



Federal Reserve
Bank of Dallas

Texas Economic Performance and Outlook

(April 2024)

“Employment Growth Slows”

Mariam Yousuf, Pia Orrenius and Luis Torres

Federal Reserve Bank of Dallas

4/19/2024

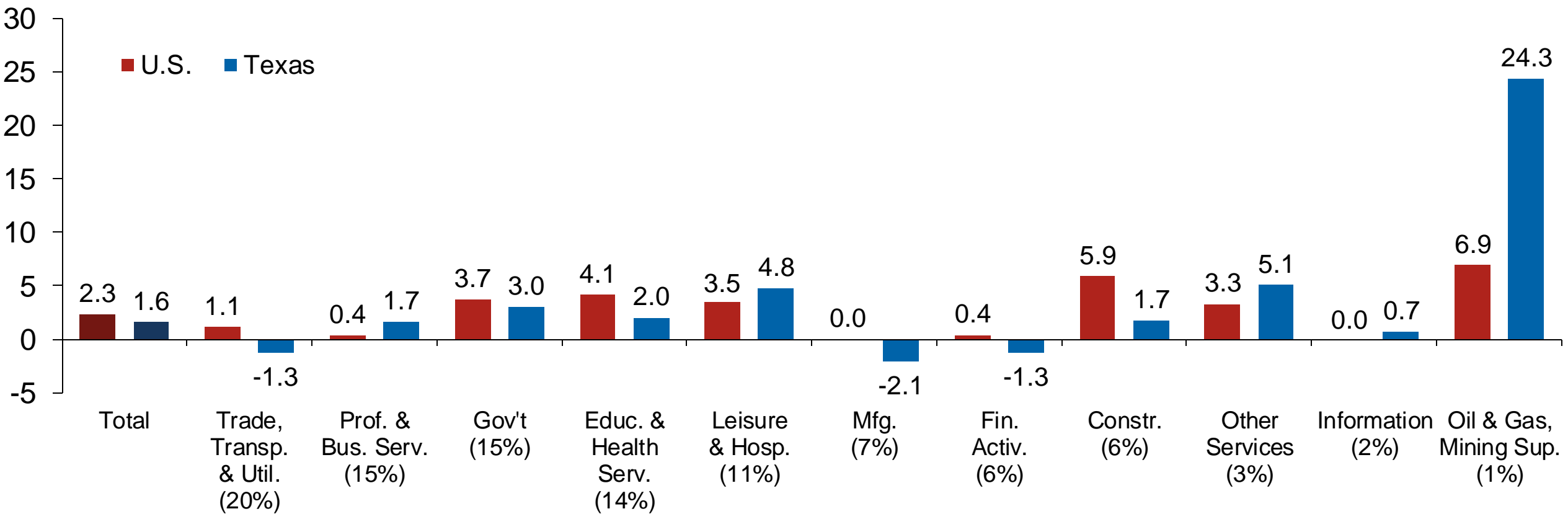
What's New: Job growth slows in March, 2024 employment forecast revised down

- Texas employment rose 1.6 percent in March, slower than February's 4.1 percent increase.
 - Texas job growth grew slower than the nation's 2.3 percent rise in March.
- The Dallas Fed's Texas Employment Forecast indicates jobs will increase by 2.3 percent in 2024.
 - Forecast was 2.5 percent job growth this year.
- Year-to-date Texas employment growth was 2.5 percent greater than U.S. (2.1 percent)
- Texas unemployment held steady at 3.9 percent in March.
 - U.S. unemployment rate ticked down to 3.8 percent in March.
- March Texas Business Outlook Surveys (TBOS) show improvement in the service sector but contracting manufacturing activity.
 - Texas firms report a slowdown in the growth of prices and wages over the next 12 months.
 - Over the next six months, Texas firms are concerned by weakening demand, potential recession, and domestic policy uncertainty.

Overall Economic Activity

Texas payrolls sluggish in March, significant gains in oil & gas

Job Growth March 2024/February 2024 (%)*



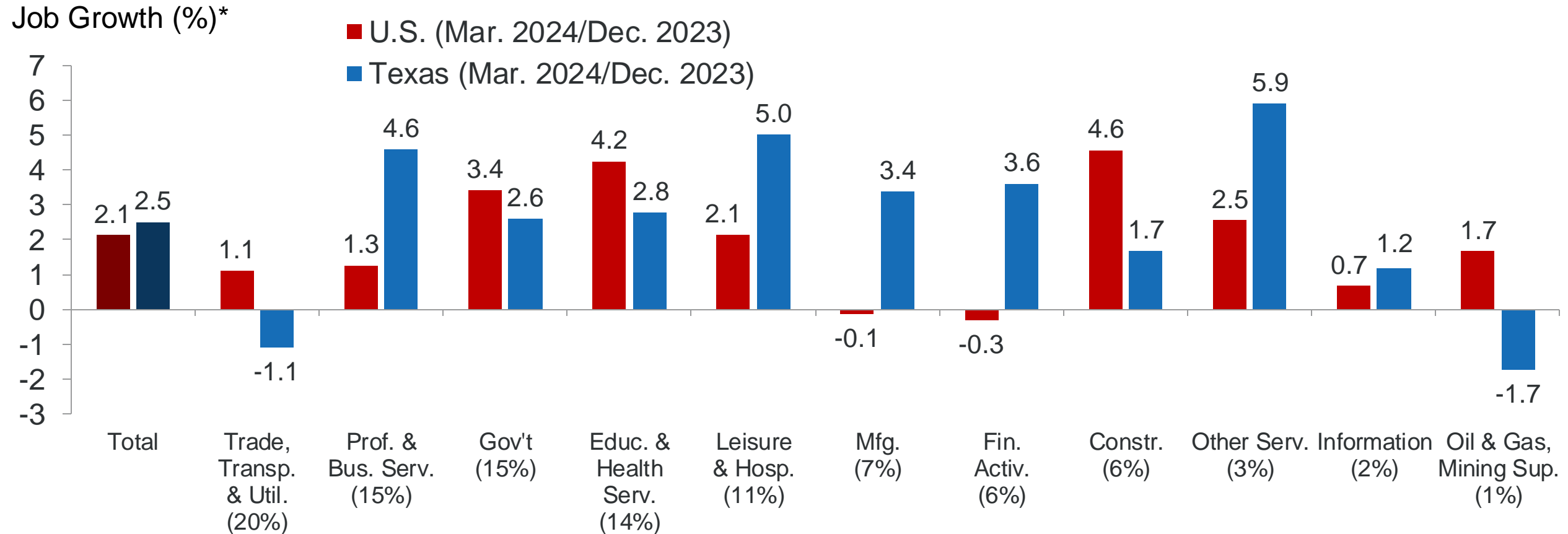
*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of total state employment in March 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; Federal Reserve Bank of Dallas.

DATA: [Texas Employment by Industry - Dallasfed.org](https://www.dallasfed.org/outlook/texas-employment-by-industry)

YTD Texas employment growth led by other services, leisure and hospitality and professional & business services



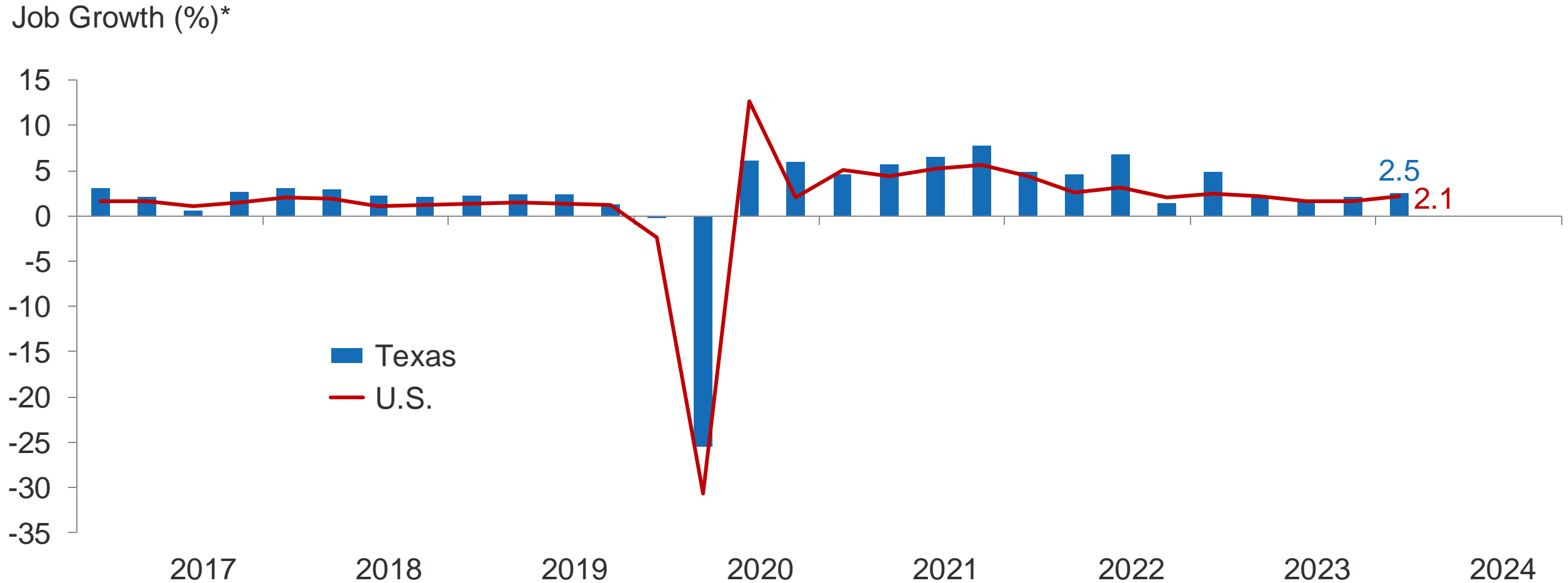
*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses indicate share of total state employment for March 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

