THE ECONOMY AT A GLANCE
HOUSTON

GREATER HOUSTON PARTNERSHIP
Making Houston Greater.

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HOW HOUSTON STACKS UP

In the October issue of *Houston: The Economy at a Glance*, the Partnership explored how the region's demographic and economic profile has evolved over the past decade, drawing on newly released American Community Survey (ACS) data for '24 from the U.S. Census Bureau. In short, the region has grown more diverse and better educated while aging more slowly than the nation overall. Additionally, the share of foreign-born residents has increased, with those born abroad now accounting for more than one in four Houston residents.

In this issue of *Glance,* the Partnership uses the latest ACS data to compare Houston with the nation's 20 largest metro areas, to see how the region stacks up. The results highlight the region's strengths, shed light on its challenges, and underscore Houston's capacity for continued progress and growth.

Worker Earnings

The median worker in Houston earned $45,984 per year in '24, placing the region 17th among the nation's 20 most populous metros. On the surface, that figure suggests the typical Houston worker is worse off than counterparts in most other large metros, but the comparison does not account for regional differences in the cost-of-living.

According to the Council for Community and Economic Research (C2ER) Cost of Living Index (COLI), Houston was the 2nd most affordable major metro in '24, with overall costs falling 5.8 percent below the U.S. urban average. When wages are adjusted to reflect what they would be if living costs matched the national average, the typical Houston worker's purchasing power rises to $48,815 per year. That is enough to propel Houston to the no. 6 spot near the top of the list.

MEDIAN WORKER EARNINGS ADJUSTED FOR LOCAL COSTS-OF-LIVING, 20 MOST POPULOUS METROS*

	Metro	Median Worker Earnings	
		Unadjusted	Adjusted
1	Minneapolis	$55,497	$59,292
2	Denver	$61,081	$56,244
3	Atlanta	$50,444	$52,546
4	Philadelphia	$51,862	$50,205
5	Dallas	$50,466	$49,622
6	**Houston**	**$45,984**	**$48,815**
7	Tampa	$46,441	$47,583
8	Washington	$66,487	$46,855
9	Phoenix	$49,413	$46,484
10	Detroit	$47,043	$45,540
11	Seattle	$65,181	$44,921
12	Chicago	$51,339	$44,604
13	Orlando	$42,497	$44,084
14	San Francisco	$70,670	$42,368
15	Boston	$61,250	$41,981
16	San Diego	$52,883	$36,396
17	Miami	$42,132	$34,877
18	Los Angeles	$47,703	$31,930
19	New York	$55,335	$31,827

Notes: Cost-of-living adjustments performed using '24 C2ER annual COLI indices. New York values use a population-weighted average of borough indices. *Riverside omitted since it doesn't take part in C2ER.
Source: Partnership analysis of U.S. Census Bureau 1-yr ACS '24 data

Many of the nation's largest coastal metros, such as New York and Los Angeles, drop sharply in the rankings once cost-of-living differences are taken into account. Although workers in those regions tend to earn higher nominal wages, their earnings are quickly eroded by steep housing, transportation, and everyday living costs. The result is that the typical worker in a high-cost coastal market has far less real purchasing power than a worker in Houston, underscoring how affordability is as critical as income in shaping a worker's overall economic well-being.

Race and Ethnicity

Houston is among the most racially and ethnically diverse metro regions in the United States. As has been the case since the turn of the century, no single racial or ethnic group makes up a majority of the local population. Instead, Houston's demographics reflect a broad mix of people that bring an inclusive character to its culture.

One way to measure a region's diversity is through the Simpson Diversity Index, which shows the odds that two randomly selected residents in a region will belong to different racial or ethnic groups. Dividing the population into Hispanic or Latino residents of any race and non-Hispanic White, Black, Asian, and other residents (including those of two or more races), Houston ranks fourth for diversity, with a 71.1 percent chance that any two random people will have different racial or ethnic backgrounds.

