

# Houston Area Employment Situation

September 2023

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

### Public and Private Education Rebound Drives September Job Growth

#### Total Nonfarm

##### Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,370,800 in September, up 22,000 jobs over the month, or 0.7 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 15,300 jobs. This was the largest-ever gain in the month of September since records began in 1990, beating the previous September record of 18,900 jobs in 2020. Prior to the pandemic, historically in the month of September, Total Nonfarm has on average added 5,900 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

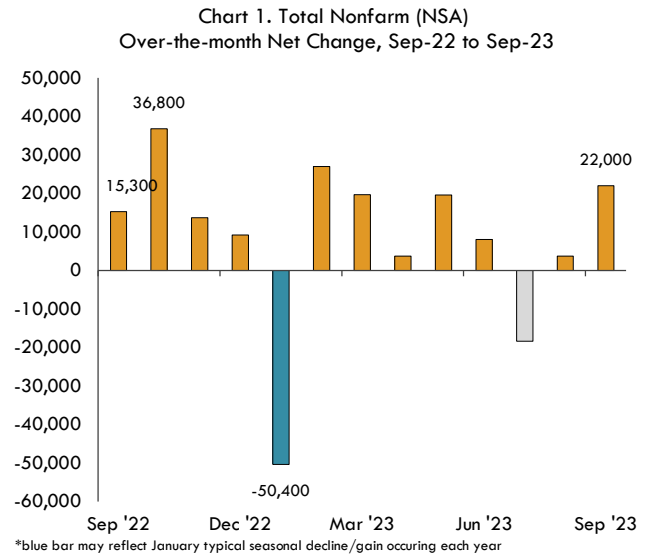
The primary drivers of this September's growth were increases in Government; Private Education and Health Services; and Financial Activities. Gains were also recorded in Construction. The net increase in jobs over the month was partially offset by losses in Leisure and Hospitality; Other Services; and Professional and Business Services. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,376,500, up 13,600 jobs over the month, or 0.4 percent vs. a historical average of 3,500. This September marks three consecutive month-over-month gains on a seasonally-adjusted basis. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC.

**Top-3 Drivers of Over-the-month Job Growth in September**

- Government: 22,200
- Private Education and Health Services: 3,700
- Financial Activities: 500

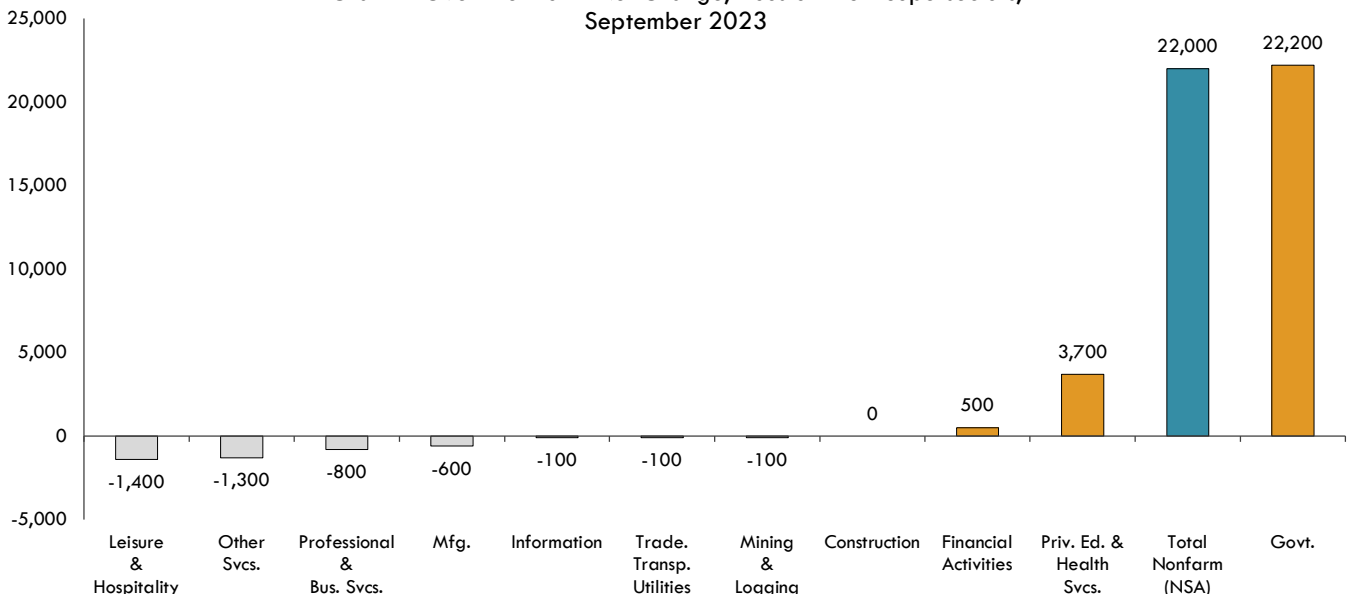
##### Over-the-year Change

Over the year, Total Nonfarm employment was up 94,700 or 2.9 percent on a not-seasonally-adjusted basis and up 84,300 or 2.6 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, September 2022 saw a year-over-year gain of 182,300 jobs (NSA) from September 2021. This was the largest over-the-year gain since June 2023's increase of 124,300 jobs. Currently 9 out of 11 sectors show growth year over year of which the top-three are Trade, Transportation, and Utilities (26,300); Private Education and Health Services (23,300); and



Professional and Business Services (14,400) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,191,800 jobs by 179,000, or 5.6 percent (178,600 jobs, 5.6 percent above 3,197,900 seasonally adjusted).

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



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## Previous Month's Revisions

Total Nonfarm employment was revised upward by 400 jobs for a July to August larger net gain of 3,700 compared to an original estimate of 3,300 jobs. An upward revision of +2,700 jobs in Government was the largest contributor followed by Professional and Business Services (+1,700) and Trade, Transportation, and Utilities (+600). Downward revisions in Leisure and Hospitality (-2,700), Construction (-900), and Financial Activities (-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 September

- Trade, Transportation, and Utilities: 26,300
- Private Education and Health Services: 23,300
- Professional and Business Services: 14,400

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

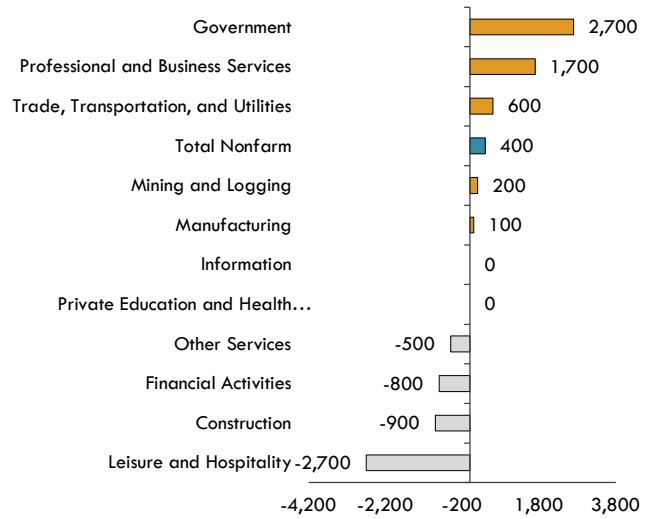


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23

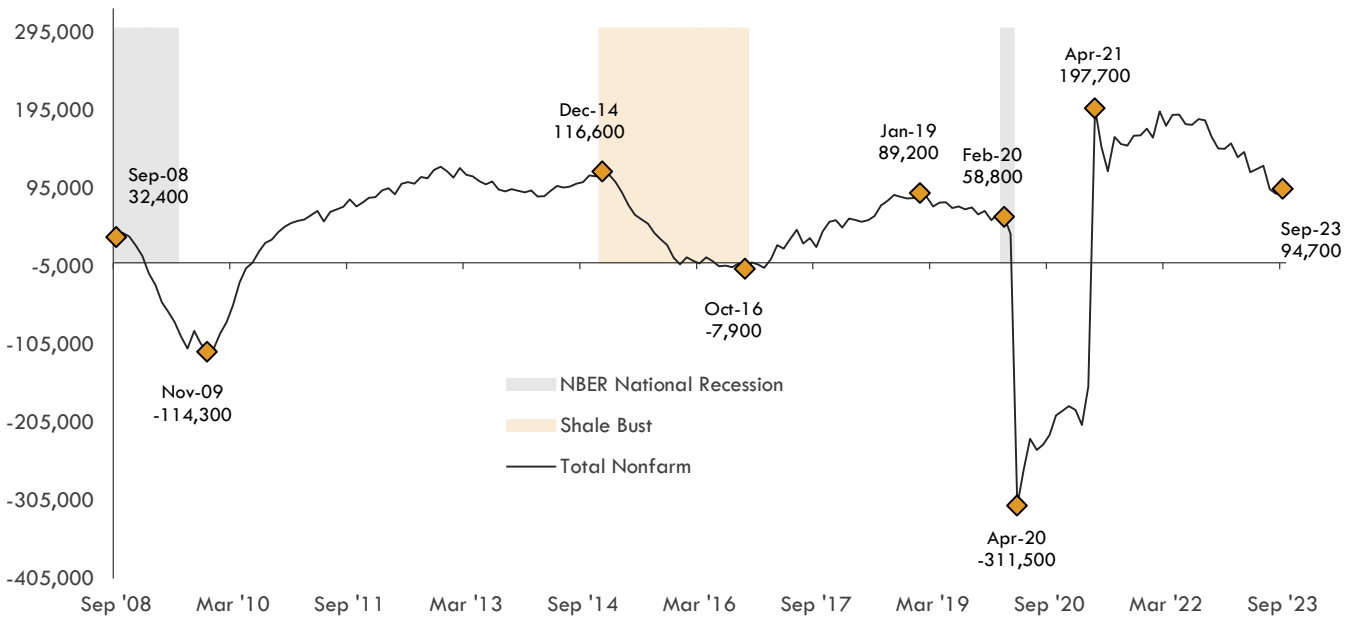
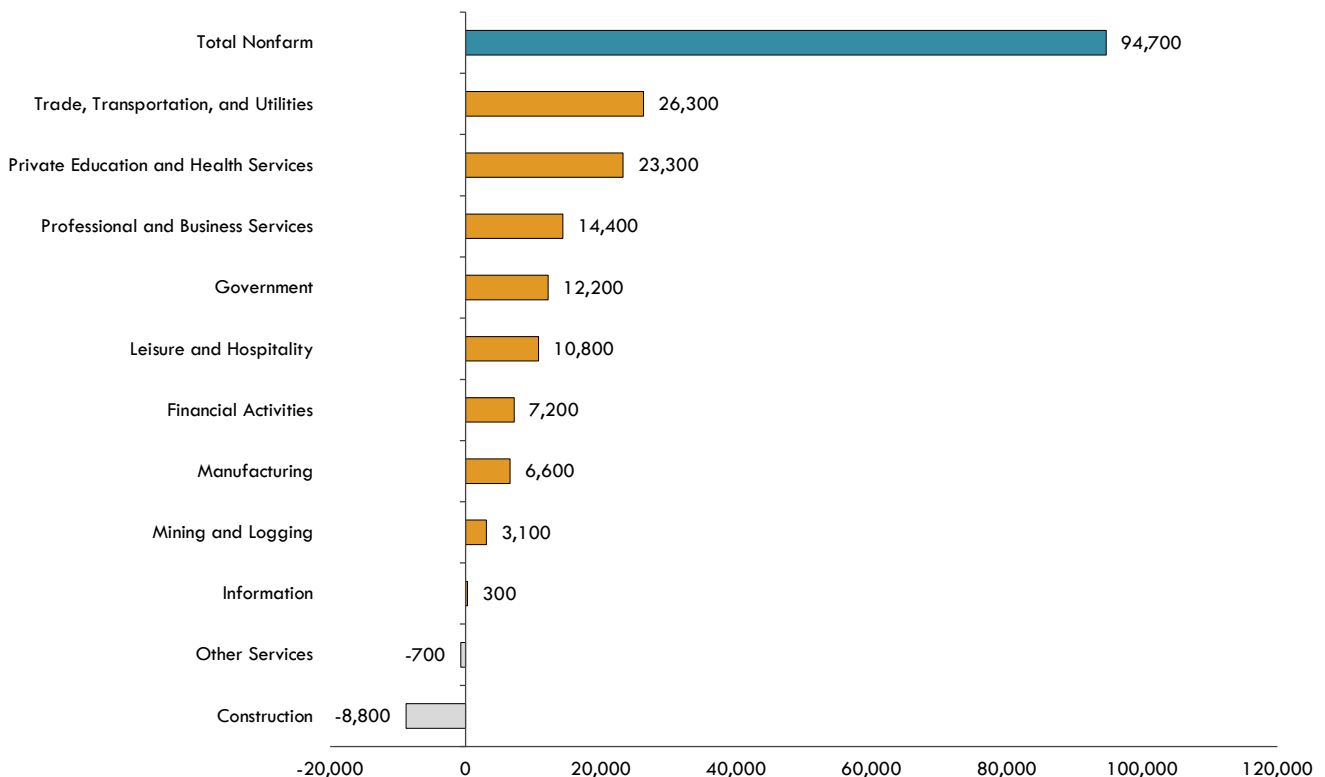


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
September 2022 to September 2023



## Supplemental Commentary

### Overall Impressions

September was a surprisingly good month for Houston's job market. Not seasonally adjusted, the area added 22,000 jobs over the month, which technically makes this the best September on record. Seasonally adjusted we added a respectable 13,600 jobs over the month putting it among the top five best Septembers since records began in 1990.

