

Houston Area Employment Situation

January 2026

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Typical January Decline with Modest Upward Revision to 2025 Job Growth

Total Nonfarm

Over-the-month Change

Houston MSA Total Nonfarm employment stood at 3,461,900 in January, down -41,000 jobs over the month, or -1.2 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month decrease of 47,800 jobs. Historically in the month of January, Total Nonfarm has on average lost -44,500 jobs over the month, which indicates that this month's losses are on par with smaller than the long-term average decline. Note that over-the-month losses are typical each January in most sectors and Total Nonfarm employment (NSA) due to the conclusion of holiday-related seasonal jobs and downward adjustments to population estimates by BLS.

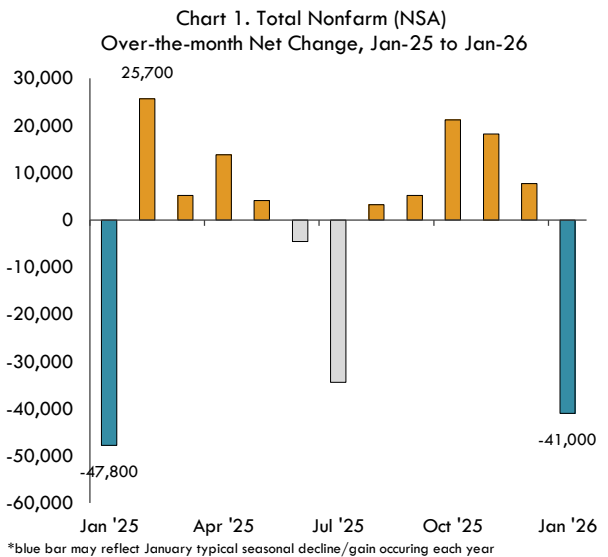
The primary drivers of this January's decline were decreases in Trade, Transportation, and Utilities; Government; and Professional and Business Services. Losses were also recorded in Manufacturing; Leisure and Hospitality; and Financial Activities. The net decrease in jobs over the month was partially offset by gains in Construction. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,487,700, up 7,800 jobs over the month, or 0.2 percent vs. a historical average of 3,600. All analysis pertains to not-seasonally adjusted data unless otherwise noted. Source: BLS/TWC unless otherwise noted. NOTE: The Houston-Woodlands-Sugar Land, TX Metropolitan Statistical Area (MSA) consists of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, San Jacinto, and Waller Counties.

Top-3 Drivers of Over-the-month Job Loss in January

- Trade, Transportation, and Utilities: -15,100
- Government: -10,300
- Professional and Business Services: -6,100

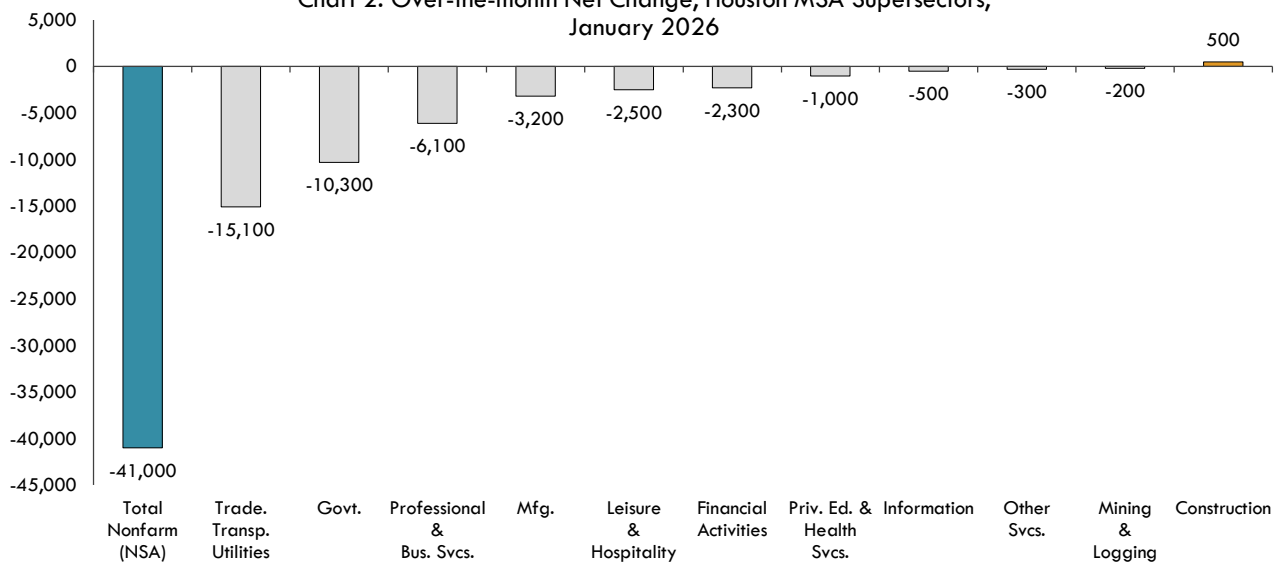
Over-the-year Change

Over the year, Total Nonfarm employment was up 24,300 or 0.7 percent on a not-seasonally-adjusted basis and up 20,900 or 0.6 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, January 2025 saw a year-over-year gain of 57,000 jobs (NSA) from January 2024. This was the largest over-the-year gain since July 2025's increase of 58,000 jobs. Currently 5 out of 11 sectors show declines in employment year over year of which the top-three are Mining and Logging (-4,200); Manufacturing (-2,400);



and Financial Activities (-2,000) (see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,193,400 jobs by 268,500, or 8.4 percent (288,000 jobs, 9.0 percent above 3,199,700 seasonally adjusted).

Chart 2. Over-the-month Net Change, Houston MSA Supersectors, January 2026



Houston Area Employment Situation

January 2026

Previous Month's Revisions

See benchmark revisions at the end of this report for details.

- Top-3 Drivers of Over-the-year Job Growth in January
- Construction: 16,000
 - Private Education and Health Services: 8,700
 - Leisure and Hospitality: 5,700

Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Jan-11 to Jan-26

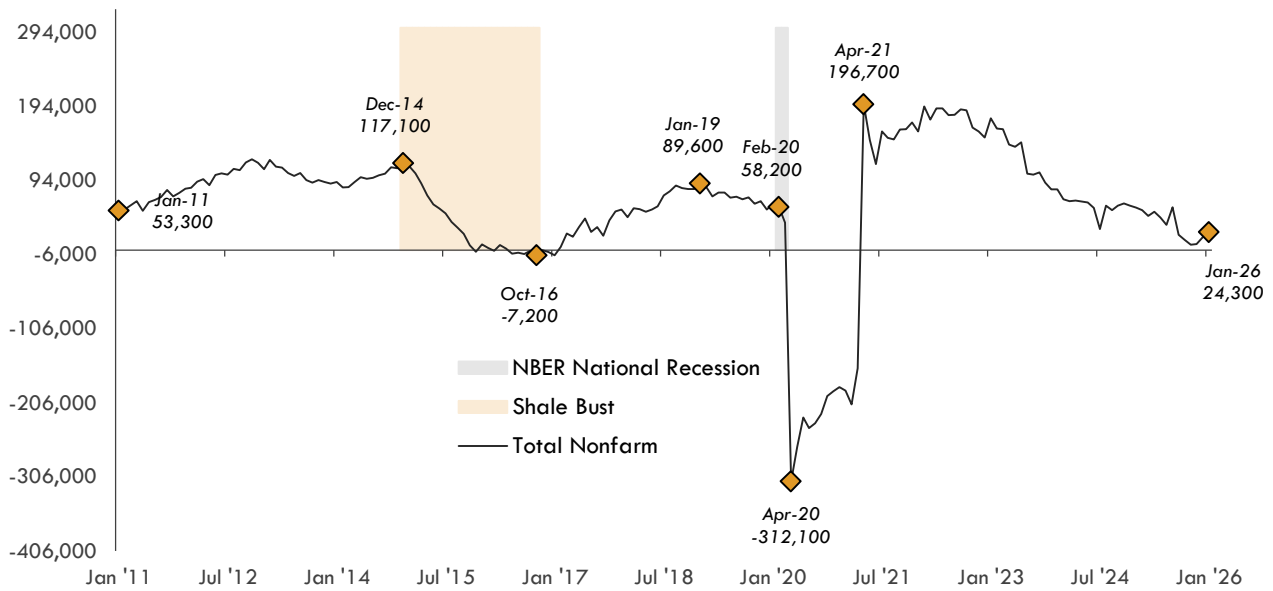
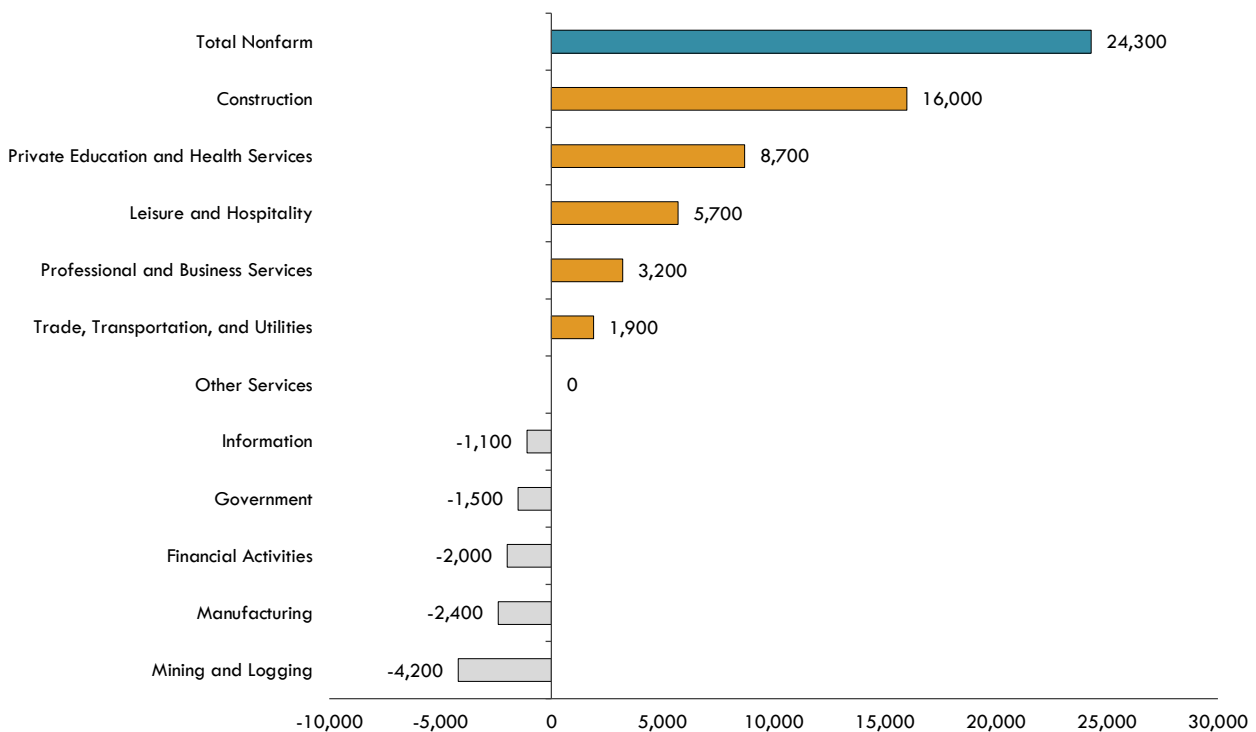


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
January 2025 to January 2026



DECLINING INDUSTRY HIGHLIGHTS

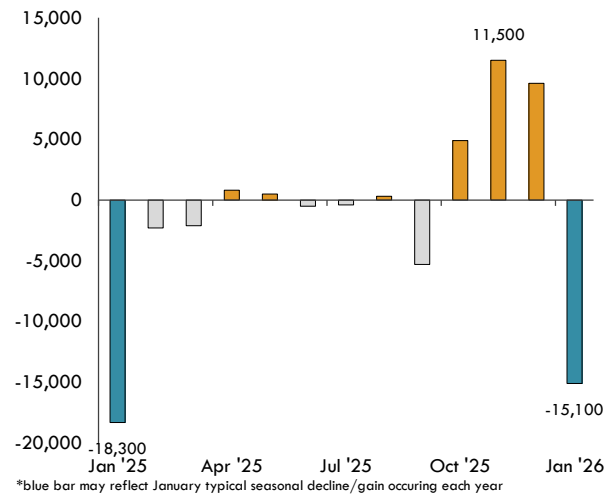
Trade, Transportation, and Utilities

Over-the-month Change

Trade, Transportation, and Utilities was the largest declining sector over the month down -15,100 jobs, or -2.1 percent (see Chart 6). Historically in the month of January, Trade, Transportation, and Utilities has lost an average of -17,600 jobs over the month, which indicates that this month's losses are slightly smaller than the long-term average decline. Retail Trade was the largest contributor to the overall sector's decline, down -12,300 jobs over the month. The second-largest declining contributor was Transportation, Warehousing, and Utilities, which lost -1,700 jobs from December to January. Lastly, Wholesale Trade subtracted, -1,100 jobs. Trade, Transportation, and Utilities employment was revised downward by -6,400 jobs for a November to December smaller net gain of 2,300 compared to an original estimate

of 8,700 jobs.

Chart 6. Trade, Transportation, and Utilities (NSA)
Over-the-month Net Change, Jan-25 to Jan-26

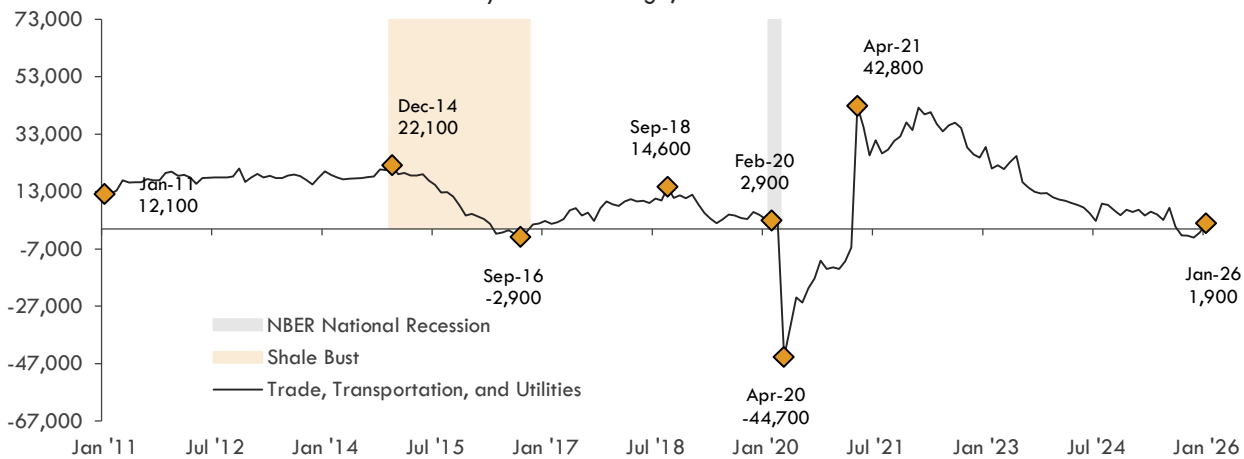


Over-the-year Change

Year over year, Trade, Transportation, and Utilities was up 1,900 jobs, or 0.3 percent (see Chart 7). This was the largest over-the-year gain since July 2025's increase of 7,200 jobs. Transportation, Warehousing, and Utilities was the largest contributor to the overall sector's increase, up 4,800 jobs over the year. One component industry that provided a partial offset was Wholesale Trade, which lost -300 jobs from January a year ago. Lastly, Retail Trade offset a portion of the sector's gains with a loss of -2,600 jobs. Total Trade, Transportation, and Utilities employment (NSA) now exceeds its

February 2020 pre-pandemic level of 628,700 jobs by 72,500, or 11.5 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 20.3 percent over the past year.

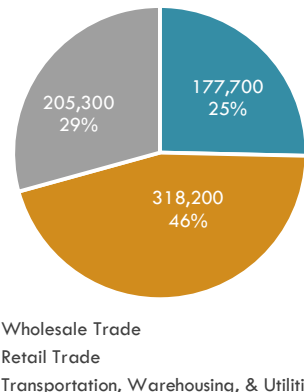
Chart 7. Trade, Transportation, and Utilities (NSA)
Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector is composed of establishments wholesaling agriculture, mining, and manufactured goods; retailing goods in small quantities to the public incl. online; transporting passengers and cargo; warehousing and storage; and providing electricity, natural gas, water, and sewage removal. Of the three main component industries, Retail Trade accounts for a plurality of the sector's employment at 45 percent (see Chart 8).

Chart 8. Employment in Component Industries of Trade, Transportation, and Utilities Sector - January 2026

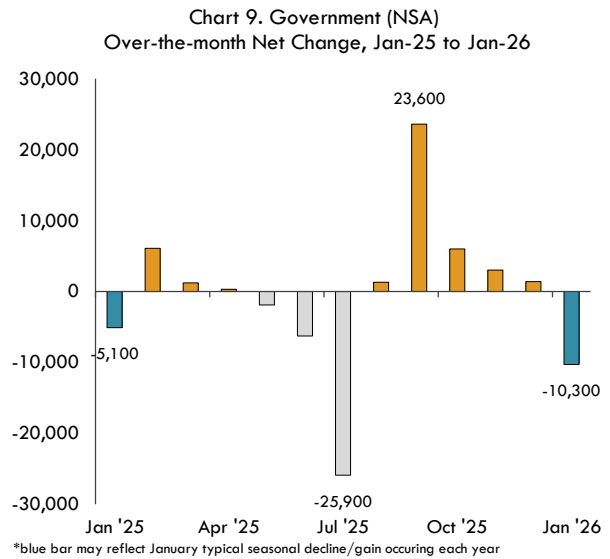


DECLINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

Government was the second-largest declining sector over the month down -10,300 jobs, or -2.2 percent (see Chart 9). Historically in the month of January, Government has lost an average of -5,100 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Local Government was the largest contributor to the overall sector's decline, down -9,400 jobs over the month. The second-largest declining contributor was Federal Government, which lost -900 jobs from December to January. Lastly, State Government saw no change over the month. Government employment was revised upward by 300 jobs for a November to December larger net gain of 2,100 compared to an original estimate of 1,800 jobs.

