Texas Economy

Texas produces 9 percent of U.S. GDP, second only to California

Texas has a large and diverse workforce made up of nearly 14.6 million workers

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

- The Texas economy has recovered strongly since the COVID-19 pandemic.
  - Pandemic initially destroyed 1.4 million Texas jobs; all jobs were recovered by November 2021.
  - Manufacturing and service sector growth remains strong but has shown signs of moderating in 2022.
  - Unemployment rate declined sharply since April 2020 peak, is 4.1 percent as of June 2022.
- The Dallas Fed’s Texas employment forecast predicts 2022 employment to grow 4.5 percent
Texas Job Growth Above U.S. So Far in 2022

*Seasonally adjusted, annualized rate. Partial year data is represented with a shaded bar/dashed line.


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 Strong in 2nd Quarter 2022

*Seasonally adjusted, annualized rate. Partial quarter data is represented with a shaded bar/dashed line.


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

DATA: https://www.dallasfed.org/research/econdata/tae000000.aspx
Texas Job Growth Outpacing U.S. Across All Private-Sector Industries in 2022

Job growth (percent)*


<table>
<thead>
<tr>
<th>Industry</th>
<th>U.S.</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.7%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Trade, Transp. &amp; Util.</td>
<td>4.2%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv.</td>
<td>4.2%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Gov't</td>
<td>0.7%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv.</td>
<td>5.4%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>10.2%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Mfg.</td>
<td>3.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Fin. Activ.</td>
<td>8.7%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Constr.</td>
<td>5.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Info. &amp; Other Serv.</td>
<td>10.2%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Oil &amp; Gas, Mining Sup.</td>
<td>22.6%</td>
<td></td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.

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.

2022 Texas Job Growth Led by Energy, Leisure & Hospitality

*Seasonally adjusted, annualized rate.
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.
Year-to-date Job Growth Strongest in Dallas

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

- Texas: 5.8%
- Houston (24.1%): 5.2%
- Dallas (22.1%): 9.0%
- Austin (9.3%): 5.2%
- Fort Worth (8.5%): 4.6%
- San Antonio (8.2%): 4.7%

*Seasonally adjusted, annualized rate.

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

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

DATA: [https://www.dallasfed.org/research/econdata/tx-emp.aspx#tab3](https://www.dallasfed.org/research/econdata/tx-emp.aspx#tab3)
Texas Unemployment Rate Trending Down, but Above U.S. Levels

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data through Jun. 2022.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
Texas Initial Unemployment Claims Falling; Remains Below Pre-Pandemic Levels

Weekly claims, indexed Jan. 2000 = 100

*Seasonally adjusted.
NOTE: Data through the week ending Jul. 16, 2022.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
Texas Employment Growth Forecast Predicts 4.5 Percent Growth in 2022

*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
Drilling Activity Trending Upward Amidst High Energy Prices

*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 June 2022.

Federal Reserve Bank of Dallas
Texas produces 9% of U.S. manufactured goods

Manufacturing sector leading indicator of economic growth

Dallas Fed’s Texas Manufacturing Outlook Survey offers early look at turning points and insight on trends
Texas Manufacturing Production Growth Cooling in Recent Months

Index, 3-month moving average*

*Seasonally adjusted.
NOTE: Data through June 2022. Grey bars represent recessions.
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 25% 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.
Texas Exports Reached Record High in May

Mexico is Texas’ top trading partner, receiving around 30% of the state’s exports.

Index, Jan. 2012=100*

NOTES: Seasonally adjusted, real dollars. Data through May 2022.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Texas Oil and Gas Export Growth Holding At Elevated Levels

Index, Jan. 2012 = 100

*Seasonally adjusted, real dollars.

NOTE: Data through May 2022. Share of 2021 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 74% 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 Growth Moderating, Retail Sales Falling

Index, 3-month moving average*

*Seasonally adjusted.
NOTES: Data through Jun. 2022. The TROS is a component of TSSOS using information only from retail and wholesale trade sectors. Grey bars represent 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

Federal Reserve Bank of Dallas
Texas house prices have tracked the nation since the Great Recession.

Single-family housing sector was slow to recover.

Housing markets currently tight in most of the state.
Texas Home Sales Moderate as Inventories Remain Tight

Total existing home sales*

Months Supply of Inventory*

- Home sales
- Inventory

*Seasonally adjusted.
NOTE: Data through Apr. 2022.
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
Texas Median Home Prices Continue to Reach Record Highs

Dollars (thousands), four-month moving average*

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>April Median Price*</th>
<th>Y/Y % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$529,959</td>
<td>10.7%</td>
</tr>
<tr>
<td>Dallas</td>
<td>$436,748</td>
<td>14.2%</td>
</tr>
<tr>
<td>Houston</td>
<td>$336,822</td>
<td>7.6%</td>
</tr>
<tr>
<td>Ft. Worth</td>
<td>$369,267</td>
<td>17.4%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$324,688</td>
<td>10.2%</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, real dollars.
NOTE: Data through Apr. 2022.
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
The rapid onset of COVID-19 and shelter-in-place measures across Texas in March and April 2020 caused a significant decline in output and employment, followed by a sharp rebound.

While Texas employment fell 4.5 percent in 2020, employment grew 5.9 percent in 2021. 2022 employment is projected to moderate but remain robust at 4.5 percent.

For more information, see the December Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2022/emp220722.aspx