



GREATER HOUSTON PARTNERSHIP  
houston.org

# GREATER HOUSTON PARTNERSHIP 2012 EMPLOYMENT FORECAST

A publication of the Greater Houston Partnership

December 8, 2011

## *From Recovery to Expansion*

2011 proved to be a good year for Houston. Oil never fell below \$75 a barrel, foreign trade grew faster than ever before, and by mid-October employment had passed its pre-recession peak. Houston has completed the recovery and is now in expansion mode.

The factors that drove job growth in '11—high energy prices, advances in exploration technology, strong demand for Houston's exports, a weak U.S. dollar, and immigration of residents from other places, both domestically and abroad—will drive the economy again next year. The Partnership's forecast calls for the 10-county Houston metro area to add 84,600 jobs in '12.

The recovery has been uneven, though, and next year's job growth will repeat that trend. Employment now exceeds its pre-recession peak in several sectors—oil and gas extraction, food and beverage stores, utilities, trucking, computer systems design, health care, education services, food services and other (personal) services. Those sectors will continue to grow next year. However, in several other sectors—construction, finance, real estate—employment remains where it stood a decade ago. Of those three, only construction and real estate show signs of significant improvement next year. The worst performing sector, information, has lost jobs for more than a decade and will continue to do so again next year.

## *What's Driving Growth?*

Traditionally, three factors drive Houston's economy—energy prices, the strength of the dollar, and growth of the U.S. economy. In '11, high

energy prices alone were enough. Houston added 79,500 jobs between October '10 and October '11, one in seven coming from the energy industry (upstream, downstream, equipment manufacturing)<sup>1</sup>. With each job in energy supporting an additional two to five jobs elsewhere in the economy, Houston owes much of its prosperity to the current drilling boom.

But one shouldn't discount the role of the weak dollar in Houston's good fortune. Over the past three years, its value has declined more than 10.7 percent against major world currencies. Over the past decade, it has fallen 34.2 percent, making the goods and services that Houston produces relatively more affordable in overseas markets. As a result, exports through the Houston-Galveston Customs District are on pace to exceed \$115 billion this year, posting a \$43-billion increase over the recession low of \$72 billion in '09.

Data for the export of services are not available at the local level, but at the national level services account for about one-fifth of all U.S. exports, according to the U.S. Bureau of the Census. That suggests Houston's service exports (e.g., engineering, construction management, oil field services) will exceed \$20 billion this year. Undoubtedly, Houston's service industries benefit from the weaker dollar as well.

## *If we're doing so well, why's everyone so glum?*

Though Houston's doing well, the nation as a whole continues to struggle.

*"Houston has completed the recovery and is now in expansion mode."*

<sup>1</sup> Official job numbers for the calendar year won't be released until late January, with revisions to follow in March.

- The nation's gross domestic product, the value of all final goods and services produced within the U.S., grew at an annual rate of 2.0 percent in the third quarter. Annual growth needs to exceed 3.5 percent to stimulate significant U.S. job growth.
- The nation created only 1.6 million jobs over the past 12 months, and nearly 13.9 million Americans remain unemployed.
- The national debt has escalated to \$15.5 trillion, up from \$10.0 trillion four years ago. Congress has yet to come up with a plan to reduce the debt.

The negative national news tends to crowd out the positive local news, but the local news is predominantly positive.

**Foreign Trade:** The combined value of imports and exports through the Houston-Galveston Customs District totaled \$198.4 billion through the first nine months of this year, a 28.5 percent increase over the \$154.4 billion handled during the same period last year. Trade is up in 23 of the top 25 commodities shipped through Houston. The Houston district should set a trade record this year.

**Exploration Activity:** The Baker Hughes count of active rigs in North America averaged 2,011 in November, up 19.5 percent from 1,683 in the same month last year. November's average stood three rigs shy of the pre-recession peak of 2,014 reached in September '08.

**Industrial Production:** The Houston Purchasing Managers Index (PMI) rose to 61.3 in October, up from 60.8 in September and 54.7 a year ago, according to the Institute for Supply Management-Houston. Readings above 50 indicate growth in production over the next three to four months; readings below 50 suggest contraction. The Houston PMI has remained above 50 for 26 consecutive months.

