

# Houston Area Employment Situation

September 2020

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*Unemployment Unexpectedly Rises to 9.6 in September Despite Best September on Record*

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm (not-seasonally adjusted) employment stood at 2,996,300 in September, up 24,400 jobs over the month, or 0.8 percent. A year ago Houston registered an over-the-month increase of 6,000 jobs. This was the largest-ever one-month gain in the month of September since records began in 1990. The largest over-the-month gain on record for Total Nonfarm Employment occurred in May 2020, up 78,200 jobs. The largest one-month decline on record outside of seasonal job losses in January and July occurred in April 2020, down -332,200 jobs. (see Chart 1.) Historically in the month of September, Total Nonfarm has on average added 5,900 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

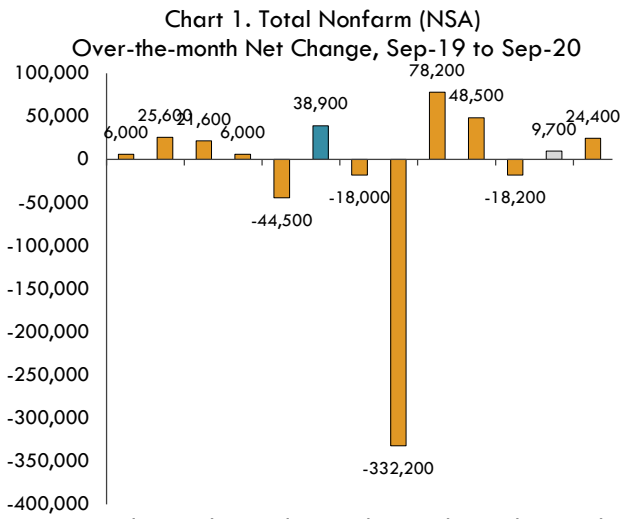
The primary drivers of this September's growth were increases in Government, Leisure and Hospitality, and Mining and Logging. Gains were also recorded in Information. The net increase in jobs over the month was partially offset by losses in Other Services, Financial Activities, and Trade, Transportation, and Utilities. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,003,200, up 20,300 jobs over the month, or 0.7 percent. Note that analysis throughout the remainder of this report references not-seasonally adjusted data as seasonally-adjusted data is unavailable for major sectors and their sub-components.

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

- Government: 29,200
- Leisure and Hospitality: 4,400
- Mining and Logging: 2,400

#### Over-the-year Change

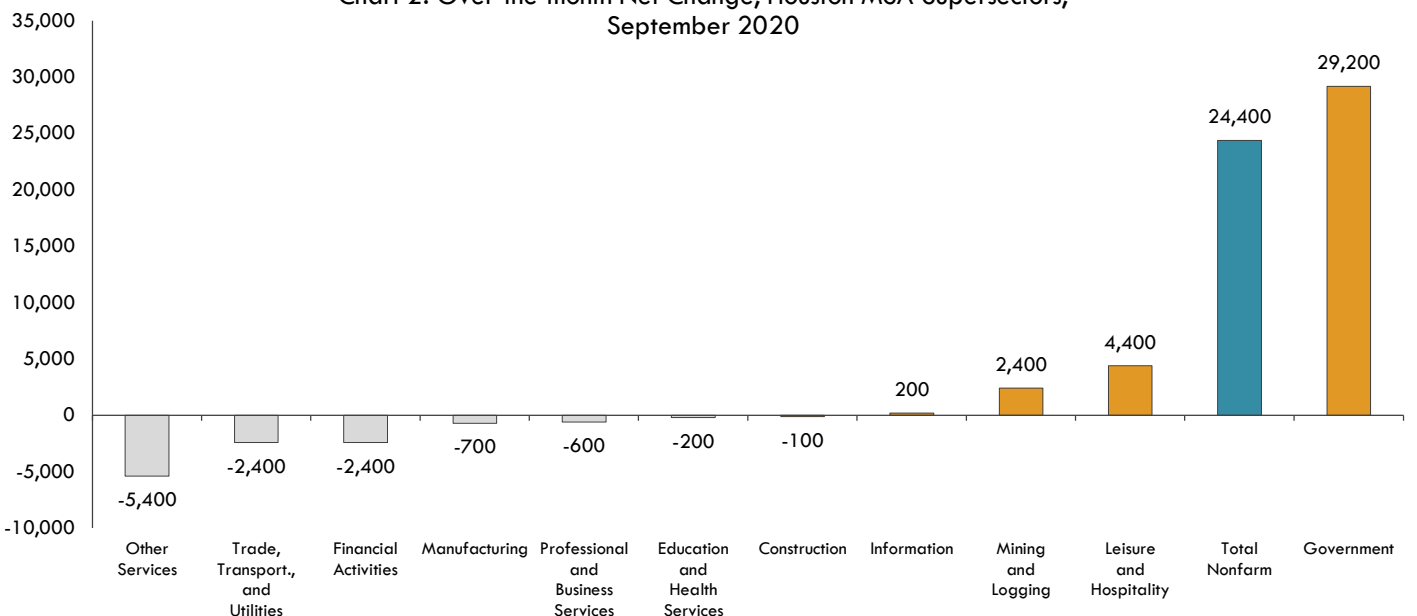
Over the year, Total Nonfarm employment was down -160,000 or -5.1 percent on a not-seasonally-adjusted basis and down -164,500 or -5.2 percent on a seasonally-adjusted basis. To compare, September 2019 saw a year-over-year gain of 62,800 jobs (NSA) from September 2018. The largest over-the-year gain on record for Total Nonfarm Employment occurred in November 2012, up 122,600 jobs. The largest over-the-year decline on record



\*blue bar reflects January typical seasonal decline occurring each year

April 2020, down -285,800 jobs. Currently 9 out of 11 sectors show declines in employment year over year of which the top-three are Leisure and Hospitality (-48,900), Construction (-24,400), and Manufacturing (-23,300). (see Chart 4.) COVID-19 resulted in the loss of -350,200 jobs over March and April 2020 of which approximately 40 percent of Total Nonfarm employment has been recovered to date.

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, September 2020



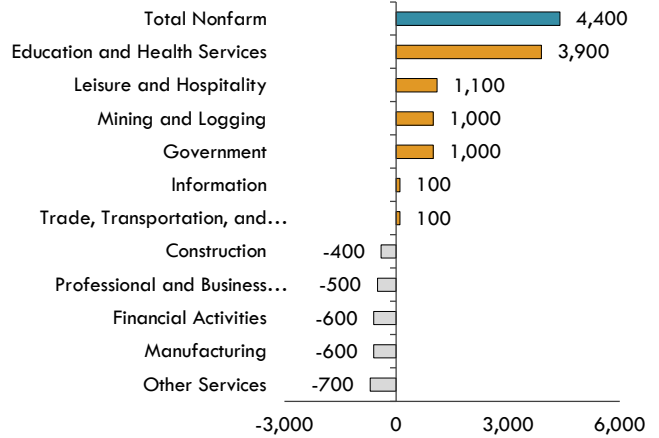
## Previous Month's Revisions

Total Nonfarm employment was revised upward by 4,400 jobs for a July to August larger net gain of 9,700 compared to an original estimate of 5,300 jobs. An upward revision of +3,900 jobs in Education and Health Services was the largest contributor followed by Leisure and Hospitality (+1,100) and Mining and Logging (+1,000). Downward revisions in Other Services (-700), Financial Activities (-600), and Manufacturing (-600) provided a partial offset of the overall upward revision to Total Nonfarm employment. (see Chart 5.)

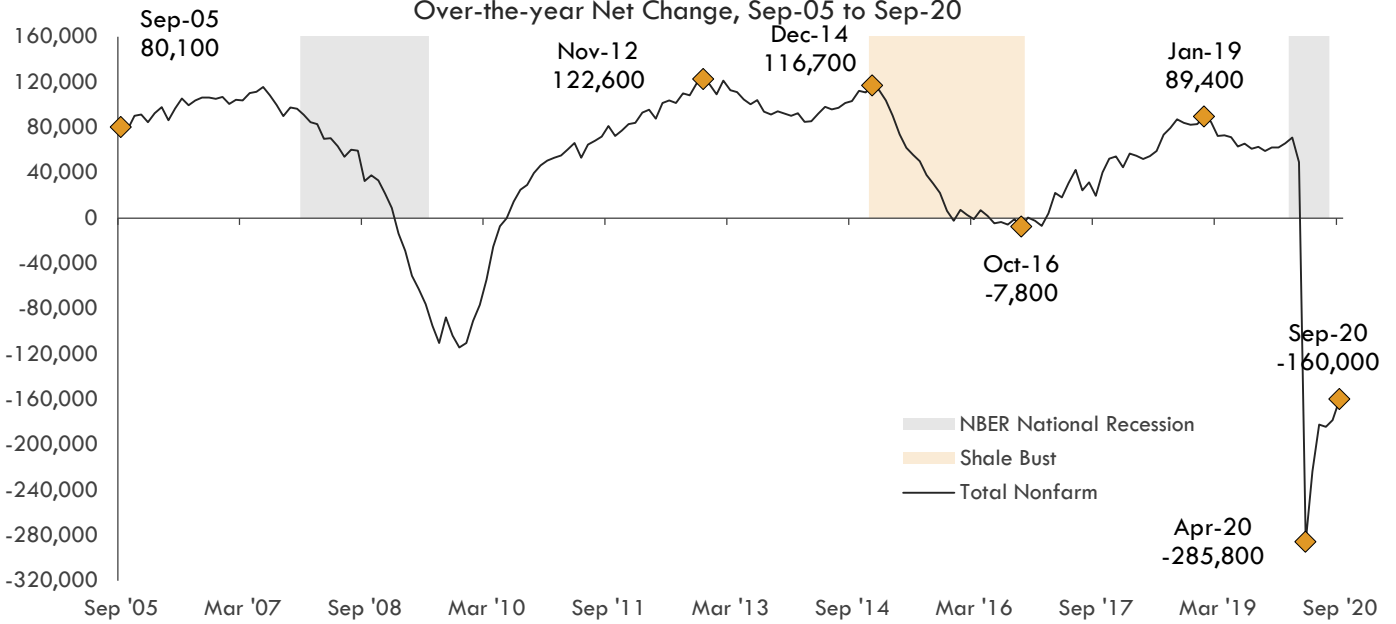
**Top-3 Drivers of Over-the-year Job Loss in September**

- Leisure and Hospitality: -48,900
- Construction: -24,400
- Manufacturing: -23,300

