

Houston Area Employment Situation

August 2022

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Don't Panic Just Yet but the Yellow Team Just Pulled Ahead

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,273,100 in August, up 5,400 jobs over the month, or 0.2 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 3,100 jobs. This was the largest August over-the-month gain in since 2020. Prior to the pandemic, historically in the month of August, Total Nonfarm has on average added 7,500 jobs over the month, which indicates that this month's gains are moderately below the long-term average.

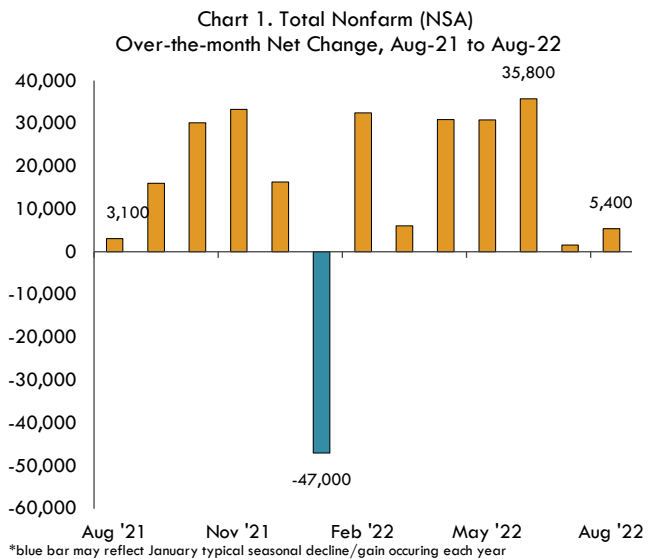
The primary drivers of this August's growth were increases in Leisure and Hospitality; Professional and Business Services; and Education and Health Services. Gains were also recorded in Financial Activities; Construction; and Manufacturing. The net increase in jobs over the month was partially offset by losses in Government; Trade, Transportation, and Utilities; and Mining and Logging. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,285,300, up 15,600 jobs over the month, or 0.5 percent vs. a historical average of 4,500. This was the largest August gain since 2020 and the second-largest gain historically for the month of August since records began in 1990. This August marks 18 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 August

- Leisure and Hospitality: 6,000
- Professional and Business Services: 5,300
- Education and Health Services: 3,700

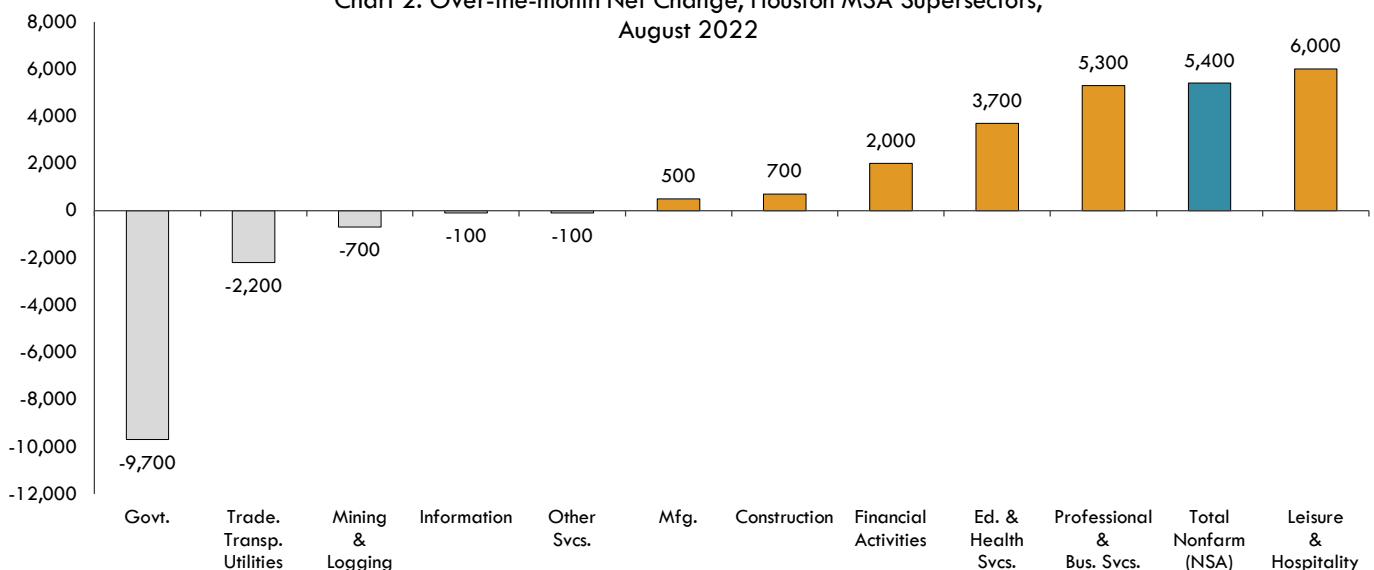
Over-the-year Change

Over the year, Total Nonfarm employment was up 191,900 or 6.2 percent on a not-seasonally-adjusted basis and up 193,600 or 6.3 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, August 2021 saw a year-over-year gain of 156,800 jobs (NSA) from August 2020. This was the largest-ever over-the-year gain in August and the third-largest gain on record. Currently 10 out of 11 sectors show growth year over year of which the top-three are Leisure and Hospitality (39,000); Trade,



Transportation, and Utilities (37,800); and Construction (33,500) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,192,200 jobs by 80,900, or 2.5 percent (85,100 jobs, 2.7 percent above 3,200,200 seasonally adjusted).

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



Houston Area Employment Situation

August 2022

Previous Month's Revisions

Total Nonfarm employment was revised upward by 700 jobs for a June to July larger net gain of 1,600 compared to an original estimate of 900 jobs. An upward revision of +2,100 jobs in Government was the largest contributor followed by Construction (+1,700) and Financial Activities (+600). Downward revisions in Mining and Logging (-1,900), Professional and Business Services (-1,300), and Trade, Transportation, and Utilities (-900) 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 August

- Leisure and Hospitality: 39,000
- Trade, Transportation, and Utilities: 37,800
- Construction: 33,500

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

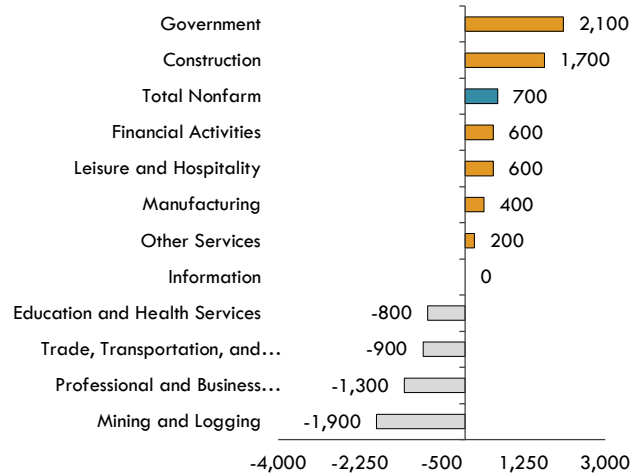


Chart 3. Total Nonfarm (NSA) Over-the-year Net Change, Aug-07 to Aug-22

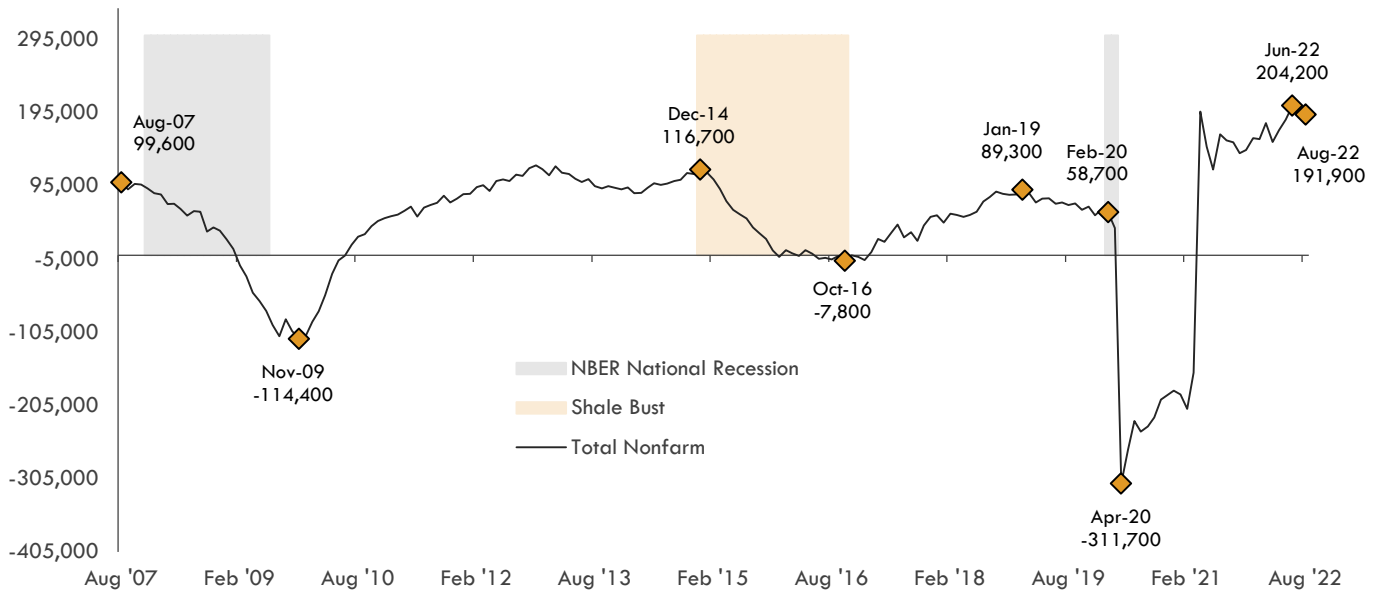
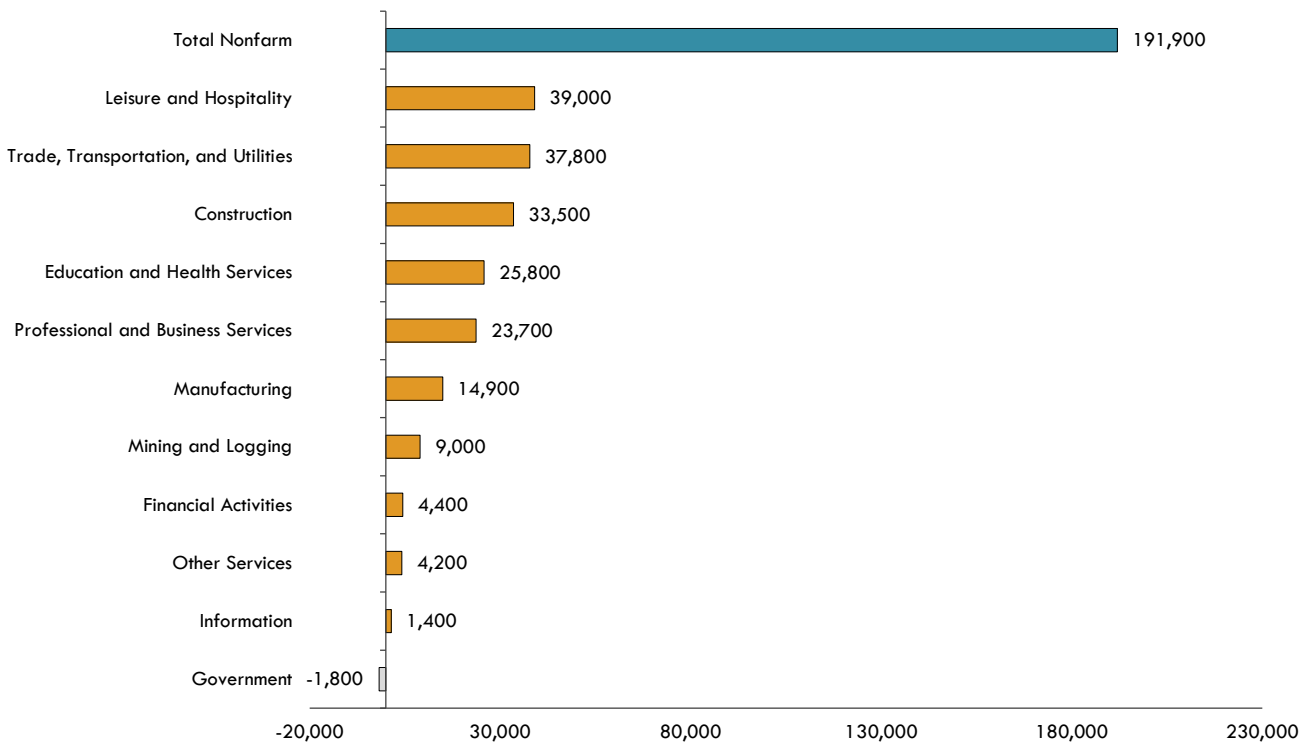