RACIAL/ETHNIC PERCENTAGES, 20 MOST POPULOUS METROS RANKED BY SIMPSON DIVERSITY INDEX

Metro	Hispanic	White	Black	Asian	Other	Diversity Index
San Francisco	23.6	33.7	6.3	28.7	7.7	73.9
Washington	18.7	40.0	24.0	11.2	6.1	73.1
New York	26.3	41.9	14.7	12.5	4.7	71.6
Houston	**39.2**	**31.2**	**17.0**	**8.6**	**3.9**	**71.1**
Dallas	30.2	40.1	16.2	9.2	4.2	71.1
Atlanta	13.0	41.5	33.0	7.1	5.5	69.4
Orlando	34.7	40.2	15.0	4.7	5.4	69.0
Los Angeles	45.2	27.1	5.9	17.1	4.7	68.7
San Diego	35.2	41.3	4.3	12.6	6.6	68.3
Chicago	24.7	48.5	15.1	7.7	4.0	67.4
Miami	48.0	26.5	18.7	2.6	4.2	66.2
Seattle	12.1	54.6	6.1	17.5	9.7	64.4
Phoenix	31.8	51.1	5.4	4.6	7.0	62.7
Riverside	54.3	26.4	6.4	7.7	5.1	62.2
Philadelphia	11.4	57.3	19.5	7.0	4.8	61.3
Tampa	23.1	56.7	11.2	4.1	5.1	60.9
Denver	24.7	59.4	5.6	4.6	5.8	57.8
Boston	13.1	64.1	6.6	9.2	7.0	55.5
Detroit	5.5	62.8	21.0	5.7	5.1	55.3
Minneapolis	7.1	70.1	9.9	7.2	5.7	48.5

Note: The Hispanic category includes Hispanic or Latino persons of any race. All other categories represent non-Hispanic populations.
Source: Partnership analysis of U.S. Census Bureau 1-yr ACS '24 data

The three metros ranking above Houston are only slightly more diverse. In top-ranked San Francisco, the odds that two random residents belong to different groups are just 2.8 percentage points higher than in Houston.

In contrast to Houston, a single racial/ethnic group forms the majority of the population in the bottom nine metros on the list. In eight (Seattle, Phoenix, Philadelphia, Tampa, Denver, Boston, Detroit, and Minneapolis), the majority is non-Hispanic White, while in Riverside, Hispanic or Latino residents make up most of the population.

Foreign-Born Population

More than one-in-four Houstonians (25.4 percent) were born outside the United States. That is well above the one-in-seven (14.8 percent) nationally. Among the nation's 20 largest metro areas, only Miami, Los Angeles, San Francisco, and New York have higher shares of foreign-born residents, while metros such as Minneapolis, Detroit, and Philadelphia have shares that are less than half of Houston's. The large share of foreign-born residents underscores Houston's global and welcoming character.

SHARE FOREIGN-BORN, 20 MOST POPULOUS METROS

	Metro	%		Metro	%
1	Miami	43.6	11	Boston	20.7
2	Los Angeles	33.4	12	Dallas	20.3
3	San Francisco	32.4	13	Chicago	19.4
4	New York	30.8	14	Tampa	16.2
5	**Houston**	**25.4**	15	Atlanta	16.0
6	Washington	24.7	16	Phoenix	14.4
7	San Diego	23.7	17	Denver	13.5
8	Orlando	23.0	18	Philadelphia	12.4
9	Riverside	22.3	19	Detroit	11.5
10	Seattle	22.1	20	Minneapolis	11.4

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS '24 data

Age

Houston has the youngest population of any major U.S. metro. With a median age of 35.7 years, compared to 39.2 years nationally, roughly half of all Houstonians are still in the formative stages of their lives and careers. The region's youthful profile sets it apart from most large metros, where aging populations are beginning to reshape local economies and labor markets.

LOWEST MEDIAN AGE, 20 MOST POPULOUS METROS

	Metro	Years		Metro	Years
1	**Houston**	**35.7**	11	Orlando	38.7
2	Dallas	35.8	12	Chicago	38.9
3	Riverside	36.4	13	Los Angeles	39.2
4	Denver	37.5	14	Philadelphia	39.5
5	Atlanta	37.7	15	Boston	39.5
6	Seattle	37.8	16	New York	39.6
7	San Diego	37.8	17	Detroit	40.3
8	Washington	38.3	18	San Francisco	40.8
9	Phoenix	38.3	19	Miami	41.8
10	Minneapolis	38.5	20	Tampa	42.2

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS '24 data

With 25.4 percent of its population under the age of 18, the highest share among major U.S. metros, Houston stands out for having a vast pool of young talent that will enter the workforce in the years ahead. This deep bench of future workers will sustain the region's economic growth, support local industries, and keep the region vibrant as older generations begin to retire. A young population also fuels demand as more residents enter their household-formation and wealth-building years, while fostering a community that's open to new ideas and economic change - key ingredients for continued growth and innovation.

