

# Houston Area Employment Situation

September 2025

## CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Seasonal Education Hiring Lifts September Payrolls, But Underlying Momentum Softens

### Total Nonfarm

#### Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,464,800 in September, up 13,800 jobs over the month, or 0.4 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 7,900 jobs. Prior to the pandemic, historically in the month of September, Total Nonfarm has on average added 5,900 jobs over the month, which indicates that this month's gains are substantially above the long-term average.

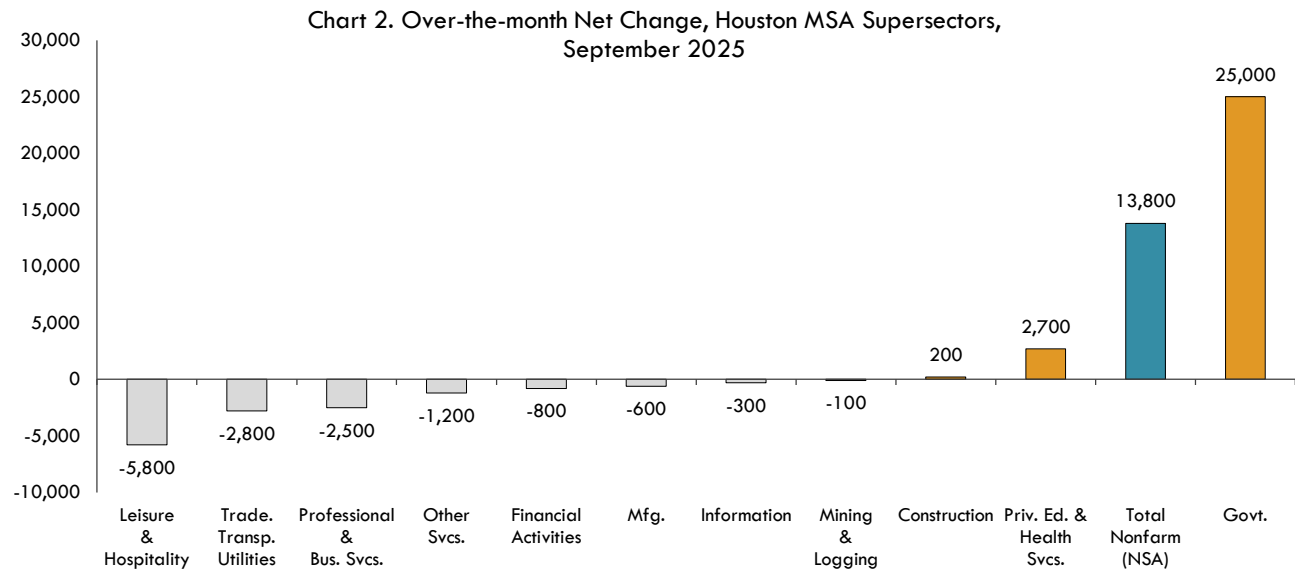
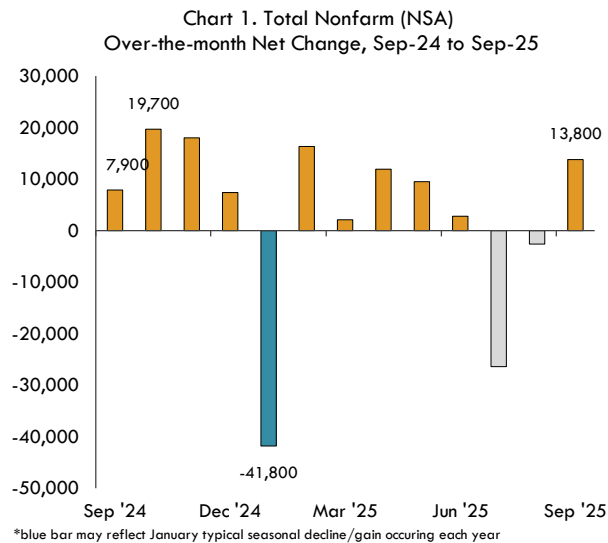
The primary drivers of this September's growth were increases in Government; Private Education and Health Services; and Construction. The net increase in jobs over the month was partially offset by losses in Leisure and Hospitality; Trade, Transportation, and Utilities; and Professional and Business Services. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,467,700, up 3,600 jobs over the month, or 0.1 percent vs. a historical average of 2,800. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Source: BLS/TWC unless otherwise noted. NOTE: The Houston-Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA) consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties.

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

- Government: 25,000
- Private Education and Health Services: 2,700
- Construction: 200

#### Over-the-year Change

Over the year, Total Nonfarm employment was up 30,700 or 0.9 percent on a not-seasonally-adjusted basis and up 22,900 or 0.7 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, September 2024 saw a year-over-year gain of 41,500 jobs (NSA) from September 2023. Currently 8 out of 11 sectors show growth year over year of which the top-three are Private Education and Health Services (15,100); Government (11,100); and Leisure and Hospitality (9,000) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,193,600 jobs by 271,200, or 8.5 percent (267,900 jobs, 8.4 percent above 3,199,800 seasonally adjusted).



Previous Month's Revisions

Total Nonfarm employment was revised downward by -2,700 jobs for a July to August complete erasure of gains leaving a net loss of -2,600 compared to an original estimate of 100 jobs. A downward revision of -1,600 jobs in Construction was the largest contributor followed by Private Education and Health Services (-1,600) and Government (-900). Upward revisions in Manufacturing (+1,100), Leisure and Hospitality (+700), and Professional and Business Services (+100) 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 September
- Private Education and Health Services: 15,100
  - Government: 11,100
  - Leisure and Hospitality: 9,000

Chart 5. Net Revisions for Selected Supersectors and Major Industries, August 2025

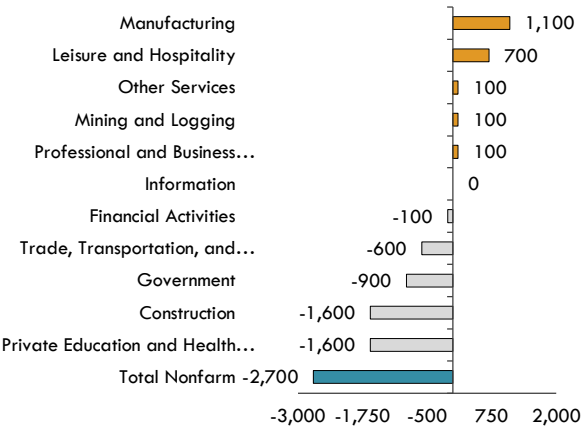


Chart 3. Total Nonfarm (NSA)  
Over-the-year Net Change, Sep-10 to Sep-25

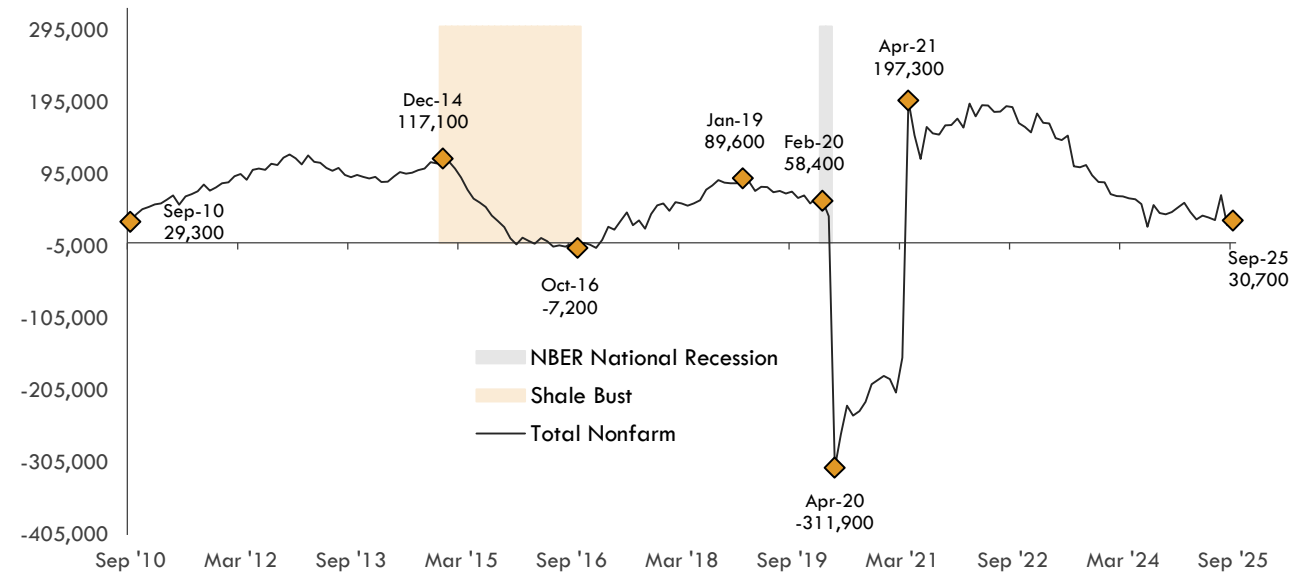
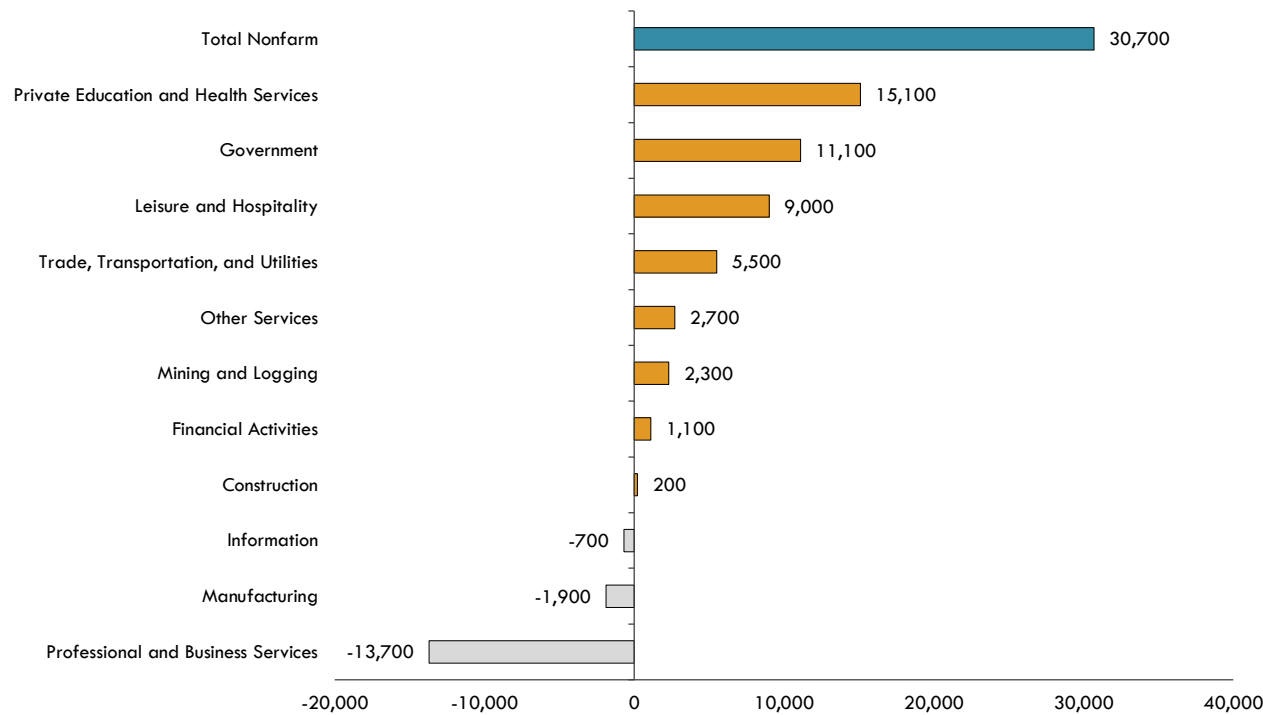


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,  
September 2024 to September 2025



Supplemental Commentary

Highlights from September and 2026 Employment Forecast

Houston’s labor market regained traction in September, adding 13,800 jobs at non-seasonally adjusted basis and 3,600 jobs seasonally adjusted, well above the pre-pandemic September average of roughly 5,900. Over the year, total nonfarm employment expanded by 30,700 (+0.9%), reflecting a moderate but broad-based recovery after a subdued summer. The latest data revisions, however, trimmed August’s estimates by 2,700 jobs, erasing previously reported gains to a net loss of -2600 jobs and underscoring continued fragility in month-to-month employment trends. Houston’s total employment now exceeds its pre-pandemic level (February 2020) by 271,200 jobs (+8.5%), maintaining steady long-term growth despite recent deceleration.

