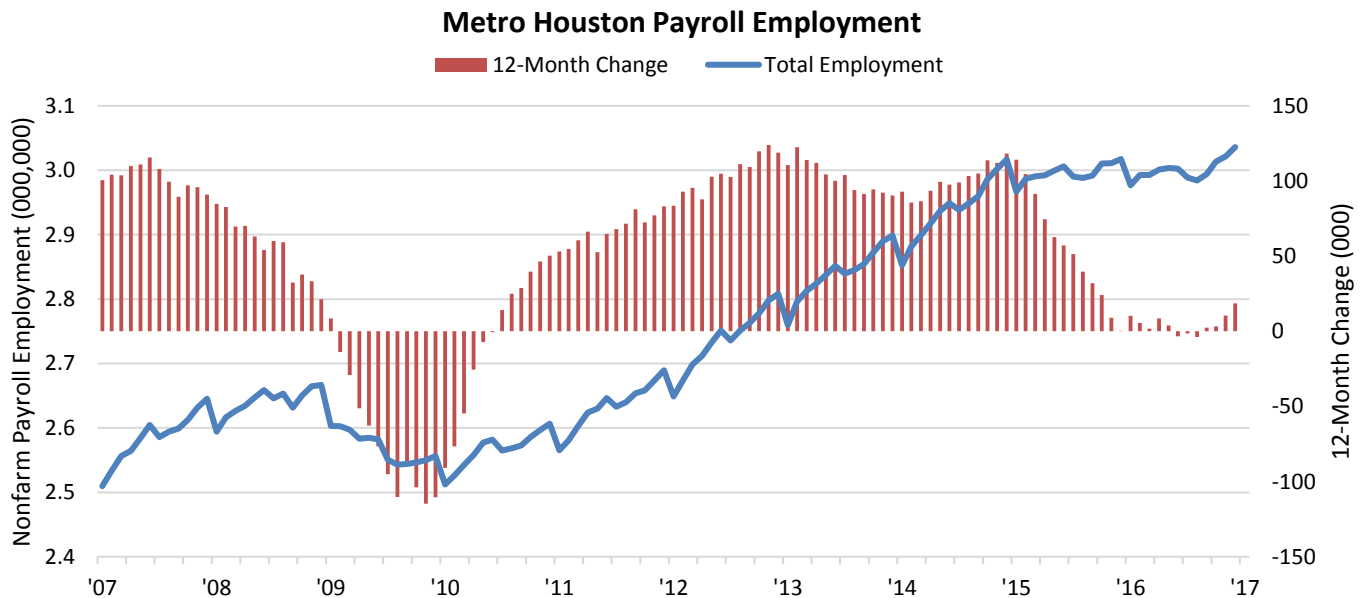




**A Clearer Picture Emerges** — Metro Houston created 18,700 jobs in '16, according to the benchmark revisions issued in early March by the Texas Workforce Commission (TWC).<sup>1</sup> That's up from TWC's initial estimate of 14,800 jobs for the year. The Partnership's forecast called for Houston to create 21,900 jobs in '16. The Partnership's forecast was off by 3,200 jobs, or the equivalent of 0.1 percent of the more than 3.0 million jobs in the region.

Houston had a brief spell—June, July and August of last year—when job growth turned slightly negative. The region lost 3,800 jobs in the 12 months ending August '16, the lowest point of the downturn. Job growth has trended upward since.



Source: Texas Workforce Commission

The revised employment data show that the worst is over. Other indicators support that point.

- The Houston Purchasing Managers Index registered 54.2 in February, signaling economic expansion in metro Houston for the fifth consecutive month.
- February home sales set a record for the month. The 12-month moving sales total is at an all-time high, and foreclosures are near their lowest point since '09, when the Partnership first began tracking the data.
- The North American rig count has risen 90 percent over the past 10 months, from a nadir of 404 in May '16 to 768 the first week of March '17.

<sup>1</sup> Metro Houston includes Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery and Waller Counties.

- Houston finished the year with 3,036,000 jobs, the highest level of employment in Houston's history.

**Why Revise the Data?** — Each month, when TWC reports employment data, the estimates come from a sampling of businesses known as the Current Employment Survey (CES). Like all surveys, the CES is subject to error. Throughout the year, TWC gathers data from records based on unemployment insurance tax reports. TWC uses these data to revise its job estimates and issues its “benchmark revisions,” which contain a more accurate depiction of employment trends over the past 21 months. Trends evident in this year's revisions:

- Energy job losses in the downturn proved to be worse than initially reported.<sup>2</sup> From December '14 to December '16, the sector cut 81,100 jobs, which is 13,700 more than first reported. The total loss equates to one in every four jobs in Houston's energy sector. Two-thirds of those losses occurred in '15, the remainder in '16.
- Oilfield services employment appears to have stabilized, adding 1,100 jobs since August '16, but exploration still struggles, cutting 3,000 jobs over the same period.
- Construction employment peaked at 222,600 in October '15. Contractors have cut 14,300 jobs since then. The Partnership's forecast for '17 calls for construction to lose as many as 16,000 jobs this year.
- The recent boom in chemical construction has begun to pay dividends. As those plants start up, they have begun to add jobs—1,600 since December '14. These jobs have a high multiplier, each supporting five to eight additional jobs in the community.
- Wholesale trade, trucking and employment services (sectors closely tied to energy) lost 9,100 jobs in the downturn.
- Real estate and finance have combined for an additional 6,000 jobs over the past two years. The bulk of those jobs were in finance.
- If not for the loss of nearly 11,000 engineering jobs, professional and business services would have recorded job gains during the downturn. Employment in this field is down 2,700 jobs since December '14.
- Job growth in retail, health care, and accommodation and food services was less robust than previously thought: 76,800 jobs in the initial reports, 55,700 jobs in the revisions.
- Hiring in employment services (*i.e.*, contract workers) has trended upward since January '16. Growth in employment services tends to lead growth in other sectors. As the economy improves, employers often bring on contract workers prior to hiring permanent staff.
- The government sector added 22,400 employees over the past two years, three-fourths of them at school districts and state-funded colleges and universities.

