THE ECONOMY AT A GLANCE HOUSTON

A publication of the Greater Houston Partnership

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THE SUM OF THE PARTS

In the October issue of *Houston: The Economy at a Glance*, the Partnership analyzed data from the U.S. Census Bureau's American Community Survey (ACS) to show how the region's economic and demographic profile has shifted over the past 10 years. In a nutshell, Houston is older, better educated, and more ethnically diverse. However, a substantial share of the population still lacks health insurance and lives in poverty.

In the November issue, the Partnership reviewed how Houston compared to the nation's other major metros. Metro Houston has one of the youngest and most diverse populations in the U.S. The region also has one of the nation's largest foreign-born populations. We're in the middle of the pack for home ownership, but not surprisingly we lag our peers in educational attainment and health care coverage. Houston also has the highest share of families whose income falls below the poverty line.

In this issue of *Glance*, the Partnership examines the economic and demographic differences between the 10 counties which comprise the Houston metro area.

Race and Ethnicity

Though Houston is the nation's most ethnically diverse metro, the groups are distributed unevenly in the region. Harris and Liberty Counties have disproportionally large Hispanic populations. White residents still comprise a majority in Austin, Chambers, Galveston, Montgomery, and San Jacinto Counties. The region's Asian population is concentrated in Fort Bend and Harris Counties. And few Black residents live in Austin, Chambers, Liberty, and Montgomery Counties. Volume 32 Number 12 – December 2024

POPULATIONS AND PERCENTAGES

GREATER HOUSTON

PARTNERSHIP. Making Houston Greater.

METRO HOUSTON COUNTIES Hispanic AN/HP White Other Black Asian **Metro Houston** 2,878,332 2,431,079 1,299,242 627,663 11,868 262,068 0.2% 38.3% 32.4% 17.3% 8.4% 3.5% **Harris County** 356,108 2,130,515 1,259,342 917,198 6.593 165,369 44.1% 26.0% 19.0% 7.4% 0.2% 3.5% Austin County 8,572 18.282 2,625 147 29 751 28.2% 60.1% 8.6% 0.5% 2.5% 0.1% **Brazoria County** 127,014 161,192 64,802 29,623 658 15,649 31.8% 40.4% 16.2% 7.4% 0.1% 3.9% **Chambers County** 11.860 29,946 3,322 649 46 1.214 25.2% 63.7% 7.1% 1.4% 0.1% 2.6% Fort Bend County 226,892 259,496 194,126 203,814 1,463 30,987 28.3% 24.7% 21.2% 22.2% 0.1% 3.4% **Galveston County** 42,709 15,895 96,707 194.422 11,424 587 26.7% 53.7% 11.8% 3.2% 0.2% 4.4% Liberty County 45,251 50,815 7,887 853 240 3,226 41.8% 46.9% 7.3% 0.8% 0.2% 3.0% **Montgomery County** 201,014 411.376 50.058 1,500 22,937 24.469 28.3% 57.8% 7.0% 3.2% 0.2% 3.5% San Jacinto County 4,417 20,120 2,472 40 25 862 15.0% 72.7% 8.9% 0.1% 0.1% 3.1% Waller County 17,732 23,290 14,102 877 1,399 53

 30.9%
 40.5%
 24.5%
 1.5%
 0.1%
 2.4%

 *Ethnic population listed first for each county followed by that group's share of total county population.

AN/HPI = American Indian, Alaskan Native, Hawaiian Native and Pacific Islander

Other = Two or more races or an unspecified race

Note: Numbers in this and all following tables may not sum evenly due to rounding errors and unpublished residual data.

Foreign-Born Population

One in four Houstonians is foreign-born, compared to one in seven nationally. However, 86.4 percent of metro Houston's foreign-born population is concentrated in two counties—Fort Bend and Harris.