After several months of slower growth in the Houston labor market, the modest expansion recorded in September on a seasonally adjusted basis represents a slight uptick, even as broader hiring patterns continue to signal a market that has cooled in recent months. Houston, however, remains on solid footing overall, supported by continued strength in health care, public education, and several service and goods-producing industries including leisure and hospitality, a trade, transportation, and utilities and other services. Still, the pace of expansion is clearly softer than what characterized the region’s post-pandemic recovery, and the underlying momentum has shifted toward a more measured and incremental growth trajectory.

This moderation closely mirrors national labor market trends. According to the U.S. Bureau of Labor Statistics, the U.S. added 119,000 jobs in September, and total employment has shown little net change since April, marking an extended period of softer hiring. The national unemployment rate held at 4.4%, with job gains concentrated in health care and social assistance and Food Services and Drinking Places, while employment in transportation and warehousing and the federal government declined. Overall, these are patterns that parallel movements seen in Houston’s labor market. More broadly, job openings have eased, hiring rates have slowed, and employer surveys indicate increased caution, even as firms avoid large-scale layoffs. Against this backdrop, Houston’s deceleration is not an outlier but part of a broader cooling trend unfolding across the U.S. labor market.

The largest over-the-month gains came from Government, which added +25,000 jobs, almost entirely driven by the seasonal rehiring of public education staff at the start of the school year. This is the second-largest September increase on record, surpassed only by September 2023 (+25,400), and underscores the sheer scale of Houston’s education workforce. Much of this seasonal jump is tied to the region’s rapid population growth: since 2020, Houston has averaged roughly 21,500 Government job gains each September, reflecting an expanding student population and ongoing investment in school systems across the metro. Over the past decade, the Houston region has added more than one million residents, a 20.1% increase, making it the second-fastest-growing large metro among the nation’s top 20. This population surge continues to fuel demand across consumer-driven industries, including education, health care, retail, and leisure, reinforcing the structural drivers behind Houston’s long-term job growth.

Private Education and Health Services followed with a gain of +2,700 jobs. Health care remains the region’s most reliable growth engine, adding 15,100 jobs year-over-year and accounting for roughly half of all net job growth in Houston over the past year. This expansion mirrors national trends and is supported by the continued build-out of Houston’s health care infrastructure in response to strong population inflows and an aging resident base. Houston is also increasingly emerging as a national hub for medical tourism, drawing patients from across the country and abroad, further reinforcing long-term employment growth in the sector.

Conversely, several key sectors recorded seasonal or cyclical pullbacks. Leisure and Hospitality (-2,800) experienced an expected late-summer slowdown as tourism and dining activity tapered off. The decline was led by Food Services and Drinking Places (-4,700). Still, the industry remains up 9,000 jobs year over year. Trade, Transportation, and Utilities (-2,500) also contracted modestly. Most of the decline occurred in Retail Trade (-500), reflecting end-of-summer staffing changes as many student workers leave their jobs and return to school. Transportation and Warehousing (-1,000) also softened, while Wholesale Trade (-600) posted additional losses.

Professional and Business Services (-1,200) continued its downward trend and is now down 13,700 jobs year over year, with losses recorded in all but two months throughout the year. The weakness appears tied to corporate headcount adjustments, particularly among large energy firms, following the hiring surge of 2022–2023. Falling oil prices are another factor; prices have declined roughly \$10–\$15 per barrel and are currently hovering around \$58–\$60. With expectations of further price softening amid abundant global supply, companies seem to be preparing for a lower-price environment.

Continues on next page

November 2024

Manufacturing employment also slipped (-600), aligning with national indicators showing softer new orders. Durable goods (-400) and nondurable goods (-200) both posted job losses. According to the latest ISM Manufacturing Report, the divergence between subsectors continues: durable goods producers remained in contraction, weighed down by weak demand and elevated inventory levels, while nondurable goods manufacturers, particularly petrochemicals and refining, continued to expand thanks to lower oil prices. Growth, however, has slowed as the summer driving season wound down and feedstock prices remained low.

Houston’s unemployment rate (NSA) fell to 4.8%, down from 5.0% in August, matching the statewide trend (4.4%) but remaining above the U.S. rate (4.3%). The Gulf Coast Workforce Solutions Index edged down to 3.50, signaling a labor market that still favors employers, with more jobseekers than available job postings for the 24th consecutive month.

Looking ahead, our forecast reflects a slower but still positive economic environment for Houston. Lower oil prices are expected to weigh on energy-related industries, contributing to more cautious hiring in upstream, engineering, and manufacturing sectors. At the same time, the broader macroeconomic environment is cooling, with U.S. growth moderating from last year and interest rates remaining elevated, which limits business expansion and consumer demand. Even with these headwinds, Houston’s diverse economy, supported by healthcare, construction, and population growth, remains resilient. Overall, we project the region will add approximately 40,000 jobs in 2026, signaling continued growth, though at a more moderate pace than in recent years.

Year-end 2026 Houston Area Employment Forecast

Industry Sector	Net Change
Health Care and Social Assistance	11,000
Government	7,900
Leisure and Hospitality	6,400
Other Services	4,100
Transportation Warehousing and Utilities	3,500
Construction	3,200
Wholesale Trade	2,700
Retail Trade	2,000
Private Educational Services	1,900
Non-durable Goods	1,700
Financial Activities	300
Durable Goods	-700
Information	-1,100
Professional and Business Services	-1,200
Mining and Logging	-1,500
Total	40,200

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Happy holidays!

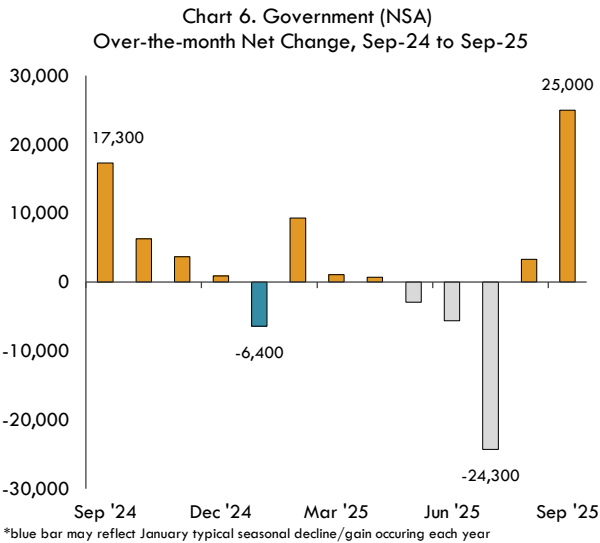


GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the largest gaining sector over the month up 25,000 jobs, or 5.7 percent (see Chart 6). This was the second-largest gain in the month of September since records began in 1990. Furthermore, this September stands as the second-largest over-the-month increase of any month in the past three decades. Historically in the month of September, Government has added an average of 15,100 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Local Government was the largest contributor to the overall sector's increase, up 24,100 jobs over the month. The second-largest contributor was State Government, which added 800 jobs from August to September. Lastly, Federal Government contributed, 100 jobs. Government employment was revised downward by -900 jobs for a July to August smaller net gain of 3,300 compared to an original estimate of 4,200 jobs.

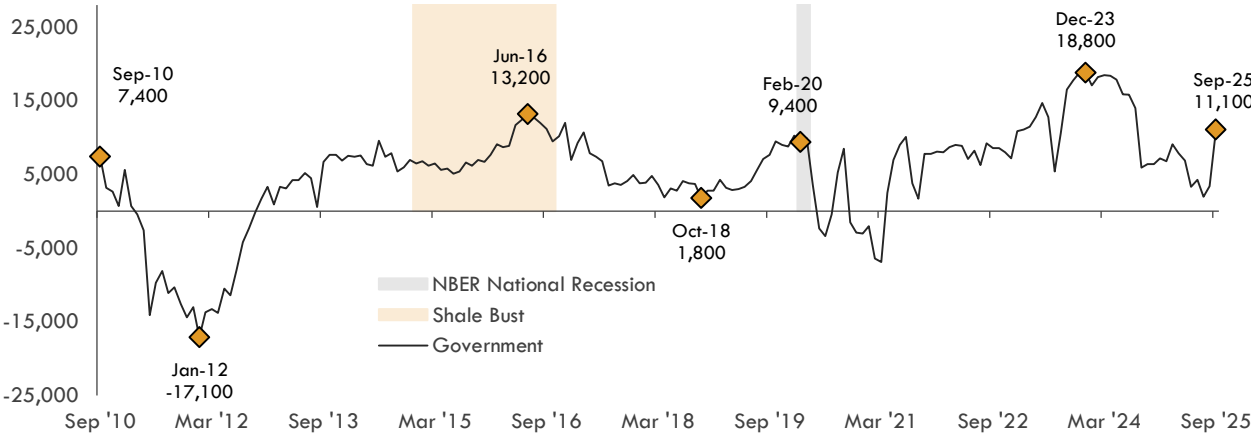


Over-the-year Change

Year over year, Government was up 11,100 jobs, or 2.4 percent (see Chart 7). This was the largest over-the-year gain since August 2024's increase of 14,000 jobs. Furthermore, 23.6 percent of total (gross) jobs added across the region over the past year can be attributed to Government. Local Government was the largest contributor to the overall sector's increase, up 8,300 jobs over the year. The second-largest contributor was State Government, which added 3,500 jobs from September a year ago. Lastly, Federal Government offset a portion of the sector's gains with a loss of -700 jobs. Total Government

employment (NSA) now exceeds its February 2020 pre-pandemic level of 429,300 jobs by 38,000, or 8.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.3 percent to 13.5 percent over the past year.

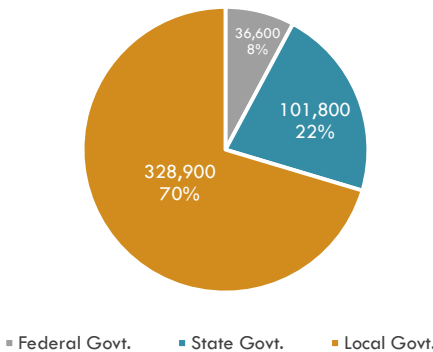
Chart 7. Government (NSA)  
Over-the-year Net Change, Sep-10 to Sep-25



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 70 percent (see Chart 8).

