

THE ECONOMY AT A GLANCE

HOUSTON



GREATER HOUSTON
PARTNERSHIP.
Making Houston Greater.

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WELCOME TO HOUSTON

In spite of the pandemic, metro Houston’s population grew in the 12 months ending July 1, 2021. The region added just over 69,000 residents, enough for Houston to reach a new milestone. The nine-county metro area topped 7.2 million residents and now exceeds that of 37 states and the District of Columbia.

Just over half of the region’s growth (54.8 percent) came from the net natural increase (*i.e.*, the difference between births and deaths). Houston has traditionally fared well in this area, and although deaths increased and births decreased during the pandemic, Houston experienced a significant natural increase. Only metro New York reported a larger natural increase than Houston.

Net domestic migration (the difference between residents moving in and residents moving out) accounted for roughly one-fourth (28.1 percent) of the region’s growth. Houston ranked 15th in domestic migration, with Dallas-Fort Worth (2nd), Austin (4th) and San Antonio (8th) attracting more residents to Texas than Houston.

Other metros weren’t as fortunate. One in three (36.7 percent) of the nation’s 384 metros experienced negative domestic migration last year. New York, Los Angeles, and Chicago, the nation’s three most populous metros, lost over 685,000 residents.

International migration, always a strong suit for Houston, slipped due to COVID travel restrictions but still contributed significantly to the region’s growth. Roughly one in five (18.1 percent) of Houston’s new residents moved

here from overseas. Houston ranked 4th, behind New York, Miami and Washington, D.C. in international migration.

COMPONENTS OF POPULATION GROWTH Nine-County Metro Houston

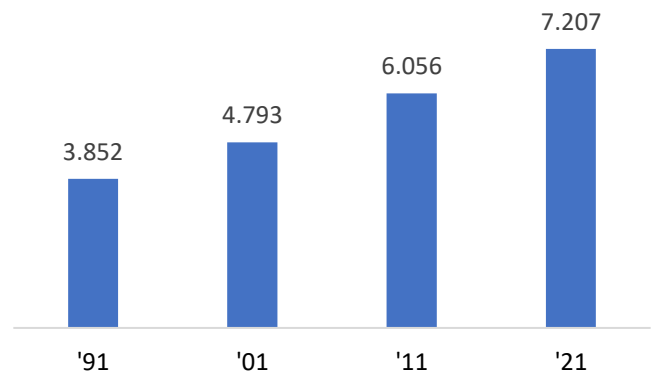
| | 20 - '21 | Avg '10-'19 |
|-------------------------|---------------|----------------|
| Births | 90,385 | 96,367 |
| Deaths | 52,856 | 37,921 |
| Natural Increase | 37,529 | 58,447 |
| Domestic Migration | 19,426 | 29,107 |
| International Migration | 12,495 | 36,442 |
| Total Migration | 31,921 | 65,549 |
| Overall Growth* | 69,094 | 124,323 |

* Values won’t sum to the total due to rounding errors and residual values the Bureau includes in calculating the totals.
Note: The estimates are for the period from June 30, 2020 to July 1, 2021.

Source: GHP calculations based on U.S. Census Bureau data

Over the past 10 years ('11 to '21), Houston has added more than 1,150,600 residents. The region’s population growth was more rapid earlier in the decade during the fracking boom, nearly stalled during the fracking bust, but began to pick up steam in recent years. The region has maintained a trend established in the '90s of adding 900,000 or more residents each decade.

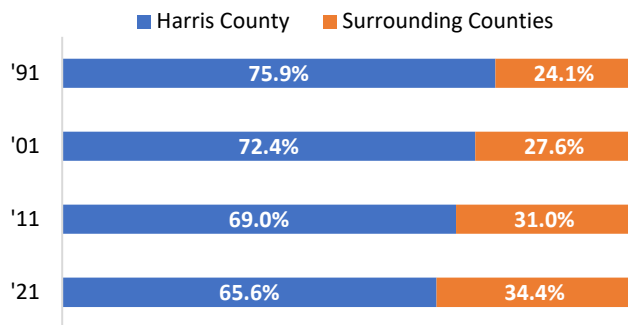
METRO HOUSTON POPULATION, MILLIONS



Source: U.S. Census Bureau

But population growth has shifted over time, with the outlying counties receiving the bulk of the new residents. This has resulted in Harris County accounting for an ever shrinking share of the region's population.

