

Houston Area Employment Situation

April 2022

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Mission Accomplished?

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,198,300 in April, up 29,700 jobs over the month, or 0.9 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 14,800 jobs. This was the largest-ever gain in the month of April since records began in 1990, beating the previous April record of 20,800 jobs in 2011. Prior to the pandemic, historically in the month of April, Total Nonfarm has on average added 7,300 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

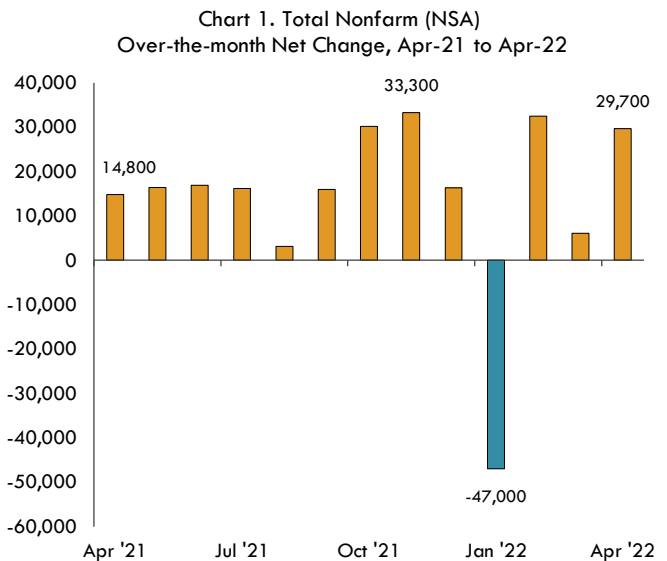
The primary drivers of this April's growth were increases in Professional and Business Services; Leisure and Hospitality; and Education and Health Services. Gains were also recorded in Construction; Trade, Transportation, and Utilities; and Government. The net increase in jobs over the month was partially offset by losses in Other Services. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,200,500, up 17,300 jobs over the month, or 0.5 percent vs. a historical average of 3,800. This was the largest-ever gain in the month of April since records began in 1990, beating the previous April record of 14,300 jobs in 2011. This April marks 14 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 April

- Professional and Business Services: 7,200
- Leisure and Hospitality: 5,500
- Education and Health Services: 4,700

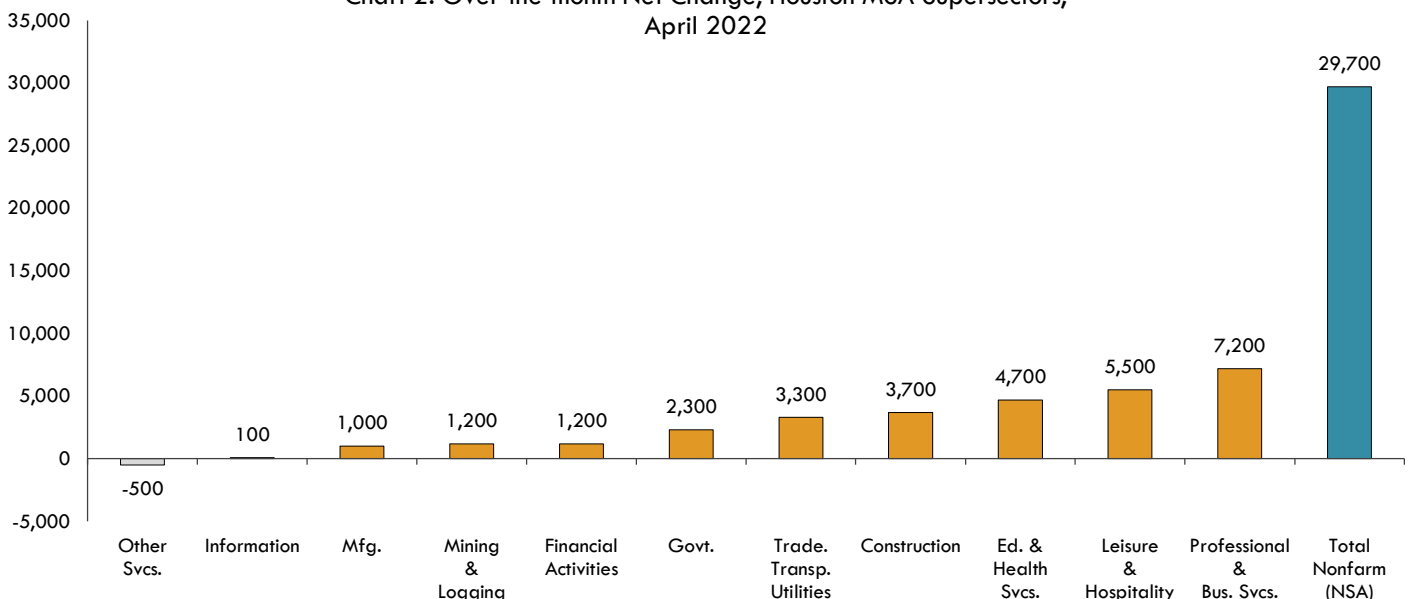
Over-the-year Change

Over the year, Total Nonfarm employment was up 169,700 or 5.6 percent on a not-seasonally-adjusted basis and up 173,700 or 5.7 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, April 2021 saw a year-over-year gain of 195,800 jobs (NSA) from April 2020. This was the second-largest over-the-year gain in April and the third-largest in the history of the series. Currently all 11 sectors show growth year over year of which the top-three are



*blue bar may reflect January typical seasonal decline/gain occurring each year
 Trade, Transportation, and Utilities (41,500); Leisure and Hospitality (30,100); and Education and Health Services (25,300) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,192,200 jobs by 6,100, or 0.2 percent (300 jobs, 0.0 percent above 3,200,200 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, April 2022



Houston Area Employment Situation

April 2022

Previous Month's Revisions

Total Nonfarm employment was revised upward by 4,400 jobs for a February to March larger net gain of 6,100 compared to an original estimate of 1,700 jobs. An upward revision of +3,500 jobs in Trade, Transportation, and Utilities was the largest contributor followed by Professional and Business Services (+1,200) and Education and Health Services (+800). Downward revisions in Leisure and Hospitality (-2,100), Government (-400), and Other Services (-400) 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 April

- Trade, Transportation, and Utilities: 41,500
- Leisure and Hospitality: 30,100
- Education and Health Services: 25,300

Chart 5. Net Revisions for Selected Supersectors and Major Industries, March 2022

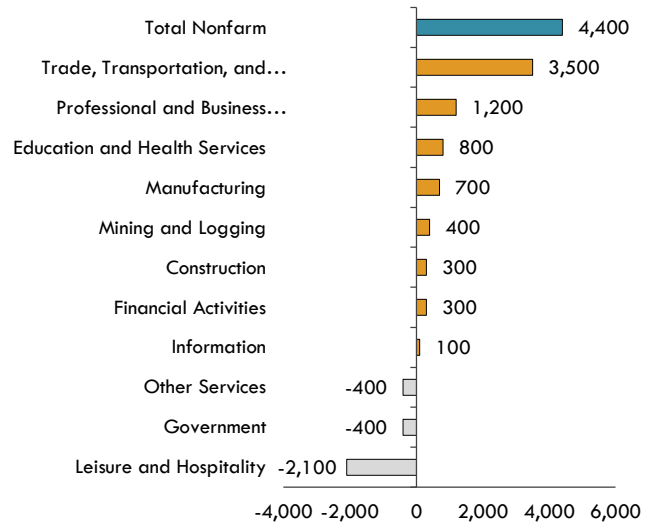


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Apr-07 to Apr-22

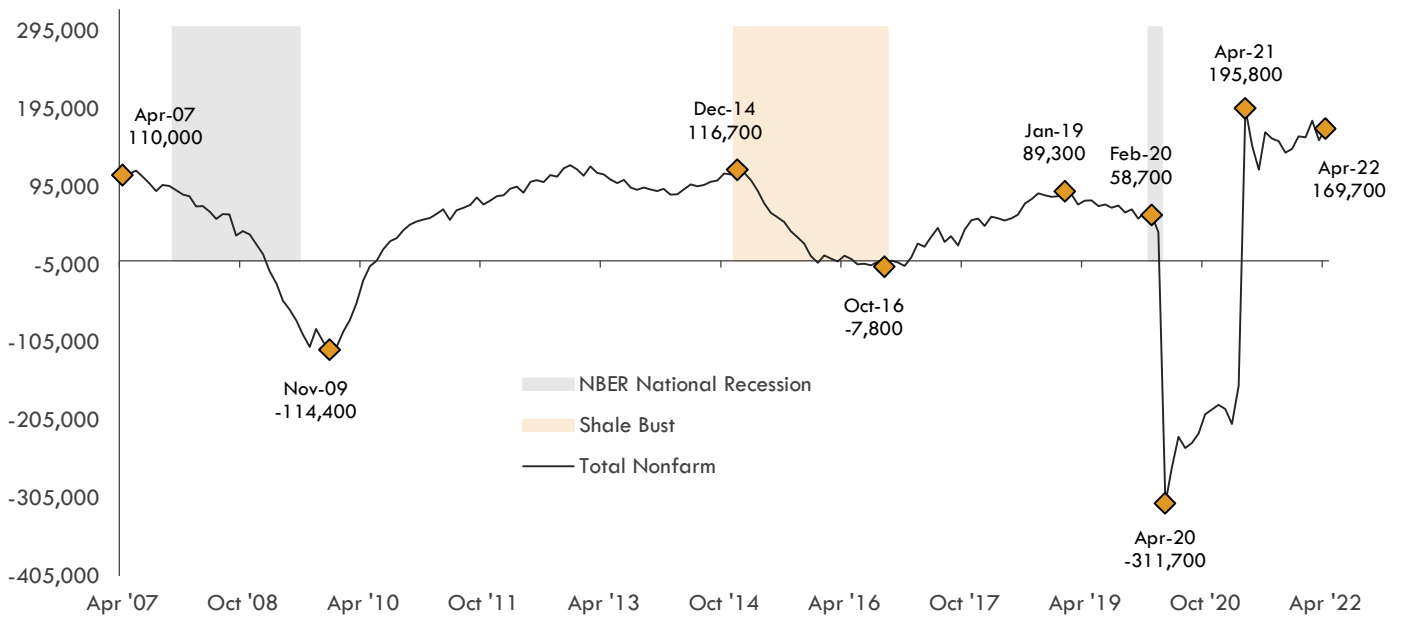
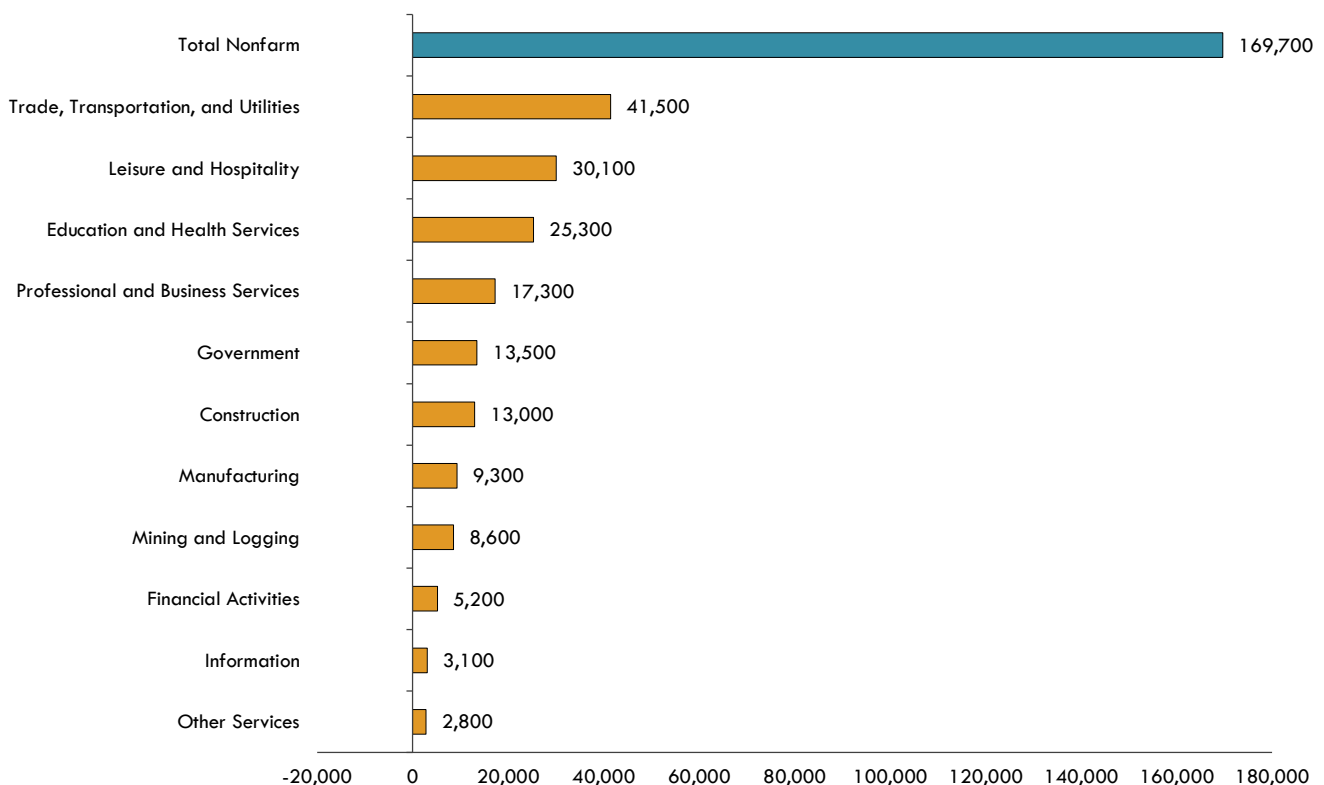


