

Houston Area Employment Situation

November 2020

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Seasonal Retail Hiring and Transportation Logistics Drive November's Job Growth but Unemployment Rate Swings Continue

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm (not-seasonally adjusted) employment stood at 3,056,200 in November, up 25,800 jobs over the month, or 0.9 percent. A year ago Houston registered an over-the-month increase of 21,600 jobs. This was the largest-ever one-month gain in the month of November since records began in 1990. The largest over-the-month gain of all-time for Total Nonfarm Employment occurred in May 2020, up 78,200 jobs. The largest one-month decline on record outside of seasonal job losses in January and July occurred in April 2020, down -332,200 jobs. (see Chart 1.) 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 substantially above the long-term average.

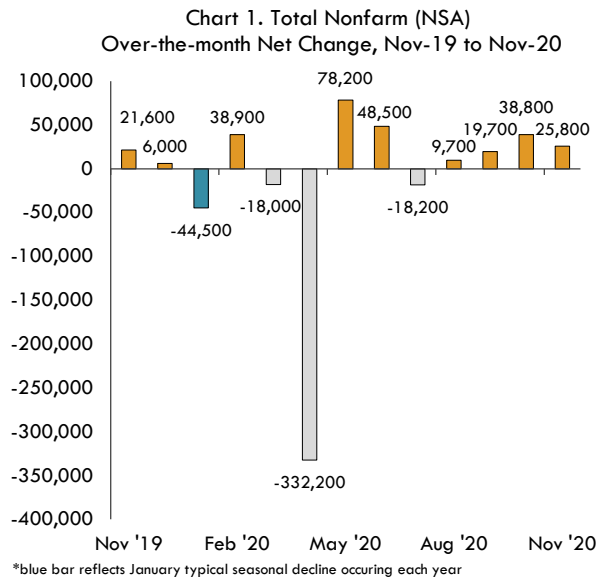
The primary drivers of this November's growth were increases in Trade, Transportation, and Utilities, Government, and Education and Health Services. Gains were also recorded in Information, Financial Activities, and Other Services. The net increase in jobs over the month was partially offset by losses in Manufacturing, Professional and Business Services, and Mining and Logging. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,036,500, up 18,200 jobs over the month, or 0.6 percent. Note that analysis throughout the remainder of this report references not-seasonally adjusted data as seasonally-adjusted data is unavailable for major sectors and their sub-components.

Top-3 Drivers of Over-the-month Job Growth in November

- Trade, Transportation, and Utilities: 15,900
- Government: 5,400
- Education and Health Services: 5,000

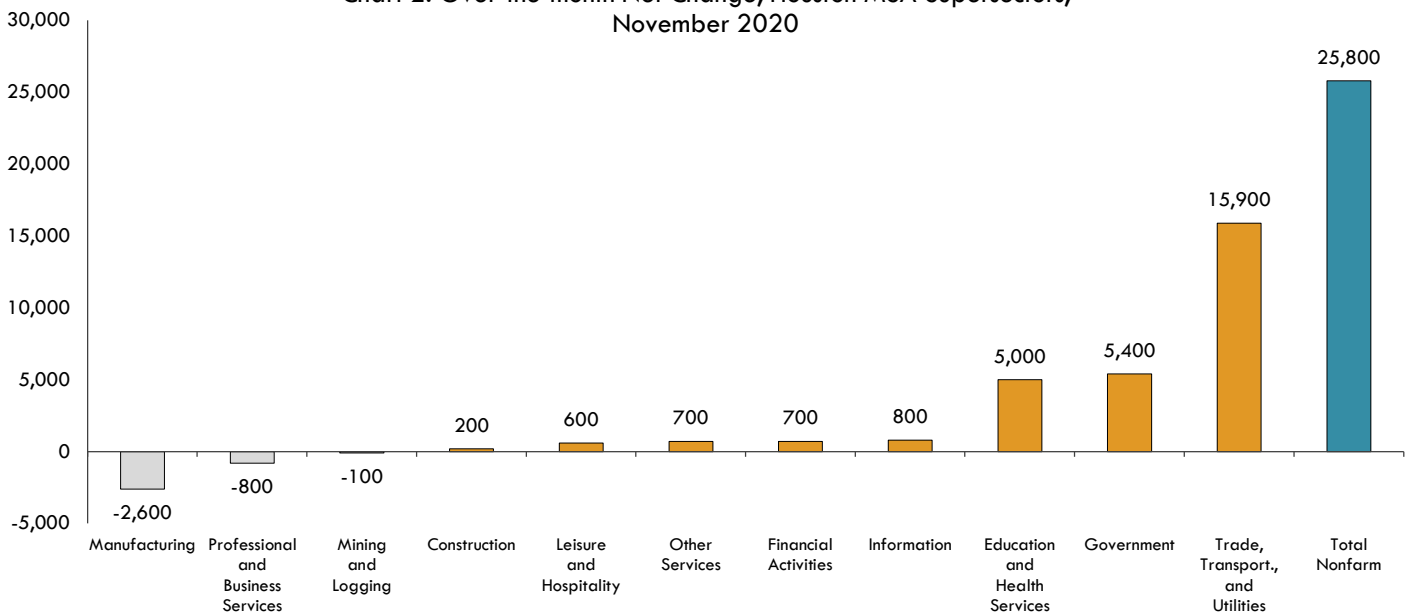
Over-the-year Change

Over the year, Total Nonfarm employment was down -147,300 or -4.6 percent on a not-seasonally-adjusted basis and down -143,500 or -4.5 percent on a seasonally-adjusted basis. To compare, November 2019 saw a year-over-year gain of 62,200 jobs (NSA) from November 2018. The largest over-the-year gain on record for Total Nonfarm Employment occurred in November 2012, up 122,600 jobs. The largest over-the-year decline on record



April 2020, down -285,800 jobs. Currently 10 out of 11 sectors show declines in employment year over year of which the top-three are Leisure and Hospitality (-40,000), Manufacturing (-23,900), and Construction (-22,500). (see Chart 4.) COVID-19 resulted in the loss of -350,200 jobs over March and April 2020 of which approximately 60 percent of Total Nonfarm employment has been recovered to date.

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, November 2020



Previous Month's Revisions

Total Nonfarm employment was revised upward by 100 jobs for a September to October larger net gain of 38,800 compared to an original estimate of 38,700 jobs. An upward revision of +500 jobs in Trade, Transportation, and Utilities was the largest contributor followed by Leisure and Hospitality (+400) and Education and Health Services (+300). Downward revisions in Government (-400), Construction (-400), and Manufacturing (-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 Loss in November

- Leisure and Hospitality: -40,000
- Manufacturing: -23,900
- Construction: -22,500

Chart 5. Net Revisions for Selected Supersectors and Major Industries, October 2020

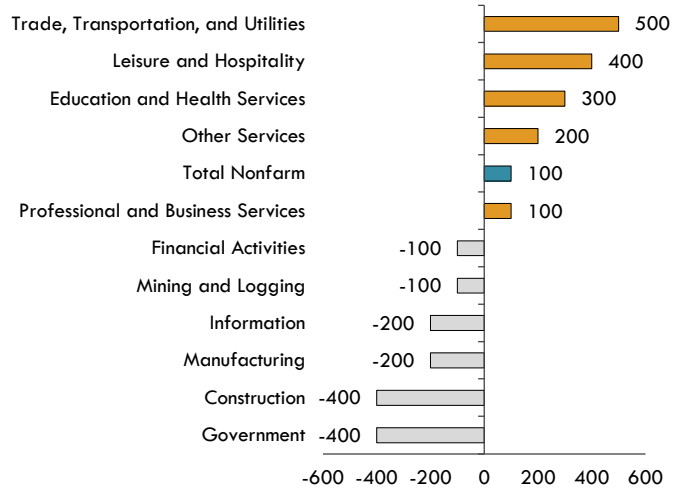


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Nov-05 to Nov-20

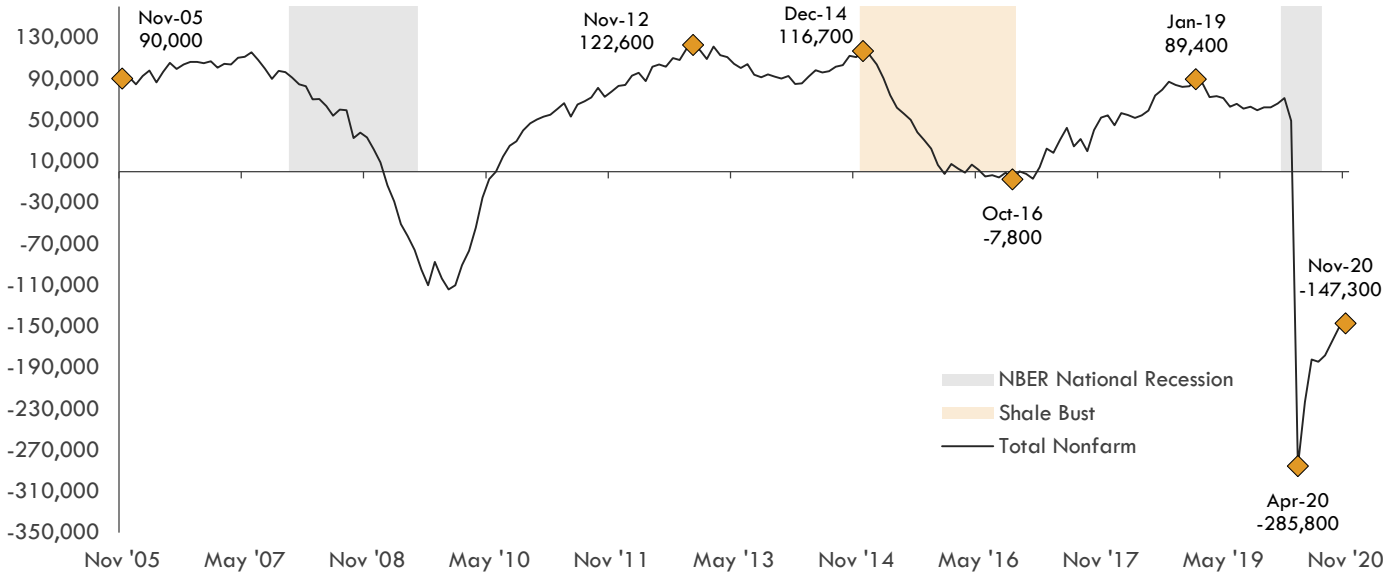
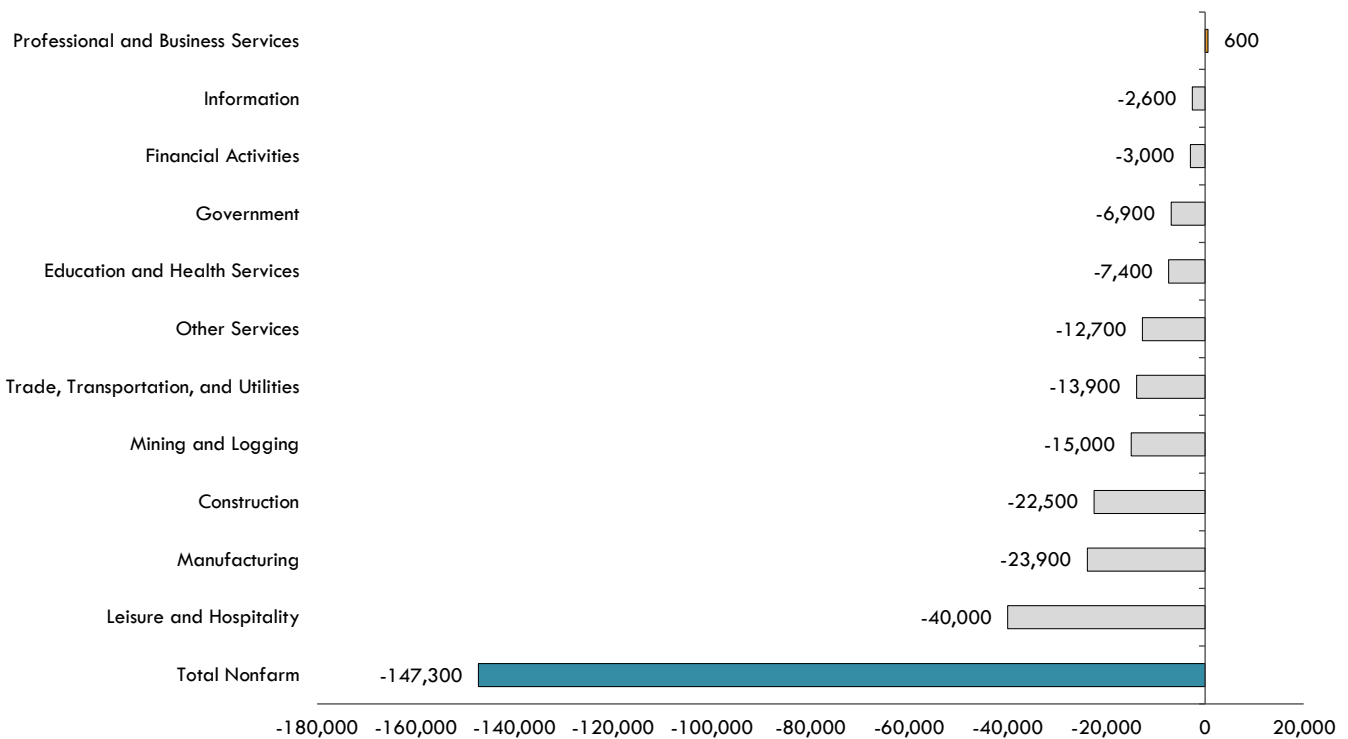