SHARE OF POPULATION UNDER 18 YEARS OLD, 20 MOST POPULOUS METROS

	Metro	%		Metro	%
1	**Houston**	**25.4**	11	Orlando	20.9
2	Dallas	24.4	12	New York	20.7
3	Riverside	24.0	13	San Diego	20.4
4	Atlanta	22.9	14	Denver	20.4
5	Minneapolis	22.7	15	Seattle	20.3
6	Washington	22.3	16	Los Angeles	20.0
7	Phoenix	21.7	17	Miami	19.7
8	Detroit	21.3	18	Tampa	19.0
9	Chicago	21.3	19	Boston	19.0
10	Philadelphia	21.0	20	San Francisco	18.7

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS '24 data

Labor Force Participation

The labor force participation rate (LFPR) shows the share of working-age residents who are either employed or are actively seeking work. A higher rate signals a stronger labor market and greater productive capacity, while a lower rate can indicate untapped potential or structural challenges limiting workforce participation.

LABOR FORCE PARTICIPATION RATE, 20 MOST POPULOUS METROS

	Metro	%		Metro	%
1	Denver	72.2	11	San Diego	66.4
2	Washington	70.8	12	Philadelphia	66.1
3	Minneapolis	70.2	13	Orlando	65.8
4	Dallas	69.3	14	Los Angeles	65.6
5	Boston	69.2	15	New York	65.2
6	Seattle	69.0	16	Phoenix	64.8
7	Atlanta	68.2	17	Miami	64.8
8	Chicago	67.0	18	Detroit	62.6
9	**Houston**	**66.8**	19	Tampa	62.6
10	San Francisco	66.8	20	Riverside	61.9

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS '24 data

Houston's LFPR hit an all-time high of 69.4 percent in '08 before trending downward during the Great Recession and again during the COVID-19 pandemic, bottoming out at 65.8 percent in '21. Since then, it has rebounded to 66.8 percent in '24, placing Houston ninth among the 20 largest metros, or just above the midpoint of its peers. Metros with higher participation rates tend to share two key traits: relatively young populations (as shown above) and higher levels of educational attainment.

Educational Attainment

A decade ago, in '14, 32.4 percent of Houstonians held a bachelor's degree or higher. Today, that share has climbed to 37.2 percent, representing clear progress and exceeding the national average of 36.8 percent. Despite these gains, Houston still trails many of its peers, ranking 16th among the 20 largest metros.

EDUCATIONAL ATTAINMENT PERCENTAGES, RANKED BY % WITH A BACHELOR'S DEGREE OR HIGHER

	Metro	H.S. Diploma or Higher	Some College or Higher	Associate's or Higher	Bachelor's or Higher
1	Washington	91.3	74.4	61.0	55.5
2	San Francisco	89.4	74.9	60.3	53.8
3	Boston	92.0	71.9	59.2	53.0
4	Denver	92.6	75.3	58.5	51.6
5	Seattle	93.2	75.1	57.7	48.5
6	Minneapolis	94.5	74.5	56.5	45.9
7	San Diego	89.1	71.6	52.7	45.2
8	New York	87.5	64.8	51.7	45.0
9	Atlanta	91.5	69.3	51.8	43.9
10	Philadelphia	92.6	65.5	50.5	43.3
11	Chicago	90.0	67.5	50.6	43.1
12	Dallas	88.4	66.8	48.1	41.0
13	Los Angeles	82.8	63.1	46.1	39.0
14	Miami	87.8	62.8	48.1	38.7
15	Orlando	91.7	67.3	50.1	38.5
16	**Houston**	**85.4**	**62.8**	**44.5**	**37.3**
17	Phoenix	90.0	67.4	46.0	36.9
18	Tampa	91.5	65.1	46.6	36.5
19	Detroit	91.4	65.9	45.0	35.6
20	Riverside	83.2	55.5	33.5	25.2

Note: Percentages among population aged 25 or older
Source: Partnership analysis of U.S. Census Bureau 1-yr ACS '24 data

Houston's relatively low degree of educational attainment is a potential hurdle for attracting new businesses. When companies evaluate sites for relocation or expansion, they consider the education of the workforce alongside other features like the cost of doing business and level of infrastructure. While Houston offers many advantages, a smaller share of workers with college degrees can deter certain types of industries and limit growth.

Work from Home

Among the nation's 20 most populous metros, Houston ranks 19th in the share of residents who work from home. The ranking reflects the structure of the regional economy more than employer attitudes toward remote work. Industries that drive much of Houston's employment, such as manufacturing, construction, and energy, require a high proportion of in-person workers to complete essential tasks. By contrast, metros with larger concentrations of workers in professional services, finance, or information-sector jobs tend to report higher remote work rates.

