GREATER HOUSTON PARTNERSHIP
Making Houston Greater.

THE ECONOMY AT A GLANCE HOUSTON

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HOUSTON AND OUR PEERS

In the October issue of *Houston: The Economy at a Glance*, the Partnership analyzed data from the U.S. Census Bureau's American Community Survey (ACS) to show how the region's economic and demographic profile has shifted over the past 10 years. In a nutshell, Houston has become better educated and more ethnically diverse. Workforce participation has declined, however. A large portion of the population remains uninsured. And for many households, income has not kept up with inflation.

In this issue, the Partnership examines ACS data for the nation's 20 most populous metro areas, exploring similarities and differences between metro Houston and its peers. Metro Houston includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller Counties. In a nutshell, metro Houston has one the youngest and most diverse populations in the nation. The region also has one of the nation's largest foreign-born populations. But we lag in educational attainment, labor force participation, and health care coverage. Houston also has the highest share of residents whose income falls below the poverty line. Details follow.

Race and Ethnicity

Houston remains the nation's most racially and ethnically diverse metro. The Partnership defines "diverse" as being the most evenly distributed among racial/ethnic groups. No individual race or ethnic group represents a majority of the region's population. Other metros also have large racial/ethnic populations, but they lack balance among the groups. San Francisco has large white and Asian populations but fewer African Americans. Miami has large white and Hispanic populations but few Asians. Detroit has large white and black populations but few Hispanics.

Houston's ethnic diversity has long been a strength for the region, providing cultural, business and civic opportunities not available in less diverse metros.

RACIAL/ETHNIC COMPOSITION, TOP 20 METROS*

Metro	Hispanic	White	Black	Asian	AN/HPI	Other
New York	24.6	46.1	15.6	11.1	0.1	2.5
Los Angeles	45.2	29.3	6.3	16.1	0.5	2.8
Chicago	22.4	52.5	16.0	6.8	0.1	2.2
Dallas-Ft Worth	29.0	45.6	15.6	7.0	0.4	2.3
Houston	**37.6**	**35.5**	**17.0**	**7.8**	**0.3**	**1.9**
Washington	16.2	44.9	24.7	10.0	0.3	4.1
Miami	45.8	29.7	19.9	2.5	0.1	1.8
Philadelphia	9.7	61.2	20.3	6.0	0.1	2.6
Atlanta	10.9	46.4	33.8	6.1	0.3	2.6
Boston	11.5	69.6	7.6	8.1	0.1	3.0
Phoenix	31.2	54.9	5.3	3.9	2.0	2.7
San Francisco	21.9	39.0	7.0	26.3	0.8	4.9
Riverside	51.6	31.3	6.9	6.7	0.7	2.6
Detroit	4.6	66.1	22.1	4.6	0.3	2.4
Seattle	10.2	62.4	5.8	14.0	1.6	6.0
Minneapolis	6.0	75.1	8.6	6.6	0.5	3.2
San Diego	34.0	45.1	4.8	11.8	0.8	3.7
Tampa	20.0	62.1	11.4	3.4	0.2	2.8
Denver	23.2	63.7	5.4	4.2	0.5	3.0
St. Louis	3.0	73.6	18.1	2.7	0.2	2.4

* Listed by total population
AN/HPI = American Indian, Alaskan Native, Hawaiian Native and Pacific Islander; Other = Two or more races or unspecified race
Source: U.S. Census Bureau, 2018 American Community Survey

Foreign Born

In '18, nearly one in four Houstonians was foreign-born—far more than the one in seven nationally. Only four other metros—New York, Los Angeles, Miami and Chicago—have larger foreign-born populations than Houston.

PERCENT OF METRO POPULATION FOREIGN-BORN

Metro	%	Metro	%
Miami	41.2	Dallas	18.8
Los Angeles	33.3	Chicago	17.7
San Francisco	30.5	Tampa	14.4
New York	29.0	Phoenix	14.3
Houston	**23.6**	Atlanta	13.8
San Diego	23.6	Denver	11.9
Washington	22.8	Philadelphia	11.4
Riverside	21.4	Minneapolis	10.9
Boston	19.4	Baltimore	10.4
Seattle	19.3	Detroit	10.3

Source: U.S. Census Bureau, 2018 American Community Survey

Over the past decade, the foreign-born population in metro Houston grew by nearly one-third, from 1.2 million in '08 to 1.6 million in '18. To put that in perspective, Houston's foreign-born population now exceeds the total populations of the Jacksonville, FL, Oklahoma City, OK, or Raleigh, NC metros.

A large foreign-born population is important for several reasons.

Immigrants are risk-takers. They left their homes and families to start new lives in a different country. Risk-taking begets innovation, which spawns new technologies and new growth opportunities.

Immigrants are entrepreneurial. According to the Small Business Administration (SBA), immigrants are twice as likely to start a business as native-born citizens.

