The Dallas–Fort Worth economy has expanded at a strong pace in the first half of 2014 and is outperforming the state as a whole. Year to date, DFW employment has grown 4.5 percent, one percentage point faster than the state’s 3.5 percent pace. Job growth continues to be mostly broad-based across sectors. Activity in the housing sector remains healthy, and home prices continue to rise due to solid demand and low inventories. The Dallas and Fort Worth unemployment rates remain below those of the U.S., and the Dallas Fed business-cycle indexes suggest continued expansion for the Dallas–Fort Worth metroplex.

Summary

Dallas–Fort Worth employment grew 3.4 percent in June, adding 8,900 jobs. Job creation in the second quarter outpaced first-quarter growth by a wide margin. DFW employment rose 5.5 percent (42,600 jobs) in the second quarter, compared with 3.4 percent (26,500 jobs) in the first. Most of the increase in the area’s employment has come from rapid growth in the Dallas economy, which has added jobs at a 5.4 percent pace in the first half of the year—faster than any other major metro in the state.

The metroplex has seen well-rounded job growth in the first half of the year. The professional and business services sector has recorded the fastest pace of growth at 10.8 percent and added the most jobs year to date. Job creation in construction and mining and leisure and hospitality has been particularly strong as well. Only the manufacturing sector has shed jobs, with employment contracting by 700 jobs year to date.

In June, construction and mining was the fastest-growing sector, with job growth of 20.8 percent (annualized). Professional and business services and education and health services employment also rose at a robust pace during the month.

The total number of job advertisements online in Dallas increased 9.2 percent in June, according to the Conference Board’s Help Wanted OnLine data series. The Dallas area saw the largest increase in the total number of online job ads among the Texas major metros, namely Austin (5.8 percent), San Antonio (5.4 percent) and Houston (4.9 percent). While all occupational categories saw higher demand in Dallas in June, the largest contributor (in total number of ads) was the professional and related category. The number of new job advertisements in Dallas also rose strongly by 15.8 percent in June.
In June, the unemployment rate edged down to 5.1 percent in Dallas and to 5 percent in Fort Worth. The unemployment rate in Dallas is in line with the state average of 5.1 percent, while Fort Worth’s rate is slightly below. Both metros have rates lower than the 6.1 percent U.S. rate.

The S&P Case-Shiller Home Price Index showed Dallas–Fort Worth home prices rose at an annualized pace of 5.4 percent in April. The composite index for the U.S., which covers 20 major metros, rose an annualized 2.3 percent. DFW prices are well above their 2007 prerecession peak, while U.S. prices remain below.

In May, the real median price of a home edged down in Dallas to $201,627 and in Fort Worth to $138,844. However, prices are well above year-ago levels, with prices in Dallas up 4.5 percent and in Fort Worth up 6.0 percent. Low inventories and solid demand have contributed to rising prices.

Overall economic activity continues to expand at a rapid clip in the metroplex, according to the Dallas Fed’s metro business-cycle indexes. In the first half of the year, the Dallas index has risen an annualized 7.7 percent, and the Fort Worth index has increased 4 percent. Robust job creation and a steady decline in the unemployment rate have contributed to the increase in the business-cycle indexes for both Dallas and Fort Worth.

The Dallas Fed produces business-cycle indexes for Texas and its major and border metros to help gauge the current state of the economy. The metro indexes are constructed using payroll employment, the unemployment rate, inflation-adjusted real wages and inflation-adjusted retail sales.

NOTE: Data may not match previously published numbers due to data revisions.


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