

# Houston Area Employment Situation

December 2024

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

*Another Year in the Books, Next Stop Benchmark Revisions in March*

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,499,900 in December, up 5,700 jobs over the month, or 0.2 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 8,100 jobs. Prior to the pandemic, historically in the month of December, Total Nonfarm has on average added 10,400 jobs over the month, which indicates that this month's gains are substantially below the long-term average.

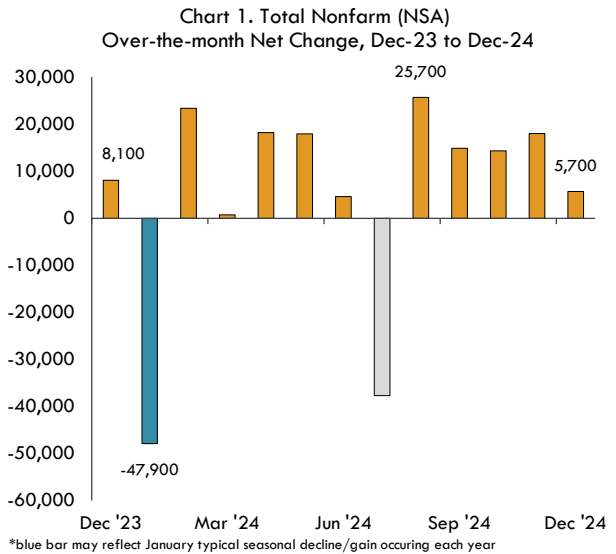
The primary drivers of this December's growth were increases in Trade, Transportation, and Utilities; Other Services; and Government. Gains were also recorded in Information; Manufacturing; and Financial Activities. The net increase in jobs over the month was partially offset by losses in Leisure and Hospitality; Private Education and Health Services; and Professional and Business Services. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,473,600, up 3,000 jobs over the month, or 0.1 percent vs. a historical average of 4,700. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Data source: BLS/TWC. NOTE: The Houston-Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA) consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. Analysis of major sectors and their sub-components throughout the remainder of this report references not-seasonally adjusted data. All data provided by BLS/TWC unless otherwise noted.

**Top-3 Drivers of Over-the-month Job Growth in December**

- Trade, Transportation, and Utilities: 6,900
- Other Services: 1,300
- Government: 700

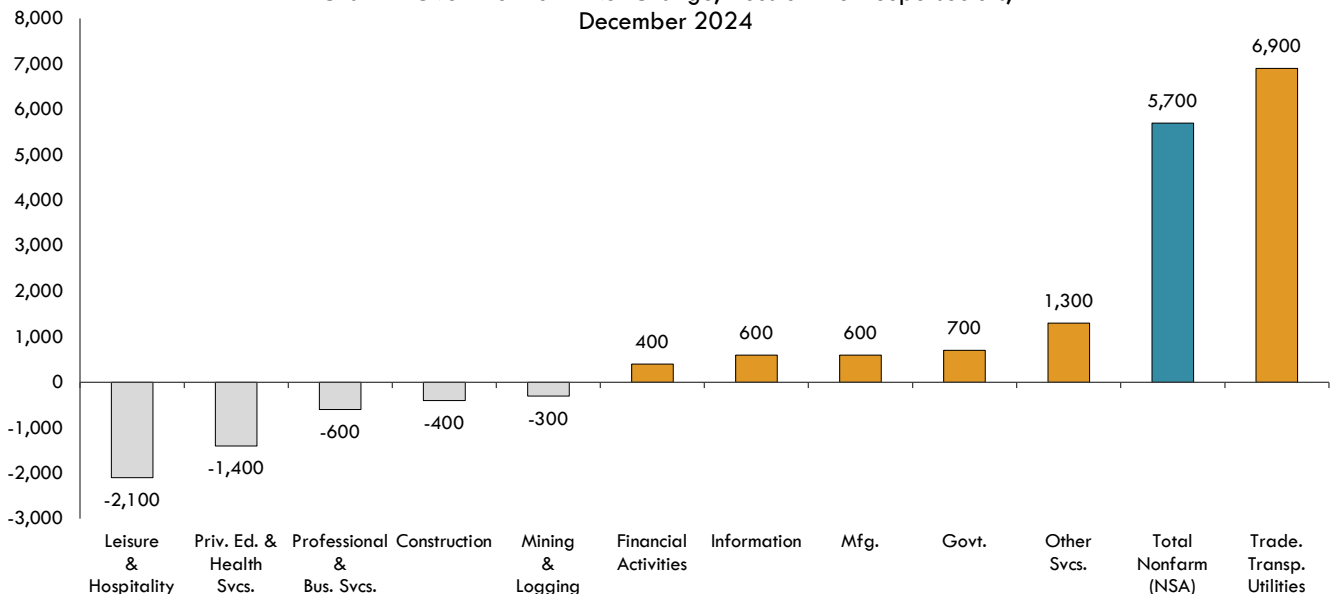
#### Over-the-year Change

Over the year, Total Nonfarm employment was up 57,800 or 1.7 percent on a not-seasonally-adjusted basis and up 57,600 or 1.7 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, December 2023 saw a year-over-year gain of 102,900 jobs (NSA) from December 2022. Currently all 11 sectors show growth year over year of which the top-three are Construction (15,200); Private Education and Health Services (10,100); and Financial Activities (8,400) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020



pre-pandemic level of 3,191,800 jobs by 308,100, or 9.7 percent (276,600 jobs, 8.7 percent above 3,197,000 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, December 2024



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## Previous Month's Revisions

Total Nonfarm employment was revised downward by -2,300 jobs for a October to November smaller net gain of 18,000 compared to an original estimate of 20,300 jobs. A downward revision of -2,300 jobs in Trade, Transportation, and Utilities was the largest contributor followed by Professional and Business Services (-900) and Other Services (-700). Upward revisions in Construction (+700), Private Education and Health Services (+500), and Mining and Logging (+400) provided a partial offset of the overall downward revision to Total Nonfarm employment (see Chart 5).

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

- Construction: 15,200
- Private Education and Health Services: 10,100
- Financial Activities: 8,400

Chart 5. Net Revisions for Selected Supersectors and Major Industries, November 2024

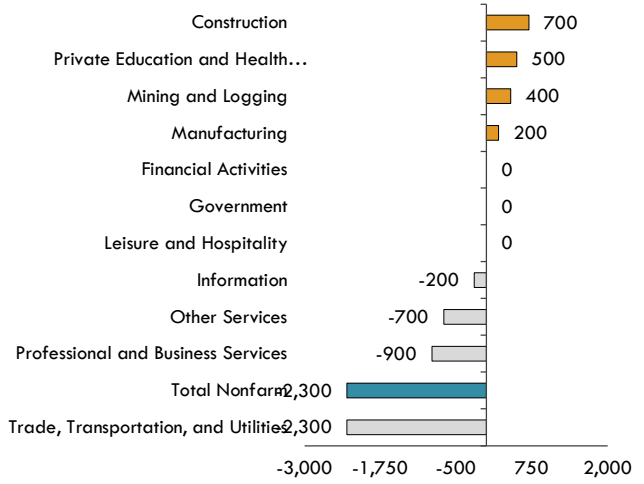


Chart 3. Total Nonfarm (NSA) Over-the-year Net Change, Dec-09 to Dec-24

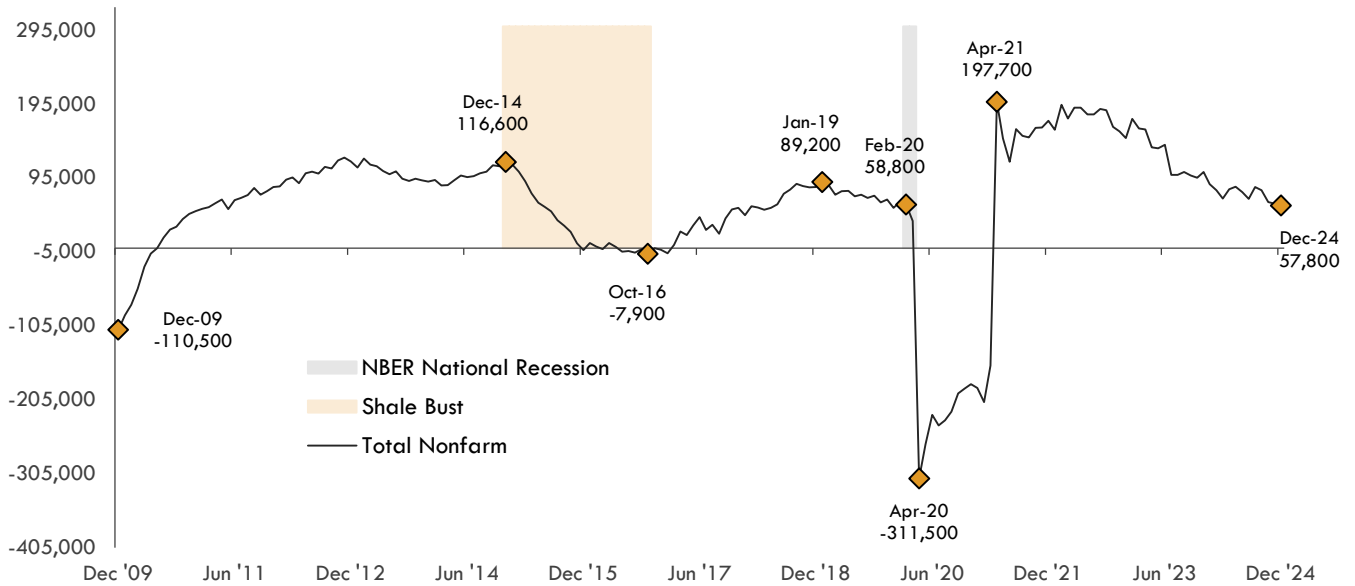
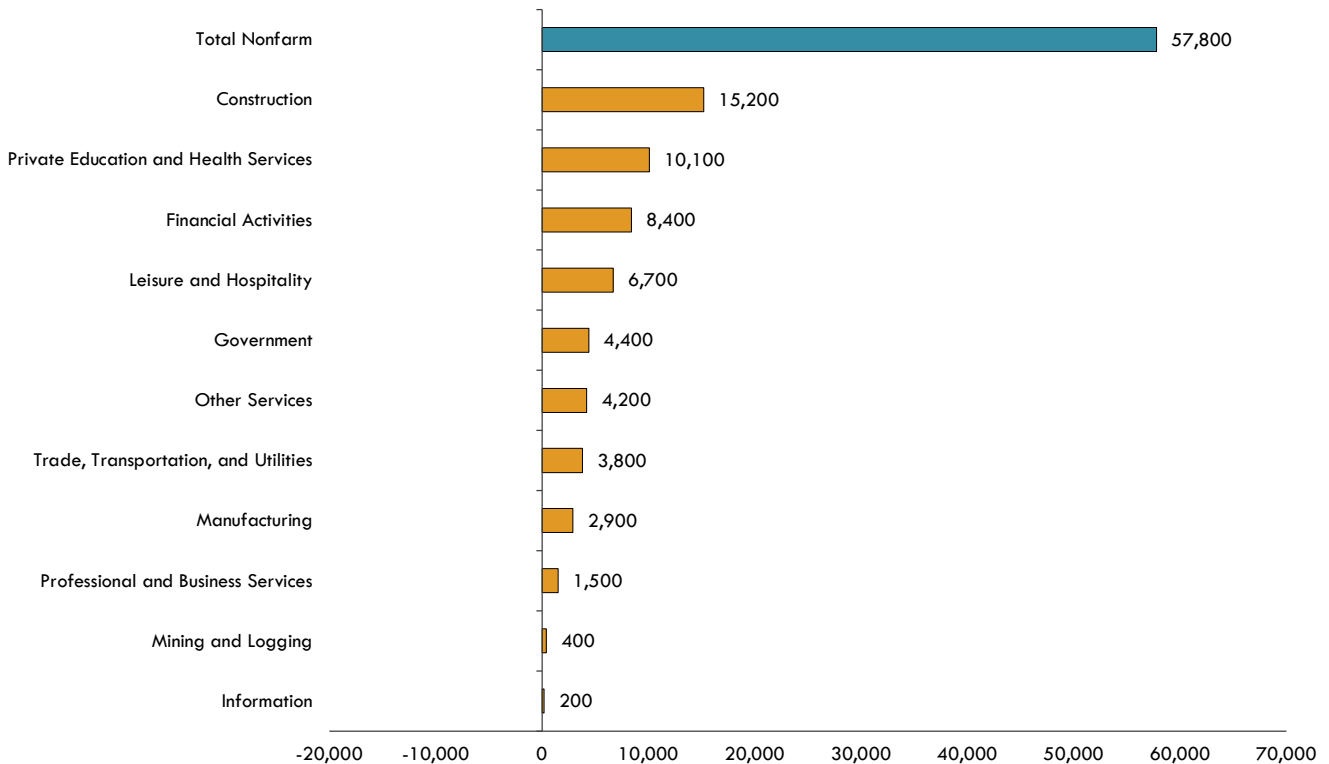


Chart 4. Over-the-year Net Change, Houston MSA Supersectors, December 2023 to December 2024



## Supplemental Commentary

### Highlights from December

With December’s jobs report, that’s a wrap for 2024, at least until we receive benchmark revisions in a little under two months’ time. Odds are, we’re going to see some significant revisions, likely in both directions depending on the industry sector. As far as the topline, see the discussion towards the end of the Supplemental Commentary. In the meantime here’s a recap how Houston finished the year in terms of over-the-month job growth. The region added 5,700 jobs in December, not seasonally adjusted, with 3,000 added seasonally adjusted. Neither figure is particularly impressive but they’re acceptable considering the last vestiges of pandemic rebound momentum finally vanished in 2024. It’s also worth noting that holiday seasonal job growth continues to get pulled forward with each passing year. Gains in October and November come increasingly at the expense of December. Hence, going forward we should probably lower our expectations for job growth in the final month of the year.