Immigrants maintain ties to their homeland, facilitating the flow of trade. When the Houston Airport System works with foreign flag carriers, a question routinely asked is, "What's the size of the expat and immigrant population?" The airline wants assurances that all the seats will be filled when a plane leaves the runway.

The presence of a large expat and immigrant community is important to foreign corporations seeking to open offices in Houston. First, they want to follow in the footsteps of other successful companies. Second, they want to know their workers on temporary assignment will feel comfortable living here.

Growth in an immigrant community is self-reinforcing. A foreign national is more likely to relocate to a city with a large population of his countrymen.

A growing immigrant community reflects dynamism in the local economy. It's rare that immigrants move to a metro whose economy is dying and offers limited job opportunities. That's why they left home in the first place.

Labor Force Participation

The labor force participation rate is the share of the working age population who are either employed or unemployed but actively seeking work. The U.S. rate peaked at 67.3 percent in early '00 and has trended downward since. It has fluctuated between 62.4 percent and 63.2 percent the past five years.

Houston's rate peaked at 69.4 percent in '08 and has also declined over time. In '18, Houston's labor force participation rate was 66.4 percent, the midpoint of its peers. Denver, with a booming economy and a young and well-educated workforce, has the highest rate among the top 20 metros. Tampa, whose population tends to skew older, has the lowest rate.

Why should Houston's lower rate be a concern? A lower labor force participation rate is associated with slower economic growth and lower tax revenues.

METRO LABOR FORCE PARTICIPATION RATES

Metro	Percent	Metro	Percent
Denver	71.8	St. Louis	65.2
Minneapolis	71.5	Los Angeles	65.0
Washington	71.0	Philadelphia	65.0
Boston	68.7	New York	64.6
Dallas-Fort Worth	68.7	Phoenix	63.1
San Francisco	68.1	San Diego	63.0
Seattle	68.1	Miami	62.9
Atlanta	67.0	Detroit	62.5
Chicago	66.9	Riverside	60.5
Houston	**66.4**	Tampa	59.5

Source: U.S. Census Bureau, 2018 American Community Survey

Educational Attainment

Ten years ago, 28.2 percent of adults in metro Houston held a bachelor's degree or higher. Today, 33.1 percent do. Nationwide, 32.6 percent of the adult population hold a bachelor's or higher degree. Though Houston has made progress, the region lags its peers.

Houston's lower educational attainment is a problem. When corporations consider a city for a relocation or investment, a well-educated workforce is as important as a low cost of doing business and well-developed infrastructure. Higher-skilled workers are also associated with higher levels of economic output. And Bureau of Labor Statistics research shows that the higher one's level of educational attainment, the less likely they are to be unemployed and the higher their earning potential.

EDUCATIONAL ATTAINMENT, ADULT POPULATION, RANKED BY % WITH BACHELOR'S DEGREE OR HIGHER

Metro	Less Than High School	High School	Some College	Associate Degree	Bachelor's or Higher
Washington	8.7	17.9	15.8	6.1	51.5
San Francisco	9.9	15.7	16.8	6.6	51.0
Boston	8.3	21.1	14.4	7.0	49.1
Denver	8.6	19.6	19.3	7.8	44.8
Seattle	7.1	19.1	20.8	9.3	43.6
Minneapolis	6.2	20.9	19.8	10.5	42.6
Atlanta	9.8	24.0	18.8	7.9	39.5
Chicago	11.0	24.2	19.1	7.2	38.6
San Diego	12.7	18.5	22.3	8.2	38.4
Philadelphia	8.9	29.2	16.8	6.9	38.1
Dallas-Ft Worth	13.9	22.8	20.8	7.1	35.5
St. Louis	7.8	25.7	22.5	9.3	34.8
Los Angeles	19	19.8	19.3	7.3	34.5
Houston	**16.3**	**23.2**	**20.5**	**6.9**	**33.1**
Miami	14	26.4	17.3	9.3	33.0
Phoenix	12	23	24.1	8.9	31.9
Detroit	9.8	26.4	23.1	9.0	31.7
Tampa	10.2	29.4	20.0	9.6	30.7
Riverside	18.1	28.1	23.5	8.3	21.8

Source: U.S. Census Bureau, 2018 American Community Survey

Fertility

Fertility rates are closely tied to the overall health of a region and indicative of future population, workforce and economic growth.

Houston has the second highest fertility rate among the nation's major metros. In '18, the region recorded 59 births for every 1,000 women between the ages of 15 and 50. Minneapolis fared somewhat better, with 60 births. Tampa ranked last among the major metros with 41 births. The average for the U.S. was 51 per 1,000 women of child-bearing age in '18.

Family Households

Houston has the second highest share of family households (70.4 percent) of all major metros. Riverside, CA ranked first (74 percent.) A family household includes head of household and one or more people living in the same home who are related to the householder by birth, marriage, or adoption. Tampa ranked last among the top 20 in family households (61.0 percent). The average for the U.S. is 65.2 percent. Also, of note, the average family in Houston has 3.53 members. For the U.S., the average is 3.24.