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<sup>2</sup> As defined here, the energy sector includes exploration and production, oilfield services, oil field equipment manufacturing, fabricated metal products and engineering.

- The first year of the oil price collapse proved to be worse than originally thought. TWC revised job growth downward, from 15,200 initially to 200 jobs in the benchmarks. Given that the energy sector cut more than 50,000 jobs that year, and that wholesale trade, trucking and employment services cut another 9,000, the fact that Houston finished the year without a net job loss is remarkable.

The year finished with the local unemployment rate at 5.3 percent, up from 4.6 percent in December '15. The rate is not seasonally adjusted.

**Going Global** — On May 22, the Partnership will host its third annual *Houston's Global Economy*, an event that looks at the role trade, foreign investment, and the region's international community plays in the region's economy.



Keynoting the event will be Dr. Stuart Mackintosh, Executive Director of the Group of Thirty. The Group of Thirty is an international think tank composed of senior figures from central banking, finance and academia. The think tank's membership includes Paul Volcker, Ben Bernanke, Mario Draghi and Paul Krugman. Mackintosh will present the global economic outlook. A panel of local business leaders will discuss how they are positioning their firms to prosper in the global economy. The Partnership will present its latest research on Houston's ties to the global economy. Additional details about the event and how to purchase tickets will be posted at the Partnership's website in April.

**Oil Patch Update** — The earnings season is about over and most publicly traded oil and gas firms have released their results for '16. It should surprise no one that last year was a difficult one for the industry. Nineteen of the two dozen energy firms listed in the table below reported losses for the year. The firms included in the table were chosen because they are representative of Houston's upstream energy industry.

**SELECTED HOUSTON ENERGY FIRMS, EARNINGS PER SHARE, FULLY DILUTED, CALENDAR YEARS**

Firm	Earnings Per Share - \$		Firm	Earnings Per Share - \$		Firm	Earnings Per Share - \$	
	'16	'15		'16	'15		'16	'15
Anadarko	-5.90	-13.18	FMC	1.56	3.66	Oceaneering	0.25	2.34
Apache	-3.71	-27.4	Halliburton	-6.69	-0.79	Oil States	-0.92	0.56
Baker Hughes	-6.31	-4.49	Hess	-4.94	-3.93	Schlumberger	-1.24	1.63
BP	0.60	-35.39	Marathon	-0.85	-1.28	Shell	0.58	0.31
Chevron	-0.27	-2.45	Nabors	-3.64	-1.29	Southwestern	-6.32	-12.25
ConocoPhillips	-2.66	-1.40	Newfield Exp	-6.36	-21.18	Superior Energy	-5.85	-12.33
EOG	-1.98	-8.29	NOV	-6.41	-1.99	Tesco	-2.73	-3.43
ExxonMobil	1.88	3.85	Occidental	-0.75	-10.23	Weatherford	-3.82	-2.55

Source: Company press releases

The industry responded by cutting jobs. Outplacement firm Challenger Gray & Christmas estimates the industry has shed more than 300,000 jobs worldwide during the downturn. In Houston, the industry cut more than 80,000 jobs. '17 promises to be a better year for the industry.

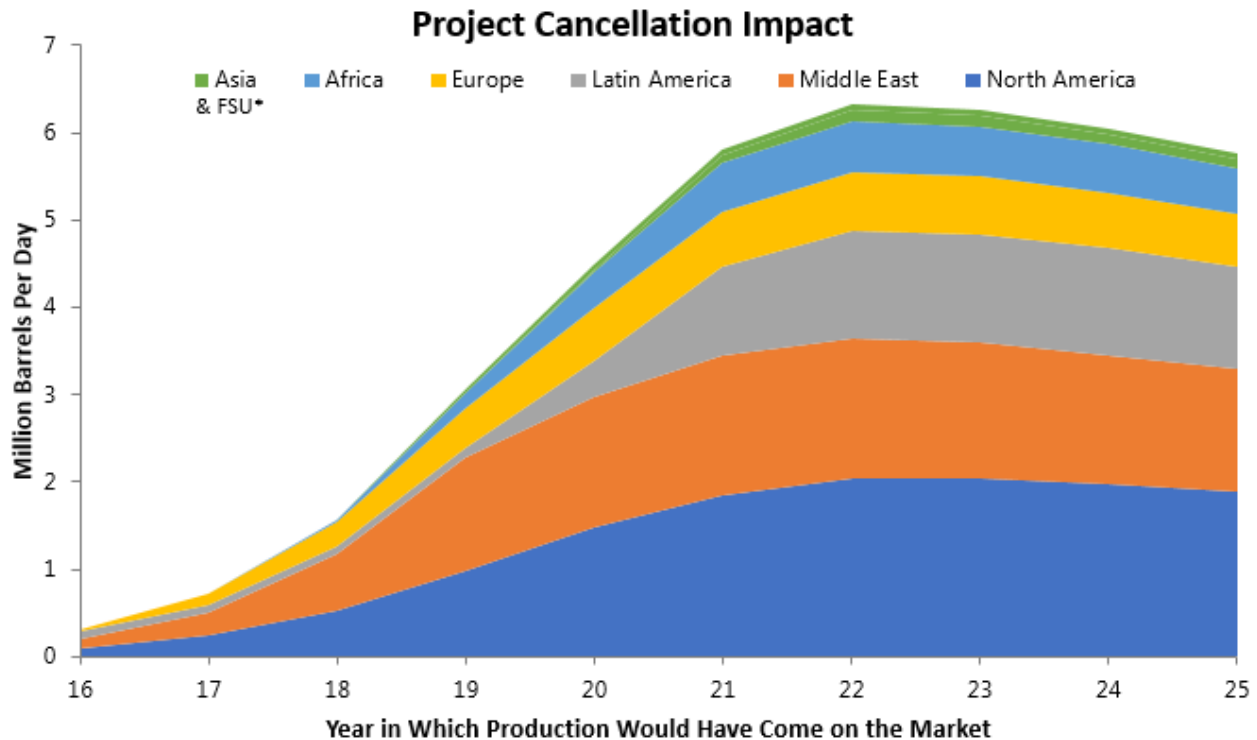
- The U.S. Energy Information Administration (EIA) expects West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, to average \$53.49 in '17. Last year, WTI averaged \$43.29 a barrel.
- Oil consumption continues to grow. The International Energy Agency (IEA) estimates crude demand grew 1.6 million barrels per day (MMbbl/d) in '16 and forecasts consumption to grow 1.4 MMbbl/d in '17.
- The *Oil & Gas Journal* projects that U.S. upstream spending will surge 37.8 percent this year to \$120 billion. Simmons & Company expects upstream capital spending to increase as much as 60 percent this year.
- Many oil field services firms, hoping to recapture concessions made during the downturn, expect to raise prices for the first time in several years. Various media and analysts reports suggest that costs, depending on the service and location, will rise 10 to 20 percent this year.
- The North American rig count continues to rise. The fleet stood at 768 the first week of March, up from 489 the same week in March '16. The industry has added 110 rigs since January 1.
- The agreement by the Organization of the Petroleum Exporting Countries and several large producers to cut output by about 1.8 MMbbl/d seems to be holding. The British consulting firm Energy Aspects estimates OPEC compliance approaches 97 percent.