**Home Sales:** The Houston Association of Realtors® (HAR) Multiple Listing Service reports that

the metro area has a 6.6 month inventory of single-family homes. That means it would take 6.6 months to sell all the single-family homes on the market based on sales activity over the past year. That's an improvement from 7.7 months one year ago. A six-month supply is considered a balanced market.

**Auto Sales:** Retail auto sales for October were the highest since the cash for clunkers program in August '09, according to *TexAuto Facts Report*, published by InfoNation, Inc. of Sugar Land. All major manufacturers except Honda and Toyota hold year-to-year sales gains for the region.

**Airport Traffic:** The Houston Airport System handled 50.0 million passengers in the 12 months ending October '11. Annualized passenger traffic has trended upward from the recession low of 47.7 million in August '09.

Only a handful of indicators hint at weakness in the economy. Foreclo-

tures are up slightly for the year but down significantly from the peak. This may actually be a good thing. The sooner all at-risk properties work their way through the system, the sooner real estate markets will return to normal. Overall construction remains weak, and will probably finish '11 down for the fifth year in a row. But availability of office and industrial space continues to shrink, so it's only a matter of time before construction picks up.

***The more things change . . .***

Last year, uncertainties over NASA funding, the impact of the Patient Protection and Affordable Care Act, the drilling moratorium in the Gulf of Mexico, the Continental-United merger, and the threat of cap-and-trade legislation clouded the forecast. Houston's economy grew despite those uncertainties. Now a new uncertainty looms—the European debt crisis.

What happens in Europe is important to Houston, but it doesn't determine our fate. The Eurozone accounts for only 15.9 percent of Houston's exports. By comparison, Latin America and the Ca-

**Recession Snapshot:** The recession hit Houston in September '08. The region lost 152,800 jobs through January '10. Houston began to recoup jobs starting in February that year. By October '11, the region had gained 153,000 jobs, or 101.1 percent of what it lost in the recession

ribbean account for 45.0 percent of Houston's export trade. The greater danger is that the European crisis will destabilize U.S. banks holding European debt, and that U.S. credit markets tighten even more, impeding an already weak U.S. recovery. Houston will continue to grow, even with a Eurozone collapse. It just won't grow as fast.

### **Job Growth Next Year**

The Partnership's forecast calls for the region to add 84,600 jobs next year, with private-sector gains far more than offsetting public-sector losses. The greatest gains will come in manufacturing, 11,700 jobs; professional, scientific and technical services, 10,700; administrative support services, 10,800; and health care, 10,300. Some sectors will continue to shed jobs, the greatest losses coming in the government sector as austerity measures implemented by the state legislature in the summer impact Houston-area school districts next fall.

Note that the primary value of any forecast lies not in the accuracy of the numbers, but in understanding the trends and discontinuities driving the data. Armed with this knowledge, readers should be able to make better-informed decisions in the coming months. Here, in greater detail, are insights into the direction Houston's economy will take in '12.

### **Mining and Logging**

Mining and logging (in Houston primarily oil and gas) lost 11,100 jobs during the recession—800 from oil and gas extraction, 9,700 from oil field services and the remainder from other subsectors. Since the recovery began, the exploration sector has created 4,100 jobs and oil field services another 8,600. Oil field services should recoup all lost jobs by January or February.

The factors that drove job growth in energy this year will continue to do so in the next:

**High Oil Prices:** The price of West Texas Intermediate (WTI), the U.S. benchmark for sweet light crude, never fell below \$75 a barrel in '11.

For most of the year, WTI traded well above \$80 a barrel. The U.S. Energy Information Administration (EIA) forecasts WTI to average \$98.00 a barrel in '12.

**Strong Global Demand:** EIA estimates that world petroleum consumption has risen 4 million barrels per day since '08 and expects oil consumption to rise by another 5 million barrels over

the next three to four years.

**Advances in Technology:** Hydraulic fracturing—the pumping of sand, water and chemicals into a formation to ease the flow of oil to the well—created

opportunities onshore at the time the Obama administration halted deepwater drilling in the Gulf of Mexico. Oil field service companies have backlogs for hydraulic fracturing that extend well into '13.