Chart 4. Over-the-year Net Change, Houston MSA Supersectors, April 2021 to April 2022



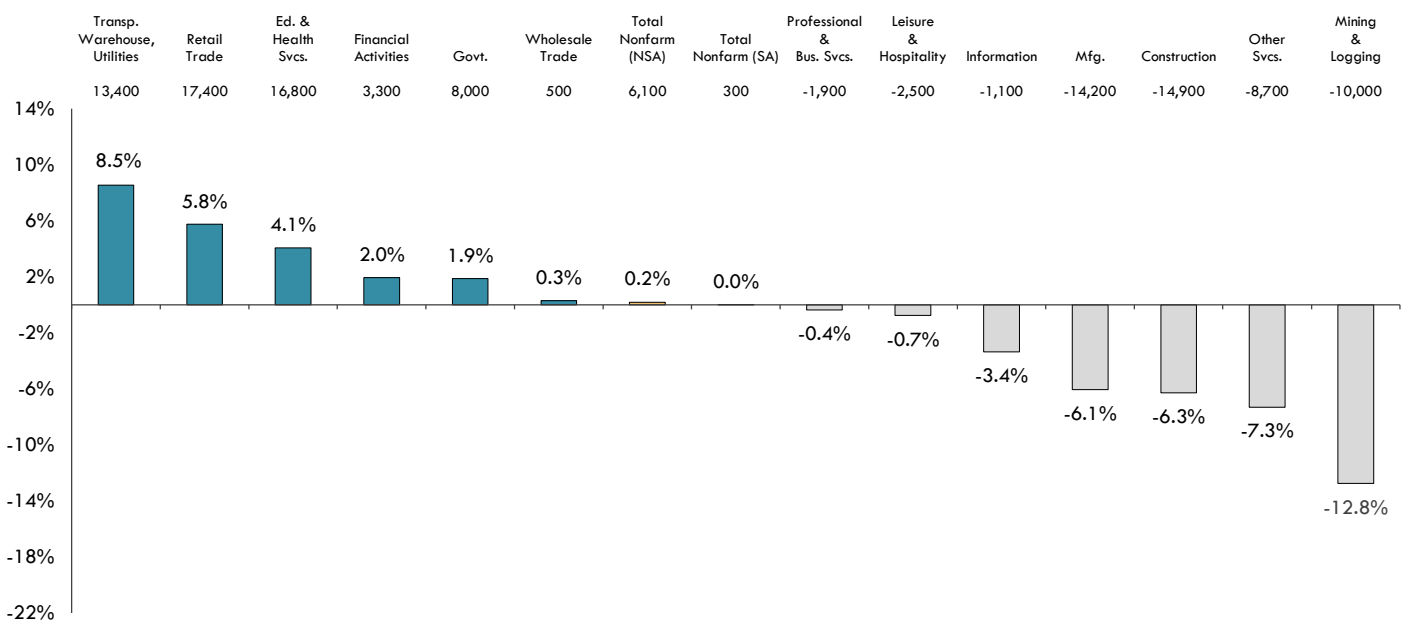
Supplemental Commentary

Well...I Guess We Did It!

I'll start with what is ostensibly the "good news." April's record-setting job growth helped propel the Houston region past a milestone long in the making: 100 percent of the jobs lost due to the pandemic have now been recovered. Total Nonfarm employment seasonally adjusted now sits **3,200,500** or a mere 300 jobs more than February 2020 just before the pandemic. Regular readers of this report will recall two methods for measuring this: "the old way" that looked at the percentage of jobs lost over March and April 2020 that have been recovered to-date and "the new way" which simply looked at the gap between total employment now versus total employment in February 2020. Regardless of which one you prefer, both measures at the topline show full recovery (see the video of my UpSkill Works presentation from October 2021 for a discussion of the merits of each). But before breaking out the champagne and confetti, let's qualify "full recovery." First, let's examine the industry sectors that have fully recovered versus the ones that haven't. In the former camp we have Transportation, Warehousing, and Utilities; Retail; Education and Health; Financial Activities; Government; and Wholesale Trade, all of which are integral to the region's job market. But do you notice anything missing from this list? That's right, the "big 3" that form the oil and gas industry in the broadest sense: Mining and Logging, Manufacturing, and Professional and Business Services. To this we might even add Construction but regardless, we must be careful characterizing Houston's job market as "fully recovered" when key sectors responsible for the region's growth historically, continue to lag. (See Supplemental Chart 1.)

Now for a quick anecdote. Growing up I owned several thousand vinyl records inherited from friends, family and bought from thrift stores all over the country. The resurgence in the medium's popularity in recent years, especially among younger generations, is something I welcome. However, as anyone who's owned vinyl knows, the format is delicate being prone to scratches and other damage leading to the proverbial "broken record." If it wasn't the case already, this April's jobs report has turned yours truly into a warped piece of vinyl stuck on repeat. Once again, the Houston metro saw a month of record-breaking job gains (no pun intended) driven by unusually large increases in Professional and Business Services but also Leisure and Hospitality, Education and Health, and Construction. You might recall that February was also an unusually strong month while March, even after revisions, remained comparatively weak. Without belaboring the issue too much, it's worth pointing out that this month-to-month extreme volatility in the job numbers presents two challenges. First, including January, there is no clearly defined trend to speak of as we have a pattern of weak-strong-weak-strong job growth. This makes the overall direction of Houston's labor market somewhat ambiguous thus far in 2022. Second, hanging our hat on the notion that Houston has achieved "full recovery" is problematic if the numbers are in doubt. In my 2022 forecast, I noted that Houston was on track to return to **3.2 million** total jobs by the end of this year assuming above average but plausible rates of growth. I even conceded that achieving this milestone even sooner than December might be possible. Taking the jobs numbers reported in the first four months of this year at face value suggests I was perhaps too conservative in my predictions. If that proves to be the case, I'll be happy to "own it" come March 2023 when revisions for this year are released. But before we declare the job market's victory over the pandemic complete, let's hold out for a broader-based recovery including more from oil and gas and job numbers free of the manic highs and lows seen thus far.

Supplemental Chart 1. Houston MSA Current Employment Levels as of April 2022
Relative to February 2020 by Sector



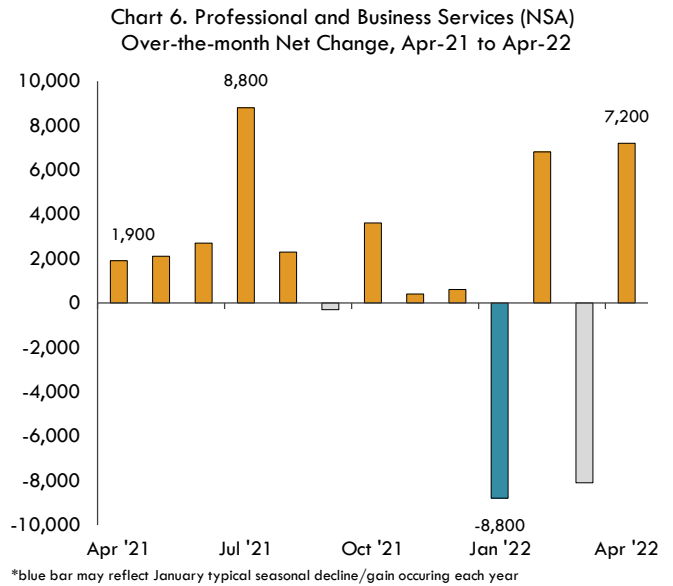
CORRECTION: The total employment figures referenced above should read **3.2 million** not 7.2 million. The latter figure is the total population of the Houston MSA as of 2021. Expect an analysis of population trends across the region at the June 7th meeting of the Gulf Coast Workforce Board!

GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the largest gaining sector over the month up 7,200 jobs, or 1.4 percent (see Chart 6). This was the largest-ever gain in the month of April since records began in 1990, beating the previous April record of 6,400 jobs in 2011. Historically in the month of April, Professional and Business Services has added an average of 1,500 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 5,500 jobs over the month. The second-largest contributor was Professional, Scientific, and Technical Services, which added 1,600 jobs from March to April. Lastly, Management of Companies and Enterprises contributed, 100 jobs.

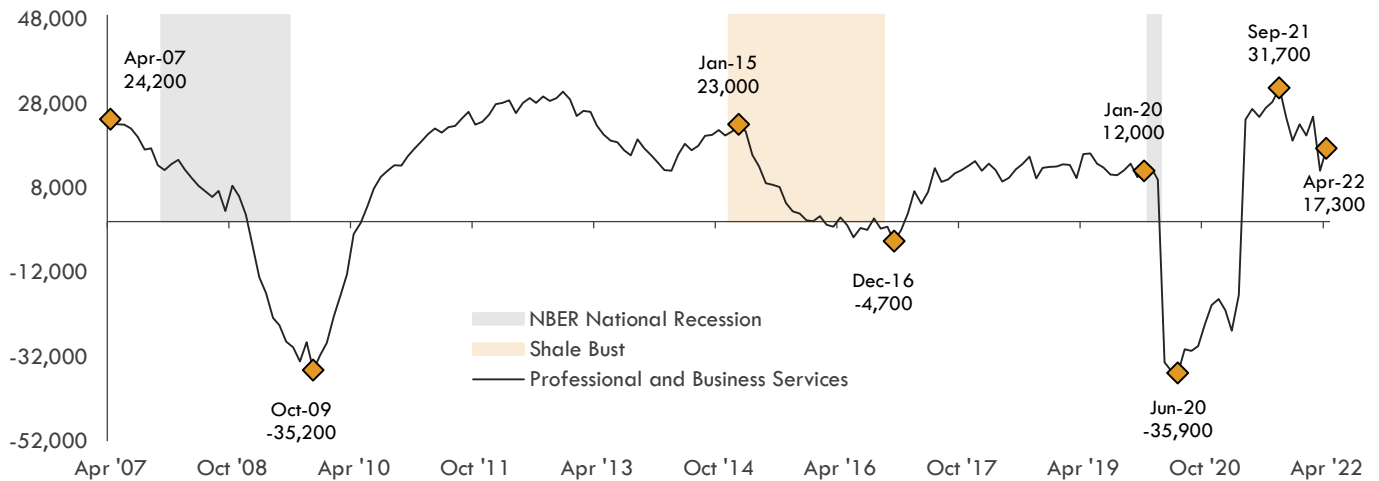


Over-the-year Change

Year over year, Professional and Business Services was up 17,300 jobs, or 3.5 percent (see Chart 7). This April also marks 13 consecutive months of over-the-year gains. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 9,000 jobs over the year. The second-largest contributor was Professional, Scientific, and Technical Services, which added 7,600 jobs from April a year ago. Lastly, Management of Companies and Enterprises contributed, 700 jobs. Total Professional and Business Services employment (NSA) remains

-1,900 jobs, or -0.4 percent below its February 2020 pre-pandemic level of 514,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.4 percent to 16.0 percent over the past year.

