

Houston Economic Outlook

Jenny Philip



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HOUSTON★CHRONICLE

Oil bust even worse than thought, according to new data



Statewide Economy Grows, But Houston's Growth Is Slower

Job gains haven't been as strong in Houston compared to other major cities.

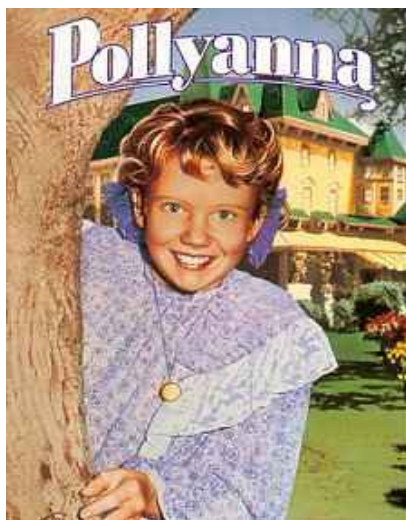
THE WALL STREET JOURNAL.

MARKETS | OIL MARKETS

Oil Prices Tumble Again on Oversupply

U.S. inventories, production undermining OPEC output cuts

Are you a Pollyanna or Debbie Downer?





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WTI Spot Price

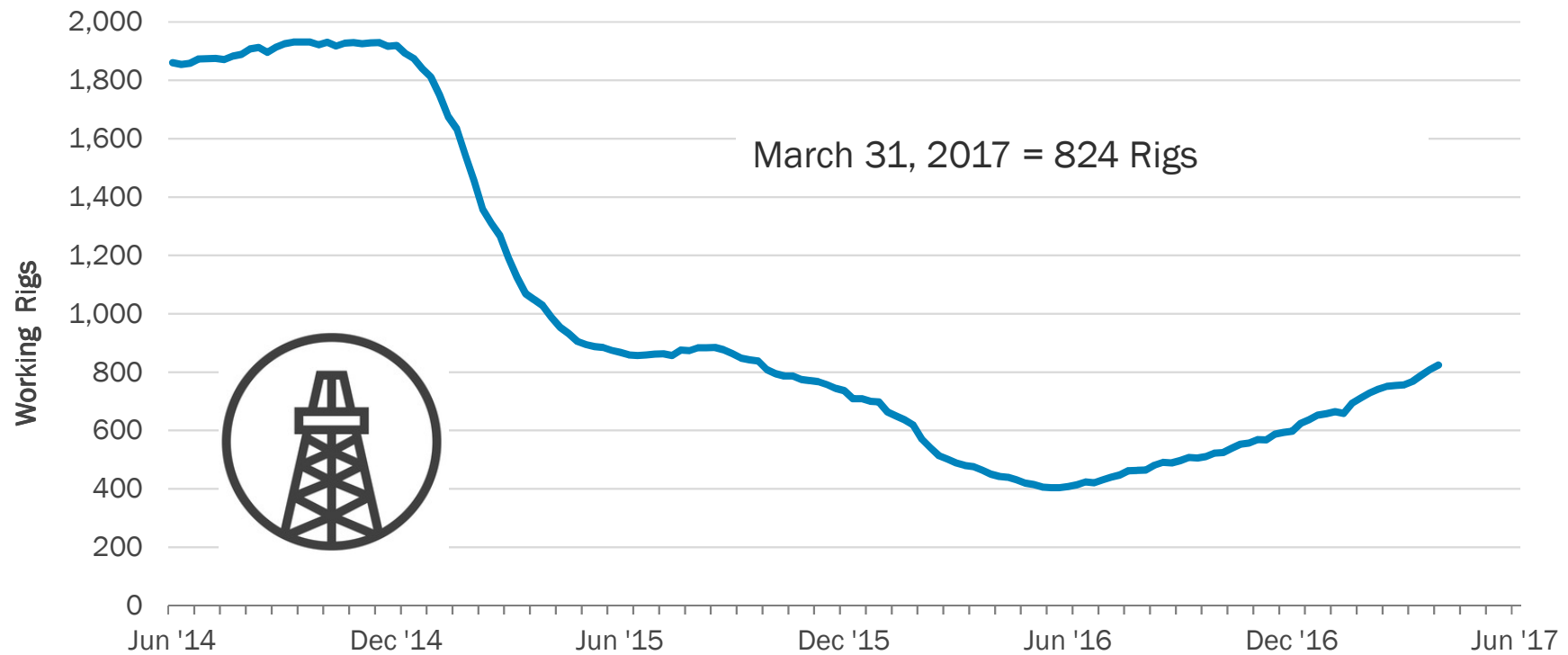


Source: U.S. Energy Information Administration



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U.S. Rig Count



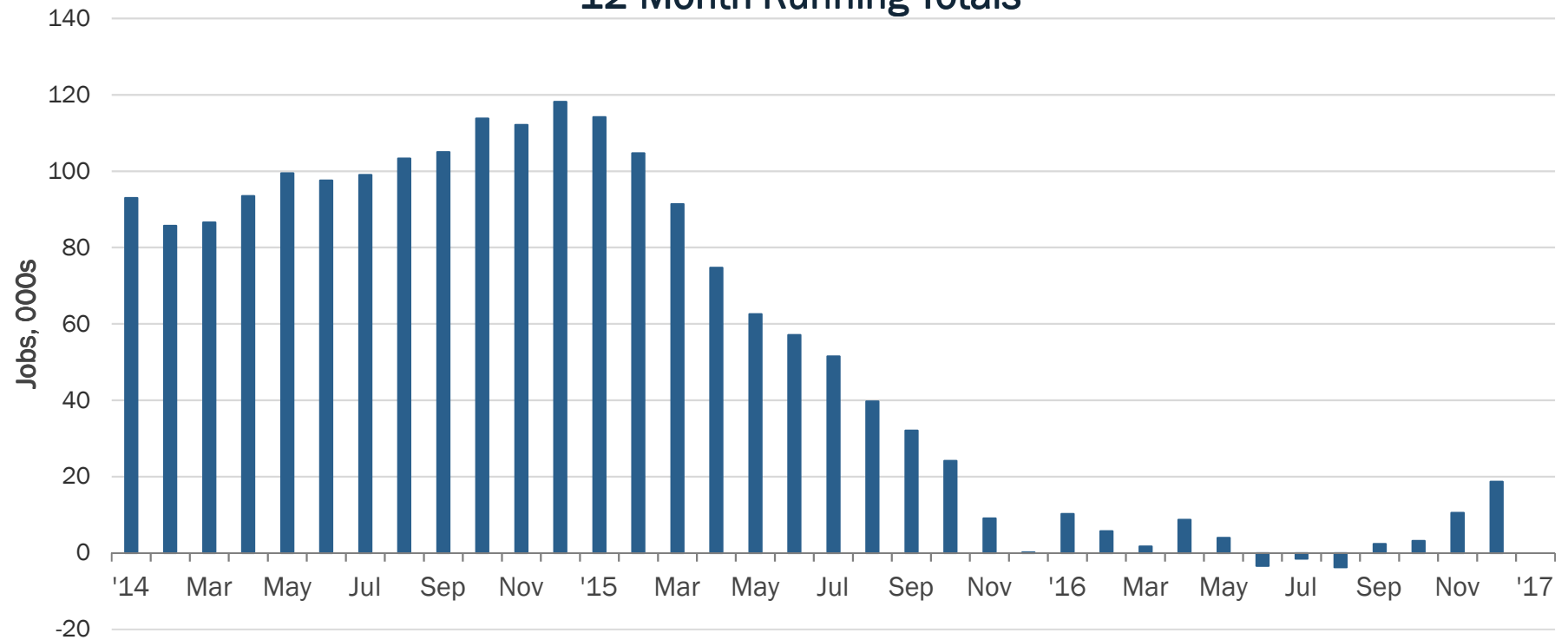
Source: Baker Hughes



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Regional Employment, Net Change