The only constraint to growth in the energy industry next year is a shortage of talent. Some recruiters are already looking outside the region for qualified engineers, geologists, technicians and other professionals. Even with a tight labor market, GHP expects the energy sector to add 3,100 exploration and production jobs and 3,200 oil field service jobs next year. Both numbers could be higher if drilling activity picks up in the Gulf of Mexico.

### **Construction**

No other sector suffered more during the recession than construction. According to McGraw Hill Construction, the value of commercial and residential construction contracts peaked at \$14.2 billion in '07, then fell three consecutive years, and probably will finish this year at \$7.6 billion.

Construction employment followed a similar trajectory, peaking at 210,000 jobs in late '07 before losing 40,300 over the next three years, accounting for one in every four Houston jobs lost in the recession. Construction employment also has been among the slowest sectors to recover, adding only 9,600 jobs since January '10.

It will take some time before construction employment returns to pre-recession levels. The

*“What happens in Europe is important to Houston, but it doesn't determine our fate.”*

drivers of the previous construction boom have downshifted, slipped into neutral, or fallen out of the gearbox.

Sub-prime financing drove single-family housing starts from 31,000 early in the past decade to 55,000 a year by '06, the height of the boom. Times have changed. It's now easier to qualify for the U.S. Olympic rowing team than a home mortgage. Houston will be lucky to finish the year with 18,000 single-family starts.

Office developers didn't overbuild, but many tenants downsized or abandoned space during the recession. The Houston market is trying to reabsorb 3.2 million square feet of office space vacated in the recession.

Public works construction—primarily roads, bridges and highways—has also tapered off. According to the local Transportation Improvement Plan, federal, state and local construction budgets, already well below pre-recession levels, will remain flat for the next few years.

But there are reasons for hope. For one, the inventory of resale homes is shrinking. The number of homes listed through HAR's Multiple Listing Service has fallen from 55,427 in July of last year to 47,812 this October.

Second, for Houstonians who *can* qualify for a mortgage, purchasing a home makes more sense than renting. A typical 1,000-square-foot Class A apartment now leases for \$1,300 per month. By comparison, the payment on a \$175,000 home (the median price of a home sold in Houston in October) is just \$700 per month<sup>2</sup>.

Third, construction of Exxon's new campus near The Woodlands will support a substantial number of jobs and spur additional development in the area. Though Exxon won't disclose the value of the project, local experts place the value at \$900 million to \$1 billion.

Fourth, some of the region's chemical plants and refineries are moving forward on projects deferred during the recession.

Though it will be several years before construction employment returns to pre-recession levels, Houston should see additional construction jobs next year. The Partnership's forecast calls for a net gain of 9,800 construction jobs in '12.

*"... the value of any forecast lies not in the accuracy of the numbers, but in understanding the trends and discontinuities driving the data."*

### **Manufacturing**

Manufacturing lost 29,300 jobs in the recession, the second most of any sector. In the recovery, manufacturing has recouped

13,300 jobs, the majority in durable goods manufacturing. The slowly improving construction sector has supported growth in fabricated metal products, mainly structural steel. The drilling boom has supported growth in the manufacturing of industrial equipment, primarily oil field equipment.

The recovery in nondurables manufacturing—primarily refined products, chemicals, and plastics—has been less robust. The sector lost 8,100 jobs during the recession and has recouped only 3,100. Weakness in the U.S. housing and automobile markets, major consumers of plastics and chemicals produced in Houston, has restrained recovery in this sector, as has the decline in gasoline consumption. Chemicals, plastics and refined products account for two-thirds of all nondurables manufacturing jobs.

The recovery in manufacturing employment that began two years ago should accelerate next year. The slowly improving construction market will support increased production of structural steel and related building components. The exploration boom will support robust demand for oil field equipment. And the low price of natural gas will support growth in chemicals and plastics manufacturing, especially in products destined for export.

In the United States, natural gas is the primary feedstock for chemicals and plastics. Overseas, naphtha, a crude-based derivative, is the primary

<sup>2</sup> Assumes 20 percent down payment, 30-year conventional mortgage, 4.25 percent interest rate, and a credit score 700 or better. Does not include taxes and insurance.

feedstock. As a rule of thumb, when the price of a barrel of oil exceeds the price of a thousand cubic feet (mcf) of natural gas by more than six to one, U.S. petrochemicals and plastics are competitive on the world market. With oil now at \$85 a barrel and natural gas at \$3.50 per mcf, U.S. petrochemicals and plastics are highly competitive. (Note: chemicals and plastics are among Houston's top five exports.) The abundance of natural gas now available through shale drilling and hydraulic fracturing will keep Houston's exports competitive well into the future.

