

Houston Area Employment Situation

March 2021

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Job Growth Comes Roaring Back in March as Businesses Reopen and Vaccinations Ramp-up

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm (not-seasonally adjusted) employment stood at 2,999,200 in March, up 34,200 jobs over the month, or 1.2 percent. A year ago Houston registered an over-the-month decrease of 18,000 jobs. This was the largest-ever gain in the month of March since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 67,200 jobs. The largest one-month decline on record outside of seasonal job losses in January and July occurred in April 2020, down -343,400 jobs. (see Chart 1.) Historically in the month of March, Total Nonfarm has on average added 11,600 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Note that job growth is typical in March of each year and in fact the only example of a decline in this month since records began occurred in March of 2009 as a result of the Great Recession.

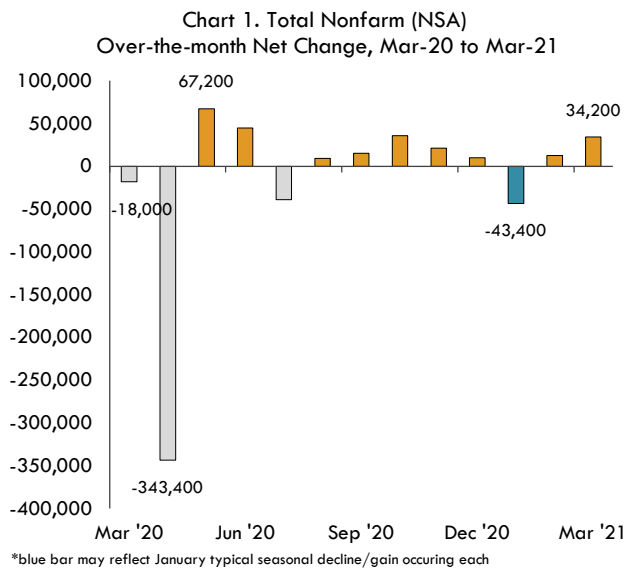
The primary drivers of this March's growth were increases in Leisure and Hospitality, Professional and Business Services, and Construction. Gains were also recorded in Trade, Transportation, and Utilities, Other Services, and Education and Health Services. The net increase in jobs over the month was partially offset by losses in Government, Manufacturing, and Information. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,008,800, up 26,200 jobs over the month, or 0.9 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 March

- Leisure and Hospitality: 12,000
- Professional and Business Services: 9,400
- Construction: 6,500

Over-the-year Change

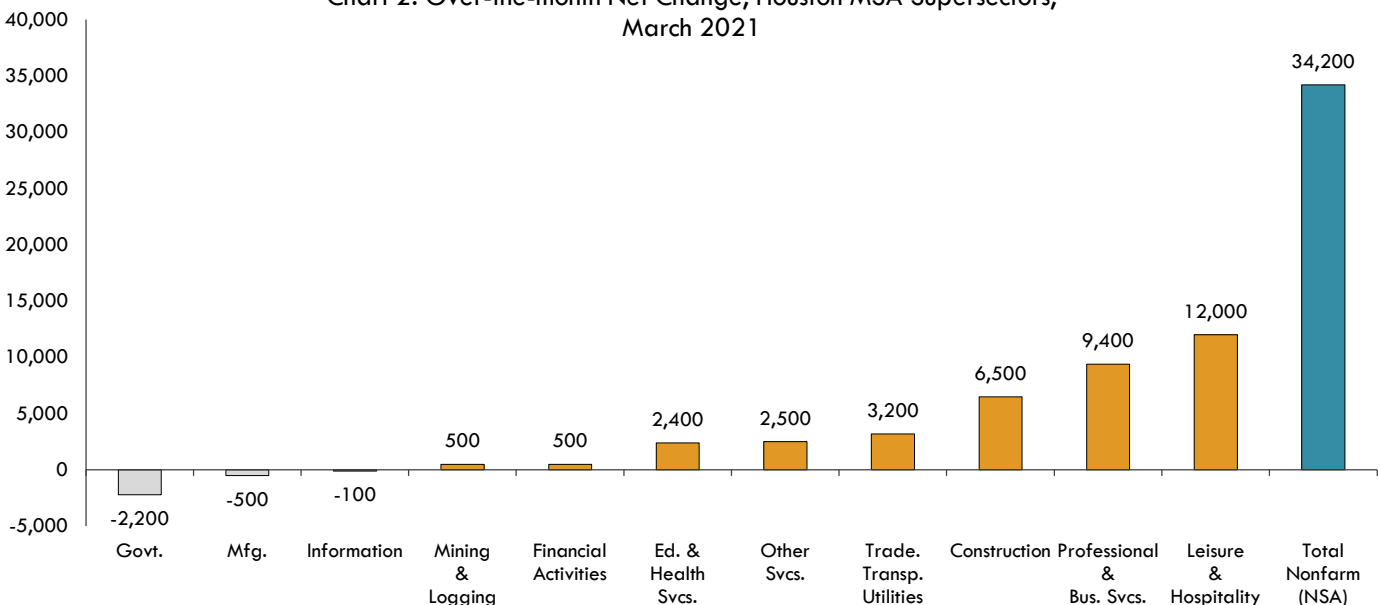
Over the year, Total Nonfarm employment was down -175,000 or -5.5 percent on a not-seasonally-adjusted basis and down -168,300 or -5.3 percent on a seasonally-adjusted basis. To compare, March 2020 saw a year-over-year gain of 36,800 jobs (NSA) from March 2019. The largest over-the-year gain on record for Total Nonfarm Employment occurred in November 2012, up 122,700 jobs. The largest over-the-year decline on record occurred in April 2020,



*blue bar may reflect January typical seasonal decline/gain occurring each

down -313,700 jobs. Currently 11 out of 11 sectors show declines in employment year over year of which the top-three are Leisure and Hospitality (-34,800), Construction (-31,000), and Manufacturing (-26,100). (see Chart 4.) COVID-19 resulted in the loss of -361,400 jobs over March and April 2020 of which approximately 50 percent of Total Nonfarm employment has been recovered to date.

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, March 2021



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March 2021

Previous Month's Revisions

Total Nonfarm employment was revised upward by 5,800 jobs for a January to February larger net gain of 12,700 compared to an original estimate of 6,900 jobs. An upward revision of +3,000 jobs in Education and Health Services was the largest contributor followed by Trade, Transportation, and Utilities (+2,900) and Manufacturing (+2,800). Downward revisions in Professional and Business Services (-1,300), Other Services (-1,200), and Government (-500) 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 March

- Leisure and Hospitality: -34,800
- Construction: -31,000
- Manufacturing: -26,100

Chart 5. Net Revisions for Selected Supersectors and Major Industries, February 2021

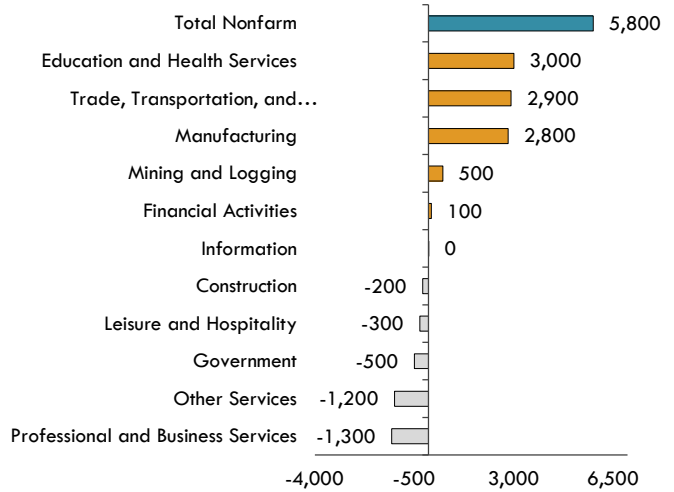


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Mar-06 to Mar-21

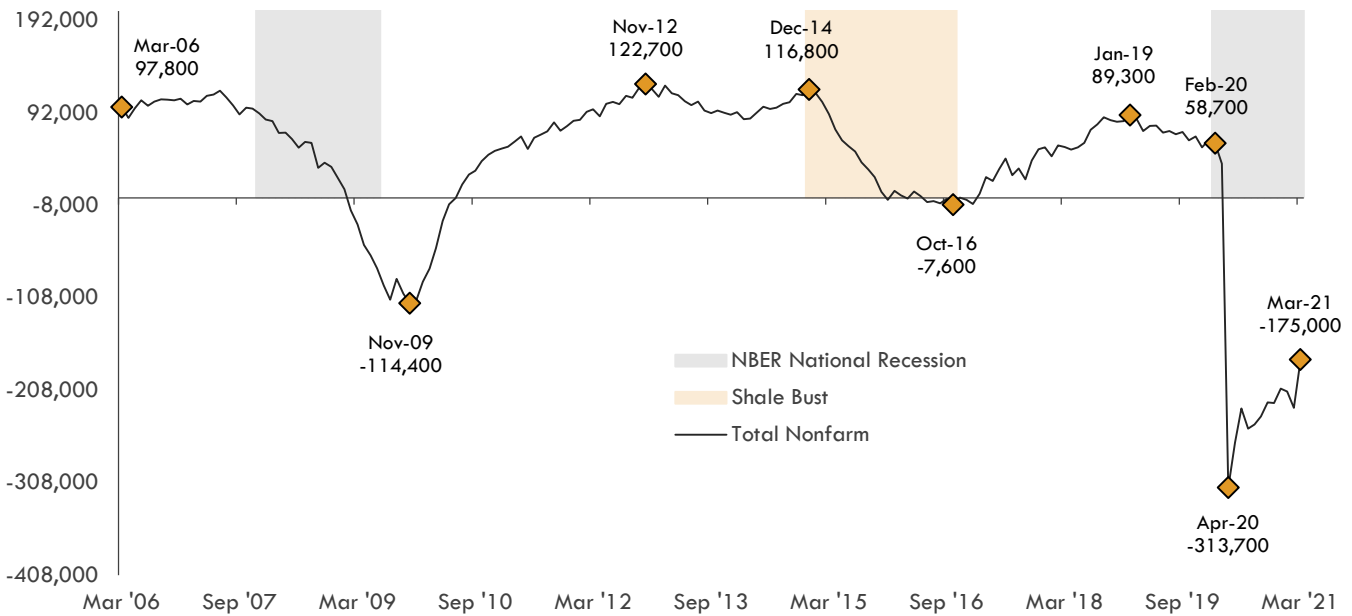
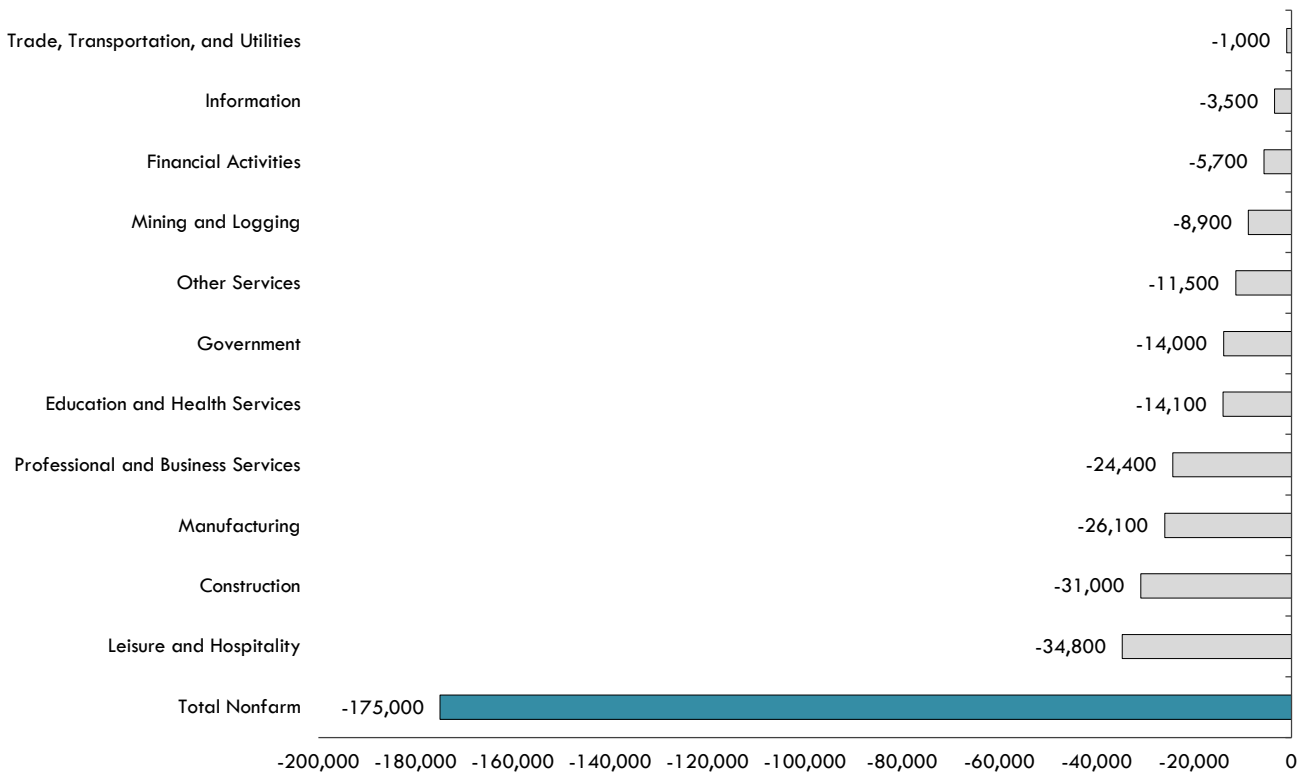


