

# THE ECONOMY AT A GLANCE

## HOUSTON



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

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### 2020 EMPLOYMENT FORECAST

The Partnership's forecast calls for the region to create 42,300 jobs in '20. Growth in '20 in Houston will occur outside of energy, especially in sectors tied to population growth, the U.S. economy, and global trade.

- Health care, government, accommodation and food services, construction and administrative support services will turn in the strongest performances.
- Professional scientific and technical services and transportation and warehousing will see moderate gains.
- Other services, education services, finance and insurance real estate and arts, entertainment and recreation will log marginal growth.
- Manufacturing and wholesale trade will be flat to slightly up.
- Energy, retail and information will contract.

Fortunately, both the U.S. and global economies should perform reasonably well next year

### U.S. Outlook

The U.S. economy continues to expand, albeit at a moderate pace. The U.S. Bureau of Economic Analysis reports U.S. gross domestic product (GDP) grew 2.1 percent in Q3/19. For the 12 months ending Q3, the U.S. grew 2.0 percent, adjusted for inflation. While somewhat off the pace of the past five years, it's above what many economists expected. The rate also falls near the long-term average for the economy.

U.S. employers added 128,000 jobs in October, the most recent month for which data are available. Job growth would have been stronger if not for the United Automobile Workers (UAW) strike against General Motors. The labor

action idled an estimated 42,000 employees. Those layoffs were temporary. Add those jobs to the initial report and the U.S. likely created 170,000 jobs in October, falling within the long-term average.

With unemployment at 3.6 percent, the U.S. labor market is the tightest it's been in 50 years. The tight labor market has finally begun to affect wages and consumer optimism. The U.S. Bureau of Labor Statistics reports that the average hourly wage was 3.0 percent higher in October '19 than a year prior. That's affected consumer behavior.

Total purchases in September were up 3.9 percent compared to September '18. And in a July Gallup Poll, 53 percent of respondents described economic conditions as "excellent" or "good." Only 12 percent described U.S. economic conditions as "poor." This optimism is important, considering consumers account for about two-thirds of all economic activity in the U.S.

One area of concern is business investment, up only 0.2 percent in October, well off the pace of 5.9 percent in October two years ago. Uncertainty over U.S. trade policy has forced many businesses to dial back or postpone investment decisions.

The outlook for U.S. manufacturing remains cloudy as well. The U.S. Purchasing Managers Index (PMI) for manufacturing registered 48.3 in October. Readings above 50 signal expansion in U.S. manufacturing; below 50, contraction. The services PMI, however, registered 54.7 in October. The difference is important considering that services contributes six times as much to GDP as does manufacturing.

### Global Outlook

The outlook for global growth looks better today than it did a year ago. The Organisation for Economic Co-operation and Development (OECD) expects the global economy to grow 3.0 percent in '20, marginally above the 2.9 percent

*The Partnership released its 2020 Houston Employment Forecast on December 5. This newsletter contains a summary of that forecast. The full document can be found at the Partnership's website or by clicking here.*

this year, and decidedly not the crash many economists predicted earlier this year. Of the 20 largest economies, which account for nearly 80 percent of global economic activity, none will slip into recession in '20. Twelve of these will see an uptick in growth. Lost in the discussion in recent months is that, with '17 and '18 being particularly good years for global growth, any movement back to the long-term trend would appear as a slowdown. But in an \$80 trillion global economy, growth of just 3.0 percent translates to an additional \$2.4 trillion in economic activity next year.

## Energy

Exploration activity, already down in '19, will continue to contract in '20. Though few firms have finalized their exploration budgets for next year, cuts of 10 to 20 percent should be expected. EIA expects oil prices to slip in '20, putting an even tighter squeeze on the cash flows of many firms. The industry will continue to see a high number of bankruptcy filings.

More firms will merge, hoping that by pooling acreage and reducing headcounts the combined companies will be more viable than as separate entities. New equipment orders will dry up. Layoffs will happen first in the field, then on the factory floor, and finally in the office. If there's any solace in the situation, it's that the industry is already lean and won't see deep layoffs.

