

# Houston Area Employment Situation

March 2023

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*More Job Growth but Higher Unemployment Year over Year*

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,332,300 in March, up 19,900 jobs over the month, or 0.6 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 13,000 jobs. This was the largest March over-the-month gain in since 2021. Prior to the pandemic, historically in the month of March, Total Nonfarm has on average added 12,600 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Note that job growth is typical in March of each year with the only declines in this month occurring in 2009 due to Great Recession and 2020 at the start of the COVID-19 global pandemic.

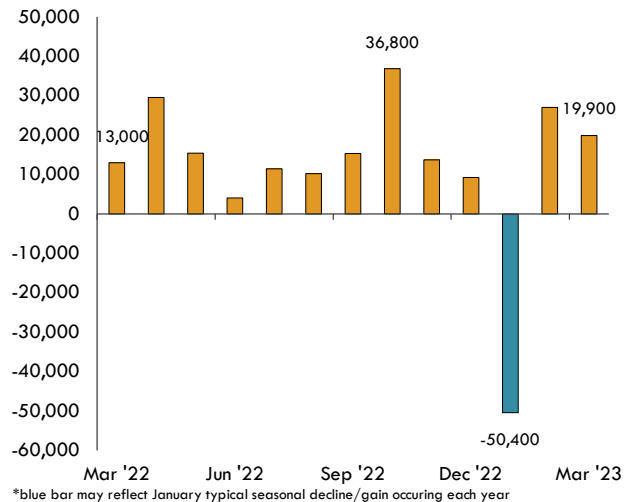
The primary drivers of this March's growth were increases in Trade, Transportation, and Utilities; Professional and Business Services; and Construction. Gains were also recorded in Other Services; Manufacturing; and Government. The net increase in jobs over the month was partially offset by losses in Financial Activities, and Information (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,346,000, up 14,300 jobs over the month, or 0.4 percent vs. a historical average of 5,500 although gains of roughly 14,000 were recorded in 2017 and 2018. This March marks 25 consecutive month-over-month gains on a seasonally-adjusted basis. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC.

- Top-3 Drivers of Over-the-month Job Growth in March**
- Trade, Transportation, and Utilities: 6,000
  - Professional and Business Services: 4,100
  - Construction: 3,000

#### Over-the-year Change

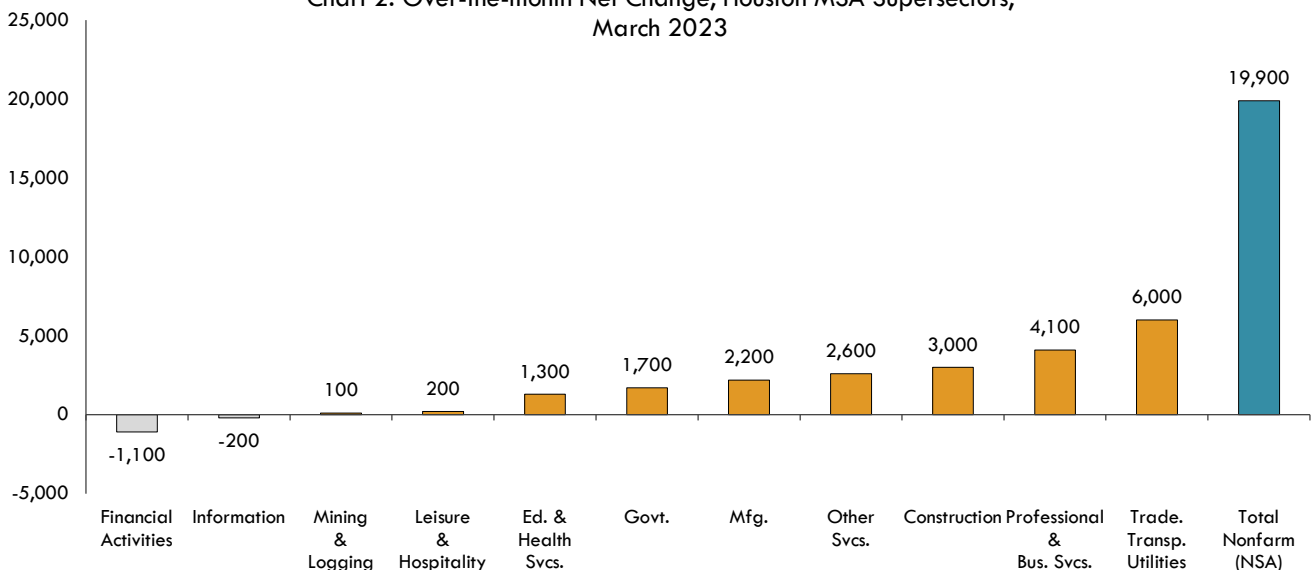
Over the year, Total Nonfarm employment was up 142,000 or 4.5 percent on a not-seasonally-adjusted basis and up 148,700 or 4.7 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, March 2022 saw a year-over-year gain of 175,500 jobs (NSA) from March 2021. This was the second-largest over-the-year gain in the month of March since records began in 1990. Currently all 11 sectors show growth year over year of which the top-three are Professional and Business

Chart 1. Total Nonfarm (NSA)  
Over-the-month Net Change, Mar-22 to Mar-23



Services (29,500); Trade, Transportation, and Utilities (24,700); and Education and Health Services (24,600) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,191,800 jobs by 140,500, or 4.4 percent (148,100 jobs, 4.6 percent above 3,197,900 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, March 2023



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March 2023

## Previous Month's Revisions

Total Nonfarm employment was revised downward by -2,200 jobs for a January to February smaller net gain of 27,000 compared to an original estimate of 29,200 jobs. A downward revision of -1,500 jobs in Professional and Business Services was the largest contributor followed by Government (-1,400) and Construction (-600). Upward revisions in Manufacturing (+1,500), Leisure and Hospitality (+600), and Other Services (+500) provided a partial offset of the overall downward revision to Total Nonfarm employment (see Chart 5).

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

- Professional and Business Services: 29,500
- Trade, Transportation, and Utilities: 24,700
- Education and Health Services: 24,600

Chart 5. Net Revisions for Selected Supersectors and Major Industries, February 2023

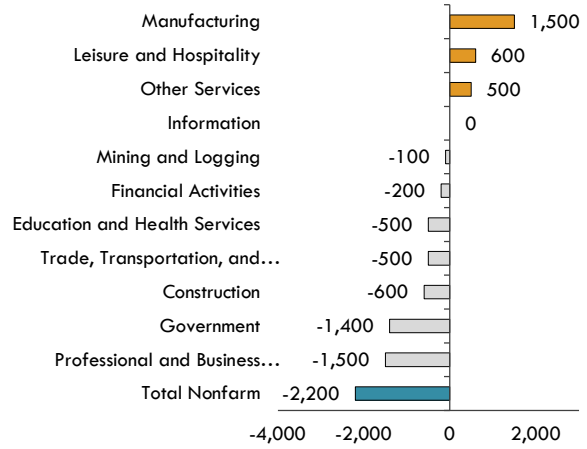


Chart 3. Total Nonfarm (NSA) Over-the-year Net Change, Mar-08 to Mar-23

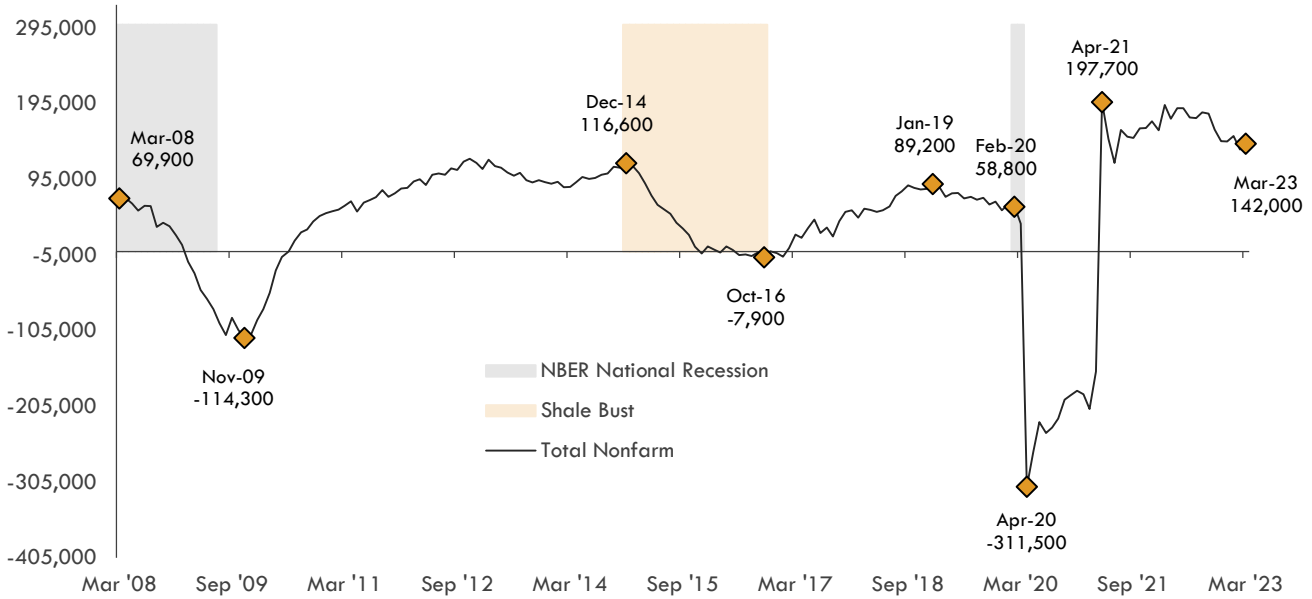
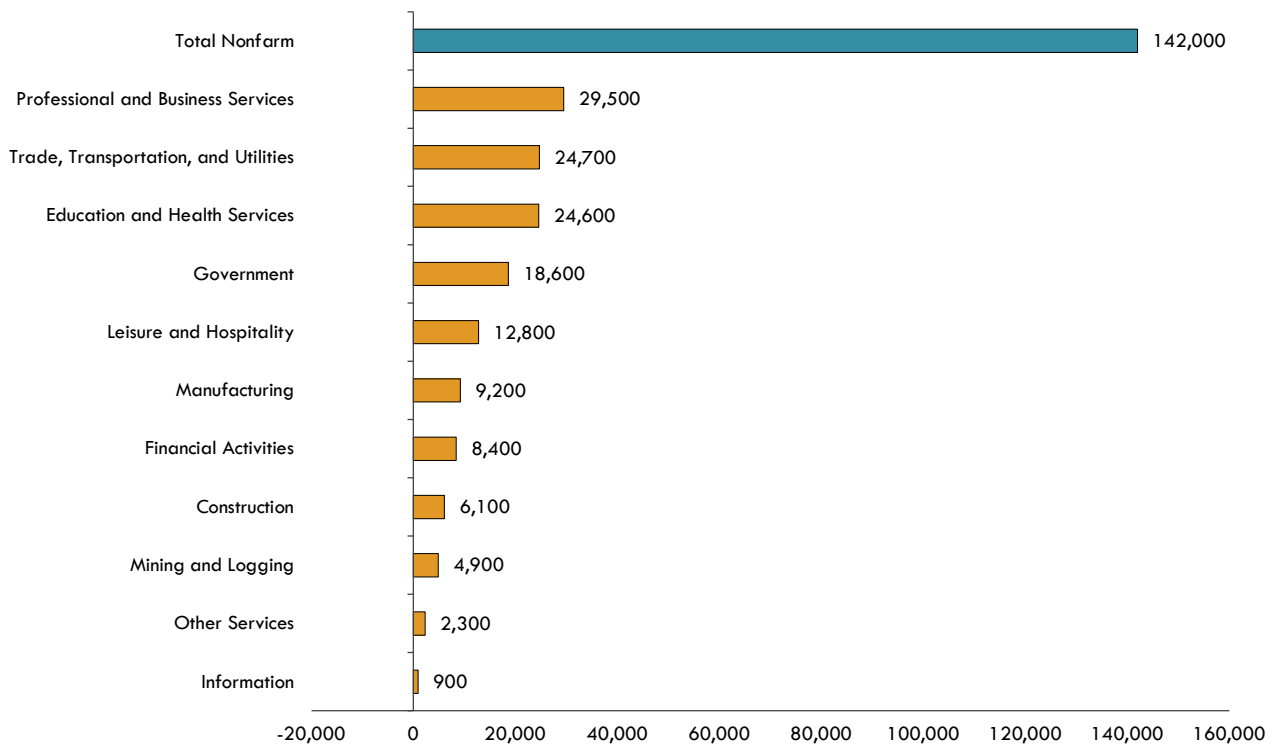


Chart 4. Over-the-year Net Change, Houston MSA Supersectors, March 2022 to March 2023



## Supplemental Commentary

### Overall Impressions - Major Industry Sectors

On roughly the third anniversary of the pandemic, this March stands as yet another month in which our search for signs of a local slow-down come up nearly empty once again. The Houston MSA added 19,900 jobs (NSA) or 14,300 (SA) over the month, seemingly maintaining 2022's momentum throughout the first quarter of 2023.

