

# Houston Area Employment Situation

March 2022

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*February Roared in Like a Lion, but March... Not So Much*

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,164,200 in March, up 1,700 jobs over the month, or 0.1 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 31,300 jobs. Prior to the pandemic, historically in the month of March, Total Nonfarm has on average added 12,600 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Note that job growth is typical in March of each year with the only declines in this month occurring in 2009 due to Great Recession and 2020 at the start of the COVID-19 global pandemic.

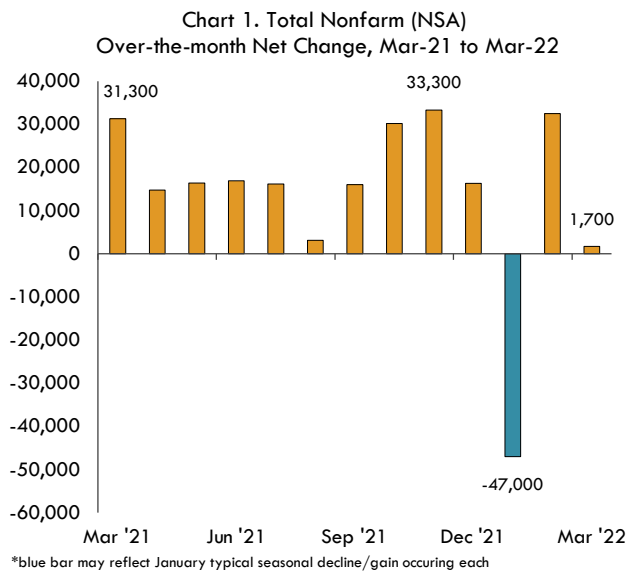
The primary drivers of this March's growth were increases in Leisure and Hospitality; Construction; and Mining and Logging. Gains were also recorded in Other Services; Manufacturing; and Education and Health Services. The net increase in jobs over the month was partially offset by losses in Professional and Business Services; Trade, Transportation, and Utilities; and Government. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,176,300, up 800 jobs over the month, or 0.0 percent vs. a historical average of 5,000. This March marks 13 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 March**

- Leisure and Hospitality: 4,600
- Construction: 3,200
- Mining and Logging: 1,500

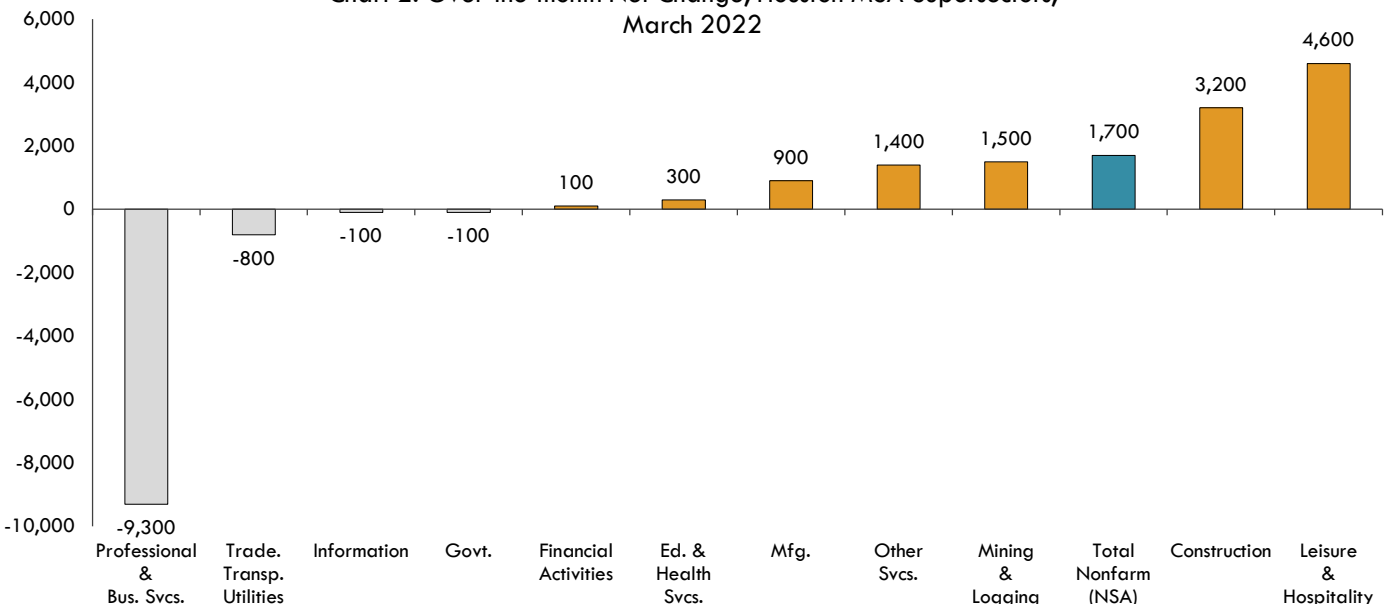
#### Over-the-year Change

Over the year, Total Nonfarm employment was up 150,400 or 5.0 percent on a not-seasonally-adjusted basis and up 159,800 or 5.3 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, March 2021 saw a year-over-year loss of -160,400 jobs (NSA) from March 2020. This was the largest March over-the-year increase on record. Currently all 11 sectors show growth year over year of which the top-three are Leisure and Hospitality (36,600); Trade, Transportation, and Utilities



(35,300); and Education and Health Services (22,700) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted remains -28,000 jobs, or -0.9 percent below its February 2020 pre-pandemic level of 3,192,200 (-23,900 jobs, -0.7 percent below 3,200,200 seasonally adjusted).

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



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## Previous Month's Revisions

Total Nonfarm employment was revised downward by -13,000 jobs for a January to February smaller net gain of 32,500 compared to an original estimate of 45,500 jobs. A downward revision of -5,000 jobs in Trade, Transportation, and Utilities was the largest contributor followed by Professional and Business Services (-3,600) and Government (-3,000). Upward revisions in Construction (+1,300), Other Services (+600), and Education and Health Services (+200) provided a partial offset of the overall downward revision to Total Nonfarm employment (see Chart 5).

### Top-3 Drivers of Over-the-year Job Growth in March

- Leisure and Hospitality: 36,600
- Trade, Transportation, and Utilities: 35,300
- Education and Health Services: 22,700

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

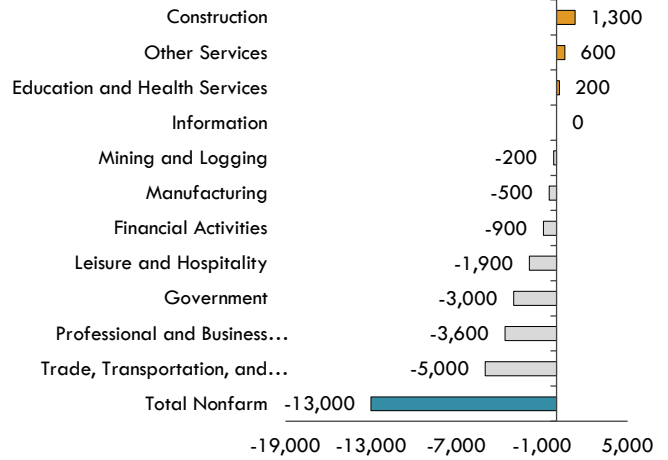


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22

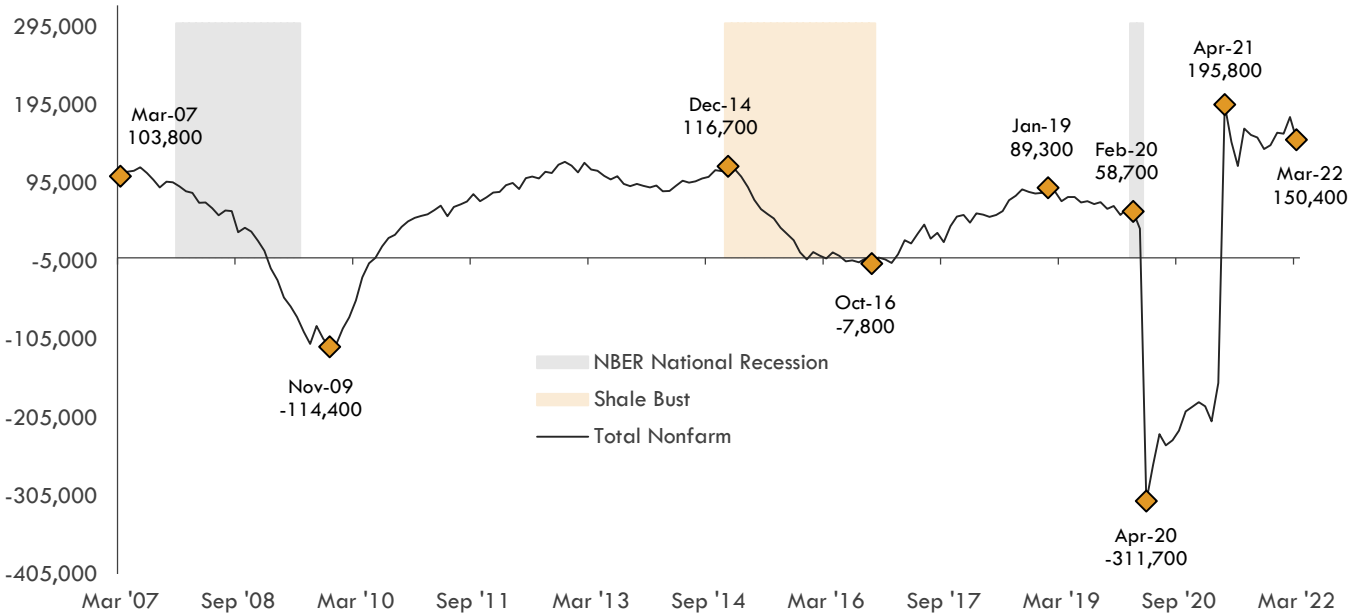
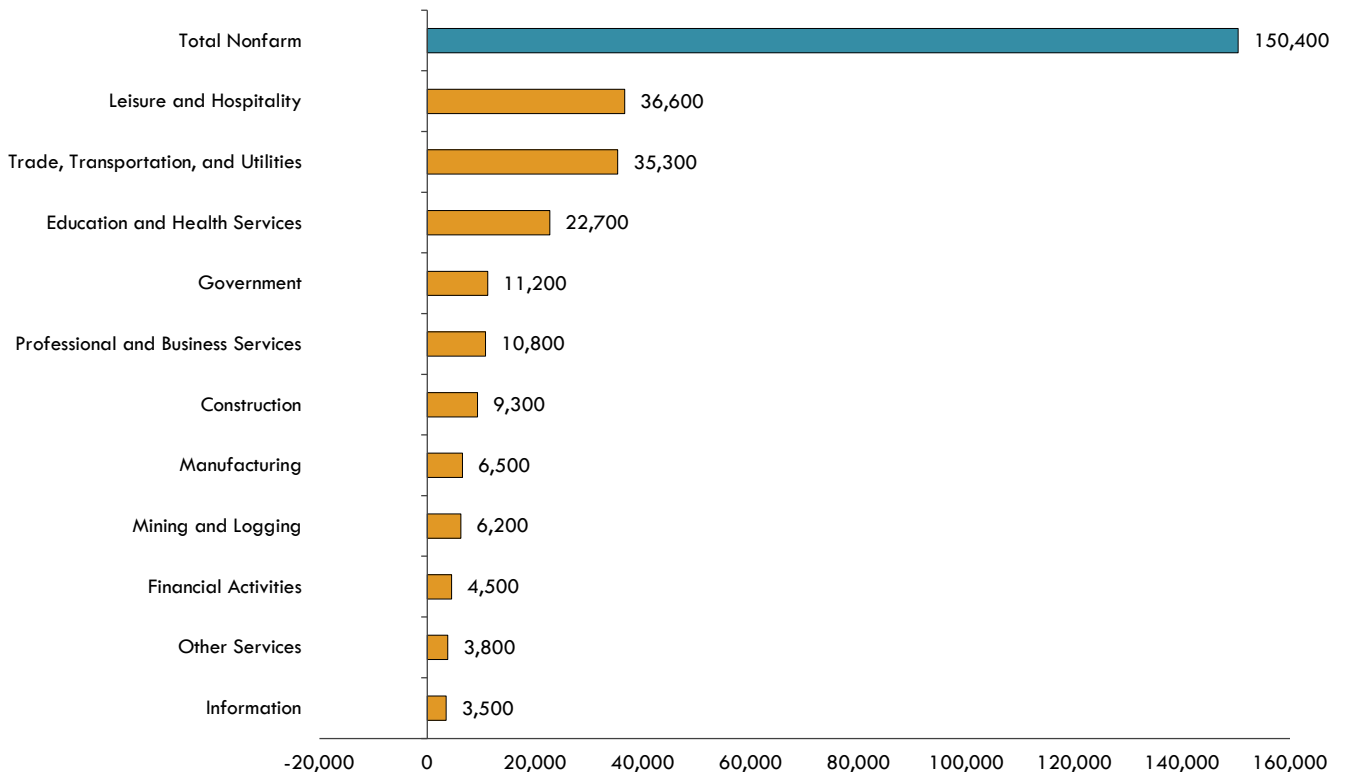


