THE ECONOMY AT A GLANCE
HOUSTON

GREATER HOUSTON PARTNERSHIP

A publication of the Greater Houston Partnership   Volume 34 Number 7 – July 2026

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HOMELESSNESS IN HOUSTON

On a single night every winter, the various regional organizations charged with caring for local homeless populations fan out across shelters, streets and encampments to count the nation's unhoused residents. Known as Continuums of Care (CoCs), these organizations conduct the count within their service areas on behalf of the U.S. Department of Housing and Urban Development (HUD), to provide the official snapshot of homelessness in the U.S.

The latest local count, conducted by the Coalition for the Homeless of Houston/Harris County, found approximately 3,325 people experiencing homelessness across Fort Bend, Harris, and Montgomery counties. Representing a region of 6.8 million people, that amounts to five people experiencing homelessness for every 10,000 residents - the lowest rate among the nation's major U.S. metros.

HOUSTON HAS THE LOWEST RATE OF HOMELESSNESS AMONG MAJOR U.S. METROS

People Experiencing Homelessness per 10K Residents, 20 Most Populous Metros

	Metro	Rate		Metro	Rate
1	New York	70	11	Washington	16
2	Los Angeles	62	12	Minneapolis	15
3	Seattle	51	13	Atlanta	13
4	San Francisco	50	14	Tampa	13
5	Denver	36	15	Chicago	13
6	San Diego	30	16	Miami	11
7	Boston	20	17	Orlando	9
8	Phoenix	19	18	Dallas	8
9	Philadelphia	18	19	Detroit	7
10	Riverside	16	**20**	**Houston**	**5**

Notes: Calculations sum all CoC counts in each metro. Some CoCs outside of Houston only count sheltered populations. Rates based on total population of counties covered in whole or in part by CoCs.
Source: Partnership analysis of '25 HUD Point-in-Time count data

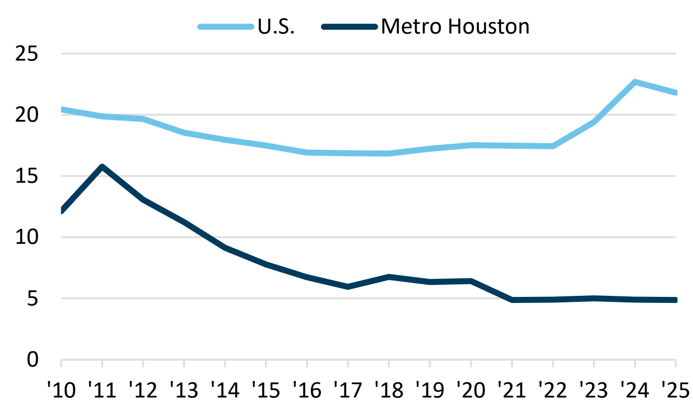
Homelessness remains a serious hardship for every person who experiences it, and Houston's low rate does not make the issue any less urgent. But it does place the region in a very different position than most of its peers.

The contrast is especially stark when comparing against major metros on the coasts. The rate of homelessness is roughly 14 times higher in New York, 12 times higher in Los Angeles, and 10 times higher in Seattle and San Francisco.

Houston's most recent result is not a fluke. For more than a decade, the region has pushed homelessness sharply lower, helped by a relatively affordable housing market and more coordination on policy interventions. Since '11, the local rate has fallen by more than two-thirds, from 16 residents per 10,000 to just five today. The national trend has moved in the opposite direction since the pandemic, with U.S. homelessness now near a record high with 22 people experiencing homelessness per 10,000 residents.

HOMELESSNESS IN HOUSTON HAS FALLEN SHARPLY EVEN AS IT IS RISING NATIONALLY

People Experiencing Homelessness per 10K Residents



Note: Houston rate based on population of 3 counties covered by CoC. National rate for '21 is an average for '20 and '22, since COVID safety protocols led to a significant undercount that year.
Source: Partnership analysis of '25 HUD Point-in-Time count data

After falling through much of the '10s, the national homelessness rate began climbing in '22 as inflation pushed housing costs sharply higher and pandemic-era protections and support programs started to fade.

But Houston bucked that trend. While Hurricane Harvey and the long tail of the fracking bust may have nudged the local rate slightly higher from ’17 to ’20, it declined during the pandemic and remained stable in the years since.

