

Houston Area Employment Situation

April 2021

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Overall Recovery Continues But April 2020 Plunge Exaggerate OTY Rebound; UE Falls Nearly 1 Percentage Point OTM

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm (not-seasonally adjusted) employment stood at 3,018,900 in April, up 18,700 jobs over the month, or 0.6 percent. A year ago Houston registered an over-the-month decrease of 343,400 jobs, the largest one-month decline on record outside of seasonal job losses in January and July. (see Chart 1.) The largest all-time one-month gain on record for this sector occurred in May 2020, up 67,200 jobs. Prior to the pandemic, historically in the month of April, Total Nonfarm has on average added 7,300 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

The primary drivers of this April's growth were increases in Leisure and Hospitality, Professional and Business Services, and Other Services. Gains were also recorded in Education and Health Services, Government, and Mining and Logging. The net increase in jobs over the month was partially offset by losses in Trade, Transportation, and Utilities, Manufacturing, and Financial Activities. (see Chart 2.) Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,018,900, up 11,200 jobs over the month, or 0.4 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.

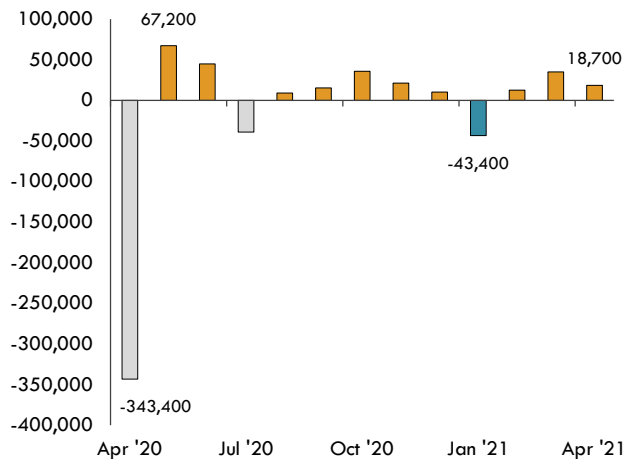
Top-3 Drivers of Over-the-month Job Growth in April

- Leisure and Hospitality: 11,800
- Professional and Business Services: 6,900
- Other Services: 2,500

Over-the-year Change

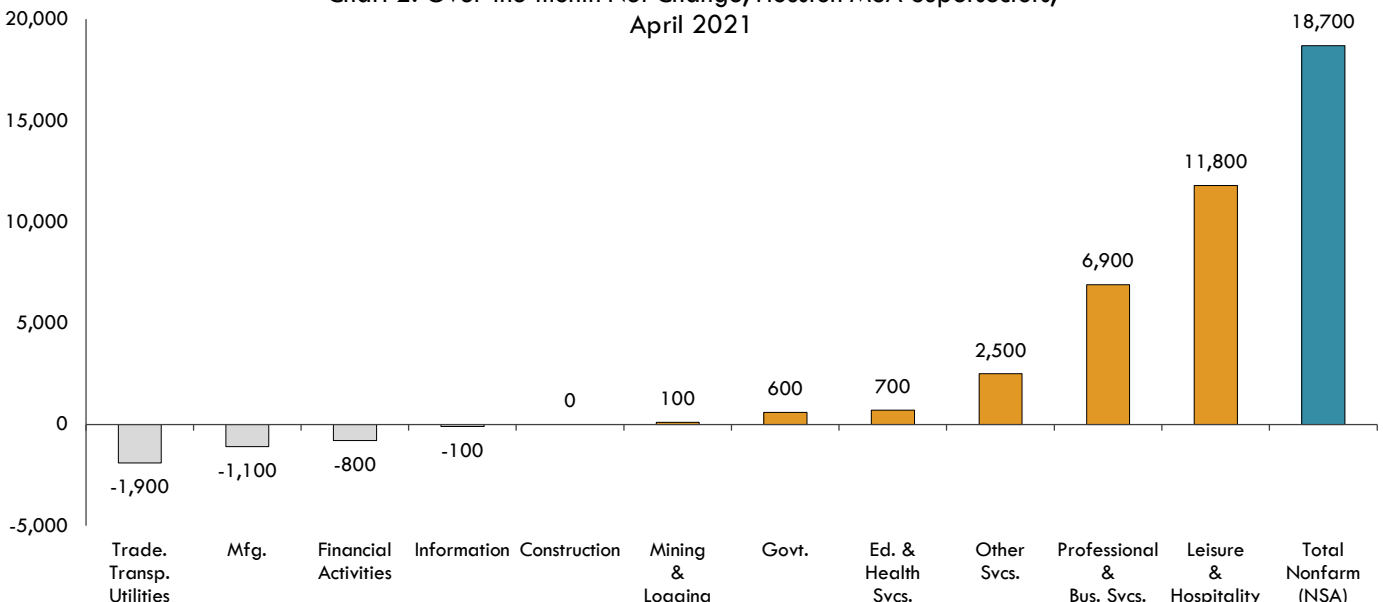
Over the year, Total Nonfarm employment was up 188,100 or 6.6 percent on a not-seasonally-adjusted basis and up 190,400 or 6.7 percent on a seasonally-adjusted basis. Both stand as the largest over-the-year gains on record and reflect exaggerated improvement due to method of calculating over-the-year changes. (see NSA Chart 3.) See Supplemental Commentary section for a discussion of this issue. To compare, April 2020 saw a year-over-year loss of -313,700 jobs (NSA) from April 2019, which currently stands as the largest over-the-year decline on record. Currently 7 out of 11 sectors show growth year over year of which the top-three are Leisure and Hospitality (97,600), Trade, Transportation, and Utilities (46,700), and Education and Health Services (28,700). (see Chart 4.) COVID-19 resulted in the loss of -361,400 jobs over March and April 2020 of which approximately 50 percent of Total Nonfarm employment has been recovered to date.

Chart 1. Total Nonfarm (NSA)
Over-the-month Net Change, Apr-20 to Apr-21



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

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



Houston Area Employment Situation

April 2021

Previous Month's Revisions

Total Nonfarm employment was revised upward by 1,000 jobs for a February to March larger net gain of 35,200 compared to an original estimate of 34,200 jobs. An upward revision of +2,000 jobs in Construction was the largest contributor followed by Other Services (+1,500) and Manufacturing (+1,000). Downward revisions in Leisure and Hospitality (-2,800), Professional and Business Services (-1,400), and Education and Health Services (-800) 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 April

- Leisure and Hospitality: 97,600
- Trade, Transportation, and Utilities: 46,700
- Education and Health Services: 28,700

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

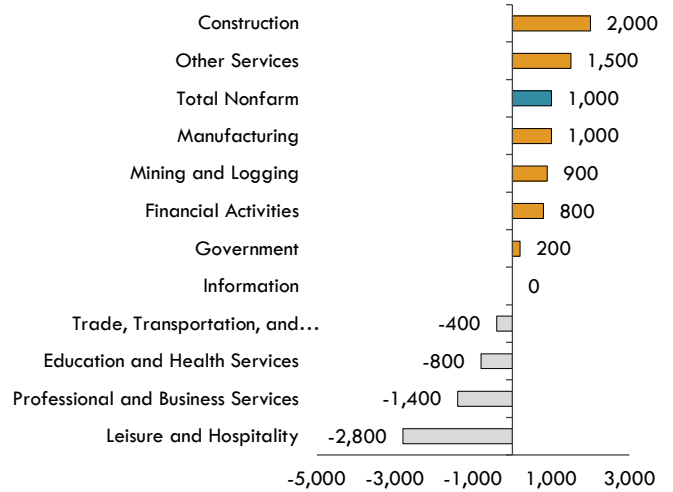


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Apr-06 to Apr-21

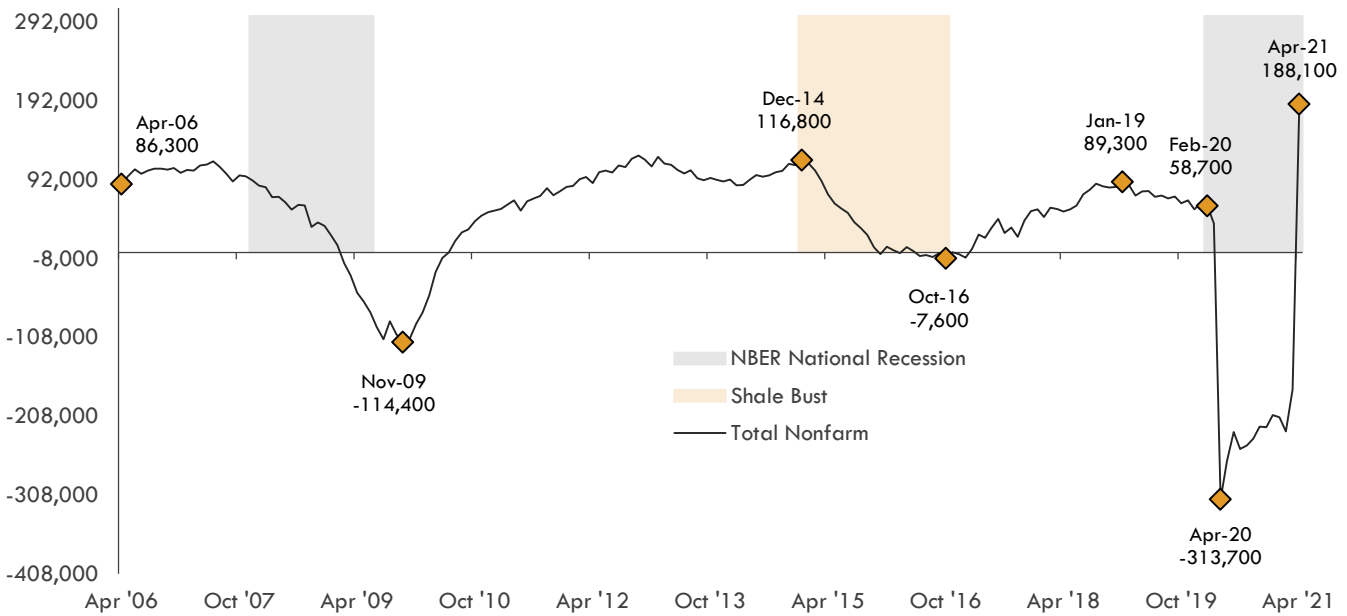
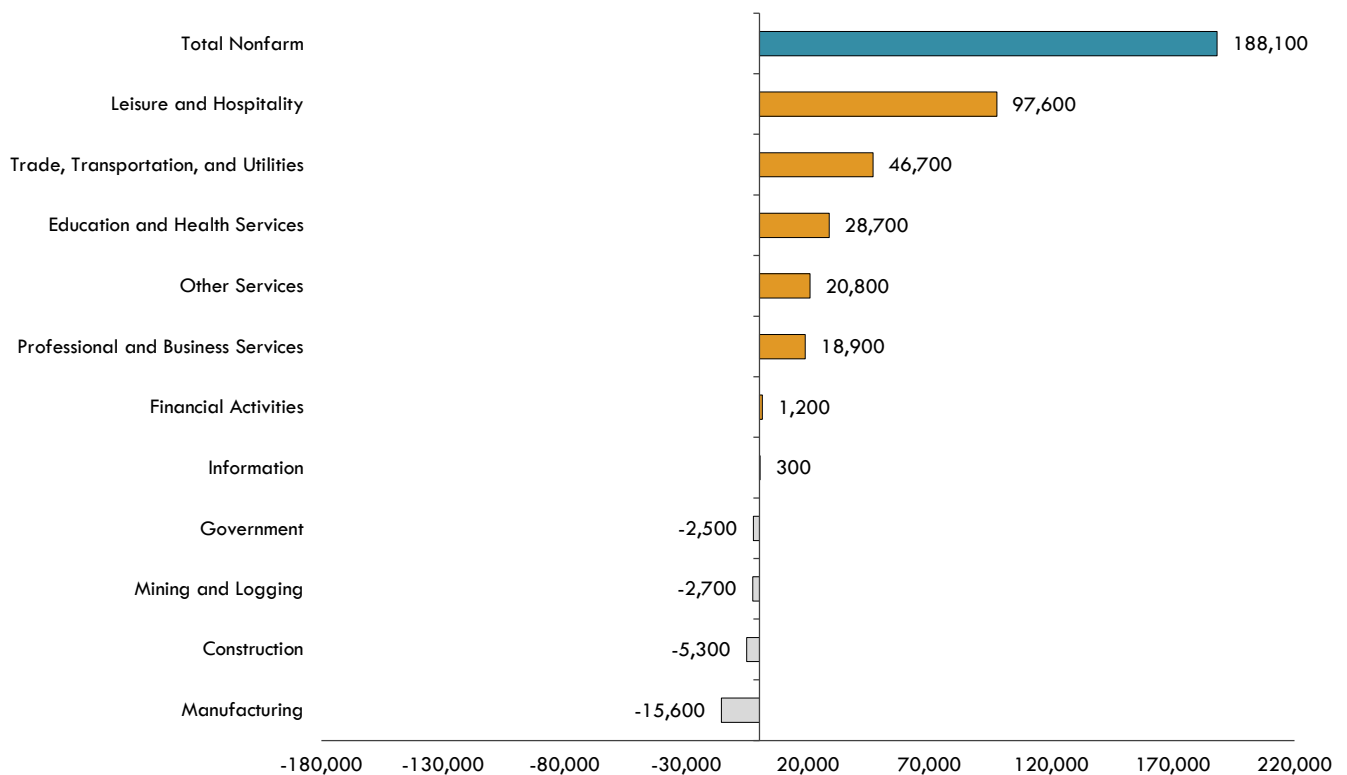