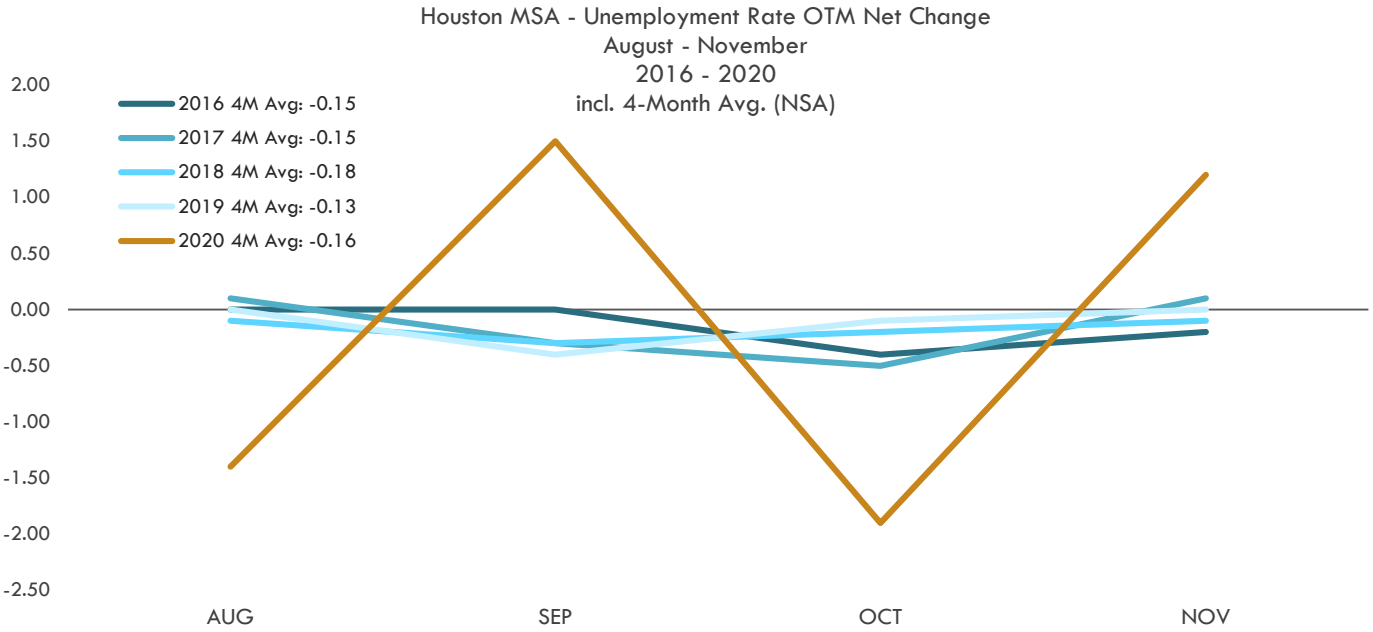
Chart 4. Over-the-year Net Change, Houston MSA Supersectors, November 2019 to November 2020



Supplemental Commentary

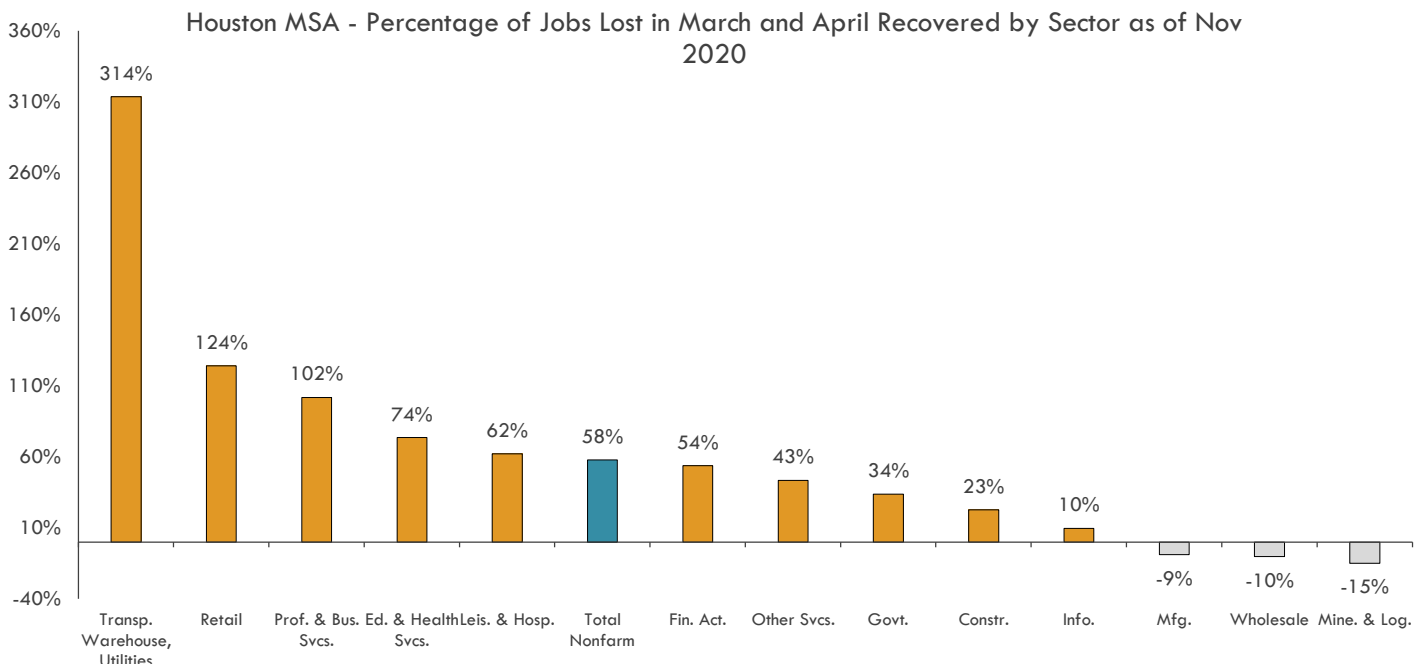
Unemployment Rate Swings

November 2020 marks the fourth consecutive swing in the unemployment of 1 full percentage point or more, a phenomenon that previously had never occurred in the history of the series. Specifically November saw the rate rise from October, similar to the change seen in September from August and as was the case for that two-month period, there was also a lack of corroborating data from other sources e.g. UI claims, job ads, etc. to justify such a large over-the-month increase. However, if we examine the average change in the unemployment rate between August and November of each of the past five years including 2020, we find that it does not differ substantially from past years with 2020 posting an average change of -0.16 percentage points compared to -0.13 in 2019, -0.18 in 2018, -0.15 in 2017, and -0.15 in 2016. This suggests that while the absolute unemployment rate for 2020 remains elevated compared to previous years, recent swings are likely due to lingering estimation anomalies from the COVID-19 driven shocks that occurred in March and April of this year.



Sector Recovery Rates

November saw continued recovery of jobs lost in March and April across most sectors with Transportation, Warehousing, and Utilities pulling away from the rest with a recovery of 100 percent of jobs lost plus an additional 214 percent, much of which was the result of an all-time record increase in employment over the month of 6,000 jobs. This increase likely due to a combination of the longer-term trend of stronger employment growth each November for the past several years, likely due to increasing shifts towards online retail and therefore delivery, typical seasonal increases that occur each October to December, and amplified growth due to continued changes in consumption patterns resulting from COVID-19. Sectors related to oil and gas: Mining and Logging, Wholesale Trade, and Manufacturing continue to post losses resulting in employment that remains 10 to 15 percent below February 2020 levels. Overall just under 60 percent of jobs lost in March and April of this year have been recovered as of November.



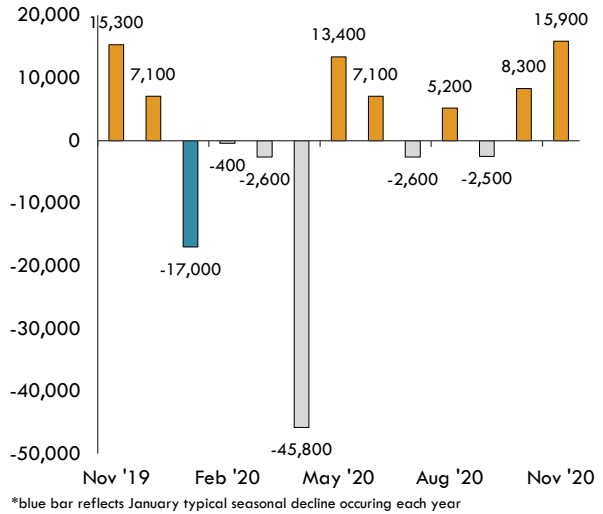
GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 15,900 jobs, or 2.6 percent. (see Chart 6.) This was the largest-ever gain in the month of November, or any other month, since records began in 1990. The largest decline on record occurred in April 2020, down -45,800 jobs. Historically in the month of November, Trade, Transportation, and Utilities has added an average of 9,200 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 9,300 jobs over the month. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 6,000 jobs from October to November. Lastly, Wholesale Trade contributed, 600 jobs. Trade, Transportation, and Utilities employment was revised upward by 500 jobs for a September to October larger net gain of 8,300 compared to an original estimate of 7,800 jobs.

Chart 6. Trade, Transportation, and Utilities (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

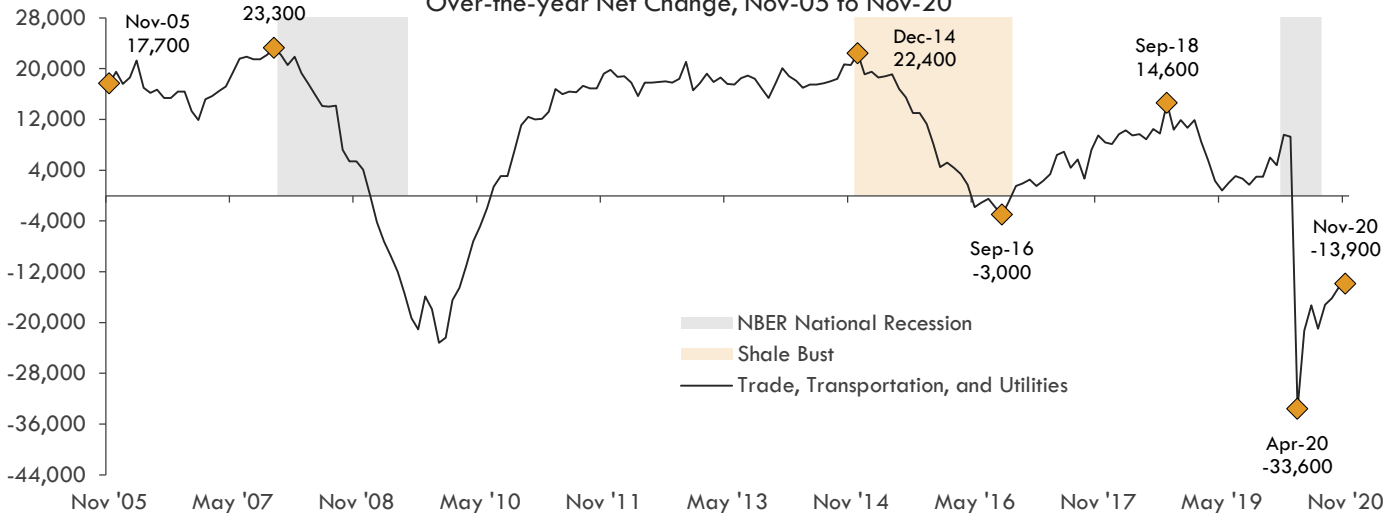


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was down 13,900 jobs, or -2.2 percent. (see Chart 7.) The largest over-the-year gain on record for this sector occurred in November 2007, up 23,300 jobs. The largest decline on record occurred in April 2020, down -33,600 jobs. Wholesale Trade was the largest contributor to the overall sector's decline, down -17,100 jobs over the year. The second-largest declining contributor was Retail Trade, which lost -3,500 jobs from November a year ago. Lastly, Transportation, Warehousing,

and Utilities offset a portion of the sector's losses with a gain of 6,700 jobs. Trade, Transportation, and Utilities's share of Houston area Total Nonfarm Employment has risen from 20.2 percent to 20.7 percent over the past year.