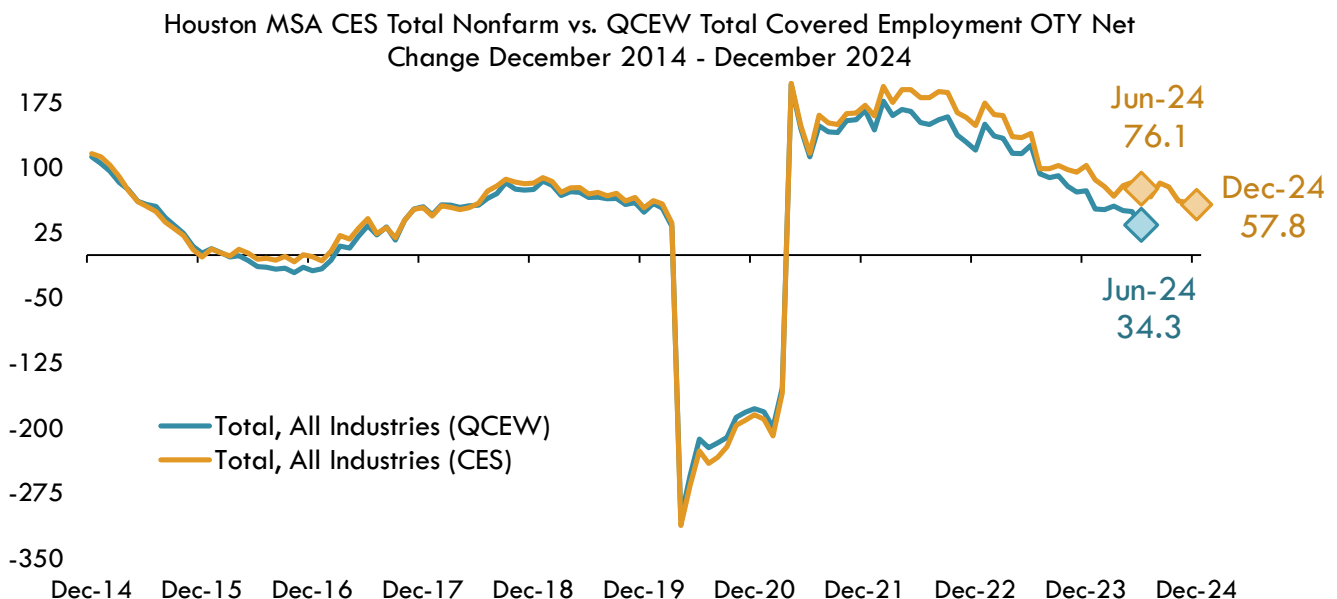
In terms of contributors to topline growth, Trade, Transportation, and Utilities led the way with 6,900 jobs over the month, mainly driven by Retail Trade as we’d expect given the culmination of the holiday season. However, Wholesale Trade, which typically adds no more than a few hundred jobs each December, managed to gain 1,600 for its best December on record. The ever-mysterious Other Services sector came in second place for the month adding 1,300 jobs, also for its best December on record. The other winners for the month, Government, Manufacturing, Information, and Financial Activities added between 700 and 400 jobs each, in line with their respective gains in recent years.

Conversely, Leisure and Hospitality, mainly composed of restaurants and hotels, lost -2,100 jobs for its second-worst December on record preceded only by December 2023’s loss of -2,400. Looking at October through December performance in recent years suggests that the sector’s seasonal growth patterns have shifted much like the overall job market noted above. However, it’s unclear why strong growth in October, ostensibly due to the impending holiday season, should be followed by two consecutive months of losses, which was the case in both 2023 and 2024. Whether this is a fluke or a genuine shift in hiring patterns remains to be seen.

Private Education and Health Services also declined over the month marking only the fifth time the sector has lost jobs in December since records began in 1990. Combined losses of -1,400 jobs across the sector’s education, healthcare, and social services subcomponents also resulted in Private Education and Health Services seeing its worst December on record.

Professional and Business Services shed -600 jobs over the month in keeping with its typical behavior for this time of year with Construction (-400) and Mining and Logging, i.e. upstream oil and gas (-300) following suit.

Switching gears to over the year job growth, the region added 57,800 jobs from December 2023 to December 2024. This is comparable to 2019’s 55,400 and more or less in line with what an average year should look like for Houston. However, one can’t help but be concerned given the sharp drop in over-the-year growth from nearly 80,000 jobs as recently as September. Also, as mentioned before, benchmark revisions will likely see full year growth for Houston revised, unfortunately, downward. Below is a chart comparing QCEW, the “gold-standard” for employment data that’s unmatched in terms of accuracy but lags by roughly six months at any given point in time, to CES i.e. the monthly sample-based data behind the majority of this report.



## Supplemental Commentary (continued)

### **Highlights from December**

The two series should, and do in fact, track each other with little variance over time, once CES has been revised to match QCEW. The span from early 2022 to mid-2023, which has been revised up to two times already, marks one of most pronounced periods of deviation from QCEW in the history of the series. This was likely due to the pandemic and therefore an outlier. Assuming that is the case, it suggests the gap between the two series reflects a genuine over-estimation of job growth throughout the year. Zooming in on June 2024, the last month common to both series, CES reported over the year growth for Total Nonfarm Employment at 76,100 jobs. The equivalent series under QCEW returned a value of 34,300. This implies year-over-year job growth was being overstated by nearly 42,000 jobs as far back as last summer. There is a chance that the gap narrowed over the remaining six months of the year, or that the pandemic permanently disrupted the relationship between the two series and we should expect a larger gap going forward. Some of you may recall that revisions for 2023 revealed that job growth was under-estimated by 30,000. That's not likely this time around but anything is possible. We'll just have to wait until mid-March to find out.

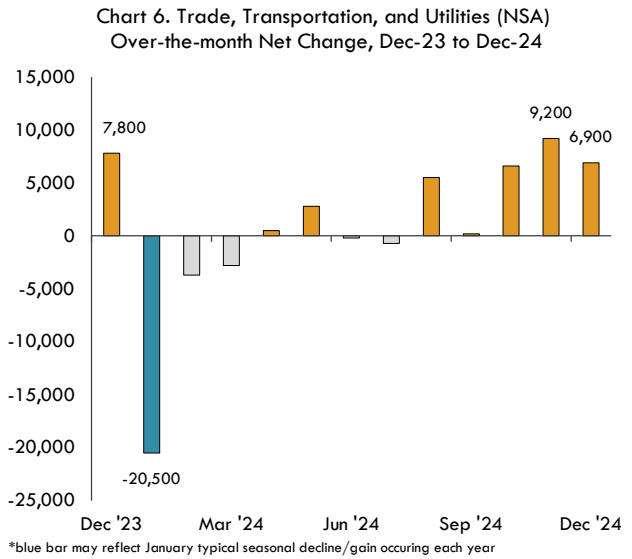
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GAINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest gaining sector over the month up 6,900 jobs, or 1.0 percent (see Chart 6). Historically in the month of December, Trade, Transportation, and Utilities has added an average of 8,000 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Retail Trade was the largest contributor to the overall sector's increase, up 3,900 jobs over the month. The second-largest contributor was Wholesale Trade, which added 1,600 jobs from November to December. Lastly, Transportation, Warehousing, and Utilities contributed, 1,400 jobs. Trade, Transportation, and Utilities employment was revised downward by -2,300 jobs for a October to November smaller net gain of 9,200 compared to an original estimate of 11,500 jobs.

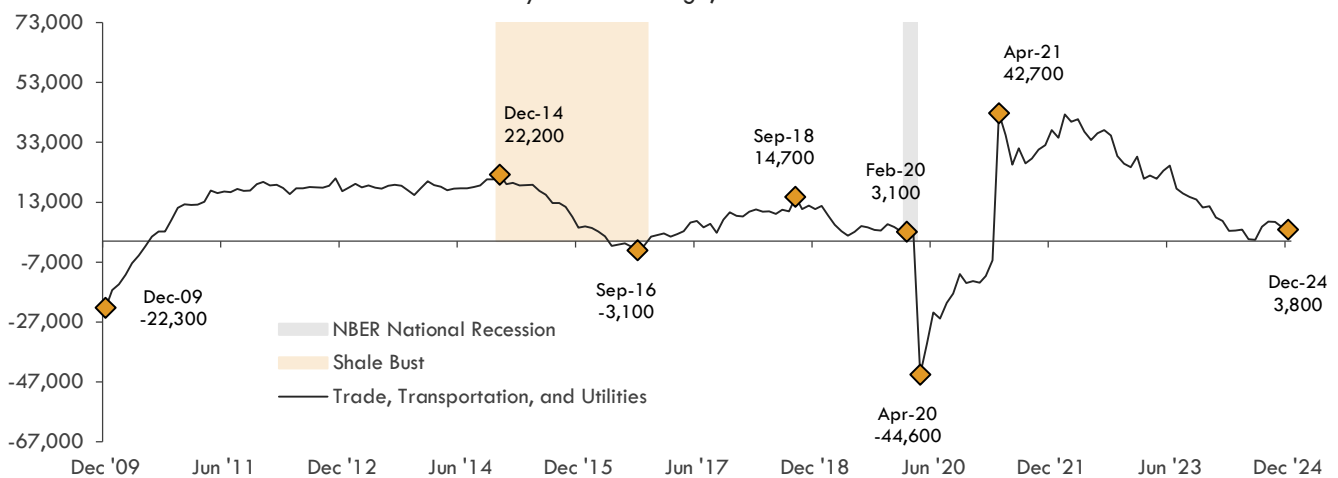


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 3,800 jobs, or 0.5 percent (see Chart 7). This December also marks 45 consecutive months of over-the-year gains. Wholesale Trade was the largest contributor to the overall sector's increase, up 7,900 jobs over the year. The second-largest contributor was Transportation, Warehousing, and Utilities, which added 100 jobs from December a year ago. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -4,200 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,500 jobs by 86,400,

or 13.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 20.7 percent to 20.4 percent over the past year.

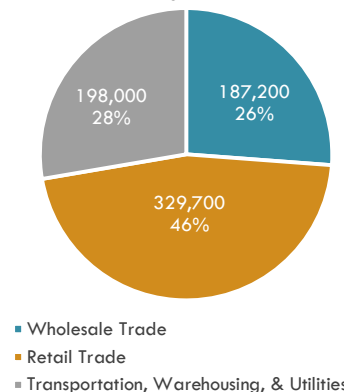
Chart 7. Trade, Transportation, and Utilities (NSA)  
Over-the-year Net Change, Dec-09 to Dec-24



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 46 percent (see Chart 8).

