

# Houston Area Employment Situation

October 2022

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

**3.2 Million Total Jobs and More Signs of a Gradual Return to Job Market Equilibrium**

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,321,500 in October, up 32,400 jobs over the month, or 1.0 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 30,200 jobs. This October tied with 2017 for the second-largest ever gain in the month of October since records began in 1990. Prior to the pandemic, historically in the month of October, Total Nonfarm has on average added 10,600 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

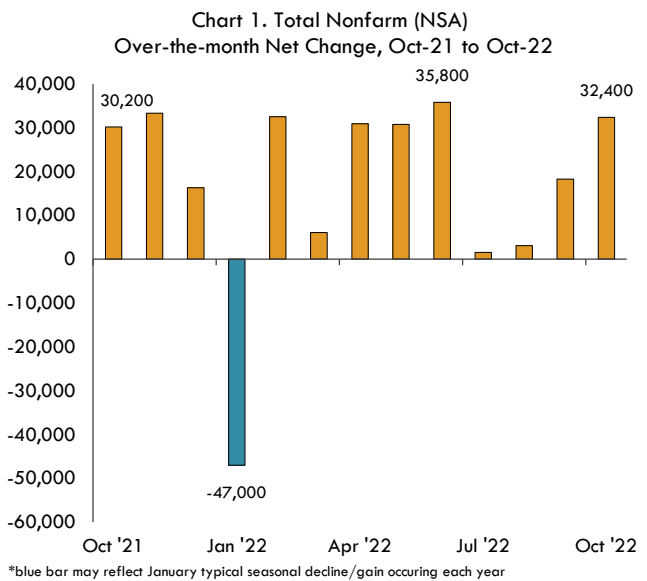
The primary drivers of this October's growth were increases in Trade, Transportation, and Utilities; Government; and Professional and Business Services. Gains were also recorded in Education and Health Services; Financial Activities; and Manufacturing. The net increase in jobs over the month was partially offset by losses in Construction; Other Services; and Leisure and Hospitality. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,309,900, up 12,900 jobs over the month, or 0.4 percent vs. a historical average of 5,200. This October marks 20 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 October**

- Trade, Transportation, and Utilities: 12,200
- Government: 11,300
- Professional and Business Services: 6,600

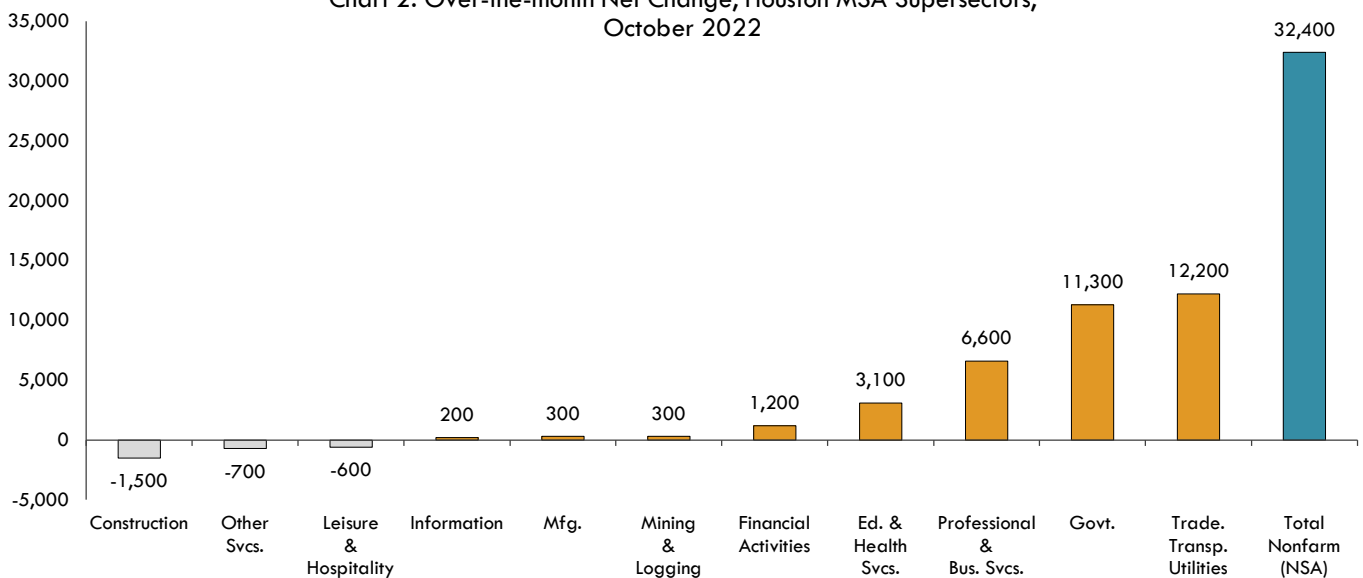
#### Over-the-year Change

Over the year, Total Nonfarm employment was up 194,100 or 6.2 percent on a not-seasonally-adjusted basis and up 193,100 or 6.2 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, October 2021 saw a year-over-year gain of 139,000 jobs (NSA) from October 2020. This was the largest-ever over-the-year gain in October and the third-largest gain on record. Currently 10 out of 11 sectors show growth year over year of which the top-three are Leisure and Hospitality (46,000);



Trade, Transportation, and Utilities (33,700); and Professional and Business Services (31,700) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,192,200 jobs by 129,300, or 4.1 percent (109,700 jobs, 3.4 percent above 3,200,200 seasonally adjusted).

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



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## Previous Month's Revisions

Total Nonfarm employment was revised upward by 3,500 jobs for a August to September larger net gain of 18,300 compared to an original estimate of 14,800 jobs. An upward revision of +3,000 jobs in Trade, Transportation, and Utilities was the largest contributor followed by Professional and Business Services (+2,600) and Construction (+1,000). Downward revisions in Government (-2,600), Leisure and Hospitality (-1,700), and Education and Health Services (-400) provided a partial offset of the overall upward revision to Total Nonfarm employment (see Chart 5).

**Top-3 Drivers of Over-the-year Job Growth in October**

- Leisure and Hospitality: 46,000
- Trade, Transportation, and Utilities: 33,700
- Professional and Business Services: 31,700

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

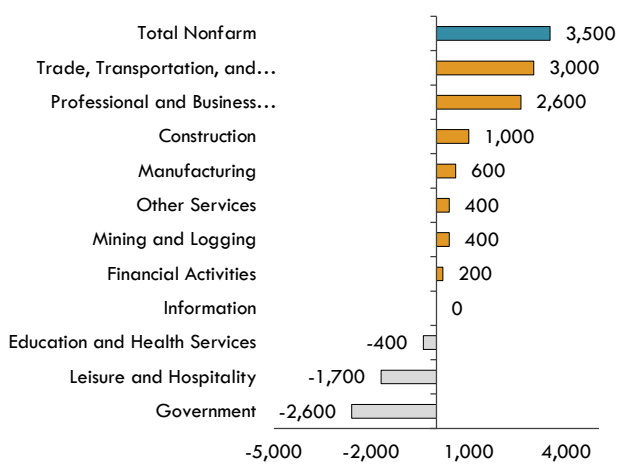


Chart 3. Total Nonfarm (NSA) Over-the-year Net Change, Oct-07 to Oct-22

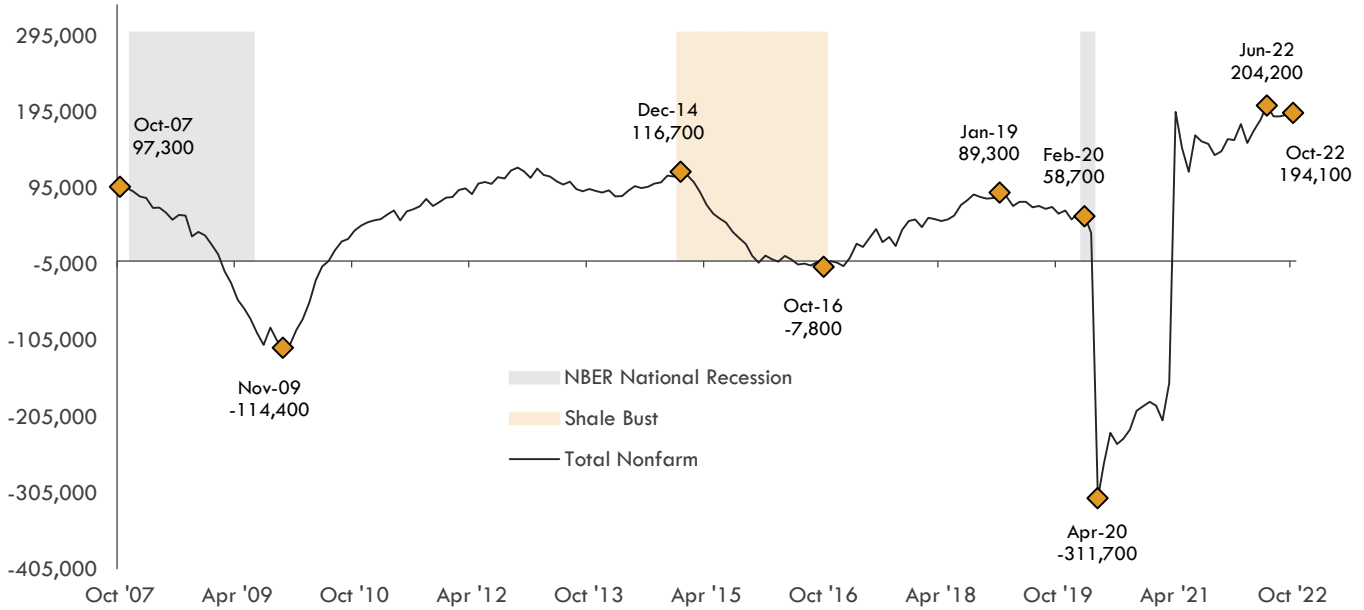
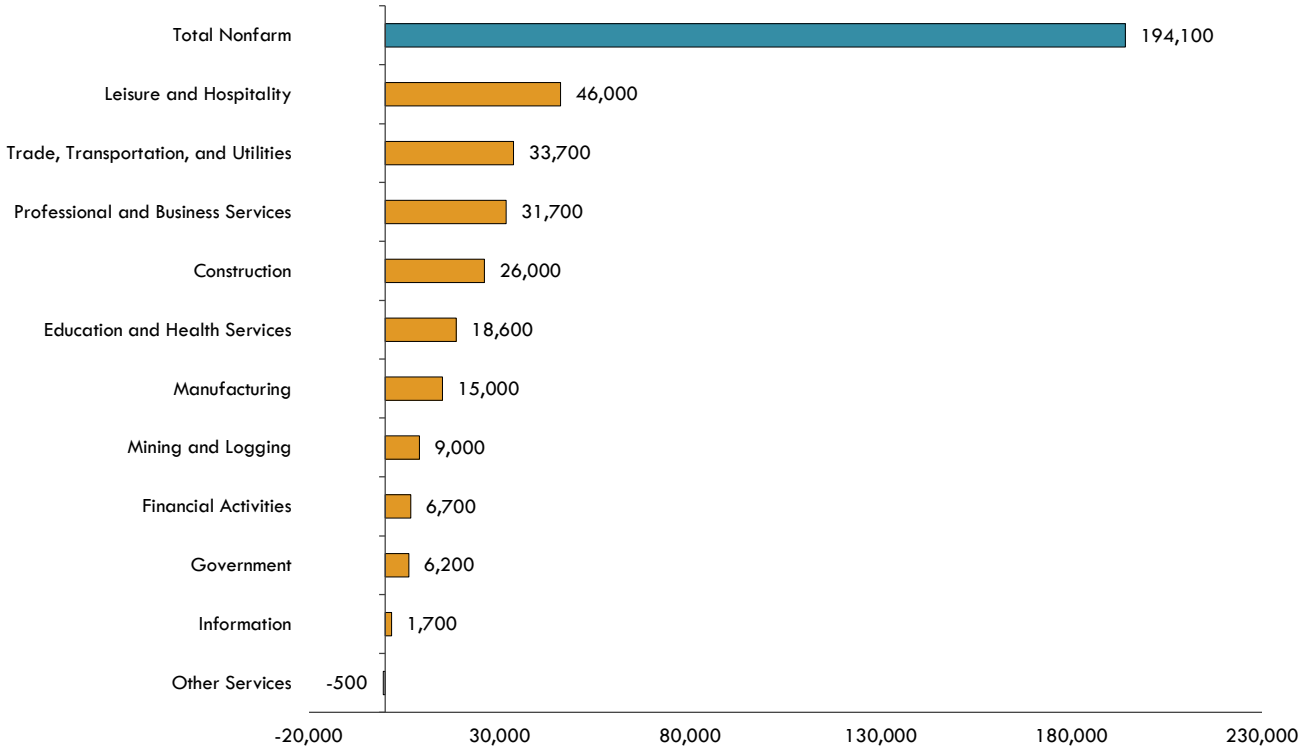


Chart 4. Over-the-year Net Change, Houston MSA Supersectors, October 2021 to October 2022



## Supplemental Commentary

### Overall Impressions

Houston added 30,700 jobs over the month NSA tying with October 2017 whose increase was driven by the initial rebound from Hurricane Harvey in September of that year. This also marks the fifth time this year that the region has added more than 30,000 jobs in a single month. However, the average gain in October has risen from around 6,600 between 1990 and 2012 to an average of 25,000 from 2013 onward. This is partially due to holiday seasonal Retail hiring occurring progressively earlier each year but also event-specific outliers such as aforementioned Hurricane Harvey 2017 and the early rebound phase of the pandemic in 2020.

In other news, thanks to a solid but not-record breaking 12,900 jobs added over the month (seasonally-adjusted) Houston MSA Total Nonfarm employment surpassed 3.3 million in October for the first time marking a new milestone for the region's job market.