COMPOSITION, METRO HOUSTON POPULATION



Source: GHP estimates based on U.S. Census Bureau data

If not for strong international migration along with a high natural increase, the shift would be even more dramatic. Domestic migration for Harris County has been negative since '16. Overall migration turned negative in '21. Births in Harris County have been trending down for well over a decade while deaths have trended up, and as a result the natural rate of increase continues to shrink, so much so that it wasn't enough to offset out-migration from the county in '21. Harris County lost population last year.

COMPONENTS OF POPULATION CHANGE, HARRIS COUNTY

| Year | Natural Change | | Net Migration | | |
|------|----------------|--------|---------------|-----------|--------|
| | Births | Deaths | Domestic | Internat' | |
| '11 | 71,902 | 66,921 | 21,870 | 6,220 | 20,698 |
| '12 | 83,526 | 66,374 | 22,700 | 15,728 | 24,280 |
| '13 | 90,093 | 67,611 | 23,930 | 20,567 | 25,816 |
| '14 | 102,807 | 70,225 | 24,172 | 22,295 | 34,427 |
| '15 | 101,852 | 72,306 | 25,091 | 17,692 | 37,086 |
| '16 | 66,114 | 73,008 | 25,638 | -16,690 | 35,520 |
| '17 | 34,012 | 70,997 | 25,986 | -45,399 | 34,235 |
| '18 | 22,073 | 67,494 | 27,758 | -43,779 | 25,972 |
| '19 | 33,280 | 66,937 | 28,172 | -30,449 | 24,889 |
| '20* | NA | NA | NA | NA | NA |
| '21 | -4,461 | 63,336 | 33,862 | -44,409 | 10,081 |

* The Census Bureau did not publish components of change for '20.

Source: GHP calculations based on Census Bureau data

The negative domestic migration from '16 to '18 is understandable, coming on the heels of the Fracking Bust and Hurricane Harvey. But one would expect in-migration to have picked up once the economy began to recover and the region started to repair flood damage. But that wasn't the case. Out-migration appears to have accelerated.

The Census Bureau does not publish data on which areas

residents have migrated to, but the overall data does suggest a trend. Though Brazoria, Fort Bend and Montgomery counties accounted for less than 23.1 percent of the region's population in '11, they accounted for 42.6 percent of the region's growth. Harris County, with over two-thirds (65.6 percent) of the region's population, accounted for less than half (47.7 percent) of the region's growth.

POPULATION CHANGE, METRO HOUSTON

| County | County Population | | Change, '11 – '21 | |
|-------------|-------------------|-----------|-------------------|------|
| | '11 | '21 | Count | % |
| Austin | 28,604 | 30,380 | 1,776 | 6.2 |
| Brazoria | 319,147 | 379,689 | 60,542 | 19.0 |
| Chambers | 35,699 | 48,865 | 13,166 | 36.9 |
| Fort Bend | 606,064 | 858,527 | 252,463 | 41.7 |
| Galveston | 295,605 | 355,062 | 59,457 | 20.1 |
| Harris | 4,179,568 | 4,728,030 | 548,462 | 13.1 |
| Liberty | 75,990 | 97,621 | 21,631 | 28.5 |
| Montgomery | 471,415 | 648,886 | 177,471 | 37.6 |
| Waller | 44,101 | 59,781 | 15,680 | 35.6 |
| Metro Total | 6,056,193 | 7,206,841 | 1,150,648 | 19.0 |

Source: GHP calculations based on U.S. Census Bureau data

Metro Houston fared well in spite of Harris County's struggles and has a solid hold on its ranking as the nation's fifth most populous metro.