Turning to the major industry sectors that added jobs in September, if you're looking breadth you simply won't find it. Virtually all growth came from Government (+22,200 jobs), i.e. public education, and Private Education and Health Services (+3,700) with a small contribution from Financial Activities (+500). The concentration of growth in education coinciding with the start of the academic year is normal as are seasonal losses across nearly every other sector in September. However, part of what makes this September stand out are the above-average gains in public ed, particularly in light of announced administrative cuts to the region's largest ISD earlier this summer, which seemed to be reflected in Government's record losses in July of -23,400. Furthermore, Government's initially reported loss of -400 jobs in August was revised to a gain of 2,300 making this only the second increase in the month of August since 2008 (the other being 2020 due pandemic-driven disruptions). In short, Government's rebound over August and September more than offset July's unusually large losses leaving the sector with a net gain going into the new academic year.

The other source of September's exceptional performance was smaller-than-normal losses across the remaining sectors, though that comes with caveats. The largest decliner over the month, Leisure and Hospitality, which is still reeling from a disastrous June, only shed -1,400 jobs in September versus -4,000 to -6,000 being the norm in the years leading up to the pandemic. Catchall category Other Services lost -1,300 jobs in September but saw an unprecedented gain of 3,400 in August leaving it in net positive territory over the past few months. Still, the sector is one of only two posting losses on a year-over-year basis (-700 jobs). Professional and Business Services shed -800 jobs in September, which was a smaller-than-average decline for the month. However that follows unusually large losses over July and August combined of -5,100 jobs suggesting the sector may be weakening as we approach year end. Construction saw no change over the month however the damage done to the sector earlier in the year leaves it as the poorest performing sector with over-the-year losses of -8,800. Transportation, Warehousing, and Utilities saw little change over the month with a loss of only -100 jobs though the performance of its major industries paints a more complicated picture. Subcomponent Wholesale Trade saw a loss of -1,100 jobs matching its previous worst September back in 2020. Retail lost only -300 jobs in September versus a pre-pandemic norm of -3,000 to -4,000 however it's likely that September's better-than-average showing was the result of losses being pulled forward into August for reasons unknown. Component industry Transportation and Warehousing rounded out the sector with 1,300 jobs added over the month maintaining much of its momentum seen since the early rebound phase of the pandemic. Lastly, oil and gas-related sectors Mining and Logging and Manufacturing saw relatively muted losses as well over the month.

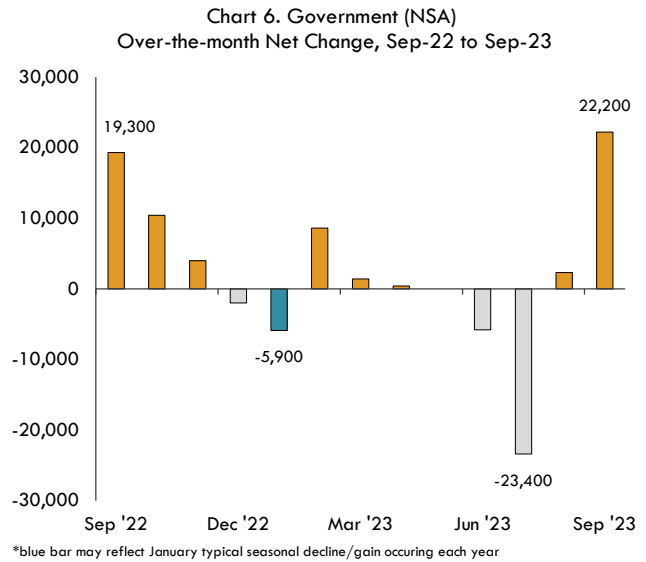
Taking a step back from the monthly gyrations of Houston's job market, characterizing 2023 in a few words remains challenging even nine months into the year. 2020 was defined by the pandemic. 2021, by the initial rebound. 2022, by inflation. Perhaps 2023 was the year of unmet expectations in the best possible way. Elevated interest rates have yet to trigger the kind of broad-based slowdown that many were expecting. Local, and for that matter national job growth, remains elevated relative to pre-pandemic levels though there's no question of it slowing after two to three years of all-time records, certain sectors and months notwithstanding. (See Chart 3 Houston Area Total Nonfarm over-the-year for an illustration.) While our local unemployment rate has rarely matched the state or the nation in the wake of the pandemic, it remains low (4.4 percent NSA in September), yet signs indicate the lower limit on the number of unemployment people in the region was reached in late-2022 at some 140,000 individuals leaving it nowhere to go but up. With that said, unemployment insurance claims, whether initial or continuing, remain within an acceptable range. However with little to no additional improvement to be found on that front combined with a high but gradually decreasing number of job postings, it may signal that a labor market inflection point is imminent with jobseekers and employers on equal-footing for the first time in nearly two years. (See the Workforce Solutions Index for September at the end of the report.) Even Houston's inflation picture has improved dramatically with the MSA's CPI-U reading in August at 2.7 percent year over year and wage growth moderating accordingly. With only a couple of months left to go in 2023, it's hard to imagine the region starting out the new year in anything less than decent shape. While any number of shocks to the global, national, and local economies are possible, maybe it's time to brace for perfectly mediocre 2024.

GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the largest gaining sector over the month up 22,200 jobs, or 5.2 percent (see Chart 6). This was the largest September gain since 2013 and the second-largest gain historically for the month of September since records began in 1990. Furthermore, this September stands as the second-largest over-the-month increase of any month in the past three decades. Historically in the month of September, Government has added an average of 15,100 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Local Government was the largest contributor to the overall sector's increase, up 21,600 jobs over the month. The second-largest contributor was State Government, which added 400 jobs from August to September. Lastly, Federal Government contributed, 200 jobs. Government employment was revised upward by 2,700 jobs for a July to August complete erasure of losses resulting in a net gain of 2,300 compared to an original estimate of -400 jobs.

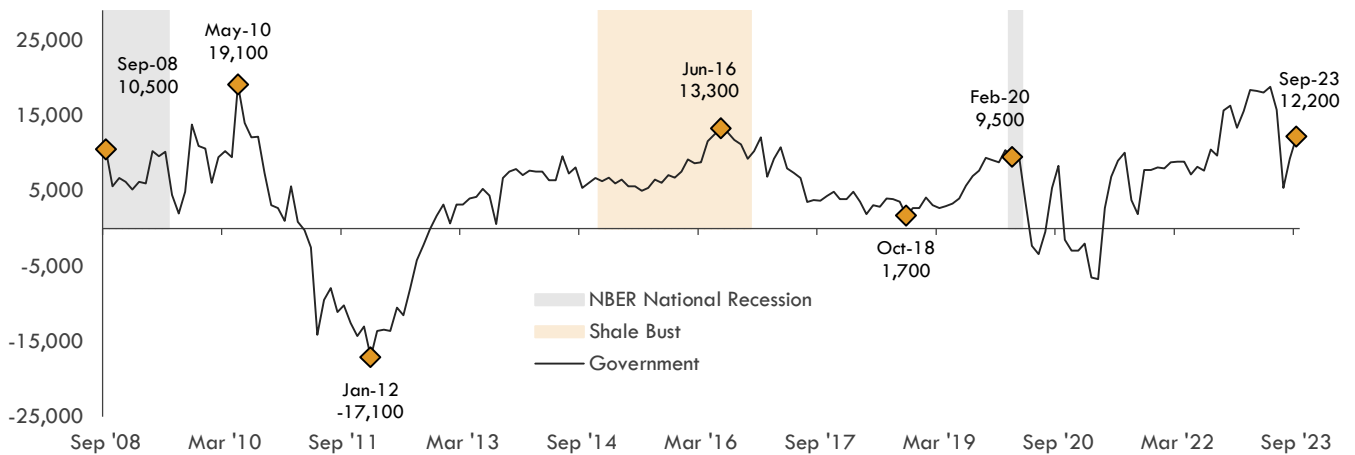


Over-the-year Change

Year over year, Government was up 12,200 jobs, or 2.8 percent (see Chart 7). This was the largest September over-the-year increase on record and the largest gain since June 2023's increase of 15,800 jobs. It also marks 30 consecutive months of over-the-year gains. Local Government was the largest contributor to the overall sector's increase, up 9,300 jobs over the year. The second-largest contributor was State Government, which added 1,900 jobs from September 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 17,800, or 4.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.2 percent over the past year.

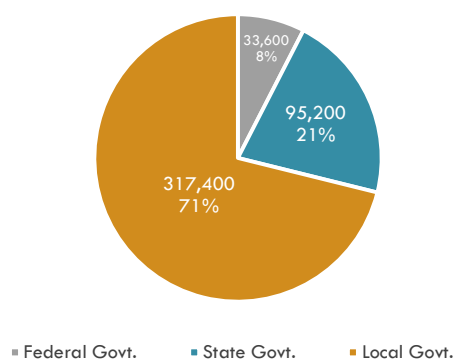
Chart 7. Government (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 71 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall Government sector is 9 percent less than the national average.

Chart 8. Employment in Component Industries of Government Sector - September 2023



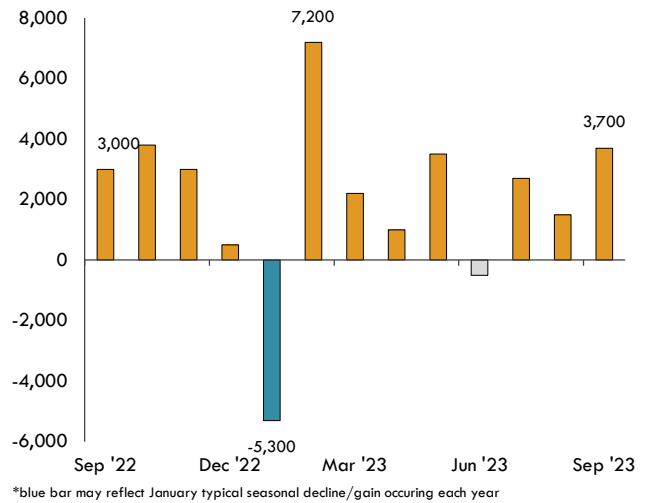
GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services was the second-largest gaining sector over the month up 3,700 jobs, or 0.8 percent (see Chart 9). This was the largest-ever gain in the month of September since records began in 1990, beating the previous September record of 3,000 jobs in 2022. Historically in the month of September, Private Education and Health Services 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. Private Educational Services was the largest contributor to the overall sector's increase, up 2,100 jobs over the month. The second-largest contributor was Health Care and Social Assistance, which added 1,600 jobs from August to September. Private Education and Health Services employment saw no revision from July to August leaving the previous month's original increase of 1,500 intact.

