

THE ECONOMY AT A GLANCE

HOUSTON



GREATER HOUSTON
PARTNERSHIP.
Making Houston Greater.

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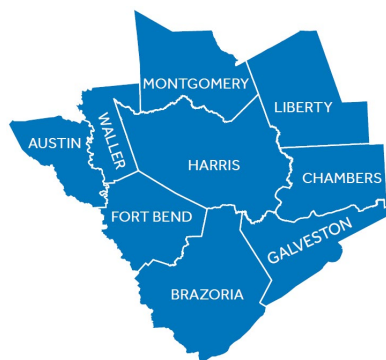
HOUSTON FACTS

On August 6, the Greater Houston Partnership released its Houston Facts '25 report. The full report can be found at the Partnership's [website](#). Highlights from the report are found below:

Geography

Metro Houston (known formally as the Houston-Pasadena-The Woodlands Metropolitan Statistical Area by the U.S. Census Bureau) consists of the following 10 counties:

HOUSTON-PASADENA-THE WOODLANDS METROPOLITAN STATISTICAL AREA



The region spans 8,838 square miles of land, making it larger than the U.S. states of Rhode Island, Delaware, Connecticut, and New Jersey. It includes 125 separate cities and 37 census-designated places.

Demographics

The region's population is even more impressive than its land mass. As of July '24, it is home to approximately 7.8 million people, making it the fifth-largest U.S. metro behind New York, Los Angeles, Chicago, and Dallas/Fort Worth. If it were an independent state, it would be the 14th largest in the country, with a population slightly

smaller than Washington but larger than Arizona, Tennessee, or Massachusetts.

POPULATION OF METRO HOUSTON COMPARED TO TOP U.S. STATES

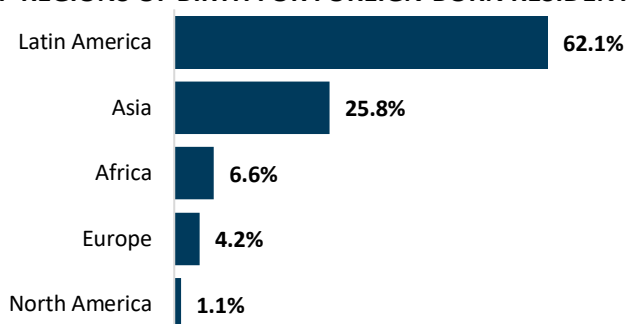
State		Million Res.	State		Million Res.
1	California	39.4	11	New Jersey	9.5
2	Texas	31.3	12	Virginia	8.8
3	Florida	23.4	13	Washington	8.0
4	New York	19.9	--	Metro Houston	7.8
5	Pennsylvania	13.1	14	Arizona	7.6
6	Illinois	12.7	15	Tennessee	7.2
7	Ohio	11.9	16	Massachusetts	7.1
8	Georgia	11.2	17	Indiana	6.9
9	North Carolina	11.0	18	Maryland	6.3
10	Michigan	10.1	19	Missouri	6.2

Source: Partnership analysis of U.S. Census Bureau data

The population has been growing rapidly, adding 645,949 new residents since the start of the decade (April '20 to July '24). International migration accounts for the majority (51.1 percent) of these new residents, while domestic migration and natural population change (i.e. the number of babies born minus the number of people who die) account for 20.6 and 28.4 percent, respectively.

Nearly 1.9 million Houstonians (or roughly one-in-four) were born outside the U.S. Since Houston is so close to Latin America, it should be no surprise that the majority (62.1 percent) were born in that region. But significant swaths were also born in Asia, Africa, Europe, and North America.

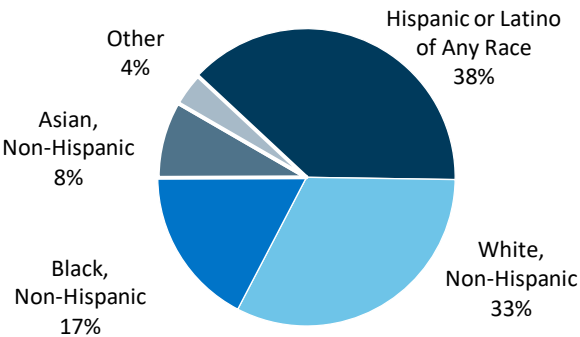
TOP REGIONS OF BIRTH FOR FOREIGN-BORN RESIDENTS



Source: Partnership analysis of U.S. Census Bureau ACS '23 data.