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
March 2020 to March 2021



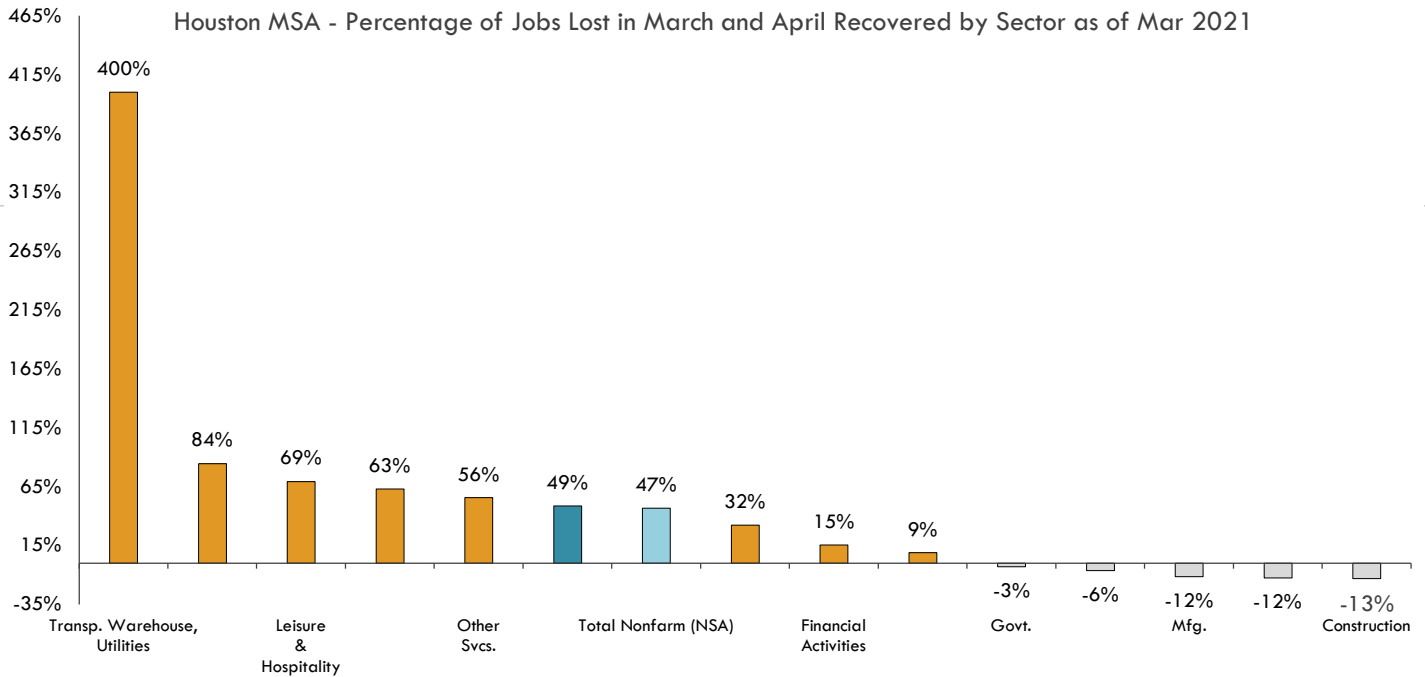
Supplemental Commentary

After a less than stellar February jobs report based on initial estimates, Houston's job market showed considerable strength in March most likely due to the full reopening of the economy towards the middle of the month and continued vaccination momentum. Job growth was broad-based with Total Nonfarm Employment and multiple sectors posting their best March numbers on record. Over-the-month growth was between three times (NSA) and six times (SA) greater than the average March historically. Furthermore, revisions to February's numbers showed significant improvement with the not-seasonally-adjusted increase now nearly double the original estimate and the seasonally-adjusted estimate erasing all losses to post a gain of 4,100 jobs.

This month's strong performance also improved the overall recovery rate, measured as the percentage of jobs lost over March and April 2020 that have been reclaimed to-date, to just shy of the all-important psychological threshold of 50 percent with Other Services; Education and Health Services; Leisure and Hospitality; Retail Trade; and Transportation, Warehousing, and Utilities all exceeding the halfway mark. However, sectors such as Construction, Manufacturing, Mining and Logging, Wholesale Trade, and Government continue to lag with absolute employment levels between 3 percent and 13 percent below their February 2020 levels (See chart below.)

Over-the-year performance remains mired in negative territory with no sectors having returned to positive growth. At present, Trade, Transportation, and Utilities comes closest, down just -1,000 jobs year over year due to significant improvements in Retail Trade and substantially above average growth in Transportation, and Warehousing, and Utilities reflecting the increase in online shopping driven by the pandemic.

The not-seasonally-adjusted unemployment rate saw improvement from February, falling to 8 percent in March, which remains close to the average since August 2020. On a side note, the faster pace of decline in the unemployment rate nationally compared to the Houston MSA in recent months continues to widened the gap between the two areas. March marks the second the time that the difference in rates stands at 1.8 percentage points, the largest difference on record going back to 1990. Furthermore, September 2020 to present serves as the longest stretch consecutive months where the local employment rate exceeds the national by 1.1 percentage points or more. It is unclear whether this signifies a fundamental change in the relationship between the two area's rates however it may mark a return to norms pre-2006 where Houston's unemployment rate consistently exceeded the national rate regardless of the business cycle.



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GAINING INDUSTRY HIGHLIGHTS

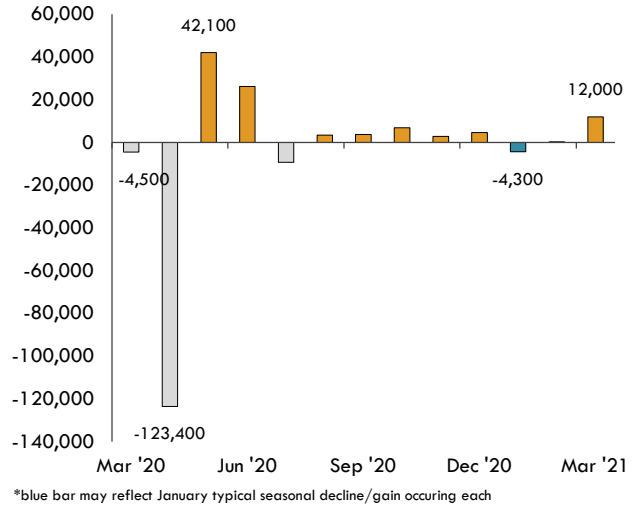
Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the largest gaining sector over the month up 12,000 jobs, or 4.2 percent. (see Chart 6.) This was the largest-ever gain in the month of March since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 42,100 jobs. The largest decline on record occurred in April 2020, down -123,400 jobs. Historically in the month of March, Leisure and Hospitality has added an average of 4,100 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Gains are typical in March in Leisure and Hospitality with no instances of jobs losses in this month since records began in 1990. This marks the second of five consecutive months during which no job losses have ever been recorded. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 10,300 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 1,700 jobs from February to March. Leisure and

Hospitality employment was revised downward by -300 jobs for a January to February smaller net gain of 300 compared to an original estimate of 600 jobs.

Chart 6. Leisure and Hospitality (NSA)
Over-the-month Net Change, Mar-20 to Mar-21

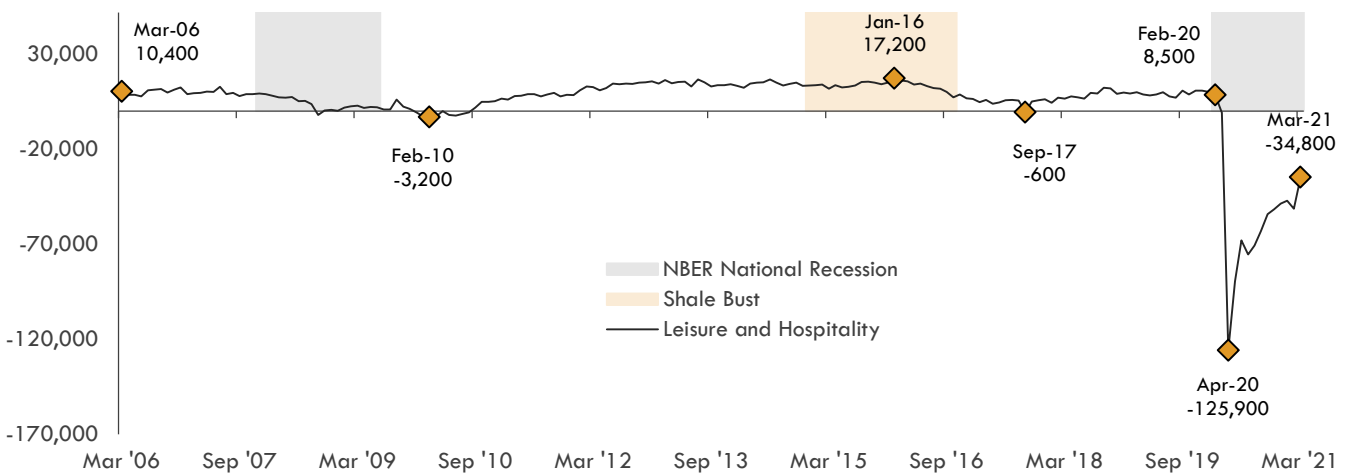


Over-the-year Change

Year over year, Leisure and Hospitality was down -34,800 jobs, or -10.5 percent. (see Chart 7.) This was the largest-ever year-over-year decline in the month of March since records began in 1990. Furthermore, 19.9 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 decline on record occurred in April 2020, down -125,900 jobs. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -25,700

over the year. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -9,100 jobs from March a year ago. Since shedding -127,900 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 70 percent of jobs lost as of March. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has fallen from 10.4 percent to 9.8 percent over the past year.