Trade, Transportation, and Utilities had an impressive month, up 6,000 jobs, with Retail Trade, specifically Building Material and Garden Equipment and Supplies Dealers given the arrival of spring, doing most of the heavy lifting although Wholesale Trade and Transportation and Warehousing also made solid contributions to the month's total.

For all the recent talk about corporate job losses at the national level, Professional and Business Service's gain of 4,100 jobs locally, with Professional Scientific and Technical Services providing the bulk of the increase, stands in stark contrast to national headlines, at least for the time being.

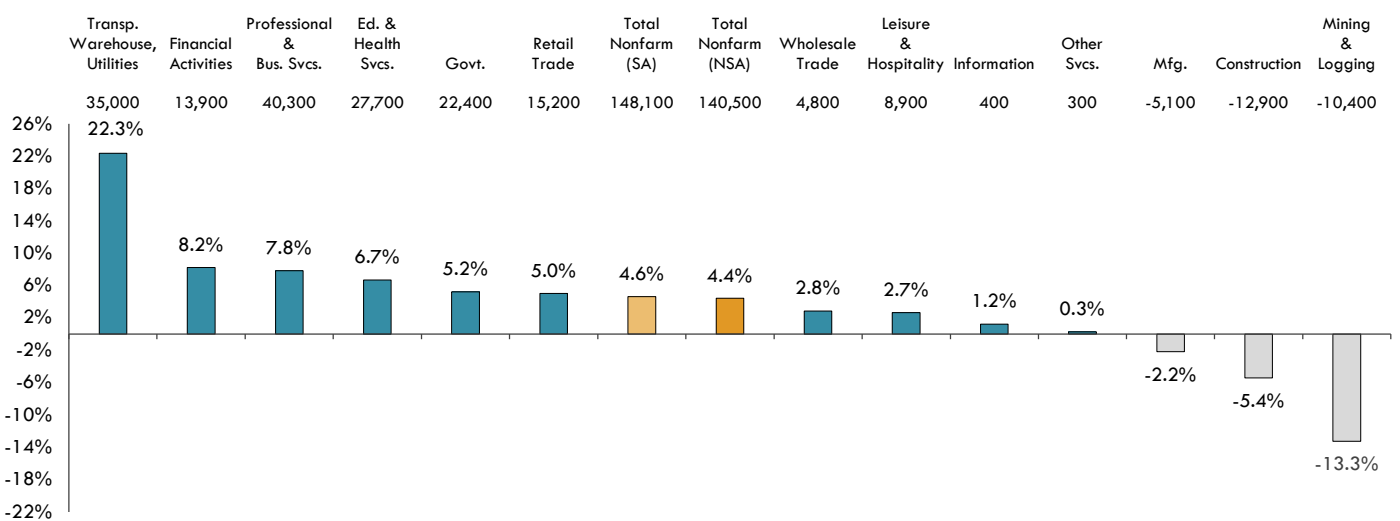
Construction, which some will recall was over-estimated throughout most of 2022, added some 3,000 jobs in March and while mortgage rates are down slightly from a month ago, it's surprising to see Construction job growth accelerate during this March beyond what's been typical in recent years, particularly prior to the pandemic.

Leisure and Hospitality underperformed at the topline adding only 200 jobs due to gains in Arts, Entertainment, and Recreation, consistent with warm-weather activities, being almost completely offset by losses among Food and Drinking Establishments. This latter dynamic is highly unusual for the month of March having only occurred once before in March 2020 at the start of the pandemic. Turning our attention to year-over-year trends, by and large most sectors are showing signs of positive yet slowing growth with the exceptions of Education and Healthcare and Government. However, this broad-based slowing starting around last summer seems to constitute a reversion back to more normal growth than a worrisome decline, again at least for now.

### Overall Impressions - The Unemployment Rate

Which brings us to the unemployment rate. At 4.4 percent this March, not seasonally adjusted, this stands as the second month in a row that the unemployment rate is higher than it was a year ago (4.1 percent in March 2022). This is something that we haven't seen since the first quarter of 2021 when rates were understandably higher year over year due to the pandemic. A look at Chart 40 towards the end of the report reveals this is also true for Texas statewide, but not the U.S. How is this possible you might ask? Both the number of employed and unemployed individuals across the state and Houston, i.e. the labor force, have risen year over year. Assuming that the bulk of the increase in unemployed individuals is the result of people on the sidelines entering or re-entering the workforce, then this is generally positive given our preference for otherwise able-bodied adults to participate in the job market by working or looking for work. However, if the rate at which the number of unemployed starts to rise faster than the number of employed for an extended period of time, eventually reaching a point where the number of employed starts to fall, then we will have reached a very real turning point in the cycle.

Supplemental Chart 1. Houston MSA Current Employment Levels as of March 2023 Relative to February 2020 by Sector (NSA)



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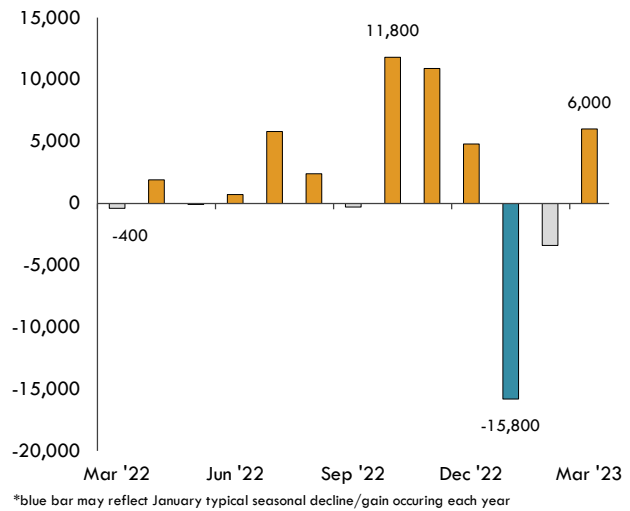
## GAINING INDUSTRY HIGHLIGHTS

### Trade, Transportation, and Utilities

#### Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 6,000 jobs, or 0.9 percent (see Chart 6). This was the largest-ever gain in the month of March since records began in 1990, beating the previous March record of 5,400 jobs in 2007. Historically in the month of March, Trade, Transportation, and Utilities 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. Retail Trade was the largest contributor to the overall sector's increase, up 3,100 jobs over the month. The second-largest contributor was Wholesale Trade, which added 1,600 jobs from February to March. Lastly, Transportation, Warehousing, and Utilities contributed, 1,300 jobs.

Chart 6. Trade, Transportation, and Utilities (NSA)  
Over-the-month Net Change, Mar-22 to Mar-23

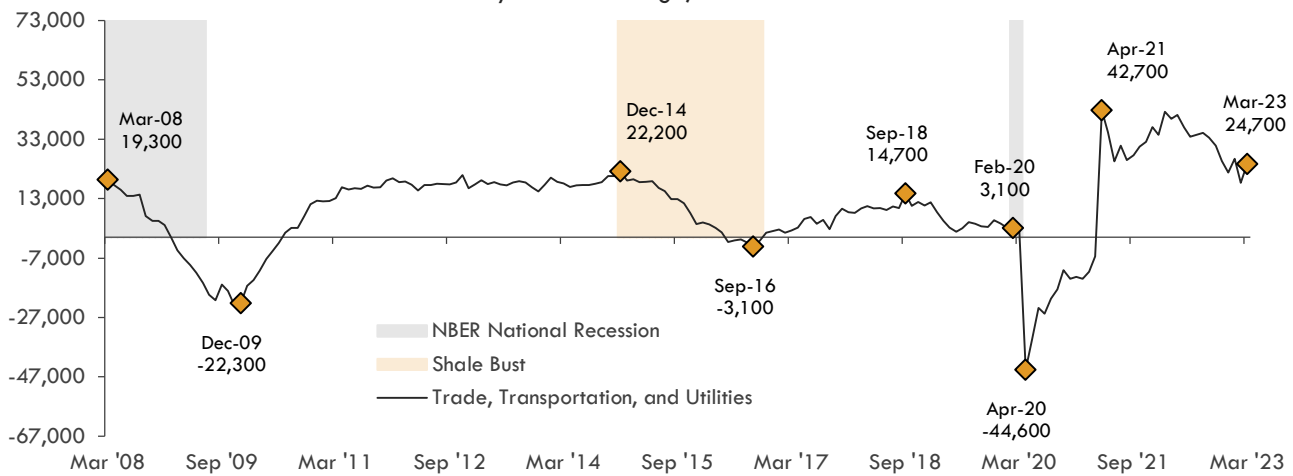


#### Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 24,700 jobs, or 3.7 percent (see Chart 7). This was the second-largest over-the-year gain in the month of March since records began in 1990. It also marks 24 consecutive months of over-the-year gains. Furthermore, 17.4 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 10,800 jobs over the year. The second-largest contributor was Wholesale Trade, which added 8,900 jobs from

March a year ago. Lastly, Retail Trade contributed, 5,000 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,500 jobs by 55,000, or 8.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 20.7 percent to 20.5 percent over the past year.

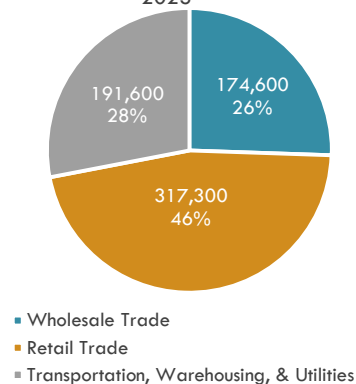
Chart 7. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



#### 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 46 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall sector is 11 percent higher than the national average, due to a 34-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 8. Employment in Component Industries of Trade, Transportation, and Utilities Sector - March 2023

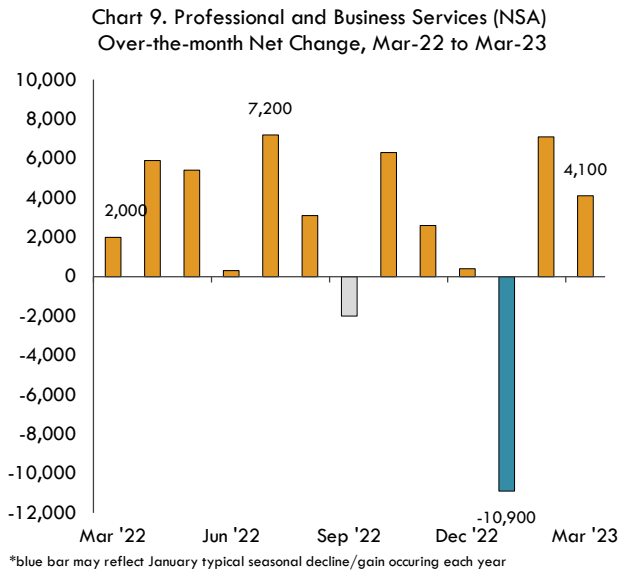


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the second-largest gaining sector over the month up 4,100 jobs, or 0.7 percent (see Chart 9). This was the largest March over-the-month gain in since 2021. Historically in the month of March, Professional and Business Services has added an average of 2,700 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 2,400 jobs over the month. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 1,500 jobs from February to March. Lastly, Management of Companies and Enterprises contributed, 200 jobs. Professional and Business Services employment was revised downward by -1,500 jobs for a January to February smaller net gain of 7,100 compared to an original estimate of 8,600 jobs.