DATA: [Texas Employment by Industry - Dallasfed.org](https://dallasfed.org/research-and-data/texas-employment-by-industry)

Texas job growth above average in Q1 2024



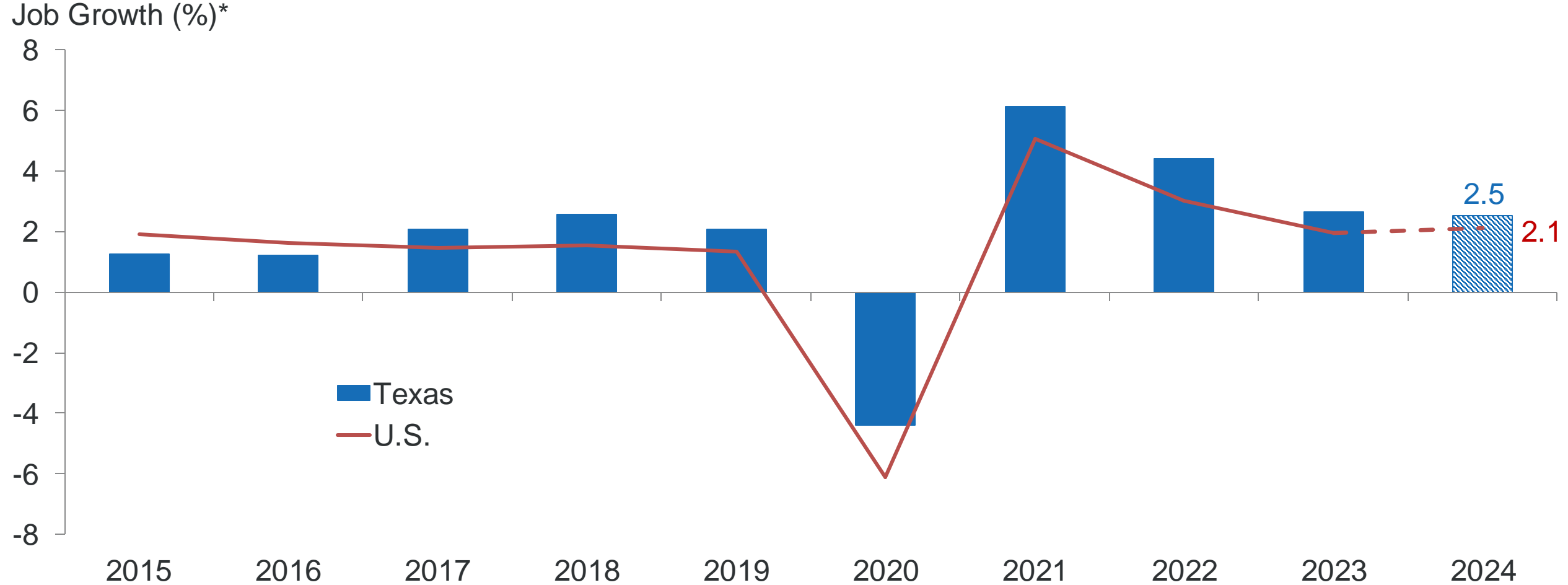
*Seasonally adjusted, annualized rate.

NOTE: Shown is quarterly job growth through Q1 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

DATA: [Texas Payroll Employment - Total Nonfarm - Dallasfed.org](https://dallasfed.org/research-and-data/texas-payroll-employment-total-nonfarm)

Texas' 2024 job growth on track to exceed the nation's



*Seasonally adjusted, annualized rate.

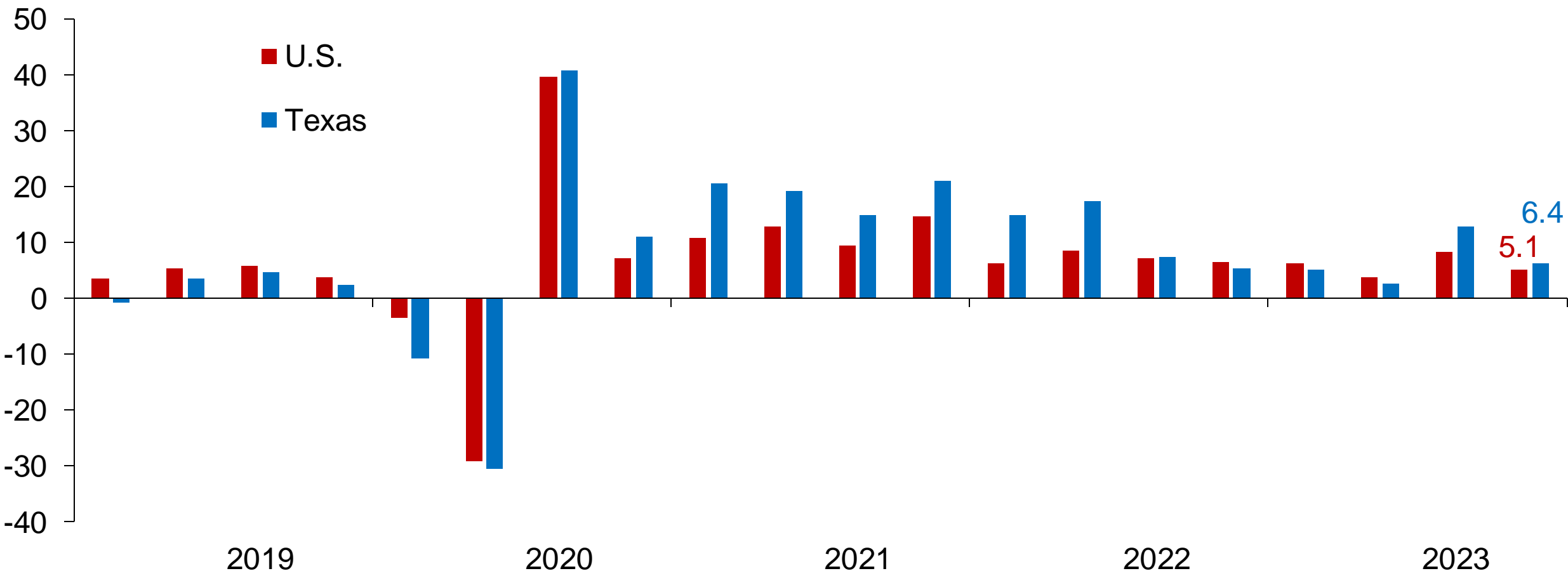
NOTES: Last data points are annualized job growth for March. 2024/Dec. 2023. Yearly growth is Dec/Dec.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

DATA: [Texas Payroll Employment - Total Nonfarm - Dallasfed.org](#)

Texas GDP grew faster than the country yearend 2023

Percent, Q/Q*



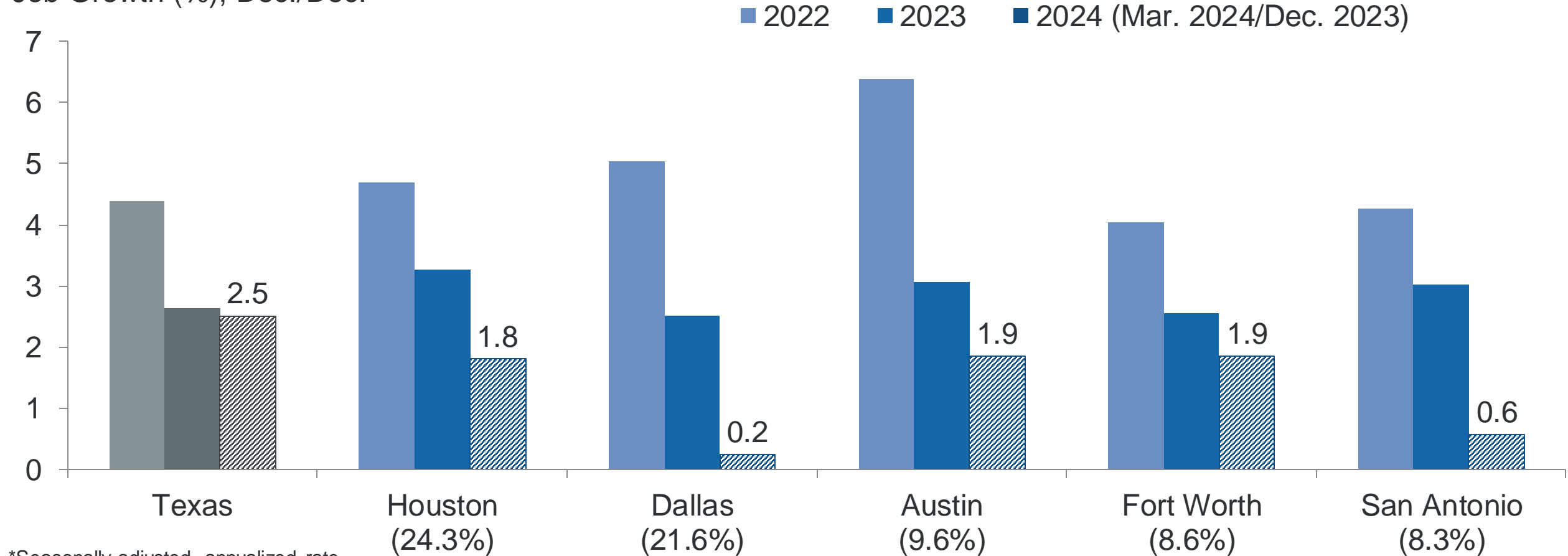
*Seasonally adjusted, annualized rate.