Age

Metro Houston has the youngest population among its peers. The median age in Houston is 34.6 years, which means half of all residents are younger and half are older. The median age for the nation is 38.2.

Houston's young population translates into a large supply of entry-level and early-career workers to meet local hiring needs, a substantial base of consumers entering their household formation and wealth-acquisition years, and a large population open to social change.

MEDIAN AGE OF METRO POPULATION

Metro	Years	Metro	Years
Houston	**34.6**	Minneapolis	37.3
Riverside	34.8	Chicago	37.7
Dallas	35.1	New York	37.8
San Diego	34.9	Baltimore	38.2
Atlanta	36.6	Philadelphia	38.8
Denver	36.6	Boston	38.8
Phoenix	36.9	San Francisco	39.1
Seattle	37	Detroit	40.1
Los Angeles	37.1	Miami	41.1
Washington	37.1	Tampa	42.3

Source: U.S. Census Bureau, 2018 American Community Survey

Household Income

Houston ranks in the second tier among major metros in median household income. A factor to consider, however, is that living costs tend to be much higher in the first tier. Using data supplied by the Council for Community and Economic Research, the Partnership calculates that the cost of living in San Francisco is 104.1 percent higher than in Houston. In Washington, it's 64.0 percent higher; in Boston, 50.1 percent.

MEDIAN HOUSEHOLD INCOME IN '18

Metro	Income $	Metro	Income $
San Francisco	107,898	Philadelphia	70,747
Washington	102,180	Atlanta	69,464
Boston	88,711	Dallas-Ft Worth	69,445
Seattle	87,910	Riverside	65,671
Minneapolis	79,578	**Houston**	**65,394**
Denver	79,478	Phoenix	64,427
San Diego	79,079	St. Louis	62,790
New York	78,478	Detroit	60,513
Los Angeles	72,563	Miami	56,328
Chicago	70,760	Tampa	54,912

Source: U.S. Census Bureau, 2018 American Community Survey

Poverty

In ’18, 11.4 percent of metro Houston families failed to earn enough to lift themselves above the poverty line. The region’s performance is the poorest among the nation’s major metros, followed by Miami and Riverside, CA

PERCENT OF FAMILIES LIVING IN POVERTY IN '18

Metro	%	Metro	%
Houston	**11.4**	Chicago	8.2
Miami	10.9	Dallas-Ft Worth	8.2
Riverside	10.5	St. Louis	7.8
Detroit	10.2	San Diego	7.5
Los Angeles	9.7	Boston	5.8
Tampa	9.6	Seattle	5.4
New York	9.4	Denver	5.1
Phoenix	8.7	Washington	5.0
Atlanta	8.4	Minneapolis	5.0
Philadelphia	8.3	San Francisco	5.0

Source: U.S. Census Bureau, 2018 American Community Survey

Health Insurance

In ’18, 18.6 percent of Houstonians lacked health insurance—an improvement from 27.1 percent in ’08. Houston, however, does not compare favorably with its peers. Houston’s coverage is the lowest of the nation’s 20 largest metros. The major metro average is 8.8 percent. Dallas, Miami and Atlanta also rank near the bottom among the nation’s largest metros.

PERCENT OF POPULATION WITHOUT HEALTH INSURANCE

Metro	Uninsured	Metro	Uninsured
Houston	**18.6**	Washington	7.5
Dallas-Ft Worth	17.1	Denver	7.1
Miami	15.2	New York	6.7
Atlanta	13.2	St. Louis	6.6
Tampa	12.2	Seattle	5.6
Phoenix	10.7	Detroit	5.4
Los Angeles	8.5	Philadelphia	5.3
San Diego	8.4	Minneapolis	4.3
Riverside	8.4	San Francisco	3.9
Chicago	7.6	Boston	2.9

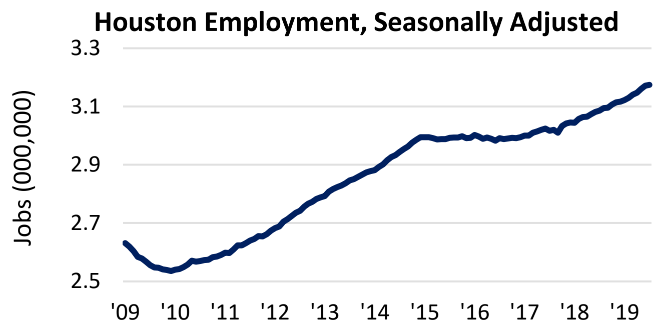
Source: U.S. Census Bureau, 2018 American Community Survey

EMPLOYMENT UPDATE

Metro Houston created 82,800 jobs, a 2.7 percent increase, in the 12 months ending September ’19, according to the Texas Workforce Commission (TWC).

Houston continues to show healthy year-over-year gains in professional, scientific and technical services (+20,400 jobs) and manufacturing (+10,300 jobs). Employment shrank in retail trade (-3,100 jobs) and employment services (-1,500 jobs). Other than hiring for the holiday shopping season, local retail employment has been flat to negative for the past two years. Growth in health care (+3,500) and restaurants and bars (+3,300 jobs) fell below long-term trends over the past 12 months.

