

# THE ECONOMY AT A GLANCE

## HOUSTON



GREATER HOUSTON  
**PARTNERSHIP.**  
Making Houston Greater.

A publication of the Greater Houston Partnership

Volume 29 Number 11 – November 2020

### Table of Contents

|   |   |
|---|---|
| U.S. Recovery Status .....              | 1 |
| Outlook for 2021.....                   | 3 |
| Perryman’s Perspective .....            | 4 |
| Houston’s Employment Update.....        | 4 |
| Innovation.....                         | 5 |
| Key Economic Indicators.....            | 7 |
| Houston Nonfarm Payroll Employment..... | 8 |

### U.S. RECOVERY STATUS

In March, when this newsletter first addressed COVID-19 and its impact on the economy, only a handful of cases had been reported. Since that time, infections and deaths have skyrocketed.

#### U.S. COVID-19 STATISTICS

|               | ----- Confirmed Cases ----- |             |
|---------------|-----------------------------|-------------|
|               | March 15                    | November 1  |
| U.S.          | 3,774                       | 9.2 million |
| Texas         | 77                          | 954,126     |
| Metro Houston | 30                          | 224,835     |
|               | ----- Deaths -----          |             |
|               | March 15                    | November 1  |
| U.S.          | 61                          | 230,703     |
| Texas         | 1                           | 18,549      |
| Metro Houston | 0                           | 3,760       |

Sources: Johns Hopkins University and *The New York Times*

The much-anticipated second wave has arrived. The world now average 475,000 new cases per day; the U.S., 80,000; Texas, 6,600; and Harris County, 600. [Johns Hopkins University](#) tracks new COVID-19 cases in the 20 most-infected countries. As of November 1, infections were up in 18 of those 20.

The spike is especially sharp in Europe. Belgium, France, Germany, Greece, Spain and the United Kingdom have again implemented lockdowns to contain the spread. U.S. officials, however, remain reluctant to impose similar restrictions. They worry about damage to the economy, a revolt from consumers suffering from COVID fatigue, and the impact of a shutdown on the November elections.

### Gross Domestic Product

The flood of new cases threatens the nascent recovery. [U.S. gross domestic product](#) (GDP) [grew 7.4 percent](#), or \$1.3 trillion in Q3, adjusted for inflation. The economy benefited from an increase in consumer spending, a restocking of inventories, exports, new investments in building, equipment and inventories, and new home construction.

Despite the impressive growth, GDP remains 3.5 percent (\$670 billion) below its previous peak and 5.0 percent (\$930 billion) below where it would have been if not interrupted by the pandemic. Two-thirds of the economists polled by *The Wall Street Journal* in early October believe GDP [won’t return to pre-pandemic levels until Q4/21 or later](#).

That fits the historic pattern. GDP always returns to its pre-recession level sooner than employment. Businesses put idle capacity to work, expect more from their remaining employees, and wait for a significant jump in demand before taking on additional staff. That’s been true of the past three recessions and will be true this time as well.

| Recession Date    | Months to Recover |      |
|-------------------|-------------------|------|
|                   | GDP               | Jobs |
| Jul '90 – Mar '91 | ~20               | 24   |
| Mar '01 – Nov '01 | ~8                | 39   |
| Dec '07 – Jun '09 | ~38               | 59   |

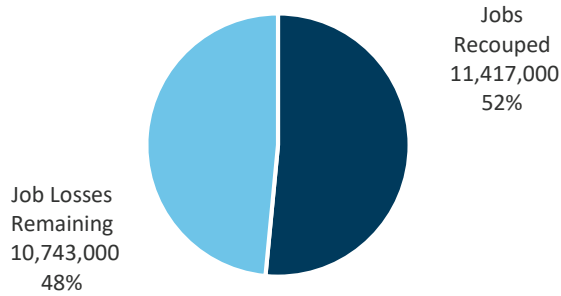
Source: Partnership calculations based on Bureau of Economic Research and Bureau of Labor Statistics data

### Job Growth

The nation has created 11.4 million jobs since May, recouping over half March and April’s losses. But growth is already slowing. [Employers added only 661,000 workers in September](#), less than half the 1.5 million added in August. The nation remains 10.7 million shy of its February level. The recent spike in COVID cases, the expiration of the federal stimulus packages, and uncertainty over the outcome of the presidential election will further slow job gains.

## U.S. Recovery Through September

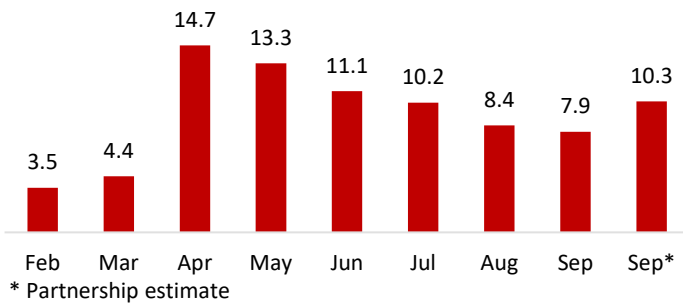
Source: U.S. Bureau of Labor Statistics



## Unemployment

U.S. unemployment peaked at 14.7 percent in April and has steadily improved, decreasing to 7.9 percent in September. But the headline number belies what's actually happening in the labor market. Since February, 4.4 million Americans have dropped out of the labor force and are no longer counted as unemployed. Factor them back in and the unemployment rate jumps to 10.3 percent.