NOTE: Shown are quarterly, nominal GDP growth for the U.S. and GSP (gross state product) growth. Data are through Q4 2023.

SOURCES: Bureau of Economic Analysis; Federal Reserve Bank of Dallas.

In Q1 2024, major metros grew slower than the state

Job Growth (%), Dec./Dec.*



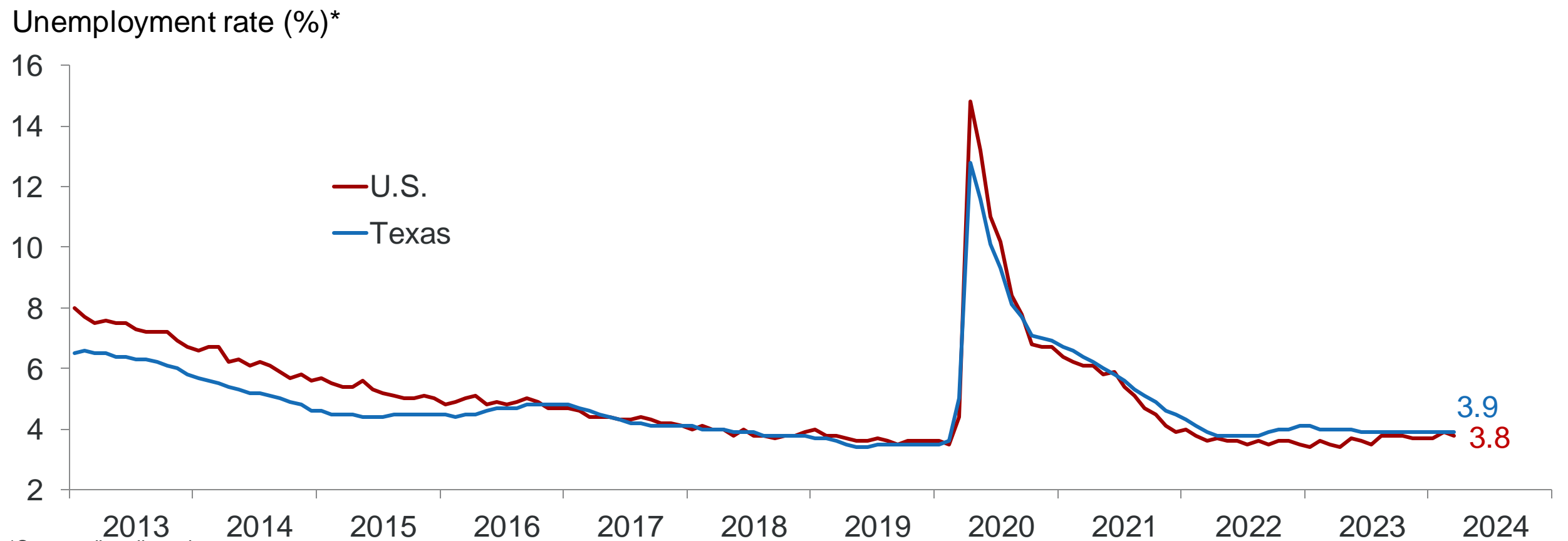
*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of state employment for March 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

DATA: [Texas Employment Data - Dallasfed.org](https://www.dallasfed.org/research/economic-research/texas-employment-data)

Texas unemployment rate holds steady at 3.9 percent for the tenth straight month



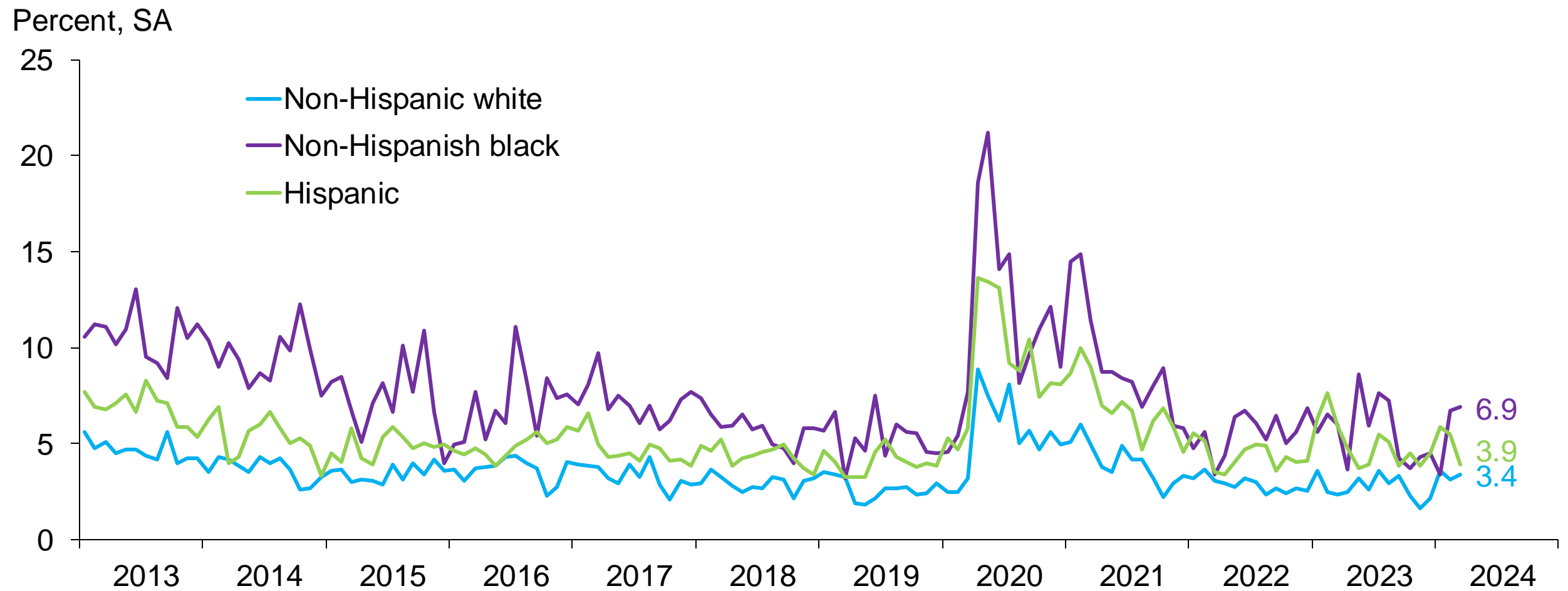
*Seasonally adjusted.

NOTE: Data are through March 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; Federal Reserve Bank of Dallas.

DATA: [Texas Employment by Industry - Dallasfed.org](https://www.dallasfed.org/topics/employment)

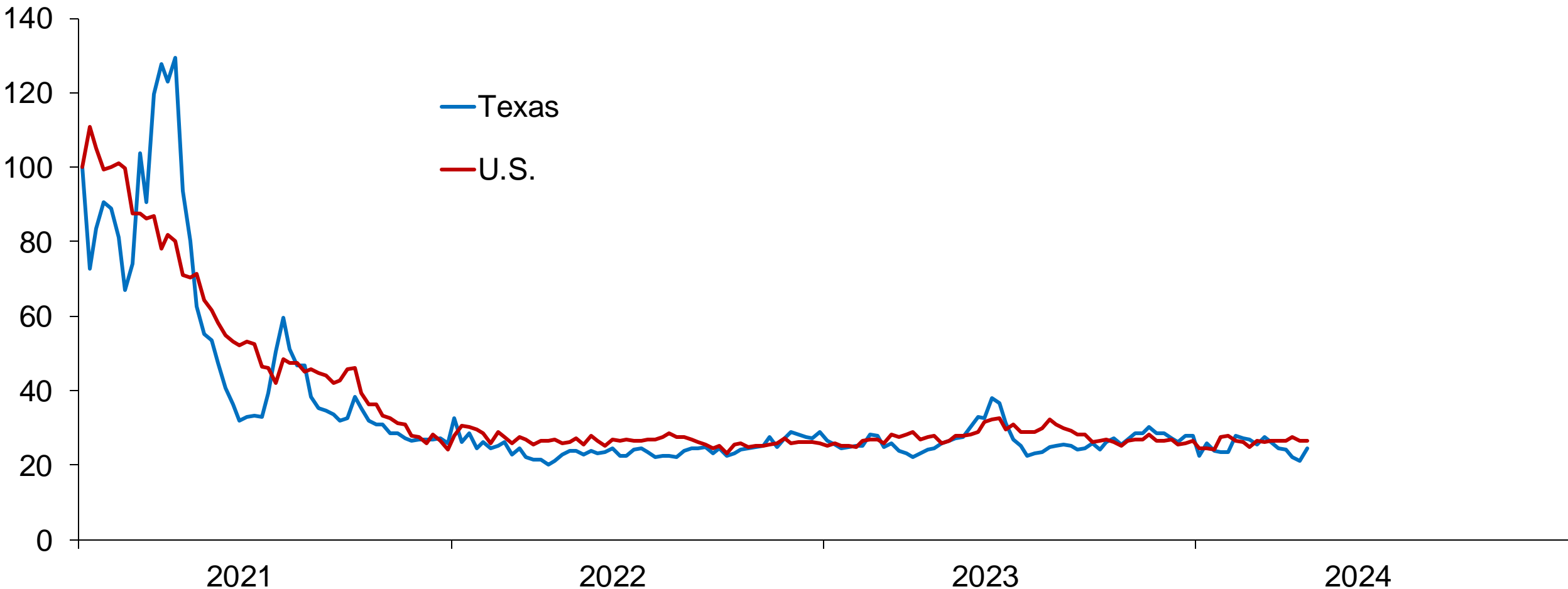
Unemployment high for Blacks, declines for Hispanics and ticks up for Non-Hispanic Whites



NOTE: Last data points are March 2024 values.
SOURCE: Current Population Survey, authors' calculations.