Gains in the Other Services sector (+8,600 jobs) are likely overstated for two reasons. First, the sector is dominated by barber shops, beauty salons, dry cleaners, repair services and funeral parlors—all businesses that tend to have few employees. Second, the reported pace of growth is double what the sector experienced at the height of the fracking boom in ’13 and ’14, and overall growth is much slower now that it was then. Since ‘08, the sector has averaged just 1,800 net new jobs each year.



Source: Texas Workforce Commission

HOUSTON REGION ECONOMIC OUTLOOK

The Bureau of Labor Statistics reported the U.S. economy created 128,000 jobs in the 12 months ending October. The number was below recent averages, but signaled that the labor market remains resilient. The U.S. Bureau of Economic Analysis reported that U.S. gross domestic product (GDP) grew 1.9 percent in Q3/19—also below recent trend, but a sign that the longest U.S. expansion on record continues.

Houston’s other two growth engines, energy and global trade, aren’t performing as well. More than 200 drilling rigs have been idled since the first of the year. Crude prices are flat. And global energy demand is weakening.

Global GDP, which grew 3.6 percent in ’18, is on pace to increase 2.9 percent this year, according to the Organisation for Economic Co-operation and Development (OECD). And year to date, Houston’ exports to China and Mexico have fallen. Growth in shipments to other countries so far have offset those declines.

Will tepid U.S. growth be enough to offset weakness in energy and trade next year? The Partnership will answer that question at its 2020 Houston Region Economic Outlook event, slated for Thursday, December 5, at the Royal

Sonesta Hotel, 2222 West Loop South.

The event begins at 10 a.m. with a panel discussion moderated by Eddie Robinson, Morning News Anchor for KUHF (88.7) radio. Four panelists from industries key to Houston's future will share their insights with attendees. Those experts and their areas of expertise are:

- *Real Estate*: Brad Freels, Chairman, Midway Companies
- *Finance*: Nataly Marks, Managing Director/Region Manager, JPMorgan Chase
- *Healthcare*: David Milich, Texas CEO, UnitedHealthcare
- *Technology*: Tammi Warfield, Houston Managing Director, Microsoft

Helen Currie, Chief Economist for ConocoPhillips, will deliver the luncheon keynote. She will explain the near-term outlook for energy, the U.S. and global economies. Currie manages strategic planning initiatives, oversees long-range plan development, and advises on investment analyses and political risk for ConocoPhillips. She was named one of Oil & Gas Investor's Top 25 Influential Women in Energy in 2018.

Patrick Jankowski, Senior Vice President for Research at the Partnership, will present the organization's Houston forecast for the coming year. The Partnership projected the nine-county metro would create 71,000 jobs in '19, with health care, construction and administrative services turning in the strongest performances. In the 12 months ending September '19, the region has created 82,800. A copy of this year's forecast can be found here.

Attendees will also receive *Houston Economic Highlights* which provides 10 years of data and insights on air traffic, commercial real estate, construction, employment, energy, foreign trade, inflation, residential sales, retail sales and vehicle sales in the region. A copy of last year's publication can be found here.

To register or learn more about the event, click here.

ARRIVALS AND DEPARTURES

Approximately 313,000 people moved to Houston in '16, according to migration data released by the U.S. Internal Revenue Service (IRS). That same year, 283,000 residents left Houston. On net, Houston gained approximately 30,000 residents through migration. The data are based on year-to-year address changes reported on individual income tax returns filed with the IRS in '15 and in '16.

One can't compare IRS migration data with population estimates provided by the U.S. Census Bureau, however. IRS data reflect movements during the calendar year. Census data reflect movements for July 1, 2015 to June 30, 2016. Also, the IRS only catches international migration to the region if the new resident filed a federal income return the year before. Its international migration counts fall well below those of the Census Bureau. The IRS data, however, do tell what U.S. metros Houstonians moved to or from, something not found in census data.

In '16, over 200,000 people moved to Houston from somewhere else in Texas, 112,000 moved here from another state, and 4,000 from overseas. Conversely, about 200,000 left Houston to live somewhere else in Texas, 82,000 left for another state, and 4,400 for a new home abroad.