Chart 9. Private Education and Health Services (NSA)  
Over-the-month Net Change, Sep-22 to Sep-23

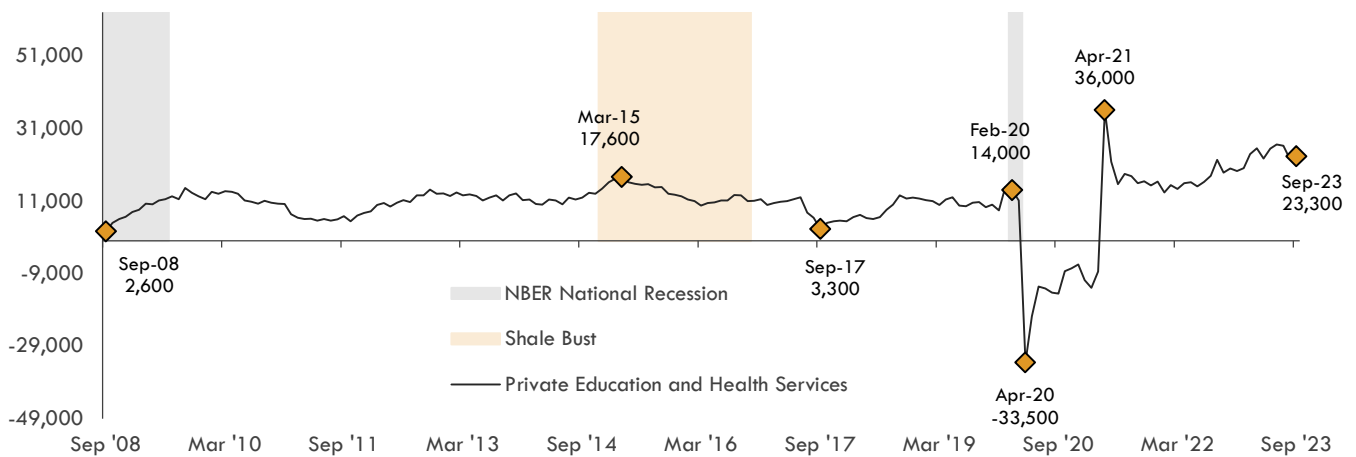


Over-the-year Change

Year over year, Private Education and Health Services was up 23,300 jobs, or 5.4 percent (see Chart 10). This was the largest September over-the-year increase on record. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 22.4 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 21,100 jobs over the year. The second-largest contributor was Private

Educational Services, which added 2,200 jobs from September a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 40,500, or 9.8 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.

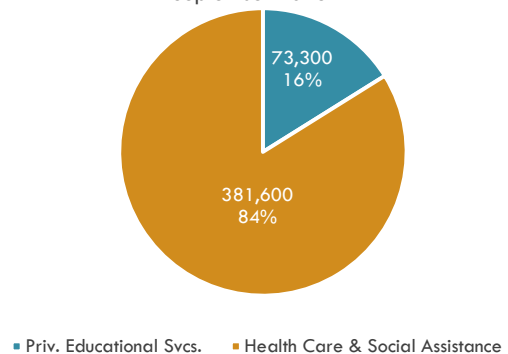
Chart 10. Private Education and Health Services (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector is composed of establishments that provide private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 84 percent (see Chart 11). Across the Houston MSA, the concentration of jobs in the overall sector is 17 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 11. Employment in Component Industries of  
Private Education and Health Services Sector -  
September 2023

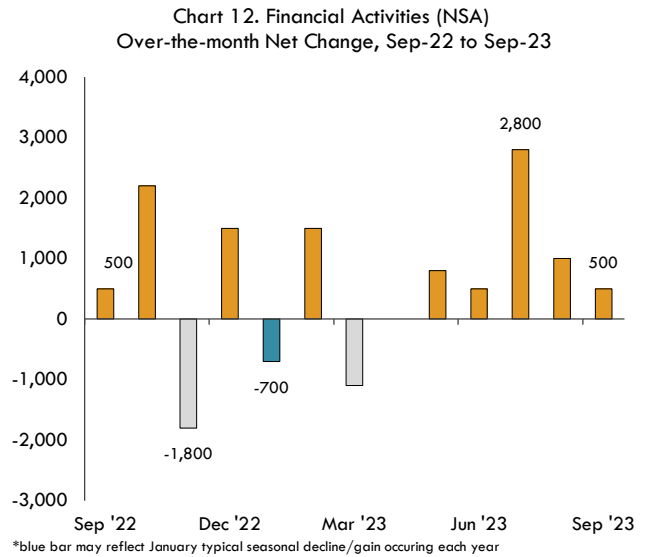


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities was the third-largest gaining sector over the month up 500 jobs, or 0.3 percent (see Chart 12). This September tied with 2022 for the second-largest ever gain in the month of September since records began in 1990. Historically in the month of September, Financial Activities has lost an average of -500 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 500 jobs over the month. One component industry, Finance and Insurance, saw no change from August to September. Financial Activities employment was revised downward by -800 jobs for a July to August smaller net gain of 1,000 compared to an original estimate of 1,800 jobs.

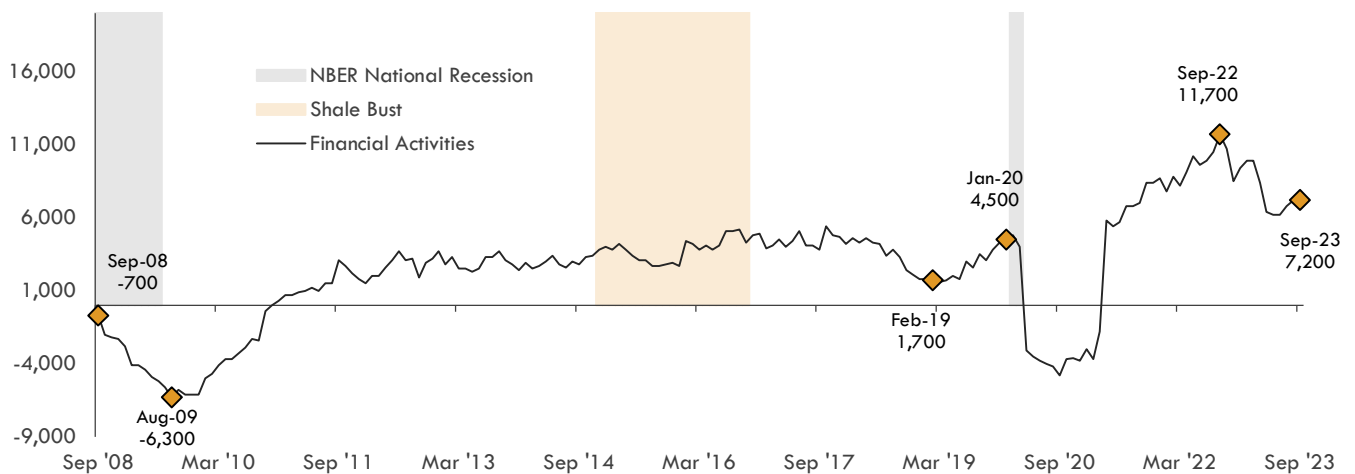


Over-the-year Change

Year over year, Financial Activities was up 7,200 jobs, or 4.0 percent (see Chart 13). This was the third-largest over-the-year gain in September since records began in 1990. It also marks nine 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. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 5,700 jobs over the year. The second-largest contributor was Finance and Insurance, which added 1,500 jobs from September a year ago. Total Financial Activities

employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 19,500, or 11.5 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.

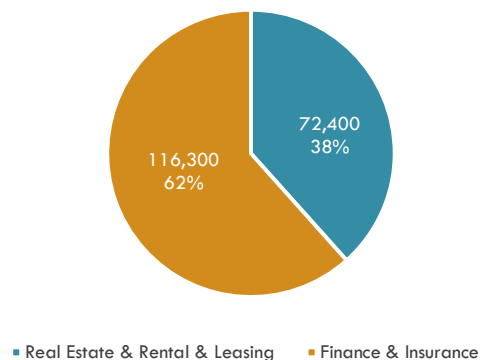
Chart 13. Financial Activities (NSA) Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 62 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 4 percent less than the national average, due to a 19-percent lower concentration in Finance and Insurance offsetting a 38-percent higher concentration in Real Estate and Rental and Leasing.

Chart 14. Employment in Component Industries of Financial Activities Sector - September 2023



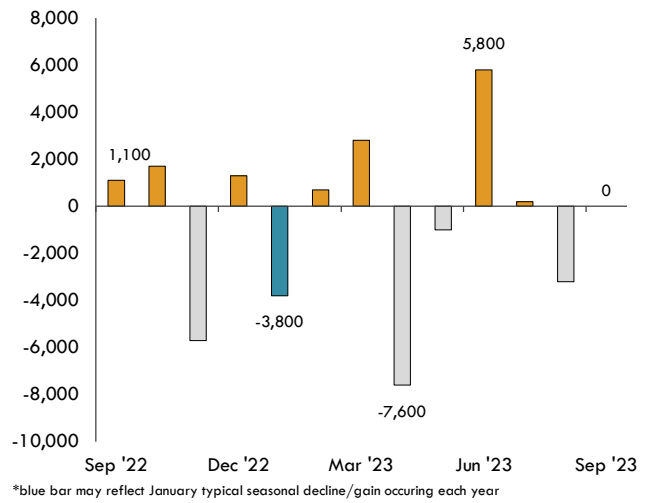
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was unchanged over the month. (see Chart 15). Historically in the month of September, Construction has added an average of 500 jobs over the month, which indicates that this month's net zero change is moderately in contrast to the long-term average gain. Construction employment was revised downward by -900 jobs for a July to August larger net loss of -3,200 compared to an original estimate of -2,300 jobs.

Chart 15. Construction (NSA)  
Over-the-month Net Change, Sep-22 to Sep-23

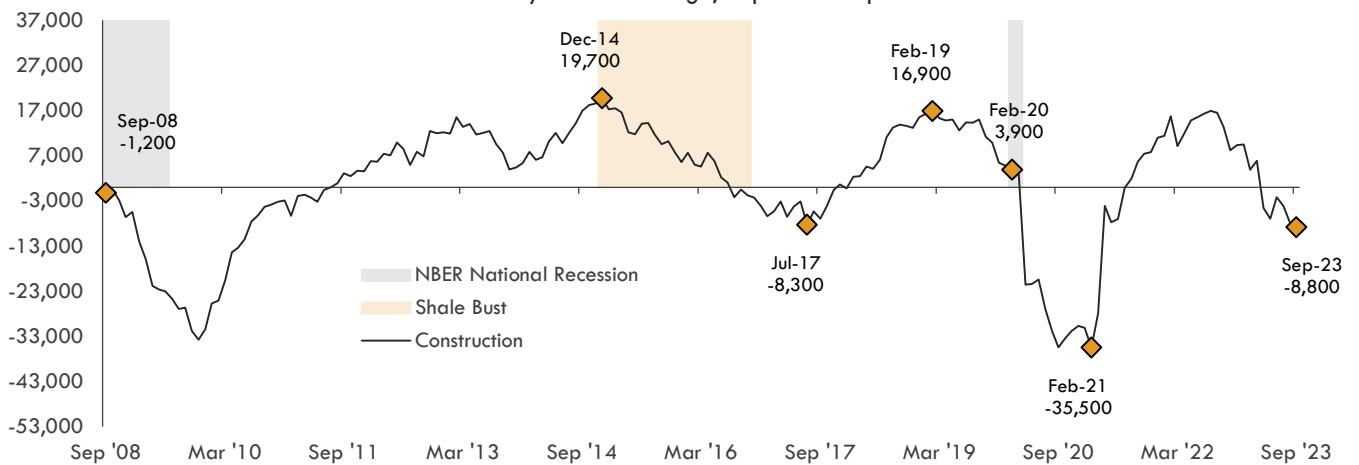


Over-the-year Change

Year over year, Construction was down -8,800 jobs, or -3.9 percent (see Chart 16). This was the largest over-the-year decline since March 2021's decrease of -27,900 jobs. It also marks six consecutive months of over-the-year losses. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 92.6 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -9,500 jobs over the year. One component

industry that provided a partial offset was Heavy and Civil Engineering Construction, which gained 300 jobs from September a year ago. Lastly, Construction of Buildings offset a portion of the sector's losses with a gain of 400 jobs. Total Construction employment (NSA) remains -18,900 jobs, or -8.0 percent below its February 2020 pre-pandemic level of 237,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 6.9 percent to 6.5 percent over the past year.