Seasonal hiring in Retail was strong in October posting 4,700 jobs suggesting some degree of confidence by retailers entering the holiday season thus far. Despite being only the third-largest contributor to job growth in Trade, Transportation, and Utilities over the month, Whole Trade posted its best October on record and iyd second-best month of any month since records began.

Government, mainly driven by Local Government Education Services added 11,300 jobs over the month giving the appearance of record hiring however cumulative hiring across August, September, and October this year stands at 24,700 compared to 22,600 in 2021, 22,400 in 2020, and 23,500 in 2019 suggesting that timing issues related to the reporting of payrolls is the underlying factor.

Rounding out the top-three drivers of the month was Professional and Business Services with 6,600 jobs indicating that rumblings of layoffs or at least a pause in hiring among firms providing these services have yet to manifest locally in the monthly payroll numbers.

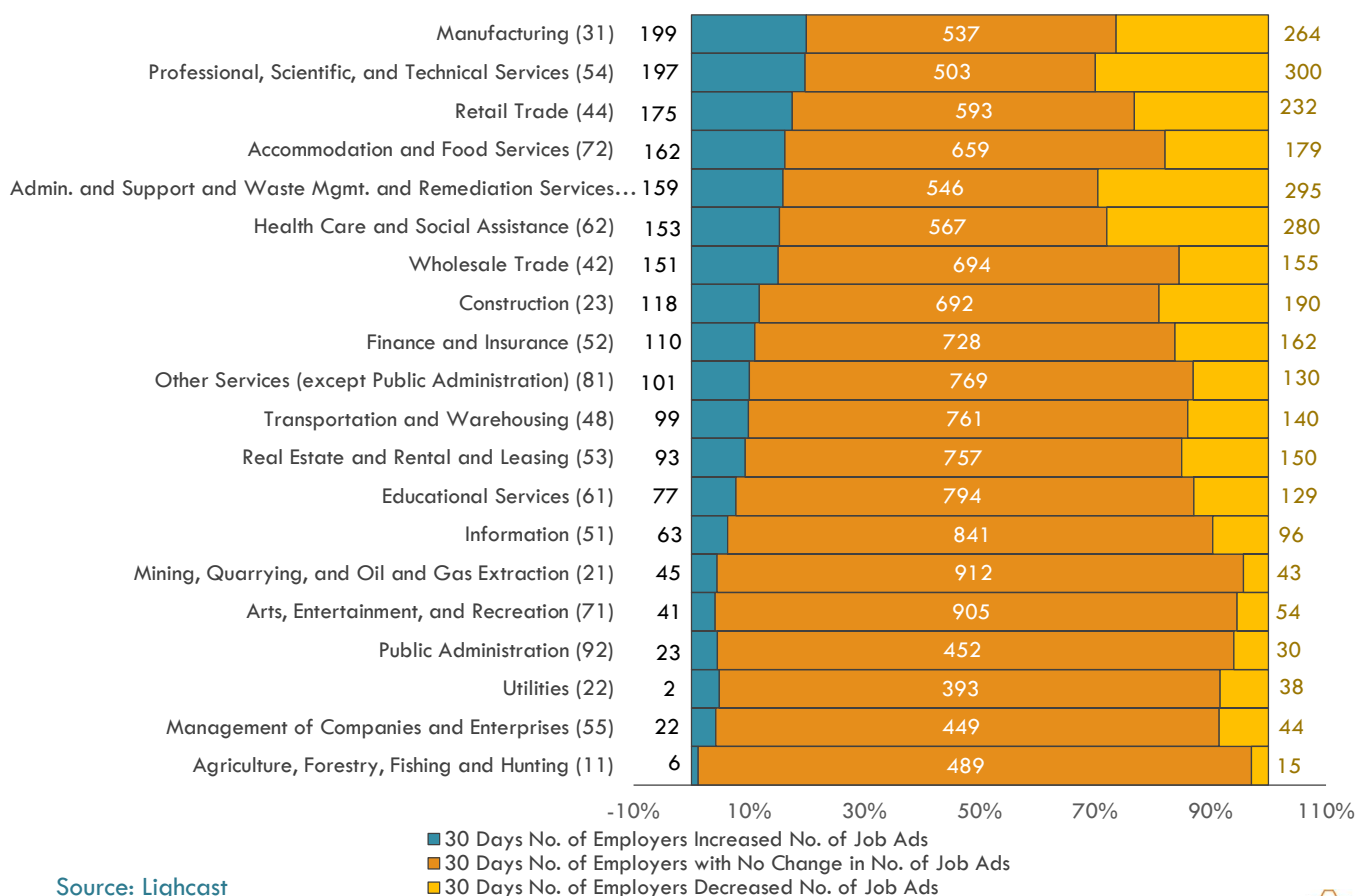
Unemployment insurance claims through the first week of November fail to show any material change continuing to hover between 3,000 and 4,000 each week in keeping with pre-pandemic trends (see chart on page 4).

The WSI reading for October fell again over-the-month suggesting that Houston's job market is in the early stages of returning to an equilibrium where neither nor workers nor employers have disproportionate leverage.

The month-over-month declines in the WSI seem to be corroborated by the two separate "reverse tug-o-war" charts below showing the number of employers by industry sector ramping up, maintaining, or pulling back on hiring. Month over month, nearly every sector saw more employers removing job ads than posting additional ones with Mining and Logging the exception by only a small margin. More significant is the 90-day over 90-day trend in which every sector saw more ads pulled than newly posted. How much this signals a pull back in hiring due to recession fears or simply that pent up demand for workers finally being satisfied compared to earlier in the year is unknown. However, the broad-based reduction in ads across industry sectors and timeframes suggests a change in labor market momentum.

Lastly, a belated congratulations to our 2022 World Series Champions the Houston Astros and to everyone a happy Thanksgiving!

Gulf Coast Region 30 - Days over 30 - Days Count of Employers Increasing or Decreasing Job Ads by Sector  
(November, 17 2022 to October, 18 2022 over October, 17 2022 to September, 17 2022)

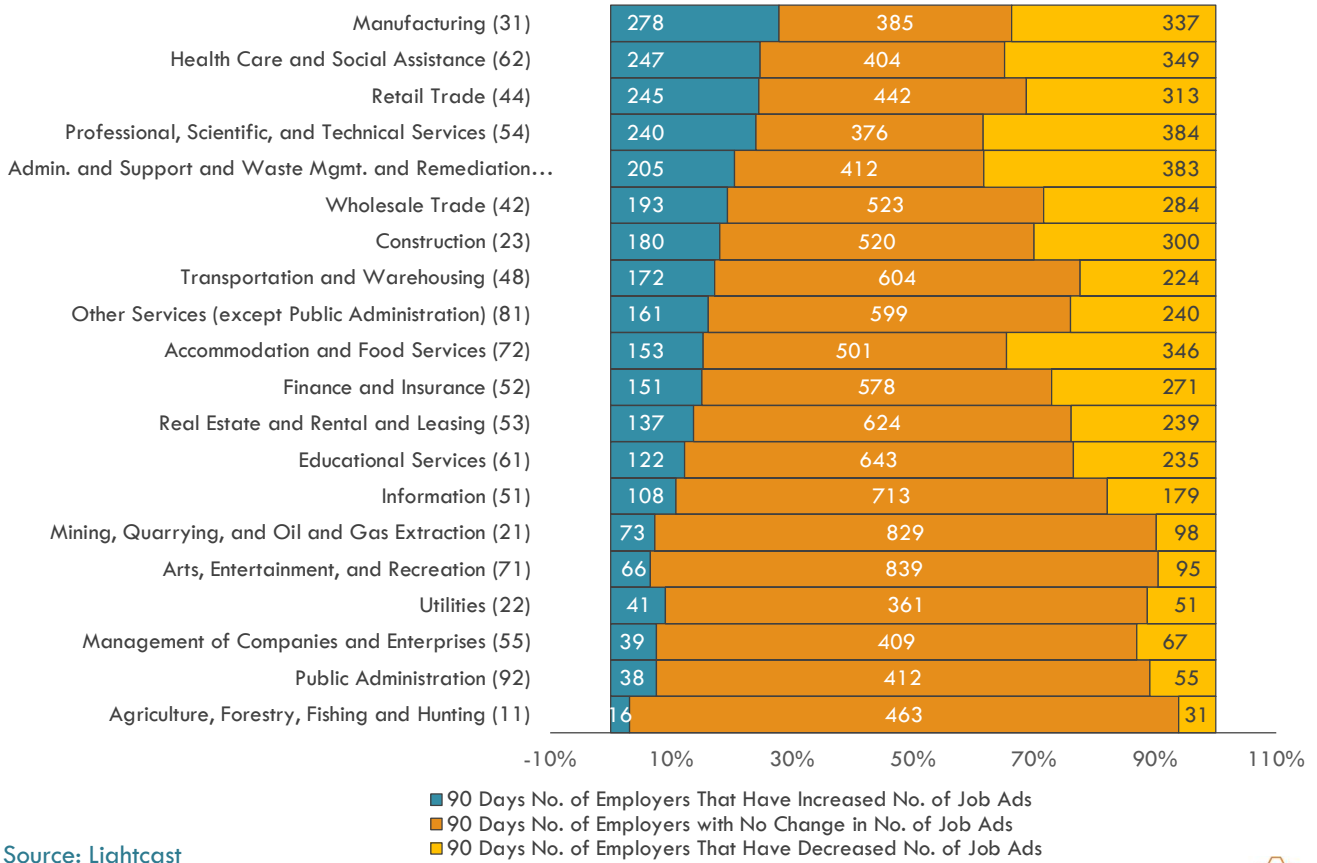


Source: Lighcast

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

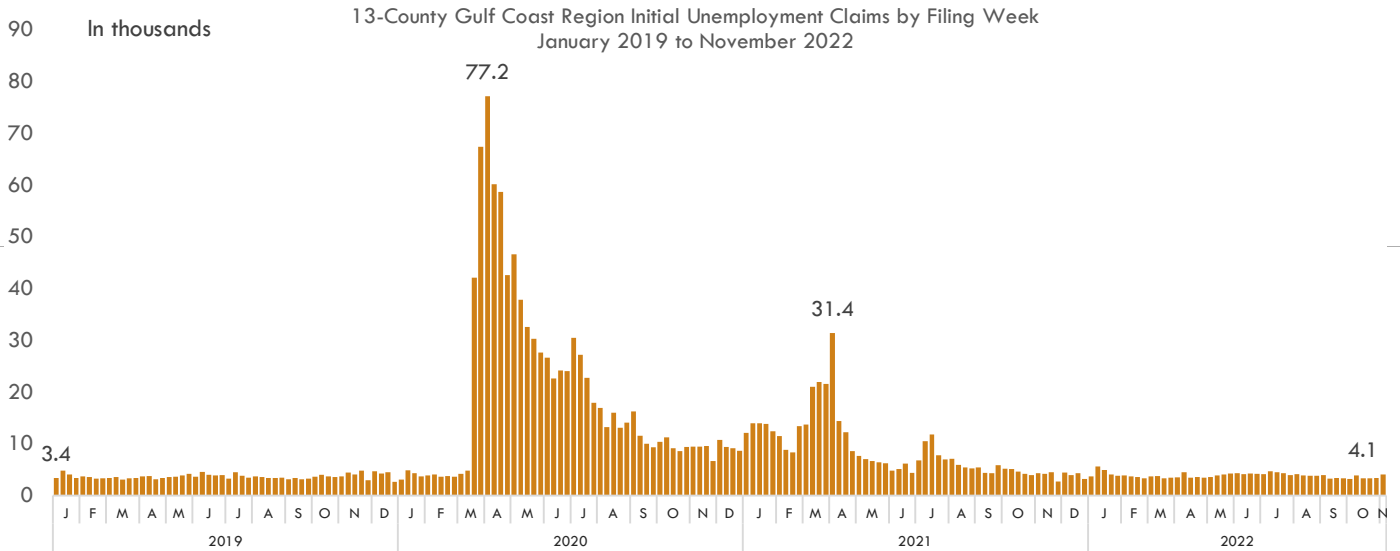
## Supplemental Commentary (continued)

Gulf Coast Region 90-Days over 90-Days Count of Employers Adding or Reducing Job Ads by Sector  
(November, 17 2022 to August, 19 2022 over August, 18 2022 to May, 20 2022)



Source: Lightcast

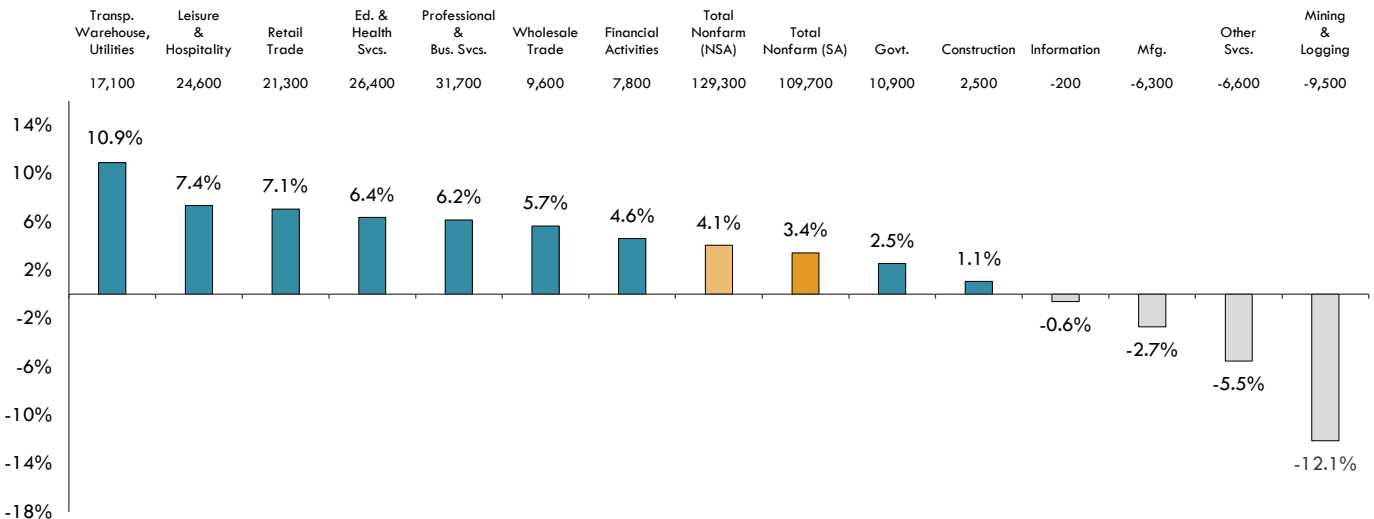
Note: employer sample size per sector <= 1,000



Source: Texas Workforce Commission

Note: Data shown does not include initial filings under Pandemic/Disaster Unemployment Assistance (PUA/DUA).  
 \*November 2022 data reflects claims filed during the week ended 11/5.