The restructuring that began in '15 and went on hiatus in '17 will resume in '20. The forecast calls for exploration and production and oil field services to lose as many as 4,000 jobs by year's end.

## Manufacturing

Weakness in oil and gas continues to weigh on Houston's manufacturing sector. The Partnership estimates that 25 to 33 percent of the region's manufacturing jobs are tied to oil and gas extraction. That's down from the height of the fracking boom, when as many as 40 percent supported upstream energy. ("Upstream" includes jobs in the oil field equipment manufacturing subsector plus portions of 52 other subsectors that supply equipment manufacturing or some other part of the sector.)

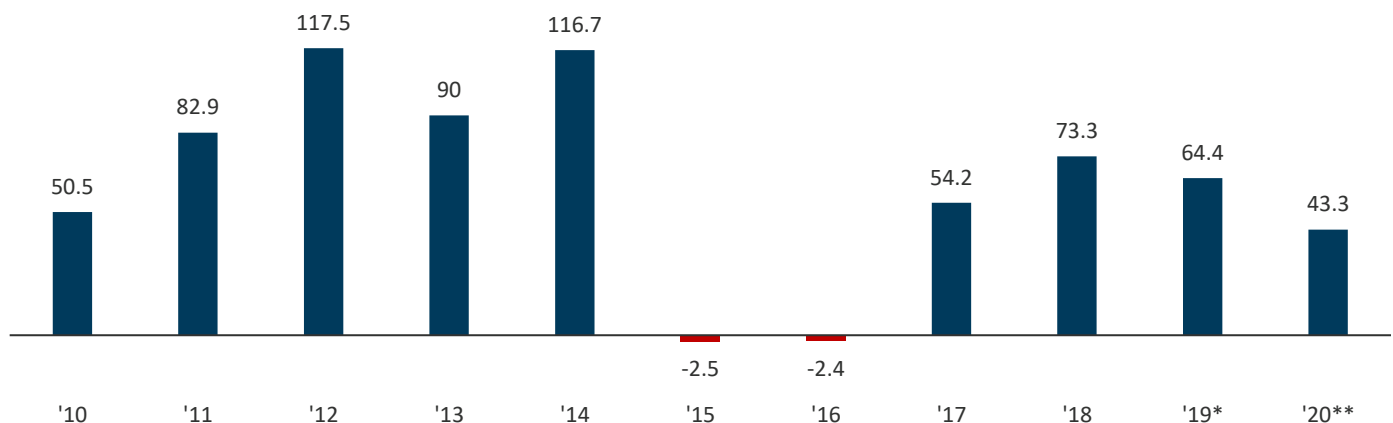
One bright spot is chemicals and refined products, which currently account for 51,900 jobs, or 21.5 percent of manufacturing employment. Many of the chemical plant and refinery expansions that broke ground from '14 through '16 are now operational. As a result, the sector has added 5,000 jobs in the past five years.

Growth in non-energy sectors be just strong enough to offset the losses elsewhere. Nationally, business investment remains weak. All these factors indicate a poor outlook for Houston's manufacturing. The forecast calls for manufacturing to create only 1,000 jobs in '20.

## Construction

Over the past 10 years, more than \$150 billion in construction contracts have been awarded in the Houston region. This activity has added 43.8 million square feet (msf) of office space, 88.4 msf of warehouse/distribution space, 43.4 msf of retail space, about 300,000 single-family homes, nearly 125,000 multi-family units, and more than \$60 billion in new chemical plants and refinery upgrades to Houston's property inventory.