SHARE OF POPULATION FOREIGN-BORN

Area	Percent	Area	Percent
National Avg.	14.3	Fort Bend	31.0
Metro Houston	24.8	Galveston	10.1
Harris	27.3	Liberty	16.1
Austin	9.4	Montgomery	16.9
Brazoria	15.7	San Jacinto	7.0
Chambers	8.0	Waller	10.8
Source: LLS Census B	ureau 2023 Δn	perican Community Si	INVEV

Source: U.S. Census Bureau, 2023 American Community Survey

With such a large share of Houston's population born outside the U.S., it's not surprising that a language other than English is often the primary language spoken at home. The most common language is Spanish, followed by other Indo-European languages, with Asian and Pacific Islander languages third.

SHARE OF POPULATION FIVE YEARS AND OLDER THAT SPEAKS A LANGUAGE OTHER THAN ENGLISH AT HOME

Area	Percent	Area	Percent
National Avg.	22.5	Fort Bend	42.8
Metro Houston	40.5	Galveston	21.0
Harris	45.3	Liberty	34.6
Austin	22.6	Montgomery	27.0
Brazoria	27.4	San Jacinto	15.3
Chambers	20.6	Waller	23.5

Source: U.S. Census Bureau, 2023 American Community Survey

Age

The median age in Houston was 35.7 years in '23, which means half of all residents were younger and half older. The median age for the nation was 39.2. Locally, Waller had the youngest population, presumably because the county is home to Prairie View A&M University and thus has a large student population. San Jacinto had the oldest population, likely due to the lack of inmigration to the county and the large number of retirees living there.

MEDIAN AGE OF HOUSTON-AREA COUNTIES

Area	Age	Area	Age
National Avg.	39.2	Fort Bend	37.6
Metro Houston	35.7	Galveston	39.3
Harris	34.8	Liberty	32.8
Austin	41.0	Montgomery	37.3
Brazoria	36.8	San Jacinto	45.3
Chambers	35.4	Waller	28.7

Source: U.S. Census Bureau, 2023 American Community Survey

As reported in the October issue of *Glance*, the population over the age of 65 is the fastest-growing cohort in metro Houston, adding some 354,000 residents over the past 10 years. "Seniors" now comprise one in every eight Houston residents. Their share of the population tends to be larger in the suburban counties.

SHARE OF POPULATION OVER 65

Area	Percent	Area	Percent
National Avg.	17.7	Fort Bend	13.0
Metro Houston	12.7	Galveston	16.2
Harris	12.1	Liberty	11.9
Austin	20.0	Montgomery	14.0
Brazoria	13.0	San Jacinto	21.8
Chambers	12.1	Waller	11.5

Source: U.S. Census Bureau, 2023 American Community Survey

Educational Attainment

One-third of Houston's adult population holds a bachelor's or higher degree. That's slightly above the national average of 32.6 percent but below that of most other major metros. Fort Bend has the largest share of adults with college degrees, followed by Montgomery and Galveston Counties. Liberty and San Jacinto have the lowest rates.

> SHARE OF ADULT POPULATION BY HIGHEST LEVEL OF EDUCATIONAL ATTAINMENT

THOMES		LDOCKII		AINTEN	-
	Less Than High School	High School	Some College	Associate De- gree	Bachelor's or Higher
National Avg.	10.2%	25.9%	18.9%	8.8%	36.2%
Metro Houston	14.5	22.5	18.8	8.2	36.0
Harris	16.8	23.0	18.2	7.7	34.2
Austin	12.1	32.5	24.4	6.8	24.1
Brazoria	10.4	23.9	23.4	10.0	32.3
Chambers	10.8	26.8	29.9	9.8	22.8
Fort Bend	7.9	17.0	17.5	8.3	49.4
Galveston	10.8	20.5	22.9	10.9	35.0
Liberty	20.1	38.4	22.9	8.2	10.9
Montgomery	10.3	22.4	19.0	8.8	39.3
San Jacinto	14.4	39.7	24.2	5.6	16.0
Waller	13.3	31.3	25.6	4.9	24.9

Source: U.S. Census Bureau, 2023 American Community Survey

Labor Force Participation

The labor force participation rate is the share of the working-age population who are either employed or unemployed and actively seeking work. Harris County has the highest rate in the region, followed by Chambers and Fort Bend. San Jacinto and Waller have among the lowest rates, the former due to its large retiree population, the latter due to the concentration of college students.