Chart 4. Over-the-year Net Change, Houston MSA Supersectors, August 2021 to August 2022



Supplemental Commentary

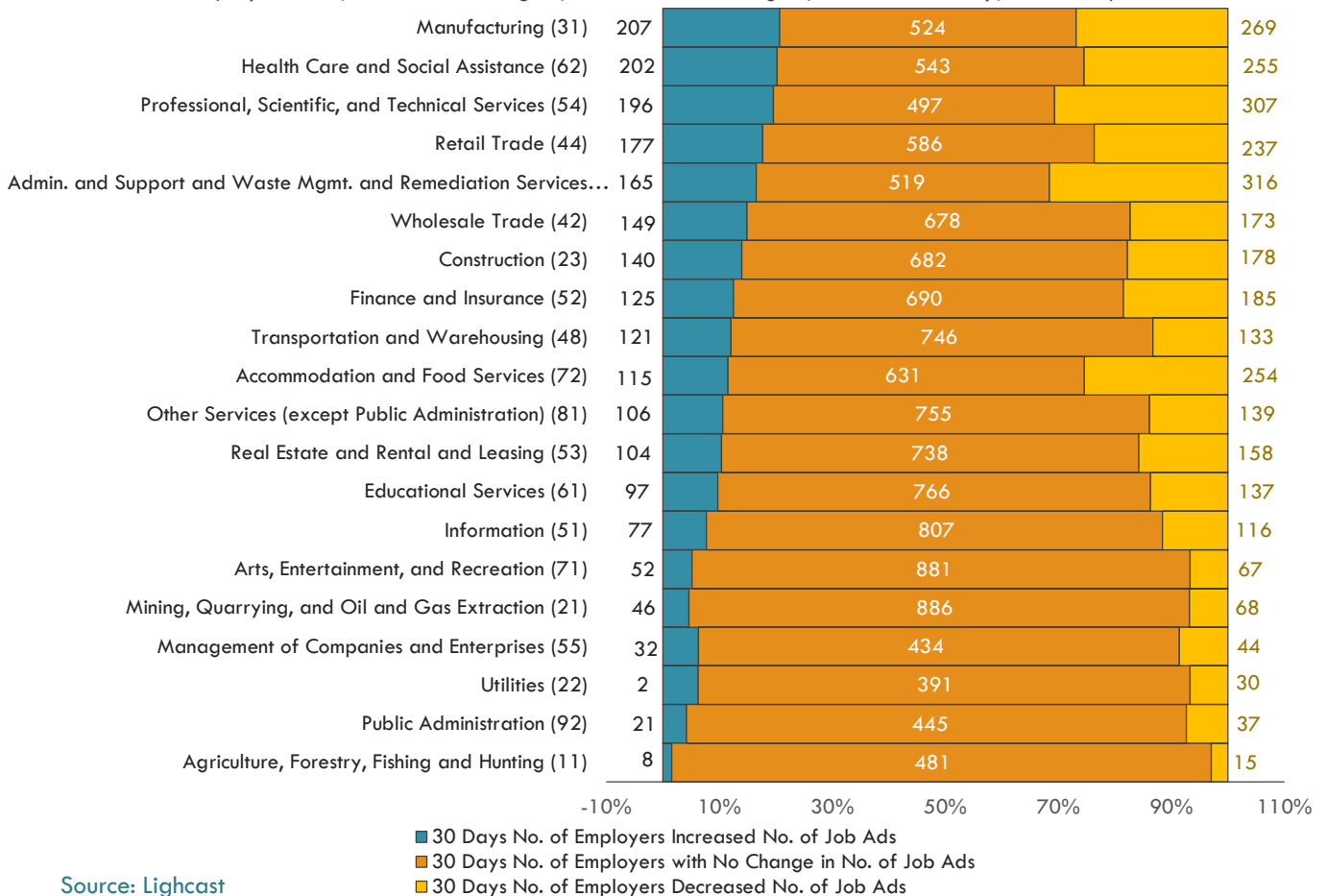
Overall Impressions

August payrolls presented a mixed bag. One hand, over-the-month job growth not-seasonally-adjusted at 5,400 proved to be “meh” in the words of Lisa Simpson. On the other hand, we saw yet another record-breaking month, bested only by the same month back in 2020, based on seasonally-adjusted figures, which rose 15,600 this August. The fact that there was relatively less agreement between seasonally and not-seasonally-adjusted figures is noteworthy due to the fact that April, May, June, and July saw all-time best or second-best numbers for their respective months between both series. Whether this divergence is meaningful or not remains to be seen however it’s worth keeping in mind that unstable seasonal patterns, which have clearly been disrupted over the past two years, can lead to questionable seasonal adjustments. The moral of the story is that the only remedy for ambiguity will come next spring once figures from this year are revised.

Turning to other barometers of the job market covered in previous editions of this report we find that Mining and Logging and Manufacturing, representing much of oil and gas, continue post total employment that remain below February 2020 levels. This despite the fact that the former is up 15.2 percent over the year while the latter is up 7.0 percent. As oil drifts farther and farther from the highs seen earlier this year, the window of opportunity for these sectors to fully recover may be closing should the economy begin to show unequivocal signs of slowing. After struggling for much of last year, the Construction sector seems to have finally found its footing posting 16-percent year-over-year growth though it’s hard to imagine this continuing as interest rates continue to rise and the housing market cools. Other measures such as initial unemployment claims have yet signal any meaningful change in trend at the local level while the unemployment rate, which is still in a downward aka desirable trend, appears to be making incrementally less progress with each passing month. Put another way, the UE may be reaching the lower limits of what’s possible for the region as the next phase of the business cycle begins.

In contrast, job ads may be signaling something more significant. The supplemental chart below, which I’ve unofficially dubbed the “Reverse Tug-o-war Chart,” tracks the number of employers posting more job ads compared the previous month, the same number, or less, by major industry sector. The measure is designed to be a snapshot of employer hiring sentiment during the most recent 30-day period compared to the previous 30-day period. In an ideal scenario, the blue bars, representing employers posting more ads, are longer than the yellow bars, representing employers scaling back hiring, hence the reverse tug-o-war. In reviewing past 30-day over 30-day charts going back to June 2020, I was unable to locate another example in which all major industry sectors showed more employers pulling job ads from the web than posting additional ones apart from the one below. This shift was the result of 30,000 unique active job ads disappearing between mid-August and mid-July. In total there roughly 3,100 employers removing ads versus 2,200 posting more over the two 30-day periods To be clear, there are still 230,000 job ads across the Gulf Coast Region compared to 166,000 unemployed individuals. Furthermore employers pulling back on hiring could simply signal that the worker supply-demand imbalance has finally begun to normalize as we reach the two-and-a-half year mark of the pandemic. But for now, all we can do is watch to see whether the momentum continues to favor “the yellow team” as we approach the fourth quarter of 2022.

Supplemental Chart 1.
Gulf Coast Region Count of Employers Increasing or Decreasing Job Ads by Sector
(September, 15 2022 to August, 16 2022 over August, 15 2022 to July, 16 2022)



Source: Lighcast

Note: employer sample size per sector <= 1,000

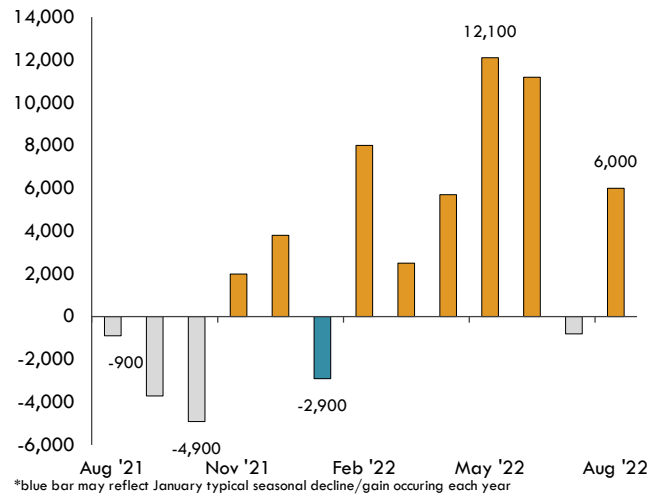
GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the largest gaining sector over the month up 6,000 jobs, or 1.7 percent (see Chart 6). This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 3,300 jobs in 2020. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 7,600 jobs over the month. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -1,600 jobs from July to August.

Chart 6. Leisure and Hospitality (NSA)
Over-the-month Net Change, Aug-21 to Aug-22

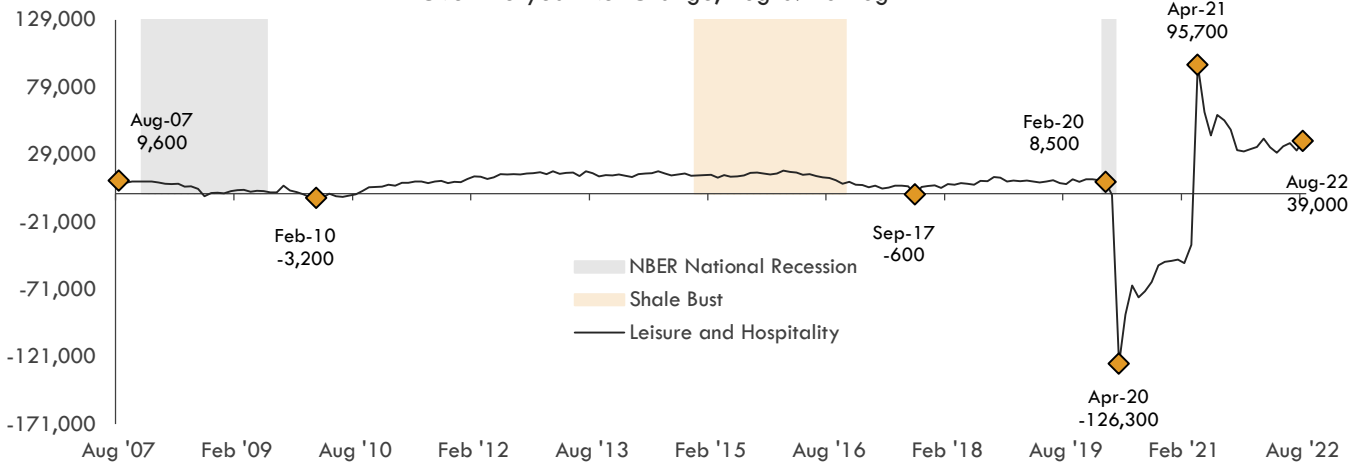


Over-the-year Change

Year over year, Leisure and Hospitality was up 39,000 jobs, or 12.1 percent (see Chart 7). This was the second-largest over-the-year gain in the month of August since records began in 1990 and the largest gain since February 2022's increase of 40,900 jobs. It also marks 17 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 20.1 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 35,300 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 3,700 jobs from August a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 26,200, or 7.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 10.4 percent to 11.0 percent over the past year.

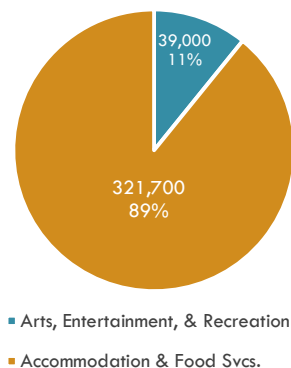
Chart 7. Leisure and Hospitality (NSA)
Over-the-year Net Change, Aug-07 to Aug-22



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, of exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 89 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 2 percent higher than the national average.