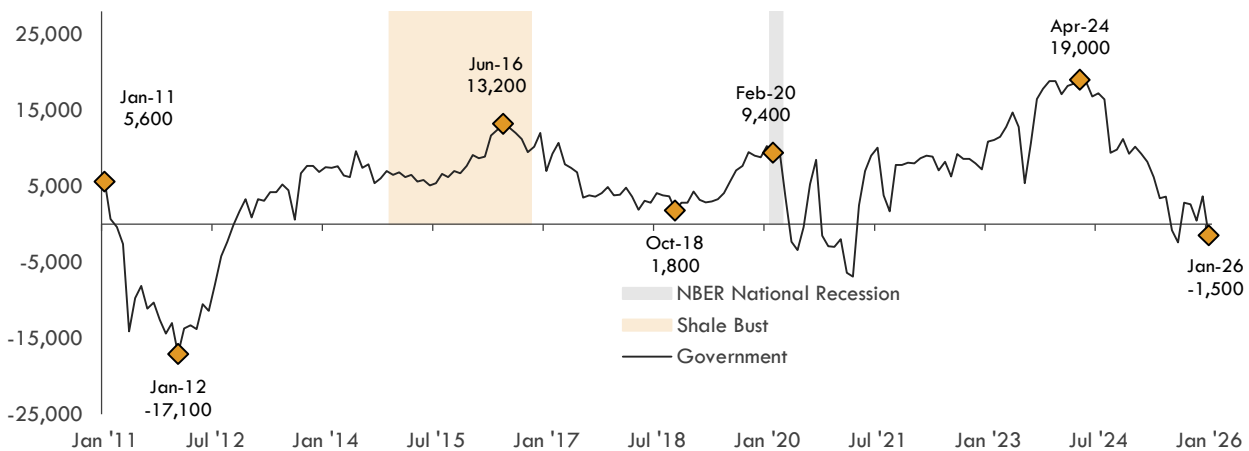


Over-the-year Change

Year over year, Government was down -1,500 jobs, or -0.3 percent (see Chart 10). This was the third-largest over-the-year decline in January since records began in 1990 and the largest over-the-year decline since August 2025's loss of -2,400 jobs. Furthermore, 13.4 percent of total (gross) jobs lost across the region over the past year can be attributed to Government. Federal Government was the largest contributor to the overall sector's decline, down -2,500 jobs over the year. The second-largest declining contributor was Local Government, which lost -1,800 jobs from January a year ago. Lastly, State Government

offset a portion of the sector's losses with a gain of 2,800 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 429,300 jobs by 33,300, or 7.8 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 13.5 percent to 13.4 percent over the past year.

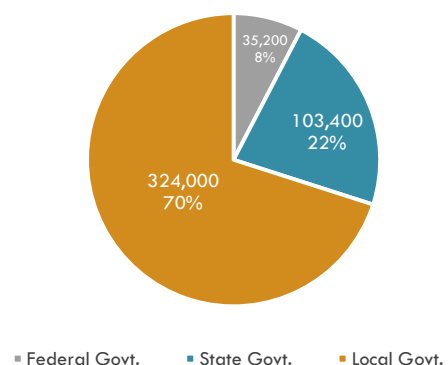
Chart 10. Government (NSA)
Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area that are not performed by private establishments. For MSA data, this includes public education but excludes healthcare. Of the three main component industries, Local Government accounts for the majority of the sector's employment at 70 percent (see Chart 11). Across the Houston MSA, the concentration of jobs in the overall Government sector is 10 percent less than the national average.

Chart 11. Employment in Component Industries of Government Sector - January 2026



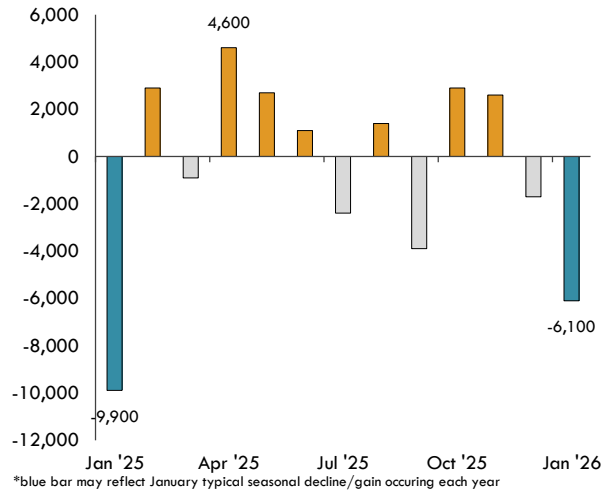
DECLINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was the third-largest declining sector over the month down -6,100 jobs, or -1.1 percent (see Chart 12). Historically in the month of January, Professional and Business Services has lost an average of -6,200 jobs over the month, which indicates that this month's losses are on par with the long-term average. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's decline, down -5,200 jobs over the month. The second-largest declining contributor was Professional, Scientific, and Technical Services, which lost -800 jobs from December to January. Lastly, Management of Companies and Enterprises subtracted, -100 jobs. Professional and Business Services employment was revised upward by 15,300 jobs for a November to December complete erasure of losses resulting in a net gain of 12,700 compared to an original estimate of -2,600 jobs.

Chart 12. Professional and Business Services (NSA)
Over-the-month Net Change, Jan-25 to Jan-26

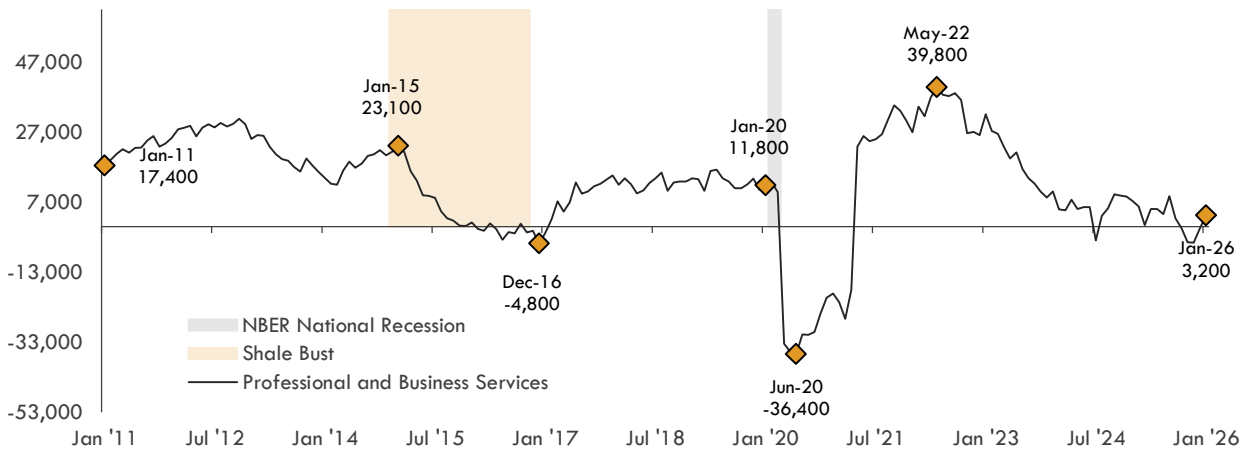


Over-the-year Change

Year over year, Professional and Business Services was up 3,200 jobs, or 0.6 percent (see Chart 13). This was the largest over-the-year gain since July 2025's increase of 8,700 jobs. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 5,900 jobs over the year. One component industry that provided a partial offset was Professional, Scientific, and Technical Services, which lost -1,200 jobs from January a year ago. Lastly, Management of Companies and Enterprises offset a portion of the sector's gains with a loss of -1,500 jobs.

Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,600 jobs by 45,800, or 8.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 16.2 percent over the past year.

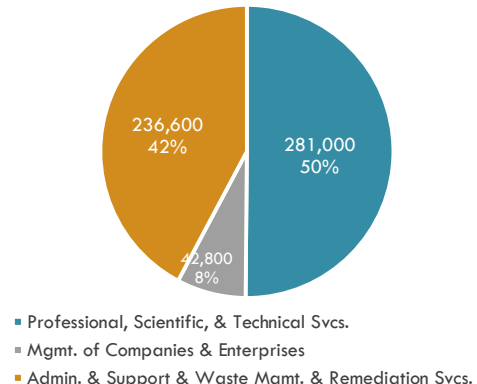
Chart 13. Professional and Business Services (NSA)
Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector is composed of establishments specializing in professional, scientific, and technical activities; management of establishments holding equity interests in order to influence management decisions; and office administration, hiring of personnel, security, cleaning, and waste disposal. Of the three main component industries, Professional, Scientific, and Technical Services accounts for a slight majority of the sector's employment at just over 50 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall sector is 15 percent higher than the national average, due to a 18-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 14. Employment in Component Industries of Professional and Business Services Sector - January 2026



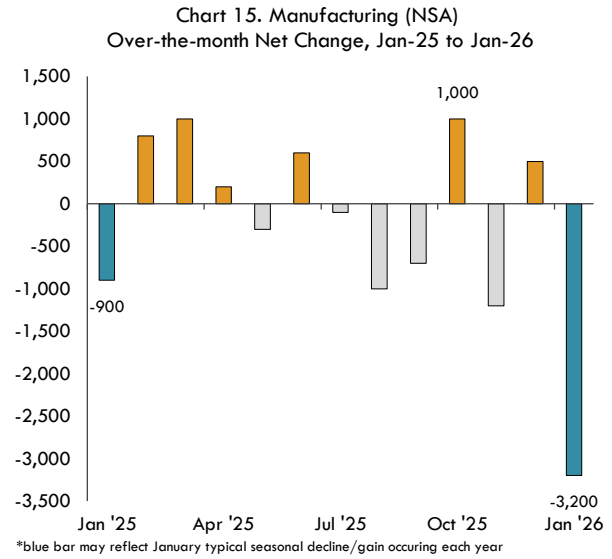
DECLINING INDUSTRY HIGHLIGHTS

Manufacturing

Over-the-month Change

Manufacturing was the fourth-largest declining sector over the month down -3,200 jobs, or -1.3 percent (see Chart 15). This was the third-largest decline in the month of January since records began in 1990. Historically in the month of January, Manufacturing has lost an average of -1,700 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. Non-Durable Goods was the largest contributor to the overall sector's decline, down -1,700 jobs over the month. The second-largest declining contributor was Durable Goods, which lost -1,500 jobs from December to January. Manufacturing employment was revised upward by 2,500 jobs for a November to December larger net gain of 3,400 compared to an

original estimate of 900 jobs.

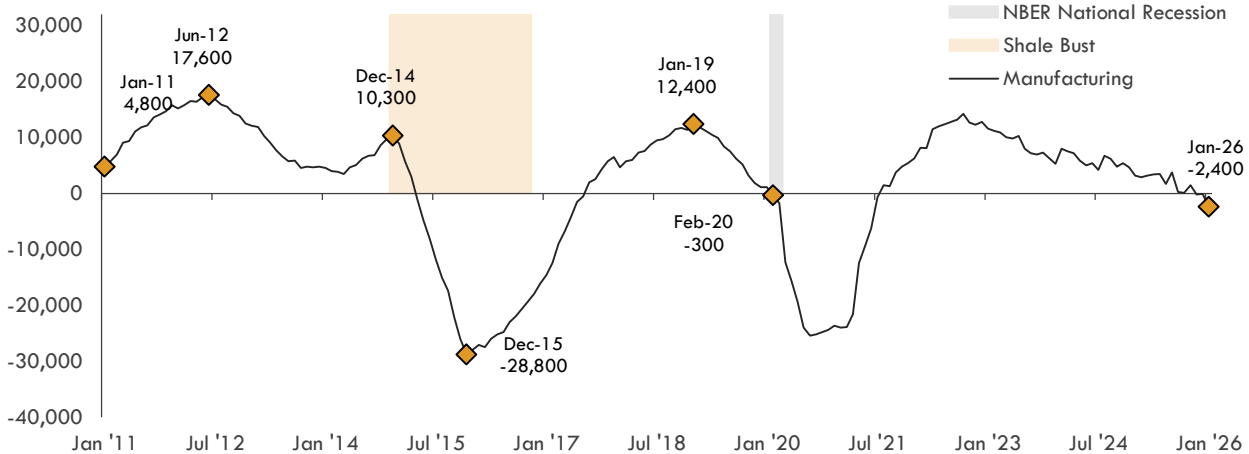


Over-the-year Change

Year over year, Manufacturing was down -2,400 jobs, or -1.0 percent (see Chart 16). This was the largest over-the-year decline since June 2021's decrease of -6,200 jobs. Furthermore, 21.4 percent of total (gross) jobs lost across the region over the past year can be attributed to Manufacturing. Non-Durable Goods was the largest contributor to the overall sector's decline, down -2,900 jobs over the year. One component industry that provided a partial offset was Durable Goods, which gained 500 jobs from January a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,700

jobs by 2,700, or 1.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 7.0 percent to 6.9 percent over the past year.

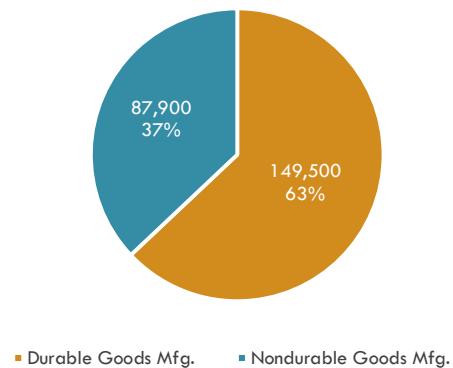
Chart 16. Manufacturing (NSA)
Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Of the two main component industries, Durable Goods accounts for the majority of the sector's employment at 63 percent (see Chart 17). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 14 percent less than the national average.

Chart 17. Employment in Component Industries of Manufacturing Sector - January 2026

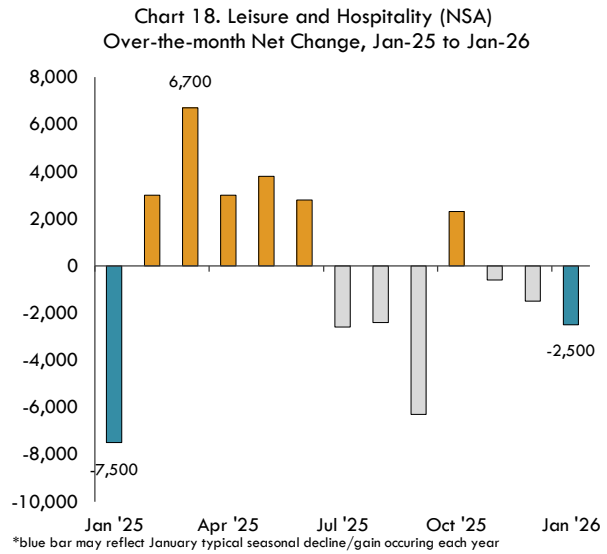


DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

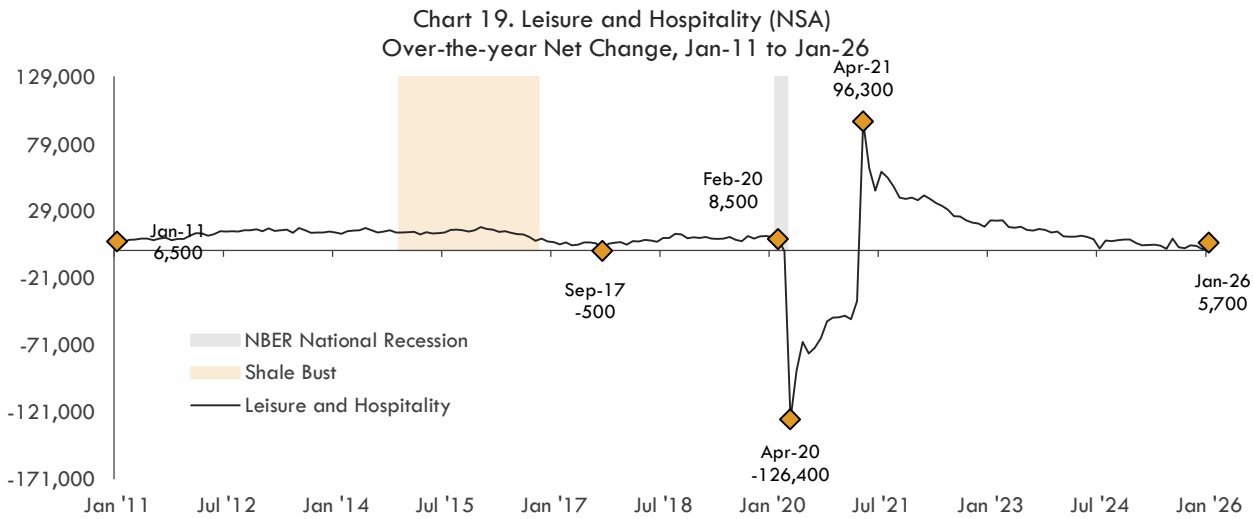
Leisure and Hospitality was the fifth-largest declining sector over the month down -2,500 jobs, or -0.7 percent (see Chart 18). Historically in the month of January, Leisure and Hospitality has lost an average of -4,400 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -1,900 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -600 jobs from December to January. Leisure and Hospitality employment was revised downward by -1,600 jobs for a November to December larger net loss of -4,700 compared to an original estimate of -3,100 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 5,700 jobs, or 1.6 percent (see Chart 19). This was the largest over-the-year gain since July 2025's increase of 9,000 jobs. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 16.1 percent of total (gross) jobs added across the region over the past year can be attributed to Leisure and Hospitality. Accommodation and Food Services was the largest contributor to the overall sector's increase, up 4,100 jobs over the year. The second-largest contributor was

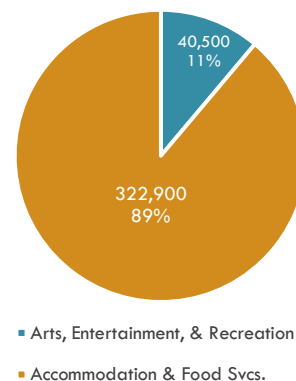
Arts, Entertainment, and Recreation, which added 1,600 jobs from January a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,600 jobs by 28,800, or 8.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 10.4 percent over the past year.