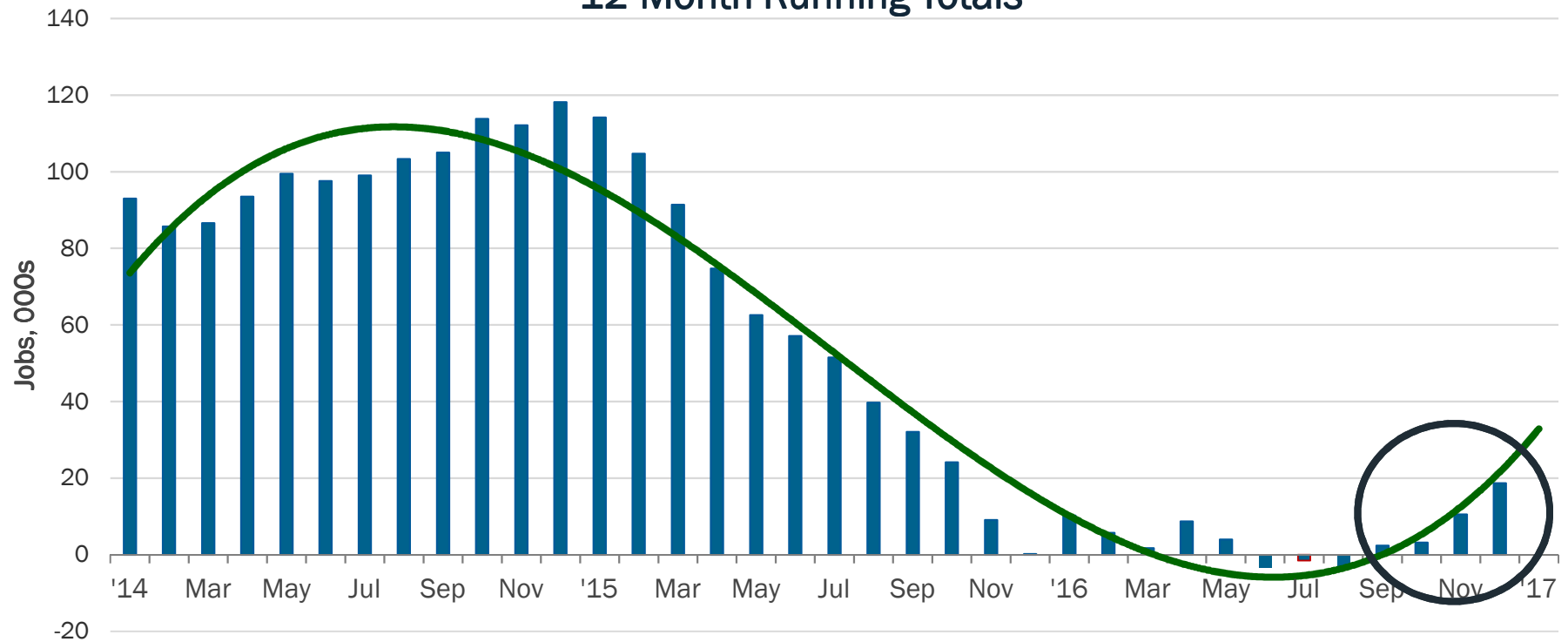
12-Month Running Totals



Source: Texas Workforce Commission

Regional Employment, Net Change

12-Month Running Totals



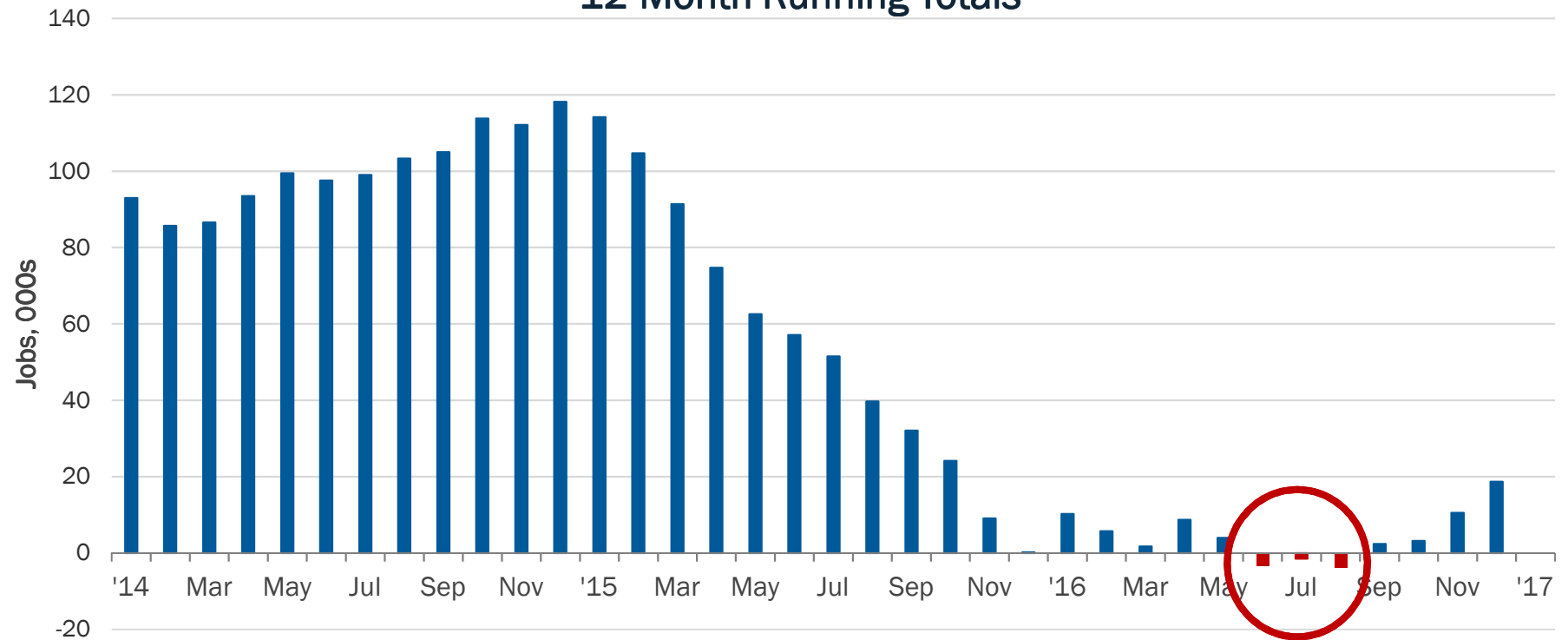
Source: Texas Workforce Commission



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Regional Employment, Net Change