**Metro Houston Job Growth, December to December, 000s**



Source: Texas Workforce Commission and Greater Houston Partnership

\*October YTD \*\* Partnership forecast

**METRO HOUSTON, PROJECTED JOB GAINS/LOSSES**  
**December '19 to December '20**

Sector	Jobs
Health Care and Social Assistance	7,900
Government	6,300
Accommodation and Food Services	6,200
Construction	5,400
Administrative Support	5,000
Professional, Scientific, Technical Services	4,700
Transportation and Warehousing	4,000
Other Services	1,700
Educational Services	1,600
Finance and Insurance	1,400
Real Estate and Rental and Leasing	1,200
Arts, Entertainment, Recreation	1,100
Wholesale Trade	1,000
Manufacturing	1,000
Utilities	0
Information	-200
Retail Trade	-2,000
Energy	-4,000
<b>Total</b>	<b>42,300</b>

Source: Greater Houston Partnership

But the next 10 years don't look as rosy. The region has nearly 60 msf of vacant or available office space. That equates to a vacancy rate over 26 percent. A healthy rate would be in the mid-teens or lower.

Houston has nearly 21 msf of industrial/warehouse space under construction, of which only 20 percent is pre-leased. In a good year, Houston absorbs six to eight million square feet. That suggests Houston has a three-year supply under construction on top of the already 66 million square feet available.

As of early November, 22,500 apartment units were under construction and another 28,000 in the planning stages. An industry rule of thumb holds that Houston can absorb one apartment unit for every six new jobs. To absorb all the under-construction and planned units, the region will need to create 300,000 jobs, equivalent to what Houston has created cumulatively over the past six years.

Single-family home construction will hold up well. The market has absorbed 28,000 to 30,000 new homes per year for the past 10 years. And for many, owning a home is still part of the American dream. Barring a surge in interest rates or a collapse in Houston's economy, that pace of construction should continue.

The long-awaited second wave of chemical plant construction has yet to materialize, at least in Houston. A handful of new chemical plants have been announced, but many await regulatory approval, final go-ahead from their boards, or an improvement in market conditions. Most of the chemical plant or refinery construction

The Partnership doesn't foresee an increase in office construction next year, or for the next several years. As owners of industrial space find it takes longer to lease new warehouses and can do so only at rates lower than projected, industrial construction will slow. In a year or so, Houston may be faced with another apartment glut. At that point, it's to be hoped, apartment developers will back off the pace of construction starts.

There's enough work on the books to keep the industry busy through the end of '20, but then the overbuilding in office, industrial and multifamily will catch up. The forecast calls for the sector to add only 5,400 jobs in '20.

**Retail**

Metro Houston has more than 18,000 retail stores, up from 15,700 stores 10 years ago. The sector performed well earlier in the decade, adding 48,600 jobs from '10 to '16. But the past two years have been rough: retail lost 1,200 jobs in '17 and another 5,800 in '18. Overall retail employment in October '19 was exactly where it stood in October '15. To survive, stores will need to integrate brick-and-mortar with online sales.

Retail will get a boost from population growth next year, though the gains won't be as strong as earlier in the decade. Overall job growth will continue, but many of the new jobs will pay less than ones lost in the fracking bust. Household incomes will nudge up, and this should provide consumers with slightly more disposable income. Consumers should remain confident about their economic prospects and continue to spend. But retailers will fight against the inroads of online sales. The forecast calls for retail to lose another 2,000 jobs in '20.

**Wholesale**

In '20, manufacturing tied to oil exploration will struggle and so will durables wholesaling. Export growth will pick up as overseas economies recover, but a strong U.S. dollar may stifle overseas sales. Consumer demand, driven by a growing population and employment base, should expand. A healthy U.S. economy will also help. The Partnership's forecast calls for wholesale trade to add 1,000 jobs in '20.

## Transportation

Traffic through the Houston-Galveston Customs District continues to grow, but at a slower pace. New pipelines continue to come on line, bringing crude, natural gas, and jobs to Houston. Online retail continues to expand, boosting the need for courier and delivery services. The port, airport, highway system, and warehouse construction boom have helped position Houston as a distribution center.

All this activity requires more freight forwarders, shipping agents, and inspection services. The slowdown in oil exploration, oil field equipment manufacturing, and wholesale activity will temper the growing demand for transportation services. Accounting for all this, the forecast calls for the region to create 4,000 jobs next year.

## Utilities

Greater productivity through technology (remote metering, online customer service portals) and outsourcing has curtailed the workforce needed to serve a growing population. Employment growth has been marginal over the past 10 years, with the sector adding only 700 jobs. The Partnership's analysis doesn't see any factors that would significantly boost job growth next year. The forecast calls for employment in the sector to remain flat in '20.