Chart 8. Employment in Component Industries of Trade, Transportation, and Utilities Sector - December 2024

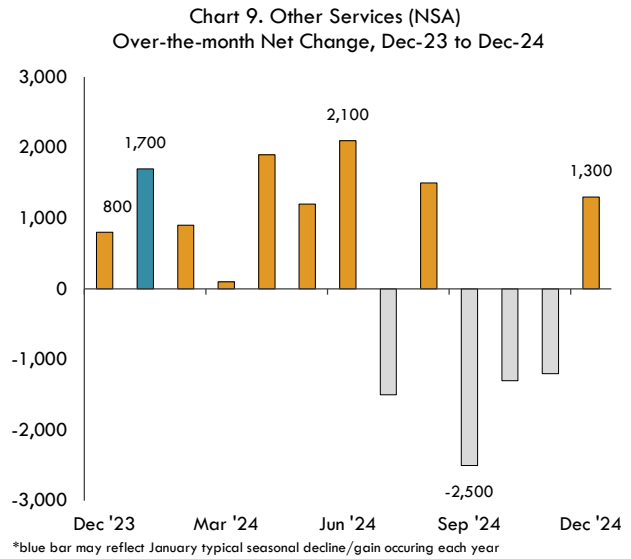


GAINING INDUSTRY HIGHLIGHTS

Other Services

Over-the-month Change

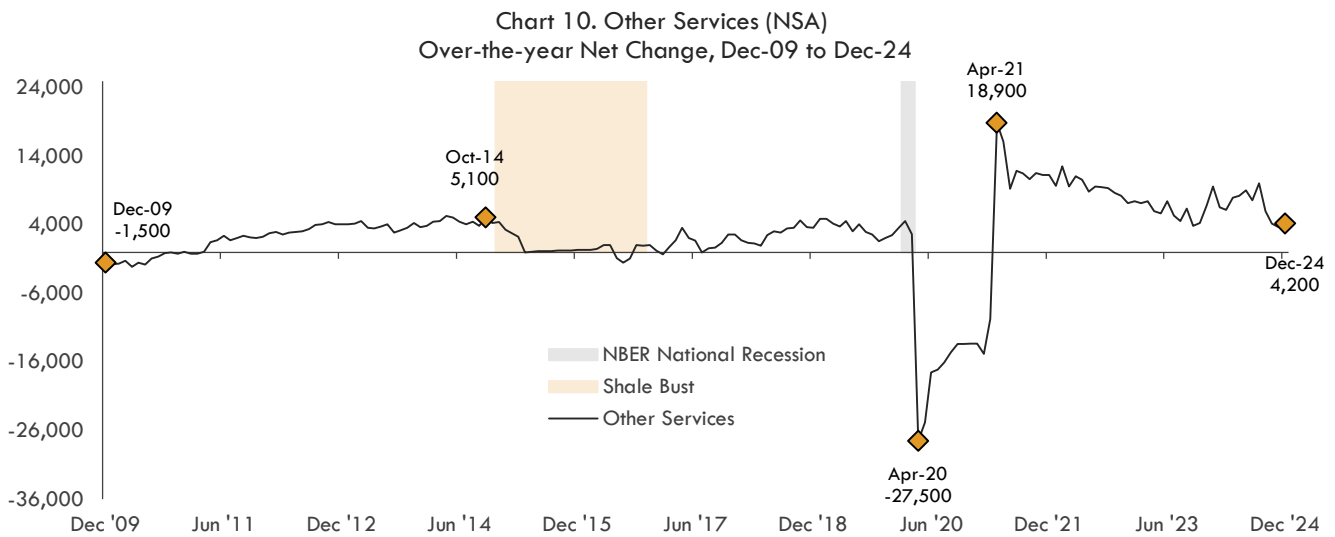
Other Services was the second-largest gaining sector over the month up 1,300 jobs, or 1.0 percent (see Chart 9). This was the largest-ever gain in the month of December since records began in 1990, beating the previous December record of 800 jobs in 2023. Historically in the month of December, Other Services has lost an average of -100 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised downward by -700 jobs for a October to November larger net loss of -1,200 compared to an original estimate of -500 jobs.



Over-the-year Change

Year over year, Other Services was up 4,200 jobs, or 3.3 percent (see Chart 10). This December also marks 45 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,100 jobs by 13,200, or 11.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained

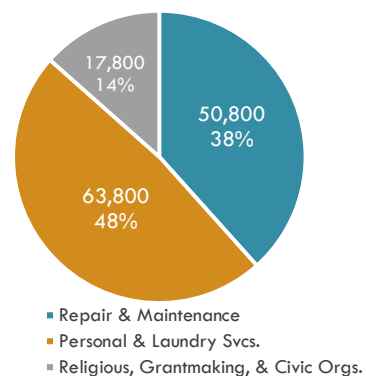
constant at 3.7 percent over the past year.



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 11). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 3 percent higher than the national average.

Chart 11. Employment in Component Industries of Other Services Sector - December 2024



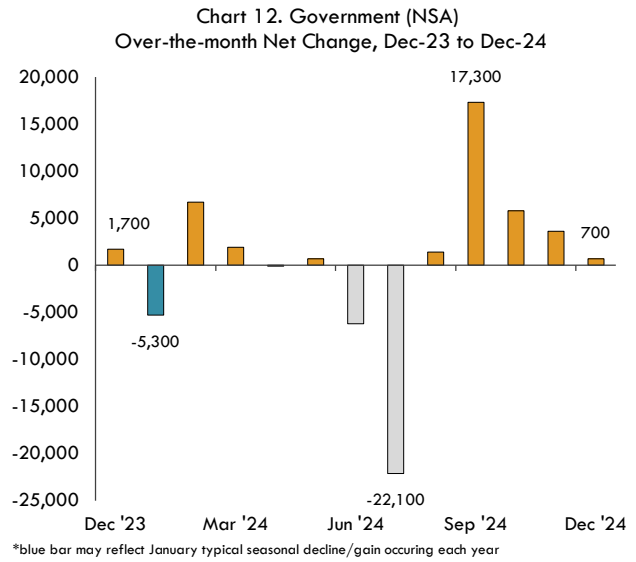
\*estimated proportions based QCEW covered and NES self-employment

## GAINING INDUSTRY HIGHLIGHTS

### Government

#### Over-the-month Change

Government was the third-largest gaining sector over the month up 700 jobs, or 0.2 percent (see Chart 12). Historically in the month of December, Government has lost an average of -400 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. 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 100 jobs from November to December. Lastly, State Government saw no change over the month. Government employment saw no revision from October to November leaving the previous month's original increase of 3,600 intact.

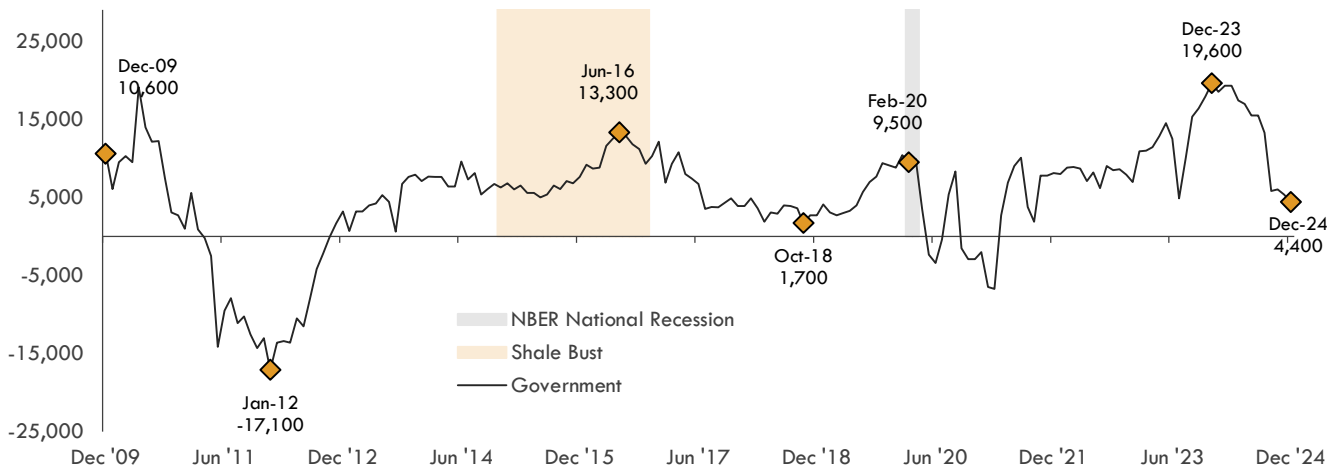


#### Over-the-year Change

Year over year, Government was up 4,400 jobs, or 1.0 percent (see Chart 13). This December also marks 45 consecutive months of over-the-year gains. State Government was the largest contributor to the overall sector's increase, up 2,300 jobs over the year. The second-largest contributor was Federal Government, which added 1,100 jobs from December a year ago. Lastly, Local Government contributed, 1,000 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 428,400 jobs by 35,600, or 8.3 percent. At the same time, the sector's share of Houston area Total Nonfarm

Employment has remained constant at 13.4 percent over the past year.

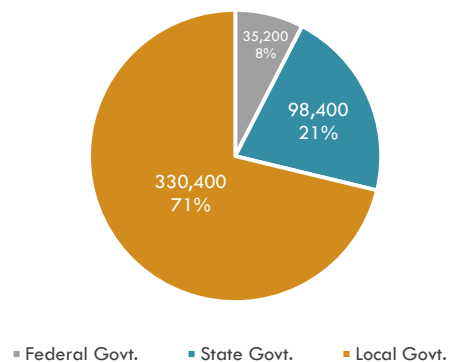
Chart 13. Government (NSA)  
Over-the-year Net Change, Dec-09 to Dec-24



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

Chart 14. Employment in Component Industries of Government Sector - December 2024

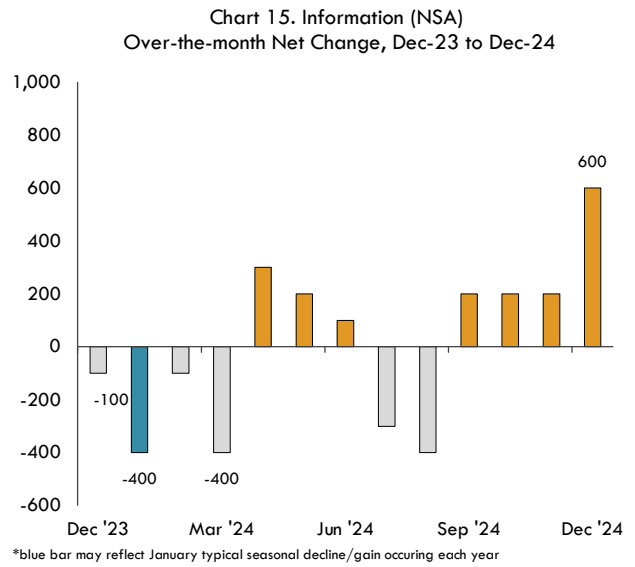


## GAINING INDUSTRY HIGHLIGHTS

### Information

#### Over-the-month Change

Information also saw an increase over the month up 600 jobs, or 1.8 percent (see Chart 15). This was the largest December over-the-month gain in since 1997. Historically in the month of December, Information has added an average of 200 jobs over the month, which indicates that this month's gains are on par with the long-term average. Other Information Undefined was the largest contributor to the overall sector's increase, up 400 jobs over the month. The second-largest contributor was Telecommunications, which added 200 jobs from November to December. Information employment was revised downward by -200 jobs for a October to November smaller net gain of 200 compared to an original estimate of 400 jobs.

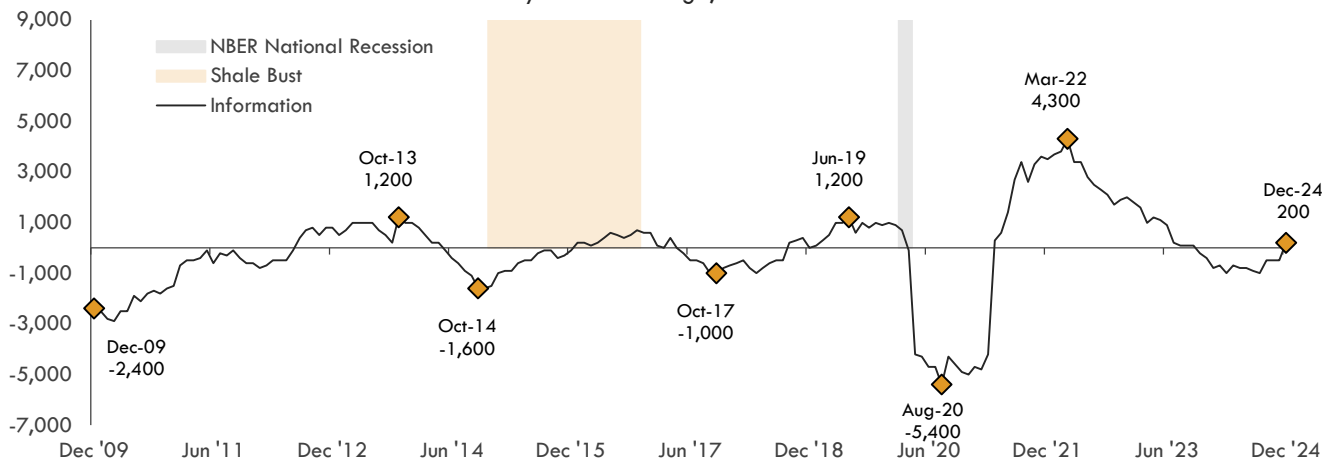


#### Over-the-year Change

Year over year, Information was up 200 jobs, or 0.6 percent (see Chart 16). This was the largest over-the-year gain since July 2023's increase of 200 jobs. Telecommunications was the largest contributor to the overall sector's increase, up 200 jobs over the year. One component industry, Other Information Undefined, saw no change from December a year ago. Total Information employment (NSA) now exceeds its February 2020 pre-pandemic level of 32,700 jobs by 600, or 1.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 1.0 percent over the past

year.

