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HOUSTON JOB MARKET OFF TO A STRONG START FOR 2023

Non-farm employment in Houston-The Woodlands-Sugar Land metropolitan statistical area totaled more than 3.31 million jobs as of February, up 0.9% from January on a not-seasonally-adjusted basis. However, February data that's not seasonally adjusted can exaggerate monthly job growth because of the seasonal job losses typically seen in January. This year, Houston saw a net loss of 52,200 jobs in January.

Nevertheless, February's not-adjusted increase of 29,200 jobs from January is significantly higher than the average month-over-month increase of 18,500 for a February in Houston, the report notes. Similarly, the Houston area's seasonally adjusted employment in February was more than 3.33 million, up 9,000 from January, a significantly higher seasonally adjusted increase than the historic average of 3,700 in February.

Year over year, February saw an increase of 137,300 total jobs, or 4.3%, not seasonally adjusted, while jobs increased 148,500, or 4.7%, on a seasonally adjusted basis.

Although Houston's net employment increased last month, most of the jobs that were lost were in the retail trade and logistics subsectors. January can be seen as an outlier month and should not be taken too much into consideration due to the end of the holiday season and other adjustments.

Despite the gains, February's unemployment rate still ticked up to 4.8%, not seasonally adjusted, compared to 4.5% in January. In past years, there was typically a decline at this time of year. This month-over-month percentage point increase is the largest the Houston area has seen in February since records began in 1990. However, the seasonally adjusted unemployment rate, which is only available through January currently, shows month over month declines, and weekly initial claims for unemployment insurance are still at pre-pandemic levels.

Although there have been rumblings about a potential recession going back to the beginning of last year, there still hasn't been concrete evidence in local job numbers to support the likelihood of one occurring, Parker Harvey, manager of economic analysis for Workforce Solutions said.

When looking at the February report, something odd that stood out to Harvey was the 10,000-job increase in government employment. A lot of the local government increase came from education, meaning primary and secondary public schools. Typically, Houston doesn't see a massive change in headcount in the middle of the school year.

Another aspect that stood out to Harvey was the growth in professional and business services, an increase of 8,600 jobs. According to the report, this was the sector's second-largest gain for a February in Houston since 1990. In the past, Houston jobs in this sector increased by about 3,300 on average. Notably, the careers driving this sector's gains include administrative and support as well as waste management and remediation services, representing a combined increase of 8,300 jobs.

Harvey said this stood out to him because it shows that the higher-paying jobs such as architecture, engineering and certain jobs in oil and gas didn't see much growth.

Management of companies and enterprises contributed to 200 jobs, and professional, scientific and technical services contributed to 100. Meanwhile, manufacturing saw a decrease of 1,400 jobs, while mining and logging saw a 300-job decline.

"It's kind of concerning that the three big buckets of things related to oil and gas — mining and logging, manufacturing, and professional business services — are all just kind of not doing as great as we would like," Harvey said.

The third-largest contributor to Houston's employment for February was education and health services, with an increase of 7,700 jobs. That's the largest gain this sector has seen in February in Houston since records began in 1990, per the report. Health care and social assistance drove the growth with an increase of 4,900 jobs. Meanwhile, educational services added 2,800 jobs.

Sectors that also saw job growth were leisure and hospitality, with 4,100 jobs; financial activities, with 1,700 jobs; and construction, with 1,300 jobs. Other services — which includes equipment and machinery repair, religious activities, grantmaking, advocacy, dry-cleaning, laundry services and personal care services — saw an increase of 500 jobs.

Trade, transportation and utilities saw the largest decline over the month, with a loss of 2,900 jobs. This sector previously drove part of December 2022's growth, with 6,100 jobs. Of those jobs, about 4,100 occurred in the transportation and warehousing subsectors, which often are related to the holiday shopping season. Meanwhile, the information sector, which includes producing and distributing information and cultural products, also declined with 100 jobs.

BEST JOB MARKETS CONCENTRATED IN THE SOUTH

To find the best job markets in America, head to the South.

Nashville, Tenn., topped the list of 2022's hottest job markets, followed by Austin, Texas, and Jacksonville, Fla. Other cities known for tourism—notably Orlando, Las Vegas and New Orleans—climbed the ranks last year.