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, or exhibits of historical, cultural, or educational interest or related to recreation or hobbies intended for public viewing; and provide customers with lodging and/or meals and beverages for immediate consumption. NOTE: movie theaters are classified under the Information sector rather than Leisure and Hospitality. Of the two main component industries, Accommodation and Food Services accounts for the majority of the sector's employment at 89 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall sector is 1 percent higher than the national average.

Chart 20. Employment in Component Industries of Leisure and Hospitality Sector - January 2026

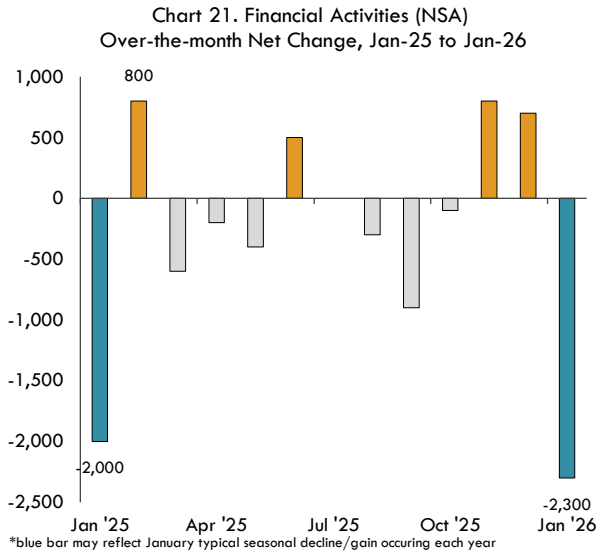


DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

Financial Activities was the sixth-largest declining sector over the month down -2,300 jobs, or -1.3 percent (see Chart 21). Historically in the month of January, Financial Activities has lost an average of -1,400 jobs over the month, which indicates that this month's losses are moderately larger than the long-term average decline. Real Estate and Rental and Leasing was the largest contributor to the overall sector's decline, down -1,300 jobs over the month. The second-largest declining contributor was Finance and Insurance, which lost -1,000 jobs from December to January. Financial Activities employment was revised downward by -4,100 jobs for a November to December complete erasure of gains leaving a net loss of -3,200 compared to an original estimate of 900 jobs.

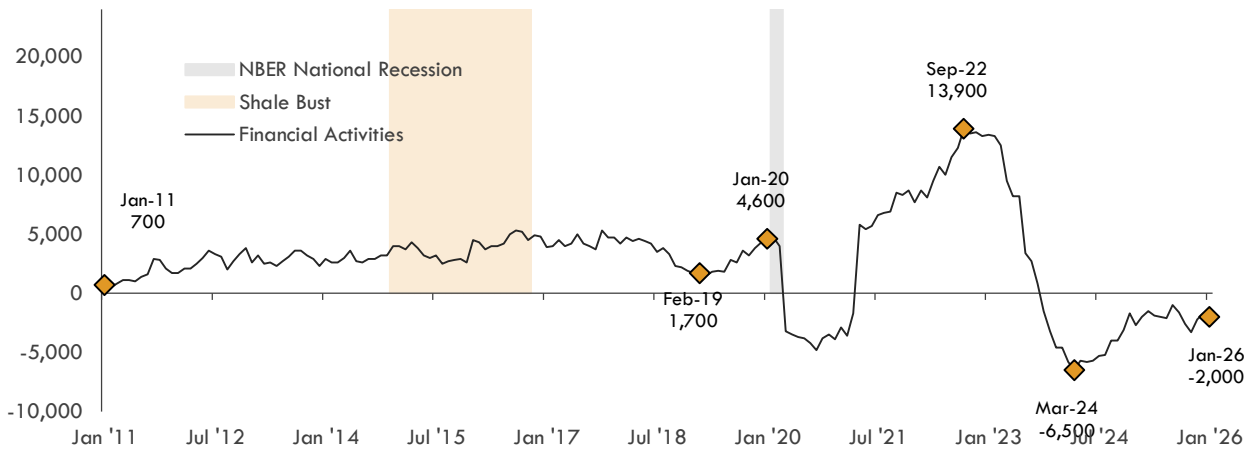


Over-the-year Change

Year over year, Financial Activities was down -2,000 jobs, or -1.1 percent (see Chart 22). Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Furthermore, 17.9 percent of total (gross) jobs lost across the region over the past year can be attributed to Financial Activities. Finance and Insurance was the largest contributor to the overall sector's decline, down -2,100 jobs over the year. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which gained 100 jobs from January a year ago. Total Financial Activities

employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 7,800, or 4.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 5.2 percent over the past year.

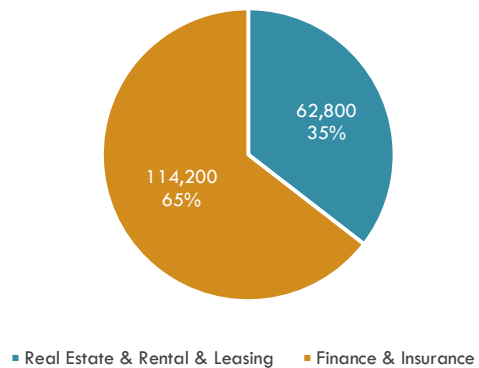
Chart 22. Financial Activities (NSA)
Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector is composed of establishments renting, leasing, or allowing use of assets, and financial transactions such as creation, liquidation, or change in ownership of financial assets, underwriting of insurance, and annuities. Of the two main component industries, Finance and Insurance accounts for the majority of the sector's employment at 65 percent (see Chart 23). Across the Houston MSA, the concentration of jobs in the overall Financial Activities sector is 12 percent less than the national average, due to a 23-percent lower concentration in Finance and Insurance offsetting a 18-percent higher concentration in Real Estate and Rental and Leasing.

Chart 23. Employment in Component Industries of
Financial Activities Sector - January 2026

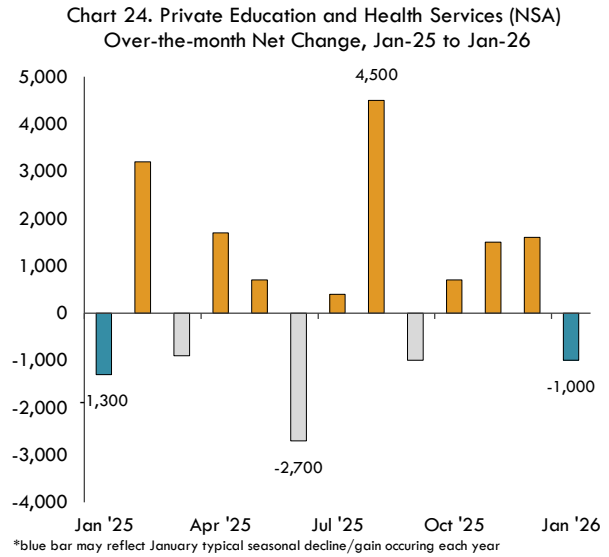


DECLINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

Over-the-month Change

Private Education and Health Services was the seventh-largest declining sector over the month down -1,000 jobs, or -0.2 percent (see Chart 24). Historically in the month of January, Private Education and Health Services has lost an average of -3,200 jobs over the month, which indicates that this month's losses are substantially smaller than the long-term average decline. Private Educational Services was the largest contributor to the overall sector's decline, down -1,100 jobs over the month. One component industry that provided a partial offset was Health Care and Social Assistance, which gained 100 jobs from December to January. Private Education and Health Services employment was revised downward by -2,200 jobs for a November to December larger net loss of -3,900 compared to an original estimate of -1,700 jobs.

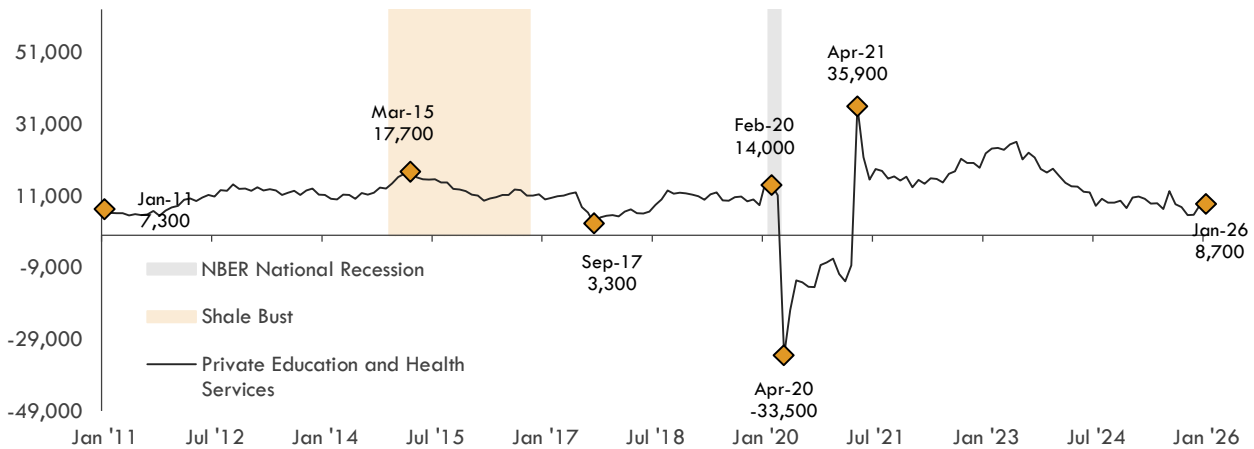


Over-the-year Change

Year over year, Private Education and Health Services was up 8,700 jobs, or 1.9 percent (see Chart 25). This was the largest over-the-year gain since August 2025's increase of 8,700 jobs. Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 24.5 percent of total (gross) jobs added across the region over the past year can be attributed to Private Education and Health Services. Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 8,400 jobs over the year. The second-largest contributor was Private

Educational Services, which added 300 jobs from January a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,600 jobs by 57,700, or 13.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 13.5 percent to 13.6 percent over the past year.

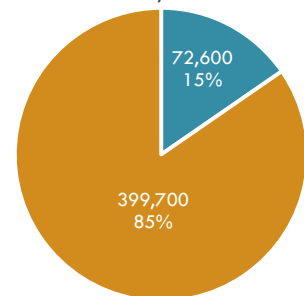
Chart 25. Private Education and Health Services (NSA) Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector is composed of establishments that provide private education services (i.e. excluding publicly-funded primary, secondary, and postsecondary institutions) and establishments that provide healthcare and social assistance to individuals. Of the two main component industries, Health Care and Social Assistance accounts for the majority of the sector's employment at 85 percent (see Chart 26). Across the Houston MSA, the concentration of jobs in the overall sector is 23 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 26. Employment in Component Industries of Private Education and Health Services Sector - January 2026



■ Priv. Educational Svcs. ■ Health Care & Social Assistance

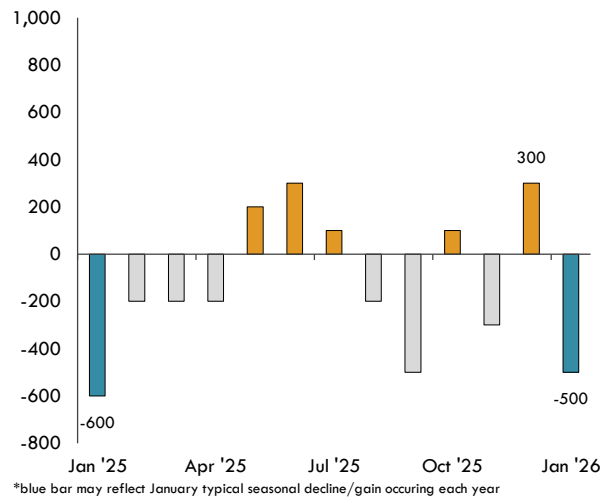
DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

Information was the eighth-largest declining sector over the month down -500 jobs, or -1.8 percent (see Chart 27). Historically in the month of January, Information has lost an average of -500 jobs over the month, which indicates that this month's losses are on par with the long-term average. Other Information Undefined was the largest contributor to the overall sector's decline, down -400 jobs over the month. The second-largest declining contributor was Telecommunications, which lost -100 jobs from December to January. Information employment was revised downward by -600 jobs for a November to December complete erasure of gains leaving a net loss of -100 compared to an original estimate of 500 jobs.

Chart 27. Information (NSA)
Over-the-month Net Change, Jan-'25 to Jan-'26

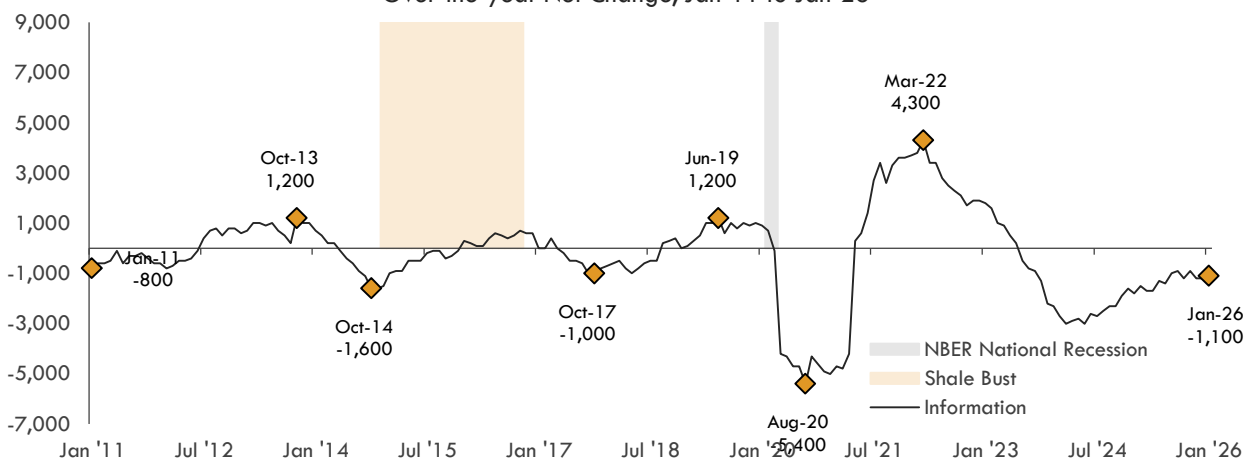


Over-the-year Change

Year over year, Information was down -1,100 jobs, or -3.8 percent (see Chart 28). Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Other Information Undefined was the largest contributor to the overall sector's decline, down -900 jobs over the year. The second-largest declining contributor was Telecommunications, which lost -200 jobs from January a year ago. Total Information employment (NSA) remains -4,800 jobs, or -14.7 percent below its February 2020 pre-pandemic level of 32,700. At the same time, the sector's share of Houston area Total

Nonfarm Employment has remained constant at 0.8 percent over the past year.

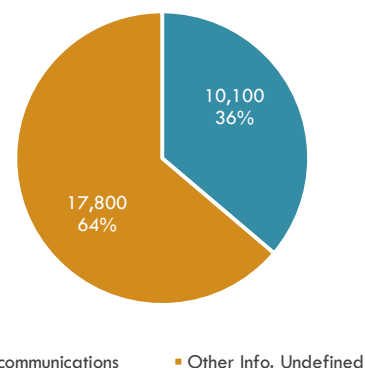
Chart 28. Information (NSA)
Over-the-year Net Change, Jan-'11 to Jan-'26



About This Sector

This sector comprises establishments producing and distributing information and cultural products, e.g. traditional and online news publishing; software publishing; the motion picture and sound recording; TV broadcasting; and telecommunications. Of the two main component industries, Other Information Undefined accounts for the majority of the sector's employment at 64 percent (see Chart 29). Across the Houston MSA, the concentration of jobs in the overall Information sector is 55 percent less than the national average.