Chart 8. Employment in Component Industries of Government Sector - September 2025

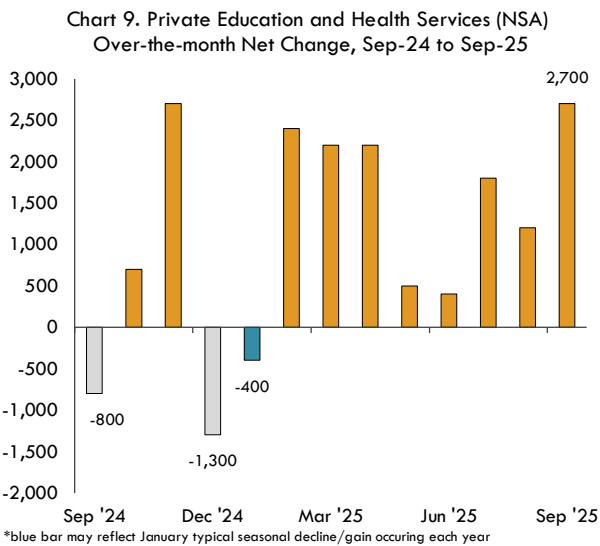


GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

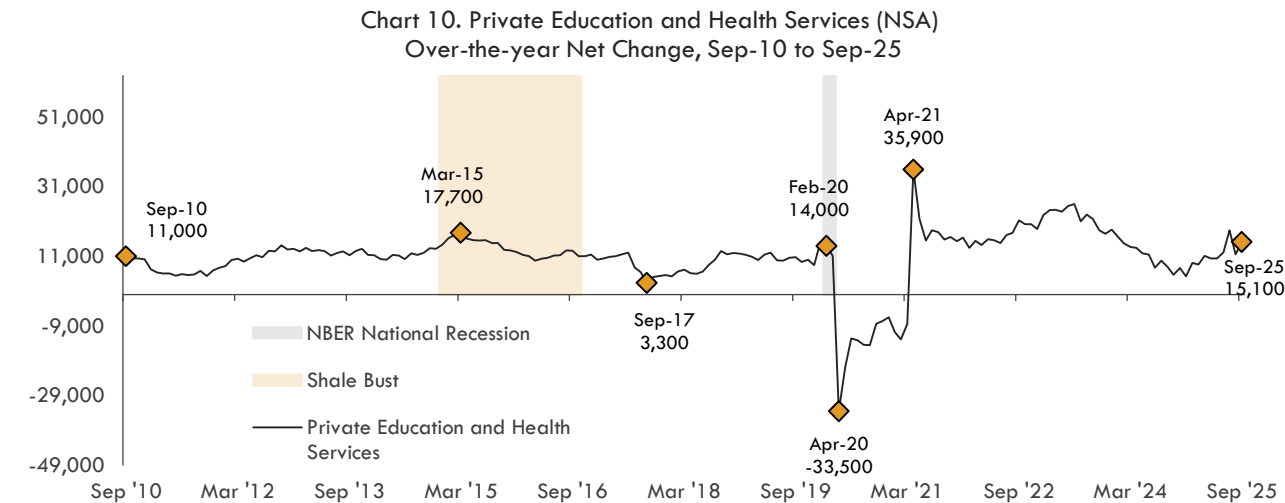
Private Education and Health Services was the second-largest gaining sector over the month up 2,700 jobs, or 0.6 percent (see Chart 9). This was the second-largest gain in the month of September since records began in 1990. Historically in the month of September, Private Education and Health Services has added an average of 1,300 jobs over the month, which indicates that this month's gains are substantially above the long-term average. Private Educational Services was the largest contributor to the overall sector's increase, up 1,900 jobs over the month. The second-largest contributor was Health Care and Social Assistance, which added 800 jobs from August to September. Private Education and Health Services employment was revised downward by -1,600 jobs for a July to August smaller net gain of 1,200 compared to an original estimate of 2,800 jobs.



Over-the-year Change

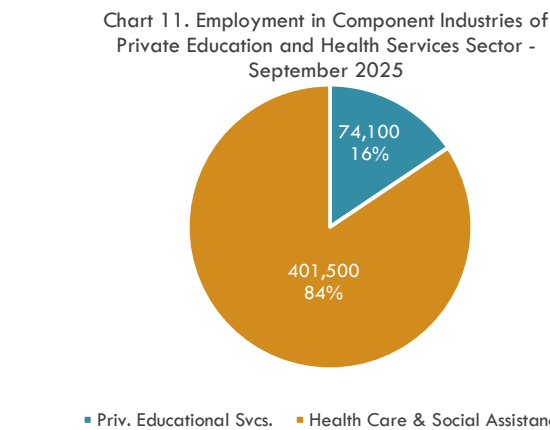
Year over year, Private Education and Health Services was up 15,100 jobs, or 3.3 percent (see Chart 10). Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 32.1 percent of total (gross) jobs added across the region over 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 13,200 jobs over the year. The second-largest contributor was Private Educational Services, which added 1,900 jobs from September a year ago.

Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,600 jobs by 61,000, or 14.7 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.4 percent to 13.7 percent over the past year.



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 11).

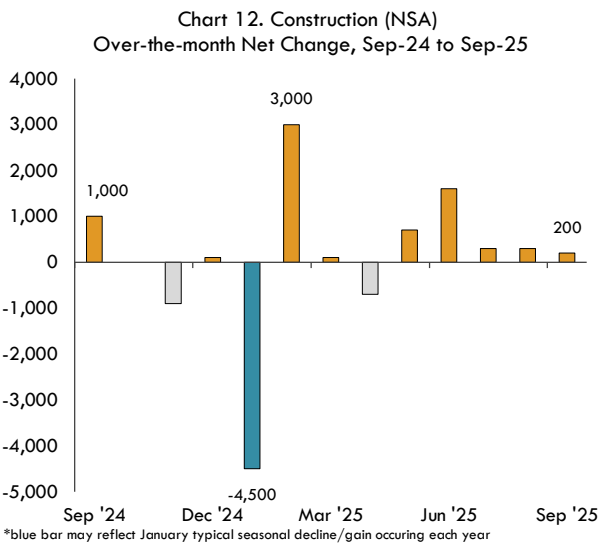


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

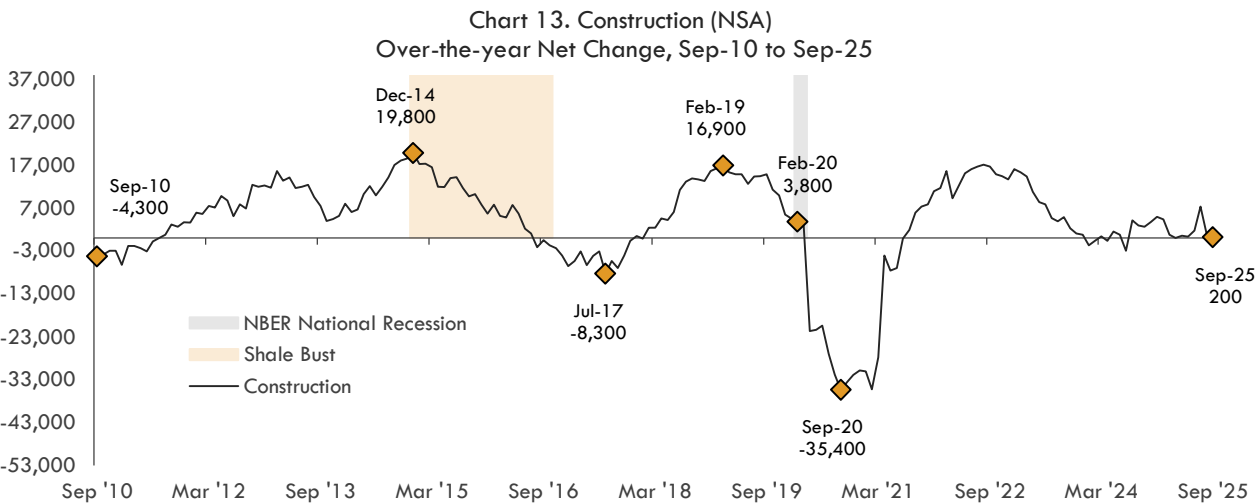
Construction was the third-largest gaining sector over the month up 200 jobs, or 0.1 percent (see Chart 12). Historically in the month of September, Construction has added an average of 500 jobs over the month, which indicates that this month's gains are slightly below the long-term average. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 300 jobs over the month. The second-largest contributor was Specialty Trade Contractors, which added 200 jobs from August to September. Lastly, Construction of Buildings offset a portion of the sector's gains with a loss of -300 jobs. Construction employment was revised downward by -1,600 jobs for a July to August smaller net gain of 300 compared to an original estimate of 1,900 jobs.



Over-the-year Change

Year over year, Construction was up 200 jobs, or 0.1 percent (see Chart 13). Construction of Buildings was the largest contributor to the overall sector's increase, up 1,500 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 500 jobs from September a year ago. Lastly, Specialty Trade Contractors offset a portion of the sector's gains with a loss of -1,800 jobs. Total Construction employment (NSA) remains -1,700 jobs, or -0.7 percent below its February 2020 pre-pandemic level of 237,400. At the same time, the sector's share of Houston area Total Nonfarm

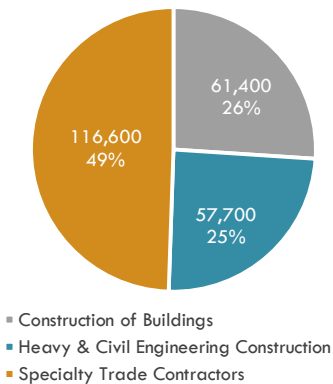
Employment has remained constant at 6.9 percent over the past year.



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and subdivision, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 49 percent (see Chart 14).

Chart 14. Employment in Component Industries of Construction Sector - September 2025



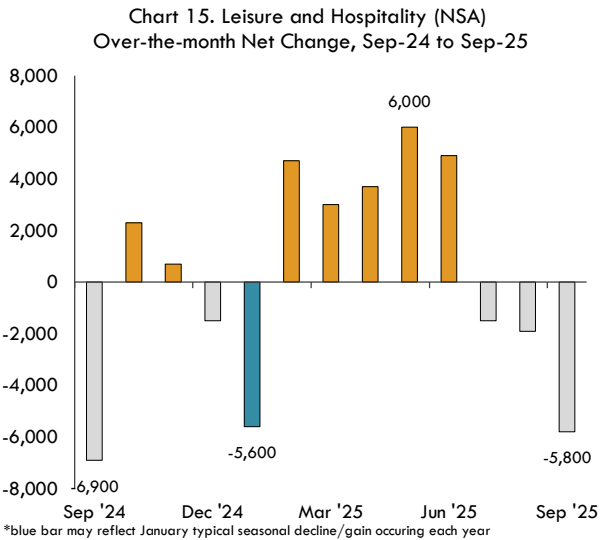


DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

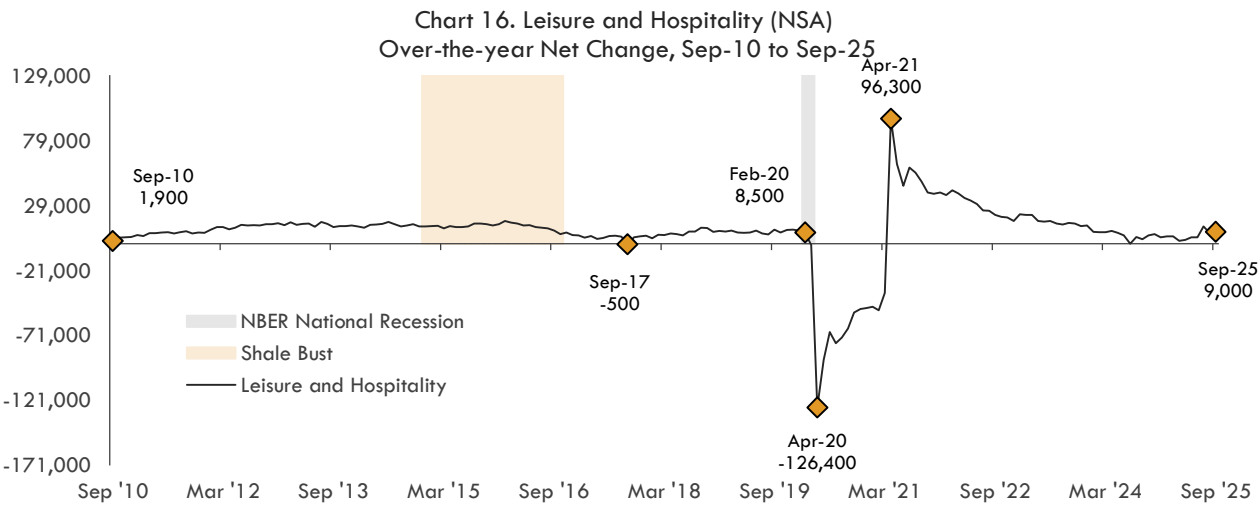
Leisure and Hospitality was the largest declining sector over the month down -5,800 jobs, or -1.5 (see Chart 15). Historically in the month of September, Leisure and Hospitality has lost an average of -3,800 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -5,100 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -700 jobs from August to September. Leisure and Hospitality employment was revised upward by 700 jobs for a July to August smaller net loss of -1,900 compared to an original estimate of -2,600 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 9,000 jobs, or 2.5 percent (see Chart 16). Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 19.1 percent of total (gross) jobs added across the region over the past year can be attributed to Leisure and Hospitality. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 7,000 jobs over the year. The second-largest contributor was Arts, Entertainment, and Recreation, which added 2,000 jobs from September a year ago. Total Leisure

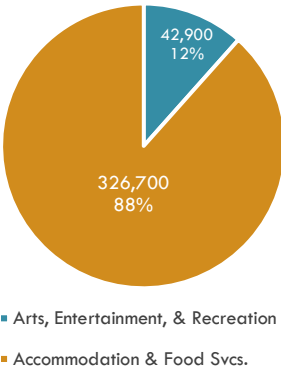
and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,600 jobs by 35,000, or 10.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 10.5 percent to 10.7 percent over the past year.