Houston MSA Current Employment Levels as of October 2022  
Relative to February 2020 by Sector (NSA)



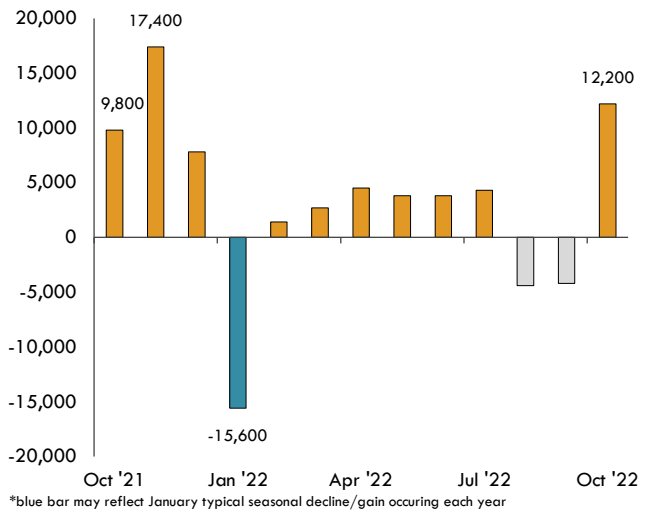
## GAINING INDUSTRY HIGHLIGHTS

### Trade, Transportation, and Utilities

#### Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 12,200 jobs, or 1.8 percent (see Chart 6). This was the largest-ever gain in the month of October since records began in 1990, beating the previous October record of 11,300 jobs in 2020. Historically in the month of October, Trade, Transportation, and Utilities has added an average of 2,800 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Retail Trade was the largest contributor to the overall sector's increase, up 4,700 jobs over the month. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 3,900 jobs from September to October. Lastly, Wholesale Trade contributed, 3,600 jobs.

Chart 6. Trade, Transportation, and Utilities (NSA)  
Over-the-month Net Change, Oct-21 to Oct-22

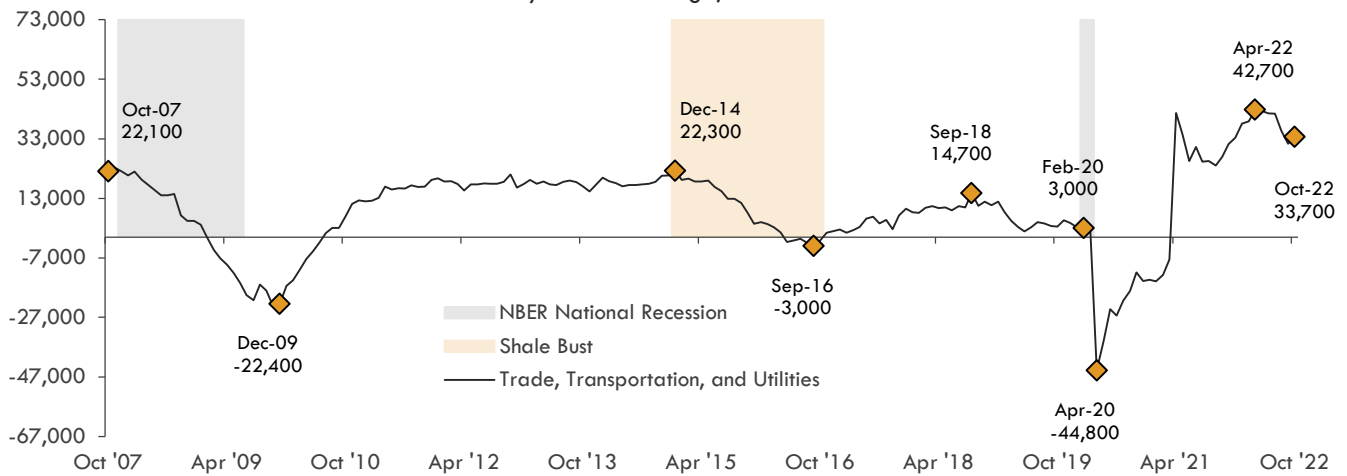


#### Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 33,700 jobs, or 5.2 percent (see Chart 7). This was the largest October over-the-year increase on record. It also marks 19 consecutive months of over-the-year gains. Furthermore, 17.3 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Wholesale Trade was the largest contributor to the overall sector's increase, up 15,700 jobs over the year. The second-largest contributor was Retail Trade, which added 12,200 jobs from October a year ago. Lastly, Transportation,

Warehousing, and Utilities contributed, 5,800 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,900 jobs by 48,000, or 7.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 20.6 percent to 20.4 percent over the past year.

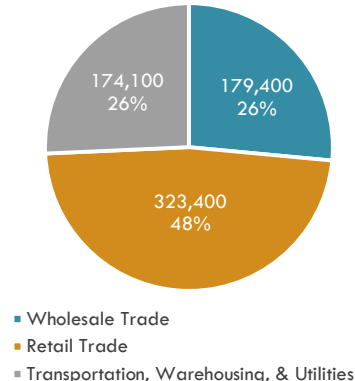
Chart 7. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



#### About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 48 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average, due to a 41-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 8. Employment in Component Industries of Trade, Transportation, and Utilities Sector - October 2022

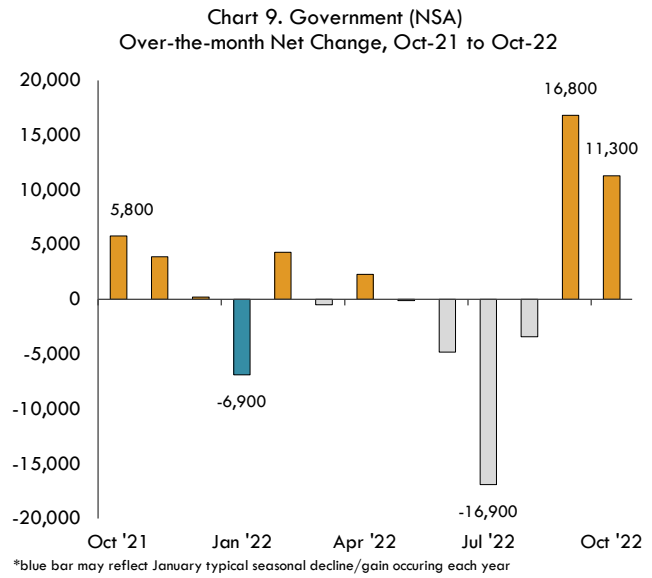


## GAINING INDUSTRY HIGHLIGHTS

### Government

#### Over-the-month Change

Government was the second-largest gaining sector over the month up 11,300 jobs, or 2.6 percent (see Chart 9). This was the largest October gain since 2009 and the second-largest gain historically for the month of October since records began in 1990. Historically in the month of October, Government has added an average of 6,200 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Local Government was the largest contributor to the overall sector's increase, up 9,700 jobs over the month. The second-largest contributor was State Government, which added 1,400 jobs from September to October. Lastly, Federal Government contributed, 200 jobs. Government employment was revised downward by -2,600 jobs for a August to September smaller net gain of 16,800 compared to an original estimate of 19,400 jobs.

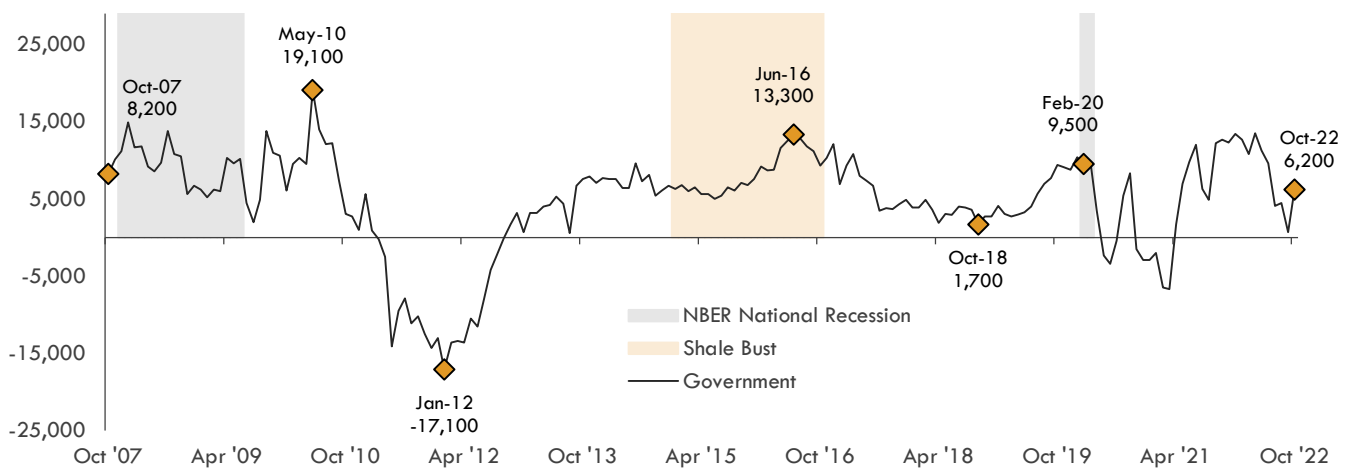


#### Over-the-year Change

Year over year, Government was up 6,200 jobs, or 1.4 percent (see Chart 10). This was the largest over-the-year gain since June 2022's increase of 9,600 jobs. It also marks 19 consecutive months of over-the-year gains. Local Government was the largest contributor to the overall sector's increase, up 3,300 jobs over the year. The second-largest contributor was State Government, which added 1,900 jobs from October a year ago. Lastly, Federal Government contributed, 1,000 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 428,400 jobs by 10,900, or 2.5

percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 13.8 percent to 13.2 percent over the past year.

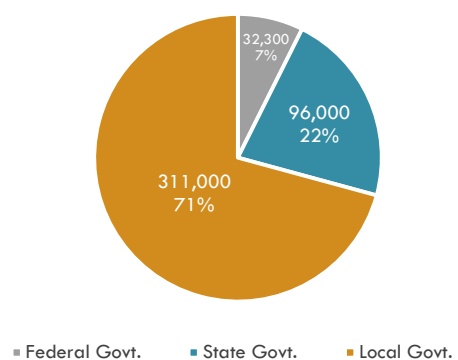
Chart 10. Government (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



#### 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 11). Across the Houston MSA, the concentration of jobs in the overall Government sector is 10 percent less than the national average.

Chart 11. Employment in Component Industries of Government Sector - October 2022



GAINING INDUSTRY HIGHLIGHTS

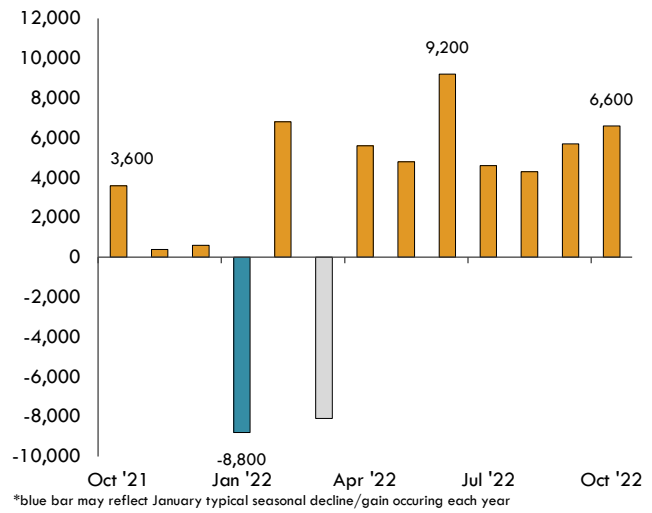
Professional and Business Services

Over-the-month Change

Professional and Business Services was the third-largest gaining sector over the month up 6,600 jobs, or 1.2 percent (see Chart 12). This was the largest October gain since 2020 and the second-largest gain historically for the month of October since records began in 1990. Historically in the month of October, Professional and Business 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. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 5,200 jobs over the month. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 1,600 jobs from September to October. Lastly, Management of Companies and Enterprises offset a portion of the sector's gains with a loss of -200 jobs. Professional and Business Services employment was revised upward by 2,600 jobs for a August to September larger net gain of 5,700 compared to an original

estimate of 3,100 jobs.