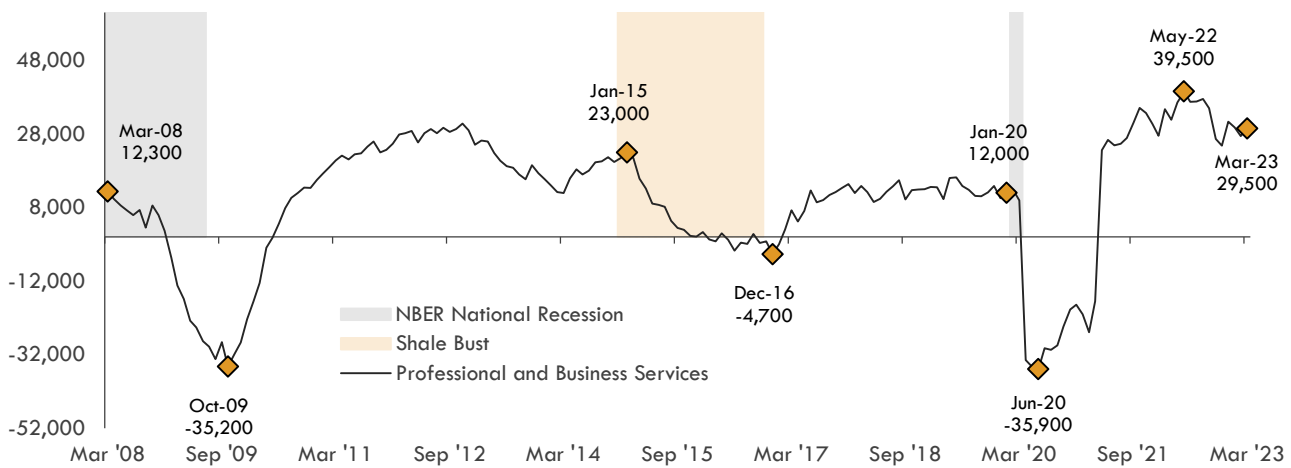


Over-the-year Change

Year over year, Professional and Business Services was up 29,500 jobs, or 5.6 percent (see Chart 10). This was the second-largest over-the-year gain in the month of March since records began in 1990. It also marks 24 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 20.8 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 22,200 jobs over the year. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 4,500 jobs from March a year ago. Lastly, Management of Companies and Enterprises contributed, 2,800 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 40,300, or 7.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 16.5 percent to 16.7 percent over the past year.

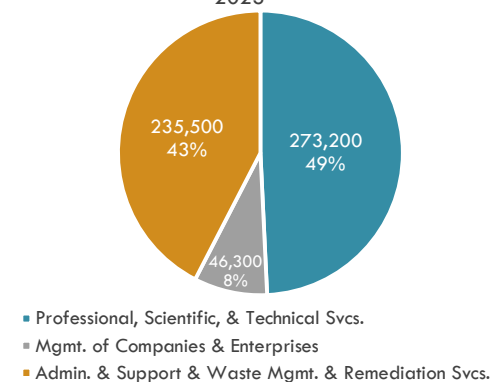
Chart 10. Professional and Business Services (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



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 18-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 2023



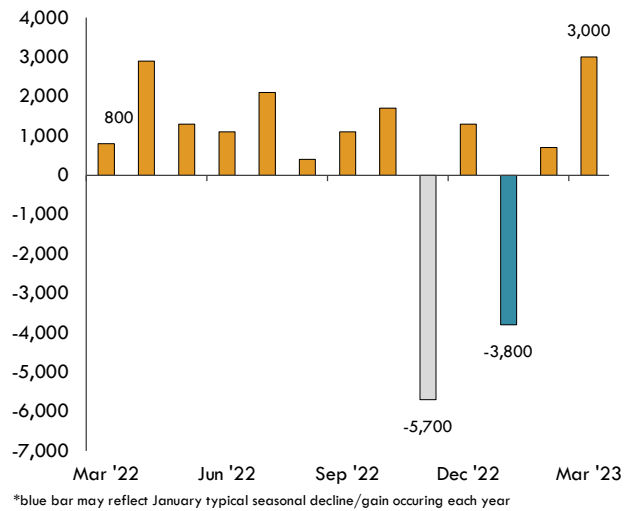
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the third-largest gaining sector over the month up 3,000 jobs, or 1.4 percent (see Chart 12). This was the largest March over-the-month gain in since 2021. Historically in the month of March, Construction has added an average of 1,700 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 1,400 jobs over the month. The second-largest contributor was Heavy and Civil Engineering Construction, which added 1,100 jobs from February to March. Lastly, Construction of Buildings contributed, 500 jobs. Construction employment was revised downward by -600 jobs for a January to February smaller net gain of 700 compared to an original estimate of 1,300 jobs.

Chart 12. Construction (NSA)  
Over-the-month Net Change, Mar-22 to Mar-23

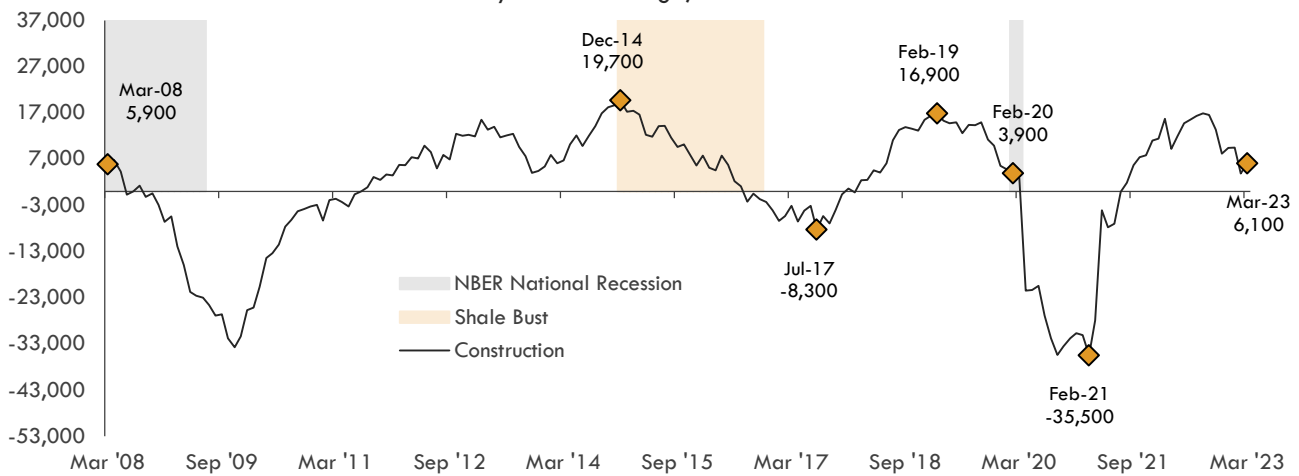


Over-the-year Change

Year over year, Construction was up 6,100 jobs, or 2.8 percent (see Chart 13). This March also marks 20 consecutive months of over-the-year gains. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 3,500 jobs over the year. The second-largest contributor was Construction of Buildings, which added 3,400 jobs from March a year ago. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -800 jobs. Total Construction employment (NSA) remains -12,900 jobs, or - 5.4 percent below its February 2020 pre-pandemic level of

237,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 6.8 percent to 6.7 percent over the past year.

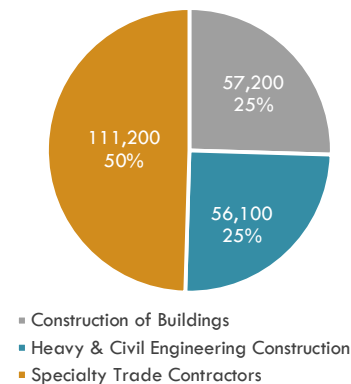
Chart 13. Construction (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



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 plurality of the sector's employment at 50 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 36 percent higher than the national average, due to 2.5 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 14. Employment in Component Industries of Construction Sector - March 2023

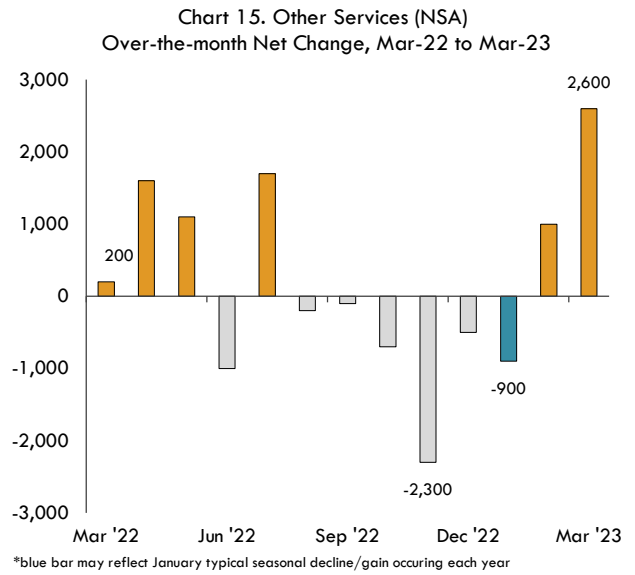


## GAINING INDUSTRY HIGHLIGHTS

### Other Services

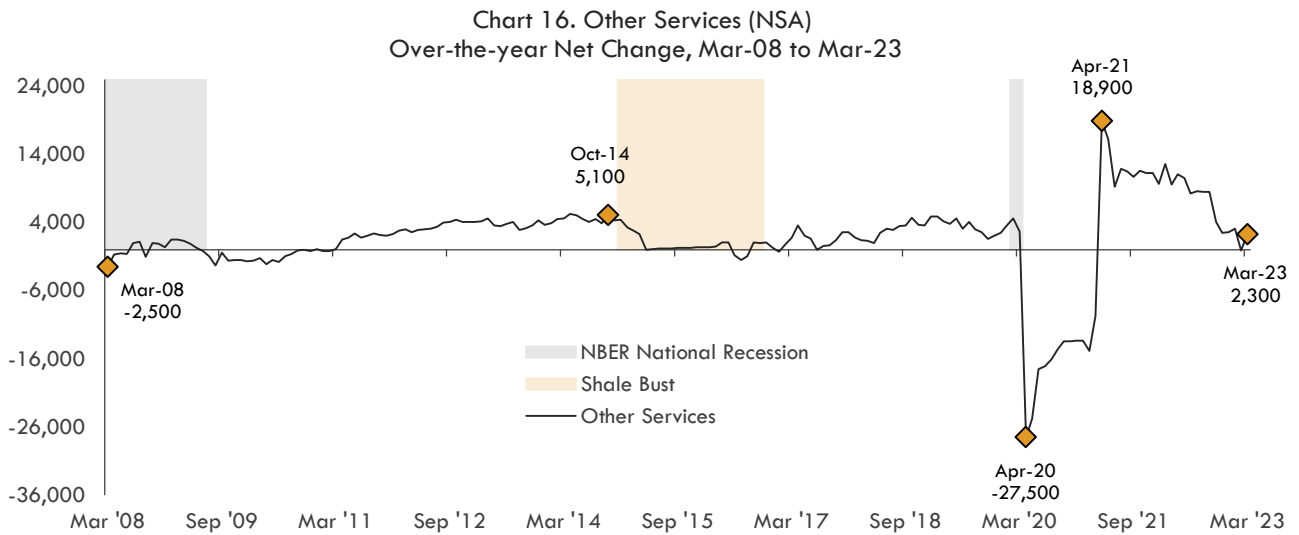
#### Over-the-month Change

Other Services also saw an increase over the month up 2,600 jobs, or 2.2 percent (see Chart 15). This was the largest March gain since 2021 and the second-largest gain historically for the month of March since records began in 1990. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised upward by 500 jobs for a January to February larger net gain of 1,000 compared to an original estimate of 500 jobs.



#### Over-the-year Change

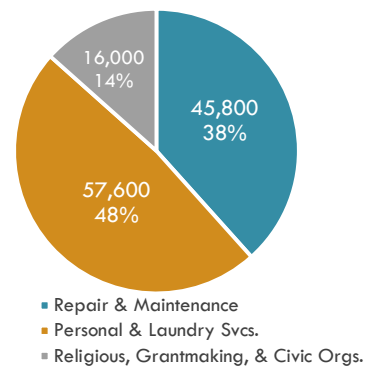
Year over year, Other Services was up 2,300 jobs, or 2.0 percent (see Chart 16). NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,100 jobs by 300, or 0.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 3.7 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 17). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 4 percent less than the national average.