Those Sunbelt cities benefited from a continued recovery in travel and a hiring boom at restaurants, hotels and music venues, consistent with the resurgent services sector driving the U.S. economy in recent months. Many remained relatively affordable as high inflation gripped the nation. Meanwhile, some Western job markets that heated up after the pandemic took hold—including Salt Lake City, Phoenix and Denver—cooled last year.

The Wall Street Journal, working with Moody's Analytics, assessed about 380 metro areas. The rankings determined the strongest labor markets based on five factors: the unemployment rate, labor-force participation rate, changes to employment levels, the size of the labor force and wages in 2022. Larger areas, with more than one million residents, were ranked separately from smaller ones.

Broadly, the U.S. labor market remains robust, with employers consistently adding jobs last year and into the start of 2023. The U.S. unemployment rate ticked up to 3.6% in February from a 53-year low of 3.4% in January. But recession concerns linger due to the Federal Reserve's aggressive interest-rate increases intended to combat high inflation, banking turmoil and corporate layoffs in industries such as technology.

Though the tides could shift, Southern cities have shown particular strength, with many top-ranked markets including Atlanta, Dallas, Charlotte and Raleigh, N.C., holding the ingredients to attracting and retaining workers.

"These are lower-cost areas, they are growing rapidly, there's an increasingly large critical mass of young, educated people," said Adam Kamins, economist at Moody's Analytics. "The affordability is really appealing to families as well."

The two highest-ranked labor markets profited from strong rates of labor-force participation. Nashville, the nation's hottest job market, had the third highest share of adults working or looking for jobs. Austin, which held the No. 2 spot, touted the strongest labor-force participation among large metro areas, in part a reflection of its relatively young population.

These fast-growing Southern state capitals with vibrant music scenes have drawn in many new workers and companies in recent years. Investment firm Alliance Bernstein LP opened its new corporate headquarters in Nashville last year. Elon Musk's electric-car maker Tesla Inc. moved headquarters to Austin in 2021, and he is laying plans for a new community outside of Austin, next to facilities of Boring Co. and SpaceX, two other companies he controls. Jacksonville edged up in the rankings last year, becoming the third-hottest job market, after placing sixth a year earlier based on revised 2021 data.

Hot Southern job markets tend to offer a much lower cost of living than many coastal cities competing for tech and finance workers. Still, an influx of workers has fueled higher living costs, especially housing costs, in many Sunbelt cities. Their big price run-ups make them vulnerable to a home-price correction that is already under way in Western cities.

Pandemic travel restrictions and the spread of Covid-19 caused tourism hot spots such as Las Vegas to suffer in 2020 and into 2021. That turned around last year, despite high inflation and recession jitters. Sin City added jobs at the fastest pace of any large metro in 2022. International travelers began returning to Vegas while older consumers shook off pandemic concerns.

Other tourism hot spots in the South, including New Orleans and Orlando, also made notable climbs up the rankings last year. Though employers in these regions began to reopen as early as spring 2020, many faced a long road to recovery.

Across Orlando, New Orleans and Las Vegas, more workers jumped into the labor force last year, helping fill open roles at restaurants, bars and hotels. In the U.S. as a whole, employers in leisure and hospitality have been on a hiring spree, driving a surprisingly resilient labor market in the face of rising interest rates and high inflation.

Cities including Salt Lake City, Phoenix and Denver drew in many workers seeking lower housing costs or outdoor adventure near the onset of the pandemic. As higher-wage remote workers moved in, they helped trigger high inflation and rapid increases in home prices that made these areas less-attractive destinations.

The three Western cities slid in the job-market rankings last year. Still, they far outperformed some larger, more-expensive regions including New York, Los Angeles and Washington, D.C.

New York was among the few large metros that lost workers from its labor force last year. Los Angeles had above-average unemployment and below-average wage growth. Washington had strong labor-force participation among its residents, but struggled more than most cities to attract new workers and jobs.

THE NEW RULES OF LAYOFFS

Executives weigh the best way to let people go.

When McDonald's said it would temporarily close its U.S. offices as it conducts layoffs at the burger chain, it brought renewed attention to a debate swirling inside HR departments: What is the best way to let people go?

The question is taking on urgency as more U.S. companies, from Goldman Sachs to Amazon, move to shed staff in a wave of layoffs that is heavily concentrated on white-collar jobs. When it comes to carrying out those cuts, companies employ a range of approaches designed to minimize the pain and disruption of a difficult process.