CHANGE IN POPULATION, MOST POPULOUS U.S. METROS July 1, 2020 to July 1, 2021

| Rank | Metro | '20 | '21 | # | % |
|------|-----------------|------------|------------|----------|------|
| 1 | New York | 20,096,413 | 19,768,458 | -327,955 | -1.6 |
| 2 | Los Angeles | 13,173,266 | 12,997,353 | -175,913 | -1.3 |
| 3 | Chicago | 9,601,605 | 9,509,934 | -91,671 | -1.0 |
| 4 | Dallas-Ft Worth | 7,662,325 | 7,759,615 | 97,290 | 1.3 |
| 5 | Houston | 7,137,747 | 7,206,841 | 69,094 | 1.0 |
| 6 | Washington, DC | 6,385,714 | 6,356,434 | -29,280 | -0.5 |
| 7 | Philadelphia | 6,241,983 | 6,228,601 | -13,382 | -0.2 |
| 8 | Atlanta | 6,101,146 | 6,144,050 | 42,904 | 0.7 |
| 9 | Miami | 6,126,441 | 6,091,747 | -34,694 | -0.6 |
| 10 | Phoenix | 4,867,925 | 4,946,145 | 78,220 | 1.6 |
| 11 | Boston | 4,936,511 | 4,899,932 | -36,579 | -0.7 |
| 12 | Riverside | 4,605,504 | 4,653,105 | 47,601 | 1.0 |
| 13 | San Francisco | 4,739,649 | 4,623,264 | -116,385 | -2.5 |
| 14 | Detroit | 4,385,748 | 4,365,205 | -20,543 | -0.5 |
| 15 | Seattle | 4,024,730 | 4,011,553 | -13,177 | -0.3 |
| 16 | Minneapolis | 3,692,421 | 3,690,512 | -1,909 | -0.1 |
| 17 | San Diego | 3,297,252 | 3,286,069 | -11,183 | -0.3 |
| 18 | Tampa | 3,183,385 | 3,219,514 | 36,129 | 1.1 |
| 19 | Denver | 2,969,289 | 2,972,566 | 3,277 | 0.1 |
| 20 | Baltimore | 2,841,691 | 2,838,327 | -3,364 | -0.1 |

Source: U.S. Census Bureau

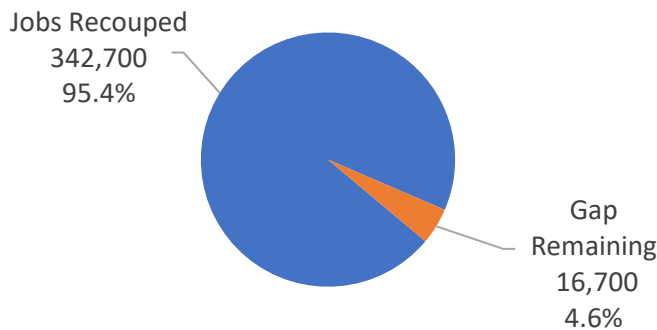
ALMOST THERE

Houston created 45,500 jobs in February, according to data released by the Texas Workforce Commission (TWC). That ranks as the best February on record for job growth.

Prior to the pandemic, February gains typically averaged 18,600 jobs for the month, suggesting the recent gains are well above the longterm trend. The unusually robust gains may reflect difficulties the TWC is having collecting the data and growth may not be as robust. As a result, gains in most sectors should be viewed with caution. That said, this is what the data suggest.

The month's outstanding performance brings the region closer to its pre-pandemic employment peak. The gap currently stands at 16,700 jobs. March is typically a strong month for the region, in boom years adding 20,000 or more jobs, in normal years adding 10,000 to 15,000. If the region follows historic patterns, metro Houston may return to pre-COVID employment levels when the March data is released (April 15) and certainly by the April report (scheduled for release May 20).

Recovery Progress, Metro Houston, Though February '22



Source: GHP calculations based on Texas Workforce Commission data

The region saw job gains across almost all sectors. Growth was particularly strong in restaurants and bars (+8,000 jobs), administrative and support services (+7,500), local educational (+4,800), wholesale trade (+3,200) and professional, scientific, and technical services (+3,200).

Only two sectors showed significant losses, general merchandise stores (-1,000 jobs) and clothing and accessory stores (-800). Those layoffs reflect lingering aftereffects of the end of the holiday shopping season. The losses were more than offset by gains elsewhere in retail, the sector overall adding 2,000 jobs in February. Clearly, retail has recovered. While consumers may like the convenience of shopping on-line from a couch, sometimes they need a little retail therapy and welcome the chance to touch and see what they're buying.

