

NUMBER 2-2025

# CPP REPORT

September 2025



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## Houston's Labor Market in Motion: Job Search, Stability, and the Threat of AI

The labor market in the Greater Houston is active: roughly one-third of workers are seeking new jobs—mostly prime-age and already employed full-time—evidencing upgrading rather than re-entry. Cost of living is the dominant concern, particularly among Hispanic and Black non-Hispanic respondents. Employer conditions seem mixed; many see hiring or steady conditions, yet those seeking jobs are about twice as likely to report layoffs, prompting precautionary search. Residents expect AI to reshape tasks more than erase jobs; perceptions of full replacement falls with schooling, whereas concerns about partial automation rises. The focus is shifting from *job* to *skill* security.



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## Key Takeaways

1. **Working while looking for jobs is widespread:** About one-third of householders are currently seeking employment; roughly three-quarters of job seekers are already employed, and mostly prime-age workers.
2. **Cost of living is main economic concern-varies by race/ethnicity:** The high cost of living is one of the top economic challenges in Houston: 87.8% of Hispanics, 85.9% of Blacks, 82.4% of Whites, and 69.2% of Others.
3. **Employer layoffs track search patterns:** Seekers are more than twice as likely to report layoffs at their employer (19% vs. 9%), while non-seekers are likelier to report hiring without layoffs in their current jobs (36% vs. 25%); “both” and “neither” are similar across groups (26–30%).
4. **AI as a task-level risk:** Almost half (48%) say AI could replace some or all of their activities in their own jobs.
5. **Education and AI exposure:** “Yes, completely” falls from 21% for respondents HS or less, to 8% among those with BA+; “Yes, partially” rises to 39% for BA+; combined “yes” is highest for HS or less (53%).

This report offers an survey-based snapshot of *job search, employment stability, and perceptions about the role of AI in the Greater Houston’s labor market*. In August 2025 our research team asked participants University of Houston Hobby School’s **SPACE City Panel** the following four questions about their employment conditions: *Who is looking for jobs? What pressures drive the job search process? Are employers hiring or laying off workers? And which tasks will be reshaped by AI tasks?* In the ensuing sections we analyze the answers to these questions.

## Methodology

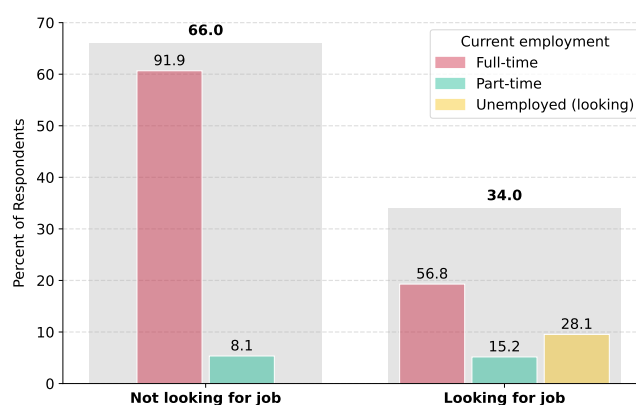
**Sample & data collection.** *SPACE City Panel, Wave 2, Sep. 2025; N = 1,573; mode: online. MOE. ±2%.*

**Weights.** *Post-stratified to age, sex, race/ethnicity, education, county. Missing demographics imputed.*

**Exclusions.** *Don’t knows and Skipped responses excluded from figures or analyses.*

**Definitions.** *The Householder is considered the one who pays more than half the household expenses.*

not seeking a job at the moment. Taken together, these patterns suggest a labor market characterized less by re-entry than by *upgrading*: people searching while employed are looking to improve pay, hours, predictability, benefits, or career advancement prospects.



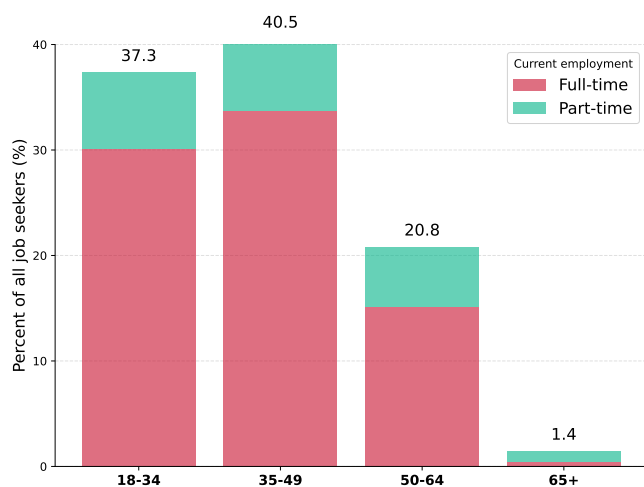
**Figure 1** Composition of employment status among householders by job-search activity.