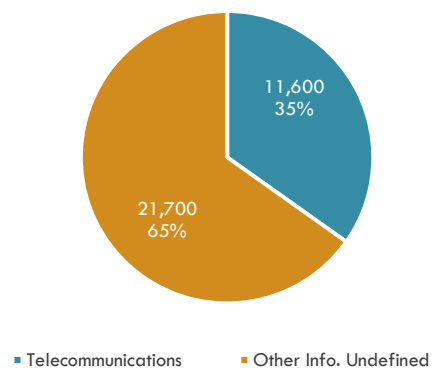
Chart 16. Information (NSA)  
Over-the-year Net Change, Dec-09 to Dec-24



#### About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 65 percent (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Information sector is 49 percent less than the national average.

Chart 17. Employment in Component Industries of Information Sector - December 2024



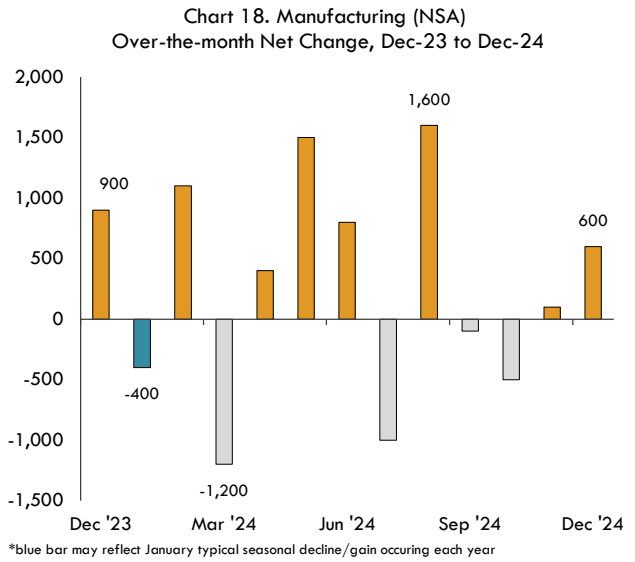


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing also saw an increase over the month up 600 jobs, or 0.3 percent (see Chart 18). Historically in the month of December, Manufacturing has added an average of 700 jobs over the month, which indicates that this month's gains are on par with the long-term average. Durable Goods was the largest contributor to the overall sector's increase, up 800 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which lost -200 jobs from November to December. Manufacturing employment was revised upward by 200 jobs for a October to November complete erasure of losses resulting in a net gain of 100 compared to an original estimate of -100 jobs.

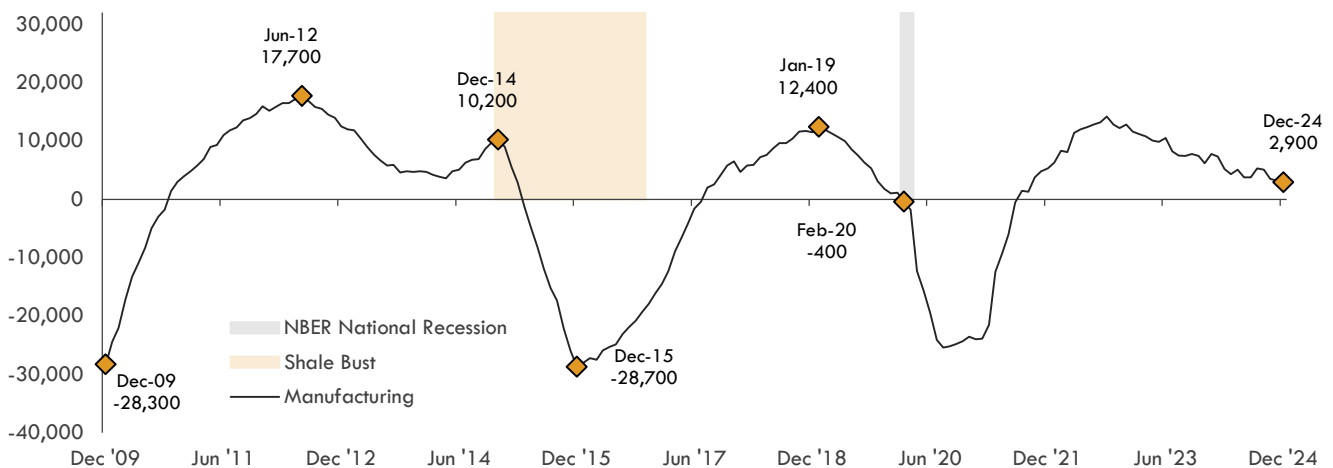


Over-the-year Change

Year over year, Manufacturing was up 2,900 jobs, or 1.2 percent (see Chart 19). This December also marks 41 consecutive months of over-the-year gains. Durable Goods was the largest contributor to the overall sector's increase, up 2,300 jobs over the year. The second-largest contributor was Non-Durable Goods, which added 600 jobs from December a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,500 jobs by 5,100, or 2.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 6.9 percent

over the past year.

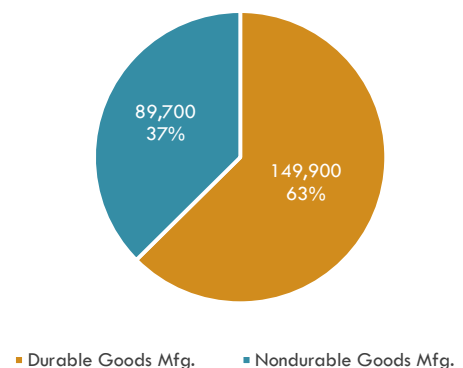
Chart 19. Manufacturing (NSA) Over-the-year Net Change, Dec-09 to Dec-24



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 63 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 15 percent less than the national average.

Chart 20. Employment in Component Industries of Manufacturing Sector - December 2024

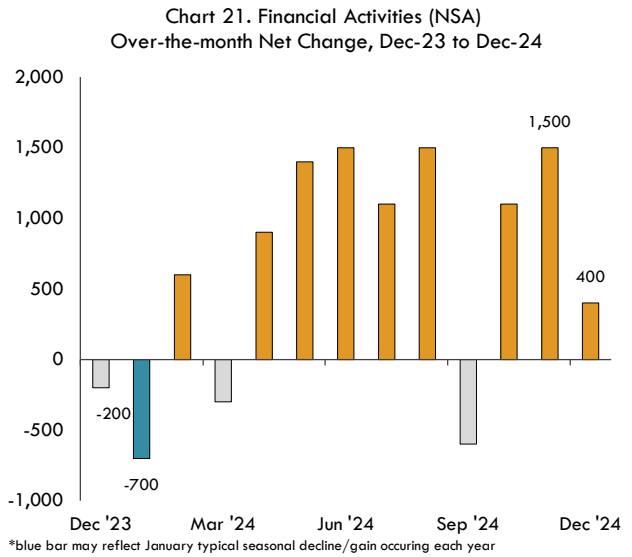


GAINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities also saw an increase over the month up 400 jobs, or 0.2 percent (see Chart 21). This was the largest December over-the-month gain in since 2021. Historically in the month of December, Financial Activities has added an average of 500 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Real Estate and Rental and Leasing was the largest contributor to the overall sector's increase, up 700 jobs over the month. One component industry that provided a partial offset was Finance and Insurance, which lost -300 jobs from November to December. Financial Activities employment saw no revision from October to November leaving the previous month's original increase of 1,500 intact.

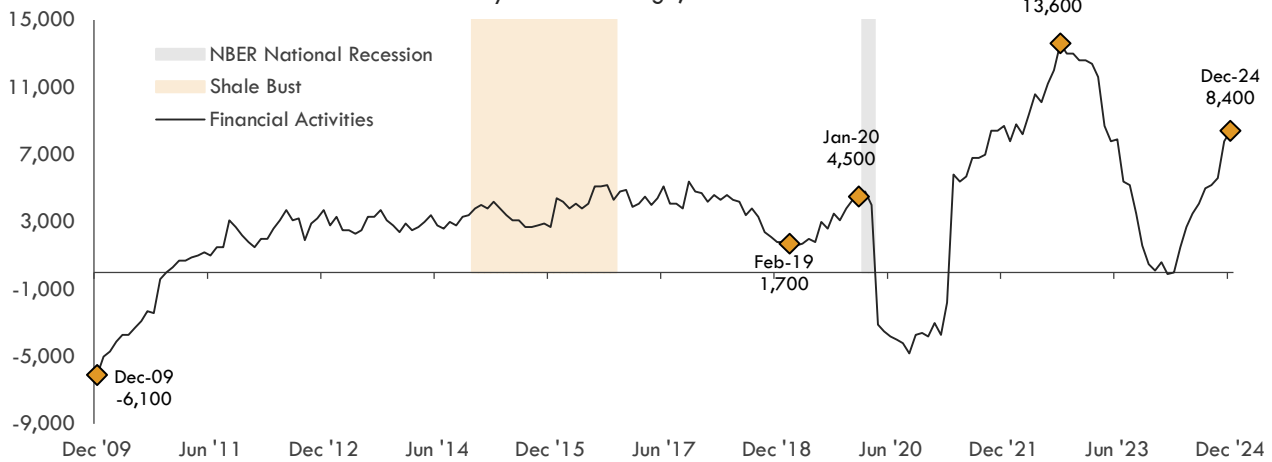


Over-the-year Change

Year over year, Financial Activities was up 8,400 jobs, or 4.5 percent (see Chart 22). This was the third-largest over-the-year gain in December since records began in 1990 and the largest gain since April 2023's increase of 8,700 jobs. It also marks nine consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 14.5 percent of total (gross) jobs added across the region over the past year can be attributed to Financial Activities. Finance and Insurance was the largest contributor to the overall sector's

increase, up 4,700 jobs over the year. The second-largest contributor was Real Estate and Rental and Leasing, which added 3,700 jobs from December a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 25,900, or 15.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 5.4 percent to 5.6 percent over the past year.

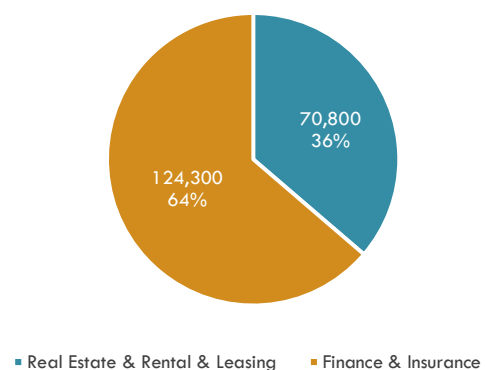
Chart 22. Financial Activities (NSA) Over-the-year Net Change, Dec-09 to Dec-24



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 23). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 4 percent less than the national average, due to a 16-percent lower concentration in Finance and Insurance offsetting a 28-percent higher concentration in Real Estate and Rental and Leasing.

Chart 23. Employment in Component Industries of Financial Activities Sector - December 2024



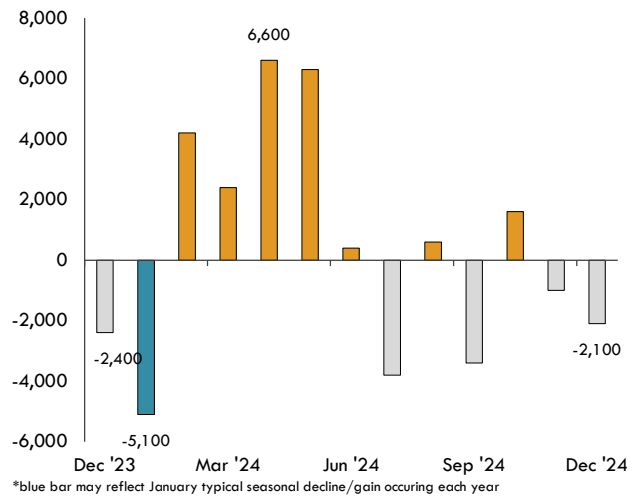
DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

Leisure and Hospitality was the largest declining sector over the month down -2,100 jobs, or -0.6 (see Chart 24). This was the largest December decline since 2023 and the second-largest decline historically for the month of December since records began in 1990. Historically in the month of December, Leisure and Hospitality has added an average of 700 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -1,300 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -800 jobs from November to December. Leisure and Hospitality employment saw no revision from October to November leaving the previous month's original decrease of -1,000 intact.