Chart 29. Employment in Component Industries of Information Sector - January 2026

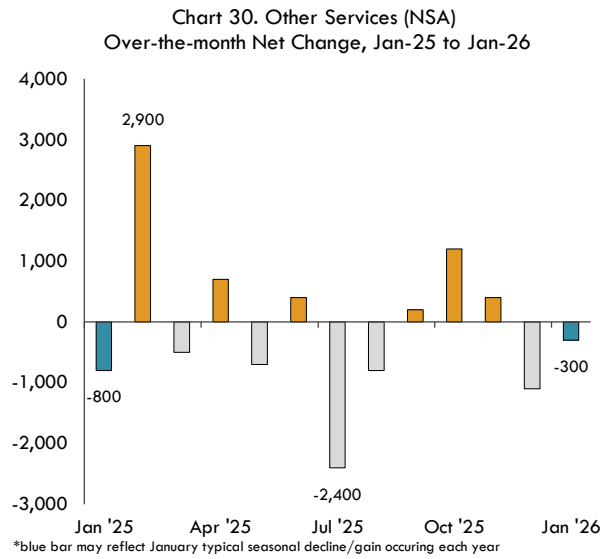


DECLINING INDUSTRY HIGHLIGHTS

Other Services

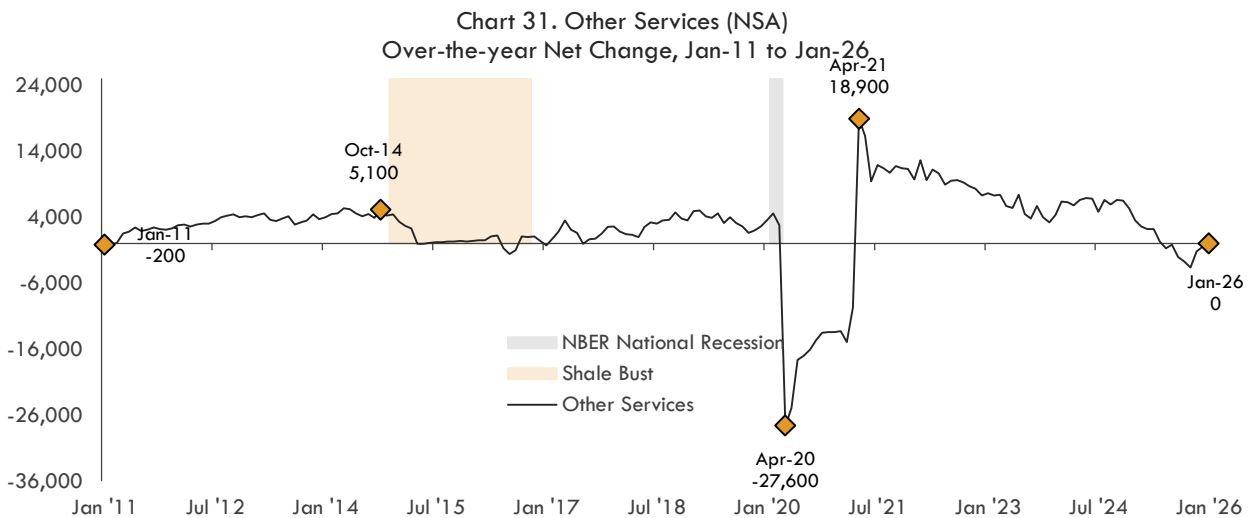
Over-the-month Change

Other Services was the ninth-largest declining sector over the month down -300 jobs, or -0.2 percent (see Chart 30). Historically in the month of January, Other Services has lost an average of -300 jobs over the month, which indicates that this month's losses are on par with the long-term average. NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Other Services employment was revised downward by -6,000 jobs for a November to December larger net loss of -7,500 compared to an original estimate of -1,500 jobs.



Over-the-year Change

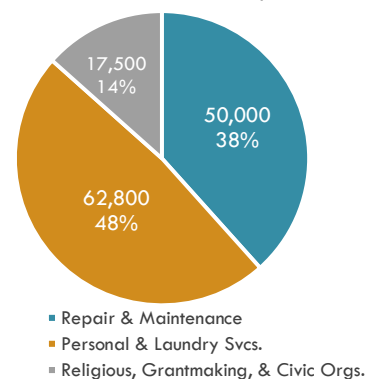
Year over year, Other Services saw no change. (see Chart 31). NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,200 jobs by 11,000, or 9.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 3.8 percent over the past year.



About This Sector

This sector comprises establishments engaged in services not classified elsewhere such as equipment and machinery repair, religious activities, grantmaking, advocacy, and providing dry-cleaning and laundry services, and personal care services. Of the three main component industries, Personal and Laundry Services accounts for a plurality of the sector's employment at 48 percent as a subsector where self-employment is prevalent (source: Census - Non Employer Statistics and BLS - Quarterly Census of Employment and Wages) (see Chart 32). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 1 percent less than the national average.

Chart 32. Employment in Component Industries of Other Services Sector - January 2026



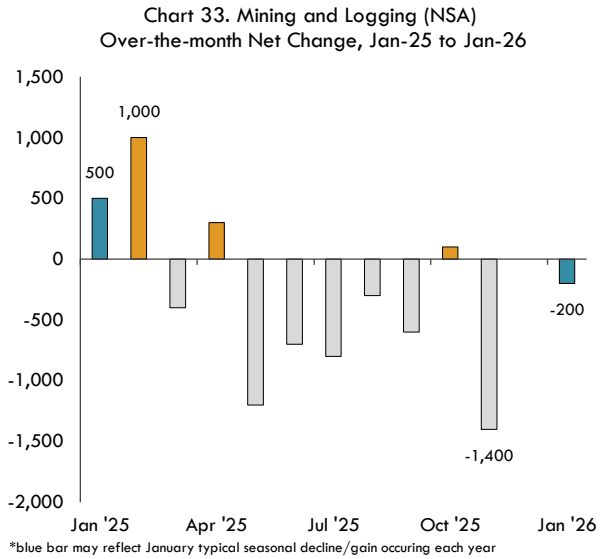
*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

Mining and Logging was the tenth-largest declining sector over the month down -200 jobs, or -0.3 percent (see Chart 33). Historically in the month of January, Mining and Logging has lost an average of -800 jobs over the month, which indicates that this month's losses are slightly smaller than the long-term average decline. Oil and Gas Extraction was the largest contributor to the overall sector's decline, down -100 jobs over the month. The second-largest declining contributor was Support Activities for Mining, which lost -100 jobs from December to January. Lastly, Other Mining and Logging Undefined saw no change over the month. Mining and Logging employment was revised downward by -8,700 jobs for a November to December complete erasure of gains leaving a net loss of -8,400 compared to an original estimate of 300 jobs.

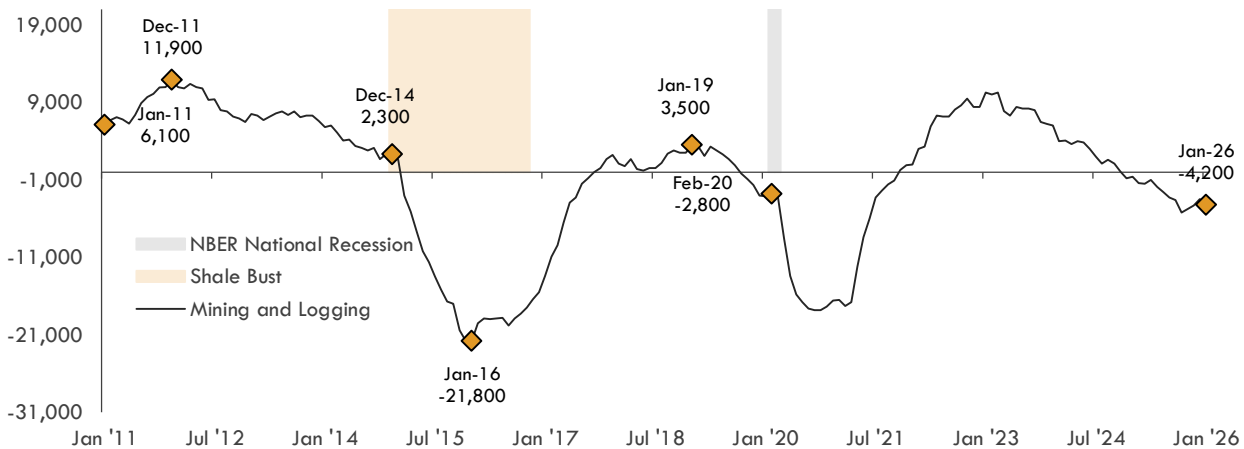


Over-the-year Change

Year over year, Mining and Logging was down -4,200 jobs, or -5.5 percent (see Chart 34). Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 37.5 percent of total (gross) jobs lost across the region over the past year can be attributed to Mining and Logging. Oil and Gas Extraction was the largest contributor to the overall sector's decline, down -2,500 jobs over the year. The second-largest declining contributor was Support Activities for Mining, which lost -1,500 jobs from January a year ago. Lastly, Other Mining and Logging Undefined

-200 jobs. Total Mining and Logging employment (NSA) remains -6,800 jobs, or -8.7 percent below its February 2020 pre-pandemic level of 78,400. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 2.2 percent to 2.1 percent over the past year.

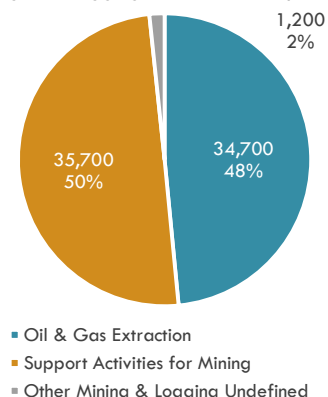
Chart 34. Mining and Logging (NSA) Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector comprises establishments extracting naturally occurring minerals such as coal and ores; liquid minerals, such as crude petroleum and natural gas; and timber. Of the three main component industries, Support Activities for Mining accounts for a plurality of the sector's employment at 50 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Mining and Logging sector is 5.4 times the national average, due to the region's role as a global hub for the oil and gas industry.

Chart 35. Employment in Component Industries of Mining and Logging Sector - January 2026



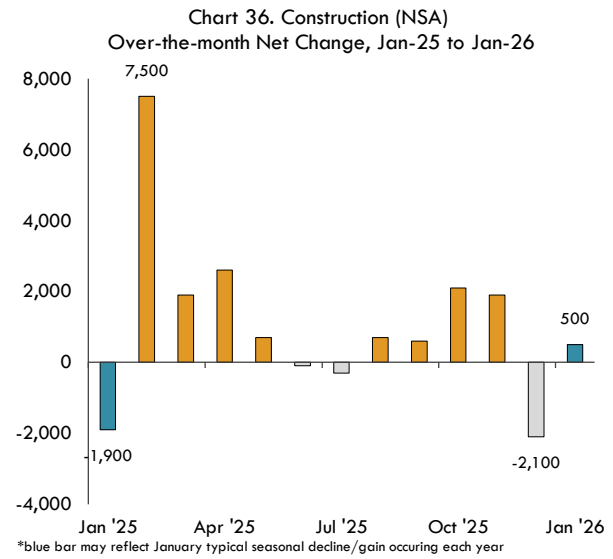
GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the largest gaining sector over the month up 500 jobs, or 0.2 (see Chart 36). This was the third-largest gain in the month of January since records began in 1990. Historically in the month of January, Construction has lost an average of -3,300 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 300 jobs over the month. The second-largest contributor was Construction of Buildings, which added 100 jobs from December to January. Lastly, Specialty Trade Contractors contributed, 100 jobs. Construction employment was revised upward by 20,400 jobs for a November

to December complete erasure of losses resulting in a net gain of

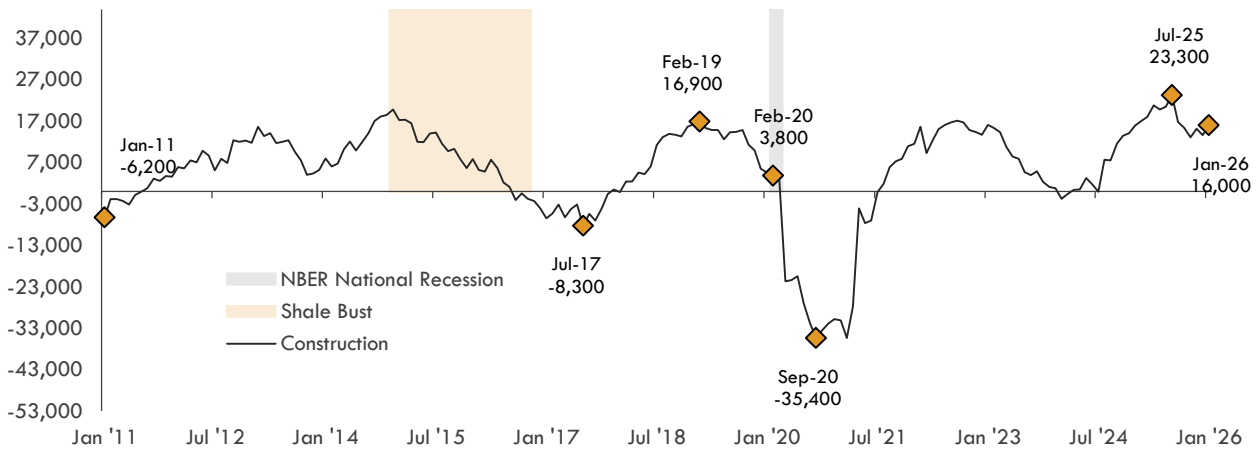


Over-the-year Change

Year over year, Construction was up 16,000 jobs, or 6.6 percent (see Chart 37). This was the largest over-the-year gain since August 2025's increase of 16,800 jobs. Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 45.1 percent of total (gross) jobs added across the region over the past year can be attributed to Construction. Heavy and Civil Engineering Construction was the largest contributor to the overall sector's increase, up 6,900 jobs over the year. The second-largest contributor was Specialty Trade Contractors, which added 5,700

jobs from January a year ago. Lastly, Construction of Buildings contributed, 3,400 jobs. Total Construction employment (NSA) now exceeds its February 2020 pre-pandemic level of 237,400 jobs by 20,500, or 8.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 7.0 percent to 7.4 percent over the past year.

Chart 37. Construction (NSA) Over-the-year Net Change, Jan-11 to Jan-26



About This Sector

This sector comprises establishments engaged in the construction of buildings, infrastructure, site preparation and sub-division, and specialty trades e.g. masonry, painting, and electrical work. Of the three main component industries, Specialty Trade Contractors accounts for a plurality of the sector's employment at 49 percent (see Chart 38). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 46 percent higher than the national average, due to 2.7 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 38. Employment in Component Industries of Construction Sector - January 2026



Local Area Unemployment Statistics

Not-Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (not-seasonally-adjusted) unemployment rate stood at 4.9 percent in January, up from December's 4.3 percent and up from 4.5 percent a year ago. This was above the statewide rate of 4.5 percent and above the national rate of 4.7 percent. An over-the-month increase is typical each January due to the conclusion of holiday-related seasonal jobs 188,905 individuals were unemployed in Houston in January, up from December's 166,640 and up from 173,599 in January 2025 (see Charts 39 and 40).

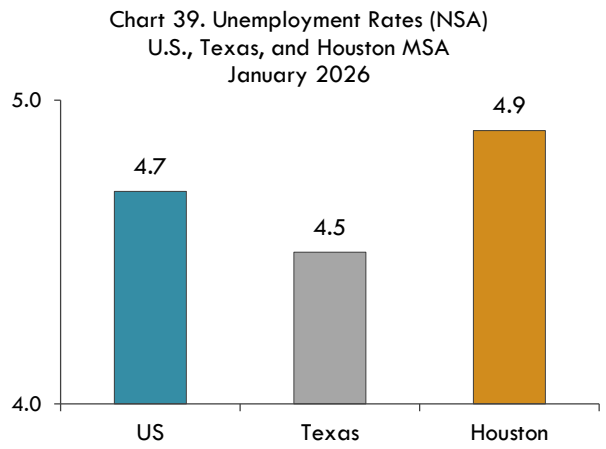
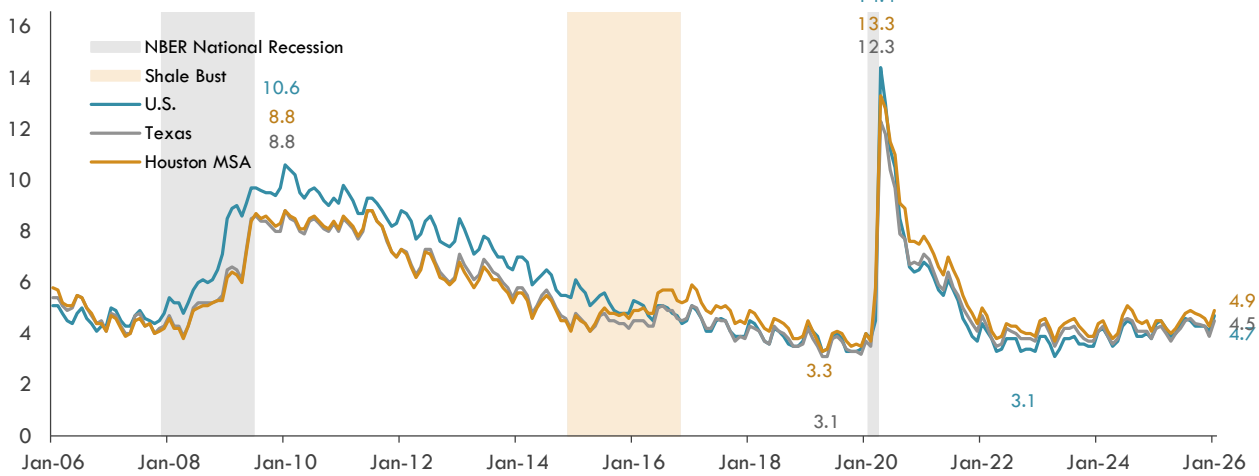


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA) January 2006 to January 2026