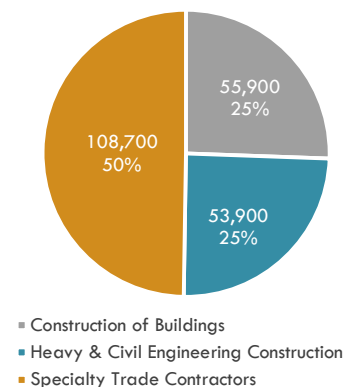
Chart 16. Construction (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 50 percent (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 25 percent higher than the national average, due to 2.1 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 17. Employment in Component Industries of Construction Sector - September 2023



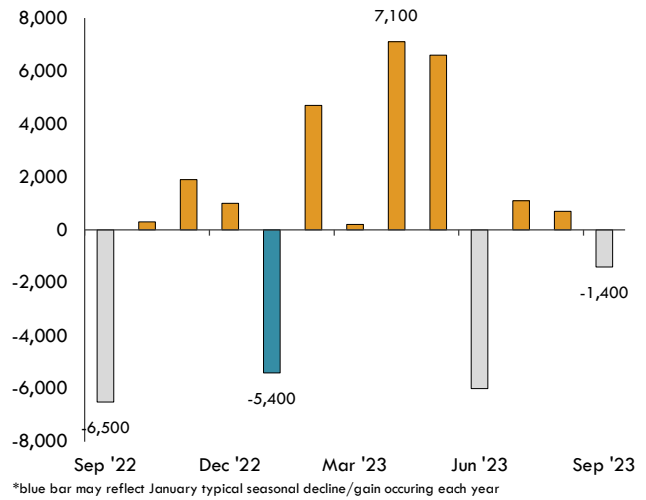
DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the largest declining sector over the month down -1,400 jobs, or -0.4 (see Chart 18). Historically in the month of September, Leisure and Hospitality has lost an average of -3,800 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. Arts, Entertainment, and Recreation was the largest contributor to the overall sector's decline, down -700 jobs over the month. The second-largest declining contributor was Accommodation and Food Services, which lost -700 jobs from August to September. Leisure and Hospitality employment was revised downward by -2,700 jobs for a July to August smaller net gain of 700 compared to an original estimate of 3,400 jobs.

Chart 18. Leisure and Hospitality (NSA)  
Over-the-month Net Change, Sep-22 to Sep-23

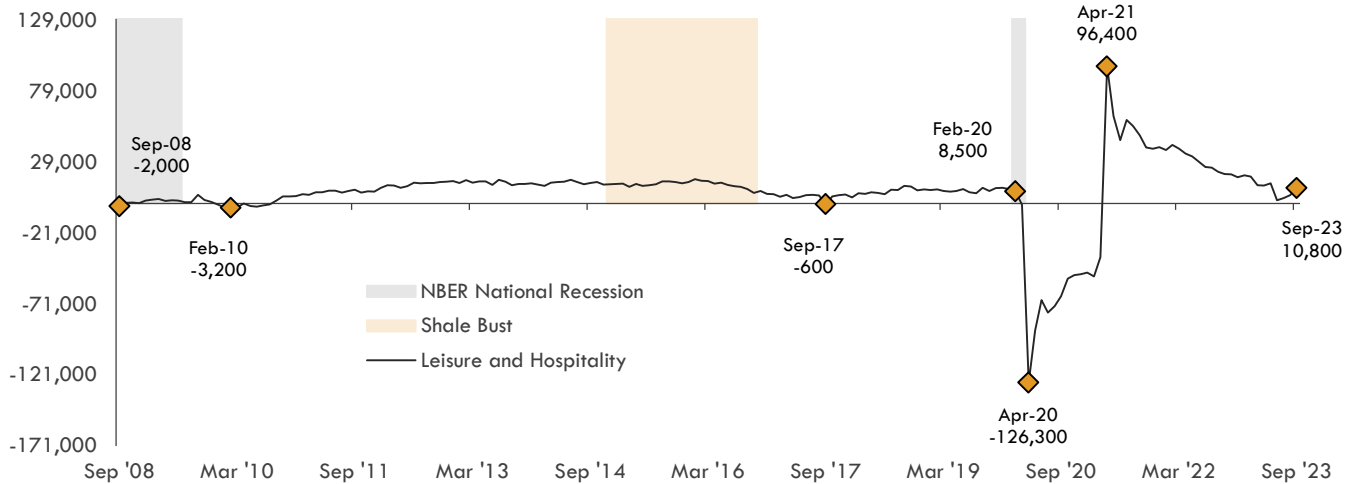


Over-the-year Change

Year over year, Leisure and Hospitality was up 10,800 jobs, or 3.2 percent (see Chart 19). This was the largest over-the-year gain since May 2023's increase of 14,100 jobs. It also marks 30 consecutive months of over-the-year gains. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 5,600 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 5,200 jobs from September a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 17,000, or 5.1 percent.

At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 10.4 percent over the past year.

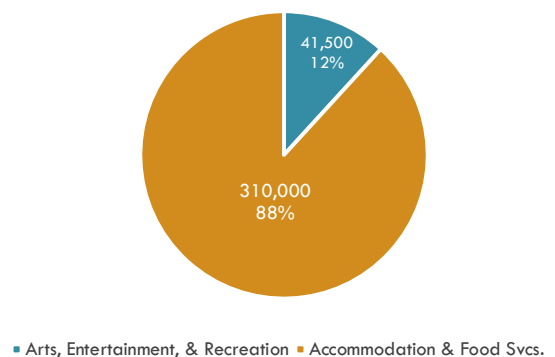
Chart 19. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



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 88 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall sector is 3 percent less than the national average.

Chart 20. Employment in Component Industries of Leisure and Hospitality Sector - September 2023



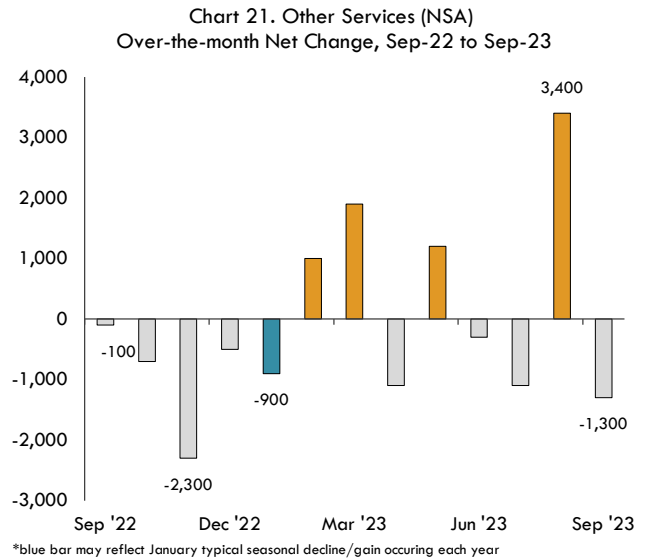


DECLINING INDUSTRY HIGHLIGHTS

Other Services

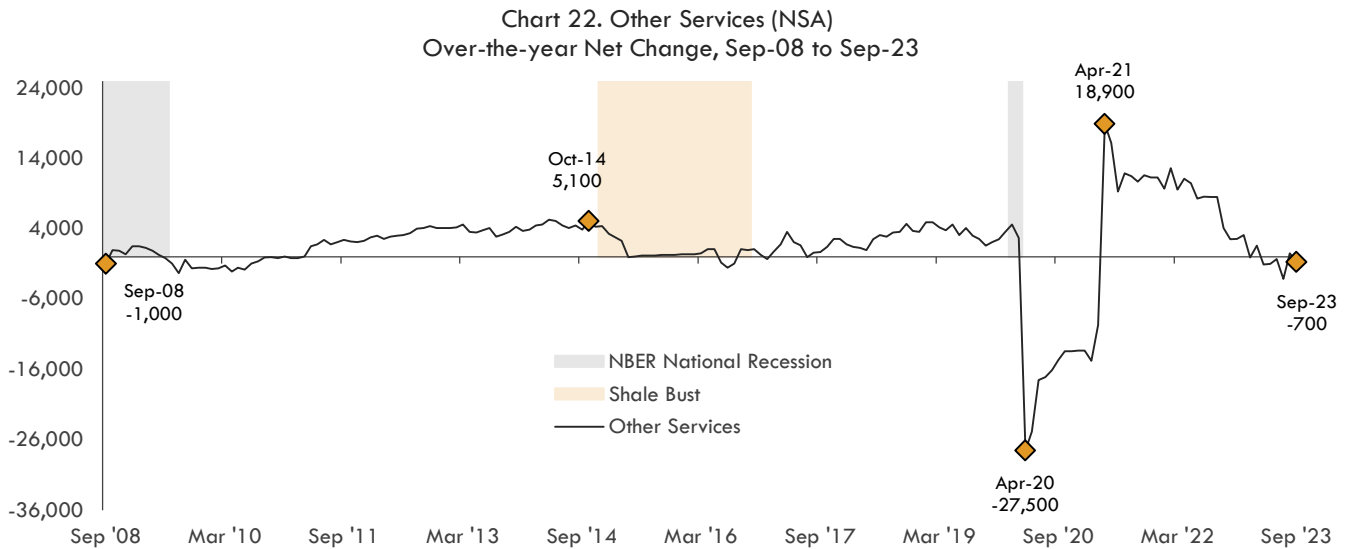
Over-the-month Change

Other Services was the second-largest declining sector over the month down -1,300 jobs, or -1.1 (see Chart 21). This was the largest September over-the-month decline in since 2015. Historically in the month of September, Other Services has lost an average of -2,400 jobs over the month, which indicates that this month's losses are substantially smaller 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 downward by -500 jobs for a July to August smaller net gain of 3,400 compared to an original estimate of 3,900 jobs.



Over-the-year Change

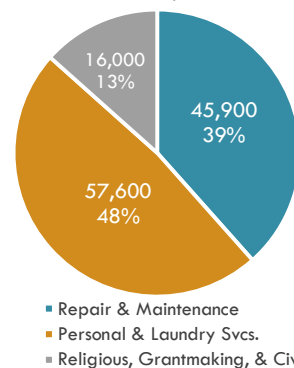
Year over year, Other Services was down -700 jobs, or -0.6 percent (see Chart 22). Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,100 jobs by 400, or 0.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 3.7 percent to 3.5 percent over the past year.



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

Chart 23. Employment in Component Industries of Other Services Sector - September 2023



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

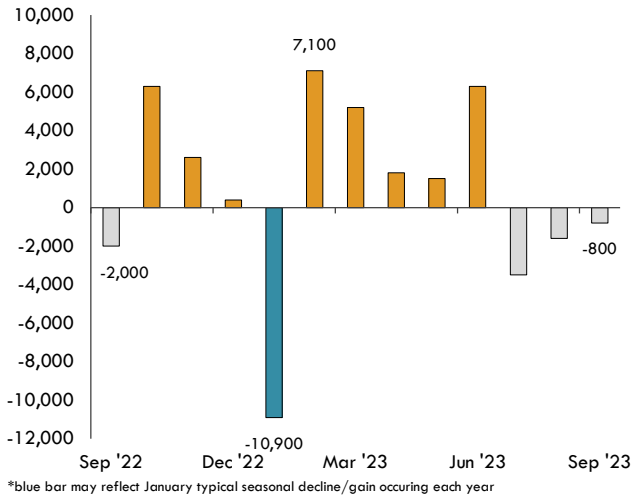
DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the third-largest declining sector over the month down -800 jobs, or -0.1 (see Chart 24). Historically in the month of September, Professional and Business Services 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. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's decline, down -3,100 jobs over the month. One component industry, Management of Companies and Enterprises, saw no change from August to September. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's losses with a gain of 2,300 jobs. Professional and Business Services employment was revised upward by 1,700 jobs for a July to August smaller net loss of -1,600 compared to an original estimate of -3,300 jobs.