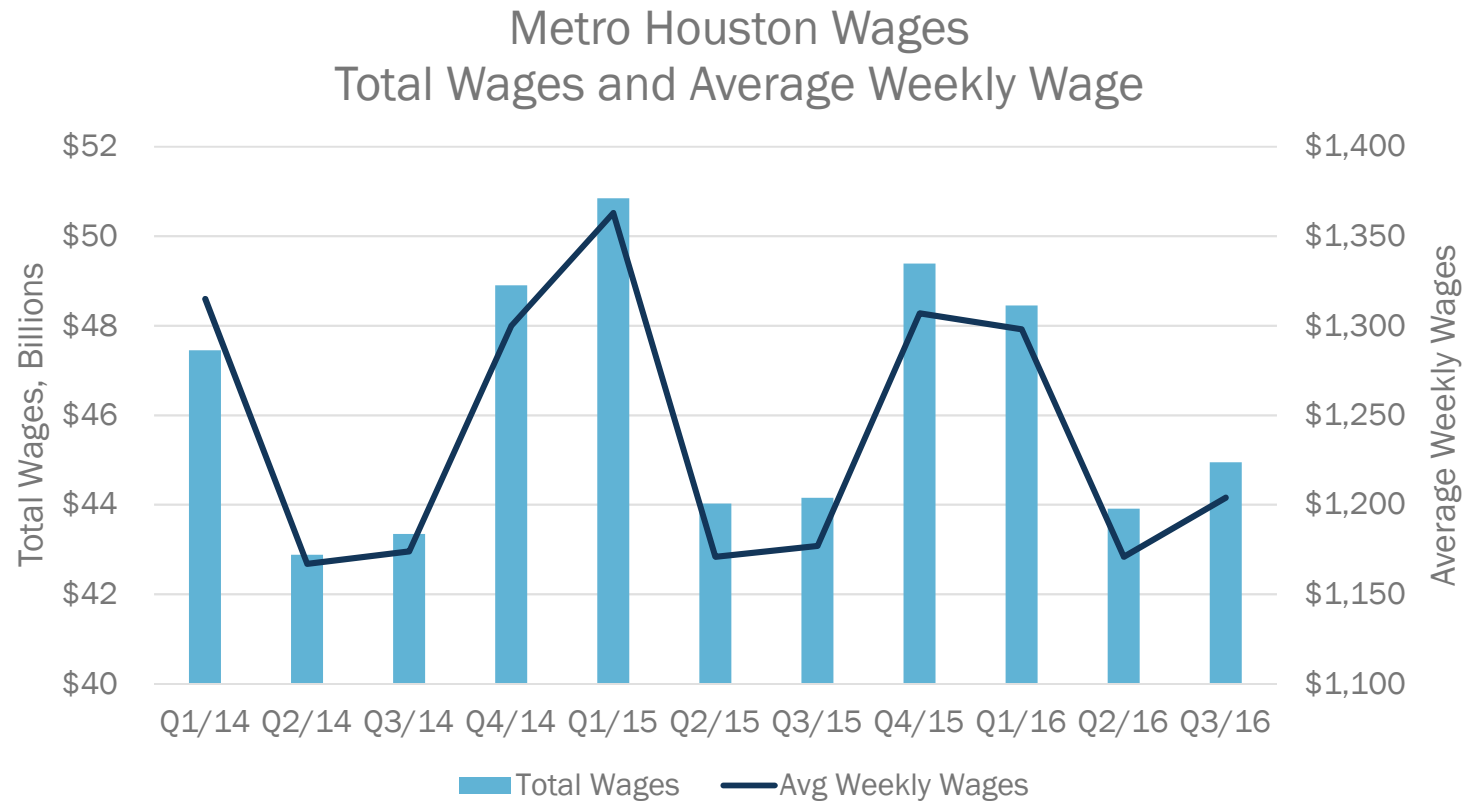
12-Month Running Totals



Source: Texas Workforce Commission



Regional Wages



Source: Texas Workforce Commission

Benchmark Revisions

Metro Houston Job Growth (Dec to Dec)		
	Before Revision	After Revision
2012	118,600	118,800
2013	89,800	90,400
2014	117,800	118,200
2015	15,200	200
2016	14,800	18,700