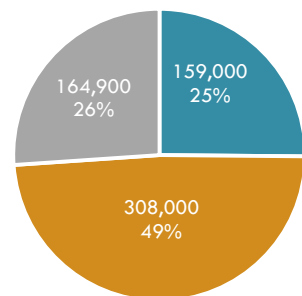
Chart 7. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 49 percent. (see Chart 8.) Across the Houston MSA, the concentration of jobs in the overall sector is 9 percent higher than the national average, due to a 32-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 - November 2020



- Wholesale Trade
- Retail Trade
- Transportation, Warehousing, & Utilities

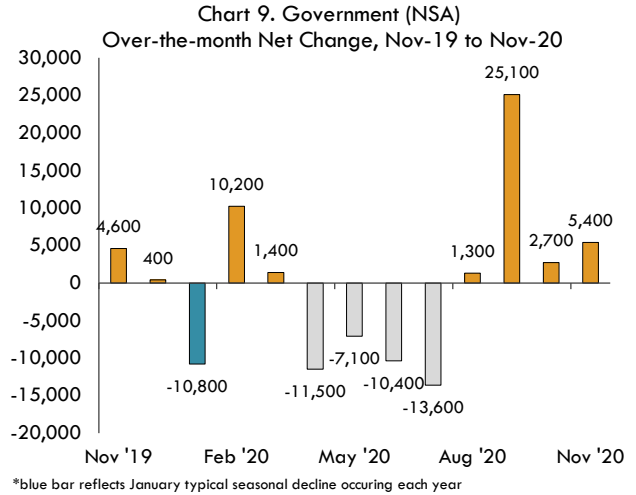
GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the second-largest gaining sector over the month up 5,400 jobs, or 1.3 percent. (see Chart 9.) This was the largest-ever gain in the month of November since records began in 1990. The largest all-time one-month gain on record for this sector occurred in September 2020, up 25,100 jobs. The largest decline on record occurred in April 2020, down -11,500 jobs. 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. Employment in Government, particularly Local Government Educational Services (i.e. public primary and secondary schools) and to a lesser extent State Government Educational Services (i.e. public colleges and universities) typically sees modest gains in November as remaining positions within public schools are filled. Local Government was the largest contributor to the overall sector's increase, up 6,500 jobs over the month. The second-largest

contributor was State Government, which added 100 jobs from October to November. Lastly, Federal Government offset a portion of the sector's gains with a loss of -1,200 jobs. Government employment was revised downward by -400 jobs for a September to October smaller net gain of 2,700 compared to an original estimate of 3,100 jobs.

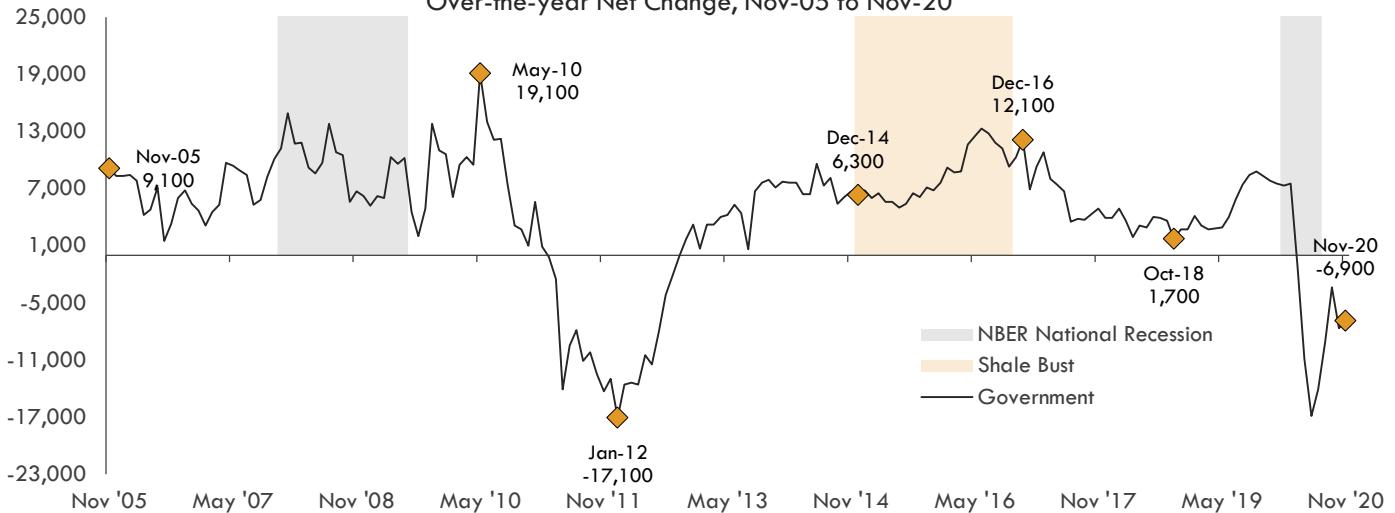


Over-the-year Change

Year over year, Government was down -6,900 jobs, or -1.6 percent. (see Chart 10.) The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest decline on record occurred in January 2012, down -17,100 jobs. State Government was the largest contributor to the overall sector's decline, down -3,800 jobs over the year. The second-largest declining contributor was Local Government, which lost -3,400 jobs from November a year ago. Lastly, Federal Government offset a portion of the sector's losses with a gain of 300 jobs. Since shedding -10,100

jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 30 percent of jobs lost as of November. Government's share of Houston area Total Nonfarm Employment has risen from 13.3 percent to 13.7 percent over the past year.

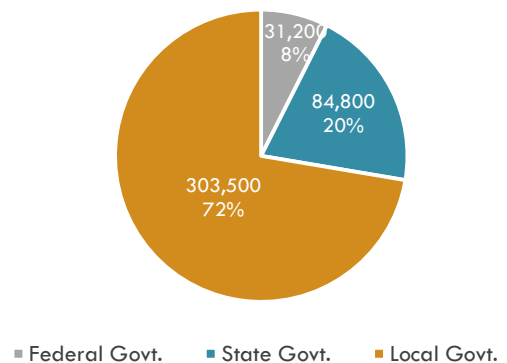
Chart 10. Government (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



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

Chart 11. Employment in Component Industries of Government Sector - November 2020



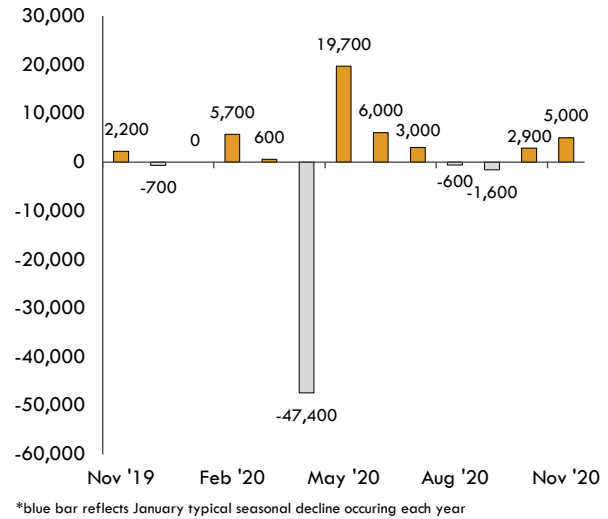
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services was the third-largest gaining sector over the month up 5,000 jobs, or 1.3 percent. (see Chart 12.) This was the largest-ever gain in the month of November since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 19,700 jobs. The largest decline on record occurred in April 2020, down -47,400 jobs. Historically in the month of November, 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 4,400 jobs over the month. The second-largest contributor was Educational Services, which added 600 jobs from October to November. Education and Health Services employment was revised upward by 300 jobs for a September to October larger net gain of 2,900 compared to an original estimate of 2,600 jobs.

Chart 12. Education and Health Services (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

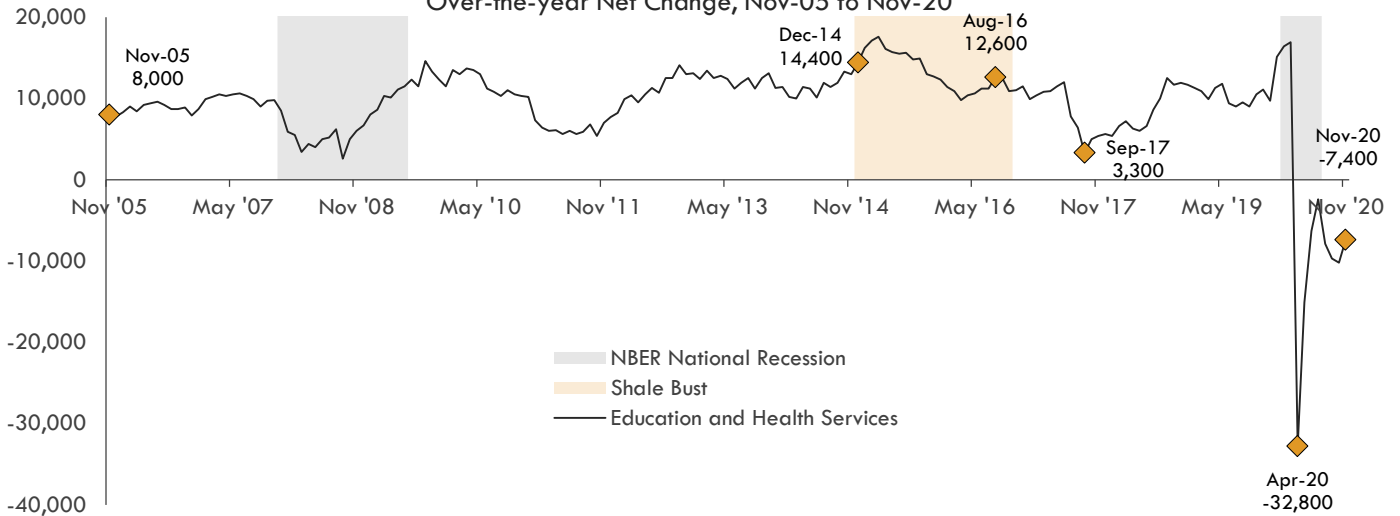


Over-the-year Change

Year over year, Education and Health Services was down -7,400 jobs, or -1.8 percent. (see Chart 13.) This was the largest-ever year-over-year decline in the month of November since records began in 1990. The largest over-the-year gain on record for this sector occurred in March 2015, up 17,600 jobs. The largest decline on record occurred in April 2020, down -32,800 jobs. Health Care and Social Assistance was the largest contributor to the overall sector's decline, down -7,400 jobs over the year. One component industry, Educational Services, saw no change from November a year ago.

Since shedding -46,800 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 70 percent of jobs lost as of November. Education and Health Services's share of Houston area Total Nonfarm Employment has risen from 12.9 percent to 13.2 percent over the past year.

