



Gulf Coast Workforce Board
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FOR IMMEDIATE RELEASE

HOUSTON JOB GROWTH CONTINUES, LED BY CONSTRUCTION AND HEALTHCARE AS LABOR MARKET SHIFTS

(HOUSTON, Texas – April 15, 2026) The Houston area labor market began 2026 with a seasonal decline in employment, alongside signs of slower growth and increasing divergence across industries, according to the latest employment data from Workforce Solutions Gulf Coast.

Total nonfarm employment declined by 41,000 jobs in January on a not-seasonally-adjusted basis, a change consistent with typical post-holiday trends. Historically, January losses average approximately 44,500 jobs, indicating that this month's decline is in line with long-term seasonal patterns.

At the same time, the data point to a broader shift in the region's labor market. Employment continues to grow on a year-over-year basis, but that growth is modest—up 24,300 jobs, or 0.7 percent—and increasingly concentrated in a smaller number of industries.

Recent benchmark revisions to 2025 employment data provide additional context for current labor market conditions.

"The 2025 benchmark revisions show slightly stronger job growth than initially reported but confirm a clear slowdown and increasing divergence across Houston's labor market," said Mohammad Ahmadizadeh, Economist / Principal Data Analyst.

"Revised job numbers for 2025 showed larger gains in Construction compared to original estimates while job losses reported by Professional and Business Services and Manufacturing throughout last year proved to be much smaller than we initially thought. On the other hand, key industries like Trade and Transportation, Financial Activities and Upstream Oil and Gas all weakened under lower oil prices, shifting trade conditions, and elevated interest rates," Ahmadizadeh said.

Job growth in the Houston region continues to be driven by a limited number of sectors, particularly construction and healthcare, while other industries are adjusting to broader economic conditions. Construction recorded the largest year-over-year job gain, adding 16,000 jobs and accounting for a substantial share of total employment growth in the region. Private Education and Health Services added 8,700 jobs over the year, further contributing to overall gains.

At the same time, Mining and Logging (-4,200 jobs), Manufacturing (-2,400 jobs), and Financial Activities (-2,000 jobs) recorded year-over-year declines, reflecting ongoing shifts in energy markets and broader economic conditions.

On a monthly basis, the largest job losses occurred in Trade, Transportation, and Utilities (-15,100 jobs), Government (-10,300 jobs), and Professional and Business Services (-6,100 jobs). These declines were consistent with typical January patterns across many sectors.

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The unemployment rate in the Houston metropolitan area rose to 4.9 percent in January, up from 4.3 percent in December and above both the statewide rate of 4.5 percent and the national rate of 4.7 percent. Across the 13-county Gulf Coast region, unemployment rates increased in all counties over the month.

Additional indicators reflect a labor market that is becoming more competitive overall. The Workforce Solutions Index (WSI), which measures the balance between available jobs and jobseekers, remained below the equilibrium level of 4.0 in January 2026 at 3.11, indicating that the number of jobseekers continues to exceed available job postings.

“January 2026 data reflect typical seasonal patterns alongside modest underlying growth, indicating a labor market that remains stable but more selective,” Ahmadizadeh said.

These trends point to a labor market in transition, where growth continues but is increasingly concentrated in specific industries, while other sectors experience contraction.

These trends reinforce Workforce Solutions Gulf Coast’s strategic focus on industries driving regional growth, such as construction and healthcare, while also highlighting the need to support workers transitioning from sectors experiencing ongoing shifts, including energy and manufacturing.

Additional labor market information, including the detailed January report along with the benchmark revisions, can be found online at <https://www.wrksolutions.com/regional-economic-data/houston-area-employment-situation>. The Texas Workforce Commission will release February employment data on April 17, 2026.

ABOUT WORKFORCE SOLUTIONS – GULF COAST: [Workforce Solutions - Gulf Coast](#) is dedicated to keeping the Texas Gulf Coast region a great place to do business, work and live. Our employer-driven, people-focused approach elevates the economic and human potential of the region to attract and retain the best employers, afford everyone the dignity of a job, and remain indispensable to the global economy. As the public workforce system for 13 counties in the Houston-Galveston region, we work in tandem with the Texas Workforce Commission and the statewide Workforce Solutions network to maintain the state’s largest job-match database – www.WorkInTexas.com.

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