### U.S. Unemployment Rate



Source: U.S. Bureau of Labor Statistics

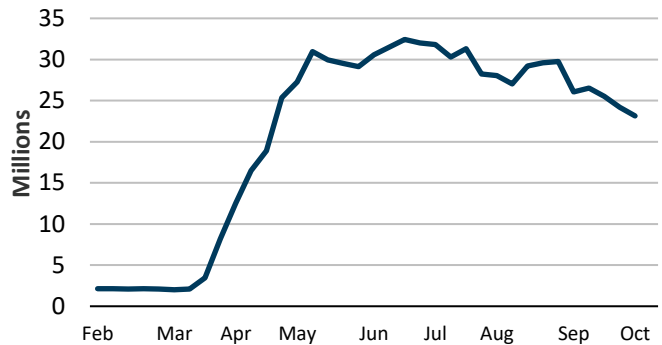
The labor force participation rate among women has fallen as well, with 2.6 million fewer in the workforce today compared to before the pandemic. The burdens of child rearing still fall heavily on mothers, and many women have dropped out to provide full-time childcare, either to supervise their children attending school virtually or because the pandemic has forced thousands of daycare centers to close.

Unemployment claims are trending down, a sign that layoffs have abated. Workers filed 751,000 initial benefits claims in the week ending October 29. That's well below the peak of 6.9 million in early April but above the January-February average of 190,000.

The number of workers collecting unemployment benefits remains extremely high. The [U.S. Employment and Training Administration](#) tracks claims across eight categories: Regular State Benefits, Federal Employee Benefits, Newly Discharged Veterans Benefits, Pandemic Unemployment

Assistance, Pandemic Emergency Unemployment Compensation, Extended Benefits, State Additional Benefits, and STC/Workshare. At the mid-June peak, 32.4 million Americans received some form of benefit. That has improved to [22.6 million in late October](#), but underscores the financial duress which many workers suffer. Prior to the pandemic, weekly claims averaged 2.1 million.

### Persons Claiming UI Benefits, All Programs



Source: U.S. Employment & Training Administration

Washington added two new benefits when it passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March. Pandemic Unemployment Assistance (PUA) is available to workers not eligible for traditional state unemployment benefits, typically self-employed and gig workers. More than 10.2 million continue to file claims for these benefits. Pandemic Emergency Unemployment Compensation (PEUC) is available to workers who have exhausted their state benefits eligibility, i.e., they have been unemployed over 26 weeks. Nearly 3.7 million workers filed PEUC claims in mid-October. That claims continue to swell.

## Industrial Production

[Industrial production](#) fell 0.6 percent in September, its first decline after four months of gains. An uptick in mining output could not offset declines in manufacturing and utilities. Although production has recovered more than half of its February to April decline, the September reading was still 7.1 percent below its pre-pandemic February level.

## Durables Goods Order

[New orders for durable goods](#), products designed to last at least three years, increased for the fifth consecutive month in September. Orders were up 1.9 percent in September compared to August, another sign that manufacturers are rebounding from supply-chain disruptions and shutdowns caused by the pandemic.

## Home Sales

[Existing-home sales](#) grew for the fourth consecutive month in September, hitting a seasonally-adjusted annual rate of

6.54 million, up 9.4 percent from August and 21 percent from September a year ago. Seven out of every ten homes sold were on the market for less than a month.

## Retail

[Retail continues to recover](#). The U.S. Census Bureau reports September sales were up 1.9 percent from August and 5.4 percent from September of last year. Those numbers reflect a shift in consumer buying patterns. Unable to travel, attend concerts, cheer at sporting events, or dine out, consumers have opted to purchase goods rather than services. Through September of this year, consumers spent 20 percent less on dining than they did over the same period in '19. The data also reflect a significant increase in online purchasing, up 20 percent so far this year.

## Consumer Behavior

There's a greater acceptance of mask-wearing among the general public. A recent [National Geographic survey](#) found that most Americans, regardless of their backgrounds and political beliefs, have changed their minds about mask-wearing. Despite noisy no-mask protests, 92 percent of 2,200 Americans polled say they wear a face mask when leaving their home, with 74 percent saying they "always" do. That "always" percentage is up nearly a quarter since July, according to the poll.

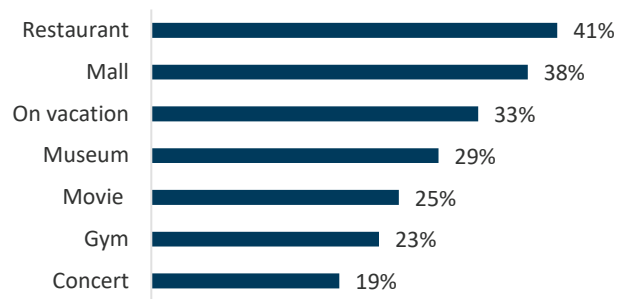
**Percent Respondents Saying They Always Wear a Medical or Non-medical Face Mask When Leaving Home**

|              | October | July |
|--------------|---------|------|
| Adults       | 74      | 60   |
| Male         | 72      | 56   |
| Female       | 77      | 64   |
| Age 18-34    | 72      | 63   |
| Age 35-44    | 75      | 53   |
| Age 45-64    | 74      | 58   |
| Age 65+      | 79      | 66   |
| Democrats    | 84      | 65   |
| Republicans  | 66      | 46   |
| Independents | 71      | 57   |

Source: *National Geographic* reader survey

Still, consumers remain uneasy about being exposed to the virus while in public, which is another factor slowing the recovery. A recent survey by pollster [Morning Consult](#) found that less than half the respondents feel comfortable going out to eat or shopping in a mall and even fewer feel comfortable visiting a museum, going to the movies or attending a concert.