Houston’s housing market gave the region an important advantage. Among the nation’s 20 largest metros, Houston has the lowest average monthly apartment rent at $1,355, below Dallas, Atlanta and the U.S. urban average. The gap is much wider compared with high-cost coastal metros. Average rents in New York, Boston, San Francisco, Miami and Washington are more than double Houston’s, and in some cases three or four times higher. That does not mean housing is easy to afford for Houston’s lowest-income residents. But it does mean fewer households are pushed to the edge by rent alone, and each housing dollar can reach further than it would in many peer regions.

HOUSTON HAS THE LOWEST AVERAGE APARTMENT RENTS AMONG MAJOR U.S. METROS

Average Monthly Apartment Rents, 20 Most Populous Metros*

	Metro	Rents		Metro	Rents
1	New York**	$5,712	11	Phoenix	$1,860
2	Boston	$4,225	12	Denver	$1,836
3	San Francisco	$3,828	13	Tampa	$1,740
4	Miami	$3,525	14	Detroit	$1,620
5	Washington	$3,361	15	Dallas	$1,508
6	Chicago	$3,330	16	Atlanta	$1,500
7	San Diego	$3,111	17	Minneapolis	$1,453
8	Los Angeles	$3,016	18	Orlando	$1,393
9	Seattle	$2,970	**19**	**Houston**	**$1,355**
10	Philadelphia	$2,147	**U.S. URBAN AVG**		**$1,607**

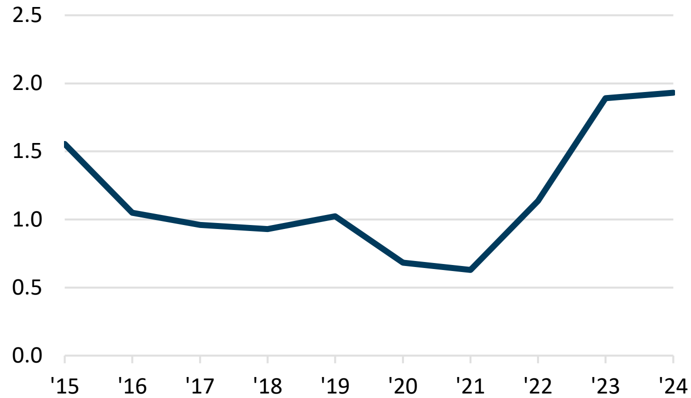
Notes: *Riverside is omitted because it does not participate in C2ER.
**New York value is for Manhattan and excludes outer boroughs.
Source: Partnership analysis of COLI C2ER ’25 annual estimates

Another factor behind Houston’s success is the coordinated housing-first strategy the region began to adopt in ’12. Through The Way Home, the region’s CoC, local partner organizations prioritized permanent housing first, with support services provided to residents once they were housed.

HUD performance data, capturing those using CoC services and their outcomes, does not reach back far enough to capture the first wave of that shift, but it does suggest the system’s continued strength. Since the pandemic, Houston’s shelter and rehousing programs have moved more people into permanent housing each year. After declining in the years leading up to the pandemic, successful program exits rose from roughly 600 in ’21 to nearly 1,900 in ’24, indicating that the region’s policy interventions are still expanding placements even as homelessness has fallen far below its early-’10s peak.

HOUSTON’S SHELTER AND REHOUSING PROGRAMS ARE MOVING MORE PEOPLE INTO PERMANENT HOUSING

Thousand Program Recipients Exiting to Permanent Housing*

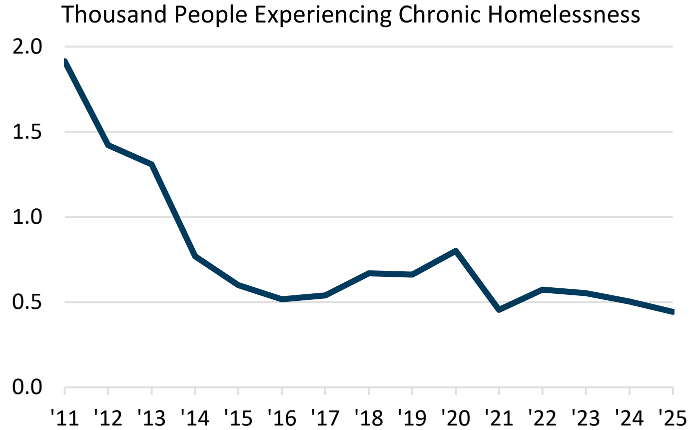


Note: *Denotes successful exits from emergency shelters, transitional housing, safe haven and rapid re-housing programs
Source: Partnership analysis of HUD CoC performance data