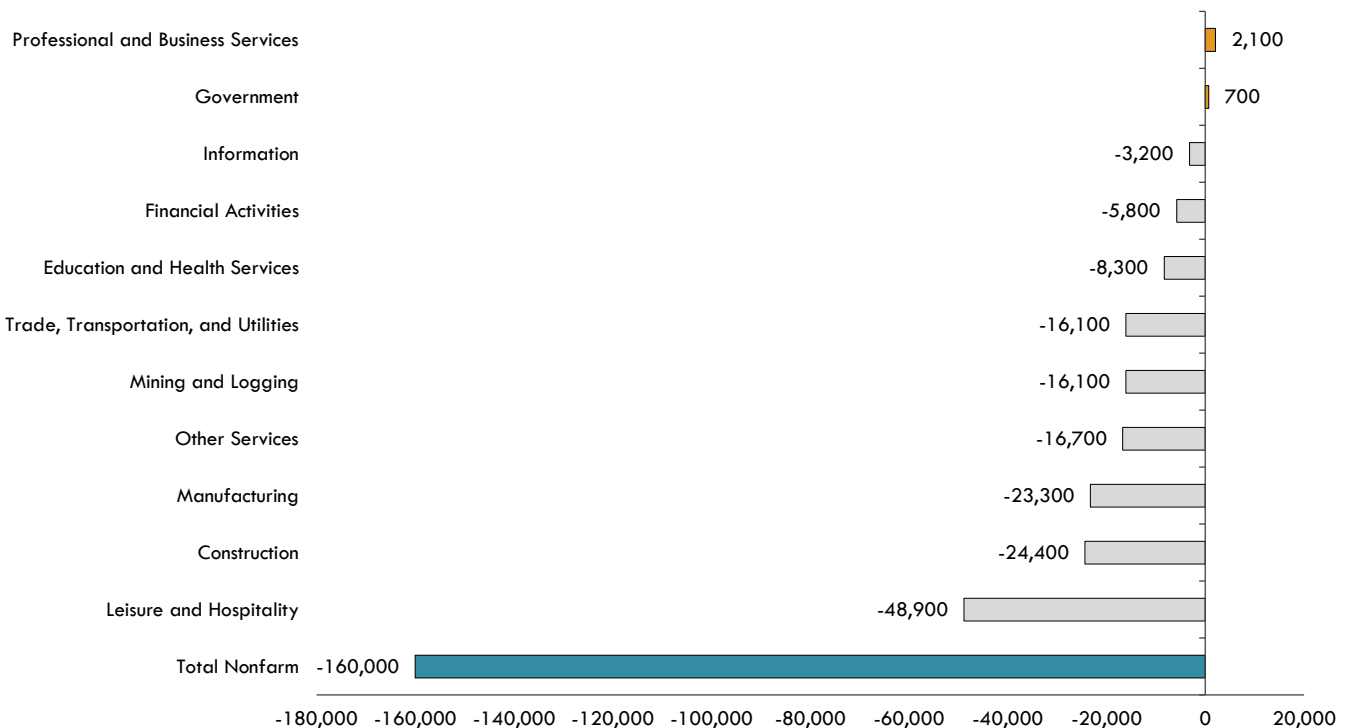
**Chart 5. Net Revisions for Selected Supersectors and Major Industries, August 2020**



**Chart 3. Total Nonfarm (NSA) Over-the-year Net Change, Sep-05 to Sep-20**



**Chart 4. Over-the-year Net Change, Houston MSA Supersectors, September 2019 to September 2020**



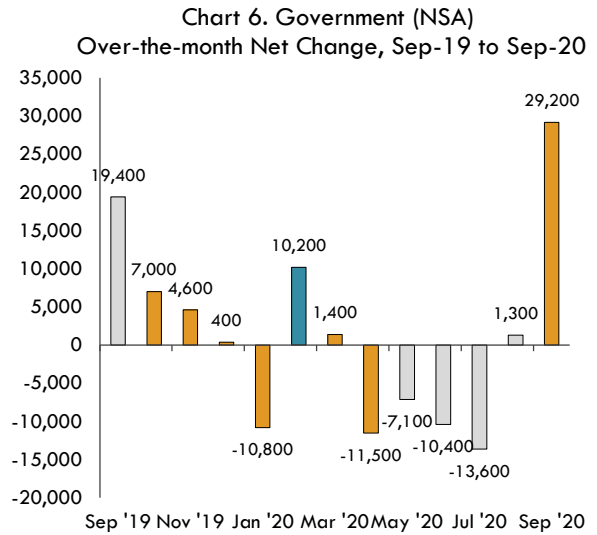
GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

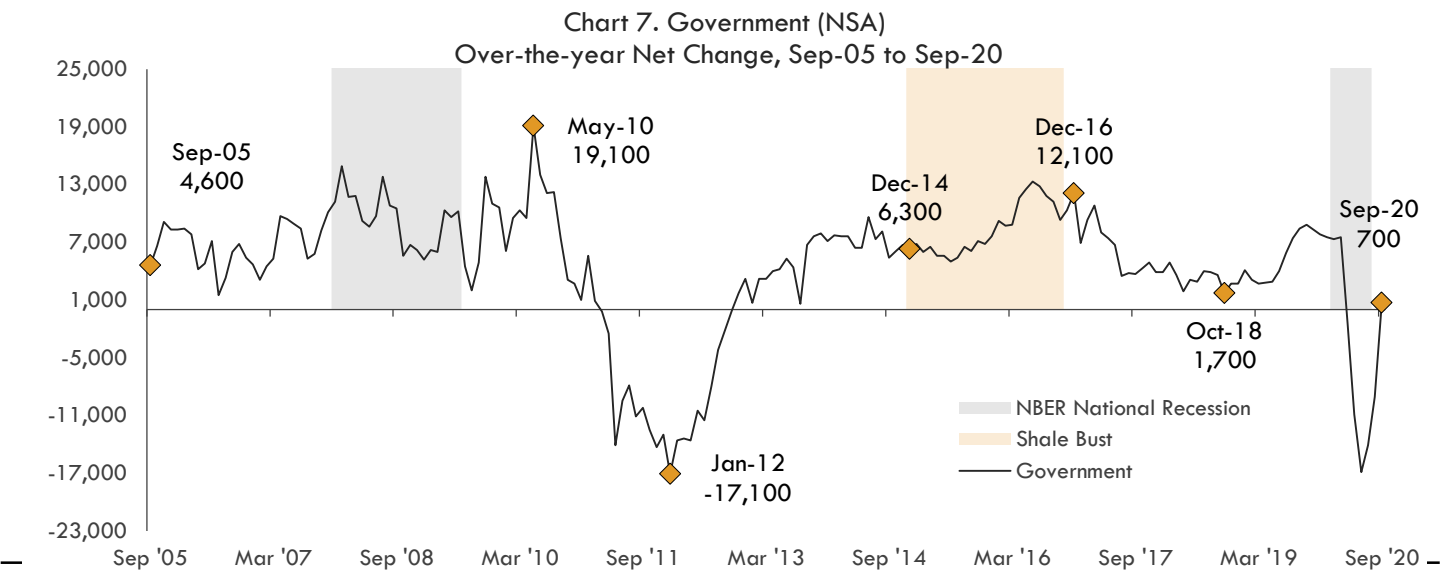
Government was the largest gaining sector over the month up 29,200 jobs, or 7.6 percent. (see Chart 6.) This was the largest-ever one-month gain in the month of September since records began in 1990. The largest over-the-month gain on record for this sector occurred in September 2020, up 29,200 jobs. The largest one-month decline on record occurred in April 2020, down -11,500 jobs. Historically in the month of September, Government has added an average of 15,100 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Due to the inclusion of public primary, secondary, and postsecondary schools, Government employment tends to rise sharply in September with the start of the academic year. Local Government was the largest contributor to the overall sector's increase, up 23,800 jobs over the month. The second-largest contributor was State Government, which added 4,300 jobs from August to September. Lastly, Federal Government contributed, 1,100 jobs. Government employment was revised upward by 1,000 jobs for a July to August larger net gain of 1,300 compared to an original

compared to an original estimate of 300 jobs.



Over-the-year Change

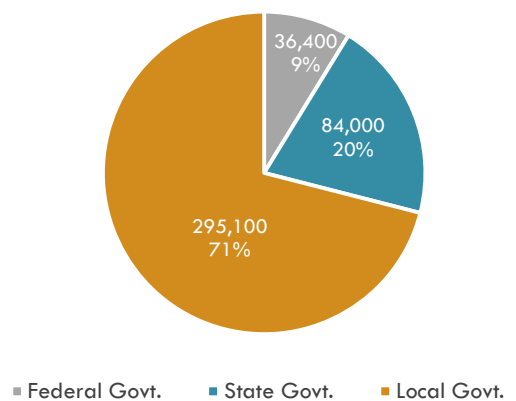
Year over year, Government was up 700 jobs, or 0.2 percent. (see Chart 7.) Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 25.0 percent of total (gross) jobs added across the region over the past year can be attributed to Government. The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest over-the-year decline on record occurred in January 2012, down -17,100 jobs. Federal Government was the largest contributor to the overall sector's increase, up 5,800 jobs over the year. One component industry that provided a partial offset was Local Government, which lost -2,000 jobs from September a year ago. Lastly, State Government offset a portion of the sector's gains with a loss of -3,100 jobs. Since shedding -10,100 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains 0 percent below levels reported in



About This Sector

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

Chart 8. Employment in Component Industries of Government Sector - September 2020

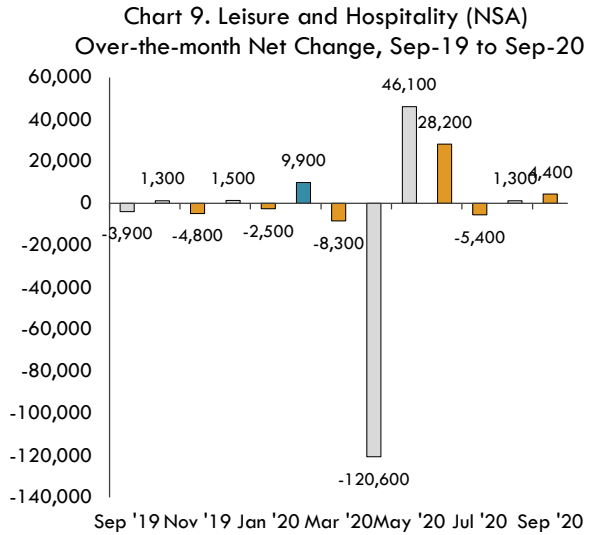


GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

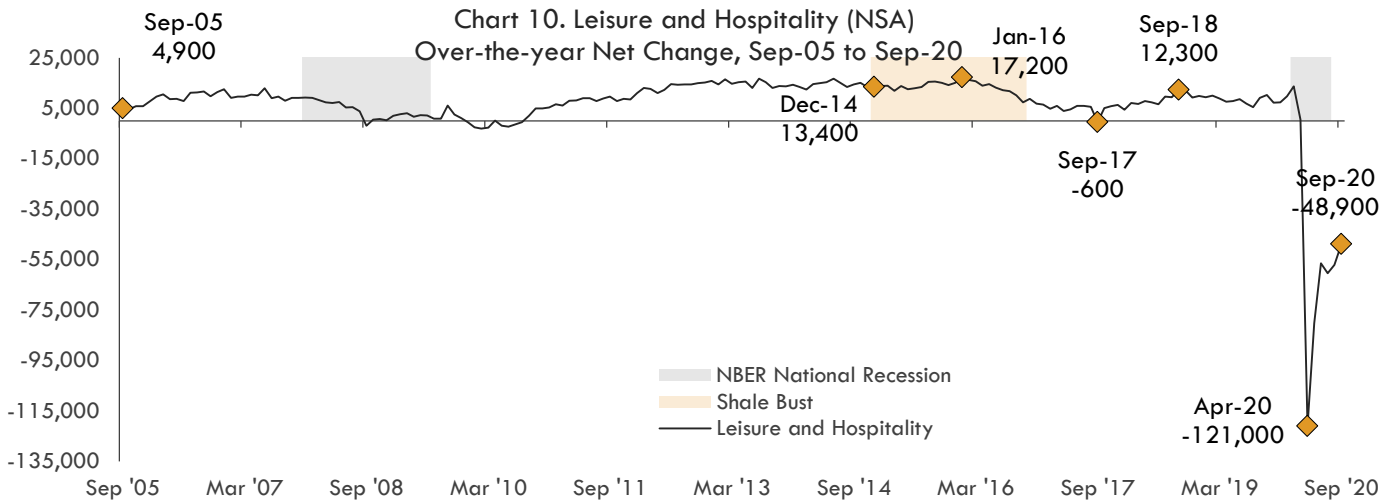
Over-the-month Change

Leisure and Hospitality was the second-largest gaining sector over the month up 4,400 jobs, or 1.6 percent. (see Chart 9.) This was the largest-ever one-month gain in the month of September since records began in 1990. The largest over-the-month gain on record for this sector occurred in May 2020, up 46,100 jobs. The largest one-month decline on record occurred in April 2020, down -120,600 jobs. Historically in the month of September, Leisure and Hospitality has lost an average of -3,800 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Job losses are typical in September in this sector however the continued rebound post COVID-19 business closures resulted in gains this September. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 6,100 jobs over the month. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -1,700 jobs from August to September. Leisure and Hospitality employment was revised upward by 1,100 jobs for a July to August larger net gain of 1,300 compared to an original



Over-the-year Change

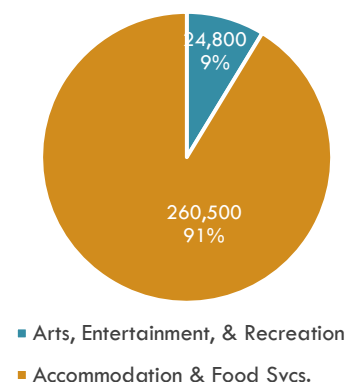
Year over year, Leisure and Hospitality was down -48,900 jobs, or -14.6 percent. (see Chart 10.) This was the largest-ever year-over-year decline in the month of September since records began in 1990. Among sectors currently contracting, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 30.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Leisure and Hospitality. The largest over-the-year gain on record for this sector occurred in January 2016, up 17,200 jobs. The largest over-the-year decline on record occurred in April 2020, down -121,000 jobs. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -35,200 jobs over the year. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -13,700 jobs from September a year ago. Since shedding -128,900 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 60 percent of jobs lost as of September. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has fallen from 10.6 percent to 9.5 percent over the past year.



