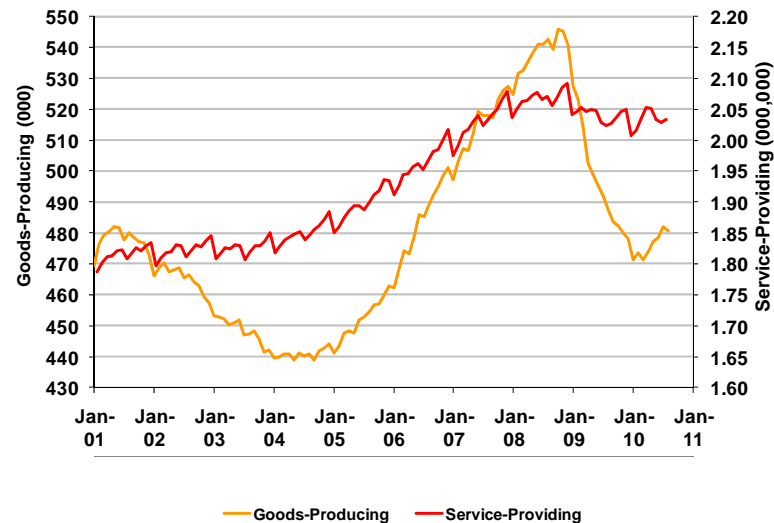


Goods-Producing and Service-Providing Jobs

Houston's goods-producing sector has gained 9,300 jobs since January '10.

Goods-Producing and Service-Providing Jobs

Houston MSA 2001-2011



Source: Texas Workforce Commission, Oct 2010

DATA

- From September '09 to September '10, according to Texas Workforce Commission estimates, goods-producing employment in Houston fell 0.6 percent. In the same period, service-providing employment rose 0.3 percent. However, both sectors remain below their peak employment levels. Goods-producing employment is 11.9 percent below the October '08 peak and service-producing employment is 2.8 percent below the December '08 peak.
- The sharp turnaround in Houston's goods-producing sectors is a key story of '05-'08. (See graph.) Goods-producing industries more than recouped all of the jobs lost in the three years after May '01, peaking at 541,700 in December '08.
- After emerging from a nearly jobless recovery in which robust productivity gains minimized pressures to add staff until '06, the nation saw job growth dwindle and then turn negative in '08. The sharp downturn in real GDP in Q4/08 and Q1/09 began to abate in Q2/09, but real GDP growth was negative for '09 as a whole. Support for Houston job growth through mid-'08 came largely from two other sources:
 - The weak dollar favored local exports, but that means little in a worldwide recession in which imports and exports both declined about 14 percent in '09.
 - High energy prices clearly bolstered Houston's upstream energy industry, but the plunge in the second half of '08 meant that upstream energy provided little impetus to the Houston economy in '09.
- From January '10 to September '10, goods-producing employment has increased 2.0 percent. The Houston Purchasing Managers Index has remained above 50 for 12 months, indicating that manufacturing employment should slowly continue to recover. The stable oil price is also expected to keep mining employment strong.