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, of exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 88 percent (see Chart 17).

Chart 17. Employment in Component Industries of Leisure and Hospitality Sector - September 2025



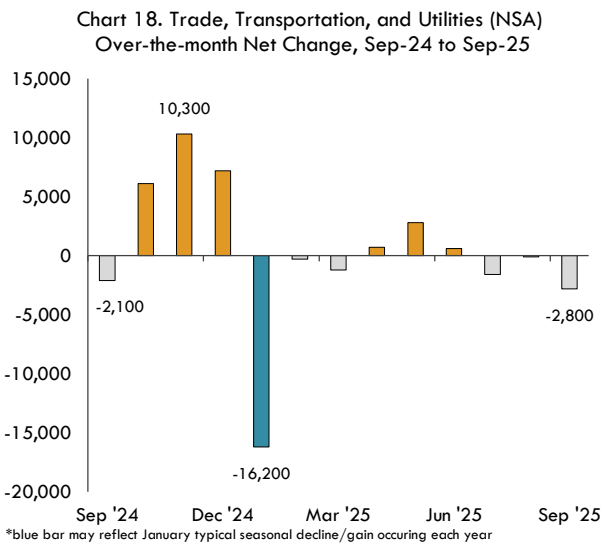


DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

Over-the-month Change

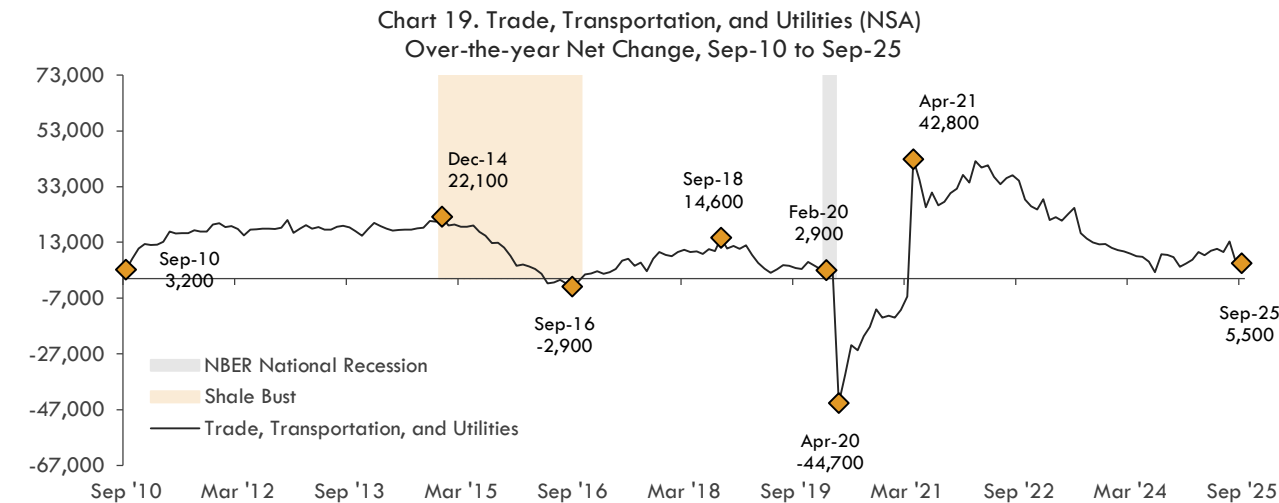
Trade, Transportation, and Utilities was the second-largest declining sector over the month down -2,800 jobs, or -0.4 (see Chart 18). Historically in the month of September, Trade, Transportation, and Utilities has lost an average of -2,200 jobs over the month, which indicates that this month's losses are moderately larger than the long-term average decline. Retail Trade was the largest contributor to the overall sector's decline, down -1,200 jobs over the month. The second-largest declining contributor was Transportation, Warehousing, and Utilities, which lost -1,000 jobs from August to September. Lastly, Wholesale Trade subtracted, -600 jobs. Trade, Transportation, and Utilities employment was revised downward by -600 jobs for a July to August complete erasure of gains leaving a net loss of -100 compared to an original estimate of 500 jobs.



Over-the-year Change

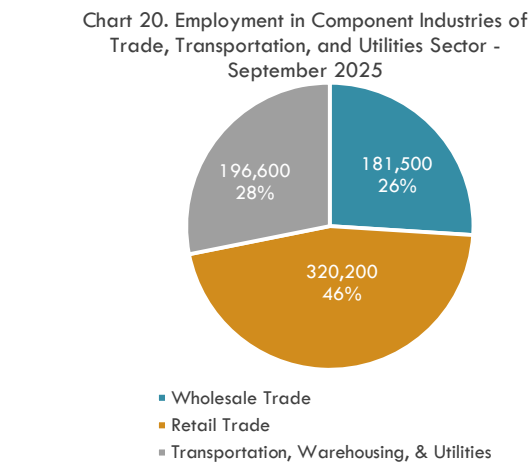
Year over year, Trade, Transportation, and Utilities was up 5,500 jobs, or 0.8 percent (see Chart 19). Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 3,100 jobs over the year. The second-largest contributor was Wholesale Trade, which added 2,800 jobs from September a year ago. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -400 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,700 jobs by 69,600, or 11.1 percent. At the same time, the sector's share

of Houston area Total Nonfarm Employment has remained constant at 20.2 percent over the past year.



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 20).

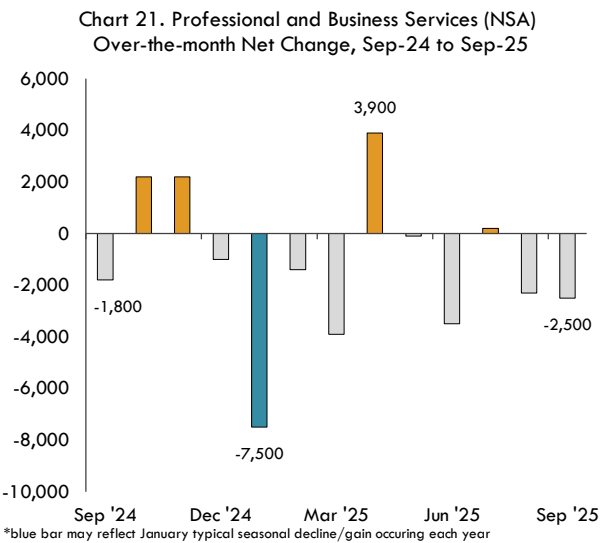


DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

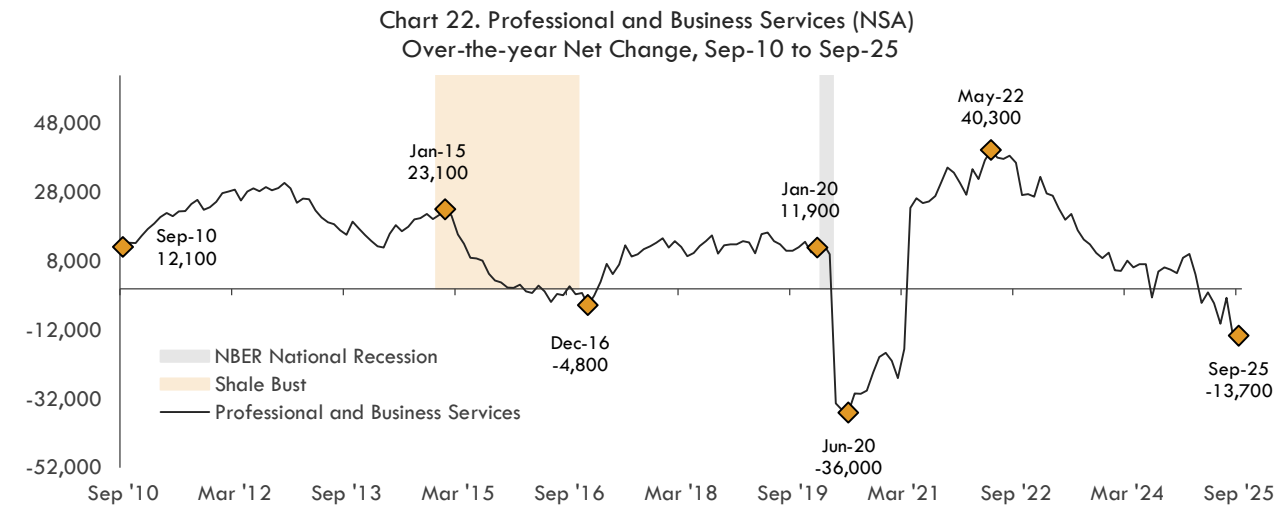
Professional and Business Services was the third-largest declining sector over the month down -2,500 jobs, or -0.5 (see Chart 21). Historically in the month of September, Professional and Business Services has lost an average of -1,100 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Professional, Scientific, and Technical Services was the largest contributor to the overall sector's decline, down -2,400 jobs over the month. The second-largest declining contributor was Administrative and Support and Waste Management and Remediation Services, which lost -200 jobs from August to September. Lastly, Management of Companies and Enterprises offset a portion of the sector's losses with a gain of 100 jobs. Professional and Business Services employment was revised upward by 100 jobs for a July to August smaller net loss of -2,300 compared to an original estimate of -2,400 jobs.



Over-the-year Change

Year over year, Professional and Business Services was down -13,700 jobs, or -2.4 percent (see Chart 22). This was the third-largest over-the-year decline in September since records began in 1990 and the largest over-the-year decline since March 2021's loss of -17,500 jobs. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 84.0 percent of total (gross) jobs lost across the region over the past year can be attributed to Professional and Business Services. Administrative and Support and Waste Management and Remediation

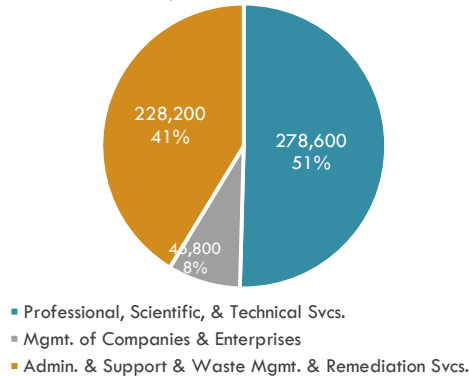
Services was the largest contributor to the overall sector's decline, down -9,500 jobs over the year. The second-largest declining contributor was Professional, Scientific, and Technical Services, which lost -2,400 jobs from September a year ago. Lastly, Management of Companies and Enterprises subtracted, -1,800 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,800 jobs by 37,800, or 7.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 16.5 percent to 15.9 percent over the past year.



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 50 percent (see Chart 23).