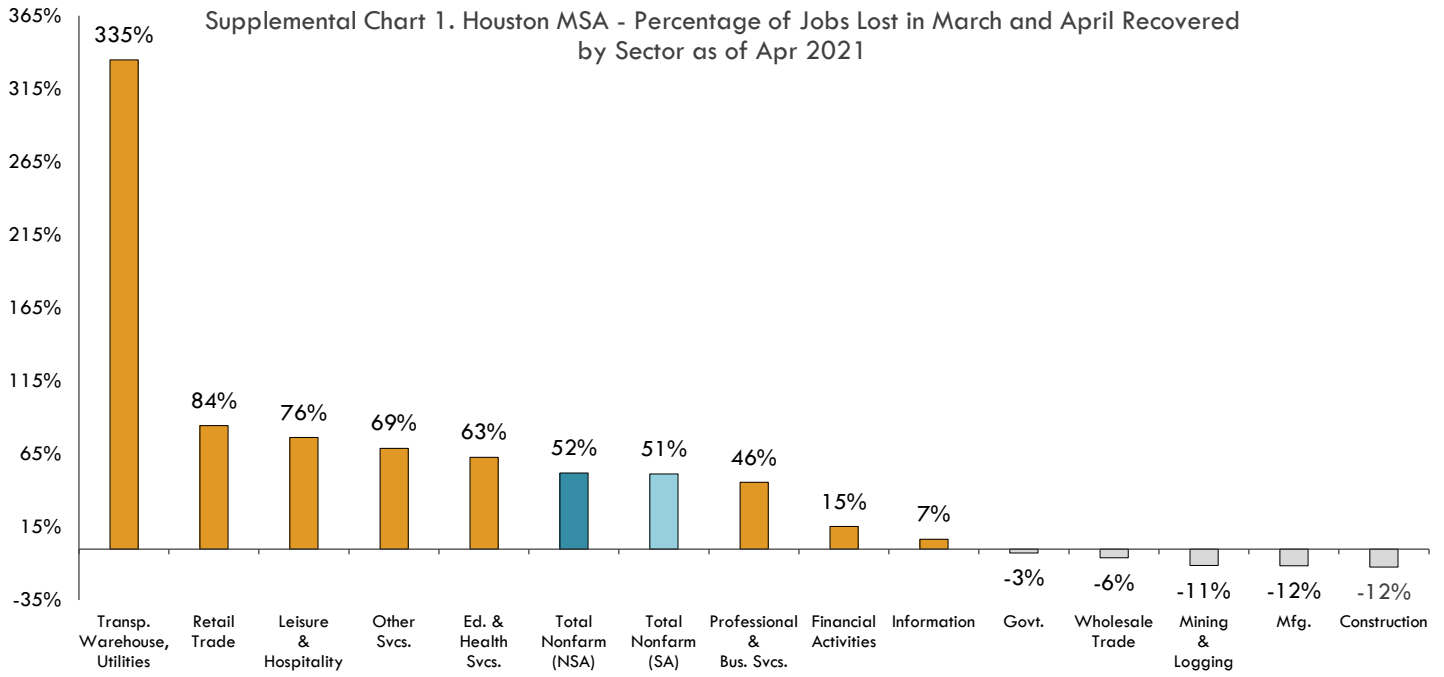
Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
April 2020 to April 2021



Supplemental Commentary

Challenges Related 2020 to 2021 Comparisons

This April marks the one-year anniversary of the single-largest decline in employment on record for Houston and virtually all other places around the globe. The challenge in the wake of last year’s disruption has been how best to quantify and meaningfully characterize labor market developments compared to those from 2020. From early on, this report has included measures that consider the percentage of jobs recovered to-date that were lost over March and April 2020, which currently stands at just over 50 percent (see Supplemental Chart 1 below). However as more industry sectors reach a recovery rate of 100 percent, the usefulness of this measure declines necessitating its eventual retirement.



Traditional measures of job growth, particularly year-over-year net or percentage changes in employment, are of limited use at present. For example, March 2021 seasonally-adjusted employment for the Houston MSA was down approximately -170,000 jobs, or -5.5 percent from March 2020. However, this April’s change was equally dramatic to the upside due to the steep drop a year ago resulting in exaggerated growth at just over 190,000. This technically exceeds the previous all-time high of 120,900 in February 2013 by a fair margin as can be seen in Chart 3 on page 2 of this report. Such swings make for dramatic headlines but provide little insight into the state of the recovery.

Looking ahead to the end of 2021, year-over-year growth as of December, the month traditionally used to gauge the job market’s performance in a given year, would reach 74,000 if the region were to simply match its pre-COVID-19 historical monthly average growth rate of 0.15%, or roughly 4,400 jobs each month for the remainder of the year. That figure would place it among the top one-third best years for job growth over the past 3 decades. However, because of lingering distortions through the end of 2020, it is unclear whether we should regard an increase of this magnitude as a true reflection of job market performance for the year.

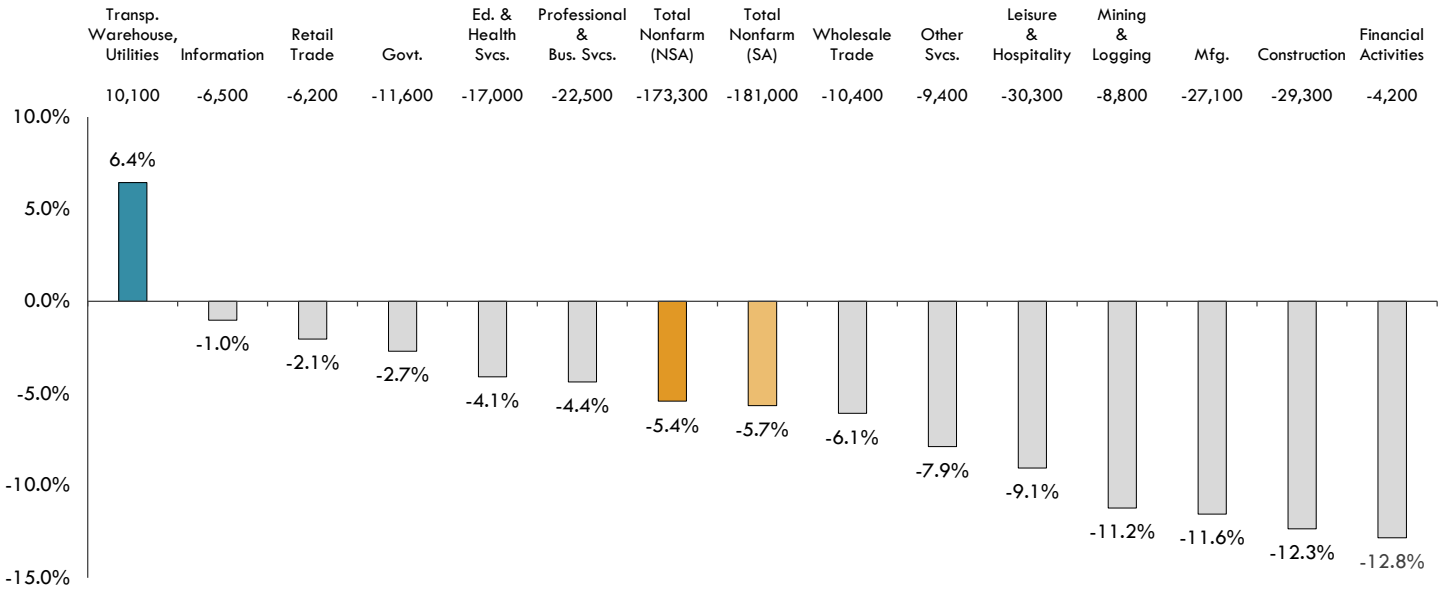
Because of the ambiguity surrounding these typical measures of job market performance, this report introduces an additional measure designed to provide additional context to the ongoing recovery. This measure is a variation of the March-April 2020 to present recovery rate that instead answers the question “by how much does absolute employment remain below the level recorded in February 2020?” This period was chosen as it serves as both peak employment for the previous cycle and also the final month before widespread disruption from the pandemic.

Results can be seen in Supplemental Chart 2, which shows both percentage and absolute employment levels. In contrast to the March-April 2020 to present recovery measure, this shows that all major sectors with the exception Transportation, Warehousing, and Utilities, have yet to match their previous highs. Employment in the aforementioned sector now sits at 6.4 percent or 10,100 jobs higher than the level recorded in February 2020. Overall Total Nonfarm employment remains between 5.4 percent and 5.7 percent below previous highs, which translates to a shortfall of approximately 170,000 to 180,000 jobs. Readers are reminded that ability of individual sectors to recover back to their previous highs varies widely due to a range of factors specific to each one. For example, employment in Leisure and Hospitality, mainly composed of restaurants and bars, maintains a deficit of -30,300 jobs, the largest of all industry sectors. The Construction sector shows comparable shortfall of 29,300 jobs however it lacks the ease with which restaurants can reopen quickly due to the long-term capital-intensive nature of construction projects.

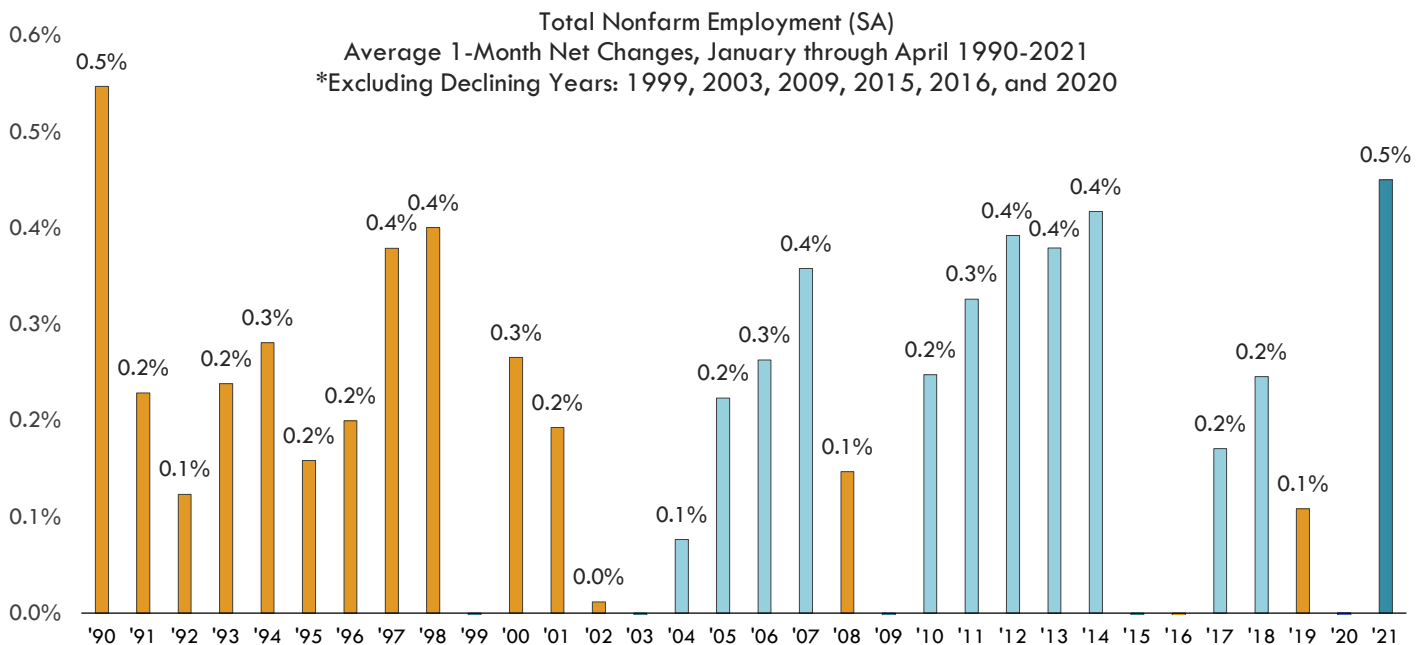
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Supplemental Commentary Continued

Supplemental Chart 2. Houston MSA Current Employment Level as of Apr 2021 Relative to Pre-pandemic Peak by Sector



Below is an experimental measure attempts to compare the amount of job recovery observed thus far in 2021 **compared to past similar recovery periods immediately preceded by a decline**. This approach seeks to exclude the extreme distortions related to recessions, particularly the current one related to the pandemic, which cannot be achieved through standard comparison to the year prior. To facilitate this and improve the functionality of Supplemental Chart 3 seen below, years with declines have been removed. Each bar represents average monthly job growth from January to the current month. The goal is to compare identical periods, in this case January through April, within calendar years during which growth was observed with emphasis on 2004 to 2007, 2010 to 2014, and to a lesser extent 2017 to 2018. The chart below shows that the pace of recovery thus far in 2021 at 0.5 percent for exceeds comparable first years of growth following past downturns and even peak rates in subsequent years further confirming the current general consensus that the post-pandemic rebound is expected remain strong throughout the year. As this is an experimental measure, feedback is welcome.