SHARE WORKING FROM HOME, 20 MOST POPULOUS METROS

	Metro	%		Metro	%
1	Denver	22.6	11	San Diego	16.1
2	Washington	19.9	12	Dallas	15.6
3	Tampa	19.3	13	Philadelphia	15.4
4	San Francisco	18.9	14	Los Angeles	14.9
5	Atlanta	18.8	15	Chicago	14.9
6	Seattle	18.5	16	Miami	14.3
7	Phoenix	17.8	17	New York	12.9
8	Minneapolis	17.4	18	Detroit	12.5
9	Orlando	16.8	**19**	**Houston**	**12.1**
10	Boston	16.2	20	Riverside	10.9

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS ’24 data

Home Ownership

Approximately 60.8 percent of households in metro Houston are owner-occupied. This ranks Houston 14th among the nation’s 20 largest metro areas. While housing in Houston is relatively cheap, many in the region rent rather than own their dwellings.

SHARE OF HOMES OCCUPIED BY OWNER, 20 MOST POPULOUS METROS

	Metro	%		Metro	%
1	Detroit	71.3	11	Orlando	61.7
2	Minneapolis	69.9	12	Boston	61.0
3	Tampa	68.0	13	Miami	60.8
4	Philadelphia	66.9	**14**	**Houston**	**60.8**
5	Atlanta	66.8	15	Dallas	60.0
6	Phoenix	66.5	16	Seattle	58.4
7	Chicago	65.9	17	San Francisco	55.1
8	Riverside	65.8	18	San Diego	54.4
9	Denver	63.9	19	New York	51.2
10	Washington	63.4	20	Los Angeles	48.2

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS ’24 data

Ironically, several metros that have experienced more stagnant economic growth like Detroit and Chicago, have higher rates of home ownership. In those regions, the housing stock is generally older with less square footage and fewer amenities, while slower population growth reduces demand pressure from new residents.

Poverty

In ’24, 16.3 percent of Houston families with children under 18 years old had incomes below the poverty line. That is a notable improvement from 19.8 percent in ’14, but still the second-highest rate among peer metros behind Detroit. Since the federal poverty threshold is set nationally, based on pre-tax income and excluding non-cash assistance or differences in the cost of living, it is difficult to fully assess regional differences faced by families living below the poverty line.

SHARE OF FAMILIES W/ MINOR CHILDREN IN POVERTY, 20 MOST POPULOUS METROS

	Metro	%		Metro	%
1	Detroit	16.6	11	Dallas	10.1
2	**Houston**	**16.3**	12	Atlanta	10.1
3	Miami	13.4	13	Phoenix	9.6
4	Los Angeles	13.1	14	San Diego	8.9
5	Orlando	13.1	15	Denver	8.4
6	New York	12.9	16	Washington	8.0
7	Chicago	11.6	17	Boston	7.8
8	Philadelphia	11.5	18	Seattle	7.7
9	Riverside	11.5	19	Minneapolis	7.3
10	Tampa	10.5	20	San Francisco	7.1

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS ’24 data

Health Insurance

Roughly 18.4 percent of Houstonians lacked health insurance in ‘24, the highest rate of any major U.S. metro. Dallas followed close behind at 16.2 percent, while other fast-growing Sun Belt metros also exceeded the national average of 8.2 percent.

SHARE OF POPULATION W/O HEALTH INSURANCE, 20 MOST POPULOUS METROS

	Metro	%		Metro	%
1	**Houston**	**18.4**	11	Riverside	7.3
2	Dallas	16.2	12	Los Angeles	6.8
3	Miami	12.1	13	New York	6.5
4	Atlanta	11.5	14	San Diego	5.7
5	Orlando	10.9	15	Seattle	5.7
6	Phoenix	10.6	16	Philadelphia	5.2
7	Tampa	10.0	17	Minneapolis	4.9
8	Denver	8.4	18	Detroit	4.7
9	Chicago	7.6	19	San Francisco	3.8
10	Washington	7.4	20	Boston	2.8

Source: Partnership analysis of U.S. Census Bureau 1-yr ACS ’24 data

SAVE THE DATE

The Partnership’s annual **Houston Region Economic Outlook** event will be held on **Thursday, December 11**, at the **Royal Sonesta**. The Partnership will unveil its regional employment forecast for ’26. The program will include presentations from Regions Bank Chief Financial Officer S. Alan McKnight Jr. and Greater Houston Partnership Manager of Economic Research Colin Baker, along with a fireside chat between Partnership President/CEO Steve Kean and new Senior Vice President of Research Holly Heard. Click here to learn more or register for the event.