Chart 24. Professional and Business Services (NSA)  
Over-the-month Net Change, Sep-22 to Sep-23

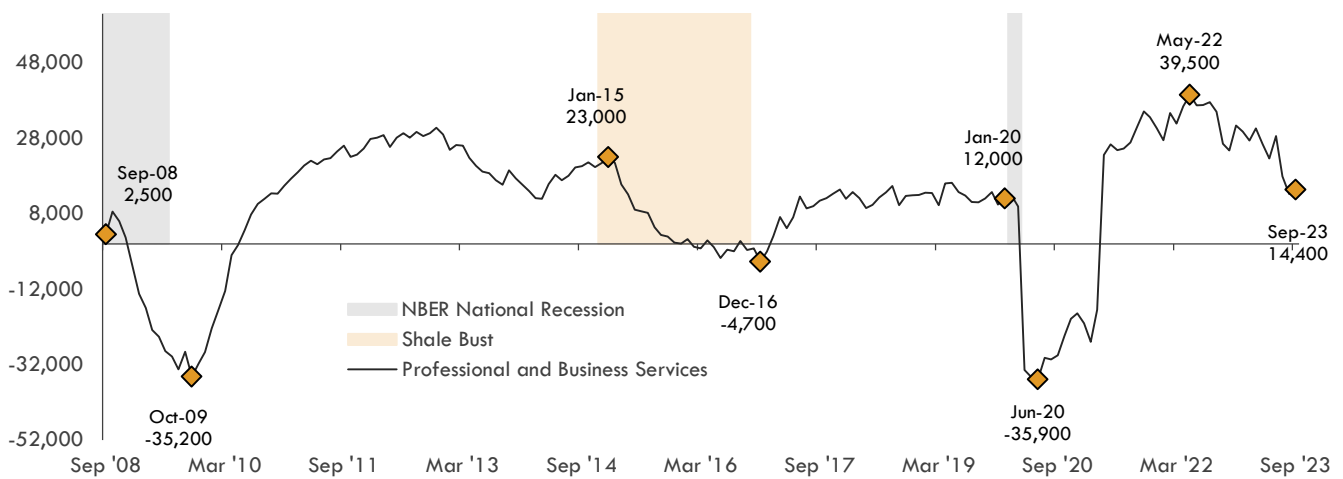


Over-the-year Change

Year over year, Professional and Business Services was up 14,400 jobs, or 2.6 percent (see Chart 25). This September also marks 30 consecutive months of over-the-year gains. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 13,600 jobs over the year. The second-largest contributor was Management of Companies and Enterprises, which added 1,500 jobs from September a year ago. Lastly, Administrative and Support and Waste Management and Remediation Services offset a portion of the sector's gains with a loss of -700 jobs. Total Professional and Business

Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 45,100, or 8.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 16.6 percent over the past year.

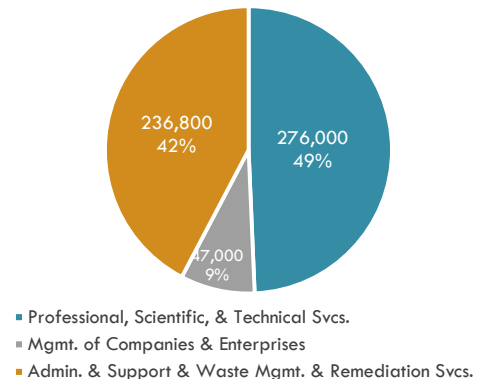
Chart 25. Professional and Business Services (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a plurality of the sector's employment at 49 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall sector is 13 percent higher than the national average, due to a 18-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 26. Employment in Component Industries of  
Professional and Business Services Sector - September  
2023

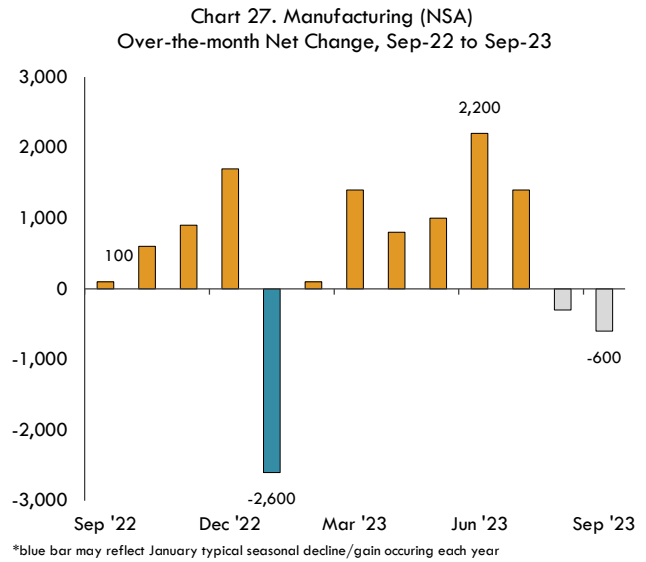


DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw a decrease over the month down -600 jobs, or -0.3 (see Chart 27). This was the largest September over-the-month decline in since 2021. Historically in the month of September, Manufacturing has lost an average of -400 jobs over the month, which indicates that this month's losses are slightly larger than the long-term average decline. Durable Goods was the largest contributor to the overall sector's decline, down -700 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which gained 100 jobs from August to September. Manufacturing employment was revised upward by 100 jobs for a July to August smaller net loss of -300 compared to an original estimate of -400 jobs.

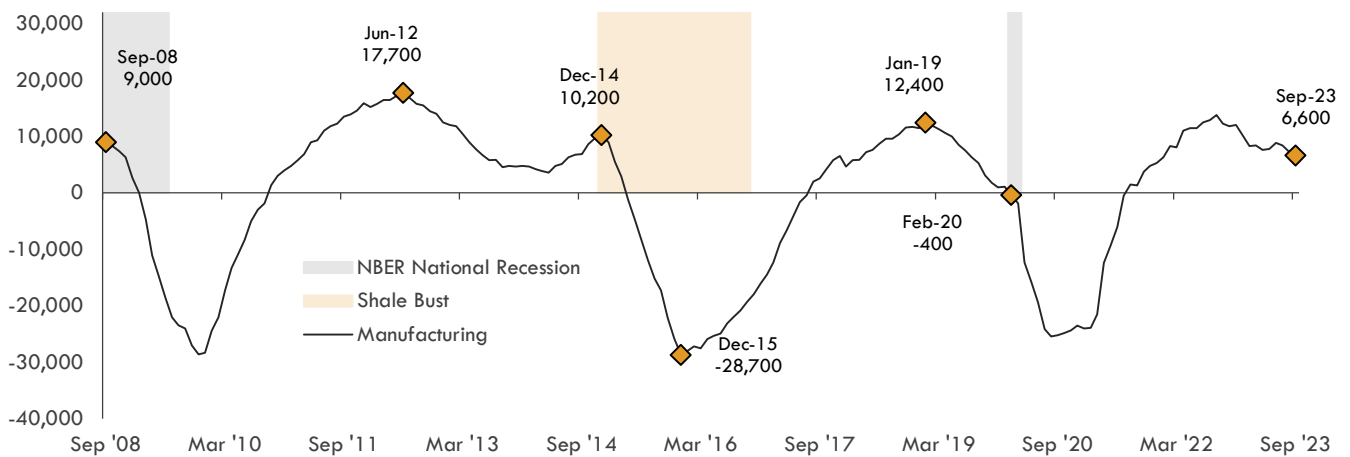


Over-the-year Change

Year over year, Manufacturing was up 6,600 jobs, or 2.9 percent (see Chart 28). This September also marks 26 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 4,600 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 2,000 jobs from September a year ago. Total Manufacturing employment (NSA) remains -1,400 jobs, or -0.6 percent below its February 2020 pre-pandemic level of 234,500. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.9

percent over the past year.

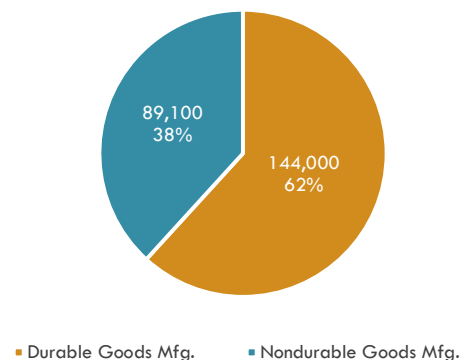
Chart 28. Manufacturing (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 62 percent (see Chart 29). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 17 percent less than the national average.

Chart 29. Employment in Component Industries of Manufacturing Sector - September 2023



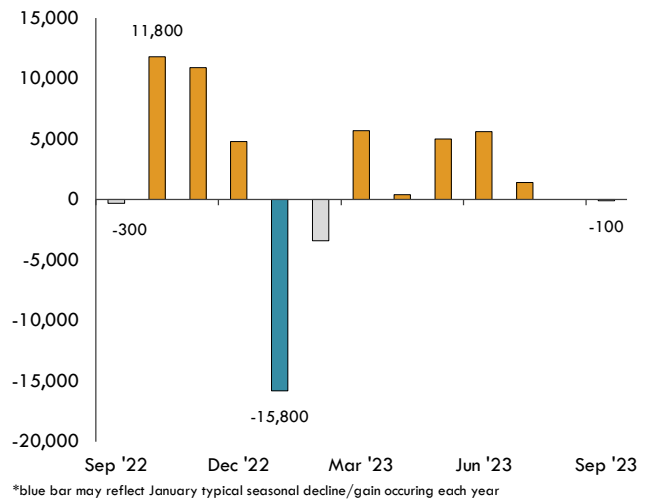
DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities also saw a decrease over the month down -100 jobs, or 0.0 (see Chart 30). Historically in the month of September, Trade, Transportation, and Utilities has lost an average of -2,200 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. 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 Retail Trade, which lost -300 jobs from August to September. Lastly, Transportation, Warehousing, and Utilities offset a portion of the sector's losses with a gain of 1,300 jobs. Trade, Transportation, and Utilities employment was revised upward by 600 jobs for a July to August complete erasure of losses resulting in a net change of zero compared to an original estimate of -600 jobs.

Chart 30. Trade, Transportation, and Utilities (NSA)  
Over-the-month Net Change, Sep-22 to Sep-23

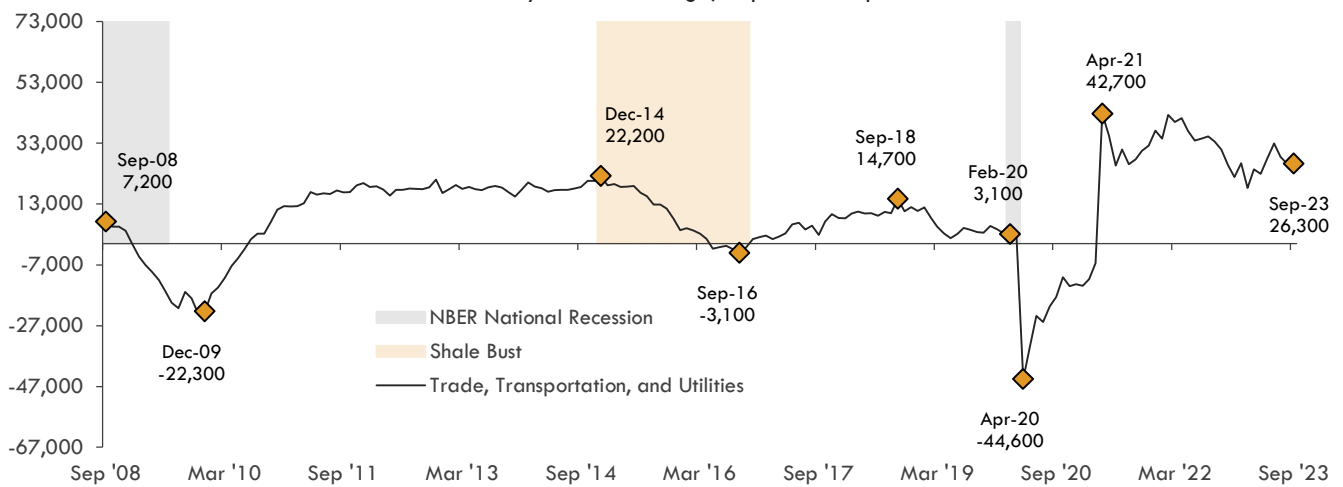


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 26,300 jobs, or 3.9 percent (see Chart 31). This was the third-largest over-the-year gain in September since records began in 1990. It also marks 30 consecutive months of over-the-year gains. Furthermore, 25.2 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 11,300 jobs over the year. The second-largest contributor was Wholesale Trade, which added 8,000 jobs from September a

year ago. Lastly, Retail Trade contributed, 7,000 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,500 jobs by 67,000, or 10.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 20.4 percent to 20.6 percent over the past year.

Chart 31. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 46 percent (see Chart 32).