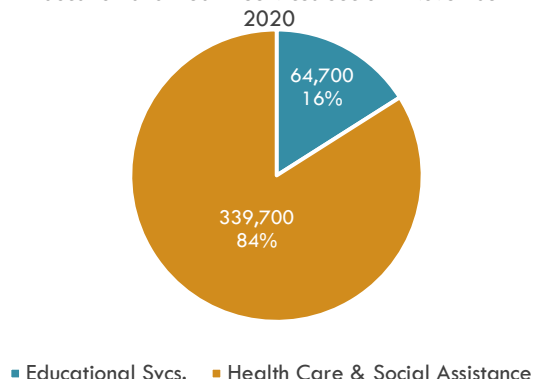
Chart 13. Education and Health Services (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



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 14.) 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 14. Employment in Component Industries of Education and Health Services Sector - November 2020

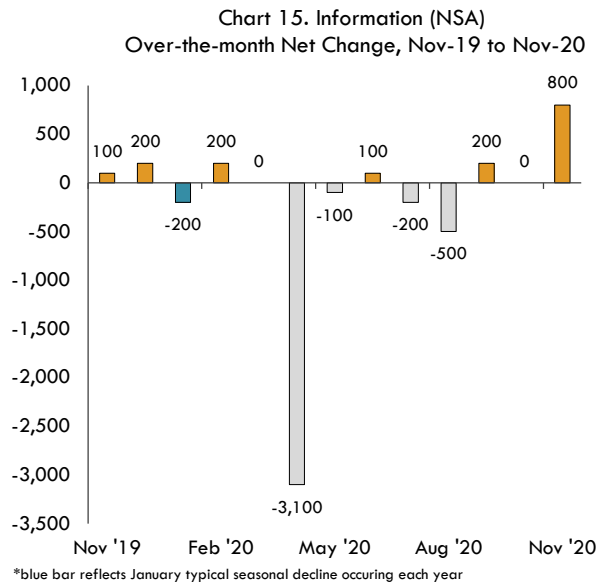


GAINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

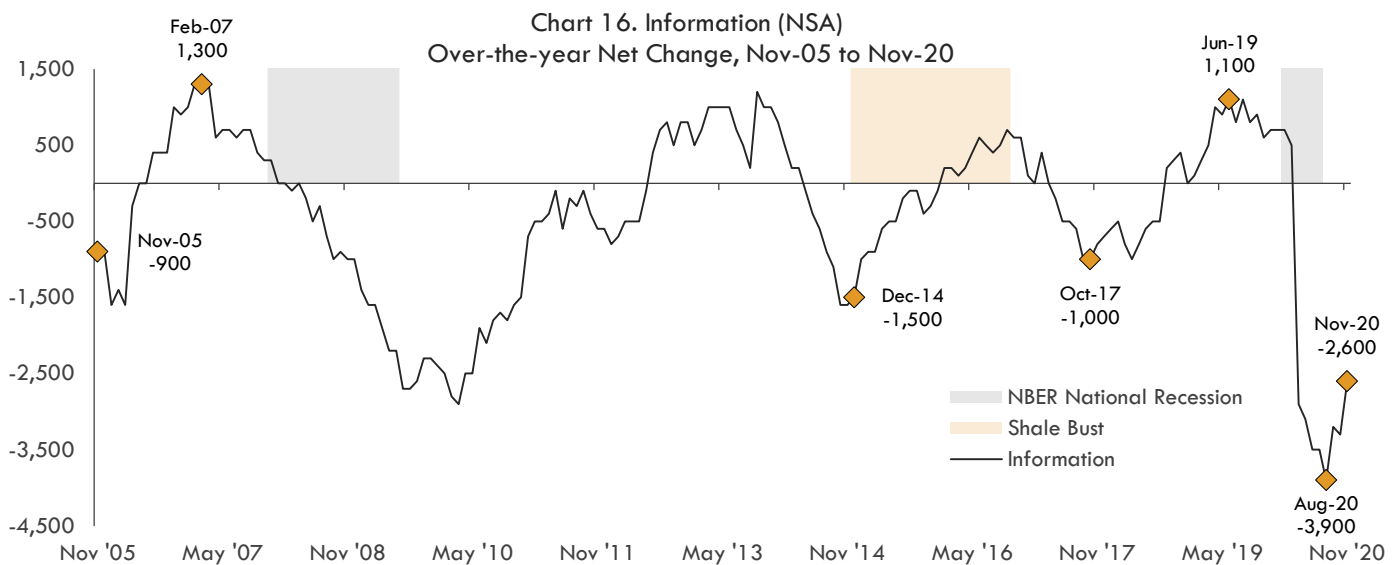
Information also saw an increase over the month up 800 jobs, or 2.7 percent. (see Chart 15.) This was the largest-ever gain in the month of November since records began in 1990. The largest all-time one-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest decline on record occurred in April 2020, down -3,100 jobs. Historically in the month of November, Information has added an average of 200 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Telecommunications was the largest contributor to the overall sector's increase, up 600 jobs over the month. The second-largest contributor was Other Information Undefined, which added 200 jobs from October to November. Information employment was revised downward by -200 jobs for a September to October complete loss of gains resulting in a net change of zero compared to an original estimate of 200 jobs.



Over-the-year Change

Year over year, Information was down -2,600 jobs, or -8.0 percent. (see Chart 16.) The largest over-the-year gain on record for this sector occurred in June 1997, up 4,600 jobs. The largest decline on record occurred in April 2002, down -7,000 jobs. Other Information Undefined was the largest contributor to the overall sector's decline, down -1,600 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -1,000 jobs from November a year ago. Since shedding -3,100 jobs over March and April 2020 due to the impact of COVID-19, this sector has

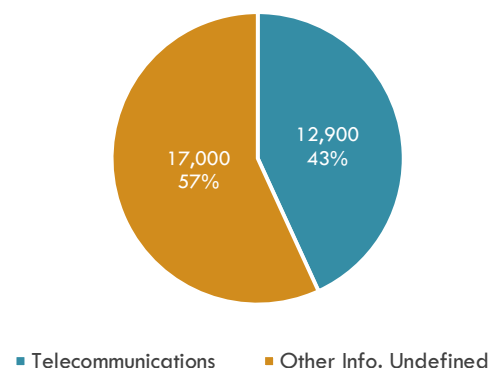
recovered approximately 10 percent of jobs lost as of November. Information's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past year.



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 57 percent. (see Chart 17.) Across the Houston MSA, the concentration of jobs in the overall Information sector is 46 percent less than the national average.

Chart 17. Employment in Component Industries of Information Sector - November 2020



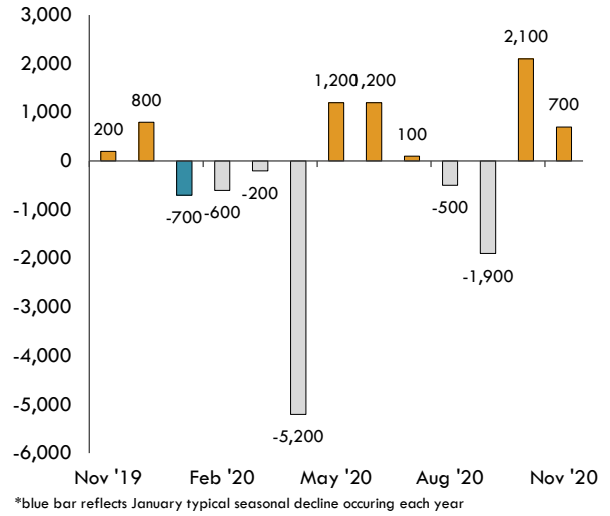
GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 700 jobs, or 0.4 percent. (see Chart 18.) This was the largest-ever gain in the month of November since records began in 1990. The largest all-time one-month gain on record for this sector occurred in October 2020, up 2,100 jobs. The largest decline on record occurred in April 2020, down -5,200 jobs. Historically in the month of November, Financial Activities has lost an average of -70 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Finance and Insurance was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which lost -500 jobs from October to November. Financial Activities employment was revised downward by -100 jobs for a September to October smaller net gain of 2,100 compared to an original estimate of 2,200 jobs.

Chart 18. Financial Activities (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

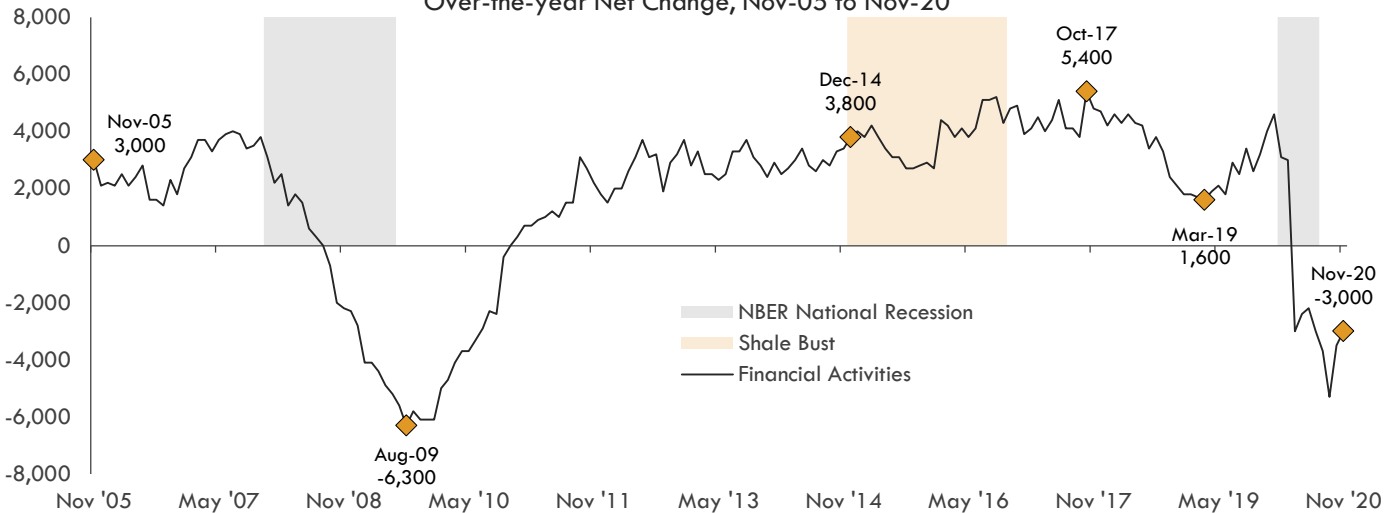


Over-the-year Change

Year over year, Financial Activities was down -3,000 jobs, or -1.8 percent. (see Chart 19.) The largest over-the-year gain on record for this sector occurred in September 1998, up 9,000 jobs. The largest decline on record occurred in August 2009, down -6,300 jobs. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -5,500 jobs over the year. One component industry that provided a partial offset was Finance and Insurance, which gained 2,500 jobs from November a year ago. Since shedding -5,400 jobs over March and April 2020 due to

the impact of COVID-19, this sector has recovered approximately 50 percent of jobs lost as of November. Financial Activities's share of Houston area Total Nonfarm Employment has risen from 5.2 percent to 5.4 percent over the past year.

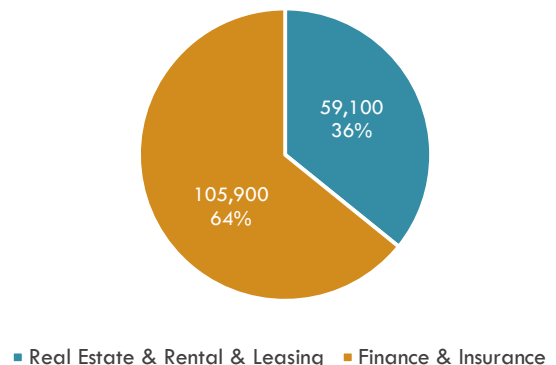
Chart 19. Financial Activities (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 64 percent. (see Chart 20.) Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 11 percent less than the national average, due to a 23-percent lower concentration in Finance and Insurance offsetting a 25-percent higher concentration in Real Estate and Rental and Leasing.