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
March 2021 to March 2022



## Supplemental Commentary

### Overall Impressions

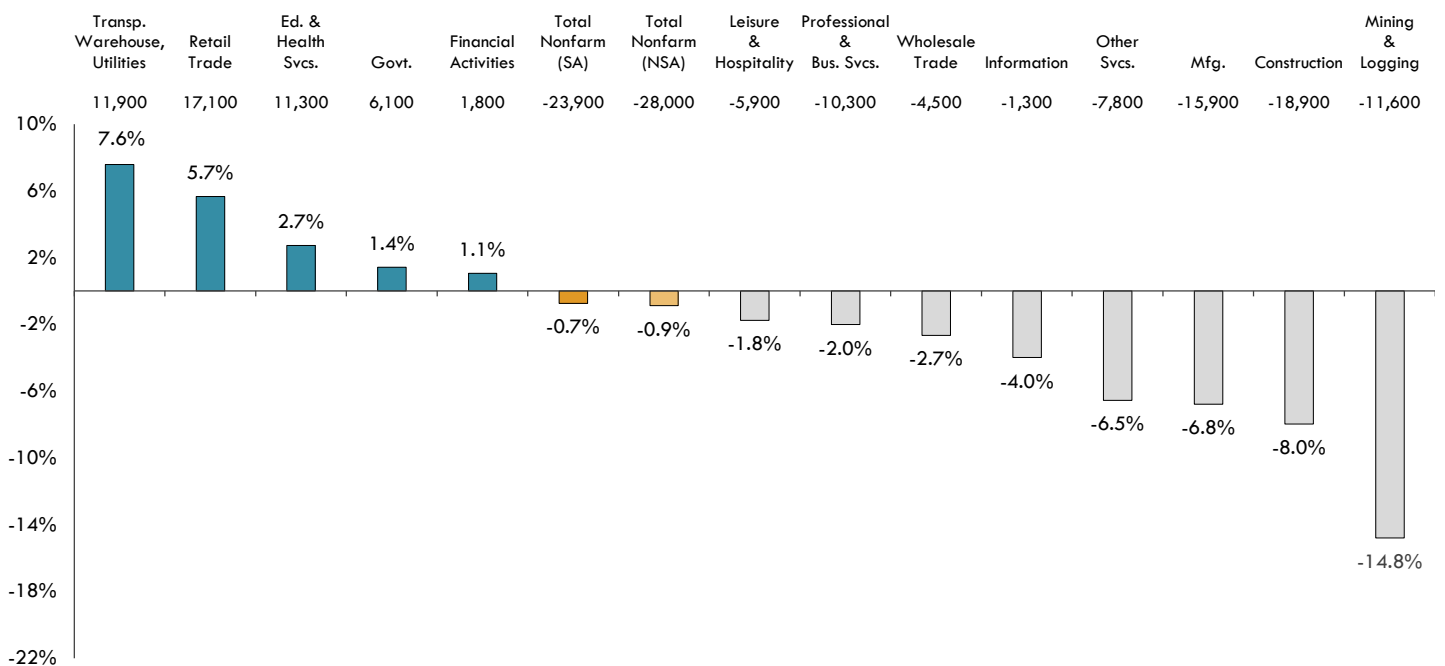
If February’s record over-the-month job growth seemed unbelievable (which it still is even after revisions) then March was its equally dubious yet disappointing counterpart. While Houston *did* add jobs over the month, it only managed to eke out a gain of 1,700 before seasonal adjustments and even fewer jobs after (+800). Given that we’re two years into the pandemic and life continues to normalize at a rapid clip, March should have given us ten times the aforementioned growth, if not more.

So, of our dozen or so major industry sectors which ones were the culprits behind March’s less-than-spectacular performance? In this case, nearly all the blame can be laid at the feet of just one sector: Professional and Business Services, whose vague title obscures the fact that it’s a medley of industries ranging from engineering and law firms to building security services and landscaping companies. If this sector had simply added its long-term historical average of 2,700 jobs, overall Total Nonfarm growth in March would’ve been closer to 14,000, a perfectly acceptable but unremarkable number that would’ve eliminated the need for most of the previous 191 words. However, short of massive revisions next month or even next year, we are for the time being stuck with a supposed loss of 9,300 Professional and Business Service jobs in March.

Digging down further into the hodge-podge of industries that make up this sector doesn’t provide much of an explanation. The most we can surmise is that some combination of employers in Administrative and Support and Waste Management and Remediation (yes, that really is the name given by the Feds) shed the bulk of those 9,300 jobs.

Perhaps readers of this commentary have company-specific insights into the mystery however I’ll conclude by pointing out that February saw P&BS add 10,400 jobs over the month before being revised down to 6,800. Regardless, gaining several thousand jobs one month only to lose several thousand the next suggests one of two possibilities: either the job market is becoming increasingly volatile for unknown reasons, or the estimates *truly are estimates* in the least flattering way. If you’ve read my commentary before, you probably know which way I’m leaning but one can’t help but wonder: if we’re seeing such extreme swings now, what can we expect when the economy begins to slow in earnest later this year as efforts to tame inflation kick into high gear? Will we even be able to tell the difference in our monthly job numbers? Stay tuned.

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



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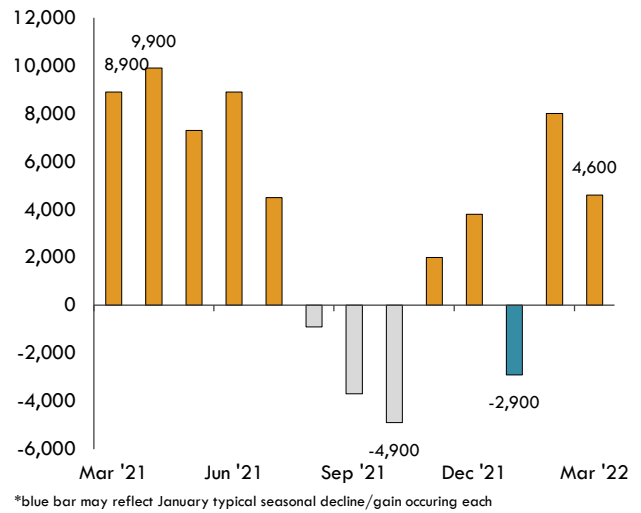
## GAINING INDUSTRY HIGHLIGHTS

### Leisure and Hospitality

#### Over-the-month Change

Leisure and Hospitality was the largest gaining sector over the month up 4,600 jobs, or 1.4 percent (see Chart 6). Historically in the month of March, Leisure and Hospitality has added an average of 4,400 jobs over the month, which indicates that this month's gains are on par with the long-term average. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 4,000 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 600 jobs from February to March.

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

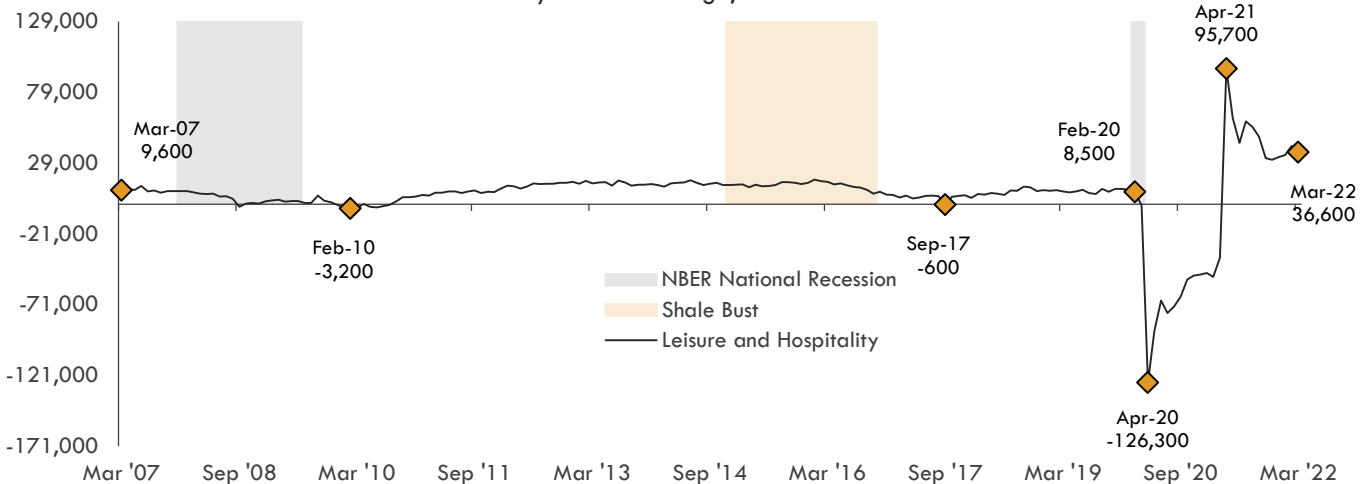


#### Over-the-year Change

Year over year, Leisure and Hospitality was up 36,600 jobs, or 12.5 percent (see Chart 7). This was the largest March over-the-year increase on record. It also marks 12 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. Furthermore, 24.3 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 32,500 jobs over the year. The second-largest

contributor was Arts, Entertainment, and Recreation, which added 4,100 jobs from March a year ago. Total Leisure and Hospitality employment (NSA) remains -5,900 jobs, or -1.8 percent below its February 2020 pre-pandemic level of 334,500. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 9.7 percent to 10.4 percent over the past year.

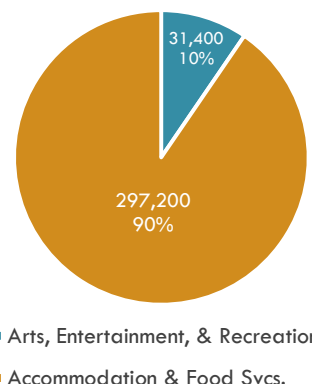
Chart 7. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### About This Sector

This sector is composed of establishments that produce and promote in live performances, events, or exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 90 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 4 percent higher than the national average.

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

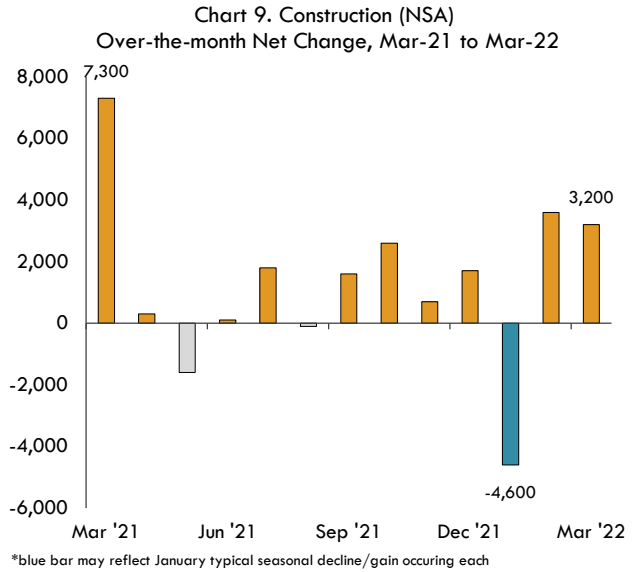


## GAINING INDUSTRY HIGHLIGHTS

### Construction

#### Over-the-month Change

Construction was the second-largest gaining sector over the month up 3,200 jobs, or 1.5 percent (see Chart 9). Historically in the month of March, Construction has added an average of 1,700 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 1,600 jobs over the month. The second-largest contributor was Construction of Buildings, which added 1,000 jobs from February to March. Lastly, Heavy and Civil Engineering Construction contributed, 600 jobs. Construction employment was revised upward by 1,300 jobs for a January to February larger net gain of 3,600 compared to an original estimate of 2,300 jobs.