About This Sector

The Leisure and Hospitality 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. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 91 percent. (see Chart 11.)

Chart 11. Employment in Component Industries of Leisure and Hospitality Sector - September 2020



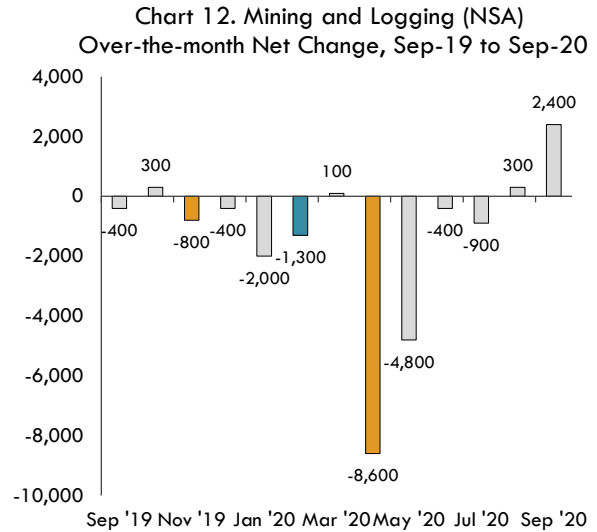
GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

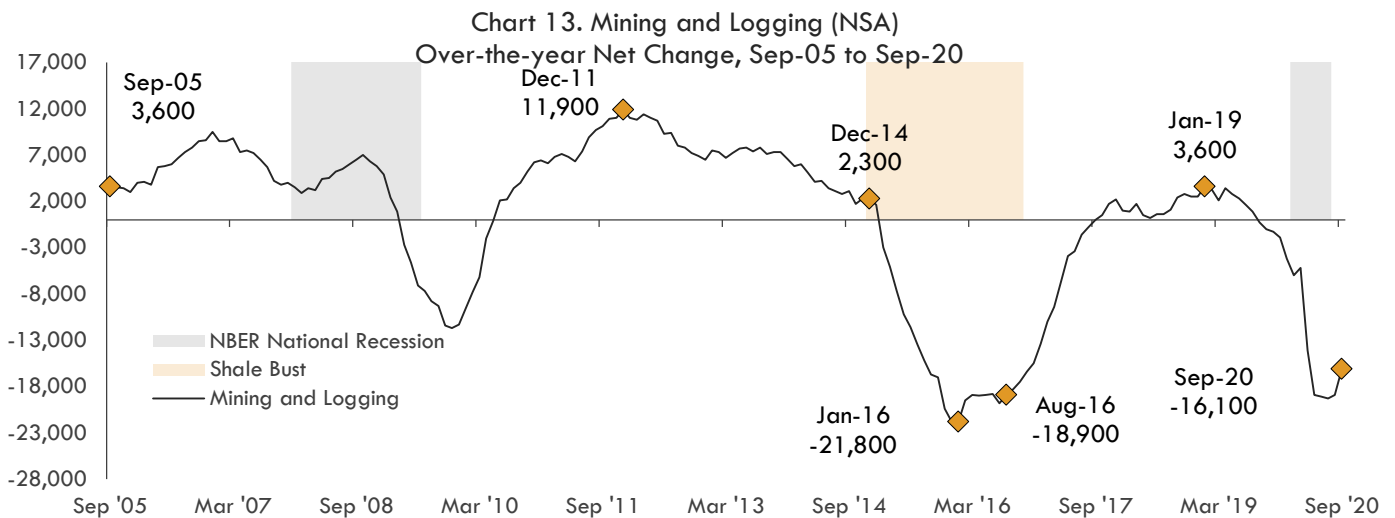
Mining and Logging was the third-largest gaining sector over the month up 2,400 jobs, or 3.9 percent. (see Chart 12.) This was the largest-ever one-month gain in the month of September since records began in 1990. The largest over-the-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest one-month decline on record occurred in April 2020, down -8,600 jobs. Historically in the month of September, Mining and Logging has lost an average of -300 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Job losses are typically recorded in September of each year with only a handful of exceptions in the history of the series. Support Activities for Mining was the largest contributor to the overall sector's increase, up 2,000 jobs over the month. The second-largest contributor was Other Mining and Logging Undefined, which added 500 jobs from August to September. Lastly, Oil and Gas Extraction offset a portion of the sector's gains with a loss of -100 jobs. Mining and Logging employment was revised upward by 1,000 jobs for a July to August complete erasure of losses

losses resulting in a net gain of 300 compared to an original estimate of -700 jobs.



Over-the-year Change

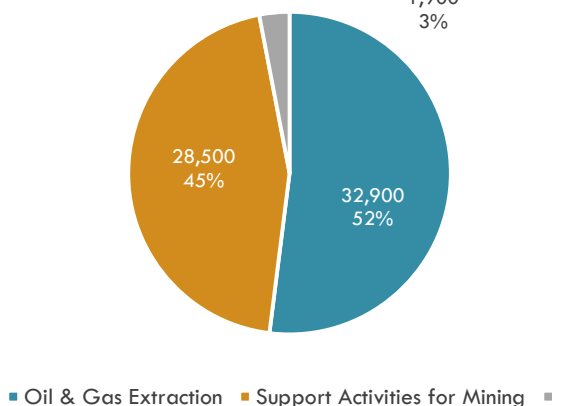
Year over year, Mining and Logging was down -16,100 jobs, or -20.3 percent. (see Chart 13.) Among sectors currently contracting, this sector is the fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in December 2011, up 11,900 jobs. The largest over-the-year decline on record occurred in January 2016, down -21,800 jobs. Support Activities for Mining was the largest contributor to the overall sector's decline, down -12,400 jobs over the year. The second-largest declining contributor was Oil and Gas Extraction, which lost -4,100 jobs from September a year ago. Lastly, Other Mining and Logging Undefined offset a portion of the sector's losses with a gain of 400 jobs. Since shedding -8,500 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -20 percent below levels reported in February 2020. Mining and Logging's share of Houston area Total Nonfarm Employment has fallen from 2.5 percent to 2.1 percent over the past year.



About This Sector

The Mining and Logging 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, Oil and Gas Extraction accounts for a slight majority of the sector's employment at just over 52 percent. (see Chart 14.) Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 4.8 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 14. Employment in Component Industries of Mining and Logging Sector - September 2020

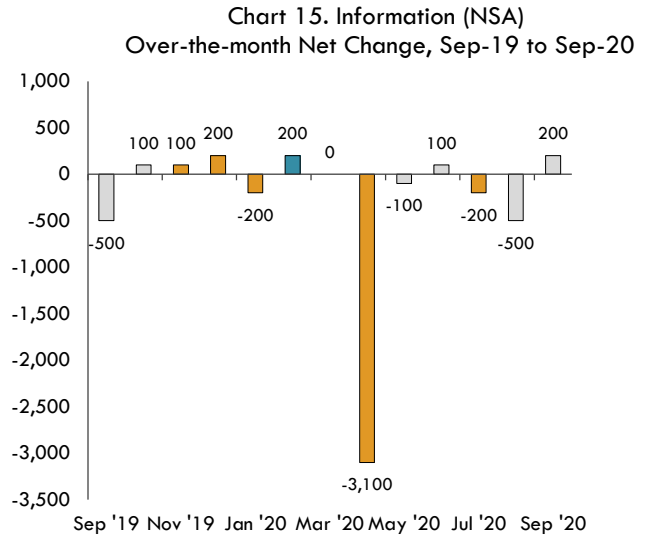


GAINING INDUSTRY HIGHLIGHTS

Information

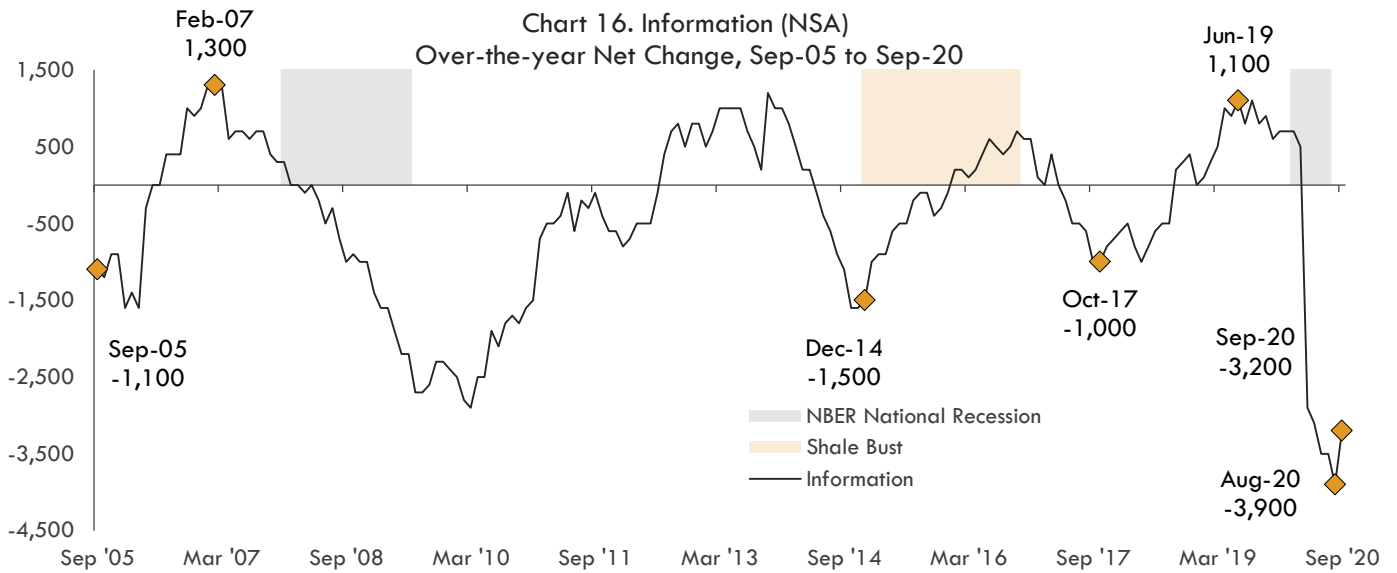
Over-the-month Change

Information also saw an increase over the month up 200 jobs, or 0.7 percent. (see Chart 15.) This was the largest-ever one-month gain in the month of September since records began in 1990. The largest over-the-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest one-month decline on record occurred in April 2020, down -3,100 jobs. Historically in the month of September, Information 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. Other Information Undefined was the largest contributor to the overall sector's increase, up 200 jobs over the month. One component industry, Telecommunications, saw no change from August to September. Information employment was revised upward by 100 jobs for a July to August smaller net loss of -500 compared to an original estimate of -600 jobs.