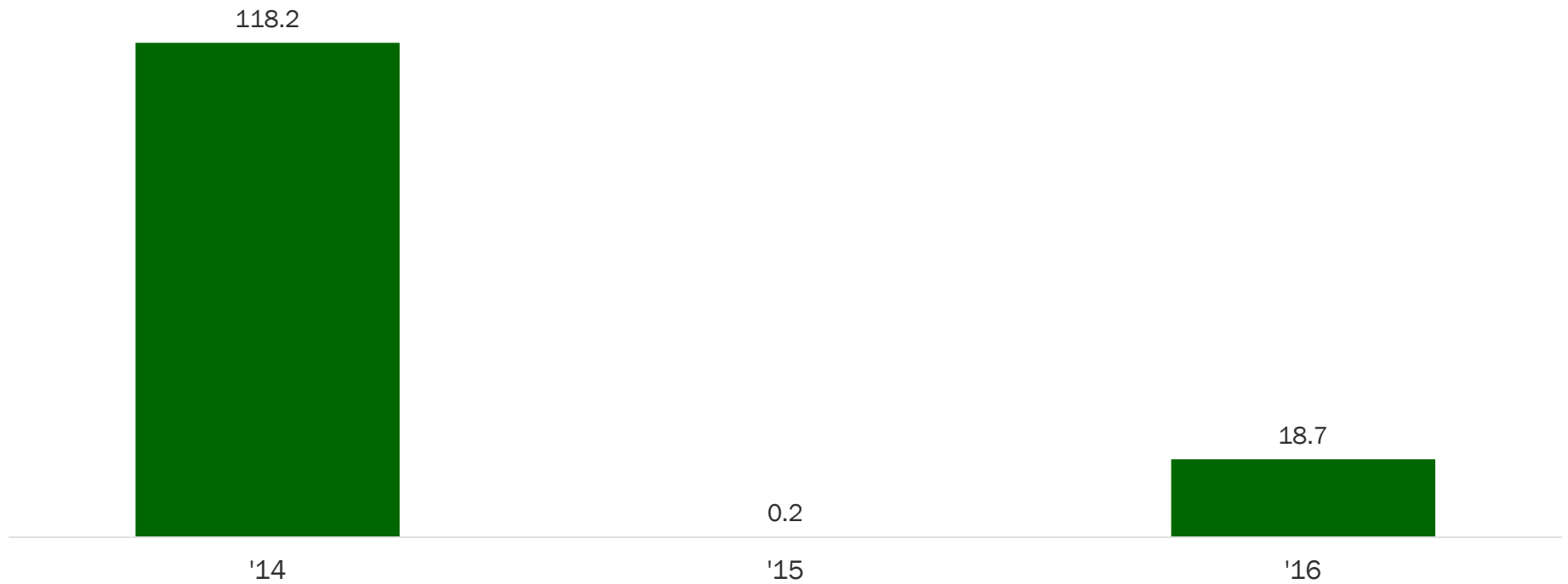
Source: Texas Workforce Commission



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Houston Job Growth, Dec – Dec (000s)