Texas total jobless claims are below the nation's

Index, Jan. 2, 2021 = 100, SA

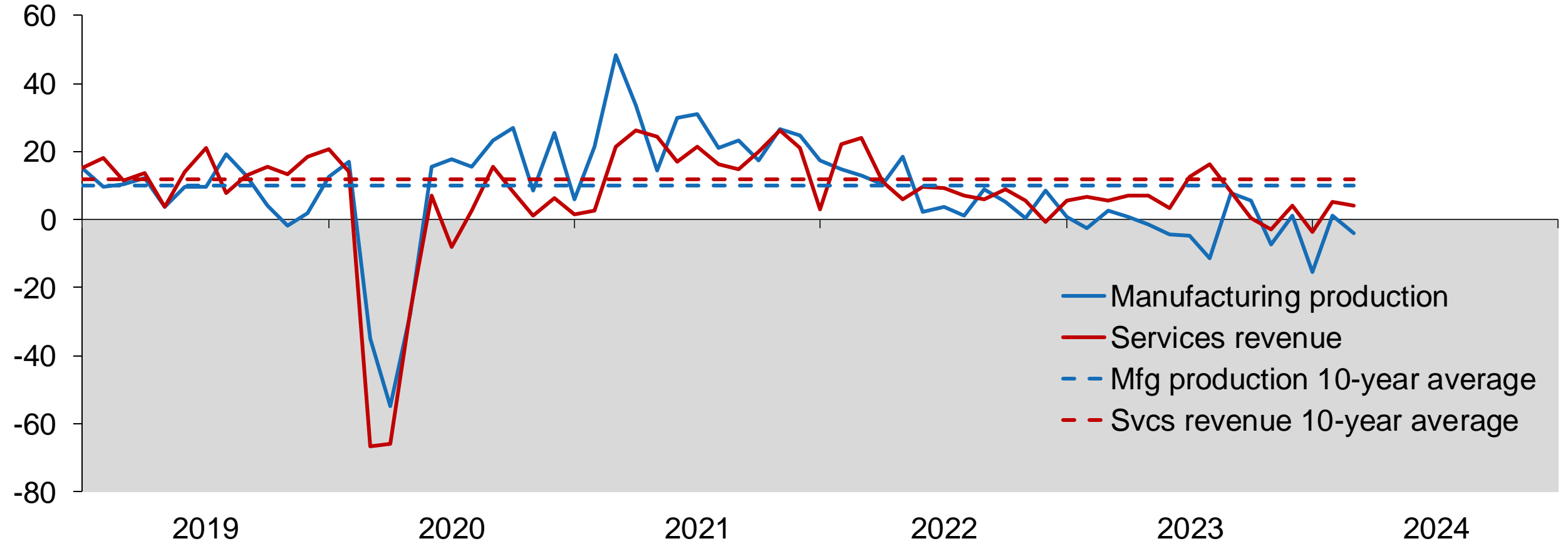


NOTE: Data are through the week ending Apr. 13, 2024.

SOURCE: Department of Labor.

Manufacturing activity turns negative, service sector revenue stabilizes in positive territory

Diffusion Index, SA



NOTES: Data through March 2024. Shaded area represents contractionary territory.

SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

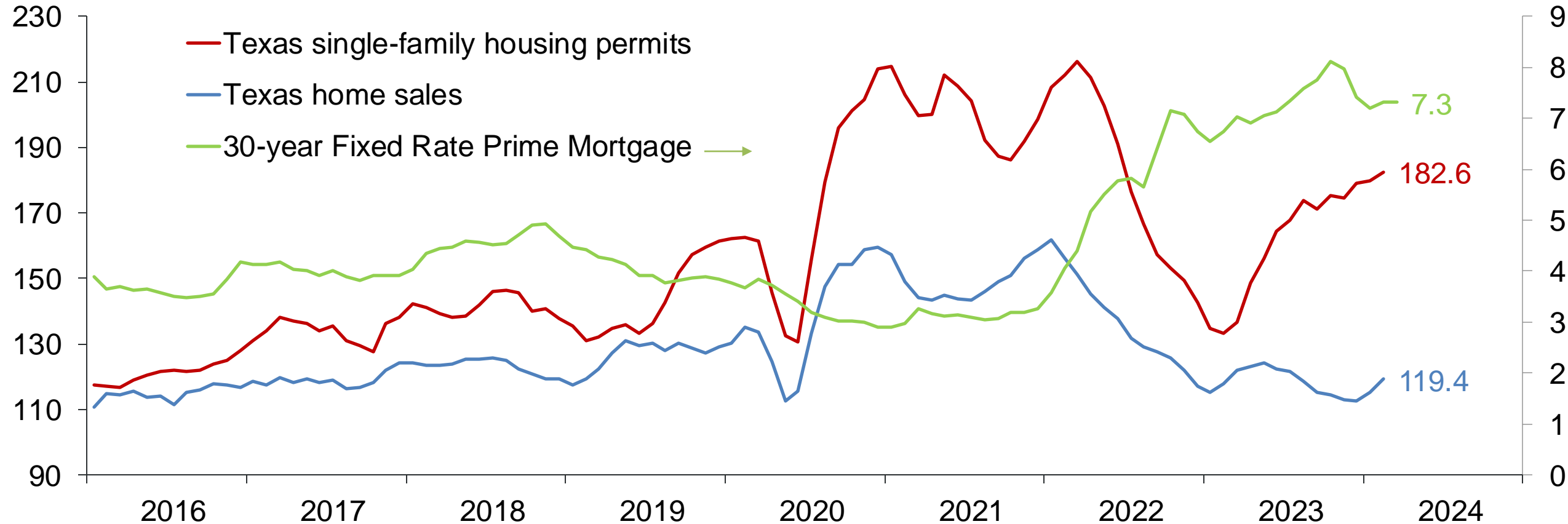
DATA: [Surveys - Dallasfed.org](https://www.dallasfed.org/surveys)

Real Estate, Finance and Energy

Housing: Texas home sales, housing permits on the rise while mortgage rates flatten

Index, Jan. 2013 = 100, 3MMA, SA

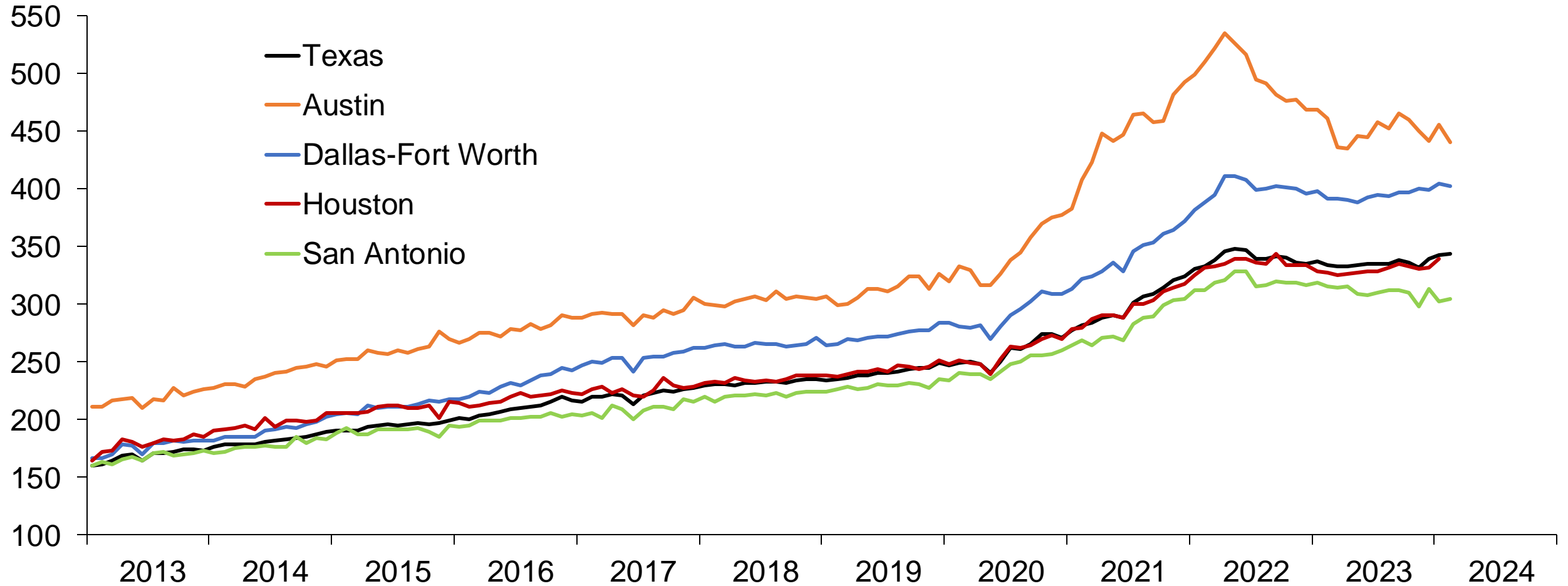
Interest rate, monthly average



NOTE: Data are monthly through February 2024 for housing permits and March 2024 for the rest.
 SOURCES: MLS; A&M Real Estate Center; Freddie Mac Primary Mortgage Market Survey; U.S. Census.