## Working While Looking

Employment conditions are robust across the Houston area. According to the U.S. Bureau of Labor Statistics, the unemployment rate in the Houston metropolitan area is about 4.5% (U.S. Bureau of Labor Statistics, 2025). Yet according to our most recent survey, job search is relatively common: 34.0% of respondents report that someone in their household is currently looking for work, compared with 66.0% not looking. As shown in Figure 1, among the 34.0% of households who responded positively, most are already employed: 56.8% work full-time and 15.2% part-time, while 28.1% are either unemployed or not currently working, and searching for a job.

Among householders in the workforce who are *not* seeking a new job, the distribution skews heavily toward full-time roles (91.9% full-time; 8.1% part-time), underscoring that job stability and hours of employment often coincide with

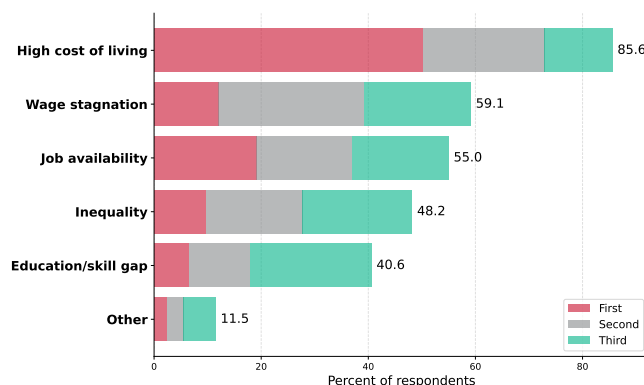
*But who are those looking while already working?* Figure 2 shows that job seekers who are currently employed are concentrated in the prime-age workforce. Together, ages 18–49 account for about four in five employed seekers (18–34: 37.3%; 35–49: 40.5%), compared with 20.8% for ages 50–64 and 1.4% for 65+. Within each age group, most job seekers are employed full-time: 80.6% of seekers aged 18–34 and 83.2% of those 35–49 are employed full-time (the rest part-time). Older seekers look different: among ages 50–64, a larger minority is part-time (27.3%), and among 65+ the majority is part-time (70.4%). In short, “working while looking” is primarily a prime-age, full-time phenomenon—consistent with pre-empting potential job losses or upgrading rather than re-entry. The next section examines thier motivations in detail.



**Figure 2** Composition of current employment among householders looking for a job, by age.

## Why People Are Looking

To understand attitudes in the job market, we asked respondents about the economic challenges they face. The *cost-of-living* pressure dominates: As shown in Figure 3, a large majority name the *high cost of living* among their top three economic challenges (85.6%). Wage stagnation (59.1%), job availability (55.0%), and inequality (48.2%) follow, with education/skill gaps (40.6%) and “other” concerns (11.5%) rounding out the list. Taken together, these rankings show a clear “squeeze hierarchy”: prices first, pay second, and job availability third. The 26.5 percentage-point gap between cost of living and wage stagnation underscores that pay has not kept up with expenses for many households.

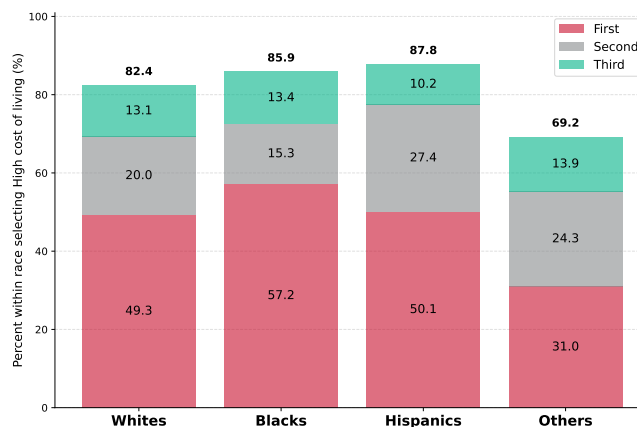


**Figure 3** Top three economic challenges reported by respondents.

These pressures help explain why so much searching occurs *from* jobs rather than *into* jobs. When living costs outpace earnings, workers with employment still scan for better matches—higher wages, steadier schedules, more hours, or stronger benefits—while concerns inequality suggest that

perceived fairness and social mobility are also important. In short, job searches seem to be pushed by tighter household budgets more than pulled by a lack of openings or higher payoffs.