Chart 23. Employment in Component Industries of Professional and Business Services Sector - September 2025

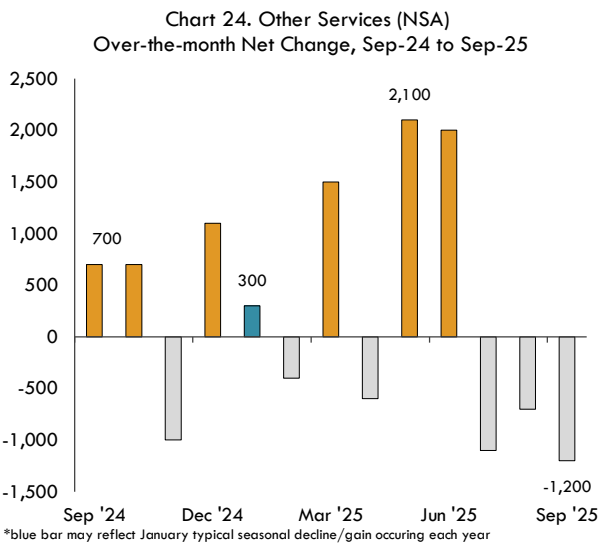


DECLINING INDUSTRY HIGHLIGHTS

Other Services

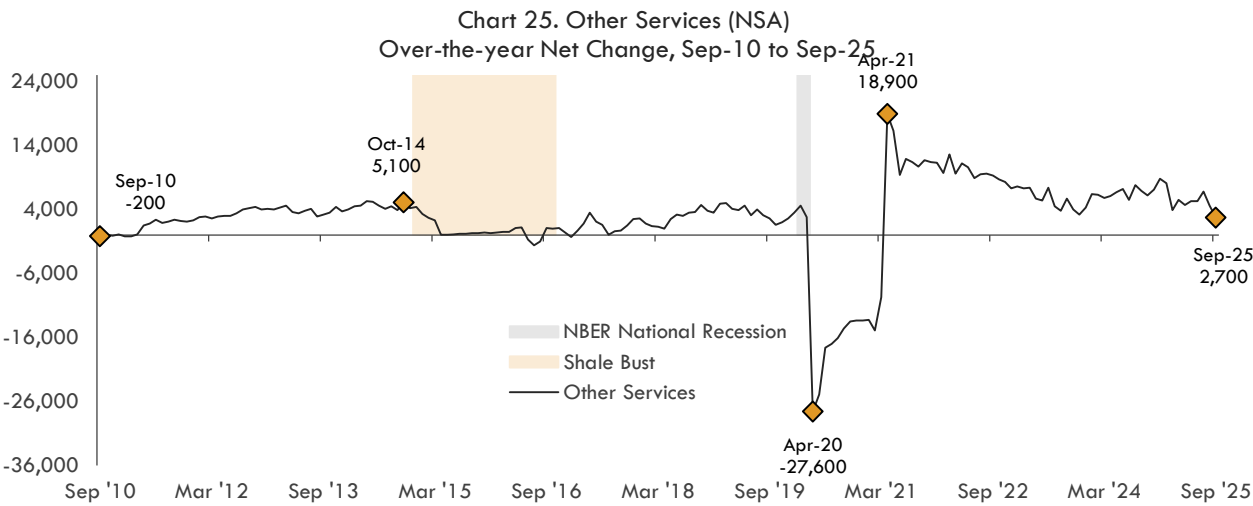
Over-the-month Change

Other Services also saw a decrease over the month down -1,200 jobs, or -0.9 (see Chart 24). Historically in the month of September, Other Services has lost an average of -2,400 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised upward by 100 jobs for a July to August smaller net loss of -700 compared to an original estimate of -800 jobs.



Over-the-year Change

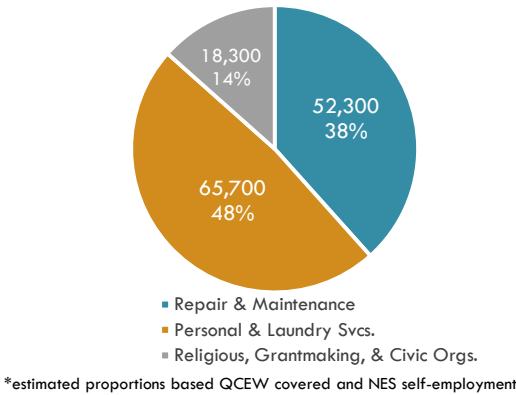
Year over year, Other Services was up 2,700 jobs, or 2.0 percent (see Chart 25). NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,200 jobs by 17,200, or 14.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 3.9 percent over the past year.



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 4 percent higher than the national average.

Chart 26. Employment in Component Industries of Other Services Sector - September 2025

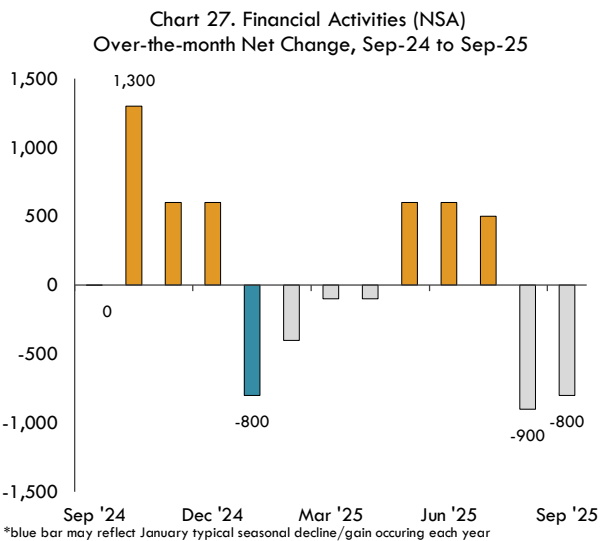


DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

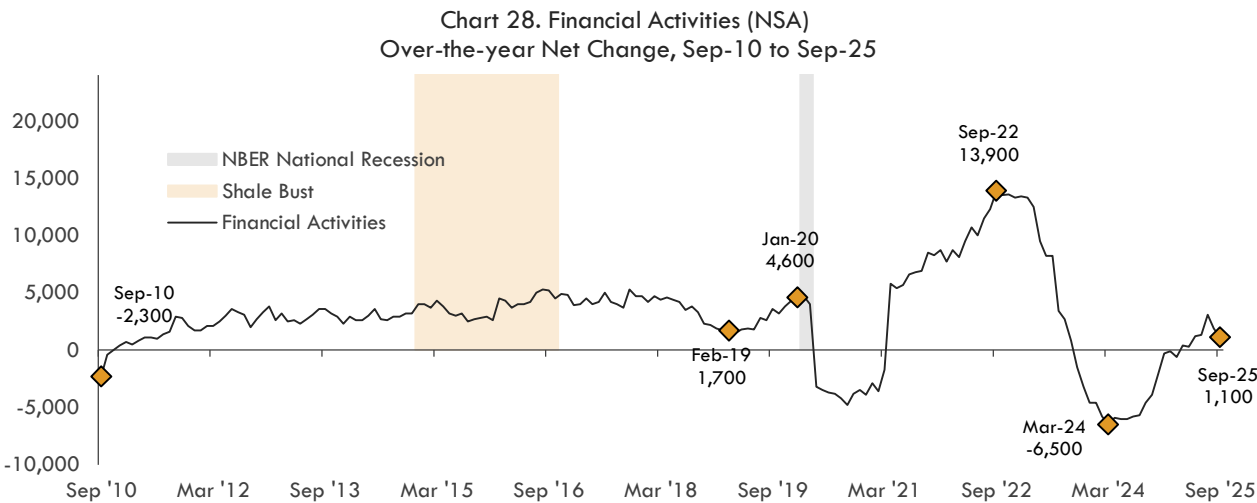
Over-the-month Change

Financial Activities also saw a decrease over the month down -800 jobs, or -0.4 (see Chart 27). Historically in the month of September, Financial Activities has lost an average of -500 jobs over the month, which indicates that this month's losses are slightly larger than the long-term average decline. Finance and Insurance was the largest contributor to the overall sector's decline, down -500 jobs over the month. The second-largest declining contributor was Real Estate and Rental and Leasing, which lost -300 jobs from August to September. Financial Activities employment was revised downward by -100 jobs for a July to August larger net loss of -900 compared to an original estimate of -800 jobs.



Over-the-year Change

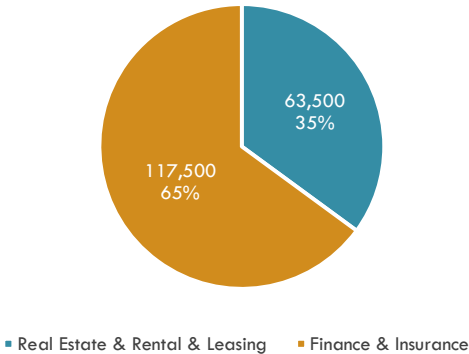
Year over year, Financial Activities was up 1,100 jobs, or 0.6 percent (see Chart 28). Finance and Insurance was the largest contributor to the overall sector's increase, up 800 jobs over the year. The second-largest contributor was Real Estate and Rental and Leasing, which added 300 jobs from September a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 11,800, or 7.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 5.2 percent over the past year.



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 65 percent (see Chart 29).

Chart 29. Employment in Component Industries of Financial Activities Sector - September 2025

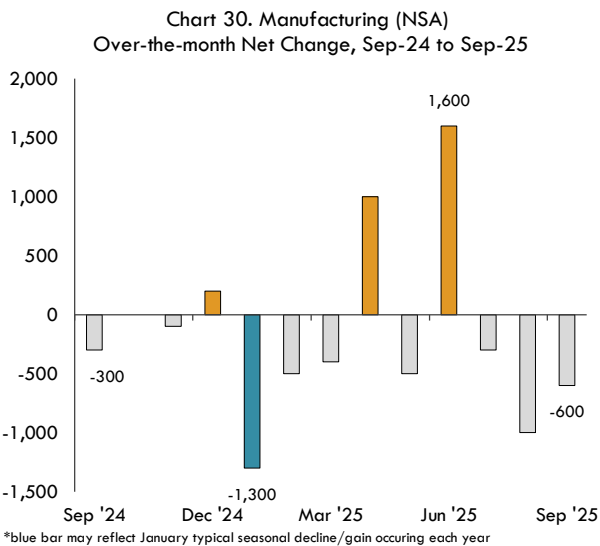


DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

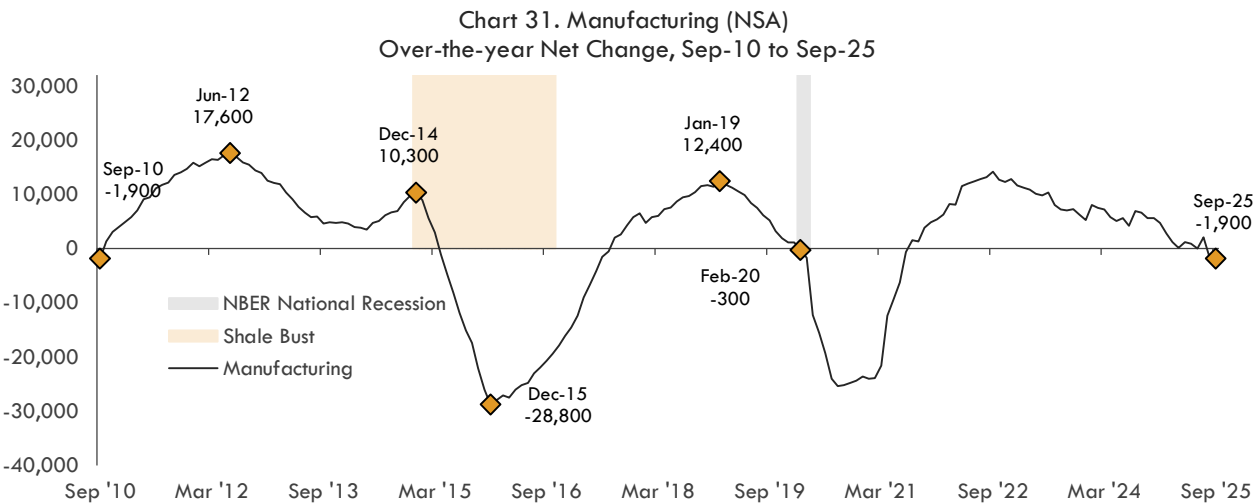
Manufacturing also saw a decrease over the month down -600 jobs, or -0.3 (see Chart 30). Historically in the month of September, Manufacturing has lost an average of -400 jobs over the month, which indicates that this month's losses are slightly larger than the long-term average decline. Durable Goods was the largest contributor to the overall sector's decline, down -400 jobs over the month. The second-largest declining contributor was Non-Durable Goods, which lost -200 jobs from August to September. Manufacturing employment was revised upward by 1,100 jobs for a July to August smaller net loss of -1,000 compared to an original estimate of -2,100 jobs.



Over-the-year Change

Year over year, Manufacturing was down -1,900 jobs, or -0.8 percent (see Chart 31). Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Durable Goods was the largest contributor to the overall sector's decline, down -1,800 jobs over the year. The second-largest declining contributor was Non-Durable Goods, which lost -100 jobs from September a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,700 jobs by 4,000, or 1.7 percent. At the same time, the sector's share of

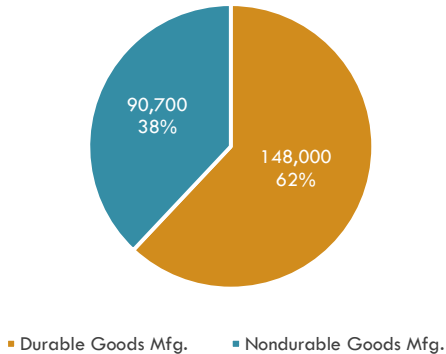
Houston area Total Nonfarm Employment has fallen from 7.0 percent to 6.9 percent over the past year.