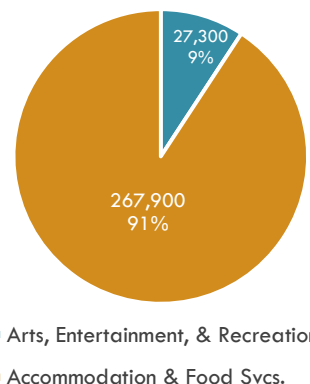
Chart 7. Leisure and Hospitality (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 91 percent. (see Chart 8.) Across the Houston MSA, the concentration of jobs in the overall sector is 5 percent higher than the national average.

Chart 8. Employment in Component Industries of
Leisure and Hospitality Sector - March 2021



GAINING INDUSTRY HIGHLIGHTS

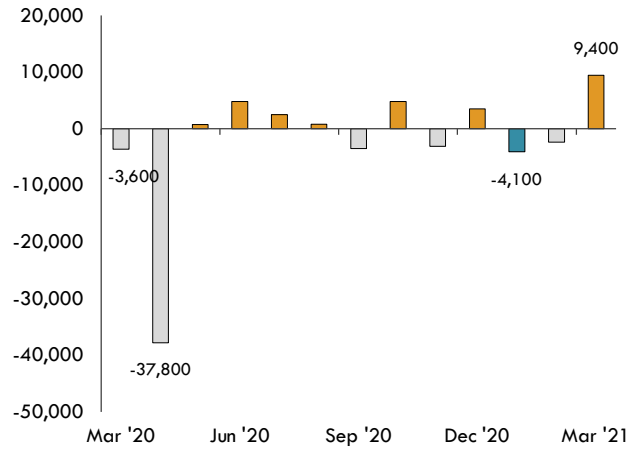
Professional and Business Services

Over-the-month Change

Professional and Business Services was the second-largest gaining sector over the month up 9,400 jobs, or 2.0 percent. (see Chart 9.) This was the largest-ever gain in the month of March, or any other month, since records began in 1990. The largest decline on record occurred in April 2020, down -37,800 jobs. Historically in the month of March, Professional and Business Services has added an average of 2,500 jobs over the month, which indicates that this month's gains are substantially above the long-term average. March is typically a strong month for job growth in this sector. Since records began, there have only been three instances of job losses in Professional and Business Services in the month of March: 2015 and 2016 due to low oil prices and 2009 due to the Great Recession. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 5,200 jobs over the month. The second-largest contributor was Professional, Scientific, and Technical Services, which added 4,200 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 -1,300 jobs for a January to February larger net loss of -2,400 compared to an original estimate of -1,100 jobs.

Chart 9. Professional and Business Services (NSA)
Over-the-month Net Change, Mar-20 to Mar-21



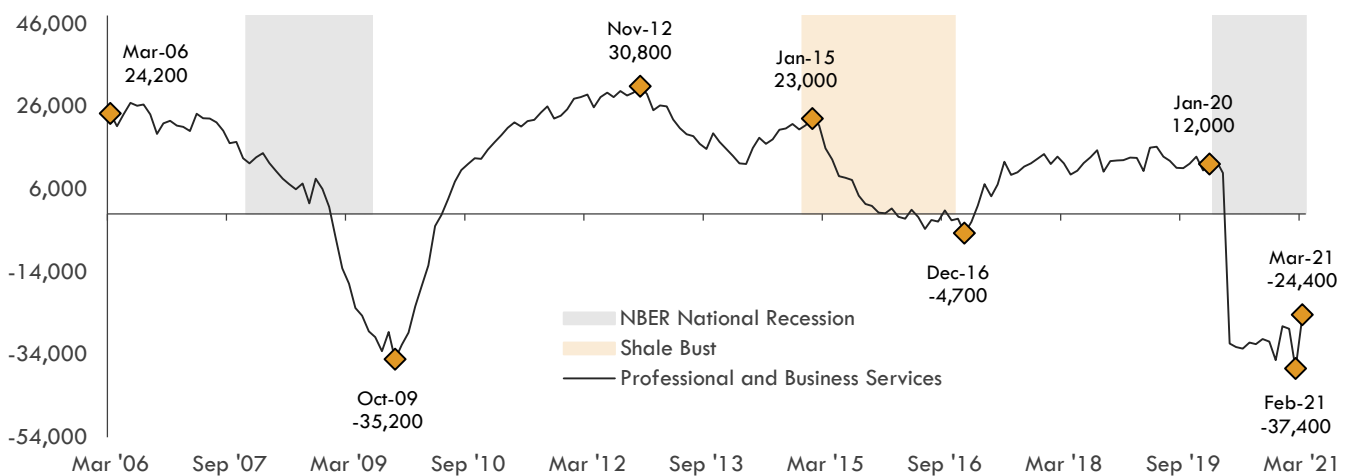
*blue bar may reflect January typical seasonal decline/gain occurring each

Over-the-year Change

Year over year, Professional and Business Services was down -24,400 jobs, or -4.8 percent. (see Chart 10.) This was the largest-ever year-over-year decline in the month of March since records began in 1990. Furthermore, 13.9 percent of total (gross) jobs lost 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 decline on record occurred in February 2021, down -37,400 jobs. Administrative and Support and Waste Management and Remediation Services was the largest

contributor to the overall sector's decline, down -12,400 jobs over the year. The second-largest declining contributor was Professional, Scientific, and Technical Services, which lost -9,300 jobs from March a year ago. Lastly, Management of Companies and Enterprises subtracted, -2,700 jobs. Since shedding -41,400 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 30 percent of jobs lost as of March. Professional and Business Services's share of Houston area Total Nonfarm Employment has risen from 16.1 percent to 16.2 percent over the past year.

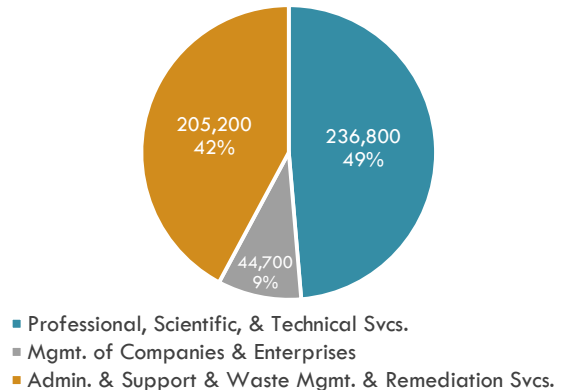
Chart 10. Professional and Business Services (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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 49 percent. (see Chart 11.) Across the Houston MSA, the concentration of jobs in the overall sector is 13 percent higher than the national average, due to a 17-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 11. Employment in Component Industries of Professional and Business Services Sector - March 2021



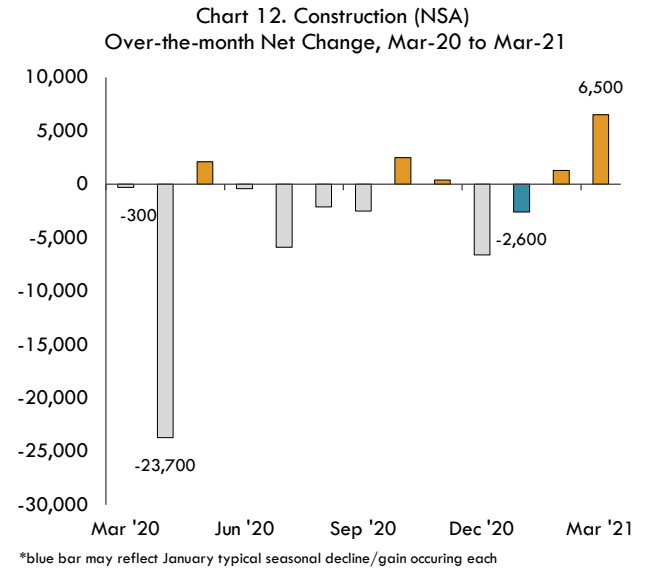
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the third-largest gaining sector over the month up 6,500 jobs, or 3.3 percent. (see Chart 12.) This was the largest-ever gain in the month of March since records began in 1990. The largest all-time one-month gain on record for this sector occurred in February 2019, up 7,300 jobs. The largest decline on record occurred in April 2020, down -23,700 jobs. Historically in the month of March, Construction has added an average of 1,600 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Construction has typically experienced gains in March with three exceptions occurring in 2016, 2009, and 2003. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 3,700 jobs over the month. The second-largest contributor was Construction of Buildings, which added 1,600 jobs from February to March. Lastly, Heavy and Civil Engineering Construction contributed, 1,200 jobs. Construction employment was revised downward by -200 jobs for a January to February

smaller net gain of 1,300 compared to an original estimate of 1,500 jobs.

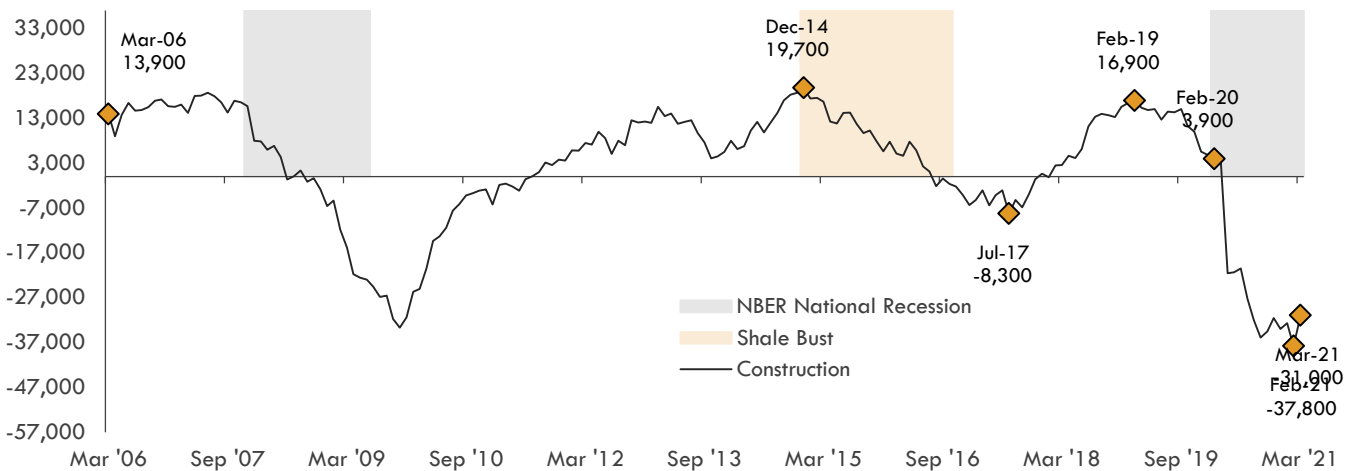


Over-the-year Change

Year over year, Construction was down -31,000 jobs, or -13.1 percent. (see Chart 13.) This was the largest-ever year-over-year decline in the month of March since records began in 1990. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 17.7 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 decline on record occurred in February 2021, down -37,800 jobs. Heavy and Civil

Engineering Construction was the largest contributor to the overall sector's decline, down -11,600 jobs over the year. The second-largest declining contributor was Construction of Buildings, which lost -9,800 jobs from March a year ago. Lastly, Specialty Trade Contractors subtracted, -9,600 jobs. Since shedding -24,000 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. Construction's share of Houston area Total Nonfarm Employment has fallen from 7.5 percent to 6.9 percent over the past year.