Here are six of the questions employers face.

All at once or a little at a time? Many companies grapple with whether to make one sweeping layoff or do a series of smaller cuts. Both carry risks. At a time when employers still face challenges filling positions, large job cuts can lead companies to inadvertently cut key units or people.

Yet, taking it slowly to give a company time to assess its financial situation can take a human toll, creating a prolonged period of anxiety and instability inside an organization. Amazon has enacted more job cuts than expected in recent weeks, announcing last month that it would cut 9,000 more corporate jobs following earlier layoffs.

Face time or FaceTime? Bosses long believed delivering the bad news face-to-face was the more humane approach. Covid-19 changed the equation. While many workers are being called back to the office, at least part time, full office attendance remains rare. Some

executives are now asking themselves whether it is actually easier—and more humane—for employees to learn about a layoff on Zoom versus in-person.

Midweek or Friday? Just as with in-person firings, the conventional wisdom was Friday was the best day to carry out a layoff. That gave employees the weekend to process the news and plan their next steps. That thinking has shifted. Many employers now see a midweek announcement as more humane. A layoff on a Wednesday can give employees time to talk to HR representatives or benefits providers during business hours in the ensuing days.

It's not you—it's me. One mistake managers continue to make is to tell employees how hard it is to let them go. The latest wave of layoffs often has felt like a competition among CEOs over who could craft the best apology. Many executives have turned to lengthy memos to explain why they resorted to layoffs. Some of those notes look "suspiciously similar" across different companies, said Paul A. Argenti, professor of corporate communication at the Tuck School of Business at Dartmouth. He recommends that managers be as transparent as possible with employees about the health of a business so that no one is surprised when layoffs are announced.

Multiple months of pay, or less? The size of exit packages is also up for debate. At the very least, companies should give laid-off employees a month of severance pay though a number of employers have offered more. When Salesforce said in January that it would lay off employees, Marc Benioff, the company's co-founder and chief executive, told workers that those in the U.S. would receive a minimum of nearly five months of pay, health insurance and other benefits. Some smaller companies have received pushback from employees for not accelerating stock-vesting dates or for issuing severance packages that some saw as underwhelming. HR advisers recommend that companies be as generous as possible with exit packages. In an era when employees can easily sound off on a company even when they are being fired, it is also a best practice to develop a severance policy that can be defended.

OK, now who goes? One of the last, toughest parts of any downsizing: determining who should be let go. The process of developing a layoff list is complicated and can stretch for weeks, with department heads and managers often debating which employees to eliminate. Seniority once guided layoffs, though it is now far more common for companies to assess skills over tenure, and to heavily consider someone's recent performance. HR officials will then often scrub a list, wanting to ensure that a company isn't disproportionately laying off workers over the age of 40, or unfairly targeting minorities and others. Even with much preparation, many veteran HR leaders say layoffs can be messy.

WORK-FROM-HOME ERA ENDS FOR MILLIONS OF AMERICANS

Working remotely is becoming increasingly rare a few years after the pandemic caused millions of Americans to decamp from worksites to their basements and bedrooms.

Some 72.5% of business establishments said their employees teleworked rarely or not at all last year, according to a Labor Department report. That figure climbed from 60.1% in 2021. The survey showed about 21 million more workers on-site full time in 2022, compared with the prior year. An establishment is defined as each business location—such as an individual restaurant in a chain.

The new number is also close to the share of establishments—76.7%—that said they had no employees teleworking before the Covid-19 pandemic, and that were open in February 2020, the Labor Department said. Employers recently have begun pushing harder to get staff to work on-site more often, as recession fears prompt an increased emphasis on worker productivity.

Several large companies have said they expect their employees to report in person, more often. Walt Disney now pushes for four days a week on-site. Starbucks has asked office staff to come in more. This month, Meta Platforms Chief Executive Mark Zuckerberg told employees at the Facebook parent that in-person time helps build relationships and get more done. "Our hypothesis is that it is still easier to build trust in person and that those relationships help us work more effectively," he wrote in a letter to employees.

The share of business establishments with hybrid arrangements, where employees split time between home and worksites, decreased in all measured industries in 2022 from 2021, declining 13.4 percentage points across the private sector, according to the Labor Department. A particularly stark drop played out in the finance sector, including banks and brokerages. The share of financial establishments operating hybrid dropped by half, to 22% in 2022 from 44.9% in 2021.