The Partnership's forecast calls for durable goods manufacturing to add another 8,400 jobs next year. Nondurables will add another 3,300. By early '13, manufacturing should return to its previous employment peak.

### ***Wholesale Trade***

Wholesale trade lost 10,100 jobs during the recession because businesses slashed capital expenditures, industrial production plummeted, export sales dropped, and consumers closed their wallets. Since January '10, the sector has recouped 7,300 jobs, three-fourths of what it lost in the recession. Most of the gains have come in durable goods wholesaling. By comparison, the nation has recovered only a fourth of the wholesale jobs it lost.

Houston's wholesale trade sector has rebounded quicker than the rest of the nation for several reasons. First, much of Houston's wholesale trade serves the booming oil and gas industry. The industry will drill nearly twice as many wells this year as it did in '09. Second, a significant amount of Houston's wholesale trade is destined for overseas markets. Exports of industrial equipment, electrical machinery, fabricated metal products, chemicals and plastics are up \$4 billion, or 25 percent, during the first nine months of '11 compared to the same period last year. And third, wholesale trade in Houston primarily involves business durables, like machinery and equipment, and few consumer goods, like clothes and housewares. The recovery in the merchant wholesaling sector has been less robust because the recovery in consumer spending has been less robust.

The drilling boom will enter a second year, the dollar will remain weak, and emerging markets

will continue to buy our products next year. The Partnership's forecast calls for this sector to add 3,000 jobs in '12.

### ***Retail Trade***

Retail lost 22,200 jobs during the Great Recession. Since the recovery began, the sector has recouped 15,300 jobs, or about two-thirds of what it lost.

Retail employment is highly seasonal, however. Each fall, local shops and merchants add 4,000 to 5,000 temporary employees for the holiday shopping season, then release them after the holiday season ends. Accounting for this seasonal pattern, retail probably has gained 12,000 to 13,000 jobs since the recession ended.

Local consumers seem to have regained their confidence. Recent Black Friday sales were the best in years. That and strong fundamentals will drive retail growth:

- The Texas State Data Center forecasts the Houston metro area will gain another 600,000 residents over the next five years.
- Houston's employment base is expanding by 80,300 jobs this year and another 84,600 next (according to this forecast.)
- The region's purchasing power continues to grow—by more than \$1 billion from the first to the second quarter this year, according to the U.S. Bureau of Labor Statistics' *Quarterly Census of Employment and Wages*.

Houston's growing population, employment base, and purchasing power translates into a need to hire additional employees to serve an expanding market. The Partnership forecast calls for retail employment to grow by 4,400 jobs next year.

### ***Transportation, Warehousing and Utilities***

Employment growth, or the lack of it, in this sector is an anomaly. In spite of record traffic through the region's six ports, an expanding population, and the recovery of the local economy, this sector has been among the slowest to recover. It lost 10,300 jobs during the recession, but has recovered only 500 to date. This disjunction suggests problems with how the data for this industry are gathered and reported. Employment growth

may actually be stronger than the numbers suggest.

The utility industry accounts for one in every 150 jobs in the region, making it one of the smallest in the local economy. Employment growth depends on population growth and new construction, although the strength of this connection has been weakened somewhat in recent years. GHP expects the utility sector to add only 600 employees next year.

Air, truck and pipeline transportation all reported slight employment gains over the past 12 months. Because losses associated with the Continental-United merger appear to have been primarily office-related, those may show up in the Administration and Support Services sector instead.

The ongoing recovery should accelerate employment growth in this sector next year. The Partnership forecasts this sector to add a combined 4,100 jobs in '12.

### ***Information***

The information sector includes newspapers, magazines, radio, television, cable, movies, software and telecommunications. Information has lost jobs steadily since the early '00s. This is a national phenomenon, as the Internet and improvements in telecommunications technology have transformed the way people receive their news. The Partnership forecasts a 200 job loss in this sector next year.