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 62 percent (see Chart 32).

Chart 32. Employment in Component Industries of Manufacturing Sector - September 2025

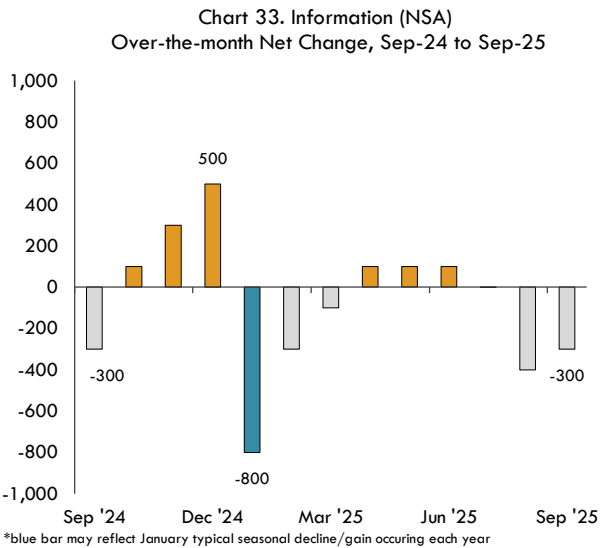


DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

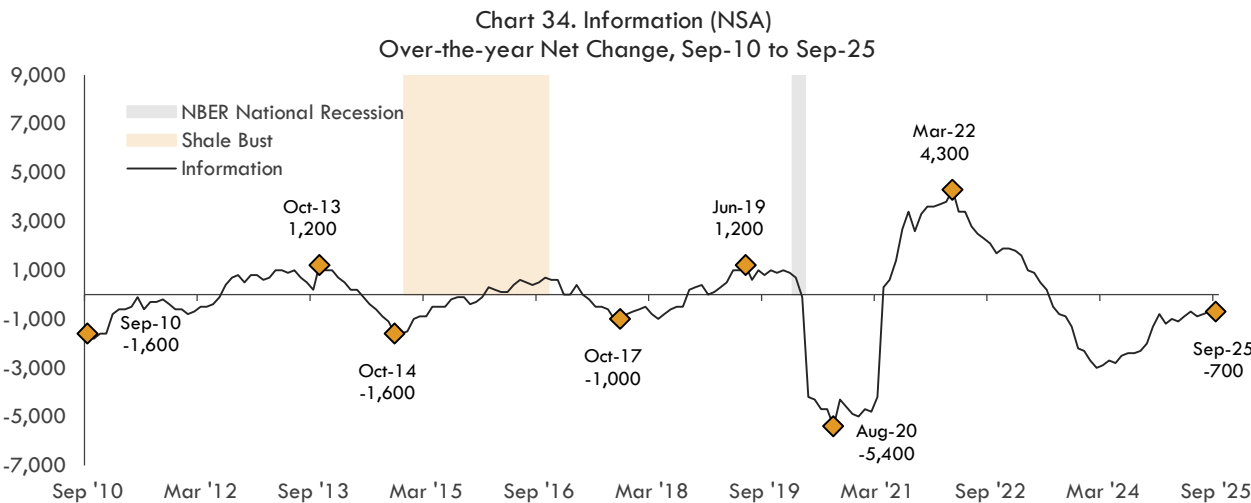
Information also saw a decrease over the month down -300 jobs, or -1.0 (see Chart 33). Historically in the month of September, Information has lost an average of -300 jobs over the month, which indicates that this month's losses are on par with the long-term average. Other Information Undefined was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Telecommunications, which lost -100 jobs from August to September. Information employment saw no revision from July to August leaving the previous month's original decrease of -400 intact.



Over-the-year Change

Year over year, Information was down -700 jobs, or -2.4 percent (see Chart 34). Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Telecommunications was the largest contributor to the overall sector's decline, down -500 jobs over the year. The second-largest declining contributor was Other Information Undefined, which lost -200 jobs from September a year ago. Total Information employment (NSA) remains -3,900 jobs, or -11.9 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's

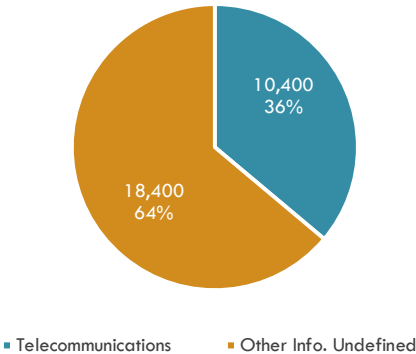
share of Houston area Total Nonfarm Employment has remained constant at 0.9 percent over the past year.



About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 64 percent (see Chart 35).

Chart 35. Employment in Component Industries of Information Sector - September 2025

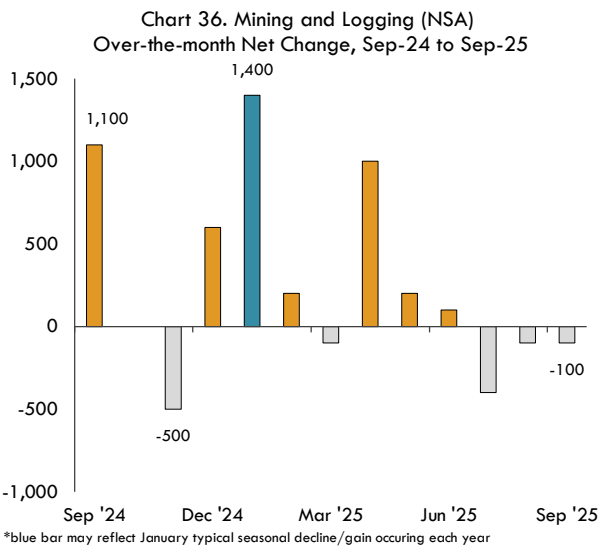


DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

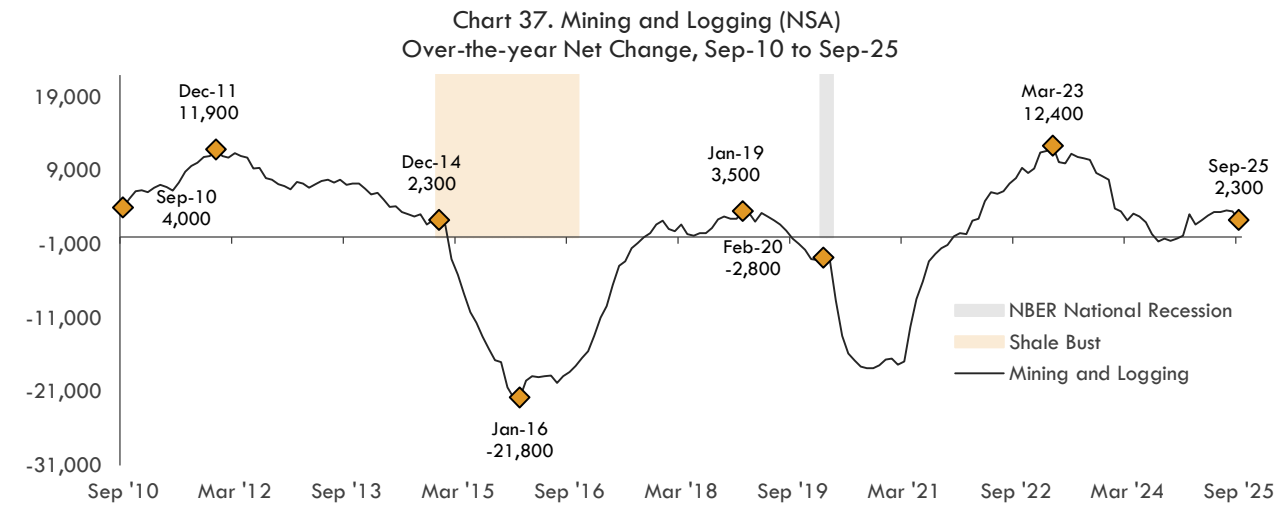
Mining and Logging also saw a decrease over the month down -100 jobs, or -0.1 (see Chart 36). Historically in the month of September, Mining and Logging has lost an average of -300 jobs over the month, which indicates that this month's losses are slightly smaller than the long-term average decline. Oil and Gas Extraction was the largest contributor to the overall sector's decline, down -100 jobs over the month. The second-largest declining contributor was Support Activities for Mining, which lost -100 jobs from August to September. Lastly, Other Mining and Logging Undefined offset a portion of the sector's losses with a gain of 100 jobs. Mining and Logging employment was revised upward by 100 jobs for a July to August smaller net loss of -100 compared to an original estimate of -200 jobs.



Over-the-year Change

Year over year, Mining and Logging was up 2,300 jobs, or 2.9 percent (see Chart 37). Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Oil and Gas Extraction was the largest contributor to the overall sector's increase, up 1,300 jobs over the year. The second-largest contributor was Support Activities for Mining, which added 1,000 jobs from September a year ago. Lastly, Other Mining and Logging Undefined saw no change over the month. Total Mining and Logging employment (NSA) now exceeds its February 2020 pre-pandemic level

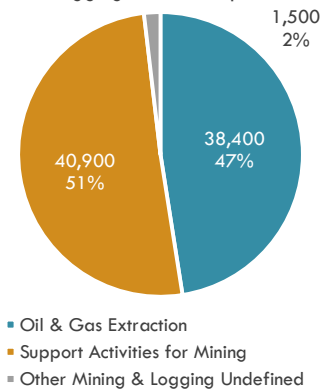
of 78,400 jobs by 2,400, or 3.1 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 2.3 percent over the past year.



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 51 percent (see Chart 38).

Chart 38. Employment in Component Industries of Mining and Logging Sector - September 2025





Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.8 percent in September, down from August's 5.0 percent and up from 4.4 percent a year ago. This was above the statewide rate of 4.4 percent and above the national rate of 4.3 percent. An over-the-month decline in August is typical having occurred roughly two-thirds of the time over the past three decades. 186,871 individuals were unemployed in Houston in September, down from August's 193,321 and up from 171,412 in September 2024 (see Charts 39 and 40).

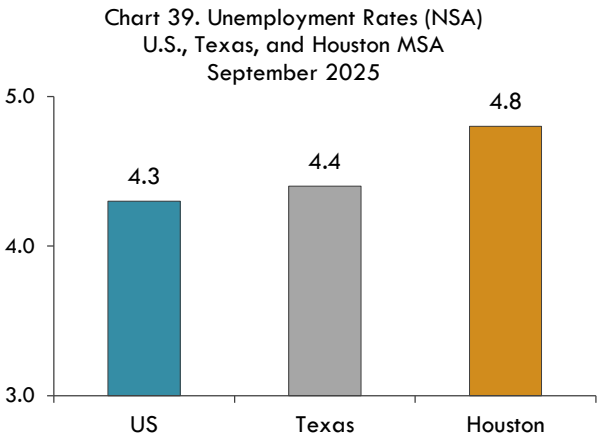
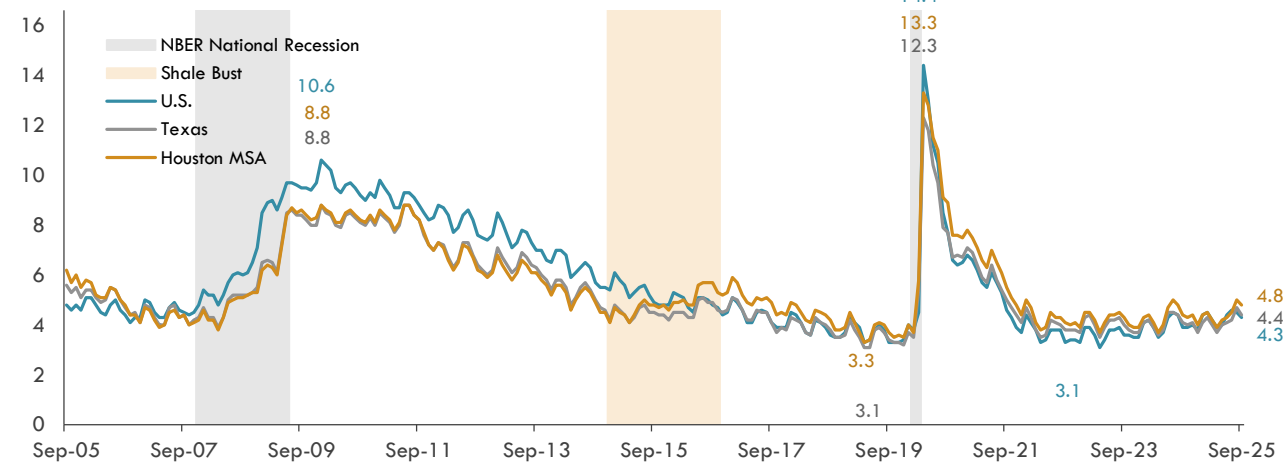