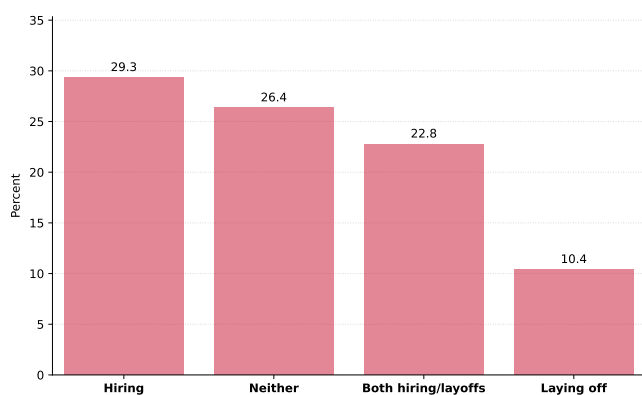
*Who feels the cost-of-living squeeze most?* Figure 4 summarizes within-group shares naming *high cost of living* as a top challenge. Most people across different races and ethnicities consider the high cost of living as one of the top three economic challenges in Houston: Hispanic (87.8%), Blacks (85.9%), Whites (82.4%), and Others (69.2%). The intensity also varies: the cost of living is the main challenge, and it’s highest among Black respondents (57.2%), followed closely by Hispanics (50.1%), Whites (49.3%), and then Others (31.0%). These gaps suggest that, while concerns about the impact of rising prices is widespread, its immediacy is especially acute for Black and Hispanic households, as reflected in Figure 3.



**Figure 4** Share of respondents within each racial/ethnic group identifying high cost of living as their first, second, or third most important economic challenge.

## Hiring, Layoffs, and Stability

Next, we asked respondents what is happening in their places of employment. Viewed as employer postures, the landscape can be broken down into four groups: *expanding* (29.3%), *steady-state* (26.4%), *churning* (i.e., the co-occurrence of hiring and layoffs) (22.8%), and *contracting* (10.4%). A majority either see headcount holding steady or growing without layoffs (“hiring” or “neither” total 55.7%), while about one-third mention layoffs in some form (“laying off” or “both” total 33.2%). In short, stability is *uneven*: many workplaces are adding personnel, some are reshuffling skill mixes, and a smaller share are cutting their payroll. These conditions are consistent with the “working while looking” pattern: openings exist but are not universal, so workers search to *upgrade* pay, hours, stability, and benefits where opportunities appear.



**Figure 5** Householders' perceptions of their current employer.

*Is employer posture related to job search?* Yes. Figure 6 presents cross-tabs between search status against perceived employer actions. Job seekers are more than twice as likely as non-seekers to report that their employer is *laying off* (seekers 19.4% vs. non-seekers 8.7%; a ratio of  $\approx 2.2$ ). Conversely, non-seekers are likelier to report *hiring* without layoffs: 36.3% among non-seekers vs. 24.6% among those searching for jobs. Reports of *both hiring and layoffs* present similar patterns: 26.4% among seekers vs. 25.3% non-seekers. Reports about employers “neither” laying off nor hiring is virtually identical across both groups: approximately 29.5%. The pattern is consistent with precautionary search: exposure to contractions or mixed signals at the firm level coincides with a higher likelihood of looking for another job, while straightforward expansion aligns with not looking. When companies are laying off, employees might read that *they could be next*, forcing them to look for alternatives.

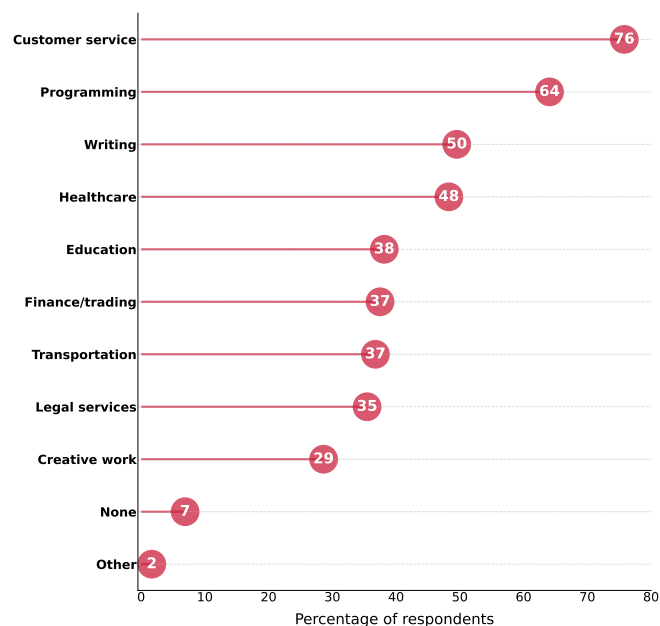


**Figure 6** Householders' perceptions of whether their current employer is laying off, hiring, doing both, or neither, by whether they are seeking another job.