### ***Finance, Insurance and Real Estate***

The implosion of the mortgage market, the mergers of Wachovia, Washington Mutual and Commonwealth Financial, the seizing up of the financial markets, plummeting home sales, and a precipitous drop in commercial and industrial real estate transactions resulted in this sector losing 11,400 jobs during the recession. Only 2,800 have been recovered to date.

Structural changes in the economy and new banking and finance regulations continue to suppress job growth in this sector. Many bankers contend that the Dodd-Frank Wall Street Reform and Consumer Protection Act, touted as the most sweeping reform of the U.S. financial system since the Great Depression, brought uncertainty—not sta-

bility—to the U.S. financial industry. Financial stocks continue to take a beating as investors worry about U.S. banks' exposure to the European debt crisis and consumer outrage restricts their ability to generate new fees. Several local banks, most notably Sterling and Comerica, have merged. Houston realtors now sell a third fewer homes than they did three years ago, so there are fewer mortgage applications to process. With fewer home sales, Houston also needs fewer residential realtors.

On the bright side, commercial and industrial real estate have begun to rebound. The office market has reported positive net absorption for five consecutive quarters. The industrial vacancy rate is at 5.9 percent, the lowest it has been in several years.

The Partnership forecasts employment in the finance and insurance sector to grow by 1,600 jobs next year. The real estate sector will do somewhat better, adding 1,700 jobs.

### ***Business, Professional and Technical Services***

This sector includes accounting, legal, architectural, and engineering services, computer systems design, marketing, advertising, management consulting and miscellaneous business services. The sector lost 14,400 jobs during the recession and has recouped 8,700 since the recovery began.

The Partnership expects significant growth in this sector next year. A review of the 10-Q reports<sup>3</sup> of 12 of the region's largest engineering firms found that 10 have growing backlogs. Some accounting and law firms are hiring again as demand for their services rebounds with the general pickup in business activity. Companies continue to upgrade their computer and telecommunications networks, driving the need for systems engineers and designers. And as the economy improves, more firms seem willing to invest in advertising and public relations campaigns.

---

<sup>3</sup> A 10-Q is a quarterly report designed to give a status of how a business is doing after three months of operation. These reports, required by the Securities Exchange Commission, generally compare last quarter to the current quarter and last year's quarter to this year's quarter.

The Partnership expects job growth in this sector to accelerate, adding 10,700 jobs by next December.

### ***Administrative Support, Waste Management and Remediation Services***

This sector includes firms that support the day-to-day operations of other organizations by providing typical administrative functions—clerical, personnel, human resource, cleaning, security—for a fee. The sector lost 29,200 jobs during the recession as businesses seeking to reduce costs cut back on third-party services, especially the use of contract employees. But the sector has rebounded nicely, adding 31,200 jobs during the recovery. Two-thirds of the growth has been in employment services, *i.e.*, the use of contract employees. Firms reluctant to hire fulltime staff are relying more heavily on contract workers to meet their labor needs in the recovery.

The Partnership expects this sector to add 12,700 jobs next year.

### ***Educational Services***

This sector includes private institutions. Employees at publicly funded schools, colleges and universities are classified as government workers and counted as such.

The private education sector never lost jobs in the recession. Workers who fretted that their jobs were at risk enrolled in programs to upgrade their skills. Many of those who were laid off returned to school to improve their chances in the job market. This sector, which typically grows in recessions, added 4,400 jobs during the most recent one.

The need to hone job skills has not abated. The Partnership forecasts educational services to add another 1,200 jobs next year.

### ***Health Care and Social Assistance***

This sector also added jobs during the recession. As of October, 34,000 more Houstonians were employed in health care than before the recession began.

Two factors allowed health care to grow while jobs were cut elsewhere. Houston's population continued to grow, meaning the pool of patients

grew, and Houston's population continued to age, increasing the need for health care services. (The older we become, the more medical care we need.)