Over-the-year Change

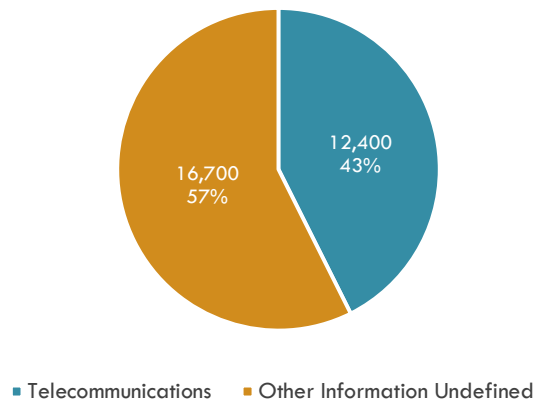
Year over year, Information was down -3,200 jobs, or -9.9 percent. (see Chart 16.) The largest over-the-year gain on record for this sector occurred in June 1997, up 4,600 jobs. The largest over-the-year decline on record occurred in April 2002, down -7,000 jobs. Other Information Undefined was the largest contributor to the overall sector's decline, down -1,800 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -1,400 jobs from September a year ago. Since shedding -3,100 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020.



About This Sector

The Information sector engages in distribution and production of 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 57 percent. (see Chart 17.) Across the Houston MSA, the concentration of jobs in the overall Information sector is 47 percent less than the national average.

Chart 17. Employment in Component Industries of Information Sector - September 2020

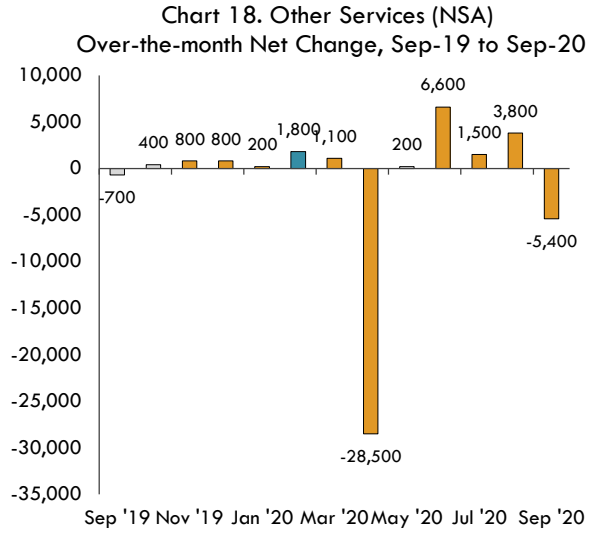


DECLINING INDUSTRY HIGHLIGHTS

Other Services

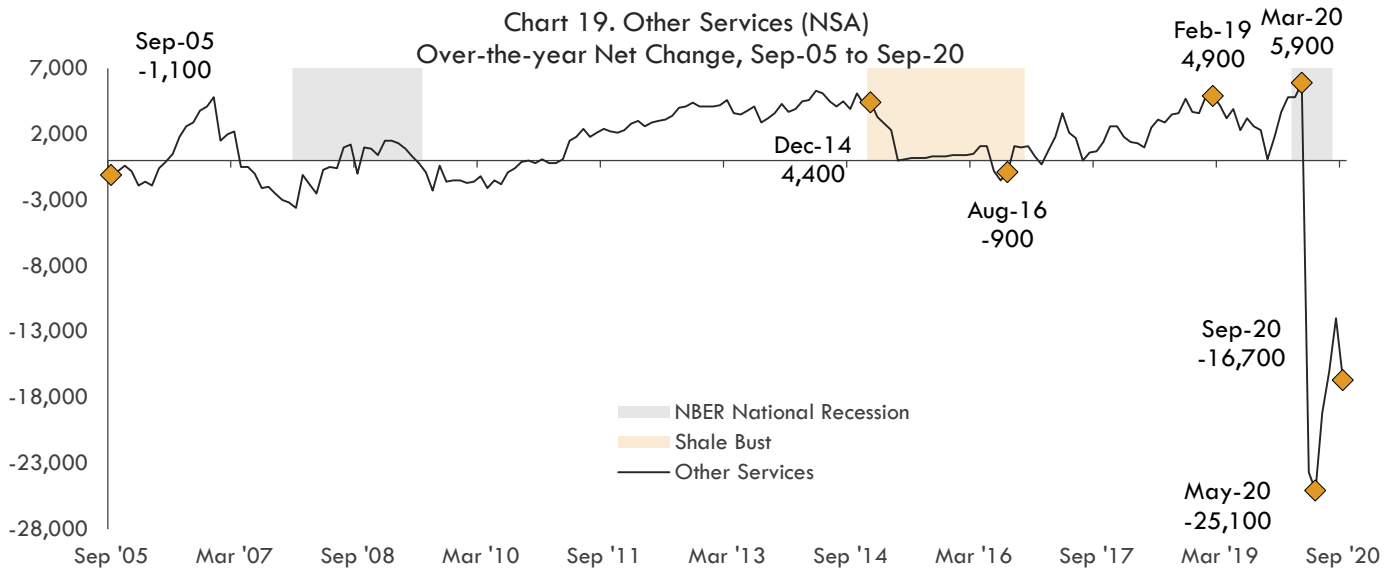
Over-the-month Change

Other Services was the largest declining sector over the month down -5,400 jobs, or -5.2 percent. (see Chart 18.) This was the largest-ever one-month decline in the month of September since records began in 1990. The largest over-the-month gain on record for this sector occurred in June 2020, up 6,600 jobs. The largest one-month decline on record occurred in April 2020, down -28,500 jobs. Historically in the month of September, Other Services has lost an average of -2,400 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Job losses are typically recorded in September of each year with few exceptions. 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 -700 jobs for a July to August smaller net gain of 3,800 compared to an original estimate of 4,500 jobs.



Over-the-year Change

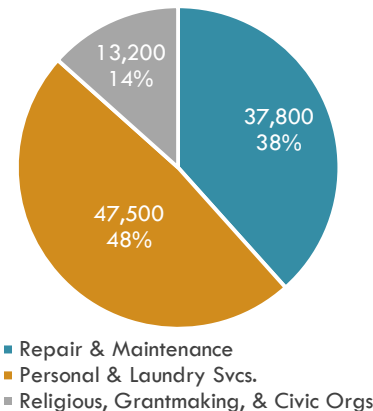
Year over year, Other Services was down -16,700 jobs, or -14.5 percent. (see Chart 19.) This was the largest-ever year-over-year decline in the month of September since records began in 1990. The largest over-the-year gain on record for this sector occurred in March 2020, up 5,900 jobs. The largest over-the-year decline on record occurred in May 2020, down -25,100 jobs. 0 Since shedding -27,400 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 20 percent of jobs lost as of September.



About This Sector

Other Services (ex. Government) comprises establishments not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, dry-cleaning, 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 (sources: Census Non Employer Statistics and BLS QCEW). (see Chart 20.) Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 14 percent less than the national average.

Chart 20. Employment in Component Industries of Other Services Sector - September 2020



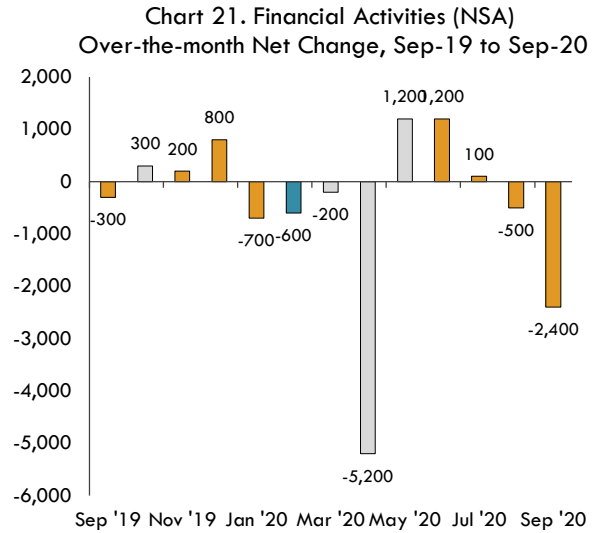
\*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

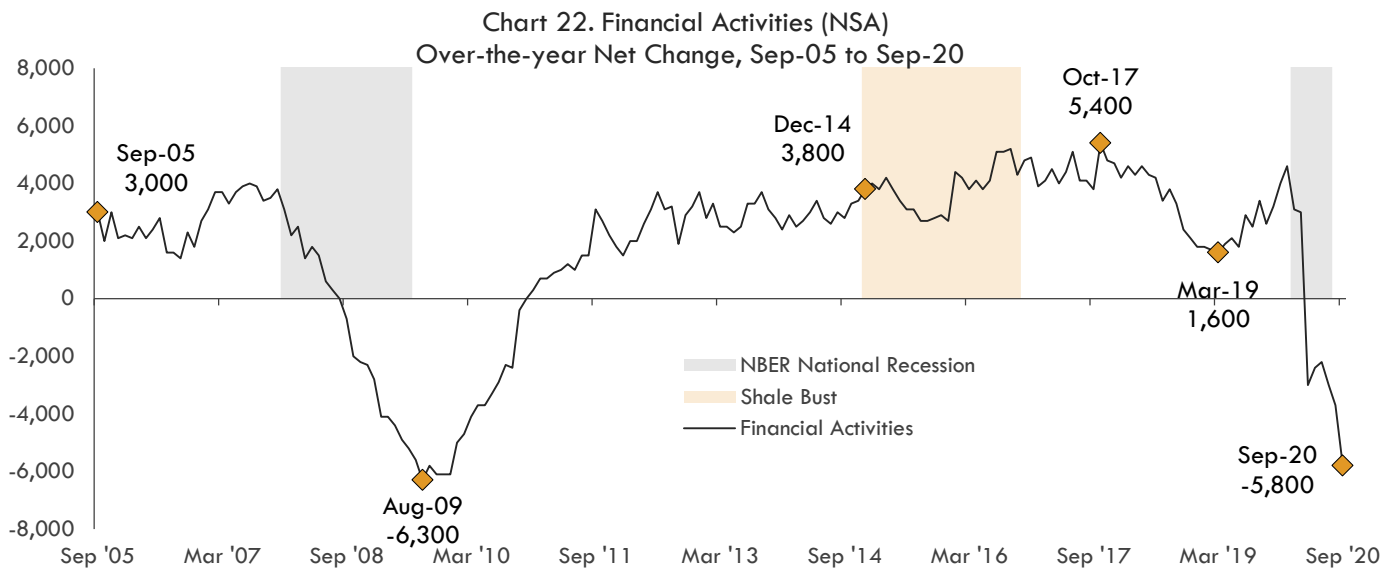
Over-the-month Change

Financial Activities was the second-largest declining sector over the month down -2,400 jobs, or -1.5 percent. (see Chart 21.) This was the largest-ever one-month decline in the month of September since records began in 1990. The largest over-the-month gain on record for this sector occurred in October 2017, up 2,000 jobs. The largest one-month decline on record occurred in April 2020, down -5,200 jobs. Historically in the month of September, Financial Activities has lost an average of -500 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -1,700 jobs over the month. The second-largest declining contributor was E Finance and Insurance, which lost -700 jobs from August to September. Financial Activities employment was revised downward by -600 jobs for a July to August complete erasure of gains leaving a net loss of -500 compared to an original estimate of 100 jobs.



Over-the-year Change

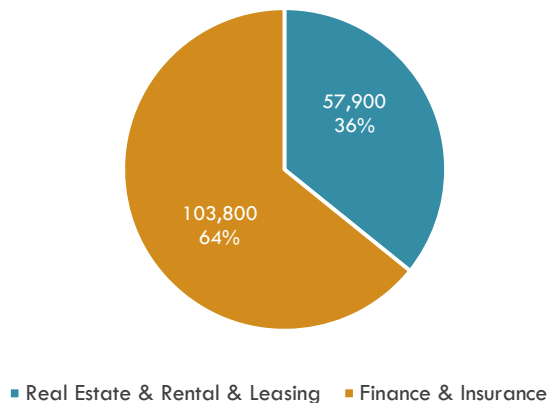
Year over year, Financial Activities was down -5,800 jobs, or -3.5 percent. (see Chart 22.) This was the largest-ever year-over-year decline in the month of September since records began in 1990. The largest over-the-year gain on record for this sector occurred in September 1998, up 9,000 jobs. The largest over-the-year decline on record occurred in August 2009, down -6,300 jobs. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -5,500 jobs over the year. The second-largest declining contributor was Finance and Insurance, which lost -300 jobs from September a year ago. Since shedding -5,400 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains 0 percent below levels reported in February 2020. Financial Activities's share of Houston area Total Nonfarm Employment has remained constant at 5.3 percent over the past year.