Chart 17. Employment in Component Industries of Other Services Sector - March 2023



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

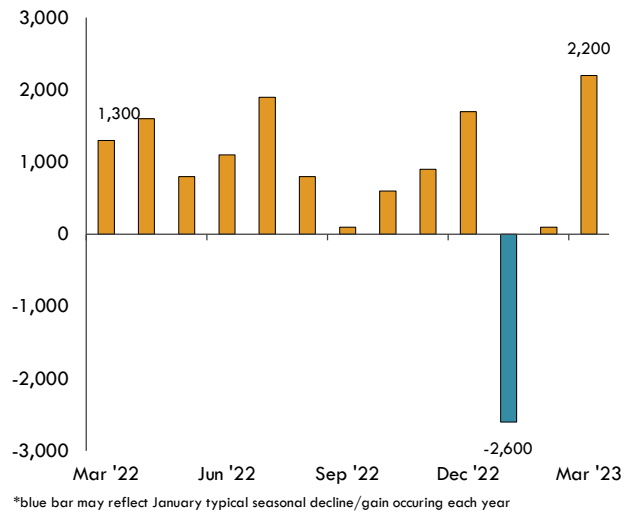
## GAINING INDUSTRY HIGHLIGHTS

### Manufacturing

#### Over-the-month Change

Manufacturing also saw an increase over the month up 2,200 jobs, or 1.0 percent (see Chart 18). This March tied with 2012 for the largest-ever gain in the month of March since records began in 1990. Historically in the month of March, Manufacturing has added an average of 400 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Durable Goods was the largest contributor to the overall sector's increase, up 2,700 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which lost -500 jobs from February to March. Manufacturing employment was revised upward by 1,500 jobs for a January to February complete erasure of losses resulting in a net gain of 100 compared to an original estimate of -1,400 jobs.

Chart 18. Manufacturing (NSA)  
Over-the-month Net Change, Mar-22 to Mar-23

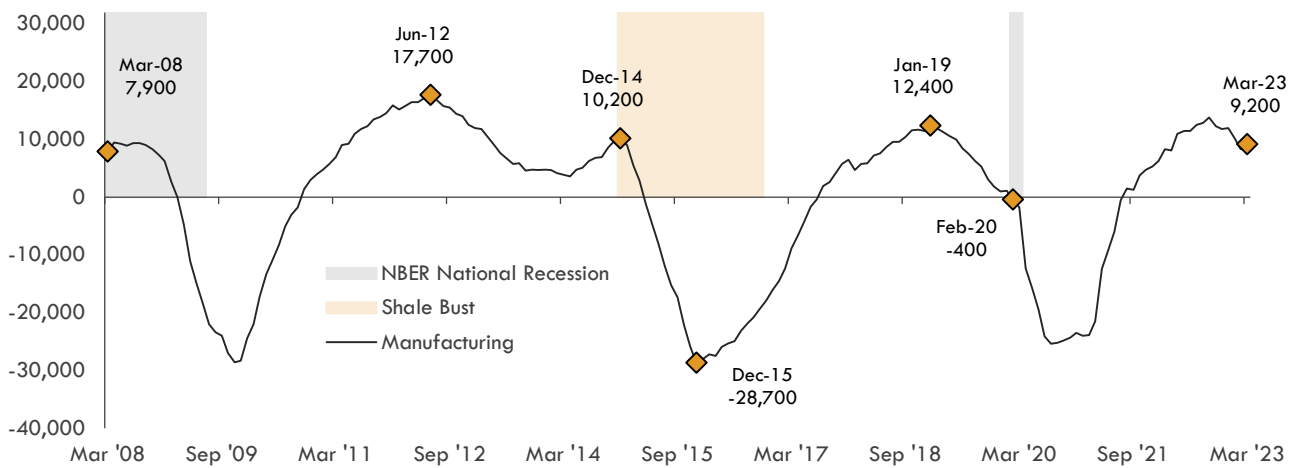


#### Over-the-year Change

Year over year, Manufacturing was up 9,200 jobs, or 4.2 percent (see Chart 19). This March also marks 20 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 6,800 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 2,400 jobs from March a year ago. Total Manufacturing employment (NSA) remains -5,100 jobs, or -2.2 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 6.9 percent

over the past year.

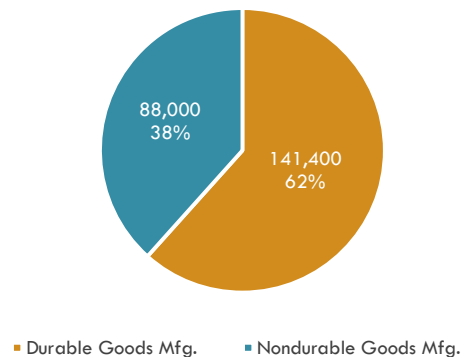
Chart 19. Manufacturing (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



#### About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 62 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 18 percent less than the national average.

Chart 20. Employment in Component Industries of Manufacturing Sector - March 2023



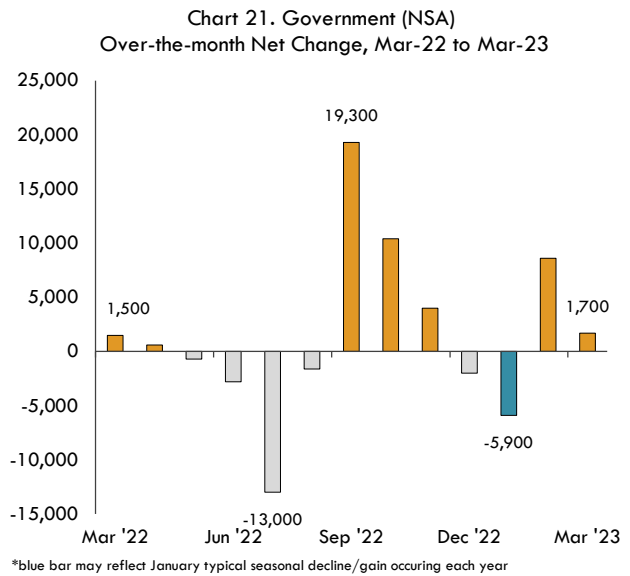


## GAINING INDUSTRY HIGHLIGHTS

### Government

#### Over-the-month Change

Government also saw an increase over the month up 1,700 jobs, or 0.4 percent (see Chart 21). This March tied with 2010 for the second-largest ever gain in the month of March since records began in 1990. Historically in the month of March, Government has added an average of 500 jobs over the month, which indicates that this month's gains are substantially above the long-term average although gains of roughly 1,600 in the month of March have become common since 2015. Local Government was the largest contributor to the overall sector's increase, up 1,600 jobs over the month. The second-largest contributor was State Government, which added 100 jobs from February to March. Lastly, Federal Government saw no change over the month. Government employment was revised downward by -1,400 jobs for a January to February smaller net gain of 8,600 compared to an original estimate of 10,000 jobs.

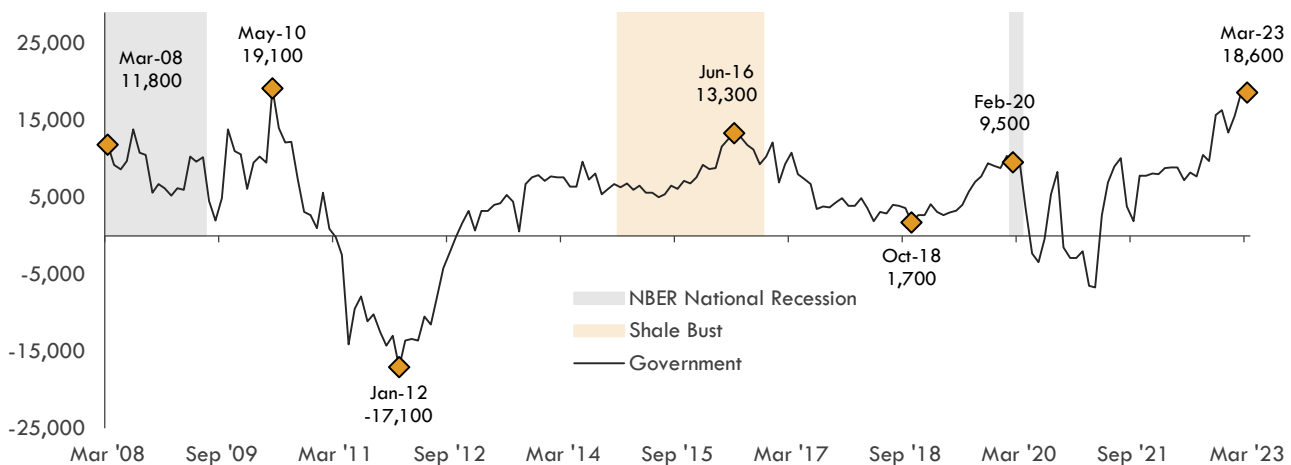


#### Over-the-year Change

Year over year, Government was up 18,600 jobs, or 4.3 percent (see Chart 22). This was the largest-ever over-the-year gain in March and the second-largest gain on record. It also marks 24 consecutive months of over-the-year gains. Local Government was the largest contributor to the overall sector's increase, up 12,300 jobs over the year. The second-largest contributor was State Government, which added 5,300 jobs from March 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

22,400, or 5.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.5 percent over the past year.

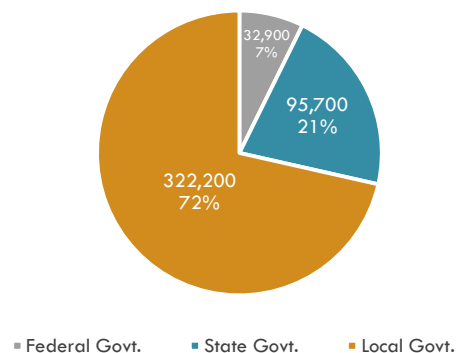
Chart 22. Government (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



#### 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 23). Across the Houston MSA, the concentration of jobs in the overall Government sector is 8 percent less than the national average.

Chart 23. Employment in Component Industries of Government Sector - March 2023



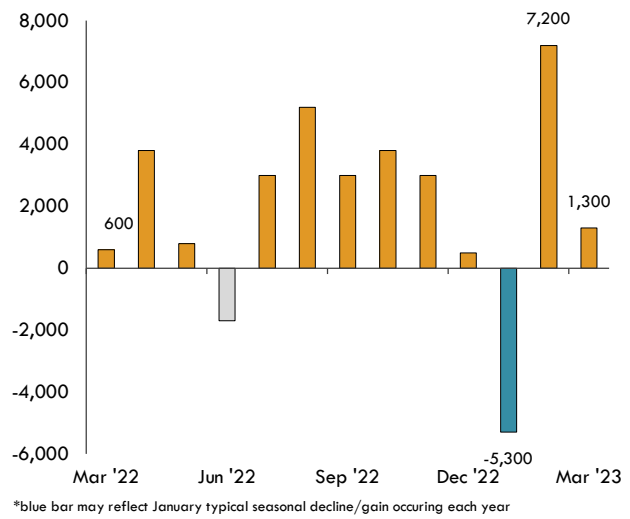
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services also saw an increase over the month up 1,300 jobs, or 0.3 percent (see Chart 24). This was the largest March over-the-month gain in since 2021. Historically in the month of March, Education and Health Services has added an average of 1,200 jobs over the month, which indicates that this month's gains are on par with the long-term average. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 1,500 jobs over the month. One component industry that provided a partial offset was Educational Services, which lost -200 jobs from February to March. Education and Health Services employment was revised downward by -500 jobs for a January to February smaller net gain of 7,200 compared to an original estimate of 7,700 jobs.