Metro Houston is one of the most ethnically diverse places in the United States, with no single ethnic group representing a majority. The largest ethnic groups are Hispanics or Latinos of any race, White non-Hispanic, Black non-Hispanic, and Asian non-Hispanic.

METRO HOUSTON ETHNIC COMPOSITION



Source: Partnership analysis of U.S. Census Bureau ACS '23 data.

Economy

Houston’s economy remains one of the largest and most diverse in the nation. The value of all goods and services produced in metro Houston was valued at \$697 billion in '23. That is more than the value produced by most countries across the globe. In fact, if the region were an independent country, it would have the 22nd most valuable economy in the world, behind Switzerland and Poland, but ahead of countries like Argentina, Belgium, Sweden, and Ireland.

GROSS DOMESTIC PRODUCT OF METRO HOUSTON COMPARED TO TOP NATIONS

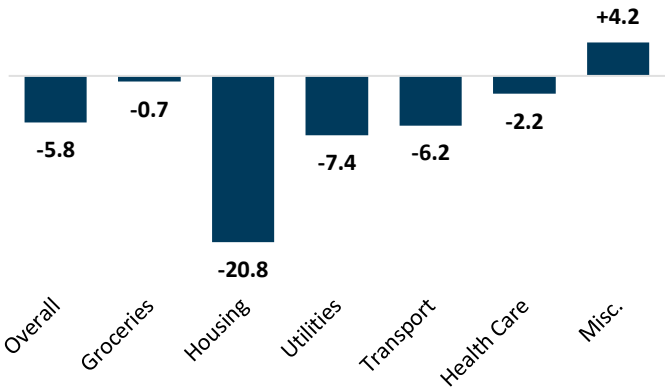
Country	GDP \$ Billion	Country	GDP \$ Billion
1 United States	27,721	14 South Korea	1,713
2 China	17,795	15 Spain	1,620
3 Germany	4,526	16 Indonesia	1,371
4 Japan	4,204	17 Netherlands	1,154
5 India	3,568	18 Turkey	1,118
6 U.K.	3,381	19 Saudi Arabia	1,068
7 France	3,052	20 Switzerland	885
8 Italy	2,301	21 Poland	809
9 Brazil	2,174	-- Metro Houston	697
10 Canada	2,142	22 Argentina	646
11 Russia	2,021	23 Belgium	645
12 Mexico	1,789	24 Sweden	585
13 Australia	1,728	25 Ireland	551

Source: Partnership analysis of World Bank and BEA '23 data

Per-capita personal income in the region was \$72,453 in '23, approximately \$2,643 higher than the national average. This suggests that the average Houstonian earns more than the average American - but that only tells part

of the story. Among the 20 most populous U.S. metros, Houston is the 2nd most affordable according to the '24 C2ER Cost of Living Index, with an overall cost of living that is 5.8 percent below the U.S. urban average. The region’s housing, utility, and transportation costs are also significantly lower than those found elsewhere in the country. This means that not only do Houstonians earn more, but their dollars go further.

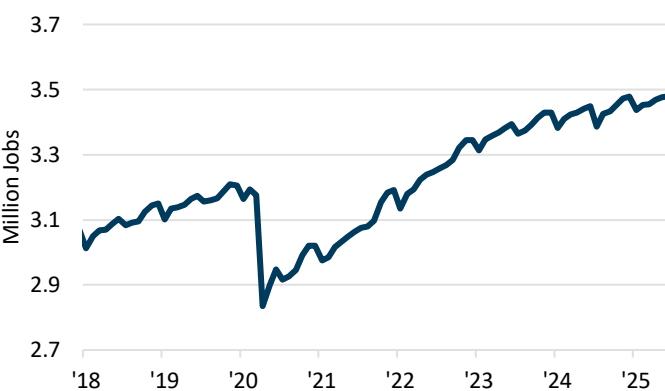
METRO HOUSTON COSTS OF LIVING, PERCENTAGE DIFFERENCE FROM U.S. URBAN AVERAGE



Source: Partnership analysis of C2ER Cost of Living Index '24 data

Since the peak of the COVID-19 pandemic in April '20, the region has added 645,000 jobs. Employment growth has been supported by national economic momentum, strong global trade ties, rising corporate investment, and sustained population growth. As of June '25, total employment was just under 3.5 million jobs while the unemployment rate stood at 4.3 percent, consistent with a strong labor market.