LABOR FORCE PARTICIPATION RATES

Area	Percent	Area	Percent
National Avg.	63.3	Fort Bend	66.5
Metro Houston	66.6	Galveston	64.3
Harris	68.5	Liberty	57.9
Austin	62.9	Montgomery	65.1
Brazoria	64.1	San Jacinto	52.2
Chambers	67.0	Waller	58.4

Source: U.S. Census Bureau, 2023 American Community Survey

Home Ownership

Approximately three in every five Houstonians own the home they live in, slightly below the U.S. average. In the metro area, Chambers and San Jacinto Counties have the highest levels of homeownership while Harris and Galveston the lowest.

HOMEOWNERSHIP RATES

Area	Percent	Area	Percent
National Avg.	65.2	Fort Bend	77.2
Metro Houston	61.4	Galveston	68.1
Harris	55.2	Liberty	80.8
Austin	79.7	Montgomery	69.4
Brazoria	73.2	San Jacinto	83.0
Chambers	83.7	Waller	69.4

Source: U.S. Census Bureau, 2023 American Community Survey

Work From Home

Among the nation's 20 most populous metros, Houston ranks 19th in the share of residents who work from home. This reflects differences in regional economies as much as business attitudes. Locally, counties with higher percentages of employees working remotely tend to have more white-collar industries while those with lower shares have higher concentrations of blue-collar occupations whose work can't be performed remotely.

SHARE OF RESIDENTS WORKING REMOTELY

Area	Percent	Area	Percent
National Avg.	13.8	Fort Bend	17.1
Metro Houston	12.6	Galveston	8.9
Harris	11.9	Liberty	8.3
Austin	7.9	Montgomery	16.0
Brazoria	11.1	San Jacinto	5.6
Chambers	4.6	Waller	8.4

Source: U.S. Census Bureau, 2023 American Community Survey

Household Income

Income comparisons are tricky since living costs, particularly housing, vary greatly between counties. That said, Chambers and Fort Bend have the highest median household incomes. Many residents of Chambers work in the well-paid chemicals and refining industries while Fort Bend has a high concentration of white-collar professionals. San Jacinto and Waller, perhaps the region's most rural counties, have the lowest household incomes.

ANNUAL MEDIAN HOUSEHOLD INCOME

Area	\$	Area	\$				
National Avg.	77,719	Fort Bend	105,441				
Metro Houston	79,463	Galveston	83,514				
Harris	72,336	Liberty	77,535				
Austin	73,556	Montgomery	91,841				
Brazoria	93,680	San Jacinto	54,839				
Chambers	106,103	Waller	71,643				
Source: U.S. Census P	Source: LLS Census Bureau, 2023 American Community Survey						

Source: U.S. Census Bureau, 2023 American Community Survey

Another measure of a county's wealth would be the number of households that earned \$100,000 or more in annual income in '23. In that regard, Harris leads all other local counties, followed by Fort Bend and Montgomery.

HOUSEHOLDS WITH \$100,000 OR MORE IN ANNUAL INCOME

Area	#	Area	#
National	51,088,288	Fort Bend	161,193
Metro Houston	1,078,695	Galveston	60,861
Harris	639,826	Liberty	11,643
Austin	4.050	Montgomery	121,685
Brazoria	65,762	San Jacinto	2,741
Chambers	8,323	Waller	6,657

Source: U.S. Census Bureau, 2023 American Community Survey

Roughly one in four Houstonians receive Social Security income as either retirement or disability payments. The share is higher in rural counties and those with a large share of their populations over 65.

HOUSEHOLDS RECEIVING SOCIAL SECURITY DISABILITY OR RETIREMENT INCOME

Area	#	%	Area	#	%		
National	41.1 M	31.3	Fort Bend	71,840	23.6		
Metro Hou	632,011	23.1	Galveston	40,813	28.3		
Harris	389,516	21.7	Liberty	11,042	33.5		
Austin	4,092	34.3	Montgomery	63,958	24.4		
Brazoria	35,722	25.8	San Jacinto	4,576	45.5		
Chambers	4,142	26.3	Waller	4,604	25.9		
~	-			<u> </u>			

Source: U.S. Census Bureau, 2023 American Community Survey

Health Insurance

In '23, over 1.3 million Houstonians, 18.1 percent of the population, lacked health insurance. That's a marginal improvement over '13 when over 1.4 million lacked coverage. Houston fares poorly when compared with the national average of 9.8 percent. Locally, Harris, Liberty, and San Jacinto Counties rank near the bottom, Brazoria, Fort Bend, and Galveston near the top.

