

Houston Area Employment Situation

August 2026

CURRENT EMPLOYMENT AND LOCAL AREA UNEMPLOYMENT STATISTICS

Modest Job Growth in Houston as Hiring Faces New Headwinds

Total Nonfarm

Over-the-month Change

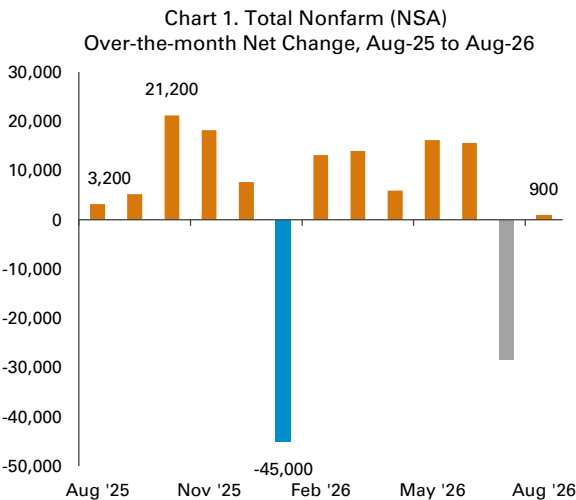
Houston MSA Total Nonfarm employment stood at 3,495,300 in August, up 900 jobs over the month, or 0.0 percent on a not-seasonally-adjusted basis (see Chart 1). A year ago Houston registered an over-the-month increase of 3,200 jobs. Prior to the pandemic, historically in the month of August, Total Nonfarm has on average added 7,400 jobs over the month, which indicates that this month's gains are substantially below the long-term average.

The primary drivers of this August's growth were increases in Government; Private Education and Health Services; and Manufacturing. The net increase in jobs over the month was partially offset by losses in Other Services; Leisure and Hospitality; and Trade, Transportation, and Utilities. (see Chart 2). Houston MSA Total Nonfarm (seasonally adjusted) employment stood at 3,510,100, up 4,100 jobs over the month, or 0.1 percent vs. a historical average of 4,400. 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 Growth in August
- Government: 5,700
 - Private Education and Health Services: 2,900
 - Manufacturing: 700

Over-the-year Change

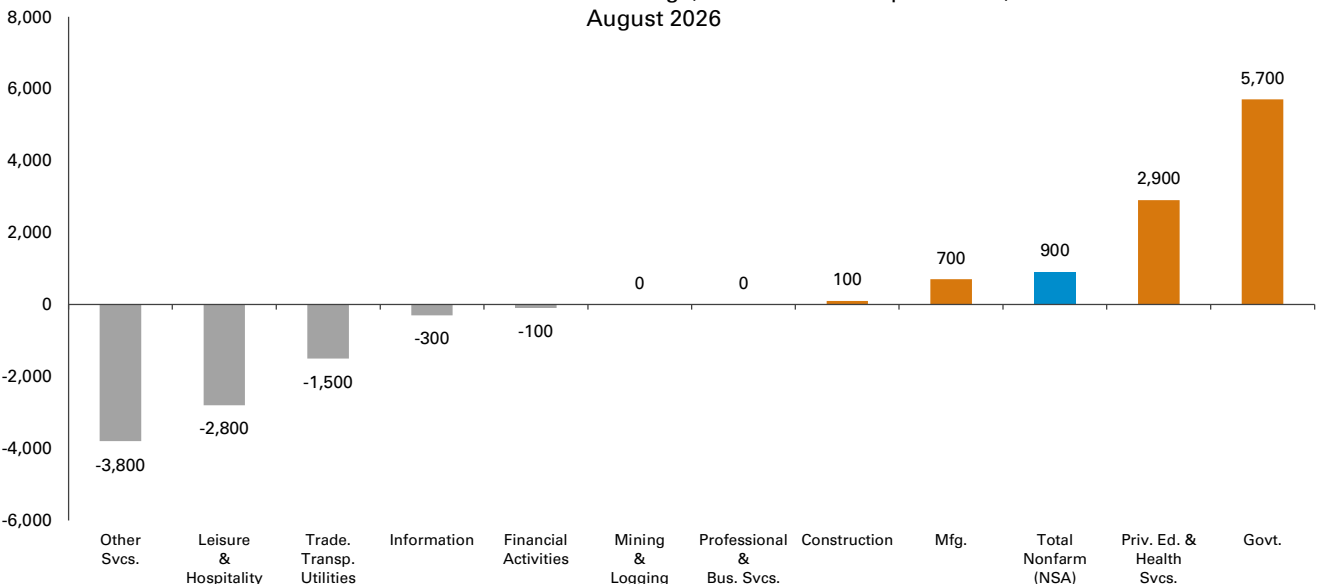
Over the year, Total Nonfarm employment was up 44,700 or 1.3 percent on a not-seasonally-adjusted basis and up 40,400 or 1.2 percent on a seasonally-adjusted basis (see NSA Chart 3). To compare, August 2025 saw a year-over-year gain of 20,700 jobs (NSA) from August 2024. Currently 5 out of 11 sectors show declines in employment year over year of which the top-three are Professional and Business Services (14,700); Construction (14,100); and Government (8,300)



*blue bar may reflect January typical seasonal decline/gain occurring each year

(see Chart 4). Total Nonfarm employment not-seasonally-adjusted now exceeds its February 2020 pre-pandemic level of 3,193,400 jobs by 301,900, or 9.5 percent (310,400 jobs, 9.7 percent above 3,199,700 seasonally adjusted).

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



Previous Month's Revisions

Total Nonfarm employment was revised downward by -3,300 jobs for a June to July larger net loss of -28,300 compared to an original estimate of -25,000 jobs. A downward revision of -2,300 jobs in Private Education and Health Services was the largest contributor followed by Professional and Business Services (-1,600) and Leisure and Hospitality (-1,400). Upward revisions in Construction (+1,600), Financial Activities (+900), and Government (+400) provided a partial offset of the overall downward revision to Total Nonfarm employment (see Chart 5).

- Top-3 Drivers of Over-the-year Job Growth in August
- Professional and Business Services: 14,700
 - Construction: 14,100
 - Government: 8,300

Chart 5. Net Revisions for Selected Supersectors and Major Industries, July 2026

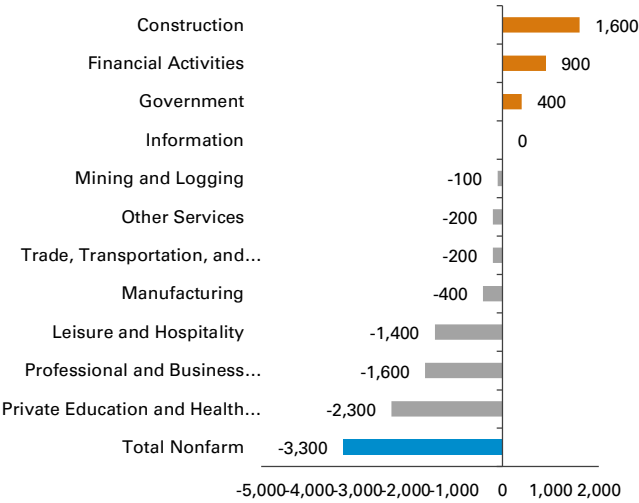


Chart 3. Total Nonfarm (NSA)
Over-the-year Net Change, Aug-11 to Aug-26

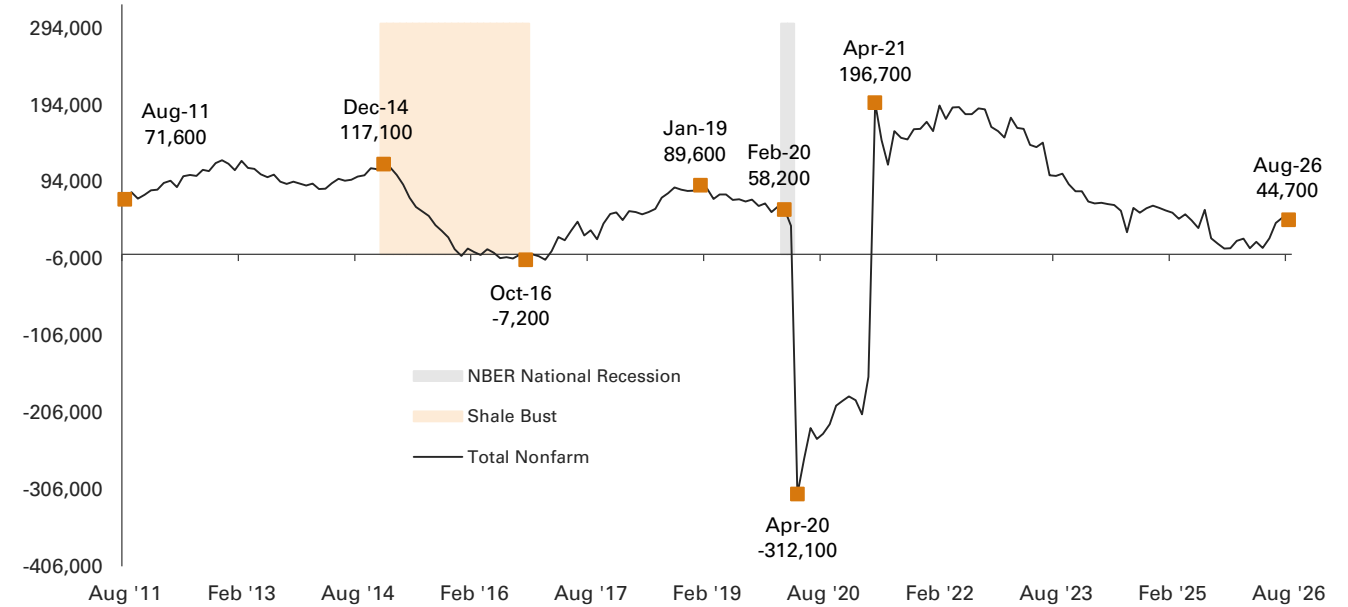
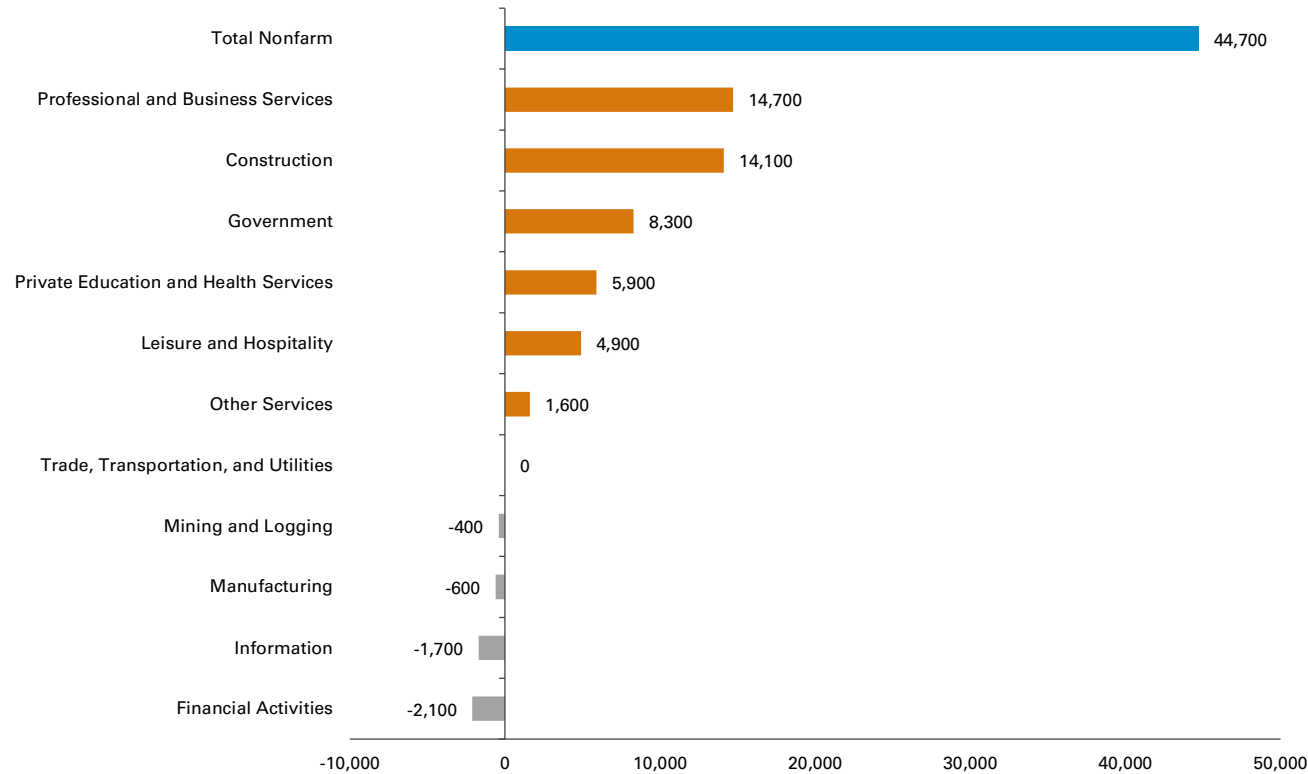


Chart 4. Over-the-year Net Change, Houston MSA Supersectors,
August 2025 to August 2026



Supplemental Commentary

Houston's payroll employment was essentially flat in August 2026, with total nonfarm employment increasing by just 900 jobs on a not-seasonally-adjusted basis to 3,495,300. The gain was below both the historical August average of approximately 7,400 jobs and the 3,200 jobs added in August 2025. On a seasonally adjusted basis, however, employment increased by 4,100 jobs, close to the historical average of 4,400. The adjusted result suggests that underlying employment growth remained positive, while the unadjusted industry figures show that August's net gain depended heavily on the return of education employment as the new academic year began in Houston-area school districts and colleges.

