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 2.0 percent in January, while December growth was revised up to 2.4 percent.
- U.S. job growth in January (1.8 percent) was less than Texas.
- Texas’ 2.6 percent job growth in 2023 outpaced the nation’s 2.0 percent.
- January Texas Business Outlook Surveys (TBOS) indicate increase activity in both manufacturing and services.
Texas’ Job Growth Exceeds the Nation at the Start of 2024

Job growth (percent)*

*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
Texas Job Growth Slowed in January; Significant Gains seen in Other Services, Significant Declines in Oil & Gas

Job growth (percent)*

- **Texas (Jan. 2024/Dec. 2023)**

<table>
<thead>
<tr>
<th>Category</th>
<th>U.S.</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1.82</td>
<td>0.3</td>
</tr>
<tr>
<td>Trade, Transp. &amp; Util. (19.8%)</td>
<td>-0.6</td>
<td>-0.6</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (15.2%)</td>
<td>2.1</td>
<td>2.7</td>
</tr>
<tr>
<td>Gov't (14.8%)</td>
<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.7%)</td>
<td>3.6</td>
<td>3.1</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.7%)</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td>3.5</td>
<td>5.2</td>
</tr>
<tr>
<td>Fin. Activ. (5.9%)</td>
<td>-0.1</td>
<td>-0.1</td>
</tr>
<tr>
<td>Constr. (3.5%)</td>
<td>1.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Other Serv. (3.5%)</td>
<td>-1.6</td>
<td>-1.5</td>
</tr>
<tr>
<td>Information (1.7%)</td>
<td>-8.1</td>
<td>-24.5</td>
</tr>
<tr>
<td>Oil &amp; Gas, Mining Sup. (1.4%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses 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.

Job Growth Led by Other Services

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2023</th>
<th>2024 (Jan. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2.0</td>
<td>13.5</td>
</tr>
<tr>
<td>Trade, Trans. &amp; Util. (19.8%)</td>
<td>0.3</td>
<td>-1.6</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (15.2%)</td>
<td>3.3</td>
<td>-1.5</td>
</tr>
<tr>
<td>Gov't (14.8%)</td>
<td>1.2</td>
<td>-24.5</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.7%)</td>
<td>3.8</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.7%)</td>
<td>3.3</td>
<td></td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td>3.5</td>
<td></td>
</tr>
<tr>
<td>Fin. Act. (6.5%)</td>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>Constr. (5.9%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Serv. (3.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information (1.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Gas Extract. &amp; Mining Sup.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1.4%)</td>
<td></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.

Austin leads Large Metros in 2024 Job Growth, Declines in Dallas and San Antonio

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

<table>
<thead>
<tr>
<th>Location</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024 (Jan. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>4.5</td>
<td>3.3</td>
<td>3.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Houston (24.4%)</td>
<td>2.0</td>
<td>4.5</td>
<td>3.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Dallas (21.7%)</td>
<td>2.0</td>
<td>3.3</td>
<td>3.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Austin (9.6%)</td>
<td>2.0</td>
<td>1.7</td>
<td>3.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Fort Worth (8.6%)</td>
<td>2.0</td>
<td>3.3</td>
<td>3.7</td>
<td>3.1</td>
</tr>
<tr>
<td>San Antonio (8.4%)</td>
<td>2.0</td>
<td>3.3</td>
<td>3.7</td>
<td>3.1</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of state employment for January 2024.

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 Flat in January

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data are through January 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
*Seasonally adjusted.
NOTE: Data through the week ending March 2nd, 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
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 Stabilizes, Oil Price Increases and Natural Gas Price Ticks Down

*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 February 2023.

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 Expands

Index*

Expansion

Contraction


*Seasonally adjusted.
NOTE: Data through February 2024. Grey bar represents recession.
SOURCE: Federal Reserve Bank of Dallas Texas Manufacturing Outlook Survey (TMOS).
DATA: https://www.dallasfed.org/research/surveys/tmos

Federal Reserve Bank of Dallas
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.
Texas Export Levels Declined in January

Mexico is Texas’ top trading partner, receiving around 28% of the state’s exports.

NOTES: Seasonally adjusted, real dollars. Data through January 2024.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Texas Exports Are Led by Oil and Gas, and Petroleum and Coal Products

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 January 2024. Share of 2022 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 Growth Expands while Retail Sales Revenue Contract

*Seasonally adjusted.
NOTES: Data through February 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 after falling due to rising mortgage rates

*From July 2021 to July 2022
Home Sales and Inventories Increase

Total existing home sales*

Months supply of inventory*

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

**Note:** Data are seasonally adjusted and through December 2023 for Houston and January 2024 for the rest.

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

- Texas employment growth slowed to 2.0 percent at the start of 2024, down from 2.6 percent growth in 2023.
- In 2024, the Dallas Fed expects jobs to increase 2.2 percent.
- For more information, see the February Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2024/emp240209 -