Chart 8. Employment in Component Industries of Leisure and Hospitality Sector - August 2022



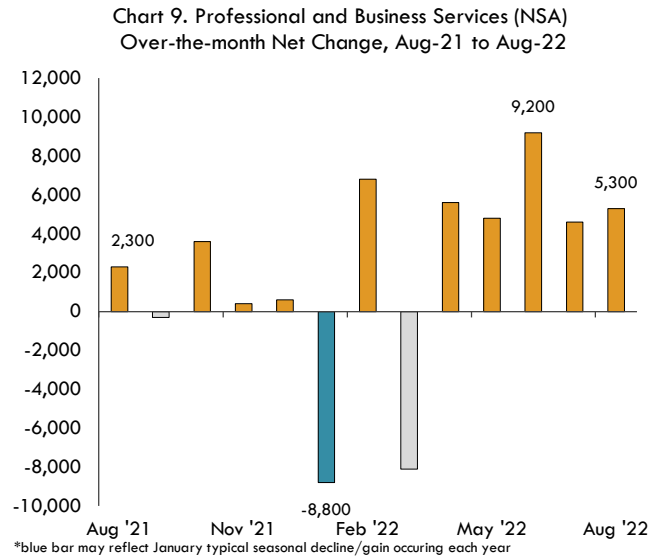
GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the second-largest gaining sector over the month up 5,300 jobs, or 1.0 percent (see Chart 9). This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 4,800 jobs in 2014. Historically in the month of August, Professional and Business Services has added an average of 1,800 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 5,600 jobs over the month. One component industry that provided a partial offset was Management of Companies and Enterprises, which lost -100 jobs from July to August. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's gains with a loss of -200 jobs. Professional and Business Services employment was revised downward by -1,300 jobs for a June to July smaller net gain of 4,600 compared to

an original estimate of 5,900 jobs.

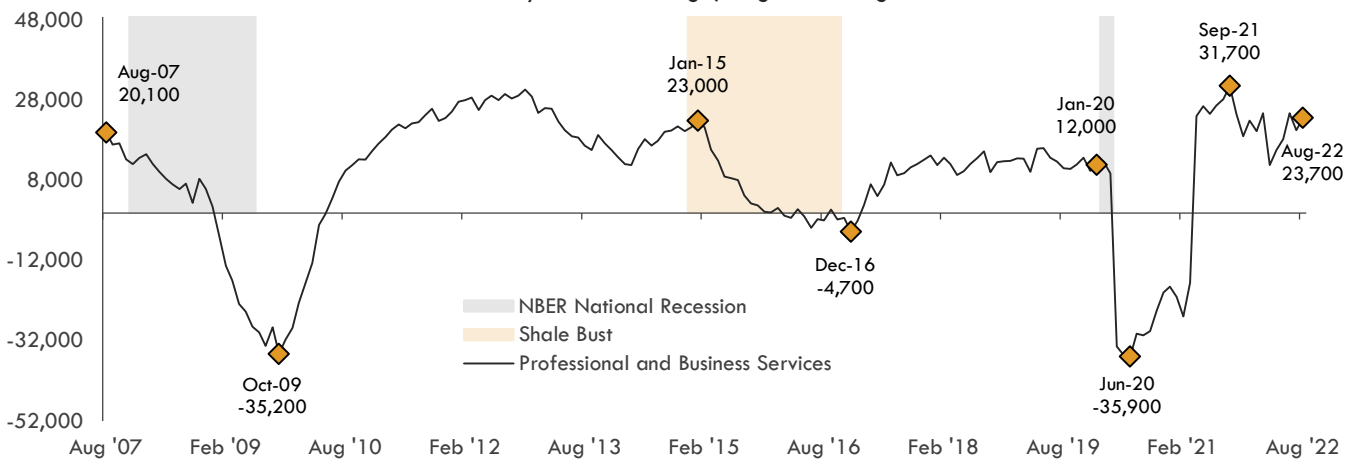


Over-the-year Change

Year over year, Professional and Business Services was up 23,700 jobs, or 4.6 percent (see Chart 10). This August also marks 17 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 11,800 jobs over the year. The second-largest contributor was Professional, Scientific, and Technical Services, which added 10,100 jobs from August a year ago. Lastly, Management of Companies and Enterprises contributed, 1,800 jobs. Total Professional and Business Services

by 20,400, or 4.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.6 percent to 16.3 percent over the past year.

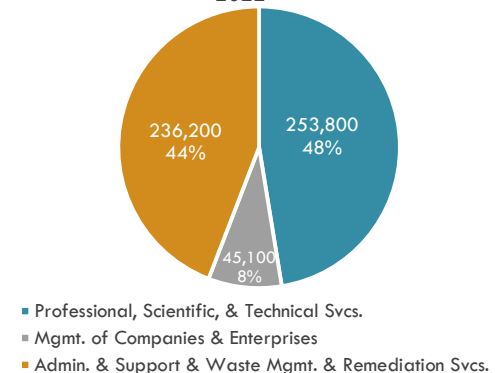
Chart 10. Professional and Business Services (NSA)
Over-the-year Net Change, Aug-07 to Aug-22



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 47 percent (see Chart 11). Across the Houston MSA, the concentration of jobs in the overall sector is 11 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 11. Employment in Component Industries of Professional and Business Services Sector - August 2022



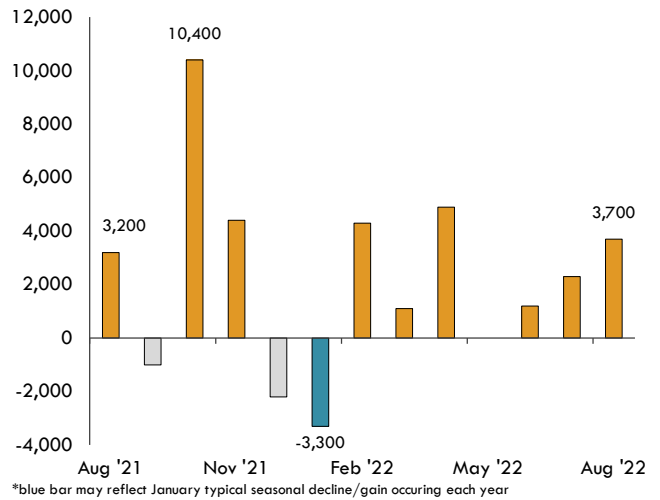
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services was the third-largest gaining sector over the month up 3,700 jobs, or 0.9 percent (see Chart 12). This was the largest August over-the-month gain in since 2020. Historically in the month of August, Education and Health Services has added an average of 2,600 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Educational Services was the largest contributor to the overall sector's increase, up 2,300 jobs over the month. The second-largest contributor was Health Care and Social Assistance, which added 1,400 jobs from July to August. Education and Health Services employment was revised downward by -800 jobs for a June to July smaller net gain of 2,300 compared to an original estimate of 3,100 jobs.

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

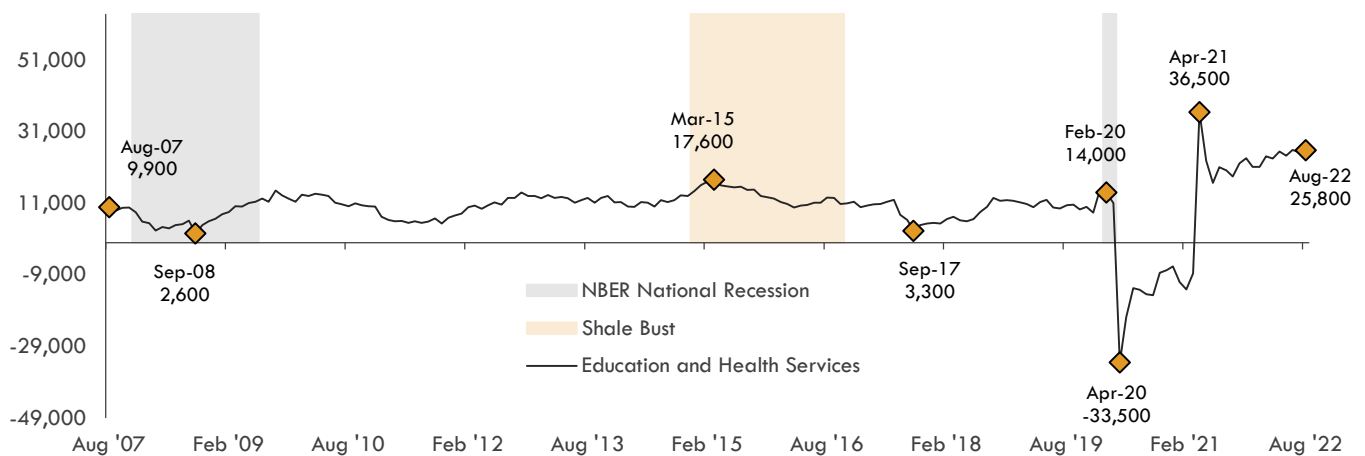


Over-the-year Change

Year over year, Education and Health Services was up 25,800 jobs, or 6.2 percent (see Chart 13). This was the largest-ever over-the-year gain in August and the third-largest gain on record. It also marks 17 consecutive months of over-the-year gains. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 17,100 jobs over the year. The second-largest contributor was Educational Services, which added 8,700 jobs from August a year ago. Total Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by

5.8 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.

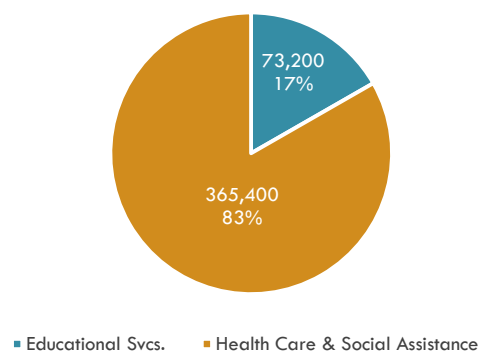
Chart 13. Education and Health Services (NSA)
Over-the-year Net Change, Aug-07 to Aug-22



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 - August 2022

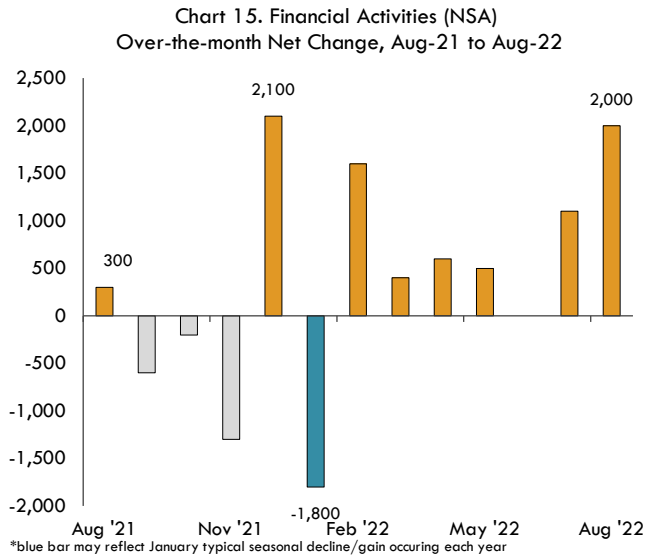


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 2,000 jobs, or 1.2 percent (see Chart 15). This was the largest-ever gain in the month of August since records began in 1990, beating the previous August record of 1,000 jobs in 2003, and now stands as the third-largest over-the-month increase of any month in the past three decades. Historically in the month of August, Financial Activities has added an average of 200 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Finance and Insurance was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. The second-largest contributor was Real Estate and Rental and Leasing, which added 800 jobs from July to August. Financial Activities employment was revised upward by 600 jobs for a June to July larger net gain of 1,100 compared to an original estimate of 500 jobs.

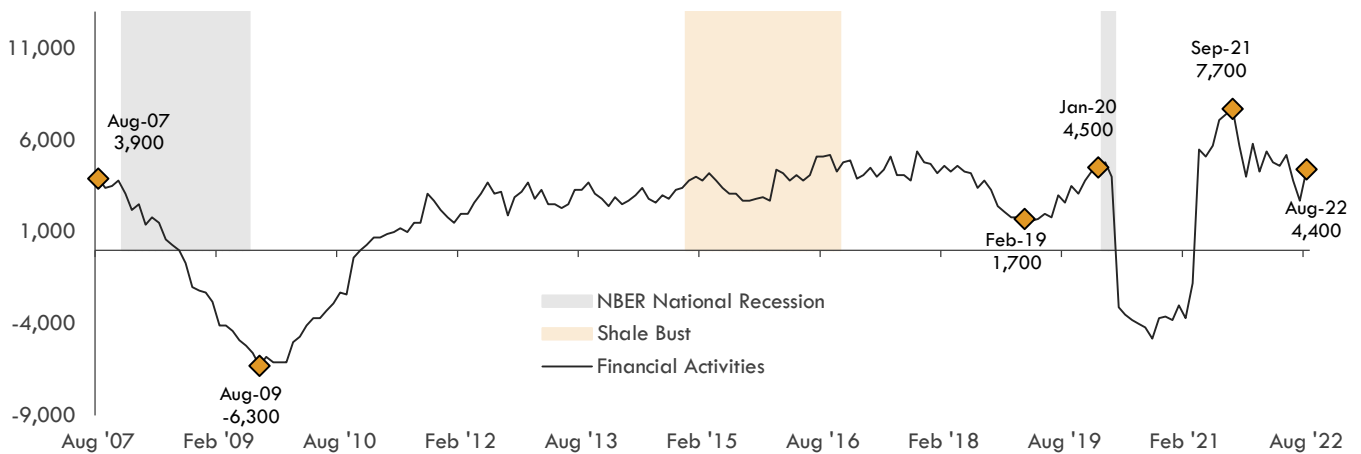


Over-the-year Change

Year over year, Financial Activities was up 4,400 jobs, or 2.6 percent (see Chart 16). This was the largest over-the-year gain since May 2022's increase of 5,200 jobs. It also marks nine consecutive months of over-the-year gains. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 2,500 jobs over the year. The second-largest contributor was Finance and Insurance, which added 1,900 jobs from August a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 6,300, or 3.7 percent.