METRO HOUSTON NONFARM EMPLOYMENT



Source: Texas Workforce Commission

A total of 175,520 business establishments operate in the region. The largest sectors in terms of the number of establishments are professional, scientific, and technical services; health care and social assistance; retail trade; accommodations and food services; and construction.

Together, these five sectors represent the majority of business establishments in the region.

Twenty-six companies on the Fortune 500 are headquartered in the Houston area. This makes Houston the third-highest ranking metro for Fortune 500 companies behind New York City (with 62) and Chicago (with 30). Fortune also designated Houston as the fourth best place to work in the country. The region is home to over 60 companies that earned \$1 billion or more in revenue in '23, including 12 companies earning \$25 billion or more.

Key Industries

Houston Facts '25 goes into depth on key industries where Houston excels. These are sectors where Houston is on the cutting edge, innovating new methods and technologies that make its economy world-class. A summary of employment in these sectors is below:

METRO HOUSTON
EMPLOYMENT IN SELECT KEY INDUSTRIES

Industry	Jobs
Health Care & Social Assistance	435,220
Retail	321,531
Professional & Technical Services	260,591
Construction	238,595
Manufacturing	238,271
Energy & Related	220,038
Wholesale	166,334
Aerospace & Aviation	44,600
Life Science & Related	28,374

Source: Partnership analysis of Texas Workforce Commission data

Health care and social assistance employ 435,220 Houstonians, making it the region’s largest sector. It is anchored by the Texas Medical Center, the largest medical complex in the world, and supported by major medical hubs in surrounding areas such as Sugar Land and The Woodlands. Collectively, these centers offer a wide range of advanced care in fields such as oncology, cardiology, neurology, and organ transplantation.

Retail employs 321,531 Houstonians across 19,466 establishments, including 3,077 food and beverage stores, 2,753 gas stations, 2,245 motor vehicle and parts dealers, 1,582 clothing and accessory shops, and 1,389 general retailers. Retail sales in the region increased by 0.6 percent from \$ 162.0 billion in '23 to \$162.9 billion in '24.

Professional and technical services employ 260,591 Houstonians, including 75,949 in engineering and architecture services, 48,105 in management and technical consulting, and 37,800 in computer system

design services. Houston has a high concentration of engineers, which is 37.3 percent greater than the U.S. per capita average, with over 5,000 people each working as civil engineers, industrial engineers, mechanical engineers, and petroleum engineers. It is also home to 108 Federal Deposit Insurance Corporation (FDIC)-insured banking institutions that handled \$314.4 billion in local deposits as of June '24.

Construction employs 238,595 Houstonians, with 48.9 percent employed in specialty trades (plumbing, electrical, site preparation, etc.), 26.3 percent employed in general building construction, and 24.8 percent employed in heavy and civil engineering construction projects. The value of construction permits in the City of Houston expanded 16.6 percent from \$7.8 billion in '23 to \$9.0 billion in '24.

Manufacturing employs 238,271 Houstonians with 23.7 percent in primary and fabricated metal products; 21.4 percent in chemicals, petroleum, and coal products; 16.7 percent in machinery; and 9.4 percent in computers, electronics, and electrical equipment; among others. This sector accounted for \$106.1 billion (or 15.2 percent) of the region’s gross domestic product in '23. Houston leads the nation in base petrochemical production, accounting for 41.0 percent of the nation’s overall capacity.

