Summary

The Dallas–Fort Worth economy grew at a slower pace in August, following stronger growth in previous months. So far this year, DFW employment has grown an annualized 3.5 percent, matching the state’s 3.5 percent pace. Job creation remains broad-based across sectors. Activity in the housing sector is healthy, and home prices are rising at a more moderate pace than earlier in the year. The unemployment rates for Dallas and Fort Worth ticked up in August but remain below that of the U.S. The Dallas Fed business-cycle indexes point to continued expansion for the metroplex.

Employment

Month-over-month percent change, annualized

Employment Growth by Sector

Year-to-date percent change, annualized

Home Prices

Year-over-year percent change
In August, the unemployment rate edged up to 5.3 percent in Dallas, 5.2 percent in Fort Worth and 5.3 percent in Texas. Both metros and the state have rates lower than the 6.1 percent U.S. rate.

Rising home prices have resulted in a decline in home affordability in the metroplex. The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) for Dallas fell from 59.8 to 55.7 in second quarter 2014, suggesting that about 56 percent of the homes sold during the quarter were affordable to median-income families. The HOI for Fort Worth dropped from 72.3 to 68.9 over the same period. The indexes for both metros are nearing their prerecession lows reached in third quarter 2007. Still, Dallas and Fort Worth continue to fare better than large metros such as Los Angeles and New York, where only 18.1 percent and 23.3 percent of homes sold were affordable to median-income families in the second quarter.

Overall economic activity continues to expand in the metroplex, according to the Dallas Fed’s metro business-cycle indexes. Through August, the Dallas index has risen an annualized 6.3 percent and the Fort Worth index has increased 4.5 percent. Robust job creation and a decline in the unemployment rate have contributed to gains in the business-cycle indexes for both Dallas and Fort Worth year to date.

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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