Chart 24. Leisure and Hospitality (NSA)  
Over-the-month Net Change, Dec-23 to Dec-24

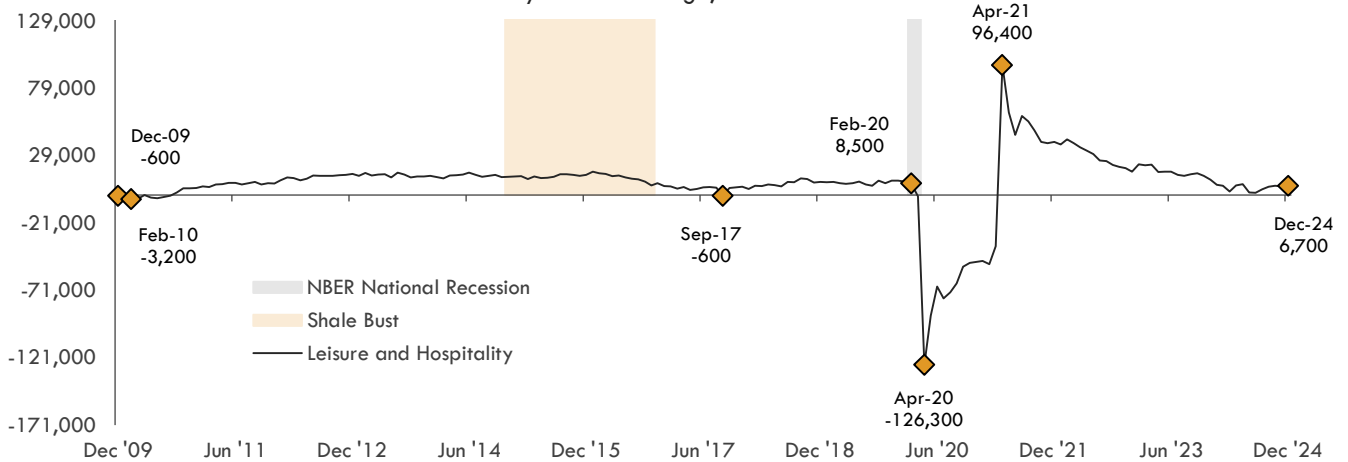


Over-the-year Change

Year over year, Leisure and Hospitality was up 6,700 jobs, or 1.9 percent (see Chart 25). This December also marks 45 consecutive months of over-the-year gains. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 5,900 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 800 jobs from December a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,500 jobs by 26,300, or 7.9 percent. At the same time, the sector's share of Houston area Total

Nonfarm Employment has remained constant at 10.3 percent over the past year.

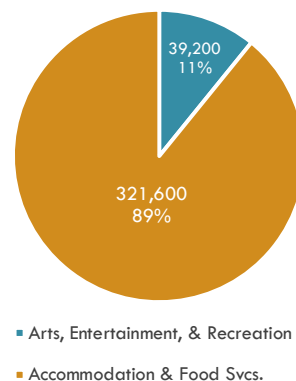
Chart 25. Leisure and Hospitality (NSA)  
Over-the-year Net Change, Dec-09 to Dec-24



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, of exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 89 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall sector is 1 percent less than the national average.

Chart 26. Employment in Component Industries of Leisure and Hospitality Sector - December 2024

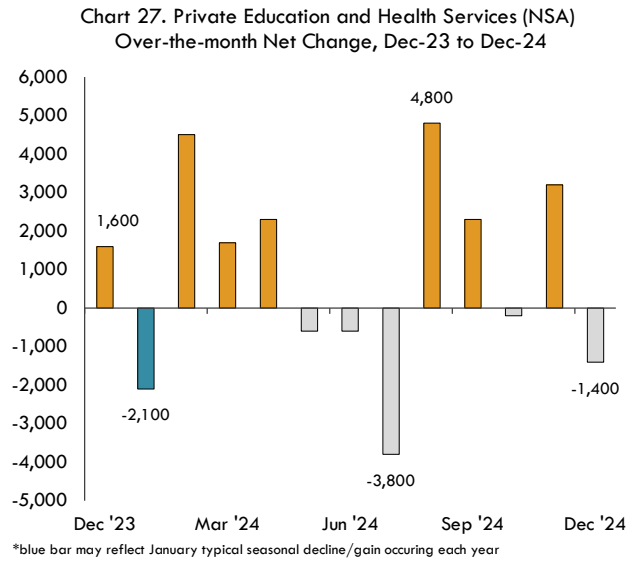


DECLINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services was the second-largest declining sector over the month down -1,400 jobs, or -0.3 (see Chart 27). This was the largest-ever decline in the month of December since records began in 1990, beating the previous December record of -900 jobs lost in 2019. Historically in the month of December, Private Education and Health 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. Health Care and Social Assistance was the largest contributor to the overall sector's decline, down -1,000 jobs over the month. The second-largest declining contributor was Private Educational Services, which lost -400 jobs from November to December. Private Education and Health Services employment was revised upward by 500 jobs for a October to November larger net gain of 3,200 compared to an original estimate of 2,700 jobs.

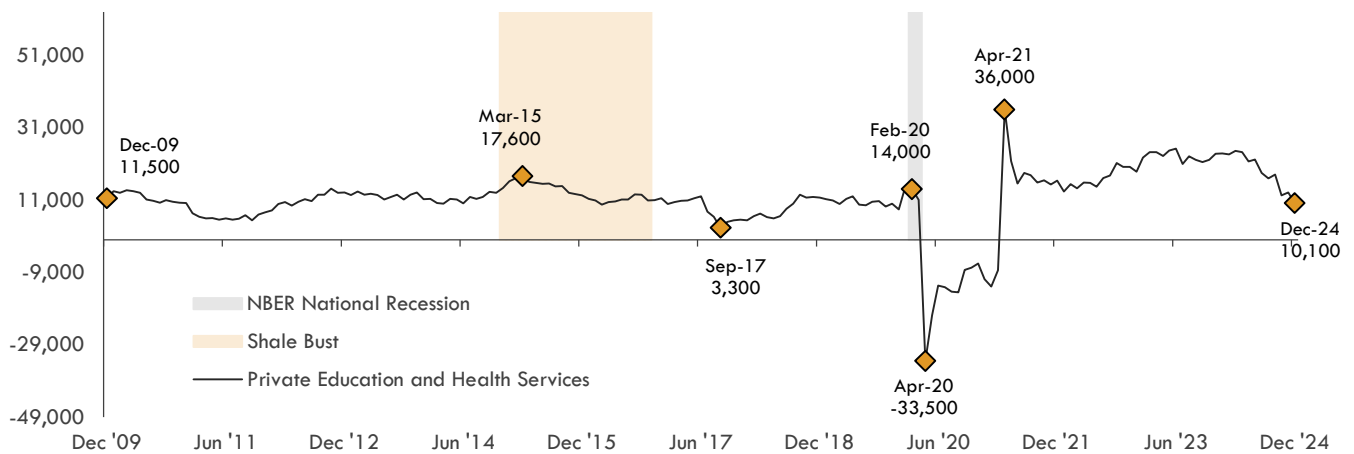


Over-the-year Change

Year over year, Private Education and Health Services was up 10,100 jobs, or 2.2 percent (see Chart 28). Furthermore, 17.5 percent of total (gross) jobs added across the region over the past year can be attributed to Private Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 9,200 jobs over the year. The second-largest contributor was Private Educational Services, which added 900 jobs from December a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,400

jobs by 58,000, or 14.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.4 percent over the past year.

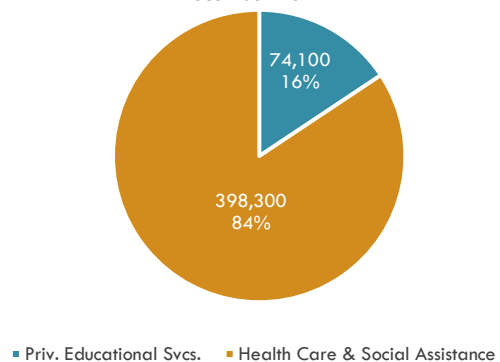
Chart 28. Private Education and Health Services (NSA)  
Over-the-year Net Change, Dec-09 to Dec-24



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 29). Across the Houston MSA, the concentration of jobs in the overall sector is 20 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 29. Employment in Component Industries of  
Private Education and Health Services Sector -  
December 2024



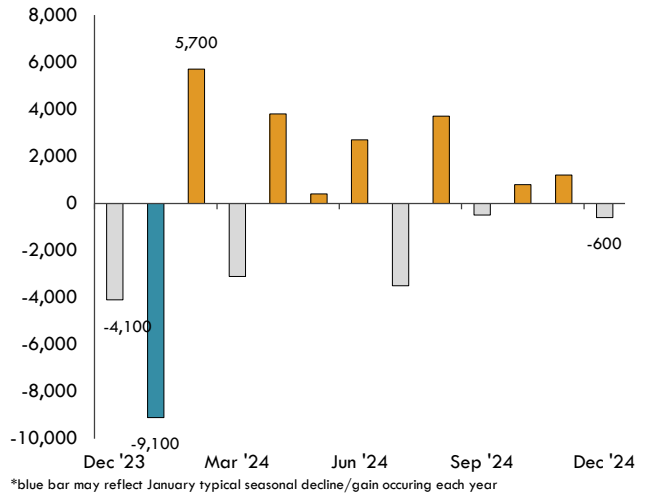
DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the third-largest declining sector over the month down -600 jobs, or -0.1 (see Chart 30). Historically in the month of December, Professional and Business Services has added an average of 700 jobs over the month, which indicates that this month's losses are moderately 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 November to December. Lastly, Administrative and Support and Waste Management and Remediation Services offset a portion of the sector's losses with a gain of 200 jobs. Professional and Business Services employment was revised downward by -900 jobs for a October to November smaller net gain of 1,200 compared to an original estimate of 2,100 jobs.

Chart 30. Professional and Business Services (NSA)  
Over-the-month Net Change, Dec-23 to Dec-24

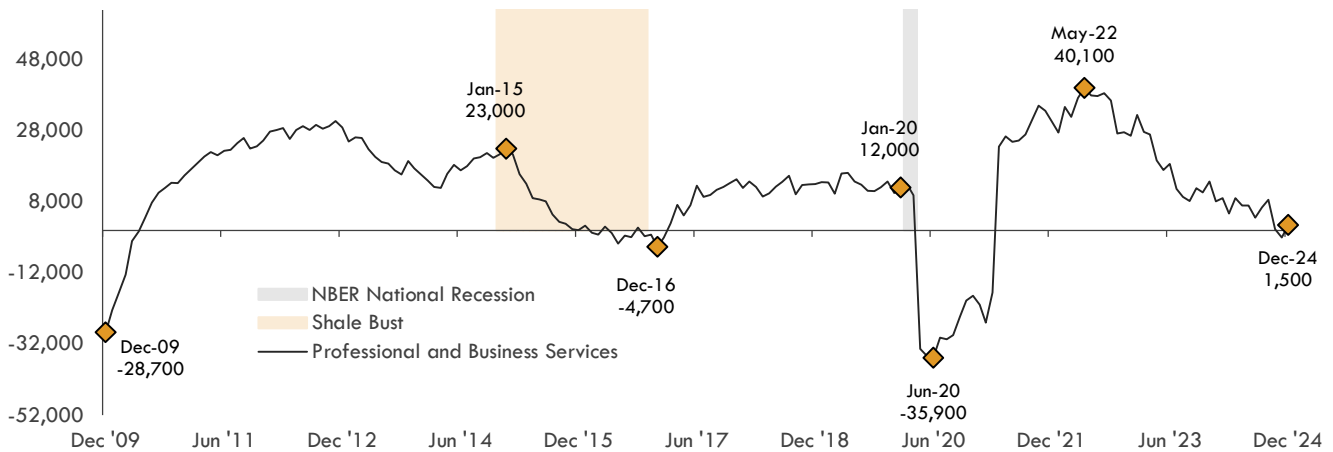


Over-the-year Change

Year over year, Professional and Business Services was up 1,500 jobs, or 0.3 percent (see Chart 31). This was the largest over-the-year gain since September 2024's increase of 8,600 jobs. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's increase, up 7,000 jobs over the year. The second-largest contributor was Management of Companies and Enterprises, which added 1,100 jobs from December 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 -6,600 jobs. Total Professional

and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,700 jobs by 50,500, or 9.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.4 percent to 16.1 percent over the past year.