Revisions also warrant a more measured assessment of the summer's performance. July's employment estimate was revised downward by 3,300 jobs, reducing its year-over-year gain from the initially reported 50,300 to 47,000. Compared with that revised figure, Houston's annual job gain eased by 2,300 to 44,700 in August, representing a 1.3 percent increase. Annual growth therefore moderated, but the change between the two published reports overstates the slowdown attributable to August alone. Seasonally adjusted employment remained up 40,400 jobs, or 1.2 percent, over the year.

The concentration of growth remains a central feature of Houston's labor market. Six of the eleven major sectors added jobs over the year, four declined, and Trade, Transportation, and Utilities was unchanged. Professional and Business Services and Construction together accounted for 28,800 jobs, approximately 64 percent of the region's net annual increase. Adding Government brings that share to 83 percent. Private employers still accounted for 36,400 of the 44,700 jobs added over the year, but private employment declined by 4,800 in August. These figures describe an economy that continues to create jobs while offering substantially different conditions across industries. They also leave overall growth more dependent on the continued performance of its leading sectors.

Government provided the largest monthly increase, adding 5,700 jobs. Local Government Educational Services added 5,900 jobs and State Government Educational Services added another 500, partly offset by declines elsewhere in state and local government. Private Educational Services added 3,100 jobs, bringing the combined increase in public and private education employment to 9,500. The timing is consistent with staffing for the new academic year. Government employment was up 8,300 over the year, including 6,700 in Local Government and 2,800 in State Government, while Federal Government remained down 1,200. Education accounted for most of the annual public-sector gain as well. Subsequent reports will help distinguish seasonal school staffing changes from sustained employment growth.

Professional and Business Services remained Houston's largest source of annual job growth, adding 14,700 jobs, or 2.6 percent, over the year. However, employment was unchanged in August, compared with a typical gain of approximately 1,800. Administrative and Support and Waste Management and Remediation Services added 1,200 jobs, and Management of Companies and Enterprises added 100, offsetting a 1,300-job decline in Professional, Scientific, and Technical Services. Within the latter group, monthly losses included Legal Services, Accounting, Computer Systems Design, and Architectural and Engineering Services. The result tempers the evidence of a broader recovery in higher-skill business activities described in the previous report. An ISM-Houston respondent in Professional and Business Services similarly described energy-sector hiring as concentrated among independent producers, while major companies continued to pursue efficiency through leaner staffing. Houston's business-services recovery remains meaningful, but it is more concentrated than the headline sector total suggests.

Construction remained the fastest-growing major sector, with employment up 14,100 jobs, or 5.5 percent, over the year. Monthly momentum was more restrained. The sector added only 100 jobs in August, below its historical average gain of 1,100, as gains in specialty trades and heavy and civil engineering were largely offset by a 700-job decline in building construction. July's previously reported 1,600-job decline was revised to no change, leaving construction employment essentially flat across July and August. The annual figures continue to show substantial strength, but the latest readings indicate a pause in expansion. New construction awards suggest a more restrained outlook for additional work. Dodge Data & Analytics reports that awards totaled \$22.4 billion through July, down 14.3 percent from the same period in 2025. Residential awards fell 27.4 percent and nonresidential building awards declined 8.7 percent, while nonbuilding awards rose 3.2 percent. Employment can remain supported by projects already underway even as new awards soften. Softer awards could make Houston's strong annual construction job gains harder to sustain as existing projects are completed.

Private Education and Health Services added 2,900 jobs in August, slightly above its historical average, but the entire net gain came from private education. Health Care and Social Assistance declined by 200 jobs. Hospitals added 300 and Ambulatory Health Care Services added 100, indicating that losses elsewhere in Health Care and Social Assistance more than offset these gains. Over the year, Health Care and Social Assistance added 5,400 jobs, or 1.4 percent, and accounted for most of the broader sector's 5,900-job gain. Health care remains a source of annual job growth, but August's decline and the downward revision to July's combined education and health estimate suggest a less consistent pace of hiring.

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Supplemental Commentary

Manufacturing provided one of August's more encouraging developments, adding 700 jobs. Durable Goods added 1,200 jobs, while Nondurable Goods lost 500. Manufacturing's annual decline narrowed to 600 jobs, with a 3,000-job gain in Durable Goods nearly offsetting a 3,600-job decline in Nondurable Goods. Within durable manufacturing, annual gains included Fabricated Metal Products (+1,200), Machinery (+600), and Computer and Electronic Products (+400). Chemical Manufacturing remained down 900 jobs over the year, and Petroleum and Coal Products Manufacturing was down 400. The sector is approaching stability in aggregate, but its component industries remain on different paths. Investment in new manufacturing capacity can initially support construction and engineering employment, while operating payrolls emerge later; aggregate manufacturing losses therefore do not, by themselves, contradict growth in selected industrial projects.

Higher oil prices and the prospect of prices remaining elevated may have supported hiring among Houston's energy-linked durable goods producers by improving the outlook for drilling and equipment demand. The modest increase in Texas rig counts reported by ISM-Houston is consistent with some strengthening in drilling activity, which can generate additional orders for machinery and fabricated metal products. The August ISM-Houston manufacturing index rose to 51.7 from 46.6, returning to expansion. Together, the survey and payroll estimates suggest improving manufacturing conditions, although hiring remained uneven. Differences in coverage and timing mean the two measures need not move together each month.

Mining and Logging employment was unchanged in August and remained down 400 jobs, or 0.5 percent, over the year. Oil and Gas Extraction added 100 jobs over the month but was still down 300 over the year; Support Activities for Mining was unchanged in August and down 200 annually. These figures continue to indicate stabilization with limited direct payroll growth. Energy's influence on Houston nevertheless extends into equipment manufacturing, engineering, construction, and pipeline transportation, so upstream employment alone provides an incomplete measure of its regional contribution.

Financial Activities employment declined by 100 in August and 2,100 over the year, with annual losses concentrated in Finance and Insurance (-2,300), partly offset by a small gain in Real Estate and Rental and Leasing (+200). The weakness extends beyond Houston. Nationally, Financial Activities' employment fell by 11,000 in August and 99,000 over the year, including an annual loss of 36,200 in Credit Intermediation and Related Activities, on a seasonally adjusted basis. Prolonged high borrowing costs likely contributed to the pressure on lending-related employment by restraining mortgage originations and refinancing. The Federal Reserve's July lending survey also reported weaker demand across residential mortgage categories, although these data do not establish how much of the employment decline is attributable to interest rates.

Houston's not-seasonally-adjusted unemployment rate declined to 5.0 percent in August from 5.1 percent in July, while remaining slightly above the 4.9 percent recorded a year earlier. Approximately 194,300 residents were unemployed, down about 7,500 over the month but up roughly 2,500 over the year. The rate remained above the comparable Texas rate of 4.6 percent and national rate of 4.3 percent. An August decline is common as summer labor-market patterns unwind, so the improvement should be interpreted in that context.

The latest available seasonally adjusted unemployment figures, which cover July, offer a more cautious signal. Houston's rate increased to 4.8 percent from 4.7 percent in June and 4.5 percent a year earlier. The Workforce Solutions Index also remained below its equilibrium value of 4.0, indicating that available workers continued to outnumber job opportunities under the index's framework. These measures are consistent with a labor market that is expanding without returning to widespread labor shortages. They also help explain why positive payroll growth can coexist with a more difficult job search, particularly when openings are concentrated in industries and occupations that do not match every jobseeker's experience.

Looking ahead, the Federal Reserve's September 16 decision to raise the federal funds target range by 0.25 percentage point to 3.75–4.00 percent marks a shift from holding rates steady to further tightening. For Houston, higher financing costs could temper demand and hiring in residential construction, real estate, lending, and businesses dependent on credit. Industrial and energy projects already financed and under construction may provide some near-term support, while new investment decisions could become more sensitive to borrowing costs. These effects would emerge over time, beyond the August reporting period, and depend partly on expectations for future policy and inflation.

Houston enters the fall with modest underlying employment growth, but less evidence of a sustained broadening in hiring than the early-summer reports initially suggested. The seasonally adjusted gain is encouraging, Construction and Professional and Business Services retain substantial annual increases, and Manufacturing has moved closer to year-ago employment levels. At the same time, education dominated August's monthly gains, several large private service industries contracted, and unemployment remained above its year-earlier level. The next reports will be most informative on whether professional and technical hiring resumes, health care employment strengthens, and the declines in consumer and business services persist after summer staffing adjustments. A sustained expansion across a wider range of industries has yet to emerge.

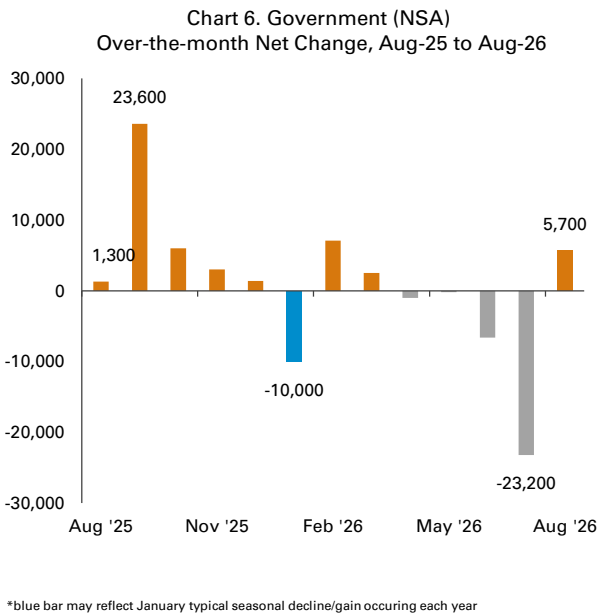
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GAINING INDUSTRY HIGHLIGHTS

Government

Over-the-month Change

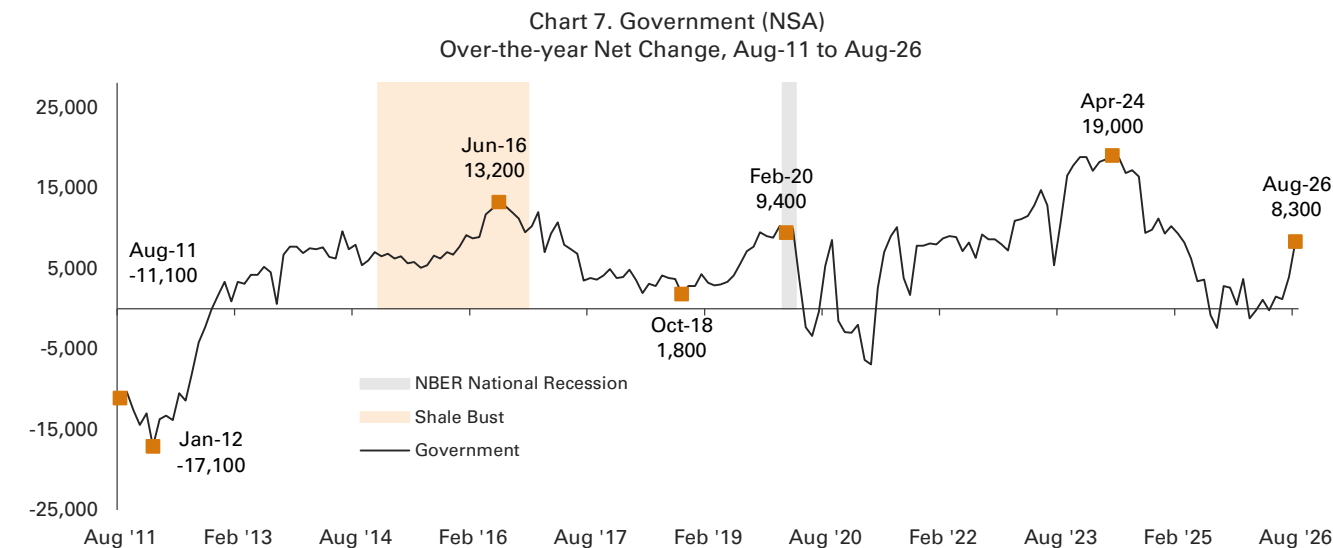
Government was the largest gaining sector over the month up 5,700 jobs, or 1.3 percent (see Chart 6). This was the second-largest gain in the month of August since records began in 1990. Historically in the month of August, Government has lost an average of -100 jobs over the month, which indicates that this month's gains are substantially in contrast to the long-term average decline. Local Government was the largest contributor to the overall sector's increase, up 5,500 jobs over the month. The second-largest contributor was State Government, which added 200 jobs from July to August. Lastly, Federal Government saw no change over the month. Government employment was revised upward by 400 jobs for a June to July smaller net loss of -23,200 compared to an original estimate of -23,600 jobs.



Over-the-year Change

Year over year, Government was up 8,300 jobs, or 1.9 percent (see Chart 7). This was the largest over-the-year gain since February 2025's increase of 9,300 jobs. Among sectors currently showing growth, this sector is the third-fastest growing in percentage terms across the Houston area. Furthermore, 16.8 percent of total (gross) jobs added across the region over the past year can be attributed to Government. Local Government was the largest contributor to the overall sector's increase, up 6,700 jobs over the year. The second-largest contributor was State Government, which added 2,800 jobs from August a year ago. Lastly, Federal

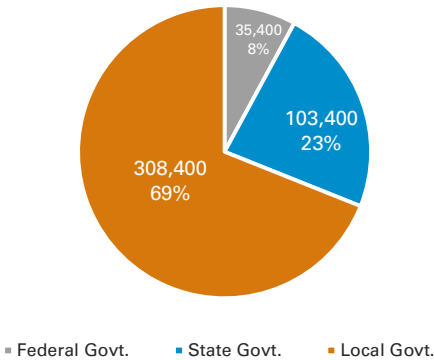
Government offset a portion of the sector's gains with a loss of -1,200 jobs. Total Government employment (NSA) now exceeds its February 2020 pre-pandemic level of 429,300 jobs by 17,900, or 4.2 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 12.7 percent over the past year.