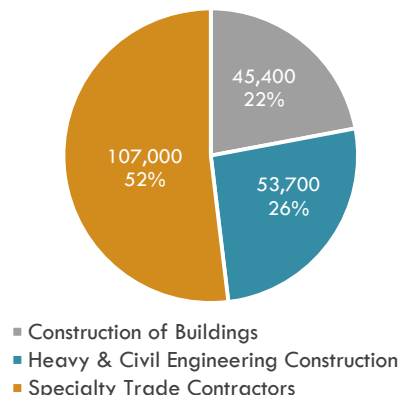
Chart 13. Construction (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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 14.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 37 percent higher than the national average, due to 2.6 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 14. Employment in Component Industries of Construction Sector - March 2021



GAINING INDUSTRY HIGHLIGHTS

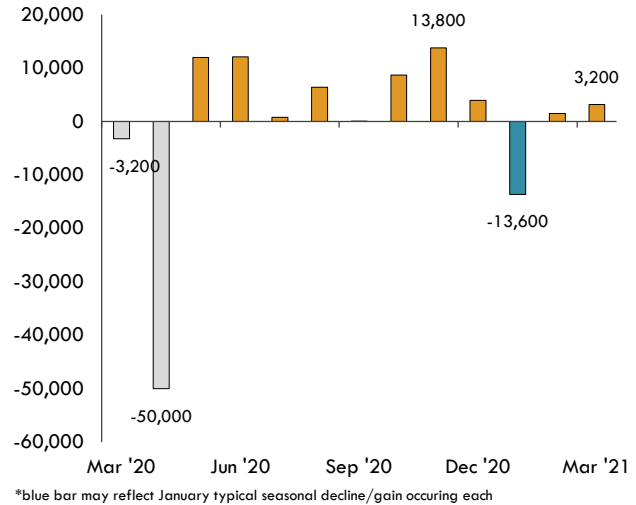
Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities also saw an increase over the month up 3,200 jobs, or 0.5 percent. (see Chart 15.) The largest all-time one-month gain on record for this sector occurred in November 2019, up 17,400 jobs. The largest decline on record occurred in April 2020, down -50,000 jobs. Historically in the month of March, Trade, Transportation, and Utilities has added an average of 1,400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. March is typically a month of gains for Trade, Transportation, and Utilities with the only notable exceptions occurring during economic downturns. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 2,300 jobs over the month. The second-largest contributor was Retail Trade, which added 700 jobs from February to March. Lastly, Wholesale Trade contributed, 200 jobs. Trade, Transportation, and Utilities employment was revised upward by 2,900 jobs for a January

to February complete erasure of losses resulting in a net gain of 1,500 compared to an original estimate of -1,400 jobs.

Chart 15. Trade, Transportation, and Utilities (NSA)
Over-the-month Net Change, Mar-20 to Mar-21

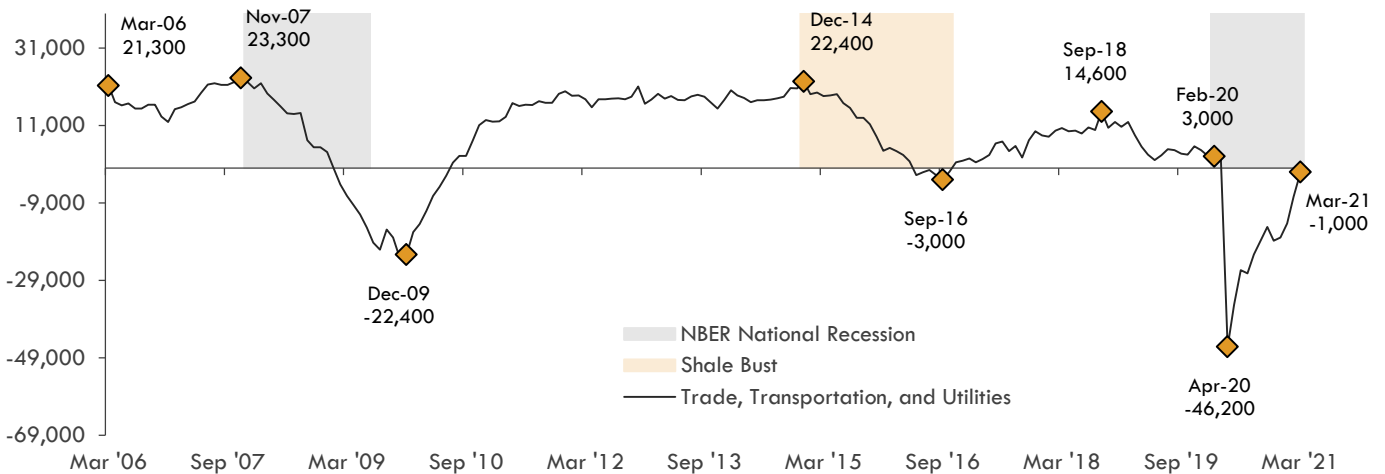


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was down -1,000 jobs, or -0.2 percent. (see Chart 16.) The largest over-the-year gain on record for this sector occurred in November 2007, up 23,300 jobs. The largest decline on record occurred in April 2020, down -46,200 jobs. Wholesale Trade was the largest contributor to the overall sector's decline, down -10,200 jobs over the year. The second-largest declining contributor was Retail Trade, which lost -4,100 jobs from March a year ago. Lastly, Transportation, Warehousing, and Utilities offset a portion of the sector's losses with a gain of 13,300 jobs. Trade,

Transportation, and Utilities's share of Houston area Total Nonfarm Employment has risen from 19.7 percent to 20.8 percent over the past year.

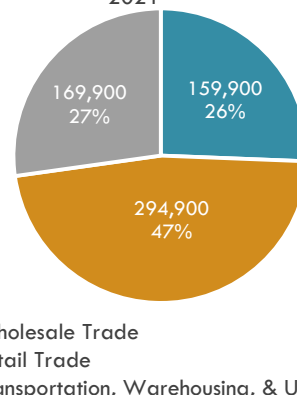
Chart 16. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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 47 percent. (see Chart 17.) Across the Houston MSA, the concentration of jobs in the overall sector is 11 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 17. Employment in Component Industries of Trade, Transportation, and Utilities Sector - March 2021

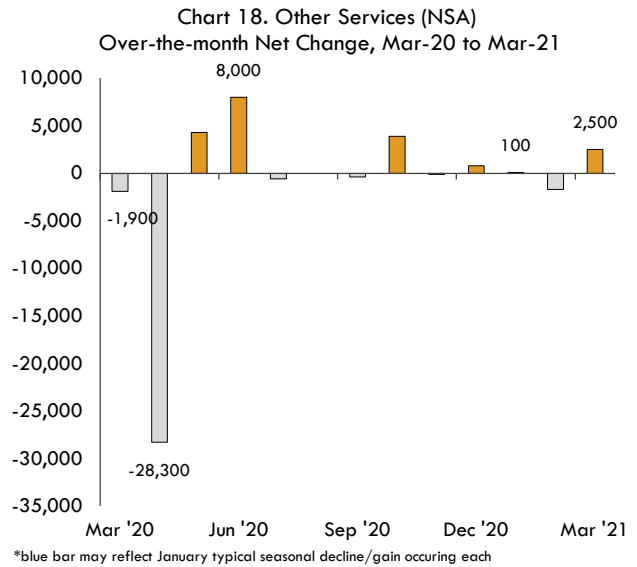


GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services also saw an increase over the month up 2,500 jobs, or 2.4 percent. (see Chart 18.) This was the largest-ever gain in the month of March since records began in 1990. The largest all-time one-month gain on record for this sector occurred in June 2020, up 8,000 jobs. The largest decline on record occurred in April 2020, down -28,300 jobs. Historically in the month of March, Other Services 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. As a catch-all category, job growth in Other Services in March, while fairly low, has been typical over the years. 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 -1,200 jobs for a January to February larger net loss of -1,700 compared to an original estimate of -500 jobs.

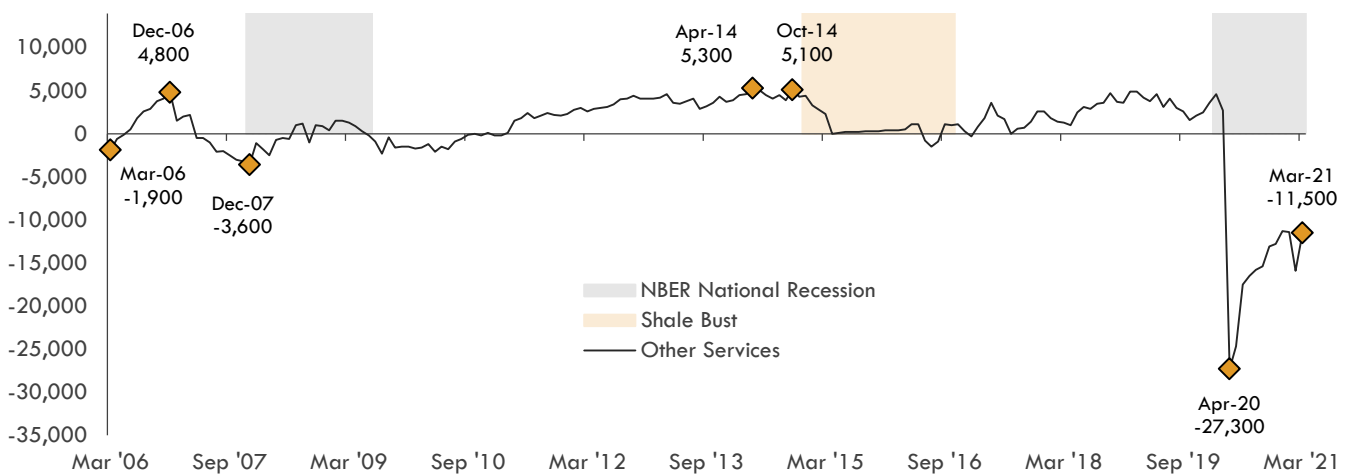


Over-the-year Change

Year over year, Other Services was down -11,500 jobs, or -9.8 percent. (see Chart 19.) This was the largest-ever year-over-year decline in the month of March since records began in 1990. The largest over-the-year gain on record for this sector occurred in April 2014, up 5,300 jobs. The largest decline on record occurred in April 2020, down -27,300 jobs. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Since shedding -30,200 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 March.

Other Services's share of Houston area Total Nonfarm Employment has fallen from 3.7 percent to 3.5 percent over the past year.