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)  
September 2005 to September 2025

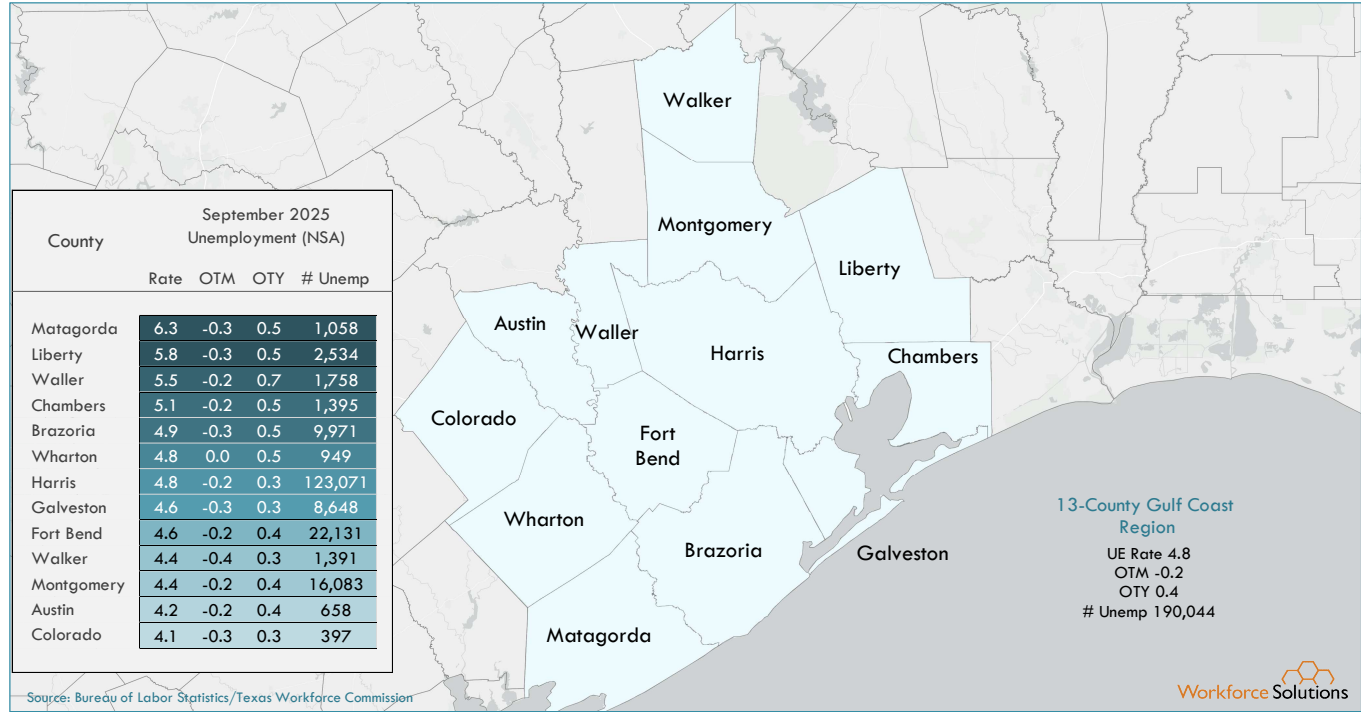


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in September ranged from a high of 6.3 percent in Matagorda County to a low of 4.1 percent in Colorado. Over the month, 12 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.2 percentage points while one saw no change. Walker saw the largest percentage-point decrease in unemployment down -0.4 pp. representing -122 fewer unemployed workers compared to the previous month. This was followed by Matagorda (-0.3 pp, -48 workers) and Liberty

(-0.3 pp, -134 workers). Over the year unemployment rates rose with, Waller posting the largest increase, up 0.7 percentage points representing 271 more unemployed workers compared to a year ago followed by Liberty (0.5 pp, 250 workers) and Wharton (0.5 pp, 110 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 -258,811 as of this September (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates September 2025 (NSA)



Local Area Unemployment Statistics (continued)

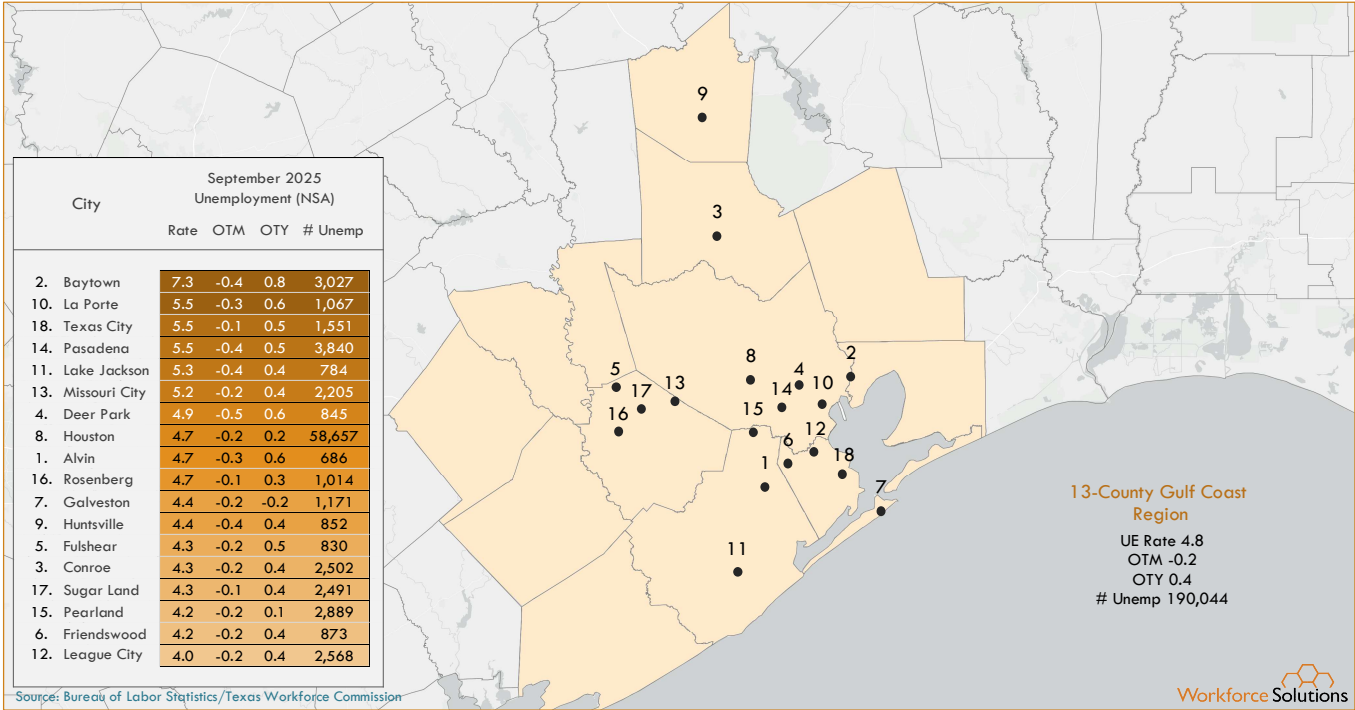
Not-Seasonally Adjusted

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 September ranged from a high of 7.3 percent in Baytown to a low of 4.0 percent in League City (see Map 2 legend). Over the month, all 18 cities saw their unemployment rates decline in keeping with region-wide decrease of -0.2 percentage points. Deer Park saw the largest percentage-point decrease in unemployment down -0.5 pp

representing -77 fewer unemployed workers compared to the previous month. This was followed by Huntsville (-0.4 pp, -78 workers) and Pasadena (-0.4 pp, -255 workers). Over the year unemployment rates rose with, Baytown posting the largest increase, up 0.8 percentage points representing 387 more unemployed workers compared to a year ago followed by La Porte (0.6 pp, 137 workers) and Deer Park (0.6 pp, 125 workers). The 18 cities below accounted for 46 percent of the 190,044 unemployed workers across the Gulf Coast Region as of this September (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates September 2025 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.3 percent in August, up from July's 4.2 percent and down from 4.5 percent a year ago. This was above the statewide rate of 4.1 percent and the same as the national rate of 4.3 percent. 168,874 individuals were unemployed in Houston in August, up from July's 164,874 and down from 173,819 in August 2024 (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  
August 2025

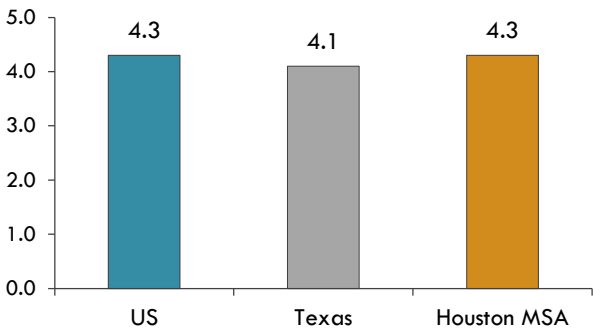
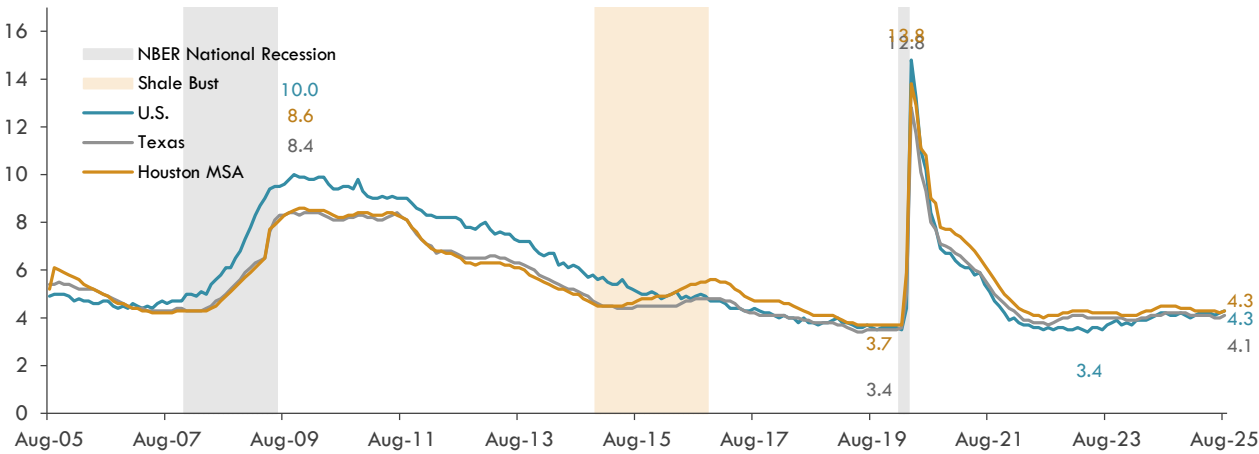


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)  
August 2005 to August 2025



Gulf Coast Workforce Solutions Index (WSI)