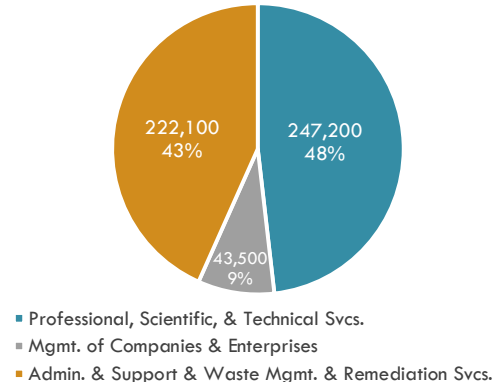
Chart 7. Professional and Business Services (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 48 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average, due to a 12-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 8. Employment in Component Industries of Professional and Business Services Sector - April 2022

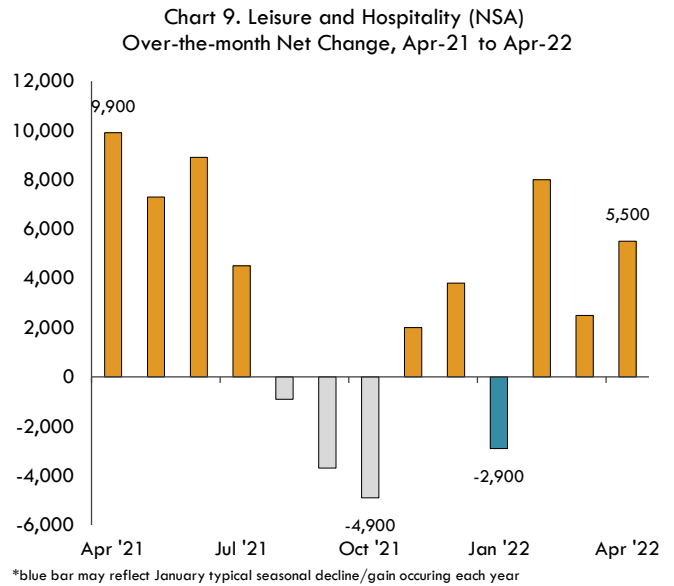


GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the second-largest gaining sector over the month up 5,500 jobs, or 1.7 percent (see Chart 9). This was the largest April gain since 2021 and the second-largest gain historically for the month of April since records began in 1990. Historically in the month of April, Leisure and Hospitality has added an average of 2,200 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 2,800 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 2,700 jobs from March to April. Leisure and Hospitality employment was revised downward by -2,100 jobs for a February to March smaller net gain of 2,500 compared to an original estimate of 4,600 jobs.

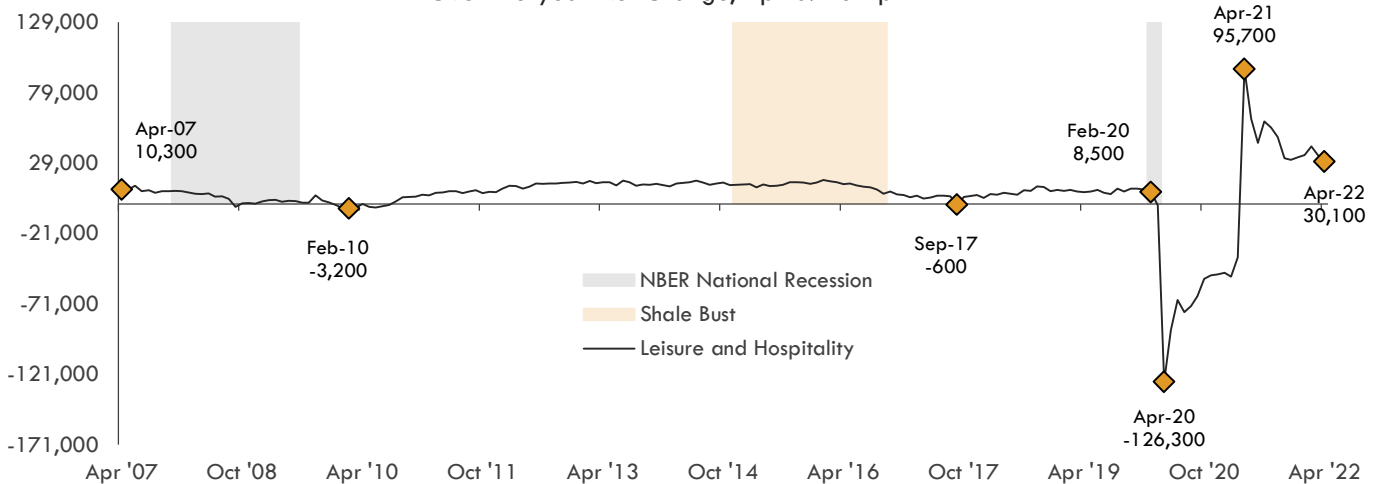


Over-the-year Change

Year over year, Leisure and Hospitality was up 30,100 jobs, or 10.0 percent (see Chart 10). This was the second-largest over-the-year gain in the month of April since records began in 1990. It also marks 13 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, 17.7 percent of total (gross) jobs added across the region over the past year can be attributed to Leisure and Hospitality. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 25,700 jobs

over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 4,400 jobs from April a year ago. Total Leisure and Hospitality employment (NSA) remains -2,500 jobs, or -0.7 percent below its February 2020 pre-pandemic level of 334,500. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 10.0 percent to 10.4 percent over the past year.

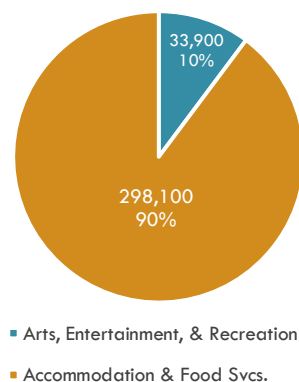
Chart 10. Leisure and Hospitality (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 90 percent (see Chart 11). Across the Houston MSA, the concentration of jobs in the overall sector is 2 percent higher than the national average.

Chart 11. Employment in Component Industries of Leisure and Hospitality Sector - April 2022



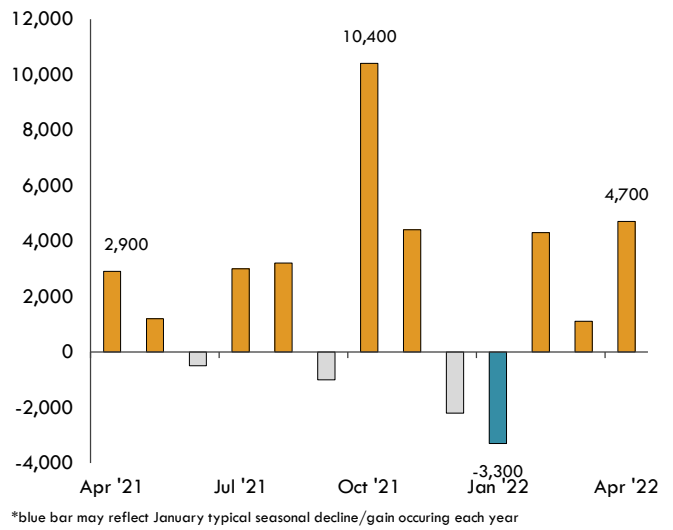
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services was the third-largest gaining sector over the month up 4,700 jobs, or 1.1 percent (see Chart 12). This was the largest-ever gain in the month of April since records began in 1990, beating the previous April record of 2,900 jobs in 2021. Historically in the month of April, Education and Health Services has added an average of 1,000 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 3,800 jobs over the month. The second-largest contributor was Educational Services, which added 900 jobs from March to April. Education and Health Services employment was revised upward by 800 jobs for a February to March larger net gain of 1,100 compared to an original estimate of 300 jobs.

Chart 12. Education and Health Services (NSA)
Over-the-month Net Change, Apr-21 to Apr-22

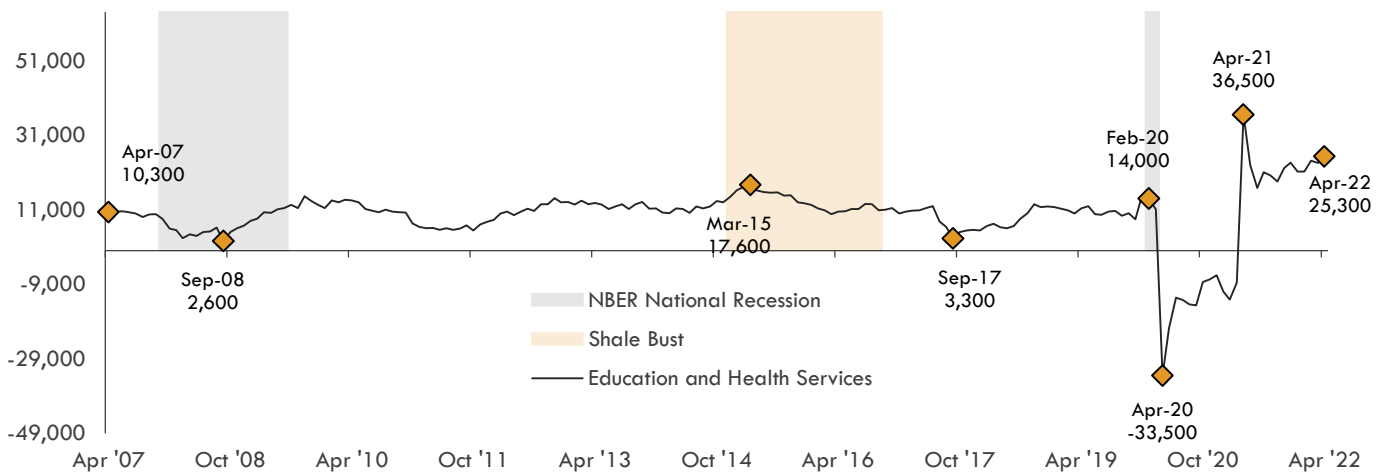


Over-the-year Change

Year over year, Education and Health Services was up 25,300 jobs, or 6.2 percent (see Chart 13). This was the second-largest over-the-year gain in April or any other month and the largest gain since April 2021's increase of 36,500 jobs. It also marks 13 consecutive months of over-the-year gains. Furthermore, 14.9 percent of total (gross) jobs added across the region over the past year can be attributed to Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 15,700 jobs over the year. The second-largest contributor was

Educational Services, which added 9,600 jobs from April a year ago. Total Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 16,800, or 4.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.4 percent over the past year.

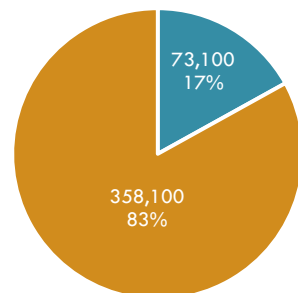
Chart 13. Education and Health Services (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 83 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall sector is 16 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 14. Employment in Component Industries of
Education and Health Services Sector - April 2022



■ Educational Svcs. ■ Health Care & Social Assistance

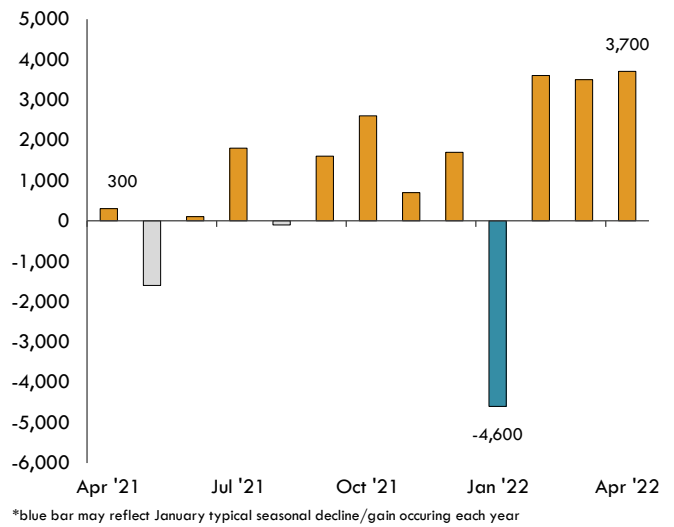
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction also saw an increase over the month up 3,700 jobs, or 1.7 percent (see Chart 15). This was the largest April gain since 2014 and the second-largest gain historically for the month of April since records began in 1990. Historically in the month of April, Construction has lost an average of -400 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 1,400 jobs over the month. The second-largest contributor was Construction of Buildings, which added 1,400 jobs from March to April. Lastly, Heavy and Civil Engineering Construction contributed, 900 jobs. Construction employment was revised upward by 300 jobs for a February to March larger net gain of 3,500 compared to an original estimate of 3,200 jobs.