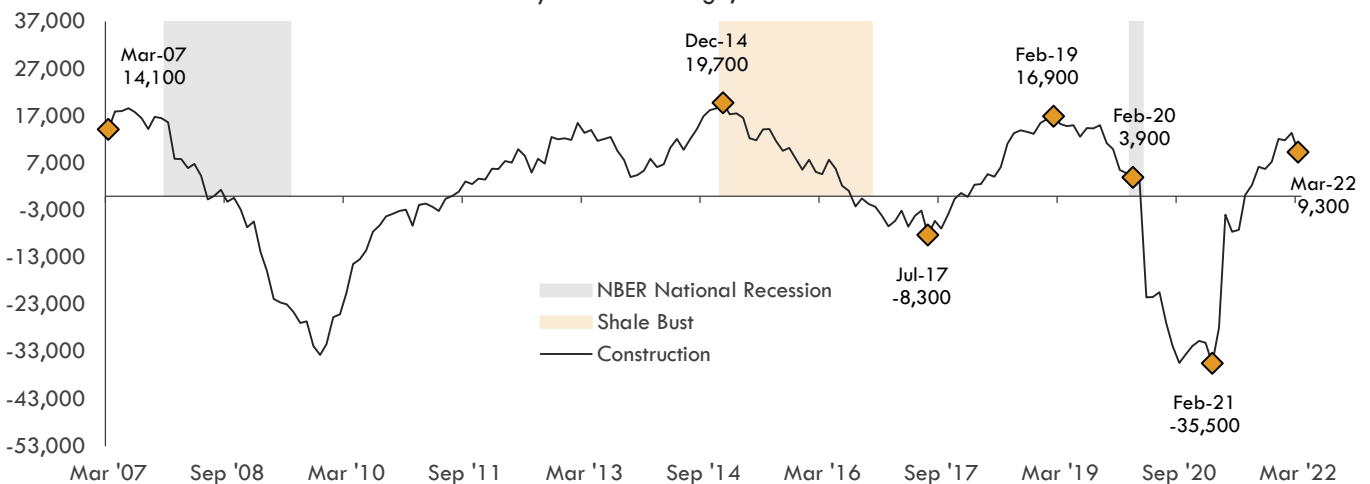


#### Over-the-year Change

Year over year, Construction was up 9,300 jobs, or 4.4 percent (see Chart 10). This March also marks nine consecutive months of over-the-year gains. Construction of Buildings was the largest contributor to the overall sector's increase, up 4,000 jobs over the year. The second-largest contributor was Specialty Trade Contractors, which added 3,800 jobs from March a year ago. Lastly, Heavy and Civil Engineering Construction contributed, 1,500 jobs. Total Construction employment (NSA) remains -18,900 jobs, or -8.0 percent below its February 2020 pre-pandemic level of 237,400. At the same time, the sector's

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

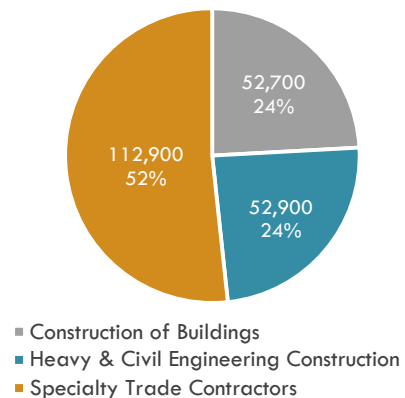
Chart 10. Construction (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### 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 52 percent (see Chart 11). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 40 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 11. Employment in Component Industries of Construction Sector - March 2022



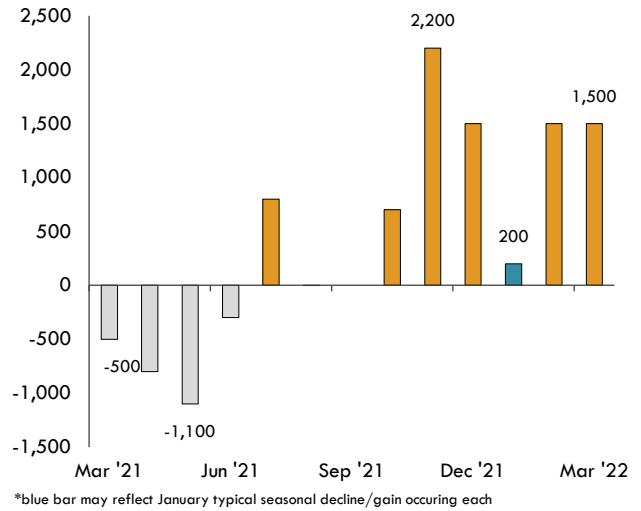
GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging was the third-largest gaining sector over the month up 1,500 jobs, or 2.3 percent (see Chart 12). This was the largest-ever gain in the month of March since records began in 1990, beating the previous March record of 1,100 jobs in 2012. Historically in the month of March, Mining and Logging has lost an average of -100 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Support Activities for Mining was the largest contributor to the overall sector's increase, up 1,000 jobs over the month. The second-largest contributor was Oil and Gas Extraction, which added 500 jobs from February to March. Lastly, Other Mining and Logging Undefined saw no change over the month. Mining and Logging employment was revised downward by -200 jobs for a January to February smaller net gain of 1,500 compared to an original estimate of 1,700 jobs.

Chart 12. Mining and Logging (NSA)  
Over-the-month Net Change, Mar-21 to Mar-22

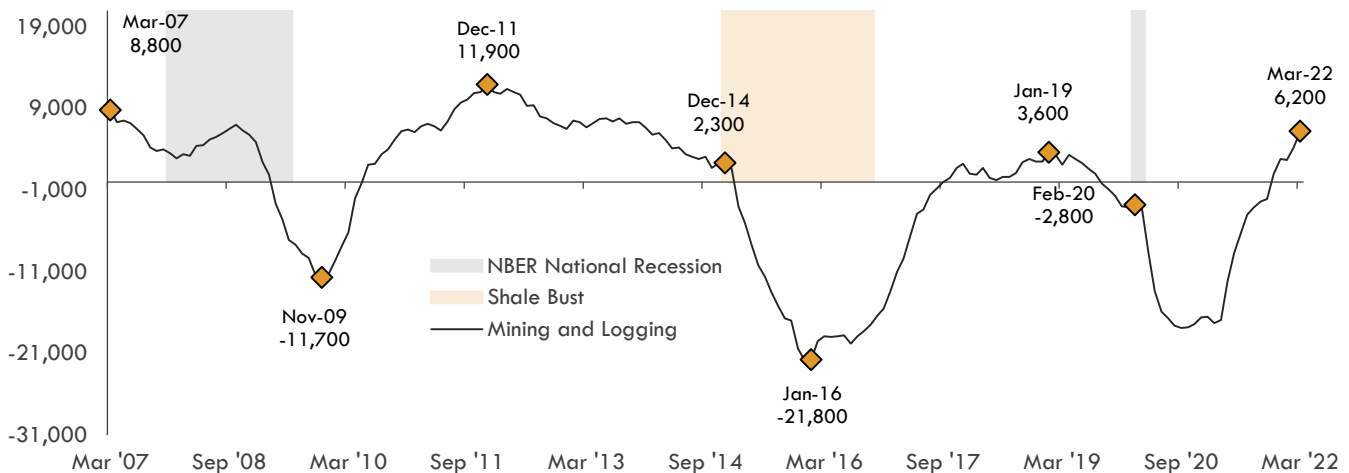


Over-the-year Change

Year over year, Mining and Logging was up 6,200 jobs, or 10.2 percent (see Chart 13). This was the largest over-the-year gain since December 2013's increase of 6,600 jobs. It also marks five 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. Support Activities for Mining was the largest contributor to the overall sector's increase, up 3,200 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 2,100 jobs from March a year ago. Lastly, Other Mining

and Logging Undefined contributed, 900 jobs. Total Mining and Logging employment (NSA) remains -11,600 jobs, or -14.8 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 2.0 percent to 2.1 percent over the past year.

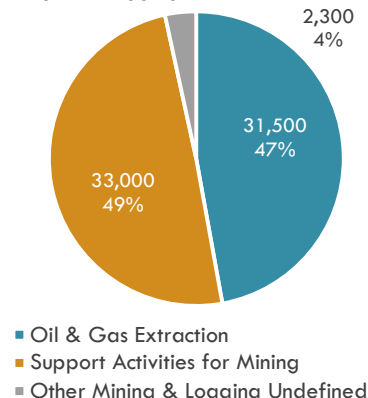
Chart 13. Mining and Logging (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



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 14). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.3 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 14. Employment in Component Industries of Mining and Logging Sector - March 2022



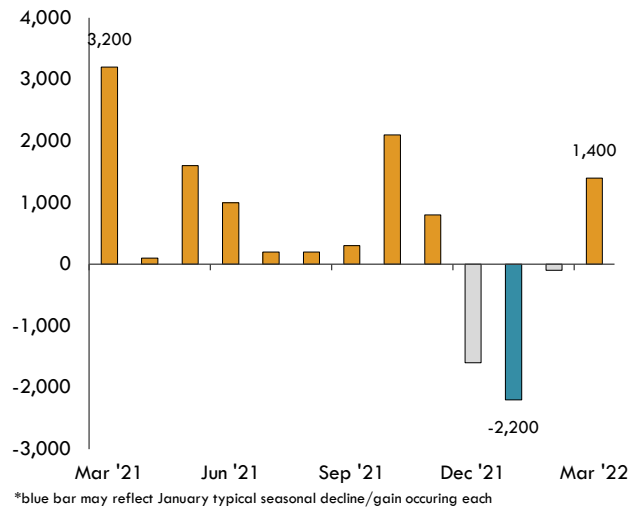
## GAINING INDUSTRY HIGHLIGHTS

### Other Services

#### Over-the-month Change

Other Services also saw an increase over the month up 1,400 jobs, or 1.3 percent (see Chart 15). This was the largest March gain since 2021 and the second-largest gain historically for the month of March since records began in 1990. 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 600 jobs for a January to February smaller net loss of -100 compared to an original estimate of -700 jobs.

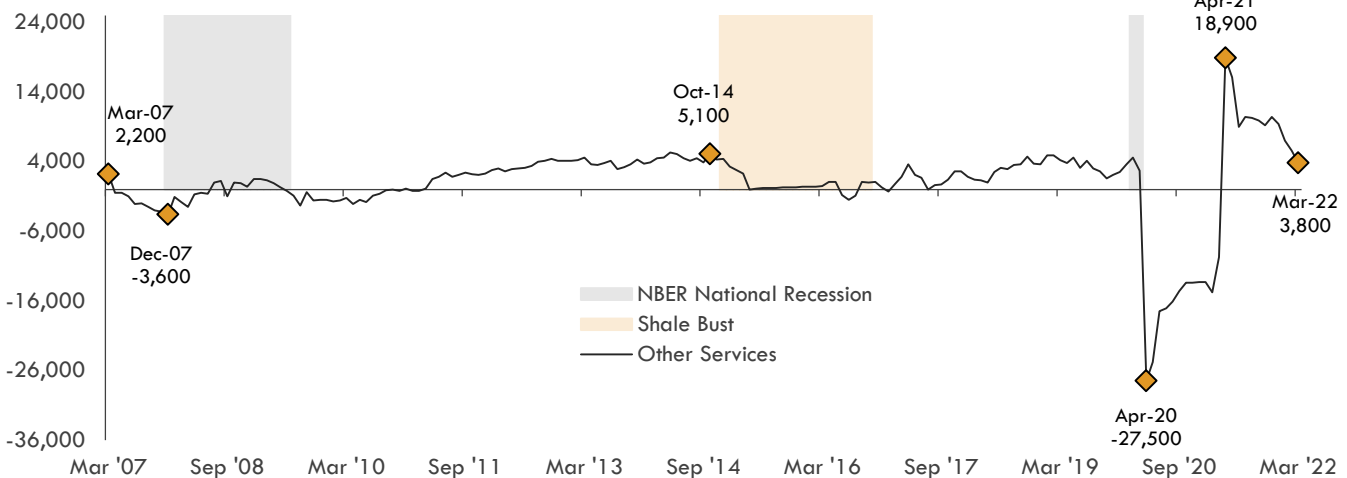
Chart 15. Other Services (NSA)  
Over-the-month Net Change, Mar-21 to Mar-22



#### Over-the-year Change

Year over year, Other Services was up 3,800 jobs, or 3.5 percent (see Chart 16). This March also marks 12 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 -7,800 jobs, or -6.5 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.

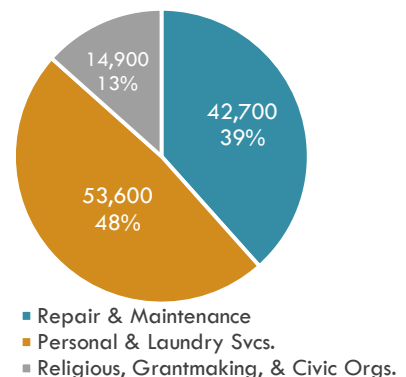
Chart 16. Other Services (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 6 percent less than the national average.