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GAINING INDUSTRY HIGHLIGHTS

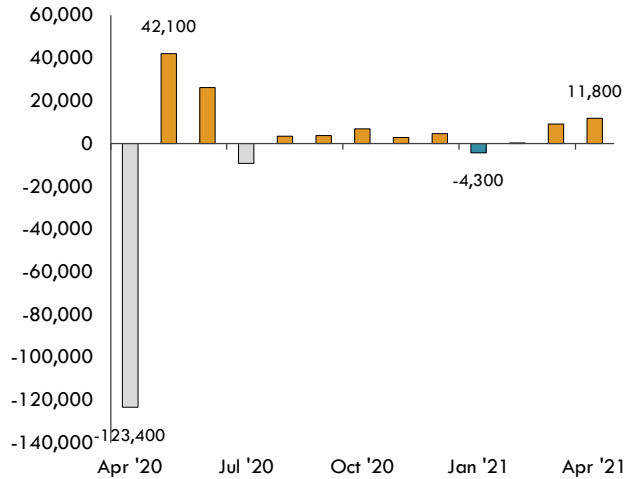
Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the largest gaining sector over the month up 11,800 jobs, or 4.0 percent. (see Chart 6.) This was the largest-ever gain in the month of April since records began in 1990. The largest all-time one-month gain on record for this sector occurred in May 2020, up 42,100 jobs. The largest decline on record occurred in April 2020, down -123,400 jobs. Historically in the month of April, Leisure and Hospitality has added an average of 2,200 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Gains are typical in April with the only instance of over-the-month job losses in this month occurring in 2020. This also marks the third of five consecutive months each year during which over-the-month job losses have never occurred outside the pandemic. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 11,100 jobs over the month. The second-largest contributor was Arts, Entertainment, and Recreation, which added 700 jobs from March to April.

Leisure and Hospitality employment was revised downward by -2,800 jobs for a February to March smaller net gain of 9,200 compared to an original estimate of 12,000 jobs.

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



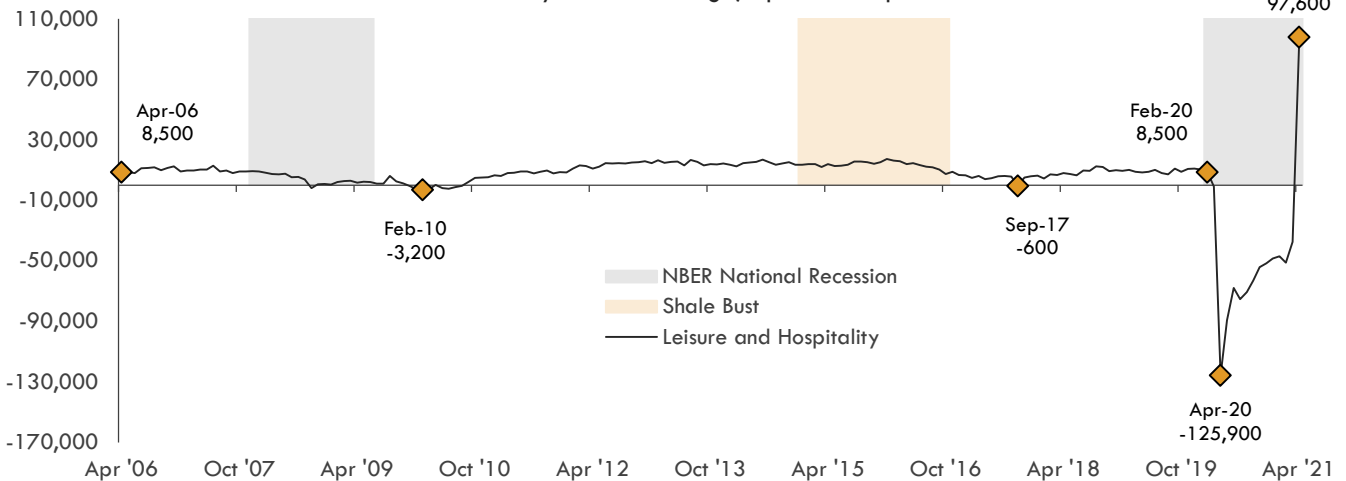
*blue bar may reflect January typical seasonal decline/gain occurring each

Over-the-year Change

Year over year, Leisure and Hospitality was up 97,600 jobs, or 47.2 percent. (see Chart 7.) This was the largest-ever year-over-year gain in the month of April, or any other month, since records began in 1990. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 45.6 percent of total (gross) jobs added across the region over the past year can be attributed to Leisure and Hospitality. The largest decline on record occurred in April 2020, down -125,900 jobs. Accommodation and Food Services was the largest contributor to the overall sector's

increase, up 87,400 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 10,200 jobs from April a year ago. Since shedding -127,900 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 80 percent of jobs lost as of April. Leisure and Hospitality's share of Houston area Total Nonfarm Employment has risen from 7.3 percent to 10.1 percent over the past year.

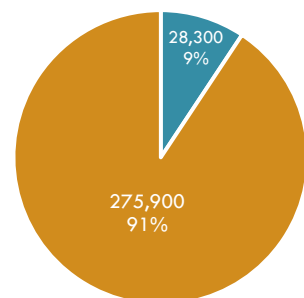
Chart 7. Leisure and Hospitality (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, or exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 91 percent. (see Chart 8.) Across the Houston MSA, the concentration of jobs in the overall sector is 4 percent higher than the national average.

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



■ Arts, Entertainment, & Recreation
■ Accommodation & Food Svcs.

GAINING INDUSTRY HIGHLIGHTS

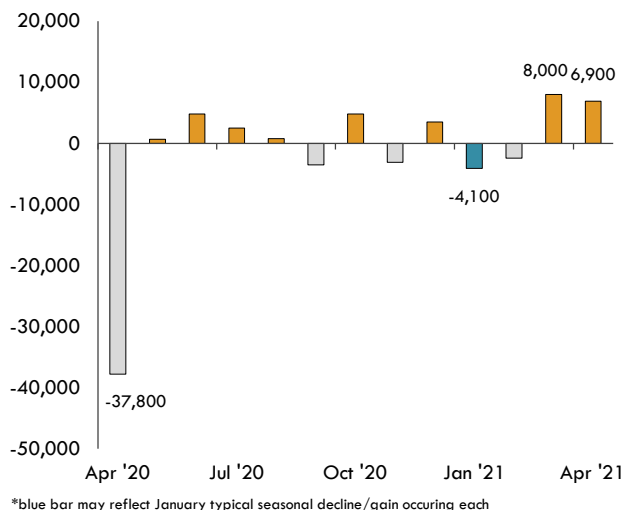
Professional and Business Services

Over-the-month Change

Professional and Business Services was the second-largest gaining sector over the month up 6,900 jobs, or 1.4 percent. (see Chart 9.) This was the largest-ever gain in the month of April since records began in 1990. The largest all-time one-month gain on record for this sector occurred in March 2021, up 8,000 jobs. The largest decline on record occurred in April 2020, down -37,800 jobs. Historically in the month of April, Professional and Business Services has added an average of 1,600 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 5,800 jobs over the month. The second-largest contributor was Administrative and Support and Waste Management and Remediation Services, which added 600 jobs from March to April. Lastly, Management of Companies and Enterprises contributed, 500 jobs. Professional and Business Services employment was revised downward by -1,400 jobs for

a February to March smaller net gain of 8,000 compared to an original estimate of 9,400 jobs.

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

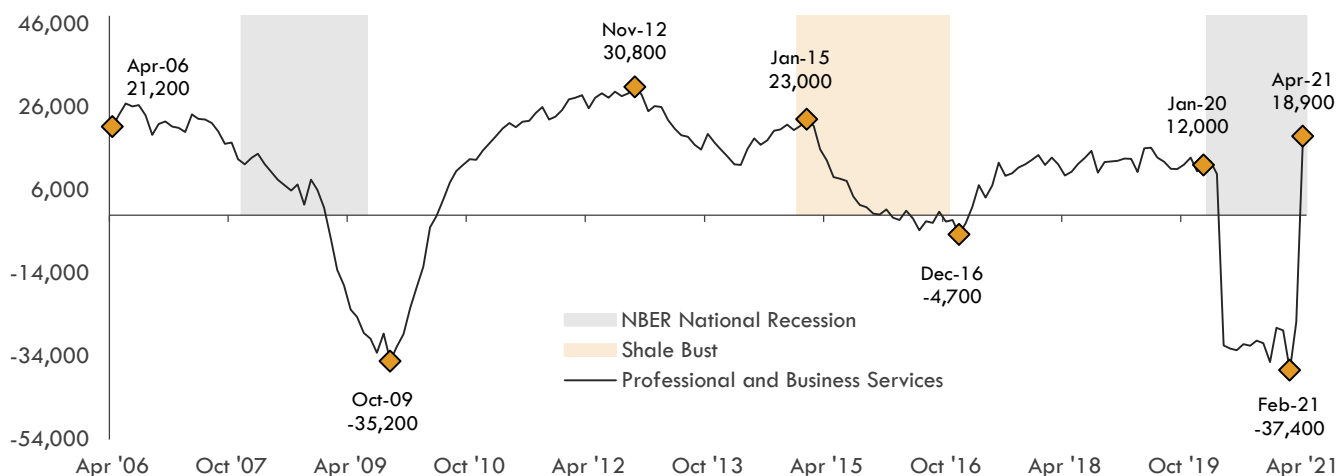


Over-the-year Change

Year over year, Professional and Business Services was up 18,900 jobs, or 4.0 percent. (see Chart 10.) The largest over-the-year gain on record for this sector occurred in November 2012, up 30,800 jobs. The largest decline on record occurred in February 2021, down -37,400 jobs. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 11,800 jobs over the year. The second-largest contributor was Professional, Scientific, and Technical Services, which added 7,900 jobs from April a year ago. Lastly, Management of

Companies and Enterprises offset a portion of the sector's gains with a loss of -800 jobs. Since shedding -41,400 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 April. Professional and Business Services's share of Houston area Total Nonfarm Employment has fallen from 16.7 percent to 16.3 percent over the past year.