Chart 20. Employment in Component Industries of
Financial Activities Sector - November 2020



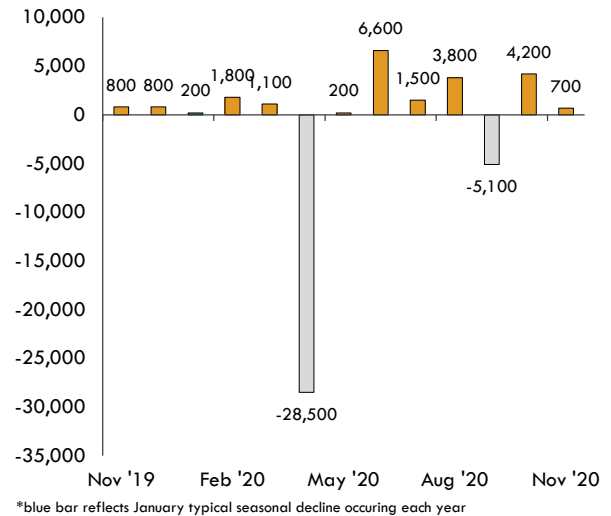
GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services also saw an increase over the month up 700 jobs, or 0.7 percent. (see Chart 21.) The largest all-time one-month gain on record for this sector occurred in June 2020, up 6,600 jobs. The largest decline on record occurred in April 2020, down -28,500 jobs. Historically in the month of November, Other Services has lost an average of -700 jobs over the month, which indicates that this month's gains are substantially in contrast to 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 200 jobs for a September to October larger net gain of 4,200 compared to an original estimate of 4,000 jobs.

Chart 21. Other Services (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

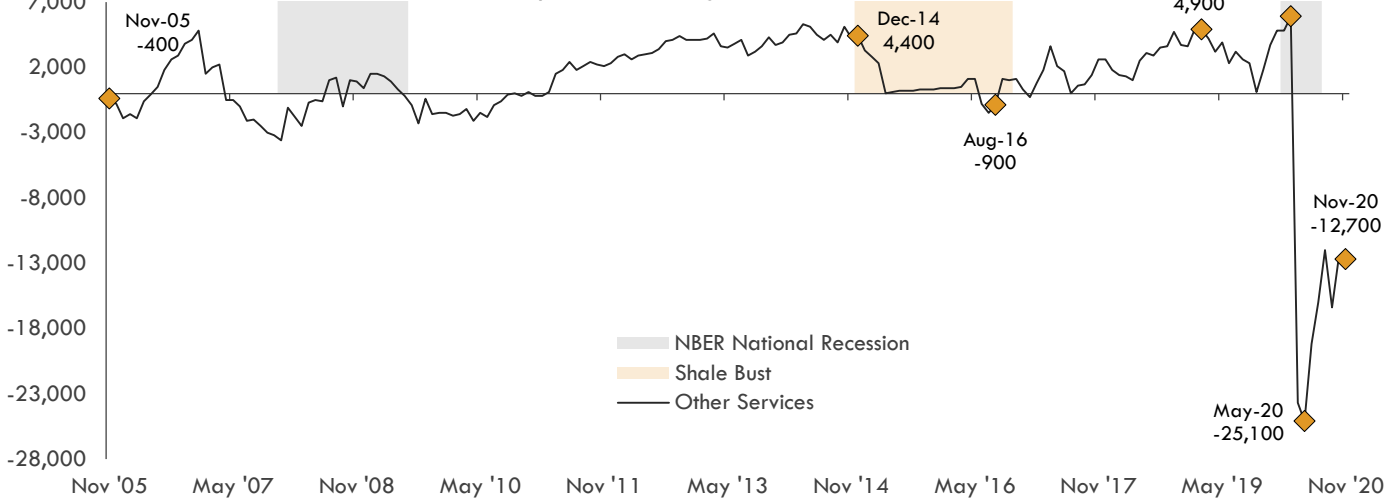


Over-the-year Change

Year over year, Other Services was down -12,700 jobs, or -10.9 percent. (see Chart 22.) This was the largest-ever year-over-year decline in the month of November since records began in 1990. Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in March 2020, up 5,900 jobs. The largest decline on record occurred in May 2020, down -25,100 jobs. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information.

Since shedding -27,400 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 40 percent of jobs lost as of November. Other Services's share of Houston area Total Nonfarm Employment has fallen from 3.6 percent to 3.4 percent over the past year.

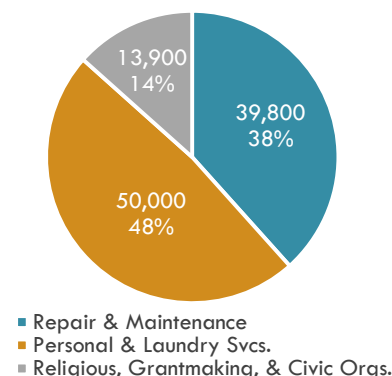
Chart 22. Other Services (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



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

Chart 23. Employment in Component Industries of Other Services Sector - November 2020



*estimated proportions based QCEW covered and NES self-employment

GAINING INDUSTRY HIGHLIGHTS

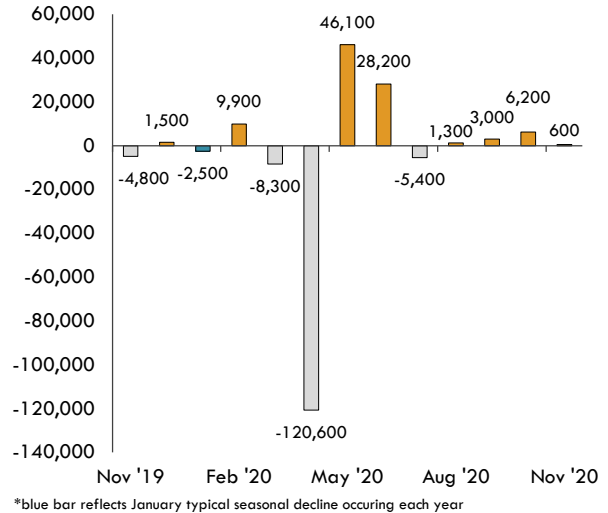
Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality also saw an increase over the month up 600 jobs, or 0.2 percent. (see Chart 24.) The largest all-time one-month gain on record for this sector occurred in May 2020, up 46,100 jobs. The largest decline on record occurred in April 2020, down -120,600 jobs. Historically in the month of November, Leisure and Hospitality has added an average of 70 jobs over the month, which indicates that this month's gains are substantially above the long-term average. November historically has proven to be a mixed month for Leisure and Hospitality in that gains have been recorded a slight majority of the time with the balance made up by losses. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 1,000 jobs over the month. One component industry that provided a partial offset was Arts, Entertainment, and Recreation, which lost -400 jobs from October to November. Leisure and Hospitality employment was revised upward by 400 jobs for a September to

October larger net gain of 6,200 compared to an original estimate of 5,800 jobs.

Chart 24. Leisure and Hospitality (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

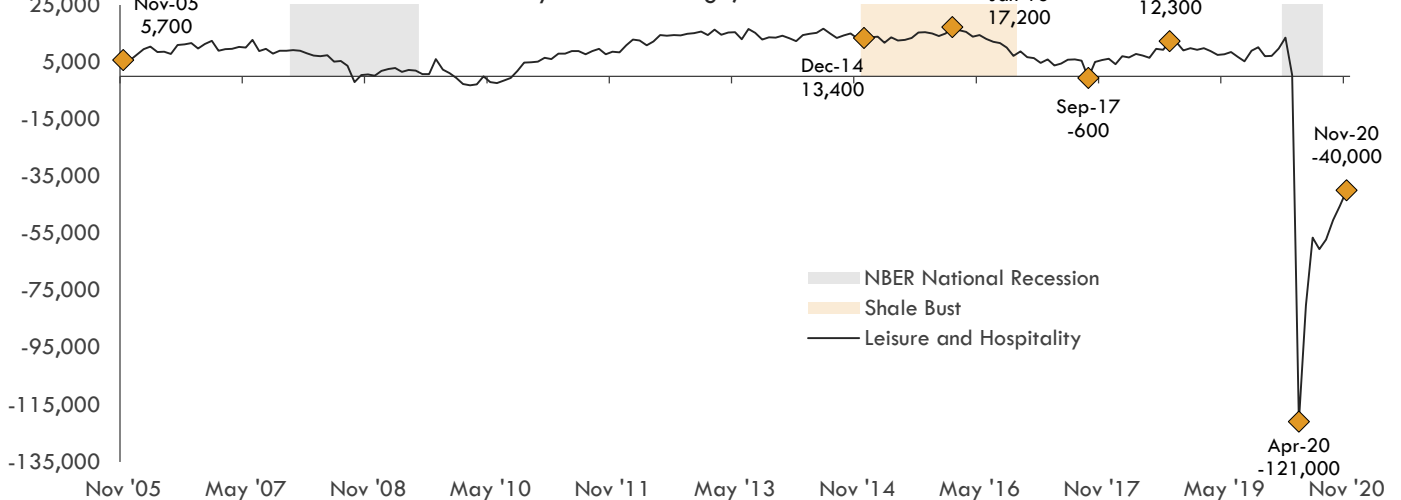


Over-the-year Change

Year over year, Leisure and Hospitality was down -40,000 jobs, or -12.1 percent. (see Chart 25.) This was the largest-ever year-over-year decline in the month of November since records began in 1990. Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 27.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Leisure and Hospitality. The largest over-the-year gain on record for this sector occurred in January 2016, up 17,200 jobs. The largest decline on record

occurred in April 2020, down -121,000 jobs. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -27,300 jobs over the year. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -12,700 jobs from November a year ago. Since shedding -128,900 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 60 percent of jobs lost as of November. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has fallen from 10.3 percent to 9.5 percent over the past year.

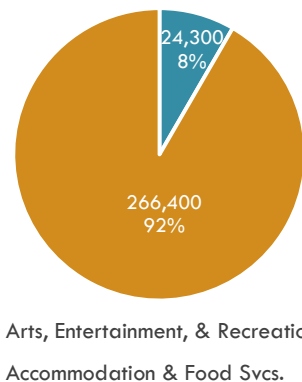
Chart 25. Leisure and Hospitality (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



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. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 92 percent. (see Chart 26.) Across the Houston MSA, the concentration of jobs in the overall sector is 4 percent higher than the national average.

Chart 26. Employment in Component Industries of Leisure and Hospitality Sector - November 2020



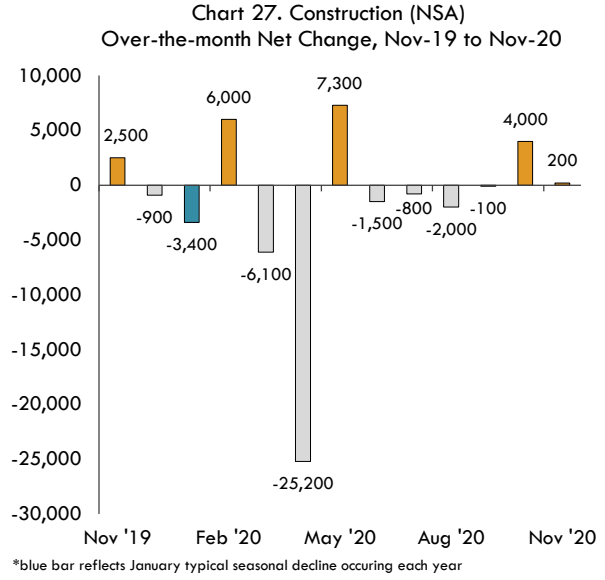
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction also saw an increase over the month up 200 jobs, or 0.1 percent. (see Chart 27.) The largest all-time one-month gain on record for this sector occurred in February 2019, up 7,300 jobs. The largest decline on record occurred in April 2020, down -25,200 jobs. Historically in the month of November, Construction has lost an average of -1,100 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Job lossess in Construction have been typical in most Novembers since records began. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 2,500 jobs over the month. One component industry that provided a partial offset was Construction of Buildings, which lost -800 jobs from October to November. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -1,500 jobs. Construction employment was revised downward by -400 jobs for a September to October smaller