Chart 15. Construction (NSA)
Over-the-month Net Change, Apr-21 to Apr-22

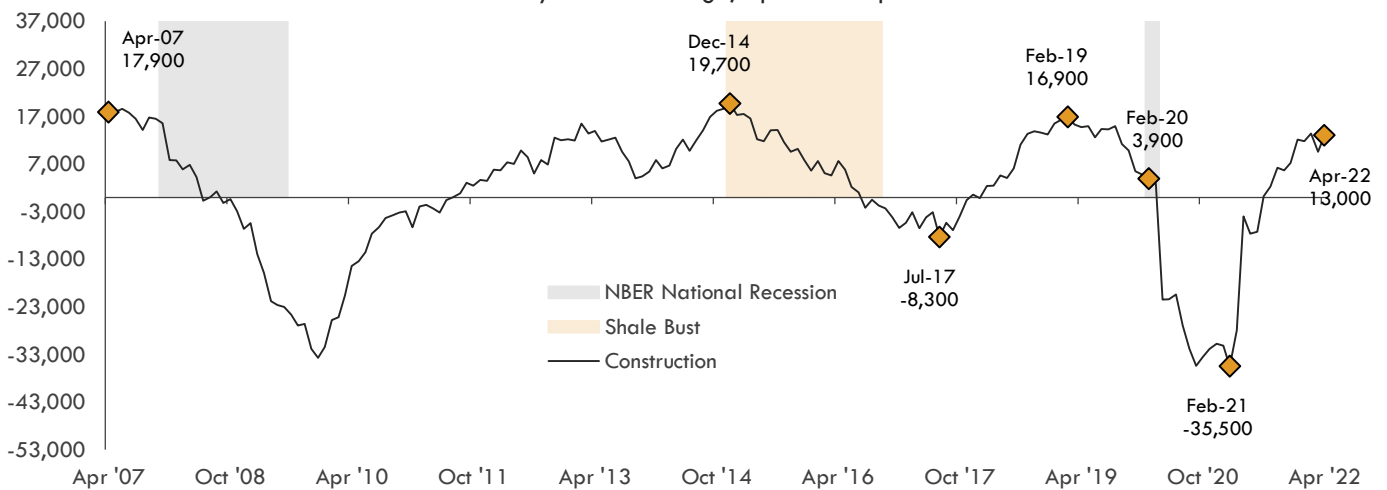


Over-the-year Change

Year over year, Construction was up 13,000 jobs, or 6.2 percent (see Chart 16). This April also marks 10 consecutive months of over-the-year gains. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 5,400 jobs over the year. The second-largest contributor was Construction of Buildings, which added 4,800 jobs from April a year ago. Lastly, Heavy and Civil Engineering Construction contributed, 2,800 jobs. Total Construction employment (NSA) remains -14,900 jobs, or -6.3 percent below its February 2020 pre-pandemic level of 237,400. At the same time, the sector's

share of Houston area Total Nonfarm Employment has remained constant at 6.9 percent over the past year.

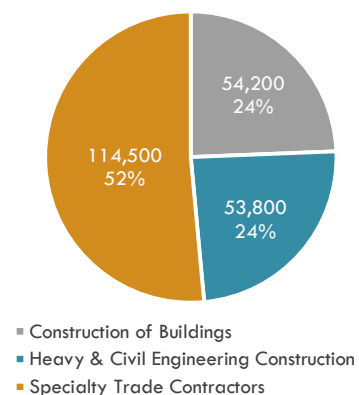
Chart 16. Construction (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and subdivision, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a slight majority of the sector's employment at just over 51 percent (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 39 percent higher than the national average, due to 2.4 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 - April 2022



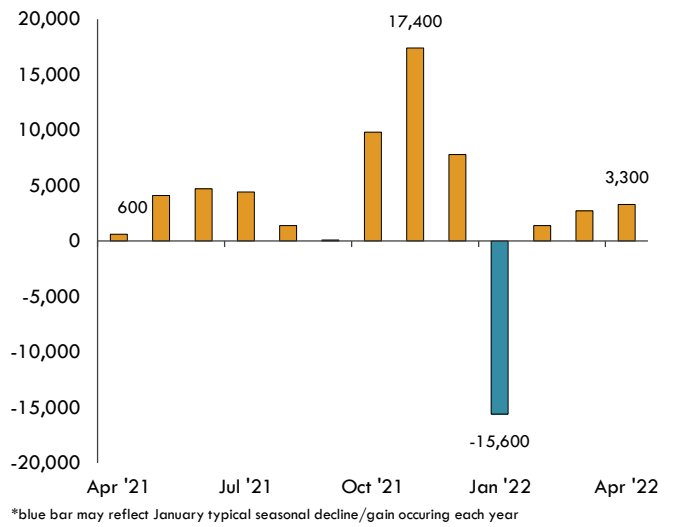
GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities also saw an increase over the month up 3,300 jobs, or 0.5 percent (see Chart 18). This was the largest April over-the-month gain in since 2011. Historically in the month of April, Trade, Transportation, and Utilities has added an average of 500 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Wholesale Trade was the largest contributor to the overall sector's increase, up 4,700 jobs over the month. One component industry that provided a partial offset was Transportation, Warehousing, and Utilities, which lost -500 jobs from March to April. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -900 jobs. Trade, Transportation, and Utilities employment was revised upward by 3,500 jobs for a February to March complete erasure of losses resulting in a net gain of 2,700 compared to an original estimate of -800 jobs.

Chart 18. Trade, Transportation, and Utilities (NSA)
Over-the-month Net Change, Apr-21 to Apr-22

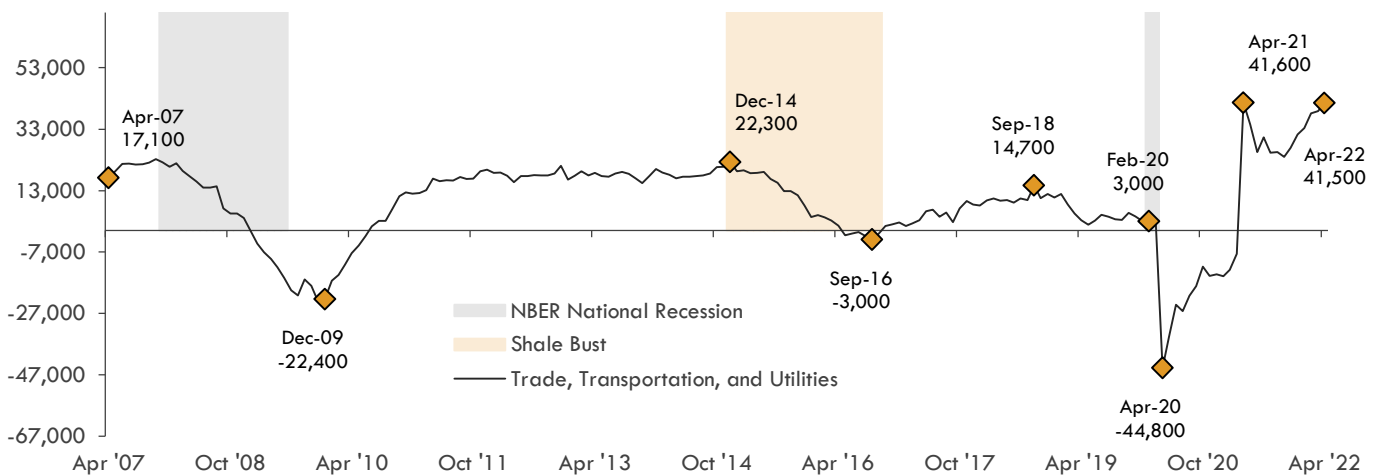


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 41,500 jobs, or 6.7 percent (see Chart 19). This was the second-largest over-the-year gain in April or any other month and the largest gain since April 2021's increase of 41,600 jobs. It also marks 13 consecutive months of over-the-year gains. Furthermore, 24.5 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Retail Trade was the largest contributor to the overall sector's increase, up 20,200 jobs over the year. The second-largest contributor was Wholesale Trade,

which added 10,900 jobs from April a year ago. Lastly, Transportation, Warehousing, and Utilities contributed, 10,400 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,900 jobs by 31,300, or 5.0 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.

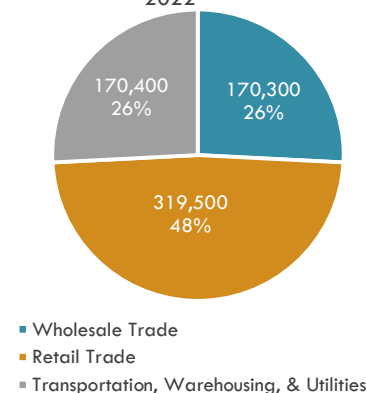
Chart 19. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 48 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall sector is 10 percent higher than the national average, due to a 38-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 20. Employment in Component Industries of Trade, Transportation, and Utilities Sector - April 2022



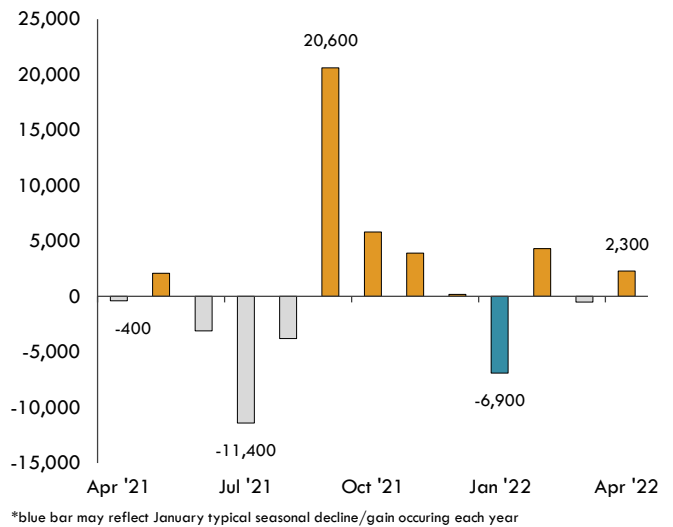
GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government also saw an increase over the month up 2,300 jobs, or 0.5 percent (see Chart 21). This was the largest April over-the-month gain in since 2010. Historically in the month of April, Government has added an average of 800 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Local Government was the largest contributor to the overall sector's increase, up 2,500 jobs over the month. One component industry, State Government, saw no change from March to April. Lastly, Federal Government offset a portion of the sector's gains with a loss of -200 jobs. Government employment was revised downward by -400 jobs for a February to March larger net loss of -500 compared to an original estimate of -100 jobs.

Chart 21. Government (NSA)
Over-the-month Net Change, Apr-21 to Apr-22

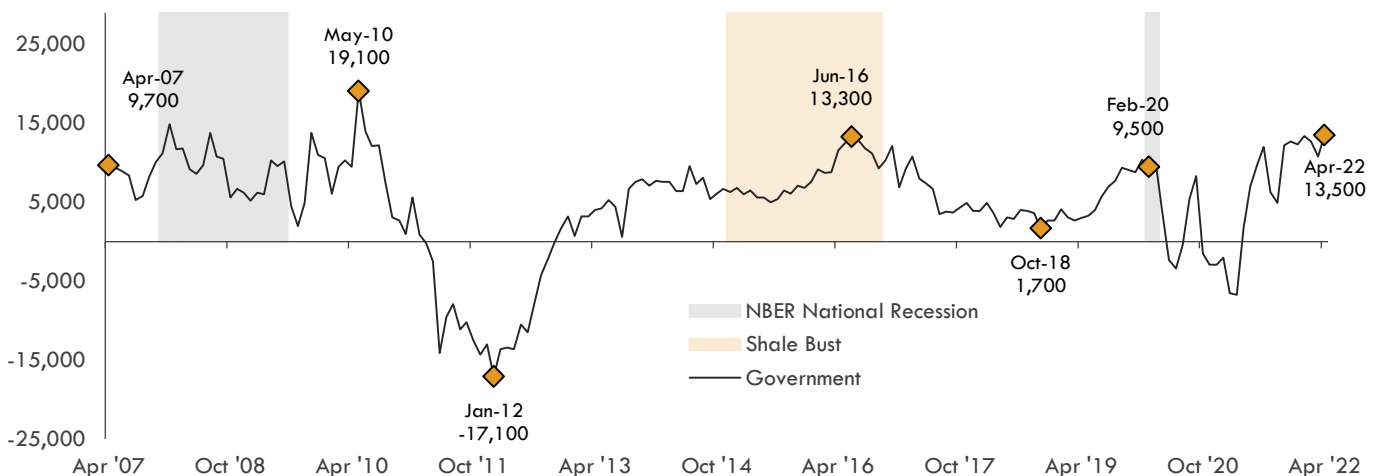


Over-the-year Change

Year over year, Government was up 13,500 jobs, or 3.2 percent (see Chart 22). This was the largest April over-the-year increase on record and the largest gain since June 2010's increase of 14,000 jobs. It also marks 13 consecutive months of over-the-year gains. Local Government was the largest contributor to the overall sector's increase, up 9,500 jobs over the year. The second-largest contributor was State Government, which added 3,300 jobs from April a year ago. Lastly, Federal Government contributed, 700 jobs. Total Government employment (NSA) now exceeds its February 2020

pre-pandemic level of 428,400 jobs by 8,000, or 1.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 14.0 percent to 13.6 percent over the past year.

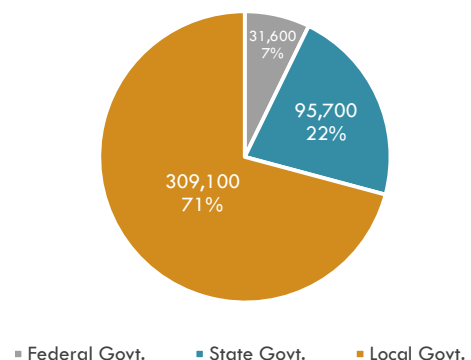
Chart 22. Government (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 23). Across the Houston MSA, the concentration of jobs in the overall Government sector is 8 percent less than the national average.

