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January 22, 2021

EMPLOYMENT

Metro Houston lost 141,300 jobs in '20, according to data released today by the Texas Workforce Commission. This was the worst single-year loss on record for the region. Prior to '20, the worst year was '09, during the height of the Great Recession, when the region shed 110,500 jobs.

Today's jobs report shows that Houston continues to recover from the devastating losses of the COVID-19 pandemic. In March and April of '20, employers laid off 350,200 workers. Since then, Houston has recouped 214,500 of those losses, leaving the metro area 135,700 jobs shy of where it stood in February '20, the month prior to the onset of the COVID-19 recession.

In a typical year, one in which high oil prices aren't over-stimulating the economy nor low oil prices impeding growth, the region creates 60,000 to 70,000 jobs. This suggests it will take Houston at least two years of normal growth to return to pre-COVID employment levels.

Gains

Several sectors (*see table*) finished '20 with healthy jobs gains. A few of the highlights:

- Chemicals benefitted from newly constructed plants coming online and a recovery in export demand.
- A near-record pace of home construction and a surge in remodeling activity in existing homes boosted sales, and thus employment, at building material and hardware stores.
- The boom in mortgage refinancing, combined with the need to process over 14,000 Payroll Protection Loan applications submitted by local employers, kept the finance and insurance sectors busy.
- Ambulatory health care (i.e., outpatient services) struggled early in the pandemic but finished the year with healthy job growth as Houstonians rescheduled clinical, doctor and dentist visits.
- The need for deeper cleaning and more frequent disinfecting of work areas created more demand for services to buildings, i.e., janitorial services.
- The surge in online shopping boosted demand for home delivery services, fueling employment growth at courier and messenger companies inside the transportation sector.
- Professional scientific and technical services, typically white-collar occupations which can be done remotely, continued to grow.

Losses

Job gains, however, were weighed down by losses in: energy, construction, manufacturing and arts/entertainment. Also, substantial losses occurred in hotels, restaurants and bars.

- The upstream energy sector shed nearly one in six jobs in '20, the bulk of those losses in oil field services.
- Over half of manufacturing's losses were in fabricated metal products (pipes, valves, flanges, structural steel) and of oil field equipment.
- The wholesale sector cut one in every nine workers. The sector is closely tied to energy and manufacturing and followed their trajectory throughout the year.
- Employment services (i.e., workers hired through a staffing agency) shed 5,900 jobs. The decline in overall economic activity reduced the need for contract workers.
- The restriction on public gatherings costs the arts, entertainment and recreation sectors one-third (33.8 percent) of its jobs, the highest percentage loss of any sector.
- Though hotels, restaurants and bars have shown substantial improvement since April, the sector finished the year with 23,800 fewer jobs than it started.

UNEMPLOYMENT

Although hiccups occurred along the way, Houston's unemployment rate spent most of the year trending downwards.

- Houston's unemployment rate was 8.0 percent in December, down from 8.9 percent in November. The rate peaked at 14.3 percent in April '20. In February, prior to the pandemic, the rate was 3.9 percent.
- Texas' unemployment rate was 7.1 percent in December, down from 8.0 percent in November. The Texas rate peaked at 13.1 percent in April '20.
- The U.S. unemployment rate was 6.5 percent in December, up from 6.4 percent in November. The U.S. rate peaked at 14.4 percent in April '20.

Change in Nonfarm Payroll Employment, Metro Houston December '19 to December '20

Industry or Sector	Jobs Gained/Lost	% Change
Total Nonfarm	-141,300	-4.4
Goods Producing	-60,300	-10.9
Energy	-14,000	-17.8
Oil and Gas Extraction	-2,600	-6.9
Support Activities for Mining	-11,100	-28.3
Construction	-24,500	-10.1
Manufacturing	-21,800	-9.3
Durable Goods	-21,500	-14.3
Fabricated Metal Product Manufacturing	-5,700	-10.7
Agriculture, Construction, and Mining Machinery Manufacturing	-6,500	-21.5
Non-Durable Goods	-300	-0.4
Chemical Manufacturing	700	1.7

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**Change in Nonfarm Payroll Employment, Metro Houston
December '19 to December '20**

Industry or Sector	Jobs Gained/Lost	% Change
Service Providing	-81,000	-3.1
Wholesale Trade	-19,000	-10.7
Retail Trade	-4,600	-1.5
Transportation, Warehousing, and Utilities	7,600	4.7
Air Transportation	-2,300	-11.4
Information	-2,800	-8.6
Financial Activities	-5,000	-3.0
Finance and Insurance	1,500	1.4
Real Estate and Rental and Leasing	-6,500	-10.0
Professional, Scientific, and Technical Services	6,400	2.6
Administrative and Support Services	-1,100	-0.5
Employment Services	-5,900	-7.7
Services to Buildings and Dwellings	2,900	5.7
Educational Services	0	0.0
Health Care and Social Assistance	-5,700	-1.6
Ambulatory Health Care Services	9,400	5.7
Hospitals	-1,100	-1.2
Leisure and Hospitality	-36,300	-10.9
Arts, Entertainment, and Recreation	-12,500	-33.8
Accommodation and Food Services	-23,800	-8.1
Other Services	-13,900	-11.8
Government	-6,200	-1.5

Source: Greater Houston Partnership calculations based on Texas Workforce Commission data

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