Chart 17. Employment in Component Industries of Other Services Sector - March 2022



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

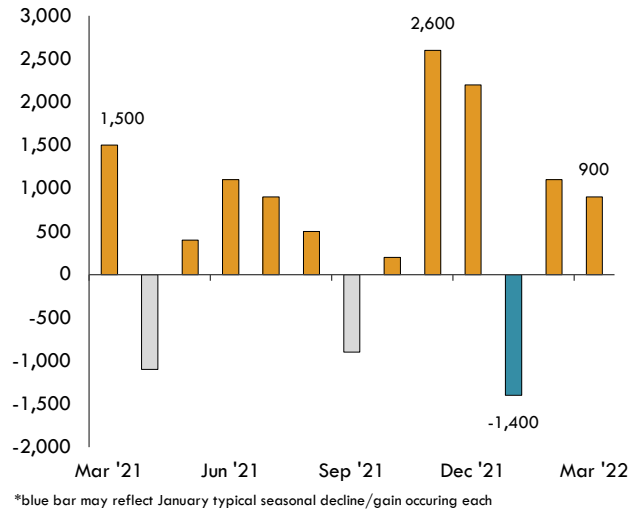
## GAINING INDUSTRY HIGHLIGHTS

### Manufacturing

#### Over-the-month Change

Manufacturing also saw an increase over the month up 900 jobs, or 0.4 percent (see Chart 18). Historically in the month of March, Manufacturing has added an average of 400 jobs over the month, which indicates that this month's gains are moderately above the long-term average. Non-Durable Goods was the largest contributor to the overall sector's increase, up 1,400 jobs over the month. One component industry that provided a partial offset was Durable Goods, which lost -500 jobs from February to March. Manufacturing employment was revised downward by -500 jobs for a January to February smaller net gain of 1,100 compared to an original estimate of 1,600 jobs.

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

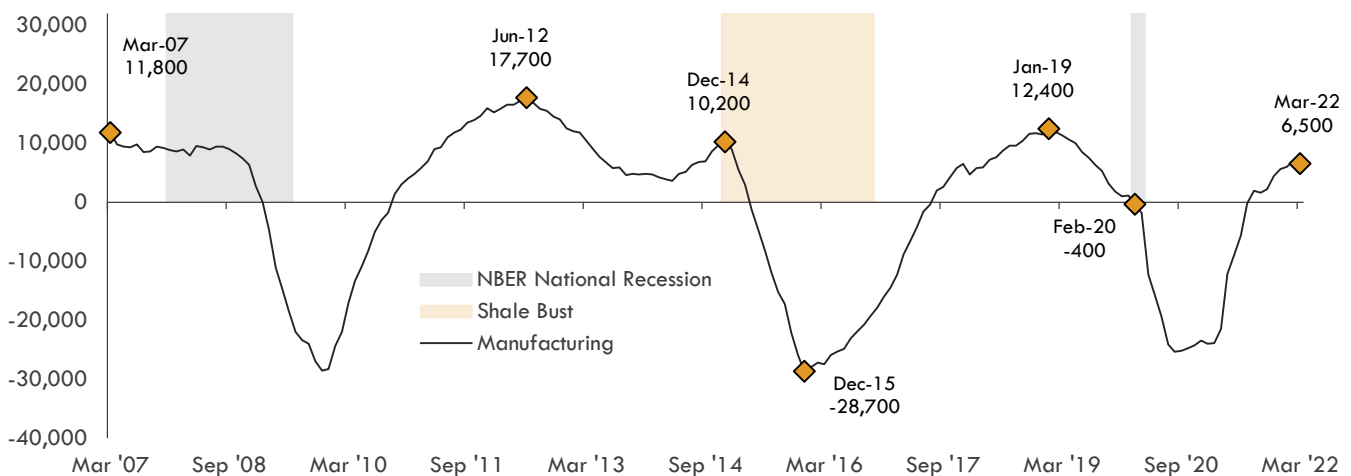


#### Over-the-year Change

Year over year, Manufacturing was up 6,500 jobs, or 3.1 percent (see Chart 19). This March also marks eight consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 7,200 jobs over the year. One component industry that provided a partial offset was Non-Durable Goods, which lost -700 jobs from March a year ago. Total Manufacturing employment (NSA) remains -15,900 jobs, or -6.8 percent below its February 2020 pre-pandemic level of 234,500. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 7.0

to 6.9 percent over the past year.

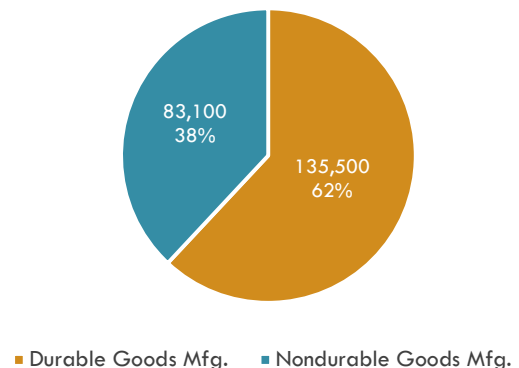
Chart 19. Manufacturing (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



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

Chart 20. Employment in Component Industries of Manufacturing Sector - March 2022





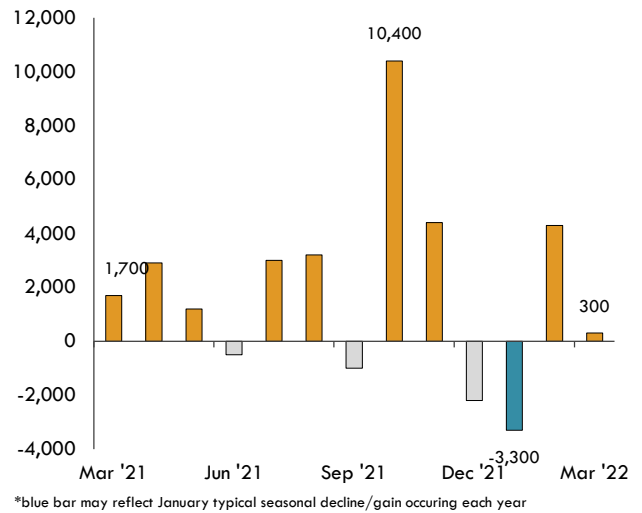
## GAINING INDUSTRY HIGHLIGHTS

### Education and Health Services

#### Over-the-month Change

Education and Health Services also saw an increase over the month up 300 jobs, or 0.1 percent (see Chart 21). Historically in the month of March, Education and Health Services has added an average of 1,200 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Educational Services was the largest contributor to the overall sector's increase, up 900 jobs over the month. One component industry that provided a partial offset was Health Care and Social Assistance, which lost -600 jobs from February to March. Education and Health Services employment was revised upward by 200 jobs for a January to February larger net gain of 4,300 compared to an original estimate of 4,100 jobs.

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

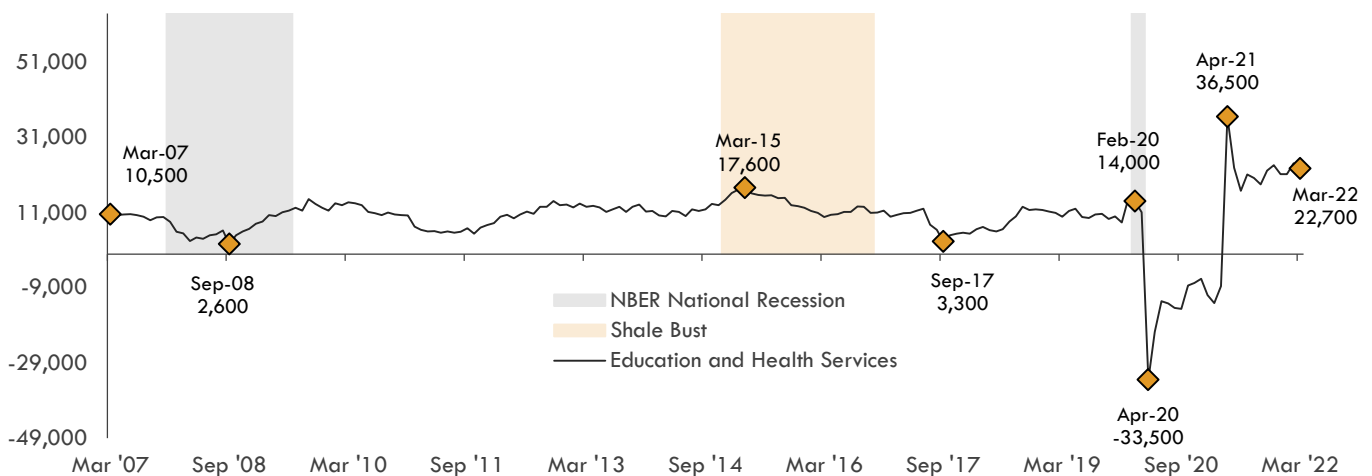


#### Over-the-year Change

Year over year, Education and Health Services was up 22,700 jobs, or 5.6 percent (see Chart 22). This was the largest March over-the-year increase on record. It also marks 12 consecutive months of over-the-year gains. Furthermore, 15.1 percent of total (gross) jobs added across the region over the past year can be attributed to Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 12,800 jobs over the year. The second-largest contributor was Educational Services, which added 9,900 jobs from March a year ago. Total Education and

Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 11,300, or 2.7 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.

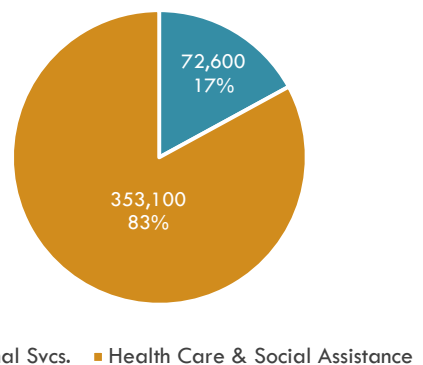
Chart 22. Education and Health Services (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### 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 23). Across the Houston MSA, the concentration of jobs in the overall sector is 17 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 23. Employment in Component Industries of  
Education and Health Services Sector - March 2022



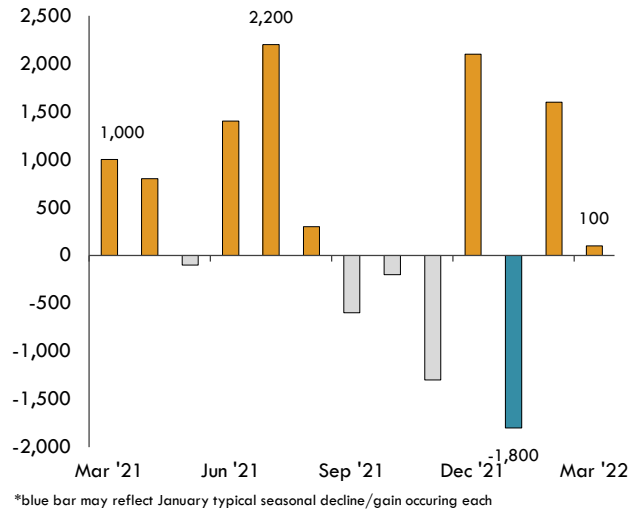
## GAINING INDUSTRY HIGHLIGHTS

### Financial Activities

#### Over-the-month Change

Financial Activities also saw an increase over the month up 100 jobs, or 0.1 percent (see Chart 24). Historically in the month of March, Financial Activities has added an average of 300 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Finance and Insurance was the largest contributor to the overall sector's increase, up 400 jobs over the month. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which lost -300 jobs from February to March. Financial Activities employment was revised downward by -900 jobs for a January to February smaller net gain of 1,600 compared to an original estimate of 2,500 jobs.