The strategy appears to have played a role in reducing the number of people experiencing chronic homelessness. As Houston’s housing-first system took shape, the region’s chronically homeless population fell by more than 75 percent, from roughly 1,900 residents in ’11 to fewer than 450 in ’25. That suggests Houston has not only reduced homelessness overall, but it has also made real headway with the residents facing the deepest barriers to stability.

HOUSTON’S CHRONICALLY HOMELESS POPULATION HAS DECREASED BY OVER 75% IN THE LAST 14 YEARS

Thousand People Experiencing Chronic Homelessness

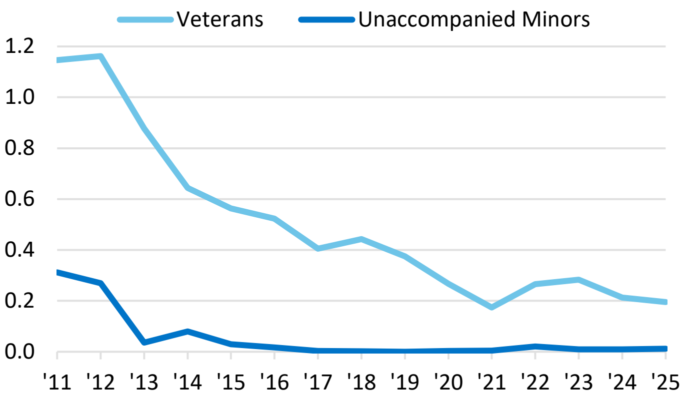


Note: Chronic homelessness refers to people with a disability experiencing homelessness for at least 12 consecutive months, or at least four times in three years totaling 12 months
Source: Partnership analysis of HUD Homelessness Report data

The declines extend to other high-priority groups. Veteran homelessness has fallen from more than 1,100 residents in ’11 to roughly 200 today, helped by dedicated veteran programs that pair housing assistance with case management and supportive services. Homelessness among unaccompanied minors has fallen even further and now sits near zero, an important marker because youth homelessness can become a gateway into long-term adult homelessness if it is not addressed early.

HOMELESSNESS AMONG VETERANS AND UNACCOMPANIED MINORS HAS ALSO DECLINED

Thousand People Experiencing Homelessness

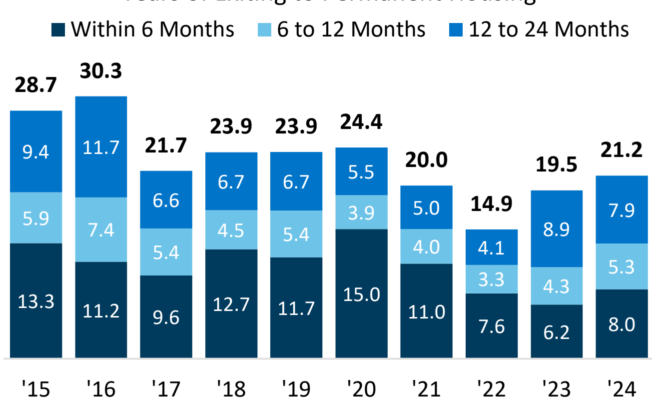


Source: Partnership analysis of HUD Homelessness Report data.

The latest data show a modest setback in one area: the share of residents returning to homelessness within two years of exiting to permanent housing rose from 14.9 percent in ’22 to 21.2 percent in ’24. Still, the rate remains well below the 28.7 percent level from a decade earlier. The decline has been especially pronounced for those returning within six months, suggesting more are staying housed through the vulnerable period after placement.