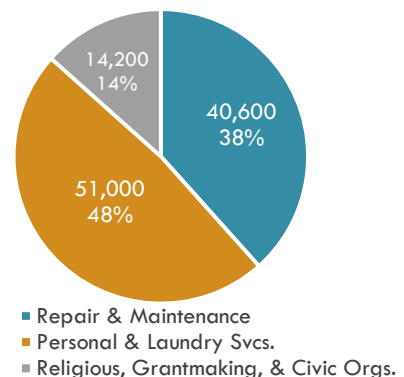
Chart 19. Other Services (NSA) Over-the-year Net Change, Mar-06 to Mar-21



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

Chart 20. Employment in Component Industries of Other Services Sector - March 2021



*estimated proportions based QCEW covered and NES self-employment

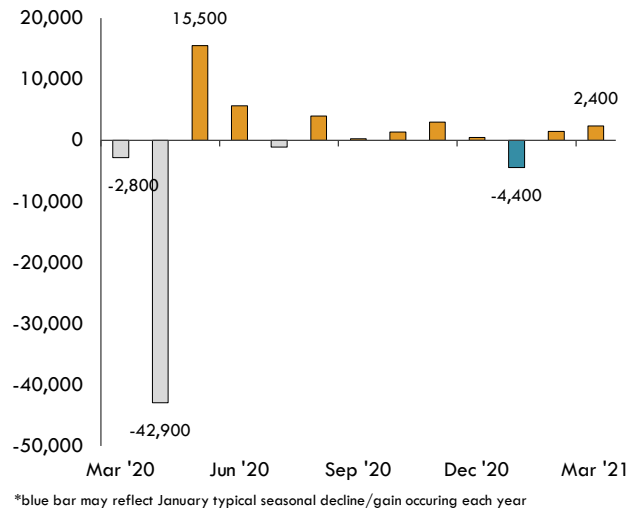
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services also saw an increase over the month up 2,400 jobs, or 0.6 percent. (see Chart 21.) The largest all-time one-month gain on record for this sector occurred in May 2020, up 15,500 jobs. The largest decline on record occurred in April 2020, down -42,900 jobs. Historically in the month of March, Education and Health Services has added an average of 1,100 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 2,500 jobs over the month. One component industry that provided a partial offset was Educational Services, which lost -100 jobs from February to March. Education and Health Services employment was revised upward by 3,000 jobs for a January to February complete erasure of losses resulting in a net gain of 1,500 compared to an original estimate of -1,500 jobs.

Chart 21. Education and Health Services (NSA)
Over-the-month Net Change, Mar-20 to Mar-21

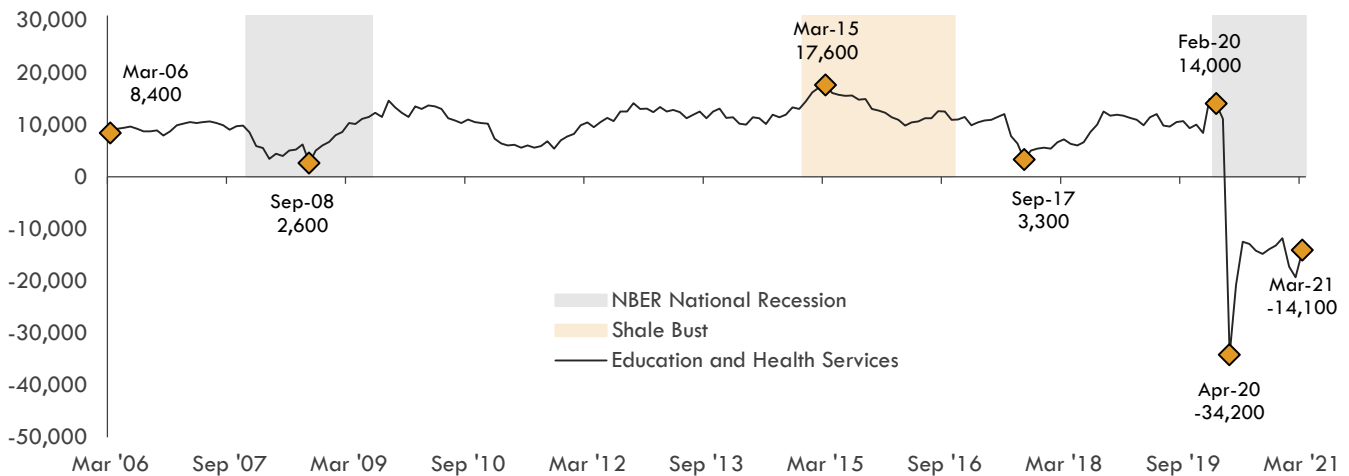


Over-the-year Change

Year over year, Education and Health Services was down -14,100 jobs, or -3.4 percent. (see Chart 22.) This was the largest-ever year-over-year decline in the month of March 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 decline on record occurred in April 2020, down -34,200 jobs. Health Care and Social Assistance was the largest contributor to the overall sector's decline, down -12,000 jobs over the year. The second-largest declining contributor was Educational Services, which lost -2,100 jobs from March a year ago. Since

shedding -45,700 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 March. Education and Health Services's share of Houston area Total Nonfarm Employment has risen from 13.0 percent to 13.3 percent over the past year.

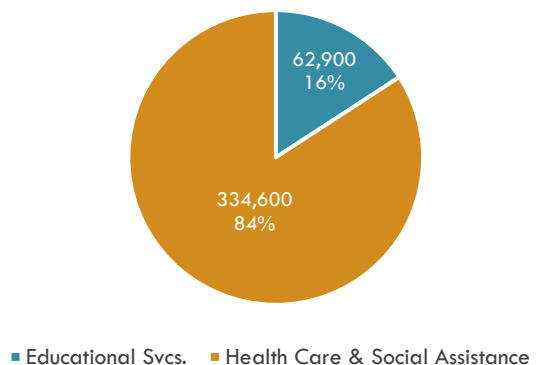
Chart 22. Education and Health Services (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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 84 percent. (see Chart 23.) 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 23. Employment in Component Industries of
Education and Health Services Sector - March 2021



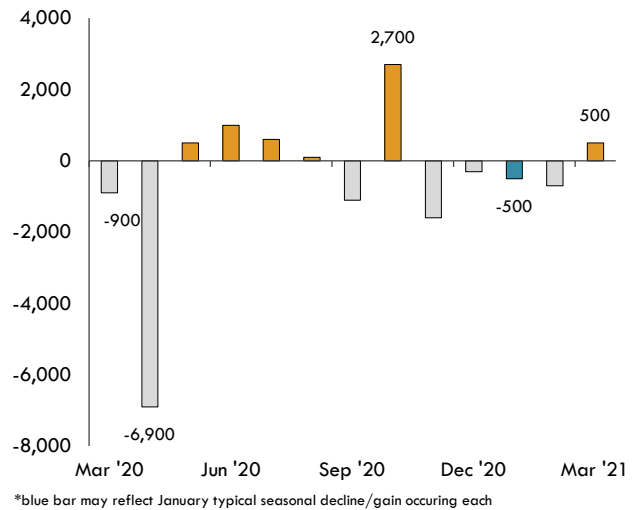
GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 500 jobs, or 0.3 percent. (see Chart 24.) The largest all-time one-month gain on record for this sector occurred in October 2020, up 2,700 jobs. The largest decline on record occurred in April 2020, down -6,900 jobs. 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 above the long-term average. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Finance and Insurance, which added 100 jobs from February to March. Financial Activities employment was revised upward by 100 jobs for a January to February smaller net loss of -700 compared to an original estimate of -800 jobs.

Chart 24. Financial Activities (NSA)
Over-the-month Net Change, Mar-20 to Mar-21

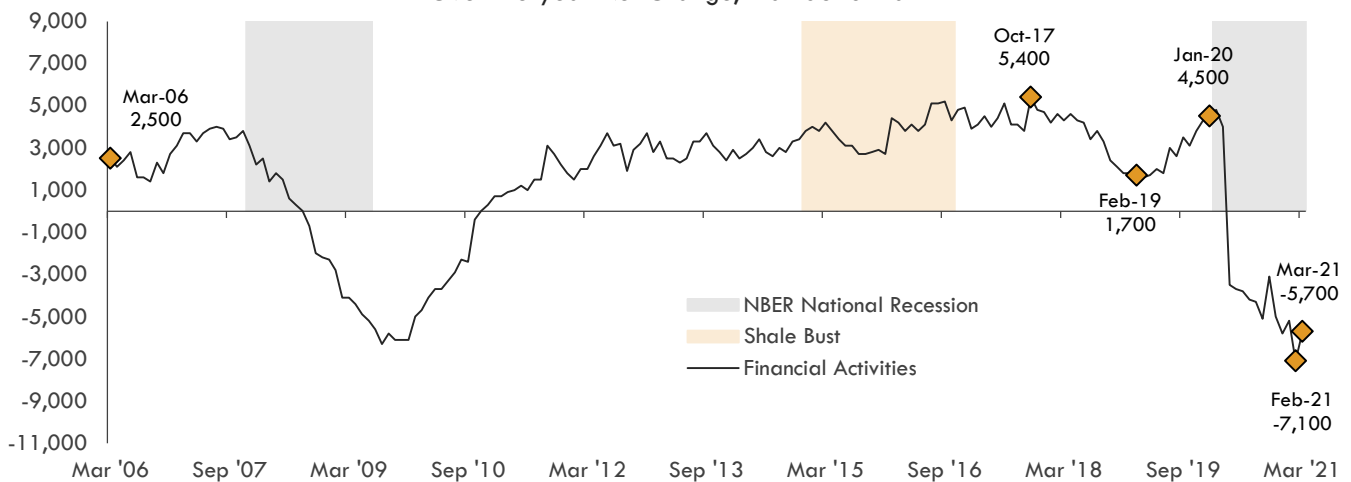


Over-the-year Change

Year over year, Financial Activities was down -5,700 jobs, or -3.4 percent. (see Chart 25.) This was the largest-ever year-over-year decline in the month of March 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 decline on record occurred in February 2021, down -7,100 jobs. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -5,400 jobs over the year. The second-largest declining contributor was Finance and Insurance, which lost -300 jobs from March a year ago. Since shedding -7,800

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 March. Financial Activities's share of Houston area Total Nonfarm Employment has risen from 5.3 percent to 5.4 percent over the past year.

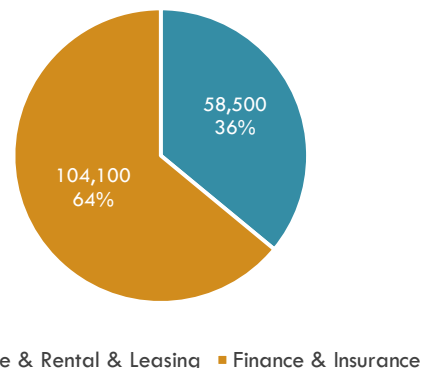
Chart 25. Financial Activities (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 64 percent. (see Chart 26.) Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 11 percent less than the national average, due to a 24-percent lower concentration in Finance and Insurance offsetting a 27-percent higher concentration in Real Estate and Rental and Leasing.

Chart 26. Employment in Component Industries of
Financial Activities Sector - March 2021



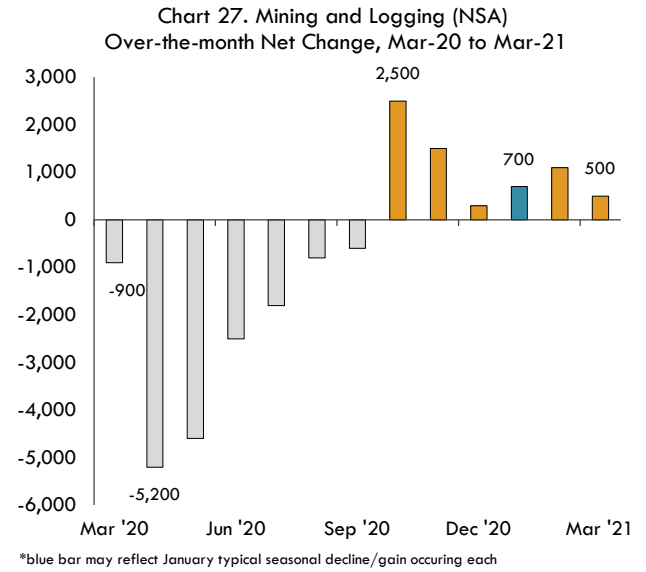
GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 500 jobs, or 0.7 percent. (see Chart 27.) The largest all-time one-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest decline on record occurred in April 2020, down -5,200 jobs. 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. Mining and Logging has posted gains in the Month of March roughly two-thirds of the time over the past two and a half decades. Support Activities for Mining was the largest contributor to the overall sector's increase, up 500 jobs over the month. The second-largest contributor was Oil and Gas Extraction, which added 100 jobs from February to March. Lastly, Other Mining and Logging Undefined offset a portion of the sector's gains with a loss of -100 jobs. Mining and Logging employment was revised upward by 500 jobs for a January to February larger net gain of 1,100

compared to an original estimate of 600 jobs.