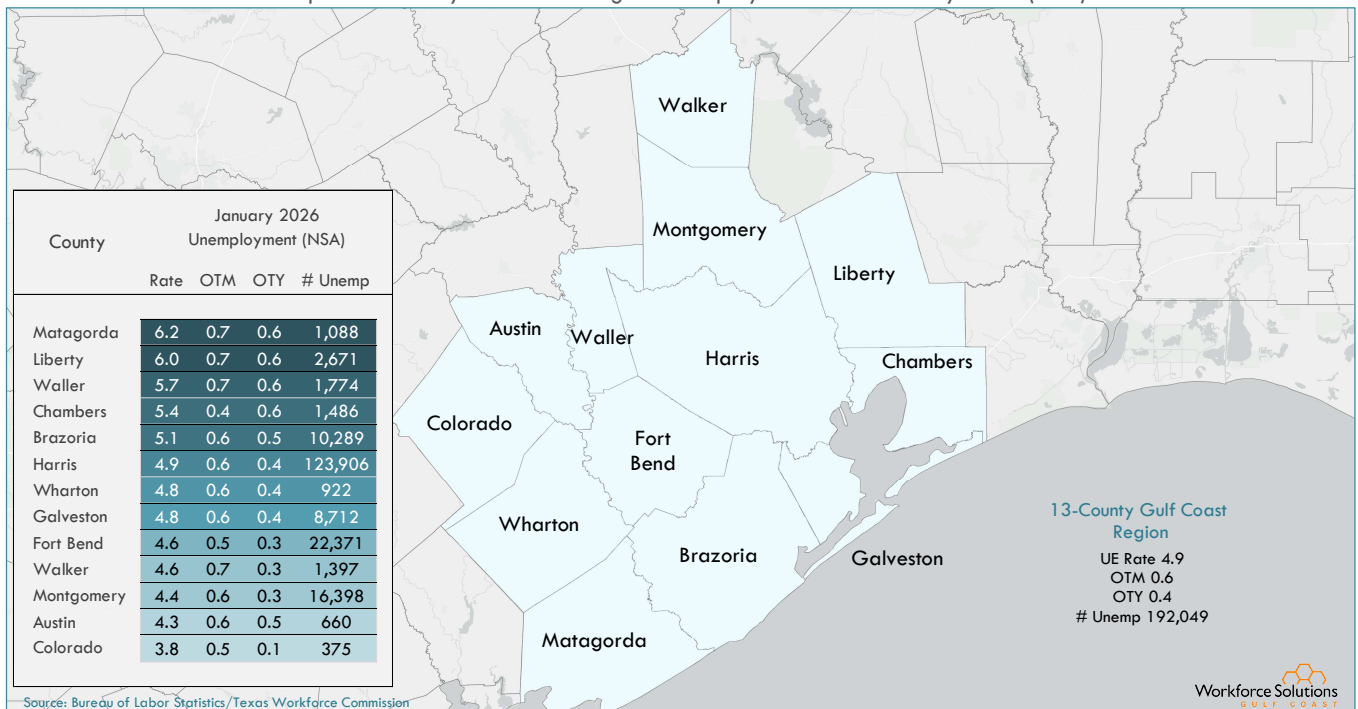


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in January ranged from a high of 6.2 percent in Matagorda County to a low of 3.8 percent in Colorado. Over the month, all 13 counties saw their unemployment rates rise in keeping with the region-wide increase of 0.6 percentage points. Liberty saw the largest percentage-point increase in unemployment up 0.7 pp. representing 296 more unemployed workers compared to the previous month. This was followed by Matagorda (0.7 pp, 134 workers) and Walker (0.7 pp, 206 workers).

Over the year unemployment rates also rose with, Matagorda posting the largest increase, up 0.6 percentage points representing 139 more unemployed workers compared to a year ago followed by Liberty (0.6 pp, 277 workers) and Waller (0.6 pp, 182 workers). Since peaking at 448,855 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -256,806 as of this January (see Map 1 legend).

Map 1. 13-County Gulf Coast Region Unemployment Rates January 2026 (NSA)



Local Area Unemployment Statistics (continued)

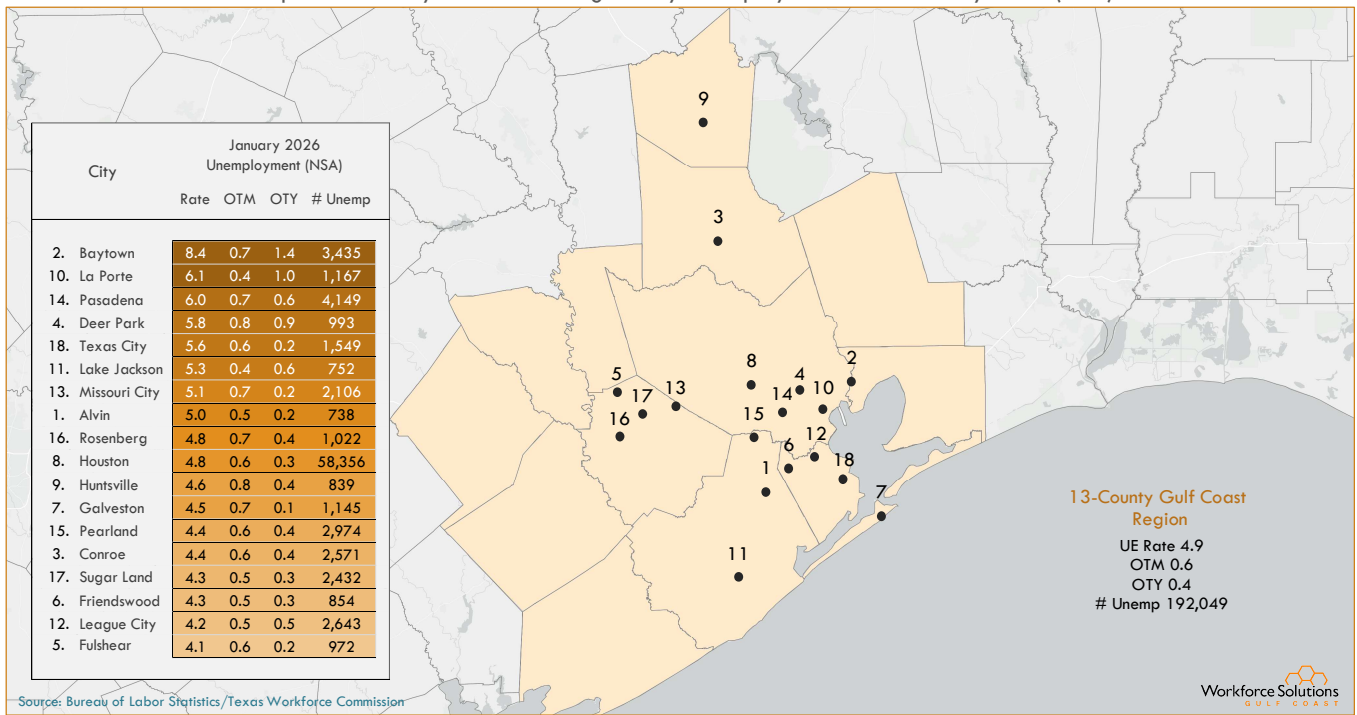
Not-Seasonally Adjusted

Unemployment Rates for Select Municipalities

Among the 18 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in January ranged from a high of 8.4 percent in Baytown to a low of 4.1 percent in Fulshear (see Map 2 legend). Over the month, all 18 cities saw their unemployment rates rise in keeping with the region-wide increase of 0.6 percentage points. Deer Park saw the largest percentage-point increase in unemployment up 0.8 pp.

representing 134 more unemployed workers compared to the previous month. This was followed by Huntsville (0.8 pp, 133 workers) and Missouri City (0.7 pp, 278 workers). Over the year unemployment rates also rose with, Baytown posting the largest increase, up 1.4 percentage points representing 594 more unemployed workers compared to a year ago followed by La Porte (1.0 pp, 199 workers) and Deer Park (0.9 pp, 161 workers). The 18 cities below accounted for 46 percent of the 192,049 unemployed workers across the Gulf Coast Region as of this January (see Map 2 legend).

Map 2. 13-County Gulf Coast Region City Unemployment Rates January 2026 (NSA)



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.5 percent in December, unchanged from November's 4.5 percent and up from 4.4 percent a year ago. This was above the statewide rate of 4.3 percent and above the national rate of 4.4 percent. 178,093 individuals were unemployed in Houston in December, down slightly from November's 177,473 and up from 171,613 in December 2024 (see Charts 41 and 42). NOTE: Seasonally-adjusted data for the MSA are available with a one-month delay but are not available for the 13-County Region or 18 cities.

Gulf Coast Workforce Solutions Index (WSI)

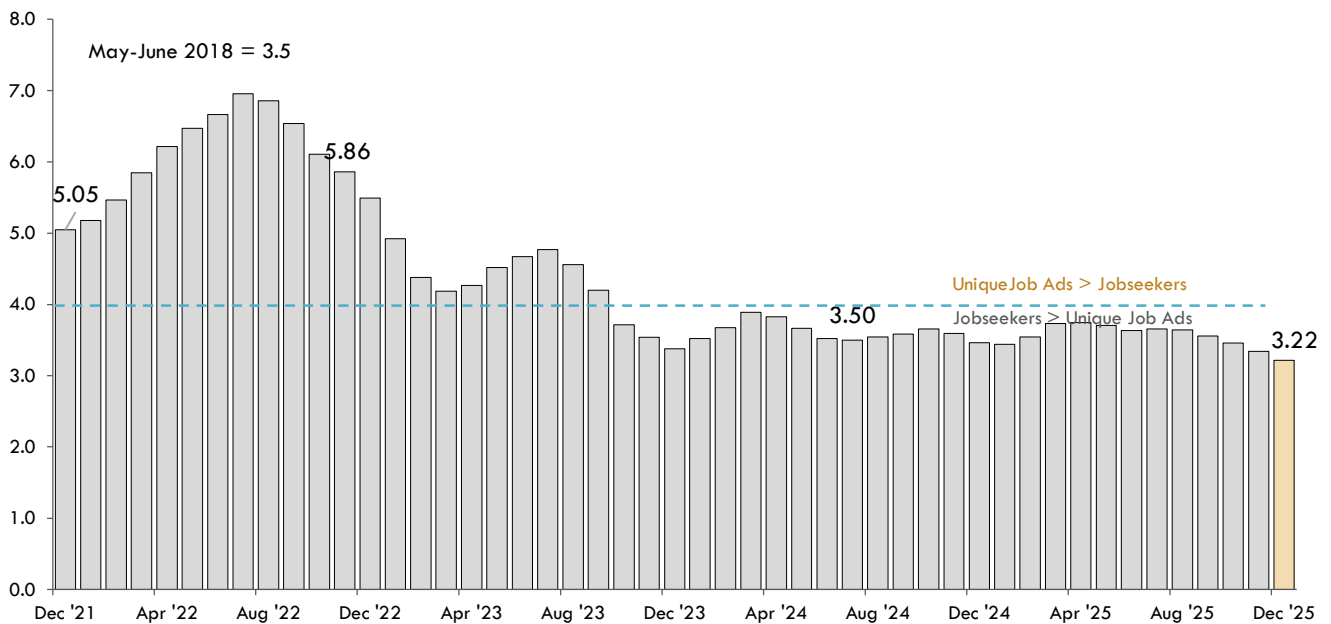


The Gulf Coast Workforce Solutions Index (WSI)

The WSI is an indicator designed to capture shifts in the local labor market, specifically the balance between available jobs and unemployed workers at a given point in time. Values above 4.0 signal a surplus of jobs while values less than 4.0 signal a surplus of jobseekers. The Gulf Coast Workforce Board monitors the WSI as part of its ongoing review of the region's unemployment insurance work search requirement and reserves the right to adjust the number of weekly job search contacts as labor market conditions warrant. In the event of change to the work search requirement, the Board will notify the Texas Workforce Commission who will in turn notify UI recipients.

WSI Reading
December
2025:
3.22

Gulf Coast Workforce Solutions Index - Houston MSA 2020 - 2025 (SA)



Source(s): Emsi-Burning Glass and BLS/TWC - LAUS
Note: data subject to revisions.



Workforce Solutions Index December 2025

The Houston MSA WSI for December stood at 3.23, down from November's 3.34. This was the result of a 15,000 decrease in the number of active job ads between November and December coupled with a 5,000 increase in the number of unemployed individuals between October and November. As of December the index has remained below the equilibrium value of 4.0 for 27 consecutive months while remaining above 3.0. As a result, the WSI continues to suggest that a requirement of three work search activities each week may be appropriate for individuals receiving unemployment insurance given the relative availability of jobs at present.



Houston Area Employment Situation

January 2026

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Jan-26	Dec-25	Jan-25	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,461,900	3,502,900	3,437,600	-41,000	-1.2%	24,300	0.7%
Total Private	2,999,300	3,030,000	2,973,500	-30,700	-1.0%	25,800	0.9%
Goods Producing	566,900	569,800	557,500	-2,900	-0.5%	9,400	1.7%
.Mining and Logging	71,600	71,800	75,800	-200	-0.3%	-4,200	-5.5%
...Oil and Gas Extraction	34,700	34,800	37,200	-100	-0.3%	-2,500	-6.7%
...Support Activities for Mining	35,700	35,800	37,200	-100	-0.3%	-1,500	-4.0%
.Construction	257,900	257,400	241,900	500	0.2%	16,000	6.6%
..Construction of Buildings	65,800	65,700	62,400	100	0.2%	3,400	5.4%
..Heavy and Civil Engineering Construction	66,400	66,100	59,500	300	0.5%	6,900	11.6%
..Specialty Trade Contractors	125,700	125,600	120,000	100	0.1%	5,700	4.8%
.Manufacturing	237,400	240,600	239,800	-3,200	-1.3%	-2,400	-1.0%
..Durable Goods	149,500	151,000	149,000	-1,500	-1.0%	500	0.3%
...Fabricated Metal Product Manufacturing	54,700	55,100	53,800	-400	-0.7%	900	1.7%
...Machinery Manufacturing	39,500	39,700	39,700	-200	-0.5%	-200	-0.5%
....Agriculture, Construction, and Mining Machinery Mfg.	18,700	18,900	19,300	-200	-1.1%	-600	-3.1%
...Computer and Electronic Product Manufacturing	15,200	15,300	14,600	-100	-0.7%	600	4.1%
..Non-Durable Goods	87,900	89,600	90,800	-1,700	-1.9%	-2,900	-3.2%
...Petroleum and Coal Products Manufacturing	7,500	7,600	8,200	-100	-1.3%	-700	-8.5%
...Chemical Manufacturing	43,100	43,900	43,500	-800	-1.8%	-400	-0.9%
Service Providing	2,895,000	2,933,100	2,880,100	-38,100	-1.3%	14,900	0.5%
.Private Service Providing	2,432,400	2,460,200	2,416,000	-27,800	-1.1%	16,400	0.7%
..Trade, Transportation, and Utilities	701,200	716,300	699,300	-15,100	-2.1%	1,900	0.3%
...Wholesale Trade	177,700	178,800	178,000	-1,100	-0.6%	-300	-0.2%
....Merchant Wholesalers, Durable Goods	110,600	111,000	110,800	-400	-0.4%	-200	-0.2%
.....Prof. and Commercial Equip. Supplies Wholesalers	18,000	18,200	18,000	-200	-1.1%	0	0.0%
....Merchant Wholesalers, Nondurable Goods	55,500	55,800	55,600	-300	-0.5%	-100	-0.2%
...Retail Trade	318,200	330,500	320,800	-12,300	-3.7%	-2,600	-0.8%
....Motor Vehicle and Parts Dealers	44,400	45,200	45,000	-800	-1.8%	-600	-1.3%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,400	24,000	23,900	-600	-2.5%	-500	-2.1%
....Food and Beverage Stores	78,000	78,800	77,500	-800	-1.0%	500	0.6%
....Health and Personal Care Stores	61,700	65,600	63,000	-3,900	-5.9%	-1,300	-2.1%
....Clothing and Clothing Accessories Stores	16,600	18,800	17,400	-2,200	-11.7%	-800	-4.6%
....General Merchandise Stores	45,100	46,800	45,600	-1,700	-3.6%	-500	-1.1%
.....Department Stores	22,700	23,400	22,400	-700	-3.0%	300	1.3%
.....Other General Merchandise Stores	25,100	27,100	26,000	-2,000	-7.4%	-900	-3.5%
...Transportation, Warehousing, and Utilities	205,300	207,000	200,500	-1,700	-0.8%	4,800	2.4%
....Utilities	25,000	25,000	23,900	0	0.0%	1,100	4.6%
.....Air Transportation	21,600	21,500	21,400	100	0.5%	200	0.9%
.....Truck Transportation	30,800	30,900	30,200	-100	-0.3%	600	2.0%
.....Pipeline Transportation	15,800	15,700	14,800	100	0.6%	1,000	6.8%
..Information	27,900	28,400	29,000	-500	-1.8%	-1,100	-3.8%
...Telecommunications	10,100	10,200	10,300	-100	-1.0%	-200	-1.9%
..Financial Activities	177,000	179,300	179,000	-2,300	-1.3%	-2,000	-1.1%
...Finance and Insurance	114,200	115,200	116,300	-1,000	-0.9%	-2,100	-1.8%
....Credit Intermediation and Related Activities	44,900	45,200	46,000	-300	-0.7%	-1,100	-2.4%
.....Depository Credit Intermediation	29,900	30,200	30,700	-300	-1.0%	-800	-2.6%
.....Securities, Commodity Contracts, and Fin. Investments	20,400	20,700	20,800	-300	-1.4%	-400	-1.9%
....Insurance Carriers and Related Activities	48,900	49,300	49,500	-400	-0.8%	-600	-1.2%
...Real Estate and Rental and Leasing	62,800	64,100	62,700	-1,300	-2.0%	100	0.2%
..Professional and Business Services	560,400	566,500	557,200	-6,100	-1.1%	3,200	0.6%
...Professional, Scientific, and Technical Services	281,000	281,800	282,200	-800	-0.3%	-1,200	-0.4%
....Legal Services	34,400	34,700	33,600	-300	-0.9%	800	2.4%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	27,400	27,000	29,100	400	1.5%	-1,700	-5.8%
....Architectural, Engineering, and Related Services	78,400	78,800	77,100	-400	-0.5%	1,300	1.7%
....Computer Systems Design and Related Services	41,400	41,600	43,200	-200	-0.5%	-1,800	-4.2%
...Management of Companies and Enterprises	42,800	42,900	44,300	-100	-0.2%	-1,500	-3.4%
...Admin. and Support and Waste Mgmt. and Remediation	236,600	241,800	230,700	-5,200	-2.2%	5,900	2.6%
....Administrative and Support Services	222,500	227,700	217,400	-5,200	-2.3%	5,100	2.3%
.....Employment Services	78,100	83,900	77,700	-5,800	-6.9%	400	0.5%
.....Services to Buildings and Dwellings	58,000	58,400	54,100	-400	-0.7%	3,900	7.2%
..Educational and Health Services	472,300	473,300	463,600	-1,000	-0.2%	8,700	1.9%
...Educational Services	72,600	73,700	72,300	-1,100	-1.5%	300	0.4%
...Health Care and Social Assistance	399,700	399,600	391,300	100	0.0%	8,400	2.1%
....Ambulatory Health Care Services	202,500	203,100	197,600	-600	-0.3%	4,900	2.5%
....Hospitals	101,700	101,600	98,600	100	0.1%	3,100	3.1%
..Leisure and Hospitality	363,400	365,900	357,700	-2,500	-0.7%	5,700	1.6%
...Arts, Entertainment, and Recreation	40,500	41,100	38,900	-600	-1.5%	1,600	4.1%
...Accommodation and Food Services	322,900	324,800	318,800	-1,900	-0.6%	4,100	1.3%
....Accommodation	26,500	26,700	27,000	-200	-0.7%	-500	-1.9%
....Food Services and Drinking Places	296,400	298,100	291,800	-1,700	-0.6%	4,600	1.6%
..Other Services	130,200	130,500	130,200	-300	-0.2%	0	0.0%
Government	462,600	472,900	464,100	-10,300	-2.2%	-1,500	-0.3%
.Federal Government	35,200	36,100	37,700	-900	-2.5%	-2,500	-6.6%
.State Government	103,400	103,400	100,600	0	0.0%	2,800	2.8%
..State Government Educational Services	56,100	56,400	54,500	-300	-0.5%	1,600	2.9%
.Local Government	324,000	333,400	325,800	-9,400	-2.8%	-1,800	-0.6%
..Local Government Educational Services	221,300	230,000	222,400	-8,700	-3.8%	-1,100	-0.5%