Chart 24. Education and Health Services (NSA)  
Over-the-month Net Change, Mar-22 to Mar-23

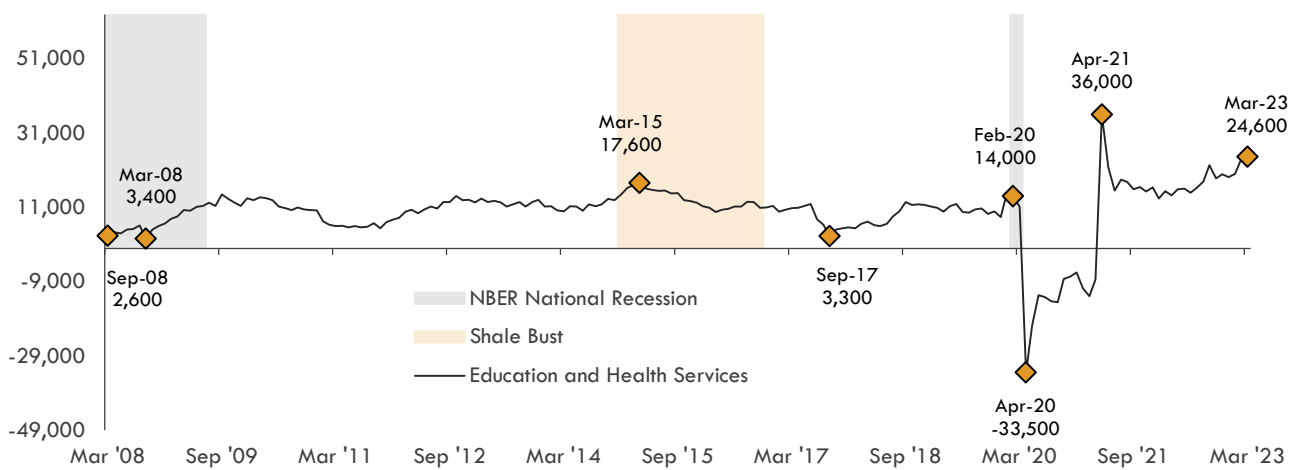


Over-the-year Change

Year over year, Education and Health Services was up 24,600 jobs, or 5.9 percent (see Chart 25). This was the largest-ever over-the-year gain in March and the second-largest gain on record. It also marks 24 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, 17.3 percent of total (gross) jobs added across the region over the past year can be attributed to Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up

19,900 jobs over the year. The second-largest contributor was Educational Services, which added 4,700 jobs from March a year ago. Total Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 27,700, or 6.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.1 percent to 13.3 percent over the past year.

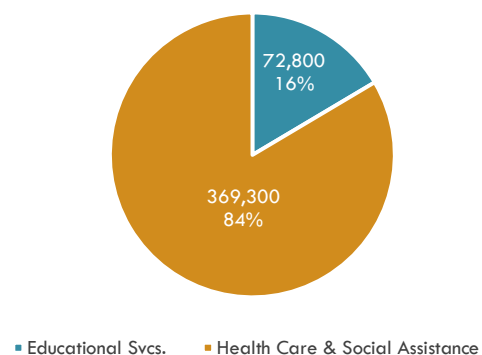
Chart 25. Education and Health Services (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



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 26). 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 26. Employment in Component Industries of Education and Health Services Sector - March 2023

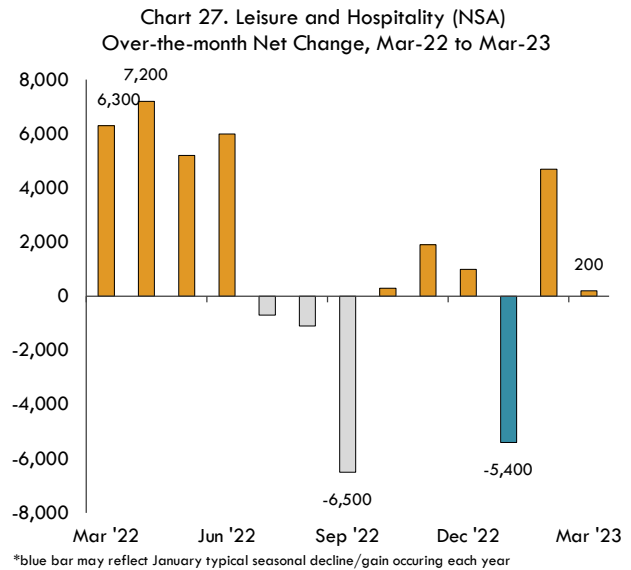


GAINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality also saw an increase over the month up 200 jobs, or 0.1 percent (see Chart 27). Historically in the month of March, Leisure and Hospitality has added an average of 4,400 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Arts, Entertainment, and Recreation was the largest contributor to the overall sector's increase, up 1,400 jobs over the month. One component industry that provided a partial offset was Accommodation and Food Services, which lost -1,200 jobs from February to March. Leisure and Hospitality employment was revised upward by 600 jobs for a January to February larger net gain of 4,700 compared to an original estimate of 4,100 jobs.

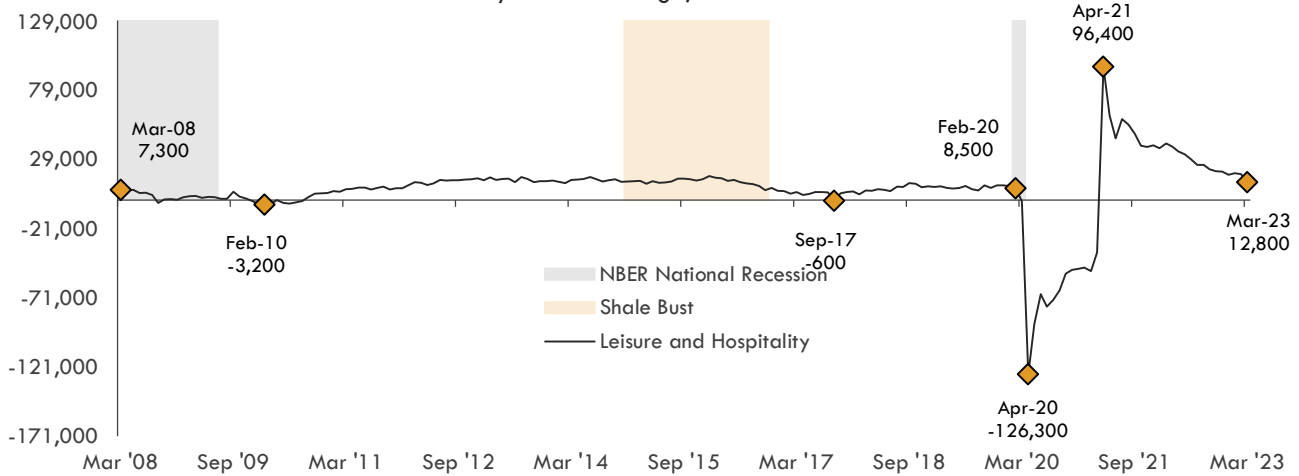


Over-the-year Change

Year over year, Leisure and Hospitality was up 12,800 jobs, or 3.9 percent (see Chart 28). This March also marks 24 consecutive months of over-the-year gains. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 9,800 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 3,000 jobs from March a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 8,900, or 2.7 percent. At the same time, the sector's share of Houston area Total Nonfarm

Employment has remained constant at 10.4 percent over the past year.

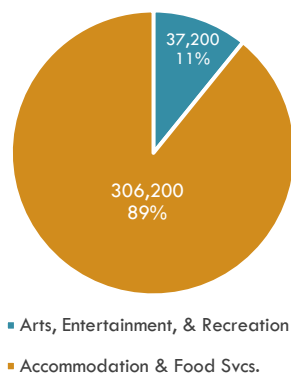
Chart 28. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



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 29). Across the Houston MSA, the concentration of jobs in the overall sector is 1 percent less than the national average.

Chart 29. Employment in Component Industries of Leisure and Hospitality Sector - March 2023

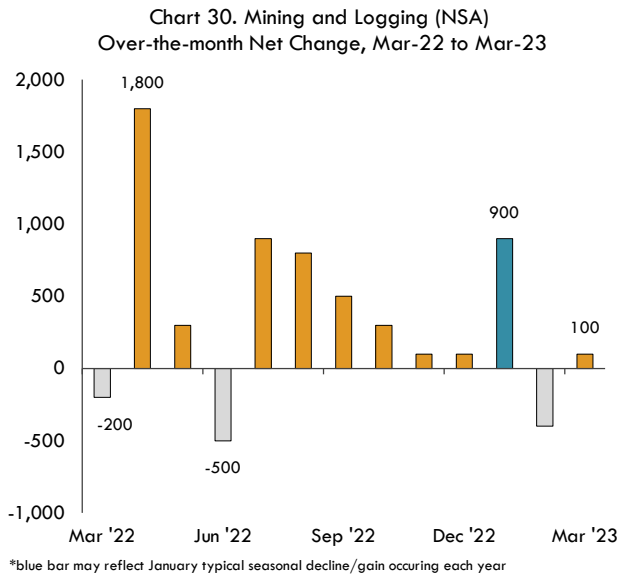


## GAINING INDUSTRY HIGHLIGHTS

### Mining and Logging

#### Over-the-month Change

Mining and Logging also saw an increase over the month up 100 jobs, or 0.1 percent (see Chart 30). This was the largest March over-the-month gain in since 2018. 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. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 100 jobs over the month. One component industry, Other Mining and Logging Undefined, saw no change from February to March. Lastly, Support Activities for Mining saw no change over the month. Mining and Logging employment was revised downward by -100 jobs for a January to February larger net loss of -400 compared to an original estimate of -300 jobs.

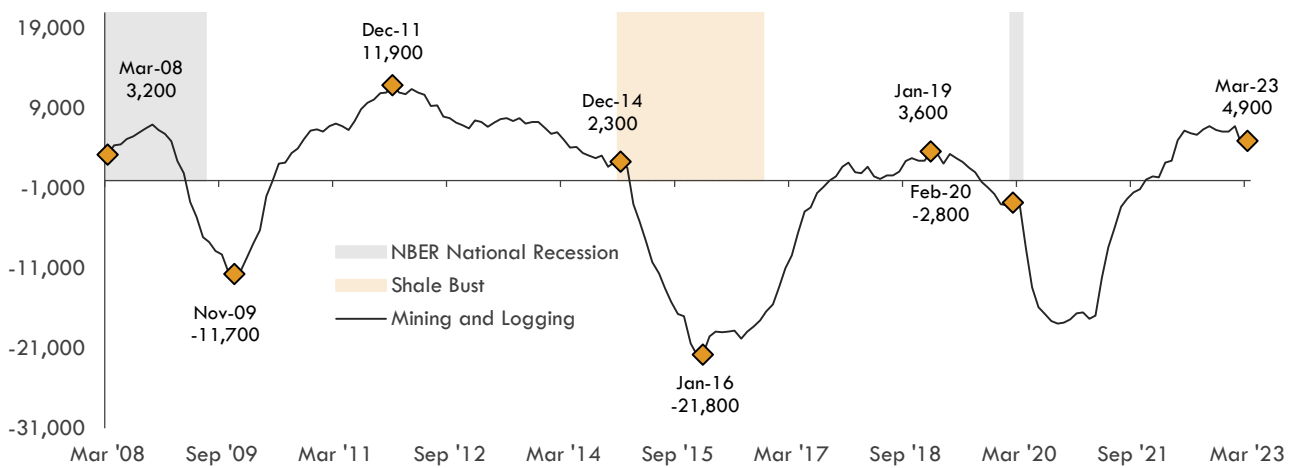


#### Over-the-year Change

Year over year, Mining and Logging was up 4,900 jobs, or 7.8 percent (see Chart 31). This March also marks 17 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 4,400 jobs over the year. The second-largest contributor was Other Mining and Logging Undefined, which added 400 jobs from March a year ago. Lastly, Oil and Gas Extraction contributed, 100 jobs. Total Mining and Logging employment (NSA) remains -10,400

jobs, or -13.3 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 remained constant at 2.0 percent over the past year.

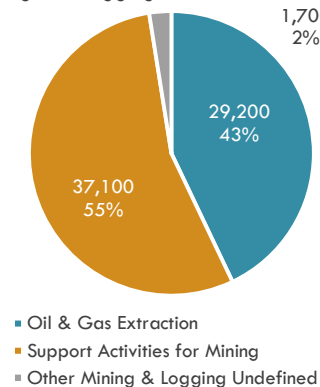
Chart 31. Mining and Logging (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



#### 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 slight majority of the sector's employment at just over 55 percent (see Chart 32). 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 32. Employment in Component Industries of Mining and Logging Sector - March 2023

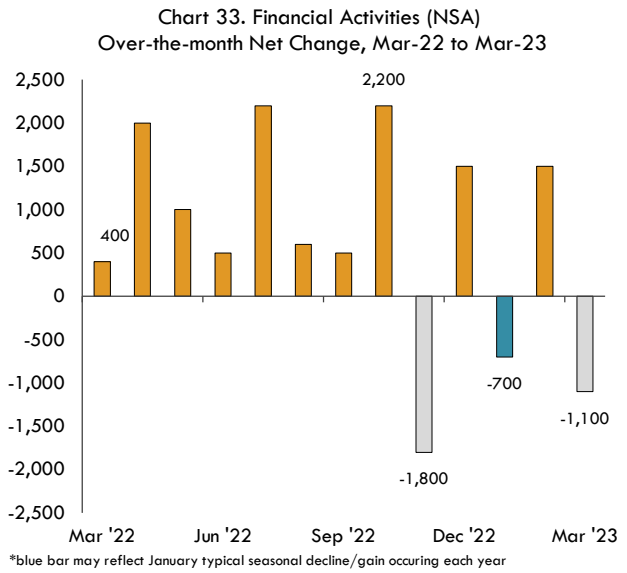


## DECLINING INDUSTRY HIGHLIGHTS

### Financial Activities

#### Over-the-month Change

Financial Activities was the largest declining sector over the month down -1,100 jobs, or -0.6 (see Chart 33). This was the largest-ever decline in the month of March since records began in 1990, beating the previous March record of -900 jobs lost in 2020. Historically in the month of March, Financial Activities has added an average of 300 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -1,200 jobs over the month. One component industry that provided a partial offset was Finance and Insurance, which gained 100 jobs from February to March. Financial Activities employment was revised downward by -200 jobs for a January to February smaller net gain of 1,500 compared to an original estimate of 1,700 jobs.