**% of Adults who feel comfortable going to a:**



Source: MorningConsult

A vaccine would speed the recovery, yet a large swath of the population, including those at high risk of contracting the virus, are reluctant, skeptical or opposed to taking it. The most common concern cited is safety due to the quick pace of development. A recent [Pew Research Poll](#) found only half of those surveyed would take the vaccine if it were available, a significant decrease from a few months ago.

**% of adults who say they would get a COVID-19 vaccine if it were available today**

| Options                            | Survey Month |     |
|------------------------------------|--------------|-----|
|                                    | Sep          | May |
| Would definitely get the vaccine   | 21%          | 42% |
| Would probably get the vaccine     | 30%          | 30% |
| Would probably not get the vaccine | 25%          | 16% |
| Would definitely not get vaccine   | 24%          | 11% |

Source: Pew Research

That suggests social distancing and mask wearing will remain the norm indefinitely. Dr. Anthony Fauci, Director of the National Institute of Allergy and Infectious Diseases, says even with a widely accepted vaccine Americans will [need to wear masks and practice social distancing through '21 and into '22](#). That also suggests it will take several years before the U.S. economy fully recovers.

## OUTLOOK FOR 2021

The Partnership's '21 economic outlook event will be held Tuesday, December 8, at noon. This will be a virtual event with attendees accessing the presentations via Zoom.

Patrick Jankowski, the Partnership's Senior Vice President of Research, will share his insights into how COVID-19 has changed Houston's economy and what everyone should expect next year. Robert Dye, Senior Vice President and Chief Economist at Comerica Bank, will share his insights into the national economy.

Attendees will also receive “Houston Economic Outlook 2021,” the Partnership’s forecast document. A copy of last year’s forecast can be found at the Partnership’s [website](#).

The event is free to members, but they must register in advance. The fee for nonmembers is \$25. Attendees can register at the events section of the Partnership’s [website](#).

### PERRYMAN’S PERSPECTIVE

Houston’s real gross product (RGP) will shrink 4.8 percent this year (December to December) before rebounding 4.2 percent next year. That’s the latest projections by [The Perryman Group](#), the Waco-based think tank that’s been analyzing and forecasting for U.S., Texas, and Texas metros since the early 1980s.

#### INDUSTRY PROJECTIONS, METRO HOUSTON

| Sector              | \$ Millions | % Δ   | \$ Millions | % Δ  |
|---------------------|-------------|-------|-------------|------|
| Agriculture         | -23.8       | -6.5  | +16.1       | +4.9 |
| Mining              | -16,717.9   | -19.1 | +5,390.1    | +7.7 |
| Utilities           | -151.7      | -1.33 | +322.2      | +2.9 |
| Construction        | -1,143.5    | -4.8  | +877.8      | 3.9  |
| Manufacturing       | -1,950.3    | -2.3  | +3,871.0    | +4.7 |
| Retail/Wholesale    | -1,893.4    | -2.7  | +2,331.3    | +3.5 |
| Transport/Warehouse | -181.9      | -0.8  | +688.9      | +3.0 |
| Information         | -413.7      | -3.9  | +413.1      | +4.0 |
| F.I.R.E             | +1,028.0    | +1.7  | +1,789.1    | +3.0 |
| Other Services      | -3,496.5    | -2.9  | +4,416.6    | +3.8 |
| Total               | -25,203.0   | -4.8  | +20,769.5   | +4.2 |

Note: F.I.R.E includes finance, insurance and real estate. Other services includes professional services, management of companies, administrative support, educational services, health care, arts and entertainment, accommodation and food services, and personal and repair services.

Source: The Perryman Group, [www.perryman.org](http://www.perryman.org)

Houston will finish the year with 4.2 percent fewer jobs than it started with, compared to a 5.1 percent loss for the nation and a 4.1 percent loss for the state.

Perryman projects 2.5 percent job growth for Houston in ‘21, a net gain of approximately 77,000 jobs. U.S. job growth is forecast at 2.6 percent, or 3.7 million jobs, and Texas job growth at 2.5 percent, or 315,000 jobs.

### HOUSTON EMPLOYMENT UPDATE

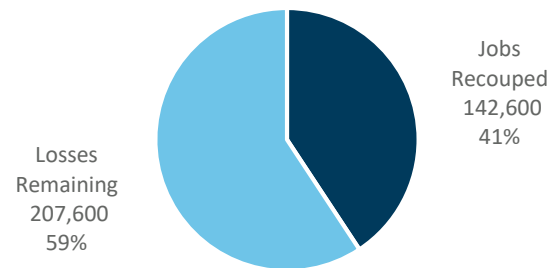
Metro Houston added 24,400 jobs in September, bringing the total recovered since April to 142,600. Houston remains 207,600 jobs short of its pre-pandemic level.

September’s job gains were concentrated in a few sectors, almost all tied to students returning from summer break:

- Local education i.e., school districts, (+19,000 jobs),
- Restaurants and bars (+5,800),
- State education i.e., colleges and universities (+4,800),

- Education services i.e., private schools, test prep, tutoring (+3,200), and
- Fabricated metal product manufacturing (+2,300).