DESPITE RECENT UPTICK, FEWER ARE RETURNING TO HOMELESSNESS COMPARED TO A DECADE AGO

Percent of Residents Returning to Homelessness Within Two Years of Exiting to Permanent Housing



Source: Partnership analysis of HUD CoC performance data

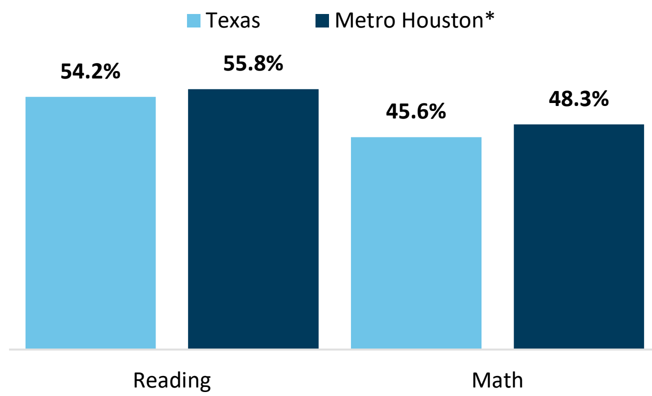
LOCAL STAAR TEST RESULTS

The Texas Education Agency (TEA) has released preliminary results for the ’26 State of Texas Assessments of Academic Readiness (STAAR), the state’s primary annual measure of whether students are meeting academic standards for enrolled courses. In the 10-county Houston metro area, there are 102 school districts with students that took reading and math exams (including Algebra I) in grades 3-8, including 61 traditional school districts, and 41 open enrollment charter districts.

This year’s results show Houston-area students outperformed their peers statewide in both reading and math. In reading, 55.8 percent met or exceeded grade-level expectations, 1.6 percentage points above the Texas average. In math, 48.3 percent met or exceeded grade-level expectations, 2.7 percentage points above the statewide rate.

HOUSTON-AREA STUDENTS OUTPERFORM STATEWIDE STAAR TEST RESULTS

Percent Meeting or Exceeding Expectations, Grades 3-8



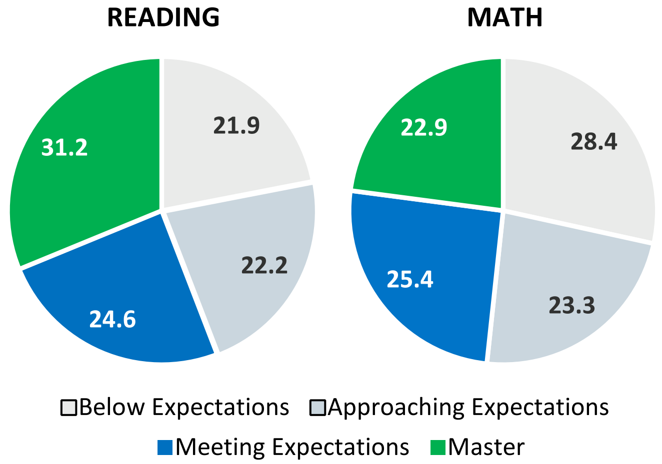
Note: *Performance averaged across all districts in metro Houston
Source: Partnership analysis of TEA ’26 STAAR Assessment data

Houston-area students were also more likely to achieve STAAR’s highest Master level of performance (not pictured above). In reading, 31.2 percent reached mastery, compared with 28.7 percent across Texas. In math, 22.9 percent achieved mastery, versus 20.6 percent statewide.

Even so, many Houston students could benefit from additional support. In reading, 22.2 percent approached expectations, meaning they are likely to succeed with targeted intervention, while another 21.9 percent fell below expectations and may require more significant ongoing support. In math the needs are greater with 23.3 percent approaching expectations and 28.4 percent falling below them.

MORE HOUSTON AREA STUDENTS MEET EXPECTATIONS IN READING THAN IN MATH

Metro Houston STAAR Test Outcomes (%) – Grades 3-8



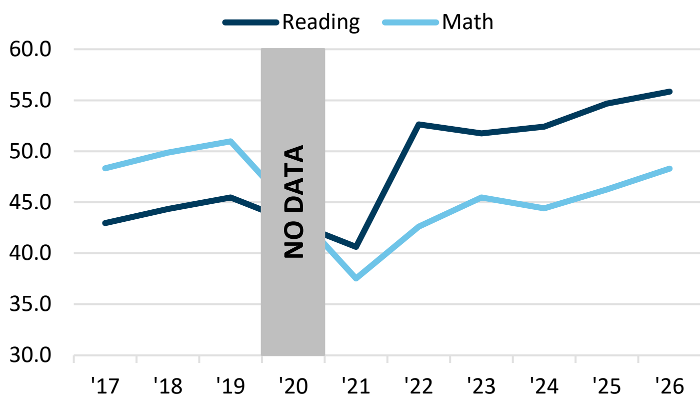
Note: Performance averaged across all districts in metro Houston
Source: Partnership analysis of TEA '26 STAAR Assessment data

Test Result Trends

Looking at the longer-term trend, it becomes clear that the pandemic has had a meaningful impact on educational outcomes. Campus closures, remote instruction and higher absenteeism disrupted learning across Houston and Texas. STAAR was canceled in '20, and when testing resumed in '21, results came in notably lower than their pre-pandemic levels.