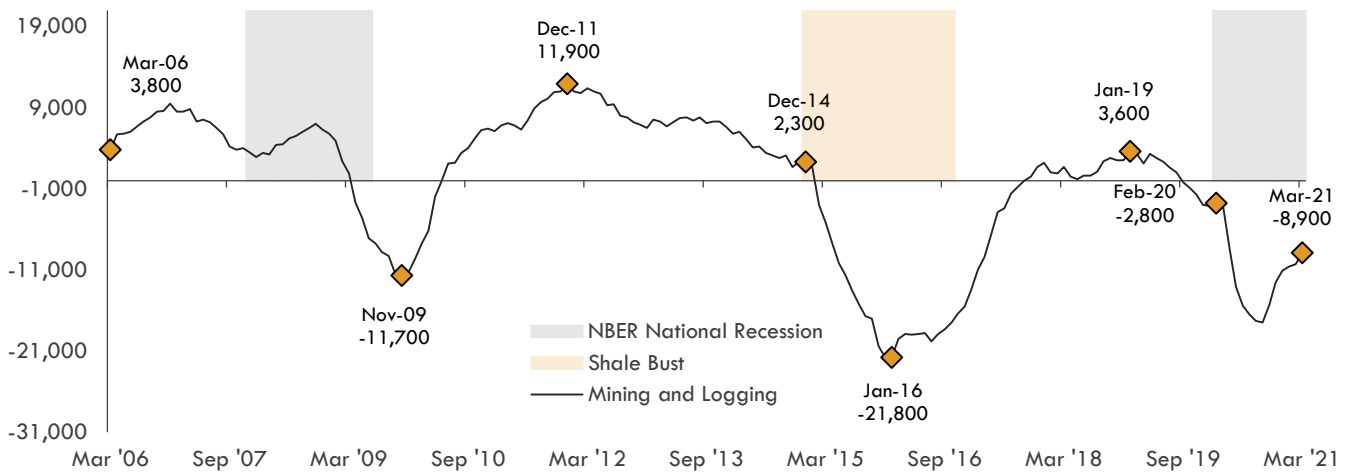


Over-the-year Change

Year over year, Mining and Logging was down -8,900 jobs, or -11.5 percent. (see Chart 28.) Among sectors currently showing contraction, this sector is the second-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 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 -6,400 jobs over the year. The second-largest declining contributor was Oil and Gas Extraction, which lost -2,700 jobs

from March a year ago. Lastly, Other Mining and Logging Undefined offset a portion of the sector's losses with a gain of 200 jobs. Since shedding -6,100 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. Mining and Logging's share of Houston area Total Nonfarm Employment has fallen from 2.4 percent to 2.3 percent over the past year.

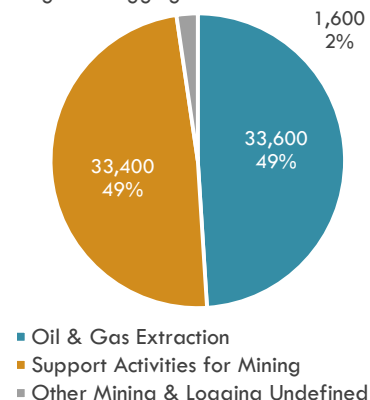
Chart 28. Mining and Logging (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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, Oil and Gas Extraction accounts for a plurality of the sector's employment at 49 percent. (see Chart 29.) Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.4 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 29. Employment in Component Industries of Mining and Logging Sector - March 2021



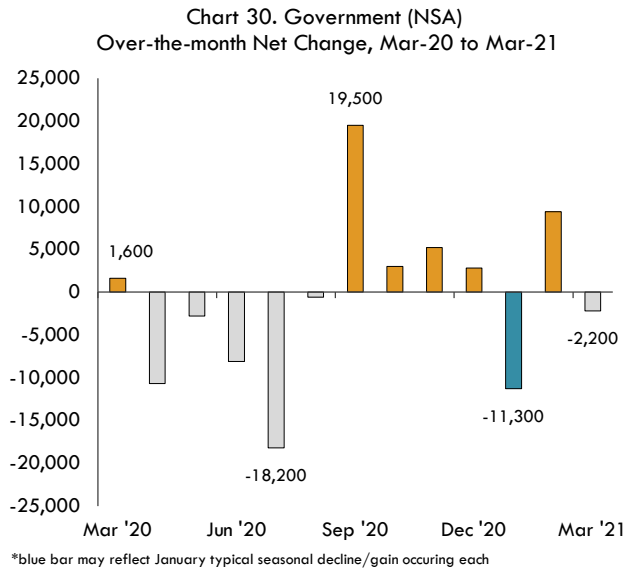
DECLINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the largest declining sector over the month down -2,200 jobs, or -0.5 percent. (see Chart 30.) This was the largest-ever decline in the month of March since records began in 1990. The largest all-time one-month gain on record for this sector occurred in September 2013, up 22,500 jobs. The largest decline on record occurred in April 2020, down -10,700 jobs. 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 substantially in contrast to the long-term average gain. Government typically experiences job gains in March with the only examples of losses occurring in the early-to-mid 1990s. Local Government was the largest contributor to the overall sector's decline, down -2,300 jobs over the month. The second-largest declining contributor was Federal Government, which lost -100 jobs 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

-500 jobs for a January to February smaller net gain of 9,400 compared to an original estimate of 9,900 jobs.

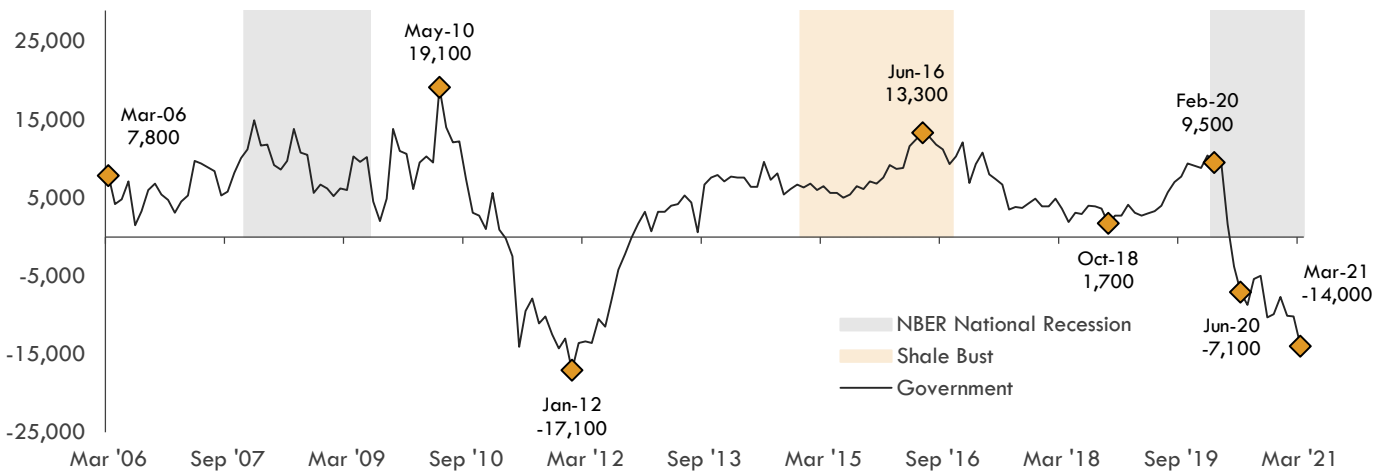


Over-the-year Change

Year over year, Government was down -14,000 jobs, or -3.3 percent. (see Chart 31.) This was the largest-ever year-over-year decline in the month of March since records began in 1990. The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest decline on record occurred in January 2012, down -17,100 jobs. Local Government was the largest contributor to the overall sector's decline, down -13,500 jobs over the year. The second-largest declining contributor was State Government, which lost -700 jobs from March a year ago. Lastly, Federal Government offset a

portion of the sector's losses with a gain of 200 jobs. Since shedding -9,100 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 February 2020. Government's share of Houston area Total Nonfarm Employment has risen from 13.5 percent to 13.9 percent over the past year.

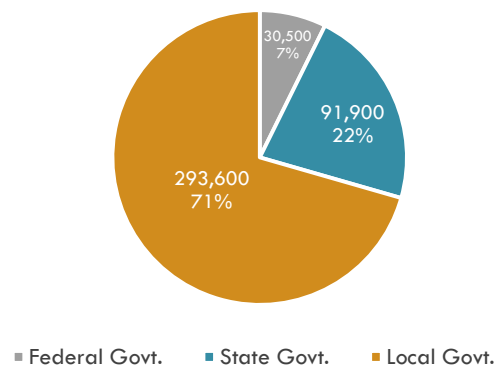
Chart 31. Government (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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 32.) Across the Houston MSA, the concentration of jobs in the overall Government sector is 9 percent less than the national average.

Chart 32. Employment in Component Industries of Government Sector - March 2021



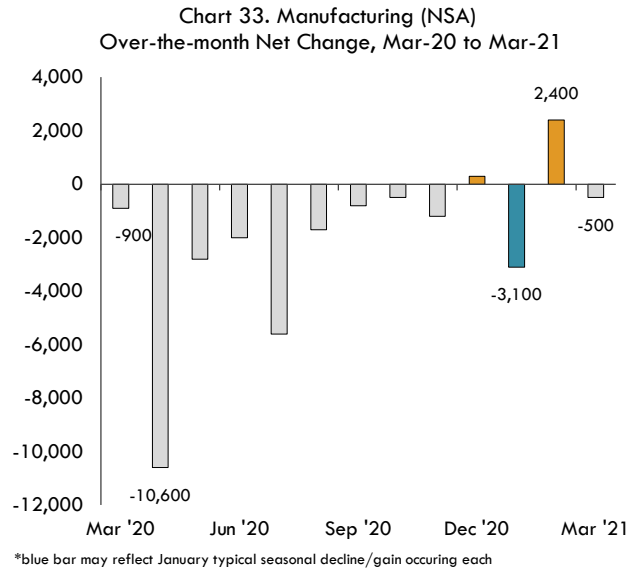
DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing was the second-largest declining sector over the month down -500 jobs, or -0.2 percent. (see Chart 33.) The largest all-time one-month gain on record for this sector occurred in June 1990, up 3,200 jobs. The largest decline on record occurred in April 2020, down -10,600 jobs. Historically in the month of March, Manufacturing has added an average of 400 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Manufacturing has typically experienced modest gains in March. Exceptions to this trend have understandably coincided with economic downturns over the past two and a half decades. Non-Durable Goods was the largest contributor to the overall sector's decline, down -700 jobs over the month. One component industry that provided a partial offset was Durable Goods, which gained 200 jobs from February to March. Manufacturing employment was revised upward by 2,800 jobs for a January to February complete erasure of losses resulting in a net gain of 2,400

compared to an original estimate of -400 jobs.