At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 5.6 percent to 5.4 percent over the past year.

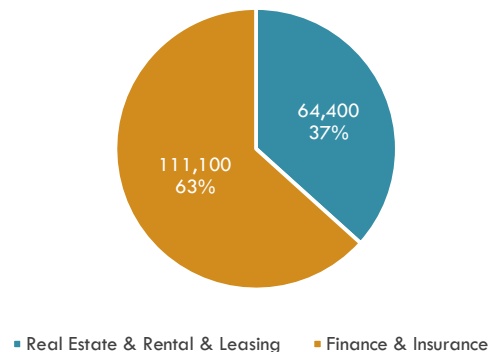
Chart 16. Financial Activities (NSA)
Over-the-year Net Change, Aug-'07 to Aug-'22



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 63 percent (see Chart 17). 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 22-percent lower concentration in Finance and Insurance offsetting a 25-percent higher concentration in Real Estate and Rental and Leasing.

Chart 17. Employment in Component Industries of
Financial Activities Sector - August 2022



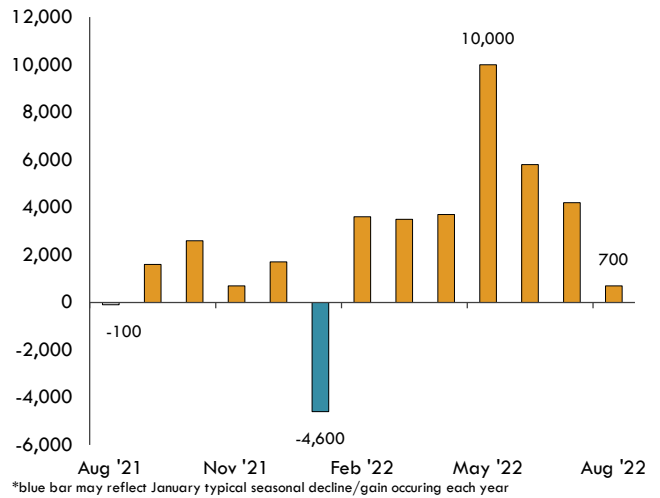
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction also saw an increase over the month up 700 jobs, or 0.3 percent (see Chart 18). This was the largest August over-the-month gain in since 2019. Historically in the month of August, Construction has added an average of 1,100 jobs over the month, which indicates that this month's gains are moderately below the long-term average. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Construction of Buildings, which added 400 jobs from July to August. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -100 jobs. Construction employment was revised upward by 1,700 jobs for a June to July larger net gain of 4,200 compared to an original estimate of 2,500 jobs.

Chart 18. Construction (NSA)
Over-the-month Net Change, Aug-21 to Aug-22

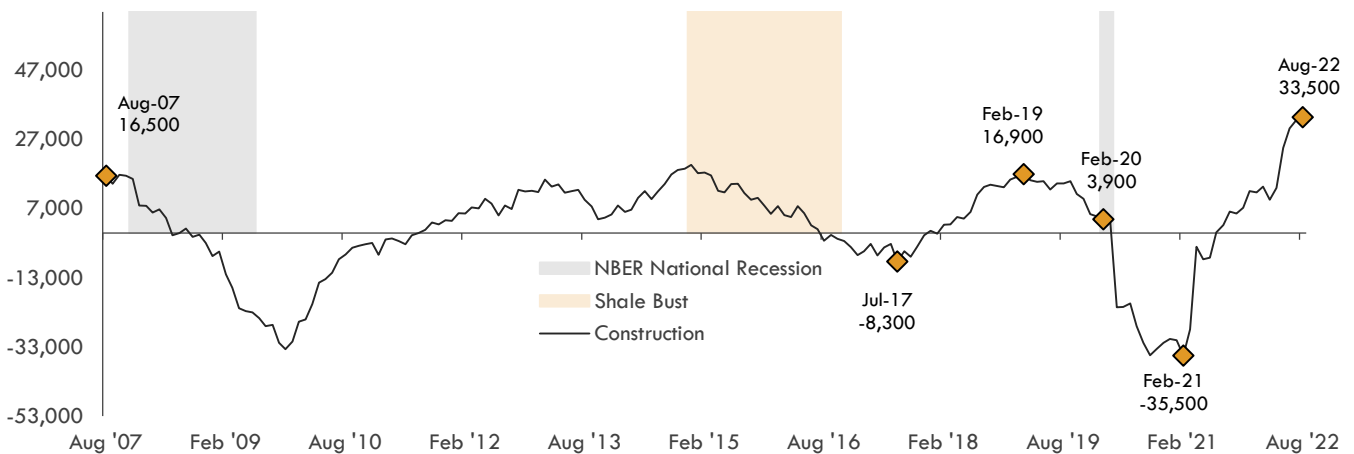


Over-the-year Change

Year over year, Construction was up 33,500 jobs, or 16.0 percent (see Chart 19). This was the largest-ever over-the-year gain in August or any other month since records began, beating the previous record of 32,700 jobs added in July 2022. It also marks 14 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. Furthermore, 17.3 percent of total (gross) jobs added across the region over the past year can be attributed to Construction. Specialty Trade Contractors was the largest contributor to the overall sector's

increase, up 19,500 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 7,300 jobs from August a year ago. Lastly, Construction of Buildings contributed, 6,700 jobs. Total Construction employment (NSA) now exceeds its February 2020 pre-pandemic level of 237,400 jobs by 5,800, or 2.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 6.8 percent to 7.4 percent over the past year.

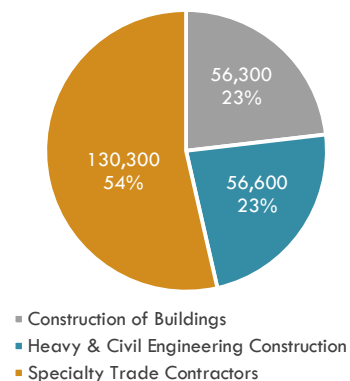
Chart 19. Construction (NSA)
Over-the-year Net Change, Aug-07 to Aug-22



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 54 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 43 percent higher than the national average, due to 2.3 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 20. Employment in Component Industries of Construction Sector - August 2022



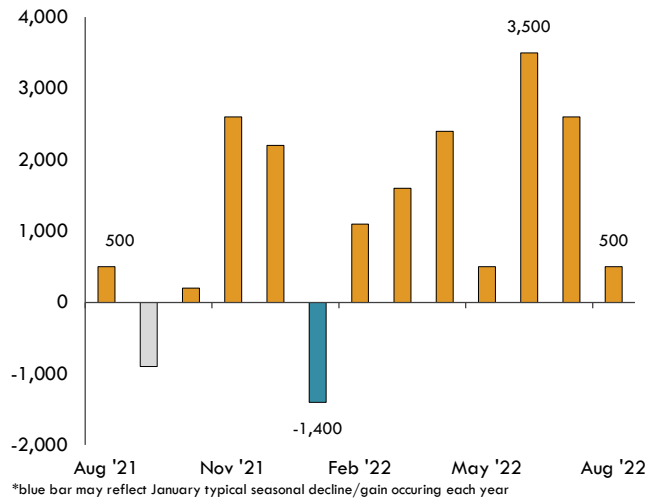
GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 500 jobs, or 0.2 percent (see Chart 21). Durable Goods was the largest contributor to the overall sector's increase, up 1,500 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which lost -1,000 jobs from July to August. Manufacturing employment was revised upward by 400 jobs for a June to July larger net gain of 2,600 compared to an original estimate of 2,200 jobs.

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

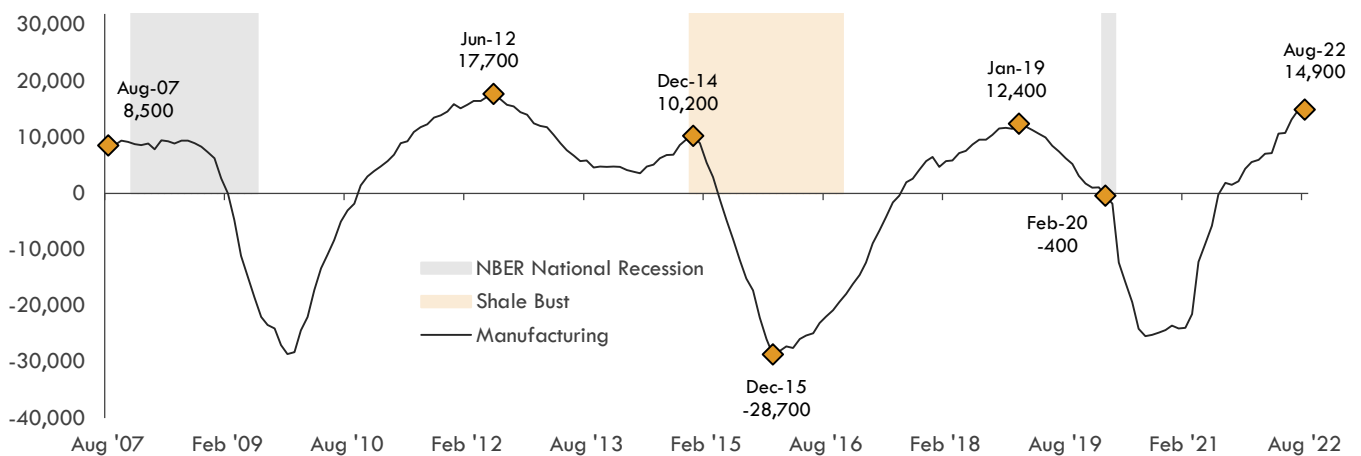


Over-the-year Change

Year over year, Manufacturing was up 14,900 jobs, or 7.0 percent (see Chart 22). This was the second-largest over-the-year gain in the month of August since records began in 1990. It also marks 13 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 11,400 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 3,500 jobs from August a year ago. Total Manufacturing employment (NSA) remains -5,700 jobs, or -2.4 percent below its February 2020 pre-pandemic level of 234,500. At the same time, the

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

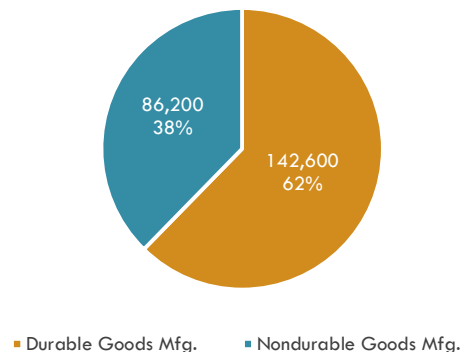
Chart 22. Manufacturing (NSA)
Over-the-year Net Change, Aug-07 to Aug-22



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 23). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 17 percent less than the national average.