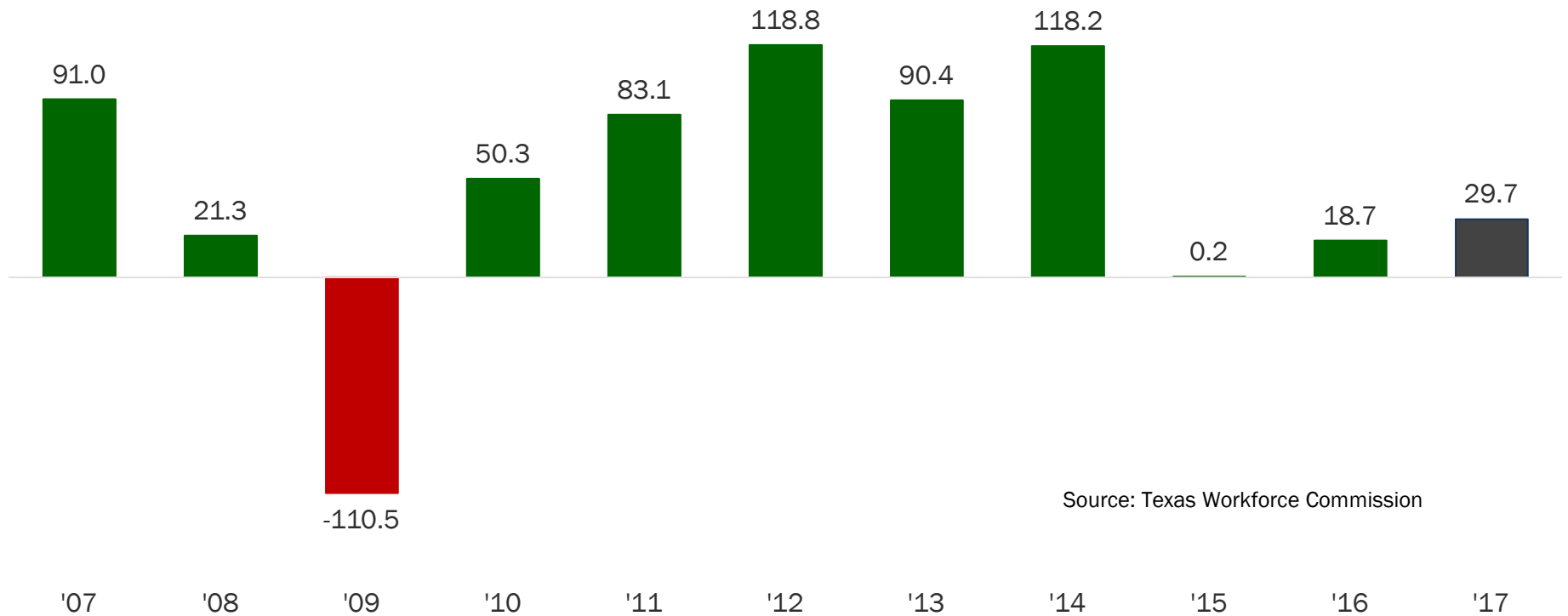
Source: Texas Workforce Commission





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Houston Job Growth, Dec – Dec (000s)



Source: Texas Workforce Commission



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Purchasing Managers Index

Above 50 = Expansion, Below 50 = Contraction



Source: Institute for Supply Management- Houston



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Energy Losses

Sector	Jobs Lost Dec '14 – Dec '16	%
Exploration & Production	-11,000	-18.7%
Oil Field Services	-19,900	-35.6
Fabricated Metal Products	-18,700	-28.2
Equipment Manufacturing	-20,600	-34.0
Engineering	-10,900	-14.3
Total Losses	-81,100	-25.5%

Source: Texas Workforce Commission

Top Non-Energy Gainers

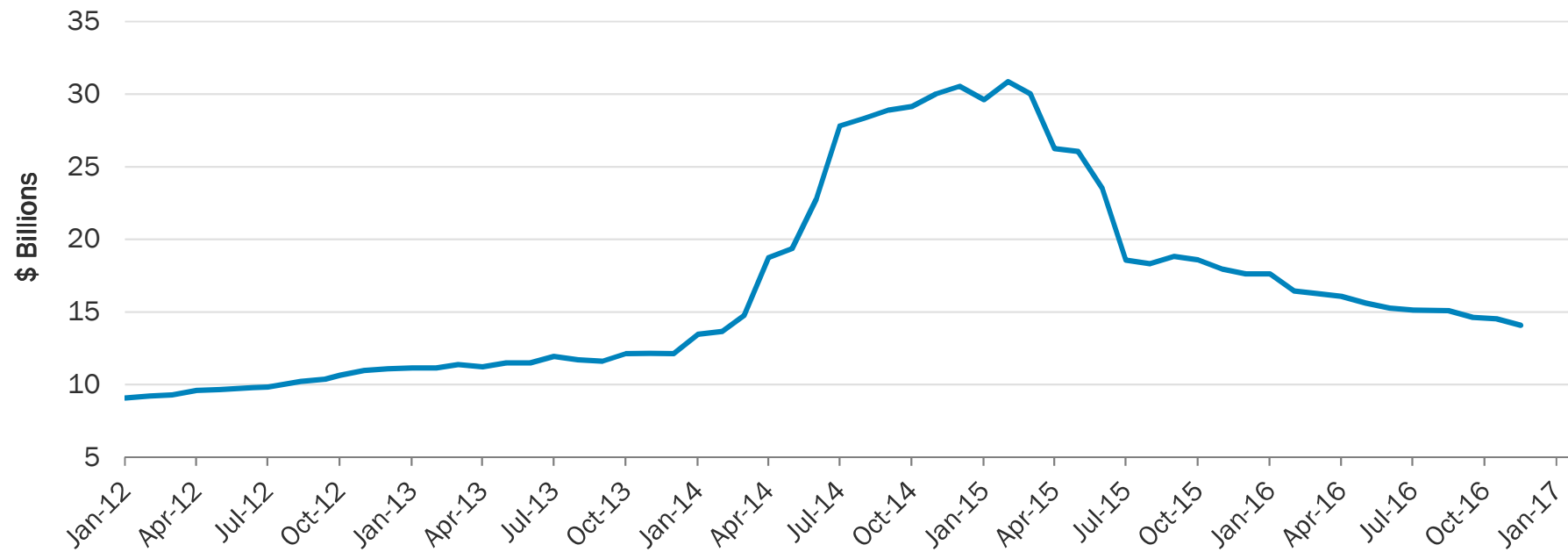
Sector	Jobs Gained Dec '14 – Dec '16	%
Health Care	27,200	7.5%
Hotels, Restaurants, Bars	21,800	8.4
Public Education (ISDs)	13,900	7.0
Retail Trade	10,900	3.5
Financial Activities	6,000	4.0
Arts, Entertainment	4,000	13.9
Total Gains	+83,800	