### Metro Houston COVID-19 Employment Impact



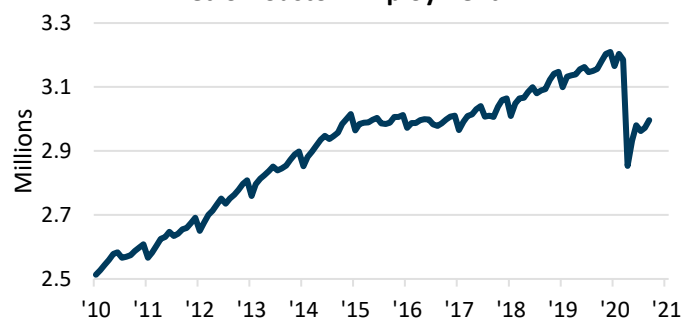
Given the collapse in U.S. drilling activity, the gains in fabricated metals are likely an overestimate that will be corrected in a future data release.

These gains were offset by significant losses elsewhere:

- Other services (-5,400 jobs),
- Health care and social assistance (-3,400),
- Financial activities (-2,400),
- Wholesale trade (-2,200) and
- Arts, entertainment, and recreation (-1,700).

The gains put Houston just shy of 3.0 million jobs. The region had topped 3.2 million jobs back in February. In a normal year, the region adds 25,000 to 50,000 in Q4, which would put a considerable dent in the COVID job losses. But this hasn’t been a normal year and job gains through December are likely to be subdued.

### Metro Houston Employment



Source: Texas Workforce Commission

Several sectors are well on their way to returning to pre-COVID employment levels. Educational services; Non-durable goods manufacturing; retail; finance; professional, scientific and technical services; and administrative support services have recouped 70 percent or more of the jobs initially lost.

For others, the recovery has been slow to materialize. Construction; transportation and warehousing; arts, entertainment and recreation; hotels and personal services have recouped less than a third of their losses. A few continue to lose jobs. This includes: oil and gas; durable goods manufacturing; wholesale trade; information and real estate.

#### CHANGE IN METRO HOUSTON EMPLOYMENT (000s)

| Sector                           | Losses    |           | % Recouped   |
|----------------------------------|-----------|-----------|--------------|
|                                  | Mar - Apr | May - Sep |              |
| Total Employment                 | -350,200  | +142,260  | 40.7%        |
| Finance & Insurance              | -400      | +500      | 100.0+       |
| Administrative & Support Svcs    | -13,700   | +11,800   | 86.1         |
| Retail Trade                     | -27,700   | +20,900   | 75.5         |
| Educational Services             | -5,800    | +4,100    | 70.7         |
| Professional, Technical Services | -8,800    | +6,200    | 70.5         |
| Restaurants & Bars               | -101,800  | +67,000   | 65.8         |
| Health Care, Social Assistance   | -41,000   | +23,800   | 58.0         |
| Art, Entertainment, Rec          | -18,000   | +5,900    | 32.8         |
| Transportation & Warehousing     | -3,800    | +1,100    | 28.9         |
| Other Services                   | -27,400   | +6,700    | 24.5         |
| Accommodations                   | -9,100    | +1,700    | 18.7         |
| Construction                     | -31,300   | +2,900    | 9.3          |
| Real Estate, Rentals & Leasing   | -5,000    | -900      | Still Losing |
| Wholesale Trade                  | -17,000   | -1,300    | Still Losing |
| Manufacturing                    | -13,300   | -5,700    | Still losing |
| Mining                           | -8,500    | -11,900   | Still losing |
| Government                       | -10,100   | -600      | ---          |

Source: Partnership calculations based in Texas Workforce Commission data

#### INNOVATION UPDATE

At first glance, tech funding in Houston appears remarkably unscathed by the pandemic. Houston-area startups have raised nearly as much venture capital so far this year as they did last year. [VC Investments in the region topped \\$556 million through Q3/20](#), down only 4 percent from the same period in '19, according to a Partnership analysis of PitchBook data.

The trouble is the deal count. Houston's 84 venture capital deals in the first three quarters of '20 are down from 131 deals during the same period last year, a 36 percent drop. That's a notable decline, even for a recession.

| Houston Venture Capital Update | Year-to-Date |       | % Change |
|--------------------------------|--------------|-------|----------|
|                                | Q3/20        | Q3/19 |          |
| Deals                          | 84           | 131   | -35.9    |
| Avg. Deal Size \$, Millions    | 6.6          | 4.4   | 59.8     |
| Volume, \$ Millions            | 555.7        | 578.3 | -3.9     |
| Angel and Seed                 | 52.2         | 73.3  | -28.9    |
| Early Stage VC                 | 85.1         | 159.7 | -46.7    |
| Later Stage VC                 | 418.4        | 345.3 | 21.2     |

Source: Partnership Analysis of Pitchbook data

Historically, an economic downturn [can be a good time to grow a tech startup](#). The Great Recession, for example, spawned tech giants Uber, Airbnb, Pinterest, Instagram and Venmo, to name a few.

In Houston, the '15 oil downturn produced its own bumper crop of successful tech companies. Seed and Early stage deals spiked 51 percent from the onset of the oil bust in Jan '15 to Jan '17. Digital startups such as [Arundo](#), [GoCo](#), [Liongard](#), [Data Gumbo](#) and [BrainCheck](#) were all seeded during that span and have become fast-growing companies in the tech ecosystem, generating millions in additional investment and employing several hundred workers.