Chart 23. Employment in Component Industries of Manufacturing Sector - August 2022



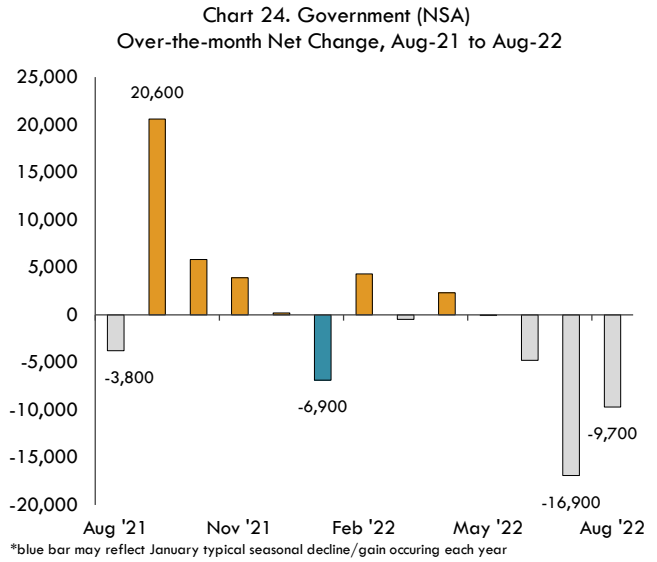
DECLINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the largest declining sector over the month down -9,700 jobs, or -2.3 (see Chart 24). This was the largest-ever decline in the month of August since records began in 1990. Historically in the month of August, Government has lost an average of -200 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. However seasonal losses have become normal in August since 2008 due to a change in the start date of the school year resulting in the return of public education jobs being delayed until September of each year. Local Government was the largest contributor to the overall sector's decline, down -9,800 jobs over the month. The second-largest declining contributor was Federal Government, which lost -200 jobs from July to August. Lastly, State Government offset a portion of the sector's losses with a gain of 300 jobs. Government employment was revised upward by 2,100 jobs for a June to July smaller net

loss of -16,900 compared to an original estimate of -19,000 jobs.

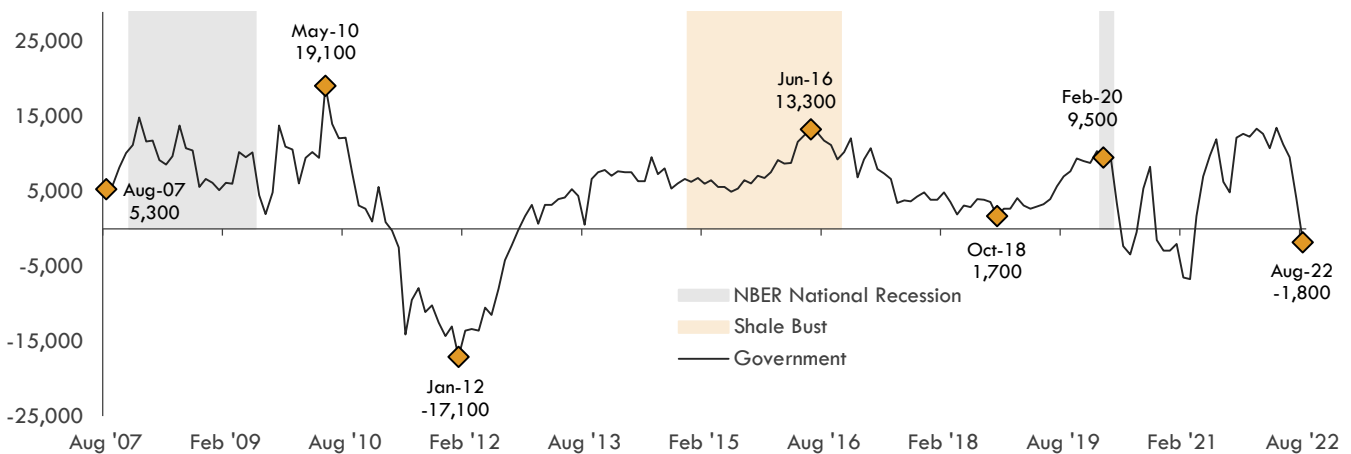


Over-the-year Change

Year over year, Government was down -1,800 jobs, or -0.4 percent (see Chart 25). This was the third-largest over-the-year decline in August since records began in 1990 and the largest over-the-year decline since March 2021's loss of -6,700 jobs. Furthermore, Government is the only major sector to currently post year-over-year declines. Local Government was the largest contributor to the overall sector's decline, down -4,300 jobs over the year. One component industry that provided a partial offset was Federal Government, which gained 700 jobs from August a year ago. Lastly, State Government offset a portion of the

sector's losses with a gain of 1,800 jobs. Total Government employment (NSA) remains -23,500 jobs, or -5.5 percent below its February 2020 pre-pandemic level of 428,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 13.2 percent to 12.4 percent over the past year.

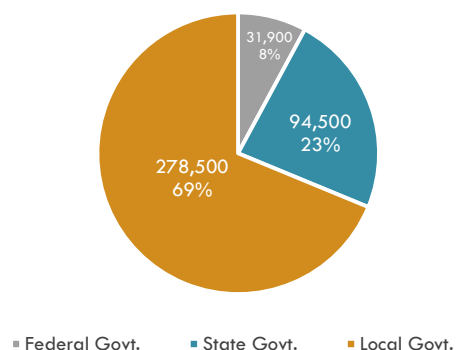
Chart 25. Government (NSA)
Over-the-year Net Change, Aug-07 to Aug-22



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 69 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Government sector is 12 percent less than the national average.

Chart 26. Employment in Component Industries of Government Sector - August 2022



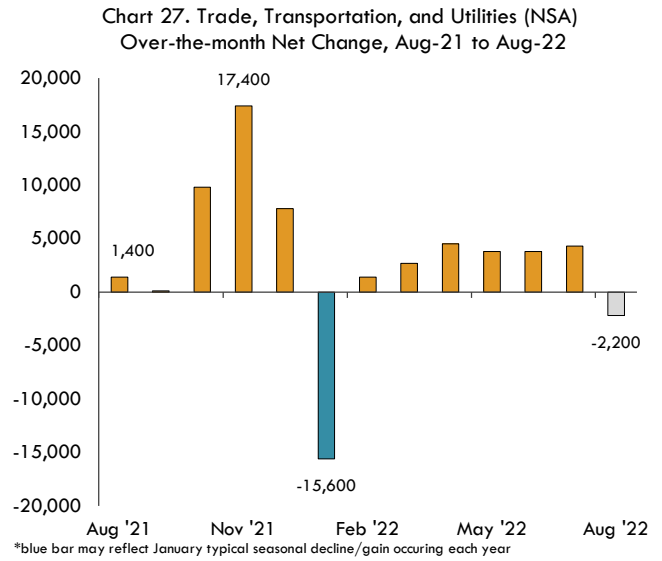
DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the second-largest declining sector over the month down -2,200 jobs, or -0.3 (see Chart 27). This was the first-ever decline in the month of August since records began in 1990. Historically in the month of August, Trade, Transportation, and Utilities has added an average of 2,700 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. However, it is possible that job growth that would have occurred in August was pulled forward into July given the gain of 4,300 jobs last month (the second-largest July gain on record). Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's decline, down -2,400 jobs over the month. One component industry, Retail Trade, saw no change from July to August. Lastly, Wholesale Trade offset a portion of the sector's losses with a gain of 200 jobs. Trade, Transportation, and Utilities employment was revised downward by -900 jobs for a June to July smaller net gain of 4,300 compared to an

original estimate of 5,200 jobs.

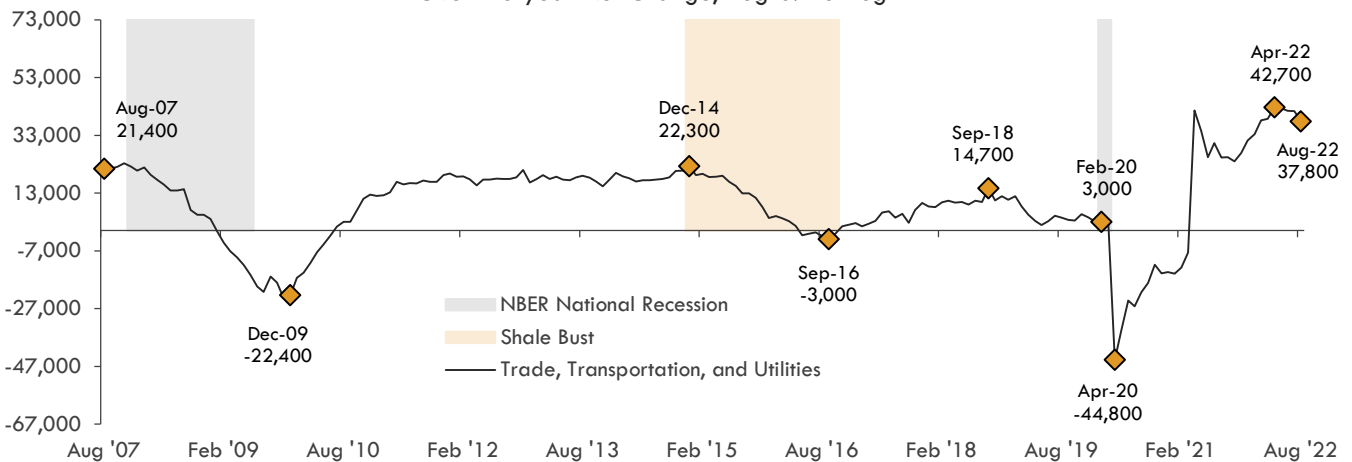


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 37,800 jobs, or 6.0 percent (see Chart 28). This was the largest August over-the-year increase on record. It also marks 17 consecutive months of over-the-year gains. Furthermore, 19.5 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 15,000 jobs over the year. The second-largest contributor was Wholesale Trade, which added 13,000 jobs from August a year ago. Lastly, Transportation,

and Utilities contributed, 9,800 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,900 jobs by 42,200, or 6.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 20.6 percent over the past year.

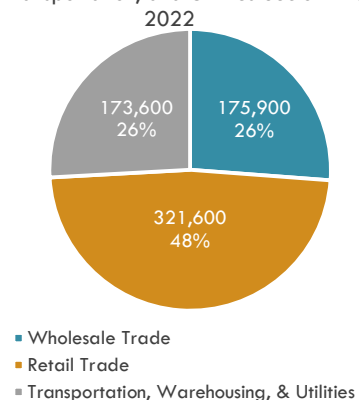
Chart 28. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Aug-07 to Aug-22



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 29). Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average, due to a 39-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 29. Employment in Component Industries of Trade, Transportation, and Utilities Sector - August 2022

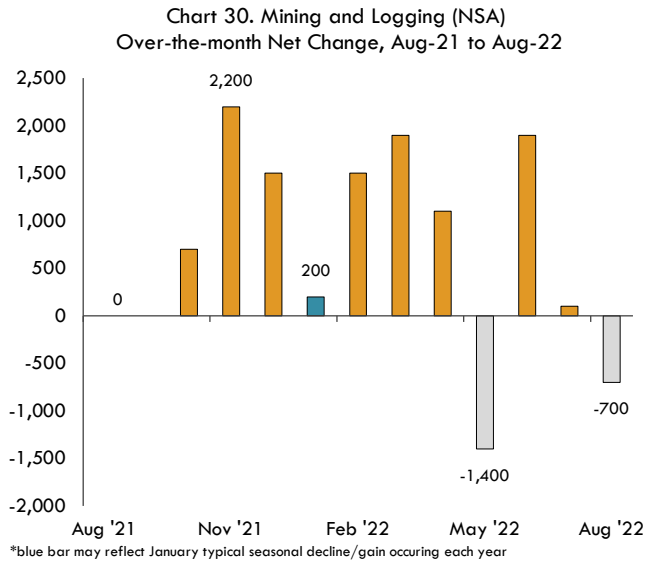


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging was the third-largest declining sector over the month down -700 jobs, or -1.0 (see Chart 30). This was the largest August over-the-month decline in since 2020. Historically in the month of August, Mining and Logging has added an average of 100 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Support Activities for Mining was the largest contributor to the overall sector's decline, down -400 jobs over the month. The second-largest declining contributor was Oil and Gas Extraction, which lost -200 jobs from July to August. Lastly, Other Mining and Logging Undefined subtracted, -100 jobs. Mining and Logging employment was revised downward by -1,900 jobs for a June to July smaller net gain of 100 compared to an original estimate of 2,000 jobs.

