Your Texas Economy
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 1.6 percent in March, while February growth was revised slightly down to 4.1 percent.
- U.S. job growth in March (2.3 percent) was faster than Texas.
- Texas’ 2.5 percent job growth in 2024 outpaces the nation’s 2.1 percent.
- March Texas Business Outlook Surveys (TBOS) show improvement in the service sector but contracting manufacturing activity.
Texas’ 2024 job growth on track to exceed the nation’s

*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 payrolls sluggish in March, significant gains in oil & gas

Job Growth March 2024/February 2024 (%)*

- U.S. (Mar. 2024/Feb. 2024)
- Texas (Mar. 2024/Feb. 2024)

Total: -1.3%
Trade, Transp. & Util.: 1.1%
Prof. & Bus. Serv.: 0.4%
Gov’t: 3.7%
Educ. & Health Serv.: 4.1%
Leisure & Hosp.: 3.5%
Mfg.: -2.1%
Fin. Activ.: 0.4%
Constr.: 5.9%
Other Serv.: 1.7%
Information: 3.3%
Oil & Gas, Mining Sup.: 5.1%

*Seasonally adjusted, annualized rate.
NOTE: Numbers in parenthesis indicate share of total state employment in March 2024.
DATA: Texas Employment by Industry - Dallasfed.org
YTD Texas employment growth led by other services, leisure and hospitality and professional & business services

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2023</th>
<th>2024 (Mar. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2.5</td>
<td>5.9</td>
</tr>
<tr>
<td>Trade, Trans. &amp; Util.</td>
<td>-1.1</td>
<td>-1.7</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (15.3%)</td>
<td>2.6</td>
<td>1.2</td>
</tr>
<tr>
<td>Gov’t (14.8%)</td>
<td>2.8</td>
<td>1.7</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.7%)</td>
<td>5.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.7%)</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td>1.7</td>
<td>6.5</td>
</tr>
<tr>
<td>Fin. Act. (6.5%)</td>
<td>5.9</td>
<td>13.7</td>
</tr>
<tr>
<td>Constr. (5.9%)</td>
<td>1.7</td>
<td>6.9</td>
</tr>
<tr>
<td>Other Serv.</td>
<td>1.2</td>
<td>3.5</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>
</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.

In Q1 2024, major metros grew slower than the state

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

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>2.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Houston</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dallas</td>
<td>0.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Austin</td>
<td>1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Worth</td>
<td>1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Antonio</td>
<td></td>
<td>0.6</td>
<td></td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.
NOTE: Numbers in parenthesis indicate share of state employment for March 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 Flat in February

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data are through March 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.

Federal Reserve Bank of Dallas
Texas Initial Unemployment Claims Remain Subdued

Weekly claims, indexed Jan. 2020 = 100

*Seasonally adjusted.

NOTE: Data through the week ending April 13th, 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.

Texas Job Forecast Points to 2.3 Percent Growth in 2024

*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 Down, 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 March 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 Turns Negative

*Seasonally adjusted.

NOTE: Data through March 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.
Texas Exports Rise in February

Mexico is Texas’ top trading partner, receiving around 27% of the state’s exports.

Index, Jan. 2012=100*

NOTES: Seasonally adjusted, real dollars. Data through February 2024.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Industrial Machinery Exports Decline

Index, Jan. 2012 = 100

*Seasonally adjusted, real dollars.
NOTE: Data through February 2024. Share of 2023 Texas exports in parentheses.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.

Federal Reserve Bank of 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 Contract

*Seasonally adjusted.

NOTES: Data through March 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
Home Sales and Inventories Increase

Total existing home sales*

Months supply of inventory*

*Seasonally adjusted.

NOTE: Data through February 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>$441,064</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Houston</td>
<td>$340,219</td>
<td>-3.9%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$305,409</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Dallas-Fort Worth</td>
<td>$402,532</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, real dollars.

NOTE: Data are seasonally adjusted and through February 2024.

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

- Through March, Texas employment has risen 2.5 percent, slightly down from 2.6 percent in 2023.
- The Dallas Fed’s Texas Employment Forecast is 2.3 percent for 2024.
- For more information, see the March Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2024/emp240308