## Information

Mergers and acquisitions, traditional media competing with web-based media, workers replaced by technology, and the need to cut operating costs has reduced the number of firms and employees in the sector. Information has lost jobs in seven of the past 10 years. The telecommunications subsector has lost jobs in eight out of the past 10. This forecast anticipates that trend will continue and calls for the sector to lose another 200 jobs by the end of '20.

## Finance and Insurance

Next year will look a lot like '15 and '16, with loan activity focused outside energy and energy-related manufacturing.

Recent reports of an improving U.S. economy should bolster business and consumer confidence, translating into stronger demand for banking and financial services. The aging of Houston's population will also provide opportunities for clients concerned about wealth preservation and wanting to prepare for intergenerational wealth transfers.

Though Houston's banking, finance and insurance subsectors are the healthiest they have been in a decade, secular trends and local conditions will suppress job

growth next year. The forecast calls for the sector to create 1,400 jobs in '19.

## Real Estate Rental and Leasing

Owners need to lease, manage and sell all the new office, industrial, and retail space they've thrown on the market. 'Same goes for the pending glut in apartments. Construction activity won't taper off until the end of the year, supporting the demand for heavy equipment rentals. Consumers continue to rent vehicles, furniture and appliances. Based on these factors, the forecast calls for real estate rental and leasing to create 1,200 jobs in '20.

## Professional, Scientific and Technical Services

Anecdotal evidence suggests activity in the sector has begun to slow again. The forecast assumes that strategies employed in the first fracking bust will support professional services in the second.

Other factors will come into play as well. A rise in the number of mergers, bankruptcies, and asset dispositions should keep accounting and legal firms busy. Efforts to expand into new markets and find new clients should keep local advertising, marketing and public relations firms busy. The need to improve operational efficiency and cut costs should support more billable hours for management consulting firms. And any firm that fails to upgrade its tech infrastructure runs the risks of falling behind its competitors. The forecast calls for professional, scientific, and technical services to create a modest 4,700 jobs in '20.

## Administrative and Support Services

The forecast for administrative and support services aligns with overall expectations for the economy—slower but steady growth. The sector should create approximately 5,000 jobs in '20.

## Educational Services

Educational services tends to perform better than the economy as a whole. School enrollments rise for to serve a growing school-age population, workers seeking to upgrade their skills, and parents seeking alternatives to public education. Growing enrollments require more instructors, administrators, and tutors. And parents still want their children to perform better on the soccer fields, make better grades, and score higher on SAT and ACT tests, so the need for exam prep and testing services continues to grow.

Even during the downturns of the past 20 years, educational services could be relied on to add 1,000 to 2,500 jobs per year. The forecast assumes nothing to derail this trend, but errs on the side of caution, and calls for the sector to add 1,600 jobs in '20.

## Health Care

Several factors will drive health care in '20: population, job and income growth, high number of births, an aging population, longer life expectancies, increases in chronic diseases, more Houstonians with health insurance.

These factors will be somewhat offset by pressure from consumers, insurance companies and the government to reduce costs. The sector must also deal with uncertainty from Washington, D.C. Several Democratic presidential candidates have pledged to radically change the system should they be elected. Republicans have frequently spoken of the need to dismantle the ACA, and they have begun to chip away at it.

Population and employment growth will mitigate some of the uncertainty, but the sector's likely to see weaker job growth next year. The forecast calls for health care and social assistance to add 7,900 jobs in '19.

## Arts, Entertainment, Recreation

Future growth depends on several factors. Arts, recreation, and sports is a consumer-oriented sector. It benefits from population, income, and workforce growth. Ticket sales are important not just for revenue, but also to demonstrate to corporate sponsors and underwriters the organization's popularity in the community. It's too soon to tell whether weakness in oil and gas, and therefore reduced profitability, reduces corporate support of the arts or sponsorships of local sports teams. The Partnership's forecast calls for the sector to add 1,100 jobs in '19.