The recovery remains fragile, however.

- An EIA report in early March that U.S. crude stockpiles have risen to record levels sent the spot price for WTI below \$50/barrel for the first time since November '16.
- The OPEC production cuts are holding primarily because Saudi Arabia has reduced its output by more than was stipulated in the agreement. The agreement lasts only through June 30 of this year, at which time the cartel will assess its effectiveness and decide whether to extend the cuts. Most analysts assume they will.
- U.S. production continues to grow, offsetting some of OPEC's production cuts. U.S. crude output averaged an estimated 8.9 MMbbl/d in '16, and EIA forecasts U.S. output to average 9.2 MMbbl/d in '17 and 9.7 MMbbl/d in '18.

Ironically, the industry has begun to discuss the possibility that global oil supplies will struggle to keep pace with demand after '20, risking a spike in prices, unless major new projects are approved. Oil demand will rise in the next five years, passing the symbolic 100 MMbbl/d threshold in '19 and reaching about 104 MMbbl/d by '22, the IEA notes. The agency estimates the world consumed 97.3 MMbbl/d in Q4/16.

But low oil prices have forced many firms to cancel plans for large-scale investments around the world. Energy Aspects estimates more than \$300 billion in projects have been postponed or cancelled, removing six MMbbl/d in potential supply. Production from U.S. shale will be able to fill part of the gap, but significant investment in conventional resources is needed as well. Without that investment, the world could face another crude shortage in five years, causing prices to spike and the boom-bust cycle to start again.



\*Former Soviet Union  
Source: Energy Aspects

**Location, Location, Timing** — Houston’s housing market continues to perform well despite the weak economy. Brokers closed on 6,111 homes in February ’17. That’s the best February on record. For the 12 months ending February ’17, brokers closed on 91,564 homes. That’s *the best* 12-month period on record.

Houston, however, is slowly shifting from a seller’s to a buyer’s market. Home prices rose only 4.0 percent over the past 12 months.<sup>3</sup> That rate compares with double-digit price increases at the height of the boom. An alternate measure, the Freddie Mac House Price Index, suggests that home values have been flat since mid-year ’16. John Burns Consulting forecasts home values to slip 0.4 percent this year.

<sup>3</sup> Reflects the median price for a single-family home. To account for seasonal influences, the calculation is based on the median price averaged over the previous 12 months.

The number of homes listed for sale in the Houston Association of Realtors® Multiple Listing Service database in February was up 12 percent compared to February last year.<sup>4</sup>

Single-family inventory was 3.5 months in February, up from the record low of 2.5 months in January '15, the peak of the sellers' market.<sup>5</sup> Conventional wisdom holds that six months of inventory represents

a balanced market. For perspective, housing inventory across the U.S. stands at a 3.6-month supply according to the National Association of Realtors.

The time it takes for the average home to sell continues to creep up, from 45 days during summer '15, the peak of the buying frenzy, to 66 days in February.

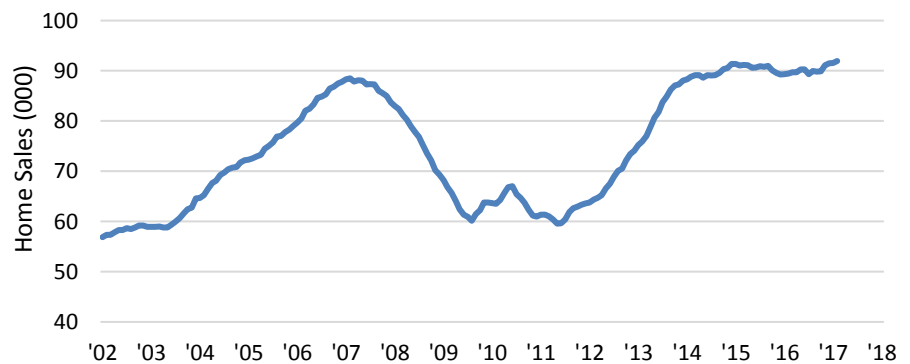
MetroStudy forecasts Houston builders will start 26,500 single-family homes this year, down about 2,500 from the 25-year average. Though starts will dip, Houston should still rank second in total housing starts. Dallas-Fort Worth will likely rank first.

