

Houston Area Employment Situation

November 2023

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Not Much to See Here, Which Isn't a Bad Thing

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,404,400 in November, up 13,300 jobs over the month, or 0.4 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 13,700 jobs. Prior to the pandemic, historically in the month of November, Total Nonfarm has on average added 11,900 jobs over the month, which indicates that this month's gains are slightly above the long-term average.

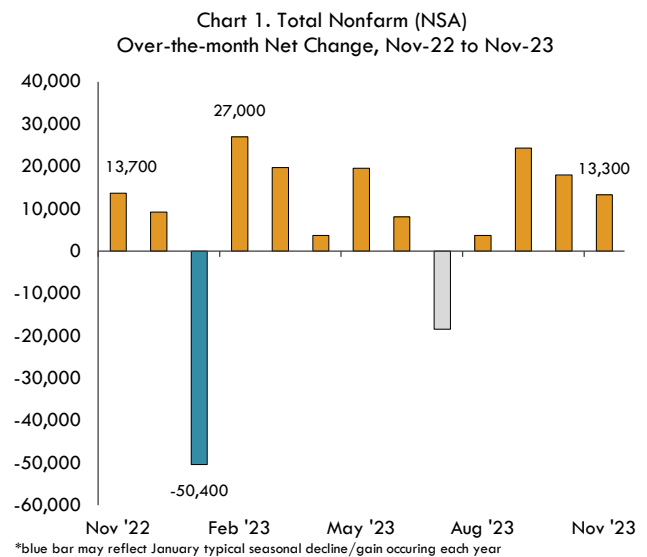
The primary drivers of this November's growth were increases in Trade, Transportation, and Utilities; Government; and Professional and Business Services. Gains were also recorded in Private Education and Health Services; Construction; and Information. The net increase in jobs over the month was partially offset by losses in Other Services; Manufacturing; and Financial Activities. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,378,400, up 3,800 jobs over the month, or 0.1 percent vs. a historical average of 3,400. 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 November

- Trade, Transportation, and Utilities: 7,900
- Government: 4,300
- Professional and Business Services: 2,200

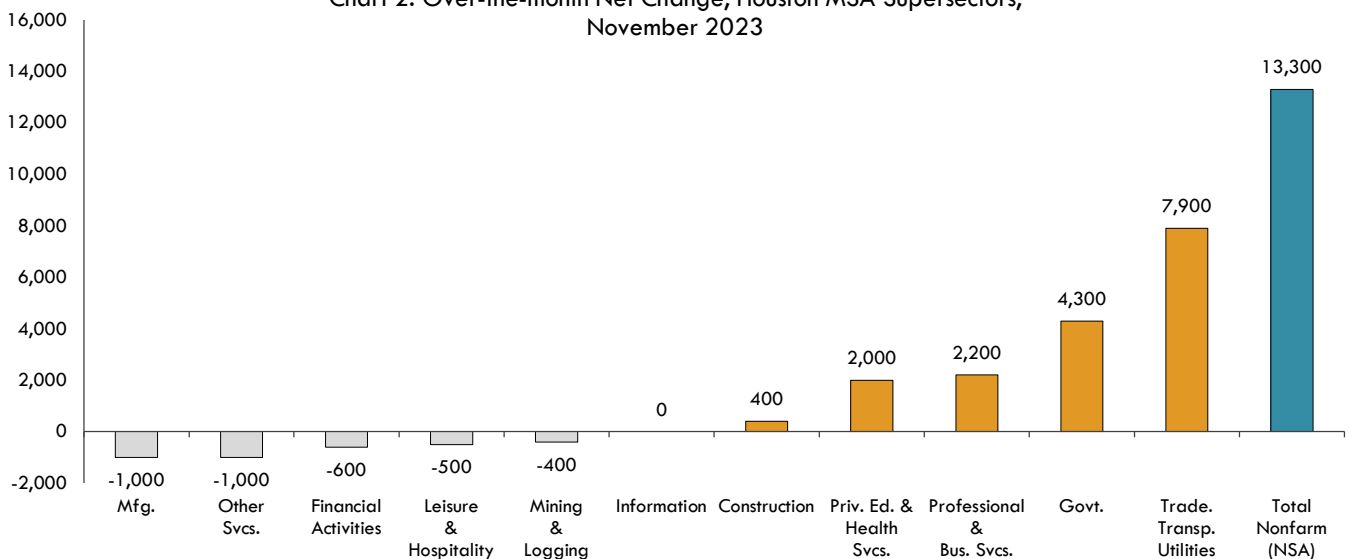
Over-the-year Change

Over the year, Total Nonfarm employment was up 77,800 or 2.3 percent on a not-seasonally-adjusted basis and up 76,600 or 2.3 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, November 2022 saw a year-over-year gain of 146,000 jobs (NSA) from November 2021. Currently 9 out of 11 sectors show growth year over year of which the top-three are Private Education and Health Services (23,400); Trade, Transportation, and Utilities (18,300); and Professional and Business Services (10,500) (see Chart 4). Total Nonfarm



employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,191,800 jobs by 212,600, or 6.7 percent (180,500 jobs, 5.6 percent above 3,197,900 seasonally adjusted).

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



Houston Area Employment Situation

November 2023

Previous Month's Revisions

Total Nonfarm employment was revised upward by 1,600 jobs for a September to October larger net gain of 18,000 compared to an original estimate of 16,400 jobs. An upward revision of +1,600 jobs in Professional and Business Services was the largest contributor followed by Construction (+500) and Financial Activities (+400). Downward revisions in Government (-400), Information (-400), and Leisure and Hospitality (-200) 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 November

- Private Education and Health Services: 23,400
- Trade, Transportation, and Utilities: 18,300
- Professional and Business Services: 10,500

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

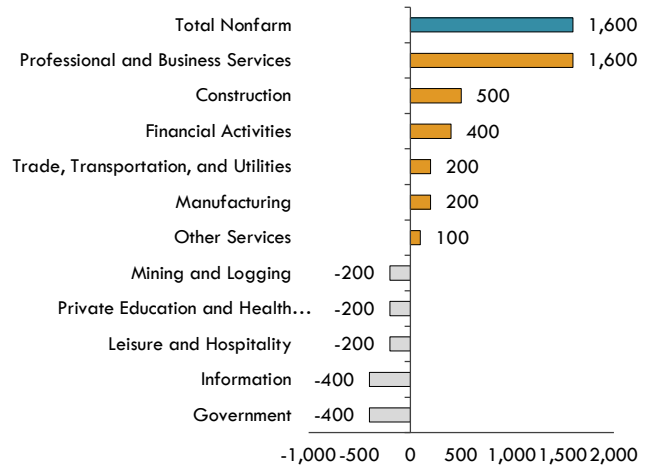


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Nov-08 to Nov-23

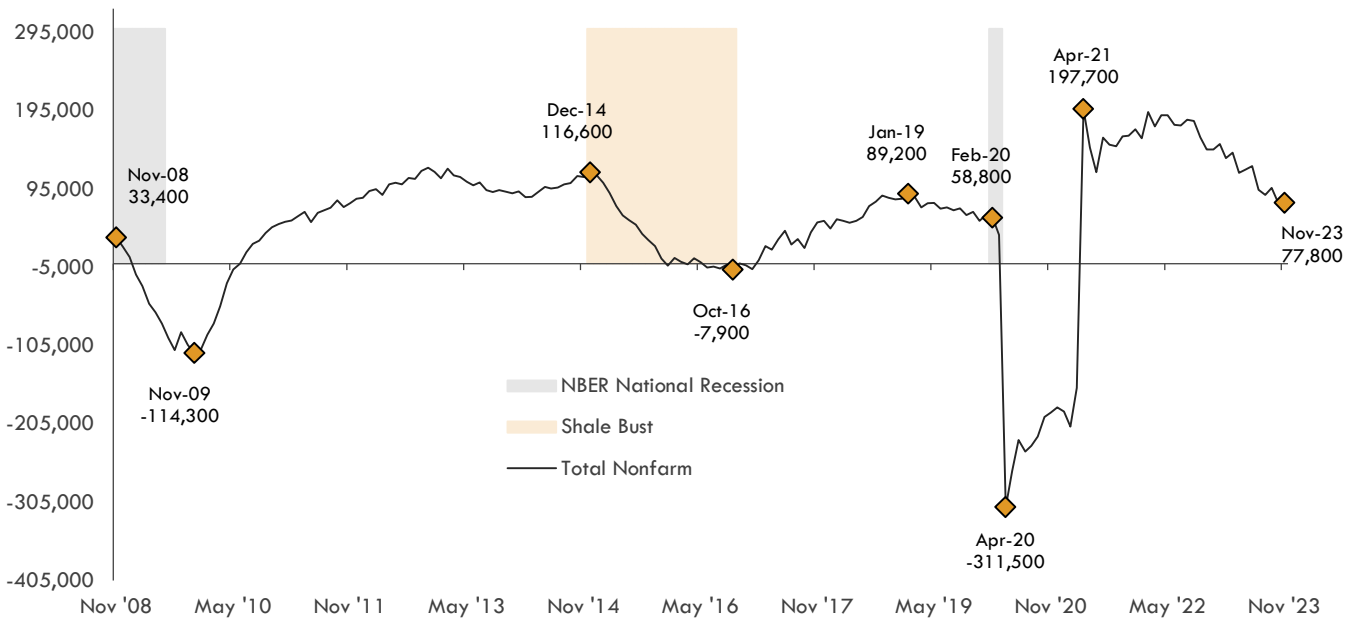
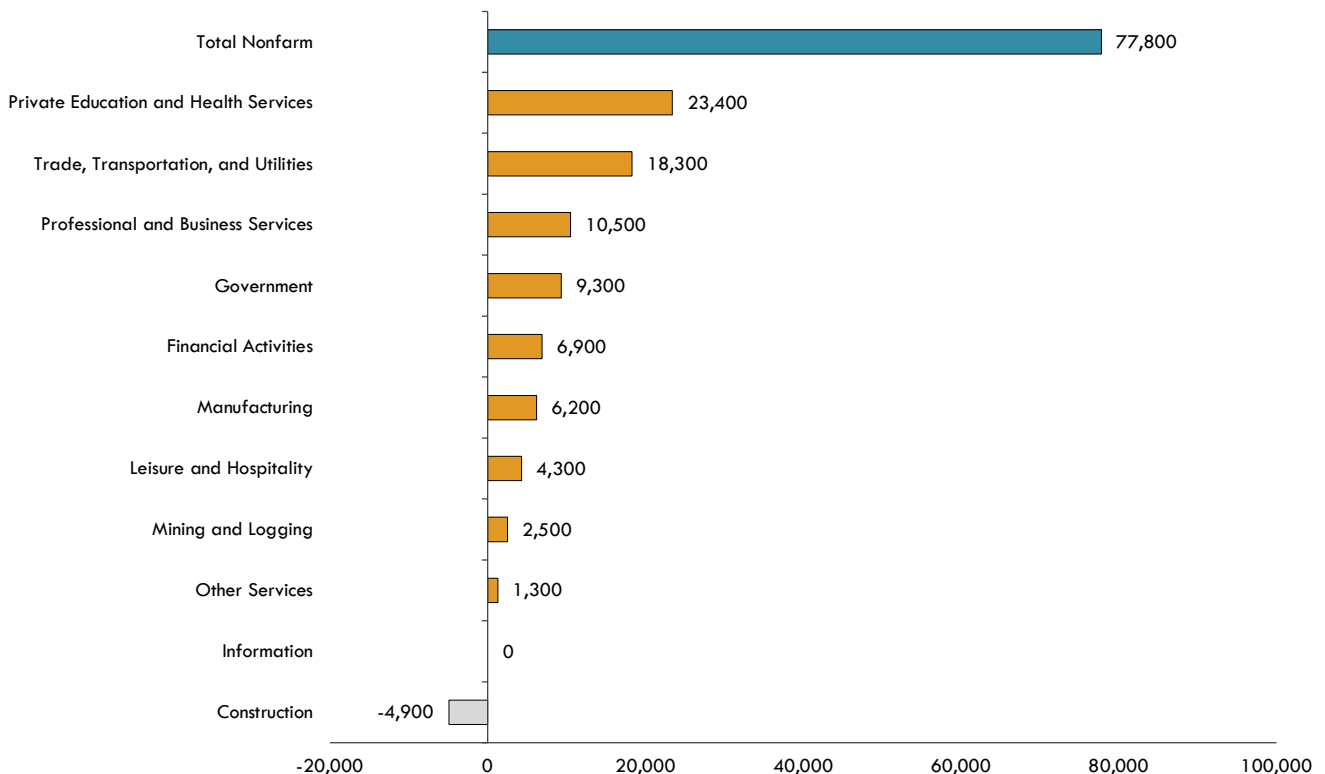


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
November 2022 to November 2023



Supplemental Commentary

Overall Impressions

Our second-to-last jobs report of 2023 was a “steady-as-she-goes” kind of month with Houston adding 13,300 jobs not-seasonally-adjusted and 3,800 seasonally-adjusted over the month in November. Typical seasonal gains in Trade, Transportation, and Utilities (mainly Retail and Warehousing though they came in light compared to recent years), Government (mainly residual public education payroll additions), Professional and Business Services, and Private Education and Healthcare more than offset losses in Manufacturing, Other Services, Financial Activities, Leisure and Hospitality, and Mining and Logging. Losses in those latter sectors were relatively muted apart from Manufacturing and Other Services which lost -1,000 jobs each. The month’s net gains helped total employment cross the 3.4-million mark for the first time since records began in 1990. As context, Houston had “only” around 1.8 million jobs at that time. In terms of recovery from the pandemic, the region’s employment now sits at nearly 213,000 jobs above its February 2020 peak. Lastly, Houston remains up nearly 78,000 jobs year over year, which places 2023’s growth thus far somewhere between 2018 and 2019 levels.