House prices move sideways

Median sales price, \$ SA

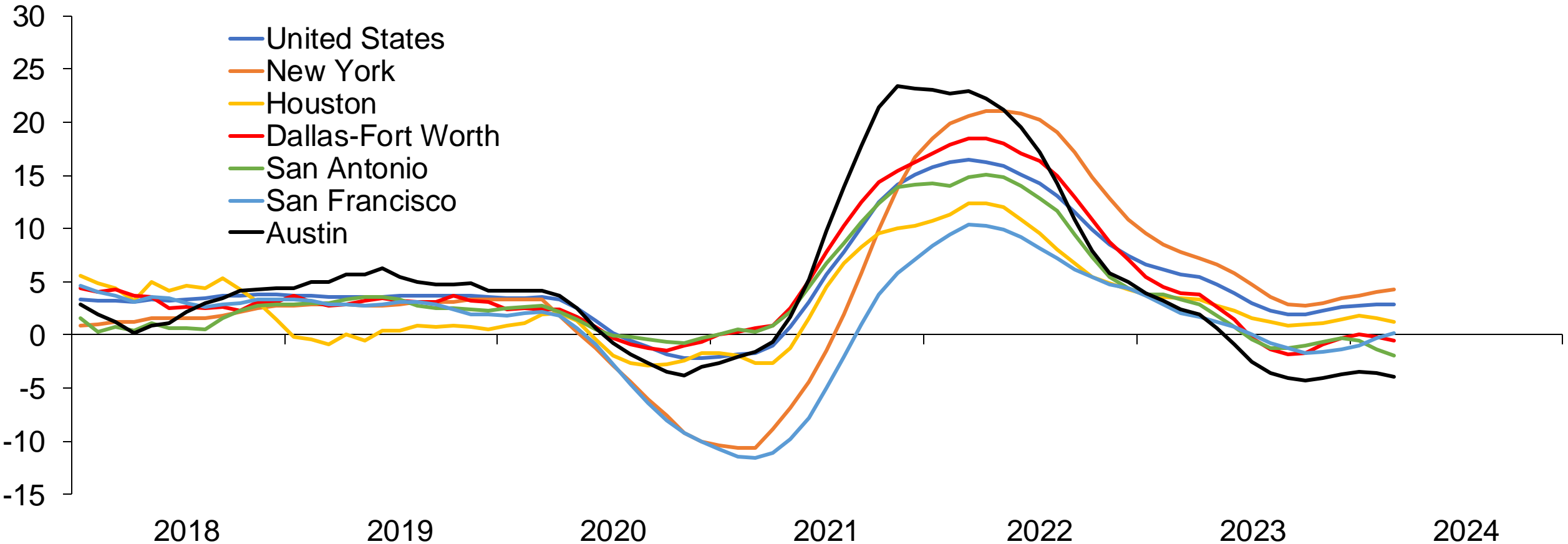


NOTES: Data through January 2024 for Houston and February 2024 for the rest.

SOURCES: Multiple Listing Service; seasonal and other adjustments by Federal Reserve Bank of Dallas.

Apartment rents flat to down in most Texas markets

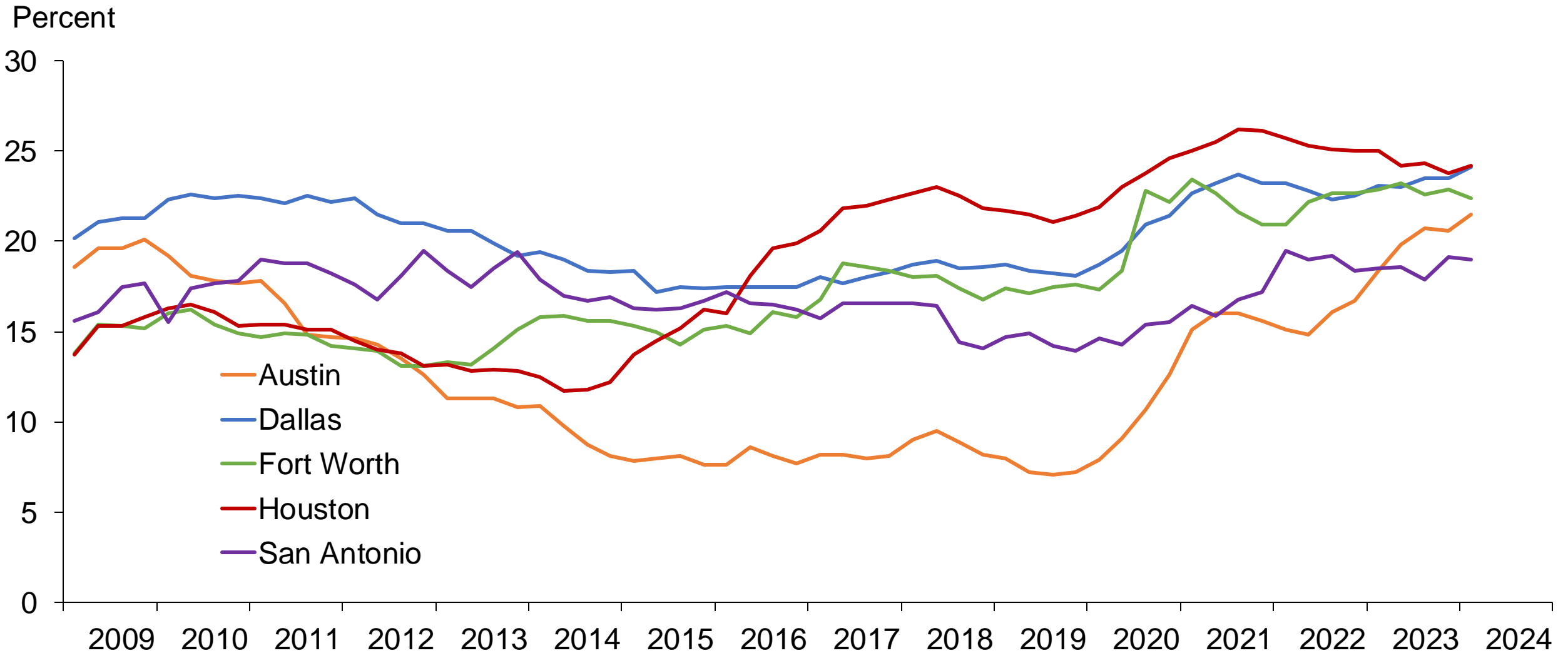
Percent, Y/Y SA



NOTES: Data are monthly through March 2024. New York is missing March through September 2020 data. San Francisco is missing June through October 2020 data. Missing data are linearly interpolated.

SOURCE: Zillow.