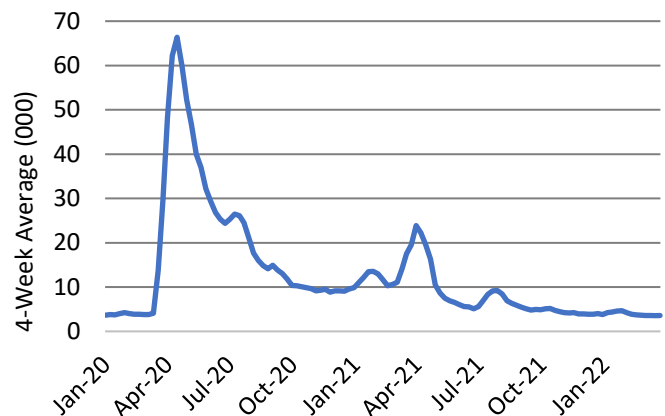
April 2022 Economy at a Glance ©2022, Greater Houston Partnership

Of note, construction added 2,300 jobs, the industry benefitting from the surge in contract awards toward the end of '21. The sector has added 4,600 jobs since September '21, reversing a decline which began late in '19. The sector remains 27,700 jobs below its October '19 peak.

Houston's energy sector added 1,700 jobs, 900 in exploration and production and 800 in oil field services. The sector has struggled for much of the last decade. Employment peaked December '14, began trending down, and hit its nadir in June '21. But the industry's fortunes have changed recently, the sector adding 6,100 jobs in the past four months (October '21 – February '22). That reverses a trend in which the sector lost 50,000 jobs over the previous eight years (October '13 – September '21). The recent run up in energy prices may add a few hundred, perhaps a few thousand jobs, but it's not going to bring Houston back to the heyday of the fracking boom.

While job growth may be overstated, data on claims for unemployment benefits suggests a robust job market. Claims filed in the week ending April 1 fell to near pre-pandemic levels, suggesting layoffs have returned to normal levels.

Initial Claims for Unemployment Benefits, Metro Houston



Source: GHP calculations based on Texas Workforce Commission data

SAVE THE DATE

Join us Friday, May 20, for the Partnership's 2022 *State of Houston's Global Economy*, a comprehensive analysis of factors affecting Houston's ties to the global economy. Philipp Carlsson-Szlezak, chief economist for BCG, will deliver the keynote address. Patrick Jankowski, the Partnership's senior vice president of Research, will provide the local perspective. All registrants will receive a copy of *Global Houston 2022*, the Partnership's analysis of global economic trends. Additional details can be found at the Partnership's [website](#).

KEY ECONOMIC INDICATORS



Aviation — The Houston Airport System (HAS) handled 3.5 million passengers in February '22, up from 1.7 million in February '21. This marked the 12 consecutive month with overall passenger traffic 3.1 million or more. With the waning of the Omicron variant, air travel has begun to pick up globally. The variant had minimal impact on U.S. air travel.



Crude Oil — The closing spot price for West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$108.50 per barrel in March '22, up from \$62.23 for the same month in '21, according to the U.S. Energy Information Administration (EIA). Russia's invasion of the Ukraine and subsequent sanctions have created significant market uncertainties about the potential for oil supply disruptions. These events are occurring against a backdrop of low oil inventories and persistent upward oil price pressures.



Foreign Trade — The Houston-Galveston Customs District handled foreign trade valued at \$55.0 billion through February of this year, up from 61.4 percent from \$34.1 billion over the same period in '21. A jump the value of crude and refined products exports accounts for most of the increase. The impact of the war in the Ukraine has had no noticeable impact on Houston's global trade.



Natural Gas — March's natural gas prices averaged \$4.90 per million British thermal units (MMBtu), up from \$2.62 in March the year before. Although temperatures across the eastern part of the United States were close to normal in February, reducing natural gas consumption from January levels, natural gas production fell slightly last month relative to January, in part as a result of temporary freeze-offs in producing regions.



Purchasing Managers Index — The Houston Purchasing Managers Index fell 1.0 point to 58.5 during the month of March. Strength in the sales/new orders, employment, and lead times indices are responsible for the continued indication of economic growth. Non-manufacturing activities expanded at a modestly slower rate while manufacturing activities expanded at a significantly faster pace during the month.