About This Sector

The Financial Activities sector engages in 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 23.)

Chart 23. Employment in Component Industries of Financial Activities Sector - September 2020



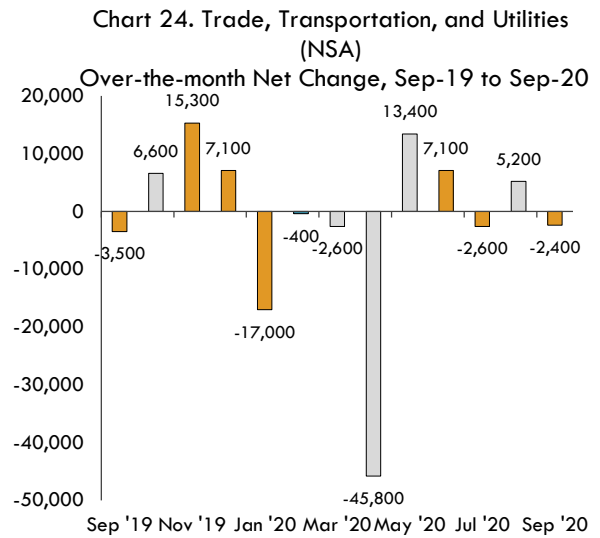


DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

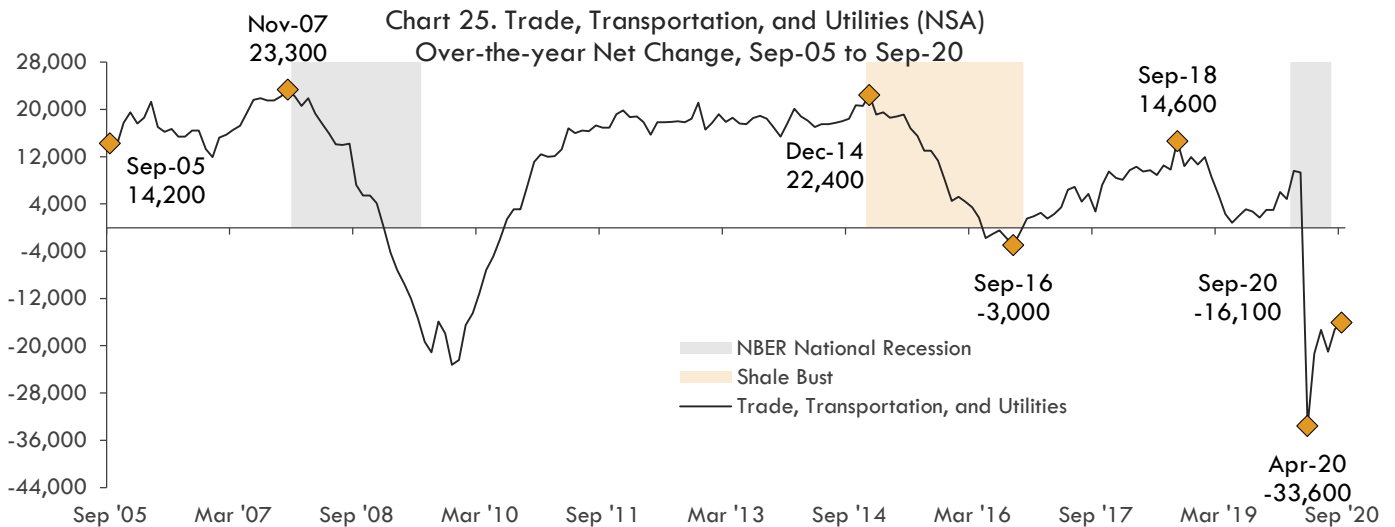
Over-the-month Change

Trade, Transportation, and Utilities was the third-largest declining sector over the month down -2,400 jobs, or -0.4 percent. (see Chart 24.) The largest over-the-month gain on record for this sector occurred in November 2019, up 15,300 jobs. The largest one-month decline on record occurred in April 2020, down -45,800 jobs. Historically in the month of September, Trade, Transportation, and Utilities has lost an average of -2,200 jobs over the month, which indicates that this month's losses are on par with larger than the long-term average decline. September is typically a month of job losses for this sector driven by declines in Retail as many workers return to school in fall. Wholesale Trade was the largest contributor to the overall sector's decline, down -2,200 jobs over the month. The second-largest declining contributor was Retail Trade, which lost 1,300 jobs from August to September. Lastly, Transportation, Warehousing, and Utilities offset a portion of the sector's losses with a gain of 1,100 jobs. Trade, Transportation, and Utilities employment was revised upward by 100 jobs for a July to August larger net gain of 5,200 compared to an original



Over-the-year Change

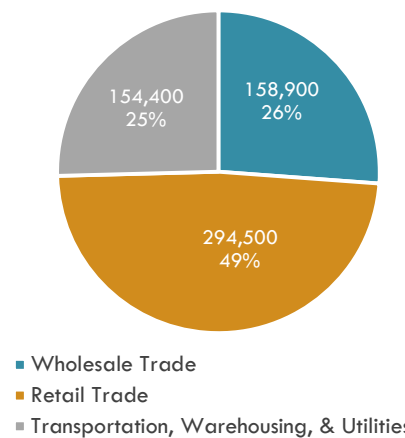
Year over year, Trade, Transportation, and Utilities was down -16,100 jobs, or -2.6 percent. (see Chart 25.) This was the largest-ever year-over-year decline in the month of September since records began in 1990. The largest over-the-year gain on record for this sector occurred in November 2007, up 23,300 jobs. The largest over-the-year decline on record occurred in April 2020, down -33,600 jobs. Wholesale Trade was the largest contributor to the overall sector's decline, down -12,800 jobs over the year. The second-largest declining contributor was Retail Trade, which lost -4,900 jobs from September a year ago. Lastly, Transportation, Warehousing, and Utilities offset a portion of the sector's losses with a gain of 1,600 jobs. Since shedding -48,400 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 40 percent of jobs lost as of September. Trade, Transportation, and Utilities's share of Houston area Total Nonfarm Employment has risen from 19.8 percent to 20.3 percent over the past year.



About This Sector

The Trade, Transportation, and Utilities sector engages in wholesaling of agriculture, mining, and manufactured goods; retailing of 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 26.) Across the Houston MSA, the concentration of jobs in the overall sector is 8 percent higher than the national average, due to a 34-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 26. Employment in Component Industries of Trade, Transportation, and Utilities Sector - September 2020

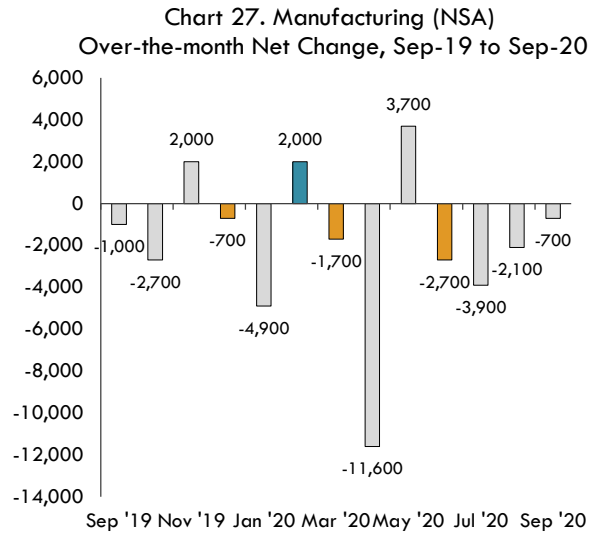


DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

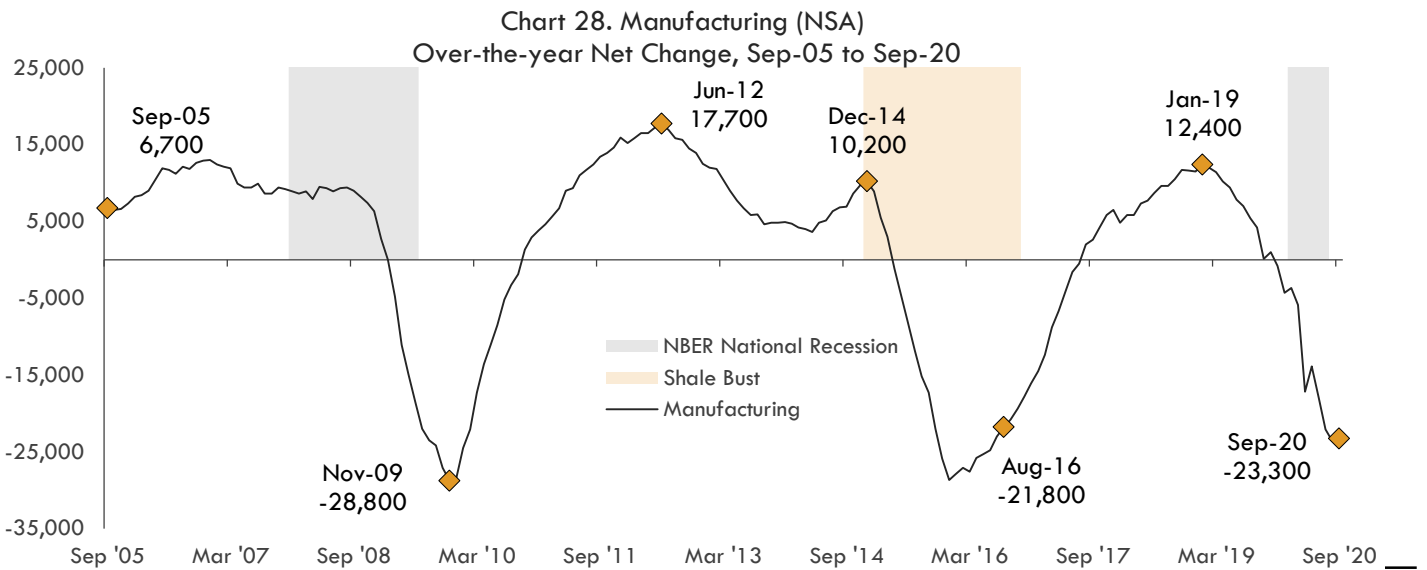
Over-the-month Change

Manufacturing also saw a decrease over the month down -700 jobs, or -0.3 percent. (see Chart 27.) The largest over-the-month gain on record for this sector occurred in May 2020, up 3,700 jobs. The largest one-month decline on record occurred in April 2020, down -11,600 jobs. Historically in the month of September, Manufacturing has lost an average of -400 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Durable Goods was the largest contributor to the overall sector's decline, down -600 jobs over the month. The second-largest declining contributor was Non-Durable Goods, which lost -100 jobs from August to September. Manufacturing employment was revised downward by -600 jobs for a July to August larger net loss of -2,100 compared to an original estimate of -1,500 jobs.



Over-the-year Change

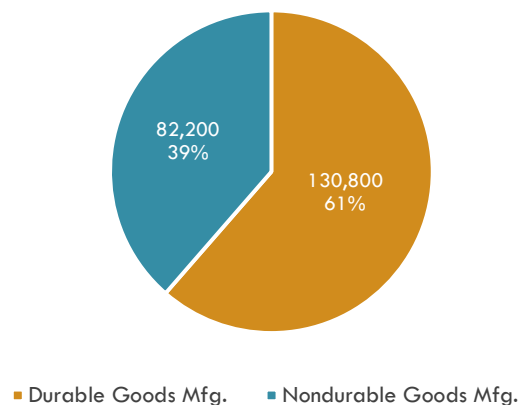
Year over year, Manufacturing was down -23,300 jobs, or -9.9 percent. (see Chart 28.) Furthermore, 14.3 percent of total (gross) jobs lost across the region over the past year can be attributed to Manufacturing. The largest over-the-year gain on record for this sector occurred in June 2012, up 17,700 jobs. The largest over-the-year decline on record occurred in November 2009, down -28,800 jobs. Durable Goods was the largest contributor to the overall sector's decline, down -20,100 jobs over the year. The second-largest declining contributor was Non-Durable Goods, which lost -3,200 jobs from September a year ago. Since shedding -13,300 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Manufacturing's share of Houston area Total Nonfarm Employment has fallen from 7.5 percent to 7.1 percent over the past year.