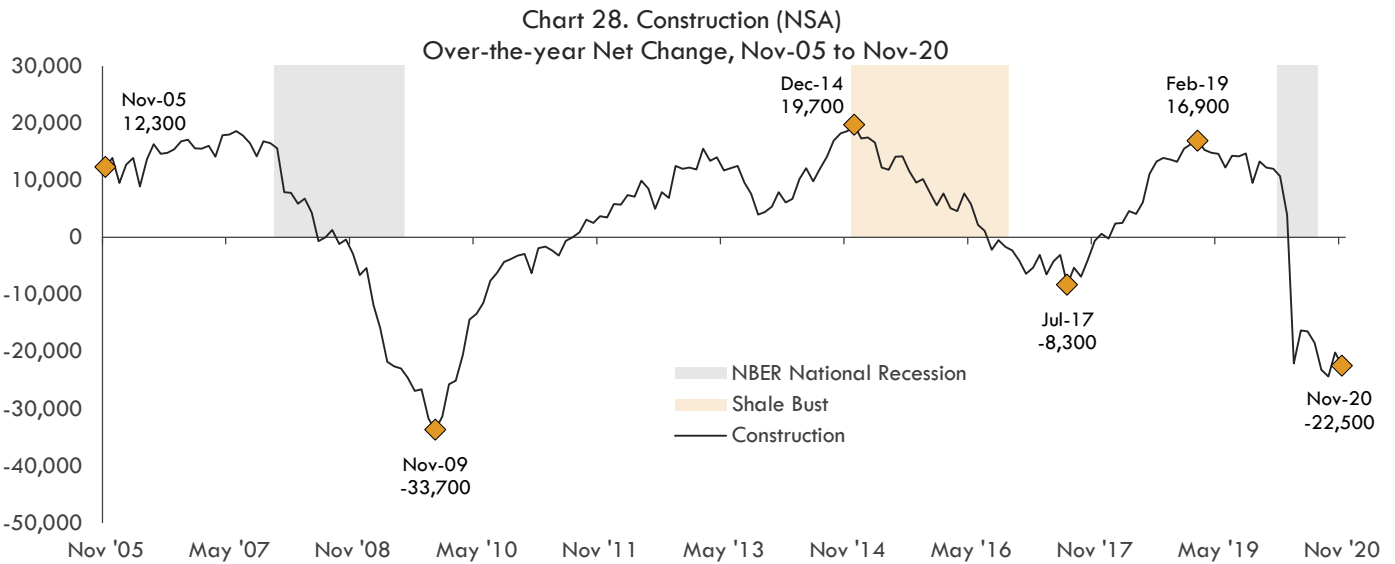
net gain of 4,000 compared to an original estimate of 4,400 jobs.



Over-the-year Change

Year over year, Construction was down -22,500 jobs, or -9.3 percent. (see Chart 28.) Furthermore, 15.2 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. The largest over-the-year gain on record for this sector occurred in December 2014, up 19,700 jobs. The largest decline on record occurred in November 2009, down -33,700 jobs. Specialty Trade Contractors was the largest contributor to the overall sector's decline, down -10,900 jobs over the year. The second-largest declining contributor was Heavy and Civil Engineering Construction,

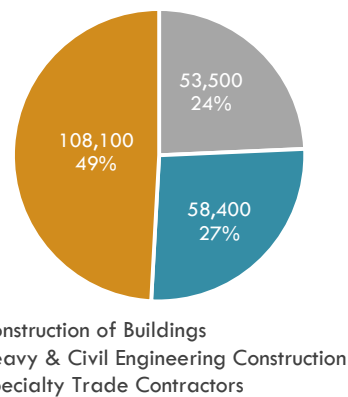
which lost -6,200 jobs from November a year ago. Lastly, Construction of Buildings subtracted, -5,400 jobs. Since shedding -31,300 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 20 percent of jobs lost as of November. Construction's share of Houston area Total Nonfarm Employment has fallen from 7.6 percent to 7.2 percent over the past year.



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 49 percent. (see Chart 29.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 40 percent higher than the national average, due to 2.6 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 29. Employment in Component Industries of Construction Sector - November 2020



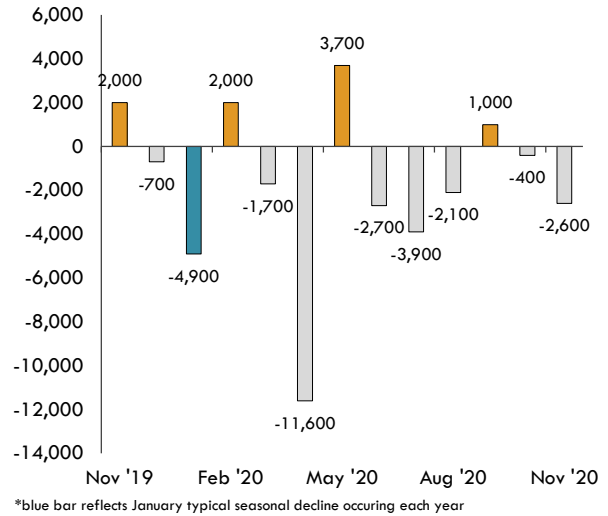
DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing was the largest declining sector over the month down -2,600 jobs, or -1.2 percent. (see Chart 30.) This was the largest-ever decline in the month of November since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 3,700 jobs. The largest decline on record occurred in April 2020, down -11,600 jobs. Historically in the month of November, Manufacturing has added an average of 600 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 -3,300 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which gained 700 jobs from October to November. Manufacturing employment was revised downward by -200 jobs for a September to October larger net loss of -400 compared to an original estimate of -200 jobs.

Chart 30. Manufacturing (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

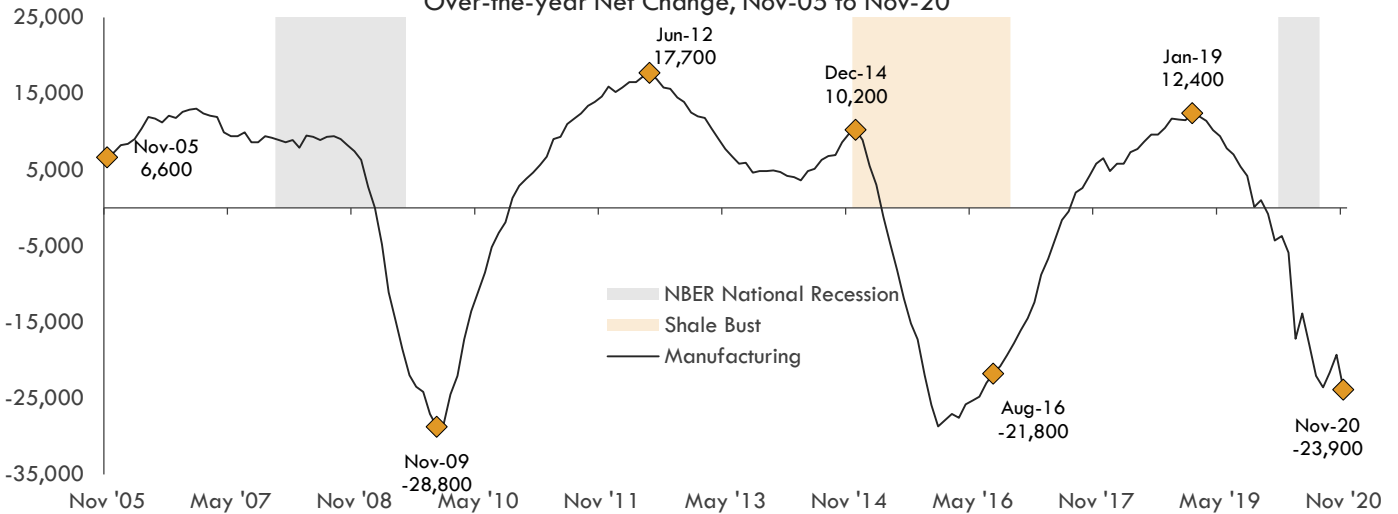


Over-the-year Change

Year over year, Manufacturing was down -23,900 jobs, or -10.1 percent. (see Chart 31.) Furthermore, 16.2 percent of total (gross) jobs lost across the region over the past year can be attributed to Manufacturing. The largest over-the-year gain on record for this sector occurred in June 2012, up 17,700 jobs. The largest decline on record occurred in November 2009, down -28,800 jobs. Durable Goods was the largest contributor to the overall sector's decline, down -22,900 jobs over the year. The second-largest declining contributor was Non-Durable Goods, which lost -1,000 jobs from November

a year ago. Since shedding -13,300 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Manufacturing's share of Houston area Total Nonfarm Employment has fallen from 7.4 percent to 6.9 percent over the past year.

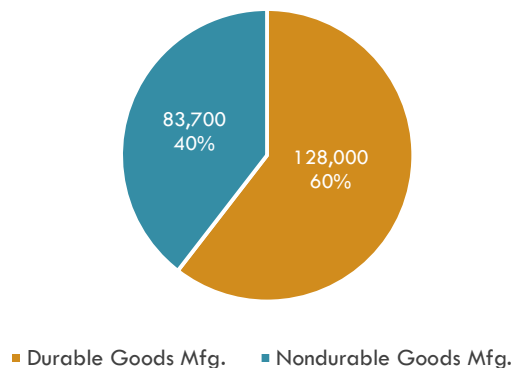
Chart 31. Manufacturing (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



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 60 percent. (see Chart 32.) Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 19 percent less than the national average.

Chart 32. Employment in Component Industries of Manufacturing Sector - November 2020



DECLINING INDUSTRY HIGHLIGHTS

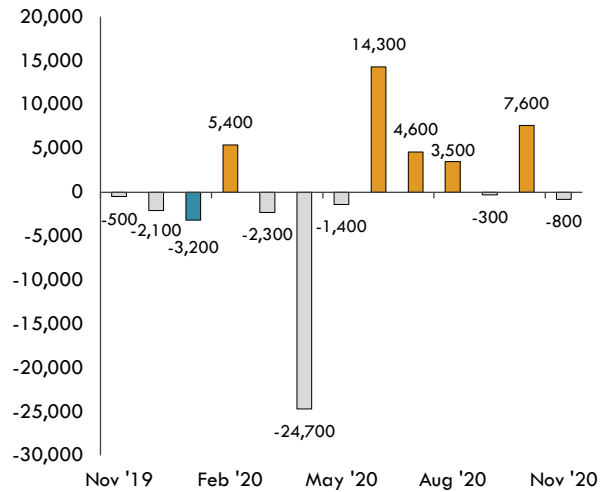
Professional and Business Services

Over-the-month Change

Professional and Business Services was the second-largest declining sector over the month down -800 jobs, or -0.2 percent. (see Chart 33.) The largest all-time one-month gain on record for this sector occurred in June 2020, up 14,300 jobs. The largest decline on record occurred in April 2020, down -24,700 jobs. 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 losses are substantially in contrast to the long-term average gain. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's decline, down -800 jobs over the month. One component industry, Management of Companies and Enterprises, saw no change from October to November. Lastly, Administrative and Support and Waste Management and Remediation Services saw no change over the month. Professional and Business Services employment was revised upward by 100 jobs for a September

to October larger net gain of 7,600 compared to an original estimate of 7,500 jobs.