Rig Count — The Baker Hughes count of active domestic rotary rigs stood at 689 the first week of April '22, up from 432 the same week in April '21, according to data recently released by the company.

Even though the rig count has climbed for a record 20 months in a row through March, weekly increases have mostly been in single digits and oil production is still far below pre-pandemic record levels as many companies focus more on returning money to investors and paying down debt rather than boosting output.



Sales Tax — Sales and use tax collections for the 12 most populous Houston-area cities totaled \$1.1 billion in the 12 months ending January '22, up 18.5 percent from \$955.2 million for the same period a year ago. Collections for the month of January totaled \$88.0 million, up 16.9 percent from \$75.2 million in January '21.



Unemployment — Houston's unemployment rate fell to 5.3 percent in February, down from 5.5 percent in January and 7.6 percent in January of '21. That reflects 184,582 Houstonians unemployed and looking for work, down from 259,342 in February a year ago. The rates are not seasonally adjusted.



Vehicle Sales — Houston-area auto dealers sold 28,158 new vehicles in February '22, a surge of 58.3 percent from February '21, according to TexAuto Facts, published by InfoNation, Inc. of Houston. This rise is the highest since June '21 and can be attributed to reduced vehicle sales during February '21, when winter storm Uri struck Texas.

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

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The Key Economic Indicators are **updated whenever any data change** — typically, ten 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)