This recession is proving more challenging for early stage companies. COVID has made it harder for lesser known startups to find investors, and uncertainties about the post-COVID future have made venture capitalists more cautious investing in unproven technologies. The result is [fewer deals in larger increments to later stage companies](#); this is the opposite of what happened in Houston during the '15 downturn.

This trend has pushed the average value of Houston VC deals to \$6.6 million, up 50.0 percent from '19. The earliest stage companies are having the hardest time finding initial investment. Seed through Series A investment is down 41.0 percent to 137.3 million, while Later Stage investment is up 21.2 percent to \$418.4 million.

#### Growth on the Horizon

[Startup Development Organizations \(SDOs\)](#) could help to bridge the gap by introducing Venture Capital firms to local tech founders. These introductions are becoming more important in the virtual workplace. Many venture capitalists exhausted their pipeline of known prospects and are searching for new investments. Houston could be well-suited to seize on that opportunity.

The region has added dozens of incubators/accelerators and SDOs in the last four years. Non-profits such as [Houston Exponential](#) and Rice University's [The Ion](#) could have a measurable impact on deal flow in the months to come. A recent burst of Clean Energy accelerators in the region is also laying a path for growth. Prominent climate tech accelerator [Greentown Labs is poised to open in Midtown in '21](#). If it does for clean tech what TMCx did for Houston's life science sector, expect a wave of new startups to emerge soon.



## KEY ECONOMIC INDICATORS



**Aviation** — The Houston Airport System (HAS) handled 1.7 million passengers in September '20, a 60.8 percent drop from the 4.3 million passengers handled during September last year. Though a drop from last year's passenger volume, September represents more than a fivefold increase from April's 242,000 passengers.



**Building Permits** — City of Houston building permits totaled \$6.7 billion for the 12 months ending September '20, down 8.1 percent from \$7.2 billion for the same period in '19.



**Crude Oil** — The closing spot price for West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$39.78 per barrel during the last week of September '20, down 30.1 percent from \$56.90 for the same period in '19. Estimates show crude oil production in the United States rose to 11.2 million barrels per day (b/d) in September, an increase of 0.4 b/d from the previous month.



**Foreign Trade** — The Houston-Galveston Customs District handled 227.4 million metric tons of goods and commodities in the first eight months of '20, a 10.7 percent increase over the comparable period in '19. These shipments were valued at \$130.2 billion, down 16.0 percent from '19.



**Home Sales** — Houston-area realtors sold 9,101 single-family homes in September '20, up 29.0 percent from the same month last year. Year-to-date sales totaled 69,320 single-family homes, up 5.4 percent compared to the first nine months of '19. Sales of all property types for the 12 months ending in September '20 totaled 108,398 homes, up 6.7 percent for the span ending in September '19.



**Inflation** — The cost of consumer goods and services as measured by the Consumer Price Index for All Urban Consumers (CPI-U) rose 1.4 percent nationwide from September '19 to September '20. Core inflation (all items less the volatile food and energy categories) increased 1.7 percent since September '19.



**Natural Gas** — During the first week of October '20, Henry Hub natural gas spot prices averaged \$1.65 per million British thermal units (MMBtu). In September '20, monthly natural gas prices averaged \$1.92 per MMBtu, down 25.0 percent from \$2.56 in September last year.



**Purchasing Managers Index** — The PMI, which sunk to 34.6 in April, has inched up in recent months, topping out at 49.5 in June before contracting slightly in July amid an escalation of COVID-19 cases. The September reading of 53.4 is the highest PMI for Houston in 12 months. Readings above 45 correlate with expansion of the overall economy, below 45 a contraction. For Houston's goods producing sectors, however, the PMI needs to top 50 to signal expansion.



**Rig Count** — Baker Hughes reports 296 drilling rigs were working in the U.S. during the last week of October '20. That's down from 822 rigs the same week in October last year. The rig count has inched up steadily since bottoming at 244 in mid-August. However, it remains well below its recent peak of 1,083 in late December '18.



**Sales Tax** — Sales and use tax collections for the 12 most populous Houston-area cities totaled \$969.2 million in the 12 months ending August '20, down 1.6 percent from \$985.3 million for the same period in '19. Collections for the month of August totaled \$72.2 million, down 9.0 percent from \$79.3 million in August '19.



**Unemployment** — The unemployment rate for metro Houston was 9.6 percent in September '20, up from 8.1 percent in August. The Texas rate was 8.3 percent, up from 7.0 percent in August. The U.S. rate was 7.7 percent, up from 8.5 percent in August the previous year. The rates are not seasonally adjusted.

*Elizabeth Balderrama, Heath Duran, Annaissa Flores, Patrick Jankowski, Roel Martinez and Josh Pherigo contributed to this issue of Houston, The Economy at a Glance.*

### STAY UP-TO-DATE

For past issues of **Economy at a Glance**, click [here](#).

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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](#).