About This Sector

The Manufacturing 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 61 percent. (see Chart 29.) Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 18 percent less than the national average.

Chart 29. Employment in Component Industries of Manufacturing Sector - September 2020

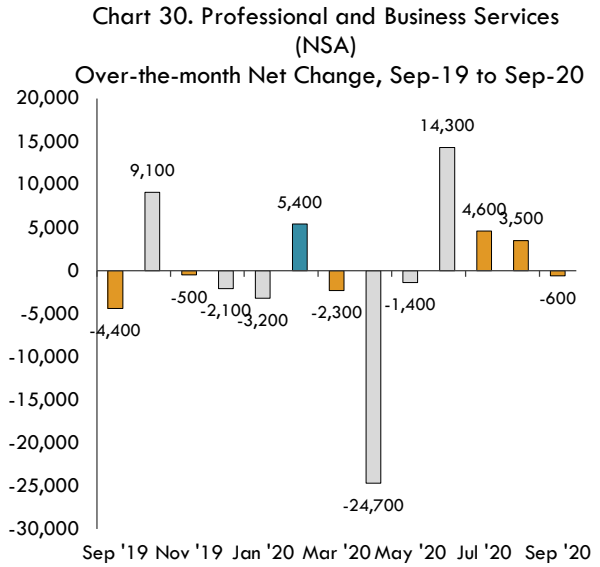


DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

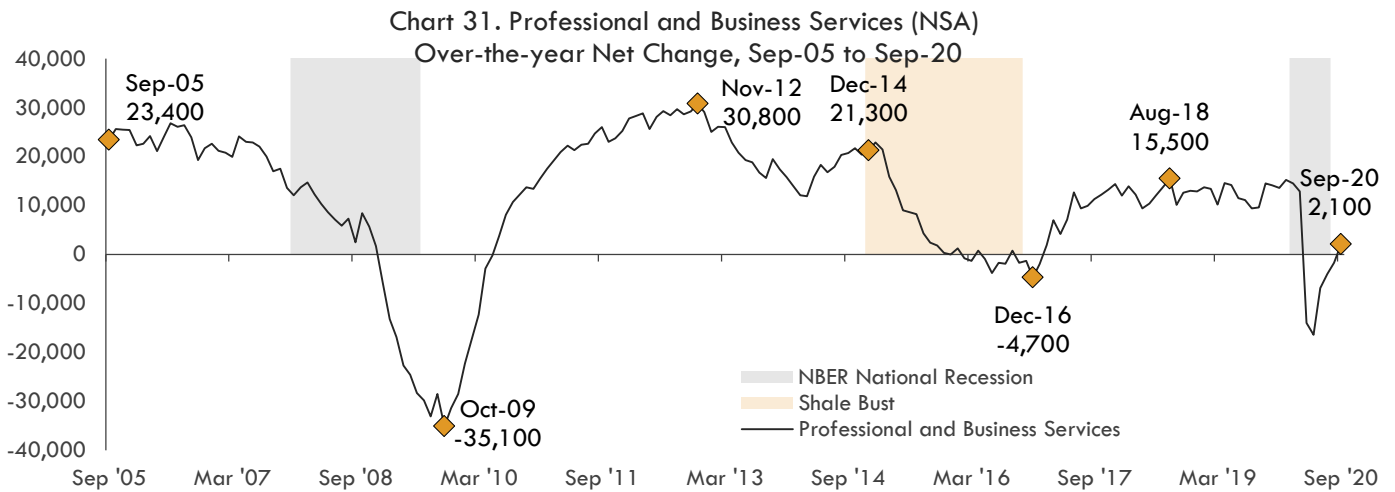
Over-the-month Change

Professional and Business Services also saw a decrease over the month down -600 jobs, or -0.1 percent. (see Chart 30.) The largest over-the-month gain on record for this sector occurred in June 2020, up 14,300 jobs. The largest one-month decline on record occurred in April 2020, down -24,700 jobs. Historically in the month of September, Professional and Business Services has lost an average of -1,100 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. Note that September declines in this sector have occurred roughly two-thirds of the time since 1990, and are not uncommon with all three major component industries occasionally showing seasonal losses. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's decline, down -500 jobs over the month. The second-largest declining contributor was Management of Companies and Enterprises, which lost -400 jobs from August to September. Lastly, Professional, Scientific, and Technical Services offset a portion of the sector's losses with a gain of 300 jobs. Professional and Business Services employment



Over-the-year Change

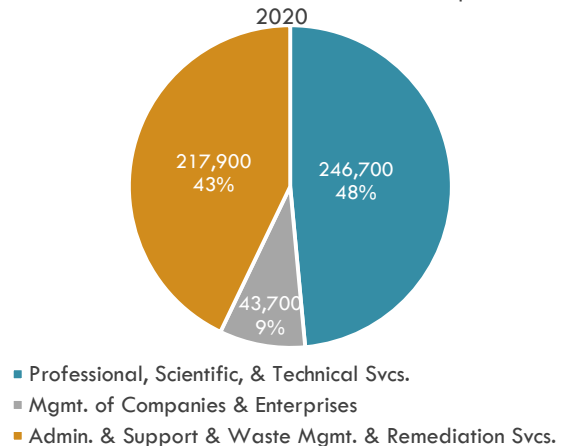
Year over year, Professional and Business Services was up 2,100 jobs, or 0.4 percent. (see Chart 31.) Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 75.0 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. The largest over-the-year gain on record for this sector occurred in November 2012, up 30,800 jobs. The largest over-the-year decline on record occurred in October 2009, down -35,100 jobs. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 6,700 jobs over the year. One component industry that provided a partial offset was Administrative and Support and Waste Management and Remediation Services, which lost -1,900 jobs from September a year ago. Lastly, Management of Companies and Enterprises offset a portion of the sector's gains with a loss of -2,700 jobs. Since shedding -27,000 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 80 percent of jobs lost as of September.



About This Sector

The Professional and Business Services sector specializes in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a plurality of the sector's employment at 49 percent. (see Chart 32.) Across the Houston MSA, the concentration of jobs in the overall sector is 19 percent higher than the national average, due to a 26-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 32. Employment in Component Industries of Professional and Business Services Sector - September 2020

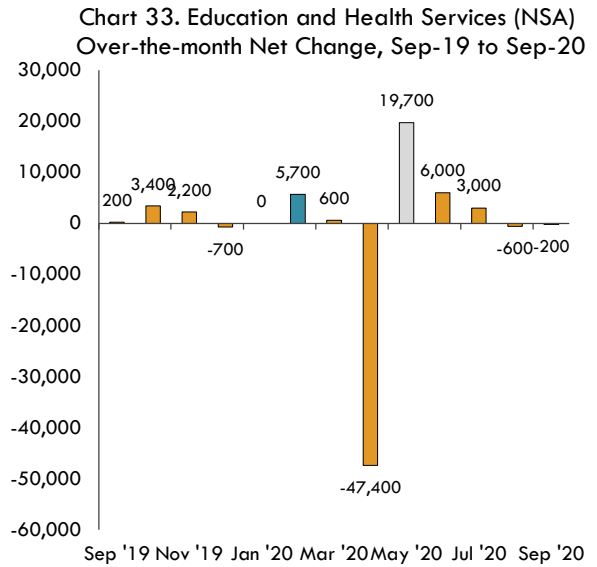


DECLINING INDUSTRY HIGHLIGHTS

Education and Health Services

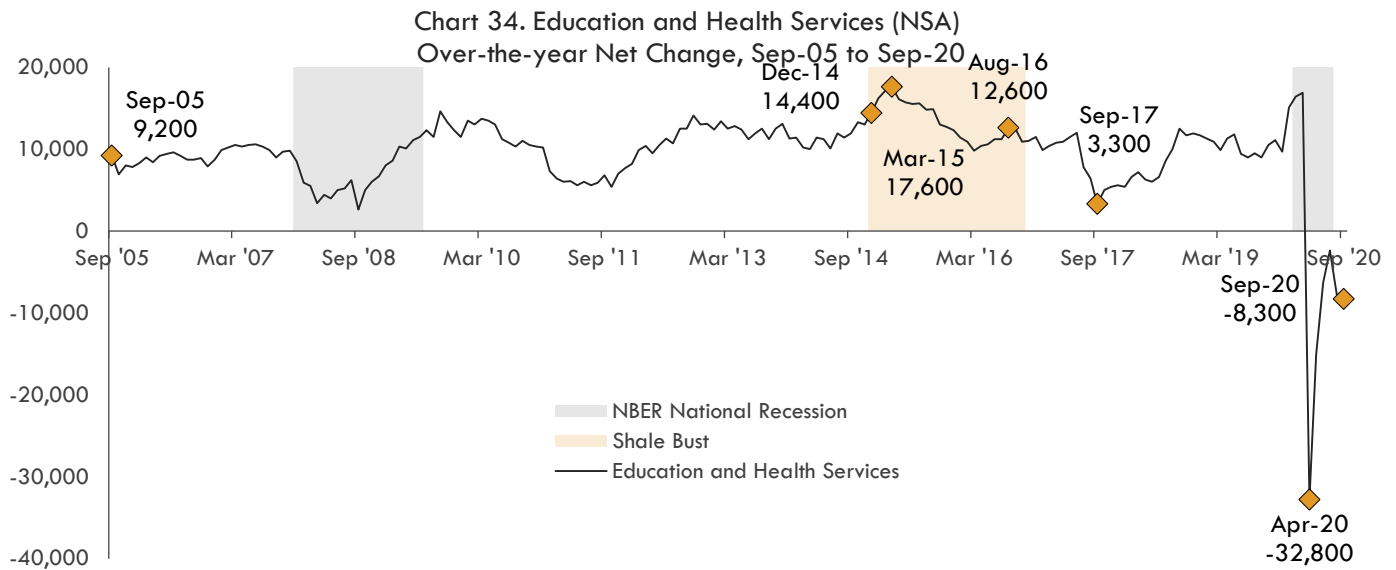
Over-the-month Change

Education and Health Services also saw a decrease over the month down -200 jobs, or -0.1 percent. (see Chart 33.) The largest over-the-month gain on record for this sector occurred in May 2020, up 19,700 jobs. The largest one-month decline on record occurred in April 2020, down -47,400 jobs. Historically in the month of September, Education and Health Services has added an average of 1,300 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Health Care and Social Assistance was the largest contributor to the overall sector's decline, down -3,400 jobs over the month. One component industry that provided a partial offset was Educational Services, which gained 3,200 jobs from August to September. Education and Health Services employment was revised upward by 3,900 jobs for a July to August smaller net loss of -600 compared to an original estimate of -4,500 jobs.



Over-the-year Change

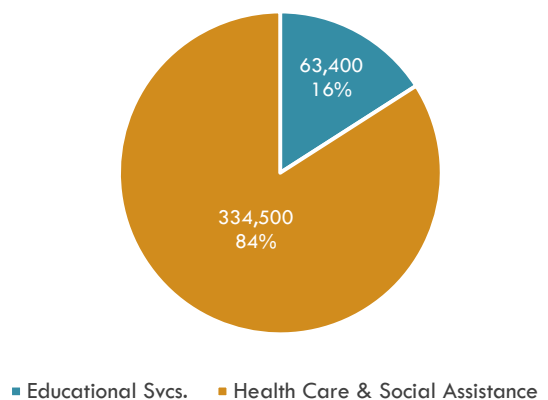
Year over year, Education and Health Services was down -8,300 jobs, or -2.0 percent. (see Chart 34.) This was the largest-ever year-over-year decline in the month of September since records began in 1990. The largest over-the-year gain on record for this sector occurred in March 2015, up 17,600 jobs. The largest over-the-year decline on record occurred in April 2020, down -32,800 jobs. Health Care and Social Assistance was the largest contributor to the overall sector's decline, down -7,900 jobs over the year. The second-largest declining contributor was Educational Services, which lost -400 jobs from September a year ago. Since shedding -46,800 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 60 percent of jobs lost as of September.