**We're Different** — Houstonians are more likely to live in larger homes and have lower housing costs than their counterparts in competing metros, but they also tend to be somewhat less satisfied with their neighborhood, perceive their neighbors as having more petty crime, rate local transit services poorly, and be more concerned about potential natural disasters.

That's according to the U.S. Census Bureau's *2015 American Housing Survey*, the agency's biennial review of the nation's housing characteristics. The survey gathers data on housing quality, neighborhood characteristics, ownership and rentals costs, moving trends and food insecurities. The bureau conducts the survey to provide a better understanding of housing conditions to policy makers, academics and economists. The survey looks at 15 of the nation's largest metro areas plus a handful of smaller metros.

Details on how Houston compares with several peer metros and across several categories appear below. The full survey can be found [here](#).

### Houston-Area Home Sales 12-Month Total



Source: Houston Association of Realtors

<sup>4</sup> Again, based on a 12-month average.

<sup>5</sup> Reflects the number of months it will take to deplete current inventory for the single-family homes market based on the prior 12 months' sales activity.

## HOUSING CHARACTERISTICS, HOUSTON VS. SELECTED LARGE METROS

Characteristics	Houston	Atlanta	Boston	Chicago	Dallas	Los Angeles	Miami	Philadelphia	Phoenix	Seattle
Total Units (000s)	2,501.9	2,239.2	1,917.3	3,812.1	2,686.7	4,585.1	2,508.2	2,455.4	1,860.0	1,530.0
Median Home Size (sq ft)	1,700	1,800	1,500	1,462	1,550	1,300	1,300	1,540	1,600	1,500
<b>Lot Size</b>										
% Lots 1/8 – 1/4 acre	55.7	18.4	26.5	43.7	59.3	59.5	54.4	19.9	60.2	43.7
% Lots 1/4 – 1/2 acre	14.8	31.8	23.6	19.2	15.8	10.8	12.7	17.5	12.1	17.7
% 1/2 – 1 acre	4.4	18.3	16.6	5.1	4.1	2.1	3.1	9.7	2.7	6.3
<b>Median Housing Costs</b>										
Monthly Total Costs - \$	984	1,026	1,402	1,039	1,004	1,370	1,133	1,072	1,013	1,307
Median As % of HH Income	20	20	21	21	20	26	27	20	20	21
Monthly Mortgage - \$	865	854	1,362	935	825	1,507	933	1,000	890	1,262
Monthly Rent	795	820	1,100	863	800	1,200	1,050	850	810	1,100
<b>Opinion of Neighborhood (% agreeing with statement)</b>										
Has Good schools	81.1	78.1	83.7	79.6	82.1	75.8	78.0	76.0	76.4	77.9
Has Lots of Petty Crime	24.2	13.9	14.1	17.8	16.1	24.6	18.8	15.6	19.6	21.5
Has Good Transit Service	34.6	28.0	64.8	64.2	35.2	70.6	56.7	62.4	47.0	61.5
High Risk Natural Disaster	18.1	2.6	4.4	8.9	4.6	8.3	19.0	4.8	5.4	4.0
<b>Overall Opinion of Present Neighborhood (1 = worst, 10 = best)</b>										
% Rating 10	23.4	30.9	32.8	25.7	24.1	23.2	30.2	28.1	29.4	20.7
% Rating 7 - 9	54.8	53.4	52.1	57.8	56.9	55.9	52.3	53.4	53.5	60.5
% Rating 4 - 6	14.9	10.9	10.3	10.7	12.9	14.8	12.5	4.2	12.3	12.5
% Rating 1 - 3	3.0	1.9	1.2	2.7	2.3	2.1	2.0	2.4	1.8	1.4

Source: U.S. Census Bureau's 2015 American Housing Survey

Note: Some percentages do not add up due to nonrespondents.

**Back in the Top 10** — Houston exhibited strong economic growth in the aftermath of the Great Recession, according to a new report by the Brookings Institution. The study, released by the Brookings Metropolitan Policy Program, measured economic performance in three categories—growth, prosperity and inclusion—between '10 and '15 in the largest 100 metropolitan areas. Among these, Houston ranked fifth in growth, second in prosperity and 64th in inclusion. Each category is measured by the percent change in the following indicators:

Growth	Prosperity	Inclusion
Gross Metropolitan Product	Productivity	Median Wage
Number of Jobs	Average Annual Wage	Relative Poverty Rate
Jobs at Young Firms	Standard of Living	Employment Rate

Between '10 and '15, Houston's gross metropolitan product (GMP) increased 28.5 percent, the second-

highest rate in the country. The job count grew 16.7 percent and the number of jobs at young firms, suggesting strong entrepreneurial impact, increased by 11.3 percent.

Houston ranked among the top 10 metros across each indicator in the prosperity category, which captures changes in wealth and income. Houston's productivity increased 10.1 percent, the standard of living, 14.9 percent, and average annual wage, 8.4 percent.

The only category where Houston failed to rank among the top 10 was under inclusion, where it ranked 64th. Inclusion indicators measure how the benefits of growth and prosperity are distributed among individuals. While Houston’s employment rate increased by 3.1 percent and median wages increased by 7.5 percent, the relative poverty rate also increased by 5.3 percent—the fifth worst rate among all metros.