Chart 32. Employment in Component Industries of Trade, Transportation, and Utilities Sector - September 2023

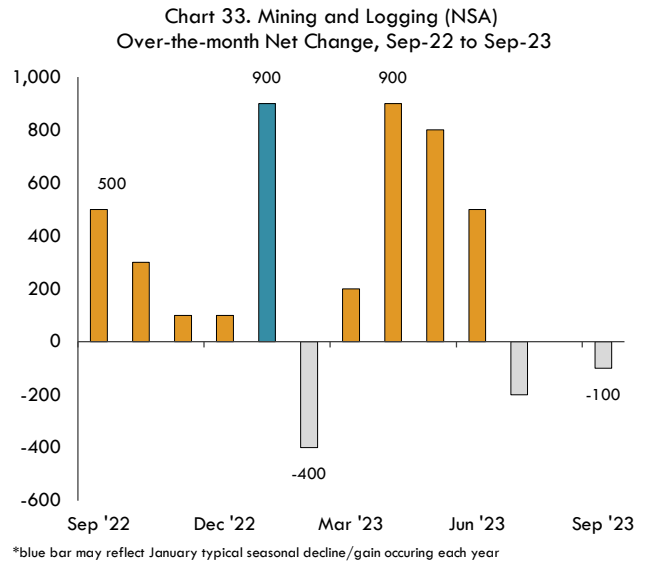


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw a decrease over the month down -100 jobs, or -0.1 (see Chart 33). This was the largest September over-the-month decline in since 2020. Historically in the month of September, Mining and Logging has lost an average of -300 jobs over the month, which indicates that this month's losses are slightly smaller than the long-term average decline. Oil and Gas Extraction was the largest contributor to the overall sector's decline, down -100 jobs over the month. One component industry, Other Mining and Logging Undefined, saw no change from August to September. Lastly, Support Activities for Mining saw no change over the month. Mining and Logging employment was revised upward by 200 jobs for a July to August complete erasure of losses resulting in a net change of zero compared to an original estimate of -200 jobs.

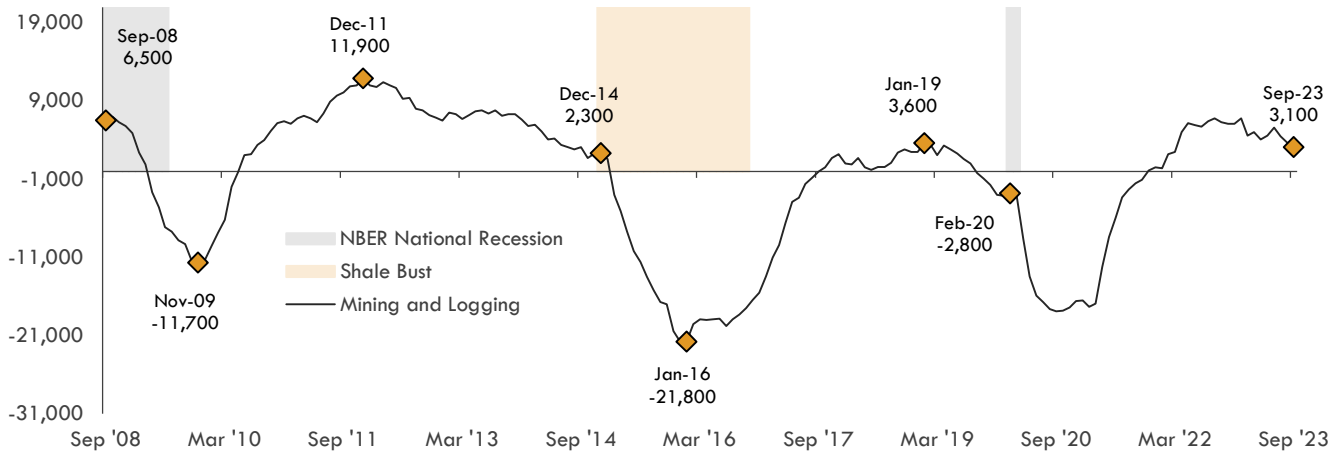


Over-the-year Change

Year over year, Mining and Logging was up 3,100 jobs, or 4.6 percent (see Chart 34). This September also marks 23 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. 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 800 jobs from September a year ago. Lastly, Other Mining and Logging Undefined contributed, 100 jobs. Total Mining and Logging

employment (NSA) remains -8,400 jobs, or -10.7 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 2.0 percent over the past year.

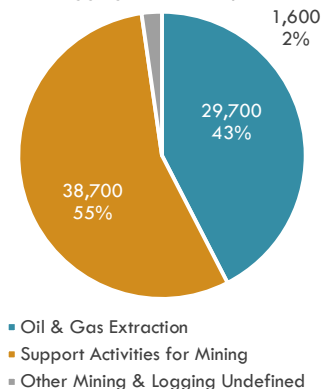
Chart 34. Mining and Logging (NSA) Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Support Activities for Mining accounts for the majority of the sector's employment at 55 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.0 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 35. Employment in Component Industries of Mining and Logging Sector - September 2023



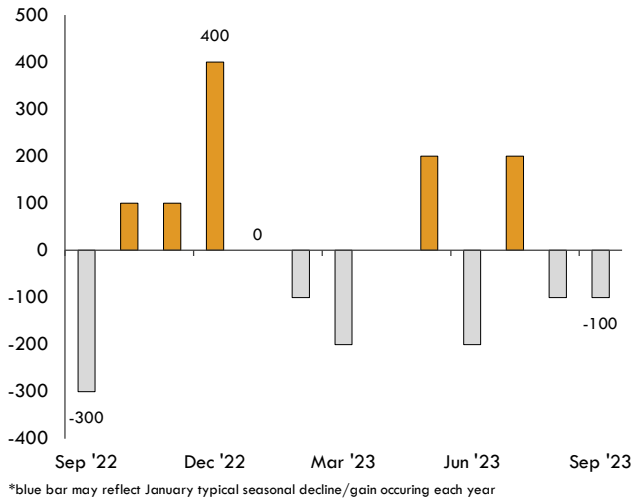
DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information also saw a decrease over the month down -100 jobs, or -0.3 (see Chart 36). Historically in the month of September, Information has lost an average of -300 jobs over the month, which indicates that this month's losses are slightly smaller than the long-term average decline. Other Information Undefined was the largest contributor to the overall sector's decline, down -100 jobs over the month. One component industry, Telecommunications, saw no change from August to September. Information employment saw no revision from July to August leaving the previous month's original decrease of -100 intact.

Chart 36. Information (NSA)  
Over-the-month Net Change, Sep-22 to Sep-23

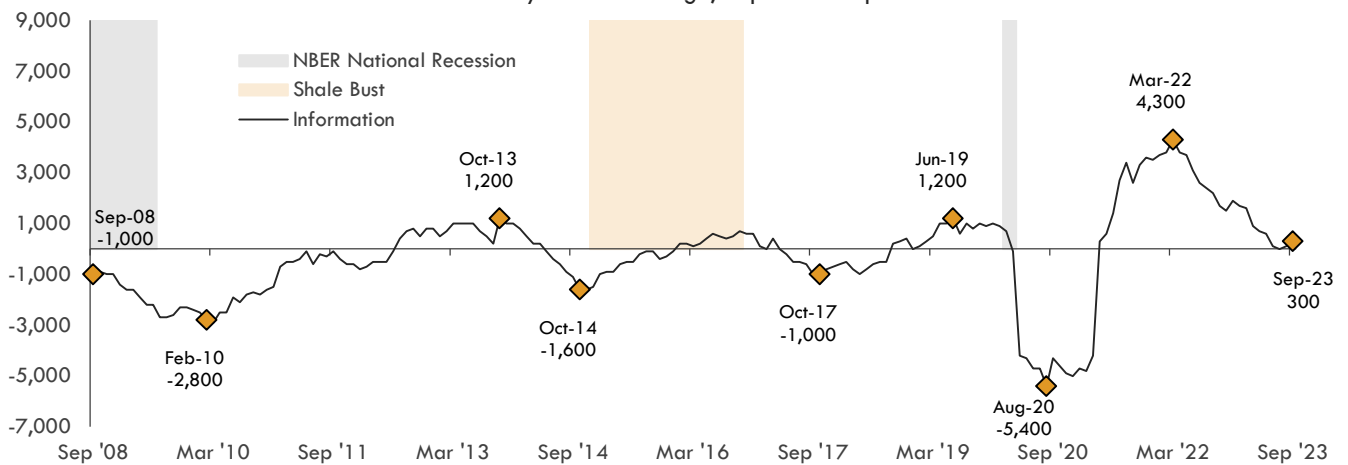


Over-the-year Change

Year over year, Information was up 300 jobs, or 0.9 percent (see Chart 37). It also marks 29 consecutive months of over-the-year gains. Other Information Undefined was the largest contributor to the overall sector's increase, up 300 jobs over the year. One component industry, Telecommunications, saw no change from September a year ago. Total Information employment (NSA) now exceeds its February 2020 pre-pandemic level of 32,700 jobs by 400, or 1.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past

year.

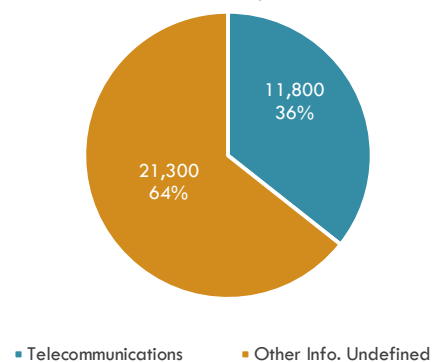
Chart 37. Information (NSA)  
Over-the-year Net Change, Sep-08 to Sep-23



About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 64 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall Information sector is 49 percent less than the national average.

Chart 38. Employment in Component Industries of Information Sector - September 2023



## Local Area Unemployment Statistics

### Not-Seasonally Adjusted

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

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.4 percent in September, down from August's 4.9 percent and up from 4.0 percent a year ago. This was above the statewide rate of 4.1 percent and above the national rate of 3.6 percent. An over-the-month decline in August is typical having occurred roughly two-thirds of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 159,929 individuals were unemployed in Houston in September, down from August's 176,558 and up from 140,821 in September 2022 (see Charts 39 and 40).

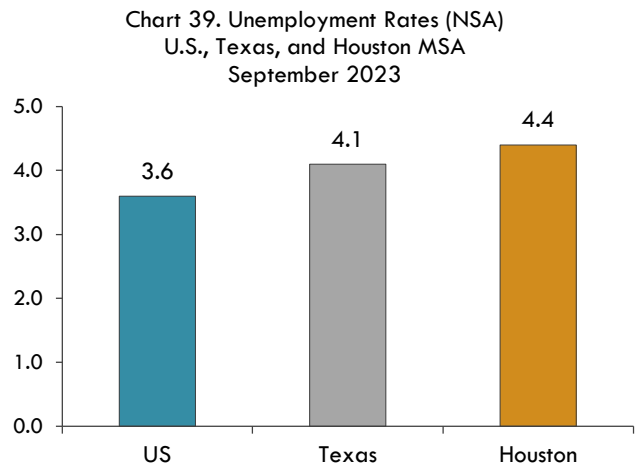
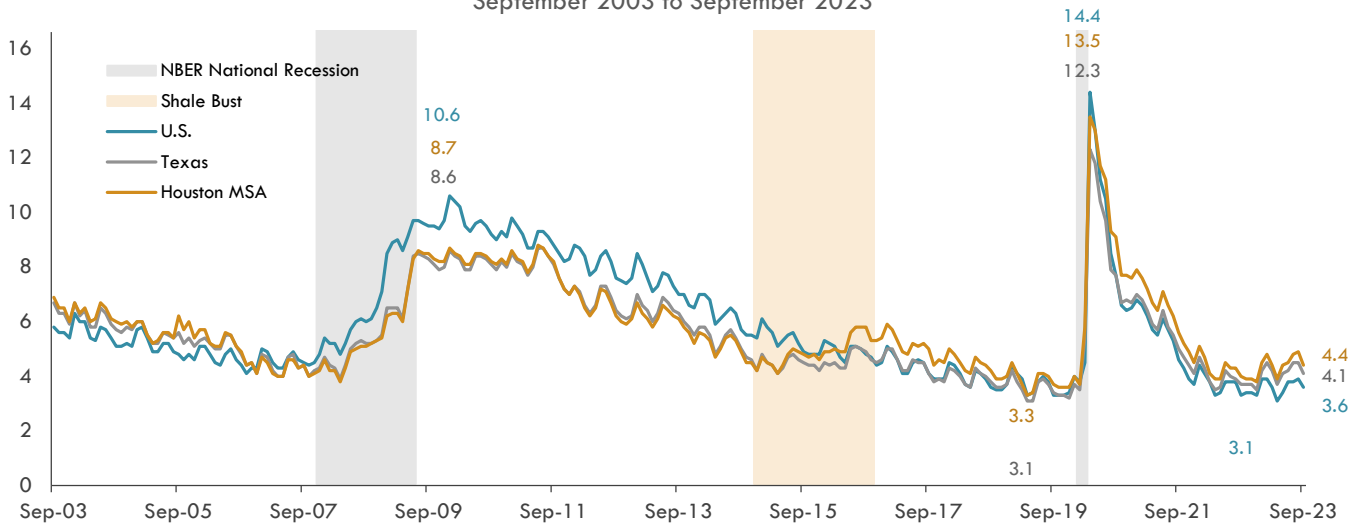