Houston Area Employment Situation

SPECIAL REPORT

2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Houston Ends 2025 with 2,700 More Jobs than Previously Estimated but Sees Dramatic Revisions to Some Sectors

Revisions and the Impact on Employment in 2025

With the release of the 2025 annual benchmark revisions to the Current Employment Statistics (CES) payroll estimates, we now have a more accurate picture of Houston's job growth last year. As with each year's revisions, there were expectations that some sectors would see additional gains and losses. This in turn had the potential to tip the scales towards stronger, weaker, or effectively same level of job growth for the full year depending on performance of the underlying sectors. Pre-benchmark revisions, the Houston MSA ended 2025 with 14,800 jobs added over the year, not seasonally adjusted. Post-revisions, that number rose slightly to 17,500 for an additional 2,700 jobs added compared to the original estimate. Seasonally adjusted, these figures rose from 13,500 to 14,000 resulting in even less change across pre- and post-benchmark revisions. While the additional jobs were certainly welcome, the trend of positive yet much slower job growth in 2025 observed at local, statewide, and national levels remained intact. As a reminder, a typical year for Houston during periods of economic expansion yields around 60,000 to 65,000 jobs. Hence achieving roughly one-quarter of this figure placed 2025 in second to last place among all years since 1990 during which Houston has managed to end with net positive job growth. While not the strongest finish to the year, the revised data now shows that Houston was at risk of even less job growth as fall got underway with year-over-year growth slowing to just 7,100 jobs in October and 7,900 November. Excluding the extreme year-over-year losses in early 2021 due to the pandemic, one would have to look back to February 2017 for next most recent point in time that job growth was positive yet sub-10,000 for the region. (See Charts 1 and 2.)

Beyond the modest upward revision to total employment, the benchmark revisions provide important insight into the composition of job growth in 2025. Rather than reflecting broad-based expansion, the revised data point to a labor market characterized by significant divergence across industries. The year 2025 was marked by several meaningful shifts in the economic environment that directly affected Houston's economy, and the revisions help provide a clearer picture of how these forces played out across sectors.

One of the most important developments was the decline in oil prices throughout 2025, which continued into early 2026 before reversing amid geopolitical tensions in the Middle East. Oil prices began the year near \$72 per barrel in the first quarter and fell to below \$60 per barrel by the fourth quarter. This decline had direct implications for Houston's energy sector, which remains a critical component of the regional economy, supporting a substantial share of employment either directly or indirectly. Lower prices contributed to reduced drilling activity, slower capital investment, and more cautious hiring across energy-related industries, including mining, support activities, and segments of professional services.

In addition, evolving trade policy introduced another layer of uncertainty. Houston, home to the biggest port in the country, is particularly sensitive to changes in global trade flows. The effects of new tariffs and trade measures began to emerge ahead of their formal implementation in April 2025, with impacts varying across industries due to delays, exemptions, and ongoing policy adjustments. While some sectors benefited from shifts in supply chains and domestic production, others experienced disruptions in trade volumes and increased costs, contributing to uneven employment outcomes in trade, transportation, and related industries.

Monetary policy also played a significant role in shaping economic conditions. Interest rates remained elevated for much of 2025, even as inflation moderated. Although the Federal Reserve began easing policy in September, implementing a total of 75 basis points in rate cuts by year-end, borrowing costs remained relatively high compared to recent years. Expectations of eventual rate reductions influenced both consumer behavior and business investment decisions, but the lagged effects of tighter financial conditions continued to weigh on interest-sensitive sectors such as construction, real estate, and financial activities.

Among the sectors experiencing upward revisions, Professional and Business Services saw the biggest upward revision, shifting from a previously reported decline of 18,500 jobs to a near-flat outcome of -600. Much of this adjustment was driven by Administrative and Support and Waste Management and Remediation Services (+10,500 upward revision), which moved from a sizable loss of -7,300 to meaningful job gains of 3,200.

Continues on the next page

2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Professional and Business Services has historically been a key pillar of job growth in the Houston MSA, adding an average of more than 15,000 jobs annually (approximately 3.3 percent annual growth) since 2011, excluding the pandemic year. In 2025, however, the sector faced headwinds from declining oil prices and reduced corporate expansion, resulting in little to no net job growth. The benchmark revision provides some relief, indicating that the sector performed better than initially estimated. This revision suggests that labor demand in support services remained more resilient than initially estimated, even as higher-skill segments such as Professional, Scientific, and Technical Services continued to face headwinds. In January 2026, Professional and Business Services lost 6,100 jobs over the month, a decline broadly in line with historical seasonal patterns for January and close to the long-term average. (See Chart 3.)

Construction recorded another significant adjustment, with job gains revised sharply higher from 2,300 to 13,600 over the year. This sizable revision suggests that earlier estimates understated the strength of construction activity in 2025, particularly in infrastructure and industrial development. Houston's construction sector is somewhat unique compared to other large metropolitan areas, with a relatively higher concentration of employment tied to industrial and energy-related projects. The sector employed approximately 257,000 workers, accounting for about 7 percent of total nonfarm employment in the region. A significant portion of this activity is driven by large-scale industrial construction, including petrochemical facilities and energy infrastructure, while ongoing population growth continues to support residential and commercial development. The upward revisions were broad-based across construction subsectors, indicating stronger-than-expected activity across both private and public investment. This is consistent with continued population inflows and sustained demand for infrastructure expansion across the region. While elevated interest rates weighed on certain segments of residential and commercial construction, the revised data suggest that nonresidential and civil construction, particularly large industrial projects, provided a more substantial offset than previously captured. Recent data further reinforce this strength. Construction was the only major sector to record job gains in January, adding 500 jobs over the month. On a year-over-year basis, the sector expanded by 16,000 jobs, making it the leading contributor to employment growth in the region. These trends highlight construction's increasingly important role as a driver of job growth in Houston, even amid broader labor market moderation. (See Chart 4.)

Manufacturing employment was also revised upward, with job losses narrowing significantly from 2,600 to just 100 jobs over the year in December 2025. This revision indicates that the sector performed closer to stabilization than contraction in 2025. Gains in durable goods manufacturing, particularly in machinery and fabricated metals, helped offset continued weakness in nondurable goods tied to petrochemicals and refining. While global demand remains subdued in 2025, the revised data suggest that Houston's manufacturing base benefited from ongoing industrial activity and supply chain normalization more than initially reported. However, more recent data point to renewed short-term softness. Manufacturing employment declined by 3,200 jobs in January, a drop that is partly attributable to typical seasonal patterns but appears more pronounced than the historical average for the month. (See Chart 5.)

Smaller upward revisions were also observed within select subcomponents of other sectors, including modest improvements in Information and certain service-related industries. Although these changes were not large enough to materially alter overall sector trends, they reinforce the broader theme that parts of the economy exhibited greater resilience beneath the surface than early estimates suggested.

Despite upward adjustments in several sectors, these gains were more than offset by notable downward revisions across a number of large and economically sensitive industries. Among them, Trade, Transportation, and Utilities experienced one of the most significant revisions, shifting from a previously reported gain of 6,300 jobs to a decline of 1,300 over the year. This reversal suggests that consumer-facing and logistics-related activity weakened more than initially estimated, particularly within retail trade and distribution. The revised data point to softer goods demand and evolving trade dynamics that materialized throughout 2025, including the effects of new trade policies and shifting supply chains. Given the sector's size and its close linkage to both consumer spending and global trade flows, this downward revision carries important implications for the broader regional economy. The sector lost 15,100 jobs in January, a decline that is largely consistent with typical seasonal patterns following the holiday period, though still indicative of subdued underlying momentum. (See Charts 6 and 7.)

Mining and Logging also saw a substantial downward revision, moving from a reported gain of 1,900 jobs to a decline of 3,500. This adjustment underscores the impact of lower oil prices and reduced drilling activity throughout 2025. The revision is consistent with broader trends in the energy sector, where firms have prioritized capital discipline and efficiency gains over workforce expansion. As a result, employment in upstream and support activities contracted more than initially reported, reinforcing the sector's reduced role as a driver of job growth in the current cycle. In January, Mining and Logging employment declined modestly by 200 jobs over the month. (See Chart 8.)

Continues on the next page

2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Financial Activities was similarly revised downward, shifting from a modest gain of 1,000 jobs to a loss of 1,700 over the year. Both Finance and Insurance (-1,100) and Real Estate and Rental and Leasing (-1,600) contributed to this adjustment, reflecting the continued impact of elevated interest rates on lending activity, investment, and real estate transactions. The revised data suggest that financial sector employment faced more persistent headwinds than previously understood, particularly as higher borrowing costs constrained both business investment and housing market activity. Financial Activities lost 2,300 jobs in January, a decline somewhat larger than the historical average loss of approximately 1,400 for the month, indicating that seasonal patterns were compounded by underlying weakness in the sector. (See Chart 9.)

Several population-driven sectors also experienced downward revisions, though they remained net contributors to job growth. Private Education and Health Services saw gains revised from 12,900 to 8,400 jobs, indicating that while the sector continues to expand, the pace of growth was more moderate than initially reported. Within this sector, Health Care and Social Assistance remained a key driver, adding 7,900 jobs even after a downward revision, reinforcing its role as a foundational source of employment growth both regionally and nationally. (See Chart 10.) Similarly, Leisure and Hospitality experienced a sizable downward revision, with job gains reduced from 5,400 to just 700. This suggests that consumer-facing service activity, while still positive, slowed considerably as pandemic-era demand normalized and discretionary spending moderated. (See Chart 11.)

Government employment was also revised lower, with gains reduced from 5,500 to 3,700 jobs. While still reflecting expansion, the revision indicates somewhat slower growth in public sector employment, particularly at the local level. (See Chart 12.)

Taken together, the downward revisions reinforce the conclusion that Houston's labor market in 2025 was characterized by slower and more uneven growth than initially estimated. Weakness was most pronounced in sectors tied to energy, finance, and goods consumption, while even traditionally stable or population-driven industries expanded at a more measured pace. These patterns are consistent with broader national trends and reflect the combined effects of tighter financial conditions, shifting consumer behavior, and the continued normalization of economic activity following the pandemic recovery period.

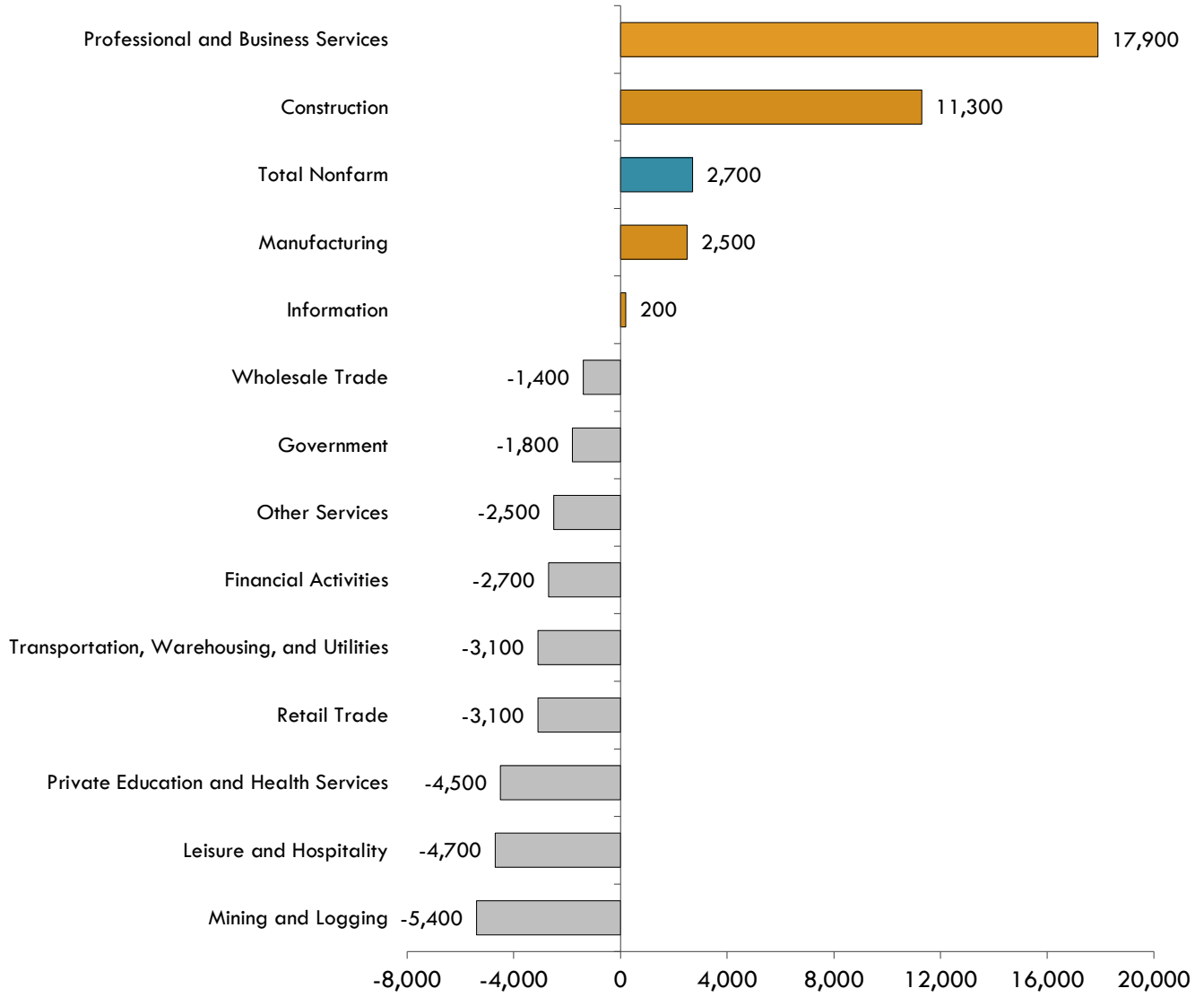
Turning to January 2026, the regional labor market behaved largely in line with typical seasonal patterns. Total nonfarm employment declined by 41,000 jobs on a not-seasonally-adjusted basis, reflecting the unwinding of holiday-related hiring, while increasing by 7,800 jobs on a seasonally adjusted basis, indicating stable underlying conditions. On a year-over-year basis, employment grew by 0.7 percent (0.6 percent seasonally adjusted), confirming continued but modest expansion.

Looking ahead, evolving conditions in energy markets, particularly recent volatility in oil prices driven by geopolitical developments, introduce additional uncertainty into the outlook. A sustained increase in oil prices could provide support to energy-related industries and downstream sectors, while also contributing to broader cost pressures across the economy. The coming months will provide a clearer indication of how Houston's economy adjusts to these shifting conditions, particularly as the region balances slower labor demand with new macroeconomic dynamics.