**BROOKINGS INSTITUTION GROWTH RANKINGS**

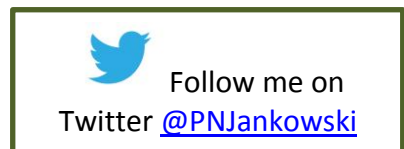
Metro Area	Growth	Rankings	
		Prosperity	Inclusion
Houston	5	2	64
Dallas	11	15	55
Atlanta	20	59	40
Miami	21	71	23
Boston	36	29	57
New York	41	65	67
Chicago	49	41	41
Los Angeles	52	25	36
Washington, DC	65	93	86
Philadelphia	75	54	74

Source: Brookings, Metro Monitor

The good news is that the employment rate increased for all racial/ethnic groups and for those in all educational attainment levels (e.g., high school diploma only, some college/associate degree or bachelor’s degree or higher). The bad news is that the relative poverty rate increased for all racial/ethnic groups except Asians, and for those whose highest level of education is a high school diploma, some college, or an associate degree.

Overall, Brookings found that metros with a focus on advanced industries and research/technology, such as energy, tended to fare better than others. And even though Houston showed strong performance in GMP, job growth, wage increases, productivity and employment rates, some groups were left behind.

Patrick Jankowski, Jenny Philip, and Nadia Valliani contributed to the March issue of *Houston: The Economy at a Glance*.





## SNAPSHOT — KEY ECONOMIC INDICATORS

**Aviation** — The Houston Airport System handled 4.33 million passengers in January '17, down 2.4 percent from the 4.44 million handled in January '16. Domestic passengers totaled 3.37 million, down 2.0 percent from 3.44 million. International passengers totaled 965,114, down 3.7 percent from 1.0 million.

**Building Permits** — City of Houston building permits totaled \$637.9 million in January '17, up 59.4 percent from \$400.1 million in January '16, according to the latest data released by the City's Department of Public Works & Engineering Planning & Development Services. The reading marks the first over-the-year increase since June '16. For the 12 months ending January '17, city building permits totaled \$6.9 billion, down 14.8 percent from \$8.0 billion in the 12 months ending January '16..

**Construction Starts** — Construction starts in the Houston region totaled \$1.274 billion in January, a 26.1 percent drop from \$1.724 billion in January of '16, according to the latest report from Dodge Data & Analytics. Residential starts rose 2.8 percent while nonresidential starts fell 44.7 percent.

**Inflation** — The cost of consumer goods and services as measured by the Consumer Price Index for All Urban Consumers (CPI-U) rose 2.5 percent nationwide from January '16 to January '17, according to the U.S. Bureau of Labor Statistics. Core inflation (all items less the volatile food and energy categories) increased 2.3 percent since January '16.

**Purchasing Managers Index** — The Houston Purchasing Managers Index (PMI), a short-term leading indicator for regional production, registered 54.2 in February, signaling economic expansion in metro Houston for the fifth consecutive month, according to the latest report from the Institute for Supply Management-Houston (ISM-Houston). The February reading is unchanged from January.

**Sales Tax Collections** — City of Houston sales tax collections totaled \$162.6 million through the first quarter of this year, down 1.8 percent from \$165.6 million from the same period last year.

**Vehicle Sales** — Houston-area auto dealers sold 20,889 vehicles in January, a slight increase from 20,825 vehicles in January '16, according to *TexAuto Facts*, published by InfoNation, Inc. of Sugar Land. The average retail sales price per vehicle in Houston in January was \$36,719, up 1.0 percent from \$36,357 in January of last year. Over the previous 12 months (February '16 through January '17), local dealers sold 299,619 vehicles, down 20.4 percent from the 376,300 sold over the prior 12 months.

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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, please click [here](#).

## HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	Dec '16	Nov '16	Dec '15	Change from		% Change from	
				Nov '16	Dec '15	Nov '16	Dec '15
<b>Total Nonfarm Payroll Jobs</b>	<b>3,036.0</b>	<b>3,021.6</b>	<b>3,017.3</b>	<b>14.4</b>	<b>18.7</b>	<b>0.5</b>	<b>0.6</b>
<b>Total Private</b>	<b>2,620.9</b>	<b>2,606.6</b>	<b>2,617.0</b>	<b>14.3</b>	<b>3.9</b>	<b>0.5</b>	<b>0.1</b>
<b>Goods Producing</b>	<b>523.3</b>	<b>519.0</b>	<b>547.9</b>	<b>4.3</b>	<b>-24.6</b>	<b>0.8</b>	<b>-4.5</b>
<b>Service Providing</b>	<b>2,512.7</b>	<b>2,502.6</b>	<b>2,469.4</b>	<b>10.1</b>	<b>43.3</b>	<b>0.4</b>	<b>1.8</b>
<b>Private Service Providing</b>	<b>2,097.6</b>	<b>2,087.6</b>	<b>2,069.1</b>	<b>10.0</b>	<b>28.5</b>	<b>0.5</b>	<b>1.4</b>
<b>Mining and Logging</b>	<b>86.3</b>	<b>85.7</b>	<b>96.7</b>	<b>0.6</b>	<b>-10.4</b>	<b>0.7</b>	<b>-10.8</b>
Oil & Gas Extraction	47.7	48.0	54.6	-0.3	-6.9	-0.6	-12.6
Support Activities for Mining	36.0	35.9	40.8	0.1	-4.8	0.3	-11.8
<b>Construction</b>	<b>214.9</b>	<b>215.4</b>	<b>217.4</b>	<b>-0.5</b>	<b>-2.5</b>	<b>-0.2</b>	<b>-1.1</b>
<b>Manufacturing</b>	<b>222.1</b>	<b>217.9</b>	<b>233.8</b>	<b>4.2</b>	<b>-11.7</b>	<b>1.9</b>	<b>-5.0</b>
Durable Goods Manufacturing	137.2	134.5	151.9	2.7	-14.7	2.0	-9.7
Nondurable Goods Manufacturing	84.9	83.4	81.9	1.5	3.0	1.8	3.7
<b>Wholesale Trade</b>	<b>164.5</b>	<b>163.4</b>	<b>166.6</b>	<b>1.1</b>	<b>-2.1</b>	<b>0.7</b>	<b>-1.3</b>
<b>Retail Trade</b>	<b>318.2</b>	<b>314.3</b>	<b>315.3</b>	<b>3.9</b>	<b>2.9</b>	<b>1.2</b>	<b>0.9</b>
<b>Transportation, Warehousing and Utilities</b>	<b>144.6</b>	<b>140.6</b>	<b>144.4</b>	<b>4.0</b>	<b>0.2</b>	<b>2.8</b>	<b>0.1</b>
Utilities	16.1	16.2	16.3	-0.1	-0.2	-0.6	-1.2
Air Transportation	21.6	21.6	21.6	0.0	0.0	0.0	0.0
Truck Transportation	24.6	24.7	25.0	-0.1	-0.4	-0.4	-1.6
Pipeline Transportation	10.9	10.9	10.7	0.0	0.2	0.0	1.9
<b>Information</b>	<b>33.4</b>	<b>33.1</b>	<b>32.1</b>	<b>0.3</b>	<b>1.3</b>	<b>0.9</b>	<b>4.0</b>
Telecommunications	14.1	14.1	14.3	0.0	-0.2	0.0	-1.4
<b>Finance &amp; Insurance</b>	<b>100.3</b>	<b>100.0</b>	<b>97.6</b>	<b>0.3</b>	<b>2.7</b>	<b>0.3</b>	<b>2.8</b>
<b>Real Estate &amp; Rental and Leasing</b>	<b>56.3</b>	<b>55.9</b>	<b>55.5</b>	<b>0.4</b>	<b>0.8</b>	<b>0.7</b>	<b>1.4</b>
<b>Professional &amp; Business Services</b>	<b>472.5</b>	<b>473.0</b>	<b>473.0</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.1</b>	<b>-0.1</b>
Professional, Scientific & Technical Services	217.0	216.5	220.9	0.5	-3.9	0.2	-1.8
Legal Services	25.0	24.8	24.9	0.2	0.1	0.8	0.4
Accounting, Tax Preparation, Bookkeeping	25.6	25.1	25.1	0.5	0.5	2.0	2.0
Architectural, Engineering & Related Services	65.2	65.0	70.4	0.2	-5.2	0.3	-7.4
Computer Systems Design & Related Services	32.9	32.5	32.3	0.4	0.6	1.2	1.9
Admin & Support/Waste Mgt & Remediation	218.3	219.9	214.1	-1.6	4.2	-0.7	2.0
Administrative & Support Services	206.4	208.0	202.5	-1.6	3.9	-0.8	1.9
Employment Services	82.2	81.7	80.1	0.5	2.1	0.6	2.6
<b>Educational Services</b>	<b>59.4</b>	<b>59.6</b>	<b>57.1</b>	<b>-0.2</b>	<b>2.3</b>	<b>-0.3</b>	<b>4.0</b>
<b>Health Care &amp; Social Assistance</b>	<b>328.1</b>	<b>326.1</b>	<b>318.1</b>	<b>2.0</b>	<b>10.0</b>	<b>0.6</b>	<b>3.1</b>
<b>Arts, Entertainment &amp; Recreation</b>	<b>32.7</b>	<b>32.7</b>	<b>31.3</b>	<b>0.0</b>	<b>1.4</b>	<b>0.0</b>	<b>4.5</b>
<b>Accommodation &amp; Food Services</b>	<b>280.4</b>	<b>281.7</b>	<b>271.0</b>	<b>-1.3</b>	<b>9.4</b>	<b>-0.5</b>	<b>3.5</b>
<b>Other Services</b>	<b>107.2</b>	<b>107.2</b>	<b>107.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>
<b>Government</b>	<b>415.1</b>	<b>415.0</b>	<b>400.3</b>	<b>0.1</b>	<b>14.8</b>	<b>0.0</b>	<b>3.7</b>
Federal Government	29.4	28.6	28.3	0.8	1.1	2.8	3.9
State Government	85.3	85.2	80.9	0.1	4.4	0.1	5.4
State Government Educational Services	50.5	50.6	47.2	-0.1	3.3	-0.2	7.0
Local Government	300.4	301.2	291.1	-0.8	9.3	-0.3	3.2
Local Government Educational Services	212.8	212.7	205.0	0.1	7.8	0.0	3.8