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) September 2003 to September 2023

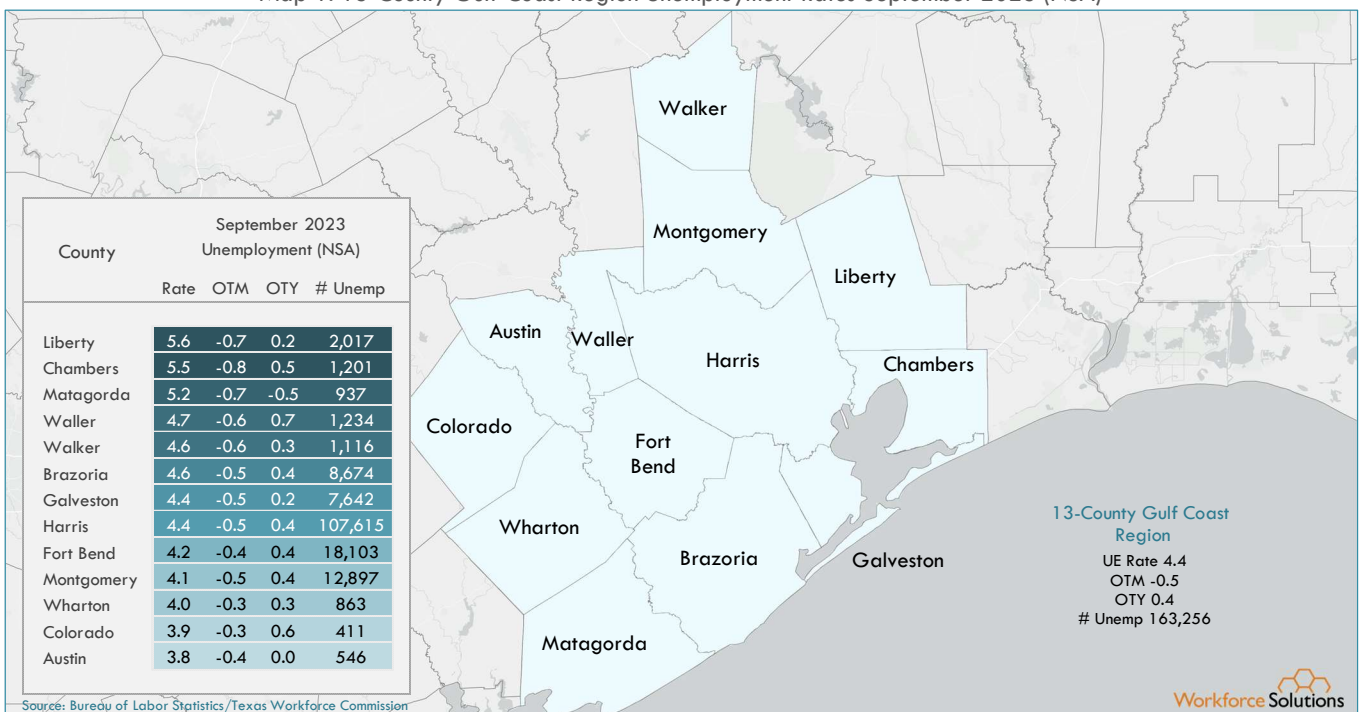


### County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in September ranged from a high of 5.6 percent in Liberty County to a low of 3.8 percent in Austin. Over the month, all 13 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.5 percentage points. Chambers saw the largest percentage-point decrease in unemployment down -0.8 pp. representing -184 fewer unemployed workers compared to the previous month. This was followed by Matagorda (-0.7 pp, -123 workers) and Liberty (-0.7 pp, -265 workers). Over the year

unemployment rates rose with, Waller posting the largest increase, up 0.7 percentage points representing 212 more unemployed workers compared to a year ago followed by Colorado (0.6 pp, 70 workers) and Chambers (0.5 pp, 156 workers). Since peaking at 449,312 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -286,056 as of this September (see Map 1 legend).

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



## Local Area Unemployment Statistics (continued)

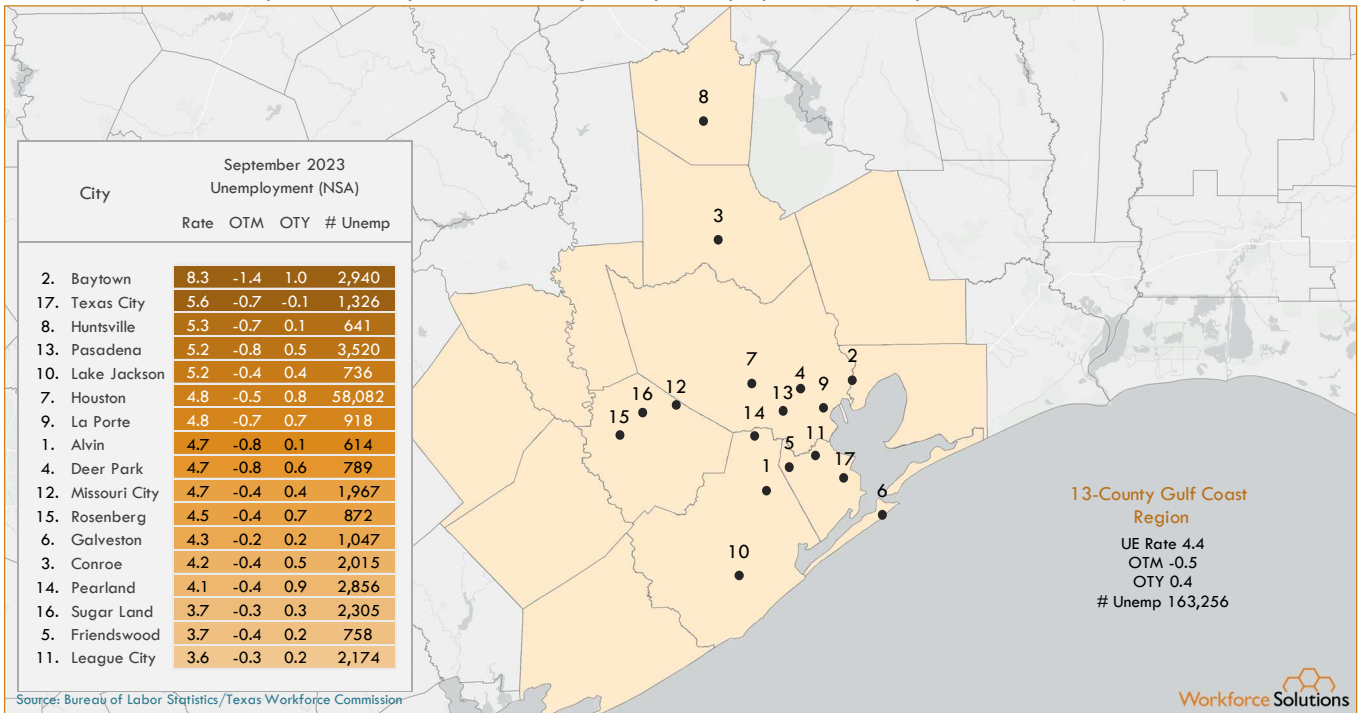
### Not-Seasonally Adjusted

#### Unemployment Rates for Select Municipalities

Among the 17 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in September ranged from a high of 8.3 percent in Baytown to a low of 3.6 percent in League City (see Map 2 legend). Over the month, all 17 cities saw their unemployment rates decline in keeping with region-wide decrease of -0.5 percentage points. Baytown saw the largest percentage-point decrease in unemployment down -1.4 pp.

representing -500 fewer unemployed workers compared to the previous month. This was followed by Alvin (-0.8 pp, -114 workers) and Deer Park (-0.8 pp, -140 workers). Over the year unemployment rates rose with, Baytown posting the largest increase, up 1.0 percentage points representing 468 more unemployed workers compared to a year ago followed by Pearland (0.9 pp, 709 workers) and Houston (0.8 pp, 11,936 workers). The 17 cities below accounted for 51 percent of the 163,256 unemployed workers across the Gulf Coast Region as of this September (see Map 2 legend).

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



### Seasonally Adjusted

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

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.5 percent in August, up from July's 4.4 percent and up from 4.1 percent a year ago. This was above the statewide rate of 4.1 percent and above the national rate of 3.8 percent. 161,407 individuals were unemployed in Houston in August, up from July's 158,915 and up from 143,716 in August 2022 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 17 cities.

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

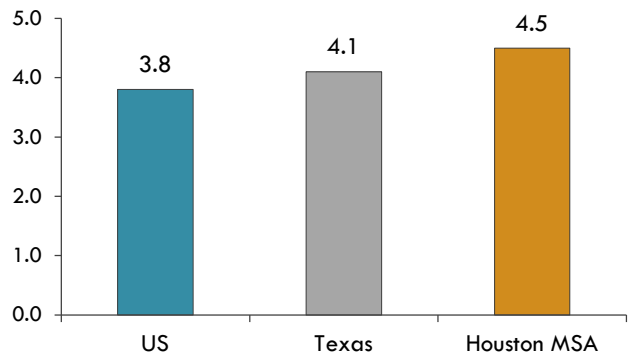
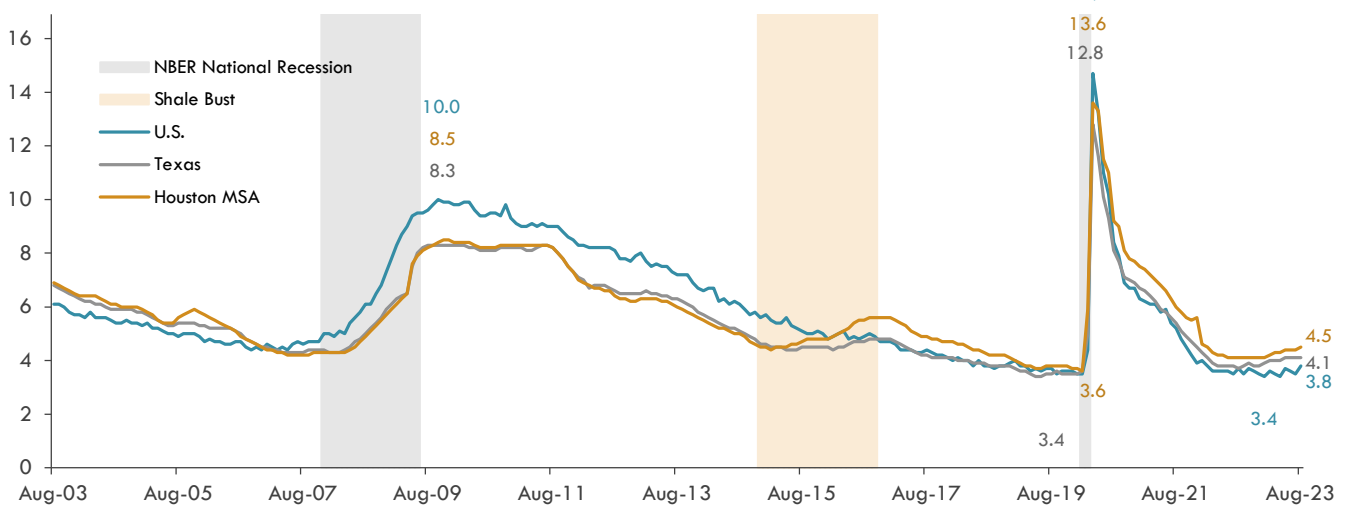