The next section explores this skill dimension by examining how residents perceive the potential of artificial intelligence (AI) to reshape tasks and its implications for job security.

## AI Adoption and Job Insecurity

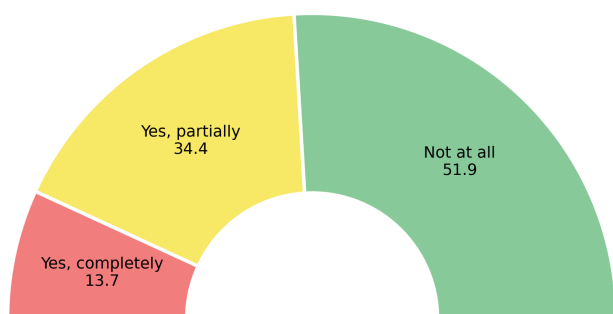
How do Houstonians think artificial intelligence will affect the job market? Respondents expect AI to reshape tasks in common, customer-facing work more than to erase whole occupations. In Figure 7, respondents most frequently point to *customer service* (76%) and *programming* (64%) as areas at risk, followed by *healthcare* (50%) and *writing* (48%). Fewer select *finance/trading* (38%), *legal services* (35%), *transportation* (37%), *education* (38%), or *creative work* (29%), while 7% say “none” and 2% choose “other.” This profile suggests *task-level vulnerability*: routinized, high-volume interactions and codified tasks stand out, whereas judgment-heavy or creative activities are viewed as less exposed.



**Figure 7** Perceived areas most likely to be affected by AI automation (share of respondents selecting each option).

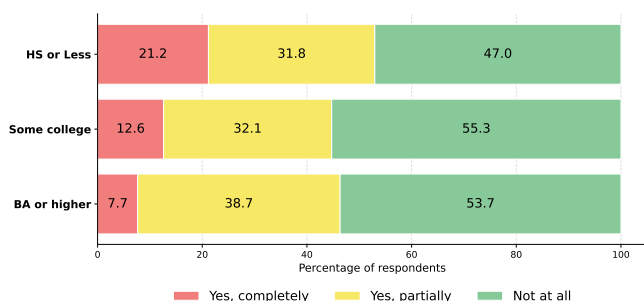
When asked about their *own* jobs (Figure 8), a majority (51.9%) say that they do not expect AI to replace them at all. Still, a substantial minority believe their roles are at least partly threatened by automation: 34.4% “yes, partially” and 13.7% “yes, completely,” for a combined 48.1%. Interpreted alongside Figure 7, these responses point to *skill security*—concern about specific tasks being automated—even where workers do not expect full job losses.





**Figure 8** Responses to whether artificial intelligence could replace respondents' *own* jobs. "Don't know" and skipped responses excluded.

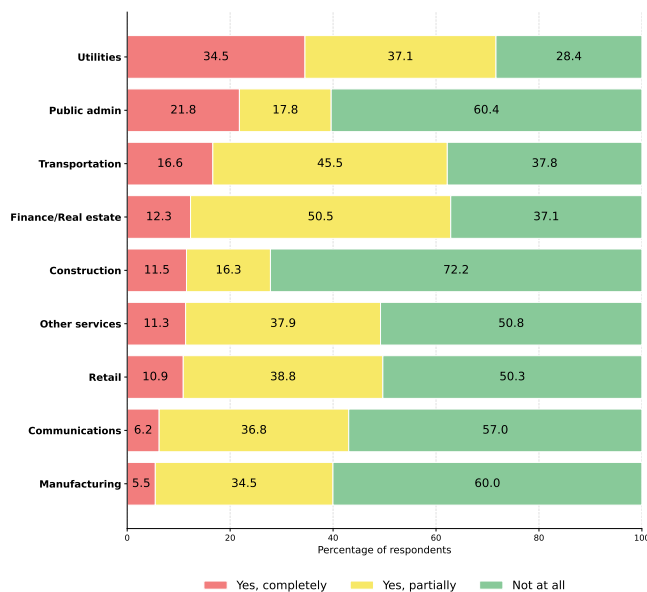
Educational attainment also seems to shape how people see AI's near-term impact on their *own* jobs (Figure 9). "Yes, *completely*" declines with education (HS or less 21.2%, some college 12.6%, BA+ 7.7%), while "Yes, *partially*" rises (HS or less 31.8%, some college 32.1%, BA+ 38.7%). The combined "yes" (completely or partially) is highest among HS or less (53.0%), and somewhat lower—but similar—among some college (44.7%) and BA+ (46.3%). These gradients fit a story of *task exposure*: more-educated workers are less likely to expect full replacement but more likely to anticipate partial task automation.