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 69 percent (see Chart 8). Across the Houston MSA, the concentration of jobs in the overall Government sector is 9 percent less than the national average.

Chart 8. Employment in Component Industries of Government Sector - August 2026

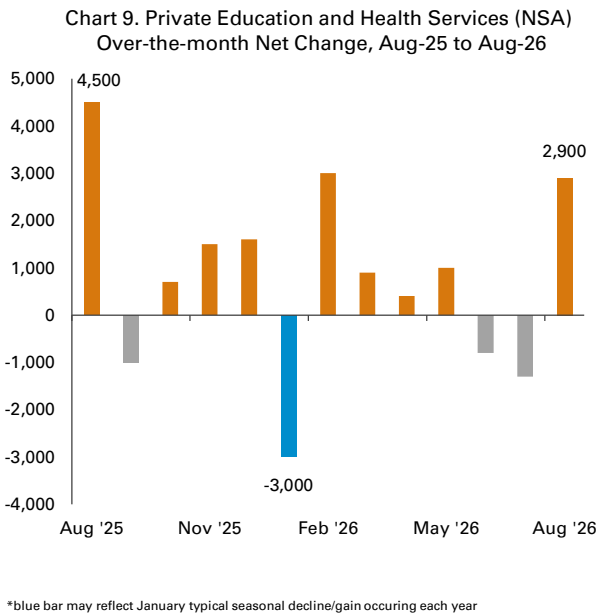


GAINING INDUSTRY HIGHLIGHTS

Private Education and Health Services

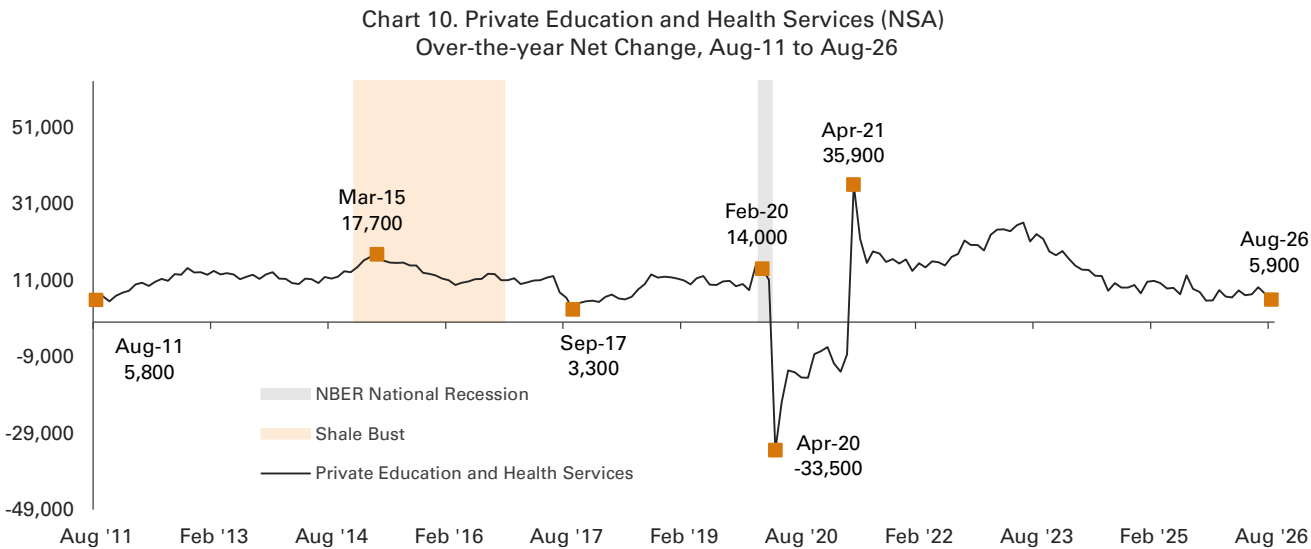
Over-the-month Change

Private Education and Health Services was the second-largest gaining sector over the month up 2,900 jobs, or 0.6 percent (see Chart 9). Historically in the month of August, Private Education and Health Services has added an average of 2,600 jobs over the month, which indicates that this month's gains are slightly above the long-term average. Private Educational Services was the largest contributor to the overall sector's increase, up 3,100 jobs over the month. One component industry that provided a partial offset was Health Care and Social Assistance, which lost -200 jobs from July to August. Private Education and Health Services employment was revised downward by -2,300 jobs for a June to July complete erasure of gains leaving a net loss of -1,300 compared to an original estimate of 1,000 jobs.



Over-the-year Change

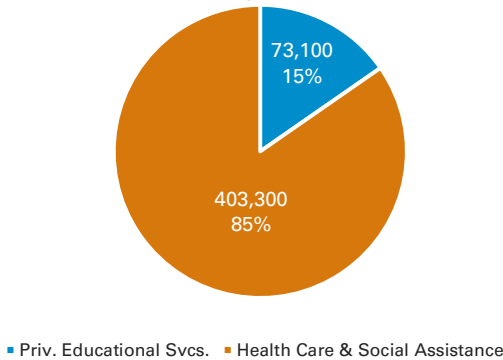
Year over year, Private Education and Health Services was up 5,900 jobs, or 1.3 percent (see Chart 10). Health Care and Social Assistance was the largest contributor to the overall sector's increase, up 5,400 jobs over the year. The second-largest contributor was Private Educational Services, which added 500 jobs from August a year ago. Total Private Education and Health Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 414,600 jobs by 61,800, or 14.9 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 13.6 percent over the past year.



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 11). Across the Houston MSA, the concentration of jobs in the overall sector is 22 percent less than the national average, despite the high physical concentration of healthcare jobs centered around Texas Medical Center.

Chart 11. Employment in Component Industries of Private Education and Health Services Sector - August 2026

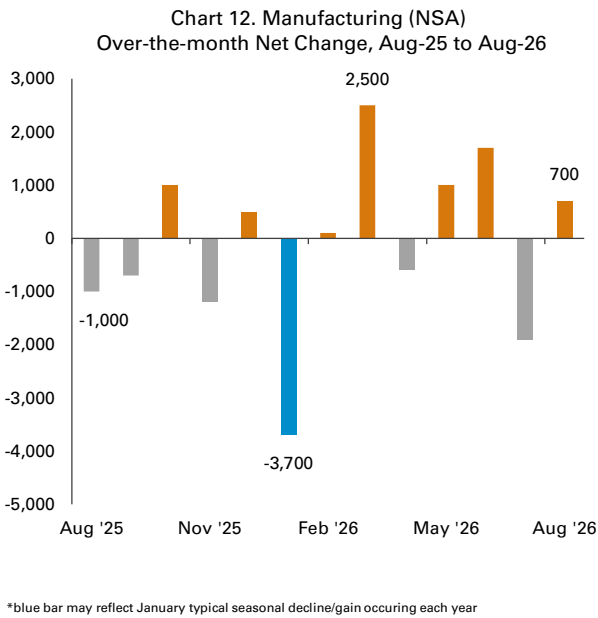


GAINING INDUSTRY HIGHLIGHTS

Manufacturing

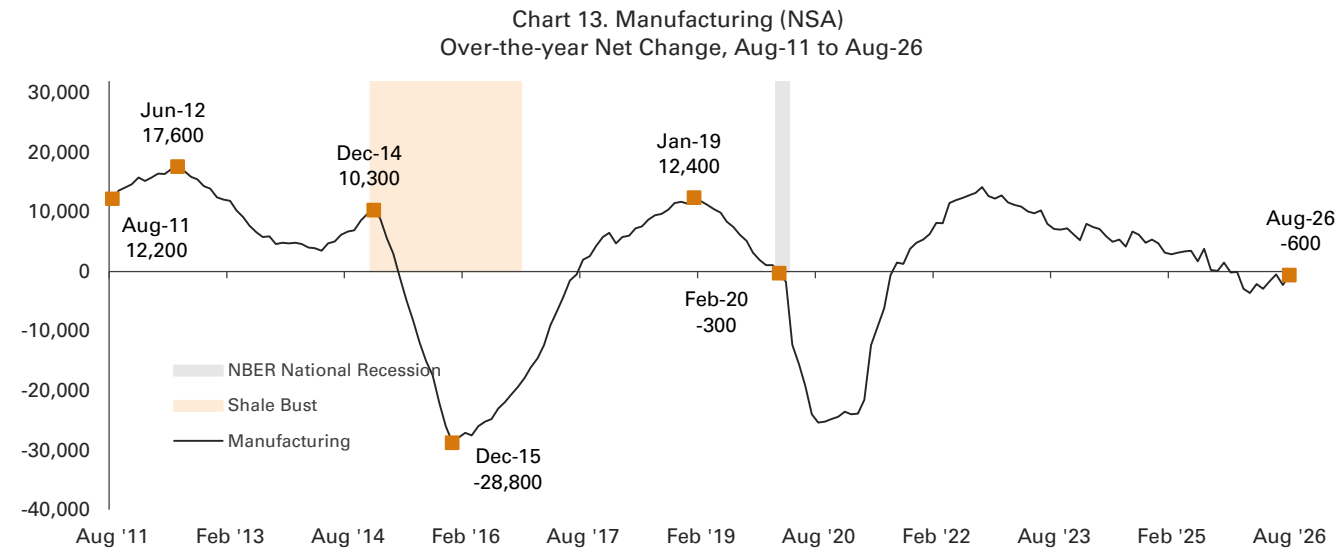
Over-the-month Change

Manufacturing was the third-largest gaining sector over the month up 700 jobs, or 0.3 percent (see Chart 12). Historically in the month of August, Manufacturing has seen no change in jobs over the month, which indicates that this month's gains are substantially above the long-term average. Durable Goods was the largest contributor to the overall sector's increase, up 1,200 jobs over the month. One component industry that provided a partial offset was Non-Durable Goods, which lost -500 jobs from July to August. Manufacturing employment was revised downward by -400 jobs for a June to July larger net loss of -1,900 compared to an original estimate of -1,500 jobs.



Over-the-year Change

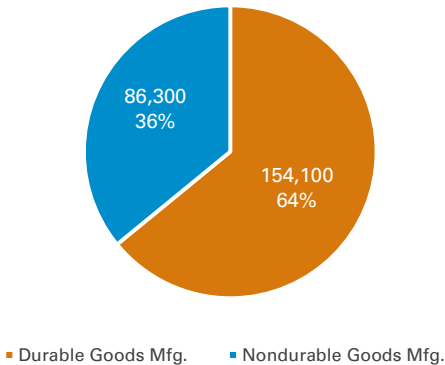
Year over year, Manufacturing was down -600 jobs, or -0.2 percent (see Chart 13). Non-Durable Goods was the largest contributor to the overall sector's decline, down -3,600 jobs over the year. One component industry that provided a partial offset was Durable Goods, which gained 3,000 jobs from August a year ago. Total Manufacturing employment (NSA) now exceeds its February 2020 pre-pandemic level of 234,700 jobs by 5,700, or 2.4 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.



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 64 percent (see Chart 14). Across the Houston MSA, the concentration of jobs in the overall Manufacturing sector is 14 percent less than the national average.

Chart 14. Employment in Component Industries of Manufacturing Sector - August 2026

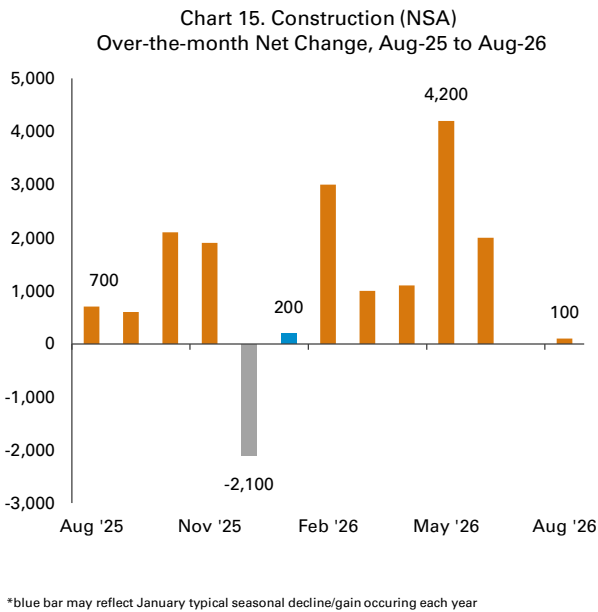


GAINING INDUSTRY HIGHLIGHTS

Construction

Over-the-month Change

Construction was the fourth-largest gaining sector over the month up 100 jobs, or 0.0 percent (see Chart 15). Historically in the month of August, Construction has added an average of 1,100 jobs over the month, which indicates that this month's gains are substantially below the long-term average. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 500 jobs over the month. The second-largest contributor was Heavy and Civil Engineering Construction, which added 300 jobs from July to August. Lastly, Construction of Buildings offset a portion of the sector's gains with a loss of -700 jobs. Construction employment was revised upward by 1,600 jobs for a June to July complete erasure of losses resulting in a net change of zero compared to an original estimate of -1,600 jobs.