SOURCE OF DOMESTIC MIGRANTS TO HOUSTON, '15 TO '16

Metro	Arrivals	DEPARTURES	DIF.
Dallas	10,969	12,143	-1,174
Austin	8,632	8,764	-132
New York	6,157	2,236	3,921
San Antonio	5,380	5,743	-363
Los Angeles	4,213	2,867	1,346
Beaumont	3,898	3,159	739
Washington	3,777	1,193	2,584
Chicago	3,643	1,716	1,927
Miami	3,137	1,908	1,229
New Orleans	2,329	1,725	604
College Station	2,179	2,061	118
McAllen	2,060	1,435	625
Corpus Christi	2,003	1,339	664
Atlanta	1,902	1,714	188
Denver	1,791	1,855	-64
San Francisco	1,654	1,616	38
San Diego	1,590	1,135	455
Baton Rouge	1,571	927	644
Brownsville	1,569	1,205	364
Huntsville	1,522	1,535	-13
Phoenix	1,482	1,583	-101
Killeen	1,440	1,058	382

Source: IRS Individual Master File, Statistics of Income, October

A common assumption is that high-cost metros like New York and Chicago provide most of the new residents to Houston. According to the IRS, however, Dallas and Austin provided the most newcomers, followed by New York, San Antonio and Los Angeles. However, from ’15 to ’16, Houston outmigration was tilted in favor of other Texas metros, which is not surprising given that Houston was losing 93,000 energy jobs. Houstonians unable to find work in the Bayou City sought employment elsewhere in the state. When data for ’18 are available, which won’t be until ’21, they probably will show migration has shifted back in Houston’s favor.

WHERE DOES THE MONEY GO?

Houstonians spend a smaller share of expenses on housing, food, healthcare, and education than most of the other top 20 U.S. metros, according to recently released data from the Consumer Expenditure Survey (CES). The Bureau of Labor Statistics conducts the survey to understand how Americans spend their money, irrespective of cost of living adjustments.

Transportation exhausts a larger share of budgets in Houston than it does in most other large metros. Spending on vehicles, gas, maintenance, and public transportation consumes 15.9 percent of Houstonians’ expenses—the fifth highest share across metros. However, compared to Detroit and Phoenix, where one out of five dollars is spent on transportation, Houston looks better.

Housing, by far Americans’ greatest expense, comprises 39.0 and 39.4 percent of New Yorkers’ and San Franciscans’ total costs, respectively, the highest of the metros. In Houston, just over one-third of expenses are for housing. While close to average, this is nearly two percentage points higher than it was a decade ago.

How Houstonians spend their money hasn’t changed much in the last decade. The share of expenses toward transportation has declined by 3.6 percentage points, but healthcare expenditures increased from 5.4 percent of budgets in ’07–’08 to 7.1 percent now. Comparatively, Phoenix spends nearly one out of every 10 dollars on healthcare—the highest proportion of the 20 metros.

Other notable findings from the survey show that in Boston, where 49.1 percent of adults have at least a bachelor’s degree (the third highest rate in the nation), residents dedicate more of their spending toward education (5.2 percent). Tampa residents spend the largest share of their budgets on food (14.3 percent), while Dallas-Ft. Worth spends 11.1 percent (the smallest proportion).

TYPICAL HOUSEHOLD EXPENDITURE, 20 MOST POPULOUS METROS
Percent of Expenditures by Category, ’17 - ’18

Metro	Avg. Annual Expenditures	Housing	Transportation	Food	Healthcare	Education	Other
Washington, D.C.	$91,118	33.9	14.4	12.3	6.9	2.8	29.7
Seattle	$84,864	34.5	14.1	13.4	6.3	2.4	29.2
San Francisco	$80,733	39.4	11.3	12.6	5.7	4.6	26.4
Boston	$79,747	37.5	12.0	12.1	7.2	5.2	26.1
San Diego	$79,672	35.9	14.3	13.3	6.5	1.6	28.5
Baltimore	$74,174	32.3	15.8	11.9	7.3	4.3	28.4
Denver	$73,670	34.2	15.2	12.4	7.9	2.0	28.4
Minneapolis-St. Paul	$72,382	33.6	12.9	11.6	7.6	2.6	31.7
New York	$70,875	39.0	12.0	12.3	6.8	4.2	25.8
Philadelphia	$70,813	32.8	15.6	12.6	8.0	3.7	27.2
Houston	**$69,153**	**34.1**	**15.9**	**11.8**	**7.1**	**2.4**	**28.7**
Los Angeles	$68,129	35.7	13.6	13.2	5.7	3.4	28.4
Phoenix	$66,908	31.0	19.0	11.7	9.0	1.2	28.1
Dallas-Fort Worth	$66,282	36.7	16.8	11.1	7.5	2.9	25.0
Detroit	$64,998	30.1	19.3	12.3	7.6	1.8	28.9
Atlanta	$64,719	32.8	16.3	11.5	8.0	2.3	29.0
St. Louis	$64,318	32.9	15.1	11.7	7.5	1.8	31.0
Chicago	$63,726	35.3	13.2	13.3	8.6	3.1	26.5
Miami	$57,555	37.3	15.3	11.8	7.9	1.6	26.2
Tampa	$50,386	35.5	15.3	14.3	7.6	2.1	25.2

Source: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

SNAPSHOT – KEY ECONOMIC INDICATORS

Aviation — The Houston Airport System handled 59.3 million passengers in the 12 months ending August '19. That's a 4.5 percent increase from the 56.8 million handled in the 12 months ending August '18.