Remote work was particularly rare for service-providing jobs, such as those in retail, restaurants and accommodations. Employment gains in those categories contributed to more employees working on jobsites. Hiring in leisure and hospitality and retail accounted for nearly 30% of the 7.7 million gain in private-sector employment since August 2021.

The Labor Department survey asked about telework, which it defines as an arrangement that allows an employee to work at home, or from another remote location, by using the internet and other digital communications. The survey was conducted in August and September of 2022, while the 2021 survey was administered from July to September of that year.

Scrapping hybrid work meant a return to the worksite for many businesses—but not all. Remote work remained fairly common last year in some jobs that traditionally were done in an office. In the information sector, which includes tech and media firms, 67.4% of establishments said their staff worked remotely some or all of the time. In the professional and business sector, which includes law and accounting firms, the share was 49%.

And the share of establishments that were fully remote rose slightly last year, to 11.1% of establishments from 10.3% in 2021, the Labor Department said. In the information industry, that share increased 4.8 percentage points, to 42.2%. Financial activities, professional and business services saw smaller increases. Companies in many of those predominantly white-collar industries offered more flexibility before the pandemic.

Research by economists using a different survey—one that measures the share of days worked remotely—suggests that remote work persisted into 2023, though it has shown signs of slipping recently.

In February 2023, 27.7% of total days worked were from home, after holding fairly steady at an average of 30% each month in 2022. The share is down sharply from May 2020, when around 60% of days were remote but still more than five times the rate that prevailed before the pandemic.

Two factors are driving the slight drop in work-from-home days. Companies are pushing managers and professionals to return to the office for more days each week. And the number of fully remote

workers is shrinking. The percentage of employees working fully on-site reached 60.8% in February, up from 54.6% in November 2021.

Remote work, however, isn't likely to entirely disappear. Some 13% of current job postings are for remote positions up. That is down from 17% in March 2022 but well above the pre-pandemic level of 4%.

AMERICAN FIRMS REPATRIATE MORE JOBS

American companies reshored more jobs than expected from overseas last year, according to a report by the Reshoring Initiative. The organization, a nonprofit that tracks data aimed at encouraging companies to bring foreign jobs back to the U.S., said a record 364,000 jobs were reshored last year. Its numbers include both jobs that had previously been done in other countries and jobs in the U.S. created by companies owned by foreign entities. The 53% increase from 2021 follows a 54% rise a year earlier.

The organization's report credited a "huge surge in EV batteries and chips" along with a continuing trend of increased jobs added in industries such as electrical equipment, appliances and components; chemicals; transportation equipment; and medical equipment and supplies. The Inflation Reduction Act and Chips Act, passed in Congress last year, were also credited for the increase.

The report updates a previous estimate, which projected American companies would reshore a little less than 350,000 jobs in 2022. Increased tensions with China also helped drive the higher number, according to Harry Moser, the initiative's founder. Since the organization began tracking the number of jobs moved back to the U.S. from overseas in 2010, it calculates that 1.6 million jobs have been announced.

OLDER WORKERS ARE IN DEMAND WHEN BOSSES WANT WORK ETHIC

Older workers are in demand at a growing number of companies. Perceptions of generational differences don't always match reality, but three-quarters of people 65 and older said in a Wall Street Journal-NORC survey of Americans' values last month that hard work is very important to them personally. Among 18-to-29 year olds, 61% said hard work is very important. So much for youthful ambition.

People 55 and older are the fastest-growing segment of the workforce, according to federal data. Demographic shifts help explain the trend—people are living longer and having fewer children—and some retirement-age folks have little choice but to work because of inflation and a weak stock market.

But certain businesses are targeting seniors on the premise that age is an asset. The AARP since 2012 has asked companies to sign a pledge to give workers over 50 a fair shot in hiring.

Commitments rose 122% last year, compared with 2021, the group says. The roster of pledge-takers now features more than 2,500 businesses, including Bank of America, Microsoft, and H&R Block.

KinderCare Learning Centers, which operates more than 1,500 child-care facilities, signed the pledge last August to expand recruiting efforts amid an acute child-care worker shortage. The AARP's pledge program offers access to job boards and career fairs for workers over 50.
Less than a year in, KinderCare hasn't tallied the resulting hires, but the payoff is already clear, says Travis Trautman, the company's senior director of talent acquisition. "There's a willingness from this group to work the opening shift or to close down for the day, to cover during lunches and breaks or even be on call as needed," he says. "I could go on and on about the value and benefits."