Chart 12. Professional and Business Services (NSA)  
Over-the-month Net Change, Oct-21 to Oct-22

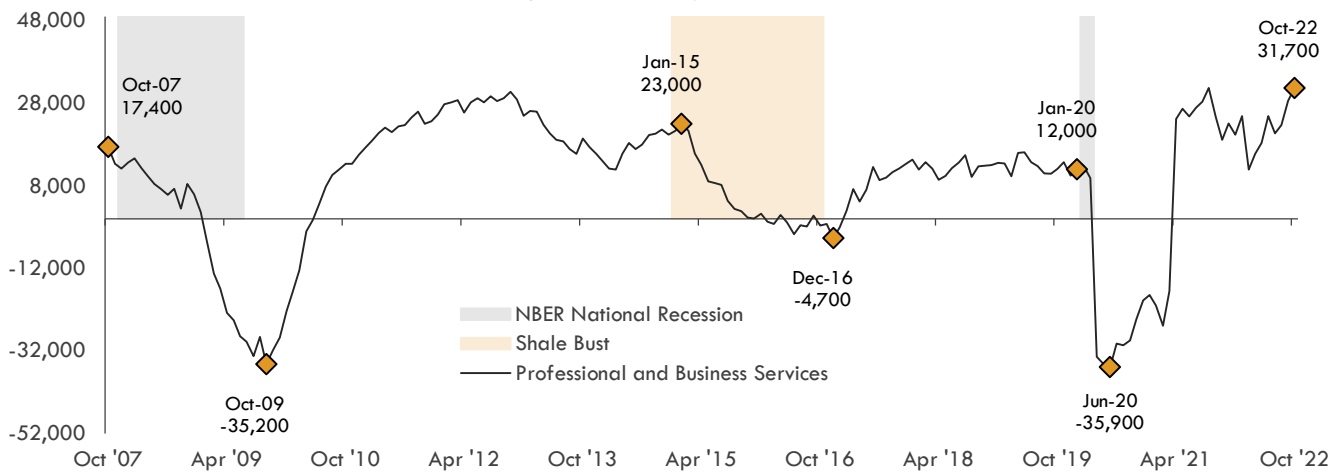


Over-the-year Change

Year over year, Professional and Business Services was up 31,700 jobs, or 6.2 percent (see Chart 13). This October tied with September 2021 for largest over-the-year gain on record. It also marks 19 consecutive months of over-the-year gains. Furthermore, 16.3 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 17,300 jobs over the year. The second-largest contributor was Administrative and Support and Waste Management and

Remediation Services, which added 13,000 jobs from October a year ago. Lastly, Management of Companies and Enterprises contributed, 1,400 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 31,700, or 6.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 16.5 percent over the past year.

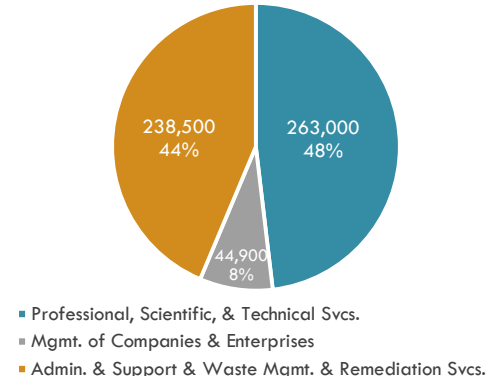
Chart 13. Professional and Business Services (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



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 14). Across the Houston MSA, the concentration of jobs in the overall sector is 12 percent higher than the national average, due to a 15-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 14. Employment in Component Industries of Professional and Business Services Sector - October 2022



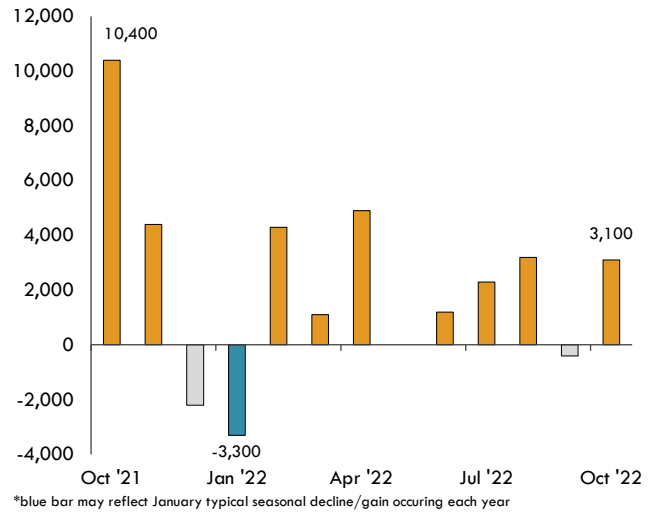
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services also saw an increase over the month up 3,100 jobs, or 0.7 percent (see Chart 15). Historically in the month of October, Education and Health Services has added an average of 800 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 2,000 jobs over the month. The second-largest contributor was Educational Services, which added 1,100 jobs from September to October. Education and Health Services employment was revised downward by -400 jobs for a August to September net loss of -400 compared to an original estimate of zero net change in jobs over the month.

Chart 15. Education and Health Services (NSA)  
Over-the-month Net Change, Oct-21 to Oct-22

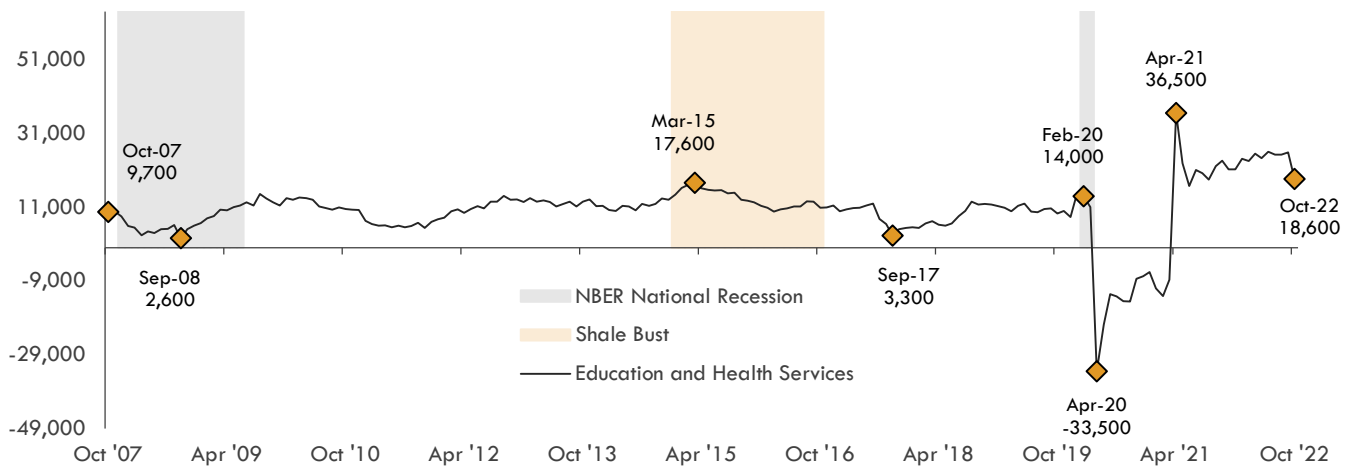


Over-the-year Change

Year over year, Education and Health Services was up 18,600 jobs, or 4.4 percent (see Chart 16). This was the second-largest over-the-year gain in the month of October since records began in 1990. It also marks 19 consecutive months of over-the-year gains. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 12,300 jobs over the year. The second-largest contributor was Educational Services, which added 6,300 jobs from October a year ago. Total Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs

by 26,400, or 6.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 13.5 percent to 13.3 percent over the past year.

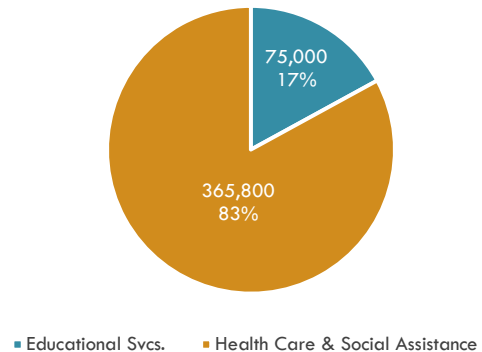
Chart 16. Education and Health Services (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



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 17). Across the Houston MSA, the concentration of jobs in the overall sector is 18 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 17. Employment in Component Industries of  
Education and Health Services Sector - October  
2022





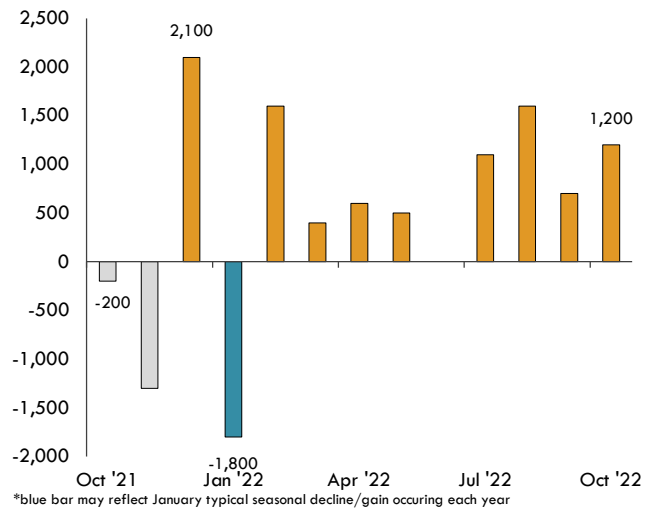
GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 1,200 jobs, or 0.7 percent (see Chart 18). This was the largest October over-the-month gain in since 2020. Historically in the month of October, Financial Activities has added an average of 400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Finance and Insurance was the largest contributor to the overall sector's increase, up 800 jobs over the month. The second-largest contributor was Real Estate and Rental and Leasing, which added 400 jobs from September to October. Financial Activities employment was revised upward by 200 jobs for a August to September larger net gain of 700 compared to an original estimate of 500 jobs.

Chart 18. Financial Activities (NSA)  
Over-the-month Net Change, Oct-21 to Oct-22

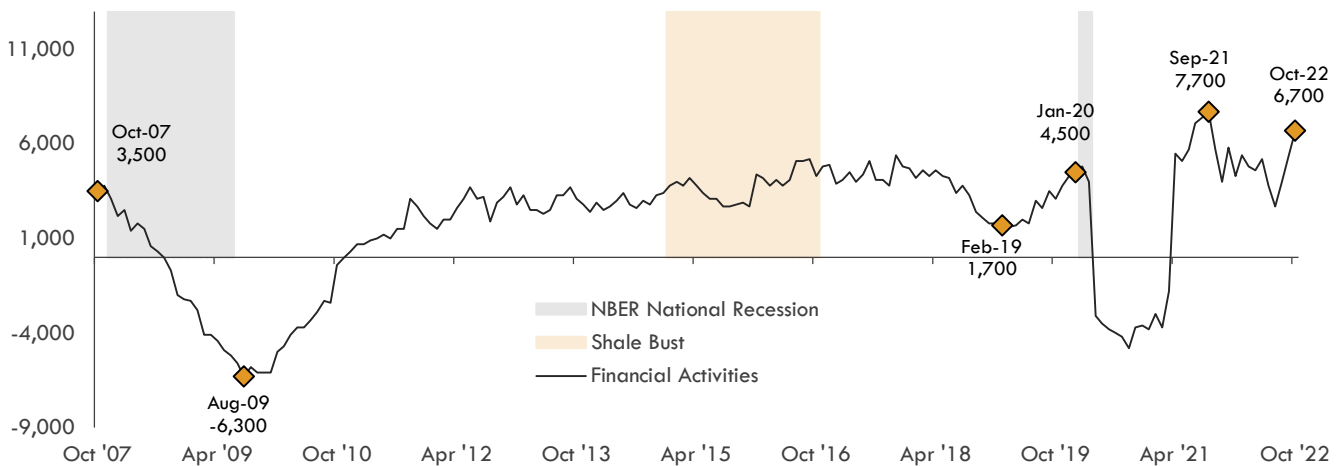


Over-the-year Change

Year over year, Financial Activities was up 6,700 jobs, or 3.9 percent (see Chart 19). This was the third-largest over-the-year gain in October since records began in 1990 and the largest gain since September 2021's increase of 7,700 jobs. It also marks nine consecutive months of over-the-year gains. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 3,900 jobs over the year. The second-largest contributor was Finance and Insurance, which added 2,800 jobs from October a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020

pre-pandemic level of 169,200 jobs by 7,800, or 4.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 5.4 percent to 5.3 percent over the past year.

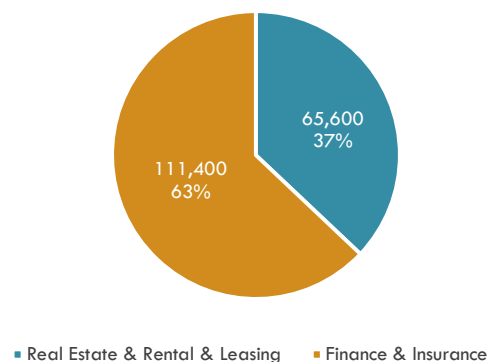
Chart 19. Financial Activities (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 63 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 9 percent less than the national average, due to a 22-percent lower concentration in Finance and Insurance offsetting a 28-percent higher concentration in Real Estate and Rental and Leasing.

Chart 20. Employment in Component Industries of  
Financial Activities Sector - October 2022



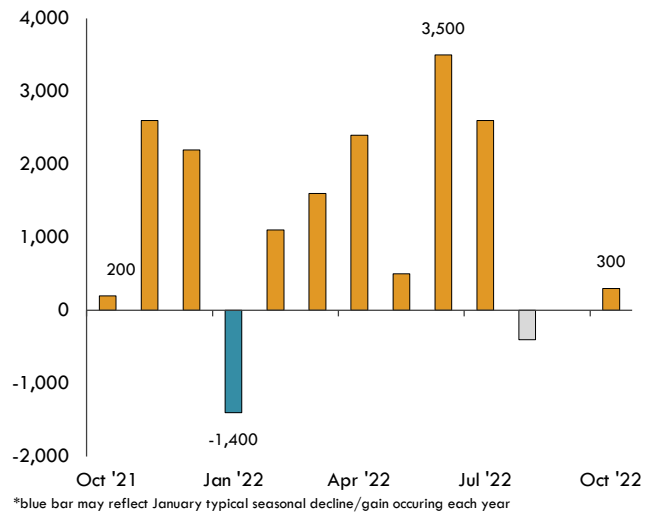
GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 300 jobs, or 0.1 percent (see Chart 21). This was the largest October over-the-month gain in since 2018. Historically in the month of October, Manufacturing has lost an average of -400 jobs over the month, which indicates that this month's gains are moderately in contrast to the long-term average decline. Non-Durable Goods was the largest contributor to the overall sector's increase, up 600 jobs over the month. One component industry that provided a partial offset was Durable Goods, which lost -300 jobs from September to October. Manufacturing employment was revised upward by 600 jobs for a August to September complete erasure of losses resulting in a net change of zero compared to an original estimate of -600 jobs.