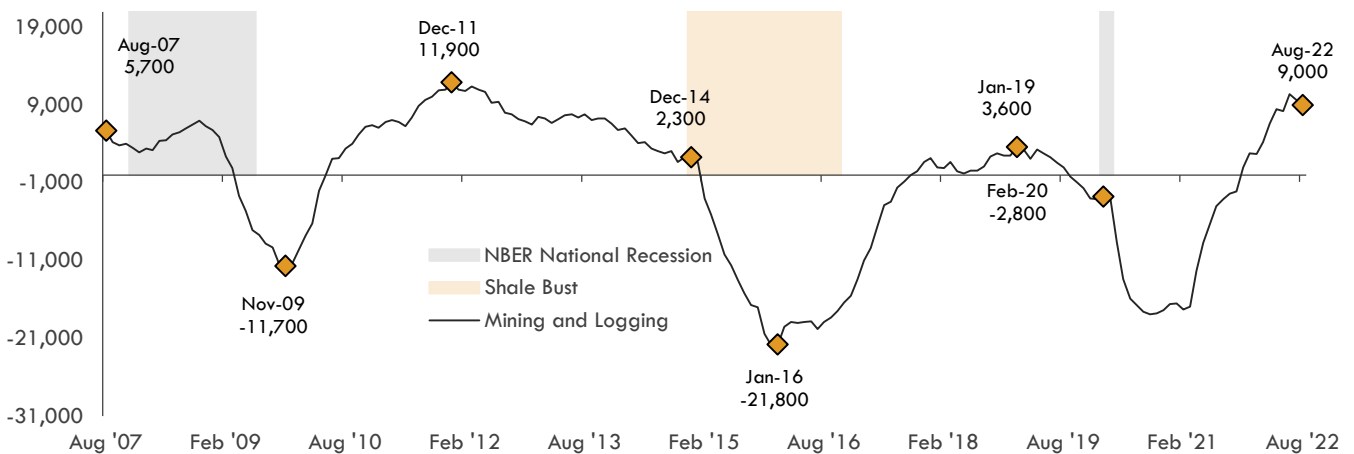


Over-the-year Change

Year over year, Mining and Logging was up 9,000 jobs, or 15.2 percent (see Chart 31). This was the second-largest over-the-year gain in the month of August since records began in 1990. It also marks 10 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 4,600 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 4,100 jobs from August a year ago. Lastly, Other Mining and

Logging Undefined contributed, 300 jobs. Total Mining and Logging employment (NSA) remains -10,200 jobs, or -13.0 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 1.9 percent to 2.1 percent over the past year.

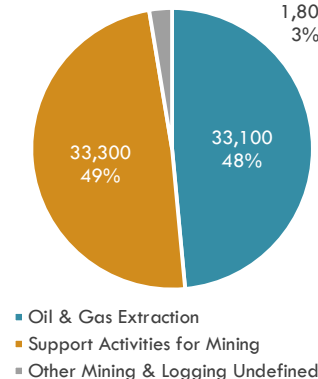
Chart 31. Mining and Logging (NSA) Over-the-year Net Change, Aug-07 to Aug-22



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 32). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 4.9 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 32. Employment in Component Industries of Mining and Logging Sector - August 2022

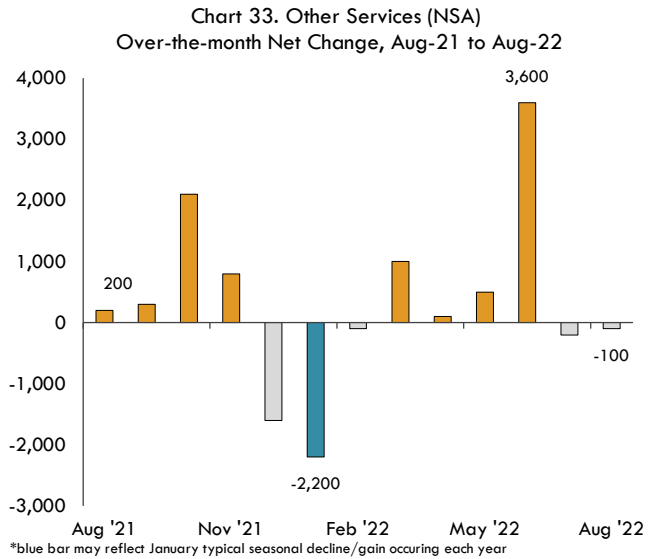


DECLINING INDUSTRY HIGHLIGHTS

Other Services

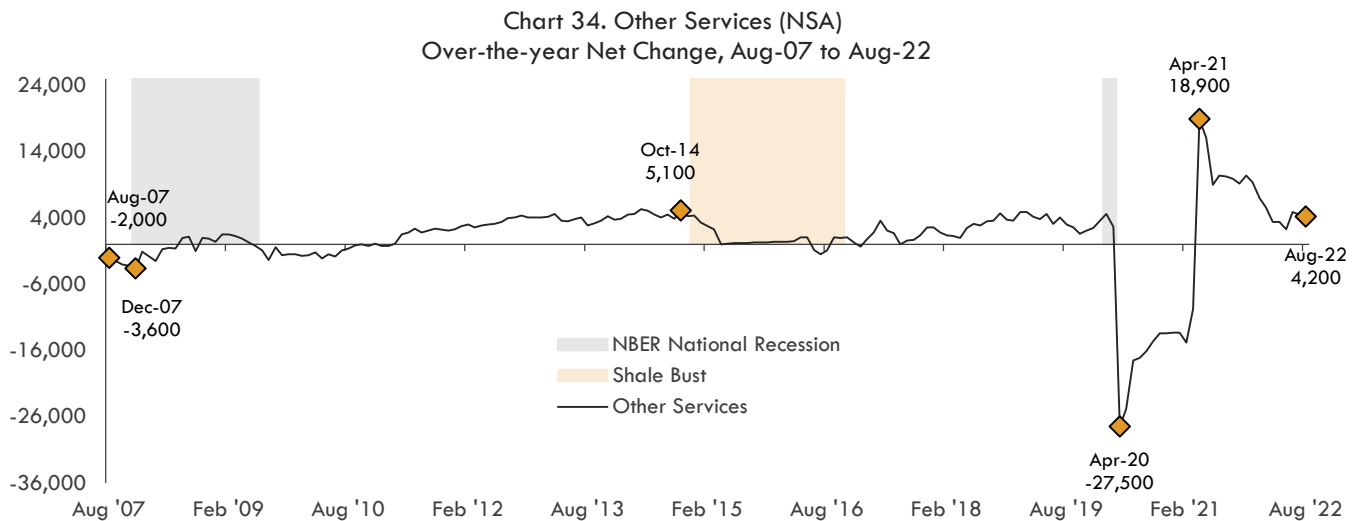
Over-the-month Change

Other Services also saw a decrease over the month down -100 jobs, or -0.1 (see Chart 33). This was the largest August over-the-month decline in since 2019. Historically in the month of August, Other Services has lost an average of -800 jobs over the month, which indicates that this month's losses are slightly 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 upward by 200 jobs for a June to July smaller net loss of -200 compared to an original estimate of -400 jobs.



Over-the-year Change

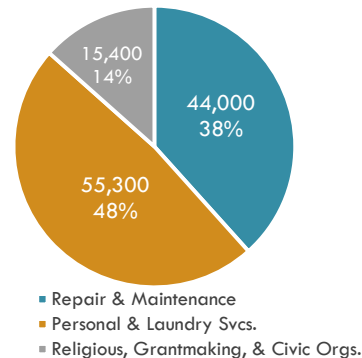
Year over year, Other Services was up 4,200 jobs, or 3.8 percent (see Chart 34). This August also marks 17 consecutive months of over-the-year gains. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) remains -4,300 jobs, or -3.6 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 remained constant at 3.6 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 35). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 7 percent less than the national average.

Chart 35. Employment in Component Industries of Other Services Sector - August 2022



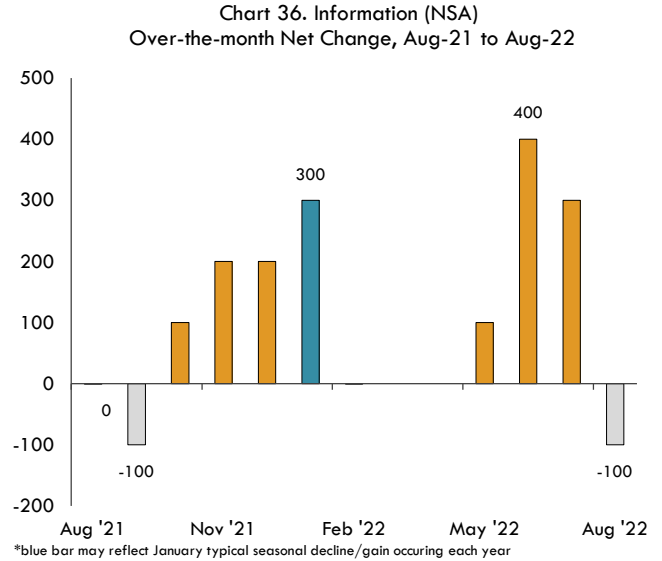
*estimated proportions based QCEW covered and NES self-employment

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). This was the largest August over-the-month decline in since 2020. Historically in the month of August, Information has lost an average of -100 jobs over the month, which indicates that this month's losses are on par with the long-term average. 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 July to August. Information employment saw no revision from June to July leaving the previous month's original increase of 300 intact.

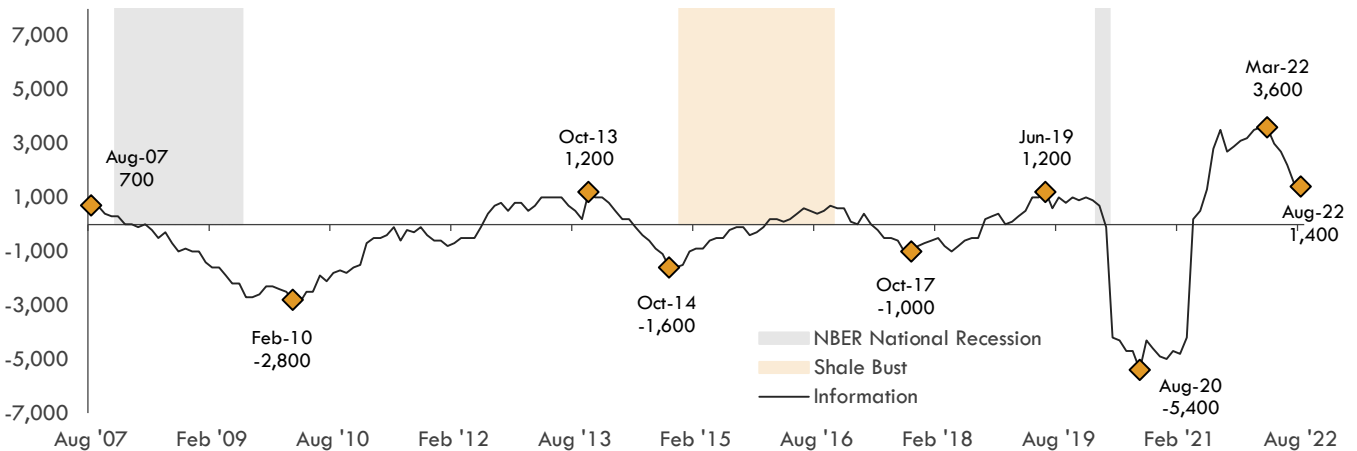


Over-the-year Change

Year over year, Information was up 1,400 jobs, or 4.5 percent (see Chart 37). This August also marks 17 consecutive months of over-the-year gains. Other Information Undefined was the largest contributor to the overall sector's increase, up 1,200 jobs over the year. The second-largest contributor was Telecommunications, which added 200 jobs from August a year ago. Total Information employment (NSA) remains -500 jobs, or -1.5 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent

over the past year.

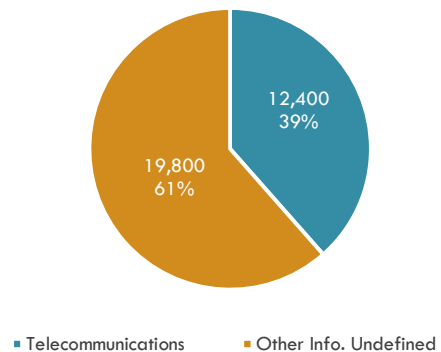
Chart 37. Information (NSA) Over-the-year Net Change, Aug-07 to Aug-22



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 38). Across the Houston MSA, the concentration of jobs in the overall Information sector is 51 percent less than the national average.

Chart 38. Employment in Component Industries of Information Sector - August 2022



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.6 percent in August, down from July's 4.8 percent and down from 6.3 percent a year ago. This was above the statewide rate of 4.2 percent and above the national rate of 3.8 percent. An over-the-month decline in August is typical having occurred roughly 75 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 163,110 individuals were unemployed in Houston in August, down from July's 169,070 and down from 215,745 in August 2021 (see Charts 39 and 40).