SHARE OF POPULATION WITHOUT HEALTH INSURANCE

Area	Percent	Area	Percent	
National Avg.	9.8	Fort Bend	11.7	
Metro Houston	18.1	Galveston	13.7	
Harris	20.3	Liberty	24.3	
Austin	14.0	Montgomery	16.4	
Brazoria	12.4	San Jacinto	20.0	
Chambers	15.9	Waller	18.3	

Source: U.S. Census Bureau, 2023 American Community Survey

Poverty

In '23, 15.6 percent of metro Houston families had incomes below the poverty line. The region's performance is the poorest among the nation's 20 most populous metros.

FAMILIES WITH CHILDREN UNDER 18 WHOSE INCOME WAS BELOW THE POVERTY LINE

Area	#	%	Area	#	%
National	37.3 M	13.3	Fort Bend	27,047	8.9
Metro Hou	426,168	15.6	Galveston	16,495	11.6
Harris	331,337	18.5	Liberty	3,560	10.8
Austin	2,287	19.2	Montgomery	33,833	12.9
Brazoria	10,679	7.7	San Jacinto	1,912	19.0
Chambers	2,456	15.6	Waller	2,187	12.3
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Source: U.S. Census Bureau, 2023 American Community Survey

EMPLOYMENT UPDATE

Metro Houston created 12,100 jobs in October, according to the Texas Workforce Commission. Except for '11 and '16, this was the smallest October gain of the past 15 years. The labor market's weak performance aligns with other data (i.e., Houston Purchasing Managers Index, city sales tax collections, available inventory of resale homes, and office leasing) that indicate Houston's economy has slowed considerably from the fast pace of recent years.

Five sectors led employment gains in October. Local education created 4,900 jobs as school districts continued to staff up for the academic year. Professional scientific and technical services added 3,900 jobs, the gains spread evenly among accounting, engineering, law, and computer services. The retail sector added 3,300 jobs as merchants prepared for the holiday shopping season. Wholesale trade added 1,300 jobs, presumably in support of retail. And the construction sector added 900 jobs as awards for commercial and residential projects have soared this year.

Only two sectors saw significant job losses. Administrative support services, which includes contract workers, temporary help, outsourcing, and job placement, shed 4,200 jobs in October. The loss is not surprising given Houston's overall slower growth. Health care and social assistance shed 1,100, which is more likely a correction from overstating gains earlier in the year, not a drop in demand for health care services.

In spite of tepid **growth**, employment in Houston reached an all-time high in October. The region now has 3,474,000 payroll jobs, a net gain of over 60,000 from this time last year. Houston typically sees gains of 20,000 to 25,000 in the last two months of the year, so the region may hit 3.5 million in December. If not, Houston should reach that milestone early next year.

NONFARM PAYROLL EMPLOYMENT, METRO HOUSTON



GREATER HOUSTON PARTNERSHIP HOUSTON REGION ECONOMIC OUTLOOK

What's in store for the Houston and U.S. economies in '25? Lower interest rates? Higher inflation? Slower economic growth? A possible trade war? Attend the Partnership's annual Economic Outlook event on Thursday, Dec. 12 at the Royal Sonesta to find out.

The program will include a panel discussion with Partnership board members Stan Chapman, EVP & Chief Operating Officer, TC Energy; Mary Beth Gracy, Houston Office Managing Director, Accenture; and Dan Bellow, President, JLL. The trio will share their perspectives on the current state of Houston's economy and what they expect in '25.

The Partnership's Chief Economist Patrick Jankowski will also release his analysis of current economic trends and his forecast for next year. Attendees will receive a copy of *Economic Outlook 2025*, the Partnership's formal forecast document. Click <u>here</u> to learn more or register for the event.