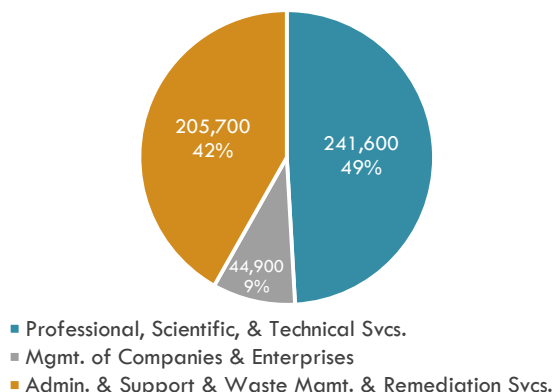
Chart 10. Professional and Business Services (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a plurality of the sector's employment at 49 percent. (see Chart 11.) Across the Houston MSA, the concentration of jobs in the overall sector is 14 percent higher than the national average, due to a 18-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

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

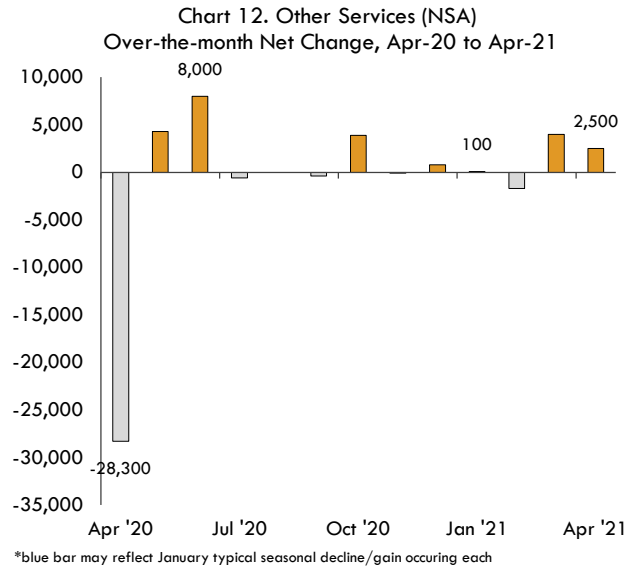


GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

Other Services was the third-largest gaining sector over the month up 2,500 jobs, or 2.3 percent. (see Chart 12.) The largest all-time one-month gain on record for this sector occurred in June 2020, up 8,000 jobs. The largest decline on record occurred in April 2020, down -28,300 jobs. Historically in the month of April, Other Services has added an average of 1,700 jobs over the month, which indicates that this month's gains are moderately above the long-term average. 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 1,500 jobs for a February to March larger net gain of 4,000 compared to an original estimate of 2,500 jobs.

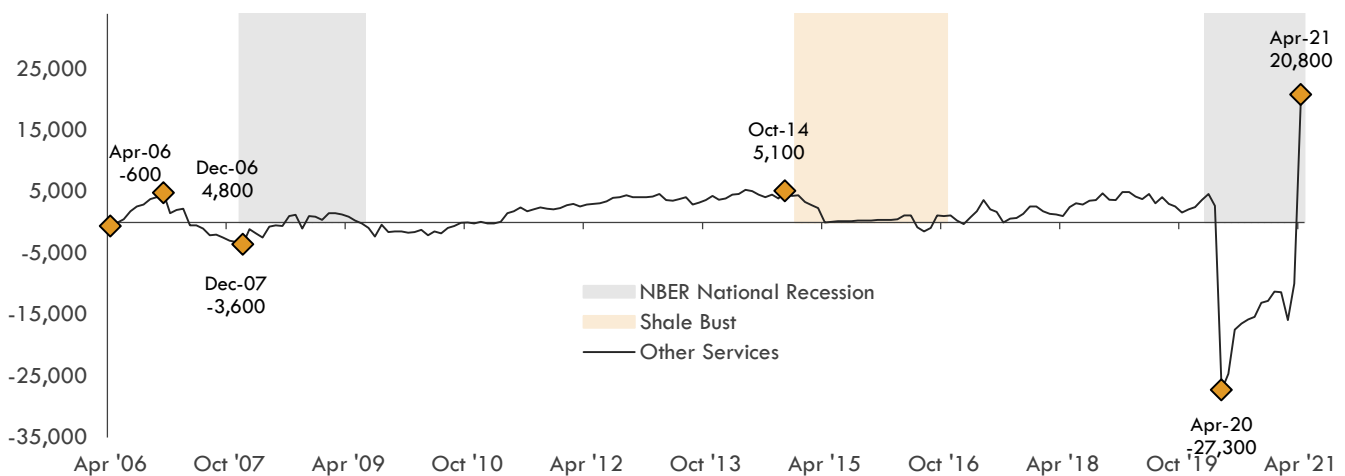


Over-the-year Change

Year over year, Other Services was up 20,800 jobs, or 23.4 percent. (see Chart 13.) This was the largest-ever year-over-year gain in the month of April, or any other month, since records began in 1990. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. The largest decline on record occurred in April 2020, down -27,300 jobs. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Since shedding -30,200 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered

70 percent of jobs lost as of April. Other Services's share of Houston area Total Nonfarm Employment has risen from 3.1 percent to 3.6 percent over the past year.

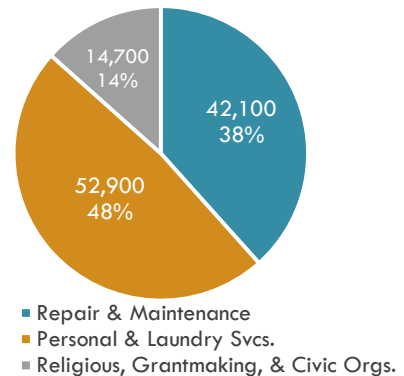
Chart 13. Other Services (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages). (see Chart 14.) Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 6 percent less than the national average.

Chart 14. Employment in Component Industries of Other Services Sector - April 2021



*estimated proportions based QCEW covered and NES self-employment

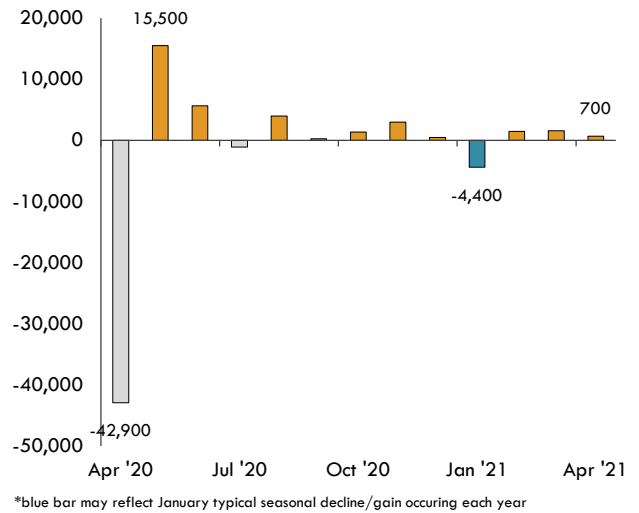
GAINING INDUSTRY HIGHLIGHTS

Education and Health Services

Over-the-month Change

Education and Health Services also saw an increase over the month up 700 jobs, or 0.2 percent. (see Chart 15.) The largest all-time one-month gain on record for this sector occurred in May 2020, up 15,500 jobs. The largest decline on record occurred in April 2020, down -42,900 jobs. Historically in the month of April, Education and Health Services has added an average of 1,000 jobs over the month, which indicates that this month's gains are moderately below the long-term average. Educational Services was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Health Care and Social Assistance, which added 300 jobs from March to April. Education and Health Services employment was revised downward by -800 jobs for a February to March smaller net gain of 1,600 compared to an original estimate of 2,400 jobs.

Chart 15. Education and Health Services (NSA)
Over-the-month Net Change, Apr-20 to Apr-21

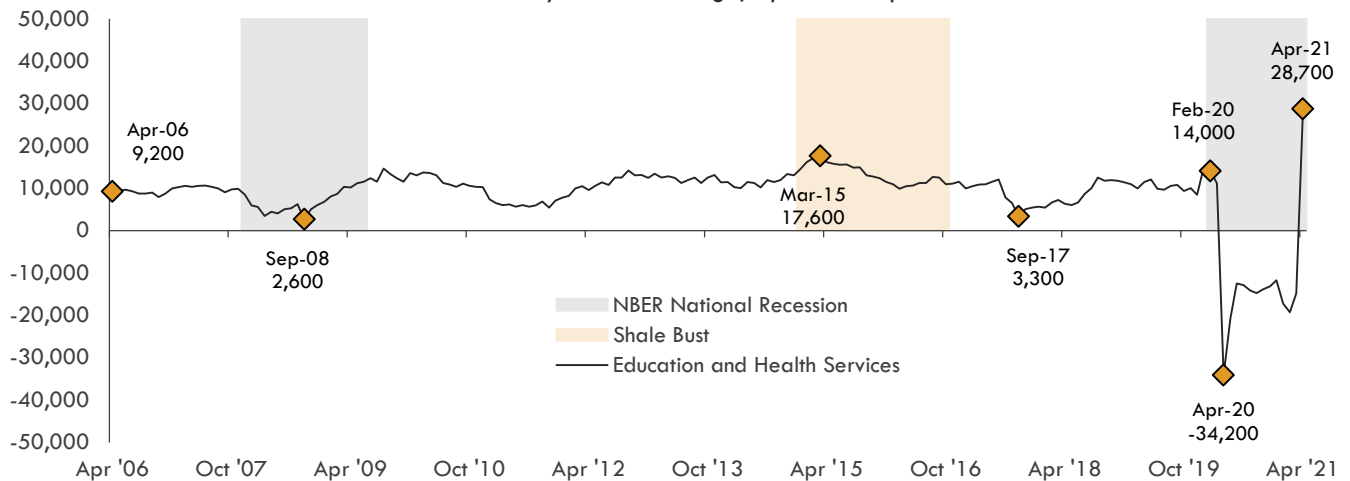


Over-the-year Change

Year over year, Education and Health Services was up 28,700 jobs, or 7.8 percent. (see Chart 16.) This was the largest-ever year-over-year gain in the month of April, or any other month, since records began in 1990. The largest decline on record occurred in April 2020, down -34,200 jobs. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 23,400 jobs over the year. The second-largest contributor was Educational Services, which added 5,300 jobs from April a year ago. Since shedding -45,700 jobs over March and April 2020 due to the impact of COVID-19, this

has recovered approximately 60 percent of jobs lost as of April. Education and Health Services's share of Houston area Total Nonfarm Employment has risen from 13.0 percent to 13.2 percent over the past year.

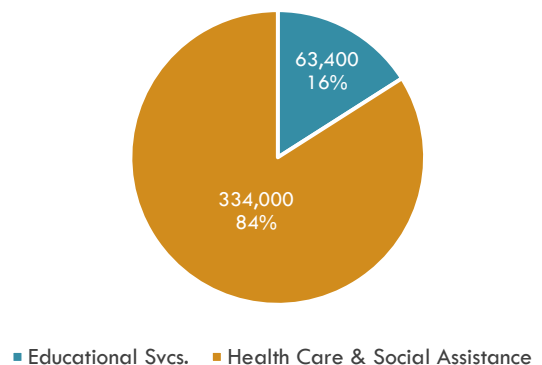
Chart 16. Education and Health Services (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector is composed of establishments that provide private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 84 percent. (see Chart 17.) 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 17. Employment in Component Industries of
Education and Health Services Sector - April 2021



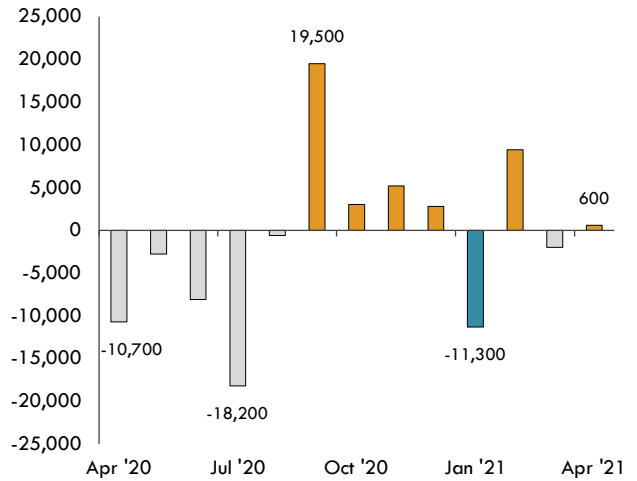
GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government also saw an increase over the month up 600 jobs, or 0.1 percent. (see Chart 18.) The largest all-time one-month gain on record for this sector occurred in September 2013, up 22,500 jobs. The largest decline on record occurred in April 2020, down -10,700 jobs. Historically in the month of April, Government has added an average of 800 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Local Government was the largest contributor to the overall sector's increase, up 600 jobs over the month. The second-largest contributor was Federal Government, which added 300 jobs from March to April. Lastly, State Government offset a portion of the sector's gains with a loss of -300 jobs. Government employment was revised upward by 200 jobs for a February to March smaller net loss of -2,000 compared to an original estimate of -2,200 jobs.