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

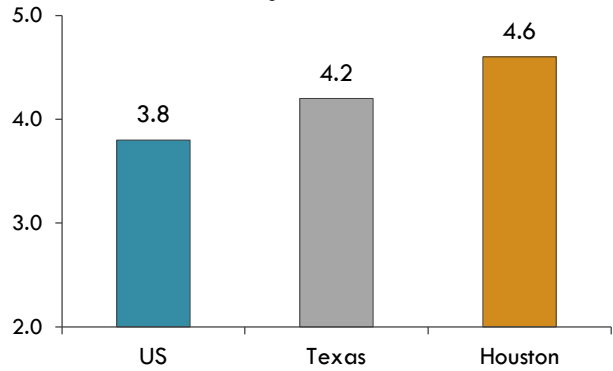
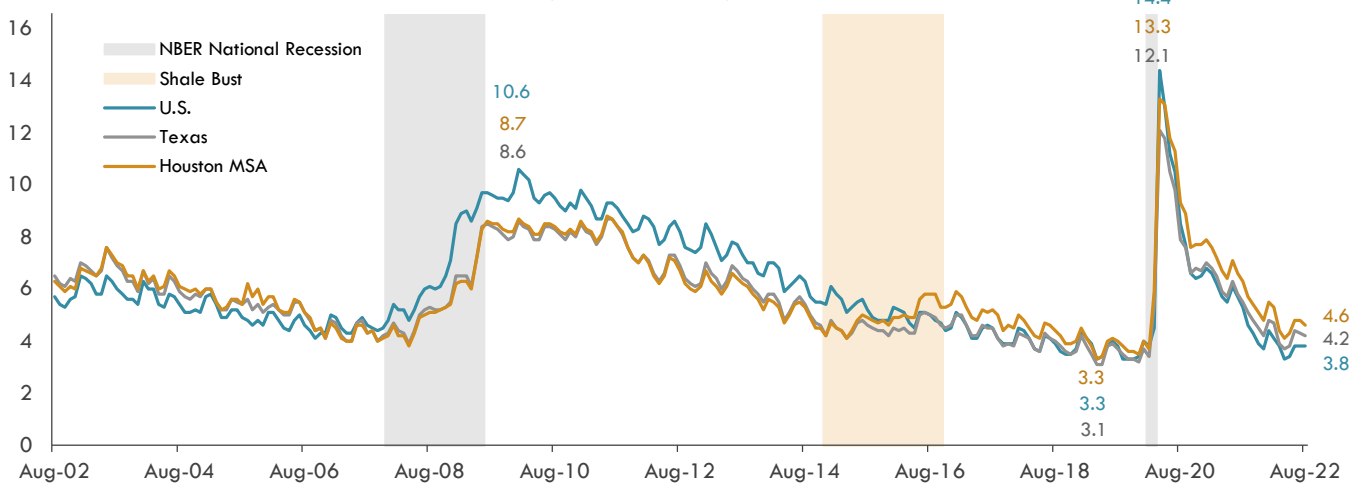


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
August 2002 to August 2022

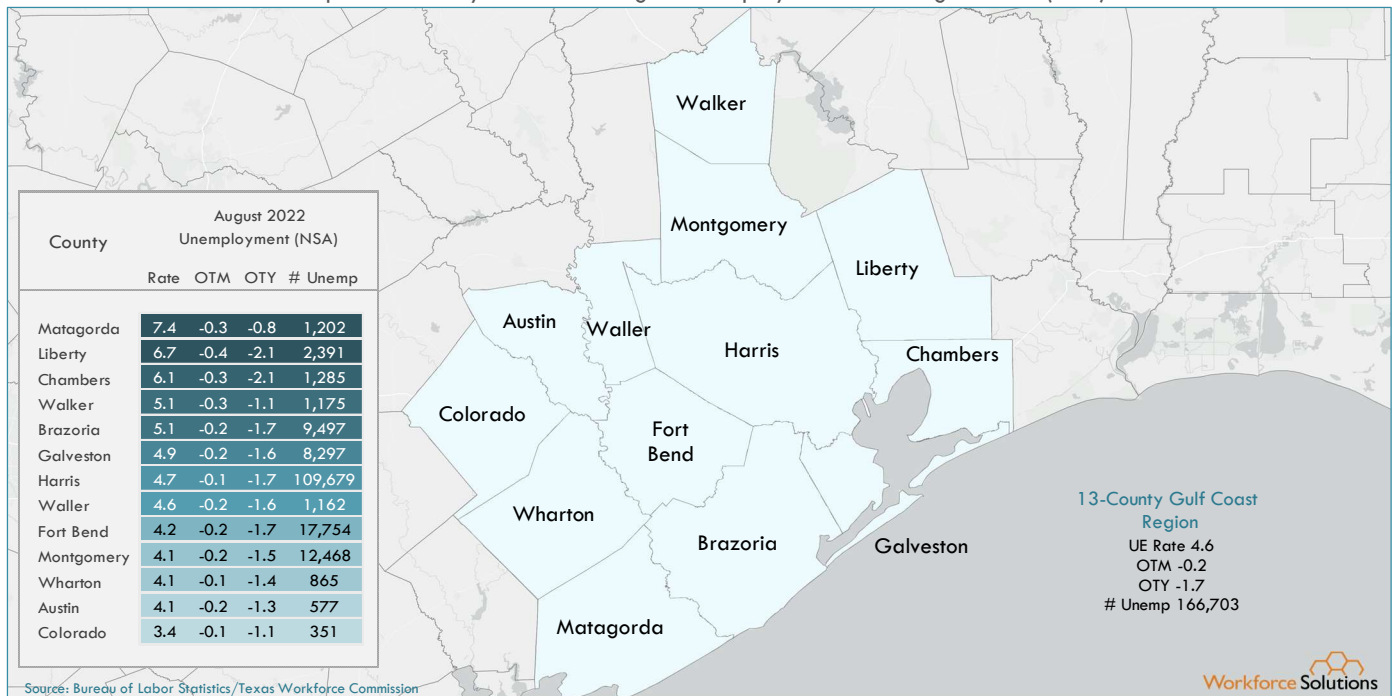


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in August ranged from a high of 7.4 percent in Matagorda County to a low of 3.4 percent in Colorado. Over the month, all 13 counties saw their unemployment rates decline in keeping with region-wide decrease of -0.2 percentage points. Liberty saw the largest percentage-point decrease in unemployment down -0.4 pp. representing -151 fewer unemployed workers compared to the previous month. This was followed by Chambers (-0.3 pp, -82 workers) and Walker (-0.3 pp, -86 workers). Over the year

unemployment rates also fell, with Liberty posting the largest decrease, down -2.1 percentage points representing -669 fewer unemployed workers compared to a year ago followed by Chambers (-2.1 pp, -420 workers) and Brazoria (-1.7 pp, -2,794 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 -279,604 as of this August (see Map 1 legend).

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



Local Area Unemployment Statistics (continued)

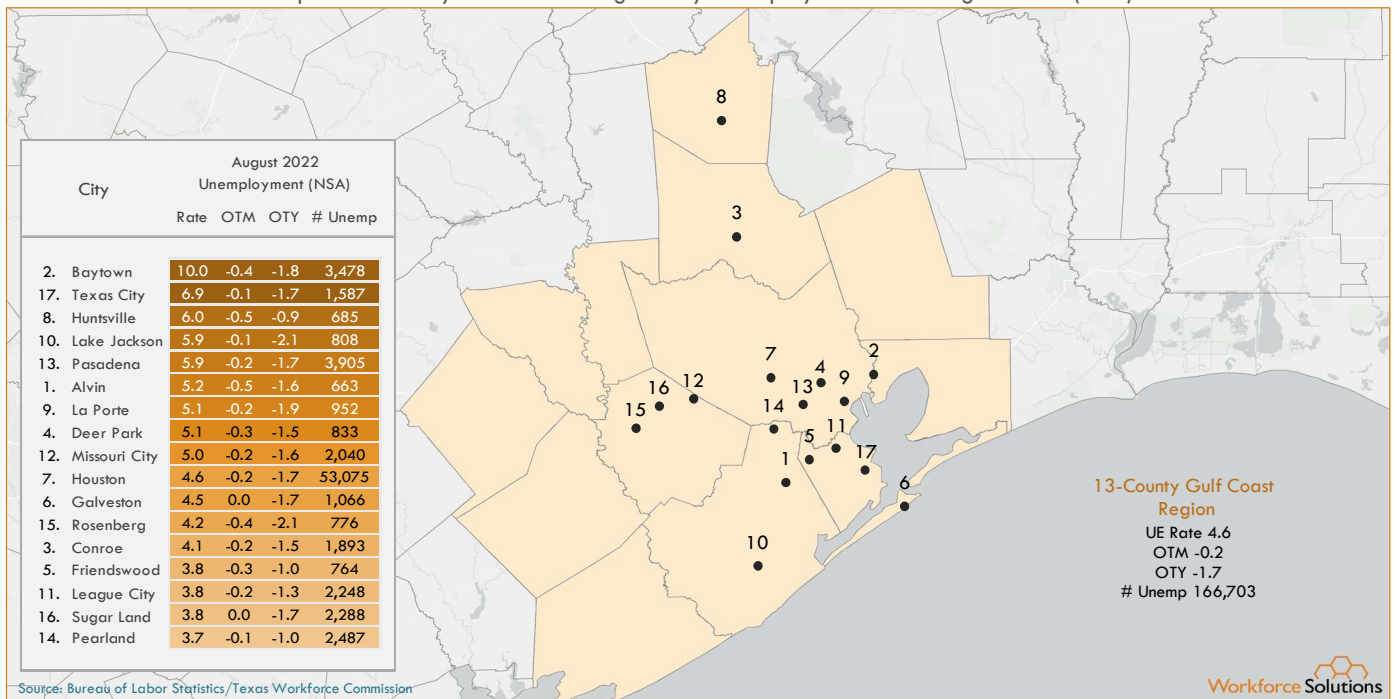
Not-Seasonally Adjusted

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 August ranged from a high of 10.0 percent in Baytown to a low of 3.7 percent in Pearland (see Map 2 legend). Over the month, 15 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.2 percentage points while two saw no changes. Alvin saw the largest percentage-point decrease in

unemployment down -0.5 pp. representing -70 fewer unemployed workers compared to the previous month. This was followed by Huntsville (-0.5 pp, -65 workers) and Baytown (-0.4 pp, -154 workers). Over the year unemployment rates also fell, with Lake Jackson posting the largest decrease, down -2.1 percentage points representing -258 fewer unemployed workers compared to a year ago followed by Rosenberg (-2.1 pp, -386 workers) and La Porte (-1.9 pp, -337 workers). The 17 cities below accounted for 48 percent of the 166,703 unemployed workers across the Gulf Coast Region as of this August (see Map 2 legend).