## Accommodation and Food Services

According to CBRE, metro Houston had approximately 944 hotels and motels with over 92,600 total rooms as of Q2/19. Another 19 hotels with over 1,900 rooms were slated to open in '19 and 45 with nearly 4,500 rooms in '20. The new hotels will need desk clerks, bell hops and cleaning staff. The forecast calls for the sector to add 1,000 jobs in '20.

The forecast assumes that even with a slowing economy the region will add another 200 restaurants and bars. These wining and dining places will need cashiers, cooks, dishwashers, wait staff and maître des. The forecast calls for the sector to add 5,200 jobs in '20.

## Other Services

Other services includes repair shops, personal care (barbers, beauty salons), miscellaneous businesses, nonprofits and religious organizations. Other services tends to track the overall economy, with wages and employment rising and falling with population, income, and employment growth. With overall activity expected to

slow next year, the job growth will fall below the long-term. The forecast calls for other services to create 1,700 jobs in '20.

## Government

The employment forecast for this sector assumes that population growth will continue; cities and counties will add personnel to handle the larger constituencies; school enrollments will continue to climb; school districts hire more educators to serve the larger enrollments; tax revenues increase; and attitudes toward local government remains positive. On that basis, the forecast calls for the government sector to add 6,300 jobs in '20.

## IN LIGHT OF THE CURRENT DATA

The Partnership's forecast for 42,300 jobs in '20 may seem low in light of recent Texas Workforce Commission (TWC) reports that the region created 80,400 jobs in the 12 months ending October '19. One must take those reports with a grain of salt.

Note that TWC typically overestimates job growth in an expansion and underestimates losses in a contraction. That was the case in '18, when TWC originally reported metro Houston created 108,300 jobs in the 12 months ending December '18, only to revise that down to 73,300 jobs several months later. Likewise, TWC first estimated the region created 23,200 jobs in '15, only to adjust that to a loss of 2,500 jobs in a later report.

## Why the revisions?

The jobs reports that TWC releases throughout the year are based on a survey sample of area employers. Like any survey, it's subject to error, especially when TWC estimates employment for nonreporting establishments. But starting in the fall each year and concluding in the following spring, TWC reviews various administrative records, including the number of employees covered by unemployment insurance, to develop a more accurate picture of gains and losses during the year. Every March, TWC issues a new set of data covering employment over the previous 21 months. As noted, the new data often contain significant revisions.

That will likely be the case with the '19. TWC's current estimates paint a picture of regional job growth that doesn't comport with other economic indicators. TWC will likely pare 20,000 to 30,000 jobs from its current estimates, bringing growth for the year to a more reasonable 50,000 to 60,000. In anticipation of this revision, the Partnership has elected to base its '20 forecast on a more subdued picture of regional growth, especially in the wake of the current drop in the rig count, weak readings in the PMI, the lack of office absorption, and the current woes in retail.

## SNAPSHOT – KEY ECONOMIC INDICATORS



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



**Building Permits** — City of Houston building permits totaled \$7.3 billion for the 12 months ending October '19, up 15.9 percent from \$6.3 billion for the same period in '18. Commercial permits rose 28.9 percent to \$4.4 billion while residential permits increased 0.4 percent to \$2.9 billion.



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



**Construction** — Metro Houston's construction starts totaled \$16.0 billion in the 12 months ending October '19, down 21.0 percent from \$20.3 billion for the comparable period in '18.



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



**Home Sales** — Realtors sold 101,416 homes in Houston over the 12 months ending October '19, up 2.7 percent from the same span ending in October '18. Year-to-date sales total 72,420 homes, up 4.2 percent from a year earlier.



**Inflation** — The cost of consumer goods and services as measured by the Consumer Price Index for All Urban Consumers (CPI-U) rose 1.8 percent nationwide from October '18 to October '19. Core inflation (all items less the volatile food and energy categories) increased 2.3 percent since October '18.