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

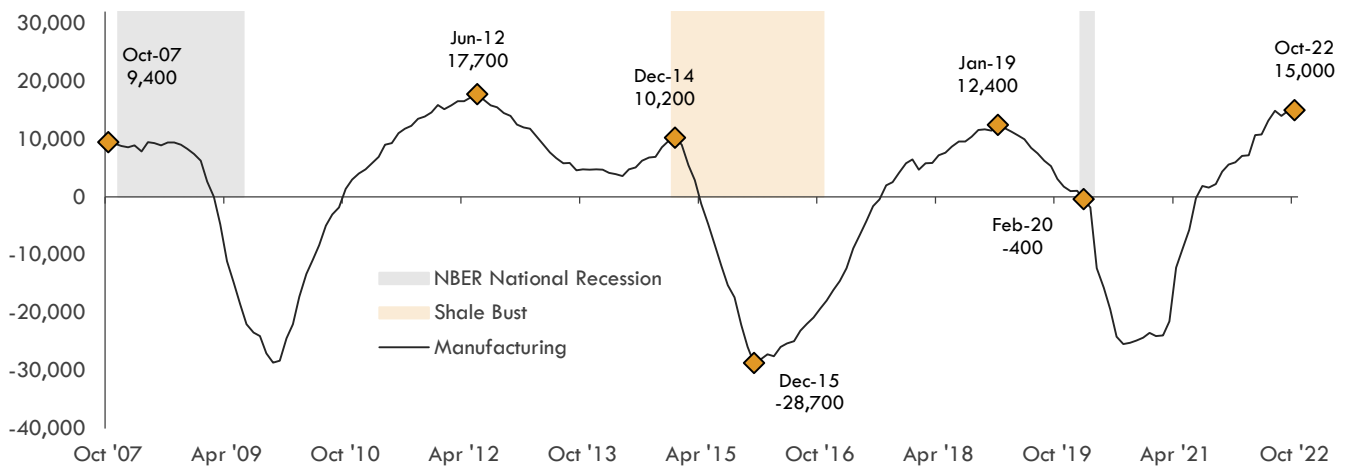


Over-the-year Change

Year over year, Manufacturing was up 15,000 jobs, or 7.0 percent (see Chart 22). This was the largest October over-the-year increase on record and the largest gain since September 2012's increase of 15,500 jobs. It also marks 15 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 10,400 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 4,600 jobs from October a year ago. Total Manufacturing employment (NSA) remains -6,300 jobs, or -2.7 percent below its February 2020 pre-pandemic level of

234,500. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.8 percent over the past year.

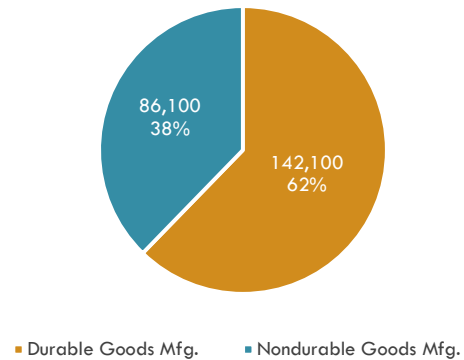
Chart 22. Manufacturing (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 62 percent (see Chart 23). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 18 percent less than the national average.

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



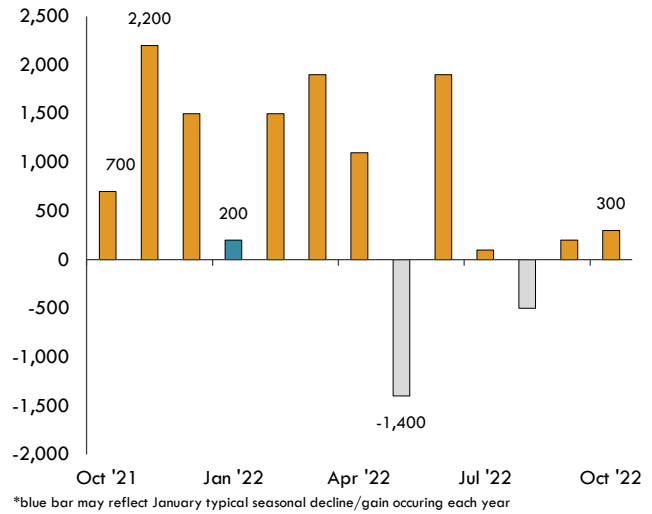
## GAINING INDUSTRY HIGHLIGHTS

### Mining and Logging

#### Over-the-month Change

Mining and Logging also saw an increase over the month up 300 jobs, or 0.4 percent (see Chart 24). Historically in the month of October, Mining and Logging has added an average of 300 jobs over the month, which indicates that this month's gains are on par with the long-term average. Support Activities for Mining was the largest contributor to the overall sector's increase, up 200 jobs over the month. The second-largest contributor was Oil and Gas Extraction, which added 100 jobs from September to October. Lastly, Other Mining and Logging Undefined saw no change over the month. Mining and Logging employment was revised upward by 400 jobs for a August to September complete erasure of losses resulting in a net gain of 200 compared to an original estimate of -200 jobs.

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

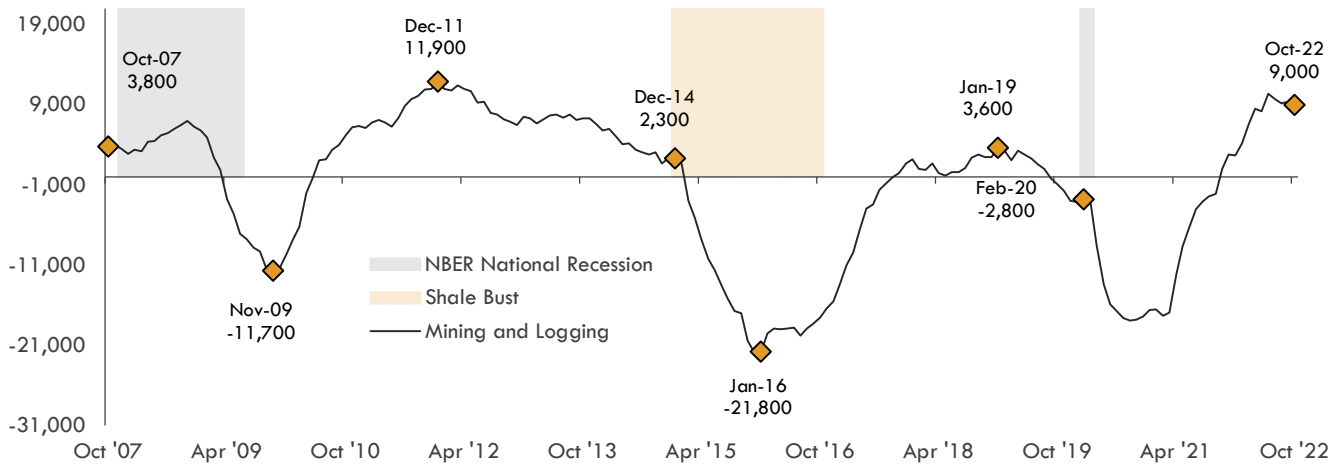


#### Over-the-year Change

Year over year, Mining and Logging was up 9,000 jobs, or 15.0 percent (see Chart 25). This was the second-largest over-the-year gain in the month of October since records began in 1990. 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. Support Activities for Mining was the largest contributor to the overall sector's increase, up 4,900 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 4,100 jobs from October a year ago. Lastly, Other Mining

and Logging Undefined saw no change over the month. Total Mining and Logging employment (NSA) remains -9,500 jobs, or -12.1 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 1.9 percent to 2.1 percent over the past year.

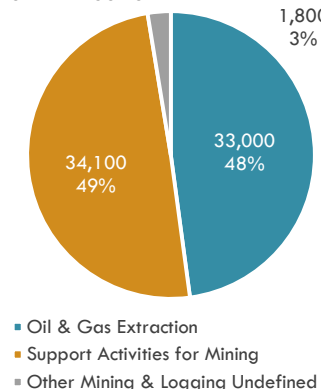
Chart 25. Mining and Logging (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



#### About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Support Activities for Mining accounts for a plurality of the sector's employment at 49 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.0 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 26. Employment in Component Industries of  
Mining and Logging Sector - October 2022



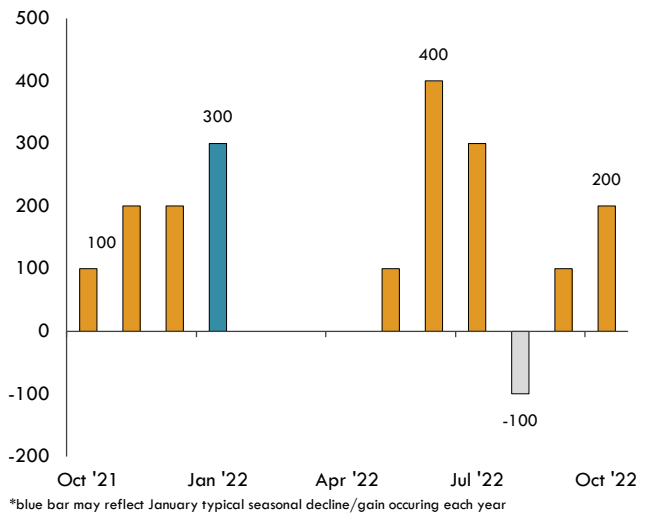
GAINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information also saw an increase over the month up 200 jobs, or 0.6 percent (see Chart 27). This was the largest October over-the-month gain in since 2019. Other Information Undefined was the largest contributor to the overall sector's increase, up 200 jobs over the month. One component industry, Telecommunications, saw no change from September to October. Information employment saw no revision from August to September leaving the previous month's original increase of 100 intact.

Chart 27. Information (NSA)  
Over-the-month Net Change, Oct-21 to Oct-22

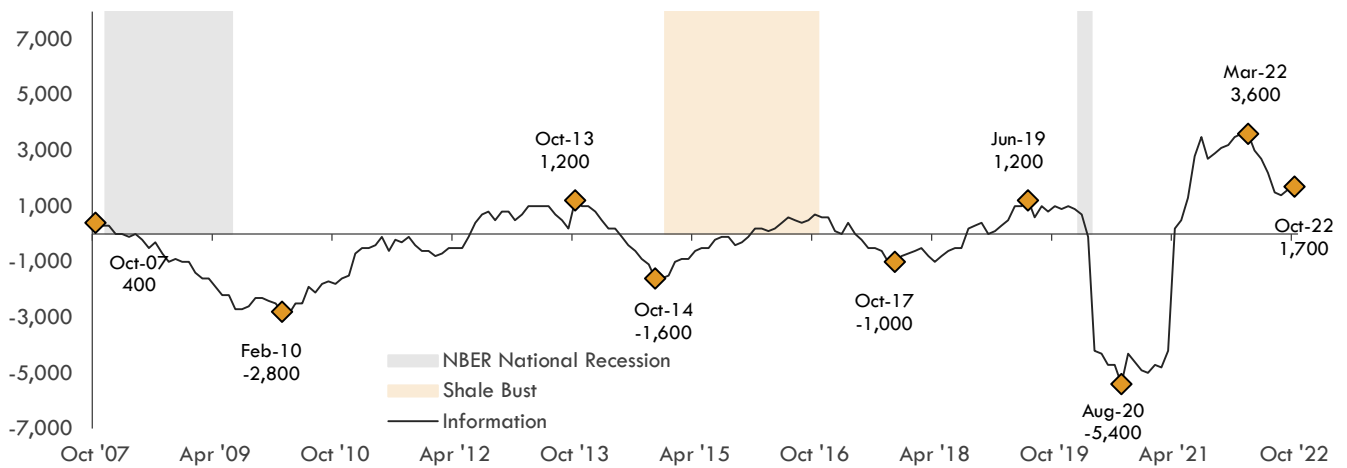


Over-the-year Change

Year over year, Information was up 1,700 jobs, or 5.5 percent (see Chart 28). This was the largest over-the-year gain since June 2022's increase of 2,200 jobs. It also marks 19 consecutive months of over-the-year gains. Other Information Undefined was the largest contributor to the overall sector's increase, up 1,500 jobs over the year. The second-largest contributor was Telecommunications, which added 200 jobs from October a year ago. Total Information employment (NSA) remains -200 jobs, or -0.6 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area

Total Nonfarm Employment has remained constant at 1.0 percent over the past year.

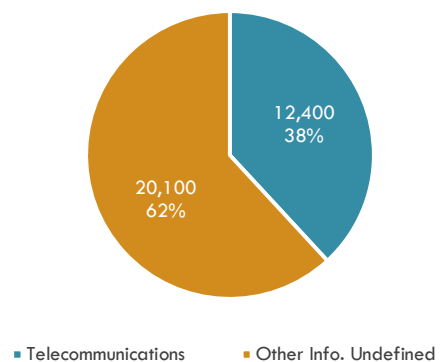
Chart 28. Information (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



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 62 percent (see Chart 29). Across the Houston MSA, the concentration of jobs in the overall Information sector is 51 percent less than the national average.