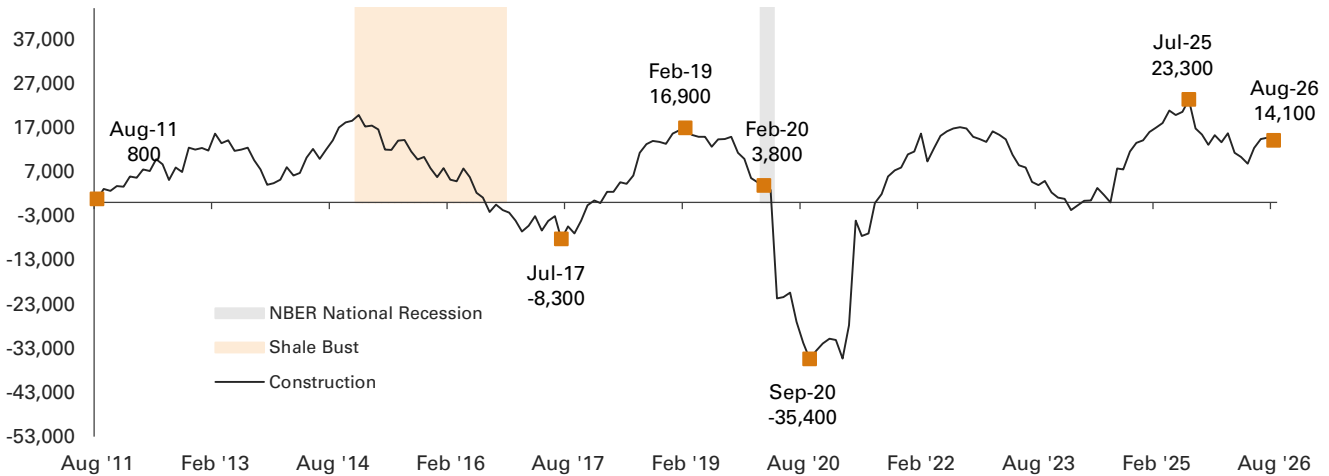


Over-the-year Change

Year over year, Construction was up 14,100 jobs, or 5.5 percent (see Chart 16). Among sectors currently showing growth, this sector is the fastest-growing in percentage terms across the Houston area. Furthermore, 28.5 percent of total (gross) jobs added across the region over the past year can be attributed to Construction. Specialty Trade Contractors was the largest contributor to the overall sector's increase, up 6,000 jobs over the year. The second-largest contributor was Heavy and Civil Engineering Construction, which added 4,400 jobs from August a year ago. Lastly, Construction of

Buildings contributed, 3,700 jobs. Total Construction employment (NSA) now exceeds its February 2020 pre-pandemic level of 237,400 jobs by 31,600, or 13.3 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 7.4 percent to 7.7 percent over the past year.

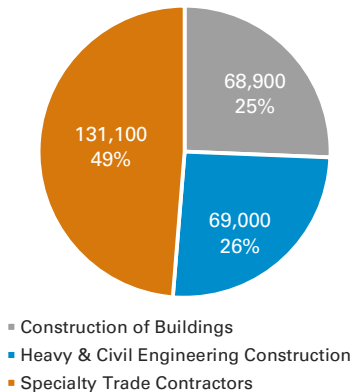
Chart 16. Construction (NSA)
Over-the-year Net Change, Aug-11 to Aug-26



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 17). Across the Houston MSA, the concentration of jobs in the overall Construction sector is 43 percent higher than the national average, due to 2.5 times more jobs in Heavy and Civil Engineering Construction related to turnaround maintenance of petrochemical facilities.

Chart 17. Employment in Component Industries of
Construction Sector - August 2026

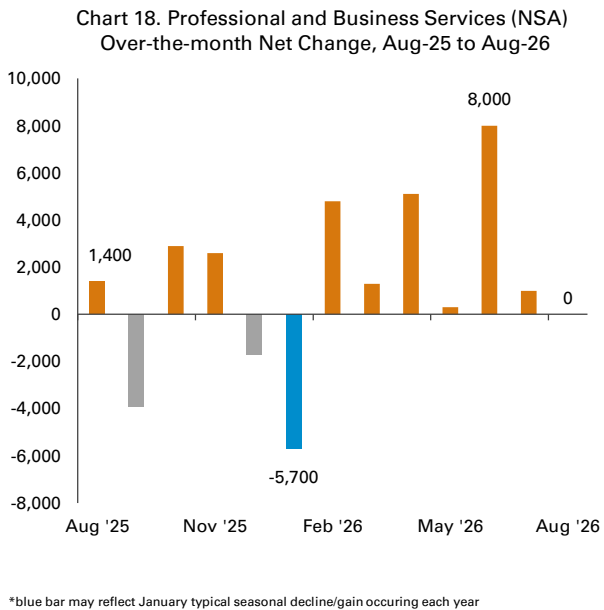


GAINING INDUSTRY HIGHLIGHTS

Professional and Business Services

Over-the-month Change

Professional and Business Services was unchanged over the month. (see Chart 18). Historically in the month of August, Professional and Business Services has added an average of 1,800 jobs over the month, which indicates that this month's net zero change is substantially in contrast to the long-term average gain. Professional, Scientific, and Technical Services was the largest source of losses despite no change to the overall sector, down 1,300 jobs over the month. One component industry that provided a partial offset was Administrative and Support and Waste Management and Remediation Services, which gained 1,200 jobs. Lastly, Management of Companies and Enterprises offset a portion of the sector's losses with a gain of 100 jobs. Professional and Business Services employment was revised downward by -1,600 jobs for a June to July smaller net gain of 1,000 compared to an original estimate of 2,600 jobs.

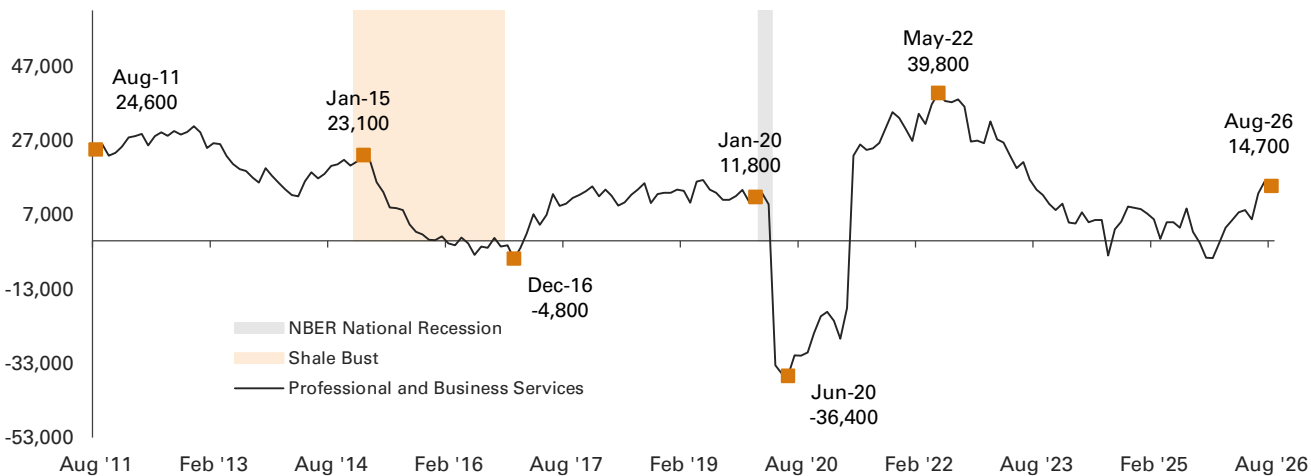


Over-the-year Change

Year over year, Professional and Business Services was up 14,700 jobs, or 2.6 percent (see Chart 19). Among sectors currently showing growth, this sector is the second-fastest growing in percentage terms across the Houston area. Furthermore, 29.7 percent of total (gross) jobs added across the region over the past year can be attributed to Professional and Business Services. Administrative and Support and Waste Management and Remediation Services was the largest contributor to the overall sector's increase, up 10,800 jobs over the year. The second-largest contributor was

Professional, Scientific, and Technical Services, which added 3,800 jobs from August a year ago. Lastly, Management of Companies and Enterprises contributed, 100 jobs. Total Professional and Business Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 514,600 jobs by 66,700, or 13.0 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has risen from 16.4 percent to 16.6 percent over the past year.

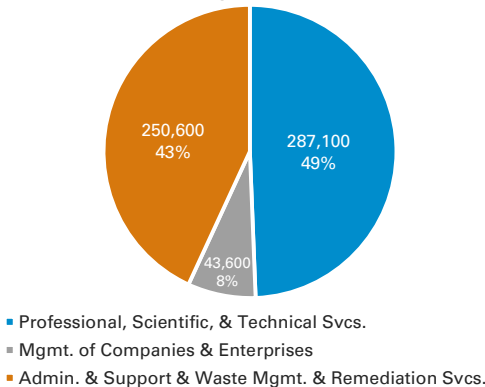
Chart 19. Professional and Business Services (NSA)
Over-the-year Net Change, Aug-11 to Aug-26



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 plurality of the sector's employment at 49 percent (see Chart 20). Across the Houston MSA, the concentration of jobs in the overall sector is 17 percent higher than the national average, due to a 20-percent higher concentration in Professional, Scientific, and Technical Services serving the oil and gas industry.

Chart 20. Employment in Component Industries of
Professional and Business Services Sector -
August 2026

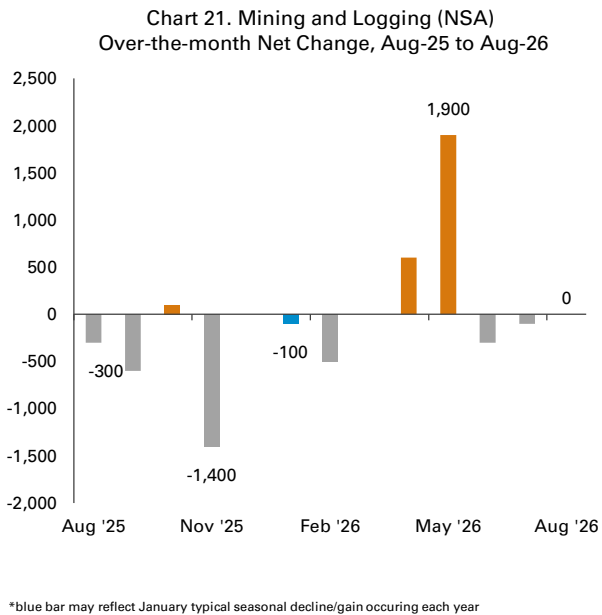


GAINING INDUSTRY HIGHLIGHTS

Mining and Logging

Over-the-month Change

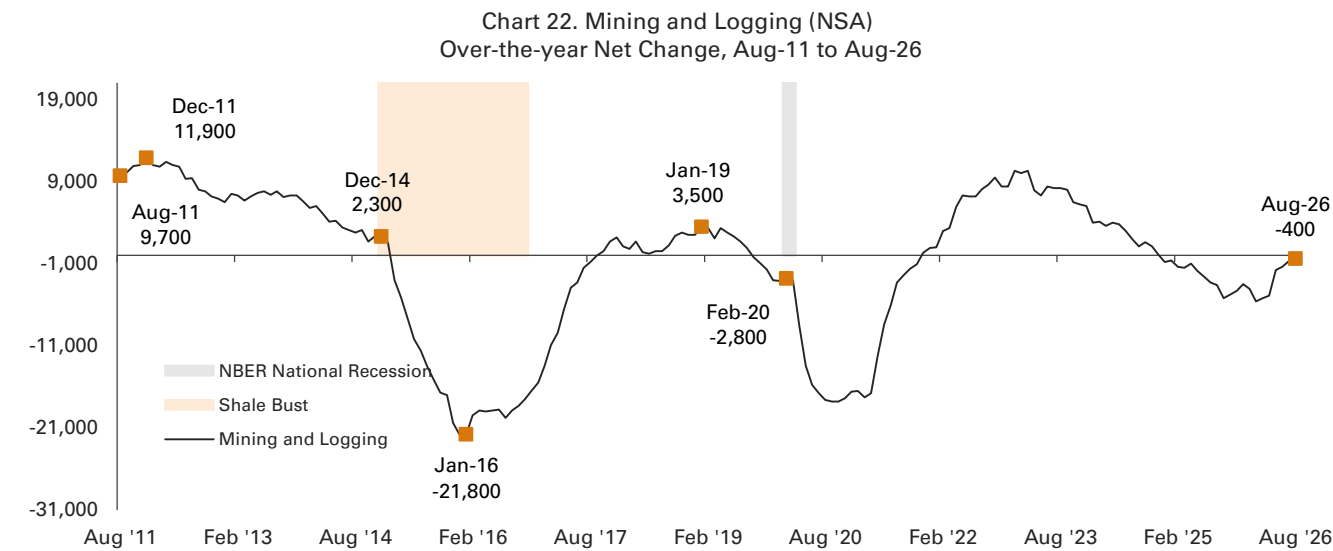
Mining and Logging was unchanged over the month. (see Chart 21). Historically in the month of August, Mining and Logging has added an average of 100 jobs over the month, which indicates that this month's net zero change is moderately in contrast to the long-term average gain. Oil and Gas Extraction was the largest source of gains despite no change to the overall sector, up 100 jobs over the month. One component industry that provided an offset was Other Mining and Logging Undefined, which lossed 100 job. Lastly, like the overall sector Support Activities for Mining, saw no change from July to August. Mining and Logging employment was revised downward by -100 jobs for a June to July net loss of -100 compared to an original estimate of zero net change in jobs over the month.