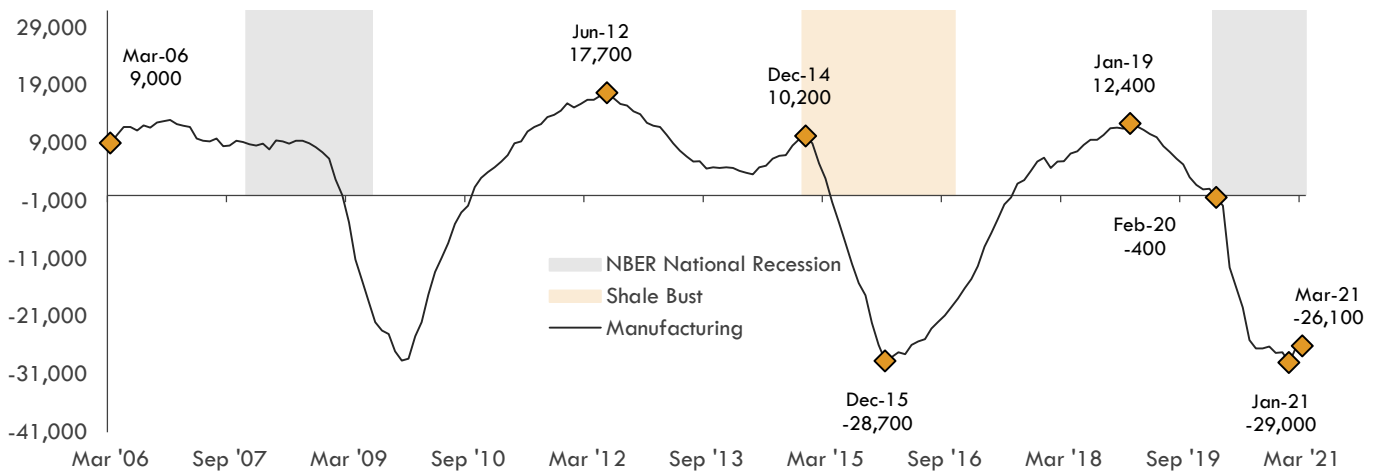


Over-the-year Change

Year over year, Manufacturing was down -26,100 jobs, or -11.2 percent. (see Chart 34.) Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Furthermore, 14.9 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 decline on record occurred in January 2021, down -29,000 jobs. Durable Goods was the largest contributor to the overall sector's decline, down -22,000 jobs over the year. The

second-largest declining contributor was Non-Durable Goods, which lost -4,100 jobs from March a year ago. Since shedding -11,500 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 -10 percent below levels reported in February 2020. Manufacturing's share of Houston area Total Nonfarm Employment has fallen from 7.4 percent to 6.9 percent over the past year.

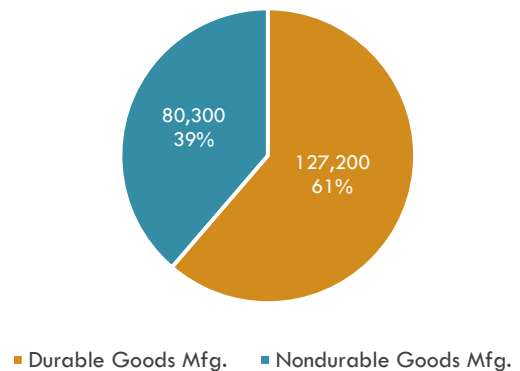
Chart 34. Manufacturing (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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 61 percent. (see Chart 35.) Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 19 percent less than the national average.

Chart 35. Employment in Component Industries of Manufacturing Sector - March 2021



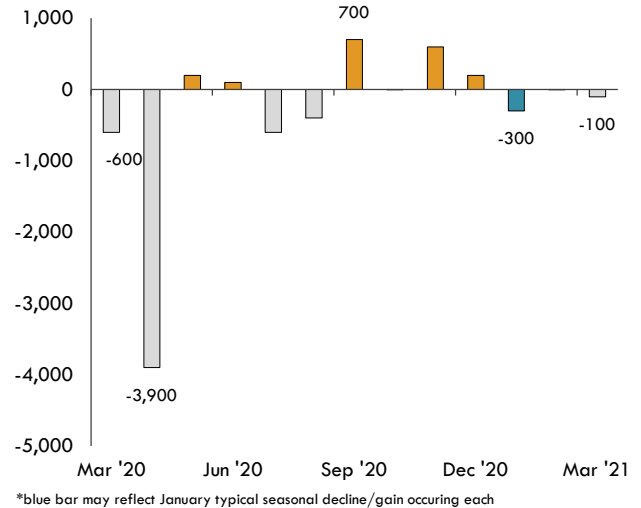
DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information was the third-largest declining sector over the month down -100 jobs, or -0.3 percent. (see Chart 36.) The largest all-time one-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest decline on record occurred in April 2020, down -3,900 jobs. Historically in the month of March, Information has added an average of 20 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Other Information Undefined was the largest contributor to the overall sector's decline, down -100 jobs over the month. One component industry, Telecommunications, saw no change from February to March. Information employment saw no revision from January to February leaving the previous month's original estimate of zero net change intact.

Chart 36. Information (NSA)
Over-the-month Net Change, Mar-20 to Mar-21

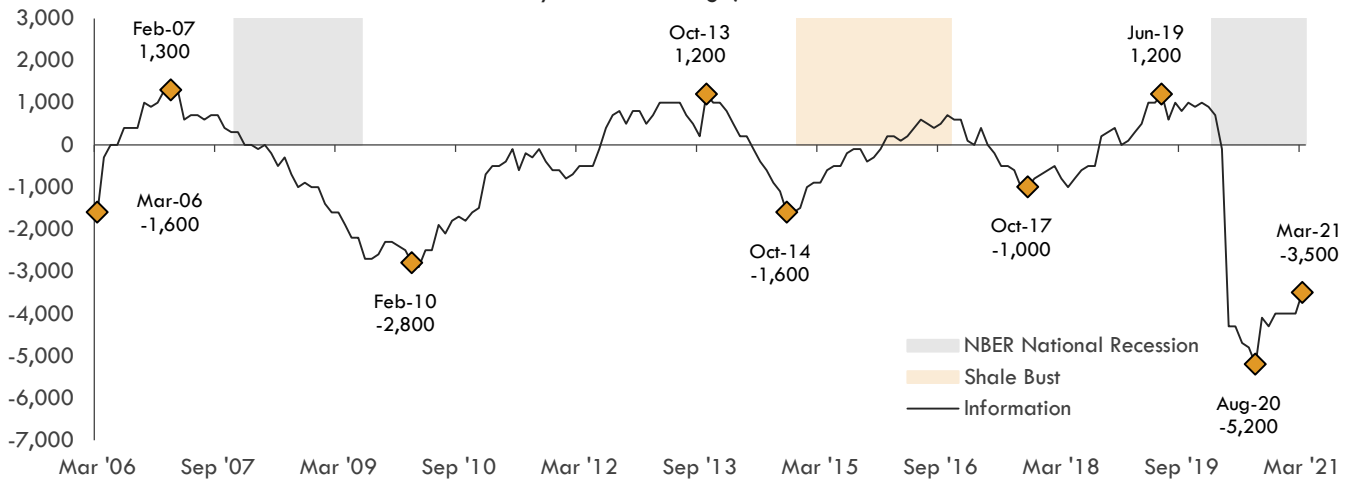


Over-the-year Change

Year over year, Information was down -3,500 jobs, or -10.9 percent. (see Chart 37.) The largest over-the-year gain on record for this sector occurred in June 1997, up 4,600 jobs. The largest 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 -2,900 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -600 jobs from March a year ago. Since shedding -4,500 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 March. Information's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.

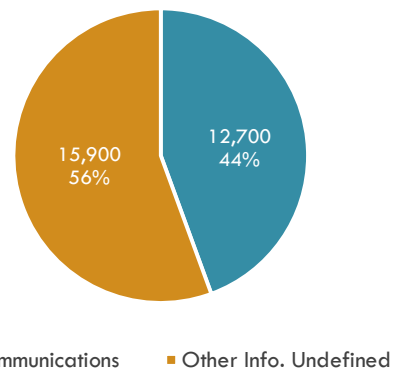
Chart 37. Information (NSA)
Over-the-year Net Change, Mar-06 to Mar-21



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 56 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 2021



Unemployment Rates

Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 8.0 percent in March, down from February's 8.4 percent and up from 5.5 percent a year ago. This was above the statewide rate of 7.2 percent and above the national rate of 6.2 percent. 271,412 individuals were unemployed in Houston in March, down from February's 283,530 and up from 187,892 in March 2020.

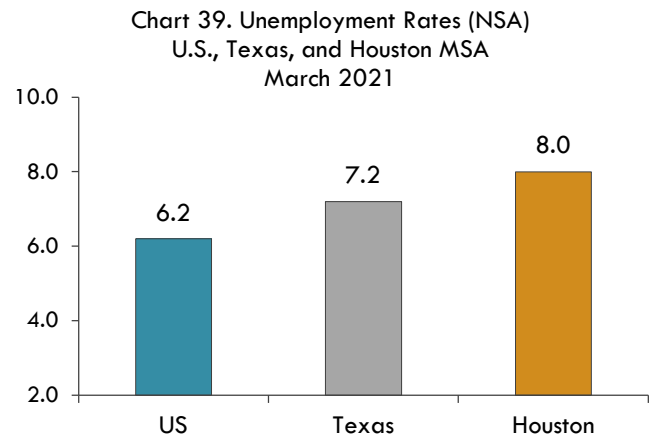
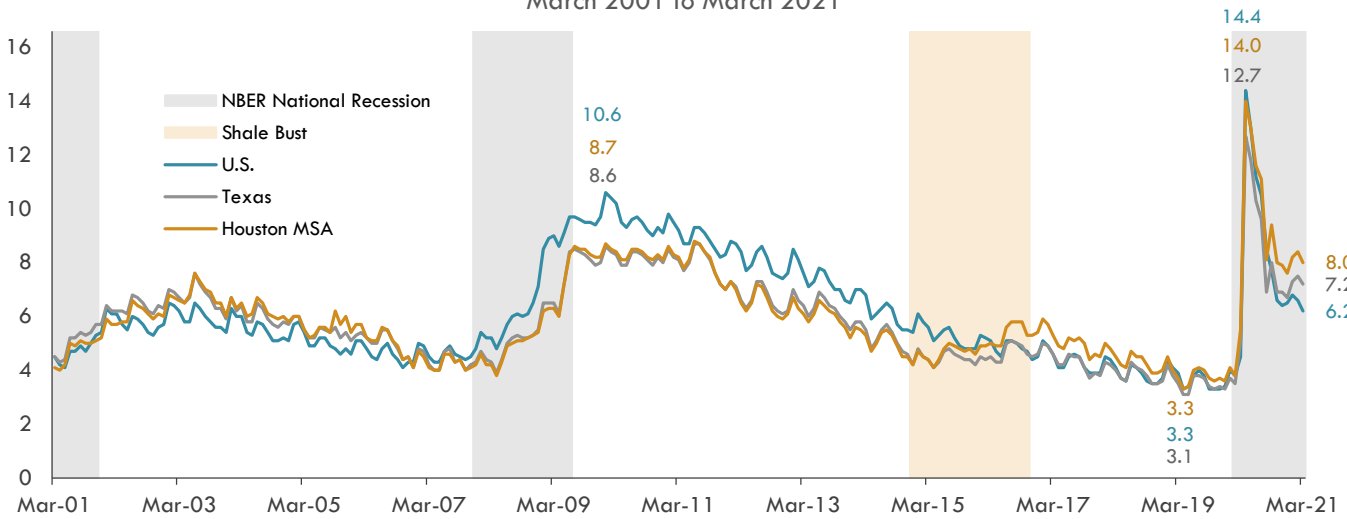


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
March 2001 to March 2021



Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 8.3 percent in February, down slightly from January's 8.4 percent and up from 3.8 percent a year ago. This was above the statewide rate of 6.9 percent and above the national rate of 6.2 percent. 279,295 individuals were unemployed in Houston in February, virtually unchanged, down slightly from January's 279,798 and up from 131,552 in February 2020.