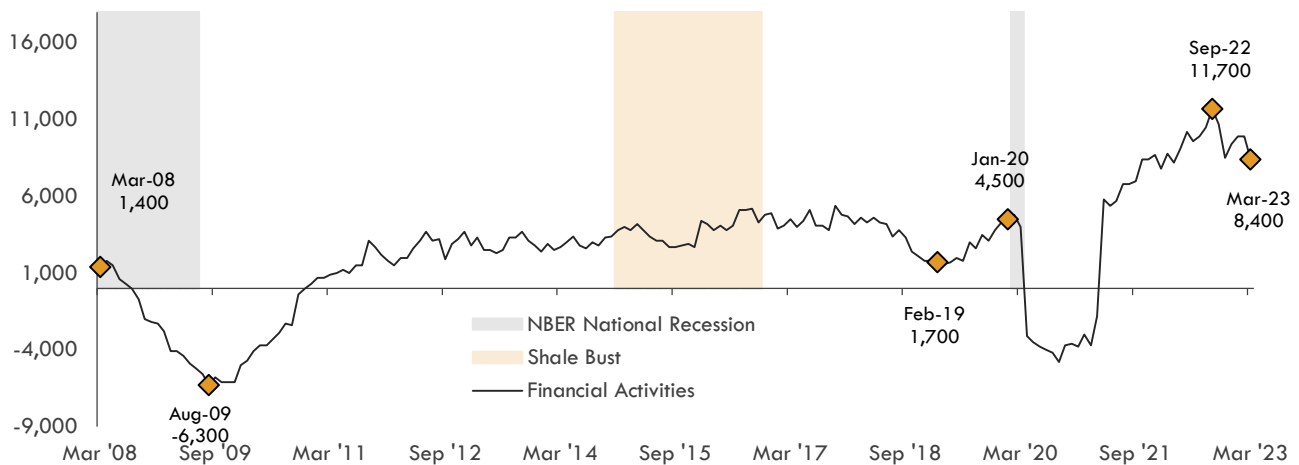


#### Over-the-year Change

Year over year, Financial Activities was up 8,400 jobs, or 4.8 percent (see Chart 34). This was the second-largest over-the-year gain in the month of March since records began in 1990. It also marks nine consecutive months of over-the-year gains. Finance and Insurance was the largest contributor to the overall sector's increase, up 4,300 jobs over the year. The second-largest contributor was Real Estate and Rental and Leasing, which added 4,100 jobs from March a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 13,900, or 8.2 percent.

At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 5.5 percent over the past year.

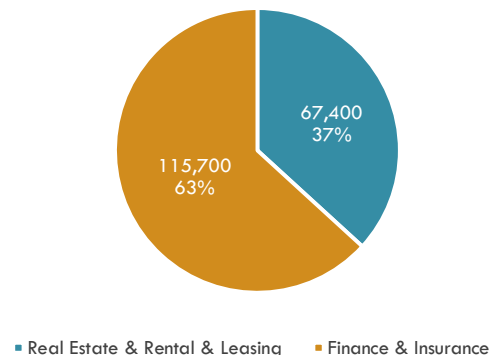
Chart 34. Financial Activities (NSA)  
Over-the-year Net Change, Mar-08 to Mar-23



#### 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 35). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 6 percent less than the national average, due to a 20-percent lower concentration in Finance and Insurance offsetting a 32-percent higher concentration in Real Estate and Rental and Leasing.

Chart 35. Employment in Component Industries of  
Financial Activities Sector - March 2023



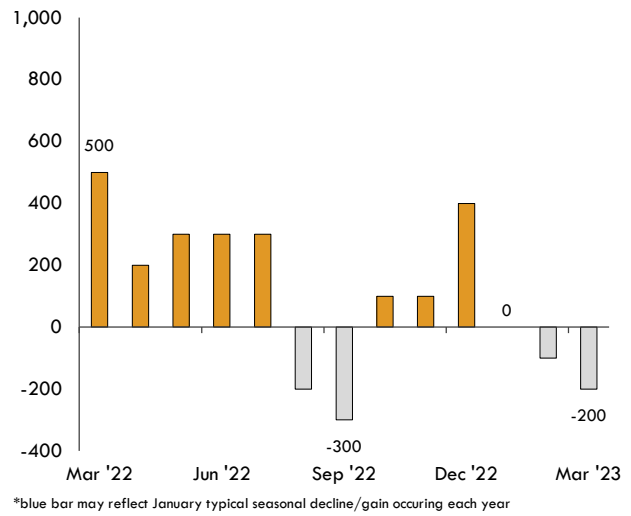
## DECLINING INDUSTRY HIGHLIGHTS

### Information

#### Over-the-month Change

Information was the second-largest declining sector over the month down -200 jobs, or -0.6 (see Chart 36). This was the largest March over-the-month decline in since 2020. Other Information Undefined was the largest contributor to the overall sector's decline, down -100 jobs over the month. The second-largest declining contributor was Telecommunications, which lost -100 jobs from February to March. Information employment saw no revision from January to February leaving the previous month's original decrease of -100 intact.

Chart 36. Information (NSA)  
Over-the-month Net Change, Mar-'22 to Mar-'23

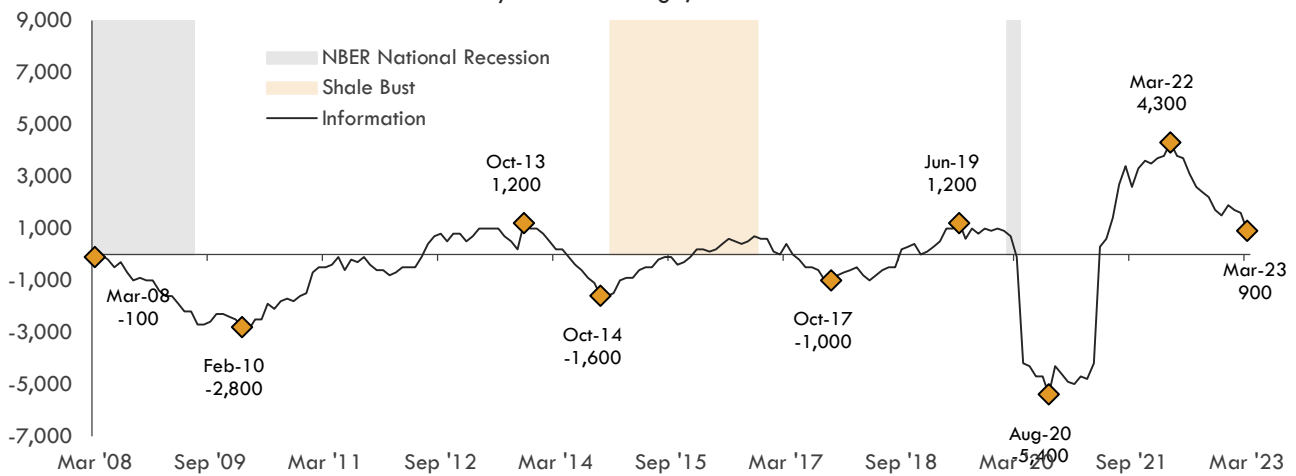


#### Over-the-year Change

Year over year, Information was up 900 jobs, or 2.8 percent (see Chart 37). This March also marks 24 consecutive months of over-the-year gains. Other Information Undefined was the largest contributor to the overall sector's increase, up 1,000 jobs over the year. One component industry that provided a partial offset was Telecommunications, which lost -100 jobs from March a year ago. Total Information employment (NSA) now exceeds its February 2020 pre-pandemic level of 32,700 jobs by 400, or 1.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0

percent over the past year.

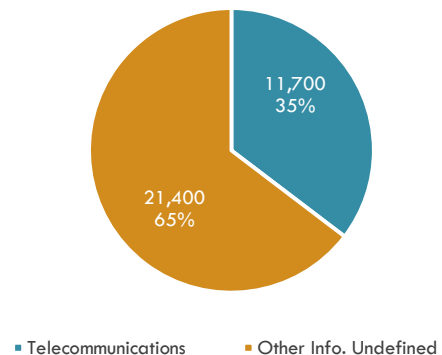
Chart 37. Information (NSA)  
Over-the-year Net Change, Mar-'08 to Mar-'23



#### 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 65 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall Information sector is 50 percent less than the national average.

Chart 38. Employment in Component Industries of Information Sector - March 2023



## Local Area Unemployment Statistics

### Not-Seasonally Adjusted

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

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.4 percent in March, down from February's 4.8 percent and up from 4.1 percent a year ago. This was above the statewide rate of 4.2 percent and above the national rate of 3.6 percent. An over-the-month decline in March is typical having occurred roughly 70 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 160,997 individuals were unemployed in Houston in March, down from February's 171,351 and up from 143,738 in March 2022 (see Charts 39 and 40).

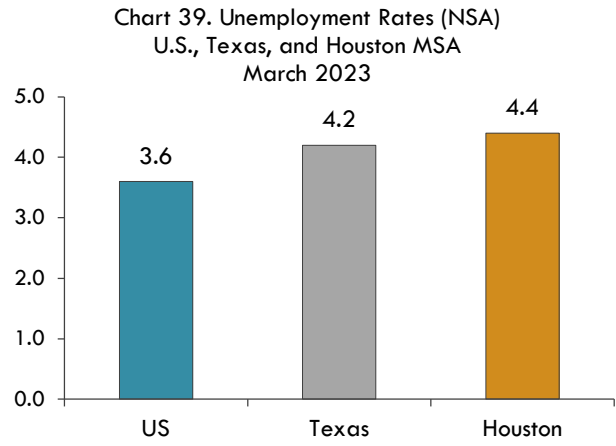
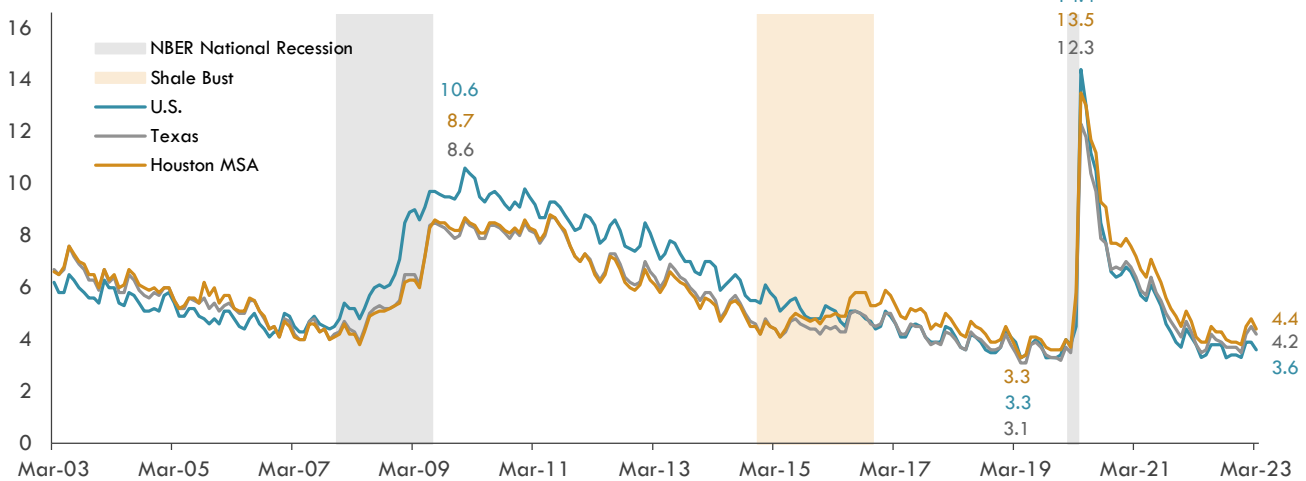