Over-the-year Change

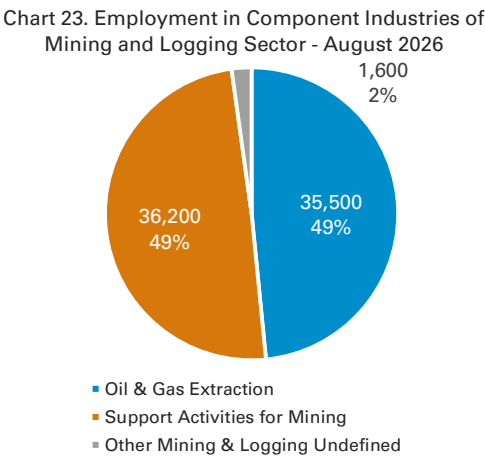
Year over year, Mining and Logging was down -400 jobs, or -0.5 percent (see Chart 22). Among sectors currently showing contraction, this sector is the third-fastest declining in percentage terms across the Houston area. Oil and Gas Extraction was the largest contributor to the overall sector's decline, down -300 jobs over the year. The second-largest declining contributor was Support Activities for Mining, which lost -200 jobs from August a year ago. Lastly, Other Mining and Logging Undefined offset a portion of the sector's losses with a gain of 100 jobs. Total Mining and Logging

employment (NSA) remains -5,100 jobs, or -6.5 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 remained constant at 2.1 percent over the past year.



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 49 percent (see Chart 23). 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.

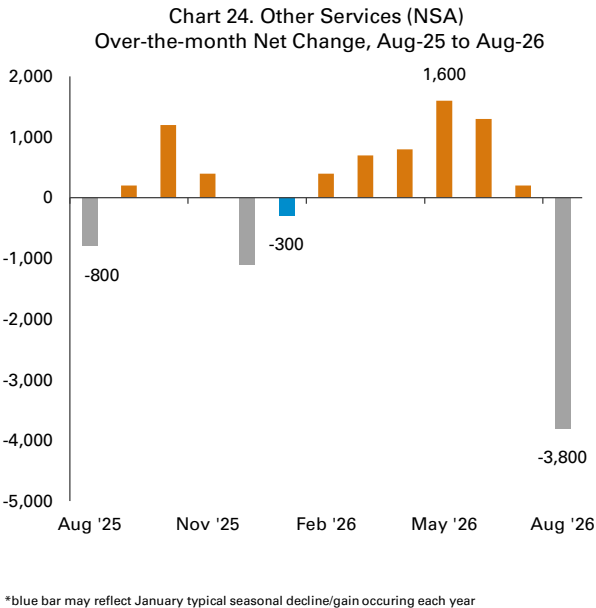


DECLINING INDUSTRY HIGHLIGHTS

Other Services

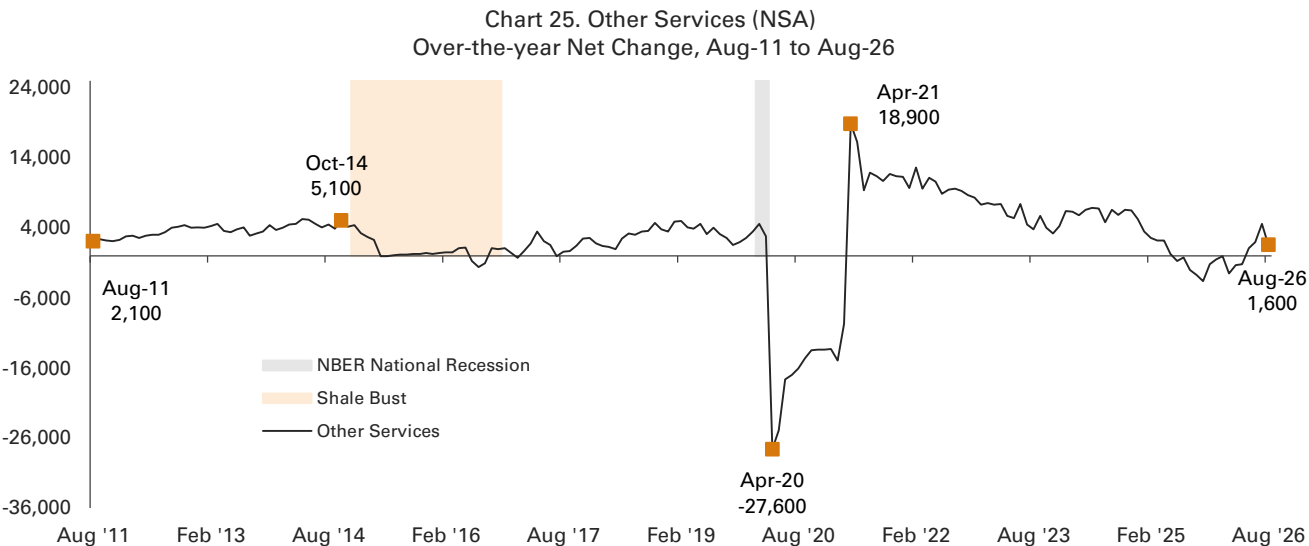
Over-the-month Change

Other Services was the largest declining sector over the month down -3,800 jobs, or -2.8 (see Chart 24). This was the largest-ever decline in the month of August since records began in 1990, and now stands as the third-largest over-the-month decrease of any month in the past three decades. Historically in the month of August, Other Services has lost an average of -800 jobs over the month, which indicates that this month's losses are substantially larger than the long-term average decline. 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 -200 jobs for a June to July smaller net gain of 200 compared to an original estimate of 400 jobs.



Over-the-year Change

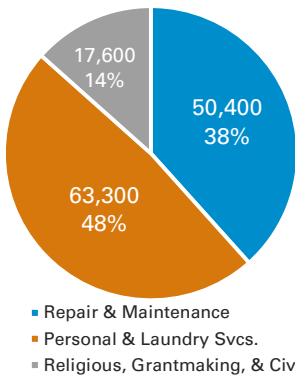
Year over year, Other Services was up 1,600 jobs, or 1.2 percent (see Chart 25). NOTE: No subsector is published at the MSA level by the CES survey. See below for additional information. Total Other Services employment (NSA) now exceeds its February 2020 pre-pandemic level of 119,200 jobs by 12,200, or 10.2 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 26). Across the Houston MSA, the concentration of jobs in the overall Other Services sector is 2 percent less than the national average.

Chart 26. Employment in Component Industries of Other Services Sector - August 2026



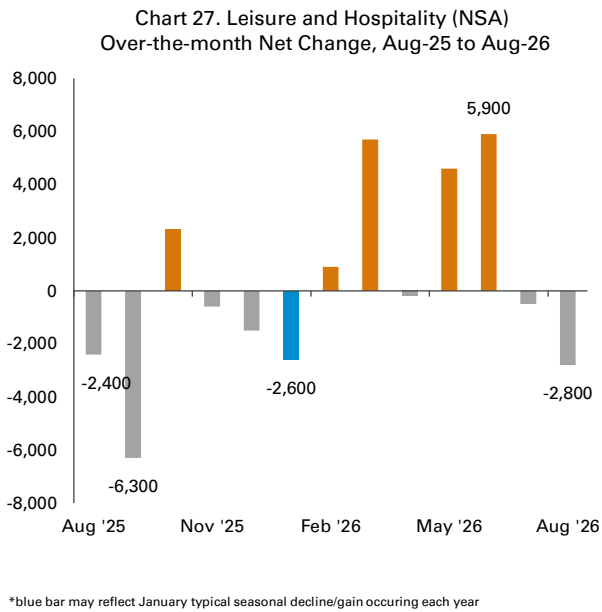
*estimated proportions based QCEW covered and NES self-employment

DECLINING INDUSTRY HIGHLIGHTS

Leisure and Hospitality

Over-the-month Change

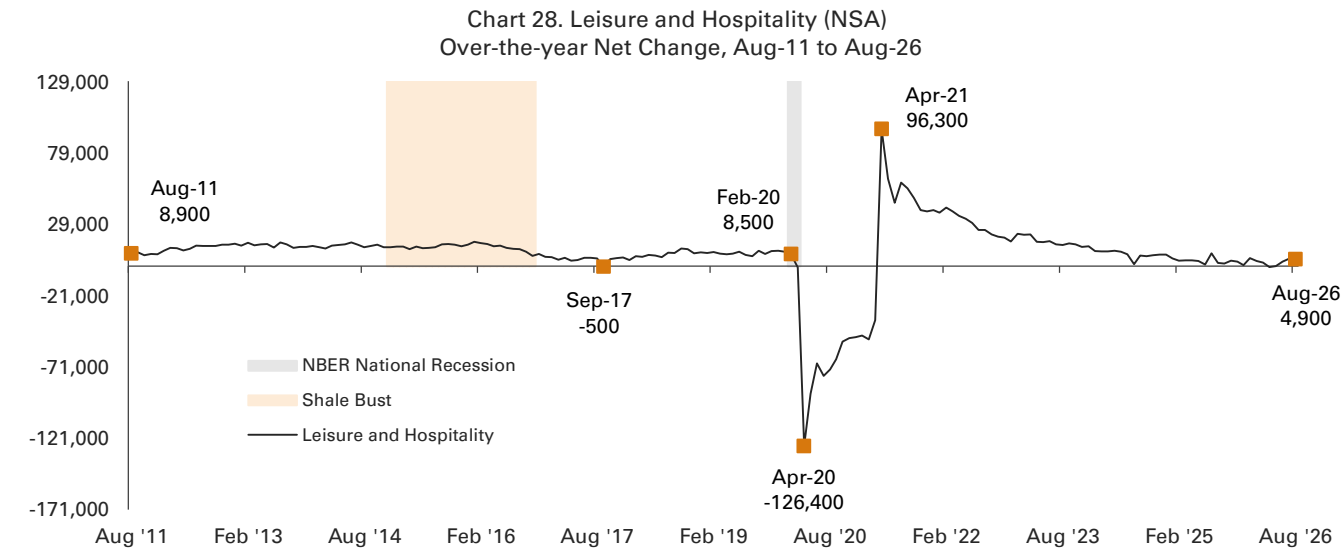
Leisure and Hospitality was the second-largest declining sector over the month down -2,800 jobs, or -0.7 (see Chart 27). This was the largest-ever decline in the month of August since records began in 1990. Historically in the month of August, Leisure and Hospitality has added an average of 100 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Accommodation and Food Services was the largest contributor to the overall sector's decline, down -1,700 jobs over the month. The second-largest declining contributor was Arts, Entertainment, and Recreation, which lost -1,100 jobs from July to August. Leisure and Hospitality employment was revised downward by -1,400 jobs for a June to July complete erasure of gains leaving a net loss of -500 compared to an original estimate of 900 jobs.



Over-the-year Change

Year over year, Leisure and Hospitality was up 4,900 jobs, or 1.3 percent (see Chart 28). Accommodation and Food 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 Arts, Entertainment, and Recreation, which lost -1,000 jobs from August a year ago. Total Leisure and Hospitality employment (NSA) now exceeds its February 2020 pre-pandemic level of 334,600 jobs by 42,300, or 12.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has remained constant at 10.8

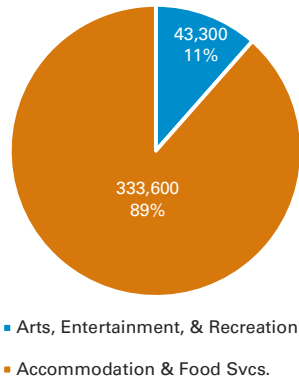
percent over the past year.



About This Sector

This sector is composed of establishments that produce and promote in live performances, events, of 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 29). Across the Houston MSA, the concentration of jobs in the overall sector is 3 percent less than the national average.

Chart 29. Employment in Component Industries of Leisure and Hospitality Sector - August 2026

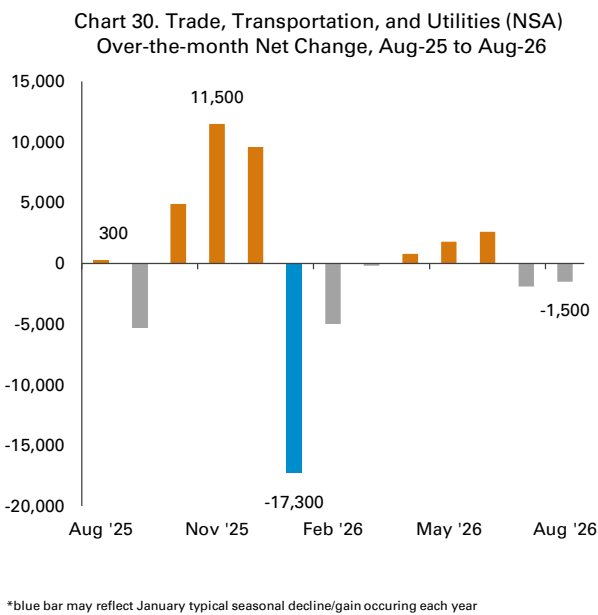


DECLINING INDUSTRY HIGHLIGHTS

Trade, Transportation, and Utilities

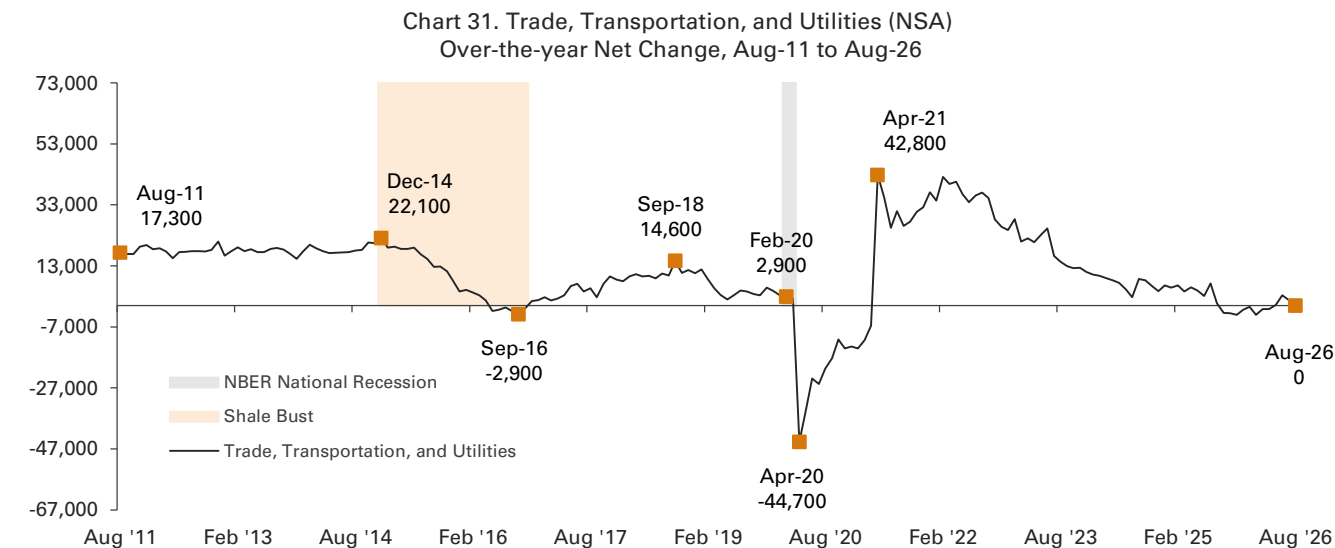
Over-the-month Change

Trade, Transportation, and Utilities was the third-largest declining sector over the month down -1,500 jobs, or -0.2 (see Chart 30). This was the largest-ever decline in the month of August since records began in 1990. Historically in the month of August, Trade, Transportation, and Utilities has added an average of 2,700 jobs over the month, which indicates that this month's losses are substantially in contrast to the long-term average gain. Wholesale Trade was the largest contributor to the overall sector's decline, down -1,000 jobs over the month. The second-largest declining contributor was Transportation, Warehousing, and Utilities, which lost -300 jobs from July to August. Lastly, Retail Trade subtracted, -200 jobs. Trade, Transportation, and Utilities employment was revised downward by -200 jobs for a June to July larger net loss of -1,900 compared to an original estimate of -1,700 jobs.