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



**Purchasing Managers Index** — The Houston Purchasing Managers Index, a short-term leading indicator for regional economic activity, registered 51.1 in October, down from 53.5 in September, and the lowest reading since October '17 during the aftermath of Hurricane Harvey. Readings above 50 signal expansion in the overall economy. The region's PMI has signaled expansion in overall economic activity for 38 consecutive months.



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



**Vehicle Sales** — Houston new vehicle sales fell 10.1 percent this October compared to last October. Dealers sold 30,154 new vehicles in October '19, down nearly 3,400 vehicles from October '18. Truck/SUV sales went down 5.8 percent and car sales fell 19.7 percent. Sales in '19 started strong but have slowed in recent months. Year-to-date, vehicle sales continue to fall and are down 3.4 percent relative to last year. The bulk of the decline is due to lower car sales.

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

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

## HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

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

SOURCE: Texas Workforce Commission

# HOUSTON ECONOMIC INDICATORS

A Service of the Greater Houston Partnership

12/6/2019

	Month	MONTHLY DATA			YEAR-TO-DATE TOTAL or YTD AVERAGE*		
		Most Recent	Year Earlier	% Change	Most Recent	Year Earlier	% Change
<b>ENERGY</b>							
U.S. Active Rotary Rigs	Sep '19	868	1,053	-17.6	988 *	1,019 *	-3.0
Spot Crude Oil Price (\$/bbl, West Texas Intermediate)	Aug '19	54.81	68.06	-19.5	57.00 *	66.48 *	-14.3
Spot Natural Gas (\$/MMBtu, Henry Hub)	Aug '19	2.22	2.96	-25.0	2.63 *	2.95 *	-10.8
<b>UTILITIES AND PRODUCTION</b>							
Houston Purchasing Managers Index	Oct '19	51.1	55.0	-7.1	54.6 *	57.1 *	-4.4
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	Sep '19	5,219,813	5,193,172	0.5	47,024,471	45,860,284.00	2.5
<b>CONSTRUCTION</b>							
<b>Total Building Contracts (\$, Houston MSA)</b>	<b>Oct '19</b>	<b>1,698,783,000</b>	<b>1,121,396,000</b>	<b>51.5</b>	<b>13,608,459,000</b>	<b>18,064,753,000</b>	<b>-24.7</b>
Nonresidential	Oct '19	735,881,000	275,856,000	166.8	5,388,530,000	8,140,912,000	-33.8
Residential	Oct '19	962,902,000	845,540,000	13.9	8,219,929,000	9,923,841,000	-17.2
<b>Building Permits (\$, City of Houston)</b>	<b>Oct '19</b>	<b>560,511,993</b>	<b>505,425,242</b>	<b>10.9</b>	<b>6,306,398,190</b>	<b>5,103,141,712</b>	<b>23.6</b>
Nonresidential	Oct '19	N 387,591,219	327,707,735	18.3	3,948,684,044	2,800,856,810	41.0
<i>New Nonresidential</i>	Oct '19	N 231,545,189	121,077,502	91.2	1,759,651,329	1,033,601,975	70.2
<i>Nonresidential Additions/Alterations/Conversions</i>	Oct '19	N 156,046,030	206,630,233	-24.5	2,189,032,715	1,767,254,835	23.9
Residential	Oct '19	N 172,920,774	177,717,507	-2.7	2,357,714,146	2,302,284,902	2.4
<i>New Residential</i>	Oct '19	N 142,534,602	134,197,029	6.2	2,010,189,895	1,853,983,321	8.4