Chart 24. Financial Activities (NSA)  
Over-the-month Net Change, Mar-21 to Mar-22

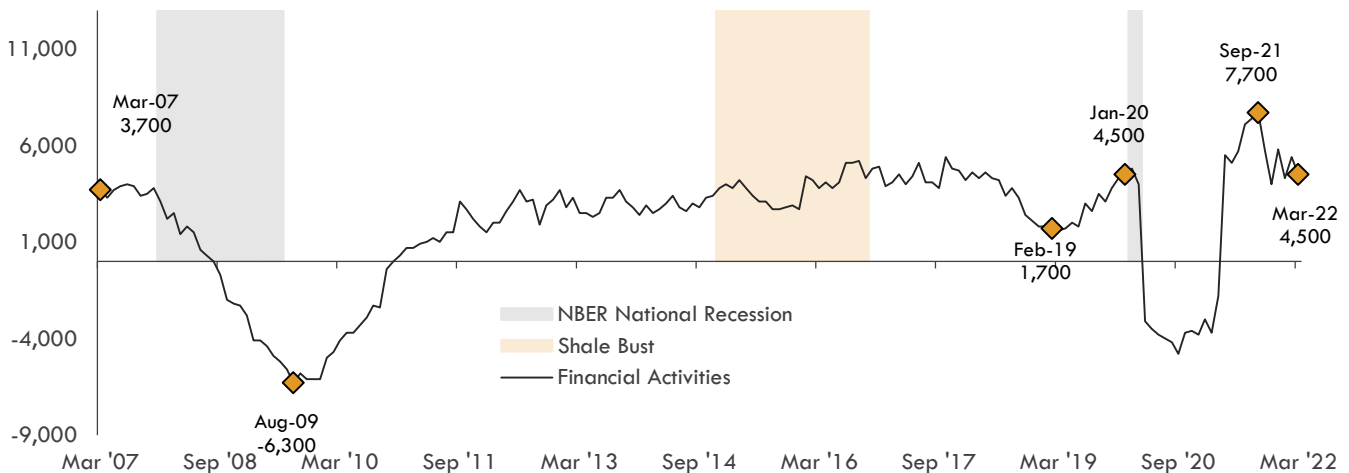


#### Over-the-year Change

Year over year, Financial Activities was up 4,500 jobs, or 2.7 percent (see Chart 25). This was the third-largest over-the-year gain in March since records began in 1990. It also marks nine consecutive months of over-the-year gains. Finance and Insurance was the largest contributor to the overall sector's increase, up 4,600 jobs over the year. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which lost -100 jobs from March a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 1,800, or 1.1 percent. At the

same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 5.5 percent to 5.4 percent over the past year.

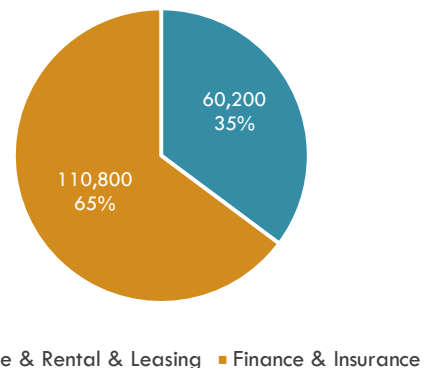
Chart 25. Financial Activities (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### 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 65 percent (see Chart 26). 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 20-percent lower concentration in Finance and Insurance offsetting a 24-percent higher concentration in Real Estate and Rental and Leasing.

Chart 26. Employment in Component Industries of  
Financial Activities Sector - March 2022



## DECLINING INDUSTRY HIGHLIGHTS

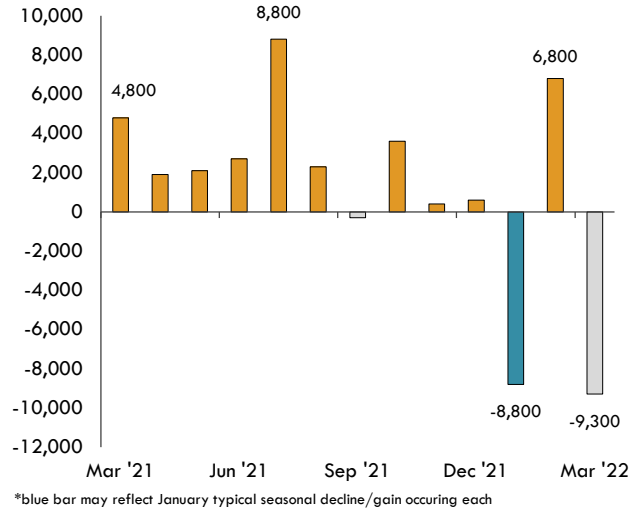
### Professional and Business Services

#### Over-the-month Change

Professional and Business Services was the largest declining sector over the month down -9,300 jobs, or -1.8 (see Chart 27). This was the largest-ever decline in the month of March since records began in 1990, beating the previous March record of -3,600 jobs lost in 2020. Historically in the month of March, Professional and Business Services 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. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's decline, down -7,100 jobs over the month. The second-largest declining contributor was Professional, Scientific, and Technical Services, which lost -2,200 jobs from February to March. Lastly, Management of Companies and Enterprises saw no change over the month. Professional and Business Services employment was revised downward by -3,600 jobs for a January to February smaller net gain of 6,800 compared to an

original estimate of 10,400 jobs.

Chart 27. Professional and Business Services (NSA)  
Over-the-month Net Change, Mar-21 to Mar-22

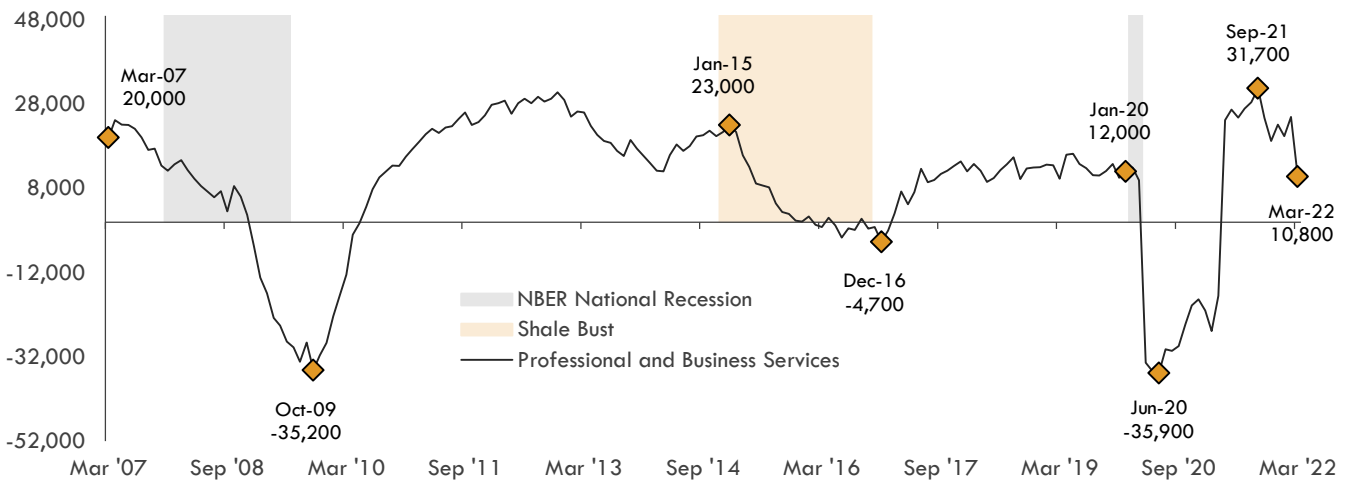


#### Over-the-year Change

Year over year, Professional and Business Services was up 10,800 jobs, or 2.2 percent (see Chart 28). This March also marks 12 consecutive months of over-the-year gains. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 7,400 jobs over the year. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 2,700 jobs from March a year ago. Lastly, Management of Companies and Enterprises contributed, 700 jobs. Total Professional and Business Services employment

(NSA) remains -10,300 jobs, or -2.0 percent below its February 2020 pre-pandemic level of 514,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.4 percent to 15.9 percent over the past year.

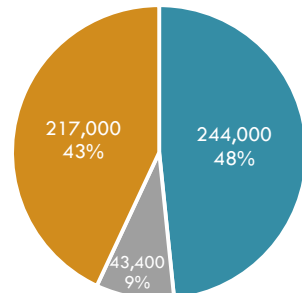
Chart 28. Professional and Business Services (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a plurality of the sector's employment at 48 percent (see Chart 29). Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average, due to a 12-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 29. Employment in Component Industries of Professional and Business Services Sector - March 2022



■ Professional, Scientific, & Technical Svcs.

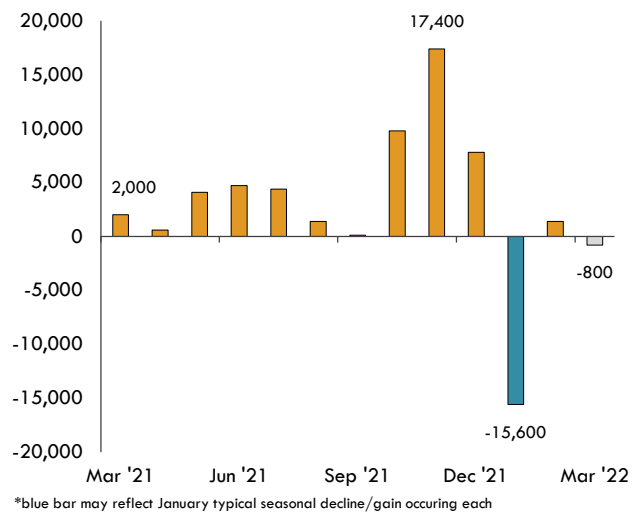
## DECLINING INDUSTRY HIGHLIGHTS

### Trade, Transportation, and Utilities

#### Over-the-month Change

Trade, Transportation, and Utilities was the second-largest declining sector over the month down -800 jobs, or -0.1 (see Chart 30). This March tied with 2016 for the third-largest decline in the month of March since records began in 1990. Historically in the month of March, Trade, Transportation, and Utilities has added an average of 1,500 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Wholesale Trade was the largest contributor to the overall sector's decline, down -1,200 jobs over the month. The second-largest declining contributor was Transportation, Warehousing, and Utilities, which lost -700 jobs from February to March. Lastly, Retail Trade offset a portion of the sector's losses with a gain of 1,100 jobs. Trade, Transportation, and Utilities employment was revised downward by -5,000 jobs for a January to February smaller net gain of 1,400 compared to an original estimate of 6,400 jobs.

Chart 30. Trade, Transportation, and Utilities (NSA)  
Over-the-month Net Change, Mar-21 to Mar-22

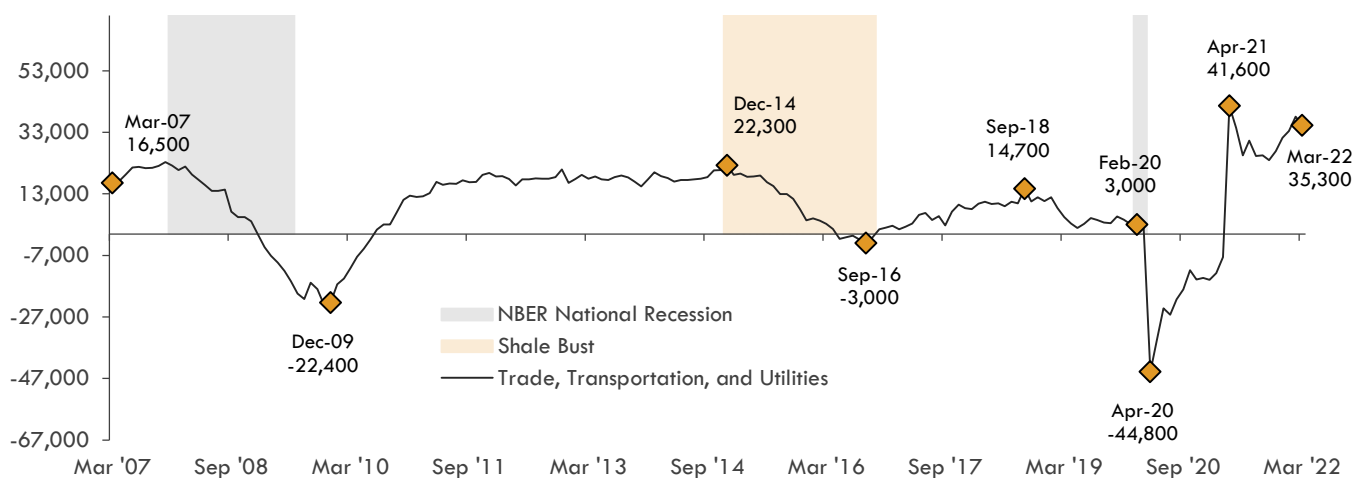


#### Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 35,300 jobs, or 5.7 percent (see Chart 31). This was the largest-ever over-the-year gain in March and the third-largest gain on record. It also marks 12 consecutive months of over-the-year gains. Furthermore, 23.5 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 19,800 jobs over the year. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 8,300 jobs from March

a year ago. Lastly, Wholesale Trade contributed, 7,200 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,900 jobs by 24,500, or 3.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 20.5 percent to 20.6 percent over the past year.