Building Permits — City of Houston building permits totaled $7.2 billion for the 12 months ending September '19, up 16.1 percent from $6.2 billion for the same period in '18. Commercial permits rose 29.5 percent to $4.4 billion while residential permits increased 0.3 percent to $2.9 billion.

Business-Cycle Index — The Houston Business-Cycle index slowed to a 3.9 percent growth rate over the three months ending September '19, just above the historical average of 3.5 percent. This rate implies that economic activity remains broadly healthy and is growing in line with historical trends.

Construction — Metro Houston's construction starts totaled $17.8 billion in the 12 months ending August '19, down 15.1 percent from $20.9 billion for the comparable period in '18.

Crude Oil — The closing spot price for a barrel of West Texas Intermediate averaged $55.20 per barrel in the last week of October '19, down 18.1 percent from the same period in '18. The U.S. Energy Information Administration forecasts WTI will average $54.43 in '20.

Home Sales — Realtors sold 100,895 homes in Houston over the 12 months ending September '19, up 2.6 percent from the same span ending in September '18. Year-to-date sales total 77,653 homes, up 3.3 percent from a year earlier.

Inflation — The cost of consumer goods and services as measured by the Consumer Price Index for All Urban Consumers (CPI-U) rose 1.7 percent nationwide from September '18 to September '19. Core inflation (all items less the volatile food and energy categories) increased 2.4 percent since September '18.

Natural Gas — Natural gas prices averaged $2.25 per million British thermal units (MMBtu) in the last week of October '19, down 32.2 percent from $3.32 for the same period in '18. EIA forecasts natural gas will average $2.52 per MMBtu in '19.

Purchasing Managers Index — The Houston Purchasing Managers Index, a short-term leading indicator for regional economic activity, registered 53.5 in September, slightly up from 51.6 in August, and the most favorable reading in five months. Readings above 50 signal expansion in the overall economy. The region's PMI has signaled expansion in overall economic activity for 38 consecutive months.

Rig Count — Baker Hughes reports 822 drilling rigs were working in the U.S. during the last week of October '19. That's down 245 rigs, or 22.9 percent, from the same week in October last year.

Vehicle Sales — Houston new vehicle sales fell 2.6 percent this September compared to last September. Dealers sold 25,107 new vehicles in September '19, down 657 vehicles from September '18. Truck/SUV sales were essentially flat while car sales dropped 9.4 percent. Sales in '19 started strong but have slowed in recent months. Year-to-date, vehicle sales continue to fall and are down 2.4 percent relative to last year. The bulk of the decline is due to lower car sales.

Patrick Jankowski, Elizabeth Balderrama, Josh Pherigo, Roel Martinez, Berina Suljic and Nadia Valliani contributed to this issue of Houston: The Economy at a Glance.

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The Key Economic Indicators table is **updated whenever any data change** — typically, six or so times per month. If you would like to receive these updates by e-mail, usually accompanied by commentary, click here.