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2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Chart 1. 2025 Benchmark Revisions
 (+) Under and (-) Over-Estimation of Employment (NSA) Over-the-year December 2024 by Sector



Source: TWC/BLS

Line Chart Color Key

- Major Sector/Super-Sector Over-the-year Net Change
- Sub-sector/Industry Group Over-the-year Net Change

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2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Chart 2. Total Nonfarm (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change

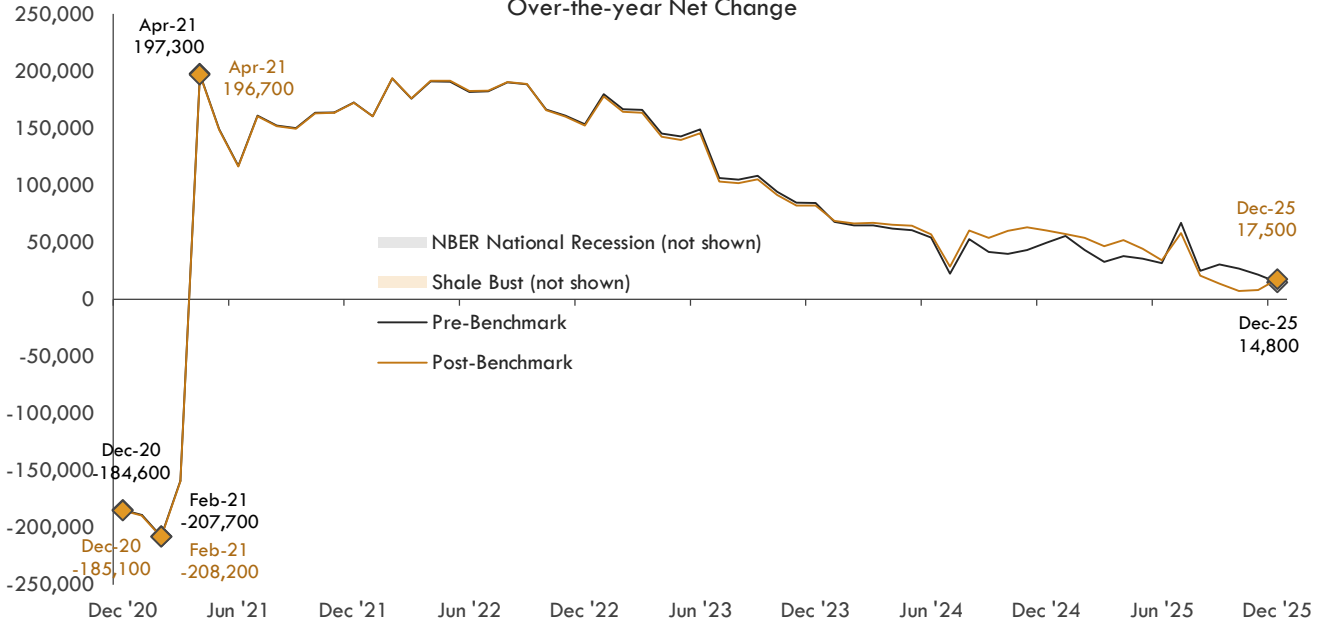


Chart 3. Professional and Business Services (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change

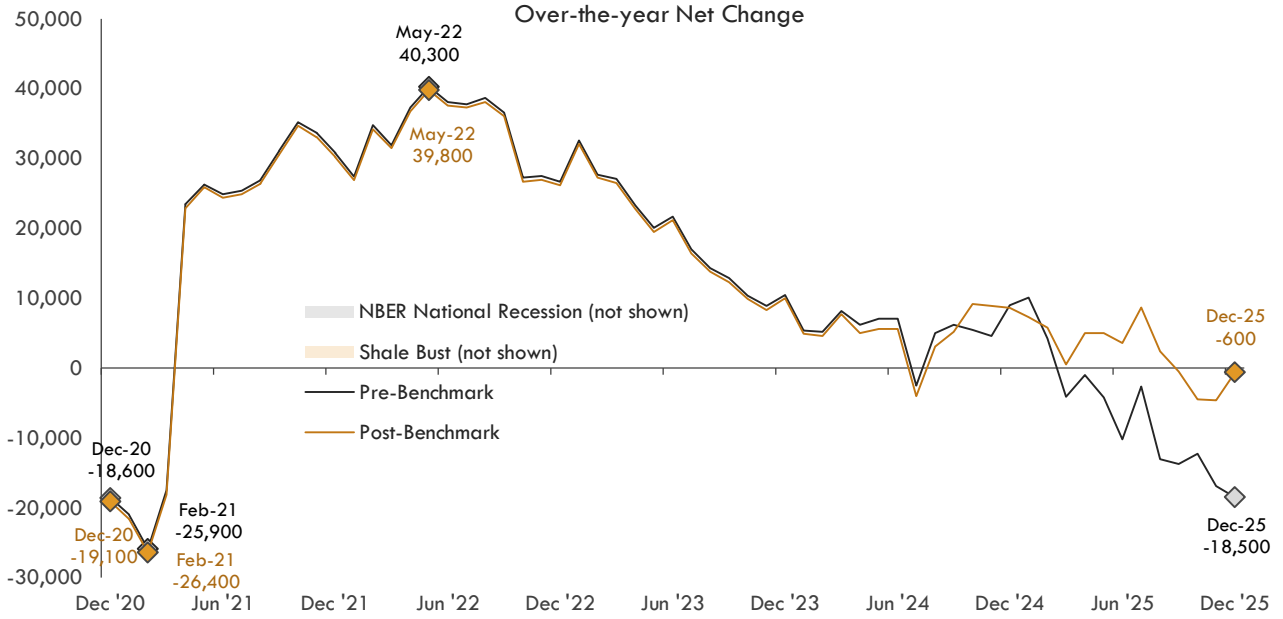
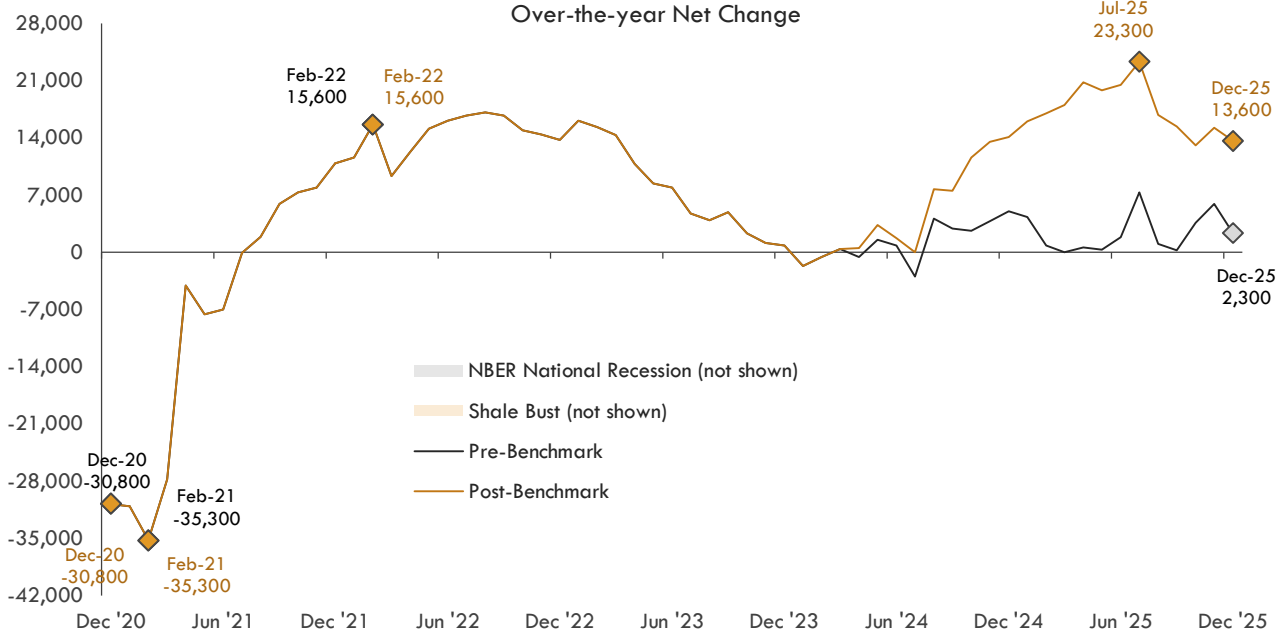
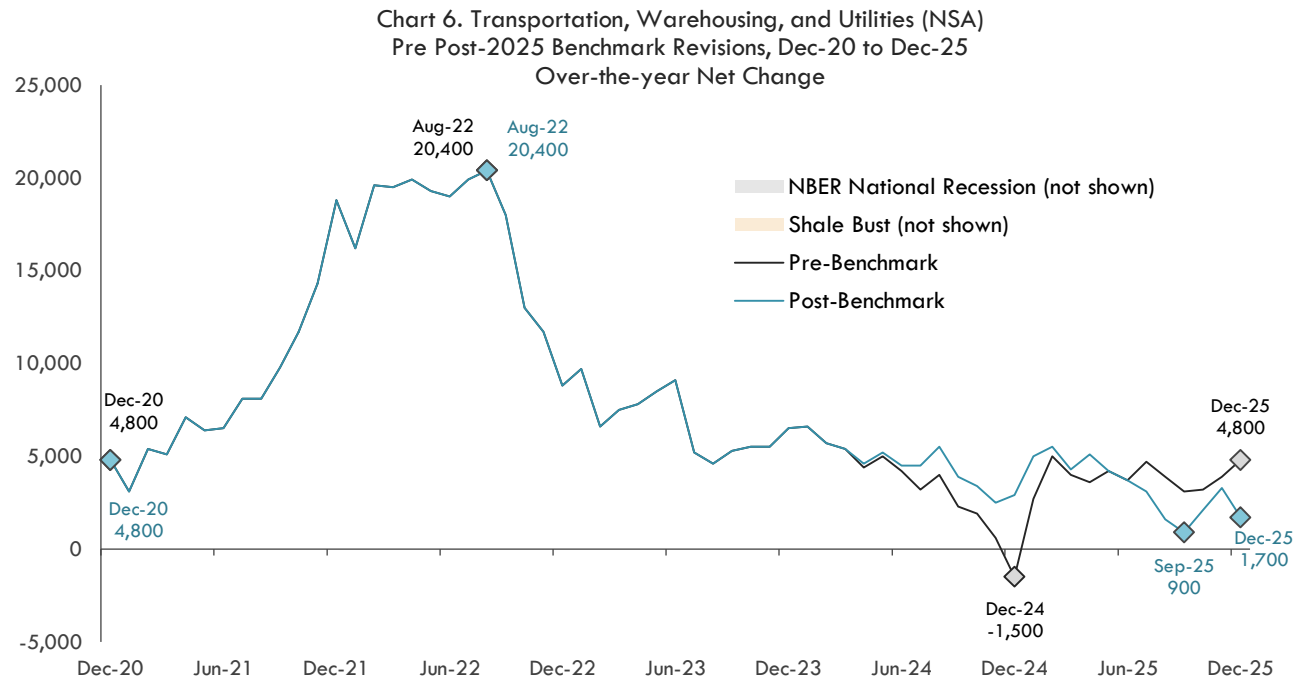
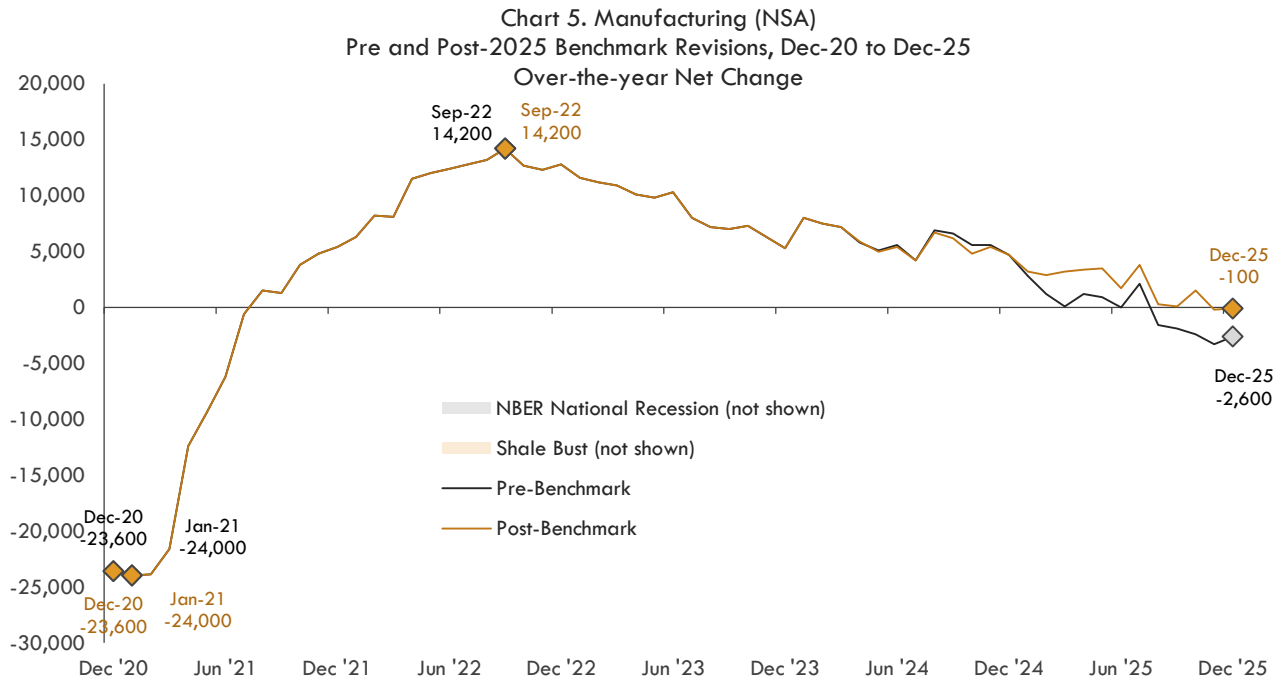


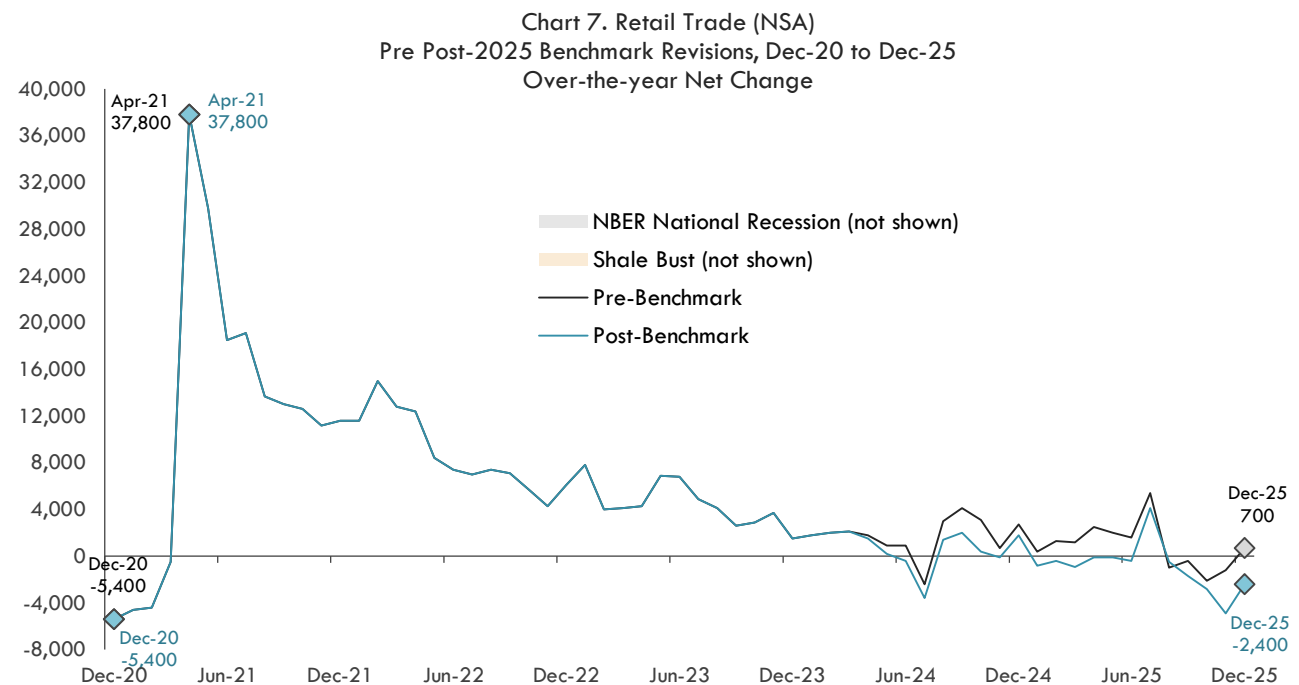
Chart 4. Construction (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change



2025 Current Employment Statistics (CES) Annual Benchmark Revisions



Source: TWC/BLS



Source: TWC/BLS

2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Chart 8. Mining and Logging (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change