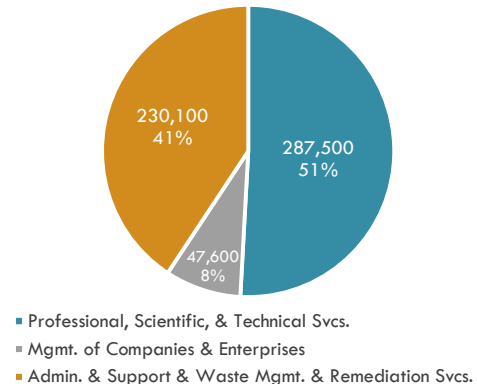
Chart 31. Professional and Business Services (NSA)  
Over-the-year Net Change, Dec-09 to Dec-24



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 slight majority of the sector's employment at just over 51 percent (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall sector is 12 percent higher than the national average, due to a 19-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 32. Employment in Component Industries of Professional and Business Services Sector - December 2024

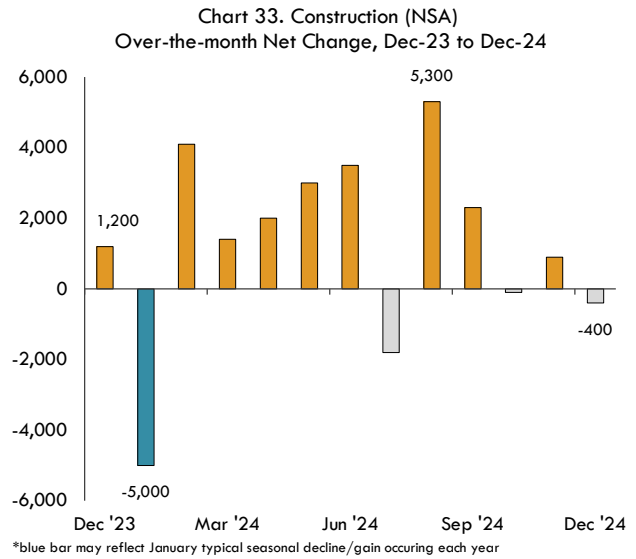


DECLINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

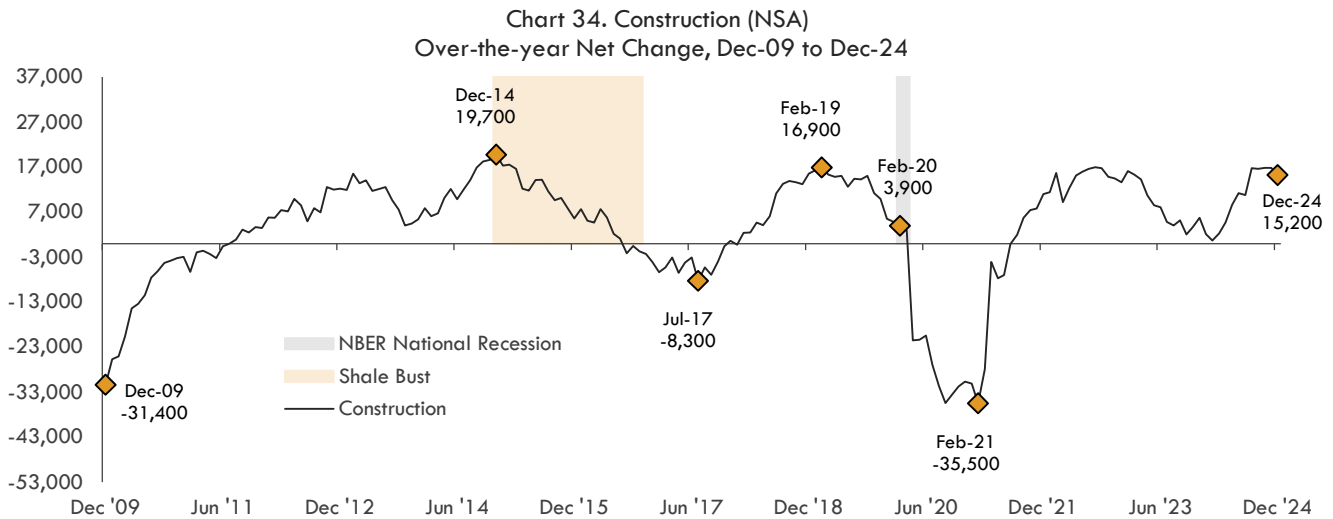
Construction also saw a decrease over the month down -400 jobs, or -0.2 (see Chart 33). This was the largest December over-the-month decline in since 2022. Historically in the month of December, Construction has lost an average of -1,000 jobs over the month, which indicates that this month's losses are slightly smaller than the long-term average decline. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's decline, down -500 jobs over the month. One component industry, Specialty Trade Contractors, saw no change from November to December. Lastly, Construction of Buildings offset a portion of the sector's losses with a gain of 100 jobs. Construction employment was revised upward by 700 jobs for a October to November larger net gain of 900 compared to an original estimate of 200 jobs.



Over-the-year Change

Year over year, Construction was up 15,200 jobs, or 6.5 percent (see Chart 34). This December also marks 41 consecutive months of over-the-year gains. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 26.3 percent of total (gross) jobs added across the region over the past year can be attributed to Construction. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 6,500 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 5,300 jobs from

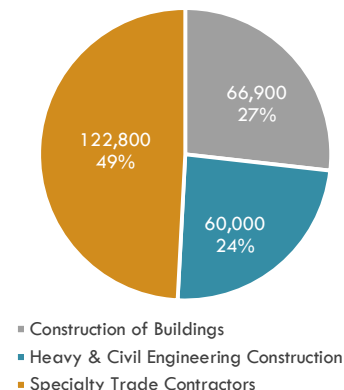
December a year ago. Lastly, Construction of Buildings contributed, 3,400 jobs. Total Construction employment (NSA) now exceeds its February 2020 pre-pandemic level of 237,400 jobs by 12,300, or 5.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 6.8 percent to 7.1 percent over the past year.



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 49 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 39 percent higher than the national average, due to 2.4 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 35. Employment in Component Industries of Construction Sector - December 2024

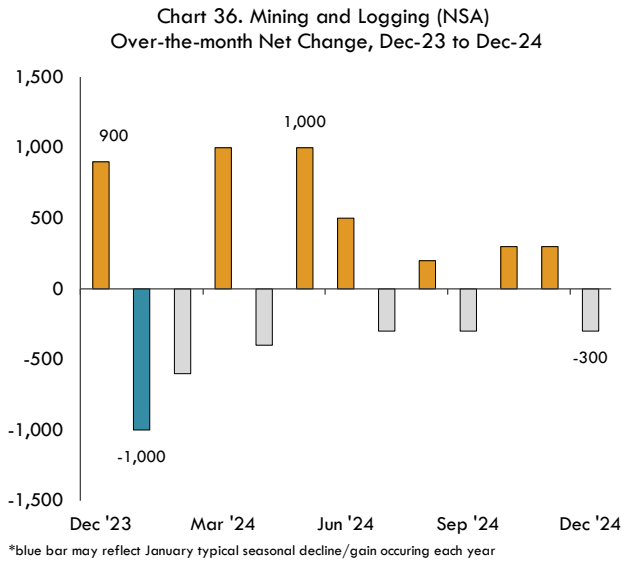


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging also saw a decrease over the month down -300 jobs, or -0.4 (see Chart 36). This December tied with 2020, 2016, and 2001 for the third-largest decline in the month of December since records began in 1990. Historically in the month of December, Mining and Logging has added an average of 400 jobs over the month, which indicates that this month's losses are moderately in contrast to the long-term average gain. Oil and Gas Extraction was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Support Activities for Mining, which lost -100 jobs from November to December. Lastly, Other Mining and Logging Undefined saw no change over the month. Mining and Logging employment was revised upward by 400 jobs for a October to November complete erasure of losses resulting in a net gain of 300 compared to an original estimate of -100 jobs.

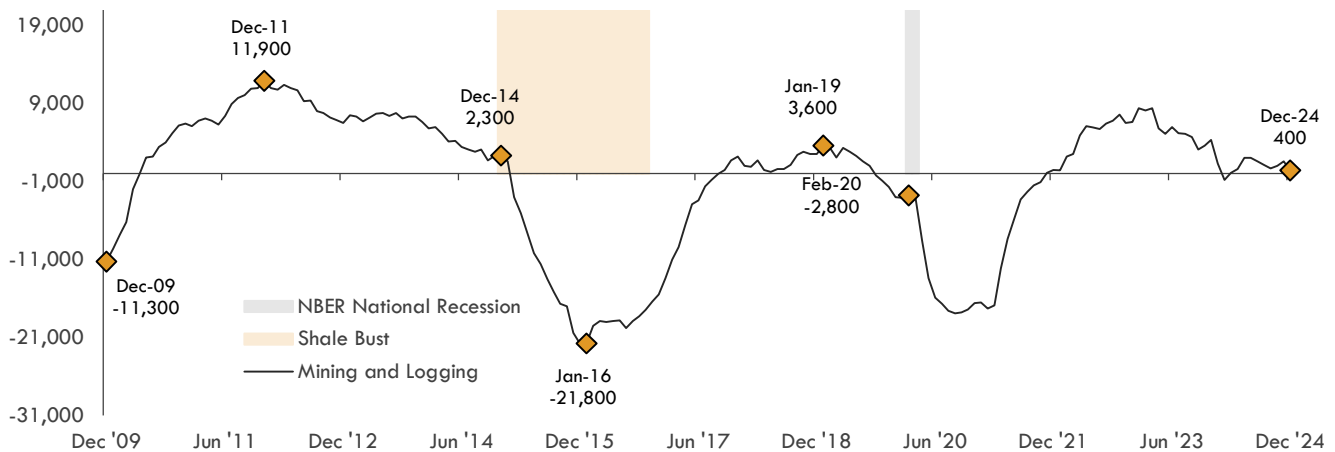


Over-the-year Change

Year over year, Mining and Logging was up 400 jobs, or 0.6 percent (see Chart 37). This December also marks 10 consecutive months of over-the-year gains. Support Activities for Mining was the largest contributor to the overall sector's increase, up 300 jobs over the year. The second-largest contributor was Other Mining and Logging Undefined, which added 100 jobs from December a year ago. Lastly, Oil and Gas Extraction saw no change over the month. Total Mining and Logging employment (NSA) remains -5,800 jobs, or -7.4 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the

sector's share of Houston area Total Nonfarm Employment has remained constant at 2.1 percent over the past year.

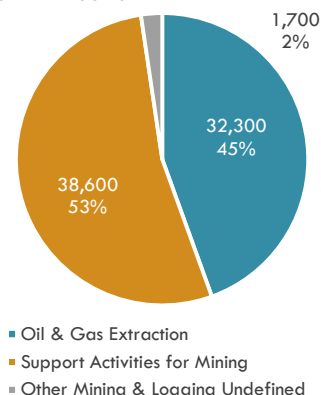
Chart 37. Mining and Logging (NSA) Over-the-year Net Change, Dec-09 to Dec-24



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Support Activities for Mining accounts for a slight majority of the sector's employment at just over 53 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.2 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 - December 2024



## Local Area Unemployment Statistics

### Not-Seasonally Adjusted

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

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.1 percent in December, down from November's 4.5 percent and up from 3.8 percent a year ago. This was above the statewide rate of 3.7 percent and above the national rate of 3.8 percent. An over-the-month decline in December is typical having occurred roughly 70 percent of the time over the past three decades making this month's decrease consistent with historical seasonal trends. 152,847 individuals were unemployed in Houston in December, down from November's 171,090 and up from 137,287 in December 2023 (see Charts 39 and 40).