# HOUSTON ECONOMIC INDICATORS

A Service of the Greater Houston Partnership

11/2/2020

|   | Month            | MONTHLY DATA         |                      |              | YEAR-TO-DATE TOTAL or YTD AVERAGE* |                      |              |
|---|------------------|----------------------|----------------------|--------------|------------------------------------|----------------------|--------------|
|   |                  | Most Recent          | Year Earlier         | % Change     | Most Recent                        | Year Earlier         | % Change     |
| <b>ENERGY</b>   |                  |                      |                      |              |                                    |                      |              |
| U.S. Active Rotary Rigs   | Oct '20          | 269                  | 856                  | -68.6        | 738 *                              | 978 *                | -24.5        |
| Spot Crude Oil Price (\$/bbl, West Texas Intermediate)            | Sep '20          | 39.63                | 56.95                | -30.4        | 48.91 *                            | 56.99 *              | -14.2        |
| Spot Natural Gas (\$/MMBtu, Henry Hub)                            | Sep '20          | 1.92                 | 2.56                 | -25.0        | 2.27 *                             | 2.62 *               | -13.5        |
| <b>UTILITIES AND PRODUCTION</b>                                   |                  |                      |                      |              |                                    |                      |              |
| Houston Purchasing Managers Index                                 | Sep '20          | 53.4                 | 53.5                 | -6.8         | 46.8 *                             | 55.0 *               | -19.2        |
| Top 12 Houston Cities' Sales and Use Tax Collections              | Aug '20          | 72,172,004           | 79,332,561           | -9.0         | 611,339,247                        | 646,576,559          | -5.4         |
| Nonresidential Electric Current Sales (Mwh, CNP Service Area)     | May '20          | 5,026,183            | 5,447,859            | -7.7         | 24,381,649                         | 24,207,598           | 0.7          |
| <b>CONSTRUCTION</b>   |                  |                      |                      |              |                                    |                      |              |
| <b>Total Building Contracts (\$, Houston MSA)</b>                 | <b>Apr '20</b>   | <b>1,597,259,000</b> | <b>1,640,963,000</b> | <b>-2.7</b>  | <b>6,676,217,000</b>               | <b>6,450,605,000</b> | <b>3.5</b>   |
| Nonresidential  | Apr '20          | 660,591,000          | 580,974,000          | 13.7         | 2,981,752,000                      | 2,580,554,000        | 15.5         |
| Residential   | Apr '20          | 936,668,000          | 1,059,989,000        | -11.6        | 3,694,465,000                      | 3,870,051,000        | -4.5         |
| <b>Building Permits (\$, City of Houston)</b>                     | <b>Sep '20 N</b> | <b>744,274,696</b>   | <b>720,561,429</b>   | <b>3.3</b>   | <b>5,145,119,243</b>               | <b>5,745,886,197</b> | <b>-10.5</b> |
| Nonresidential  | Sep '20 N        | 509,889,787          | 364,736,399          | 39.8         | 3,063,942,773                      | 3,561,092,825        | -14.0        |
| <i>New Nonresidential</i>   | Sep '20 N        | 322,233,928          | 110,921,735          | 190.5        | 1,362,993,089                      | 1,528,106,140        | -10.8        |
| <i>Nonresidential Additions/Alterations/Conversions</i>           | Sep '20 N        | 187,655,859          | 253,814,664          | -26.1        | 1,700,949,684                      | 2,032,986,685        | -16.3        |
| Residential   | Sep '20 N        | 234,384,909          | 355,825,030          | -34.1        | 2,081,176,470                      | 2,184,793,372        | -4.7         |
| <i>New Residential</i>  | Sep '20 N        | 206,402,570          | 329,457,756          | -37.4        | 1,814,646,406                      | 1,867,655,293        | -2.8         |
| <i>Residential Additions/Alterations/Conversions</i>              | Sep '20 N        | 27,982,339           | 26,367,274           | 6.1          | 266,530,064                        | 317,138,079          | -16.0        |
| <b>HOME SALES</b>   |                  |                      |                      |              |                                    |                      |              |
| Property Sales  | Sep '20          | 9,101                | 7,050                | 29.1         | 69,320                             | 65,761               | 5.4          |
| Median Sales Price (Single-Family Detached)                       | Sep '20          | 265,000              | 244,679              | 8.3          | 255,373 *                          | 243,295 *            | 5.0          |
| Active Listings   | Sep '20          | 32,047               | 42,959               | -25.4        | 37,841 *                           | 41,957 *             | -9.8         |
| <b>EMPLOYMENT (Houston-The Woodlands-Sugar Land MSA)</b>          |                  |                      |                      |              |                                    |                      |              |
| <b>Nonfarm Payroll Employment</b>                                 | <b>Aug '20</b>   | <b>2,967,500</b>     | <b>3,150,300</b>     | <b>-5.8</b>  | <b>3,104,888 *</b>                 | <b>3,066,863 *</b>   | <b>1.2</b>   |