***Editor's Note**: The Texas Workforce Commission has not released updated metro employment data for September because it relies on Bureau of Labor Statistics figures, which have been unavailable during the recent federal government shutdown. As a result, the data shown here reflects the most recent release from August.*

HOUSTON MSA NONFARM PAYROLL EMPLOYMENT

	August '25	July '25	August '24	Change From		% Change From	
				July '25	August '24	July '25	August '24
Total Nonfarm Payroll Jobs	**3,453,700**	**3,453,600**	**3,426,200**	**100**	**27,500**	**0.0**	**0.8**
Total Private	3,010,500	3,014,600	2,987,300	-4,100	23,200	-0.1	0.8
Goods Producing	556,100	556,500	552,800	-400	3,300	-0.1	0.6
Service Providing	2,897,600	2,897,100	2,873,400	500	24,200	0.0	0.8
Private Service Providing	2,454,400	2,458,100	2,434,500	-3,700	19,900	-0.2	0.8
Mining & Logging	80,800	81,000	77,400	-200	3,400	-0.2	4.4
Oil & Gas Extraction	38,500	38,600	37,400	-100	1,100	-0.3	2.9
Support Activities for Mining	40,800	40,900	38,600	-100	2,200	-0.2	5.7
Construction	237,100	235,200	234,500	1,900	2,600	0.8	1.1
Manufacturing	238,200	240,300	240,900	-2,100	-2,700	-0.9	-1.1
Durable Goods Manufacturing	147,900	148,900	150,000	-1,000	-2,100	-0.7	-1.4
Nondurable Goods Manufacturing	90,300	91,400	90,900	-1,100	-600	-1.2	-0.7
Wholesale Trade	181,900	181,900	178,800	0	3,100	0.0	1.7
Retail Trade	321,700	322,200	322,400	-500	-700	-0.2	-0.2
Transportation, Warehousing & Utilities	198,100	197,100	193,700	1,000	4,400	0.5	2.3
Utilities	25,100	24,900	24,300	200	800	0.8	3.3
Air Transportation	22,100	22,100	21,400	0	700	0.0	3.3
Truck Transportation	31,500	31,400	30,800	100	700	0.3	2.3
Pipeline Transportation	14,500	14,500	13,900	0	600	0.0	4.3
Information	29,100	29,500	29,800	-400	-700	-1.4	-2.3
Telecommunications	10,700	10,600	11,000	100	-300	0.9	-2.7
Finance & Insurance	118,100	118,500	116,800	-400	1,300	-0.3	1.1
Real Estate & Rental & Leasing	63,800	64,200	63,100	-400	700	-0.6	1.1
Professional & Business Services	555,000	557,400	568,100	-2,400	-13,100	-0.4	-2.3
Professional, Scientific & Technical Services	281,000	282,900	282,400	-1,900	-1,400	-0.7	-0.5
Legal Services	33,400	34,000	33,200	-600	200	-1.8	0.6
Accounting, Tax Preparation & Bookkeeping	27,300	27,700	27,700	-400	-400	-1.4	-1.4
Architectural, Engineering & Related Services	79,900	79,600	77,600	300	2,300	0.4	3.0
Computer Systems Design & Related Services	42,200	42,400	44,600	-200	-2,400	-0.5	-5.4
Admin & Support, Waste Mgt & Remediation	228,300	228,000	238,100	300	-9,800	0.1	-4.1
Administrative & Support Services	215,400	215,000	225,200	400	-9,800	0.2	-4.4
Employment Services	74,800	74,900	79,900	-100	-5,100	-0.1	-6.4
Private Educational Services	71,500	71,800	71,500	-300	0	-0.4	0.0
Health Care & Social Assistance	403,000	399,900	389,800	3,100	13,200	0.8	3.4
Arts, Entertainment & Recreation	43,800	44,700	42,600	-900	1,200	-2.0	2.8
Accommodation & Food Services	330,900	332,600	324,900	-1,700	6,000	-0.5	1.8
Other Services	137,500	138,300	133,000	-800	4,500	-0.6	3.4
Government	443,200	439,000	438,900	4,200	4,300	1.0	1.0
Federal Government	36,400	37,000	37,200	-600	-800	-1.6	-2.2
State Government	101,000	100,100	97,500	900	3,500	0.9	3.6
State Government Educational Services	53,700	52,900	52,400	800	1,300	1.5	2.5
Local Government	305,800	301,900	304,200	3,900	1,600	1.3	0.5
Local Government Educational Services	201,800	198,000	203,000	3,800	-1,200	1.9	-0.6

Source: Texas Workforce Commission