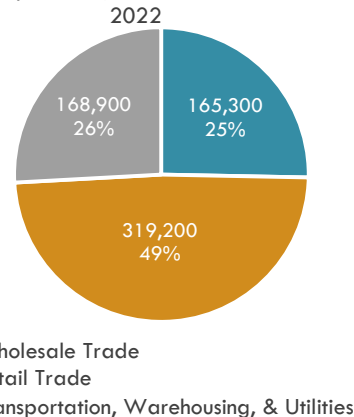
Chart 31. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### 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 49 percent (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average, due to a 36-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 32. Employment in Component Industries of Trade, Transportation, and Utilities Sector - March 2022



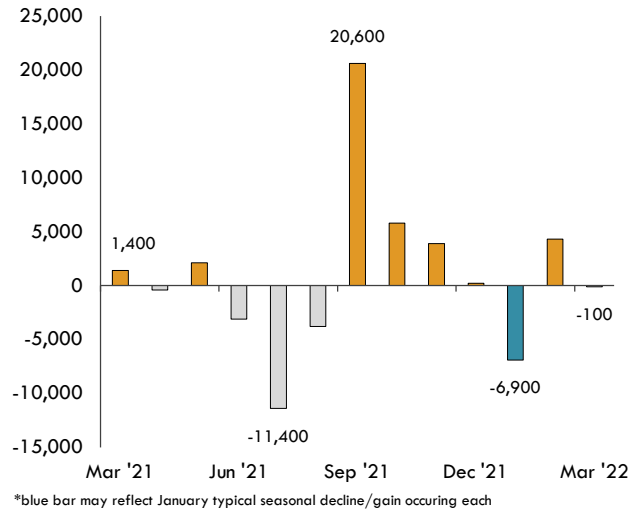
## DECLINING INDUSTRY HIGHLIGHTS

### Government

#### Over-the-month Change

Government was the third-largest declining sector over the month down -100 jobs, or 0.0 (see Chart 33). This was the largest March over-the-month decline in since 2004. Historically in the month of March, Government has added an average of 500 jobs over the month, which indicates that this month's losses are moderately in contrast to the long-term average gain. Local Government was the largest contributor to the overall sector's decline, down -300 jobs over the month. One component industry, Federal Government, saw no change from February to March. Lastly, State Government offset a portion of the sector's losses with a gain of 200 jobs. Government employment was revised downward by -3,000 jobs for a January to February smaller net gain of 4,300 compared to an original estimate of 7,300 jobs.

Chart 33. Government (NSA)  
Over-the-month Net Change, Mar-21 to Mar-22

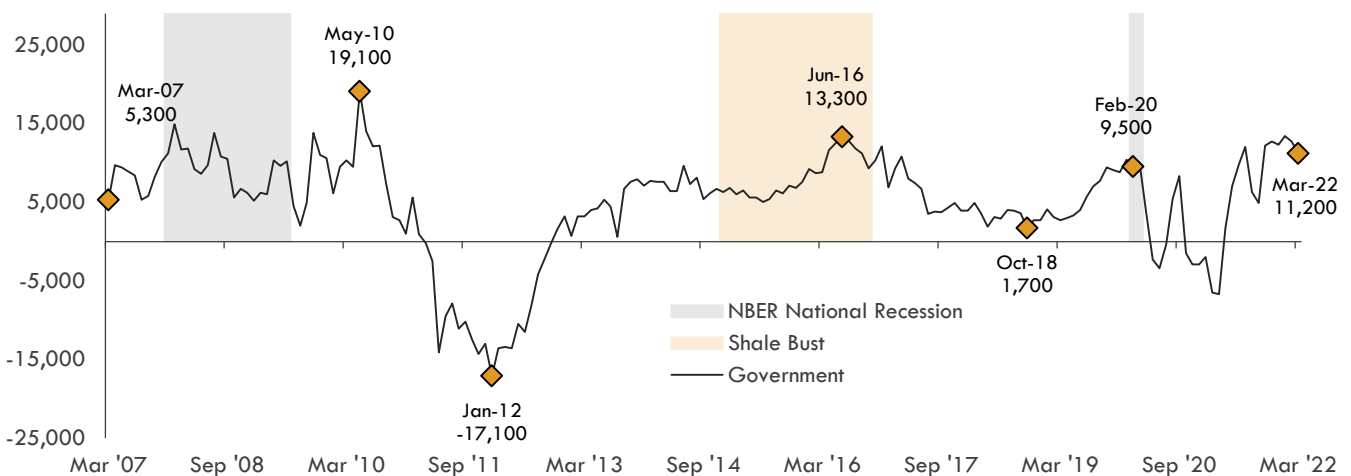


#### Over-the-year Change

Year over year, Government was up 11,200 jobs, or 2.6 percent (see Chart 34). This was the third-largest over-the-year gain in March since records began in 1990. It also marks 12 consecutive months of over-the-year gains. Local Government was the largest contributor to the overall sector's increase, up 6,900 jobs over the year. The second-largest contributor was State Government, which added 3,100 jobs from March a year ago. Lastly, Federal Government contributed, 1,200 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 428,400 jobs by 6,100, or 1.4 percent.

At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 14.0 percent to 13.7 percent over the past year.

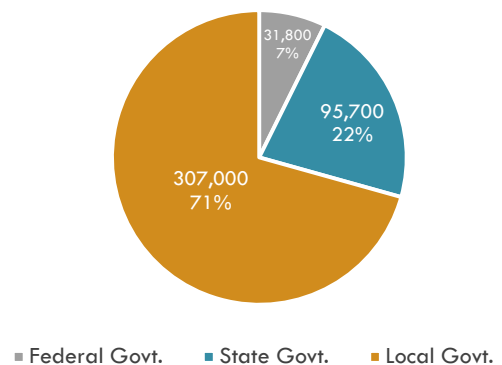
Chart 34. Government (NSA)  
Over-the-year Net Change, Mar-07 to Mar-22



#### About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 71 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Government sector is 8 percent less than the national average.

Chart 35. Employment in Component Industries of Government Sector - March 2022

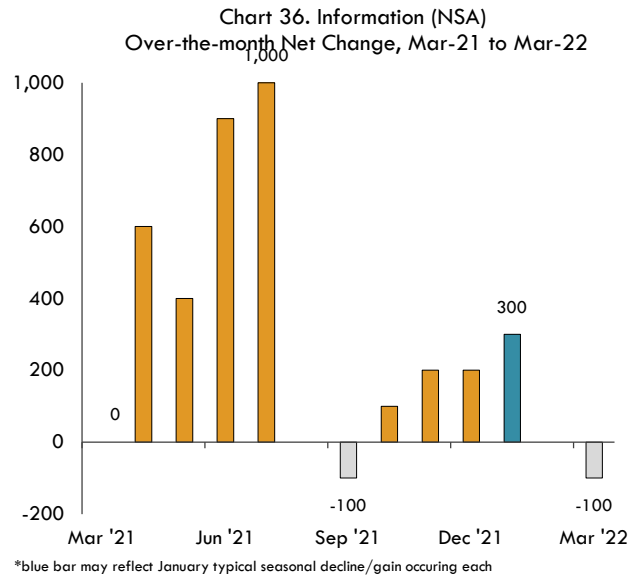


## DECLINING INDUSTRY HIGHLIGHTS

### 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 March over-the-month decline in since 2020. Other Information Undefined was the largest contributor to the overall sector's decline, down -200 jobs over the month. One component industry that provided a partial offset was Telecommunications, which gained 100 jobs from February to March. Information employment saw no revision from January to February leaving the previous month's original estimate of zero net change intact.

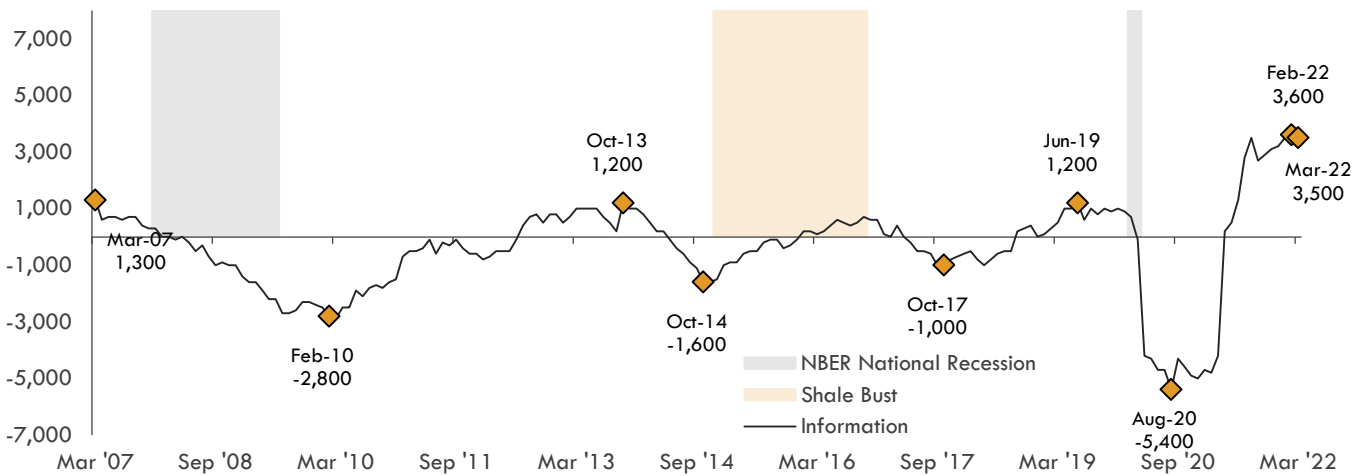


#### Over-the-year Change

Year over year, Information was up 3,500 jobs, or 12.5 percent (see Chart 37). This was the largest March over-the-year increase on record. It also marks 12 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. Other Information Undefined was the largest contributor to the overall sector's increase, up 3,200 jobs over the year. The second-largest contributor was Telecommunications, which added 300 jobs from March a year ago. Total Information employment (NSA) remains -1,300 jobs, or -4.0 percent below

its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 0.9 percent over the past year.

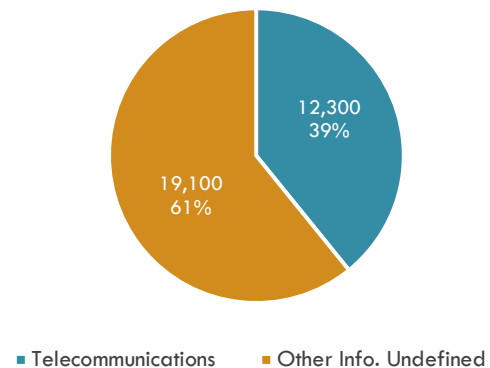
Chart 37. Information (NSA)  
Over-the-year Net Change, Mar-'07 to Mar-'22



#### 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 49 percent less than the national average.

Chart 38. Employment in Component Industries of Information Sector - March 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 4.4 percent in March, down from February's 5.3 percent and down from 7.2 percent a year ago. This was above the statewide rate of 3.9 percent and above the national rate of 3.8 percent. An over-the-month decline in March is typical having occurred roughly 70 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 151,604 individuals were unemployed in Houston in March, down from February's 184,436 and down from 246,426 in March 2021 (see Charts 39 and 40).

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

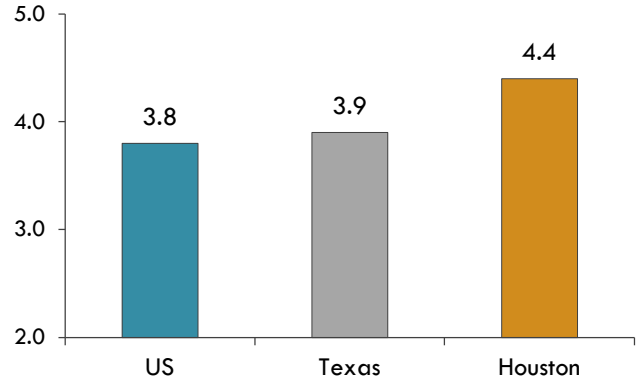
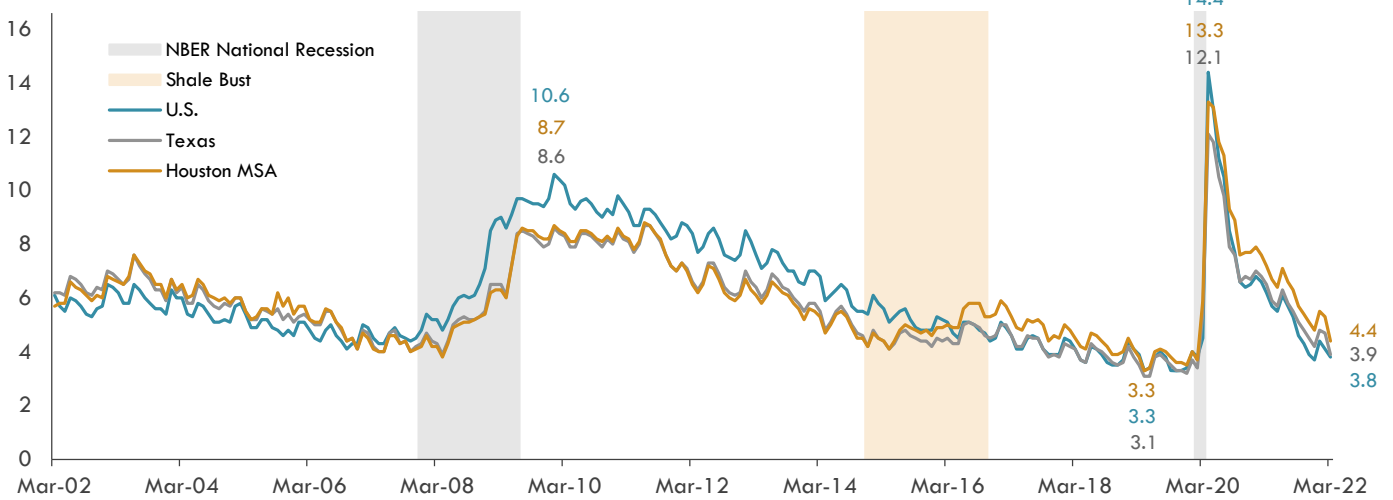