Chart 18. Government (NSA)
Over-the-month Net Change, Apr-20 to Apr-21

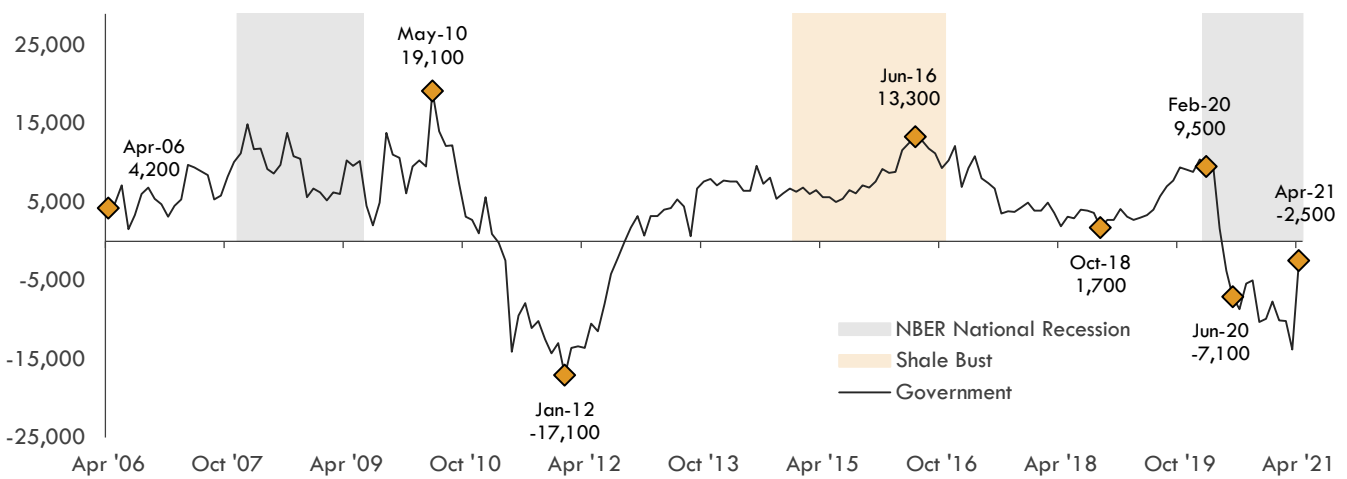


Over-the-year Change

Year over year, Government was down -2,500 jobs, or -0.6 percent. (see Chart 19.) The largest over-the-year gain on record for this sector occurred in May 2010, up 19,100 jobs. The largest decline on record occurred in January 2012, down -17,100 jobs. Local Government was the largest contributor to the overall sector's decline, down -2,500 jobs over the year. The second-largest declining contributor was State Government, which lost -300 jobs from April a year ago. Lastly, Federal Government offset a portion of the sector's losses with a gain of 300 jobs. Since shedding -9,100 jobs over March and April

2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains 3 percent below levels reported in February 2020. Government's share of Houston area Total Nonfarm Employment has fallen from 14.8 percent to 13.8 percent over the past year.

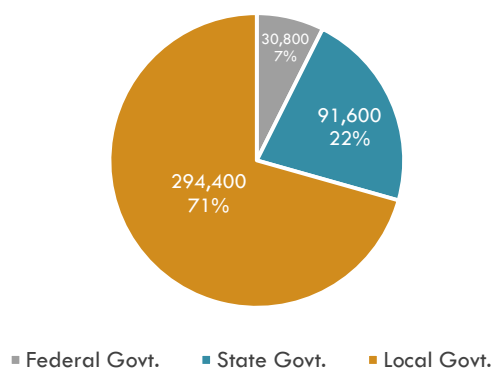
Chart 19. Government (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 71 percent. (see Chart 20.) Across the Houston MSA, the concentration of jobs in the overall Government sector is 9 percent less than the national average.

Chart 20. Employment in Component Industries of Government Sector - April 2021



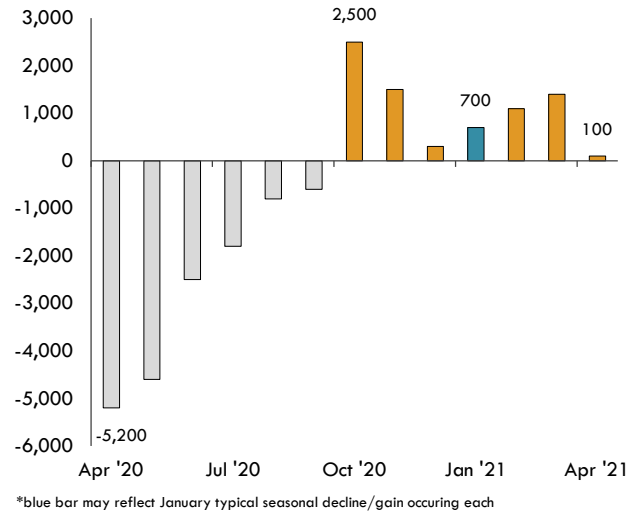
GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw an increase over the month up 100 jobs, or 0.1 percent. (see Chart 21.) The largest all-time one-month gain on record for this sector occurred in June 2011, up 2,800 jobs. The largest decline on record occurred in April 2020, down -5,200 jobs. Historically in the month of April, Mining and Logging has lost an average of -10 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Other Mining and Logging Undefined, which added 100 jobs from March to April. Lastly, Support Activities for Mining offset a portion of the sector's gains with a loss of -400 jobs. Mining and Logging employment was revised upward by 900 jobs for a February to March larger net gain of 1,400 compared to an original estimate of 500 jobs.

Chart 21. Mining and Logging (NSA)
Over-the-month Net Change, Apr-20 to Apr-21

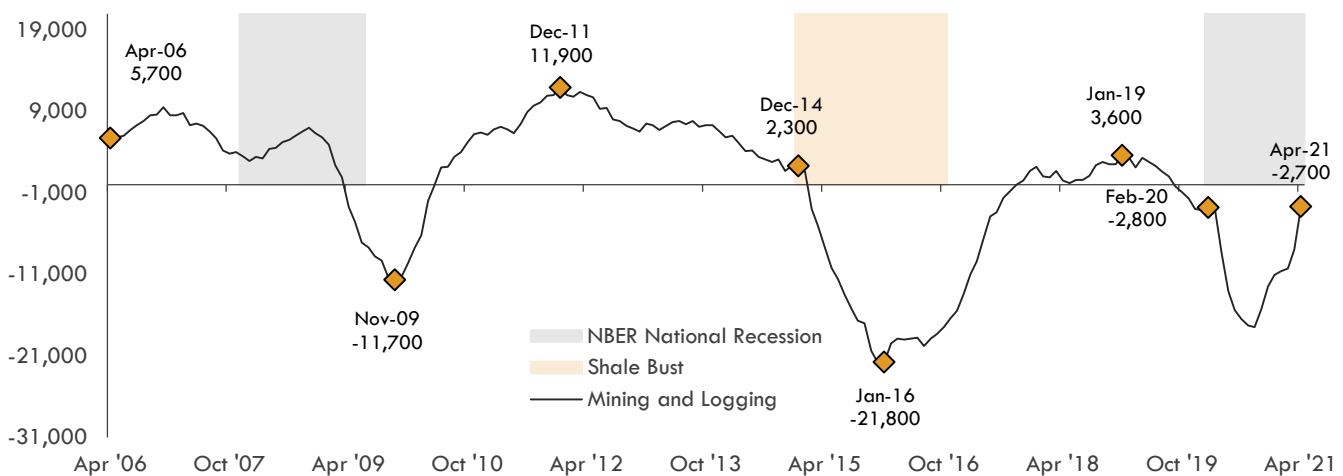


Over-the-year Change

Year over year, Mining and Logging was down -2,700 jobs, or -3.7 percent. (see Chart 22.) Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. The largest over-the-year gain on record for this sector occurred in December 2011, up 11,900 jobs. The largest decline on record occurred in January 2016, down -21,800 jobs. Support Activities for Mining was the largest contributor to the overall sector's decline, down -2,300 jobs over the year. The second-largest declining contributor was Oil and Gas Extraction, which lost -900 jobs

April a year ago. Lastly, Other Mining and Logging Undefined offset a portion of the sector's losses with a gain of 500 jobs. Since shedding -6,100 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Mining and Logging's share of Houston area Total Nonfarm Employment has fallen from 2.6 percent to 2.3 percent over the past year.

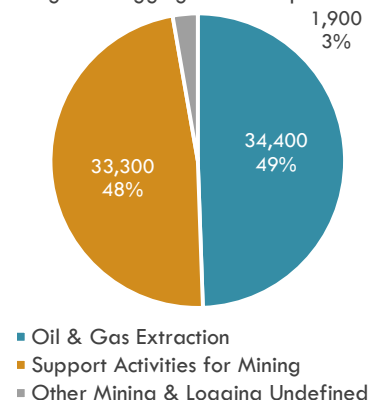
Chart 22. Mining and Logging (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Oil and Gas Extraction accounts for a plurality of the sector's employment at 49 percent. (see Chart 23.) Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.4 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 23. Employment in Component Industries of Mining and Logging Sector - April 2021



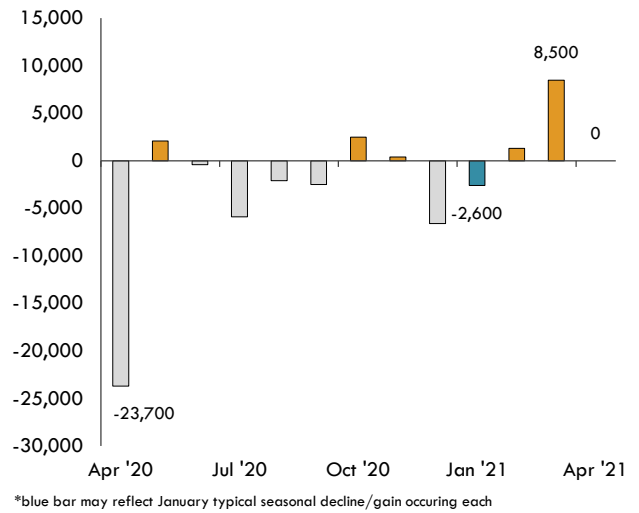
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was unchanged over the month. (see Chart 24.) The largest all-time one-month gain on record for this sector occurred in March 2021, up 8,500 jobs. The largest decline on record occurred in April 2020, down -23,700 jobs. Historically in the month of April, Construction has lost an average of -400 jobs over the month, which indicates that this month's net zero change is moderately in contrast to the long-term average decline. Historically April has proven to be a mixed month with roughly equal numbers of job gains and losses recorded over the past two and a half decades. Construction employment was revised upward by 2,000 jobs for a February to March larger net gain of 8,500 compared to an original estimate of 6,500 jobs.

Chart 24. Construction (NSA)
Over-the-month Net Change, Apr-20 to Apr-21

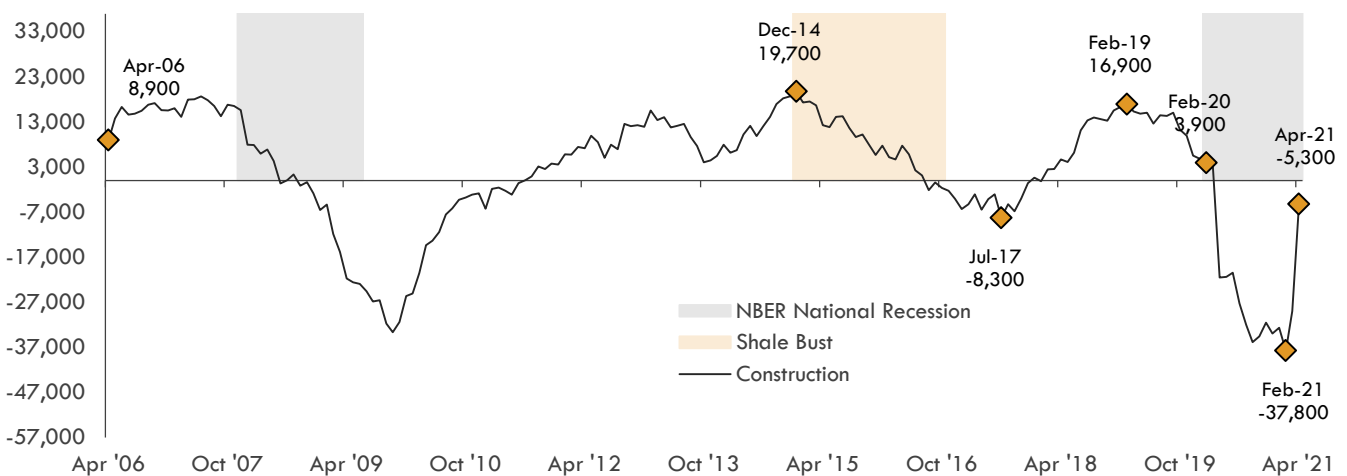


Over-the-year Change

Year over year, Construction was down -5,300 jobs, or -2.5 percent. (see Chart 25.) Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Furthermore, 20.3 percent of total (gross) jobs lost across the region over the past year can be attributed to Construction. The largest over-the-year gain on record for this sector occurred in December 2014, up 19,700 jobs. The largest decline on record occurred in February 2021, down -37,800 jobs. Construction of Buildings was the largest contributor to the overall sector's decline, down -3,600 jobs over

the year. The second-largest declining contributor was Heavy and Civil Engineering Construction, which lost -3,500 jobs from April a year ago. Lastly, Specialty Trade Contractors offset a portion of the sector's losses with a gain of 1,800 jobs. Since shedding -24,000 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Construction's share of Houston area Total Nonfarm Employment has fallen from 7.5 percent to 6.9 percent over the past year.