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) March 2003 to March 2023

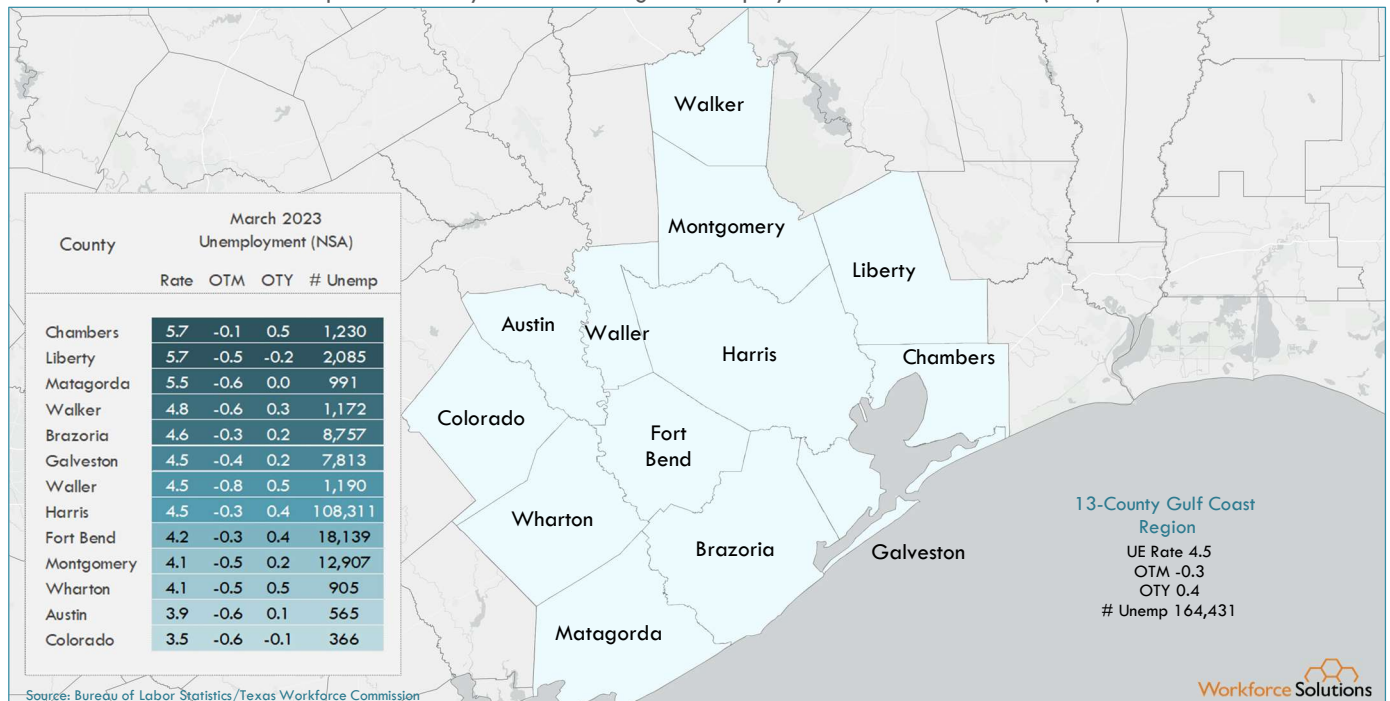


#### County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in March ranged from a high of 5.7 percent in Chambers County to a low of 3.5 percent in Colorado. Over the month, all 13 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.3 percentage points. Waller saw the largest percentage-point decrease in unemployment down -0.8 pp. representing -186 fewer unemployed workers compared to the previous month. This was followed by Walker (-0.6 pp, -149 workers) and Austin (-0.6 pp, -80 workers). Over the year

unemployment rates rose with, Waller posting the largest increase, up 0.5 percentage points representing 166 more unemployed workers compared to a year ago followed by Chambers (0.5 pp, 150 workers) and Wharton (0.5 pp, 108 workers). Since peaking at 449,312 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -284,881 as of this March (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates March 2023 (NSA)



## Local Area Unemployment Statistics (continued)

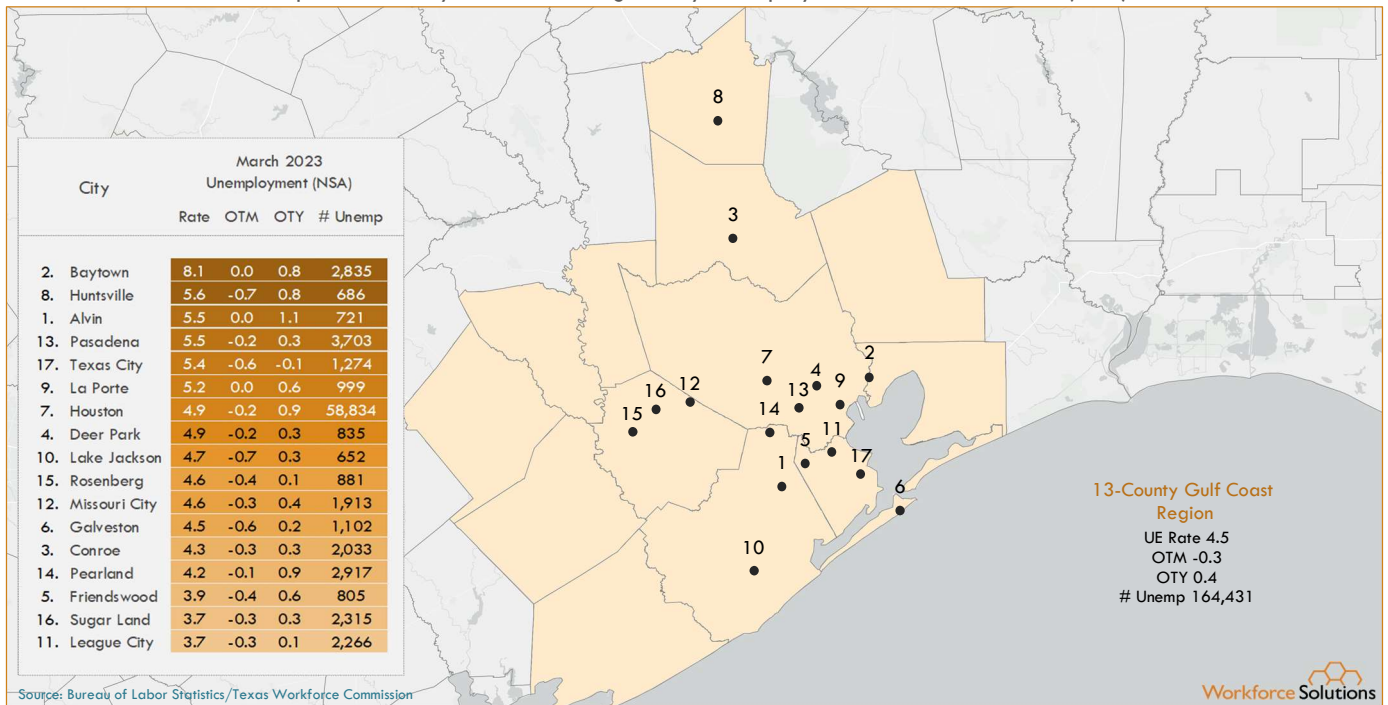
### Not-Seasonally Adjusted

#### Unemployment Rates for Select Municipalities

Among the 17 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in March ranged from a high of 8.1 percent in Baytown to a low of 3.7 percent in League City (see Map 2 legend). Over the month, 14 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.3 percentage points while three saw no changes. Huntsville saw the largest percentage-point decrease in

unemployment down -0.7 pp. representing -78 fewer unemployed workers compared to the previous month. This was followed by Lake Jackson (-0.7 pp, -103 workers) and Galveston (-0.6 pp, -141 workers). Over the year unemployment rates rose with, Alvin posting the largest increase, up 1.1 percentage points representing 168 more unemployed workers compared to a year ago followed by Houston (0.9 pp, 12,287 workers) and Pearland (0.9 pp, 737 workers). The 17 cities below accounted for 52 percent of the 164,431 unemployed workers across the Gulf Coast Region as of this March (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates March 2023 (NSA)



### Seasonally Adjusted

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

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.3 percent in February, up from January's 4.2 percent and down from 5.3 percent a year ago. This was above the statewide rate of 4.0 percent and above the national rate of 3.6 percent. 151,864 individuals were unemployed in Houston in February, up from January's 149,726 and down from 181,652 in February 2022 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 17 cities.

Chart 41. Unemployment Rates (SA)  
 U.S., Texas, and Houston MSA  
 February 2023

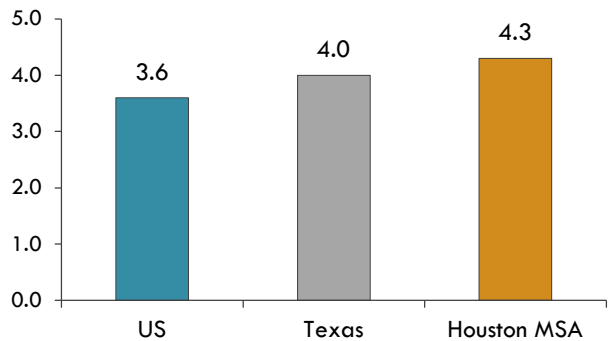
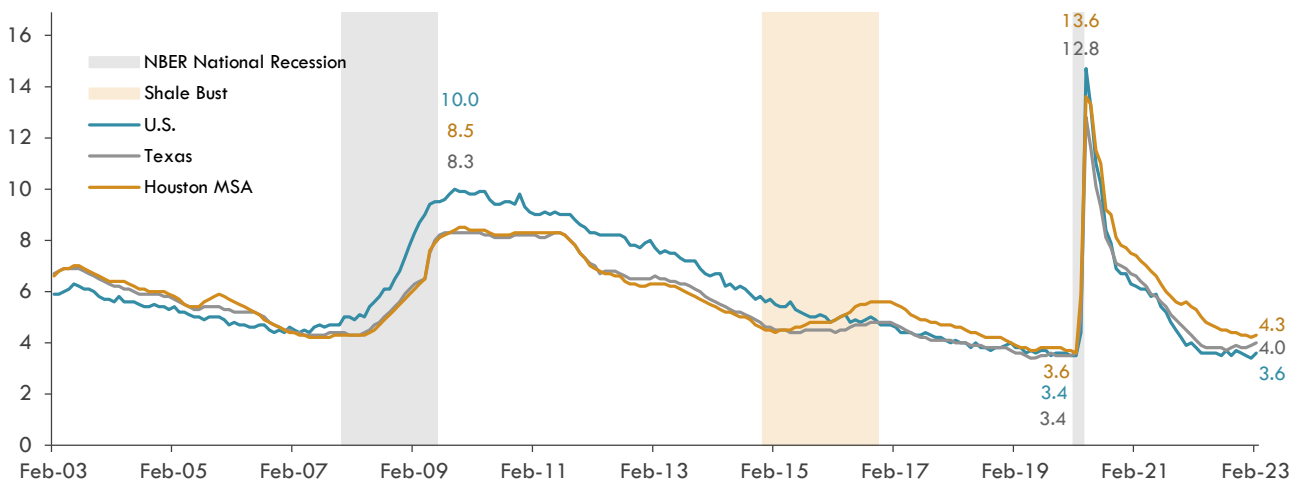


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
 February 2003 to February 2023





Gulf Coast Workforce Solutions Index (WSI)