| Goods Producing (Natural Resources/Mining/Const/Mfg)              | Aug '20          | 490,500              | 556,200              | -11.8        | 515,913 *                          | 551,463 *            | -6.4         |
| Service Providing   | Aug '20          | 2,477,000            | 2,594,100            | -4.5         | 2,588,975 *                        | 2,515,400 *          | 2.9          |
| <b>Unemployment Rate (%) - Not Seasonally Adjusted</b>            |                  |                      |                      |              |                                    |                      |              |
| Houston-Sugar Land-Baytown MSA                                    | Aug '20          | 8.1                  | 3.9                  |              | 8.6 *                              | 3.8 *                |              |
| Texas   | Aug '20          | 7.0                  | 3.6                  |              | 7.8 *                              | 3.6 *                |              |
| U.S.  | Aug '20          | 8.5                  | 3.8                  |              | 8.7 *                              | 3.8 *                |              |
| <b>FOREIGN TRADE (Houston-Galveston Customs District)</b>         |                  |                      |                      |              |                                    |                      |              |
| <b>Total Trade (\$000,000)</b>                                    | <b>Aug '20</b>   | <b>15,703</b>        | <b>19,901</b>        | <b>-21.1</b> | <b>130,208</b>                     | <b>155,682</b>       | <b>-16.4</b> |
| Exports (\$000,000)   | Aug '20          | 10,221               | 12,377               | -17.4        | 85,137                             | 96,412               | -11.7        |
| Imports (\$000,000)   | Aug '20          | 5,482                | 7,524                | -27.1        | 45,071                             | 59,270               | -24.0        |
| <b>TRANSPORTATION</b>   |                  |                      |                      |              |                                    |                      |              |
| <b>Port of Houston Authority Shipments (Short Tons)</b>           | <b>Feb '20</b>   | <b>3,670,961</b>     | <b>3,348,160</b>     | <b>9.6</b>   | <b>7,673,732</b>                   | <b>7,339,092</b>     | <b>4.6</b>   |
| <b>Air Passengers (Houston Airport System)</b>                    | <b>Sep '20 N</b> | <b>1,698,547</b>     | <b>4,337,636</b>     | <b>-60.8</b> | <b>18,098,552</b>                  | <b>44,460,724</b>    | <b>-59.3</b> |
| Domestic Passengers   | Sep '20 N        | 1,516,908            | 3,532,749            | -57.1        | 15,091,678                         | 35,471,047           | -57.5        |
| International Passengers  | Sep '20 N        | 181,639              | 804,887              | -77.4        | 3,006,874                          | 8,989,677            | -66.6        |
| <b>Air Freight (metric tons)</b>                                  | <b>Sep '20 N</b> | <b>37,746</b>        | <b>41,139</b>        | <b>-8.2</b>  | <b>79,657</b>                      | <b>78,454</b>        | <b>-12.1</b> |
| <b>CONSUMERS</b>  |                  |                      |                      |              |                                    |                      |              |
| <b>New Car and Truck Sales (Units, Houston MSA)</b>               | <b>Dec '19</b>   | <b>23,396</b>        | <b>22,354</b>        | <b>4.7</b>   | <b>292,606</b>                     | <b>303,417</b>       | <b>-3.6</b>  |
| Cars  | Dec '19          | 6,851                | 6,161                | 11.2         | 82,117                             | 87,979               | -6.7         |
| Trucks/SUVs   | Dec '19          | 16,545               | 16,193               | 2.2          | 210,489                            | 215,438              | -2.3         |
| <b>Total Retail Sales (\$000,000, Houston MSA, NAICS Basis)</b>   | <b>Q1/20</b>     | <b>28,172.7</b>      | <b>28,824.4</b>      | <b>-2.3</b>  | <b>28,172.7</b>                    | <b>28,824.4</b>      | <b>-2.3</b>  |
| <b>Consumer Price Index for All Urban Consumers ('82-'84=100)</b> |                  |                      |                      |              |                                    |                      |              |
| Houston-Galveston-Brazoria CMSA                                   | Aug '20          | 229.0                | 229.4                | -0.2         | 228.6 *                            | 228.5 *              | 0.0          |
| United States   | Sep '20 N        | 260.3                | 256.8                | 1.4          | 258.3 *                            | 255.2 *              | 1.2          |
| <b>Hotel Performance (Houston MSA)</b>                            |                  |                      |                      |              |                                    |                      |              |
| Occupancy (%)   | Q3/19            | 60.9                 | 59.8                 |              | 64.6 *                             | 63.3 *               |              |
| Average Room Rate (\$)  | Q3/19            | 100.40               | 110.12               | -1.7         | 103.82 *                           | 106.19 *             | -2.2         |
| Revenue Per Available Room (\$)                                   | Q3/19            | 61.19                | 79.83                | 2.3          | 65.80 *                            | 68.92 *              | -4.5         |