Chart 33. Professional and Business Services (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

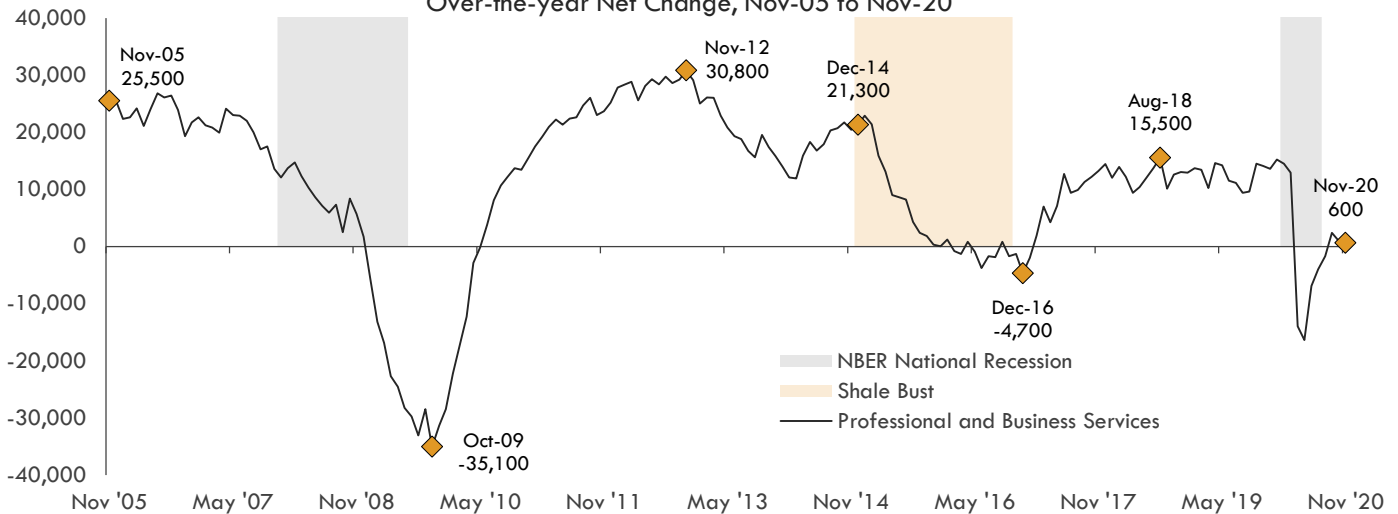


Over-the-year Change

Year over year, Professional and Business Services was up 600 jobs, or 0.1 percent. (see Chart 34.) Furthermore, 100.0 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. The largest over-the-year gain on record for this sector occurred in November 2012, up 30,800 jobs. The largest decline on record occurred in October 2009, down -35,100 jobs. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 7,300 jobs over the year. One component industry that

provided a partial offset was Management of Companies and Enterprises, which lost -2,200 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 -4,500 jobs. Since shedding -27,000 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 100 percent of jobs lost as of November. Professional and Business Services's share of Houston area Total Nonfarm Employment has risen from 16.1 percent to 16.9 percent over the past year.

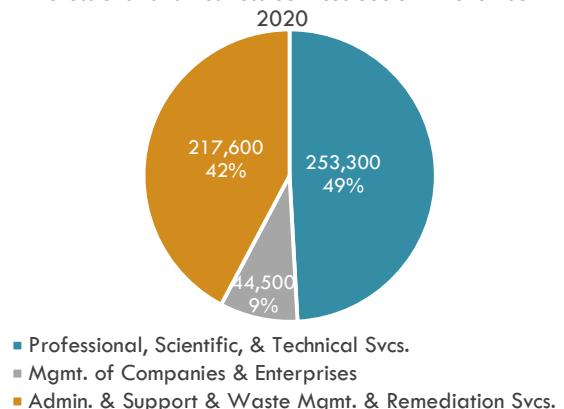
Chart 34. Professional and Business Services (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



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 35.) Across the Houston MSA, the concentration of jobs in the overall sector is 17 percent higher than the national average, due to a 26-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 35. Employment in Component Industries of Professional and Business Services Sector - November 2020



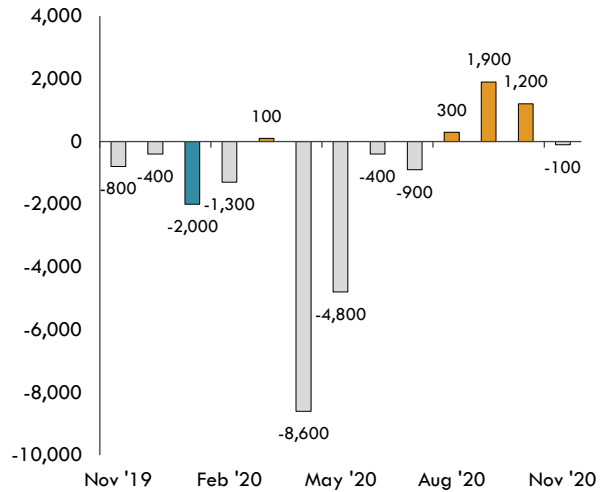
DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging was the third-largest declining sector over the month down -100 jobs, or -0.2 percent. (see Chart 36.) The largest all-time one-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest decline on record occurred in April 2020, down -8,600 jobs. 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 on par with the long-term average. Support Activities for Mining was the largest contributor to the overall sector's decline, down -700 jobs over the month. One component industry that provided a partial offset was Other Mining and Logging Undefined, which gained 200 jobs from October to November. Lastly, Oil and Gas Extraction offset a portion of the sector's losses with a gain of 400 jobs. Mining and Logging employment was revised downward by -100 jobs for a September to October smaller net gain of 1,200 compared to an original estimate of 1,300 jobs.

Chart 36. Mining and Logging (NSA)
Over-the-month Net Change, Nov-19 to Nov-20

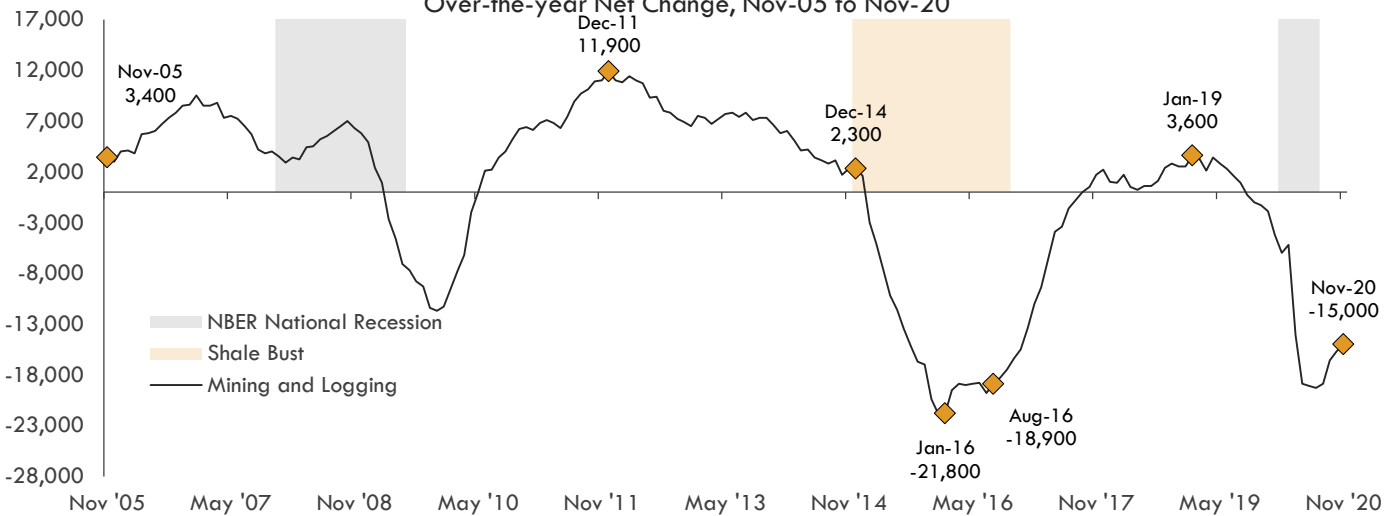


Over-the-year Change

Year over year, Mining and Logging was down -15,000 jobs, or -19.0 percent. (see Chart 37.) Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in December 2011, up 11,900 jobs. The largest decline on record occurred in January 2016, down -21,800 jobs. Support Activities for Mining was the largest contributor to the overall sector's decline, down -12,200 jobs over the year. The second-largest declining contributor was Oil and Gas Extraction, which lost

-2,800 jobs from November a year ago. Lastly, Other Mining and Logging Undefined saw no change over the month. Since shedding -8,500 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -20 percent below levels reported in February 2020. Mining and Logging's share of Houston area Total Nonfarm Employment has fallen from 2.5 percent to 2.1 percent over the past year.

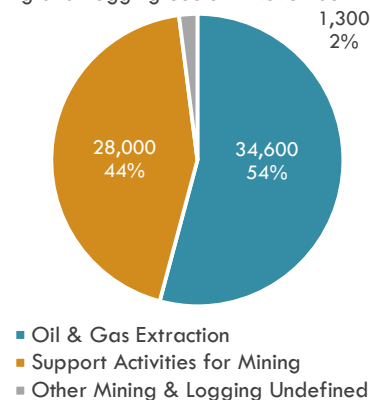
Chart 37. Mining and Logging (NSA)
Over-the-year Net Change, Nov-05 to Nov-20



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Oil and Gas Extraction accounts for a slight majority of the sector's employment at just over 54 percent. (see Chart 38.) Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 4.8 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 2020



Unemployment Rates

Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 8.9 percent in November, up from October's 7.7 percent and up from 3.7 percent a year ago. This was above the statewide rate of 8.0 percent and above the national rate of 6.4 percent. 309,221 individuals were unemployed in Houston in November, up from October's 262,368 and up from 127,368 in November 2019. The net number of unemployed individuals in Houston has risen by 176,685 since the most recent low of 132,536 in April 2015 however the current month's unemployment level remains below the all-time high of 257,474 recorded in June 2011.

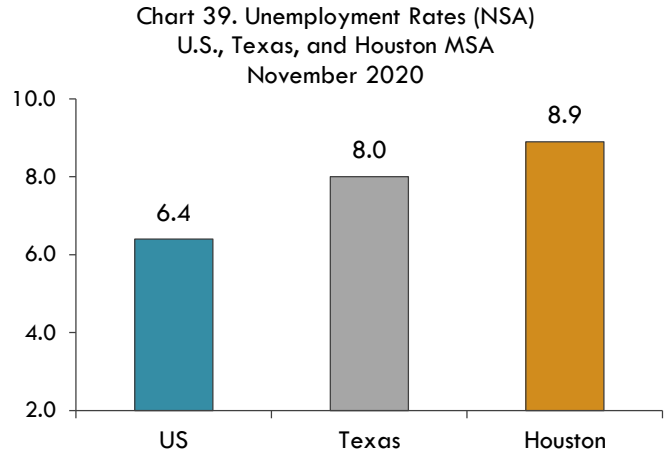
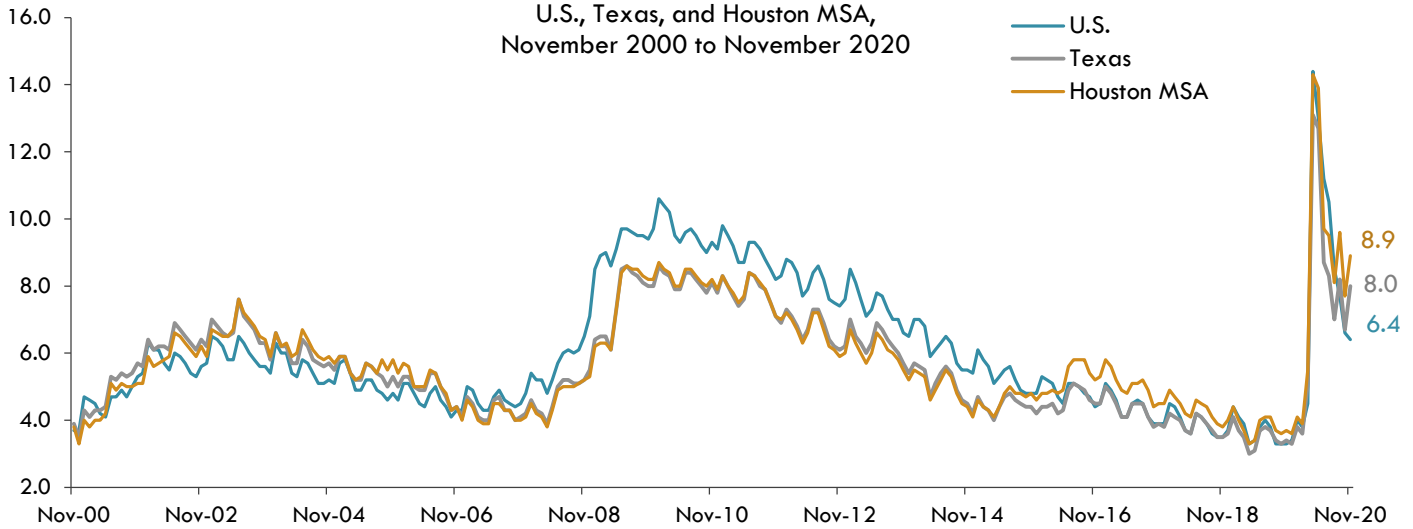


Chart 40. Unemployment Rates (Not-seasonally Adjusted)
U.S., Texas, and Houston MSA,
November 2000 to November 2020



Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 8.0 percent in October, down from September's 9.6 percent and up from 3.6 percent a year ago. This was above the statewide rate of 6.9 percent and above the national rate of 6.9 percent. 273,589 individuals were unemployed in Houston in October, down from September's 333,568 and up from 124,174 in October 2019. The net number of unemployed individuals in Houston has risen by 130,855 since the most recent low of 142,734 in February 2015 however the current month's unemployment level remains below the all-time high of 247,725 recorded in March 2010.