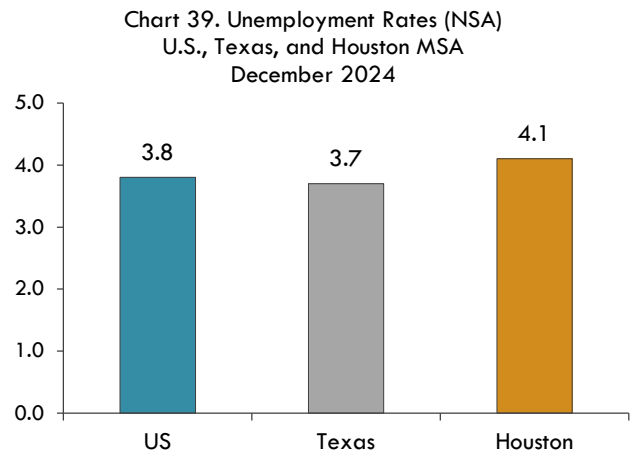
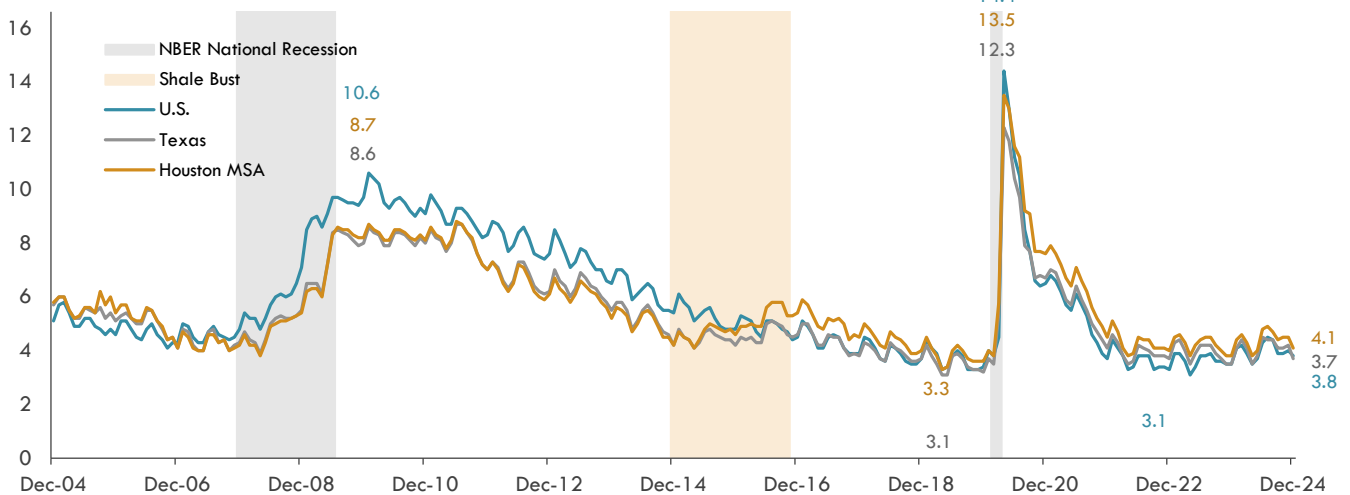


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) December 2004 to December 2024

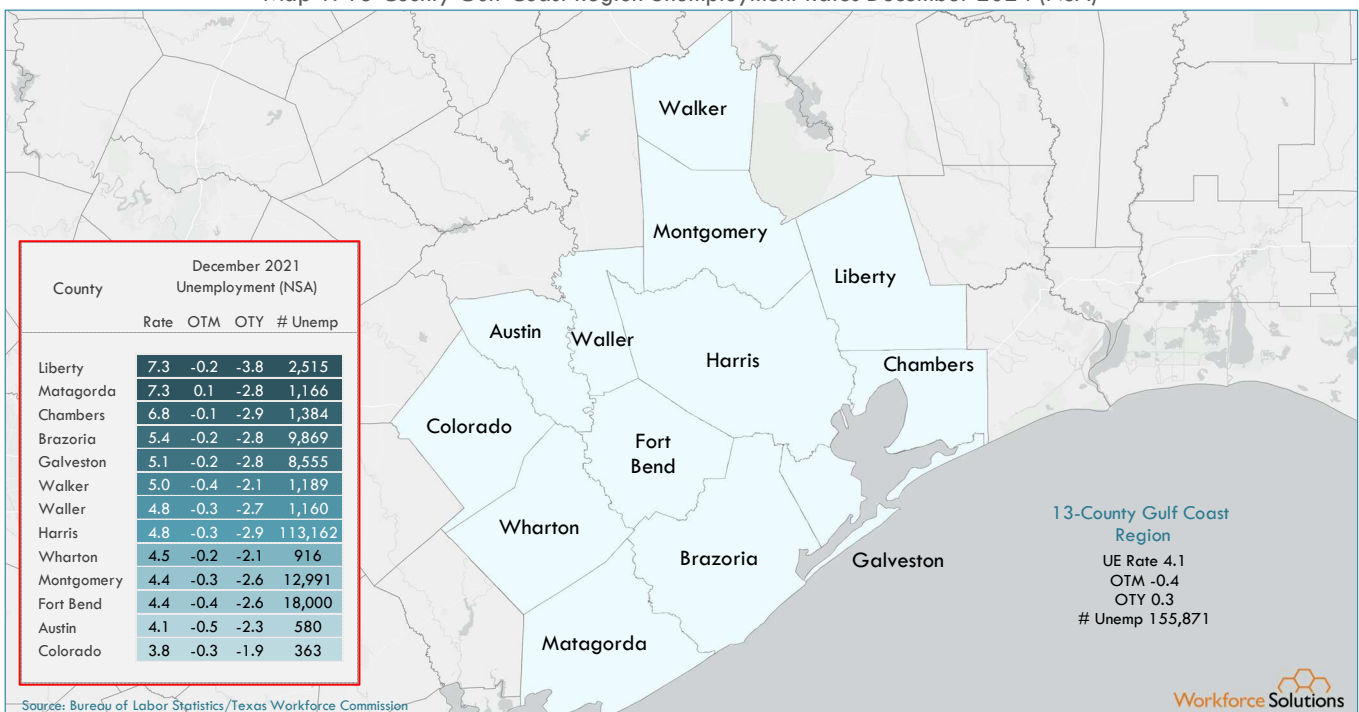


#### County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in December ranged from a high of 5.3 percent in Liberty County to a low of 2.9 percent in Colorado. Over the month, all 13 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.4 percentage points. Walker saw the largest percentage-point decrease in unemployment down -0.6 pp. representing -183 fewer unemployed workers compared to the previous month. This was followed by Austin (-0.6 pp, -87 workers) and Colorado (-0.6 pp, -72 workers). Over the year

unemployment rates rose with, Waller posting the largest increase, up 0.6 percentage points representing 195 more unemployed workers compared to a year ago followed by Matagorda (0.4 pp, 106 workers) and Fort Bend (0.4 pp, 2,020 workers). Since peaking at 448,855 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -292,984 as of this December (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates December 2024 (NSA)





## Local Area Unemployment Statistics (continued)

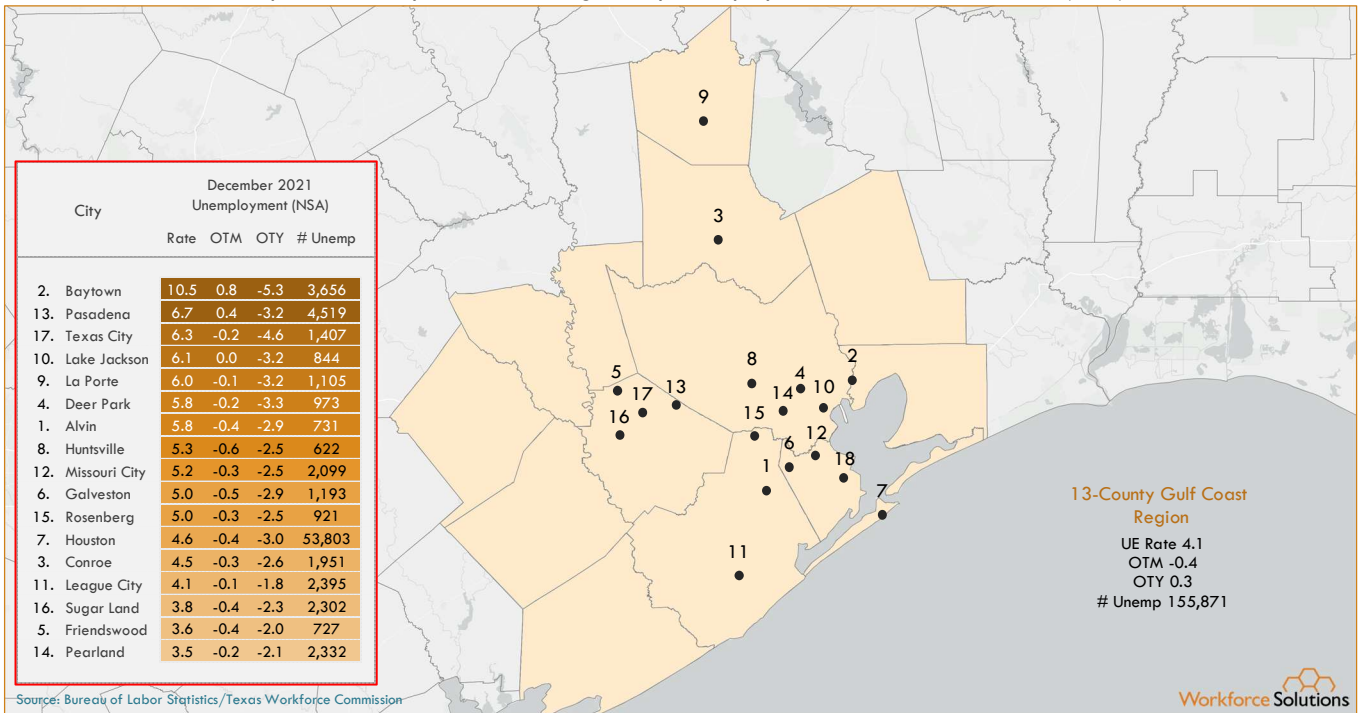
### Not-Seasonally Adjusted

#### Unemployment Rates for Select Municipalities

Among the 18 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in December ranged from a high of 7.6 percent in Baytown to a low of 3.2 percent in Sugar Land (see Map 2 legend). Over the month, 17 cities saw their unemployment rates decline in keeping with the region-wide decrease of -0.4 percentage points while one increased. Huntsville saw the largest percentage-point decrease in

unemployment down -0.8 pp. representing -101 fewer unemployed workers compared to the previous month. This was followed by Galveston (-0.7 pp, -182 workers) and Houston (-0.6 pp, -6,685 workers). Over the year unemployment rates rose with, Texas City posting the largest increase, up 0.8 percentage points representing 231 more unemployed workers compared to a year ago followed by Fulshear (0.7 pp, 69 workers) and Galveston (0.5 pp, 161 workers). The 18 cities below accounted for 48 percent of the 155,871 unemployed workers across the Gulf Coast Region as of this December (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates December 2024 (NSA)



### Seasonally Adjusted

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

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.6 percent in November, up from October's 4.5 percent and up from a year ago. This was above the statewide rate of 4.2 percent and above the national rate of 4.2 percent. 171,470 individuals were unemployed in Houston in November, up from October's 168,573 and up from 149,911 in November 2023 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 18 cities.

Chart 41. Unemployment Rates (SA)  
 U.S., Texas, and Houston MSA  
 November 2024

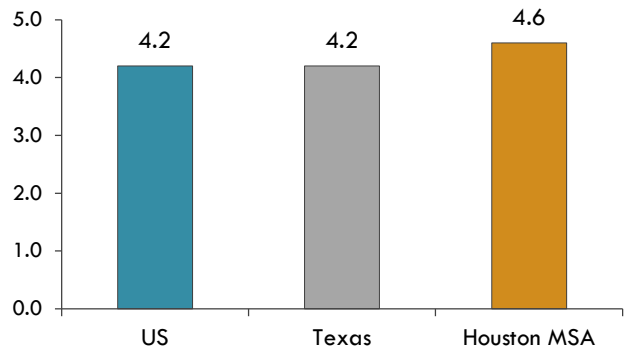
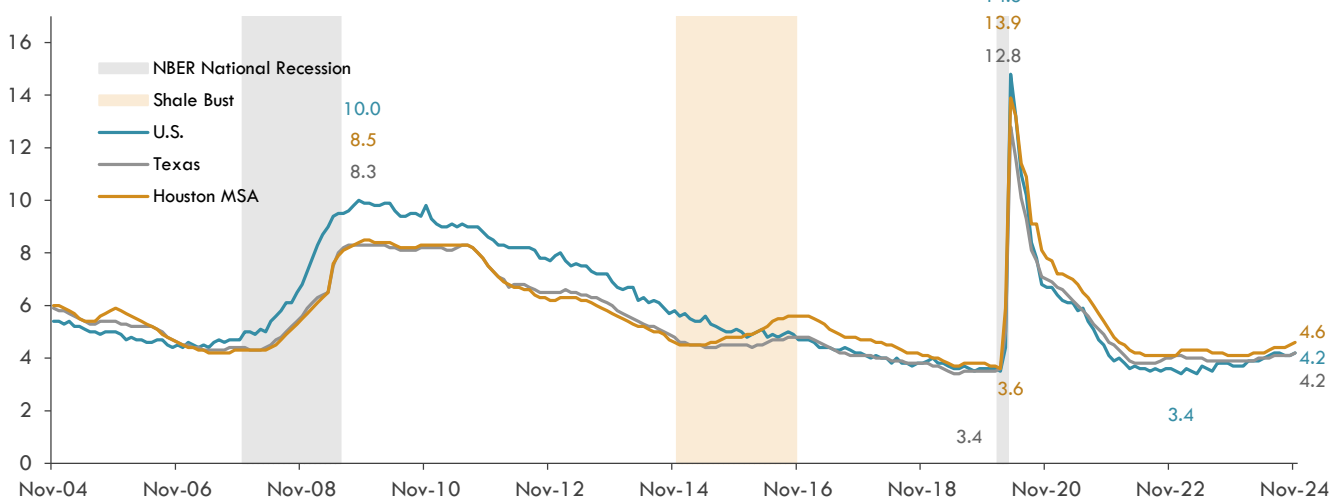