On other fronts, Houston’s (NSA) unemployment rate in November fell to 3.8 percent making this only the second time in 2023 the rate has been below 4.0 percent. In terms of initial and continuing claims for unemployment insurance, both measures remain within ranges suggesting a healthy job market with the former continuing to average around 4,000 a week and the latter around 30,000. However, once again the Workforce Solutions Index fell marking two consecutive months below 4.0. This seems to confirm reports from other outlets that the labor market is “loosening up” i.e. employers are regaining bargaining power relative to jobseekers after nearly two years of elevated demand for talent in the wake of the pandemic. Given continued monthly job growth and relatively low unemployment, a falling WSI at this stage may simply indicate that employers demand for talent is reaching a state of satiation rather than portending a material weakening of the job market.

On a final note, Houston’s outlook for 2024 remains intact. (See the October 2023 Houston Area Employment Situation for the complete forecast.) The Federal Open Market Committee elected to keep interest rates between 5.25 percent and 5.5 percent at its December meeting going so far as to suggest the possibility of three rate cuts next year. Again, with the job market proving it can withstand 11 rate hikes to date coupled with an election year, there are at least two major tailwinds supporting job growth in 2024 however renewed conflict in the Middle East, particularly the impacts on international trade, remains the biggest known unknown to keep an eye on next year.



Here's wishing you happy holidays!



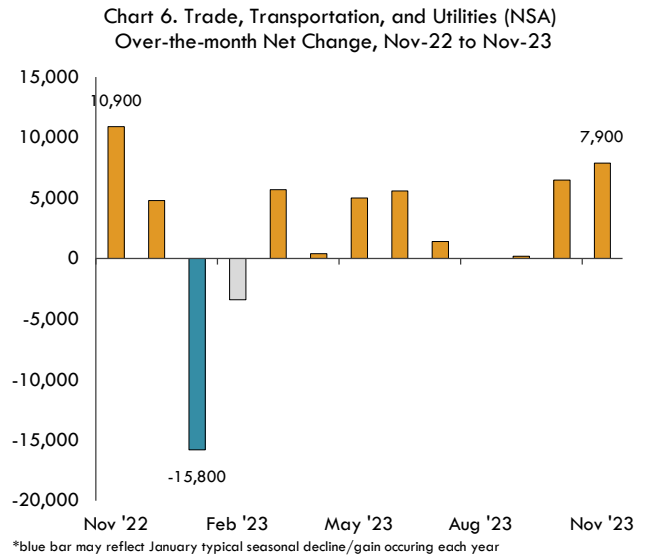
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GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 7,900 jobs, or 1.1 percent (see Chart 6). Historically in the month of November, Trade, Transportation, and Utilities has added an average of 9,300 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Retail Trade was the largest contributor to the overall sector's increase, up 5,600 jobs over the month. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 2,500 jobs from October to November. Lastly, Wholesale Trade offset a portion of the sector's gains with a loss of -200 jobs. Trade, Transportation, and Utilities employment was revised upward by 200 jobs for a September to October larger net gain of 6,500 compared to an original estimate of 6,300 jobs.

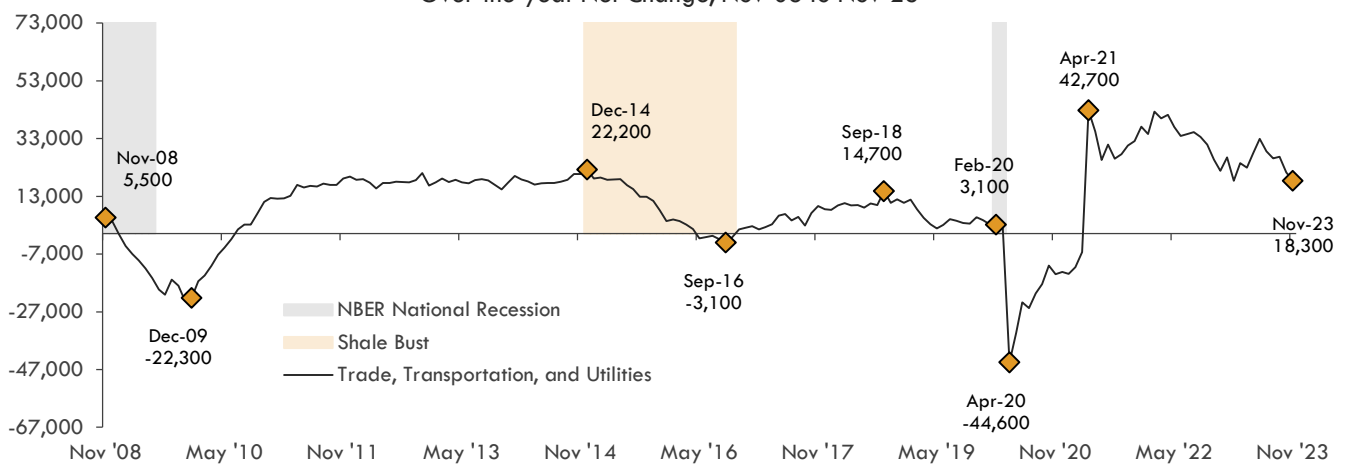


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 18,300 jobs, or 2.6 percent (see Chart 7). This November also marks 32 consecutive months of over-the-year gains. Furthermore, 22.1 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 8,300 jobs over the year. The second-largest contributor was Retail Trade, which added 5,600 jobs from November a year ago. Lastly, Wholesale Trade contributed, 4,400 jobs. Total Trade,

Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,500 jobs by 81,700, or 13.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 20.8 percent over the past year.

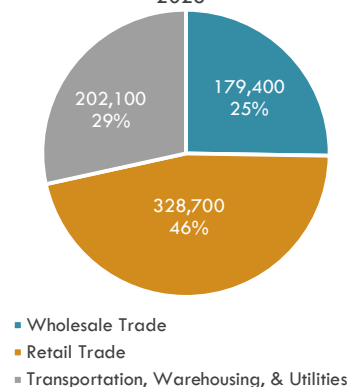
Chart 7. Trade, Transportation, and Utilities (NSA) Over-the-year Net Change, Nov-08 to Nov-23



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).

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

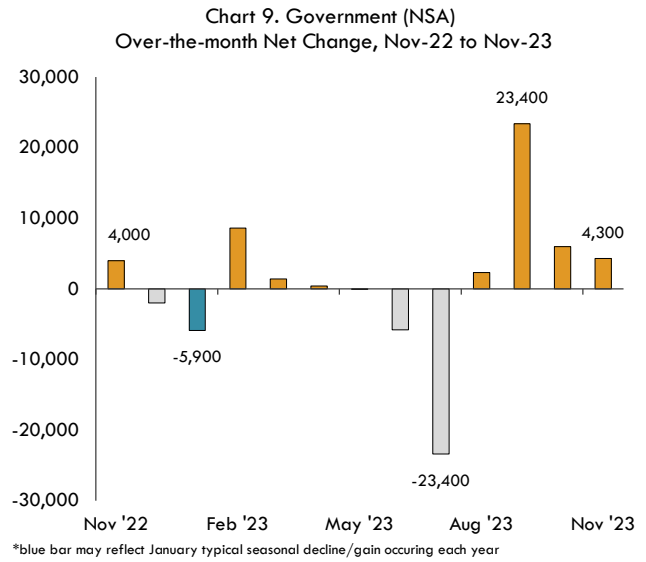


GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the second-largest gaining sector over the month up 4,300 jobs, or 0.9 percent (see Chart 9). This was the largest November over-the-month gain in since 2019. Historically in the month of November, Government has added an average of 2,300 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 3,100 jobs over the month. The second-largest contributor was Federal Government, which added 700 jobs from October to November. Lastly, State Government contributed, 500 jobs. Government employment was revised downward by -400 jobs for a September to October smaller net gain of 6,000 compared to an original estimate of 6,400 jobs.

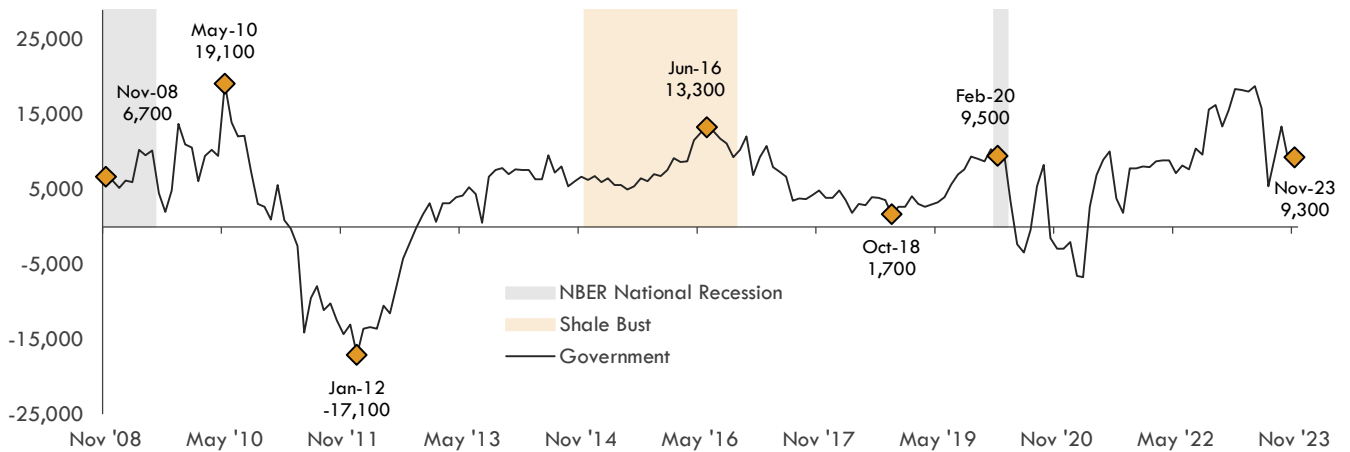


Over-the-year Change

Year over year, Government was up 9,300 jobs, or 2.1 percent (see Chart 10). This November also marks 32 consecutive months of over-the-year gains. Local Government was the largest contributor to the overall sector's increase, up 6,200 jobs over the year. The second-largest contributor was State Government, which added 1,700 jobs from November a year ago. Lastly, Federal Government contributed, 1,400 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 428,400 jobs by 29,300, or 6.8 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.