About This Sector

The Education and Health Services sector provides private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 84 percent. (see Chart 35.) Across the Houston MSA, the concentration of jobs in the overall sector is 19 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 35. Employment in Component Industries of Education and Health Services Sector - September 2020

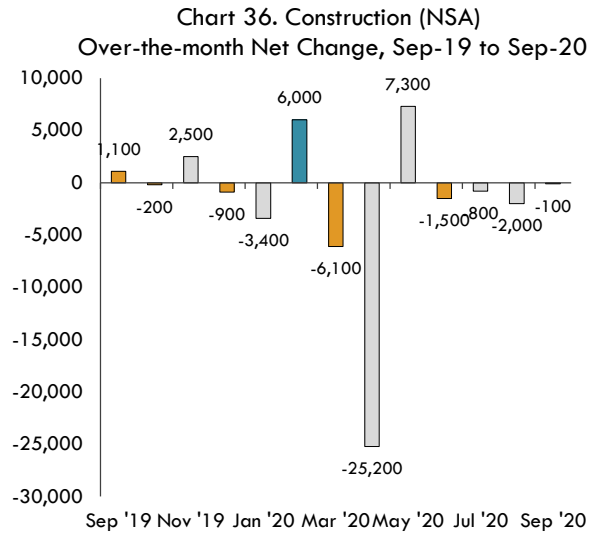


DECLINING INDUSTRY HIGHLIGHTS

Construction

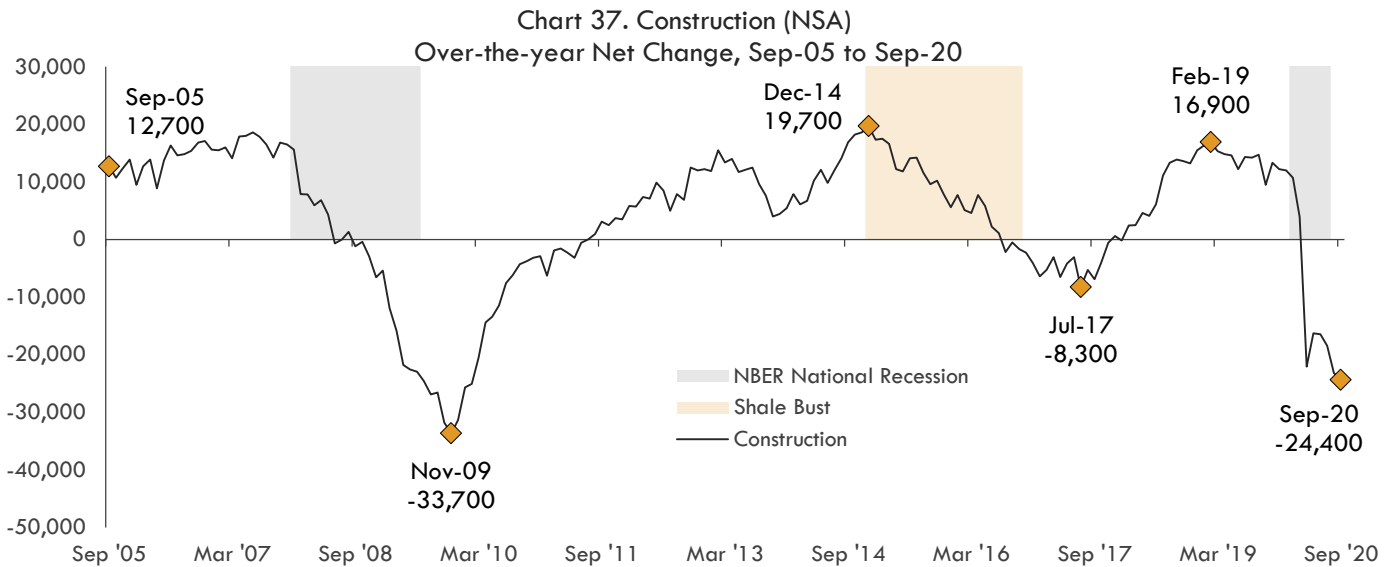
Over-the-month Change

Construction also saw a decrease over the month down -100 jobs, or 0.0 percent. (see Chart 36.) The largest over-the-month gain on record for this sector occurred in February 2019, up 7,300 jobs. The largest one-month decline on record occurred in April 2020, down -25,200 jobs. Historically in the month of September, Construction has added an average of 500 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Construction of Buildings was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Specialty Trade Contractors saw no change over the month. Lastly, Heavy and Civil Engineering Construction offset a portion of the sector's losses with a gain of 100 jobs. Construction employment was revised downward by -400 jobs for a July to August larger net loss of -2,000 compared to an original estimate of -1,600 jobs.



Over-the-year Change

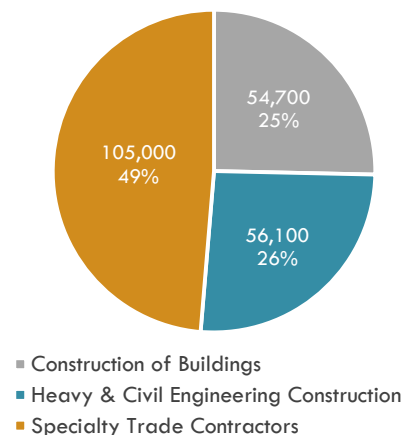
Year over year, Construction was down -24,400 jobs, or -10.2 percent. (see Chart 37.) Furthermore, 15.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. The largest over-the-year gain on record for this sector occurred in December 2014, up 19,700 jobs. The largest over-the-year decline on record occurred in November 2009, down -33,700 jobs. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -14,500 jobs over the year. The second-largest declining contributor was Heavy and Civil Engineering Construction, which lost -7,000 jobs from September a year ago. Lastly, Construction of Buildings subtracted -2,900 jobs. Since shedding -31,300 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 10 percent of jobs lost as of September.



About This Sector

The Construction sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 49 percent. (see Chart 38.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 38 percent higher than the national average, due to 2.5 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 38. Employment in Component Industries of Construction Sector - September 2020



## Unemployment Rates

### Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 9.6 percent in September, up from August's 8.1 percent and up from 3.7 percent a year ago. This was above the statewide rate of 8.3 percent and above the national rate of 7.7 percent. 335,536 individuals were unemployed in Houston in September, up from August's 284,200 and up from 127,777 in September 2019.

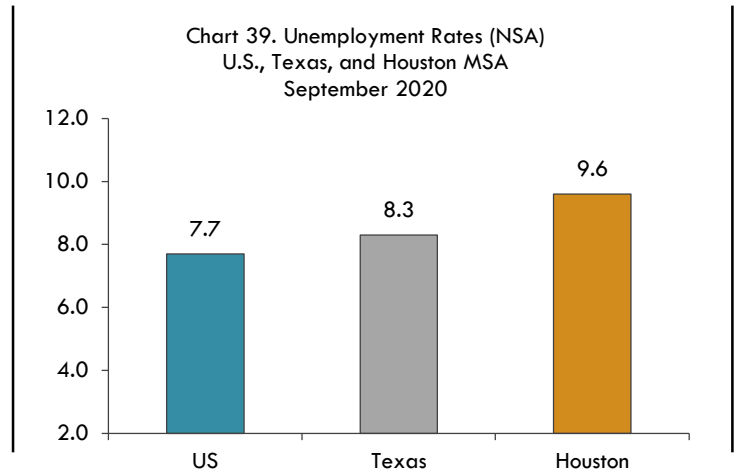
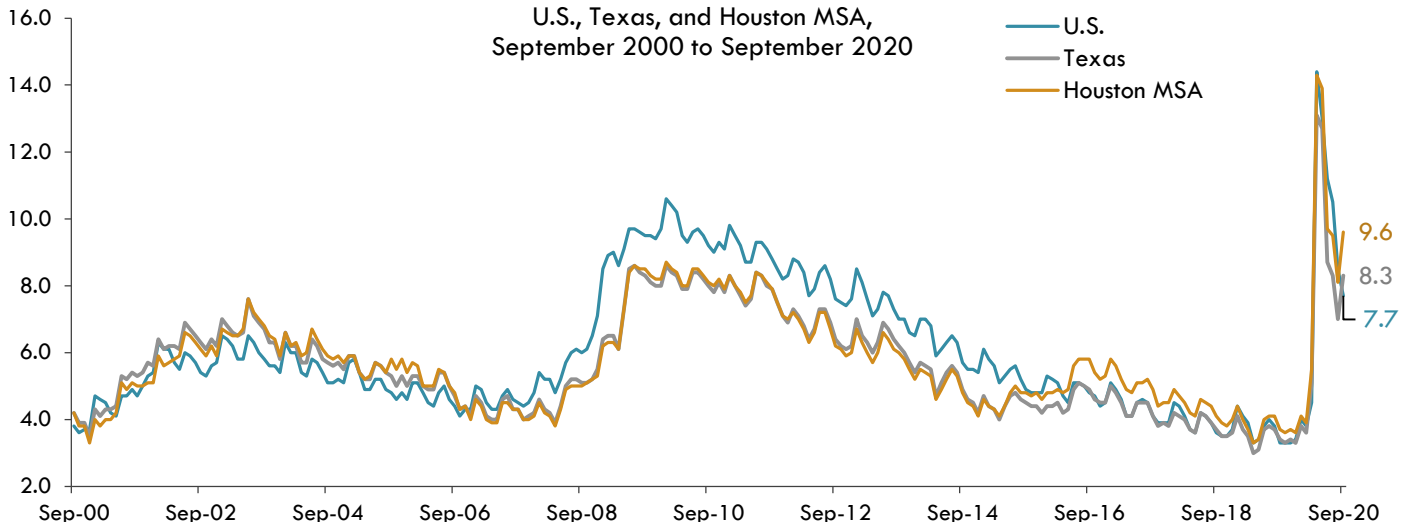


Chart 40. Unemployment Rates (Not-seasonally Adjusted)  
U.S., Texas, and Houston MSA,  
September 2000 to September 2020



### Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 8.0 percent in August, down from July's 9.4 percent and up from 3.6 percent a year ago. This was above the statewide rate of 6.8 percent and below the national rate of 8.4 percent. 277,826 individuals were unemployed in Houston in August, down from July's 315,341 and up from 123,858 in August 2019.