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
 November 2004 to November 2024



Gulf Coast Workforce Solutions Index (WSI)

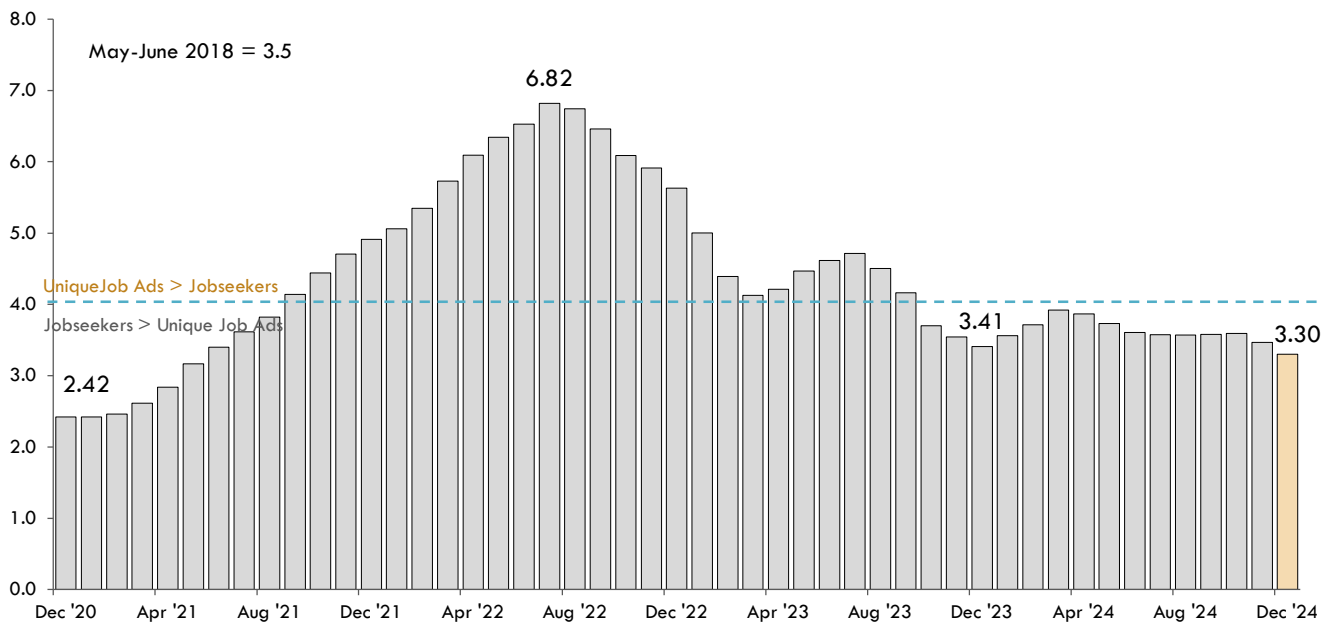


**The Gulf Coast Workforce Solutions Index (WSI)**

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

WSI Reading  
December  
2024:  
**3.30**

Gulf Coast Workforce Solutions Index - Houston MSA 2020 - 2024 (SA)



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



**Workforce Solutions Index December 2024**

The Houston MSA WSI for December stood at 3.30, down from November's slight downward revision to 3.47. This was the result of a cumulative -20,000 decline in the number of active job ads over November and December coupled with a 7,000 increase in the number of unemployed individuals between September and November.

As of December the index has remained below the equilibrium value of 4.0 for 15 consecutive months while remaining above 3.0. As a result, the WSI continues to suggest that a requirement of three work search activities each week may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



# Houston Area Employment Situation

December 2024

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Dec-24	Nov-24	Dec-23	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,499,900</b>	<b>3,494,200</b>	<b>3,442,100</b>	<b>5,700</b>	<b>0.2%</b>	<b>57,800</b>	<b>1.7%</b>
Total Private	3,035,900	3,030,900	2,982,500	5,000	0.2%	53,400	1.8%
Goods Producing	561,900	562,000	543,400	-100	0.0%	18,500	3.4%
<b>.Mining and Logging</b>	<b>72,600</b>	<b>72,900</b>	<b>72,200</b>	<b>-300</b>	<b>-0.4%</b>	<b>400</b>	<b>0.6%</b>
...Oil and Gas Extraction	32,300	32,500	32,300	-200	-0.6%	0	0.0%
...Support Activities for Mining	38,600	38,700	38,300	-100	-0.3%	300	0.8%
<b>.Construction</b>	<b>249,700</b>	<b>250,100</b>	<b>234,500</b>	<b>-400</b>	<b>-0.2%</b>	<b>15,200</b>	<b>6.5%</b>
..Construction of Buildings	66,900	66,800	63,500	100	0.1%	3,400	5.4%
..Heavy and Civil Engineering Construction	60,000	60,500	54,700	-500	-0.8%	5,300	9.7%
..Specialty Trade Contractors	122,800	122,800	116,300	0	0.0%	6,500	5.6%
<b>.Manufacturing</b>	<b>239,600</b>	<b>239,000</b>	<b>236,700</b>	<b>600</b>	<b>0.3%</b>	<b>2,900</b>	<b>1.2%</b>
..Durable Goods	149,900	149,100	147,600	800	0.5%	2,300	1.6%
...Fabricated Metal Product Manufacturing	53,000	52,600	52,000	400	0.8%	1,000	1.9%
...Machinery Manufacturing	43,000	42,700	42,800	300	0.7%	200	0.5%
....Agriculture, Construction, and Mining Machinery Mfg.	22,800	22,700	22,900	100	0.4%	-100	-0.4%
...Computer and Electronic Product Manufacturing	14,500	14,500	14,500	0	0.0%	0	0.0%
..Non-Durable Goods	89,700	89,900	89,100	-200	-0.2%	600	0.7%
...Petroleum and Coal Products Manufacturing	8,300	8,300	8,000	0	0.0%	300	3.8%
...Chemical Manufacturing	42,600	42,700	42,400	-100	-0.2%	200	0.5%
Service Providing	2,938,000	2,932,200	2,898,700	5,800	0.2%	39,300	1.4%
.Private Service Providing	2,474,000	2,468,900	2,439,100	5,100	0.2%	34,900	1.4%
<b>..Trade, Transportation, and Utilities</b>	<b>714,900</b>	<b>708,000</b>	<b>711,100</b>	<b>6,900</b>	<b>1.0%</b>	<b>3,800</b>	<b>0.5%</b>
...Wholesale Trade	187,200	185,600	179,300	1,600	0.9%	7,900	4.4%
....Merchant Wholesalers, Durable Goods	117,600	116,200	112,000	1,400	1.2%	5,600	5.0%
.....Prof. and Commercial Equip. Supplies Wholesalers	19,400	19,300	18,800	100	0.5%	600	3.2%
....Merchant Wholesalers, Nondurable Goods	57,400	57,200	55,500	200	0.3%	1,900	3.4%
...Retail Trade	329,700	325,800	333,900	3,900	1.2%	-4,200	-1.3%
....Motor Vehicle and Parts Dealers	45,000	44,800	45,700	200	0.4%	-700	-1.5%
....Bldg. Material and Garden Equip. and Supplies Dealers	24,400	24,100	24,200	300	1.2%	200	0.8%
....Food and Beverage Stores	77,000	76,600	77,200	400	0.5%	-200	-0.3%
....Health and Personal Care Stores	66,000	64,800	66,100	1,200	1.9%	-100	-0.2%
....Clothing and Clothing Accessories Stores	21,500	20,800	21,700	700	3.4%	-200	-0.9%
....General Merchandise Stores	44,500	44,000	44,400	500	1.1%	100	0.2%
.....Department Stores	21,700	21,400	22,500	300	1.4%	-800	-3.6%
.....Other General Merchandise Stores	28,900	27,900	29,300	1,000	3.6%	-400	-1.4%
...Transportation, Warehousing, and Utilities	198,000	196,600	197,900	1,400	0.7%	100	0.1%
....Utilities	23,500	23,500	23,200	0	0.0%	300	1.3%
.....Air Transportation	22,500	22,400	22,500	100	0.4%	0	0.0%
.....Truck Transportation	30,600	30,600	30,500	0	0.0%	100	0.3%
.....Pipeline Transportation	14,600	14,600	14,000	0	0.0%	600	4.3%
<b>..Information</b>	<b>33,300</b>	<b>32,700</b>	<b>33,100</b>	<b>600</b>	<b>1.8%</b>	<b>200</b>	<b>0.6%</b>
...Telecommunications	11,600	11,400	11,400	200	1.8%	200	1.8%
<b>..Financial Activities</b>	<b>195,100</b>	<b>194,700</b>	<b>186,700</b>	<b>400</b>	<b>0.2%</b>	<b>8,400</b>	<b>4.5%</b>
...Finance and Insurance	124,300	124,600	119,600	-300	-0.2%	4,700	3.9%
....Credit Intermediation and Related Activities	49,200	49,400	47,700	-200	-0.4%	1,500	3.1%
.....Depository Credit Intermediation	31,600	31,700	30,800	-100	-0.3%	800	2.6%
.....Securities, Commodity Contracts, and Fin. Investments	25,400	25,600	24,400	-200	-0.8%	1,000	4.1%
....Insurance Carriers and Related Activities	49,700	49,600	47,500	100	0.2%	2,200	4.6%
...Real Estate and Rental and Leasing	70,800	70,100	67,100	700	1.0%	3,700	5.5%
<b>..Professional and Business Services</b>	<b>565,200</b>	<b>565,800</b>	<b>563,700</b>	<b>-600</b>	<b>-0.1%</b>	<b>1,500</b>	<b>0.3%</b>
...Professional, Scientific, and Technical Services	287,500	288,300	280,500	-800	-0.3%	7,000	2.5%
....Legal Services	33,300	33,400	32,600	-100	-0.3%	700	2.1%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	29,400	29,500	29,400	-100	-0.3%	0	0.0%
....Architectural, Engineering, and Related Services	79,400	79,400	76,100	0	0.0%	3,300	4.3%
....Computer Systems Design and Related Services	41,500	41,700	41,500	-200	-0.5%	0	0.0%
...Management of Companies and Enterprises	47,600	47,600	46,500	0	0.0%	1,100	2.4%
...Admin. and Support and Waste Mgmt. and Remediation	230,100	229,900	236,700	200	0.1%	-6,600	-2.8%
....Administrative and Support Services	216,500	216,400	223,900	100	0.0%	-7,400	-3.3%
....Employment Services	79,900	80,600	81,600	-700	-0.9%	-1,700	-2.1%
....Services to Buildings and Dwellings	54,900	54,800	54,800	100	0.2%	100	0.2%
<b>..Educational and Health Services</b>	<b>472,400</b>	<b>473,800</b>	<b>462,300</b>	<b>-1,400</b>	<b>-0.3%</b>	<b>10,100</b>	<b>2.2%</b>
...Educational Services	74,100	74,500	73,200	-400	-0.5%	900	1.2%
...Health Care and Social Assistance	398,300	399,300	389,100	-1,000	-0.3%	9,200	2.4%
....Ambulatory Health Care Services	202,100	202,600	197,100	-500	-0.2%	5,000	2.5%
....Hospitals	99,900	100,200	97,300	-300	-0.3%	2,600	2.7%
<b>..Leisure and Hospitality</b>	<b>360,800</b>	<b>362,900</b>	<b>354,100</b>	<b>-2,100</b>	<b>-0.6%</b>	<b>6,700</b>	<b>1.9%</b>
...Arts, Entertainment, and Recreation	39,200	40,000	38,400	-800	-2.0%	800	2.1%
...Accommodation and Food Services	321,600	322,900	315,700	-1,300	-0.4%	5,900	1.9%
....Accommodation	26,900	27,100	26,400	-200	-0.7%	500	1.9%
....Food Services and Drinking Places	294,700	295,800	289,300	-1,100	-0.4%	5,400	1.9%
<b>..Other Services</b>	<b>132,300</b>	<b>131,000</b>	<b>128,100</b>	<b>1,300</b>	<b>1.0%</b>	<b>4,200</b>	<b>3.3%</b>
<b>Government</b>	<b>464,000</b>	<b>463,300</b>	<b>459,600</b>	<b>700</b>	<b>0.2%</b>	<b>4,400</b>	<b>1.0%</b>
.Federal Government	35,200	35,100	34,100	100	0.3%	1,100	3.2%
.State Government	98,400	98,400	96,100	0	0.0%	2,300	2.4%
..State Government Educational Services	53,600	53,700	53,100	-100	-0.2%	500	0.9%
.Local Government	330,400	329,800	329,400	600	0.2%	1,000	0.3%
..Local Government Educational Services	227,300	227,100	229,900	200	0.1%	-2,600	-1.1%