Houston may soon witness a shift in geographic growth patterns. Health care may expand more in the suburbs than in the Texas Medical Center next year. This change is being driven by three forces:

- Cuts in government funding. (Many TMC institutions are state-supported teaching hospitals.)
- Pressure from insurance companies to reduce hospital stays. (Hence the rise in ambulatory health care clinics in the suburbs.)
- Uncertainty over the impact of the Patient Protection and Affordable Care Reform Act. (Hence the reluctance by many TMC institutions to add employees.)
- Many TMC institutions are building facilities in the suburbs due to limited space for expansion in the medical center to be closer to their patients.

Health care employment will continue to grow in Houston, but not at historical rates. The Partnership forecasts health care to add 10,300 jobs in '12.

### ***Arts and Entertainment***

This sector includes theater and dance companies, musical groups, professional sports teams, artists and writers, museums, zoos, golf courses, fitness centers and amusement parks. It accounts for one in every 100 jobs in the region.

Though highly seasonal, employment tends to reach a higher peak each cycle, and each trough is not as low as the one before. Permanent growth is reflected in the opening of new museums, the addition of sports franchises, the debuts of performing groups, an increase in the number of fitness centers, the formation of new bands and music groups, population growth and income growth. The Partnership forecasts this sector to add 1,000 jobs next year.

## ***Accommodation and Food Services***

Houston's hotels and motels cut 2,000 jobs during the recession, primarily due to a reduction in business-related travel.

At the recession's onset, travel budgets were among the first items to be cut. Businesses hoped to maintain client relationships via email and phone, or by sending a single representative rather than a whole team to a trade show. At some point, however, the business community realized clients needed face time and reinstated their travel budgets. This sector has recouped 1,500 jobs so far. The Partnership forecasts accommodation will add another 800 jobs next year, recouping all jobs lost in the recession.

The food service sector includes restaurants, cafes, fast food franchises, cafeterias, food trucks, caterers and bars. During the recession, dining out became a luxury many couldn't afford. The sector lost 11,700 jobs. Since the local recovery began, the food services sector has added 16,300 jobs, recouping all jobs lost in the recession and then some.

Four factors drove the recovery and will drive growth in the future—improving consumer confidence, continued population growth, hectic lifestyles that lead people to prefer the convenience of eating out to cooking at home, and the trend for schools, arenas, and company cafeterias to contract their food services to outside firms.

The Partnership forecasts the food service sector to add 7,800 jobs next year.

## ***Other Services***

This sector includes people employed in repair and maintenance services (*e.g.*, automotive, electronics, industrial equipment, and household appliances), personal care services (*e.g.*, barber shops and beauty salons), funeral services, dry cleaners, religious and nonprofit associations, professional associations, and miscellaneous personal services. Employment growth in this sector is heavily dependent on population growth. As noted earlier, Houston's population continues to expand, aggregate income continues to grow, and as a result, the Partnership forecasts this sector to add 4,800 jobs next year.

## ***Government***

The public sector lagged all other sectors entering the recession. It will lag them coming out as well.

Government employment held steady until late last year, about the time other sectors had established several consecutive months of job gains. That's when the public sector began reporting job losses. Over the past 12 months, the public sector has cut 5,100 jobs with more cuts likely in the future.

Property values have another year or so to recover, and tax rate increases are unlikely in the current political climate. The austerity measures that the state legislature imposed on area school districts won't be fully felt until next year. Sales tax revenues, though recovering, remain below pre-recession levels. And funds from the American Reinvestment and Recovery Act are nearly spent. These fiscal constraints will lead to additional job losses. The Partnership forecasts public sector employment loss could be as high as 9,400 jobs next year.

## ***Long-Term Outlook***

Though Houston faces some challenges in the near term, the long-term outlook is bright. The challenges are those of managing growth rather than economic stagnation. From '10 to '35, The Perryman Group sees Houston leading the state in population growth, adding 3.37 million residents and 1.43 million jobs, and accounting for almost one-fourth of Texas' job growth.

The long-term outlook for the Houston metro area is positive, and steady, healthy growth will be the norm for Houston for the foreseeable future.

This forecast was prepared by Patrick Jankowski with assistance from Jenny Hsu, Roel Martinez, Deanna Morrow, Deborah Mostert, Edith Chambers and Pooja Patel.