While ageism remains a barrier for some graying workers, age-discrimination complaints to the Equal Employment Opportunity Commission dropped 45% from 2011 to 2021. That's partly because claims are hard to prove and lawyers are often reluctant to take borderline cases. Johnny C. Taylor Jr. , chief executive of the Society for Human Resource Management, says the decline also signals a meaningful reduction in age discrimination.

There is no official measure of discrimination claims on the basis of being too young because federal law protects only workers over 40, but human resources departments frequently field grievances from millennials and Gen Zers who say they're unfairly passed over because of their generations' reputations for flakiness, Mr. Taylor says.

He adds that young people's approach to work isn't necessarily worse. Plenty are hard-charging, and those who dial down the intensity can improve their health and happiness. While balance may strike some as lazy, others see refreshing groundedness—or well-founded skepticism of the idea that hard work pays off.

Still, old-fashioned grinders appeal to employers. "With the economy slowing down, companies need fewer people and need the people who are there to be OK with working hard," Mr. Taylor says. "Instead of trying to convince younger generations to be something different, some companies are saying, 'Why don't we just go hire people who are naturally predisposed to work harder?'"

EXECUTIVE ASSISTANTS SHARE HOW THEY MAXIMIZE CEOS PRODUCTIVITY

How do the likes of Bill Gates and Elon Musk manage to get such a superhuman amount of work done? Many CEOs clearly have an incredible work ethic, but they also have a secret weapon not available to many newer entrepreneurs -- world-class executive assistants.

Top executives have a team of top professionals scheduling their days down to five-minute blocks -- no exaggeration -- and removing every possible roadblock to productivity. This is a luxury many entrepreneurs and freelancers can only dream about. But just because you're a long way from being able to hire a team of assistants doesn't mean you can't steal a few secrets from some of the best in the world.

For a recent article, newsletter the Hustle spoke to a handful of top CEOs' executive assistants, rounding up the tricks they use to help their hyper-busy bosses maintain focus and maximize every minute. The whole in-depth article is worth a read, but a few easy-to-lift ideas stood out.

Beware small blocks of time.
Think your schedule is flooded with meetings? Top CEOs likely have it worse. So how do they manage to ensure all these get-togethers don't turn their days into brain-frying, productivity-killing time confetti?

The first step, according to Kristina Rogers, an executive assistant to the CEO of a climate tech company, is considering how you fit this jigsaw of obligations together. Leave small blocks of time between meetings, and that time is almost certain to get wasted. Next, make sure you protect longer stretches of meeting-free time. Her rule of thumb is to not schedule meeting blocks that are longer than two hours, and she aims to have no more than six hours per day of meetings (starting after 10 am and ending at 4 pm).

Send yourself a daily agenda.
If you don't have a clear and relatively brief set of goals for your day, you're unlikely to stay on track. And it's important that you keep those goals front and center in your mind. How do you do that? Rogers sends her boss an agenda each day.

Know your "4."
Productivity experts and brain scientists both insist that human brains only have about four hours of deep, focused thinking work in them per day. They recommend figuring out when your brain is at its most productive and protecting those four hours as much as possible.

So does Ashley Langlais, an executive assistant at a venture capital firm. She cautions against scheduling meetings during the times of day when you're most productive. Save those moments for deep work, and schedule lower-priority tasks and meetings during the times when you're not mentally at your peak," according to the Hustle.

Get a coach or a therapist.
Maximizing your productivity isn't just about figuring out how to shoehorn more tasks into fewer hours. Quantity of work matters, but so does quality -- just ask Jeff Bezos, who as Amazon CEO set himself the modest-sounding goal of making just three good decisions a day. If you want to be as effective as you can be, you need to take care of yourself as a human being.

That can take the form of adding workouts and family time to your calendar so you don't miss them. But for top CEOs, it usually also means getting the help you need to be the best version of yourself. Most of the CEOs supported by the executive assistants the Hustle spoke with have taken care of themselves physically and emotionally, with life coaches and therapists in addition to regular exercise and personal time.

SOURCES

Houston Business Journal; Wall Street Journal; Inc. Magazine