

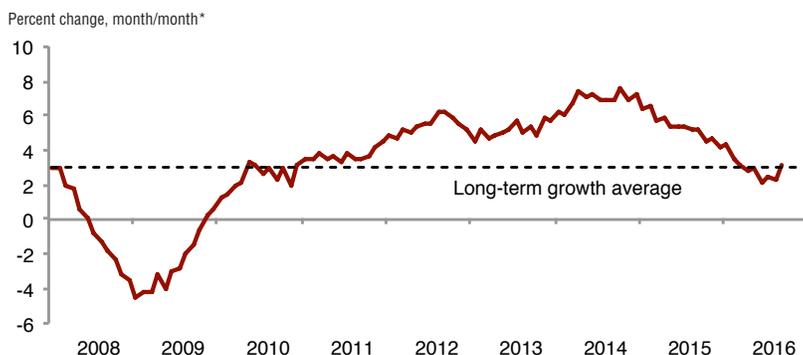
# San Antonio Economic Indicators

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**Summary** San Antonio economic activity rebounded in September. The San Antonio Business-Cycle Index increased sharply due to a rebound in job growth and stabilization in the unemployment rate. Both indicators fared better than the state. Revisions to the first- and second-quarter employment data show that San Antonio jobs have grown 2.0 percent year to date, second only to Dallas among the large Texas metros.

## San Antonio Business-Cycle Index



\*Seasonally adjusted, annualized rate.

SOURCE: Dallas Fed.

► Growth in the San Antonio Business-Cycle Index accelerated to a 3.2 percent annualized rate in September, up from 2.3 percent in August. This sharp increase follows three months of below-trend growth. While the area economy softened during the summer, leading indicators such as hiring of temporary employees and help-wanted advertising suggest continued moderate growth in the fourth quarter.

## Business-Cycle Index Components

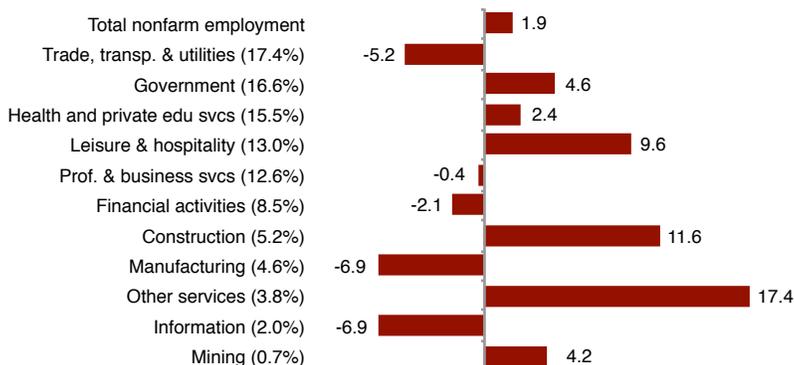
	San Antonio	Texas	U.S.
Annualized job growth (September)	8.0%	2.1%	1.3%
Unemployment rate (September)	3.8%	4.8%	5.0%
Year-over-year change in real retail sales (2016:Q1)*	1.3%	-4.9%	1.6%
Year-over-year change in real wages paid (2016:Q1)*	1.4%	0.4%	3.1%

\*Most recent data available for San Antonio.

► The San Antonio economy improved in September. After jobs declined by 2.1 percent annualized during the summer months, growth rebounded sharply in September to its fastest pace since January. The unemployment rate continued to hold at a low 3.8 percent, well below the state's 4.8 percent and the nation's 5.0 percent. First-quarter data show that inflation-adjusted retail sales and wages were weak, though both were better than the state as a whole.

SOURCES: Bureau of Labor Statistics; Bureau of Economic Analysis; Texas Comptroller of Public Accounts; adjustments by the Dallas Fed.