Key Economic Indicators

Clicking on the hyperlinks below will provide additional details on that indicator.



Aviation — The Houston Airport System (HAS) handled 62.6 million passengers in the 12 months ending October '24, up 5.2 percent from 59.5 million handled over the comparable period in

'23. Traffic has surpassed pre-pandemic levels.



Construction — Nearly \$35.9 billion in construction contracts were awarded in the Hou-

ston area through the first ten months of this year. That's up 27.6 percent from the \$28.1 billion awarded over the comparable period in '23. Harris, Fort Bend, and Montgomery Counties accounted for 85 of all new construction activity in the region. The remaining seven countries accounted for the other 15 percent.

Foreign Trade — Seaborne trade through the Houston-area ports-Freeport, Galveston, Houston, and Texas City-was valued at \$197.7 billion through September of '24, a 1.6 percent increase from \$194.7 billion over the comparable period in '23. Exports are up \$7.9 billion (7.4 percent). Imports are down \$4.9 billion (5.6 percent).

Home Sales — Brokers closed on 7,185 singlefamily homes in October '24, a 12.8 percent increase over October '23. That includes 5,163 existing and 2,652 newly constructed homes sold through HAR's Multiple Listing Service (MLS). Existing home sales are up 14.7 percent, according to HAR. Comparable data for newly constructed homes sold through HAR are not available.

Single-family inventory is up 27.3 percent from this time last year and triple the level of March '22, the recent low point. As of late October, there were over 31,000 singlefamily homes listed for sale through the MLS.



Inflation — Inflation, as measured by the Consumer Price Index for all Urban Consumers (CPI-U), rose 0.1 percent in October and 2.6 percent

in the 12 months ending in October '24 nationwide. Core inflation, which excludes the volatile food and energy categories, rose 0.2 percent from last month and 3.3 percent over the year. The CPI numbers reported here are not seasonally adjusted.



Purchasing Managers Index — Houston's economic growth slowed considerably in October, according to the most recent Houston Purchasing Managers Index (PMI). The overall PMI slipped 0.3

points from 49.5 in September to 49.2 in October. Though a reading below 50 was previously considered the breakeven point for Houston's economy, additional research by ISM now suggests that the overall economy doesn't slip into recession until the PMI falls below 45. This month, the manufacturing PMI ticked up 46.8 to 47.7, suggesting mild contraction. The non-manufacturing PMI fell from 50.0 to 49.5, suggesting flatness.

Unemployment — Metro Houston's unemployment rate was 4.5 percent in October, marginally up from 4.4 percent in September. Texas' rate was 4.1 percent, unchanged from the prior month. The U.S. rate was 3.9 percent, also unchanged from September. The rates are not seasonally adjusted.

Houston's 4.5 percent rate is low by historic standards. Over the past decade, the rate has swung from a low of 3.3 to a high of 13.3, with 5.1 percent being the 10-year average. Since '14, Houston's labor force has grown at a 1.4 percent average annual rate. Over the past 12 months, the labor force has grown by 3.2 percent (an additional 115,000 workers). The recent acceleration in labor force growth helps to explain the bump in Houston's unemployment rate.

Vehicle Sales — Houston dealers sold 356,504 new cars, trucks, and SUVs for the 12-month period ending in October '24. This represents a

slight increase over the 349,718 vehicles sold during the comparable 12-month period ending in October '23.

Patrick Jankowski, Colin Baker, Margaret Barrientos, Clara Richardson, and Leta Wauson contributed to this issue of Houston: The Economy at a Glance.

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The Partnership sends updates for the most important economic indicators each month. If you would like to opt-in to receive these updates, please click here.

The Partnership also posts short videos updating viewers on the latest U.S. and local economic trends. You can find those videos on the Partnership's LinkedIn page.