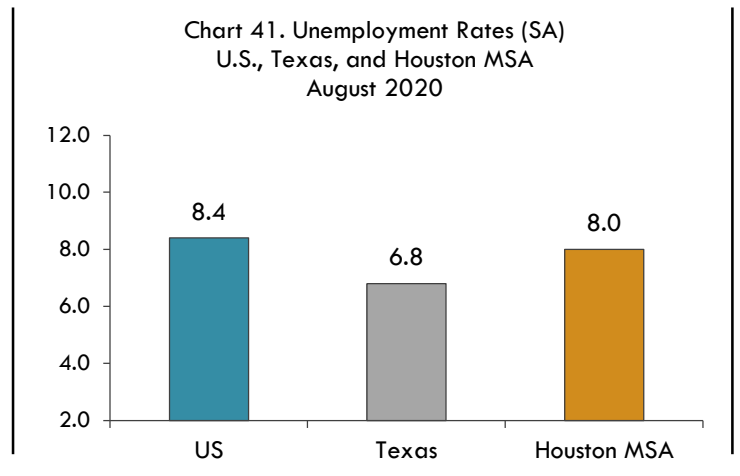
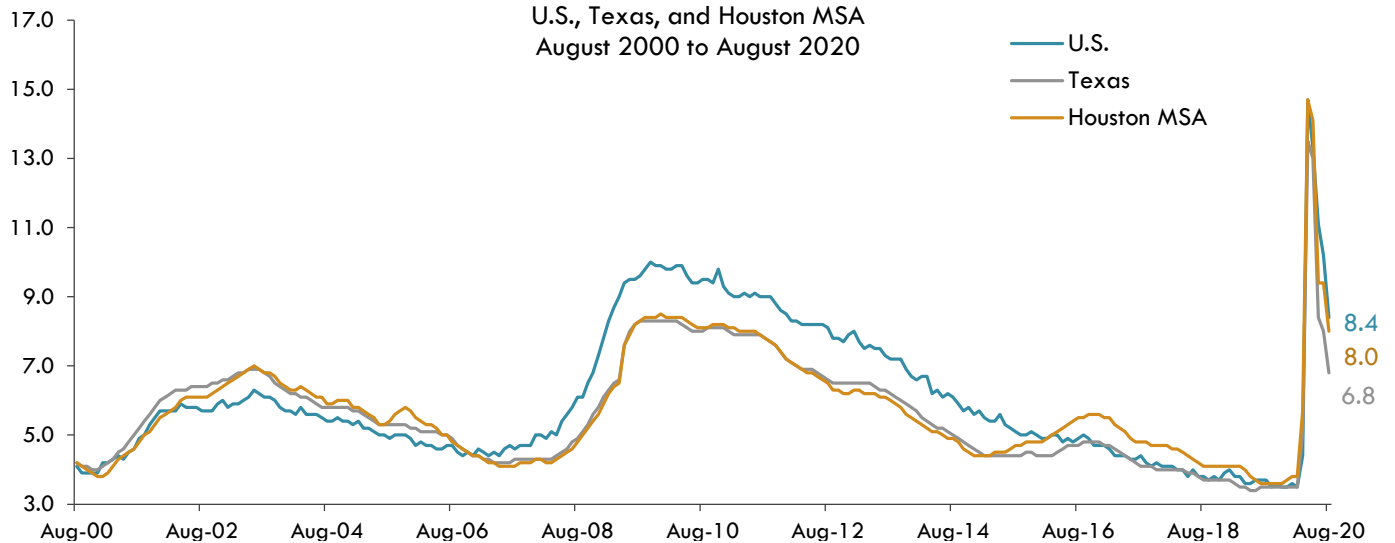


Chart 42. Unemployment Rates (Seasonally Adjusted)  
U.S., Texas, and Houston MSA  
August 2000 to August 2020



September 2020

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Sep-20	Aug-20	Sep-19	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>2,996,300</b>	<b>2,971,900</b>	<b>3,156,300</b>	<b>24,400</b>	<b>0.8%</b>	<b>-160,000</b>	<b>-5.1%</b>
Total Private	2,580,800	2,585,600	2,741,500	-4,800	-0.2%	-160,700	-5.9%
Goods Producing	492,100	490,500	555,900	1,600	0.3%	-63,800	-11.5%
<b>.Mining and Logging</b>	<b>63,300</b>	<b>60,900</b>	<b>79,400</b>	<b>2,400</b>	<b>3.9%</b>	<b>-16,100</b>	<b>-20.3%</b>
...Oil and Gas Extraction	32,900	33,000	37,000	-100	-0.3%	-4,100	-11.1%
...Support Activities for Mining	28,500	26,500	40,900	2,000	7.5%	-12,400	-30.3%
<b>.Construction</b>	<b>215,800</b>	<b>215,900</b>	<b>240,200</b>	<b>-100</b>	<b>0.0%</b>	<b>-24,400</b>	<b>-10.2%</b>
..Construction of Buildings	54,700	54,900	57,600	-200	-0.4%	-2,900	-5.0%
..Heavy and Civil Engineering Construction	56,100	56,000	63,100	100	0.2%	-7,000	-11.1%
..Specialty Trade Contractors	105,000	105,000	119,500	0	0.0%	-14,500	-12.1%
<b>.Manufacturing</b>	<b>213,000</b>	<b>213,700</b>	<b>236,300</b>	<b>-700</b>	<b>-0.3%</b>	<b>-23,300</b>	<b>-9.9%</b>
..Durable Goods	130,800	131,400	150,900	-600	-0.5%	-20,100	-13.3%
...Fabricated Metal Product Manufacturing	48,900	46,600	54,600	2,300	4.9%	-5,700	-10.4%
...Machinery Manufacturing	42,800	43,300	46,800	-500	-1.2%	-4,000	-8.5%
....Agriculture, Construction, and Mining Machinery Mfg.	24,000	24,300	29,200	-300	-1.2%	-5,200	-17.8%
...Computer and Electronic Product Manufacturing	13,300	13,300	13,500	0	0.0%	-200	-1.5%
..Non-Durable Goods	82,200	82,300	85,400	-100	-0.1%	-3,200	-3.7%
...Petroleum and Coal Products Manufacturing	11,600	11,600	10,300	0	0.0%	1,300	12.6%
...Chemical Manufacturing	41,100	41,200	40,500	-100	-0.2%	600	1.5%
Service Providing	2,504,200	2,481,400	2,600,400	22,800	0.9%	-96,200	-3.7%
.Private Service Providing	2,088,700	2,095,100	2,185,600	-6,400	-0.3%	-96,900	-4.4%
<b>..Trade, Transportation, and Utilities</b>	<b>607,800</b>	<b>610,200</b>	<b>623,900</b>	<b>-2,400</b>	<b>-0.4%</b>	<b>-16,100</b>	<b>-2.6%</b>
...Wholesale Trade	158,900	161,100	171,700	-2,200	-1.4%	-12,800	-7.5%
....Merchant Wholesalers, Durable Goods	95,000	96,000	107,000	-1,000	-1.0%	-12,000	-11.2%
....Prof. and Commercial Equip. Supplies Wholesalers	18,400	18,400	17,700	0	0.0%	700	4.0%
....Merchant Wholesalers, Nondurable Goods	50,100	51,300	52,600	-1,200	-2.3%	-2,500	-4.8%
...Retail Trade	294,500	295,800	299,400	-1,300	-0.4%	-4,900	-1.6%
....Motor Vehicle and Parts Dealers	43,100	42,700	43,200	400	0.9%	-100	-0.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,400	23,500	21,300	-100	-0.4%	2,100	9.9%
....Food and Beverage Stores	67,300	67,300	65,600	0	0.0%	1,700	2.6%
....Health and Personal Care Stores	18,300	18,100	18,700	200	1.1%	-400	-2.1%
....Clothing and Clothing Accessories Stores	28,300	28,600	27,600	-300	-1.0%	700	2.5%
....General Merchandise Stores	57,800	59,200	57,100	-1,400	-2.4%	700	1.2%
.....Department Stores	18,300	18,900	19,100	-600	-3.2%	-800	-4.2%
.....Other General Merchandise Stores	39,500	40,300	38,000	-800	-2.0%	1,500	3.9%
...Transportation, Warehousing, and Utilities	154,400	153,300	152,800	1,100	0.7%	1,600	1.0%
...Utilities	17,200	17,200	17,100	0	0.0%	100	0.6%
....Air Transportation	17,700	18,000	20,200	-300	-1.7%	-2,500	-12.4%
....Truck Transportation	28,100	28,100	28,200	0	0.0%	-100	-0.4%
....Pipeline Transportation	11,900	12,000	11,900	-100	-0.8%	0	0.0%
<b>..Information</b>	<b>29,100</b>	<b>28,900</b>	<b>32,300</b>	<b>200</b>	<b>0.7%</b>	<b>-3,200</b>	<b>-9.9%</b>
...Telecommunications	12,400	12,400	13,800	0	0.0%	-1,400	-10.1%
<b>..Financial Activities</b>	<b>161,700</b>	<b>164,100</b>	<b>167,500</b>	<b>-2,400</b>	<b>-1.5%</b>	<b>-5,800</b>	<b>-3.5%</b>
...Finance and Insurance	103,800	104,500	104,100	-700	-0.7%	-300	-0.3%
....Credit Intermediation and Related Activities	43,000	43,400	44,300	-400	-0.9%	-1,300	-2.9%
.....Depository Credit Intermediation	30,100	30,300	30,300	-200	-0.7%	-200	-0.7%
....Securities, Commodity Contracts, and Fin. Investments	21,300	21,500	20,900	-200	-0.9%	400	1.9%
....Insurance Carriers and Related Activities	39,500	39,600	38,900	-100	-0.3%	600	1.5%
...Real Estate and Rental and Leasing	57,900	59,600	63,400	-1,700	-2.9%	-5,500	-8.7%
<b>..Professional and Business Services</b>	<b>508,300</b>	<b>508,900</b>	<b>506,200</b>	<b>-600</b>	<b>-0.1%</b>	<b>2,100</b>	<b>0.4%</b>
...Professional, Scientific, and Technical Services	246,700	246,400	240,000	300	0.1%	6,700	2.8%
....Legal Services	27,500	26,700	27,000	800	3.0%	500	1.9%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,800	28,300	26,200	-500	-1.8%	1,600	6.1%
....Architectural, Engineering, and Related Services	74,700	75,600	73,800	-900	-1.2%	900	1.2%
....Computer Systems Design and Related Services	33,500	34,400	34,600	-900	-2.6%	-1,100	-3.2%
...Management of Companies and Enterprises	43,700	44,100	46,400	-400	-0.9%	-2,700	-5.8%
...Admin. and Support and Waste Mgmt. and Remediation	217,900	218,400	219,800	-500	-0.2%	-1,900	-0.9%
....Administrative and Support Services	204,500	204,900	208,300	-400	-0.2%	-3,800	-1.8%
.....Employment Services	66,500	66,600	76,600	-100	-0.2%	-10,100	-13.2%
.....Services to Buildings and Dwellings	54,700	54,600	53,200	100	0.2%	1,500	2.8%
<b>..Educational and Health Services</b>	<b>397,900</b>	<b>398,100</b>	<b>406,200</b>	<b>-200</b>	<b>-0.1%</b>	<b>-8,300</b>	<b>-2.0%</b>
...Educational Services	63,400	60,200	63,800	3,200	5.3%	-400	-0.6%
...Health Care and Social Assistance	334,500	337,900	342,400	-3,400	-1.0%	-7,900	-2.3%
....Ambulatory Health Care Services	173,000	172,200	165,300	800	0.5%	7,700	4.7%
....Hospitals	87,000	87,600	88,100	-600	-0.7%	-1,100	-1.2%
<b>..Leisure and Hospitality</b>	<b>285,300</b>	<b>280,900</b>	<b>334,200</b>	<b>4,400</b>	<b>1.6%</b>	<b>-48,900</b>	<b>-14.6%</b>
...Arts, Entertainment, and Recreation	24,800	26,500	38,500	-1,700	-6.4%	-13,700	-35.6%
...Accommodation and Food Services	260,500	254,400	295,700	6,100	2.4%	-35,200	-11.9%
....Accommodation	21,500	21,200	28,700	300	1.4%	-7,200	-25.1%
....Food Services and Drinking Places	239,000	233,200	267,000	5,800	2.5%	-28,000	-10.5%
<b>..Other Services</b>	<b>98,600</b>	<b>104,000</b>	<b>115,300</b>	<b>-5,400</b>	<b>-5.2%</b>	<b>-16,700</b>	<b>-14.5%</b>
<b>Government</b>	<b>415,500</b>	<b>386,300</b>	<b>414,800</b>	<b>29,200</b>	<b>7.6%</b>	<b>700</b>	<b>0.2%</b>
.Federal Government	36,400	35,300	30,600	1,100	3.1%	5,800	19.0%
.State Government	84,000	79,700	87,100	4,300	5.4%	-3,100	-3.6%
..State Government Educational Services	46,200	41,400	49,900	4,800	11.6%	-3,700	-7.4%
.Local Government	295,100	271,300	297,100	23,800	8.8%	-2,000	-0.7%
..Local Government Educational Services	199,100	180,100	205,000	19,000	10.5%	-5,900	-2.9%