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   |



## HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

|   | Sep '20        | Aug '20        | Sep '19        | Change from |               | % Change from |              |
|---|----------------|----------------|----------------|-------------|---------------|---------------|--------------|
|   |                |                |                | Aug '20     | Sep '19       | Aug '20       | Sep '19      |
| <b>Total Nonfarm Payroll Jobs</b>             | <b>2,996.3</b> | <b>2,971.9</b> | <b>3,156.3</b> | <b>24.4</b> | <b>-160.0</b> | <b>0.8</b>    | <b>-5.1</b>  |
| <b>Total Private</b>                          | <b>2,580.8</b> | <b>2,585.6</b> | <b>2,741.5</b> | <b>-4.8</b> | <b>-160.7</b> | <b>-0.2</b>   | <b>-5.9</b>  |
| <b>Goods Producing</b>                        | <b>492.1</b>   | <b>490.5</b>   | <b>555.9</b>   | <b>1.6</b>  | <b>-63.8</b>  | <b>0.3</b>    | <b>-11.5</b> |
| <b>Service Providing</b>                      | <b>2,504.2</b> | <b>2,481.4</b> | <b>2,600.4</b> | <b>22.8</b> | <b>-96.2</b>  | <b>0.9</b>    | <b>-3.7</b>  |
| <b>Private Service Providing</b>              | <b>2,088.7</b> | <b>2,095.1</b> | <b>2,185.6</b> | <b>-6.4</b> | <b>-96.9</b>  | <b>-0.3</b>   | <b>-4.4</b>  |
| Mining and Logging                            | 63.3           | 60.9           | 79.4           | 2.4         | -16.1         | 3.9           | -20.3        |
| Oil & Gas Extraction                          | 32.9           | 33.0           | 37.0           | -0.1        | -4.1          | -0.3          | -11.1        |
| Support Activities for Mining                 | 28.5           | 26.5           | 40.9           | 2.0         | -12.4         | 7.5           | -30.3        |
| Construction                                  | 215.8          | 215.9          | 240.2          | -0.1        | -24.4         | 0.0           | -10.2        |
| Manufacturing                                 | 213.0          | 213.7          | 236.3          | -0.7        | -23.3         | -0.3          | -9.9         |
| Durable Goods Manufacturing                   | 130.8          | 131.4          | 150.9          | -0.6        | -20.1         | -0.5          | -13.3        |
| Nondurable Goods Manufacturing                | 82.2           | 82.3           | 85.4           | -0.1        | -3.2          | -0.1          | -3.7         |
| Wholesale Trade                               | 158.9          | 161.1          | 171.7          | -2.2        | -12.8         | -1.4          | -7.5         |
| Retail Trade                                  | 294.5          | 295.8          | 299.4          | -1.3        | -4.9          | -0.4          | -1.6         |
| Transportation, Warehousing and Utilities     | 154.4          | 153.3          | 152.8          | 1.1         | 1.6           | 0.7           | 1.0          |
| Utilities                                     | 17.2           | 17.2           | 17.1           | 0.0         | 0.1           | 0.0           | 0.6          |
| Air Transportation                            | 17.7           | 18.0           | 20.2           | -0.3        | -2.5          | -1.7          | -12.4        |
| Truck Transportation                          | 28.1           | 28.1           | 28.2           | 0.0         | -0.1          | 0.0           | -0.4         |
| Pipeline Transportation                       | 11.9           | 12.0           | 11.9           | -0.1        | 0.0           | -0.8          | 0.0          |
| Information                                   | 29.1           | 28.9           | 32.3           | 0.2         | -3.2          | 0.7           | -9.9         |
| Telecommunications                            | 12.4           | 12.4           | 13.8           | 0.0         | -1.4          | 0.0           | -10.1        |
| Finance & Insurance                           | 103.8          | 104.5          | 104.1          | -0.7        | -0.3          | -0.7          | -0.3         |
| Real Estate & Rental and Leasing              | 57.9           | 59.6           | 63.4           | -1.7        | -5.5          | -2.9          | -8.7         |
| Professional & Business Services              | 508.3          | 508.9          | 506.2          | -0.6        | 2.1           | -0.1          | 0.4          |
| Professional, Scientific & Technical Services | 246.7          | 246.4          | 240.0          | 0.3         | 6.7           | 0.1           | 2.8          |
| Legal Services                                | 27.5           | 26.7           | 27.0           | 0.8         | 0.5           | 3.0           | 1.9          |
| Accounting, Tax Preparation, Bookkeeping      | 27.8           | 28.3           | 26.2           | -0.5        | 1.6           | -1.8          | 6.1          |
| Architectural, Engineering & Related Services | 74.7           | 75.6           | 73.8           | -0.9        | 0.9           | -1.2          | 1.2          |
| Computer Systems Design & Related Services    | 33.5           | 34.4           | 34.6           | -0.9        | -1.1          | -2.6          | -3.2         |
| Admin & Support/Waste Mgt & Remediation       | 217.9          | 218.4          | 219.8          | -0.5        | -1.9          | -0.2          | -0.9         |
| Administrative & Support Services             | 204.5          | 204.9          | 208.3          | -0.4        | -3.8          | -0.2          | -1.8         |
| Employment Services                           | 66.5           | 66.6           | 76.6           | -0.1        | -10.1         | -0.2          | -13.2        |
| Educational Services                          | 63.4           | 60.2           | 63.8           | 3.2         | -0.4          | 5.3           | -0.6         |
| Health Care & Social Assistance               | 334.5          | 337.9          | 342.4          | -3.4        | -7.9          | -1.0          | -2.3         |
| Arts, Entertainment & Recreation              | 24.8           | 26.5           | 38.5           | -1.7        | -13.7         | -6.4          | -35.6        |
| Accommodation & Food Services                 | 260.5          | 254.4          | 295.7          | 6.1         | -35.2         | 2.4           | -11.9        |
| Other Services                                | 98.6           | 104.0          | 115.3          | -5.4        | -16.7         | -5.2          | -14.5        |
| Government                                    | 415.5          | 386.3          | 414.8          | 29.2        | 0.7           | 7.6           | 0.2          |
| Federal Government                            | 36.4           | 35.3           | 30.6           | 1.1         | 5.8           | 3.1           | 19.0         |
| State Government                              | 84.0           | 79.7           | 87.1           | 4.3         | -3.1          | 5.4           | -3.6         |
| State Government Educational Services         | 46.2           | 41.4           | 49.9           | 4.8         | -3.7          | 11.6          | -7.4         |
| Local Government                              | 295.1          | 271.3          | 297.1          | 23.8        | -2.0          | 8.8           | -0.7         |
| Local Government Educational Services         | 199.1          | 180.1          | 205.0          | 19.0        | -5.9          | 10.5          | -2.9         |

SOURCE: Texas Workforce Commission