A Service of the Greater Houston Partnership

10/29/2019

		MONTHLY DATA			YEAR-TO-DATE TOTAL or YTD AVERAGE*		
	Month	Most Recent	Year Earlier	% Change	Most Recent	Year Earlier	% Change
ENERGY							
U.S. Active Rotary Rigs	Sep '19	868	1,053	-17.6	988 *	1,019 *	-3.0
Spot Crude Oil Price ($/bbl, West Texas Intermediate)	Aug '19	54.81	68.06	-19.5	57.00 *	66.48 *	-14.3
Spot Natural Gas ($/MMBtu, Henry Hub)	Aug '19	2.22	2.96	-25.0	2.63 *	2.95 *	-10.8
UTILITIES AND PRODUCTION							
Houston Purchasing Managers Index	Sep '19	53.5	57.1	-6.3	55.0 *	57.4 *	-4.2
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	Sep '19	5,219,813	5,193,172	0.5	47,024,471	45,860,284	2.5
CONSTRUCTION							
Total Building Contracts ($, Houston MSA)	**Aug '19**	**1,294,274,000**	**1,540,167,000**	**-16.0**	**4,102,995,240**	**15,547,967,000**	**-73.6**
Nonresidential	Aug '19	412,053,000	545,683,000	-24.5	4,096,538,000	7,381,521,000	**-44.5**
Residential	Aug '19	882,221,000	994,484,000	-11.3	6,457,240	8,166,446,000	-99.9
Building Permits ($, City of Houston)	**Sep '19**	**720,561,429**	**523,967,309**	**37.5**	**5,745,886,197**	**4,597,716,470**	**25.0**
Nonresidential	Sep '19	364,736,399	304,702,238	19.7	3,561,092,825	2,473,149,075	44.0
New Nonresidential	*Sep '19*	*110,921,735*	*72,477,189*	*53.0*	*1,528,106,140*	*912,524,473*	*67.5*
Nonresidential Additions/Alterations/Conversions	*Sep '19*	*253,814,664*	*232,225,049*	*9.3*	*2,032,986,685*	*1,560,624,602*	*30.3*
Residential	Sep '19	355,825,030	219,265,071	62.3	2,184,793,372	2,124,567,395	2.8
New Residential	*Sep '19*	*329,457,756*	*156,208,823*	*110.9*	*1,867,655,293*	*1,719,786,292*	*8.6*
Residential Additions/Alterations/Conversions	*Sep '19*	*26,367,274*	*63,056,248*	*-58.2*	*317,138,079*	*404,781,103*	*-21.7*
HOME SALES							
Property Sales	**Sep '19**	**8,430**	**7,697**	**9.5**	**77,653**	**75,151**	**3.3**
Median Sales Price (Single-Family Detached)	Sep '19	244,000	232,990	4.7	243,164 *	236,124 *	3.0
Active Listings	Sep '19	44,172	41,174	7.3	42,779 *	38,166 *	12.1
EMPLOYMENT (Houston-The Woodlands-Sugar Land MSA)							
Nonfarm Payroll Employment	**Sep '19**	**3,172,000**	**3,089,200**	**2.7**	**3,150,389 ***	**3,068,822 ***	**2.7**
Goods Producing (Natural Resources/Mining/Const/Mfg)	Sep '19	560,800	535,200	4.8	551,089 *	525,278 *	4.9
Service Providing	Sep '19	2,611,200	2,554,000	2.2	2,599,300 *	2,543,544 *	2.2
Unemployment Rate (%) - Not Seasonally Adjusted							
Houston-Sugar Land-Baytown MSA	Sep '19	3.6	4.1		3.8 *	4.4 *	
Texas	Sep '19	3.3	3.7		3.5 *	4.0 *	
U.S.	Sep '19	3.3	3.6		3.8 *	4.0 *	
FOREIGN TRADE (Houston-Galveston Customs District)							
Total Trade ($000,000)	**Aug '19**	**20,079**	**20,133**	**-0.3**	**155,859**	**153,895**	1.3
Exports ($000,000)	Aug '19	12,554	11,820	6.2	96,589	92,593	4.3
Imports ($000,000)	Aug '19	7,525	8,313	-9.5	59,271	61,302	-3.3
TRANSPORTATION							
Port of Houston Authority Shipments (Short Tons)	**July '19**	**4,158,566**	**4,109,102**	**1.2**	**28,665,244**	**27,366,817**	**4.7**
Air Passengers (Houston Airport System)	**Aug '19**	**5,147,325**	**5,094,807**	**1.0**	**40,123,088**	**39,062,280**	**2.7**
Domestic Passengers	Aug '19	4,072,733	4,044,427	0.7	31,938,298	30,955,495	3.2
International Passengers	Aug '19	1,074,592	1,050,380	2.3	8,184,790	8,106,785	1.0
Air Freight (metric tons)	**Aug '19**	**42,533**	**48,249**	**-11.8**	**79,657**	**78,454**	**-6.3**
CONSUMERS							
New Car and Truck Sales (Units, Houston MSA)	**Sep '19**	**25,107**	**25,764**	**-2.6**	**217,093**	**222,436**	-2.4
Cars	Sep '19	6,829	7,537	-9.4	60,786	64,993	-6.5
Trucks/SUVs	Sep '19	18,278	18,227	0.3	156,307	157,443	-0.7
Total Retail Sales ($000,000, Houston MSA, NAICS Basis)	**Q1/19**	**28,824.4**	**29,296.0**	**-1.6**	**28,824.4**	**29,296.0**	**-1.6**
Consumer Price Index for All Urban Consumers ('82-'84=100)							
Houston-Galveston-Brazoria CMSA	Aug '19	229.4	226.3	1.4	228.5 *	255.0 *	-10.4
United States	Sep '19	256.8	252.4	1.7	255.2 *	250.8 *	1.7
Hotel Performance (Houston MSA)							
Occupancy (%)	Q2/19	65.6	65.6		64.6 *	67.2 *	
Average Room Rate ($)	Q2/19	104.36	110.12	-3.5	105.49 *	109.24 *	-3.4
Revenue Per Available Room ($)	Q2/19	68.47	79.83	-3.5	68.11 *	73.45 *	-7.3

N = New Since Previous Issue
R = Revised

SOURCES

Rig Count	Baker Hughes, a GE company
Spot WTI, Spot Natural Gas	U.S. Energy Information Administration
Houston Purchasing Managers Index	Institute for Supply Management - Houston, Inc.
Electricity	CenterPoint Energy
Building Construction Contracts	Dodge Data and Analytics
City of Houston Building Permits	Building Permit Department, City of Houston
MLS Data	Houston Association of Realtors
Employment	Texas Labor Market Information
Foreign Trade	U.S. Census Bureau
Aviation	Houston Airport System
New Car and Truck Sales	TexAuto Facts Report, InfoNation, Inc., Sugar Land TX
Retail Sales	State Comptroller's Office
Consumer Price Index	U.S. Bureau of Labor Statistics
Hotels	CBRE Hotels

GREATER HOUSTON PARTNERSHIP
Making Houston Greater.

HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	Sept '19	Aug '19	Sept '18	Change from Aug '19	Change from Sept '18	% Change from Aug '19	% Change from Sept '18
Total Nonfarm Payroll Jobs	**3,172.0**	**3,165.6**	**3,089.2**	**6.4**	**82.8**	**0.2**	**2.7**
Total Private	***2,758.3***	***2,771.4***	***2,681.8***	***-13.1***	***76.5***	***-0.5***	***2.9***
Goods Producing	***560.8***	***557.6***	***535.2***	***3.2***	***25.6***	***0.6***	***4.8***
Service Providing	***2,611.2***	***2,608.0***	***2,554.0***	***3.2***	***57.2***	***0.1***	***2.2***
Private Service Providing	***2,197.5***	***2,213.8***	***2,146.6***	***-16.3***	***50.9***	***-0.7***	***2.4***
Mining and Logging	87.4	87.7	80.0	-0.3	7.4	-0.3	9.3
Oil & Gas Extraction	39.0	39.7	36.4	-0.7	2.6	-1.8	7.1
Support Activities for Mining	44.2	43.7	42.2	0.5	2.0	1.1	4.7
Construction	231.8	227.1	223.9	4.7	7.9	2.1	3.5
Manufacturing	241.6	242.8	231.3	-1.2	10.3	-0.5	4.5
Durable Goods Manufacturing	156.7	157.6	146.9	-0.9	9.8	-0.6	6.7
Nondurable Goods Manufacturing	84.9	85.2	84.4	-0.3	0.5	-0.4	0.6
Wholesale Trade	169.5	172.5	169.7	-3.0	-0.2	-1.7	-0.1
Retail Trade	300.9	303.0	304.0	-2.1	-3.1	-0.7	-1.0
Transportation, Warehousing and Utilities	156.2	155.9	148.1	0.3	8.1	0.2	5.5
Utilities	17.0	17.2	16.7	-0.2	0.3	-1.2	1.8
Air Transportation	19.9	19.9	19.9	0.0	0.0	0.0	0.0
Truck Transportation	29.6	29.5	28.1	0.1	1.5	0.3	5.3
Pipeline Transportation	10.8	10.9	11.1	-0.1	-0.3	-0.9	-2.7
Information	29.7	29.9	31.3	-0.2	-1.6	-0.7	-5.1
Telecommunications	12.8	12.8	13.4	0.0	-0.6	0.0	-4.5
Finance & Insurance	105.8	106.5	102.7	-0.7	3.1	-0.7	3.0
Real Estate & Rental and Leasing	62.0	62.3	61.8	-0.3	0.2	-0.5	0.3
Professional & Business Services	521.2	521.5	494.9	-0.3	26.3	-0.1	5.3
Professional, Scientific & Technical Services	247.8	248.6	227.4	-0.8	20.4	-0.3	9.0
Legal Services	*26.4*	*26.7*	*26.2*	*-0.3*	*0.2*	*-1.1*	*0.8*
Accounting, Tax Preparation, Bookkeeping	*25.3*	*25.3*	*24.9*	*0.0*	*0.4*	*0.0*	*1.6*
Architectural, Engineering & Related Services	*76.2*	*76.7*	*69.8*	*-0.5*	*6.4*	*-0.7*	*9.2*
Computer Systems Design & Related Services	*34.7*	*34.0*	*32.3*	*0.7*	*2.4*	*2.1*	*7.4*
Admin & Support/Waste Mgt & Remediation	226.9	225.1	221.0	1.8	5.9	0.8	2.7
Administrative & Support Services	*214.2*	*212.6*	*209.5*	*1.6*	*4.7*	*0.8*	*2.2*
Employment Services	*80.9*	*79.8*	*82.4*	*1.1*	*-1.5*	*1.4*	*-1.8*
Educational Services	63.3	62.1	61.5	1.2	1.8	1.9	2.9
Health Care & Social Assistance	338.7	342.0	335.2	-3.3	3.5	-1.0	1.0
Arts, Entertainment & Recreation	35.8	37.5	35.5	-1.7	0.3	-4.5	0.8
Accommodation & Food Services	294.1	299.0	290.2	-4.9	3.9	-1.6	1.3
Other Services	120.3	121.6	111.7	-1.3	8.6	-1.1	7.7
Government	413.7	394.2	407.4	19.5	6.3	4.9	1.5
Federal Government	30.3	30.4	29.3	-0.1	1.0	-0.3	3.4
State Government	86.2	85.4	84.6	0.8	1.6	0.9	1.9
State Government Educational Services	*50.0*	*48.9*	*49.4*	*1.1*	*0.6*	*2.2*	*1.2*
Local Government	297.2	278.4	293.5	18.8	3.7	6.8	1.3
Local Government Educational Services	*206.1*	*186.9*	*202.8*	*19.2*	*3.3*	*10.3*	*1.6*

SOURCE: Texas Workforce Commission