Office vacancy rise in Houston, Dallas, and Austin



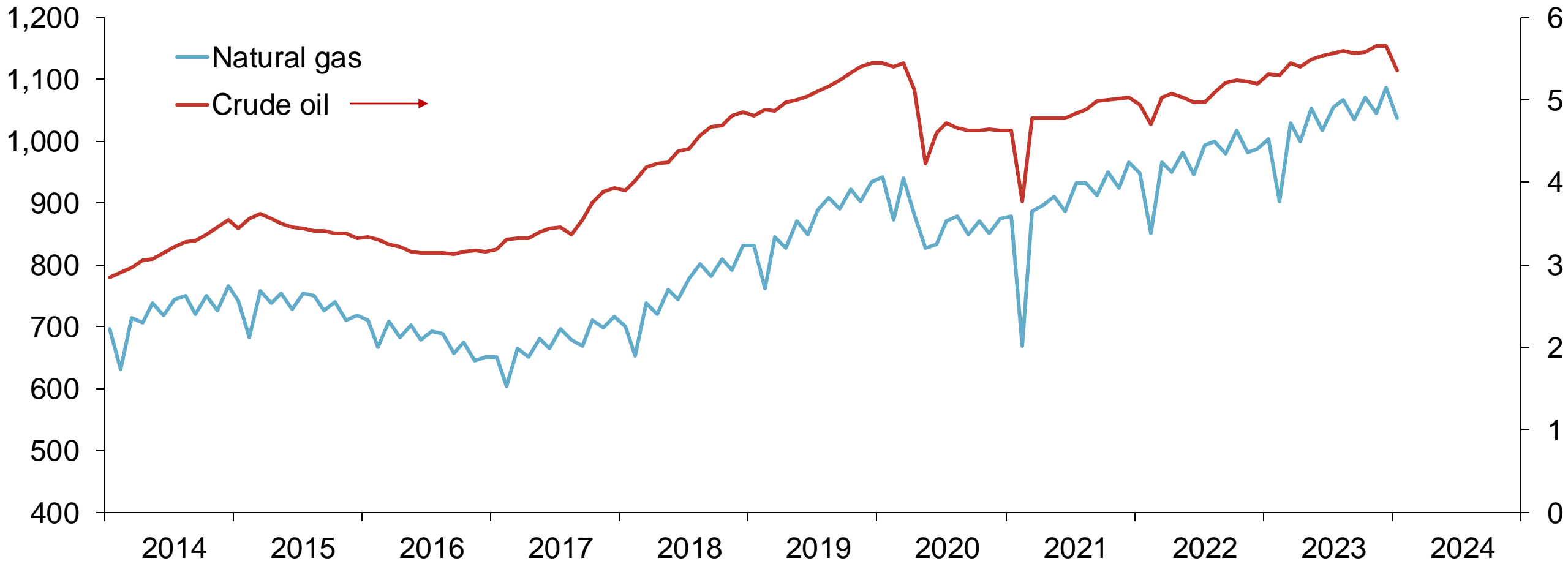
NOTE: Data through Q1 2024.

SOURCE: CBRE Econometric Advisors.

Texas oil and gas production fall yet still around or above pre-pandemic peaks

Billion cubic feet

Million barrels per day

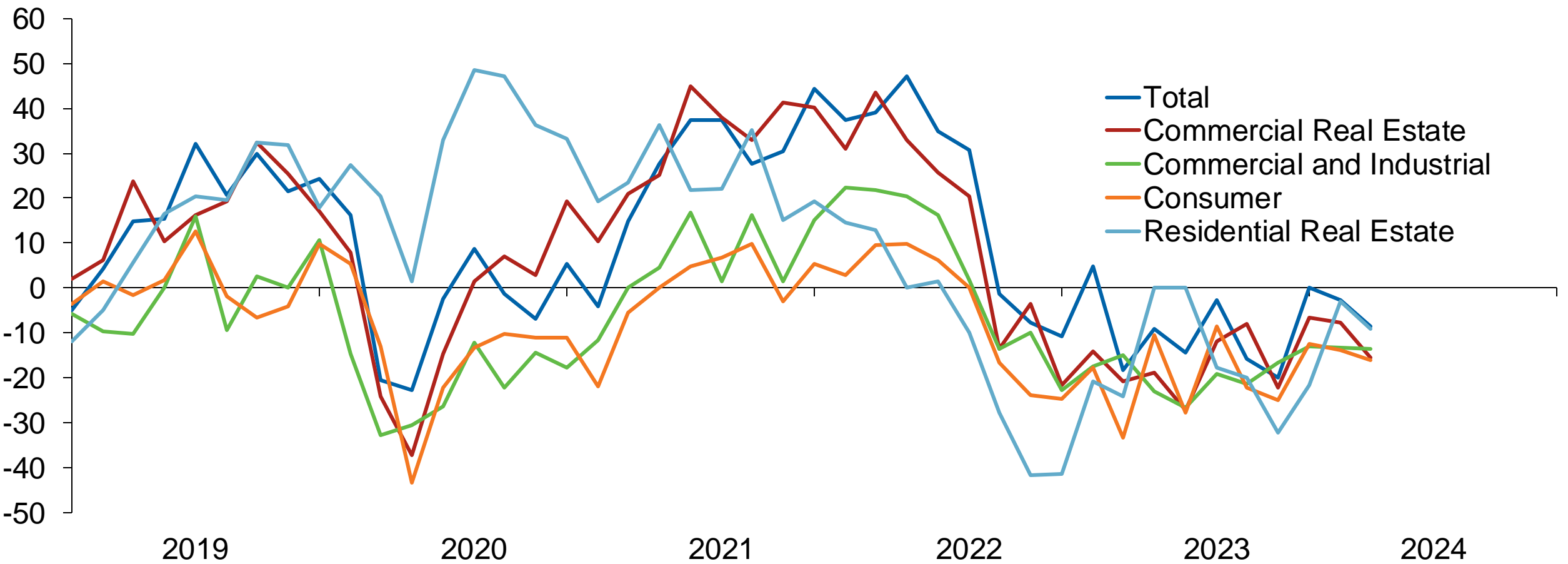


NOTE: Shown are crude oil and natural gas marketed production through January 2024.

SOURCE: Energy Information Administration.

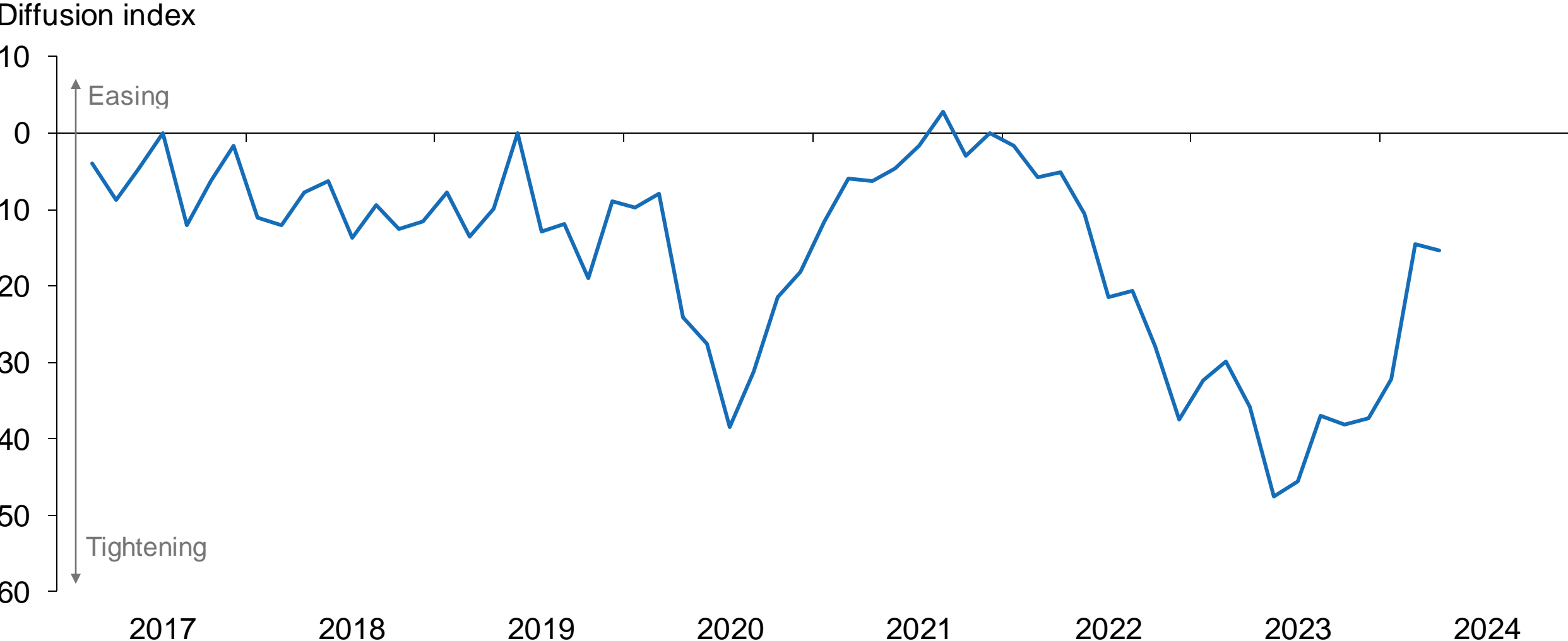
Overall loan volumes tick down in April, according to 11th District bankers

Diffusion index



NOTE: Data through April 2024.
SOURCE: Federal Reserve Bank of Dallas' Banking Conditions Survey.

