



For the latest data, click [here](#).

*August 18, 2017*

The Houston-The Woodlands-Sugar Land metro area lost 18,300 jobs in July, according to the Texas Workforce Commission (TWC). The loss was to be expected. The metro area always cuts 12,000 to 16,000 jobs mid-year, the bulk of the losses in state and local education (*i.e.*, school districts, community colleges and state-funded universities) as educators on nine- and 10-month contracts roll off the payroll. The region typically recoups these jobs in the fall when they return to work.

Four sectors reported significant job losses in July:

- Government cut 16,500 jobs for the reasons noted above.
- Construction lost 5,000 jobs. The boom in chemical plant construction continues to wind down and office and warehouse construction remains subdued. The sector has cut 12,500 jobs since peaking in October '15.
- The leisure and hospitality sector (*e.g.*, hotels, restaurants, bars and entertainment) cut 1,800 jobs. Like education, the sector always loses jobs mid-year. This year's loss is on par with the long-term average. Employment growth typically resumes in the fall.
- Employment in "other services" (*e.g.*, repair, maintenance, personal care) is often flat or experiences a slight loss in July. This year was no exception. Other services lost 1,100 jobs last month.

Monthly job gains in upstream energy (+1,000), finance (+1,700) and health care (+1,400) were insufficient to offset losses elsewhere. Though the gains in oil field services offset losses in exploration and production, the increases may be ephemeral considering the domestic rig count slipped five of the past nine weeks.

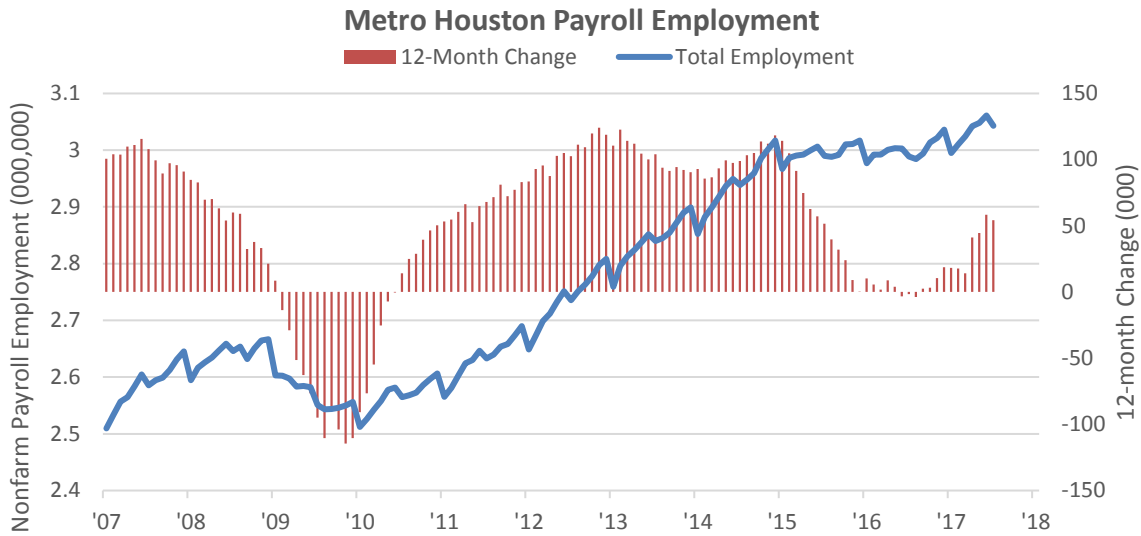
The year-to-date data tell a somewhat better story. Through the first seven months of the year, metro Houston created 6,900 jobs. YTD growth in manufacturing (+12,600) employment services (+12,500), restaurants and bars (+8,900), and health care (+5,400) offset losses in retail (-13,300), construction (-4,800), wholesale trade (-4,200) and oil and gas extraction (-2,300). Minor gains and losses have occurred in the various other sectors.

As noted in the August issue of [Houston: The Economy at a Glance](#), the gains in employment services remain a concern. Companies, worried about the recovery's strength, seem reluctant to move contract workers to permanent status. A fundamental shift in staffing patterns may also be underway, with companies now relying more on part-time workers than they have in the past.

The annualized data tells a much better story. The region created 54,200 jobs in the 12 months ending July '17, with the bulk of the growth coming in manufacturing, professional and business services (almost exclusively employment services), health care, accommodations and food services, and government. (See accompanying table.)

As noted earlier, the Partnership is concerned about the gains of employment services and remains skeptical of the gains in manufacturing given the weakness in the energy sector, wholesale trade, and durable goods exports from the region. The same skepticism holds for accommodations and food services as well, due to the decline in total wages and salaries for the region.

Readers are cautioned that all numbers that TWC reported today are preliminary and will be revised, perhaps significantly, in March of next year.



Source: Texas Workforce Commission

Houston's July unemployment rate was 4.9 percent, down from 5.3 percent in June and from 5.8 percent in July '16. Texas' unemployment rate was 4.3 percent in July, down from 4.7 percent in June and 5.1 percent in July '16. The U.S. rate was 4.6 percent in July, up from 4.5 percent in June but down from 5.1 percent in July '16. The rates are not seasonally adjusted.

CHANGE IN PAYROLL EMPLOYMENT – July '16 to July '17 Houston Metro Area		
	# Change	% Change
Total Nonfarm	54,200	1.8%
Total Private	44,300	1.7
Goods Producing	5,200	1.0
Mining and Logging	600	0.7

Oil and Gas Extraction	-4,900	-9.7
Support Activities for Mining	3,600	10.3
Construction	-8,300	-3.8
Manufacturing	12,900	5.8
Durable Goods	12,000	8.6
Non-Durable Goods	900	1.1
Service Providing	49,000	2.0
Trade, Transportation, and Utilities	-4,600	-0.8
Wholesale Trade	-2,600	-1.6
Retail Trade	-800	-0.3
Transportation, Warehousing, Utilities	-1,200	-0.9
Information	-700	-2.1
Financial Activities	1,700	1.1
Finance and Insurance	2,100	2.1
Real Estate and Rental and Leasing	-400	-0.7
Professional and Business Services	16,600	3.5
Educational and Health Services	13,000	3.4
Educational Services	2,300	4.1
Health Care and Social Assistance	10,700	3.3
Leisure and Hospitality	11,400	3.6
Arts, Entertainment, and Recreation	1,000	2.7
Accommodation and Food Services	10,400	3.7
Other Services	1,700	1.5
Government	9,900	2.6
Source: Texas Workforce Commission		

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