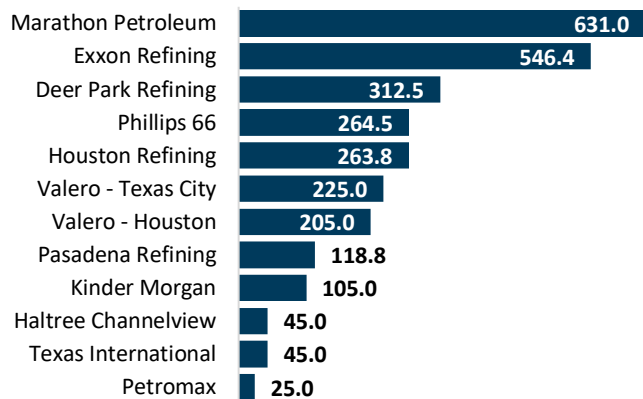
BASE PETROCHEMICAL PRODUCTION CAPACITY
IN METRO HOUSTON

Chemical	Select Major Uses	Metric Tons/Year	% of U.S. Total
Ethylene	Anesthetic, Antifreeze	18.6M	41.4
Propylene	Food Packaging, Fibers, Adhesives	14.0M	39.9
Xylenes	Paint Thinner, Lubricants	3.6M	39.0
Benzene	Detergents, Plastics, Pesticides	2.5M	41.4
Toluene	Paints, Disinfectants, Nail Products	2.1M	39.9
Butadiene	Tires, Carpet, Synthetic Turf	1.3M	60.8
TOTAL		42.2M	41.0

Source: Analysis of CAS Registry data via IHS Markit, July '25

Energy and related industries are estimated to directly employ 220,038 people in the region. Houston is a global center for energy, serving as a hub for exploration and production, transmission, marketing, service, trading, supply, and offshore drilling and technology. Houston-area companies own the majority (56 percent) of U.S. gas pipelines and almost half (48 percent) of U.S. oil pipelines. The region is home to 12 petroleum refineries with a combined refining capacity of 2.8 million barrels a day.

METRO HOUSTON PETROLEUM REFINERY CAPACITY, THOUSAND BARRELS PER DAY



Source: U.S. Energy Administration, Refinery Capacity Report Jan '25

In addition to its established strength in oil and natural gas, Houston plays a growing role in the energy transition, with increasing activity in carbon capture, utilization, and storage (CCUS), battery storage, wind, solar, methane management and other low carbon technologies.

Wholesale trade employs 166,334 Houstonians, with the majority (63.0 percent) being durable goods merchants and the rest (37.0 percent) being non-durable good merchants. Average annual wages in the sector are \$109,096.

Aerospace and aviation employ an estimated 44,600 people in metro Houston. Houston has a long history in aerospace and aviation, beginning with the establishment of Ellington Field in 1917 and the opening of the Houston Municipal Airport Terminal in 1940. The region's national significance was further cemented with the development of NASA's Johnson Space Center in the 1960s, which continues to serve as a central facility for U.S. human spaceflight operations. Johnson Space Center was estimated to produce a \$9.8 billion impact on the region's economy in '23.

Biotech, life science, and related industries (including medical manufacturing) are estimated to employ 28,374 Houstonians. Universities across the metro area, which include several prestigious medical schools in the Texas Medical Center, received \$937.4 million in National Institute of Health (NIH) funding in '24.

Government & Education

At the federal level, the region is represented by 11 members of the U.S. House and two Texas senators. At the local level, the Harris County government general fund budget for '25 is \$2.67 billion, while the City of Houston's general fund budget is \$3.03 billion.

Metro Houston contains 64 independent school districts (ISDs) and 43 state-approved charter management organizations (CMOs). In fall '24, public schools in the Houston metro area enrolled nearly 1.3 million students, almost one in four school children in Texas.

Colleges and universities in and around the Houston area enrolled nearly 443,000 students across 33 academic institutions in fall '24, with 47.0 percent enrolled in community colleges and 53.0 percent enrolled in four-year, professional, or medical institutions. Approximately 63 percent of Houstonians have at least some college education.

Infrastructure

The region is serviced by several utilities, including 270 competitive local exchange phone carriers, a municipal water system with access to 1.2 billion gallons of water per day, and an electric utility, CenterPoint Energy, that delivers power to 2.8 million customers across a 5,000 square mile area. CenterPoint is investing in its system's resilience and plans to spend \$21 billion on Texas electric and gas systems between '25 and '30.

There are almost 12,000 centerline miles of freeways and expressways operating in the regions, serving vehicles that travel 106 million miles per day. The Texas Department of Transportation continues to invest in the region's roads and spent \$260 million on construction and maintenance projects last year.

Metro Houston is home to four seaports carrying 273.1 million metric tons of international cargo in '24. Port Houston leads the nation in international cargo by weight, while the other three ports rank in the top 50.