<i>Residential Additions/Alterations/Conversions</i>	Oct '19	N 30,386,172	43,520,478	-30.2	347,524,251	448,301,581	-22.5
<b>HOME SALES</b>							
<b>Property Sales</b>	<b>Oct '19</b>	<b>8,579</b>	<b>8,080</b>	<b>6.2</b>	<b>86,253</b>	<b>83,231</b>	<b>3.6</b>
Median Sales Price (Single-Family Detached)	Oct '19	239,900	235,000	2.1	242,906 *	236,012 *	2.9
Active Listings	Oct '19	43,468	40,675	6.9	42,848 *	38,417 *	11.5
<b>EMPLOYMENT (Houston-The Woodlands-Sugar Land MSA)</b>							
<b>Nonfarm Payroll Employment</b>	<b>Oct '19</b>	<b>3,202,100</b>	<b>3,121,700</b>	<b>2.6</b>	<b>3,155,750 *</b>	<b>3,074,110 *</b>	<b>2.7</b>
Goods Producing (Natural Resources/Mining/Const/Mfg)	Oct '19	559,700	540,400	3.6	551,970 *	526,790 *	4.8
Service Providing	Oct '19	2,642,400	2,581,300	2.4	2,603,780 *	2,547,320 *	2.2
<b>Unemployment Rate (%) - Not Seasonally Adjusted</b>							
Houston-Sugar Land-Baytown MSA	Oct '19	3.5	3.9		3.8 *	4.4 *	
Texas	Oct '19	3.3	3.5		3.5 *	3.9 *	
U.S.	Oct '19	3.3	3.5		3.7 *	4.0 *	
<b>FOREIGN TRADE (Houston-Galveston Customs District)</b>							
<b>Total Trade (\$000,000)</b>	<b>Sep '19</b>	<b>19,034</b>	<b>19,895</b>	<b>-4.3</b>	<b>174,894</b>	<b>173,790</b>	<b>0.6</b>
Exports (\$000,000)	Sep '19	12,590	11,816	6.6	109,179	104,409	4.6
Imports (\$000,000)	Sep '19	6,444	8,080	-20.2	65,715	69,381	-5.3
<b>TRANSPORTATION</b>							
<b>Port of Houston Authority Shipments (Short Tons)</b>	<b>July '19</b>	<b>4,158,566</b>	<b>4,109,102</b>	<b>1.2</b>	<b>28,665,244</b>	<b>27,366,817</b>	<b>4.7</b>
<b>Air Passengers (Houston Airport System)</b>	<b>Sep '19</b>	<b>4,337,636</b>	<b>4,359,095</b>	<b>-0.5</b>	<b>44,460,724</b>	<b>43,421,375</b>	<b>2.4</b>
Domestic Passengers	Sep '19	3,532,749	3,550,109	-0.5	35,471,047	34,505,604	2.8
International Passengers	Sep '19	804,887	808,986	-0.5	8,989,677	8,915,771	0.8
<b>Air Freight (metric tons)</b>	<b>Sep '19</b>	<b>41,139</b>	<b>45,166</b>	<b>-8.9</b>	<b>79,657</b>	<b>78,454</b>	<b>-6.6</b>
<b>CONSUMERS</b>							
<b>New Car and Truck Sales (Units, Houston MSA)</b>	<b>Oct '19</b>	<b>30,154</b>	<b>33,550</b>	<b>-10.1</b>	<b>247,247</b>	<b>255,986</b>	<b>-3.4</b>
Cars	Oct '19	8,420	10,489	-19.7	69,206	75,482	-8.3
Trucks/SUVs	Oct '19	21,734	23,061	-5.8	178,041	180,504	-1.4
<b>Total Retail Sales (\$000,000, Houston MSA, NAICS Basis)</b>	<b>Q1/19</b>	<b>28,824.4</b>	<b>29,296.0</b>	<b>-1.6</b>	<b>28,824.4</b>	<b>29,296.0</b>	<b>-1.6</b>
<b>Consumer Price Index for All Urban Consumers ('82-'84=100)</b>							
Houston-Galveston-Brazoria CMSA	Oct '19	230.0	228.1	0.9	228.8 *	226.0 *	1.2
United States	Oct '19	257.3	252.9	1.8	255.4 *	251.0 *	1.7
<b>Hotel Performance (Houston MSA)</b>							
Occupancy (%)	Q2/19	65.6	65.6		64.6 *	67.2 *	
Average Room Rate (\$)	Q2/19	104.36	110.12	-3.5	105.49 *	109.24 *	-3.4
Revenue Per Available Room (\$)	Q2/19	68.47	79.83	-3.5	68.11 *	73.45 *	-7.3

N = New Since Previous Issue

R = Revised

## SOURCES

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