SOURCE: Texas Workforce Commission

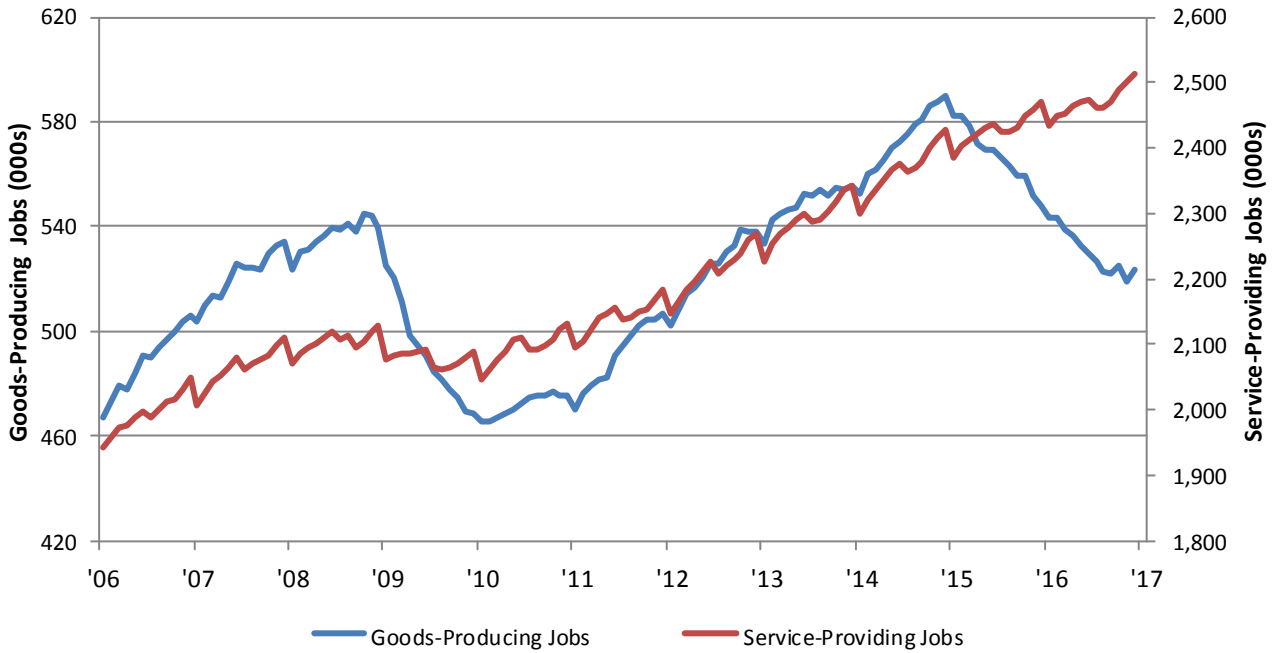
**Houston Economic Indicators**  
**A Service of the Greater Houston Partnership**

	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	Feb '17	744	532	39.8	713 *	600 *	18.8
Spot Crude Oil Price (\$/bbl, West Texas Intermediate)	Jan '17	52.49	32.64	60.8	52.49 *	32.64 *	60.8
Spot Natural Gas (\$/MMBtu, Henry Hub)	Jan '17	3.32	2.12	56.6	3.32 *	2.12 *	56.6
<b>UTILITIES AND PRODUCTION</b>							
Houston Purchasing Managers Index	Feb '17	54.2	44.4	22.1	54.2 *	45.1 *	20.2
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	Jan '17	4,620,455	4,416,725	4.6	4,620,455	4,416,725	4.6
<b>CONSTRUCTION</b>							
<b>Total Building Contracts (\$, Houston MSA)</b>	<b>Jan '17</b>	<b>1,274,751,000</b>	<b>1,724,123,000</b>	<b>-26.1</b>	<b>1,274,751,000</b>	<b>1,724,123,000</b>	<b>-26.1</b>
Nonresidential	Jan '17	580,082,000	1,048,372,000	-44.7	580,082,000	1,048,372,000	-44.7
Residential	Jan '17	694,669,000	675,751,000	2.8	694,669,000	675,751,000	2.8
<b>Building Permits (\$, City of Houston)</b>	<b>Jan '17</b>	<b>637,896,584</b>	<b>400,092,629</b>	<b>59.4</b>	<b>637,896,584</b>	<b>400,092,629</b>	<b>59.4</b>
Nonresidential	Jan '17	452,090,627	259,425,039	74.3	452,090,627	259,425,039	74.3
New Nonresidential	Jan '17	187,679,619	100,643,691	86.5	187,679,619	100,643,691	86.5
Nonresidential Additions/Alterations/Conversions	Jan '17	264,411,008	158,781,348	66.5	264,411,008	158,781,348	66.5
Residential	Jan '17	185,805,957	140,667,590	32.1	185,805,957	140,667,590	32.1
New Residential	Jan '17	164,404,366	112,232,345	46.5	164,404,366	112,232,345	46.5
Residential Additions/Alterations/Conversions	Jan '17	21,401,591	28,435,245	-24.7	21,401,591	28,435,245	-24.7
<b>Multiple Listing Service (MLS) Activity</b>							
Property Sales	Feb '17	6,111	5,707	7.1	11,127	10,660	4.4
Median Sales Price - SF Detached	Feb '17	220,000	204,990	7.3	215,000	203,495 *	5.7
Active Listings	Feb '17	35,685	33,159	7.6	35,322 *	32,710 *	8.0
<b>EMPLOYMENT (Houston-Sugar Land-Baytown MSA)</b>							
<b>Nonfarm Payroll Employment</b>	<b>Dec '16</b>	<b>3,036,000</b>	<b>3,017,300</b>	<b>0.6</b>	<b>3,000,600 *</b>	<b>2,995,900 *</b>	<b>0.2</b>
Goods Producing (Natural Resources/Mining/Const/Mfg)	Dec '16	523,300	547,900	-4.5	530,317	566,883 *	-6.5
Service Providing	Dec '16	2,512,700	2,469,400	1.8	2,470,283	2,429,017 *	1.7
<b>Unemployment Rate (%) - Not Seasonally Adjusted</b>							
Houston-Sugar Land-Baytown MSA	Dec '16	5.3	4.6		5.2 *	4.6 *	
Texas	Dec '16	4.5	4.2		4.6 *	4.5 *	
U.S.	Dec '16	4.5	4.8		4.9 *	5.3 *	
<b>TRANSPORTATION</b>							
<b>Port of Houston Authority Shipments (Short Tons)</b>	<b>Jan '17</b>	<b>3,579,186</b>	<b>3,504,028</b>	<b>2.1</b>	<b>3,579,186</b>	<b>3,504,028</b>	<b>2.1</b>
<b>Air Passengers (Houston Airport System)</b>	<b>Jan '17</b>	<b>4,333,025</b>	<b>4,438,219</b>	<b>-2.4</b>	<b>4,333,025</b>	<b>4,438,219</b>	<b>-2.4</b>
Domestic Passengers	Jan '17	3,367,911	3,435,688	-2.0	3,367,911	3,435,688	-2.0
International Passengers	Jan '17	965,114	1,002,531	-3.7	965,114	1,002,531	-3.7
<b>Air Freight (metric tons)</b>	<b>Jan '17</b>	<b>34,987</b>	<b>31,852</b>	<b>9.8</b>	<b>34,987</b>	<b>31,852</b>	<b>9.8</b>
<b>CONSUMERS</b>							
<b>New Car and Truck Sales (Units, Houston MSA)</b>	<b>Jan '17</b>	<b>27,568</b>	<b>27,410</b>	<b>0.6</b>	<b>27,568</b>	<b>27,410</b>	<b>0.6</b>
Cars	Jan '17	9,426	9,887	-4.7	9,426	9,887	-4.7
Trucks, SUVs and Commercials	Jan '17	18,142	17,523	3.5	18,142	17,523	3.5
<b>Total Retail Sales (\$000,000, Houston MSA, NAICS Basis)</b>	<b>Q1'16</b>	<b>25,146</b>	<b>25,980</b>	<b>-3.2</b>	<b>25,146</b>	<b>25,980</b>	<b>-3.2</b>
<b>Consumer Price Index for All Urban Consumers ('82-'84=100)</b>							
Houston-Galveston-Brazoria CMSA	Jan '16	217.753	212.936	2.3	216.443 *	213.097 *	1.6
United States	Jan '16	242.839	236.916	2.5	242.839 *	236.916 *	2.5
<b>Hotel Performance (Houston MSA)</b>							
Occupancy (%)	Q4/16	57.2	64.3		62.3 *	68.6 *	
Average Room Rate (\$)	Q4/16	99.05	106.37	-6.9	104.45 *	108.51 *	-3.7
Revenue Per Available Room (\$)	Q4/16	56.67	68.41	-17.2	65.32 *	74.47 *	-12.3