## Employment Growth

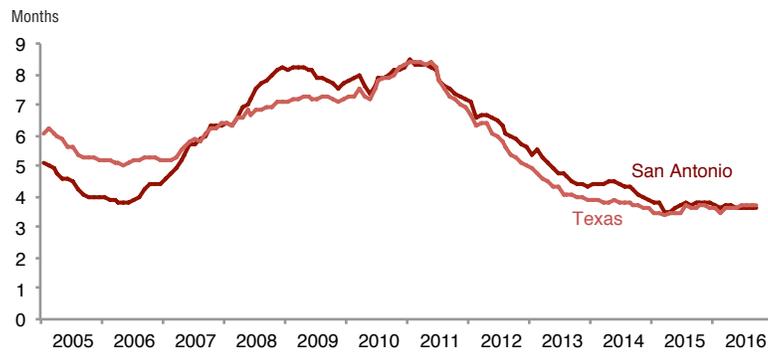


► Job growth in San Antonio increased at a 1.9 percent annualized rate over the third quarter. Manufacturing, finance and retail sectors shed jobs following weak growth in the second quarter, while information services continued its steady decline from the end of 2015. Meanwhile, construction and other services, which includes auto mechanics, both continued to add jobs at an impressive pace. Strong hiring in leisure and hospitality marked a sharp reversal from the weakness earlier in the summer. Government hiring picked up sharply, particularly federal government, which grew at its fastest pace since the 2010 census. Health care picked up slightly due to a rebound in hiring for outpatient services.

NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for July-September 2016. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

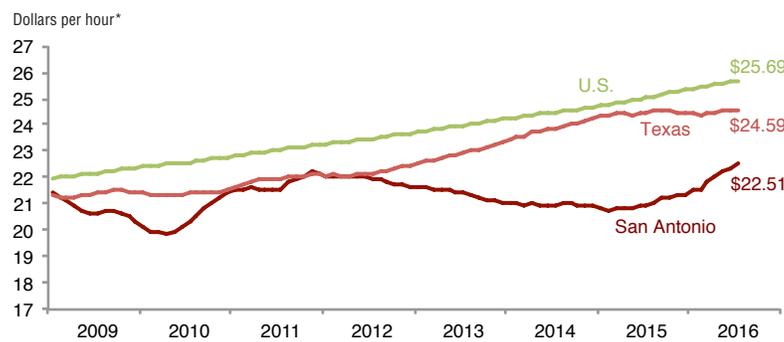
## Home Inventories



SOURCE: Multiple Listing Service.

► Home inventories in San Antonio remain tight, holding steady at 3.6 months' supply in September compared with Texas' 3.7 months. Both are well below the six months generally considered to reflect a balanced market. Year-to-date existing-home sales are up 7.4 percent—double the growth in sales statewide—while appreciating prices this year and continued growth in home construction suggest that the local real estate market remains healthy.

## Average Private-Sector Hourly Wages

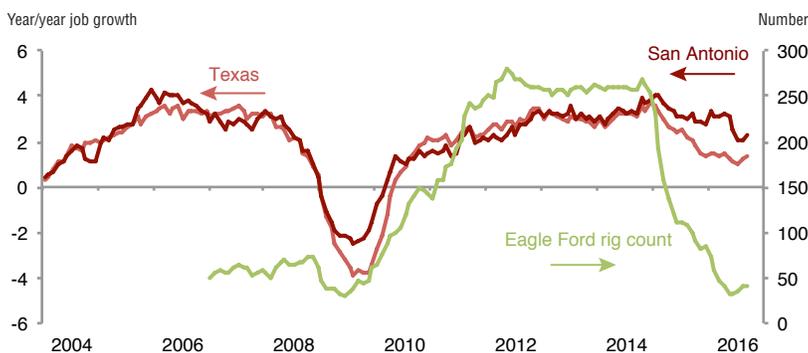


\*Seasonally adjusted, five-month centered moving average.

SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

► Average private-sector wages continued to tick up for San Antonio workers. Though still significantly below the state and national averages, the five-month moving average of wages in San Antonio rose by more than 7 percent year over year in September, compared with just 2.5 percent for the U.S and 0.4 percent for Texas. Most of this is likely due to jobs being added in higher-paying industries such as construction and scientific and technical services, which year to date have expanded at a significantly faster pace than the broader economy.

## Job Growth and Eagle Ford Rig Count



NOTE: Eagle Ford rig count data not available prior to 2007.

SOURCES: Bureau of Labor Statistics; Baker Hughes; Dallas Fed.

► With the second quarter **early benchmark** of employment data, growth in San Antonio jobs was revised upward to 2.2 percent year over year, surpassing Texas' revised 1.4 percent growth. Despite its proximity to the Eagle Ford shale, which saw an 85 percent decline in its rig count since the oil bust began at the end of 2014, job growth in San Antonio has trended well above that of the state. San Antonio has few direct ties to the energy sector, but contagion to other industries such as retail have nonetheless dampened growth this year compared with last.

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

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