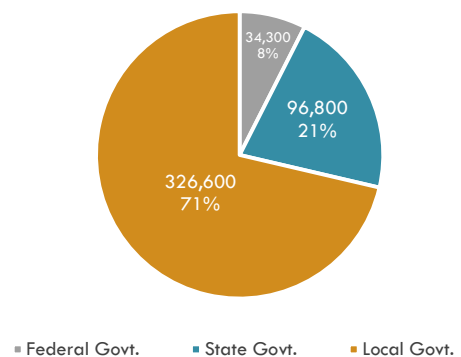
Chart 10. Government (NSA)
Over-the-year Net Change, Nov-08 to Nov-23



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

Chart 11. Employment in Component Industries of Government Sector - November 2023

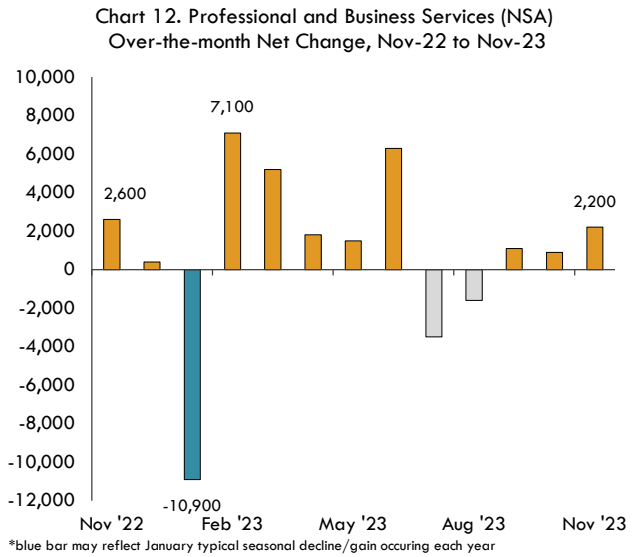


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the third-largest gaining sector over the month up 2,200 jobs, or 0.4 percent (see Chart 12). Historically in the month of November, Professional and Business Services has added an average of 600 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 1,200 jobs over the month. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 900 jobs from October to November. Lastly, Management of Companies and Enterprises contributed, 100 jobs. Professional and Business Services employment was revised upward by 1,600 jobs for a September to October complete erasure of losses resulting in a net gain of 900 compared to an original estimate of -700 jobs.

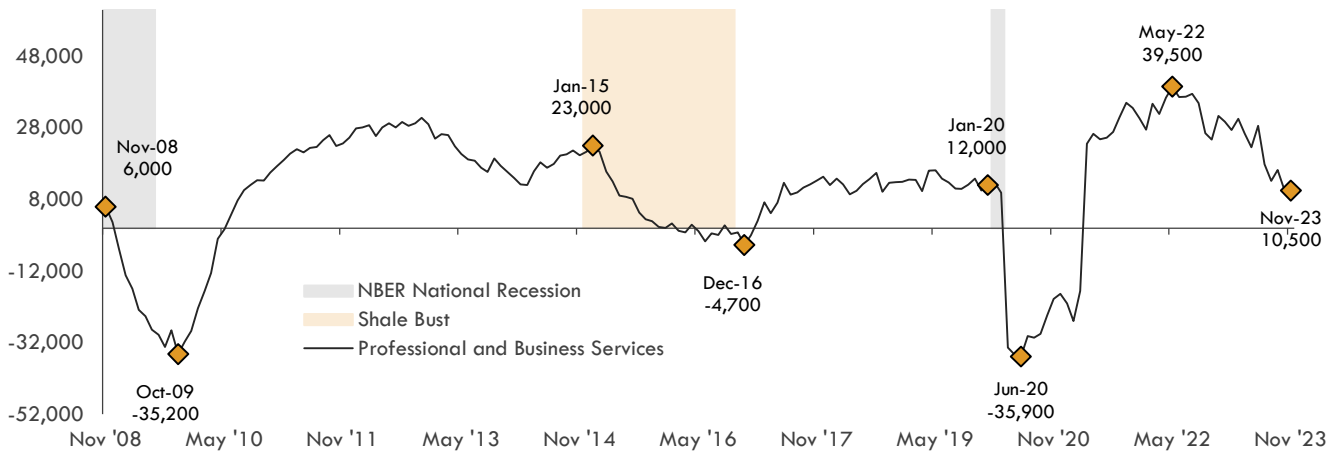


Over-the-year Change

Year over year, Professional and Business Services was up 10,500 jobs, or 1.9 percent (see Chart 13). This November also marks 32 consecutive months of over-the-year gains. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 10,800 jobs over the year. The second-largest contributor was Management of Companies and Enterprises, which added 1,000 jobs from November a year ago. Lastly, Administrative and Support and Waste Management and Remediation Services offset a portion of the sector's gains with a loss of -1,300 jobs. Total Professional and Business Services

employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 50,100, or 9.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 16.7 percent over the past year.

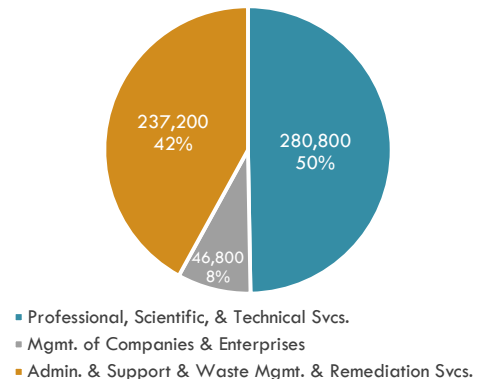
Chart 13. Professional and Business Services (NSA)
Over-the-year Net Change, Nov-08 to Nov-23



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 50 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall sector is 13 percent higher than the national average, due to a 19-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 - November 2023

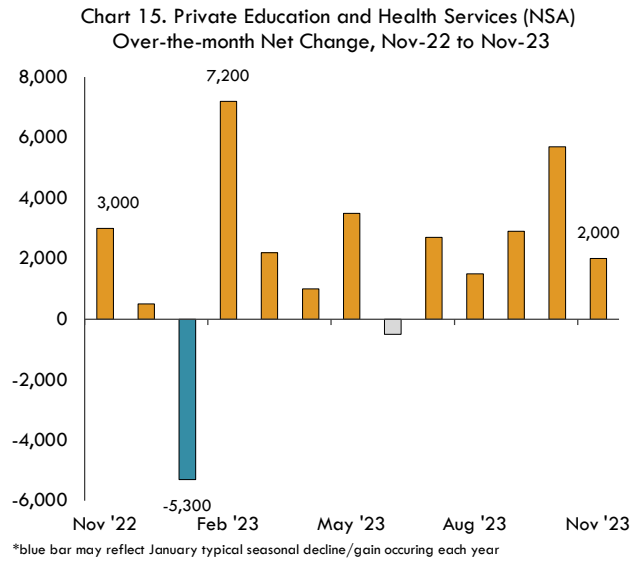


GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services also saw an increase over the month up 2,000 jobs, or 0.4 percent (see Chart 15). Historically in the month of November, Private Education and Health Services has added an average of 1,000 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. One component industry, Private Educational Services, saw no change from October to November. Private Education and Health Services employment was revised downward by -200 jobs for a September to October smaller net gain of 5,700 compared to an original estimate of 5,900 jobs.

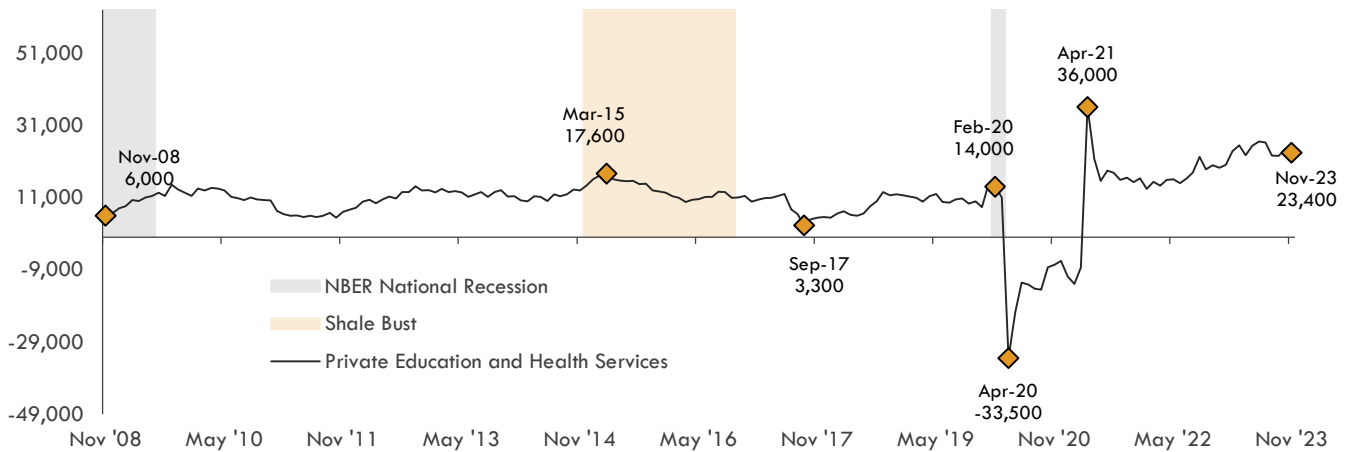


Over-the-year Change

Year over year, Private Education and Health Services was up 23,400 jobs, or 5.3 percent (see Chart 16). This was the largest November over-the-year increase on record. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 28.3 percent of total (gross) jobs added across the region over the past year can be attributed to Private Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 22,800 jobs over the year. The second-largest contributor was Private Educational

Services, which added 600 jobs from November a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400 jobs by 47,400, or 11.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.2 percent to 13.6 percent over the past year.

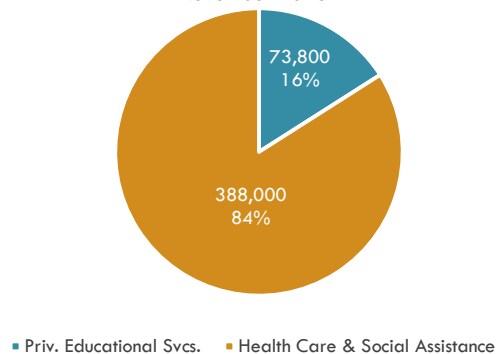
Chart 16. Private Education and Health Services (NSA) Over-the-year Net Change, Nov-08 to Nov-23



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 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 Private Education and Health Services Sector - November 2023

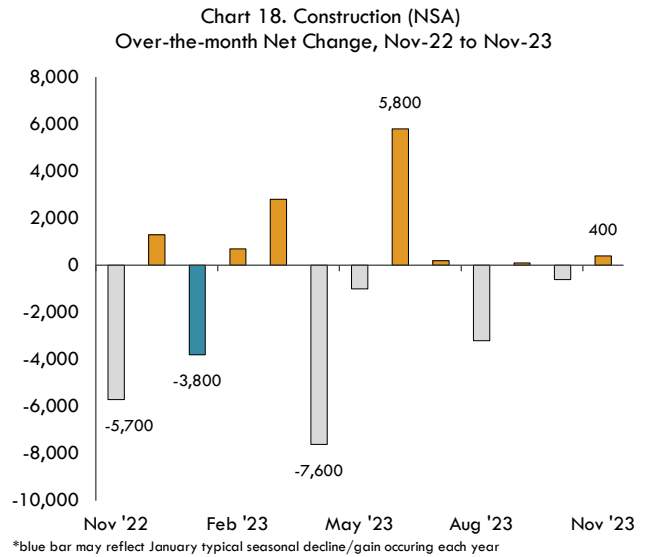


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction also saw an increase over the month up 400 jobs, or 0.2 percent (see Chart 18). This was the largest November over-the-month gain in since 2007. Historically in the month of November, Construction has lost an average of -1,300 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 600 jobs over the month. The second-largest contributor was Construction of Buildings, which added 500 jobs from October to November. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -700 jobs. Construction employment was revised upward by 500 jobs for a September to October smaller net loss of -600 compared to an original estimate of -1,100 jobs.