**Sources:**

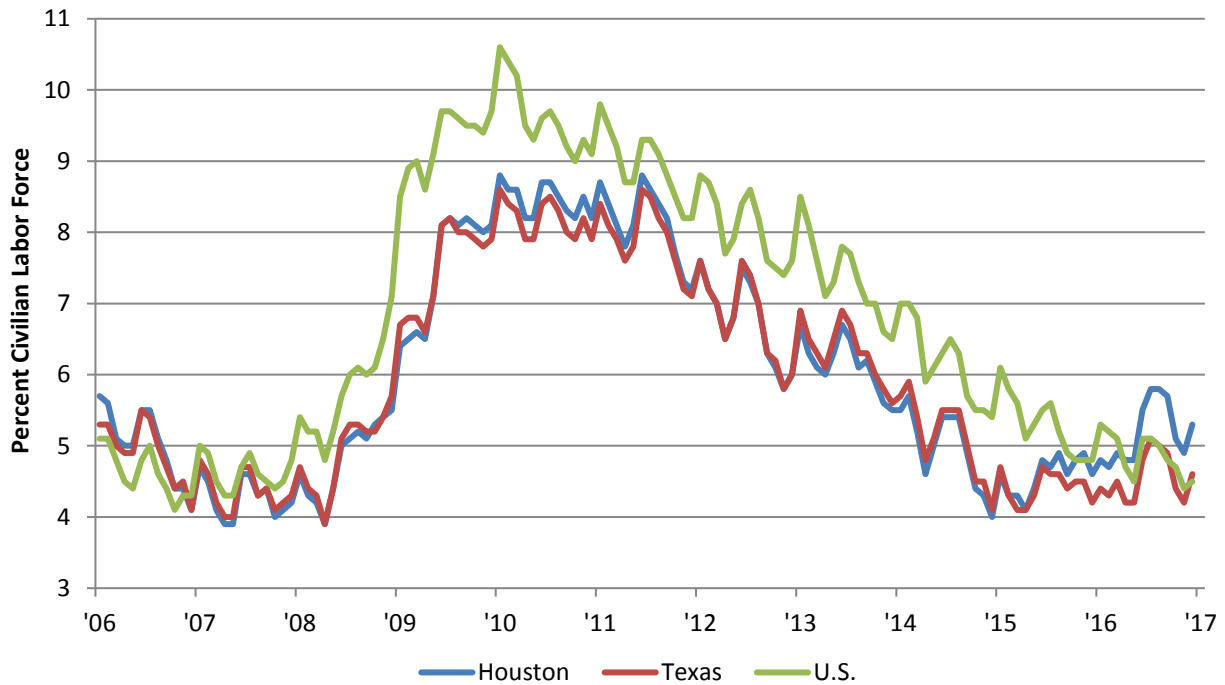
Aviation	City of Houston Department of Aviation
Building Construction Contracts	Dodge Data & Analytics
Car and Truck Sales	TexAuto Facts Report, InfoNation, Inc., Sugar Land TX
City of Houston Building Permits	Public Works & Engineering Planning & Development, City of Houston
Consumer Price Index	U.S. Bureau of Labor Statistics
Electricity	CenterPoint Energy
Employment, Unemployment	Texas Workforce Commission
Hotels	CBRE
Houston Purchasing Managers Index	Institute for Supply Management-Houston
MLS Data	Houston Association of Realtors®
Port Shipments	Port of Houston Authority
Retail Sales	Texas Comptroller's Office
Rig Count	Baker Hughes Incorporated

## Goods-Producing and Service-Providing Employment Houston MSA



Source: Texas Workforce Commission

## Unemployment Rate - Houston, Texas and U.S.



Source: Texas Workforce Commission