READING SURPASSES PRE-PANDEMIC LEVELS AS MATH CONTINUES TO RECOVER

Percent Meeting or Exceeding Expectations, Grades 3-8



Note: Performance averaged across all districts in metro Houston.
Source: Partnership analysis of TEA STAAR Assessment data

The impact differed by subject. Reading posted a smaller decline in '21 with those meeting grade level standards falling by 4.8 percent, before bouncing back by 12.0 percent in '22 and reaching new highs in the years since. Math fell much further, declining by 13.4 percent, and has been slower to recover. Because math skills often build on concepts taught in earlier grades and students may receive less supplemental support at home, the impact of missed instruction can compound over time. While recent years have seen meaningful gains, the share of students meeting expectations in math still remains just below its pre-pandemic level.

The post-pandemic rebound does reflect real academic gains especially as districts provided supports. But it also in part reflects a changing mix of students who are being tested. Older cohorts that experienced more pandemic disruptions are aging out of grades 3–8, while younger cohorts with less exposure to closures and remote instruction are moving into younger grades. That turnover may be nudging overall results upwards, even if recovery within certain cohorts remains incomplete.

Top Performing School Districts

While Houston-area students outperform the state overall, results can vary widely by district. Among systems with more than 1,000 students, suburban and exurban districts such as Friendswood, Tomball and Pearland lead the reading results. Harmony Public Schools Houston West is the top-performing charter in the region, serving a student body that is majority economically disadvantaged. Fort Bend and Spring Branch also stand out, providing strong reading results to student bodies that include many from economically disadvantaged backgrounds along with numerous English learners.

TOP HOUSTON SCHOOL DISTRICTS* IN READING

Percent Meeting or Exceeding Expectations, Grades 3-8

	School District	Percent		School District	Percent
1	Friendswood	78.6	12	Alvin	63.9
2	Barbers Hill	77.6	13	Fort Bend	63.7
3	Tomball	75.2	14	Spring Branch	63.2
4	Harmony-West	75.1	15	Harmony-North	62.0
5	Pearland	72.3	16	Conroe	61.8
6	Katy	69.7	17	Cypress-FB	61.6
7	Needville	67.3	18	Klein	61.4
8	Lamar	67.1	19	Beta Acad.	60.9
9	Montgomery	65.1	20	Magnolia	59.5
10	Clear Creek	65.0		**Houston Avg**	**55.8**
11	Aristoi Acad.	64.4		**TEXAS AVG**	**54.2**

Note: *Ranking limited to districts with 1,000 or more total students.
Source: Partnership analysis of TEA '26 STAAR Assessment data

The districts at the top of the math rankings are similar to reading, with Barbers Hill, Tomball, Friendswood and Harmony West again leading. But further down the list there are differences. Gateway Academy, Galena Park, Deer Park, and Raul Yzaguirre enter the top 20, in place of

Aristoi Classical Academy, Cypress-Fairbanks, Fort Bend, and Beta Academy.

TOP HOUSTON SCHOOL DISTRICTS* IN MATH

Percent Meeting or Exceeding Expectations, Grades 3-8

	School District	Percent		School District	Percent
1	Barbers Hill	72.6	12	Lamar	54.3
2	Tomball	72.6	13	Magnolia	53.7
3	Friendswood	72.0	14	Harmony-North	53.6
4	Harmony-West	68.3	15	Clear Creek	53.4
5	Needville	62.8	16	Klein	53.2
6	Pearland	62.3	17	Galena Park	52.6
7	Katy	61.9	18	Deer Park	51.8
8	Gateway Acad.	60.0	19	Alvin	51.0
9	Spring Branch	58.5	20	Raul Yzaguirre	50.6
10	Montgomery	57.8		**Houston Avg**	**48.3**
11	Conroe	57.4		**TEXAS AVG**	**45.6**

Note: *Ranking limited to districts with 1,000 or more total students
Source: Partnership analysis of TEA '26 STAAR Assessment data

Most Improved School Districts

Current performance tells only part of the story. Comparing today's results with pre-pandemic levels shows which districts have made the strongest gains and brings a different set of standouts into view.