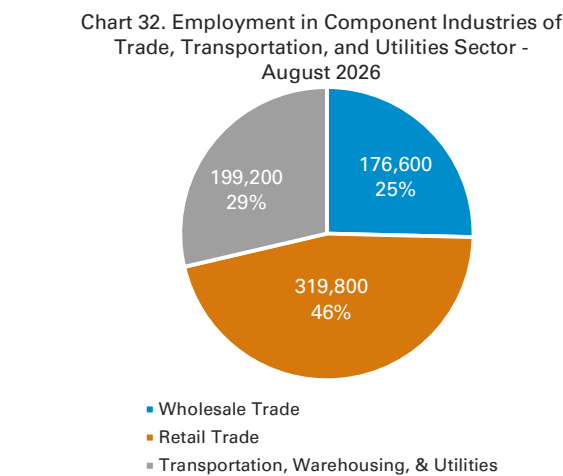
Over-the-year Change

Year over year, Trade, Transportation, and Utilities saw no change. (see Chart 31). Total Trade, Transportation, and Utilities employment (NSA) now exceeds its February 2020 pre-pandemic level of 628,700 jobs by 66,900, or 10.6 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 20.2 percent to 19.9 percent over the past year.



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 46 percent (see Chart 32).

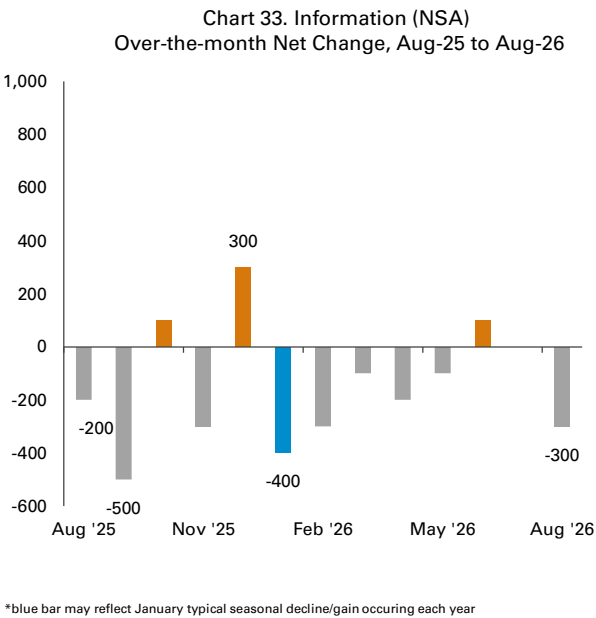


DECLINING INDUSTRY HIGHLIGHTS

Information

Over-the-month Change

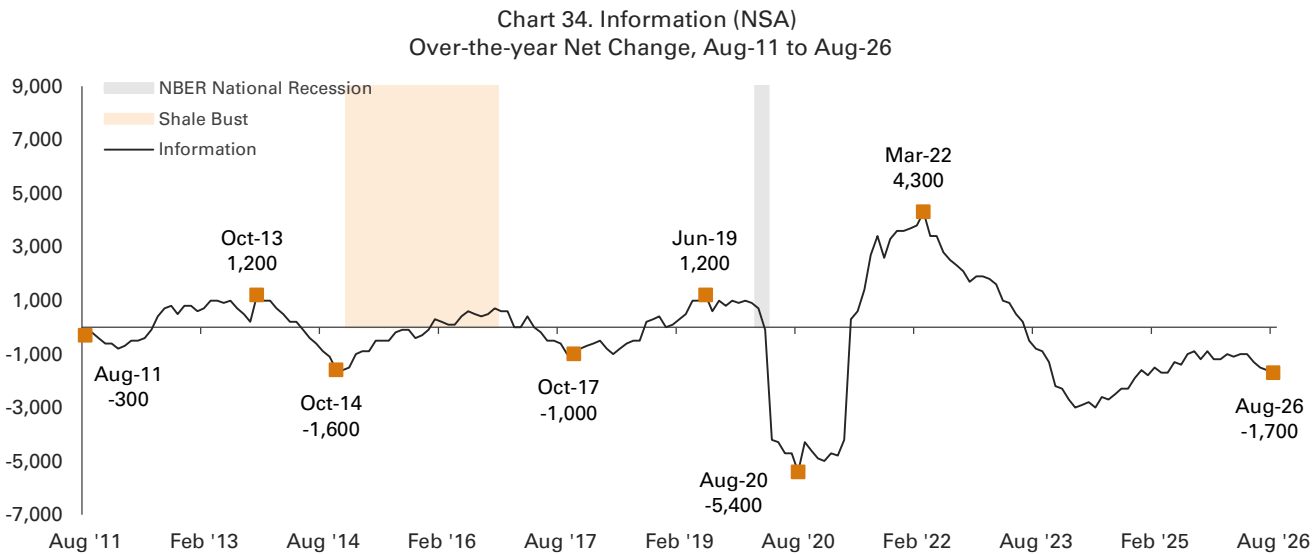
Information also saw a decrease over the month down -300 jobs, or -1.1 (see Chart 33). Historically in the month of August, Information has lost an average of -100 jobs over the month, which indicates that this month's losses are on par with the long-term average. Other Information Undefined was the largest contributor to the overall sector's decline, down -200 jobs over the month. The second-largest declining contributor was Telecommunications, which lost -100 jobs from July to August. Information employment saw no revision from June to July leaving the previous month's original estimate of zero net change intact.



Over-the-year Change

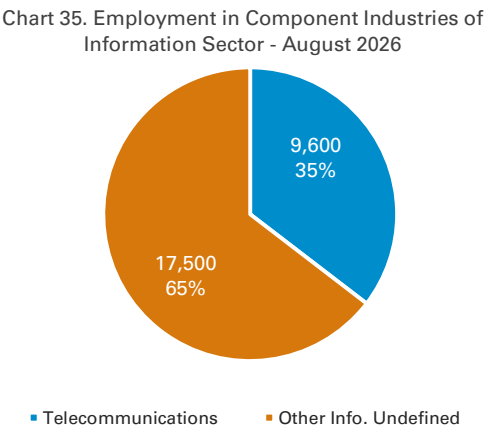
Year over year, Information was down -1,700 jobs, or -5.9 percent (see Chart 34). This was the largest over-the-year decline since April 2025's decrease of -1,700 jobs. Among sectors currently showing contraction, this sector is the fastest declining in percentage terms across the Houston area. Furthermore, 35.4 percent of total (gross) jobs lost across the region over the past year can be attributed to Information. Other Information Undefined was the largest contributor to the overall sector's decline, down -1,100 jobs over the year. The second-largest declining contributor was

Telecommunications, which lost -600 jobs from August a year ago. Total Information employment (NSA) remains -5,600 jobs, or -17.1 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.



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 65 percent (see Chart 35). Across the Houston MSA, the concentration of jobs in the overall Information sector is 55 percent less than the national average.

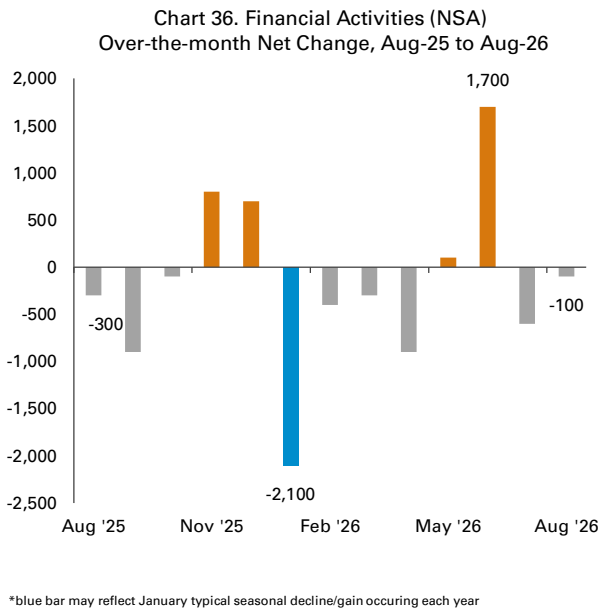


DECLINING INDUSTRY HIGHLIGHTS

Financial Activities

Over-the-month Change

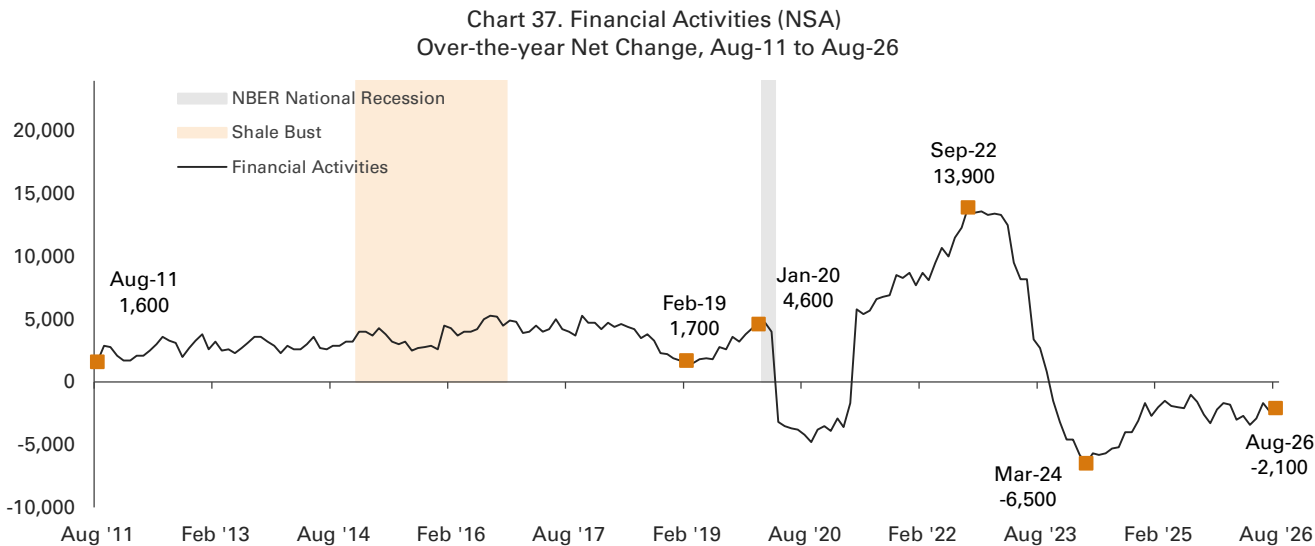
Financial Activities also saw a decrease over the month down -100 jobs, or -0.1 (see Chart 36). Historically in the month of August, Financial Activities has added an average of 200 jobs over the month, which indicates that this month's losses are moderately in contrast to the long-term average gain. Finance and Insurance was the largest contributor to the overall sector's decline, down -400 jobs over the month. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which gained 300 jobs from July to August. Financial Activities employment was revised upward by 900 jobs for a June to July smaller net loss of -600 compared to an original estimate of -1,500 jobs.



Over-the-year Change

Year over year, Financial Activities was down -2,100 jobs, or -1.2 percent (see Chart 37). Among sectors currently showing contraction, this sector is the second-fastest declining in percentage terms across the Houston area. Furthermore, 43.7 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 -2,300 jobs over the year. One component industry that provided a partial offset was Real Estate and Rental and Leasing, which gained 200 jobs from August

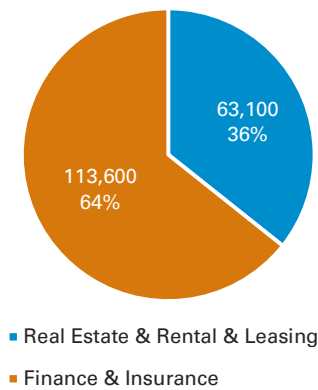
a year ago. Total Financial Activities employment (NSA) now exceeds its February 2020 pre-pandemic level of 169,200 jobs by 7,500, or 4.4 percent. At the same time, the sector's share of Houston area Total Nonfarm Employment has fallen from 5.2 percent to 5.1 percent over the past year.