## GHP FORECAST FOR HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	Employment as of		Net Change		% Change	
	Dec '11	Dec '12	'11	'12	'11	'12
<i>Note: Some columns may not add up due to rounding</i>						
<b>Total Nonfarm Payroll Jobs</b>	<b>2647.5</b>	<b>2732.1</b>	<b>80.3</b>	<b>84.6</b>	<b>3.1</b>	<b>3.2</b>
<b>Total Private</b>	<b>2271.3</b>	<b>2365.3</b>	<b>89.1</b>	<b>94.0</b>	<b>4.1</b>	<b>4.1</b>
<b>Goods Producing</b>	<b>504.6</b>	<b>533.1</b>	<b>28.8</b>	<b>28.5</b>	<b>6.1</b>	<b>5.6</b>
<b>Service Providing</b>	<b>2142.9</b>	<b>2199.0</b>	<b>51.5</b>	<b>56.1</b>	<b>2.5</b>	<b>2.6</b>
Mining and Logging	91.8	98.9	8.3	7.1	9.9	7.7
Oil & Gas Extraction	49.6	52.7	2.9	3.1	6.2	6.3
Support Activities for Mining	40.2	43.4	4.6	3.2	12.9	8.0
Construction	180.8	190.6	7.2	9.8	4.1	5.4
Manufacturing	232.0	243.7	13.3	11.7	6.1	5.0
Durable Goods Manufacturing	152.6	161.0	10.9	8.4	7.7	5.5
Nondurable Goods Manufacturing	79.4	82.7	2.4	3.3	3.1	4.2
Wholesale Trade	137.8	140.8	5.4	3.0	4.1	2.2
Retail Trade	277.4	281.8	4.0	4.4	1.5	1.6
Transportation, Warehousing and Utilities	124.0	128.1	-3.7	4.1	-2.9	3.3
Utilities	16.8	17.4	0.6	0.6	3.7	3.6
Air Transportation	24.2	24.9	0.5	0.7	2.1	2.9
Truck Transportation	21.9	23.3	1.2	1.4	5.8	6.4
Pipeline Transportation	10.5	10.7	0.3	0.2	2.9	1.9
Balance, including Warehousing Water & Rail	50.6	51.8	-6.3	1.2	-6.3	2.4
Information	29.1	28.9	-2.2	-0.2	-7.0	-0.7
Telecommunications	14.9	14.9	-1.1	0.0	-6.9	0.0
Finance & Insurance	88.5	90.1	1.3	1.6	1.5	1.8
Real Estate & Rental and Leasing	49.5	51.2	1.3	1.7	2.7	3.4
Professional & Business Services	391.3	416.4	25.1	25.1	6.9	6.4
Professional, Scientific & Technical Services	184.8	195.5	8.8	10.7	5.0	5.8
Legal Services	23.3	23.8	0.2	0.5	0.9	2.1
Accounting, Tax Preparation, Bookkeeping	18.2	19.0	0.2	0.8	1.1	4.4
Architectural, Engineering & Related Services	60.7	64.3	2.0	3.6	3.5	5.9
Computer Systems Design & Related Services	26.4	26.9	1.0	0.5	4.0	1.9
Admin & Support/Waste Mgt & Remediation	187.5	200.2	15.9	12.7	10.4	6.8
Administrative & Support Services	175.0	185.8	17.7	10.8	8.4	6.2
Educational Services	44.6	45.8	1.2	1.2	2.8	2.7
Health Care & Social Assistance	282.0	292.3	12.3	10.3	4.3	3.7
Arts, Entertainment & Recreation	26.1	27.1	0.5	1.0	2.0	3.8
Accommodation & Food Services	217.8	226.4	8.9	8.6	4.3	3.9
Other Services	98.5	103.3	6.1	4.8	6.6	4.9
Government	376.2	366.8	-8.8	-9.4	-2.3	-2.5
Federal Government	27.4	27.3	-0.3	-0.1	-1.1	-0.4
State Government	70.8	69.5	-0.9	-1.3	-1.3	-1.8
State Government Educational Services	37.0	36.0	-7.6	-1.0	-1.9	-2.7
Local Government	278.0	270.0	-6.3	-8.0	-2.7	-2.9
Local Government Educational Services	193.5	186.0	-7.0	-7.5	-3.2	-3.9

SOURCE: GHP Research Department based on Texas Workforce Commission data