MOST IMPROVED SCHOOL DISTRICTS* IN READING

Percent Meeting or Exceeding Expectations, Grades 3-8

	School District	Percent		Change
		'19	'26	'19 – '26
1	Hempstead	19.7	39.2	19.5
2	Santa Fe	39.8	57.5	17.7
3	Spring Branch	45.6	63.2	17.6
4	Hardin	33.3	50.5	17.1
5	YES Prep	38.7	55.5	16.8
6	Alvin	47.2	63.9	16.7
7	Dickinson	39.9	56.3	16.3
8	Galena Park	38.6	53.7	15.1
9	Needville	52.4	67.3	14.8
10	Shepherd	18.7	33.1	14.4
11	Stafford	37.8	52.1	14.3
12	Houston	40.1	53.9	13.8
13	Magnolia	46.0	59.5	13.6
14	Dayton	30.7	43.9	13.2
15	Raul Yzaguirre	38.2	51.1	12.9
16	Barbers Hill	64.8	77.6	12.8
17	Harmony-South	45.7	58.5	12.7
18	BakerRipley	27.5	40.1	12.6
19	Coldspring-Oakhurst	29.1	41.3	12.2
20	Texas City	30.9	42.5	11.6
	Houston Avg	**45.5**	**55.8**	**10.4**
	TEXAS AVG	**45.3**	**54.2**	**8.9**

Note: *Ranking limited to districts with 1,000 or more total students
Source: Partnership analysis of TEA '19 & '26 STAAR Assessment data

In reading, the largest gains came from districts that entered the pandemic below the regional average, led by Hempstead, and Santa Fe. But a few notable districts improved from higher baselines: Alvin, Spring Branch, and Needville each gained more than 14 percentage points from starting points modestly above the regional average, while Barbers Hill added 12.8 points from a strong baseline. Houston ISD improved as well, ranking in the top twelve and rising 13.8 points to run nearly even with the state average today.

While the state and region overall saw math performance decline during this period, several Houston-area districts moved in the opposite direction. Hempstead, Needville, and Shepherd posted the largest gains, with Needville improving 11.4 points from an above-average baseline. Houston ISD also bucked the downward trend with meaningful growth over the period. Still, declining math scores were common enough that the two districts rounding out the list also slipped, though by less than the state or regional average.

MOST IMPROVED SCHOOL DISTRICTS* IN MATH

Percent Meeting or Exceeding Expectations, Grades 3-8

	School District	Percent		Change
		'19	'26	'19 – '26
1	Hempstead	21.2	33.4	12.3
2	Needville	51.4	62.8	11.4
3	Shepherd	23.4	32.8	9.4
4	Spring Branch	50.0	58.5	8.5
5	Galena Park	48.7	52.6	3.9
6	Alvin	47.5	51.0	3.5
7	Aristoi Acad.	46.2	48.4	2.3
8	Magnolia	51.5	53.7	2.2
9	Sheldon	32.8	34.7	1.8
10	Santa Fe	45.7	47.5	1.8
11	Humble	47.0	48.5	1.5
12	Houston	45.5	46.7	1.3
13	Dickinson	46.3	47.2	0.8
14	BakerRipley	40.8	41.6	0.8
15	Spring	32.5	33.2	0.7
16	Sweeny	41.6	42.2	0.6
17	Tomball	72.1	72.6	0.4
18	Southwest Schools	31.2	31.1	-0.1
19	Angleton	42.7	42.6	-0.1
20	Coldspring-Oakhurst	28.2	27.8	-0.4
	Houston Avg	**51.0**	**48.3**	**-2.7**
	TEXAS AVG	**50.0**	**45.6**	**-4.5**

Note: *Ranking limited to districts with 1,000 or more total students
Source: Partnership analysis of TEA '19 & '26 STAAR Assessment data

Colin Baker contributed to this issue of Houston: The Economy at a Glance.