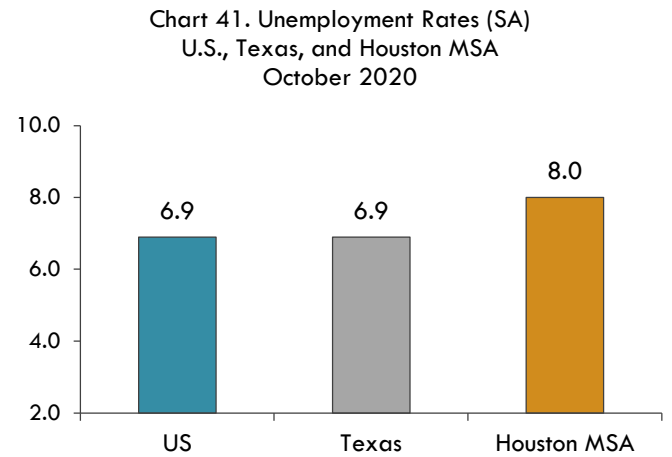
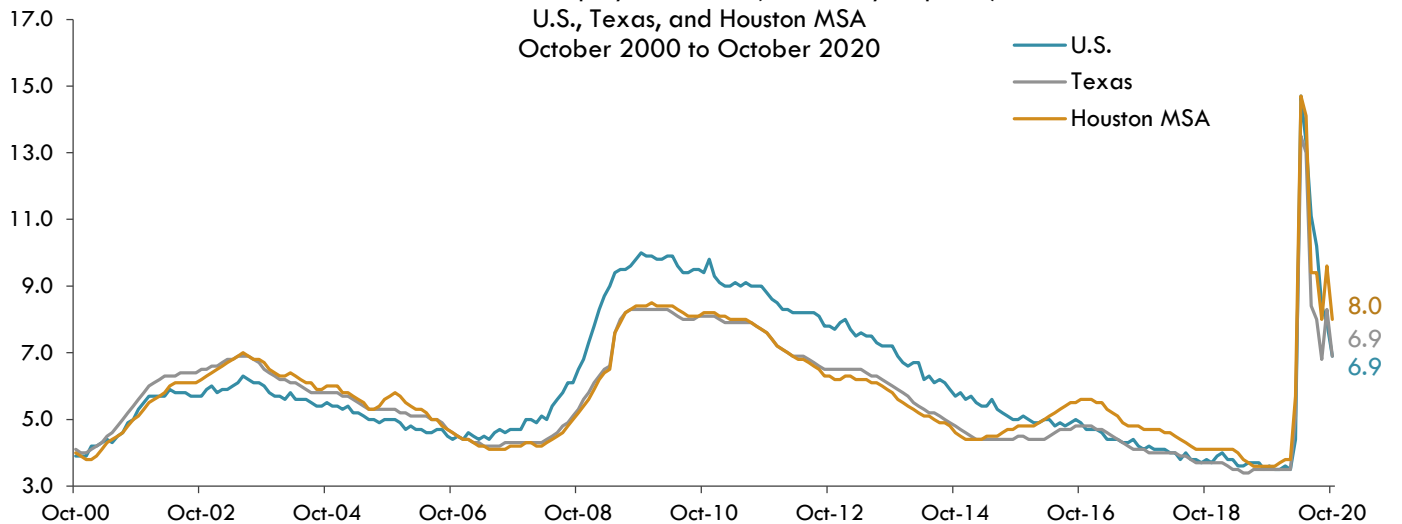


Chart 42. Unemployment Rates (Seasonally Adjusted)
U.S., Texas, and Houston MSA
October 2000 to October 2020



Houston Area Employment Situation

November 2020

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Nov-20	Oct-20	Nov-19	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,056,200	3,030,400	3,203,500	25,800	0.9%	-147,300	-4.6%
Total Private	2,636,700	2,616,300	2,777,100	20,400	0.8%	-140,400	-5.1%
Goods Producing	495,600	498,100	557,000	-2,500	-0.5%	-61,400	-11.0%
.Mining and Logging	63,900	64,000	78,900	-100	-0.2%	-15,000	-19.0%
...Oil and Gas Extraction	34,600	34,200	37,400	400	1.2%	-2,800	-7.5%
...Support Activities for Mining	28,000	28,700	40,200	-700	-2.4%	-12,200	-30.3%
.Construction	220,000	219,800	242,500	200	0.1%	-22,500	-9.3%
..Construction of Buildings	53,500	54,300	58,900	-800	-1.5%	-5,400	-9.2%
..Heavy and Civil Engineering Construction	58,400	55,900	64,600	2,500	4.5%	-6,200	-9.6%
..Specialty Trade Contractors	108,100	109,600	119,000	-1,500	-1.4%	-10,900	-9.2%
.Manufacturing	211,700	214,300	235,600	-2,600	-1.2%	-23,900	-10.1%
..Durable Goods	128,000	131,300	150,900	-3,300	-2.5%	-22,900	-15.2%
...Fabricated Metal Product Manufacturing	46,900	47,600	53,700	-700	-1.5%	-6,800	-12.7%
...Machinery Manufacturing	41,900	42,800	47,800	-900	-2.1%	-5,900	-12.3%
....Agriculture, Construction, and Mining Machinery Mfg.	23,600	23,900	29,800	-300	-1.3%	-6,200	-20.8%
...Computer and Electronic Product Manufacturing	13,200	13,400	13,400	-200	-1.5%	-200	-1.5%
..Non-Durable Goods	83,700	83,000	84,700	700	0.8%	-1,000	-1.2%
...Petroleum and Coal Products Manufacturing	12,000	11,900	10,500	100	0.8%	1,500	14.3%
...Chemical Manufacturing	41,100	40,900	40,300	200	0.5%	800	2.0%
Service Providing	2,560,600	2,532,300	2,646,500	28,300	1.1%	-85,900	-3.2%
.Private Service Providing	2,141,100	2,118,200	2,220,100	22,900	1.1%	-79,000	-3.6%
..Trade, Transportation, and Utilities	631,900	616,000	645,800	15,900	2.6%	-13,900	-2.2%
...Wholesale Trade	159,000	158,400	176,100	600	0.4%	-17,100	-9.7%
....Merchant Wholesalers, Durable Goods	95,200	93,900	107,900	1,300	1.4%	-12,700	-11.8%
....Prof. and Commercial Equip. Supplies Wholesalers	18,600	18,400	17,900	200	1.1%	700	3.9%
....Merchant Wholesalers, Nondurable Goods	49,800	50,700	53,400	-900	-1.8%	-3,600	-6.7%
...Retail Trade	308,000	298,700	311,500	9,300	3.1%	-3,500	-1.1%
....Motor Vehicle and Parts Dealers	43,700	43,500	43,200	200	0.5%	500	1.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,700	23,400	20,900	300	1.3%	2,800	13.4%
....Food and Beverage Stores	68,100	68,000	67,300	100	0.1%	800	1.2%
....Health and Personal Care Stores	17,800	18,400	19,700	-600	-3.3%	-1,900	-9.6%
....Clothing and Clothing Accessories Stores	30,700	28,600	31,300	2,100	7.3%	-600	-1.9%
....General Merchandise Stores	62,400	59,600	61,500	2,800	4.7%	900	1.5%
.....Department Stores	20,700	19,100	21,600	1,600	8.4%	-900	-4.2%
.....Other General Merchandise Stores	41,700	40,500	39,900	1,200	3.0%	1,800	4.5%
...Transportation, Warehousing, and Utilities	164,900	158,900	158,200	6,000	3.8%	6,700	4.2%
...Utilities	17,300	17,200	17,100	100	0.6%	200	1.2%
....Air Transportation	17,900	17,900	20,300	0	0.0%	-2,400	-11.8%
....Truck Transportation	28,300	28,000	28,200	300	1.1%	100	0.4%
....Pipeline Transportation	11,700	11,900	12,100	-200	-1.7%	-400	-3.3%
..Information	29,900	29,100	32,500	800	2.7%	-2,600	-8.0%
...Telecommunications	12,900	12,300	13,900	600	4.9%	-1,000	-7.2%
..Financial Activities	165,000	164,300	168,000	700	0.4%	-3,000	-1.8%
...Finance and Insurance	105,900	104,700	103,400	1,200	1.1%	2,500	2.4%
....Credit Intermediation and Related Activities	44,000	43,000	43,600	1,000	2.3%	400	0.9%
.....Depository Credit Intermediation	30,500	30,000	30,100	500	1.7%	400	1.3%
....Securities, Commodity Contracts, and Fin. Investments	21,600	21,500	20,900	100	0.5%	700	3.3%
....Insurance Carriers and Related Activities	40,300	40,200	38,900	100	0.2%	1,400	3.6%
...Real Estate and Rental and Leasing	59,100	59,600	64,600	-500	-0.8%	-5,500	-8.5%
..Professional and Business Services	515,400	516,200	514,800	-800	-0.2%	600	0.1%
...Professional, Scientific, and Technical Services	253,300	254,100	246,000	-800	-0.3%	7,300	3.0%
....Legal Services	27,800	28,700	27,200	-900	-3.1%	600	2.2%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	29,200	28,400	26,900	800	2.8%	2,300	8.6%
....Architectural, Engineering, and Related Services	74,000	76,000	76,000	-2,000	-2.6%	-2,000	-2.6%
....Computer Systems Design and Related Services	34,100	34,000	35,400	100	0.3%	-1,300	-3.7%
...Management of Companies and Enterprises	44,500	44,500	46,700	0	0.0%	-2,200	-4.7%
...Admin. and Support and Waste Mgmt. and Remediation	217,600	217,600	222,100	0	0.0%	-4,500	-2.0%
....Administrative and Support Services	204,000	204,200	210,500	-200	-0.1%	-6,500	-3.1%
.....Employment Services	70,500	68,500	79,300	2,000	2.9%	-8,800	-11.1%
.....Services to Buildings and Dwellings	53,500	54,300	51,500	-800	-1.5%	2,000	3.9%
..Educational and Health Services	404,400	399,400	411,800	5,000	1.3%	-7,400	-1.8%
...Educational Services	64,700	64,100	64,700	600	0.9%	0	0.0%
...Health Care and Social Assistance	339,700	335,300	347,100	4,400	1.3%	-7,400	-2.1%
....Ambulatory Health Care Services	176,600	173,200	167,600	3,400	2.0%	9,000	5.4%
....Hospitals	87,500	87,400	88,700	100	0.1%	-1,200	-1.4%
..Leisure and Hospitality	290,700	290,100	330,700	600	0.2%	-40,000	-12.1%
...Arts, Entertainment, and Recreation	24,300	24,700	37,000	-400	-1.6%	-12,700	-34.3%
...Accommodation and Food Services	266,400	265,400	293,700	1,000	0.4%	-27,300	-9.3%
....Accommodation	22,400	22,800	28,700	-400	-1.8%	-6,300	-22.0%
....Food Services and Drinking Places	244,000	242,600	265,000	1,400	0.6%	-21,000	-7.9%
..Other Services	103,800	103,100	116,500	700	0.7%	-12,700	-10.9%
Government	419,500	414,100	426,400	5,400	1.3%	-6,900	-1.6%
.Federal Government	31,200	32,400	30,900	-1,200	-3.7%	300	1.0%
.State Government	84,800	84,700	88,600	100	0.1%	-3,800	-4.3%
..State Government Educational Services	47,200	46,900	51,300	300	0.6%	-4,100	-8.0%
.Local Government	303,500	297,000	306,900	6,500	2.2%	-3,400	-1.1%
..Local Government Educational Services	208,000	203,200	214,700	4,800	2.4%	-6,700	-3.1%