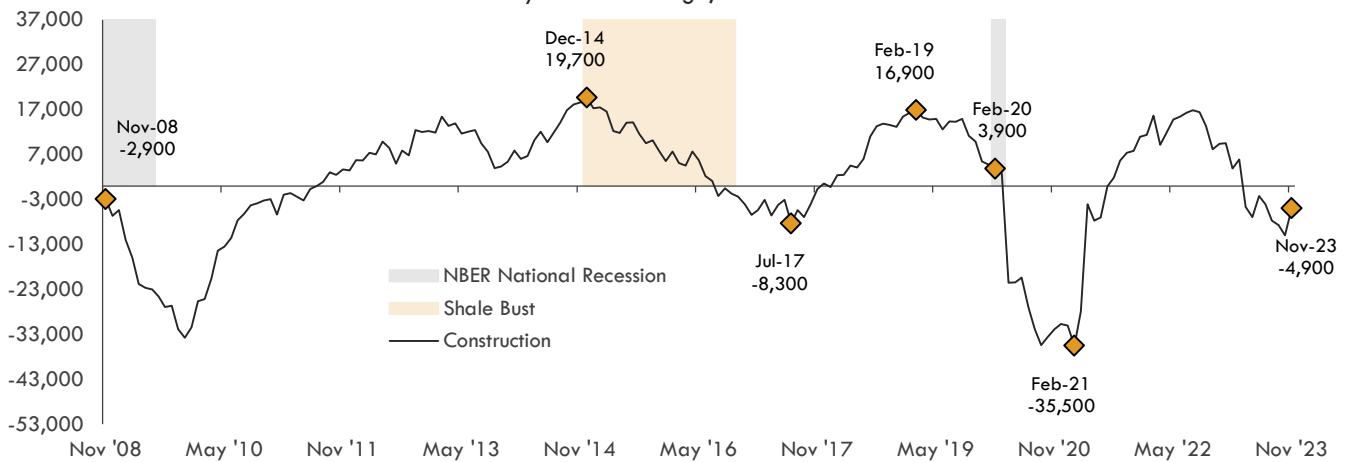


Over-the-year Change

Year over year, Construction was down -4,900 jobs, or -2.2 percent (see Chart 19). This November also marks eight consecutive months of over-the-year losses. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 100.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -7,500 jobs over the year. One component industry that provided a partial offset was Construction of

Buildings, which gained 1,300 jobs from November a year ago. Lastly, Heavy and Civil Engineering Construction offset a portion of the sector's losses with a gain of 1,300 jobs. Total Construction employment (NSA) remains -19,000 jobs, or -8.0 percent below its February 2020 pre-pandemic level of 237,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 6.7 percent to 6.4 percent over the past year.

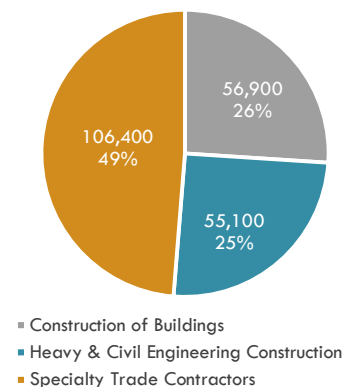
Chart 19. Construction (NSA) Over-the-year Net Change, Nov-08 to Nov-23



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 49 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 25 percent higher than the national average, due to 2.2 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 20. Employment in Component Industries of Construction Sector - November 2023

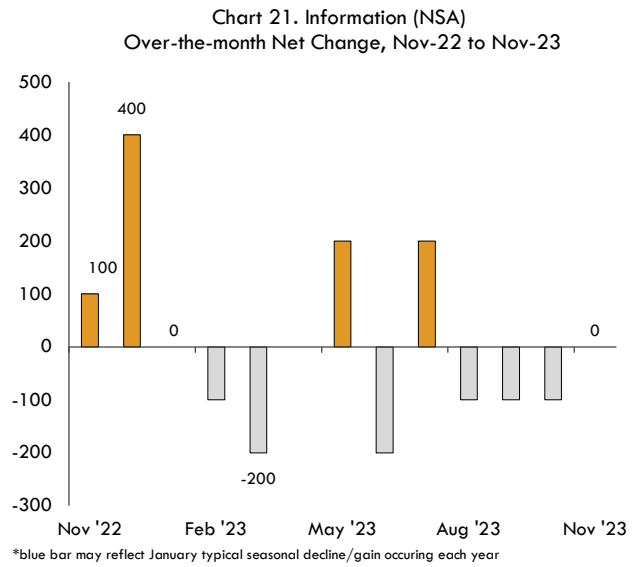


GAINING INDUSTRY HIGHLIGHTS

Information

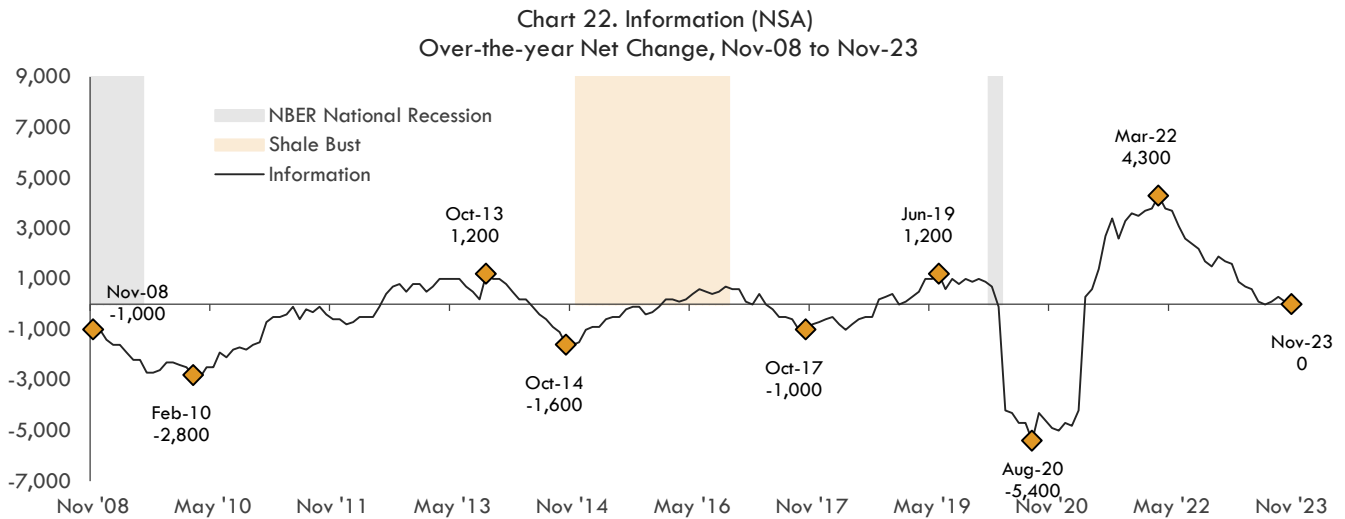
Over-the-month Change

Information was unchanged over the month. (see Chart 21). Historically in the month of November, Information has added an average of 200 jobs over the month, which indicates that this month's net zero change is moderately in contrast to the long-term average gain. Information employment was revised downward by -400 jobs for a September to October complete erasure of gains leaving a net loss of -100 compared to an original estimate of 300 jobs.



Over-the-year Change

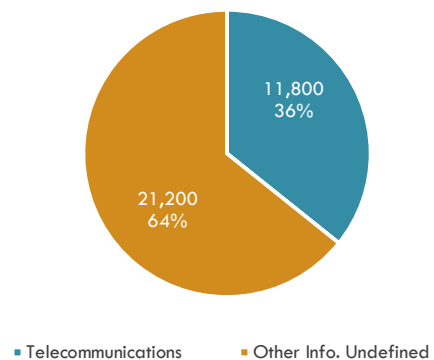
Year over year, Information saw no change. (see Chart 22). Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Total Information employment (NSA) now exceeds its February 2020 pre-pandemic level of 32,700 jobs by 300, or 0.9 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.



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 64 percent (see Chart 23). Across the Houston MSA, the concentration of jobs in the overall Information sector is 50 percent less than the national average.

Chart 23. Employment in Component Industries of Information Sector - November 2023

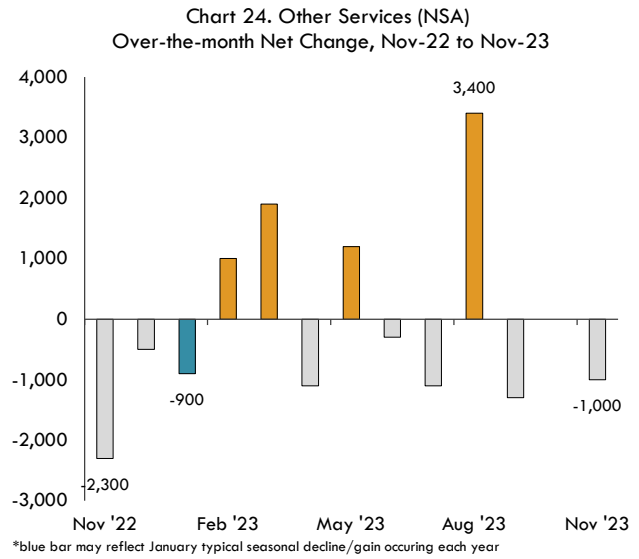


DECLINING INDUSTRY HIGHLIGHTS

Other Services

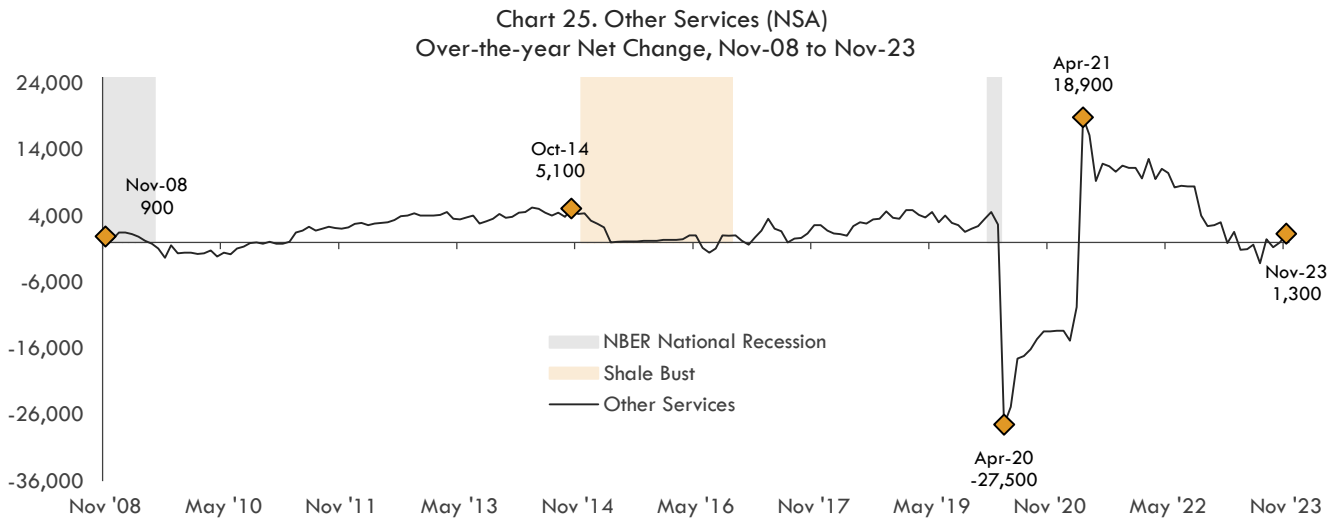
Over-the-month Change

Other Services was the largest declining sector over the month down -1,000 jobs, or -0.8 (see Chart 24). Historically in the month of November, Other Services has lost an average of -700 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 100 jobs for a September to October complete erasure of losses resulting in a net change of zero compared to an original estimate of -100 jobs.