Chart 23. Employment in Component Industries of Government Sector - April 2022



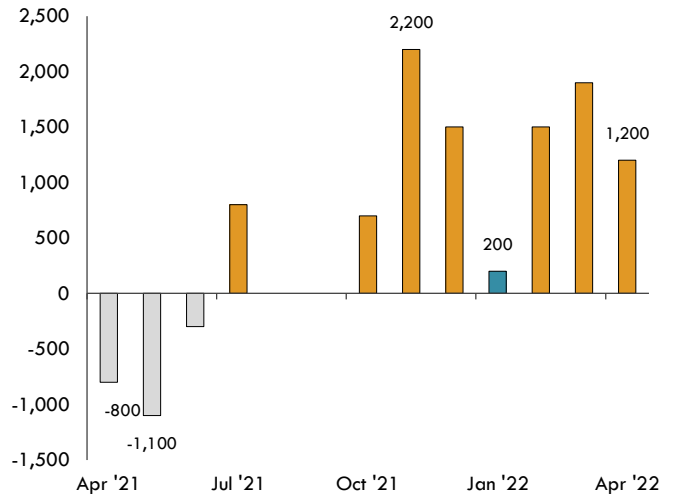
GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 1,200 jobs, or 1.8 percent (see Chart 24). This April tied with 1990 for the second-largest ever gain in the month of April since records began, which also happens to be 1990. 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 500 jobs from March to April. Lastly, Other Mining and Logging Undefined contributed, 100 jobs. Mining and Logging employment was revised upward by 400 jobs for a February to March larger net gain of 1,900 compared to an original estimate of 1,500 jobs.

Chart 24. Mining and Logging (NSA)
Over-the-month Net Change, Apr-21 to Apr-22

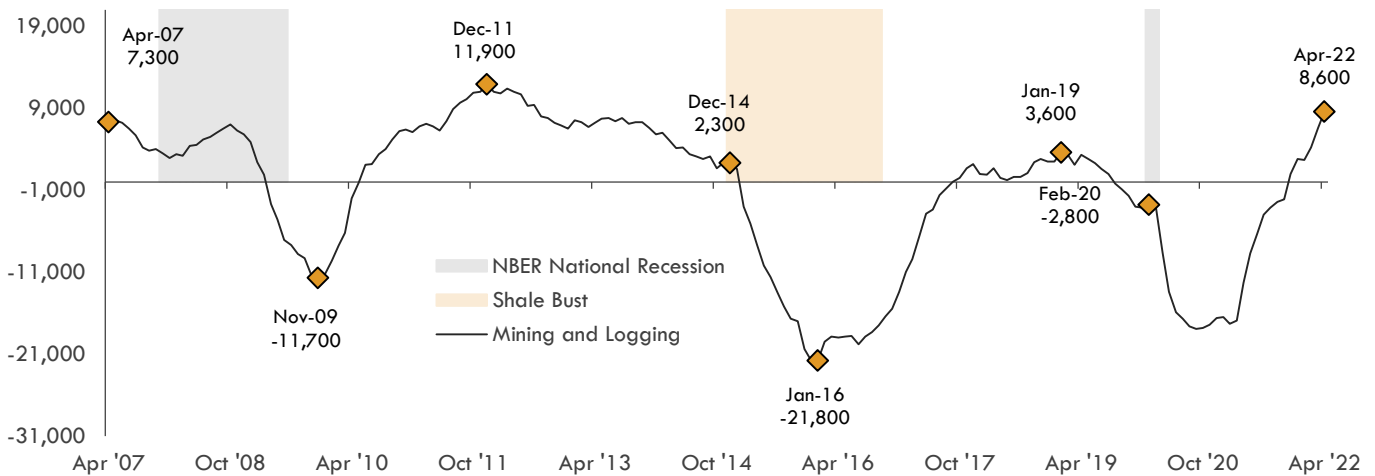


Over-the-year Change

Year over year, Mining and Logging was up 8,600 jobs, or 14.4 percent (see Chart 25). This was the second-largest over-the-year gain in the month of April since records began in 1990 and the largest gain since July 2012's increase of 9,400 jobs. It also marks six 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. Support Activities for Mining was the largest contributor to the overall sector's increase, up 4,400 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added

3,300 jobs from April a year ago. Lastly, Other Mining and Logging Undefined contributed, 900 jobs. Total Mining and Logging employment (NSA) remains -10,000 jobs, or -12.8 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 risen from 2.0 percent to 2.1 percent over the past year.

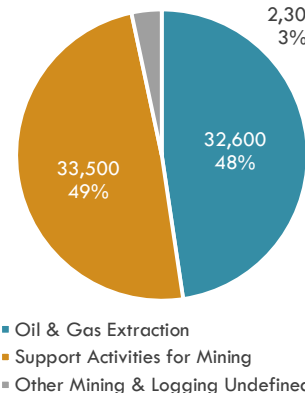
Chart 25. Mining and Logging (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 plurality of the sector's employment at 49 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.3 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 - April 2022

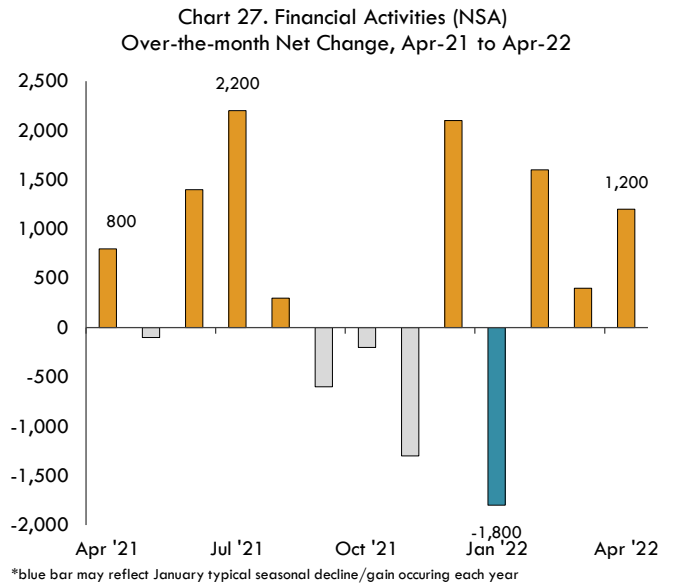


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 1,200 jobs, or 0.7 percent (see Chart 27). This April tied with 1998 and 1995 for the third-largest ever gain in the month of April since records began in 1990. Historically in the month of April, Financial Activities has added an average of 300 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 1,100 jobs over the month. The second-largest contributor was Finance and Insurance, which added 100 jobs from March to April. Financial Activities employment was revised upward by 300 jobs for a February to March larger net gain of 400 compared to an original estimate of 100 jobs.

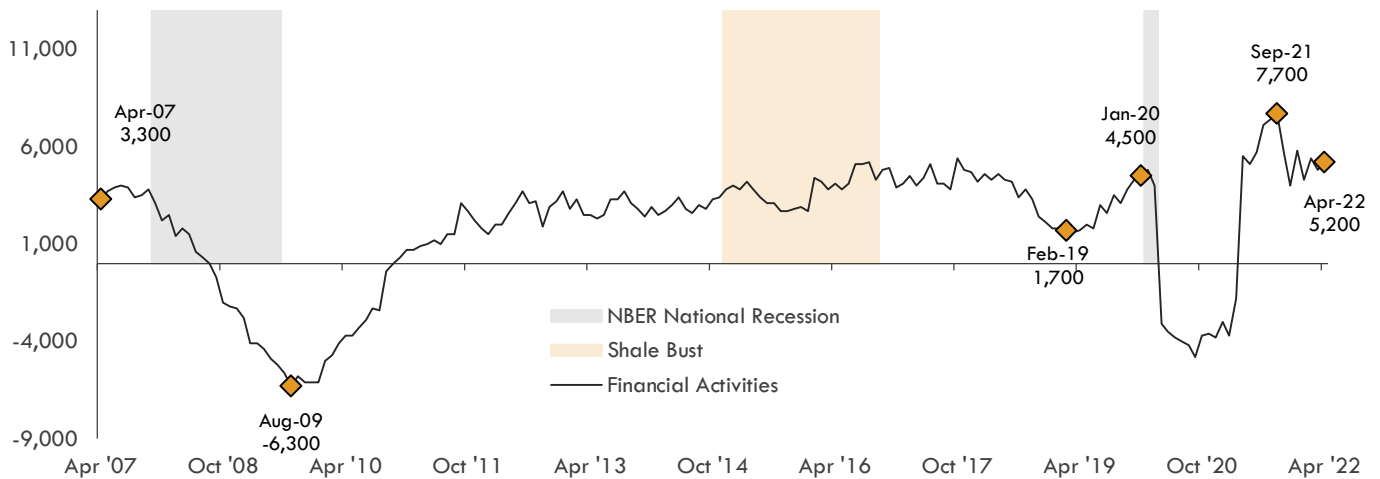


Over-the-year Change

Year over year, Financial Activities was up 5,200 jobs, or 3.1 percent (see Chart 28). This April also marks nine consecutive months of over-the-year gains. Finance and Insurance was the largest contributor to the overall sector's increase, up 3,900 jobs over the year. The second-largest contributor was Real Estate and Rental and Leasing, which added 1,300 jobs from April a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 3,300, or 2.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 5.5

percent to 5.4 percent over the past year.

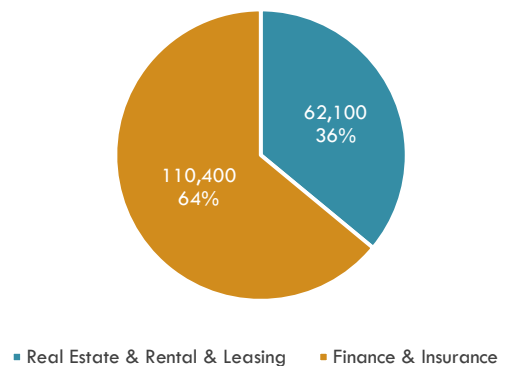
Chart 28. Financial Activities (NSA) Over-the-year Net Change, Apr-07 to Apr-22



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 9 percent less than the national average, due to a 21-percent lower concentration in Finance and Insurance offsetting a 26-percent higher concentration in Real Estate and Rental and Leasing.

Chart 29. Employment in Component Industries of Financial Activities Sector - April 2022



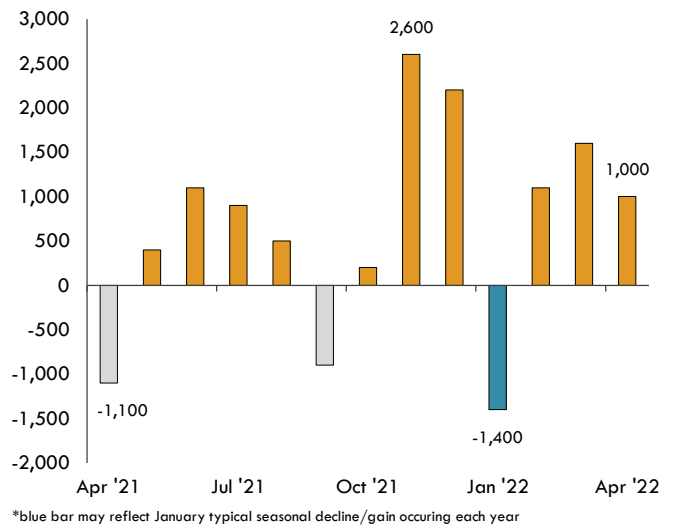
GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 1,000 jobs, or 0.5 percent (see Chart 30). This was the largest April over-the-month gain in since 2012. Historically in the month of April, Manufacturing has lost an average of -300 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Durable Goods was the largest contributor to the overall sector's increase, up 700 jobs over the month. The second-largest contributor was Non-Durable Goods, which added 300 jobs from March to April. Manufacturing employment was revised upward by 700 jobs for a February to March larger net gain of 1,600 compared to an original estimate of 900 jobs.