Chart 29. Employment in Component Industries of Information Sector - October 2022



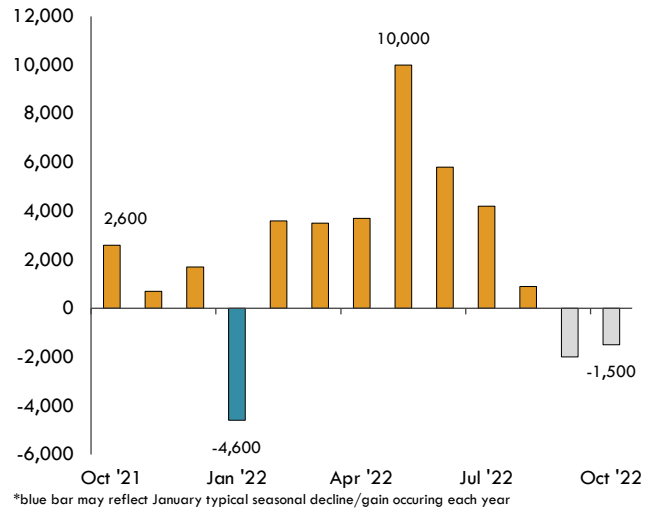
DECLINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the largest declining sector over the month down -1,500 jobs, or -0.6 (see Chart 30). This October tied with 2000 for the largest-ever decline in the month of October since records began in 1990. Historically in the month of October, Construction has added an average of 2,000 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -2,500 jobs over the month. One component industry that provided a partial offset was Construction of Buildings, which gained 300 jobs from September to October. Lastly, Heavy and Civil Engineering Construction offset a portion of the sector's losses with a gain of 700 jobs. Construction employment was revised upward by 1,000 jobs for a August to September smaller net loss of -2,000 compared to an original estimate of -3,000 jobs.

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

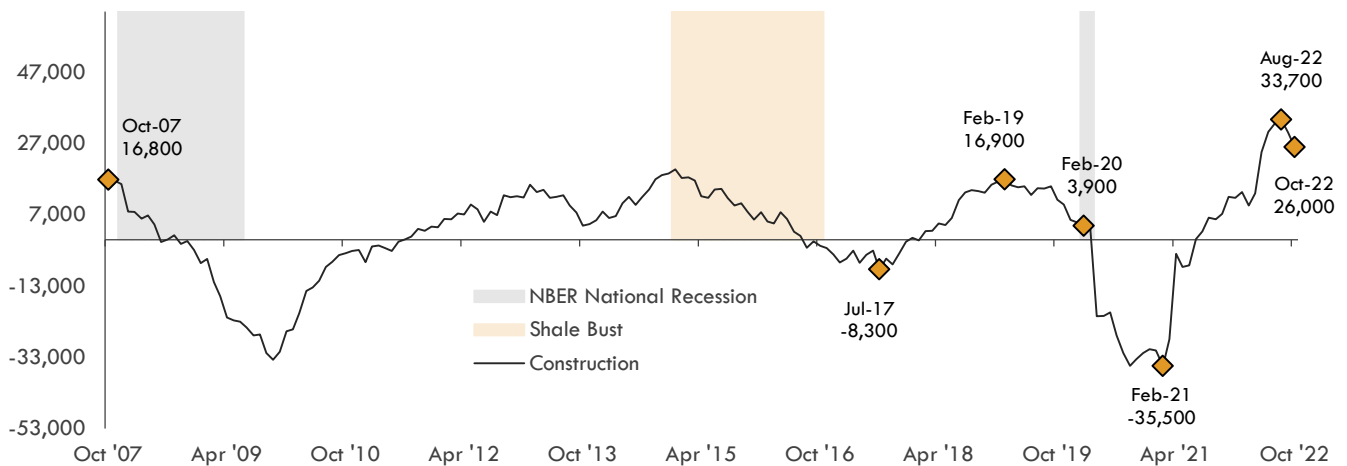


Over-the-year Change

Year over year, Construction was up 26,000 jobs, or 12.2 percent (see Chart 31). This was the largest October over-the-year increase on record. It also marks 16 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. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 16,200 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 6,700 jobs from October a year ago. Lastly, Construction of Buildings contributed, 3,100

jobs. Total Construction employment (NSA) now exceeds its February 2020 pre-pandemic level of 237,400 jobs by 2,500, or 1.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 6.8 percent to 7.2 percent over the past year.

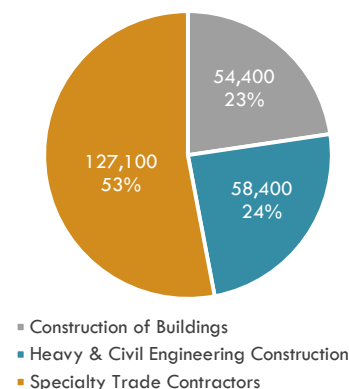
Chart 31. Construction (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



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 53 percent (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 41 percent higher than the national average, due to 2.4 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 32. Employment in Component Industries of Construction Sector - October 2022

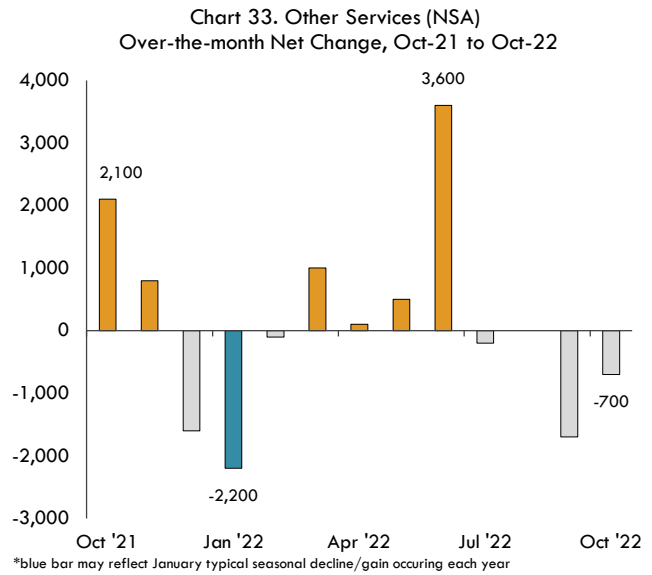


## DECLINING INDUSTRY HIGHLIGHTS

### Other Services

#### Over-the-month Change

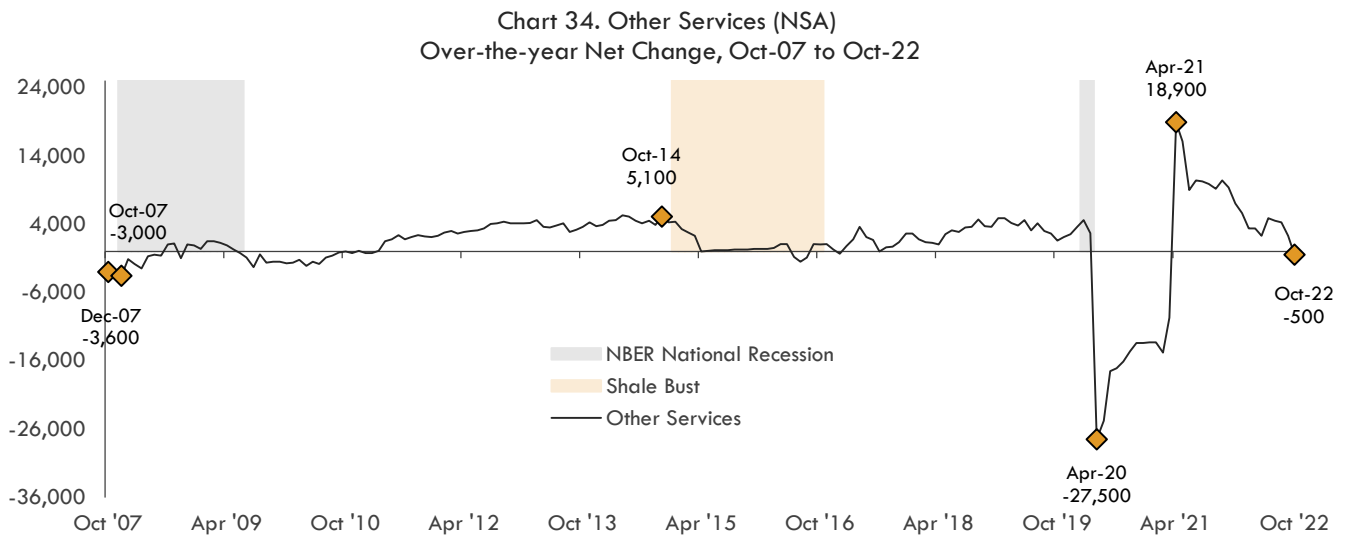
Other Services was the second-largest declining sector over the month down -700 jobs, or -0.6 (see Chart 33). This was the largest October over-the-month decline in since 2012. Historically in the month of October, Other Services has lost an average of -400 jobs over the month, which indicates that this month's losses are slightly larger than the long-term average decline. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised upward by 400 jobs for a August to September smaller net loss of -1,700 compared to an original estimate of -2,100 jobs.



#### Over-the-year Change

Year over year, Other Services was down -500 jobs, or -0.4 percent (see Chart 34). This was the largest over-the-year decline since March 2021's decrease of -9,700 jobs. Furthermore, 100.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Other Services. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) remains -6,600 jobs, or -5.5 percent below its February 2020 pre-pandemic level of 119,100. At the same time, the sector's share of Houston area

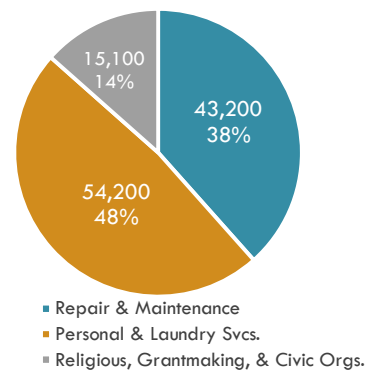
Total Nonfarm Employment has fallen from 3.6 percent to 3.4 percent over the past year.



#### About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 35).

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



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

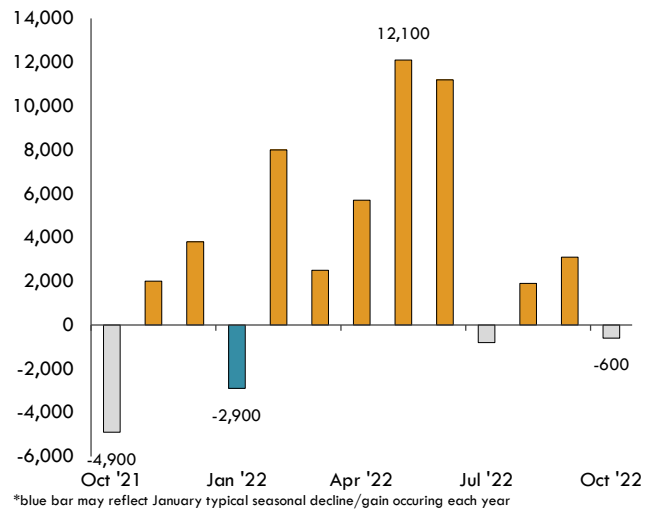
DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the third-largest declining sector over the month down -600 jobs, or -0.2 (see Chart 36). Historically in the month of October, Leisure and Hospitality has lost an average of -2,500 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -500 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -100 jobs from September to October. Leisure and Hospitality employment was revised downward by -1,700 jobs for a August to September smaller net gain of 3,100 compared to an original estimate of 4,800 jobs.

Chart 36. Leisure and Hospitality (NSA)  
Over-the-month Net Change, Oct-21 to Oct-22

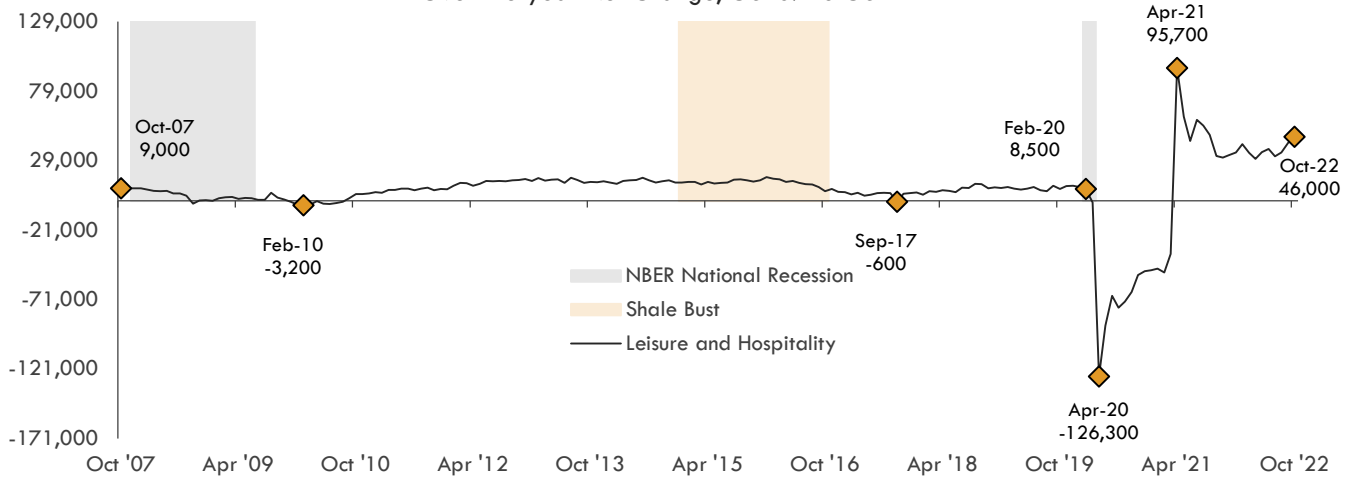


Over-the-year Change

Year over year, Leisure and Hospitality was up 46,000 jobs, or 14.7 percent (see Chart 37). This was the largest October over-the-year increase on record and the largest gain since September 2021's increase of 47,500 jobs. It also marks 19 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, 23.6 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 38,200 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 7,800 jobs from October a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 24,600, or 7.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 10.0 percent to 10.8 percent over the past year.