Over-the-year Change

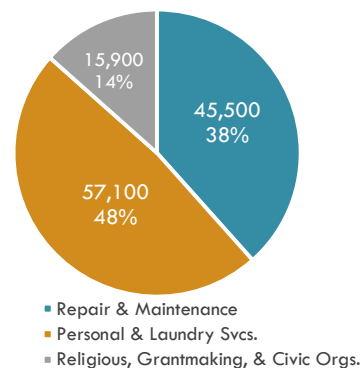
Year over year, Other Services was up 1,300 jobs, or 1.1 percent (see Chart 25). This was the largest over-the-year gain since March 2023's increase of 1,600 jobs. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) remains -600 jobs, or -0.5 percent below its February 2020 pre-pandemic level of 119,100. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 3.5 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 26). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 6 percent less than the national average.

Chart 26. Employment in Component Industries of Other Services Sector - November 2023



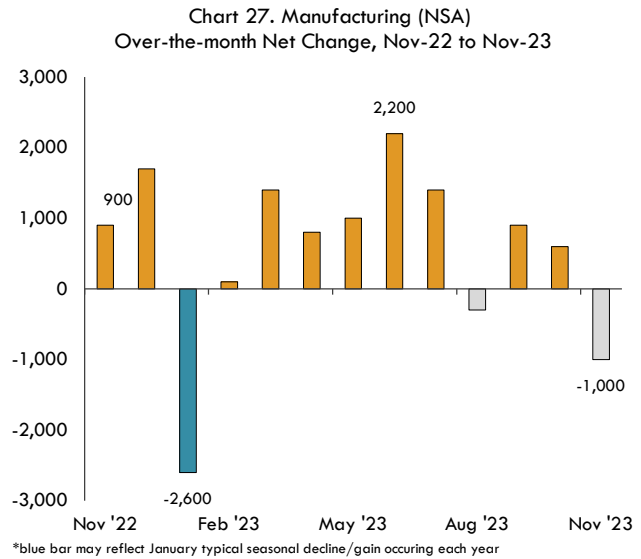
*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing was the second-largest declining sector over the month down -1,000 jobs, or -0.4 (see Chart 27). This was the largest November over-the-month decline in since 2015. Historically in the month of November, Manufacturing has added an average of 500 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Durable Goods was the largest contributor to the overall sector's decline, down -800 jobs over the month. The second-largest declining contributor was Non-Durable Goods, which lost -200 jobs from October to November. Manufacturing employment was revised upward by 200 jobs for a September to October larger net gain of 600 compared to an original estimate of 400 jobs.

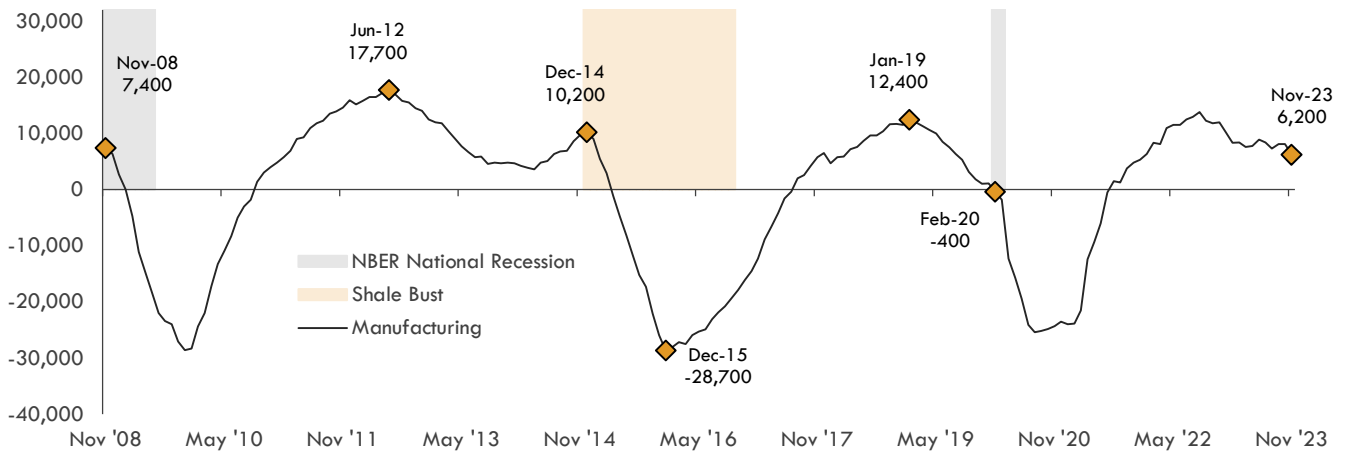


Over-the-year Change

Year over year, Manufacturing was up 6,200 jobs, or 2.7 percent (see Chart 28). This November also marks 28 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 6,200 jobs over the year. One component industry, Non-Durable Goods, saw no change from November a year ago. Total Manufacturing employment (NSA) remains -300 jobs, or -0.1 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.

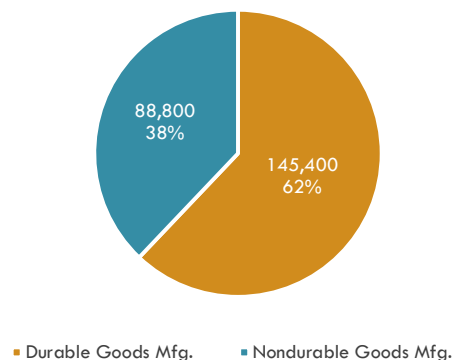
Chart 28. Manufacturing (NSA) Over-the-year Net Change, Nov-08 to Nov-23



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 29). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 16 percent less than the national average.

Chart 29. Employment in Component Industries of Manufacturing Sector - November 2023

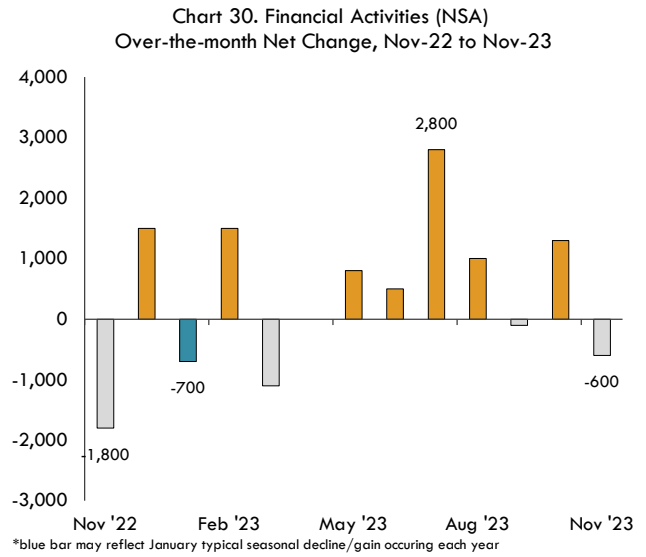


DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities was the third-largest declining sector over the month down -600 jobs, or -0.3 (see Chart 30). Historically in the month of November, Financial Activities has lost an average of -100 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Finance and Insurance was the largest contributor to the overall sector's decline, down -300 jobs over the month. The second-largest declining contributor was Real Estate and Rental and Leasing, which lost -300 jobs from October to November. Financial Activities employment was revised upward by 400 jobs for a September to October larger net gain of 1,300 compared to an original estimate of 900 jobs.

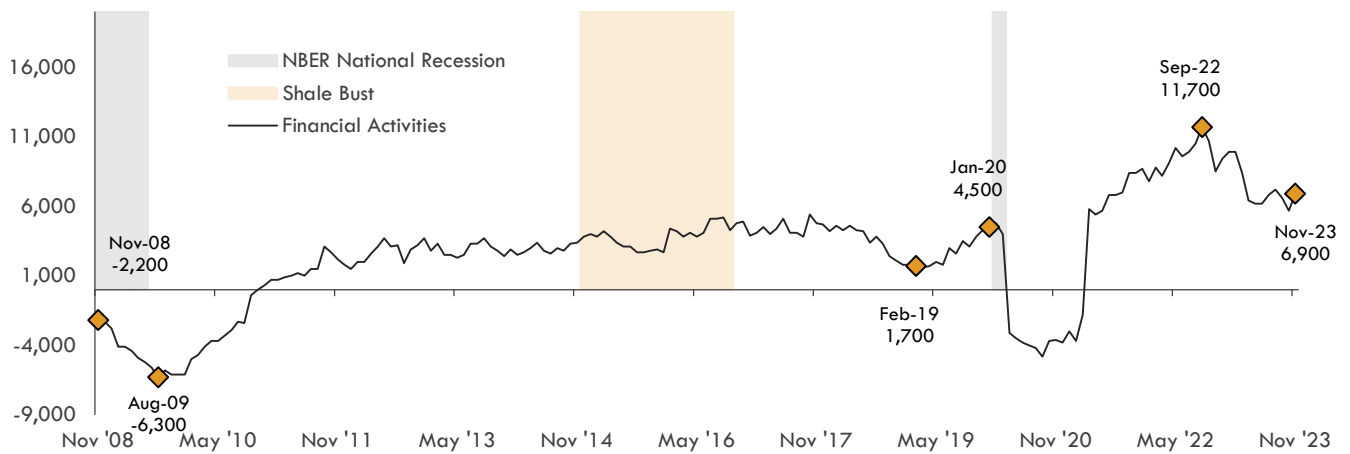


Over-the-year Change

Year over year, Financial Activities was up 6,900 jobs, or 3.8 percent (see Chart 31). This was the largest over-the-year gain since August 2023's increase of 7,200 jobs. It also marks nine 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. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 5,100 jobs over the year. The second-largest contributor was Finance and Insurance, which added 1,800 jobs from November a year ago. Total Financial Activities

employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 19,600, or 11.6 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.

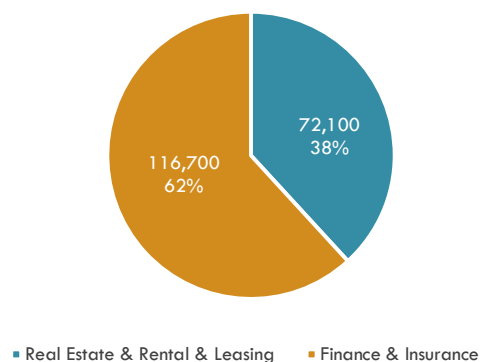
Chart 31. Financial Activities (NSA)
Over-the-year Net Change, Nov-08 to Nov-23



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 62 percent (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 4 percent less than the national average, due to a 19-percent lower concentration in Finance and Insurance offsetting a 37-percent higher concentration in Real Estate and Rental and Leasing.