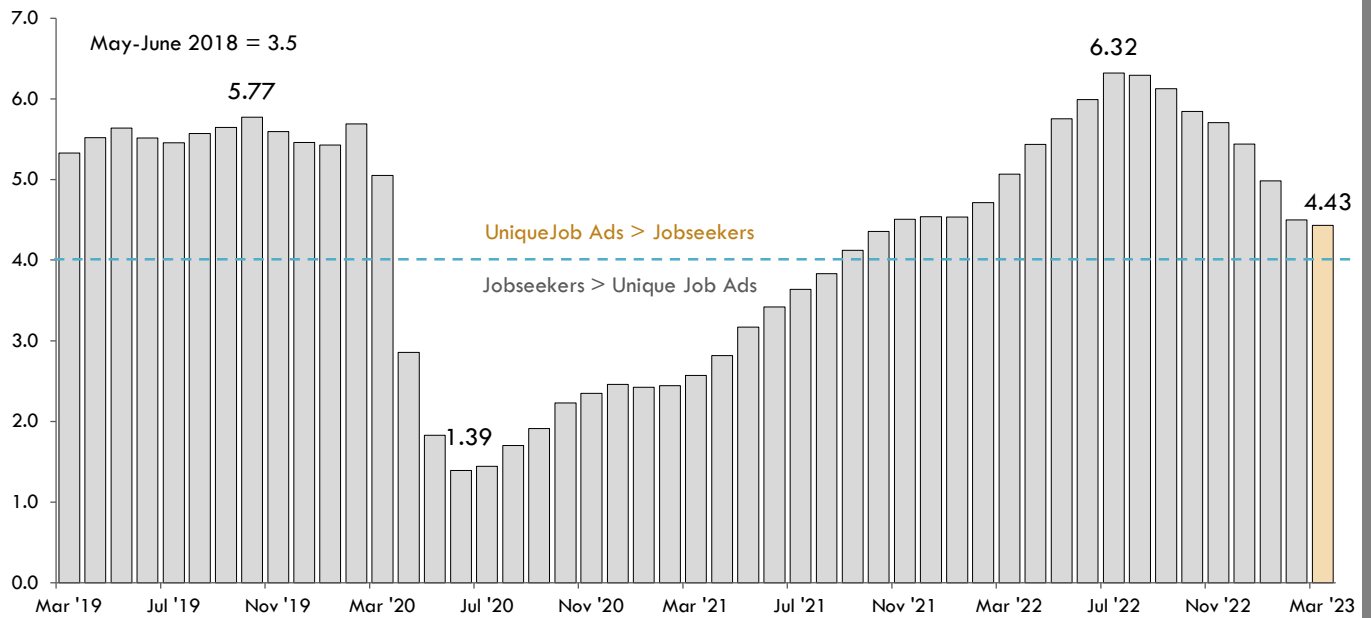


**The Gulf Coast Workforce Solutions Index (WSI)**

The WSI is an indicator designed to capture shifts in the local labor market, specifically the balance between available jobs and unemployed workers at a given point in time. Values above 4.0 signal a surplus of jobs while values less than 4.0 signal a surplus of jobseekers. The Gulf Coast Workforce Board monitors the WSI as part of its ongoing review of the region's unemployment insurance work search requirement and reserves the right to adjust the number of weekly job search contacts as labor market conditions warrant. In the event of change to the work search requirement, the Board will notify the Texas Workforce Commission who will in turn notify UI recipients.

WSI Reading  
 March  
 2023:  
**4.43**

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 March 2023**

The Houston MSA WSI for March stood at 4.43, virtually unchanged from February's revised reading of 4.49. This March's index value was the result of an 26,000-increase in job ads over from February coupled with a modest increase in unemployed workers by 2,100 from January to February (SA). March's reading continues to suggest that a requirement of four work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



# Houston Area Employment Situation

March 2023

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Mar-23	Feb-23	Mar-22	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,332,300</b>	<b>3,312,400</b>	<b>3,190,300</b>	<b>19,900</b>	<b>0.6%</b>	<b>142,000</b>	<b>4.5%</b>
Total Private	2,881,500	2,863,300	2,758,100	18,200	0.6%	123,400	4.5%
Goods Producing	521,900	516,600	501,700	5,300	1.0%	20,200	4.0%
<b>..Mining and Logging</b>	<b>68,000</b>	<b>67,900</b>	<b>63,100</b>	<b>100</b>	<b>0.1%</b>	<b>4,900</b>	<b>7.8%</b>
...Oil and Gas Extraction	29,200	29,100	29,100	100	0.3%	100	0.3%
...Support Activities for Mining	37,100	37,100	32,700	0	0.0%	4,400	13.5%
<b>..Construction</b>	<b>224,500</b>	<b>221,500</b>	<b>218,400</b>	<b>3,000</b>	<b>1.4%</b>	<b>6,100</b>	<b>2.8%</b>
..Construction of Buildings	57,200	56,700	53,800	500	0.9%	3,400	6.3%
..Heavy and Civil Engineering Construction	56,100	55,000	52,600	1,100	2.0%	3,500	6.7%
..Specialty Trade Contractors	111,200	109,800	112,000	1,400	1.3%	-800	-0.7%
<b>..Manufacturing</b>	<b>229,400</b>	<b>227,200</b>	<b>220,200</b>	<b>2,200</b>	<b>1.0%</b>	<b>9,200</b>	<b>4.2%</b>
..Durable Goods	141,400	138,700	134,600	2,700	1.9%	6,800	5.1%
...Fabricated Metal Product Manufacturing	48,900	48,500	45,700	400	0.8%	3,200	7.0%
...Machinery Manufacturing	41,700	41,500	39,900	200	0.5%	1,800	4.5%
....Agriculture, Construction, and Mining Machinery Mfg.	21,800	21,700	20,200	100	0.5%	1,600	7.9%
...Computer and Electronic Product Manufacturing	14,100	14,100	13,600	0	0.0%	500	3.7%
..Non-Durable Goods	88,000	88,500	85,600	-500	-0.6%	2,400	2.8%
...Petroleum and Coal Products Manufacturing	7,800	7,800	7,800	0	0.0%	0	0.0%
...Chemical Manufacturing	41,900	41,600	40,500	300	0.7%	1,400	3.5%
Service Providing	2,810,400	2,795,800	2,688,600	14,600	0.5%	121,800	4.5%
..Private Service Providing	2,359,600	2,346,700	2,256,400	12,900	0.5%	103,200	4.6%
<b>..Trade, Transportation, and Utilities</b>	<b>683,500</b>	<b>677,500</b>	<b>658,800</b>	<b>6,000</b>	<b>0.9%</b>	<b>24,700</b>	<b>3.7%</b>
...Wholesale Trade	174,600	173,000	165,700	1,600	0.9%	8,900	5.4%
....Merchant Wholesalers, Durable Goods	108,500	107,300	101,700	1,200	1.1%	6,800	6.7%
....Prof. and Commercial Equip. Supplies Wholesalers	17,500	17,500	17,000	0	0.0%	500	2.9%
....Merchant Wholesalers, Nondurable Goods	53,800	53,900	52,700	-100	-0.2%	1,100	2.1%
...Retail Trade	317,300	314,200	312,300	3,100	1.0%	5,000	1.6%
....Motor Vehicle and Parts Dealers	43,400	43,000	43,000	400	0.9%	400	0.9%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,800	23,700	25,100	1,100	4.6%	-300	-1.2%
....Food and Beverage Stores	73,800	74,000	71,500	-200	-0.3%	2,300	3.2%
....Health and Personal Care Stores	61,100	61,400	61,200	-300	-0.5%	-100	-0.2%
....Clothing and Clothing Accessories Stores	19,700	19,700	19,600	0	0.0%	100	0.5%
....General Merchandise Stores	41,400	41,700	41,600	-300	-0.7%	-200	-0.5%
....Department Stores	20,700	20,600	21,400	100	0.5%	-700	-3.3%
....Other General Merchandise Stores	25,300	25,300	24,400	0	0.0%	900	3.7%
...Transportation, Warehousing, and Utilities	191,600	190,300	180,800	1,300	0.7%	10,800	6.0%
....Utilities	20,300	20,100	19,200	200	1.0%	1,100	5.7%
....Air Transportation	20,200	20,000	19,000	200	1.0%	1,200	6.3%
....Truck Transportation	30,900	30,800	29,500	100	0.3%	1,400	4.7%
....Pipeline Transportation	12,900	12,800	12,100	100	0.8%	800	6.6%
<b>..Information</b>	<b>33,100</b>	<b>33,300</b>	<b>32,200</b>	<b>-200</b>	<b>-0.6%</b>	<b>900</b>	<b>2.8%</b>
...Telecommunications	11,700	11,800	11,800	-100	-0.8%	-100	-0.8%
<b>..Financial Activities</b>	<b>183,100</b>	<b>184,200</b>	<b>174,700</b>	<b>-1,100</b>	<b>-0.6%</b>	<b>8,400</b>	<b>4.8%</b>
...Finance and Insurance	115,700	115,600	111,400	100	0.1%	4,300	3.9%
....Credit Intermediation and Related Activities	46,200	46,100	46,000	100	0.2%	200	0.4%
....Depository Credit Intermediation	29,800	29,900	29,300	-100	-0.3%	500	1.7%
....Securities, Commodity Contracts, and Fin. Investments	23,000	23,100	21,800	-100	-0.4%	1,200	5.5%
....Insurance Carriers and Related Activities	46,500	46,400	43,600	100	0.2%	2,900	6.7%
...Real Estate and Rental and Leasing	67,400	68,600	63,300	-1,200	-1.7%	4,100	6.5%
<b>..Professional and Business Services</b>	<b>555,000</b>	<b>550,900</b>	<b>525,500</b>	<b>4,100</b>	<b>0.7%</b>	<b>29,500</b>	<b>5.6%</b>
...Professional, Scientific, and Technical Services	273,200	270,800	251,000	2,400	0.9%	22,200	8.8%
....Legal Services	32,000	31,600	29,900	400	1.3%	2,100	7.0%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	29,500	29,200	28,900	300	1.0%	600	2.1%
....Architectural, Engineering, and Related Services	74,200	74,300	66,300	-100	-0.1%	7,900	11.9%
....Computer Systems Design and Related Services	43,200	42,900	39,700	300	0.7%	3,500	8.8%
...Management of Companies and Enterprises	46,300	46,100	43,500	200	0.4%	2,800	6.4%
...Admin. and Support and Waste Mgmt. and Remediation	235,500	234,000	231,000	1,500	0.6%	4,500	1.9%
....Administrative and Support Services	221,900	220,600	218,700	1,300	0.6%	3,200	1.5%
....Employment Services	85,400	85,700	91,000	-300	-0.4%	-5,600	-6.2%
....Services to Buildings and Dwellings	53,800	53,500	51,200	300	0.6%	2,600	5.1%
<b>..Educational and Health Services</b>	<b>442,100</b>	<b>440,800</b>	<b>417,500</b>	<b>1,300</b>	<b>0.3%</b>	<b>24,600</b>	<b>5.9%</b>
...Educational Services	72,800	73,000	68,100	-200	-0.3%	4,700	6.9%
...Health Care and Social Assistance	369,300	367,800	349,400	1,500	0.4%	19,900	5.7%
....Ambulatory Health Care Services	186,400	186,500	177,000	-100	-0.1%	9,400	5.3%
....Hospitals	94,400	93,300	87,700	1,100	1.2%	6,700	7.6%
<b>..Leisure and Hospitality</b>	<b>343,400</b>	<b>343,200</b>	<b>330,600</b>	<b>200</b>	<b>0.1%</b>	<b>12,800</b>	<b>3.9%</b>
...Arts, Entertainment, and Recreation	37,200	35,800	34,200	1,400	3.9%	3,000	8.8%
...Accommodation and Food Services	306,200	307,400	296,400	-1,200	-0.4%	9,800	3.3%
....Accommodation	26,300	26,100	24,400	200	0.8%	1,900	7.8%
....Food Services and Drinking Places	279,900	281,300	272,000	-1,400	-0.5%	7,900	2.9%
<b>..Other Services</b>	<b>119,400</b>	<b>116,800</b>	<b>117,100</b>	<b>2,600</b>	<b>2.2%</b>	<b>2,300</b>	<b>2.0%</b>
<b>Government</b>	<b>450,800</b>	<b>449,100</b>	<b>432,200</b>	<b>1,700</b>	<b>0.4%</b>	<b>18,600</b>	<b>4.3%</b>
..Federal Government	32,900	32,900	31,900	0	0.0%	1,000	3.1%
..State Government	95,700	95,600	90,400	100	0.1%	5,300	5.9%
...State Government Educational Services	54,800	54,700	50,900	100	0.2%	3,900	7.7%
..Local Government	322,200	320,600	309,900	1,600	0.5%	12,300	4.0%
...Local Government Educational Services	224,800	223,800	215,600	1,000	0.4%	9,200	4.3%