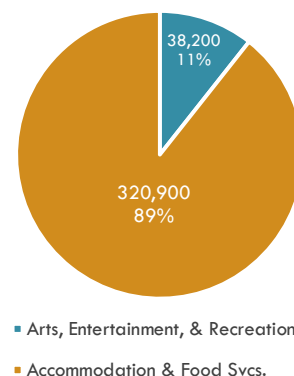
Chart 37. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Oct-07 to Oct-22



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 89 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall sector is 5 percent higher than the national average.

Chart 38. Employment in Component Industries of Leisure and Hospitality Sector - October 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 4.1 percent in October, down from September's 4.2 percent and down from 5.4 percent a year ago. This was above the statewide rate of 3.8 percent and above the national rate of 3.4 percent. October typically exhibits an over-the-month decline with only two exceptions over the past three decades making this month's decrease consistent with historical seasonal trends. 144,620 individuals were unemployed in Houston in October, down from September's 148,352 and down from 185,957 in October 2021 (see Charts 39 and 40).

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

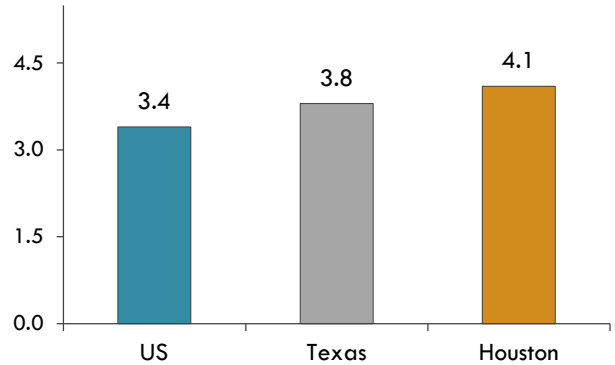
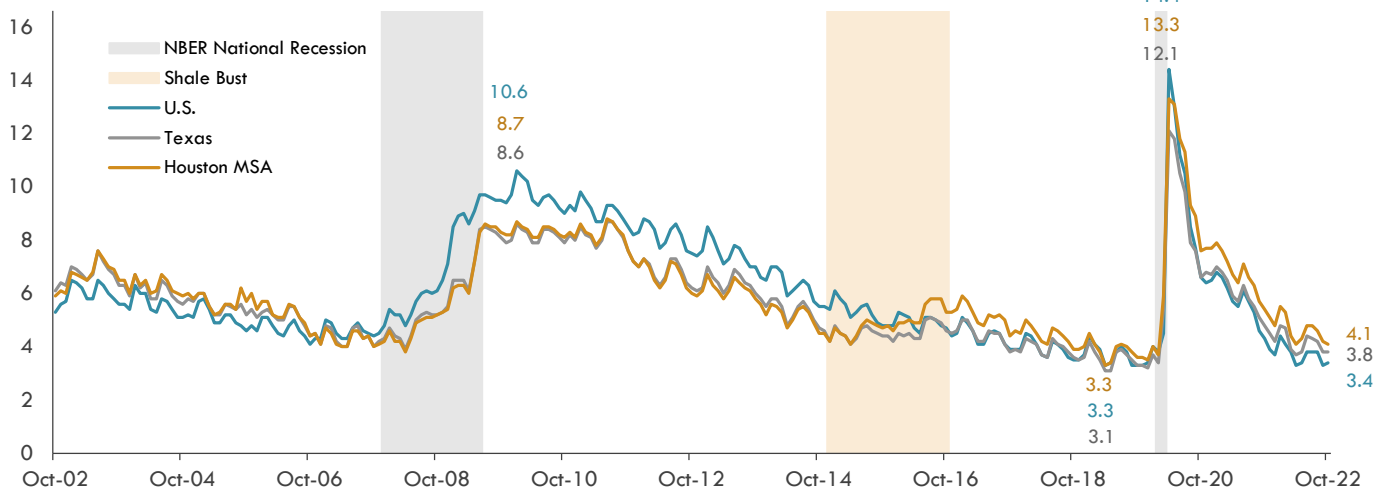


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)  
October 2002 to October 2022

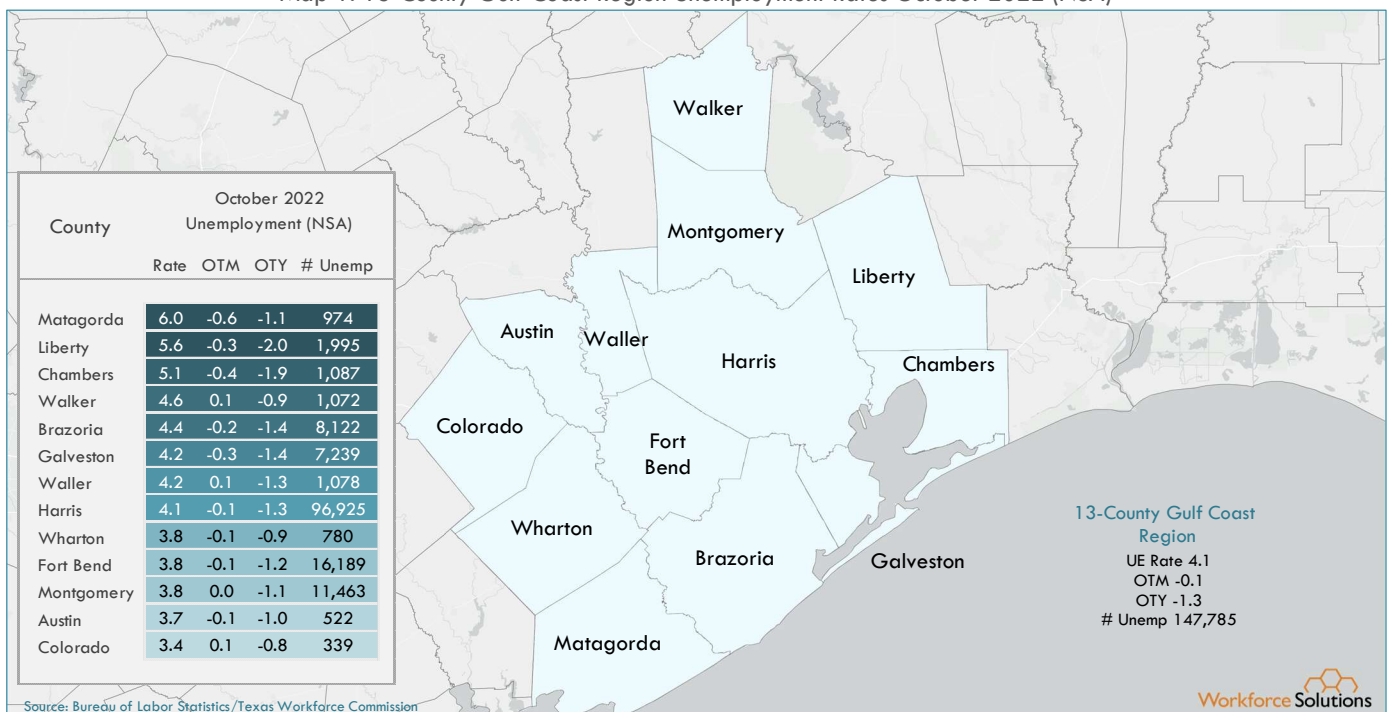


#### County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in October ranged from a high of 6.0 percent in Matagorda County to a low of 3.4 percent in Colorado. Over the month, nine counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.1 percentage points while three increased and one saw no change. Matagorda saw the largest percentage-point decrease in unemployment down -0.6 pp. representing -91 fewer unemployed workers compared to the previous month. This was followed by Chambers (-0.4 pp, -73 workers) and

Galveston (-0.3 pp, -353 workers). Over the year unemployment rates also fell, with Liberty posting the largest decrease, down -2.0 percentage points representing -653 fewer unemployed workers compared to a year ago followed by Chambers (-1.9 pp, -371 workers) and Galveston (-1.4 pp, -2,084 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 -298,522 as of this October (see Map 1 legend).

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





## Local Area Unemployment Statistics (continued)

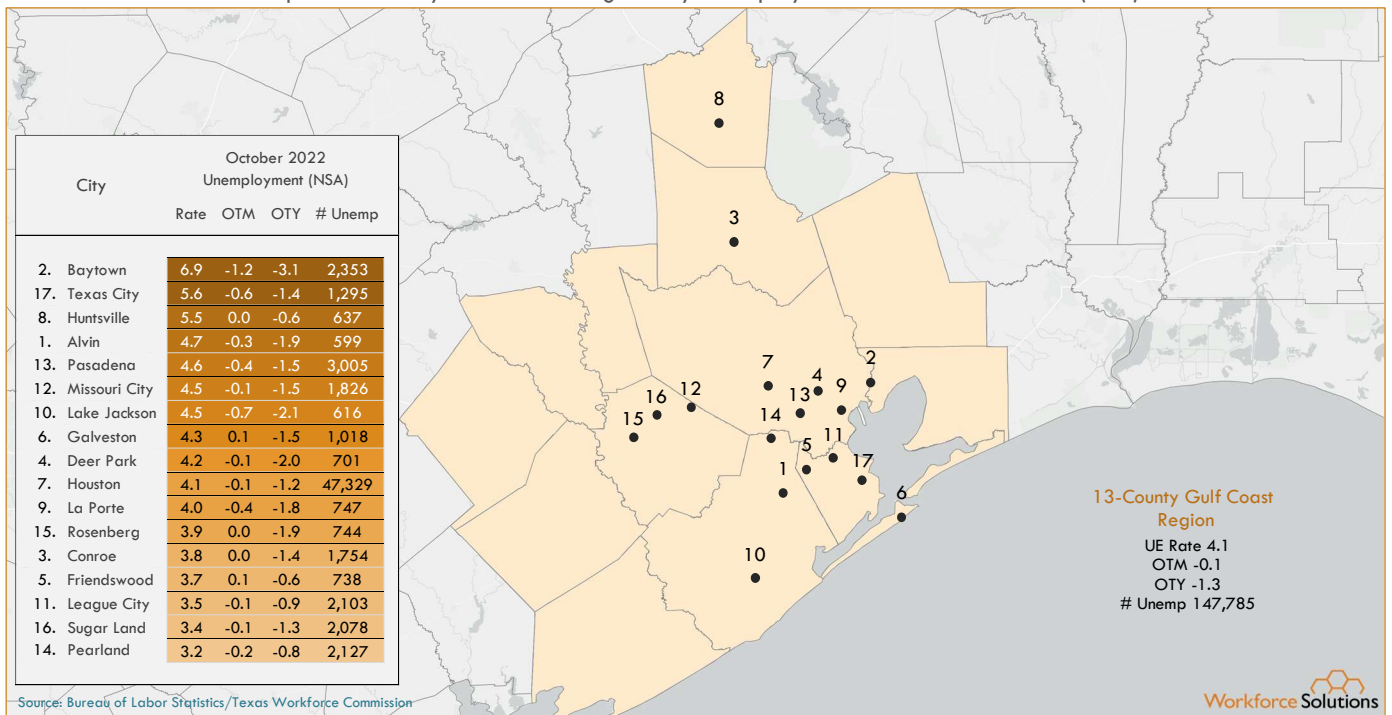
### Not-Seasonally Adjusted

#### 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 October ranged from a high of 6.9 percent in Baytown to a low of 3.2 percent in Pearland (see Map 2 legend). Over the month, 12 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.1 percentage points while three saw no changes and two increased. Baytown saw the largest percentage-point

decrease in unemployment down -1.2 pp. representing -416 fewer unemployed workers compared to the previous month. This was followed by Lake Jackson (-0.7 pp, -95 workers) and Texas City (-0.6 pp, -134 workers). Over the year unemployment rates also fell, with Baytown posting the largest decrease, down -3.1 percentage points representing -1,011 fewer unemployed workers compared to a year ago followed by Lake Jackson (-2.1 pp, -270 workers) and Deer Park (-2.0 pp, -297 workers). The 17 cities below accounted for 47 percent of the 147,785 unemployed workers across the Gulf Coast Region as of this October (see Map 2 legend).