**Figure 9** Perceptions of whether respondents' own jobs could be replaced by AI in the next five years, by educational attainment.

Finally, Figure 10 shows that perceived AI exposure varies sharply by sector. *Utilities* (Electric, gas, and sanitary services) stands out as the most vulnerable: 34.5% of respondents in that sector think AI could *completely* replace their job and another 37.1% expect *partial* replacement (only 28.4% say "not at all"). *Finance/real estate* (50.5% partially; 12.3% completely) and *transportation* (45.5% partially; 16.6% completely) also have clear majorities anticipating at least some replacement. By contrast, *construction* appears comparatively insulated (72.2% "not at all"), and *manufacturing* and *communications* also tilt toward no replacement (60.0% and 57.0% "not at all," respectively). *Retail* and *other services* are split roughly half-and-half between some replacement and none, while public admin-

istration is heterogeneous—21.8% "completely" but 60.4% "not at all"—consistent with a mix of routine and judgment-intensive roles. Together with earlier figures, this sectoral profile reinforces a task-risk interpretation: codified, data-intensive workflows are seen as more exposed than variable, hands-on work.



**Figure 10** Perceptions of whether respondents' own jobs could be replaced by AI in the next five years, by economic sector. Only sectors with at least 20 respondent were included.

## Conclusion

The labor market in the Greater Houston area remains robust. The majority of the job search activity is driven by people looking for new opportunities, rather than by employers seeking to fill open positions, and is mainly driven by full-time workers in their prime working years. This suggests that people are actively looking to *upgrade* their careers or *preempt* potential layoff. The motivations are clear: rising cost-of-living is the dominant concern across households, especially among Black and Hispanic residents. On the demand side, workplaces show a mix of expansion, steady state, and churn; exposure to layoffs or mixed signals is strongly associated with active job search, while straight-forward hiring correlates with staying put. Looking forward, residents expect AI to change tasks more than to eliminate jobs entirely, with perceptions varying by education levels in ways consistent with task reconfiguration rather than outright displacement.

## Policy Recommendations.

- *Support employed movers.* Because search is largely about upgrading, policies that reduce frictions—job matching, scheduling transparency, transportation help, and portable benefits—can convert openings

into upward moves.

- *Target the squeeze.* Cost-of-living relief (housing supply and stability, childcare affordability, transportation cost reductions) directly addresses the top-ranked driver of search.
- *Stabilize through skill acquisition and training.* In churning environments, pairing short, rapid training with recognized micro-credentials can help workers pivot into growing roles within the same firms or sectors.
- *Design for AI complementarity.* Equip workers and firms to pair human judgment with AI so automation becomes upskilling—not displacement.
  - **Employees:** Learn where AI helps in your role, know its limits, and practice prompt-driven workflows. Double-check outputs (facts, citations, calculations), document when AI is used, and invest in what isn't replaceable—client engagement, domain expertise, ethics, and creative problem-solving.

- **Employers:** Build an active AI culture with clear norms (acceptable use, privacy, attribution, and citation). Train staff to verify outputs and spot fabricated references; require human sign-off for consequential work; provide safe sandboxes and QA checks. Recognize and reward contributions that go beyond AI (relationship-building, problem framing, cross-team coordination), and update job ladders to reflect AI-enabled productivity.

Taken together, the evidence points to a labor market where people are working, watching, and willing to move when the match is better. Policy that mitigates the impact of rising costs of living and speeds skill adaptation will turn today's "working while looking" into tomorrow's upward mobility.

## References

U.S. Bureau of Labor Statistics. Houston area economic summary. 2025. URL [https://www.bls.gov/regions/southwest/summary/blssummary\\_houston.pdf](https://www.bls.gov/regions/southwest/summary/blssummary_houston.pdf).



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**How to cite:** Buttorff, G., Danilola, S., Granato, J., Miers, C. M., Perez Argüelles, M. P., Pinto, P. M., Sipole, S. L., Upchurch, G. P., Vallejo, A., & Wong, M. C. S. (2025). **Houston's Labor Market in Motion: Job Search, Stability, and the Threat of AI.** *CPP Report 2-2025*.

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