Source: Texas Workforce Commission



Construction Starts, Metro Area

12-Month Moving Total

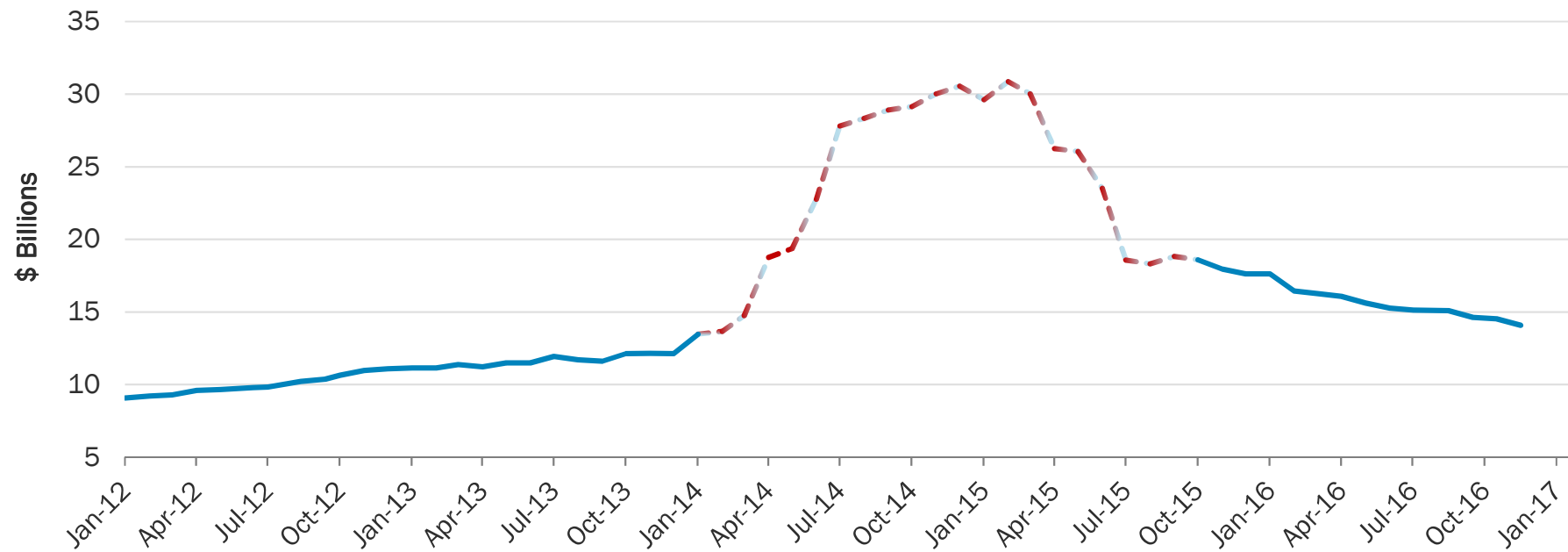


Source: Dodge Data and Analytics



Construction Starts, Metro Area

12-Month Moving Total



Source: Dodge Data and Analytics

July 1, 2015 to July 1, 2016

125,005 new residents

9-county Houston Metro Area





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10 Most Populous Metro Areas

Rank	Metro Area	Population as of 7/1/16	Change since 7/1/15
1	New York	20,153,634	35,571
2	Los Angeles	13,310,447	41,619
3	Chicago	9,512,999	(19,570)
4	Dallas-Fort Worth	7,233,323	143,435
5	Houston	6,772,470	125,005
6	Washington, D.C.	6,131,977	53,508
7	Philadelphia	6,070,500	8,197
8	Miami	6,066,387	64,670
9	Atlanta	5,789,700	90,650
10	Boston	4,794,447	27,692

Source: U.S. Census Bureau

Components of Growth, 7/15 – 7/16

Births	102,152
Deaths	-40,536
Natural Increase	61,616

Components of Growth, 7/15 – 7/16

In-Migration	
International	35,000
Domestic	28,090
In-Migration	63,090

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Total² 125,005

¹ Includes U.S. and foreign-born populations.