Chart 30. Manufacturing (NSA)
Over-the-month Net Change, Apr-21 to Apr-22

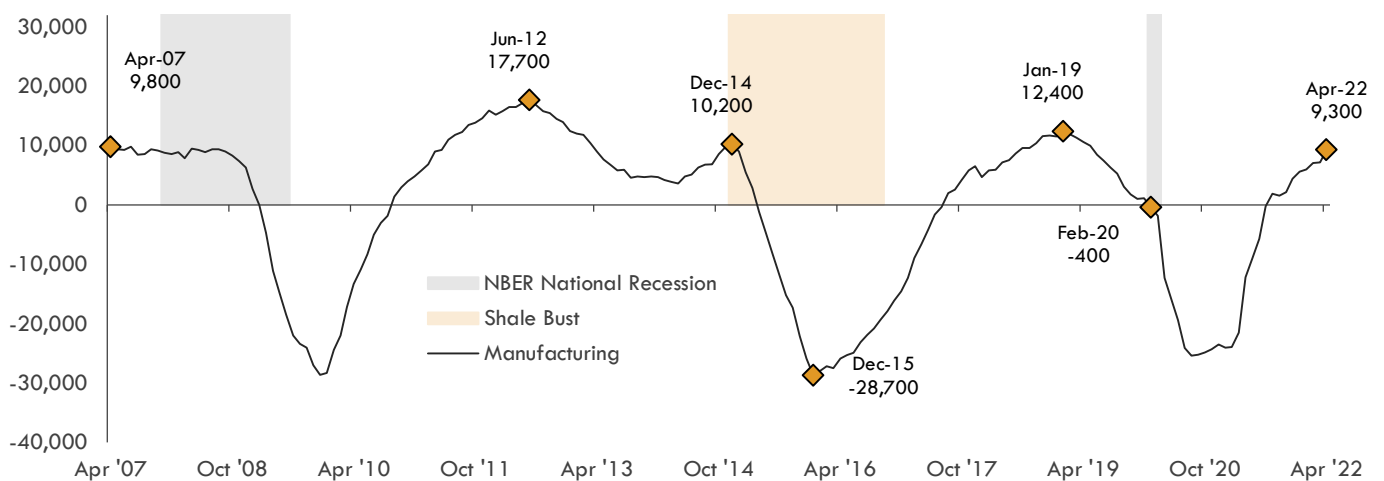


Over-the-year Change

Year over year, Manufacturing was up 9,300 jobs, or 4.4 percent (see Chart 31). This was the largest over-the-year gain since May 2019's increase of 10,000 jobs. It also marks nine consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 7,200 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 2,100 jobs from April a year ago. Total Manufacturing employment (NSA) remains -14,200 jobs, or -6.1 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 7.0 percent over the past year.

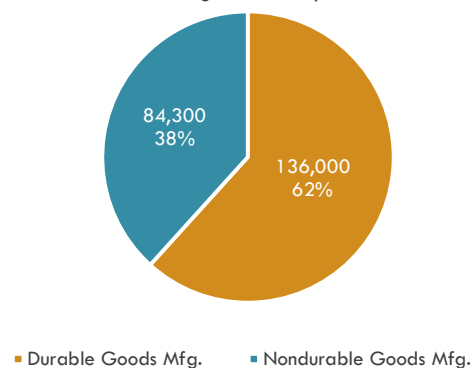
Chart 31. Manufacturing (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 32). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 18 percent less than the national average.

Chart 32. Employment in Component Industries of Manufacturing Sector - April 2022

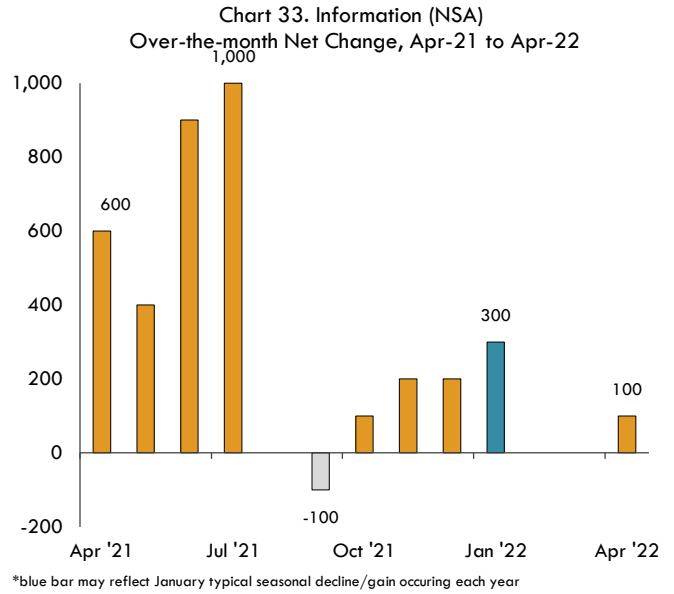


GAINING INDUSTRY HIGHLIGHTS

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 April, Information has lost an average of -100 jobs over the month, which indicates that this month's gains are moderately in contrast to the long-term average decline. 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 March to April. Information employment was revised upward by 100 jobs for a February to March complete erasure of losses resulting in a net change of zero compared to an original estimate of -100 jobs.

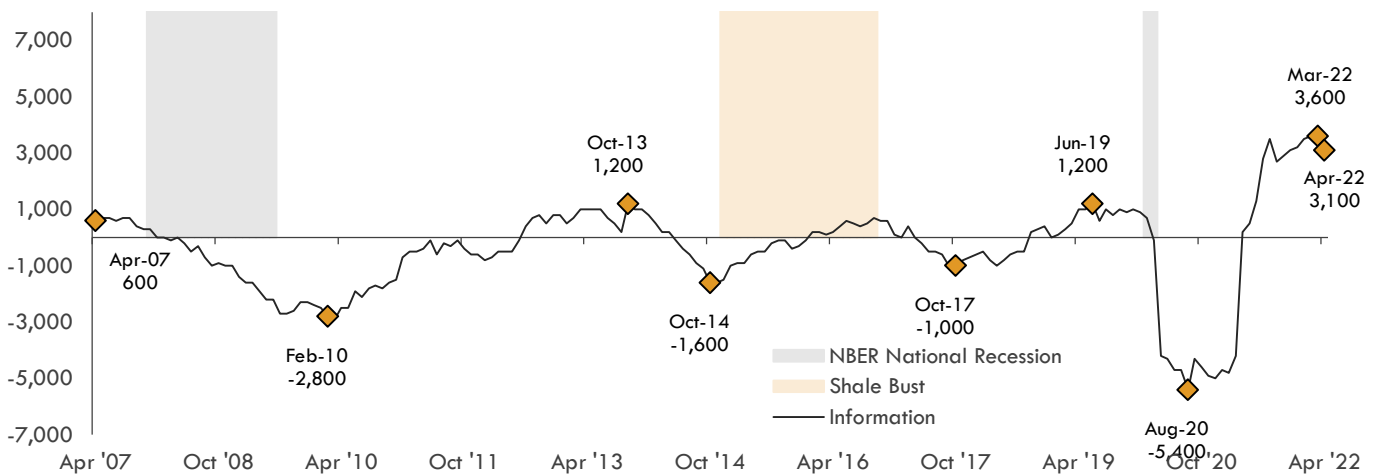


Over-the-year Change

Year over year, Information was up 3,100 jobs, or 10.9 percent (see Chart 34). This was the third-largest over-the-year gain in April since records began in 1990. It also marks 13 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. Other Information Undefined was the largest contributor to the overall sector's increase, up 3,000 jobs over the year. The second-largest contributor was Telecommunications, which added 100 jobs from April a year ago. Total Information employment

(NSA) remains -1,100 jobs, or -3.4 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 0.9 percent over the past year.

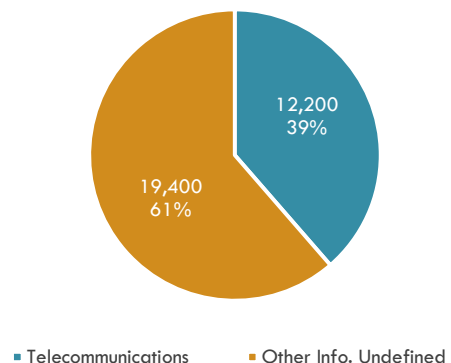
Chart 34. Information (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 61 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Information sector is 49 percent less than the national average.

Chart 35. Employment in Component Industries of Information Sector - April 2022



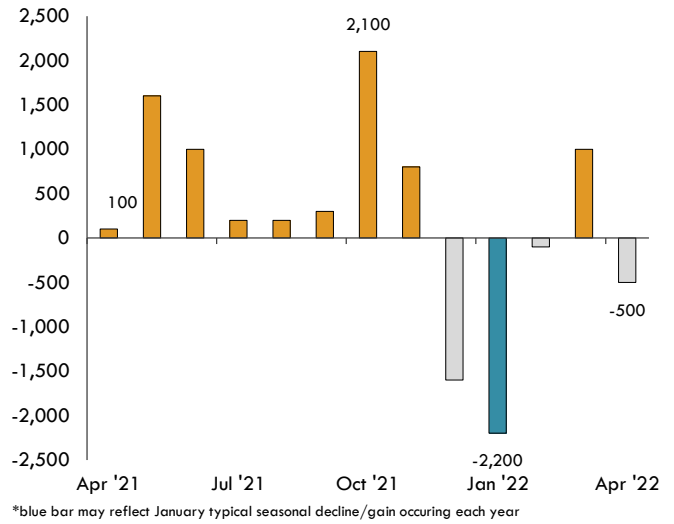
DECLINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services was the largest declining sector over the month down -500 jobs, or -0.5 (see Chart 36). This was the largest April decline since 2020 and the second-largest decline historically for the month of April since records began in 1990. Historically in the month of April, Other Services has added an average of 1,700 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. 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 -400 jobs for a February to March smaller net gain of 1,000 compared to an original estimate of 1,400 jobs.

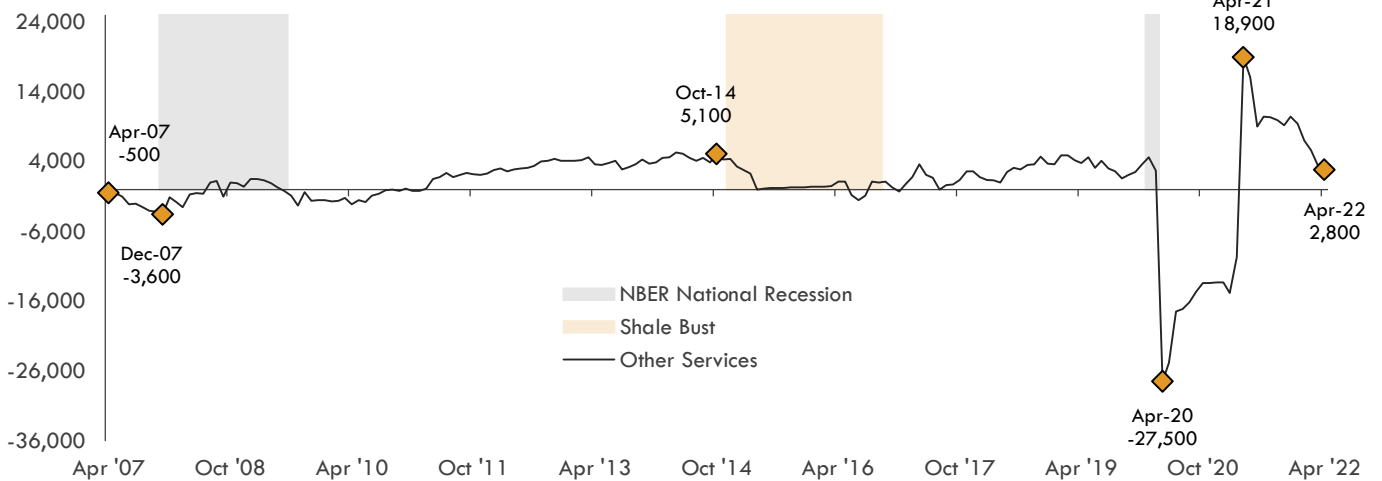
Chart 36. Other Services (NSA)
Over-the-month Net Change, Apr-21 to Apr-22



Over-the-year Change

Year over year, Other Services was up 2,800 jobs, or 2.6 percent (see Chart 37). This April also marks 13 consecutive months of over-the-year gains. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) remains -8,700 jobs, or -7.3 percent below its February 2020 pre-pandemic level of 119,100. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 3.6 percent to 3.5 percent over the past year.

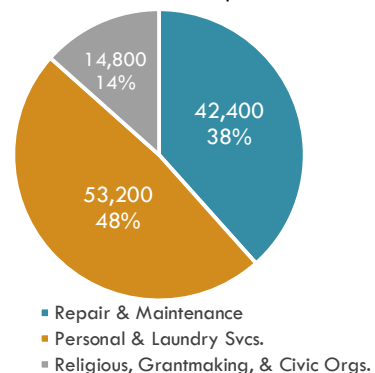
Chart 37. Other Services (NSA)
Over-the-year Net Change, Apr-07 to Apr-22



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 38). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 8 percent less than the national average.

Chart 38. Employment in Component Industries of
Other Services Sector - April 2022



*estimated proportions based QCEW covered and NES self-employment

Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.1 percent in April, down from March's 4.4 percent and down from 6.7 percent a year ago. This was above the statewide rate of 3.7 percent and above the national rate of 3.3 percent. An over-the-month decline in April is typical having occurred nearly 85 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 143,736 individuals were unemployed in Houston in April, down from March's 151,576 and down from 228,906 in April 2021 (see Charts 39 and 40).

