368,500</b>	<b>362,200</b>	<b>360,400</b>	<b>6,300</b>	<b>1.7%</b>	<b>8,100</b>	<b>2.2%</b>
...Arts, Entertainment, and Recreation	41,900	40,600	41,000	1,300	3.2%	900	2.2%
...Accommodation and Food Services	326,600	321,600	319,400	5,000	1.6%	7,200	2.3%
....Accommodation	27,300	26,800	26,900	500	1.9%	400	1.5%
....Food Services and Drinking Places	299,300	294,800	292,500	4,500	1.5%	6,800	2.3%
<b>..Other Services</b>	<b>134,400</b>	<b>132,700</b>	<b>125,600</b>	<b>1,700</b>	<b>1.3%</b>	<b>8,800</b>	<b>7.0%</b>
<b>Government</b>	<b>463,500</b>	<b>462,800</b>	<b>446,500</b>	<b>700</b>	<b>0.2%</b>	<b>17,000</b>	<b>3.8%</b>
.Federal Government	34,200	34,500	33,200	-300	-0.9%	1,000	3.0%
.State Government	97,500	97,300	94,000	200	0.2%	3,500	3.7%
..State Government Educational Services	53,300	53,300	52,000	0	0.0%	1,300	2.5%
.Local Government	331,800	331,000	319,300	800	0.2%	12,500	3.9%
..Local Government Educational Services	230,100	230,100	220,900	0	0.0%	9,200	4.2%