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



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.5 percent in July, down from June's 4.6 percent and down from 6.3 percent a year ago. This was above the statewide rate of 4.0 percent and above the national rate of 3.5 percent. 158,493 individuals were unemployed in Houston in July, down from June's 160,500 and down from 216,916 in July 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
 July 2022

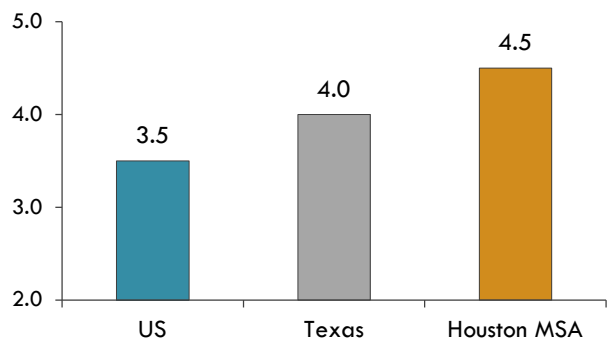
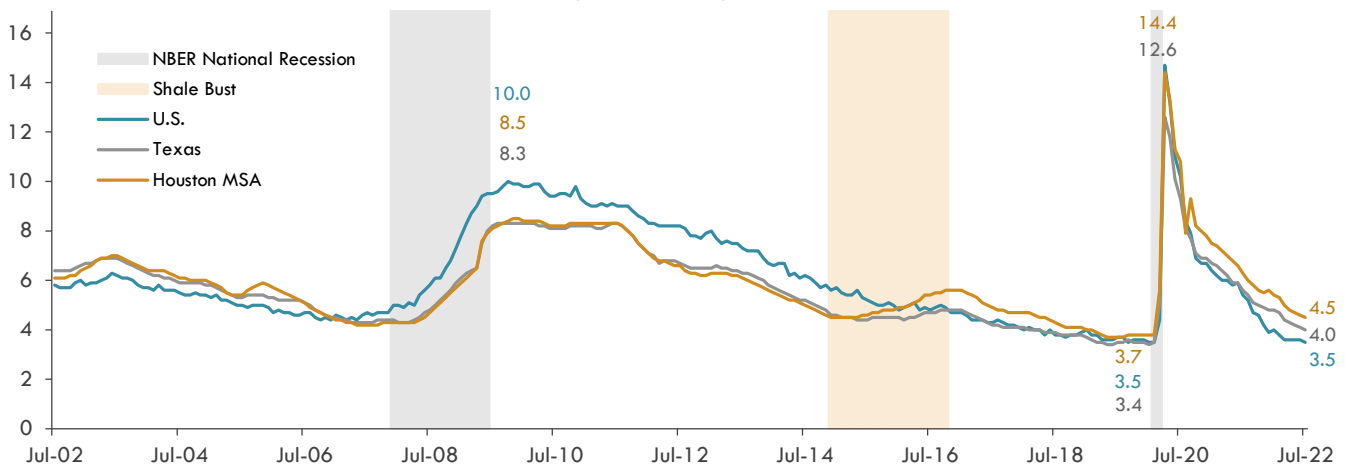


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
 July 2002 to July 2022



Gulf Coast Workforce Solutions Index (WSI)

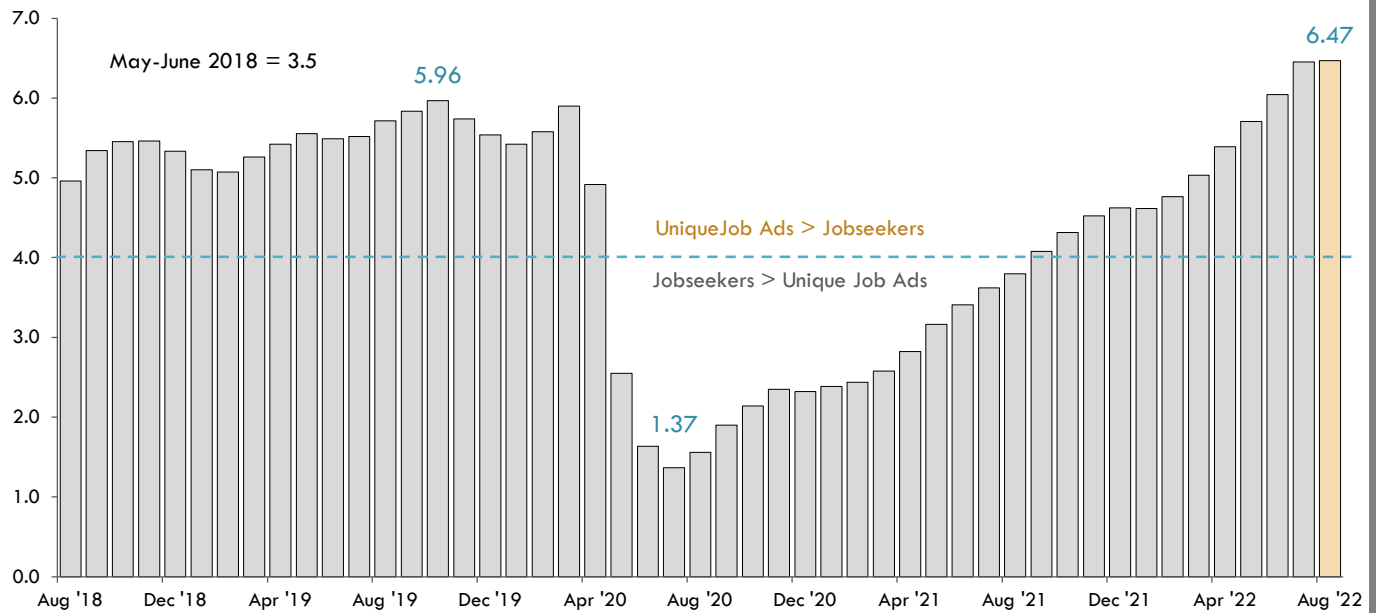


The Gulf Coast Workforce Solutions Index (WSI)

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
August
2022:
6.47

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



Source(s): Lightcast and BLS/TWC - LAUS



Workforce Solutions Index August 2022

The Houston MSA WSI for August stood at 6.47, virtually unchanged from July's revised reading of 6.45 while remaining at a record high in the history of the series. The WSI's flat reading over the month was the result of a decrease of nearly 30,000 job ads over July overshadowing a relatively modest decrease in unemployed workers by 2,000. The August drop in ads was the third-largest largest on record preceded only by April 2020 (-36,400), and May 2014 (-40,000). Nonetheless, the indicator suggests that a requirement of five work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



Houston Area Employment Situation

August 2022

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Aug-22	Jul-22	Aug-21	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,273,100	3,267,700	3,081,200	5,400	0.2%	191,900	6.2%
Total Private	2,868,200	2,853,100	2,674,500	15,100	0.5%	193,700	7.2%
Goods Producing	540,200	539,700	482,800	500	0.1%	57,400	11.9%
..Mining and Logging	68,200	68,900	59,200	-700	-1.0%	9,000	15.2%
...Oil and Gas Extraction	33,100	33,300	29,000	-200	-0.6%	4,100	14.1%
...Support Activities for Mining	33,300	33,700	28,700	-400	-1.2%	4,600	16.0%
..Construction	243,200	242,500	209,700	700	0.3%	33,500	16.0%
..Construction of Buildings	56,300	55,900	49,600	400	0.7%	6,700	13.5%
..Heavy and Civil Engineering Construction	56,600	56,200	49,300	400	0.7%	7,300	14.8%
..Specialty Trade Contractors	130,300	130,400	110,800	-100	-0.1%	19,500	17.6%
..Manufacturing	228,800	228,300	213,900	500	0.2%	14,900	7.0%
..Durable Goods	142,600	141,100	131,200	1,500	1.1%	11,400	8.7%
...Fabricated Metal Product Manufacturing	49,000	48,700	45,000	300	0.6%	4,000	8.9%
...Machinery Manufacturing	40,000	40,100	39,600	-100	-0.2%	400	1.0%
....Agriculture, Construction, and Mining Machinery Mfg.	20,400	20,500	19,900	-100	-0.5%	500	2.5%
...Computer and Electronic Product Manufacturing	13,100	13,100	12,800	0	0.0%	300	2.3%
..Non-Durable Goods	86,200	87,200	82,700	-1,000	-1.1%	3,500	4.2%
...Petroleum and Coal Products Manufacturing	8,400	8,400	8,100	0	0.0%	300	3.7%
...Chemical Manufacturing	40,300	40,700	39,400	-400	-1.0%	900	2.3%
Service Providing	2,732,900	2,728,000	2,598,400	4,900	0.2%	134,500	5.2%
..Private Service Providing	2,328,000	2,313,400	2,191,700	14,600	0.6%	136,300	6.2%
..Trade, Transportation, and Utilities	671,100	673,300	633,300	-2,200	-0.3%	37,800	6.0%
...Wholesale Trade	175,900	175,700	162,900	200	0.1%	13,000	8.0%
....Merchant Wholesalers, Durable Goods	106,900	106,600	99,800	300	0.3%	7,100	7.1%
....Prof. and Commercial Equip. Supplies Wholesalers	18,000	18,000	17,100	0	0.0%	900	5.3%
....Merchant Wholesalers, Nondurable Goods	56,900	56,700	51,800	200	0.4%	5,100	9.8%
...Retail Trade	321,600	321,600	306,600	0	0.0%	15,000	4.9%
....Motor Vehicle and Parts Dealers	43,400	43,400	42,000	0	0.0%	1,400	3.3%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,700	24,200	23,600	-500	-2.1%	100	0.4%
....Food and Beverage Stores	71,700	71,700	68,800	0	0.0%	2,900	4.2%
....Health and Personal Care Stores	20,500	20,400	19,500	100	0.5%	1,000	5.1%
....Clothing and Clothing Accessories Stores	24,400	24,100	23,900	300	1.2%	500	2.1%
....General Merchandise Stores	62,800	62,600	60,500	200	0.3%	2,300	3.8%
....Department Stores	20,200	20,200	19,900	0	0.0%	300	1.5%
....Other General Merchandise Stores	42,600	42,400	40,600	200	0.5%	2,000	4.9%
...Transportation, Warehousing, and Utilities	173,600	176,000	163,800	-2,400	-1.4%	9,800	6.0%
...Utilities	17,800	17,800	17,400	0	0.0%	400	2.3%
....Air Transportation	19,400	19,500	17,900	-100	-0.5%	1,500	8.4%
....Truck Transportation	29,500	29,500	27,500	0	0.0%	2,000	7.3%
....Pipeline Transportation	12,800	12,800	12,200	0	0.0%	600	4.9%
..Information	32,200	32,300	30,800	-100	-0.3%	1,400	4.5%
...Telecommunications	12,400	12,400	12,200	0	0.0%	200	1.6%
..Financial Activities	175,500	173,500	171,100	2,000	1.2%	4,400	2.6%
...Finance and Insurance	111,100	109,900	109,200	1,200	1.1%	1,900	1.7%
....Credit Intermediation and Related Activities	46,700	46,200	46,200	500	1.1%	500	1.1%
....Depository Credit Intermediation	30,000	29,700	29,600	300	1.0%	400	1.4%
....Securities, Commodity Contracts, and Fin. Investments	22,100	21,800	21,500	300	1.4%	600	2.8%
....Insurance Carriers and Related Activities	42,300	41,900	41,500	400	1.0%	800	1.9%
...Real Estate and Rental and Leasing	64,400	63,600	61,900	800	1.3%	2,500	4.0%
..Professional and Business Services	535,100	529,800	511,400	5,300	1.0%	23,700	4.6%
...Professional, Scientific, and Technical Services	253,800	254,000	243,700	-200	-0.1%	10,100	4.1%
....Legal Services	30,400	30,900	29,200	-500	-1.6%	1,200	4.1%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	26,500	26,800	25,300	-300	-1.1%	1,200	4.7%
....Architectural, Engineering, and Related Services	73,300	72,400	66,500	900	1.2%	6,800	10.2%
....Computer Systems Design and Related Services	39,400	39,600	38,400	-200	-0.5%	1,000	2.6%
...Management of Companies and Enterprises	45,100	45,200	43,300	-100	-0.2%	1,800	4.2%
...Admin. and Support and Waste Mgmt. and Remediation	236,200	230,600	224,400	5,600	2.4%	11,800	5.3%
....Administrative and Support Services	225,500	220,000	212,800	5,500	2.5%	12,700	6.0%
....Employment Services	88,300	86,400	83,200	1,900	2.2%	5,100	6.1%
....Services to Buildings and Dwellings	53,700	52,600	53,200	1,100	2.1%	500	0.9%
..Educational and Health Services	438,600	434,900	412,800	3,700	0.9%	25,800	6.3%
...Educational Services	73,200	70,900	64,500	2,300	3.2%	8,700	13.5%
...Health Care and Social Assistance	365,400	364,000	348,300	1,400	0.4%	17,100	4.9%
....Ambulatory Health Care Services	179,400	179,900	174,800	-500	-0.3%	4,600	2.6%
....Hospitals	93,800	92,800	88,700	1,000	1.1%	5,100	5.7%
..Leisure and Hospitality	360,700	354,700	321,700	6,000	1.7%	39,000	12.1%
...Arts, Entertainment, and Recreation	39,000	40,600	35,300	-1,600	-3.9%	3,700	10.5%
...Accommodation and Food Services	321,700	314,100	286,400	7,600	2.4%	35,300	12.3%
....Accommodation	26,200	26,100	23,100	100	0.4%	3,100	13.4%
....Food Services and Drinking Places	295,500	288,000	263,300	7,500	2.6%	32,200	12.2%
..Other Services	114,800	114,900	110,600	-100	-0.1%	4,200	3.8%
Government	404,900	414,600	406,700	-9,700	-2.3%	-1,800	-0.4%
..Federal Government	31,900	32,100	31,200	-200	-0.6%	700	2.2%
..State Government	94,500	94,200	92,700	300	0.3%	1,800	1.9%
...State Government Educational Services	53,800	53,500	52,900	300	0.6%	900	1.7%
..Local Government	278,500	288,300	282,800	-9,800	-3.4%	-4,300	-1.5%
...Local Government Educational Services	187,500	194,100	188,300	-6,600	-3.4%	-800	-0.4%