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)  
March 2002 to March 2022

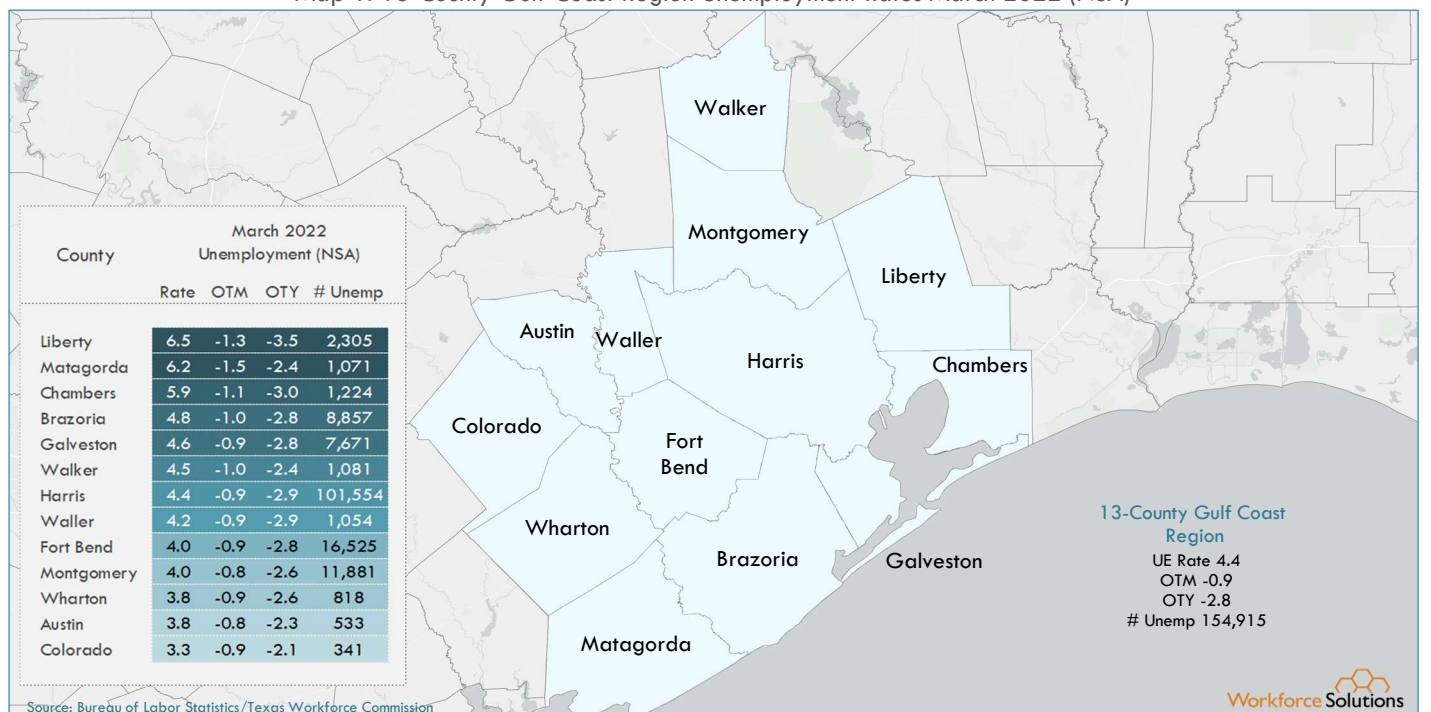


### County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in March ranged from a high of 6.5 percent in Liberty County to a low of 3.3 percent in Colorado. Over the month, all 13 counties saw their unemployment rates decline in keeping with region-wide decrease of -0.9 percentage points. Matagorda saw the largest percentage-point decrease in unemployment down -1.5 pp. representing -216 fewer unemployed workers compared to the previous month. This was followed by Liberty (-1.3 pp, -465 workers) and Chambers (-1.1 pp, -254 workers). Over the year

unemployment rates also fell, with Liberty posting the largest decrease, down -3.5 percentage points representing -1,178 fewer unemployed workers compared to a year ago followed by Chambers (-3.0 pp, -605 workers) and Waller (-2.9 pp, -695 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 -291,392 as of this March (see Map 1 legend).

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



## Local Area Unemployment Statistics (continued)

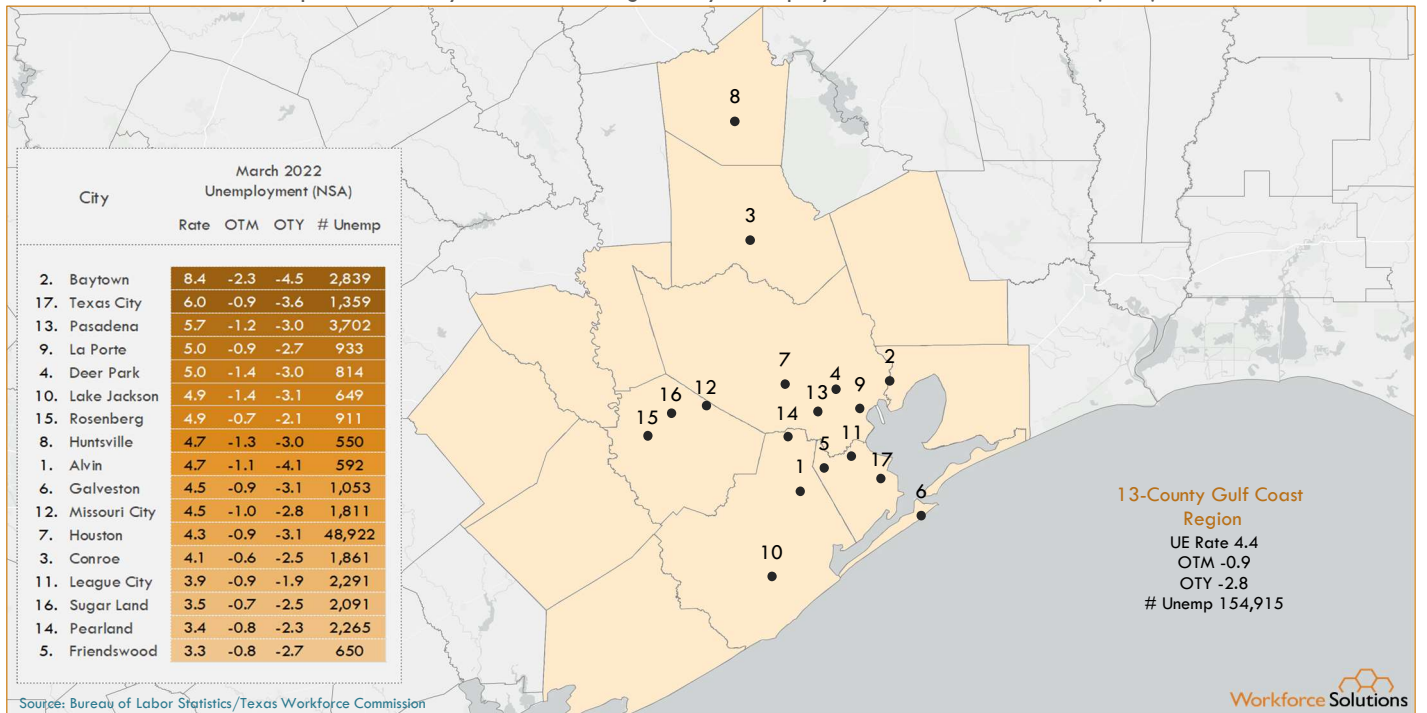
### Not-Seasonally Adjusted

#### 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 March ranged from a high of 8.4 percent in Baytown to a low of 3.3 percent in Friendswood (see Map 2 legend). Over the month, all 17 cities saw their unemployment rates decline in keeping with region-wide decrease of -0.9 percentage points. Baytown saw the largest percentage-point decrease in unemployment down

-2.3 pp. representing -830 fewer unemployed workers compared to the previous month. This was followed by Deer Park (-1.4 pp, -245 workers) and Lake Jackson (-1.4 pp, -204 workers). Over the year unemployment rates also fell, with Baytown posting the largest decrease, down -4.5 percentage points representing -1,511 fewer unemployed workers compared to a year ago followed by Alvin (-4.1 pp, -517 workers) and Texas City (-3.6 pp, -790 workers). The 17 cities below accounted for 47 percent of the 154,915 unemployed workers across the Gulf Coast Region as of this March (see Map 2 legend).

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



### Seasonally Adjusted

#### Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 5.2 percent in February, down from January's 5.4 percent and down from 7.9 percent a year ago. This was above the statewide rate of 4.7 percent and above the national rate of 3.8 percent. 181,440 individuals were unemployed in Houston in February, down from January's 185,515 and down from 263,164 in February 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  
 February 2022

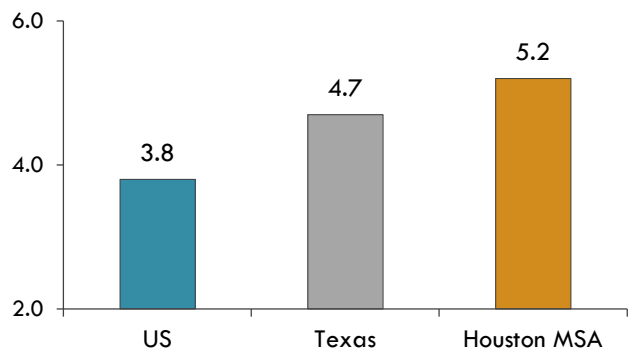
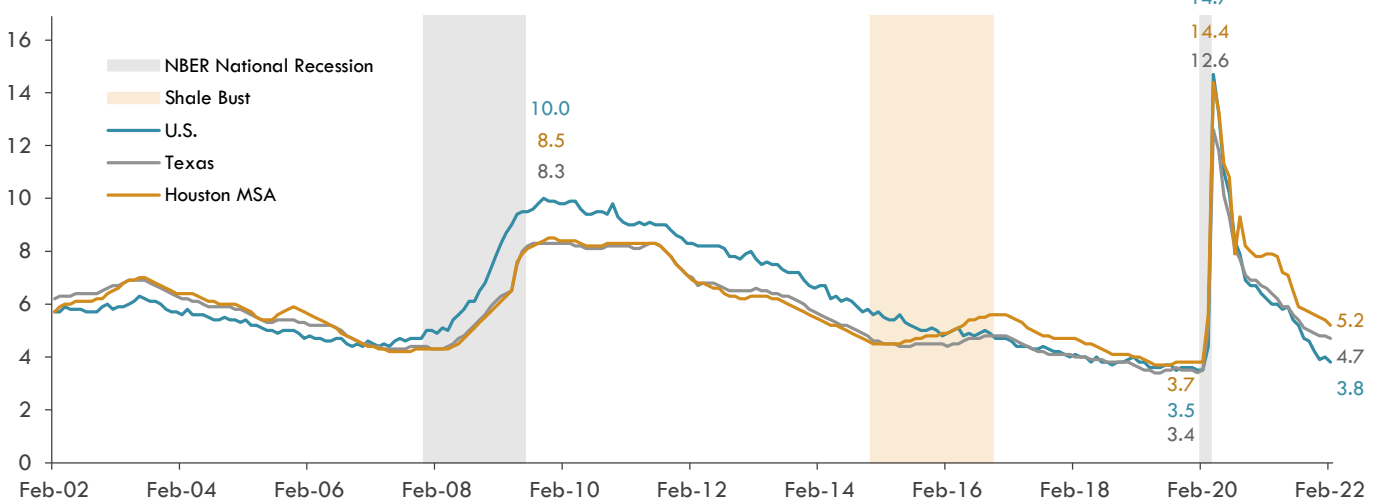


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
 February 2002 to February 2022





Gulf Coast Workforce Solutions Index (WSI)