Chart 39. Unemployment Rates (NSA)
U.S., Texas, and Houston MSA
April 2022

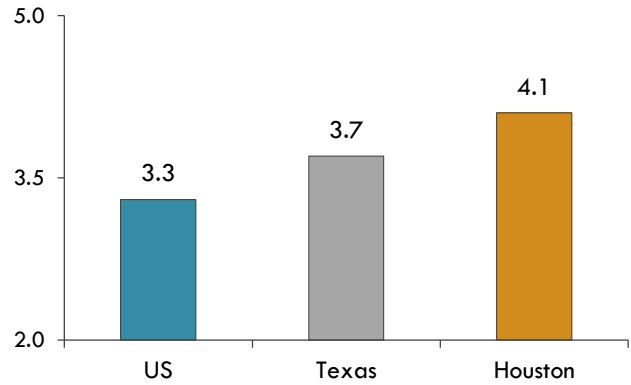
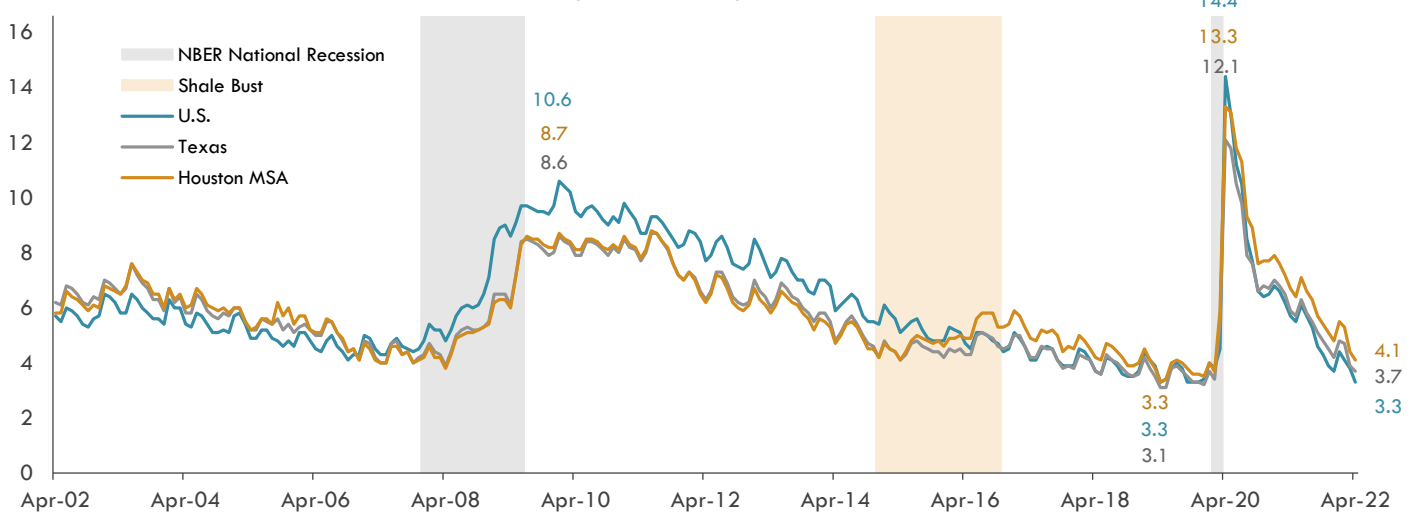


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
April 2002 to April 2022

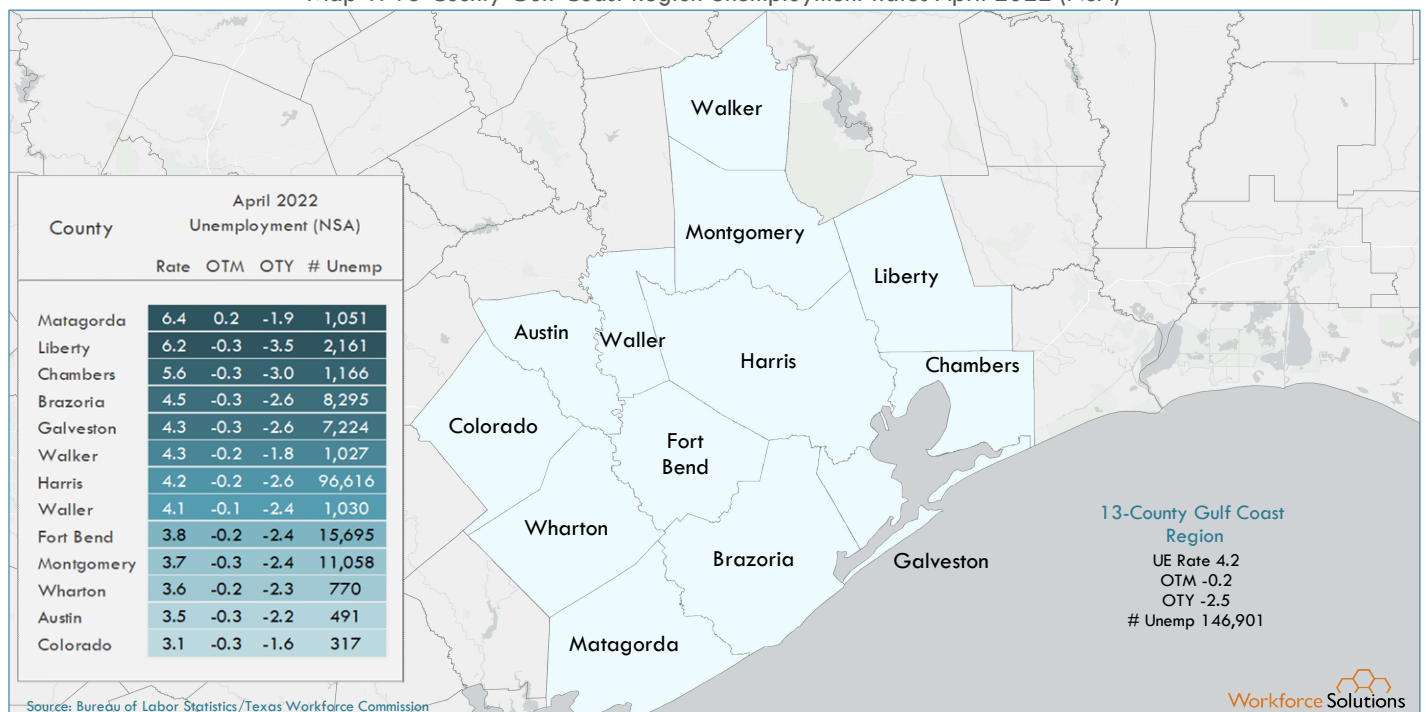


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in April ranged from a high of 6.4 percent in Matagorda County to a low of 3.1 percent in Colorado. Over the month, 12 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.2 percentage points while one increased. Colorado saw the largest percentage-point decrease in unemployment down -0.3 pp. representing -27 fewer unemployed workers compared to the previous month. This was followed by Austin (-0.3 pp, -41 workers) and Liberty

(-0.3 pp, -139 workers). Over the year unemployment rates also fell, with Liberty posting the largest decrease, down -3.5 percentage points representing -1,208 fewer unemployed workers compared to a year ago followed by Chambers (-3.0 pp, -596 workers) and Brazoria (-2.6 pp, -4,512 workers). Since peaking at 446,307 in May 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -299,406 as of this April (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates April 2022 (NSA)



Local Area Unemployment Statistics (continued)

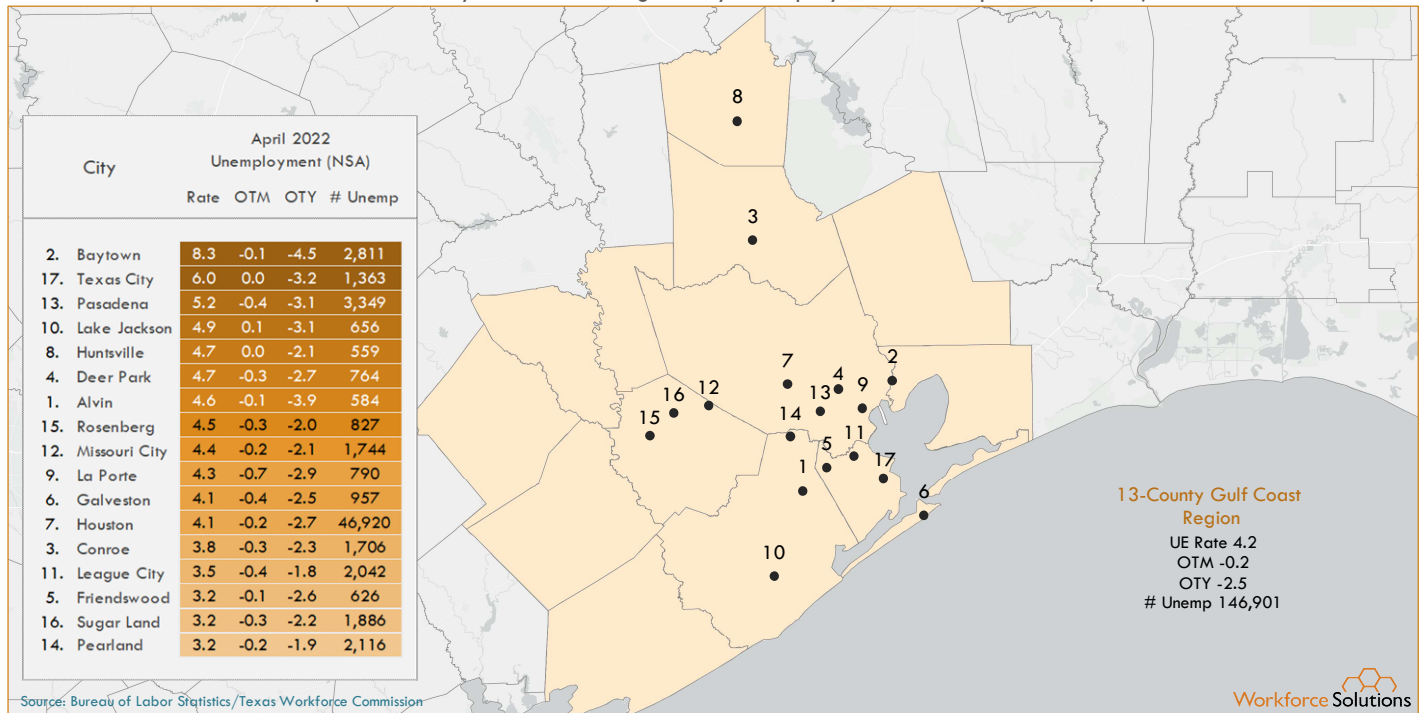
Not-Seasonally Adjusted

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 April ranged from a high of 8.3 percent in Baytown to a low of 3.2 percent in Pearland (see Map 2 legend). Over the month, 14 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.2 percentage points while two saw no changes and one increased. La Porte saw the largest

percentage-point decrease in unemployment down -0.7 pp. representing -140 fewer unemployed workers compared to the previous month. This was followed by Pasadena (-0.4 pp, -327 workers) and League City (-0.4 pp, -231 workers). Over the year unemployment rates also fell, with Baytown posting the largest decrease, down -4.5 percentage points representing -1,546 fewer unemployed workers compared to a year ago followed by Alvin (-3.9 pp, -486 workers) and Texas City (-3.2 pp, -690 workers). The 17 cities below accounted for 47 percent of the 146,901 unemployed workers across the Gulf Coast Region as of this April (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates April 2022 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 5.0 percent in March, down from February's 5.3 percent and down from 7.9 percent a year ago. This was above the statewide rate of 4.4 percent and above the national rate of 3.6 percent. 173,604 individuals were unemployed in Houston in March, down from February's 181,652 and down from 265,056 in March 2021 (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
 March 2022

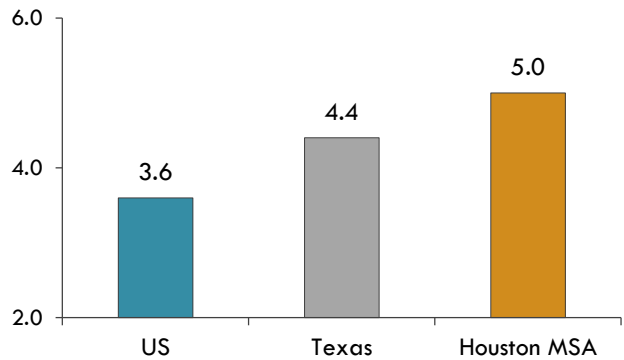
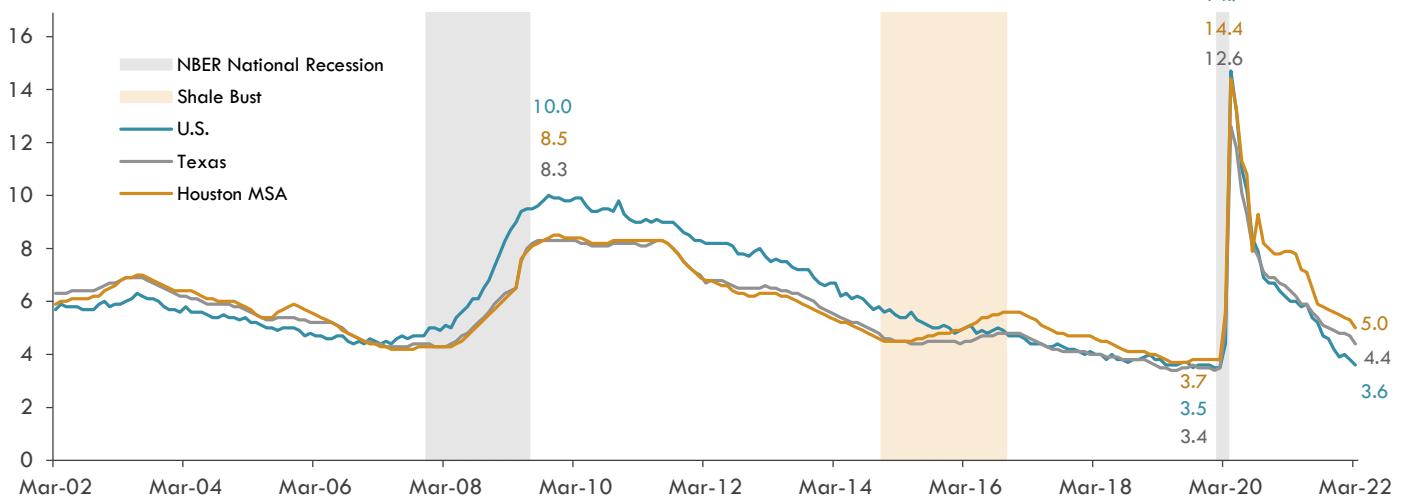


