



Gulf Coast Workforce Board
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FOR IMMEDIATE RELEASE

HOUSTON JOB GROWTH BROADENS AS JULY HIRING COOLS

HOUSTON (August 28, 2026) – Houston's labor market cooled in July after two months of stronger hiring, but nearly all of the region's 25,000-job decline came from the seasonal summer drop in government employment, according to numbers released today by Workforce Solutions - Gulf Coast. Government shed 23,600 jobs, largely as public schools entered summer break, while private-sector employment declined by just 1,400 jobs, which is slightly better than the historical seasonal pattern.

Professional and Business Services provided the strongest counterweight to July's seasonal losses, adding 2,600 jobs - more than three times its historical July average. Professional, Scientific and Technical Services accounted for 2,400 of those jobs, an encouraging shift after much of the sector's earlier recovery had been concentrated in support-related positions. Private Education and Health Services added 1,000 jobs, while Leisure and Hospitality gained 900. "July's headline job loss was driven almost entirely by the normal summer decline in public education," said Mohammad, principal data analyst at Workforce Solutions Gulf Coast. "Private-sector employment was close to its typical seasonal pattern, suggesting the underlying labor market remains on firmer footing than it was a year ago."

Over the past year, Houston added 50,300 jobs, or 1.5 percent, the largest annual gain since July 2025. Seven of the region's 11 major industry sectors are now larger than they were a year ago, compared with only four earlier in 2026. Professional and Business Services led annual growth with 17,700 jobs, followed by Construction with 13,100 and Private Education and Health Services with 9,800.

The increase in annual growth from June's previously reported 39,700 jobs requires some context. Much of the change reflects the comparison with an unusually weak July 2025 and an upward revision to June employment rather than a sudden acceleration in hiring. Even so, the improvement is not simply statistical: private-sector employment declined by 8,500 jobs in July 2025 compared with only 1,400 this July, indicating that underlying private-sector conditions have improved from a year ago.

Houston's unemployment rate edged down to 5.1 percent in July from 5.2 percent in June, although it remained above both the Texas rate of 4.8 percent and the national rate of 4.4 percent. The rate was also higher than the 4.8 percent recorded a year ago, indicating that the supply of available workers continues to outpace hiring demand.

Several sectors continue to move in different directions. Construction remained Houston's fastest-growing major sector over the year despite a seasonal monthly decline, while Financial Activities, Manufacturing and Information remained areas of weakness. Professional and Business Services continued to strengthen, including gains in Professional, Scientific and Technical Services, which is closely tied to Houston's engineering, consulting, energy and other higher-skill business activities.

Workforce Solutions currently forecasts Houston will add approximately 29,900 jobs from December 2025 to December 2026. July's results temper the stronger monthly hiring seen in May and June, while the annual data show employment growth extending across more of the regional economy than it did earlier this year.

The Houston Workforce Solutions Index increased to 3.46 in July from 3.44 in June, marking its sixth consecutive monthly increase from January's recent low of 3.05. While the index remains below its equilibrium level of 4.0, the sustained improvement indicates that labor market conditions have strengthened from earlier in the year.

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Workforce Solutions is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. (Please request reasonable accommodations a minimum of two business days in advance.) Relay Texas: 1.800.735.2989 (TDD) 1.800.735.2988 (voice) or 711

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Additional labor market information, including the detailed July report, can be found online at

<https://www.wrksolutions.com/regional-economic-data/houston-area-employment-situation>.

The Texas Workforce Commission will release August employment data on September 18th, 2026.

ABOUT WORKFORCE SOLUTIONS: [Workforce Solutions](http://www.WorkInTexas.com) is dedicated to keeping the Texas Gulf Coast region a great place to do business, work and live. Our employer-driven, people-focused approach elevates the economic and human potential of the region to attract and retain the best employers, afford everyone the dignity of a job, and remain indispensable to the global economy. As the public workforce system for 13 counties in the Houston-Galveston region, we work in tandem with the Texas Workforce Commission and the statewide Workforce Solutions network to maintain the state's largest job-match database – www.WorkInTexas.com.

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