RANKING AMONG U.S. SEAPORTS FOR INTERNATIONAL CARGO HANDLED IN '24

Rank	Port	Million Metric Tons	% of Region Total
1	Port Houston	220.1	80.6
14	Port Freeport	32.9	12.0
26	Port of Texas City	13.7	5.0
41	Port of Galveston	6.4	2.3
--	TOTAL	273.1	100.0

Source: U.S. Census Bureau Data via WISERTrade

The Houston Airport System received high honors at the Skytrax 2025 World Airport Awards ceremony, with William P. Hobby and George Bush Intercontinental being ranked the first and third-best U.S. airports. The system carried 63.1 million passengers last year alone.

For more interesting facts about Houston, please read the full report at the Partnership's [website](#).

Key Economic Indicators

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



Aviation — The Houston Airport System (HAS) handled 62.2 million passengers in the 12 months ending June '25. That represents a 0.4 percent increase over the 62.0 million handled over the same period last year and a continued improvement over pre-pandemic levels of travel. Domestic and international travel accounted for 49.1 million and 13.1 million passengers, respectively.



Home Sales — Brokers closed on 43,795 single-family homes year-to-date through June '25, according to the Houston Association of Realtors (HAR). This represents a 3.0 percent increase compared to the same period in '24. In June, single-family homes listed for sale reached a record high, price increases were moderate, and mortgage rates inched down.



Hotels — Hotel occupancy in Houston fell to 62.5 percent in June '25, down from 70.9 percent in June '24 and 64.2 percent in June '23. The 11.5 percent decline drove revenue per available room (RevPAR) down to \$74.94 from \$84.70 the previous year. The average daily rate (ADR), however, saw slight growth, rising 0.4 percent year-over-year to \$119.91.



Industrial — The demand for industrial and warehouse space in Houston has fluctuated over the past few years. The vacancy rate reached a five-year low of 5.0 percent in Q4/22, driven by strong absorption and record construction activity. Since then, vacancy has gradually increased, peaking at 7.3 percent in Q2/24 as new supply continued to outpace demand.



Inflation — U.S. inflation picked up last month in an early sign that tariff costs may be starting to funnel down to consumers. Prices, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), rose 2.7 percent nationwide between June '24 and June '25. This represents a rise from the 2.4 percent annual increase recorded in May. Metro Houston's annual inflation rate increased from its previous reading of 1.2 percent in April to 1.8 percent last month.



Purchasing Managers Index — Houston's economy expanded at a modest pace in June, according to the most recent Houston Purchasing Managers Index (PMI) prepared by

the Institute for Supply Management-Houston. The overall PMI, which measures broad economic activity, was 50.6 in June, a slight increase from 48.2 in May and above the break-even point of 45, indicating economic expansion. The improvement over the previous month was driven by the non-manufacturing sector, which grew from 49.1 in May to 52.3 in June. Manufacturing, at 41.9, continued to contract with significant declines in the durable and non-durable goods sectors.



Office — The Houston office market logged 585,306 square feet of net absorption in Q2/25, marking a strong rebound following the significant 845,223 square feet of negative net absorption recorded in Q4/24. For the full year of '24, net absorption totaled negative 900,668 square feet. This pattern of fluctuating absorption remains a recurring trend for Houston, with negative net absorption recorded in four of the past five years and six of the last ten—signaling that more space was vacated than occupied during those periods.



Retail — Houston's retail market remains a steady performer among the city's commercial real estate sectors, supported by ongoing population and job growth. The vacancy rate inched up to 5.5 percent in Q2/25, slightly above both the prior quarter and the same period last year. While retailers continue to show interest in space, leasing momentum has slowed, with net absorption turning negative at -93,516 square feet—down from 227,597 square feet in Q1/25. Rents averaged \$20.32 per square foot, down slightly from the previous quarter.



Unemployment — Metro Houston's unemployment rate remained steady in June, rising marginally to 4.3 percent from 4.2 percent in May, according to data published by the Texas Workforce Commission. That is lower than the 4.7 percent rate recorded last June. Houston's number came in slightly lower than the national unemployment rate of 4.4 percent, but higher than the statewide 4.1 percent.



Vehicle Sales — Houston-area dealers sold 381,016 new cars, trucks, and SUVs in the 12 months ending June '25, according to TexAuto Facts, published by InfoNation Inc. This represents a 9.8 percent increase in sales over the same period last year. Truck and SUV sales were up 12.0 percent, and car sales were up 2.1 percent.