| | Feb 22 | Jan 22 | Feb 21 | Change from | | % Change from | |
|----------------------------------------------------------|----------------|----------------|----------------|-------------|--------------|---------------|-------------|
| | | | | Jan 22 | Feb 21 | Jan 22 | Feb 21 |
| Total Nonfarm Payroll Jobs | 3,175.5 | 3,130.0 | 2,965.0 | 45.5 | 210.5 | 1.5 | 7.1 |
| <i>Total Private</i> | <i>2,737.9</i> | <i>2,699.7</i> | <i>2,546.8</i> | <i>38.2</i> | <i>191.1</i> | <i>1.4</i> | <i>7.5</i> |
| <i>Goods Producing</i> | <i>497.7</i> | <i>492.1</i> | <i>475.7</i> | <i>5.6</i> | <i>22.0</i> | <i>1.1</i> | <i>4.6</i> |
| <i>Service Providing</i> | <i>2,677.8</i> | <i>2,637.9</i> | <i>2,489.3</i> | <i>39.9</i> | <i>188.5</i> | <i>1.5</i> | <i>7.6</i> |
| <i>Private Service Providing</i> | <i>2,240.2</i> | <i>2,207.6</i> | <i>2,087.0</i> | <i>32.6</i> | <i>153.2</i> | <i>1.5</i> | <i>7.3</i> |
| Mining and Logging | 65.5 | 63.8 | 68.1 | 1.7 | -2.6 | 2.7 | -3.8 |
| Oil & Gas Extraction | 31.2 | 30.3 | 33.5 | 0.9 | -2.3 | 3.0 | -6.9 |
| Support Activities for Mining | 32.0 | 31.2 | 32.9 | 0.8 | -0.9 | 2.6 | -2.7 |
| Construction | 214.0 | 211.7 | 199.6 | 2.3 | 14.4 | 1.1 | 7.2 |
| Manufacturing | 218.2 | 216.6 | 208.0 | 1.6 | 10.2 | 0.7 | 4.9 |
| Durable Goods Manufacturing | 136.5 | 134.8 | 127.0 | 1.7 | 9.5 | 1.3 | 7.5 |
| Nondurable Goods Manufacturing | 81.7 | 81.8 | 81.0 | -0.1 | 0.7 | -0.1 | 0.9 |
| Wholesale Trade | 167.0 | 163.8 | 157.4 | 3.2 | 9.6 | 2.0 | 6.1 |
| Retail Trade | 321.6 | 319.6 | 297.4 | 2.0 | 24.2 | 0.6 | 8.1 |
| Transportation, Warehousing and Utilities | 170.6 | 169.4 | 161.3 | 1.2 | 9.3 | 0.7 | 5.8 |
| Utilities | 17.2 | 17.3 | 17.5 | -0.1 | -0.3 | -0.6 | -1.7 |
| Air Transportation | 18.8 | 18.4 | 17.9 | 0.4 | 0.9 | 2.2 | 5.0 |
| Truck Transportation | 28.1 | 28.0 | 26.6 | 0.1 | 1.5 | 0.4 | 5.6 |
| Pipeline Transportation | 12.4 | 12.4 | 12.2 | 0.0 | 0.2 | 0.0 | 1.6 |
| Information | 31.5 | 31.5 | 27.9 | 0.0 | 3.6 | 0.0 | 12.9 |
| Telecommunications | 12.2 | 12.2 | 12.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| Finance & Insurance | 111.2 | 108.8 | 105.9 | 2.4 | 5.3 | 2.2 | 5.0 |
| Real Estate & Rental and Leasing | 60.6 | 60.5 | 59.6 | 0.1 | 1.0 | 0.2 | 1.7 |
| Professional & Business Services | 517.3 | 506.9 | 488.8 | 10.4 | 28.5 | 2.1 | 5.8 |
| Professional, Scientific & Technical Services | 247.3 | 244.1 | 235.9 | 3.2 | 11.4 | 1.3 | 4.8 |
| <i>Legal Services</i> | <i>29.7</i> | <i>29.5</i> | <i>28.1</i> | <i>0.2</i> | <i>1.6</i> | <i>0.7</i> | <i>5.7</i> |
| <i>Accounting, Tax Preparation, Bookkeeping</i> | <i>27.1</i> | <i>26.7</i> | <i>26.2</i> | <i>0.4</i> | <i>0.9</i> | <i>1.5</i> | <i>3.4</i> |
| <i>Architectural, Engineering & Related Services</i> | <i>67.3</i> | <i>68.0</i> | <i>64.4</i> | <i>-0.7</i> | <i>2.9</i> | <i>-1.0</i> | <i>4.5</i> |
| <i>Computer Systems Design & Related Services</i> | <i>38.3</i> | <i>38.2</i> | <i>35.9</i> | <i>0.1</i> | <i>2.4</i> | <i>0.3</i> | <i>6.7</i> |
| Admin & Support/Waste Mgt & Remediation | 226.6 | 219.5 | 209.7 | 7.1 | 16.9 | 3.2 | 8.1 |
| <i>Administrative & Support Services</i> | <i>215.1</i> | <i>207.6</i> | <i>198.5</i> | <i>7.5</i> | <i>16.6</i> | <i>3.6</i> | <i>8.4</i> |
| <i>Employment Services</i> | <i>85.9</i> | <i>82.8</i> | <i>77.0</i> | <i>3.1</i> | <i>8.9</i> | <i>3.7</i> | <i>11.6</i> |
| Educational Services | 71.9 | 69.8 | 62.5 | 2.1 | 9.4 | 3.0 | 15.0 |
| Health Care & Social Assistance | 353.3 | 351.3 | 338.8 | 2.0 | 14.5 | 0.6 | 4.3 |
| Arts, Entertainment & Recreation | 30.7 | 29.5 | 26.0 | 1.2 | 4.7 | 4.1 | 18.1 |
| Accommodation & Food Services | 295.2 | 286.5 | 257.1 | 8.7 | 38.1 | 3.0 | 14.8 |
| Other Services | 109.3 | 110.0 | 104.3 | -0.7 | 5.0 | -0.6 | 4.8 |
| Government | 437.6 | 430.3 | 421.9 | 7.3 | 15.7 | 1.7 | 3.7 |
| Federal Government | 31.9 | 31.5 | 30.6 | 0.4 | 1.3 | 1.3 | 4.2 |
| State Government | 95.5 | 94.8 | 92.5 | 0.7 | 3.0 | 0.7 | 3.2 |
| <i>State Government Educational Services</i> | <i>55.6</i> | <i>55.1</i> | <i>52.8</i> | <i>0.5</i> | <i>2.8</i> | <i>0.9</i> | <i>5.3</i> |
| Local Government | 310.2 | 304.0 | 298.8 | 6.2 | 11.4 | 2.0 | 3.8 |
| <i>Local Government Educational Services</i> | <i>215.8</i> | <i>211.0</i> | <i>205.8</i> | <i>4.8</i> | <i>10.0</i> | <i>2.3</i> | <i>4.9</i> |

SOURCE: Texas Workforce Commission