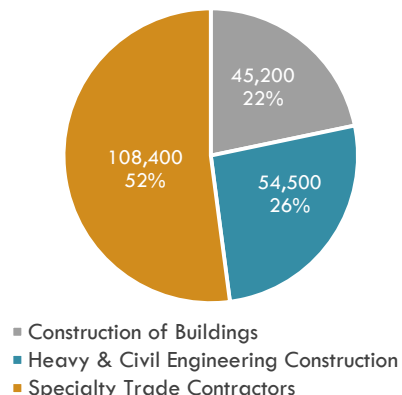
Chart 25. Construction (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and subdivision, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a slight majority of the sector's employment at just over 52 percent. (see Chart 26.) Across the Houston MSA, the concentration of jobs in the overall Construction sector is 35 percent higher than the national average, due to 2.5 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 26. Employment in Component Industries of Construction Sector - April 2021



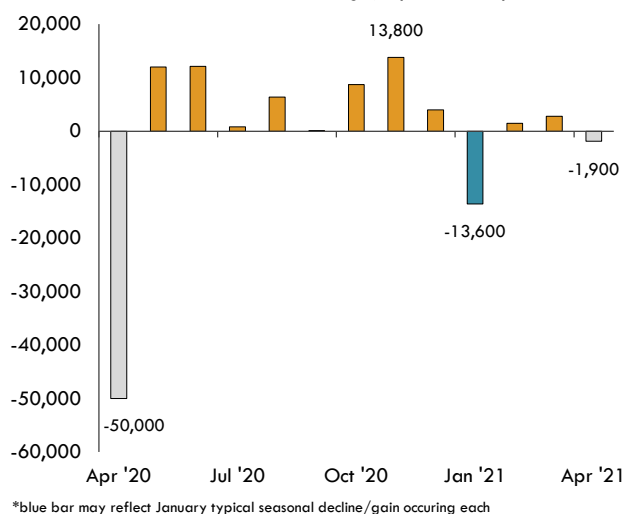
DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest declining sector over the month down -1,900 jobs, or -0.3 percent. (see Chart 27.) The largest all-time one-month gain on record for this sector occurred in November 2019, up 17,400 jobs. The largest decline on record occurred in April 2020, down -50,000 jobs. Historically in the month of April, Trade, Transportation, and Utilities 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. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's decline, down -2,600 jobs over the month. The second-largest declining contributor was Retail Trade, which lost 100 jobs from March to April. Lastly, Wholesale Trade offset a portion of the sector's losses with a gain of 800 jobs. Trade, Transportation, and Utilities employment was revised downward by -400 jobs for a February to March smaller net gain of 2,800 compared to an original estimate of 3,200 jobs.

Chart 27. Trade, Transportation, and Utilities (NSA)
Over-the-month Net Change, Apr-20 to Apr-21

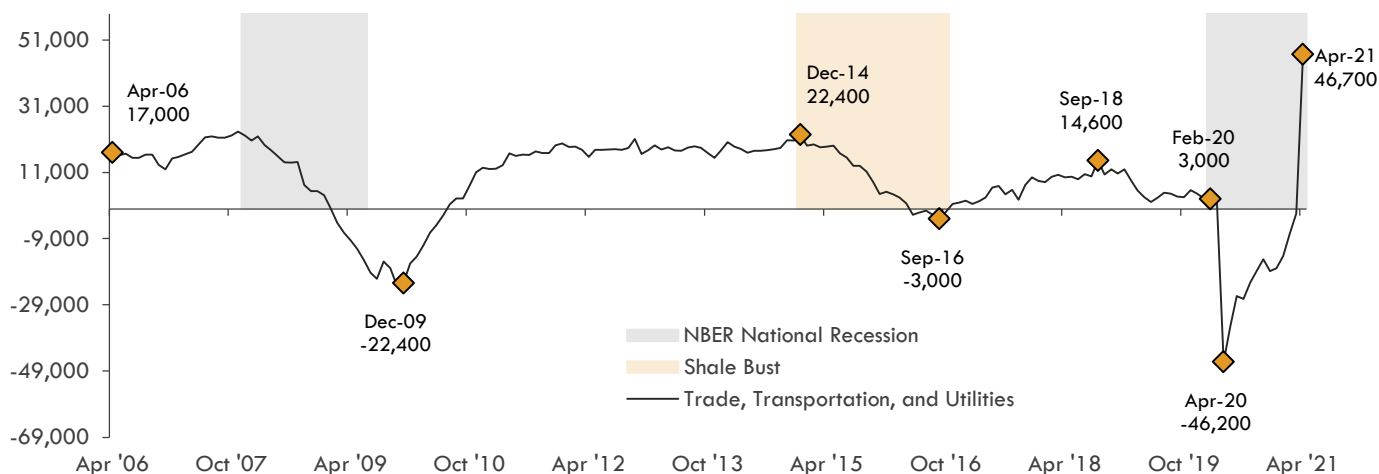


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 46,700 jobs, or 8.1 percent. (see Chart 28.) This was the largest-ever year-over-year gain in the month of April, or any other month, since records began in 1990. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 21.8 percent of total (gross) jobs added across the region over the past year can be attributed to Trade, Transportation, and Utilities. The largest decline on record occurred in April 2020, down -46,200 jobs. Retail Trade was the largest contributor to

the overall sector's increase, up 33,800 jobs over the year. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 14,400 jobs from April a year ago. Lastly, Wholesale Trade offset a portion of the sector's gains with a loss of -1,500 jobs. Trade, Transportation, and Utilities's share of Houston area Total Nonfarm Employment has risen from 20.3 percent to 20.6 percent over the past year.

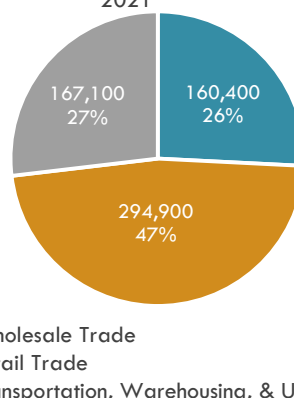
Chart 28. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 47 percent. (see Chart 29.) Across the Houston MSA, the concentration of jobs in the overall sector is 11 percent higher than the national average, due to a 36-percent higher concentration in Wholesale Trade primarily related to the oil and gas industry.

Chart 29. Employment in Component Industries of Trade, Transportation, and Utilities Sector - April 2021



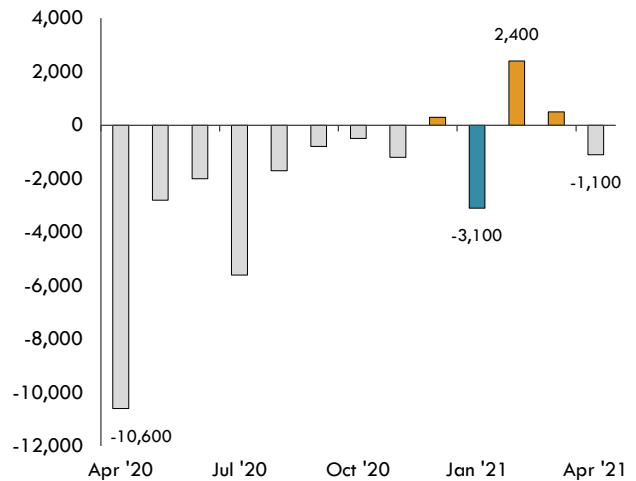
DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing was the second-largest declining sector over the month down -1,100 jobs, or -0.5 percent. (see Chart 30.) The largest all-time one-month gain on record for this sector occurred in June 1990, up 3,200 jobs. The largest decline on record occurred in April 2020, down -10,600 jobs. Historically in the month of April, Manufacturing has lost an average of -300 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Non-Durable Goods was the largest contributor to the overall sector's decline, down -700 jobs over the month. The second-largest declining contributor was Durable Goods, which lost -400 jobs from March to April. Manufacturing employment was revised upward by 1,000 jobs for a February to March complete erasure of losses resulting in a net gain of 500 compared to an original estimate of -500 jobs.

Chart 30. Manufacturing (NSA)
Over-the-month Net Change, Apr-20 to Apr-21



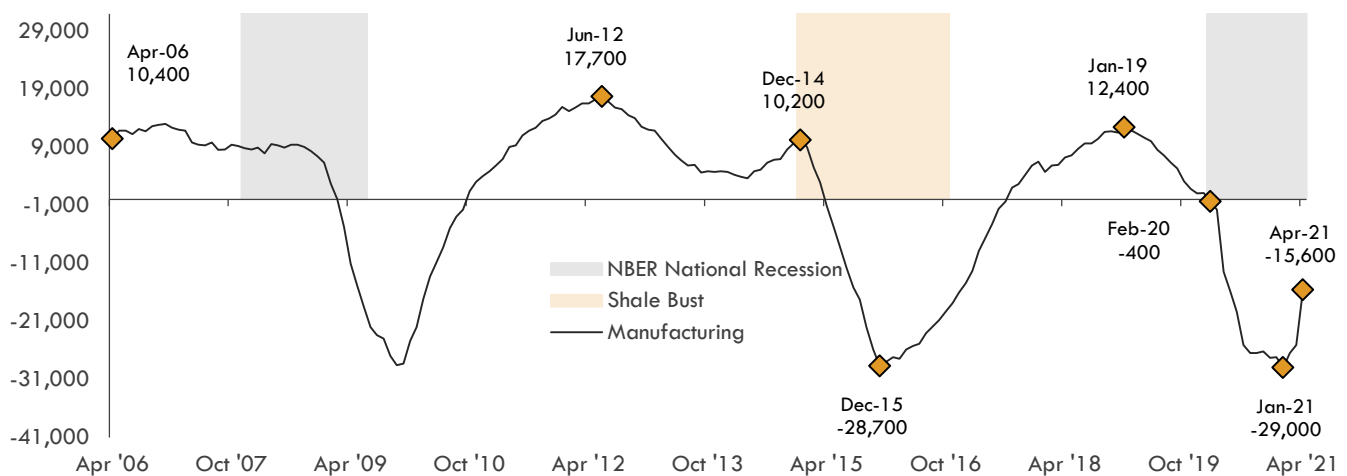
*blue bar may reflect January typical seasonal decline/gain occurring each

Over-the-year Change

Year over year, Manufacturing was down -15,600 jobs, or -7.0 percent. (see Chart 31.) Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 59.8 percent of total (gross) jobs lost across the region over the past year can be attributed to Manufacturing. The largest over-the-year gain on record for this sector occurred in June 2012, up 17,700 jobs. The largest decline on record occurred in January 2021, down -29,000 jobs. Durable Goods was the largest contributor to the overall sector's decline, down -14,800 jobs over the year. The

second-largest declining contributor was Non-Durable Goods, which lost -800 jobs from April a year ago. Since shedding -11,500 jobs over March and April 2020 due to the impact of COVID-19, this sector continues to post losses resulting in total employment that remains -10 percent below levels reported in February 2020. Manufacturing's share of Houston area Total Nonfarm Employment has fallen from 7.9 percent to 6.9 percent over the past year.

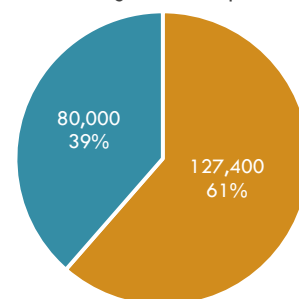
Chart 31. Manufacturing (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 61 percent. (see Chart 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 - April 2021



■ Durable Goods Mfg. ■ Nondurable Goods Mfg.