Chart 32. Employment in Component Industries of
Financial Activities Sector - November 2023

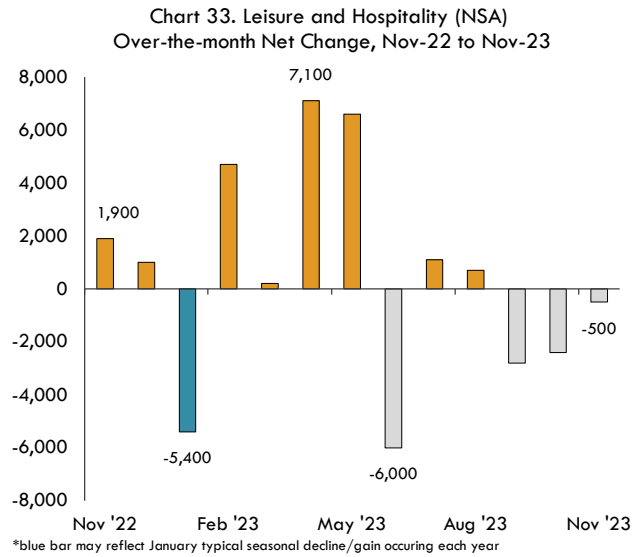


DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

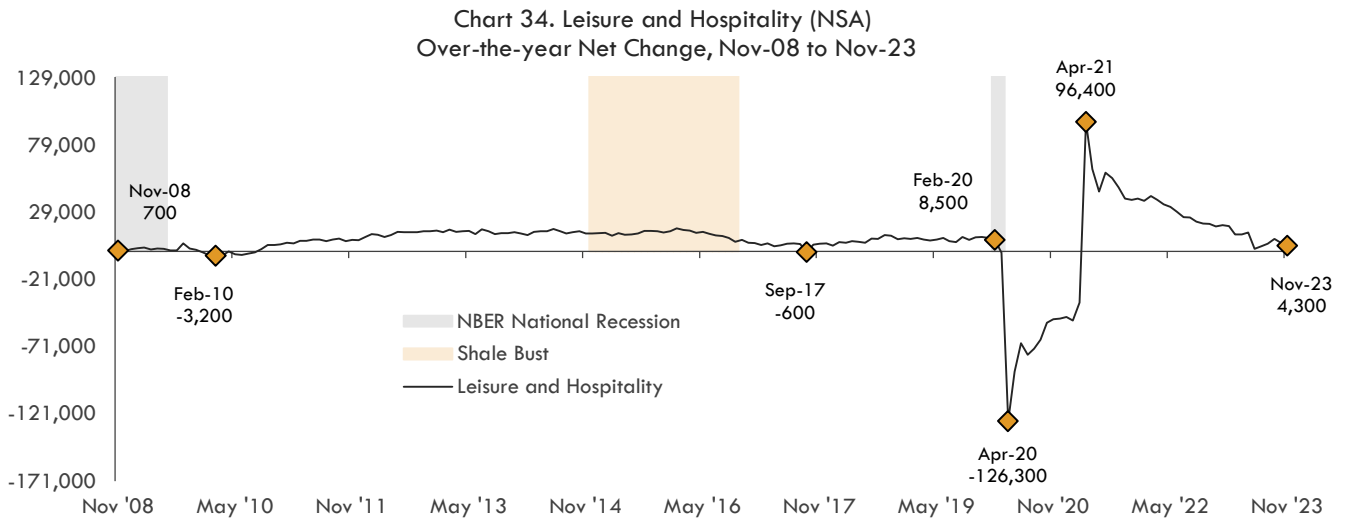
Leisure and Hospitality also saw a decrease over the month down -500 jobs, or -0.1 (see Chart 33). This was the largest November over-the-month decline in since 2018. Historically in the month of November, Leisure and Hospitality has added an average of 200 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -300 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -200 jobs from October to November. Leisure and Hospitality employment was revised downward by -200 jobs for a September to October larger net loss of -2,400 compared to an original estimate of -2,200 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 4,300 jobs, or 1.3 percent (see Chart 34). This November also marks 32 consecutive months of over-the-year gains. Arts, Entertainment, and Recreation was the largest contributor to the overall sector's increase, up 4,000 jobs over the year. The second-largest contributor was Accommodation and Food Services, which added 300 jobs from November a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 12,700, or 3.8 percent. At the same time, the sector's share of Houston area Total

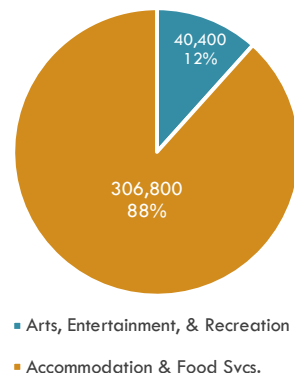
Nonfarm Employment has fallen from 10.3 percent to 10.2 percent over the past year.



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, of exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. 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 88 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall sector is 2 percent less than the national average.

Chart 35. Employment in Component Industries of Leisure and Hospitality Sector - November 2023

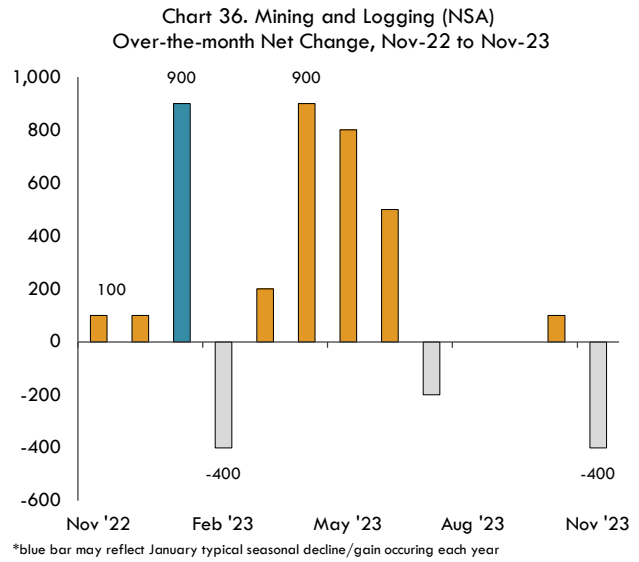


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw a decrease over the month down -400 jobs, or -0.6 (see Chart 36). This was the largest November over-the-month decline in since 2020. Historically in the month of November, Mining and Logging has lost an average of -100 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Support Activities for Mining was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Oil and Gas Extraction, which lost -100 jobs from October to November. Lastly, Other Mining and Logging Undefined subtracted, -100 jobs. Mining and Logging employment was revised downward by -200 jobs for a September to October smaller net gain of 100 compared to an original estimate of 300 jobs.

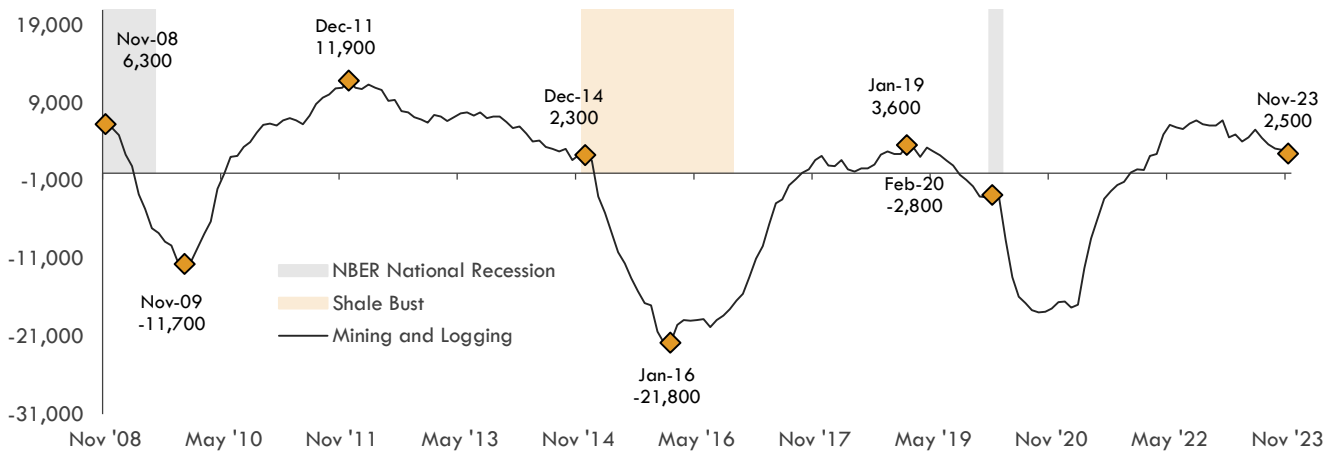


Over-the-year Change

Year over year, Mining and Logging was up 2,500 jobs, or 3.7 percent (see Chart 37). This November also marks 25 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Support Activities for Mining was the largest contributor to the overall sector's increase, up 1,800 jobs over the year. The second-largest contributor was Oil and Gas Extraction, which added 600 jobs from November a year ago. Lastly, Other Mining and Logging Undefined contributed, 100 jobs. Total Mining and Logging employment

(NSA) remains -8,600 jobs, or -11.0 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.

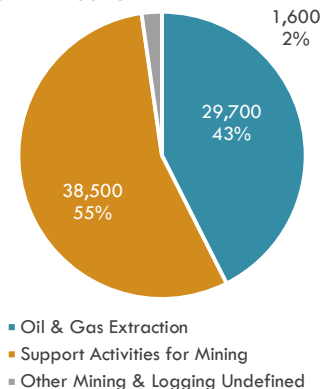
Chart 37. Mining and Logging (NSA) Over-the-year Net Change, Nov-08 to Nov-23



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 the majority of the sector's employment at 55 percent (see Chart 38). 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 38. Employment in Component Industries of Mining and Logging Sector - November 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 3.8 percent in November, down from October's 4.1 percent and down from 3.9 percent a year ago. This was above the statewide rate of 3.5 percent and above the national rate of 3.5 percent. An over-the-month increase in November is typical having occurred roughly 70 percent of the time over the past three decades making this month's decrease stand in contrast to historical seasonal trends. 138,647 individuals were unemployed in Houston in November, down from October's 148,231 and down from 139,451 in November 2022 (see Charts 39 and 40).

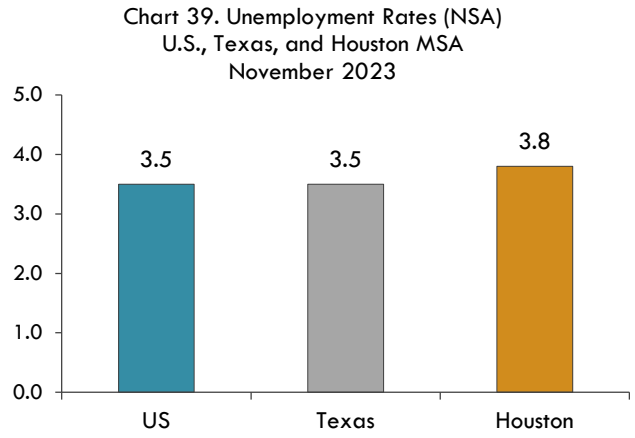
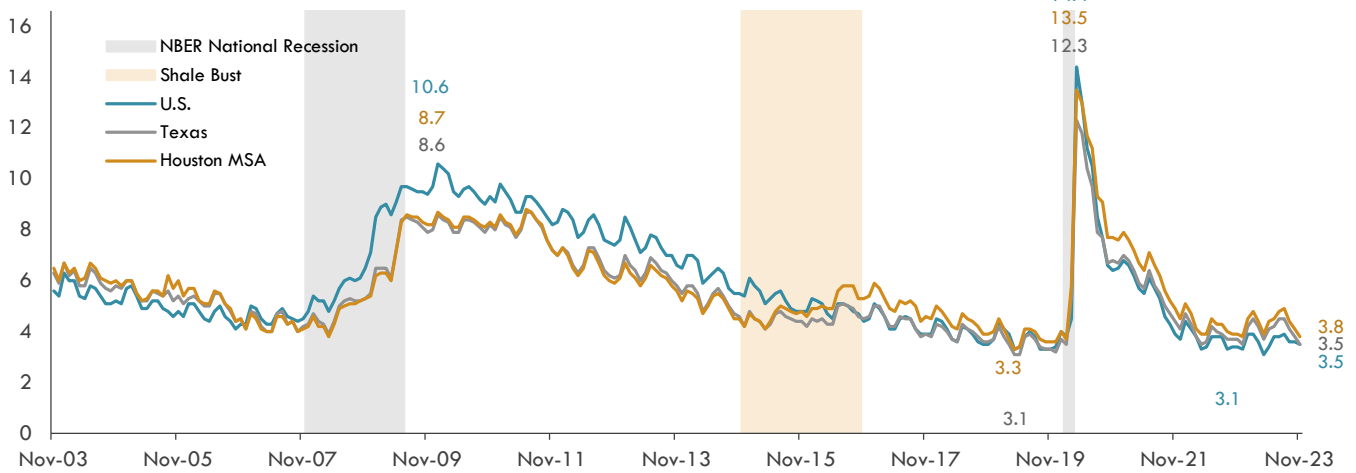


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) November 2003 to November 2023