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

HOUSTON MSA NONFARM PAYROLL EMPLOYMENT

	June '25	May '25	June '24	Change From		% Change From	
				May '25	June '24	May '25	June '24
Total Nonfarm Payroll Jobs	3,479,500	3,477,200	3,448,400	2,300	31,100	0.1	0.9
Total Private	3,015,400	3,008,300	2,989,400	7,100	26,000	0.2	0.9
Goods Producing	558,700	553,600	551,700	5,100	7,000	0.9	1.3
Service Providing	2,920,800	2,923,600	2,896,700	-2,800	24,100	-0.1	0.8
Private Service Providing	2,456,700	2,454,700	2,437,700	2,000	19,000	0.1	0.8
Mining & Logging	81,200	81,300	78,000	-100	3,200	-0.1	4.1
Oil & Gas Extraction	38,700	38,600	37,600	100	1,100	0.3	2.9
Support Activities for Mining	41,000	41,200	39,100	-200	1,900	-0.5	4.9
Construction	236,000	233,300	233,100	2,700	2,900	1.2	1.2
Manufacturing	241,500	239,000	240,600	2,500	900	1.0	0.4
Durable Goods Manufacturing	148,800	147,400	149,600	1,400	-800	0.9	-0.5
Nondurable Goods Manufacturing	92,700	91,600	91,000	1,100	1,700	1.2	1.9
Wholesale Trade	182,600	182,500	178,500	100	4,100	0.1	2.3
Retail Trade	321,500	321,800	320,600	-300	900	-0.1	0.3
Transportation, Warehousing & Utilities	197,800	197,900	194,200	-100	3,600	-0.1	1.9
Utilities	25,000	24,900	24,300	100	700	0.4	2.9
Air Transportation	22,000	22,100	21,700	-100	300	-0.5	1.4
Truck Transportation	31,200	31,300	30,900	-100	300	-0.3	1.0
Pipeline Transportation	14,500	14,500	13,900	0	600	0.0	4.3
Information	29,400	29,400	30,400	0	-1,000	0.0	-3.3
Telecommunications	10,500	10,500	11,300	0	-800	0.0	-7.1
Finance & Insurance	117,700	117,400	117,200	300	500	0.3	0.4
Real Estate & Rental & Leasing	64,900	64,200	63,700	700	1,200	1.1	1.9
Professional & Business Services	557,100	560,700	567,400	-3,600	-10,300	-0.6	-1.8
Professional, Scientific & Technical Services	280,300	283,100	279,800	-2,800	500	-1.0	0.2
Legal Services	33,900	33,600	33,400	300	500	0.9	1.5
Accounting, Tax Preparation & Bookkeeping	27,400	27,600	27,900	-200	-500	-0.7	-1.8
Architectural, Engineering & Related Services	78,600	79,000	76,700	-400	1,900	-0.5	2.5
Computer Systems Design & Related Services	42,200	42,700	42,300	-500	-100	-1.2	-0.2
Admin & Support, Waste Mgt & Remediation	229,700	230,800	239,200	-1,100	-9,500	-0.5	-4.0
Administrative & Support Services	217,200	218,300	226,500	-1,100	-9,300	-0.5	-4.1
Employment Services	75,800	77,500	82,800	-1,700	-7,000	-2.2	-8.5
Private Educational Services	72,000	72,500	70,400	-500	1,600	-0.7	2.3
Health Care & Social Assistance	398,500	397,000	387,400	1,500	11,100	0.4	2.9
Arts, Entertainment & Recreation	43,800	42,800	44,800	1,000	-1,000	2.3	-2.2
Accommodation & Food Services	334,300	331,100	329,000	3,200	5,300	1.0	1.6
Other Services	137,100	137,400	134,100	-300	3,000	-0.2	2.2
Government	464,100	468,900	459,000	-4,800	5,100	-1.0	1.1
Federal Government	36,900	36,900	36,700	0	200	0.0	0.5
State Government	100,800	101,900	97,400	-1,100	3,400	-1.1	3.5
State Government Educational Services	54,100	55,400	52,800	-1,300	1,300	-2.3	2.5
Local Government	326,400	330,100	324,900	-3,700	1,500	-1.1	0.5
Local Government Educational Services	220,700	225,000	222,600	-4,300	-1,900	-1.9	-0.9

Source: Texas Workforce Commission