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 64 percent (see Chart 38). 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 16-percent higher concentration in Real Estate and Rental and Leasing.

Chart 38. Employment in Component Industries of Financial Activities Sector - August 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 5.0 percent in August, down from July's 5.1 percent and up from 4.9 percent a year ago. This was above the statewide rate of 4.6 percent and above the national rate of 4.3 percent. An over-the-month decline in August is typical having occurred roughly 75 percent of the time over the past three decades. 194,303 individuals were unemployed in Houston in August, down from July's 201,799 and up from 191,805 in August 2025 (see Charts 39 and 40).

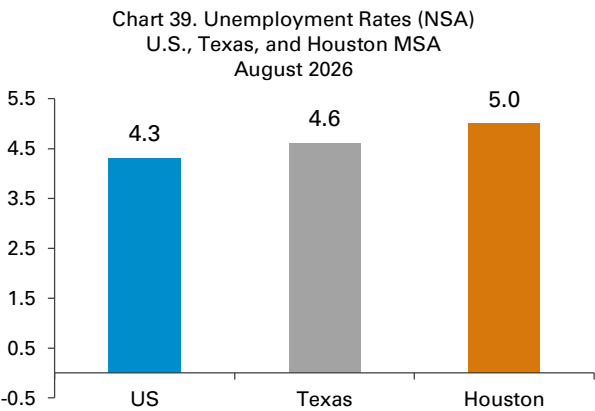
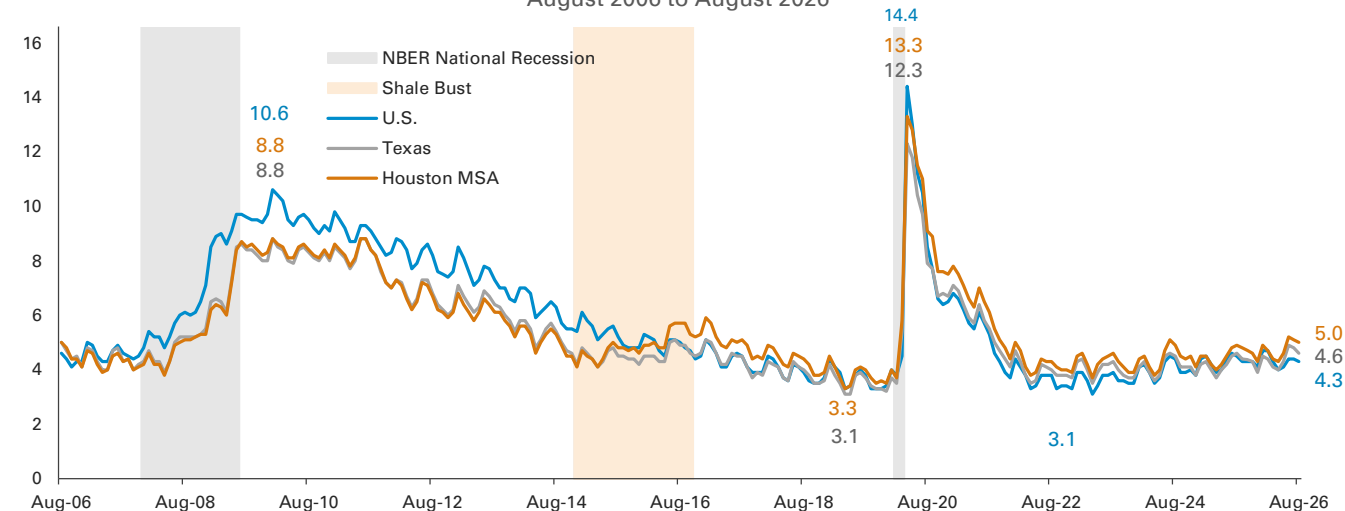


Chart 40. Unemployment Rates U.S., Texas, and Houston MSA (NSA)
August 2006 to August 2026

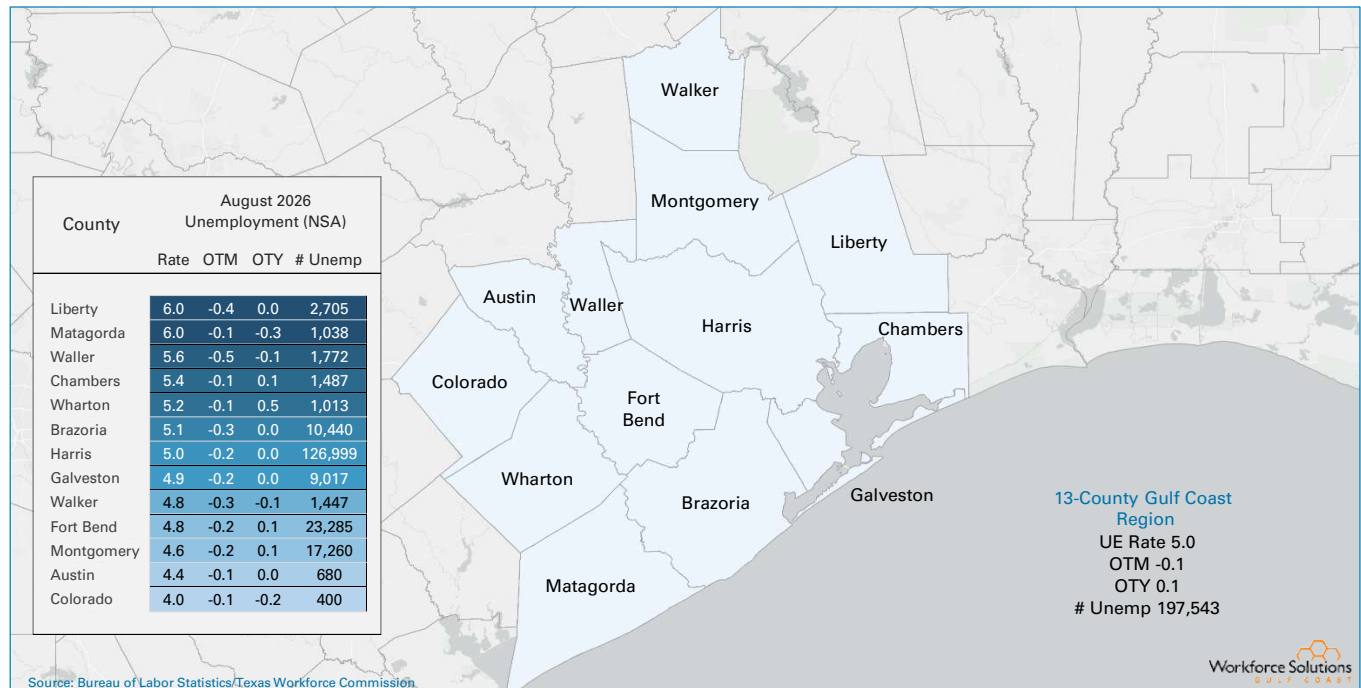


County-level Unemployment

Among the 13 counties that comprise the Gulf Coast Workforce Development Area, unemployment rates in August ranged from a high of 6.0 percent in Liberty County to a low of 4.0 percent in Colorado. Over the month, all 13 counties saw their unemployment rates decline in keeping with the region-wide decrease of -0.1 percentage points. Waller saw the largest percentage-point decrease in unemployment down -0.5 pp. representing -148 fewer unemployed workers compared to the previous month. This was followed by Liberty (-0.4 pp, -179 workers) and Walker (-0.3 pp, -115

workers). Over the year unemployment rates rose with, Wharton posting the largest increase, up 0.5 percentage points representing 94 more unemployed workers compared to a year ago followed by and Since peaking at 448,765 in April 2020 due to the COVID-19 global pandemic, the number of unemployed workers in the Gulf Coast Region has fallen by -251,222 as of this August (see Map 1 legend).

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



Local Area Unemployment Statistics (continued)

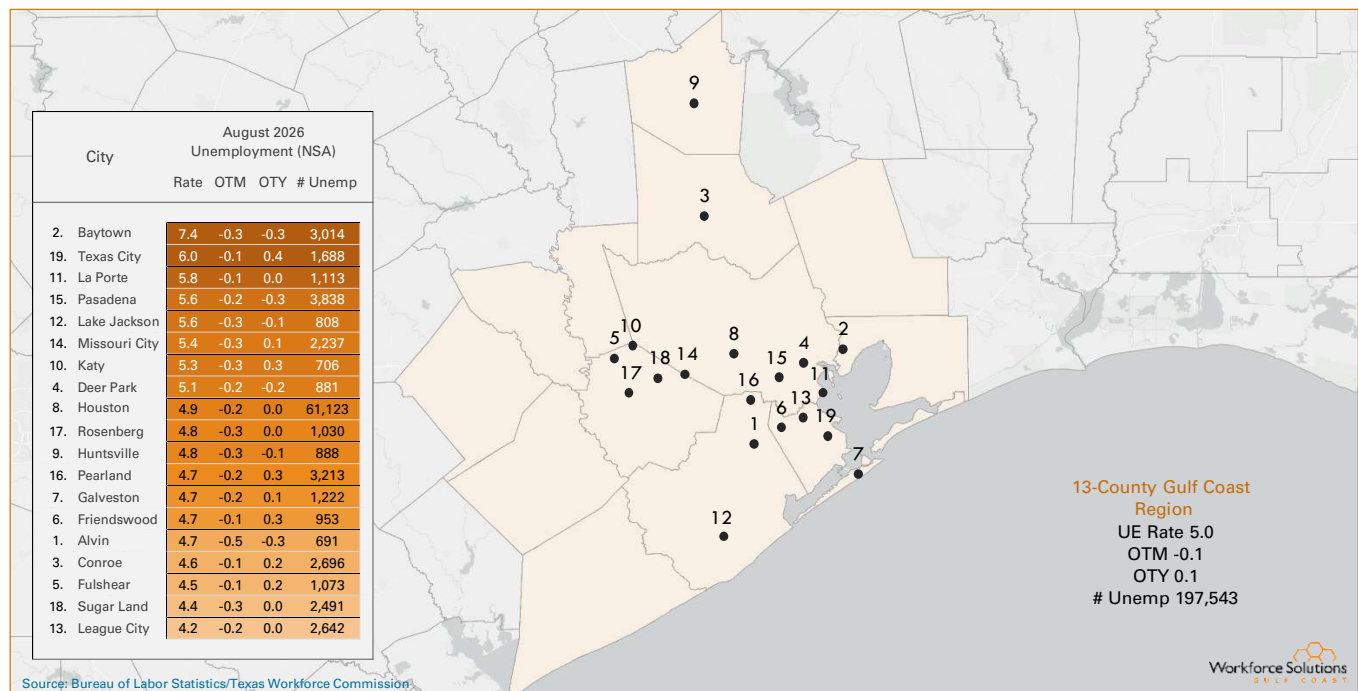
Not-Seasonally Adjusted

Unemployment Rates for Select Municipalities

Among the 19 cities in the Gulf Coast Workforce Development Area for which Local Area Unemployment Statistics are available, unemployment rates in August ranged from a high of 7.4 percent in Baytown to a low of 4.2 percent in League City (see Map 2 legend). Over the month, all 19 cities saw their unemployment rates decline in keeping with region-wide decrease of -0.1 percentage points. Alvin saw the largest percentage-point decrease in unemployment

down -0.5 pp. representing -76 fewer unemployed workers compared to the previous month. This was followed by Katy (-0.3 pp, -34 workers) and Rosenberg (-0.3 pp, -68 workers). Over the year unemployment rates rose with, Texas City posting the largest increase, up 0.4 percentage points representing 132 more unemployed workers compared to a year ago followed by Friendswood (0.3 pp, 69 workers) and Pearland (0.3 pp, 236 workers). The 19 cities below accounted for 47 percent of the 197,543 unemployed workers across the Gulf Coast Region as of this August (see Map 2 legend).

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



Seasonally Adjusted

Houston Metro, Texas, and U.S. Unemployment

The Houston MSA (seasonally-adjusted) unemployment rate stood at 4.8 percent in July, up from June's 4.7 percent and up from a year ago. This was above the statewide rate of 4.5 percent and above the national rate of 4.1 percent. 186,306 individuals were unemployed in Houston in July, up from June's 184,354 and up from 175,809 in July 2025 (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 19 cities.

