Texas Economy

Texas produces 9.4 percent of U.S. GDP, second only to California

Texas has a large and diverse workforce made up of 15.1 million workers

Texas is younger and growing faster than the nation
Overview of Texas Economy

- Texas employment grew 4.0 percent in April, while March growth was revised slightly down to 1.5 percent.
- U.S. job growth in April (1.3 percent) was slower than Texas.
- Texas’ 2.9 percent job growth in 2024 outpaces the nation’s 1.9 percent.
- April Texas Business Outlook Surveys (TBOS) show improvement in manufacturing with service sector activity remaining flat.
Texas’ 2024 job growth on track to exceed the nation

*Seasonally adjusted, annualized rate.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.
DATA: [https://www.dallasfed.org/research/econdata/tae000000.aspx](https://www.dallasfed.org/research/econdata/tae000000.aspx)
Texas job growth robust and broad-based in April except for oil & gas
YTD Texas employment growth led by other services, leisure and hospitality and education & health services

Job growth (percent), Dec./Dec.*

*Seasonally adjusted, annualized rate.

<table>
<thead>
<tr>
<th>Category</th>
<th>2023</th>
<th>2024 (Apr. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2.9%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Trade, Trans. &amp; Util. (15.2%)</td>
<td>0.3%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (14.7%)</td>
<td>4.3%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Gov't (19.6%)</td>
<td>2.3%</td>
<td>3.6%</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.7%)</td>
<td>4.9%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.7%)</td>
<td>3.7%</td>
<td></td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fin. Act. (6.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constr. (6.0%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Serv. (3.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information (1.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Gas Extract. &amp; Mining Sup.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

NOTE: Numbers in parenthesis indicate share of total state employment for most recent monthly data.

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

Houston leads Texas major metros in YTD job gains

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

*Seasonally adjusted, annualized rate.
NOTE: Numbers in parenthesis indicate share of state employment for April 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
Texas unemployment rate ticks up to 4 percent after holding steady for 10 months

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data are through April 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
Texas Initial Unemployment Claims Remain Subdued

Weekly claims, indexed Jan. 2020 = 100

*Seasonally adjusted.
NOTE: Data through the week ending May 11, 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
Texas Job Forecast Points to 2.6 Percent Growth in 2024

*S:Seasonally adjusted.

Texas is #1 producer of oil and natural gas in nation

Approximately 30% of U.S. refinery capacity and 75% of U.S. petrochemical production is in Texas

Low energy prices hurt Texas economy on net
Rig Count and Natural Gas Price Tick Up, Oil Price Increases

*Latest labeled natural gas price is dollars per million Btu, while the series is dollars per million Btu multiplied by 10.

NOTES: Oil price is dollars per barrel. Data through April 2024.

Texas produces 10% of U.S. manufactured goods

Manufacturing sector leading indicator of business cycle

Dallas Fed’s Texas Manufacturing Outlook Survey offers early look at turning points and insight on trends
Texas Manufacturing Production Returns to Expansion

*Seasonally adjusted.

NOTE: Data through April 2024. Grey bar represents recession.

SOURCE: Federal Reserve Bank of Dallas Texas Manufacturing Outlook Survey (TMOS).

DATA: https://www.dallasfed.org/research/surveys/tmos
Texas is the top exporting state and accounts for 22% of U.S. exports.

Gulf coast ports are major exporters of oil and gas, oil products and petrochemicals.

Texas-Mexico border ports also process over half of state exports.
Mexico is Texas’ top trading partner, receiving around 26% of the state’s exports.

NOTES: Seasonally adjusted, real dollars. Data through March 2024.

SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Oil Related Exports Decline

Index, Jan. 2012 = 100

- Oil and Gas (33.1%)
- Petroleum and Coal Products (17.1%)
- Computers and Electronics (11.5%)
- Chemicals (13.1%)
- Transportation Equipment (4.5%)
- Industrial Machinery (5.2%)

*Seasonally adjusted, real dollars.
NOTE: Data through March 2024. Share of 2023 Texas exports in parentheses.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Service industry makes up the bulk of the Texas economy

Accounts for 73% of private-sector output in Texas

Dallas Fed’s Texas Service Sector Outlook Survey provides timely insight into this key sector
Texas Service Sector Revenue Expands Modestly while Retail Sales Slow Pace of Contraction

Index*

Expansion

Contraction


*Seasonally adjusted.

NOTES: Data through April 2024. The TROS is a component of TSSOS using information only from retail and wholesale trade sectors. Grey bar represents Texas recession.

SOURCES: Federal Reserve Bank of Dallas Texas Service Sector Outlook Survey (TSSOS) and Texas Retail Outlook Survey (TROS).

DATA: https://www.dallasfed.org/research/surveys/tssos
Recent housing market strength fueled by economic growth and high net migration to the state

Net migration to Texas was almost 350 thousand people from 2021 to 2022*

Texas house prices have stabilized and home sales have rebounded

*From July 2021 to July 2022
Inventories Increase while Sales Tick Down

Total existing home sales*

Months supply of inventory*

*Seasonally adjusted.
NOTE: Data through March 2024.
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
Home Prices Stabilize After Declining From Record Highs

Dollars (thousands), four-month moving average

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Median Price*</th>
<th>Y/Y % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$444,943</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Houston</td>
<td>$339,573</td>
<td>0.3%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$315,212</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Dallas-Fort Worth</td>
<td>$398,575</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, real dollars.

NOTE: Data are seasonally adjusted and through March 2024. Houston data are through February 2024.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
2024 Texas Economic Outlook

- Through April, Texas employment has risen 2.9 percent, up from 2.6 percent in 2023.
- The Dallas Fed’s Texas Employment Forecast is 2.6 percent for 2024.
- For more information, see the March Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2024/emp240308