² Does not sum due to rounding and other effects.

Source: U.S. Census Bureau

Long-Term Growth, 7/10 – 7/16

	Metro Area	Net Growth	
	Houston	851,971	
	Dallas-Fort Worth	807,082	
	New York	587,163	Current Metro Populations
	Atlanta	502,975	
	Miami	500,089	Baton Rouge, LA = 835,175
	Washington	495,561	New Haven, CT = 856,875
	Los Angeles	481,486	
	Boston	241,852	
	Philadelphia	104,838	
	Chicago	51,449	

Components of Growth, 7/10 – 7/16

Metro Area	———— Net Migration ————		
	Total	International	Domestic
Houston	476,857	193,618	283,239
Dallas-Fort Worth	444,944	140,476	304,468
New York	-53,912	848,704	-902,616
Atlanta	257,589	104,223	153,366
Miami	374,706	381,468	-6,762
Washington	199,276	245,540	-46,264
Los Angeles	-57,111	315,879	-372,990
Boston	145,718	182,201	-36,483
Philadelphia	-4,729	123,139	-127,868
Chicago	-260,662	148,505	-409,167

Components of Growth, 7/10 – 7/16

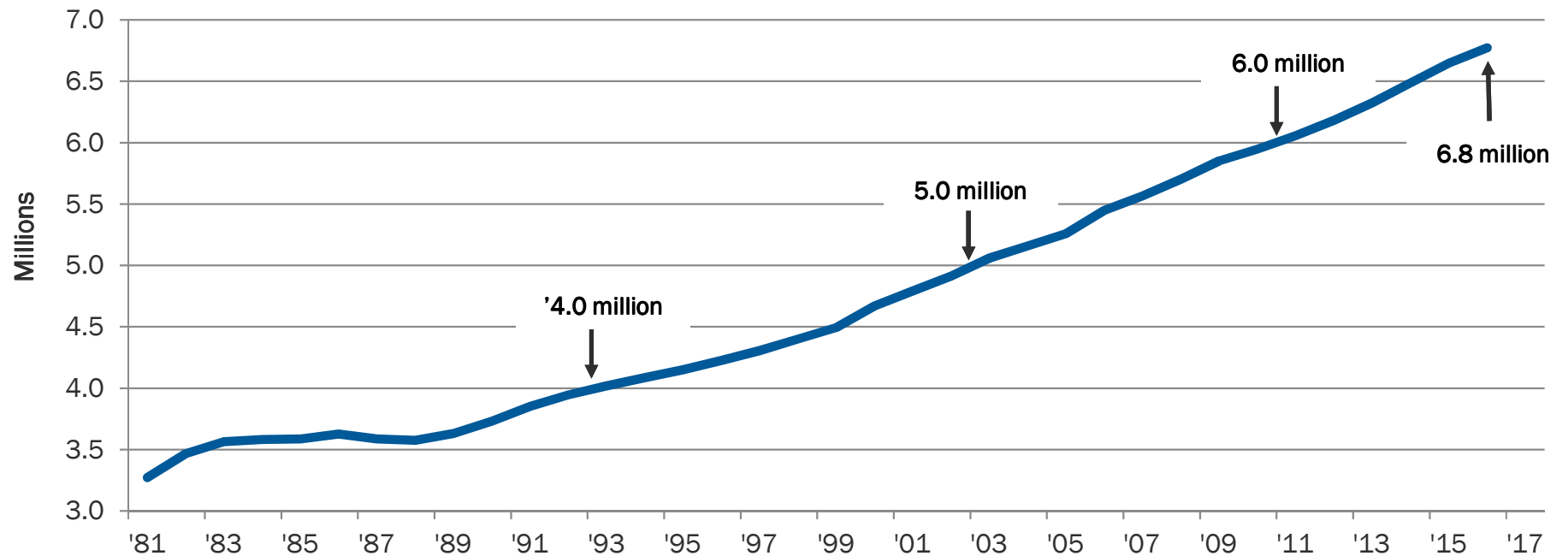
Metro Area	Net Change	Vital Events	Net Migration
Houston	851,971	372,983	476,857
Dallas-Fort Worth	807,082	357,825	444,944
New York	587,163	671,717	-53,912
Atlanta	502,975	241,489	257,589
Miami	500,089	120,947	374,706
Washington	495,561	297,395	199,276
Los Angeles	481,486	554,435	-57,111
Boston	241,852	103,093	145,718
Philadelphia	104,838	115,420	-4,729
Chicago	51,449	321,530	-260,662

Vital Events = Births *minus* Deaths



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Houston MSA Population



Source: U.S. Census Bureau

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