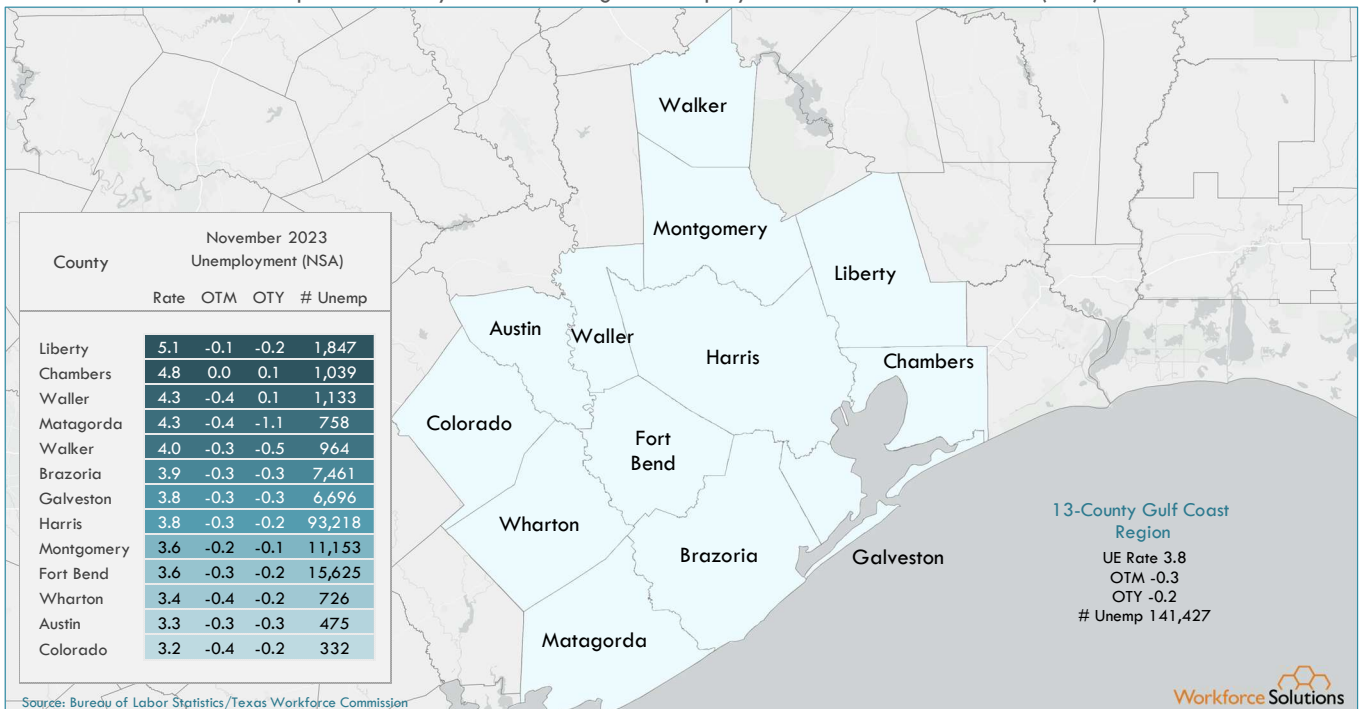


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in November ranged from a high of 5.1 percent in Liberty County to a low of 3.2 percent in Colorado. Over the month, 12 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.3 percentage points while one saw no change. Matagorda saw the largest percentage-point decrease in unemployment down -0.4 pp. representing -79 fewer unemployed workers compared to the previous month. This was followed by Colorado (-0.4 pp, -37 workers) and Wharton (-0.4

pp, -79 workers). Over the year unemployment rates also fell, with Matagorda posting the largest decrease, down -1.1 percentage points representing -161 fewer unemployed workers compared to a year ago followed by Walker (-0.5 pp, -104 workers) and Austin (-0.3 pp, -29 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 -307,885 as of this November (see Map 1 legend).

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



Local Area Unemployment Statistics (continued)

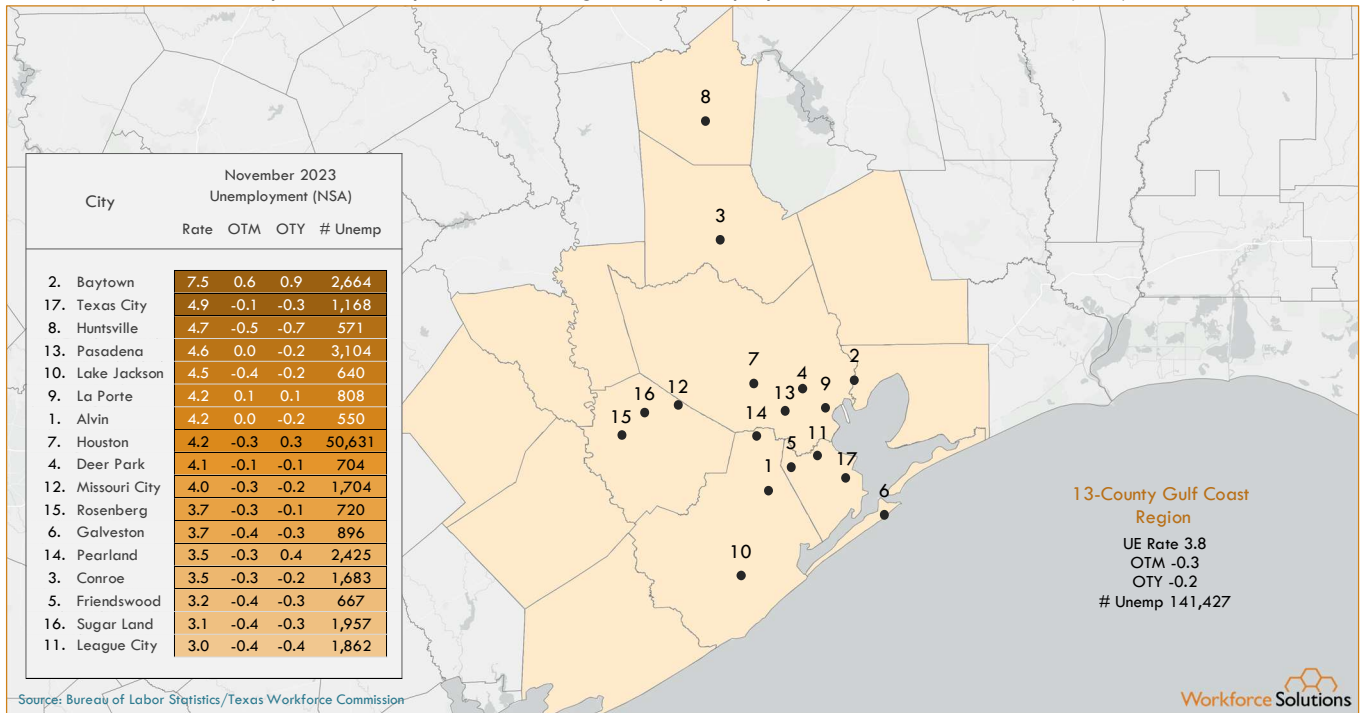
Not-Seasonally Adjusted

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 November ranged from a high of 7.5 percent in Baytown to a low of 3.0 percent in League City (see Map 2 legend). Over the month, 13 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.3 percentage points while two increased and two saw no changes. Huntsville saw the largest percentage-point

decrease in unemployment down -0.5 pp. representing -59 fewer unemployed workers compared to the previous month. This was followed by Galveston (-0.4 pp, -114 workers) and Friendswood (-0.4 pp, -83 workers). Over the year unemployment rates also fell, with Huntsville posting the largest decrease, down -0.7 percentage points representing -67 fewer unemployed workers compared to a year ago followed by League City (-0.4 pp, -138 workers) and Galveston (-0.3 pp, -69 workers). The 17 cities below accounted for 51 percent of the 141,427 unemployed workers across the Gulf Coast Region as of this November (see Map 2 legend).

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



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.4 percent in October, down from September's 4.5 percent and up from 4.1 percent a year ago. This was above the statewide rate of 4.1 percent and above the national rate of 3.9 percent. 161,084 individuals were unemployed in Houston in October, down from September's 161,798 and up from 143,265 in October 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
 October 2023

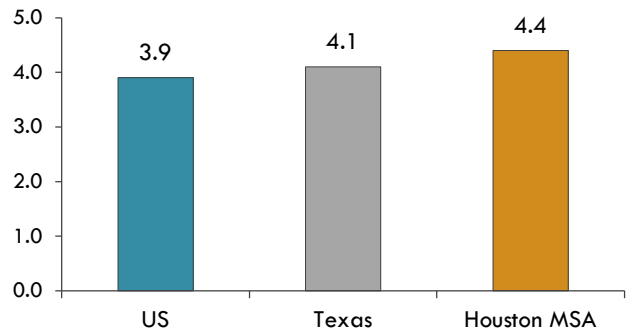
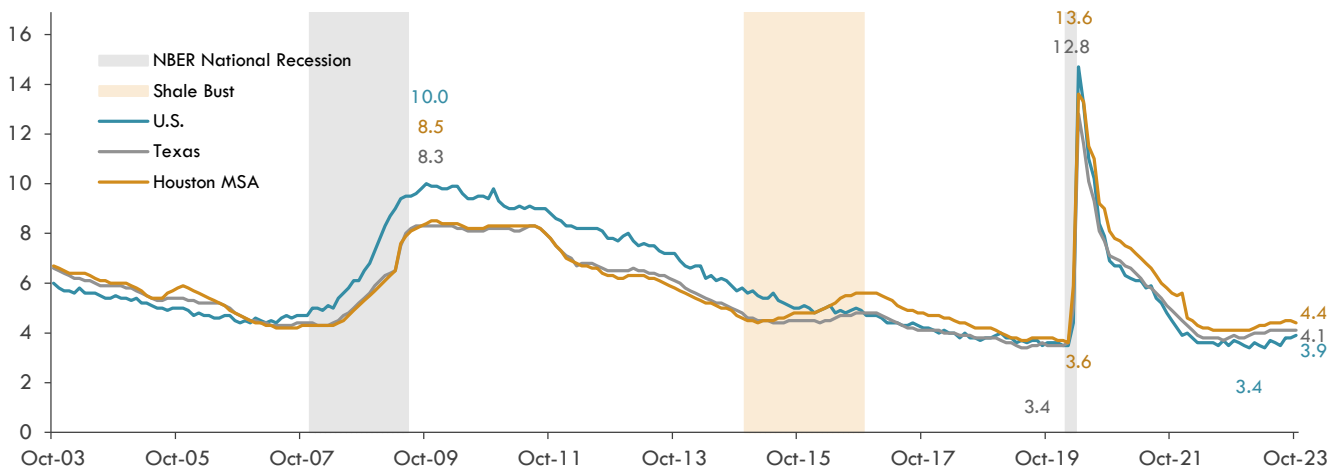


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
 October 2003 to October 2023



Gulf Coast Workforce Solutions Index (WSI)

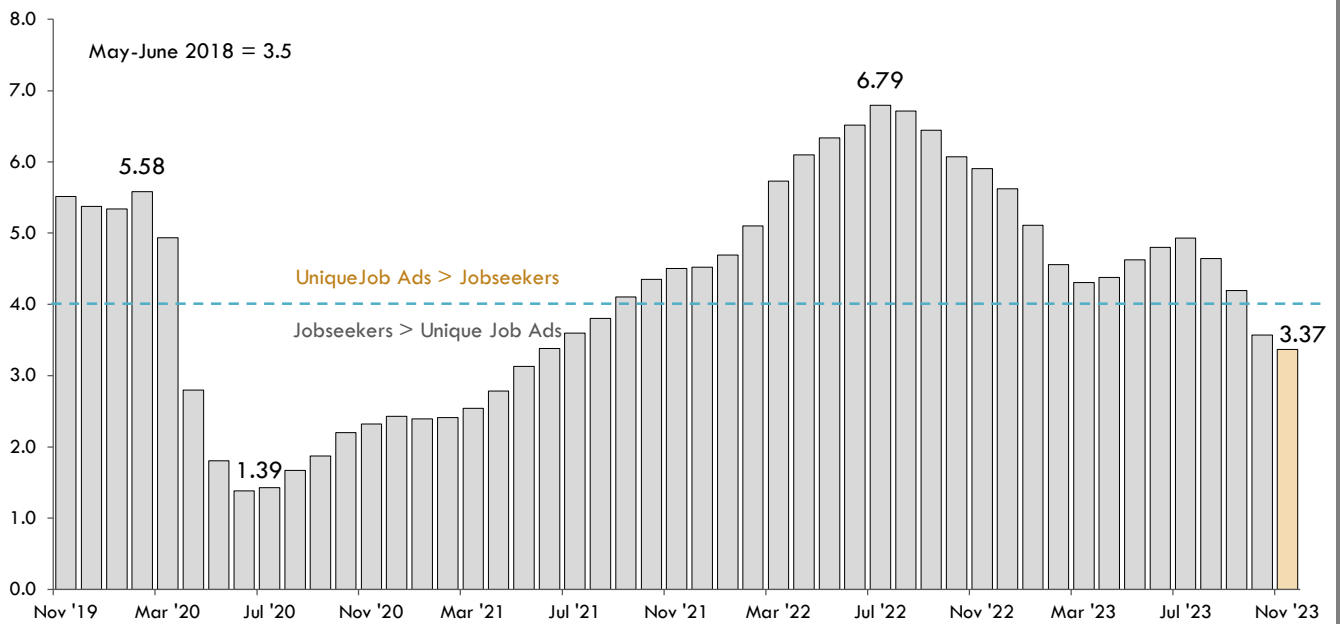


The Gulf Coast Workforce Solutions Index (WSI)

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
November
2023:
3.37

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 November 2023

The Houston MSA WSI for November stood at 3.37, down from October's slightly downward revised reading of 3.57. This was the result of sustained 161,000 unemployed individuals in each of the most recent three months coupled with 70,000 fewer job postings cumulatively across August, September, and October only partially offset by an increase of 10,000 in November.