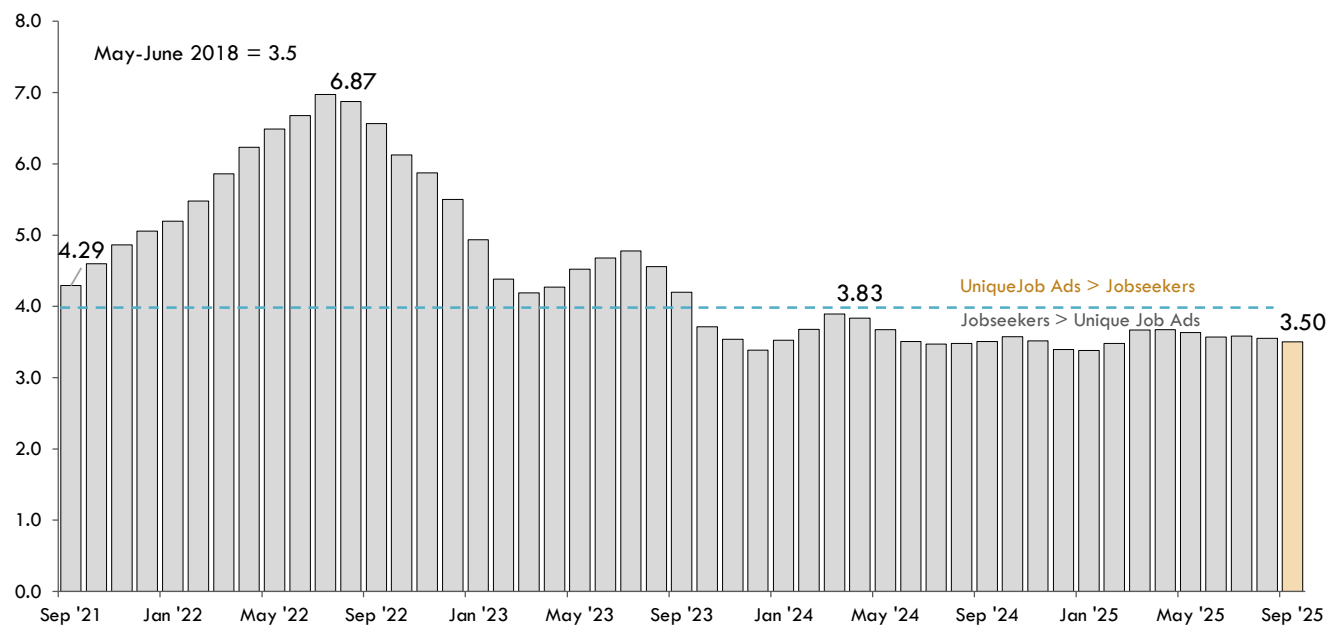


The Gulf Coast Workforce Solutions Index (WSI)

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  
September  
2025:  
  
3.50

Gulf Coast Workforce Solutions Index - Houston MSA 2020 - 2025 (SA)



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



Workforce Solutions Index September 2025

The Houston MSA WSI for September stood at 3.50, down from August's slight downward revision to 3.55. This was the result of a 10,000 decrease in the number of active job ads between August and September coupled with a 3,000 increase in the number of unemployed individuals between August and September. As of September the index has remained below the equilibrium value of 4.0. for 24 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

September 2025

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Sep-25	Aug-25	Sep-24	Monthly	Monthly	Yearly	Yearly %
<b>Total Nonfarm</b>	<b>3,464,800</b>	<b>3,451,000</b>	<b>3,434,100</b>	<b>13,800</b>	<b>0.4%</b>	<b>30,700</b>	<b>0.9%</b>
Total Private	2,997,500	3,008,700	2,977,900	-11,200	-0.4%	19,600	0.7%
Goods Producing	555,200	555,700	554,600	-500	-0.1%	600	0.1%
<b>.Mining and Logging</b>	<b>80,800</b>	<b>80,900</b>	<b>78,500</b>	<b>-100</b>	<b>-0.1%</b>	<b>2,300</b>	<b>2.9%</b>
...Oil and Gas Extraction	38,400	38,500	37,100	-100	-0.3%	1,300	3.5%
...Support Activities for Mining	40,900	41,000	39,900	-100	-0.2%	1,000	2.5%
<b>.Construction</b>	<b>235,700</b>	<b>235,500</b>	<b>235,500</b>	<b>200</b>	<b>0.1%</b>	<b>200</b>	<b>0.1%</b>
..Construction of Buildings	61,400	61,700	59,900	-300	-0.5%	1,500	2.5%
..Heavy and Civil Engineering Construction	57,700	57,400	57,200	300	0.5%	500	0.9%
..Specialty Trade Contractors	116,600	116,400	118,400	200	0.2%	-1,800	-1.5%
<b>.Manufacturing</b>	<b>238,700</b>	<b>239,300</b>	<b>240,600</b>	<b>-600</b>	<b>-0.3%</b>	<b>-1,900</b>	<b>-0.8%</b>
..Durable Goods	148,000	148,400	149,800	-400	-0.3%	-1,800	-1.2%
...Fabricated Metal Product Manufacturing	54,500	54,700	54,000	-200	-0.4%	500	0.9%
...Machinery Manufacturing	40,100	40,200	40,400	-100	-0.2%	-300	-0.7%
....Agriculture, Construction, and Mining Machinery Mfg.	20,200	20,300	20,500	-100	-0.5%	-300	-1.5%
...Computer and Electronic Product Manufacturing	14,400	14,400	14,300	0	0.0%	100	0.7%
..Non-Durable Goods	90,700	90,900	90,800	-200	-0.2%	-100	-0.1%
...Petroleum and Coal Products Manufacturing	7,600	7,700	8,000	-100	-1.3%	-400	-5.0%
...Chemical Manufacturing	43,800	43,900	43,600	-100	-0.2%	200	0.5%
Service Providing	2,909,600	2,895,300	2,879,500	14,300	0.5%	30,100	1.0%
.Private Service Providing	2,442,300	2,453,000	2,423,300	-10,700	-0.4%	19,000	0.8%
<b>..Trade, Transportation, and Utilities</b>	<b>698,300</b>	<b>701,100</b>	<b>692,800</b>	<b>-2,800</b>	<b>-0.4%</b>	<b>5,500</b>	<b>0.8%</b>
...Wholesale Trade	181,500	182,100	178,700	-600	-0.3%	2,800	1.6%
....Merchant Wholesalers, Durable Goods	112,200	112,800	111,200	-600	-0.5%	1,000	0.9%
.....Prof. and Commercial Equip. Supplies Wholesalers	18,100	18,200	18,100	-100	-0.5%	0	0.0%
....Merchant Wholesalers, Nondurable Goods	56,200	56,200	55,700	0	0.0%	500	0.9%
...Retail Trade	320,200	321,400	320,600	-1,200	-0.4%	-400	-0.1%
....Motor Vehicle and Parts Dealers	45,800	45,700	45,800	100	0.2%	0	0.0%
....Bldg. Material and Garden Equip. and Supplies Dealers	22,700	23,100	24,300	-400	-1.7%	-1,600	-6.6%
....Food and Beverage Stores	78,600	78,600	77,000	0	0.0%	1,600	2.1%
....Health and Personal Care Stores	63,400	63,400	63,500	0	0.0%	-100	-0.2%
....Clothing and Clothing Accessories Stores	20,500	20,500	20,700	0	0.0%	-200	-1.0%
....General Merchandise Stores	42,900	42,900	42,800	0	0.0%	100	0.2%
.....Department Stores	21,900	21,600	22,100	300	1.4%	-200	-0.9%
.....Other General Merchandise Stores	24,900	25,400	24,800	-500	-2.0%	100	0.4%
...Transportation, Warehousing, and Utilities	196,600	197,600	193,500	-1,000	-0.5%	3,100	1.6%
....Utilities	24,900	25,000	24,400	-100	-0.4%	500	2.0%
.....Air Transportation	21,800	22,100	21,300	-300	-1.4%	500	2.3%
.....Truck Transportation	31,300	31,500	30,700	-200	-0.6%	600	2.0%
.....Pipeline Transportation	14,500	14,500	13,700	0	0.0%	800	5.8%
<b>..Information</b>	<b>28,800</b>	<b>29,100</b>	<b>29,500</b>	<b>-300</b>	<b>-1.0%</b>	<b>-700</b>	<b>-2.4%</b>
...Telecommunications	10,400	10,500	10,900	-100	-1.0%	-500	-4.6%
<b>..Financial Activities</b>	<b>181,000</b>	<b>181,800</b>	<b>179,900</b>	<b>-800</b>	<b>-0.4%</b>	<b>1,100</b>	<b>0.6%</b>
...Finance and Insurance	117,500	118,000	116,700	-500	-0.4%	800	0.7%
....Credit Intermediation and Related Activities	45,800	46,000	46,200	-200	-0.4%	-400	-0.9%
....Depository Credit Intermediation	30,600	30,800	30,800	-200	-0.6%	-200	-0.6%
....Securities, Commodity Contracts, and Fin. Investments	21,400	21,700	21,300	-300	-1.4%	100	0.5%
....Insurance Carriers and Related Activities	50,300	50,300	49,200	0	0.0%	1,100	2.2%
...Real Estate and Rental and Leasing	63,500	63,800	63,200	-300	-0.5%	300	0.5%
<b>..Professional and Business Services</b>	<b>552,600</b>	<b>555,100</b>	<b>566,300</b>	<b>-2,500</b>	<b>-0.5%</b>	<b>-13,700</b>	<b>-2.4%</b>
...Professional, Scientific, and Technical Services	278,600	281,000	281,000	-2,400	-0.9%	-2,400	-0.9%
....Legal Services	33,300	33,400	33,300	-100	-0.3%	0	0.0%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,400	27,300	27,600	100	0.4%	-200	-0.7%
....Architectural, Engineering, and Related Services	78,000	79,500	77,700	-1,500	-1.9%	300	0.4%
....Computer Systems Design and Related Services	42,000	42,200	43,100	-200	-0.5%	-1,100	-2.6%
...Management of Companies and Enterprises	45,800	45,700	47,600	100	0.2%	-1,800	-3.8%
...Admin. and Support and Waste Mgmt. and Remediation	228,200	228,400	237,700	-200	-0.1%	-9,500	-4.0%
....Administrative and Support Services	215,500	215,400	224,800	100	0.0%	-9,300	-4.1%
....Employment Services	74,900	75,000	81,000	-100	-0.1%	-6,100	-7.5%
....Services to Buildings and Dwellings	57,700	58,000	58,100	-300	-0.5%	-400	-0.7%
<b>..Educational and Health Services</b>	<b>475,600</b>	<b>472,900</b>	<b>460,500</b>	<b>2,700</b>	<b>0.6%</b>	<b>15,100</b>	<b>3.3%</b>
...Educational Services	74,100	72,200	72,200	1,900	2.6%	1,900	2.6%
...Health Care and Social Assistance	401,500	400,700	388,300	800	0.2%	13,200	3.4%
....Ambulatory Health Care Services	201,600	201,300	195,600	300	0.1%	6,000	3.1%
....Hospitals	102,600	102,100	98,900	500	0.5%	3,700	3.7%
<b>..Leisure and Hospitality</b>	<b>369,600</b>	<b>375,400</b>	<b>360,600</b>	<b>-5,800</b>	<b>-1.5%</b>	<b>9,000</b>	<b>2.5%</b>
...Arts, Entertainment, and Recreation	42,900	43,600	40,900	-700	-1.6%	2,000	4.9%
...Accommodation and Food Services	326,700	331,800	319,700	-5,100	-1.5%	7,000	2.2%
....Accommodation	27,900	28,300	27,600	-400	-1.4%	300	1.1%
....Food Services and Drinking Places	298,800	303,500	292,100	-4,700	-1.5%	6,700	2.3%
<b>..Other Services</b>	<b>136,400</b>	<b>137,600</b>	<b>133,700</b>	<b>-1,200</b>	<b>-0.9%</b>	<b>2,700</b>	<b>2.0%</b>
<b>Government</b>	<b>467,300</b>	<b>442,300</b>	<b>456,200</b>	<b>25,000</b>	<b>5.7%</b>	<b>11,100</b>	<b>2.4%</b>
.Federal Government	36,600	36,500	37,300	100	0.3%	-700	-1.9%
.State Government	101,800	101,000	98,300	800	0.8%	3,500	3.6%
...State Government Educational Services	54,600	53,700	53,300	900	1.7%	1,300	2.4%
.Local Government	328,900	304,800	320,600	24,100	7.9%	8,300	2.6%
...Local Government Educational Services	224,400	200,900	218,100	23,500	11.7%	6,300	2.9%