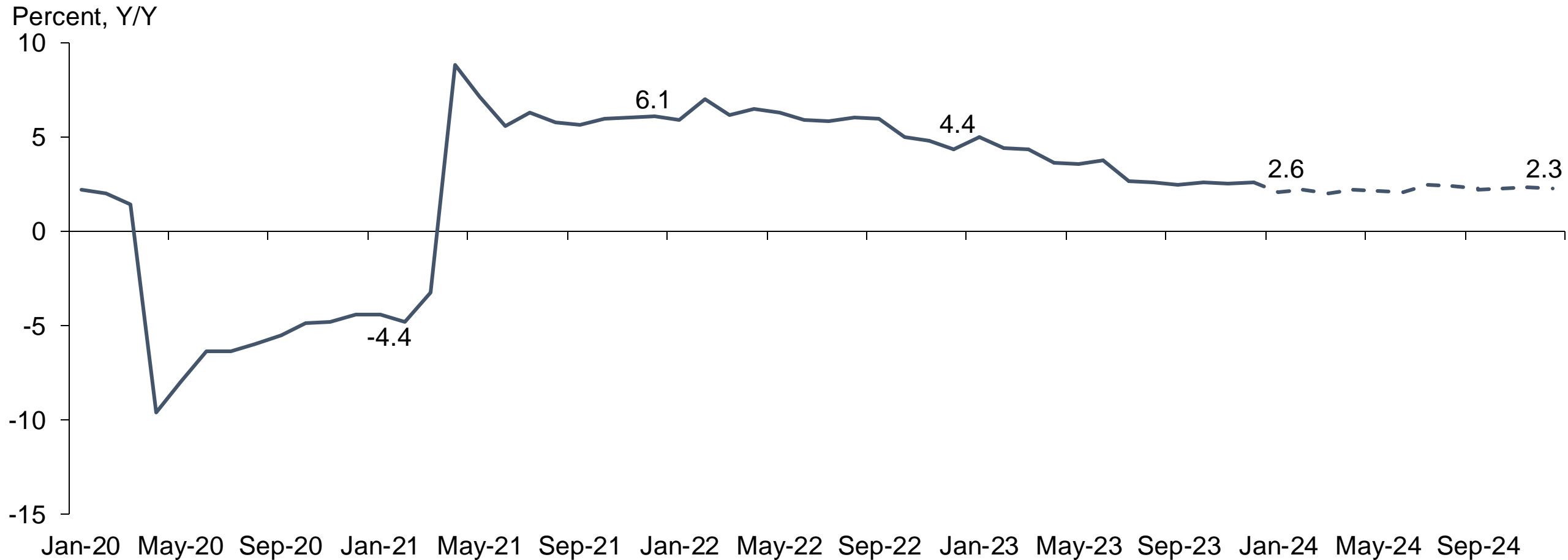
Texas banks report continued tightening of credit standards



NOTES: Includes credits and terms. Data are through April 2024.
SOURCE: Federal Reserve Bank of Dallas' Banking Conditions Survey.

Outlook for 2024

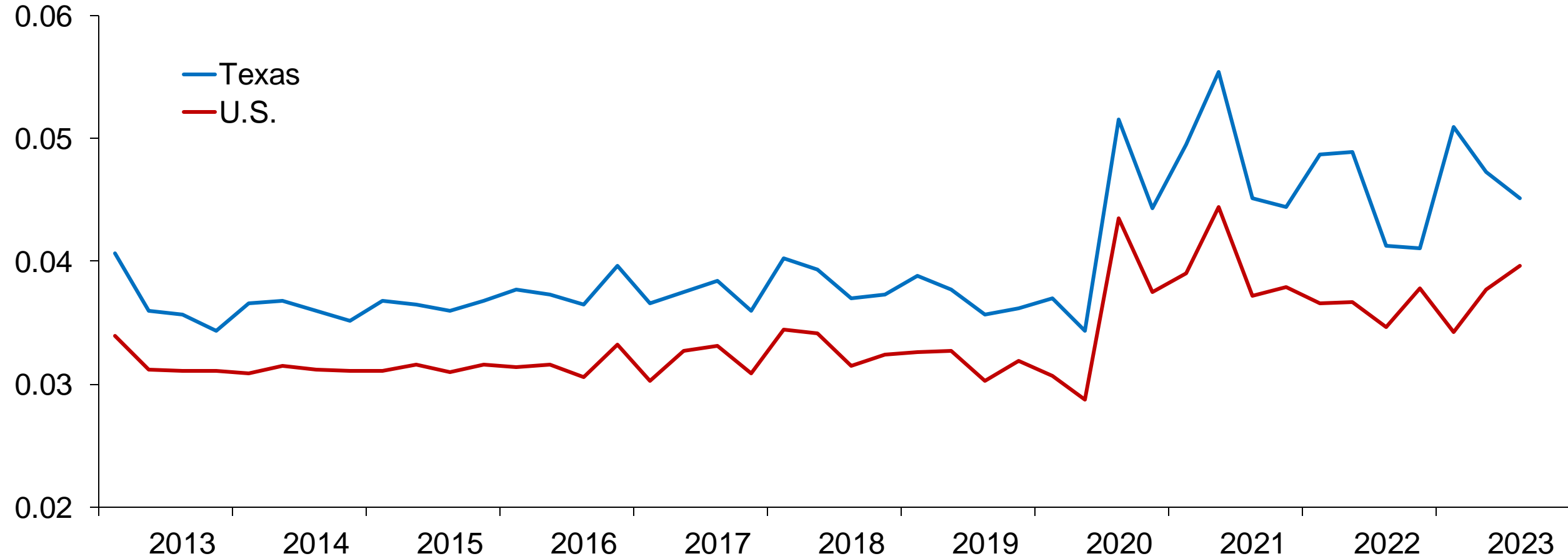
The Texas employment forecast indicates 2.3 percent growth in 2024 after rising 2.6 in 2023



NOTE: The Dallas Fed Texas Employment Forecast is based on the average of four models. Three models are VARs where Texas payroll employment is regressed on WTI oil prices, the US leading index and the Texas leading index, respectively. The fourth model is a regression of payroll employment on lags of payroll employment, expectations for U.S. GDP growth, WTI oil prices, and four COVID-19 dummy variables (March-June 2020).

Rate of business formation in Texas slows but remains above the nation

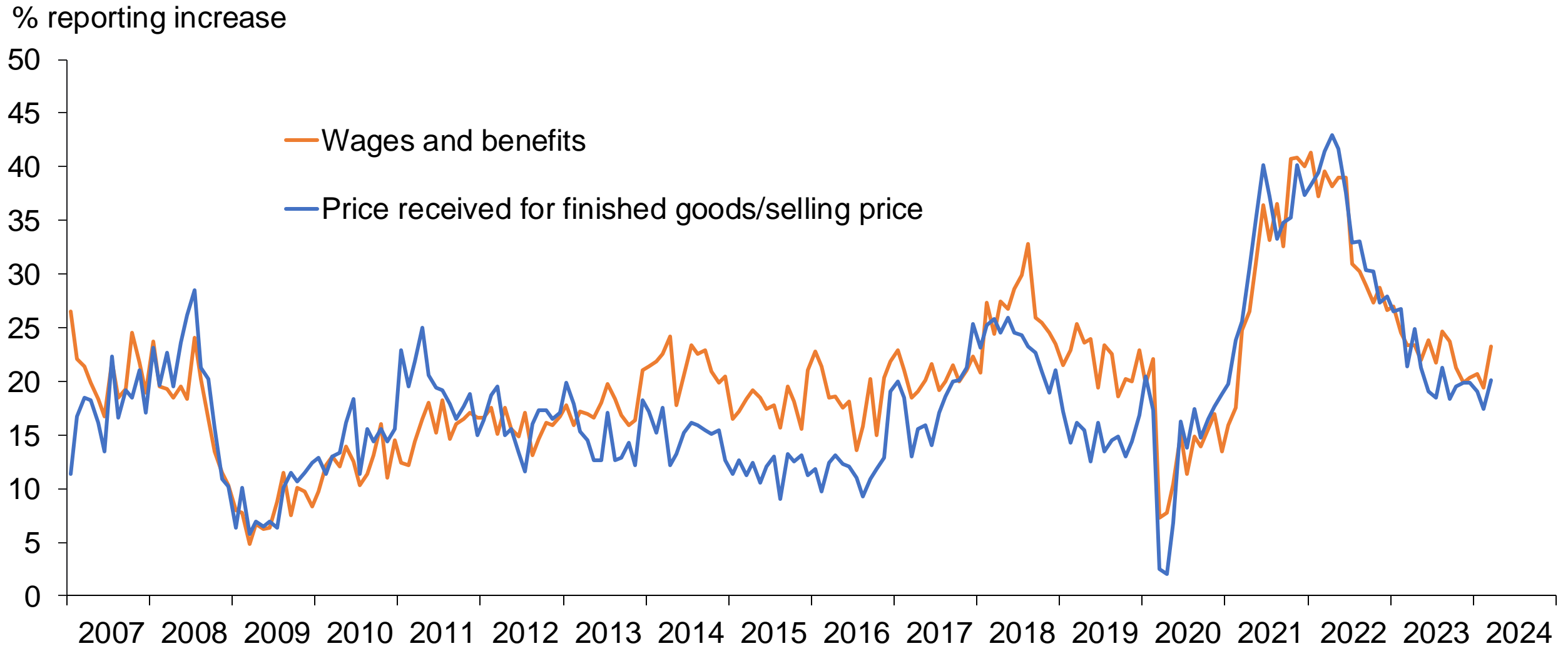
Business applications per business establishments



NOTES: Data are quarterly through Q3 2023. Business applications data are missing for the first week of January 2021.