Chart 41. Unemployment Rates (SA)
U.S., Texas, and Houston MSA
July 2026

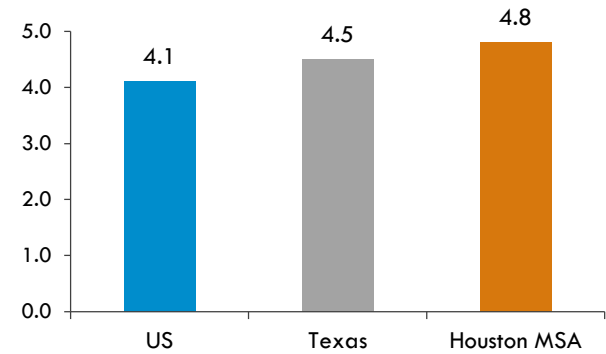
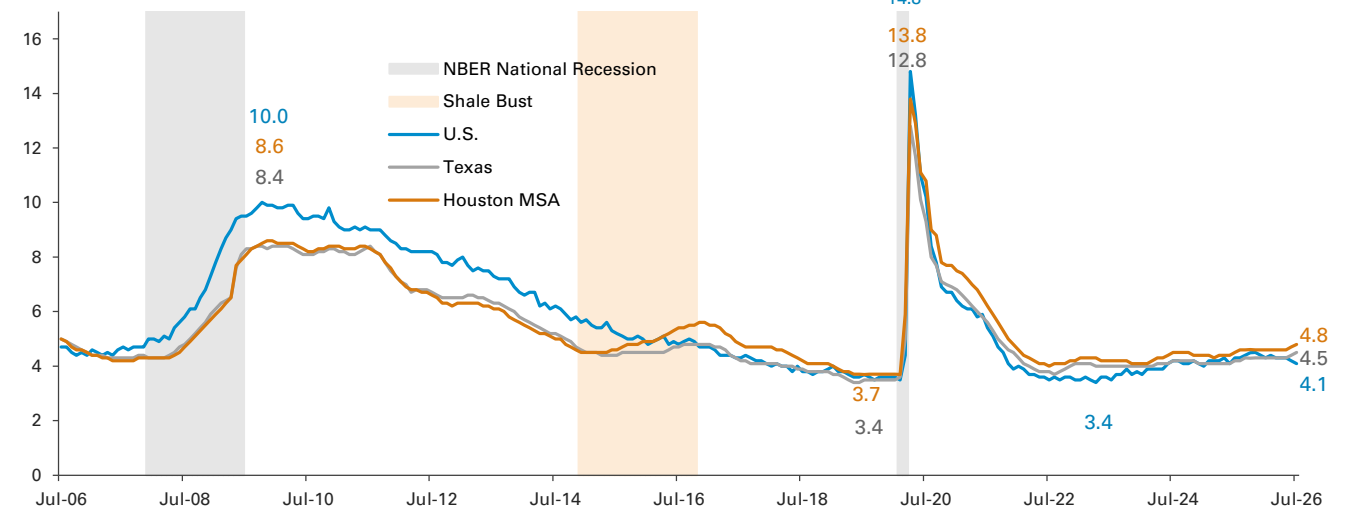


Chart 42. Unemployment Rates U.S., Texas, and Houston MSA (SA)
July 2006 to July 2026



Houston MSA Workforce Solutions Index (WSI)

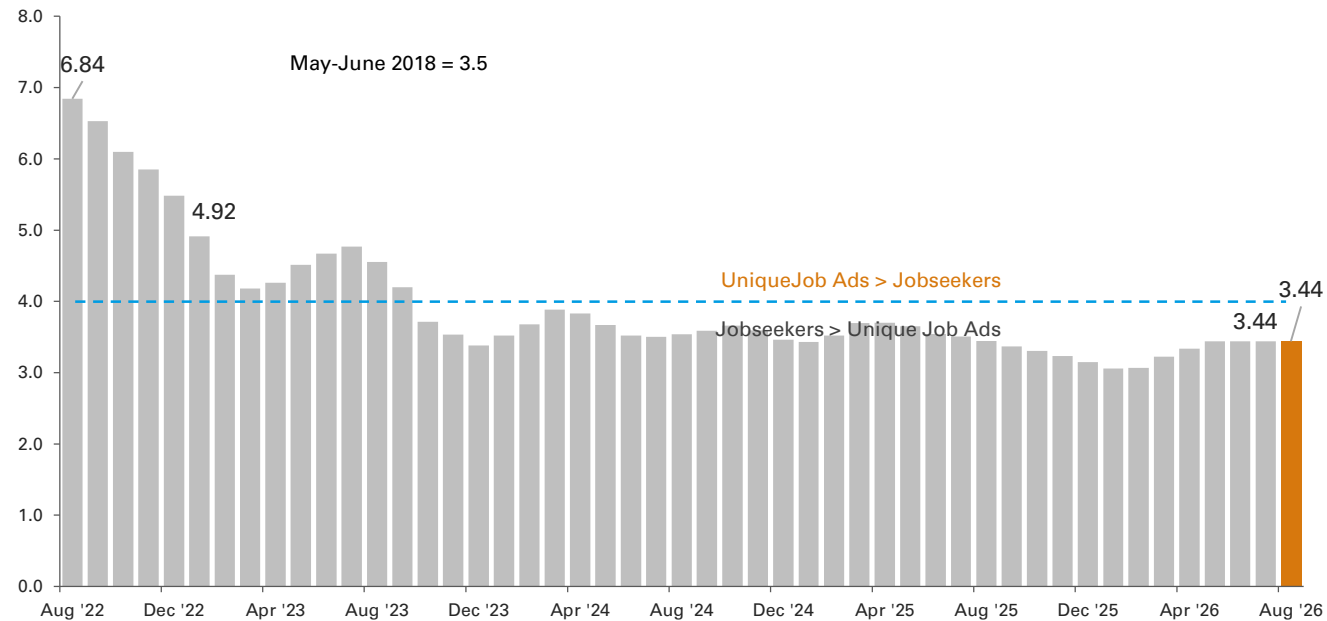


The Houston MSA Workforce Solutions Index (WSI)

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
August
2026:
3.44

Houston MSA Workforce Solutions Index - 2022 - 2026 (SA)



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



Workforce Solutions Index August 2026

The Houston MSA WSI for August stood at 3.44, unchanged from July's 3.44. This was the result of a 5,000 increase in the number of active job ads between July and August coupled with a 5,000 increase in the number of unemployed individuals between June and July. This August marks 7 consecutive months of increases in the WSI from a recent low of 3.06 in January. In addition, January's reading was the lowest since April 2021, which was followed by a sharp increase in August of that year signaling the start of acute labor shortages associated with the post-pandemic rebound period.

As of August the index has remained below the equilibrium value of 4.0 for 35 consecutive months while remaining above 3.0 reaffirming the relative advantage of employers compared to jobseekers. 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

August 2026

Table 1. Houston MSA Sectors and Major Industry Subcomponents

NAICS Industry	Aug-26	Jul-26	Aug-25	Monthly	Monthly	Yearly	Yearly %
Total Nonfarm	3,495,300	3,494,400	3,450,600	900	0.0%	44,700	1.3%
Total Private	3,048,100	3,052,900	3,011,700	-4,800	-0.2%	36,400	1.2%
Goods Producing	582,700	581,900	569,600	800	0.1%	13,100	2.3%
.Mining and Logging	73,300	73,300	73,700	0	0.0%	-400	-0.5%
...Oil and Gas Extraction	35,500	35,400	35,800	100	0.3%	-300	-0.8%
...Support Activities for Mining	36,200	36,200	36,400	0	0.0%	-200	-0.5%
.Construction	269,000	268,900	254,900	100	0.0%	14,100	5.5%
..Construction of Buildings	68,900	69,600	65,200	-700	-1.0%	3,700	5.7%
...Heavy and Civil Engineering Construction	69,000	68,700	64,600	300	0.4%	4,400	6.8%
..Specialty Trade Contractors	131,100	130,600	125,100	500	0.4%	6,000	4.8%
.Manufacturing	240,400	239,700	241,000	700	0.3%	-600	-0.2%
..Durable Goods	154,100	152,900	151,100	1,200	0.8%	3,000	2.0%
...Fabricated Metal Product Manufacturing	56,000	55,800	54,800	200	0.4%	1,200	2.2%
...Machinery Manufacturing	40,400	40,400	39,800	0	0.0%	600	1.5%
....Agriculture, Construction, and Mining Machinery Mfg.	19,100	19,100	18,900	0	0.0%	200	1.1%
...Computer and Electronic Product Manufacturing	15,700	15,600	15,300	100	0.6%	400	2.6%
..Non-Durable Goods	86,300	86,800	89,900	-500	-0.6%	-3,600	-4.0%
...Petroleum and Coal Products Manufacturing	7,300	7,400	7,700	-100	-1.4%	-400	-5.2%
...Chemical Manufacturing	42,700	43,000	43,600	-300	-0.7%	-900	-2.1%
Service Providing	2,912,600	2,912,500	2,881,000	100	0.0%	31,600	1.1%
.Private Service Providing	2,465,400	2,471,000	2,442,100	-5,600	-0.2%	23,300	1.0%
.Trade, Transportation, and Utilities	695,600	697,100	695,600	-1,500	-0.2%	0	0.0%
...Wholesale Trade	176,600	177,600	178,500	-1,000	-0.6%	-1,900	-1.1%
....Merchant Wholesalers, Durable Goods	110,100	110,700	110,800	-600	-0.5%	-700	-0.6%
.....Prof. and Commercial Equip. Supplies Wholesalers	17,900	18,100	18,200	-200	-1.1%	-300	-1.6%
....Merchant Wholesalers, Nondurable Goods	54,300	54,700	56,000	-400	-0.7%	-1,700	-3.0%
...Retail Trade	319,800	320,000	320,300	-200	-0.1%	-500	-0.2%
....Motor Vehicle and Parts Dealers	45,000	45,100	45,100	-100	-0.2%	-100	-0.2%
....Bldg. Material and Garden Equip. and Supplies Dealers	23,500	24,000	24,000	-500	-2.1%	-500	-2.1%
....Food and Beverage Stores	77,900	77,800	77,000	100	0.1%	900	1.2%
....Health and Personal Care Stores	62,300	62,000	63,000	300	0.5%	-700	-1.1%
....Clothing and Clothing Accessories Stores	16,600	16,300	16,400	300	1.8%	200	1.2%
....General Merchandise Stores	45,700	45,700	46,600	0	0.0%	-900	-1.9%
.....Department Stores	22,600	22,700	23,000	-100	-0.4%	-400	-1.7%
.....Other General Merchandise Stores	25,200	25,000	25,700	200	0.8%	-500	-1.9%
...Transportation, Warehousing, and Utilities	199,200	199,500	196,800	-300	-0.2%	2,400	1.2%
....Utilities	25,600	25,500	24,200	100	0.4%	1,400	5.8%
.....Air Transportation	21,900	21,900	21,300	0	0.0%	600	2.8%
.....Truck Transportation	31,200	31,100	30,500	100	0.3%	700	2.3%
.....Pipeline Transportation	16,000	16,000	15,400	0	0.0%	600	3.9%
.Information	27,100	27,400	28,800	-300	-1.1%	-1,700	-5.9%
...Telecommunications	9,600	9,700	10,200	-100	-1.0%	-600	-5.9%
.Financial Activities	176,700	176,800	178,800	-100	-0.1%	-2,100	-1.2%
...Finance and Insurance	113,600	114,000	115,900	-400	-0.4%	-2,300	-2.0%
....Credit Intermediation and Related Activities	44,300	44,400	45,600	-100	-0.2%	-1,300	-2.9%
.....Depository Credit Intermediation	29,700	29,700	30,500	0	0.0%	-800	-2.6%
....Securities, Commodity Contracts, and Fin. Investments	20,600	20,600	21,100	0	0.0%	-500	-2.4%
....Insurance Carriers and Related Activities	48,700	49,000	49,200	-300	-0.6%	-500	-1.0%
...Real Estate and Rental and Leasing	63,100	62,800	62,900	300	0.5%	200	0.3%
.Professional and Business Services	581,300	581,300	566,600	0	0.0%	14,700	2.6%
...Professional, Scientific, and Technical Services	287,100	288,400	283,300	-1,300	-0.5%	3,800	1.3%
....Legal Services	35,200	35,600	34,600	-400	-1.1%	600	1.7%
....Accounting, Tax Preparation, Bookkeeping, and Payroll	26,600	26,800	27,400	-200	-0.7%	-800	-2.9%
....Architectural, Engineering, and Related Services	80,600	80,700	79,400	-100	-0.1%	1,200	1.5%
....Computer Systems Design and Related Services	41,600	41,800	42,500	-200	-0.5%	-900	-2.1%
...Management of Companies and Enterprises	43,600	43,500	43,500	100	0.2%	100	0.2%
...Admin. and Support and Waste Mgmt. and Remediation	250,600	249,400	239,800	1,200	0.5%	10,800	4.5%
....Administrative and Support Services	236,300	235,000	226,100	1,300	0.6%	10,200	4.5%
.....Employment Services	87,200	86,300	77,600	900	1.0%	9,600	12.4%
.....Services to Buildings and Dwellings	62,800	62,700	61,000	100	0.2%	1,800	3.0%
.Educational and Health Services	476,400	473,500	470,500	2,900	0.6%	5,900	1.3%
...Educational Services	73,100	70,000	72,600	3,100	4.4%	500	0.7%
...Health Care and Social Assistance	403,300	403,500	397,900	-200	0.0%	5,400	1.4%
....Ambulatory Health Care Services	203,500	203,400	201,900	100	0.0%	1,600	0.8%
....Hospitals	102,500	102,200	101,100	300	0.3%	1,400	1.4%
.Leisure and Hospitality	376,900	379,700	372,000	-2,800	-0.7%	4,900	1.3%
...Arts, Entertainment, and Recreation	43,300	44,400	44,300	-1,100	-2.5%	-1,000	-2.3%
...Accommodation and Food Services	333,600	335,300	327,700	-1,700	-0.5%	5,900	1.8%
....Accommodation	27,500	27,900	27,700	-400	-1.4%	-200	-0.7%
....Food Services and Drinking Places	306,100	307,400	300,000	-1,300	-0.4%	6,100	2.0%
.Other Services	131,400	135,200	129,800	-3,800	-2.8%	1,600	1.2%
Government	447,200	441,500	438,900	5,700	1.3%	8,300	1.9%
.Federal Government	35,400	35,400	36,600	0	0.0%	-1,200	-3.3%
.State Government	103,400	103,200	100,600	200	0.2%	2,800	2.8%
..State Government Educational Services	55,800	55,300	54,200	500	0.9%	1,600	3.0%
.Local Government	308,400	302,900	301,700	5,500	1.8%	6,700	2.2%
..Local Government Educational Services	204,600	198,700	198,900	5,900	3.0%	5,700	2.9%