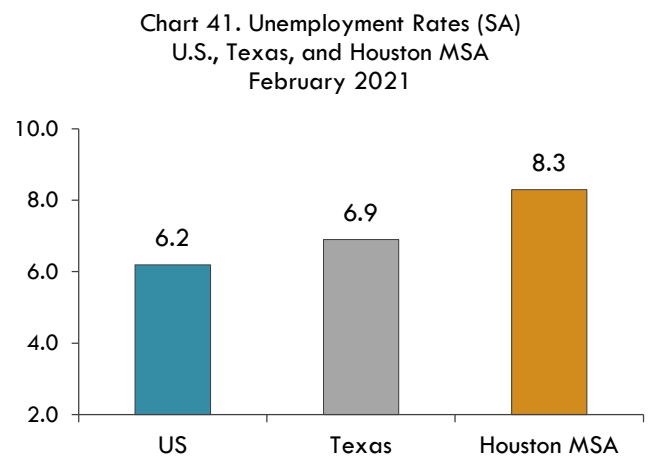
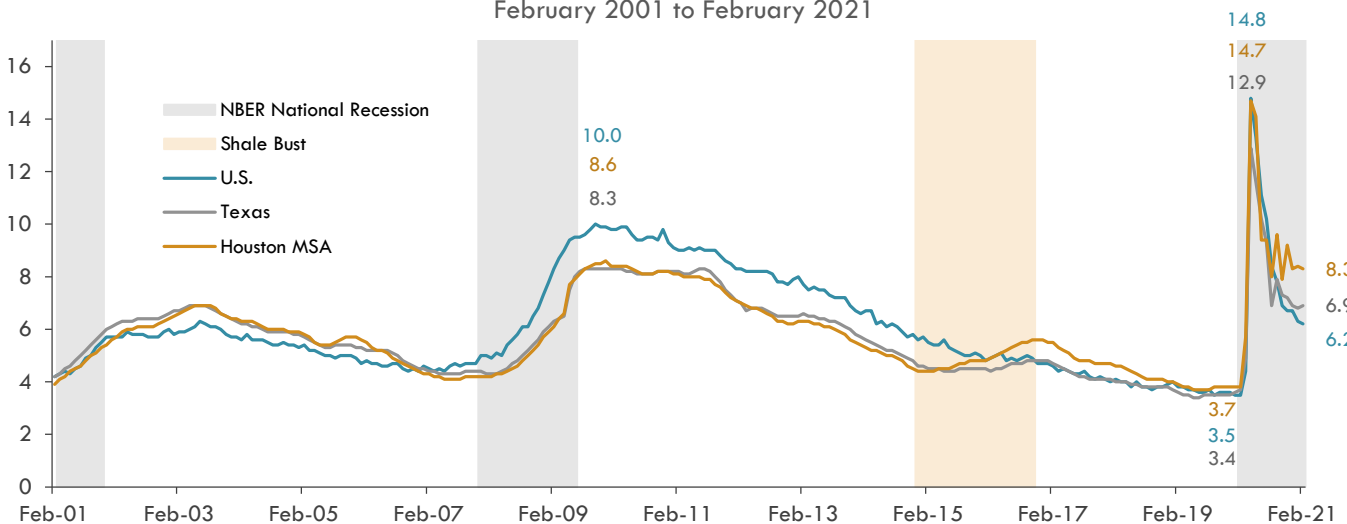


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
February 2001 to February 2021



Houston Area Employment Situation

March 2021

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Mar-21	Feb-21	Mar-20	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	2,999,200	2,965,000	3,174,200	34,200	1.2%	-175,000	-5.5%
Total Private	2,583,200	2,546,800	2,744,200	36,400	1.4%	-161,000	-5.9%
Goods Producing	482,200	475,700	548,200	6,500	1.4%	-66,000	-12.0%
.Mining and Logging	68,600	68,100	77,500	500	0.7%	-8,900	-11.5%
...Oil and Gas Extraction	33,600	33,500	36,300	100	0.3%	-2,700	-7.4%
...Support Activities for Mining	33,400	32,900	39,800	500	1.5%	-6,400	-16.1%
.Construction	206,100	199,600	237,100	6,500	3.3%	-31,000	-13.1%
..Construction of Buildings	45,400	43,800	55,200	1,600	3.7%	-9,800	-17.8%
..Heavy and Civil Engineering Construction	53,700	52,500	65,300	1,200	2.3%	-11,600	-17.8%
..Specialty Trade Contractors	107,000	103,300	116,600	3,700	3.6%	-9,600	-8.2%
.Manufacturing	207,500	208,000	233,600	-500	-0.2%	-26,100	-11.2%
..Durable Goods	127,200	127,000	149,200	200	0.2%	-22,000	-14.7%
...Fabricated Metal Product Manufacturing	41,600	41,500	53,000	100	0.2%	-11,400	-21.5%
...Machinery Manufacturing	38,400	38,900	46,400	-500	-1.3%	-8,000	-17.2%
....Agriculture, Construction, and Mining Machinery Mfg.	20,000	20,300	27,600	-300	-1.5%	-7,600	-27.5%
...Computer and Electronic Product Manufacturing	12,900	12,900	14,000	0	0.0%	-1,100	-7.9%
..Non-Durable Goods	80,300	81,000	84,400	-700	-0.9%	-4,100	-4.9%
...Petroleum and Coal Products Manufacturing	8,500	8,500	8,600	0	0.0%	-100	-1.2%
...Chemical Manufacturing	38,900	38,900	40,800	0	0.0%	-1,900	-4.7%
Service Providing	2,517,000	2,489,300	2,626,000	27,700	1.1%	-109,000	-4.2%
.Private Service Providing	2,101,000	2,071,100	2,196,000	29,900	1.4%	-95,000	-4.3%
..Trade, Transportation, and Utilities	624,700	621,500	625,700	3,200	0.5%	-1,000	-0.2%
...Wholesale Trade	159,900	159,700	170,100	200	0.1%	-10,200	-6.0%
....Merchant Wholesalers, Durable Goods	98,200	97,500	106,000	700	0.7%	-7,800	-7.4%
....Prof. and Commercial Equip. Supplies Wholesalers	16,700	16,700	17,700	0	0.0%	-1,000	-5.6%
....Merchant Wholesalers, Nondurable Goods	50,400	50,700	53,000	-300	-0.6%	-2,600	-4.9%
...Retail Trade	294,900	294,200	299,000	700	0.2%	-4,100	-1.4%
....Motor Vehicle and Parts Dealers	41,100	41,000	42,900	100	0.2%	-1,800	-4.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,600	23,700	22,500	900	3.8%	2,100	9.3%
....Food and Beverage Stores	69,200	69,200	66,300	0	0.0%	2,900	4.4%
....Health and Personal Care Stores	18,600	18,300	18,600	300	1.6%	0	0.0%
....Clothing and Clothing Accessories Stores	23,400	23,300	27,700	100	0.4%	-4,300	-15.5%
....General Merchandise Stores	55,700	56,100	56,100	-400	-0.7%	-400	-0.7%
....Department Stores	15,600	15,700	18,300	-100	-0.6%	-2,700	-14.8%
....Other General Merchandise Stores	40,100	40,400	37,800	-300	-0.7%	2,300	6.1%
...Transportation, Warehousing, and Utilities	169,900	167,600	156,600	2,300	1.4%	13,300	8.5%
....Utilities	17,200	17,200	16,900	0	0.0%	300	1.8%
....Air Transportation	18,600	18,700	21,000	-100	-0.5%	-2,400	-11.4%
....Truck Transportation	26,600	26,600	27,500	0	0.0%	-900	-3.3%
....Pipeline Transportation	11,500	11,500	12,400	0	0.0%	-900	-7.3%
..Information	28,600	28,700	32,100	-100	-0.3%	-3,500	-10.9%
...Telecommunications	12,700	12,700	13,300	0	0.0%	-600	-4.5%
..Financial Activities	162,600	162,100	168,300	500	0.3%	-5,700	-3.4%
...Finance and Insurance	104,100	104,000	104,400	100	0.1%	-300	-0.3%
....Credit Intermediation and Related Activities	43,100	43,000	44,500	100	0.2%	-1,400	-3.1%
....Depository Credit Intermediation	28,400	28,300	30,000	100	0.4%	-1,600	-5.3%
....Securities, Commodity Contracts, and Fin. Investments	20,200	20,300	20,600	-100	-0.5%	-400	-1.9%
....Insurance Carriers and Related Activities	40,800	40,700	39,300	100	0.2%	1,500	3.8%
...Real Estate and Rental and Leasing	58,500	58,100	63,900	400	0.7%	-5,400	-8.5%
..Professional and Business Services	486,700	477,300	511,100	9,400	2.0%	-24,400	-4.8%
...Professional, Scientific, and Technical Services	236,800	232,600	246,100	4,200	1.8%	-9,300	-3.8%
....Legal Services	27,800	27,700	27,900	100	0.4%	-100	-0.4%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	25,900	26,100	27,100	-200	-0.8%	-1,200	-4.4%
....Architectural, Engineering, and Related Services	66,600	64,000	75,300	2,600	4.1%	-8,700	-11.6%
....Computer Systems Design and Related Services	34,700	35,500	33,500	-800	-2.3%	1,200	3.6%
...Management of Companies and Enterprises	44,700	44,700	47,400	0	0.0%	-2,700	-5.7%
...Admin. and Support and Waste Mgmt. and Remediation	205,200	200,000	217,600	5,200	2.6%	-12,400	-5.7%
....Administrative and Support Services	192,300	187,200	205,800	5,100	2.7%	-13,500	-6.6%
....Employment Services	69,500	68,000	74,900	1,500	2.2%	-5,400	-7.2%
....Services to Buildings and Dwellings	51,400	50,600	51,100	800	1.6%	300	0.6%
..Educational and Health Services	397,500	395,100	411,600	2,400	0.6%	-14,100	-3.4%
...Educational Services	62,900	63,000	65,000	-100	-0.2%	-2,100	-3.2%
...Health Care and Social Assistance	334,600	332,100	346,600	2,500	0.8%	-12,000	-3.5%
....Ambulatory Health Care Services	166,900	166,900	166,500	0	0.0%	400	0.2%
....Hospitals	88,400	88,000	90,300	400	0.5%	-1,900	-2.1%
..Leisure and Hospitality	295,200	283,200	330,000	12,000	4.2%	-34,800	-10.5%
...Arts, Entertainment, and Recreation	27,300	25,600	36,400	1,700	6.6%	-9,100	-25.0%
...Accommodation and Food Services	267,900	257,600	293,600	10,300	4.0%	-25,700	-8.8%
....Accommodation	19,600	19,200	28,500	400	2.1%	-8,900	-31.2%
....Food Services and Drinking Places	248,300	238,400	265,100	9,900	4.2%	-16,800	-6.3%
..Other Services	105,700	103,200	117,200	2,500	2.4%	-11,500	-9.8%
Government	416,000	418,200	430,000	-2,200	-0.5%	-14,000	-3.3%
.Federal Government	30,500	30,600	30,300	-100	-0.3%	200	0.7%
.State Government	91,900	91,700	92,600	200	0.2%	-700	-0.8%
..State Government Educational Services	53,600	53,600	54,100	0	0.0%	-500	-0.9%
.Local Government	293,600	295,900	307,100	-2,300	-0.8%	-13,500	-4.4%
..Local Government Educational Services	196,600	199,700	214,200	-3,100	-1.6%	-17,600	-8.2%