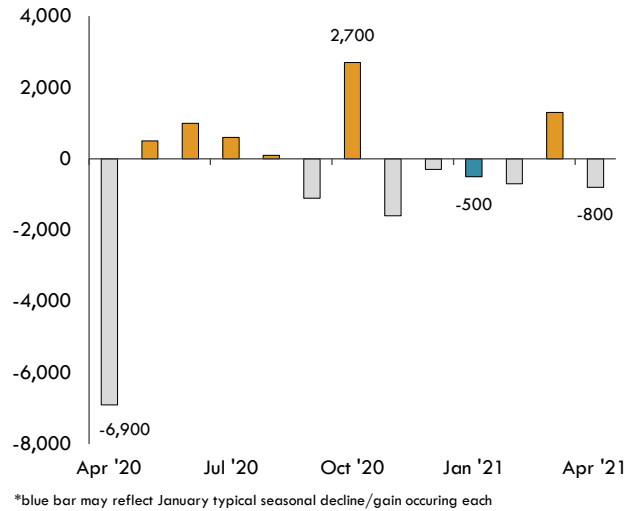
DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities was the third-largest declining sector over the month down -800 jobs, or -0.5 percent. (see Chart 33.) The largest all-time one-month gain on record for this sector occurred in October 2020, up 2,700 jobs. The largest decline on record occurred in April 2020, down -6,900 jobs. Historically in the month of April, Financial Activities has added an average of 300 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -1,000 jobs over the month. One component industry that provided a partial offset was Finance and Insurance, which gained 200 jobs from March to April. Financial Activities employment was revised upward by 800 jobs for a February to March larger net gain of 1,300 compared to an original estimate of 500 jobs.

Chart 33. Financial Activities (NSA)
Over-the-month Net Change, Apr-20 to Apr-21

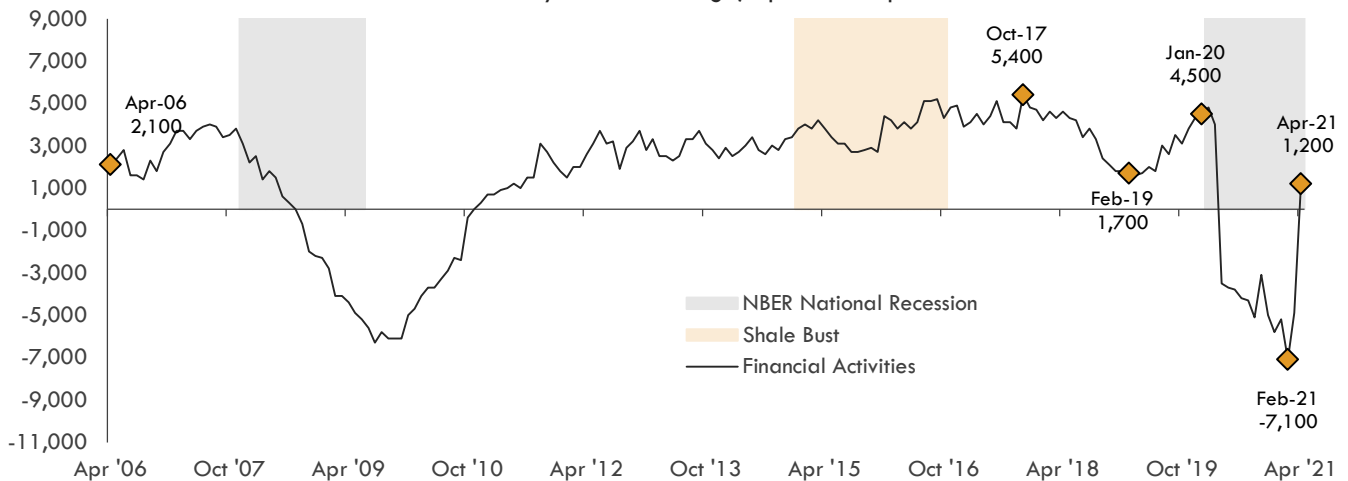


Over-the-year Change

Year over year, Financial Activities was up 1,200 jobs, or 0.7 percent. (see Chart 34.) The largest over-the-year gain on record for this sector occurred in September 1998, up 9,000 jobs. The largest decline on record occurred in February 2021, down -7,100 jobs. Finance and Insurance was the largest contributor to the overall sector's increase, up 1,500 jobs over the year. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which lost -300 jobs from April a year ago. Since shedding -7,800 jobs over March and April 2020 due to the impact of COVID-19, this sector has

recovered approximately 20 percent of jobs lost as of April. Financial Activities's share of Houston area Total Nonfarm Employment has fallen from 5.7 percent to 5.4 percent over the past year.

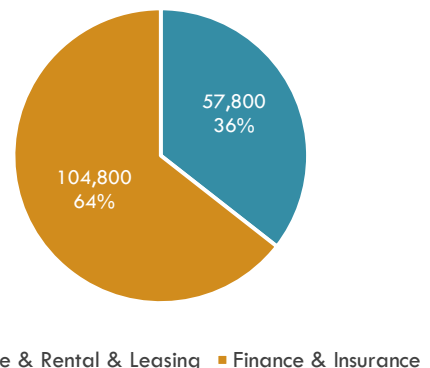
Chart 34. Financial Activities (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 64 percent. (see Chart 35.) 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 23-percent higher concentration in Real Estate and Rental and Leasing.

Chart 35. Employment in Component Industries of
Financial Activities Sector - April 2021



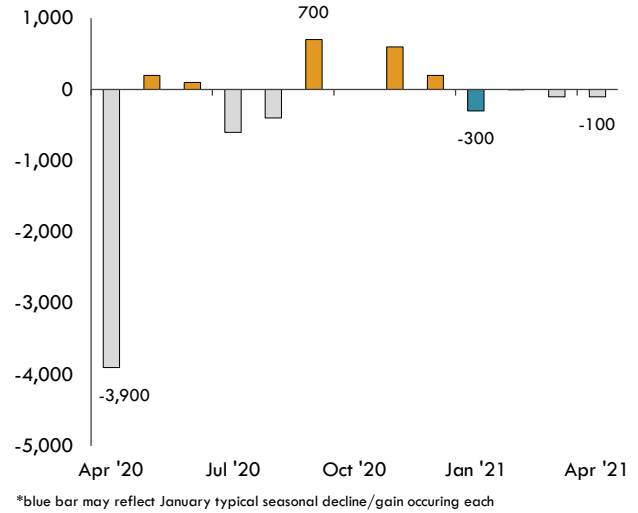
DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information also saw a decrease over the month down -100 jobs, or -0.3 percent. (see Chart 36.) The largest all-time one-month gain on record for this sector occurred in July 1994, up 1,500 jobs. The largest decline on record occurred in April 2020, down -3,900 jobs. Historically in the month of April, Information has lost an average of -60 jobs over the month, which indicates that this month's losses are slightly larger than the long-term average decline. Telecommunications was the largest contributor to the overall sector's decline, down -100 jobs over the month. One component industry, Other Information Undefined, saw no change from March to April. Information employment saw no revision from February to March leaving the previous month's original decrease of -100 intact.

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

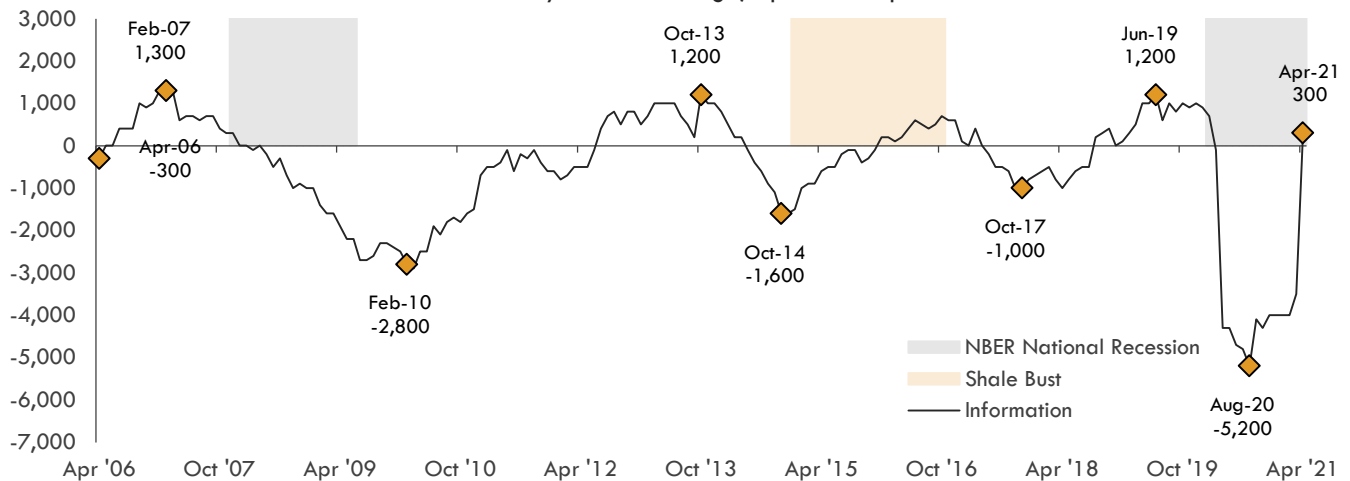


Over-the-year Change

Year over year, Information was up 300 jobs, or 1.1 percent. (see Chart 37.) The largest over-the-year gain on record for this sector occurred in June 1997, up 4,600 jobs. The largest decline on record occurred in April 2002, down -7,000 jobs. Other Information Undefined was the largest contributor to the overall sector's increase, up 900 jobs over the year. One component industry that provided a partial offset was Telecommunications, which lost -600 jobs from April a year ago. Since shedding -4,500 jobs over March and April 2020 due to the impact of COVID-19, this sector has recovered approximately 10 percent

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

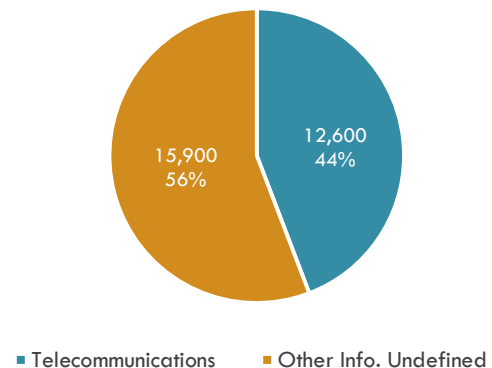
Chart 37. Information (NSA)
Over-the-year Net Change, Apr-06 to Apr-21



About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 56 percent. (see Chart 38.) Across the Houston MSA, the concentration of jobs in the overall Information sector is 49 percent less than the national average.

Chart 38. Employment in Component Industries of Information Sector - April 2021



Unemployment Rates

Not-Seasonally Adjusted

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 7.1 percent in April, down from March's 8.0 percent and down from 14.0 percent a year ago. This was above the statewide rate of 6.3 percent and above the national rate of 5.7 percent. 240,711 individuals were unemployed in Houston in April, down from March's 270,964 and down from 459,232 in April 2020.

Chart 39. Unemployment Rates (NSA)
U.S., Texas, and Houston MSA
April 2021

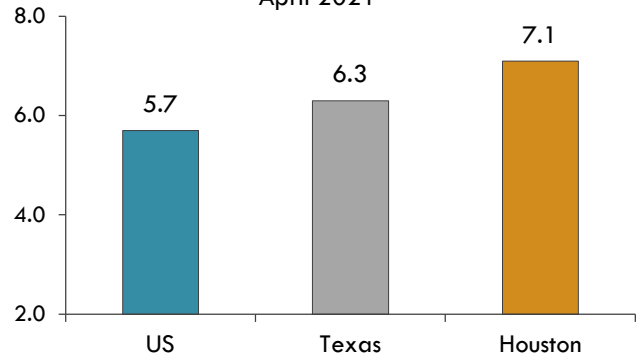
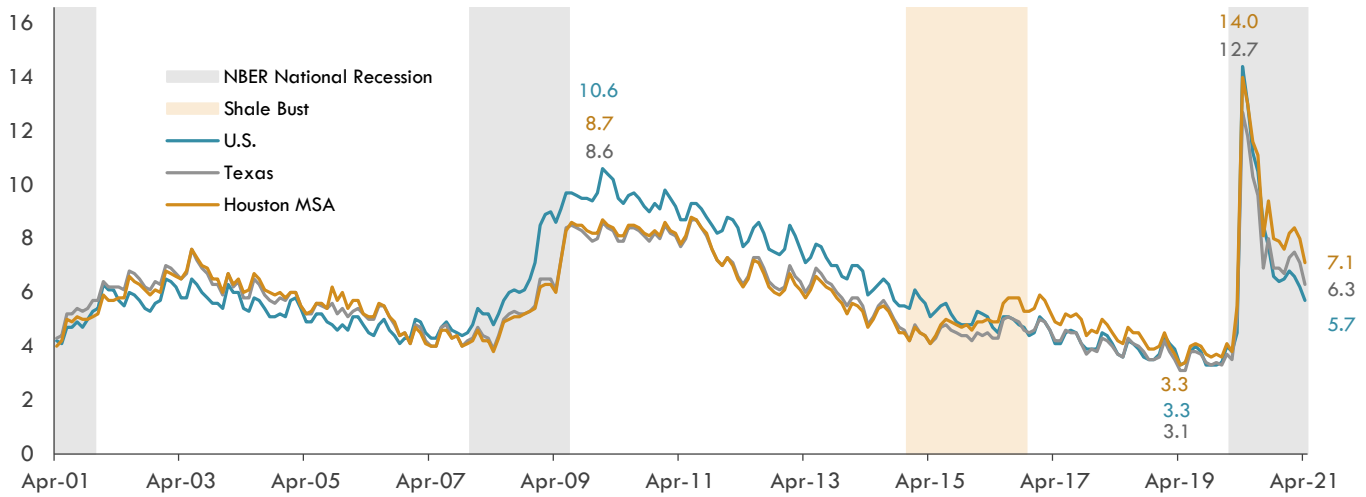


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
April 2001 to April 2021



Seasonally Adjusted

The Houston MSA (seasonally-adjusted) unemployment rate stood at 8.3 percent in March, unchanged from February and up from 5.7 percent a year ago. This was above the statewide rate of 6.9 percent and above the national rate of 6.0 percent. 278,959 individuals were unemployed in Houston in March, virtually unchanged from February's 281,097 and up from 193,401 in March 2020.