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HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)									
				Change	from	% Change from			
	October 24	September 24	October 23	September 24	October 23	September 24	October 23		
Total Nonfarm Payroll Jobs	3,474.0	3,461.9	3,413.8	12.1	60.2	0.3	1.8		
Total Private	3,014.1	3,008.0	2,960.1	6.1	54.0	0.2	1.8		
Goods Producing	562.3	561.0	539.4	1.3	22.9	0.2	4.2		
Service Providing	2,911.7	2,900.9	2,874.4	10.8	37.3	0.4	1.3		
Private Service Providing	2,451.8	2,447.0	2,420.7	4.8	31.1	0.2	1.3		
Mining and Logging	72.9	72.3	71.6	0.6	1.3	0.8	1.8		
Oil & Gas Extraction	32.5	32.3	31.8	0.2	0.7	0.6	2.2		
Support Activities for Mining	38.7	38.4	38.5	0.3	0.2	0.8	0.5		
Construction	250.2	249.3	232.4	0.9	17.8	0.4	7.7		
Manufacturing	239.2	239.4	235.4	-0.2	3.8	-0.1	1.6		
Durable Goods Manufacturing	149.3	149.7	146.6	-0.4	2.7	-0.3	1.8		
Nondurable Goods Manufacturing	89.9	89.7	88.8	0.2	1.1	0.2	1.2		
Wholesale Trade	185.1	183.8	178.5	1.3	6.6	0.7	3.7		
Retail Trade	320.4	317.1	320.4	3.3	0.0	1.0	0.0		
Transportation, Warehousing and Utilities	191.6	191.3	193.5	0.3	-1.9	0.2	-1.0		
Utilities	23.4	23.4	22.7	0.0	0.7	0.0	3.1		
Air Transportation	23.4	22.5	22.4	-0.1	0.0	-0.4	0.0		
Truck Transportation	30.4	30.3	30.3	0.1	0.0	0.3	0.3		
Pipeline Transportation	14.4	14.4	14.0	0.0	0.4	0.0	2.9		
Information	32.5	32.3	33.0	0.2	-0.5	0.6	-1.5		
Telecommunications	11.3	11.3	11.4	0.0	-0.1	0.0	-0.9		
Finance & Insurance	123.9	123.0	119.9	0.9	4.0	0.7	3.3		
Real Estate & Rental and Leasing	69.4	69.1	67.7	0.3	1.7	0.4	2.5		
Professional & Business Services	563.0	563.8	564.3	-0.8	-1.3	-0.1	-0.2		
Professional, Scientific & Technical Services	286.0	282.3	279.8	3.7	6.2	1.3	2.2		
Legal Services	33.4	32.7	32.5	0.7	0.9	2.1	2.8		
Accounting, Tax Preparation, Bookkeeping	29.5	28.9	29.3	0.6	0.2	2.1	0.7		
Architectural, Engineering & Related Services	78.9	78.2	76.0	0.7	2.9	0.9	3.8		
Computer Systems Design & Related Services	41.6	41.0	41.7	0.6	-0.1	1.5	-0.2		
Admin & Support/Waste Mgt & Remediation	229.6	234.0	237.8	-4.4	-8.2	-1.9	-3.4		
Administrative & Support Services	216.5	220.7	225.0	-4.2	-8.5	-1.9	-3.8		
Employment Services	80.1	81.8	82.7	-1.7	-2.6	-2.1	-3.1		
Private Educational Services	74.4	74.1	73.0	0.3	1.4	0.4	1.9		
Health Care & Social Assistance	395.6	396.7	385.3	-1.1	10.3	-0.3	2.7		
Arts, Entertainment & Recreation	40.8	40.5	39.2	0.3	1.6	0.7	4.1		
Accommodation & Food Services	321.8	321.8	317.9	0.0	3.9	0.0	1.2		
Other Services	133.3	133.5	128.0	-0.2	5.3	-0.1	4.1		
Government	459.9	453.9	453.7	6.0	6.2	1.3	1.4		
Federal Government	34.6	34.7	33.5	-0.1	1.1	-0.3	3.3		
State Government	98.0	97.4	95.7	0.6	2.3	0.6	2.4		
State Government Educational Services	53.4	52.7	52.8	0.7	0.6	1.3	1.1		
Local Government	327.3	321.8	324.5	5.5	2.8	1.5	0.9		
Local Government Educational Services	225.0	220.1	225.9	4.9	-0.9	2.2	-0.4		

SOURCE: Texas Workforce Commission