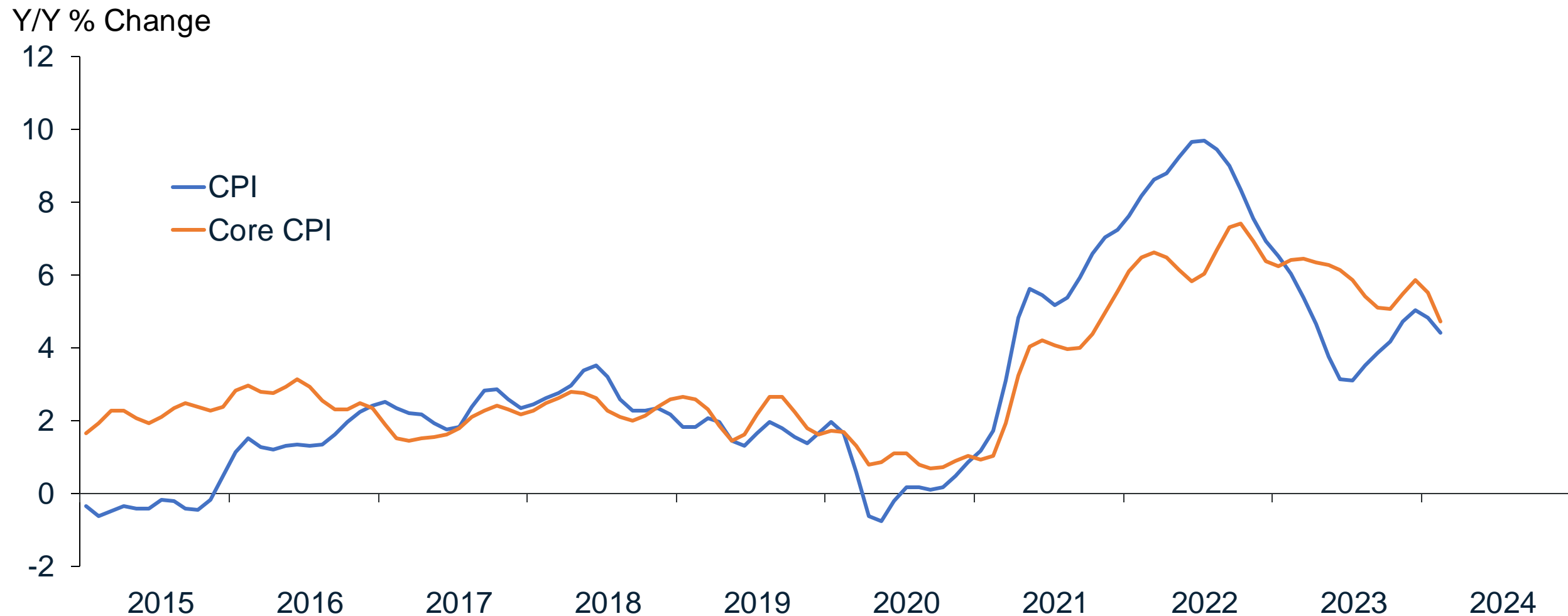
SOURCE: U.S. Census Bureau.

More Texas firms raise wages and prices in March



NOTES: Percent reporting increase was constructed by weighting the respective component of TMOS and TSSOS according to GDP shares. Data through March 2024.
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

Texas CPI turns down in February

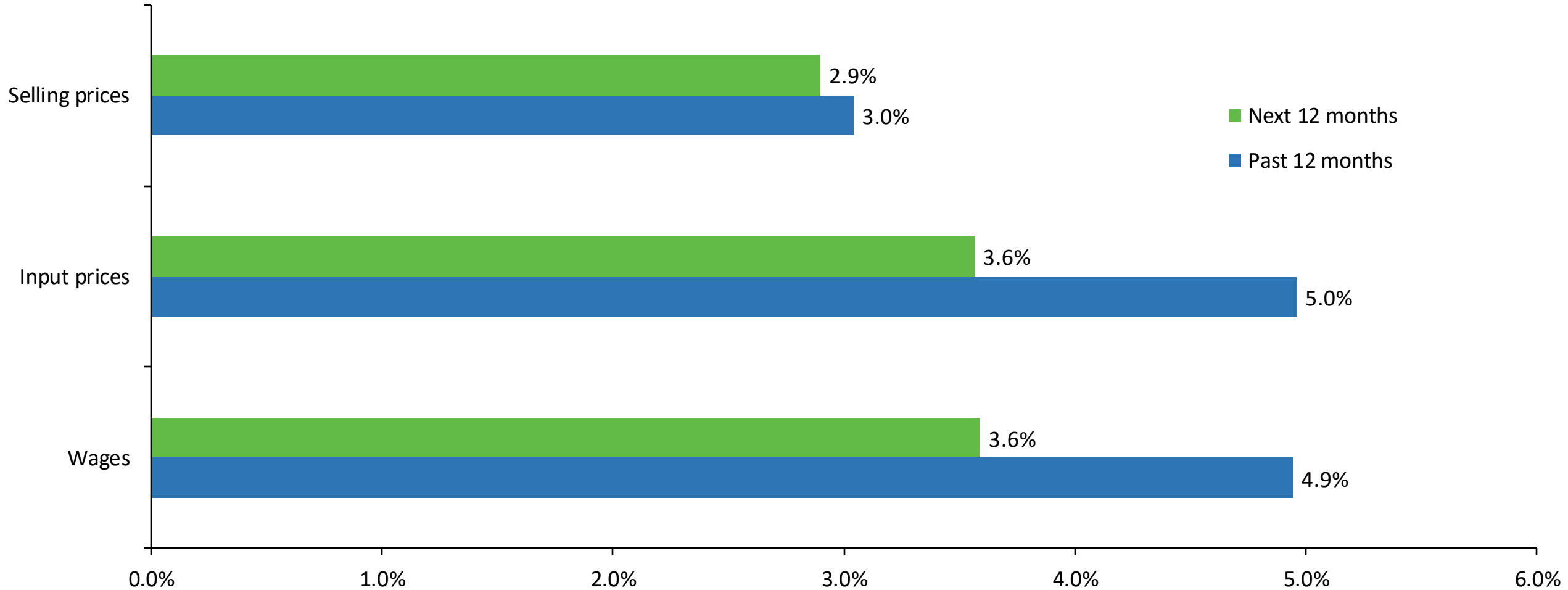


NOTE: CPI data through February 2024.

SOURCE: Bureau of Labor Statistics.

Survey Special Questions

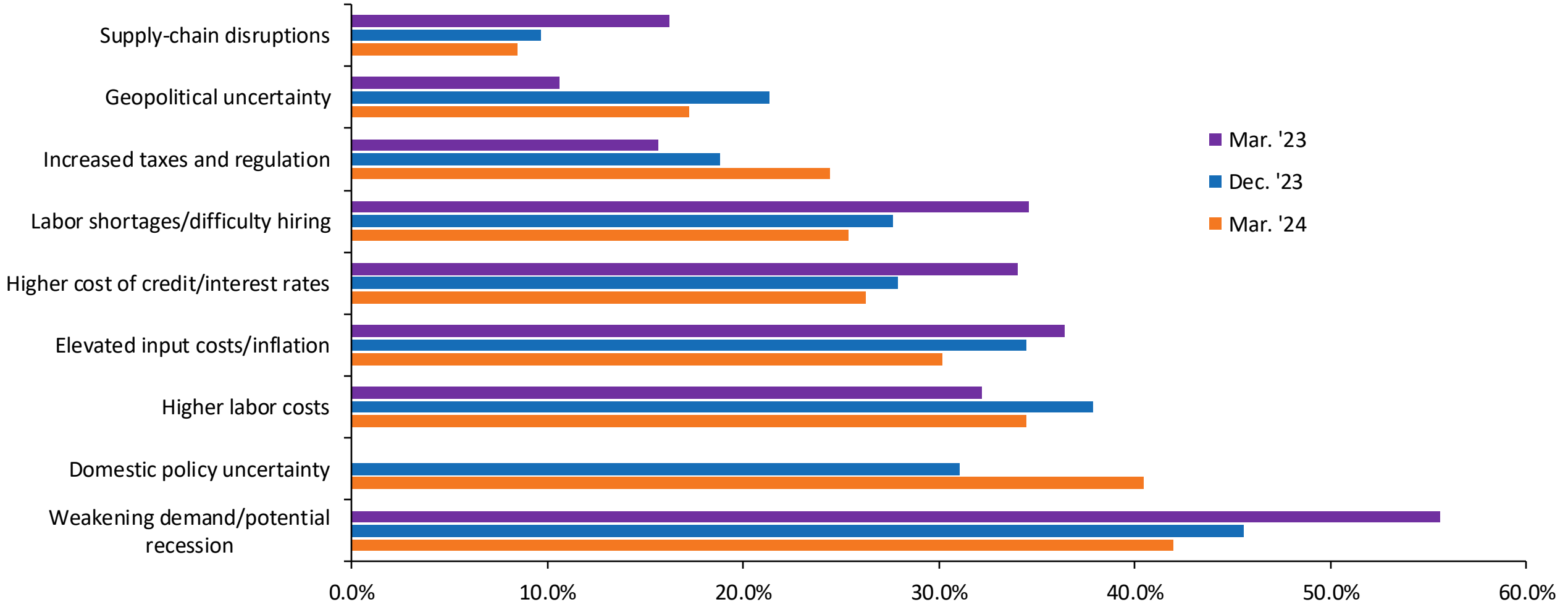
Wage and price growth expected to slow down over the next 12 months



NOTES: Shown are the trimmed mean of all responses to the question, "What percent change in wages, input prices and selling prices did your firm experience over the past 12 months, and what do you expect over the next 12 months?" N = 309 in March 2024. Input prices exclude wages.

SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Survey.

Texas firms report weakening demand and domestic policy uncertainty as primary concerns



NOTES: Shown are the percentages of respondents who selected a given category in the top three sources of uncertainty for their firm in the next six months. Participants were asked, "What are the primary concerns around your firm's outlook over the next six months, if any?" N=331 in March 2024.

SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Survey.

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