Chart 41. Unemployment Rates (SA)
U.S., Texas, and Houston MSA
March 2021

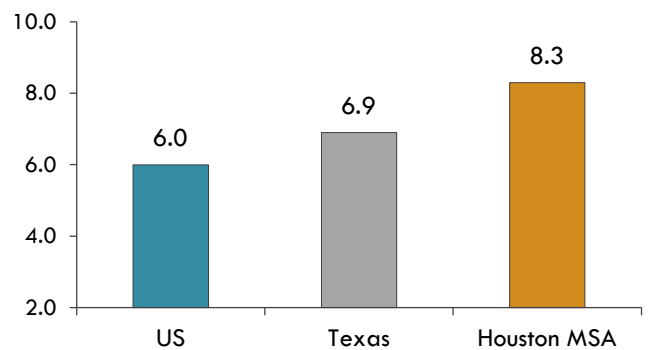
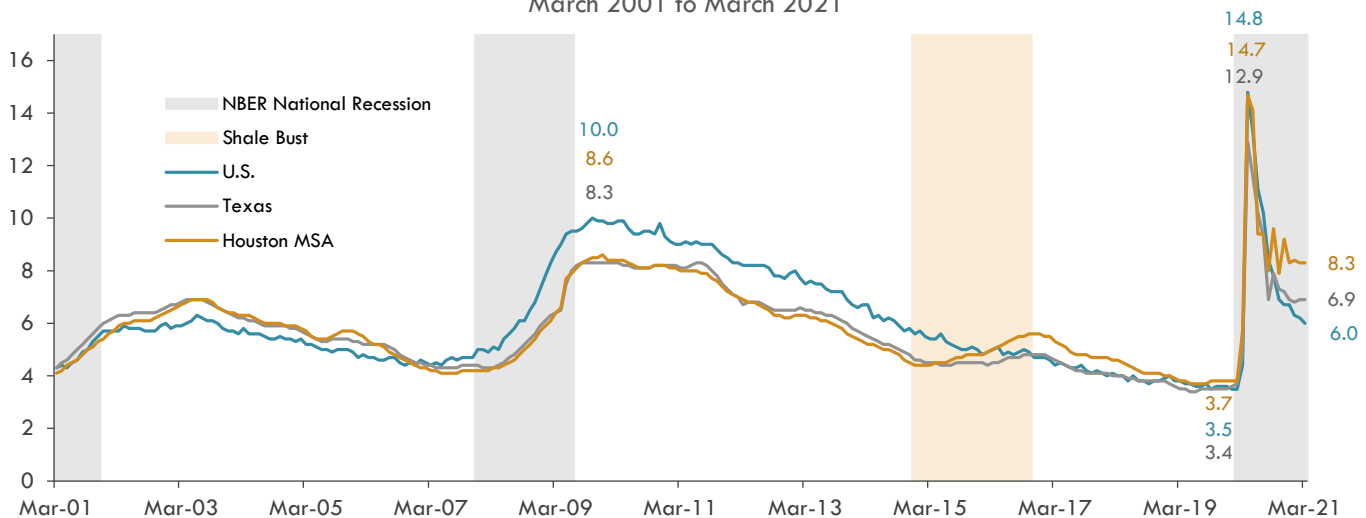


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
March 2001 to March 2021



Houston Area Employment Situation

April 2021

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Apr-21	Mar-21	Apr-20	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,018,900	3,000,200	2,830,800	18,700	0.6%	188,100	6.6%
Total Private	2,602,100	2,584,000	2,411,500	18,100	0.7%	190,600	7.9%
Goods Producing	485,100	486,100	508,700	-1,000	-0.2%	-23,600	-4.6%
.Mining and Logging	69,600	69,500	72,300	100	0.1%	-2,700	-3.7%
...Oil and Gas Extraction	34,400	34,000	35,300	400	1.2%	-900	-2.5%
...Support Activities for Mining	33,300	33,700	35,600	-400	-1.2%	-2,300	-6.5%
.Construction	208,100	208,100	213,400	0	0.0%	-5,300	-2.5%
..Construction of Buildings	45,200	45,600	48,800	-400	-0.9%	-3,600	-7.4%
..Heavy and Civil Engineering Construction	54,500	54,200	58,000	300	0.6%	-3,500	-6.0%
..Specialty Trade Contractors	108,400	108,300	106,600	100	0.1%	1,800	1.7%
.Manufacturing	207,400	208,500	223,000	-1,100	-0.5%	-15,600	-7.0%
..Durable Goods	127,400	127,800	142,200	-400	-0.3%	-14,800	-10.4%
...Fabricated Metal Product Manufacturing	40,900	41,600	49,300	-700	-1.7%	-8,400	-17.0%
...Machinery Manufacturing	38,500	38,400	44,800	100	0.3%	-6,300	-14.1%
....Agriculture, Construction, and Mining Machinery Mfg.	20,000	20,000	26,400	0	0.0%	-6,400	-24.2%
...Computer and Electronic Product Manufacturing	12,800	12,900	13,800	-100	-0.8%	-1,000	-7.2%
..Non-Durable Goods	80,000	80,700	80,800	-700	-0.9%	-800	-1.0%
...Petroleum and Coal Products Manufacturing	8,700	8,700	8,500	0	0.0%	200	2.4%
...Chemical Manufacturing	38,700	38,900	40,000	-200	-0.5%	-1,300	-3.3%
Service Providing	2,533,800	2,514,100	2,322,100	19,700	0.8%	211,700	9.1%
.Private Service Providing	2,117,000	2,097,900	1,902,800	19,100	0.9%	214,200	11.3%
..Trade, Transportation, and Utilities	622,400	624,300	575,700	-1,900	-0.3%	46,700	8.1%
...Wholesale Trade	160,400	159,600	161,900	800	0.5%	-1,500	-0.9%
....Merchant Wholesalers, Durable Goods	97,500	97,700	101,000	-200	-0.2%	-3,500	-3.5%
.....Prof. and Commercial Equip. Supplies Wholesalers	16,700	16,700	17,400	0	0.0%	-700	-4.0%
....Merchant Wholesalers, Nondurable Goods	51,500	50,500	50,300	1,000	2.0%	1,200	2.4%
...Retail Trade	294,900	295,000	261,100	-100	0.0%	33,800	12.9%
....Motor Vehicle and Parts Dealers	41,300	41,100	38,700	200	0.5%	2,600	6.7%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,600	24,400	22,800	200	0.8%	1,800	7.9%
....Food and Beverage Stores	69,600	69,400	67,700	200	0.3%	1,900	2.8%
....Health and Personal Care Stores	18,600	18,600	16,600	0	0.0%	2,000	12.0%
....Clothing and Clothing Accessories Stores	23,500	23,400	10,400	100	0.4%	13,100	126.0%
....General Merchandise Stores	55,900	55,900	51,100	0	0.0%	4,800	9.4%
.....Department Stores	15,800	15,800	11,700	0	0.0%	4,100	35.0%
.....Other General Merchandise Stores	40,100	40,100	39,400	0	0.0%	700	1.8%
...Transportation, Warehousing, and Utilities	167,100	169,700	152,700	-2,600	-1.5%	14,400	9.4%
....Utilities	17,200	17,200	17,000	0	0.0%	200	1.2%
.....Air Transportation	18,600	18,600	20,600	0	0.0%	-2,000	-9.7%
.....Truck Transportation	26,800	26,600	26,500	200	0.8%	300	1.1%
.....Pipeline Transportation	11,400	11,500	12,300	-100	-0.9%	-900	-7.3%
..Information	28,500	28,600	28,200	-100	-0.3%	300	1.1%
...Telecommunications	12,600	12,700	13,200	-100	-0.8%	-600	-4.5%
..Financial Activities	162,600	163,400	161,400	-800	-0.5%	1,200	0.7%
...Finance and Insurance	104,800	104,600	103,300	200	0.2%	1,500	1.5%
....Credit Intermediation and Related Activities	43,500	43,400	44,000	100	0.2%	-500	-1.1%
.....Depository Credit Intermediation	28,600	28,600	29,800	0	0.0%	-1,200	-4.0%
....Securities, Commodity Contracts, and Fin. Investments	20,400	20,300	20,200	100	0.5%	200	1.0%
....Insurance Carriers and Related Activities	40,900	40,900	39,100	0	0.0%	1,800	4.6%
...Real Estate and Rental and Leasing	57,800	58,800	58,100	-1,000	-1.7%	-300	-0.5%
..Professional and Business Services	492,200	485,300	473,300	6,900	1.4%	18,900	4.0%
...Professional, Scientific, and Technical Services	241,600	235,800	233,700	5,800	2.5%	7,900	3.4%
....Legal Services	27,900	27,700	27,000	200	0.7%	900	3.3%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	25,600	25,900	25,300	-300	-1.2%	300	1.2%
....Architectural, Engineering, and Related Services	66,300	66,000	70,800	300	0.5%	-4,500	-6.4%
....Computer Systems Design and Related Services	34,500	34,800	33,300	-300	-0.9%	1,200	3.6%
...Management of Companies and Enterprises	44,900	44,400	45,700	500	1.1%	-800	-1.8%
...Admin. and Support and Waste Mgmt. and Remediation	205,700	205,100	193,900	600	0.3%	11,800	6.1%
....Administrative and Support Services	192,500	192,100	182,500	400	0.2%	10,000	5.5%
.....Employment Services	68,100	70,100	62,800	-2,000	-2.9%	5,300	8.4%
.....Services to Buildings and Dwellings	52,600	51,400	48,300	1,200	2.3%	4,300	8.9%
..Educational and Health Services	397,400	396,700	368,700	700	0.2%	28,700	7.8%
...Educational Services	63,400	63,000	58,100	400	0.6%	5,300	9.1%
...Health Care and Social Assistance	334,000	333,700	310,600	300	0.1%	23,400	7.5%
....Ambulatory Health Care Services	166,300	166,600	147,600	-300	-0.2%	18,700	12.7%
....Hospitals	88,000	88,400	86,200	-400	-0.5%	1,800	2.1%
..Leisure and Hospitality	304,200	292,400	206,600	11,800	4.0%	97,600	47.2%
...Arts, Entertainment, and Recreation	28,300	27,600	18,100	700	2.5%	10,200	56.4%
...Accommodation and Food Services	275,900	264,800	188,500	11,100	4.2%	87,400	46.4%
....Accommodation	21,400	20,600	17,500	800	3.9%	3,900	22.3%
....Food Services and Drinking Places	254,500	244,200	171,000	10,300	4.2%	83,500	48.8%
..Other Services	109,700	107,200	88,900	2,500	2.3%	20,800	23.4%
Government	416,800	416,200	419,300	600	0.1%	-2,500	-0.6%
.Federal Government	30,800	30,500	30,500	300	1.0%	300	1.0%
.State Government	91,600	91,900	91,900	-300	-0.3%	-300	-0.3%
..State Government Educational Services	53,300	53,600	53,200	-300	-0.6%	100	0.2%
.Local Government	294,400	293,800	296,900	600	0.2%	-2,500	-0.8%
..Local Government Educational Services	198,200	196,800	204,800	1,400	0.7%	-6,600	-3.2%