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



### Seasonally Adjusted

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

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.4 percent in September, down from August's 4.5 percent and down from 5.8 percent a year ago. This was above the statewide rate of 4.0 percent and above the national rate of 3.5 percent. 155,415 individuals were unemployed in Houston in September, down from August's 157,372 and down from 198,976 in September 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  
 September 2022

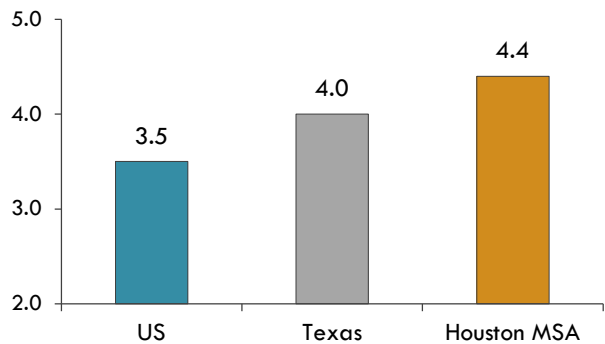
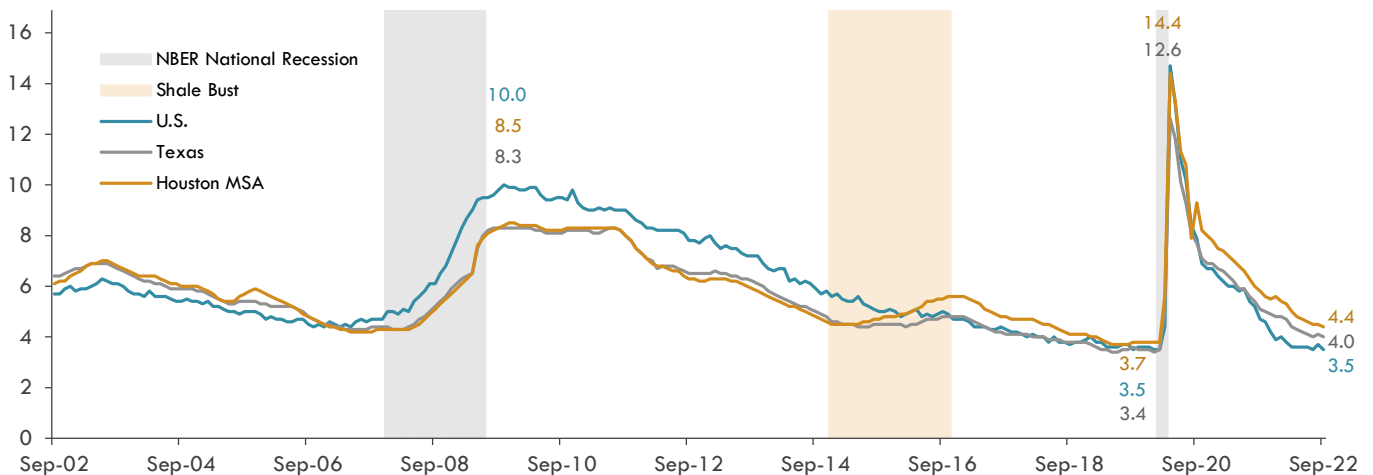


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
 September 2002 to September 2022



Gulf Coast Workforce Solutions Index (WSI)

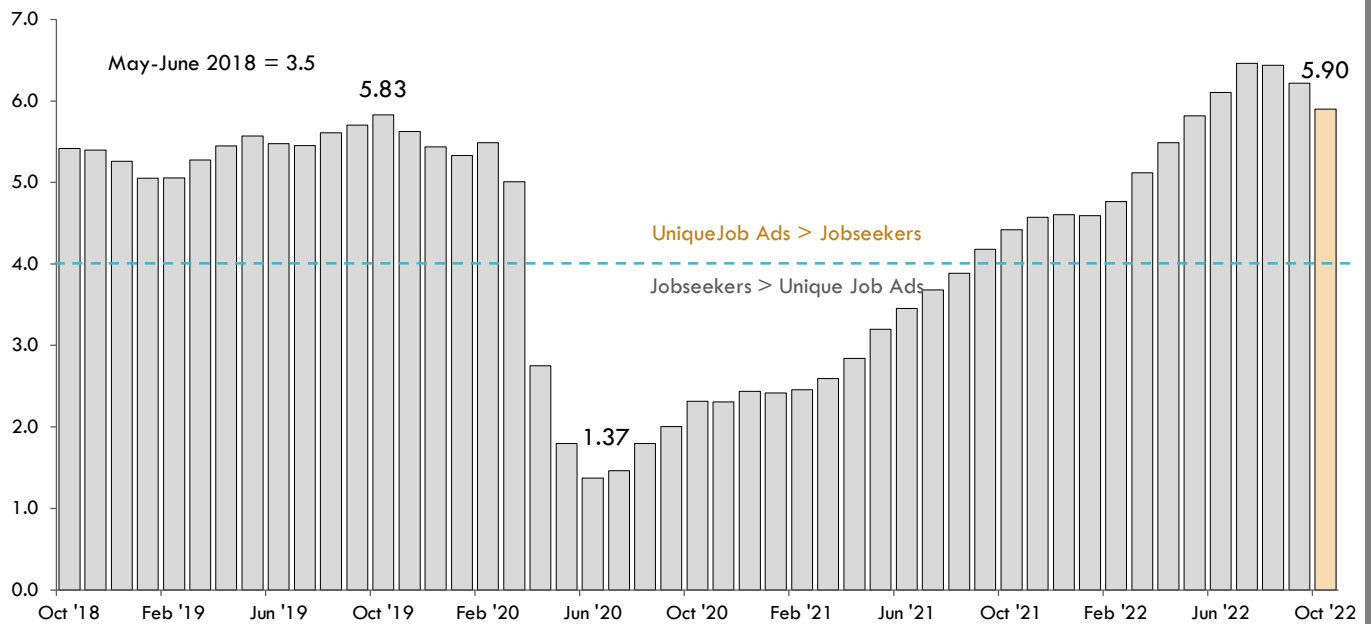


The Gulf Coast Workforce Solutions Index (WSI)

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  
October  
2022:  
**5.90**

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



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS  
Note: data subject to revisions.



Workforce Solutions Index October 2022

The Houston MSA WSI for October stood at 5.90, down from September's slightly upward revised reading of 6.22. While still near the series high, October's reading marks three over-the-month consecutive declines in the index confirming a peak for the cycle in July of 6.46. This October's decline was the result of a modest decrease of nearly 1,700 job ads over September compared to a decrease in unemployed workers by just under 2,000 from August to September (SA). Nonetheless, the indicator suggests that a requirement of five work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



# Houston Area Employment Situation

October 2022

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Oct-22	Sep-22	Oct-21	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,321,500</b>	<b>3,289,100</b>	<b>3,127,400</b>	<b>32,400</b>	<b>1.0%</b>	<b>194,100</b>	<b>6.2%</b>
Total Private	2,882,200	2,861,100	2,694,300	21,100	0.7%	187,900	7.0%
Goods Producing	537,000	537,900	487,000	-900	-0.2%	50,000	10.3%
<b>.Mining and Logging</b>	<b>68,900</b>	<b>68,600</b>	<b>59,900</b>	<b>300</b>	<b>0.4%</b>	<b>9,000</b>	<b>15.0%</b>
...Oil and Gas Extraction	33,000	32,900	28,900	100	0.3%	4,100	14.2%
...Support Activities for Mining	34,100	33,900	29,200	200	0.6%	4,900	16.8%
<b>.Construction</b>	<b>239,900</b>	<b>241,400</b>	<b>213,900</b>	<b>-1,500</b>	<b>-0.6%</b>	<b>26,000</b>	<b>12.2%</b>
..Construction of Buildings	54,400	54,100	51,300	300	0.6%	3,100	6.0%
..Heavy and Civil Engineering Construction	58,400	57,700	51,700	700	1.2%	6,700	13.0%
..Specialty Trade Contractors	127,100	129,600	110,900	-2,500	-1.9%	16,200	14.6%
<b>.Manufacturing</b>	<b>228,200</b>	<b>227,900</b>	<b>213,200</b>	<b>300</b>	<b>0.1%</b>	<b>15,000</b>	<b>7.0%</b>
..Durable Goods	142,100	142,400	131,700	-300	-0.2%	10,400	7.9%
...Fabricated Metal Product Manufacturing	49,200	49,000	45,200	200	0.4%	4,000	8.8%
...Machinery Manufacturing	39,900	39,900	39,300	0	0.0%	600	1.5%
....Agriculture, Construction, and Mining Machinery Mfg.	20,400	20,300	19,800	100	0.5%	600	3.0%
...Computer and Electronic Product Manufacturing	13,200	13,100	12,800	100	0.8%	400	3.1%
..Non-Durable Goods	86,100	85,500	81,500	600	0.7%	4,600	5.6%
...Petroleum and Coal Products Manufacturing	8,200	8,200	8,000	0	0.0%	200	2.5%
...Chemical Manufacturing	40,100	40,100	39,000	0	0.0%	1,100	2.8%
Service Providing	2,784,500	2,751,200	2,640,400	33,300	1.2%	144,100	5.5%
.Private Service Providing	2,345,200	2,323,200	2,207,300	22,000	0.9%	137,900	6.2%
<b>..Trade, Transportation, and Utilities</b>	<b>676,900</b>	<b>664,700</b>	<b>643,200</b>	<b>12,200</b>	<b>1.8%</b>	<b>33,700</b>	<b>5.2%</b>
...Wholesale Trade	179,400	175,800	163,700	3,600	2.0%	15,700	9.6%
....Merchant Wholesalers, Durable Goods	109,000	106,800	100,200	2,200	2.1%	8,800	8.8%
....Prof. and Commercial Equip. Supplies Wholesalers	18,100	18,000	17,100	100	0.6%	1,000	5.8%
....Merchant Wholesalers, Nondurable Goods	56,500	56,600	52,200	-100	-0.2%	4,300	8.2%
...Retail Trade	323,400	318,700	311,200	4,700	1.5%	12,200	3.9%
....Motor Vehicle and Parts Dealers	43,400	43,500	42,100	-100	-0.2%	1,300	3.1%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,000	23,400	22,700	-400	-1.7%	300	1.3%
....Food and Beverage Stores	72,600	72,200	70,700	400	0.6%	1,900	2.7%
....Health and Personal Care Stores	21,100	20,800	20,200	300	1.4%	900	4.5%
....Clothing and Clothing Accessories Stores	24,300	23,900	23,200	400	1.7%	1,100	4.7%
....General Merchandise Stores	63,600	62,700	63,800	900	1.4%	-200	-0.3%
....Department Stores	20,600	20,100	20,800	500	2.5%	-200	-1.0%
....Other General Merchandise Stores	43,000	42,600	43,000	400	0.9%	0	0.0%
...Transportation, Warehousing, and Utilities	174,100	170,200	168,300	3,900	2.3%	5,800	3.4%
...Utilities	17,800	17,600	17,300	200	1.1%	500	2.9%
....Air Transportation	19,300	19,200	18,300	100	0.5%	1,000	5.5%
....Truck Transportation	29,500	29,200	27,700	300	1.0%	1,800	6.5%
....Pipeline Transportation	12,800	12,700	12,300	100	0.8%	500	4.1%
<b>..Information</b>	<b>32,500</b>	<b>32,300</b>	<b>30,800</b>	<b>200</b>	<b>0.6%</b>	<b>1,700</b>	<b>5.5%</b>
...Telecommunications	12,400	12,400	12,200	0	0.0%	200	1.6%
<b>..Financial Activities</b>	<b>177,000</b>	<b>175,800</b>	<b>170,300</b>	<b>1,200</b>	<b>0.7%</b>	<b>6,700</b>	<b>3.9%</b>
...Finance and Insurance	111,400	110,600	108,600	800	0.7%	2,800	2.6%
....Credit Intermediation and Related Activities	47,200	46,700	46,400	500	1.1%	800	1.7%
....Depository Credit Intermediation	30,200	30,000	29,600	200	0.7%	600	2.0%
....Securities, Commodity Contracts, and Fin. Investments	22,100	21,900	21,600	200	0.9%	500	2.3%
....Insurance Carriers and Related Activities	42,100	42,000	40,600	100	0.2%	1,500	3.7%
...Real Estate and Rental and Leasing	65,600	65,200	61,700	400	0.6%	3,900	6.3%
<b>..Professional and Business Services</b>	<b>546,400</b>	<b>539,800</b>	<b>514,700</b>	<b>6,600</b>	<b>1.2%</b>	<b>31,700</b>	<b>6.2%</b>
...Professional, Scientific, and Technical Services	263,000	257,800	245,700	5,200	2.0%	17,300	7.0%
....Legal Services	31,200	30,500	29,700	700	2.3%	1,500	5.1%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,300	26,600	25,900	700	2.6%	1,400	5.4%
....Architectural, Engineering, and Related Services	75,900	73,900	66,700	2,000	2.7%	9,200	13.8%
....Computer Systems Design and Related Services	40,200	39,300	38,200	900	2.3%	2,000	5.2%
...Management of Companies and Enterprises	44,900	45,100	43,500	-200	-0.4%	1,400	3.2%
...Admin. and Support and Waste Mgmt. and Remediation	238,500	236,900	225,500	1,600	0.7%	13,000	5.8%
....Administrative and Support Services	227,700	226,200	213,700	1,500	0.7%	14,000	6.6%
....Employment Services	88,600	88,300	87,400	300	0.3%	1,200	1.4%
....Services to Buildings and Dwellings	53,000	53,300	50,900	-300	-0.6%	2,100	4.1%
<b>..Educational and Health Services</b>	<b>440,800</b>	<b>437,700</b>	<b>422,200</b>	<b>3,100</b>	<b>0.7%</b>	<b>18,600</b>	<b>4.4%</b>
...Educational Services	75,000	73,900	68,700	1,100	1.5%	6,300	9.2%
...Health Care and Social Assistance	365,800	363,800	353,500	2,000	0.5%	12,300	3.5%
....Ambulatory Health Care Services	180,900	178,500	176,700	2,400	1.3%	4,200	2.4%
....Hospitals	94,800	94,200	88,600	600	0.6%	6,200	7.0%
<b>..Leisure and Hospitality</b>	<b>359,100</b>	<b>359,700</b>	<b>313,100</b>	<b>-600</b>	<b>-0.2%</b>	<b>46,000</b>	<b>14.7%</b>
...Arts, Entertainment, and Recreation	38,200	38,300	30,400	-100	-0.3%	7,800	25.7%
...Accommodation and Food Services	320,900	321,400	282,700	-500	-0.2%	38,200	13.5%
....Accommodation	26,400	26,200	22,500	200	0.8%	3,900	17.3%
....Food Services and Drinking Places	294,500	295,200	260,200	-700	-0.2%	34,300	13.2%
<b>..Other Services</b>	<b>112,500</b>	<b>113,200</b>	<b>113,000</b>	<b>-700</b>	<b>-0.6%</b>	<b>-500</b>	<b>-0.4%</b>
<b>Government</b>	<b>439,300</b>	<b>428,000</b>	<b>433,100</b>	<b>11,300</b>	<b>2.6%</b>	<b>6,200</b>	<b>1.4%</b>
.Federal Government	32,300	32,100	31,300	200	0.6%	1,000	3.2%
.State Government	96,000	94,600	94,100	1,400	1.5%	1,900	2.0%
..State Government Educational Services	55,600	54,100	54,500	1,500	2.8%	1,100	2.0%
.Local Government	311,000	301,300	307,700	9,700	3.2%	3,300	1.1%
..Local Government Educational Services	217,100	208,900	213,800	8,200	3.9%	3,300	1.5%