HOUSTON MSA NONFARM PAYROLL EMPLOYMENT

	June '26	May '26	June '25	Change From May '26	Change From June '25	% Change From May '26	% Change From June '25
Total Nonfarm Payroll Jobs	**3,521,500**	**3,507,100**	**3,481,800**	**14,400**	**39,700**	**0.4**	**1.1**
Total Private	3,056,800	3,035,800	3,018,300	21,000	38,500	0.7	1.3
Goods Producing	584,500	580,500	571,400	4,000	13,100	0.7	2.3
Service Providing	2,937,000	2,926,600	2,910,400	10,400	26,600	0.4	0.9
Private Service Providing	2,472,300	2,455,300	2,446,900	17,000	25,400	0.7	1.0
Mining & Logging	73,500	73,700	74,800	-200	-1,300	-0.3	-1.7
Oil & Gas Extraction	35,500	35,400	36,600	100	-1,100	0.3	-3.0
Support Activities for Mining	36,500	36,600	36,700	-100	-200	-0.3	-0.5
Construction	269,500	266,900	254,500	2,600	15,000	1.0	5.9
Manufacturing	241,500	239,900	242,100	1,600	-600	0.7	-0.2
Durable Goods Manufacturing	153,900	153,000	151,100	900	2,800	0.6	1.9
Nondurable Goods Manufacturing	87,600	86,900	91,000	700	-3,400	0.8	-3.7
Wholesale Trade	178,400	177,400	178,600	1,000	-200	0.6	-0.1
Retail Trade	321,100	319,500	318,900	1,600	2,200	0.5	0.7
Transportation, Warehousing & Utilities	200,300	199,500	198,200	800	2,100	0.4	1.1
Utilities	25,400	25,300	24,300	100	1,100	0.4	4.5
Air Transportation	21,900	21,900	21,300	0	600	0.0	2.8
Truck Transportation	31,100	30,900	30,400	200	700	0.6	2.3
Pipeline Transportation	15,800	15,900	15,400	-100	400	-0.6	2.6
Information	27,400	27,300	28,900	100	-1,500	0.4	-5.2
Telecommunications	9,800	9,800	10,200	0	-400	0.0	-3.9
Finance & Insurance	114,000	113,200	115,900	800	-1,900	0.7	-1.6
Real Estate & Rental & Leasing	62,600	62,500	63,200	100	-600	0.2	-0.9
Professional & Business Services	580,100	572,300	567,600	7,800	12,500	1.4	2.2
Professional, Scientific & Technical Services	286,200	284,200	283,100	2,000	3,100	0.7	1.1
Legal Services	35,300	34,600	35,100	700	200	2.0	0.6
Accounting, Tax Preparation & Bookkeeping	26,300	26,200	27,500	100	-1,200	0.4	-4.4
Architectural, Engineering & Related Services	80,000	79,100	79,600	900	400	1.1	0.5
Computer Systems Design & Related Services	41,500	41,500	41,700	0	-200	0.0	-0.5
Admin & Support, Waste Mgt & Remediation	250,700	245,300	240,700	5,400	10,000	2.2	4.2
Administrative & Support Services	236,100	230,900	227,000	5,200	9,100	2.3	4.0
Employment Services	88,100	83,000	79,400	5,100	8,700	6.1	11.0
Private Educational Services	70,500	72,700	71,300	-2,200	-800	-3.0	-1.1
Health Care & Social Assistance	401,100	402,900	394,300	-1,800	6,800	-0.4	1.7
Arts, Entertainment & Recreation	46,000	43,800	46,500	2,200	-500	5.0	-1.1
Accommodation & Food Services	334,900	330,500	330,500	4,400	4,400	1.3	1.3
Other Services	135,900	133,700	133,000	2,200	2,900	1.6	2.2
Government	464,700	471,300	463,500	-6,600	1,200	-1.4	0.3
Federal Government	35,100	35,100	37,100	0	-2,000	0.0	-5.4
State Government	104,000	104,500	101,200	-500	2,800	-0.5	2.8
State Government Educational Services	56,200	56,800	54,600	-600	1,600	-1.1	2.9
Local Government	325,600	331,700	325,200	-6,100	400	-1.8	0.1
Local Government Educational Services	221,400	227,900	221,200	-6,500	200	-2.9	0.1

Source: Texas Workforce Commission