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
August 2003 to August 2023





## Gulf Coast Workforce Solutions Index (WSI)

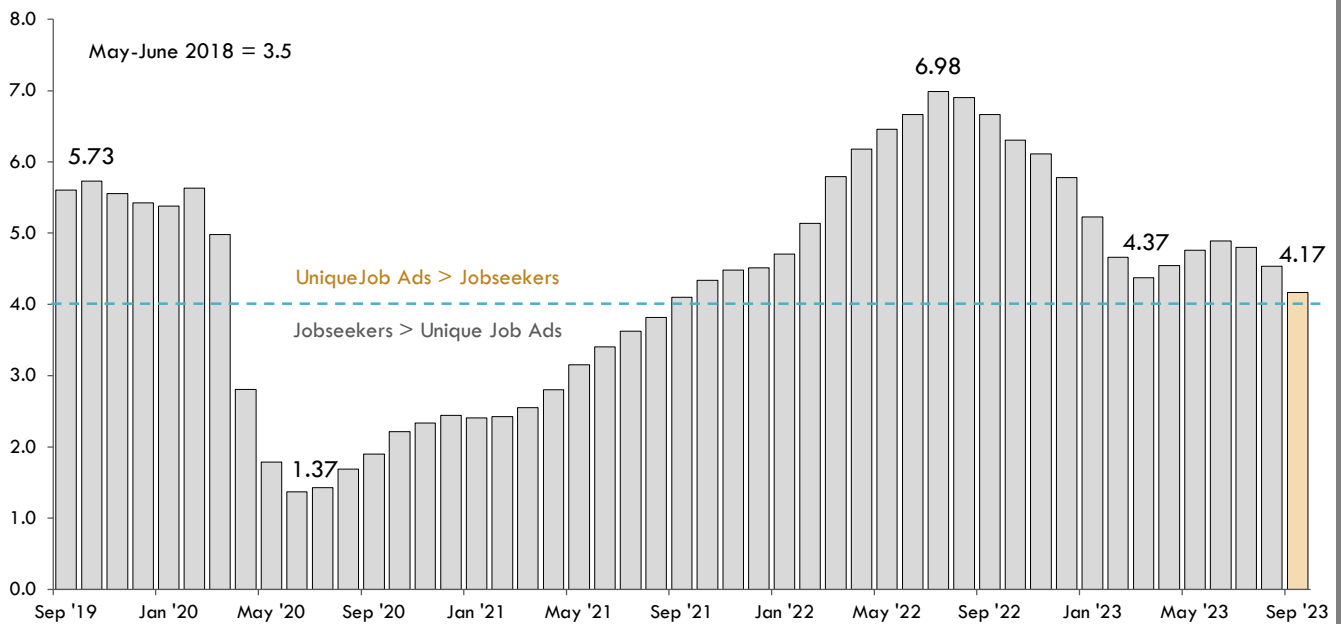


### The Gulf Coast Workforce Solutions Index (WSI)

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

WSI Reading  
September  
2023:  
**4.17**

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 September 2023

The Houston MSA WSI for September stood at 4.17, down from August's slightly downward revised reading of 4.54. This was the result of modest increases in the number of unemployed individuals in recent months coupled with a roughly -26,000-decline in active job postings in August followed by September's decline of -13,600.

This September's reading is the lowest since September 2021 and points toward the most "neutral balance of power" between jobseekers and employers in the post-pandemic recovery era.

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



# Houston Area Employment Situation

September 2023

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Sep-23	Aug-23	Sep-22	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,370,800</b>	<b>3,348,800</b>	<b>3,276,100</b>	<b>22,000</b>	<b>0.7%</b>	<b>94,700</b>	<b>2.9%</b>
Total Private	2,924,600	2,924,800	2,842,100	-200	0.0%	82,500	2.9%
Goods Producing	521,600	522,300	520,700	-700	-0.1%	900	0.2%
<b>.Mining and Logging</b>	<b>70,000</b>	<b>70,100</b>	<b>66,900</b>	<b>-100</b>	<b>-0.1%</b>	<b>3,100</b>	<b>4.6%</b>
...Oil and Gas Extraction	29,700	29,800	28,900	-100	-0.3%	800	2.8%
...Support Activities for Mining	38,700	38,700	36,500	0	0.0%	2,200	6.0%
<b>.Construction</b>	<b>218,500</b>	<b>218,500</b>	<b>227,300</b>	<b>0</b>	<b>0.0%</b>	<b>-8,800</b>	<b>-3.9%</b>
..Construction of Buildings	55,900	55,900	55,500	0	0.0%	400	0.7%
..Heavy and Civil Engineering Construction	53,900	53,600	53,600	300	0.6%	300	0.6%
..Specialty Trade Contractors	108,700	109,000	118,200	-300	-0.3%	-9,500	-8.0%
<b>.Manufacturing</b>	<b>233,100</b>	<b>233,700</b>	<b>226,500</b>	<b>-600</b>	<b>-0.3%</b>	<b>6,600</b>	<b>2.9%</b>
..Durable Goods	144,000	144,700	139,400	-700	-0.5%	4,600	3.3%
...Fabricated Metal Product Manufacturing	50,100	49,800	47,900	300	0.6%	2,200	4.6%
...Machinery Manufacturing	42,400	42,200	41,200	200	0.5%	1,200	2.9%
....Agriculture, Construction, and Mining Machinery Mfg.	22,300	22,200	21,300	100	0.5%	1,000	4.7%
...Computer and Electronic Product Manufacturing	14,400	14,500	14,100	-100	-0.7%	300	2.1%
..Non-Durable Goods	89,100	89,000	87,100	100	0.1%	2,000	2.3%
...Petroleum and Coal Products Manufacturing	8,000	8,000	7,800	0	0.0%	200	2.6%
...Chemical Manufacturing	42,600	42,500	41,300	100	0.2%	1,300	3.1%
Service Providing	2,849,200	2,826,500	2,755,400	22,700	0.8%	93,800	3.4%
.Private Service Providing	2,403,000	2,402,500	2,321,400	500	0.0%	81,600	3.5%
<b>..Trade, Transportation, and Utilities</b>	<b>695,500</b>	<b>695,600</b>	<b>669,200</b>	<b>-100</b>	<b>0.0%</b>	<b>26,300</b>	<b>3.9%</b>
...Wholesale Trade	179,200	180,300	171,200	-1,100	-0.6%	8,000	4.7%
....Merchant Wholesalers, Durable Goods	110,600	111,400	106,500	-800	-0.7%	4,100	3.8%
....Prof. and Commercial Equip. Supplies Wholesalers	17,600	17,600	17,300	0	0.0%	300	1.7%
....Merchant Wholesalers, Nondurable Goods	54,900	54,600	52,900	300	0.5%	2,000	3.8%
...Retail Trade	319,400	319,700	312,400	-300	-0.1%	7,000	2.2%
....Motor Vehicle and Parts Dealers	45,000	44,700	43,600	300	0.7%	1,400	3.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,700	24,200	24,100	-500	-2.1%	-400	-1.7%
....Food and Beverage Stores	73,900	74,100	72,400	-200	-0.3%	1,500	2.1%
....Health and Personal Care Stores	61,700	61,900	61,100	-200	-0.3%	600	1.0%
....Clothing and Clothing Accessories Stores	20,000	20,000	19,600	0	0.0%	400	2.0%
....General Merchandise Stores	41,700	41,900	41,500	-200	-0.5%	200	0.5%
....Department Stores	20,600	20,400	20,500	200	1.0%	100	0.5%
....Other General Merchandise Stores	25,000	25,600	25,100	-600	-2.3%	-100	-0.4%
...Transportation, Warehousing, and Utilities	196,900	195,600	185,600	1,300	0.7%	11,300	6.1%
....Utilities	20,500	20,400	19,800	100	0.5%	700	3.5%
....Air Transportation	20,700	20,600	19,500	100	0.5%	1,200	6.2%
....Truck Transportation	31,300	31,200	30,800	100	0.3%	500	1.6%
....Pipeline Transportation	13,100	13,100	12,500	0	0.0%	600	4.8%
<b>..Information</b>	<b>33,100</b>	<b>33,200</b>	<b>32,800</b>	<b>-100</b>	<b>-0.3%</b>	<b>300</b>	<b>0.9%</b>
...Telecommunications	11,800	11,800	11,800	0	0.0%	0	0.0%
<b>..Financial Activities</b>	<b>188,700</b>	<b>188,200</b>	<b>181,500</b>	<b>500</b>	<b>0.3%</b>	<b>7,200</b>	<b>4.0%</b>
...Finance and Insurance	116,300	116,300	114,800	0	0.0%	1,500	1.3%
....Credit Intermediation and Related Activities	46,200	46,200	45,900	0	0.0%	300	0.7%
....Depository Credit Intermediation	30,000	30,000	29,500	0	0.0%	500	1.7%
....Securities, Commodity Contracts, and Fin. Investments	23,300	23,400	23,000	-100	-0.4%	300	1.3%
....Insurance Carriers and Related Activities	46,800	46,700	45,900	100	0.2%	900	2.0%
...Real Estate and Rental and Leasing	72,400	71,900	66,700	500	0.7%	5,700	8.5%
<b>..Professional and Business Services</b>	<b>559,800</b>	<b>560,600</b>	<b>545,400</b>	<b>-800</b>	<b>-0.1%</b>	<b>14,400</b>	<b>2.6%</b>
...Professional, Scientific, and Technical Services	276,000	273,700	262,400	2,300	0.8%	13,600	5.2%
....Legal Services	32,800	32,600	30,800	200	0.6%	2,000	6.5%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	28,700	28,800	27,200	-100	-0.3%	1,500	5.5%
....Architectural, Engineering, and Related Services	77,400	76,400	69,900	1,000	1.3%	7,500	10.7%
....Computer Systems Design and Related Services	43,500	43,600	41,400	-100	-0.2%	2,100	5.1%
...Management of Companies and Enterprises	47,000	47,000	45,500	0	0.0%	1,500	3.3%
...Admin. and Support and Waste Mgmt. and Remediation	236,800	239,900	237,500	-3,100	-1.3%	-700	-0.3%
....Administrative and Support Services	222,500	225,600	224,700	-3,100	-1.4%	-2,200	-1.0%
....Employment Services	85,400	85,400	89,100	0	0.0%	-3,700	-4.2%
....Services to Buildings and Dwellings	56,100	57,000	55,100	-900	-1.6%	1,000	1.8%
<b>..Educational and Health Services</b>	<b>454,900</b>	<b>451,200</b>	<b>431,600</b>	<b>3,700</b>	<b>0.8%</b>	<b>23,300</b>	<b>5.4%</b>
...Educational Services	73,300	71,200	71,100	2,100	2.9%	2,200	3.1%
...Health Care and Social Assistance	381,600	380,000	360,500	1,600	0.4%	21,100	5.9%
....Ambulatory Health Care Services	192,800	192,200	181,600	600	0.3%	11,200	6.2%
....Hospitals	96,500	95,700	90,600	800	0.8%	5,900	6.5%
<b>..Leisure and Hospitality</b>	<b>351,500</b>	<b>352,900</b>	<b>340,700</b>	<b>-1,400</b>	<b>-0.4%</b>	<b>10,800</b>	<b>3.2%</b>
...Arts, Entertainment, and Recreation	41,500	42,200	36,300	-700	-1.7%	5,200	14.3%
...Accommodation and Food Services	310,000	310,700	304,400	-700	-0.2%	5,600	1.8%
....Accommodation	26,800	26,900	25,600	-100	-0.4%	1,200	4.7%
....Food Services and Drinking Places	283,200	283,800	278,800	-600	-0.2%	4,400	1.6%
<b>..Other Services</b>	<b>119,500</b>	<b>120,800</b>	<b>120,200</b>	<b>-1,300</b>	<b>-1.1%</b>	<b>-700</b>	<b>-0.6%</b>
<b>Government</b>	<b>446,200</b>	<b>424,000</b>	<b>434,000</b>	<b>22,200</b>	<b>5.2%</b>	<b>12,200</b>	<b>2.8%</b>
.Federal Government	33,600	33,400	32,600	200	0.6%	1,000	3.1%
.State Government	95,200	94,800	93,300	400	0.4%	1,900	2.0%
..State Government Educational Services	53,600	53,100	52,600	500	0.9%	1,000	1.9%
.Local Government	317,400	295,800	308,100	21,600	7.3%	9,300	3.0%
..Local Government Educational Services	220,400	199,300	212,600	21,100	10.6%	7,800	3.7%