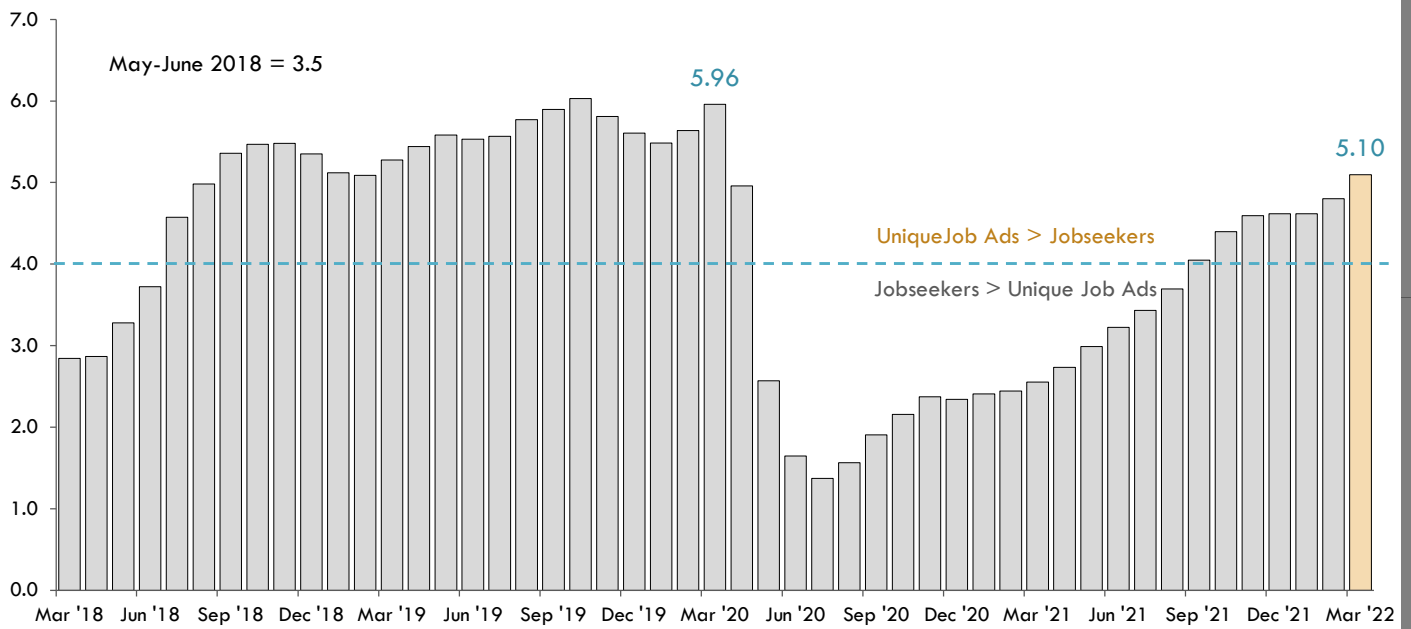


**The Gulf Coast Workforce Solutions Index (WSI)**

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  
 March  
 2022:  
**5.10**

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



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



**Workforce Solutions Index March 2022**

The Houston MSA WSI for February stood at 5.10, up from February's revised reading of 4.80, and marking seven consecutive months with a reading above 4.0. This was also the first reading above 5.0 since March 2020 at the start of the COVID-19 global pandemic. As of this March there were approximately 48,000 more active job ads than unemployed individuals across the region reinforcing the notion that current labor market dynamics are in favor of jobseekers relative to employers. Moreover, the index suggests that Houston's labor market has strengthened to the point that it could be appropriate to require unemployed individuals receiving UI benefits to perform a minimum of five work search activities each week given the relative abundance of jobs available.



# Houston Area Employment Situation

March 2022

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Mar-22	Feb-22	Mar-21	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,164,200</b>	<b>3,162,500</b>	<b>3,013,800</b>	<b>1,700</b>	<b>0.1%</b>	<b>150,400</b>	<b>5.0%</b>
Total Private	2,729,700	2,727,900	2,590,500	1,800	0.1%	139,200	5.4%
Goods Producing	503,900	498,300	481,900	5,600	1.1%	22,000	4.6%
<b>.Mining and Logging</b>	<b>66,800</b>	<b>65,300</b>	<b>60,600</b>	<b>1,500</b>	<b>2.3%</b>	<b>6,200</b>	<b>10.2%</b>
...Oil and Gas Extraction	31,500	31,000	29,400	500	1.6%	2,100	7.1%
...Support Activities for Mining	33,000	32,000	29,800	1,000	3.1%	3,200	10.7%
<b>.Construction</b>	<b>218,500</b>	<b>215,300</b>	<b>209,200</b>	<b>3,200</b>	<b>1.5%</b>	<b>9,300</b>	<b>4.4%</b>
..Construction of Buildings	52,700	51,700	48,700	1,000	1.9%	4,000	8.2%
..Heavy and Civil Engineering Construction	52,900	52,300	51,400	600	1.1%	1,500	2.9%
..Specialty Trade Contractors	112,900	111,300	109,100	1,600	1.4%	3,800	3.5%
<b>.Manufacturing</b>	<b>218,600</b>	<b>217,700</b>	<b>212,100</b>	<b>900</b>	<b>0.4%</b>	<b>6,500</b>	<b>3.1%</b>
..Durable Goods	135,500	136,000	128,300	-500	-0.4%	7,200	5.6%
...Fabricated Metal Product Manufacturing	47,200	47,100	44,000	100	0.2%	3,200	7.3%
...Machinery Manufacturing	39,200	39,200	38,200	0	0.0%	1,000	2.6%
....Agriculture, Construction, and Mining Machinery Mfg.	20,000	19,900	19,700	100	0.5%	300	1.5%
...Computer and Electronic Product Manufacturing	12,800	12,800	12,500	0	0.0%	300	2.4%
..Non-Durable Goods	83,100	81,700	83,800	1,400	1.7%	-700	-0.8%
...Petroleum and Coal Products Manufacturing	8,100	8,100	8,100	0	0.0%	0	0.0%
...Chemical Manufacturing	39,900	39,500	39,600	400	1.0%	300	0.8%
Service Providing	2,660,300	2,664,200	2,531,900	-3,900	-0.1%	128,400	5.1%
.Private Service Providing	2,225,800	2,229,600	2,108,600	-3,800	-0.2%	117,200	5.6%
<b>..Trade, Transportation, and Utilities</b>	<b>653,400</b>	<b>654,200</b>	<b>618,100</b>	<b>-800</b>	<b>-0.1%</b>	<b>35,300</b>	<b>5.7%</b>
...Wholesale Trade	165,300	166,500	158,100	-1,200	-0.7%	7,200	4.6%
....Merchant Wholesalers, Durable Goods	100,200	100,700	96,900	-500	-0.5%	3,300	3.4%
....Prof. and Commercial Equip. Supplies Wholesalers	17,400	17,300	16,400	100	0.6%	1,000	6.1%
....Merchant Wholesalers, Nondurable Goods	53,500	53,500	50,900	0	0.0%	2,600	5.1%
...Retail Trade	319,200	318,100	299,400	1,100	0.3%	19,800	6.6%
....Motor Vehicle and Parts Dealers	42,900	42,500	41,100	400	0.9%	1,800	4.4%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,300	23,900	24,400	400	1.7%	-100	-0.4%
....Food and Beverage Stores	71,200	71,300	69,800	-100	-0.1%	1,400	2.0%
....Health and Personal Care Stores	20,900	21,200	19,100	-300	-1.4%	1,800	9.4%
....Clothing and Clothing Accessories Stores	23,600	23,800	20,700	-200	-0.8%	2,900	14.0%
....General Merchandise Stores	63,600	64,200	58,800	-600	-0.9%	4,800	8.2%
....Department Stores	20,300	20,500	18,100	-200	-1.0%	2,200	12.2%
....Other General Merchandise Stores	43,300	43,700	40,700	-400	-0.9%	2,600	6.4%
...Transportation, Warehousing, and Utilities	168,900	169,600	160,600	-700	-0.4%	8,300	5.2%
....Utilities	17,300	17,200	17,600	100	0.6%	-300	-1.7%
....Air Transportation	18,800	18,700	17,700	100	0.5%	1,100	6.2%
....Truck Transportation	28,300	28,300	26,800	0	0.0%	1,500	5.6%
....Pipeline Transportation	12,500	12,400	11,900	100	0.8%	600	5.0%
<b>..Information</b>	<b>31,400</b>	<b>31,500</b>	<b>27,900</b>	<b>-100</b>	<b>-0.3%</b>	<b>3,500</b>	<b>12.5%</b>
...Telecommunications	12,300	12,200	12,000	100	0.8%	300	2.5%
<b>..Financial Activities</b>	<b>171,000</b>	<b>170,900</b>	<b>166,500</b>	<b>100</b>	<b>0.1%</b>	<b>4,500</b>	<b>2.7%</b>
...Finance and Insurance	110,800	110,400	106,200	400	0.4%	4,600	4.3%
....Credit Intermediation and Related Activities	45,900	45,700	44,800	200	0.4%	1,100	2.5%
....Depository Credit Intermediation	29,700	29,600	29,100	100	0.3%	600	2.1%
....Securities, Commodity Contracts, and Fin. Investments	21,500	21,400	21,400	100	0.5%	100	0.5%
....Insurance Carriers and Related Activities	43,400	43,300	40,000	100	0.2%	3,400	8.5%
...Real Estate and Rental and Leasing	60,200	60,500	60,300	-300	-0.5%	-100	-0.2%
<b>..Professional and Business Services</b>	<b>504,400</b>	<b>513,700</b>	<b>493,600</b>	<b>-9,300</b>	<b>-1.8%</b>	<b>10,800</b>	<b>2.2%</b>
...Professional, Scientific, and Technical Services	244,000	246,200	236,600	-2,200	-0.9%	7,400	3.1%
....Legal Services	29,400	29,600	28,200	-200	-0.7%	1,200	4.3%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,100	27,100	26,500	0	0.0%	600	2.3%
....Architectural, Engineering, and Related Services	67,400	67,300	64,700	100	0.1%	2,700	4.2%
....Computer Systems Design and Related Services	37,900	38,100	35,600	-200	-0.5%	2,300	6.5%
...Management of Companies and Enterprises	43,400	43,400	42,700	0	0.0%	700	1.6%
...Admin. and Support and Waste Mgmt. and Remediation	217,000	224,100	214,300	-7,100	-3.2%	2,700	1.3%
....Administrative and Support Services	207,600	212,400	203,000	-4,800	-2.3%	4,600	2.3%
....Employment Services	83,900	85,800	80,300	-1,900	-2.2%	3,600	4.5%
....Services to Buildings and Dwellings	49,200	49,800	49,700	-600	-1.2%	-500	-1.0%
<b>..Educational and Health Services</b>	<b>425,700</b>	<b>425,400</b>	<b>403,000</b>	<b>300</b>	<b>0.1%</b>	<b>22,700</b>	<b>5.6%</b>
...Educational Services	72,600	71,700	62,700	900	1.3%	9,900	15.8%
...Health Care and Social Assistance	353,100	353,700	340,300	-600	-0.2%	12,800	3.8%
....Ambulatory Health Care Services	175,800	177,000	171,200	-1,200	-0.7%	4,600	2.7%
....Hospitals	90,200	89,800	87,000	400	0.4%	3,200	3.7%
<b>..Leisure and Hospitality</b>	<b>328,600</b>	<b>324,000</b>	<b>292,000</b>	<b>4,600</b>	<b>1.4%</b>	<b>36,600</b>	<b>12.5%</b>
...Arts, Entertainment, and Recreation	31,400	30,800	27,300	600	1.9%	4,100	15.0%
...Accommodation and Food Services	297,200	293,200	264,700	4,000	1.4%	32,500	12.3%
....Accommodation	23,300	22,600	19,400	700	3.1%	3,900	20.1%
....Food Services and Drinking Places	273,900	270,600	245,300	3,300	1.2%	28,600	11.7%
<b>..Other Services</b>	<b>111,300</b>	<b>109,900</b>	<b>107,500</b>	<b>1,400</b>	<b>1.3%</b>	<b>3,800</b>	<b>3.5%</b>
<b>Government</b>	<b>434,500</b>	<b>434,600</b>	<b>423,300</b>	<b>-100</b>	<b>0.0%</b>	<b>11,200</b>	<b>2.6%</b>
.Federal Government	31,800	31,800	30,600	0	0.0%	1,200	3.9%
.State Government	95,700	95,500	92,600	200	0.2%	3,100	3.3%
..State Government Educational Services	55,700	55,600	52,900	100	0.2%	2,800	5.3%
.Local Government	307,000	307,300	300,100	-300	-0.1%	6,900	2.3%
..Local Government Educational Services	215,500	215,800	207,100	-300	-0.1%	8,400	2.8%