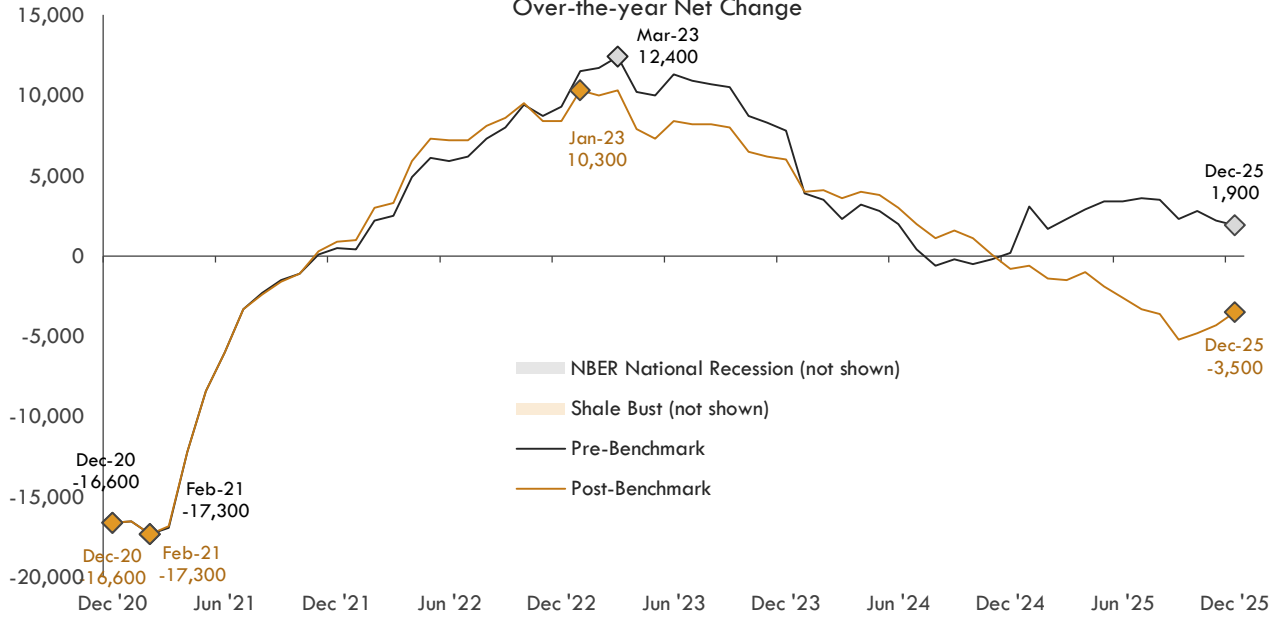


Chart 9. Financial Activities (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change

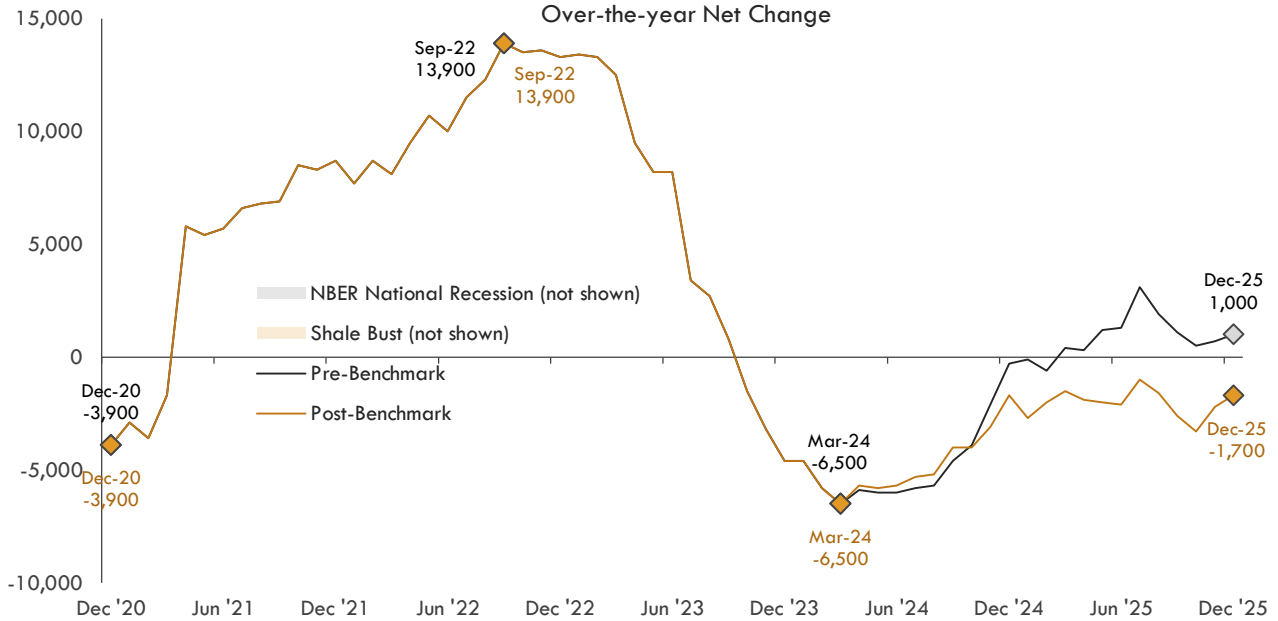
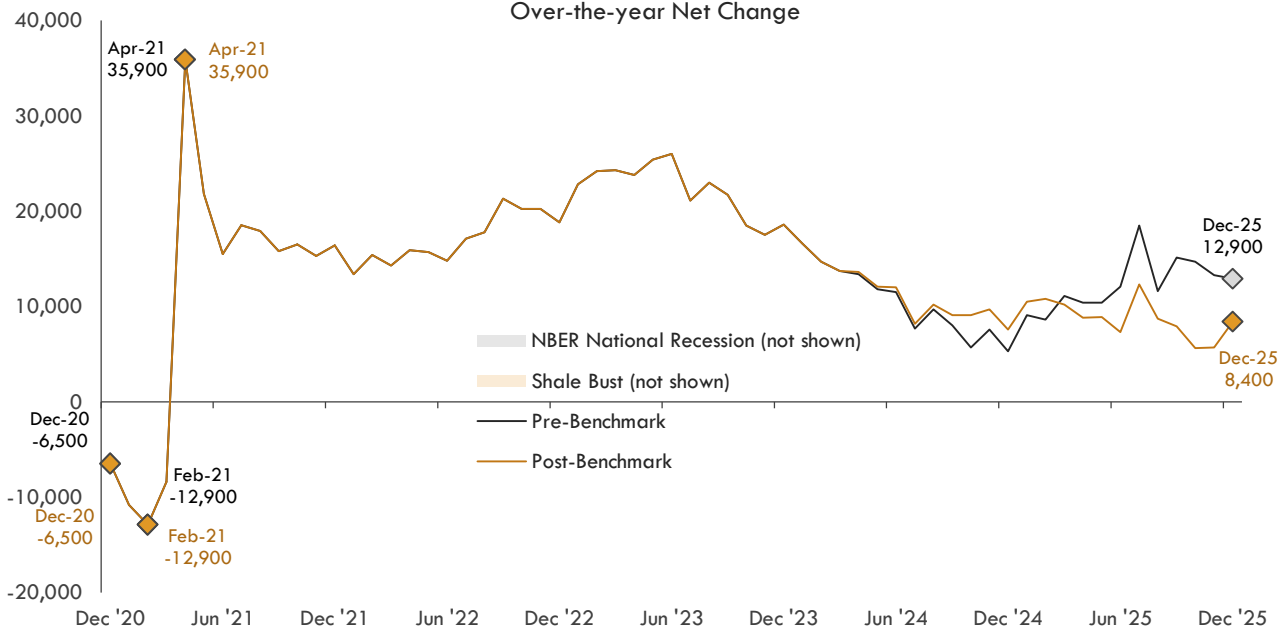


Chart 10. Private Education and Health Services (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change



2024 Current Employment Statistics (CES) Annual Benchmark Revisions

Chart 11. Leisure and Hospitality (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change

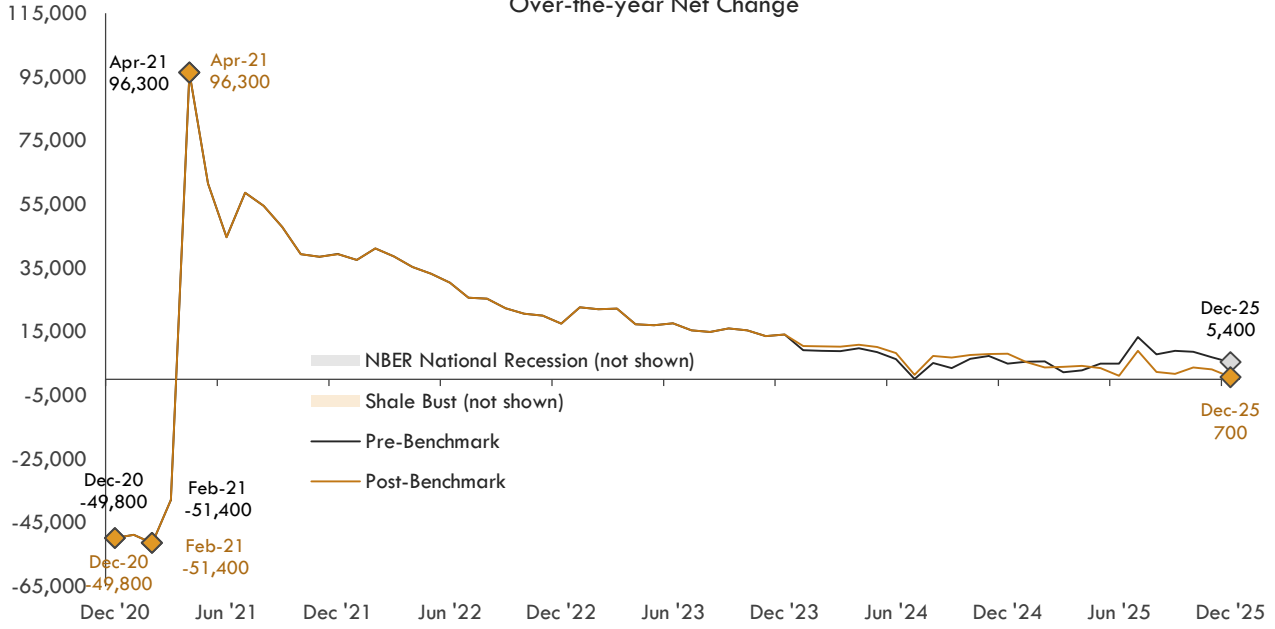
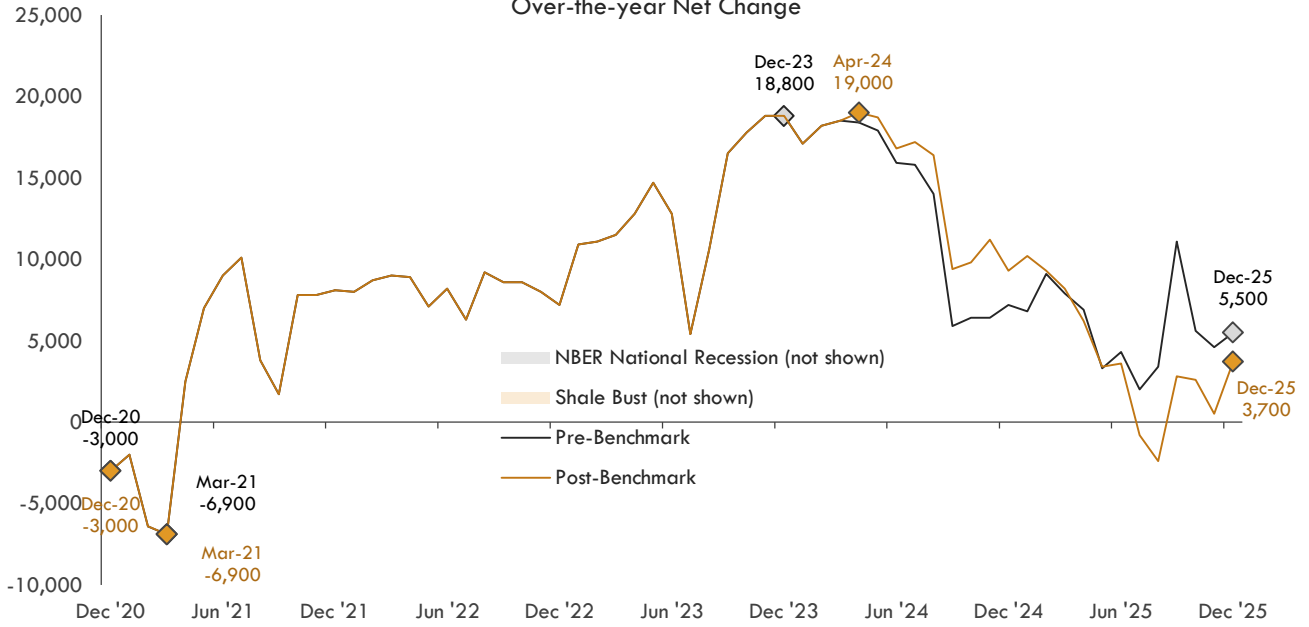


Chart 12. Government (NSA)
Pre and Post-2025 Benchmark Revisions, Dec-20 to Dec-25
Over-the-year Net Change



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2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Exhibit 1. 2025 Benchmark Revisions, Over and Under-Estimation of December 2025 Over-The-Year Employment Growth by Sector

Sectors where we lost fewer jobs than originally thought	Over (-) / Under (+)
Professional and Business Services	17,900
Information	200
Manufacturing	2,500
	20,600
Sectors that saw no revisions	
None	0
Sectors where we added more jobs than originally thought	
Construction	11,300
	11,300
Sectors where we gained fewer jobs than originally thought	
Private Education and Health Services	-4,500
Leisure and Hospitality	-4,700
Other Services	-2,500
Government	-1,800
Mining and Logging	-5,400
Trade, Transportation, and Utilities	-7,600
Financial Activities	-2,700
	-29,200
Sectors where we lost more jobs than originally thought	
None	0
Fewer jobs lost + More jobs added =	31,900
Fewer jobs gained + More jobs lost =	-29,200
Net under estimation =	2,700

2025 Current Employment Statistics (CES) Annual Benchmark Revisions

Supersector	12/25 Pre-benchmark	12/25 Post-benchmark	+/- Under/Over Estimation
Total Nonfarm	14,800	17,500	2,700
Total Private	9,300	13,800	4,500
Goods Producing	1,600	10,000	8,400
Service-Providing	13,200	7,500	-5,700
Private Service Providing	7,700	3,800	-3,900
Mining and Logging	1,900	-3,500	-5,400
Oil and Gas Extraction	1,400	-2,400	-3,800
Support Activities for Mining	400	-1,500	-1,900
Construction	2,300	13,600	11,300
Construction of Buildings	2,000	3,100	1,100
Heavy and Civil Engineering Construction	1,400	6,600	5,200
Specialty Trade Contractors	-1,100	3,900	5,000
Manufacturing	-2,600	-100	2,500
Durable Goods	-2,100	1,700	3,800
Fabricated Metal Product Manufacturing	400	1,100	700
Machinery Manufacturing	-400	-200	200
Agriculture, Construction, and Mining Machinery Manuf	-100	-700	-600
Computer and Electronic Product Manufacturing	200	1,000	800
Non-Durable Goods	-500	-1,800	-1,300
Petroleum and Coal Products Manufacturing	-400	-700	-300
Chemical Manufacturing	300	400	100
Trade, Transportation, and Utilities	6,300	-1,300	-7,600
Wholesale Trade	800	-600	-1,400
Merchant Wholesalers, Durable Goods	-100	-200	-100
Professional and Commercial Equipment and Supplies A	0	0	0
Merchant Wholesalers, Nondurable Goods	-300	-700	-400
Retail Trade	700	-2,400	-3,100
Motor Vehicle and Parts Dealers	-500	300	800
Building Material and Garden Equipment and Supplies	-1,700	-300	1,400
Food and Beverage Retailers	1,500	-1,300	-2,800
General Merchandise Retailers	-500	-500	0
Department Stores	0	-200	-200
Warehouse Clubs, Supercenters, and Other General M	-500	-300	200
Health and Personal Care Retailers	-200	-300	-100
Clothing, Clothing Accessories, Shoe, and Jewelry Retai	-500	-2,000	-1,500
Transportation, Warehousing, and Utilities	4,800	1,700	-3,100
Utilities	900	1,000	100
Air Transportation	1,000	400	-600
Truck Transportation	900	500	-400
Pipeline Transportation	800	1,100	300
Information	-1,400	-1,200	200
Telecommunications	-500	-300	200
Financial Activities	1,000	-1,700	-2,700
Finance and Insurance	-800	-1,900	-1,100
Credit Intermediation and Related Activities including N	-600	-900	-300
Depository Credit Intermediation including Monetary A	-300	-500	-200
Financial Investments and Related Activities including Fi	-200	-400	-200
Insurance Carriers and Related Activities	0	-600	-600
Real Estate and Rental and Leasing	1,800	200	-1,600
Professional and Business Services	-18,500	-600	17,900
Professional, Scientific, and Technical Services	-9,100	-2,400	6,700
Legal Services	-700	1,000	1,700
Accounting, Tax Preparation, Bookkeeping, and Payrol	-900	-1,700	-800
Architectural, Engineering, and Related Services	-1,300	1,100	2,400
Computer Systems Design and Related Services	-1,800	-2,100	-300
Management of Companies and Enterprises	-2,100	-1,400	700
Administrative and Support and Waste Manager	-7,300	3,200	10,500
Administrative and Support Services	-7,200	2,300	9,500
Employment Services	-3,900	-1,500	2,400
Services to Buildings and Dwellings	800	3,500	2,700
Private Education and Health Services	12,900	8,400	-4,500
Private Educational Services	2,800	500	-2,300
Health Care and Social Assistance	10,100	7,900	-2,200
Ambulatory Health Care Services	4,500	5,800	1,300
Hospitals	3,200	2,700	-500
Leisure and Hospitality	5,400	700	-4,700
Arts, Entertainment, and Recreation	500	1,300	800
Accommodation and Food Services	4,900	-600	-5,500
Accommodation	0	-600	-600
Food Services and Drinking Places	4,900	0	-4,900
Other Services	2,000	-500	-2,500
Government	5,500	3,700	-1,800
Federal Government	-1,600	-1,900	-300
State Government	3,600	2,700	-900
State Government Educational Services	1,400	1,600	200
Local Government	3,500	2,900	-600
Local Government Educational Services	2,800	2,000	-800