Workforce Solutions
GULF COAST

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FOR IMMEDIATE RELEASE

HOUSTON JOB LOSSES IN SEPTEMBER SLOW ANNUAL EMPLOYMENT GROWTH

HOUSTON (October 26, 2026) – Houston-area employers shed 7,300 jobs in September, a sharp departure from the 5,900 jobs the region typically adds during the month, according to Workforce Solutions Gulf Coast's latest *Houston Area Employment Situation*. The decline was the second-largest recorded for September since 1990. Seasonally adjusted employment also fell by 14,600 jobs, compared with a historical September average gain of 2,800, reinforcing that the decline was not simply a result of seasonal hiring patterns.

Job losses were widespread across the private sector, with all ten major private-sector industries reporting declines. Private employers shed 19,400 jobs during the month, while Government added 12,100 jobs, primarily through education-related staffing for the academic year. Government hiring helped offset the private-sector losses but fell well below the typical September increase of 21,500 jobs.

Leisure and Hospitality recorded the largest monthly decline, losing 7,300 jobs, nearly twice its historical September average loss of 3,800. Professional and Business Services shed 3,900 jobs, compared with a typical September decline of 1,100, while Trade, Transportation and Utilities lost 2,600. Private Education and Health Services also declined by 1,900 jobs, driven by a loss of 2,200 jobs in Health Care and Social Assistance during a month when the broader sector typically adds jobs.

"September's losses were more widespread than we typically see, particularly in industries that have helped support Houston's growth," said Mohammad Ahmadizadeh, economist at Workforce Solutions Gulf Coast. "One month doesn't establish a trend, but the breadth of these declines makes the next few reports especially important."

Despite the monthly decline, Houston continued to show positive annual employment growth, adding 33,600 jobs over the year, or 1.0 percent. That was down from a revised annual gain of 46,100 jobs in August. Professional and Business Services remained the largest contributor, adding 15,300 jobs over the year, followed by Construction with 13,800 and Private Education and Health Services with 5,400. Professional and Business Services and Construction together accounted for approximately 70% of the region's net annual job growth.

Houston's unemployment rate declined to 4.6 percent in September from 5.0 percent in August and 4.8 percent a year earlier. Approximately 180,000 Houston-area residents were unemployed. The regional rate remained above the comparable Texas rate of 4.3 percent and national rate of 4.0 percent. The lower unemployment rate contrasts with September's payroll job losses, although seasonal changes can affect the unemployment figures.

Workforce Solutions currently forecasts Houston will add approximately 29,900 jobs from December 2025 to December 2026. Slower growth was anticipated during the second half of the year, but September's losses across the private sector raise questions about how hiring will develop in the remaining months.

The Texas Workforce Commission is scheduled to release October 2026 employment figures on November 20, 2026. Additional regional labor market data and the full *Houston Area Employment Situation* report are available through Workforce Solutions Gulf Coast.

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Additional labor market information, including the detailed September report, can be found online at https://www.wrksolutions.com/regional-economic-data/houston-area-employment-situation.

ABOUT WORKFORCE SOLUTIONS: Workforce Solutions 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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