This November's reading is the second to fall below 4.0 since September 2021 and may signal that employers have regained bargaining power relative to job seekers for the first time in roughly two years.

November's reading continues to suggest that a requirement of three work search activities may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



Houston Area Employment Situation

November 2023

Table 1. Houston MSA Sectors and Major Industry Subcomponents

| NAICS Industry | Nov-23 | Oct-23 | Nov-22 | Monthly | Monthly | Yearly | Yearly % |
|---|------------------|------------------|------------------|---------------|--------------|---------------|--------------|
| Total Nonfarm | 3,404,400 | 3,391,100 | 3,326,600 | 13,300 | 0.4% | 77,800 | 2.3% |
| Total Private | 2,946,700 | 2,937,700 | 2,878,200 | 9,000 | 0.3% | 68,500 | 2.4% |
| Goods Producing | 522,400 | 523,400 | 518,600 | -1,000 | -0.2% | 3,800 | 0.7% |
| ..Mining and Logging | 69,800 | 70,200 | 67,300 | -400 | -0.6% | 2,500 | 3.7% |
| ...Oil and Gas Extraction | 29,700 | 29,800 | 29,100 | -100 | -0.3% | 600 | 2.1% |
| ...Support Activities for Mining | 38,500 | 38,700 | 36,700 | -200 | -0.5% | 1,800 | 4.9% |
| ..Construction | 218,400 | 218,000 | 223,300 | 400 | 0.2% | -4,900 | -2.2% |
| ..Construction of Buildings | 56,900 | 56,400 | 55,600 | 500 | 0.9% | 1,300 | 2.3% |
| ..Heavy and Civil Engineering Construction | 55,100 | 54,500 | 53,800 | 600 | 1.1% | 1,300 | 2.4% |
| ..Specialty Trade Contractors | 106,400 | 107,100 | 113,900 | -700 | -0.7% | -7,500 | -6.6% |
| ..Manufacturing | 234,200 | 235,200 | 228,000 | -1,000 | -0.4% | 6,200 | 2.7% |
| ..Durable Goods | 145,400 | 146,200 | 139,200 | -800 | -0.5% | 6,200 | 4.5% |
| ...Fabricated Metal Product Manufacturing | 50,400 | 50,200 | 48,200 | 200 | 0.4% | 2,200 | 4.6% |
| ...Machinery Manufacturing | 42,200 | 42,400 | 41,500 | -200 | -0.5% | 700 | 1.7% |
|Agriculture, Construction, and Mining Machinery Mfg. | 22,300 | 22,400 | 21,600 | -100 | -0.4% | 700 | 3.2% |
| ...Computer and Electronic Product Manufacturing | 14,500 | 14,500 | 14,200 | 0 | 0.0% | 300 | 2.1% |
| ..Non-Durable Goods | 88,800 | 89,000 | 88,800 | -200 | -0.2% | 0 | 0.0% |
| ...Petroleum and Coal Products Manufacturing | 8,000 | 8,000 | 7,800 | 0 | 0.0% | 200 | 2.6% |
| ...Chemical Manufacturing | 42,500 | 42,600 | 41,700 | -100 | -0.2% | 800 | 1.9% |
| Service Providing | 2,882,000 | 2,867,700 | 2,808,000 | 14,300 | 0.5% | 74,000 | 2.6% |
| .Private Service Providing | 2,424,300 | 2,414,300 | 2,359,600 | 10,000 | 0.4% | 64,700 | 2.7% |
| ..Trade, Transportation, and Utilities | 710,200 | 702,300 | 691,900 | 7,900 | 1.1% | 18,300 | 2.6% |
| ...Wholesale Trade | 179,400 | 179,600 | 175,000 | -200 | -0.1% | 4,400 | 2.5% |
|Merchant Wholesalers, Durable Goods | 111,200 | 111,200 | 108,100 | 0 | 0.0% | 3,100 | 2.9% |
|Prof. and Commercial Equip. Supplies Wholesalers | 17,600 | 17,600 | 17,400 | 0 | 0.0% | 200 | 1.1% |
|Merchant Wholesalers, Nondurable Goods | 55,100 | 55,000 | 54,000 | 100 | 0.2% | 1,100 | 2.0% |
| ...Retail Trade | 328,700 | 323,100 | 323,100 | 5,600 | 1.7% | 5,600 | 1.7% |
|Motor Vehicle and Parts Dealers | 44,800 | 44,700 | 43,500 | 100 | 0.2% | 1,300 | 3.0% |
|Bldg. Material and Garden Equip. and Supplies Dealers | 23,500 | 23,700 | 23,700 | -200 | -0.8% | -200 | -0.8% |
|Food and Beverage Stores | 74,900 | 74,400 | 73,700 | 500 | 0.7% | 1,200 | 1.6% |
|Health and Personal Care Stores | 64,800 | 62,600 | 64,100 | 2,200 | 3.5% | 700 | 1.1% |
|Clothing and Clothing Accessories Stores | 21,700 | 20,600 | 21,200 | 1,100 | 5.3% | 500 | 2.4% |
|General Merchandise Stores | 43,100 | 42,000 | 42,900 | 1,100 | 2.6% | 200 | 0.5% |
|Department Stores | 21,100 | 21,000 | 21,300 | 100 | 0.5% | -200 | -0.9% |
|Other General Merchandise Stores | 28,100 | 25,700 | 27,100 | 2,400 | 9.3% | 1,000 | 3.7% |
| ...Transportation, Warehousing, and Utilities | 202,100 | 199,600 | 193,800 | 2,500 | 1.3% | 8,300 | 4.3% |
|Utilities | 21,100 | 20,800 | 20,100 | 300 | 1.4% | 1,000 | 5.0% |
|Air Transportation | 20,900 | 20,800 | 19,800 | 100 | 0.5% | 1,100 | 5.6% |
|Truck Transportation | 31,600 | 31,500 | 30,800 | 100 | 0.3% | 800 | 2.6% |
|Pipeline Transportation | 13,300 | 13,100 | 12,700 | 200 | 1.5% | 600 | 4.7% |
| ..Information | 33,000 | 33,000 | 33,000 | 0 | 0.0% | 0 | 0.0% |
| ...Telecommunications | 11,800 | 11,900 | 11,900 | -100 | -0.8% | -100 | -0.8% |
| ..Financial Activities | 188,800 | 189,400 | 181,900 | -600 | -0.3% | 6,900 | 3.8% |
| ...Finance and Insurance | 116,700 | 117,000 | 114,900 | -300 | -0.3% | 1,800 | 1.6% |
|Credit Intermediation and Related Activities | 46,200 | 46,400 | 45,700 | -200 | -0.4% | 500 | 1.1% |
|Depository Credit Intermediation | 30,000 | 30,100 | 29,600 | -100 | -0.3% | 400 | 1.4% |
|Securities, Commodity Contracts, and Fin. Investments | 23,500 | 23,600 | 23,100 | -100 | -0.4% | 400 | 1.7% |
|Insurance Carriers and Related Activities | 47,000 | 47,000 | 46,100 | 0 | 0.0% | 900 | 2.0% |
| ...Real Estate and Rental and Leasing | 72,100 | 72,400 | 67,000 | -300 | -0.4% | 5,100 | 7.6% |
| ..Professional and Business Services | 564,800 | 562,600 | 554,300 | 2,200 | 0.4% | 10,500 | 1.9% |
| ...Professional, Scientific, and Technical Services | 280,800 | 279,600 | 270,000 | 1,200 | 0.4% | 10,800 | 4.0% |
|Legal Services | 33,500 | 33,500 | 31,500 | 0 | 0.0% | 2,000 | 6.3% |
|Accounting, Tax Preparation, Bookkeeping, and Payroll | 29,200 | 29,000 | 27,900 | 200 | 0.7% | 1,300 | 4.7% |
|Architectural, Engineering, and Related Services | 80,400 | 79,300 | 73,000 | 1,100 | 1.4% | 7,400 | 10.1% |
|Computer Systems Design and Related Services | 44,700 | 44,600 | 42,600 | 100 | 0.2% | 2,100 | 4.9% |
| ...Management of Companies and Enterprises | 46,800 | 46,700 | 45,800 | 100 | 0.2% | 1,000 | 2.2% |
| ...Admin. and Support and Waste Mgmt. and Remediation | 237,200 | 236,300 | 238,500 | 900 | 0.4% | -1,300 | -0.5% |
|Administrative and Support Services | 223,000 | 222,200 | 225,500 | 800 | 0.4% | -2,500 | -1.1% |
|Employment Services | 85,500 | 84,900 | 89,800 | 600 | 0.7% | -4,300 | -4.8% |
|Services to Buildings and Dwellings | 54,800 | 55,200 | 54,800 | -400 | -0.7% | 0 | 0.0% |
| ..Educational and Health Services | 461,800 | 459,800 | 438,400 | 2,000 | 0.4% | 23,400 | 5.3% |
| ...Educational Services | 73,800 | 73,800 | 73,200 | 0 | 0.0% | 600 | 0.8% |
| ...Health Care and Social Assistance | 388,000 | 386,000 | 365,200 | 2,000 | 0.5% | 22,800 | 6.2% |
|Ambulatory Health Care Services | 195,600 | 195,200 | 186,200 | 400 | 0.2% | 9,400 | 5.0% |
|Hospitals | 97,600 | 96,900 | 91,700 | 700 | 0.7% | 5,900 | 6.4% |
| ..Leisure and Hospitality | 347,200 | 347,700 | 342,900 | -500 | -0.1% | 4,300 | 1.3% |
| ...Arts, Entertainment, and Recreation | 40,400 | 40,600 | 36,400 | -200 | -0.5% | 4,000 | 11.0% |
| ...Accommodation and Food Services | 306,800 | 307,100 | 306,500 | -300 | -0.1% | 300 | 0.1% |
|Accommodation | 26,500 | 26,500 | 26,200 | 0 | 0.0% | 300 | 1.1% |
|Food Services and Drinking Places | 280,300 | 280,600 | 280,300 | -300 | -0.1% | 0 | 0.0% |
| ..Other Services | 118,500 | 119,500 | 117,200 | -1,000 | -0.8% | 1,300 | 1.1% |
| Government | 457,700 | 453,400 | 448,400 | 4,300 | 0.9% | 9,300 | 2.1% |
| .Federal Government | 34,300 | 33,600 | 32,900 | 700 | 2.1% | 1,400 | 4.3% |
| .State Government | 96,800 | 96,300 | 95,100 | 500 | 0.5% | 1,700 | 1.8% |
| ..State Government Educational Services | 55,200 | 54,700 | 54,300 | 500 | 0.9% | 900 | 1.7% |
| .Local Government | 326,600 | 323,500 | 320,400 | 3,100 | 1.0% | 6,200 | 1.9% |
| ..Local Government Educational Services | 228,000 | 225,600 | 223,700 | 2,400 | 1.1% | 4,300 | 1.9% |