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Metro Houston created 128,700 jobs, a 4.3 percent increase, in the 12 months ending September '18, according to the Texas Workforce Commission (TWC). One shouldn't embrace the report as a sign of a booming economy, however. The near-record job growth is the delayed effect of job losses and job gains associated with Hurricane Harvey.

Economic activity slowed considerably the last week of August '17 as Harvey drenched Houston and the first two weeks of September '17 as the city dried out. Those three weeks are reflected in the September '17 jobs report. TWC reported job losses in retail, wholesale, restaurants, and administrative services that month. Employers in other sectors postponed hiring decisions. Only public education reported a significant increase in employment. Though campuses were closed, teachers and administrators were placed back on payroll after summer vacation.

Under normal circumstances, Houston creates over 10,000 jobs in September. This year, Houston created 13,800 in the month. Last year, however, Houston lost 5,700 jobs in September. That loss impacts today's jobs report. The seemingly outstanding job growth this year is the result of measuring from a lower base last year.

As Houston recovered from Harvey, Houstonians began to rebuild and replace storm-damaged homes and possessions. Families living in hotels and households without kitchens had little choice but to eat out. Businesses took on contract workers to help with the cleanup. Wholesalers filled their warehouses and added to their payrolls to serve the growing retail and construction trade. Construction, retail, restaurants, wholesale trade and employment services set records for job growth in Q4/17. This recovery-related hiring surge helped to boost job growth over the past 12 months. As Houston moves past October, November and December, these jobs will no longer be factored into the 12-month total and TWC will likely report lower job growth for Houston.

Houston's unemployment rate was 4.1 percent in September, down from 4.8 percent in September of last year. In the downturn associated with the recent energy industry downturn, Houston's unemployment rate never rose above 5.8 percent. The rate has been trending down since January '17.

12-MONTH CHANGE IN PAYROLL EMPLOYMENT – Sept '17 to Sept '18 Houston Metro Area		
	# Change	% Change
Total Nonfarm	128,700	4.3
Total Private	126,100	4.8
Goods Producing	44,300	8.6
Mining and Logging	3,000	3.8
Oil and Gas Extraction	-1,100	-3.0
Support Activities for Mining	3,800	9.6
Construction	29,500	13.8
Manufacturing	11,800	5.3
Durable Goods	10,000	7.2
Non-Durable Goods	1,800	2.2
Service Providing	84,400	3.4
Trade, Transportation, and Utilities	17,800	2.9
Retail Trade	11,200	3.7
Wholesale Trade	4,300	2.6
Transportation, Warehousing, Utilities	2,300	1.6
Information	-400	-1.3
Financial Activities	4,900	3.1
Finance and Insurance	-300	-0.3
Real Estate and Rental and Leasing	5,200	8.9
Professional and Business Services	33,200	6.8
Professional, Scientific, and Technical Services	16,100	7.3
Administrative and Support and Waste Management	16,800	7.6
Educational and Health Services	10,800	2.8
Educational Services	1,700	2.9
Health Care and Social Assistance	9,100	2.8
Leisure and Hospitality	10,900	3.5
Arts, Entertainment, and Recreation	2,600	7.7
Accommodation and Food Services	8,300	3.0
Other Services	4,600	4.2
Government	2,600	0.6
Source: Texas Workforce Commission		

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