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
 March 2002 to March 2022



Gulf Coast Workforce Solutions Index (WSI)

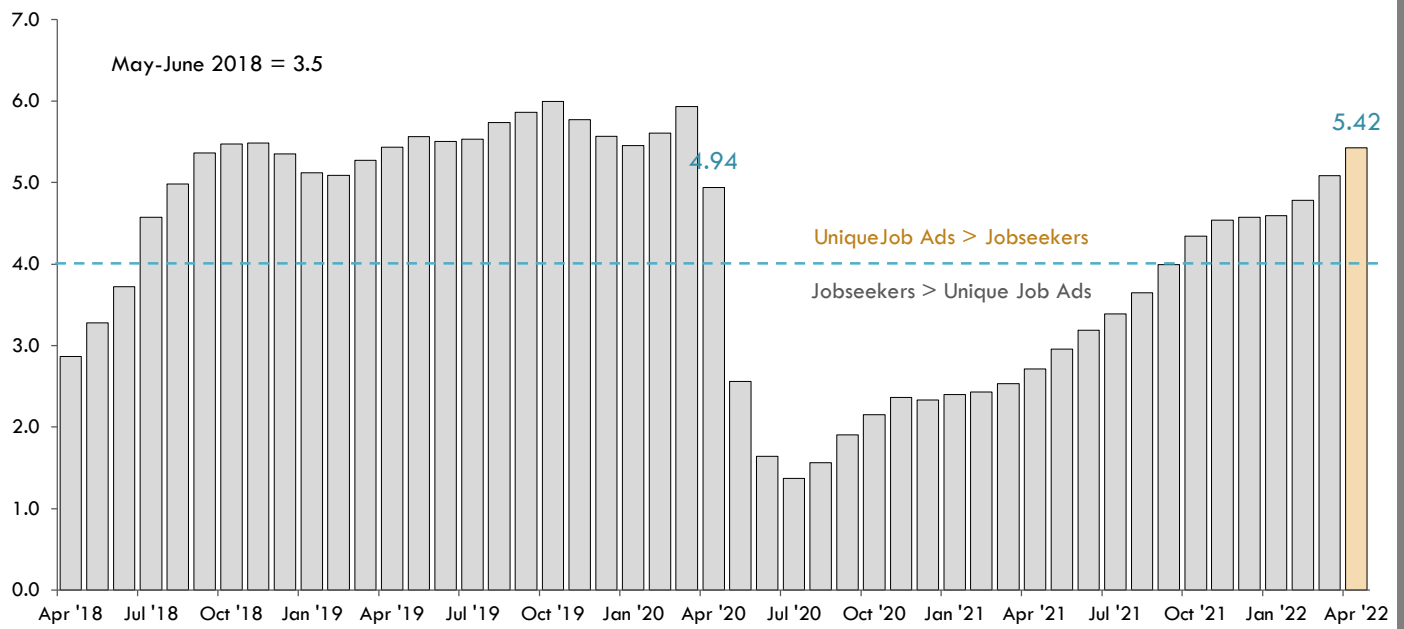


The Gulf Coast Workforce Solutions Index (WSI)

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
April
2022:
5.42

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



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS



Workforce Solutions Index April 2022

The Houston MSA WSI for February stood at 5.42, up from March's revised reading of 5.08, and marking seven consecutive months with a reading at or above 4.0. This was the second reading above 5.0 since March 2020 at the start of the COVID-19 global pandemic. As of this April there were approximately 48,000 more active job ads than unemployed individuals across the region reinforcing the notion that current labor market dynamics are in favor of jobseekers relative to employers. As context, in April 2021 there were 89,000 more jobseekers than ads. April's reading reaffirms the strength of Houston's labor market and continues to suggest that a minimum requirement of five work search activities per week could be appropriate for unemployed individuals receiving UI benefits.



Houston Area Employment Situation

April 2022

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Apr-22	Mar-22	Apr-21	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,198,300	3,168,600	3,028,600	29,700	0.9%	169,700	5.6%
Total Private	2,761,900	2,734,500	2,605,700	27,400	1.0%	156,200	6.0%
Goods Producing	511,200	505,300	480,300	5,900	1.2%	30,900	6.4%
.Mining and Logging	68,400	67,200	59,800	1,200	1.8%	8,600	14.4%
...Oil and Gas Extraction	32,600	32,000	29,300	600	1.9%	3,300	11.3%
...Support Activities for Mining	33,500	33,000	29,100	500	1.5%	4,400	15.1%
.Construction	222,500	218,800	209,500	3,700	1.7%	13,000	6.2%
..Construction of Buildings	54,200	52,800	49,400	1,400	2.7%	4,800	9.7%
..Heavy and Civil Engineering Construction	53,800	52,900	51,000	900	1.7%	2,800	5.5%
..Specialty Trade Contractors	114,500	113,100	109,100	1,400	1.2%	5,400	4.9%
.Manufacturing	220,300	219,300	211,000	1,000	0.5%	9,300	4.4%
..Durable Goods	136,000	135,300	128,800	700	0.5%	7,200	5.6%
...Fabricated Metal Product Manufacturing	47,200	47,400	44,200	-200	-0.4%	3,000	6.8%
...Machinery Manufacturing	39,500	39,100	38,300	400	1.0%	1,200	3.1%
...Agriculture, Construction, and Mining Machinery Mfg.	20,000	20,000	19,700	0	0.0%	300	1.5%
...Computer and Electronic Product Manufacturing	12,800	12,800	12,700	0	0.0%	100	0.8%
..Non-Durable Goods	84,300	84,000	82,200	300	0.4%	2,100	2.6%
...Petroleum and Coal Products Manufacturing	8,400	8,200	8,100	200	2.4%	300	3.7%
...Chemical Manufacturing	40,300	39,700	39,600	600	1.5%	700	1.8%
Service Providing	2,687,100	2,663,300	2,548,300	23,800	0.9%	138,800	5.4%
.Private Service Providing	2,250,700	2,229,200	2,125,400	21,500	1.0%	125,300	5.9%
..Trade, Transportation, and Utilities	660,200	656,900	618,700	3,300	0.5%	41,500	6.7%
...Wholesale Trade	170,300	165,600	159,400	4,700	2.8%	10,900	6.8%
....Merchant Wholesalers, Durable Goods	105,600	100,600	97,700	5,000	5.0%	7,900	8.1%
....Prof. and Commercial Equip. Supplies Wholesalers	17,600	17,400	16,600	200	1.1%	1,000	6.0%
....Merchant Wholesalers, Nondurable Goods	53,500	53,600	51,100	-100	-0.2%	2,400	4.7%
...Retail Trade	319,500	320,400	299,300	-900	-0.3%	20,200	6.7%
....Motor Vehicle and Parts Dealers	43,100	43,000	41,400	100	0.2%	1,700	4.1%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,600	24,600	25,000	-1,000	-4.1%	-1,400	-5.6%
....Food and Beverage Stores	71,200	71,300	69,300	-100	-0.1%	1,900	2.7%
....Health and Personal Care Stores	20,700	20,900	19,300	-200	-1.0%	1,400	7.3%
....Clothing and Clothing Accessories Stores	23,500	23,600	21,200	-100	-0.4%	2,300	10.8%
....General Merchandise Stores	63,500	63,800	57,500	-300	-0.5%	6,000	10.4%
....Department Stores	20,000	20,300	18,200	-300	-1.5%	1,800	9.9%
....Other General Merchandise Stores	43,500	43,500	39,300	0	0.0%	4,200	10.7%
...Transportation, Warehousing, and Utilities	170,400	170,900	160,000	-500	-0.3%	10,400	6.5%
....Utilities	17,400	17,400	17,400	0	0.0%	0	0.0%
....Air Transportation	19,100	18,900	17,800	200	1.1%	1,300	7.3%
....Truck Transportation	28,700	28,300	27,000	400	1.4%	1,700	6.3%
....Pipeline Transportation	12,500	12,500	12,200	0	0.0%	300	2.5%
..Information	31,600	31,500	28,500	100	0.3%	3,100	10.9%
...Telecommunications	12,200	12,300	12,100	-100	-0.8%	100	0.8%
..Financial Activities	172,500	171,300	167,300	1,200	0.7%	5,200	3.1%
...Finance and Insurance	110,400	110,300	106,500	100	0.1%	3,900	3.7%
....Credit Intermediation and Related Activities	46,600	46,000	45,200	600	1.3%	1,400	3.1%
....Depository Credit Intermediation	29,800	29,700	29,200	100	0.3%	600	2.1%
....Securities, Commodity Contracts, and Fin. Investments	21,500	21,500	21,100	0	0.0%	400	1.9%
....Insurance Carriers and Related Activities	42,300	42,800	40,200	-500	-1.2%	2,100	5.2%
...Real Estate and Rental and Leasing	62,100	61,000	60,800	1,100	1.8%	1,300	2.1%
..Professional and Business Services	512,800	505,600	495,500	7,200	1.4%	17,300	3.5%
...Professional, Scientific, and Technical Services	247,200	245,600	239,600	1,600	0.7%	7,600	3.2%
....Legal Services	29,800	29,500	28,500	300	1.0%	1,300	4.6%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,200	27,100	26,300	100	0.4%	900	3.4%
....Architectural, Engineering, and Related Services	69,800	67,700	65,400	2,100	3.1%	4,400	6.7%
....Computer Systems Design and Related Services	38,700	38,200	36,900	500	1.3%	1,800	4.9%
...Management of Companies and Enterprises	43,500	43,400	42,800	100	0.2%	700	1.6%
...Admin. and Support and Waste Mgmt. and Remediation	222,100	216,600	213,100	5,500	2.5%	9,000	4.2%
....Administrative and Support Services	212,300	206,800	201,800	5,500	2.7%	10,500	5.2%
....Employment Services	84,100	84,000	77,600	100	0.1%	6,500	8.4%
....Services to Buildings and Dwellings	50,100	49,500	51,200	600	1.2%	-1,100	-2.1%
..Educational and Health Services	431,200	426,500	405,900	4,700	1.1%	25,300	6.2%
...Educational Services	73,100	72,200	63,500	900	1.2%	9,600	15.1%
...Health Care and Social Assistance	358,100	354,300	342,400	3,800	1.1%	15,700	4.6%
....Ambulatory Health Care Services	177,200	176,900	172,200	300	0.2%	5,000	2.9%
....Hospitals	91,000	90,400	87,200	600	0.7%	3,800	4.4%
..Leisure and Hospitality	332,000	326,500	301,900	5,500	1.7%	30,100	10.0%
...Arts, Entertainment, and Recreation	33,900	31,200	29,500	2,700	8.7%	4,400	14.9%
...Accommodation and Food Services	298,100	295,300	272,400	2,800	0.9%	25,700	9.4%
....Accommodation	23,900	23,000	20,300	900	3.9%	3,600	17.7%
....Food Services and Drinking Places	274,200	272,300	252,100	1,900	0.7%	22,100	8.8%
..Other Services	110,400	110,900	107,600	-500	-0.5%	2,800	2.6%
Government	436,400	434,100	422,900	2,300	0.5%	13,500	3.2%
.Federal Government	31,600	31,800	30,900	-200	-0.6%	700	2.3%
.State Government	95,700	95,700	92,400	0	0.0%	3,300	3.6%
..State Government Educational Services	55,400	55,700	52,700	-300	-0.5%	2,700	5.1%
.Local Government	309,100	306,600	299,600	2,500	0.8%	9,500	3.2%
..Local Government Educational Services	216,400	215,200	206,000	1,200	0.6%	10,000	4.8%