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 declined 1.2 percent in July affected by Hurricane Beryl, while June growth was revised down to -0.6 percent.
- U.S. job growth in July (0.9 percent) was faster than Texas.
- Texas’ 1.7 percent job growth in 2024 slightly outpaces the nation’s 1.6 percent.
- July Texas Business Outlook Surveys (TBOS) show flat manufacturing production but a pickup in service revenue.
Texas’ 2024 job growth similar to 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

Job growth (percent)*


-8  -6  -4  -2  0  2  4  6  8

Texas 1.7  U.S. 1.6

Federal Reserve Bank of Dallas
Texas job growth decline led by professional services, education and health services, and manufacturing

*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.

YTD Texas Employment Growth Led by Construction and Other Services

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2023</th>
<th>2024 (Jul. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1.7</td>
<td>1.8</td>
</tr>
<tr>
<td>Trade, Trans. &amp; Util.</td>
<td>0.9</td>
<td>-4.1</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv.</td>
<td>0.7</td>
<td>-3</td>
</tr>
<tr>
<td>Gov’t (14.9%)</td>
<td>2.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.7%)</td>
<td>2.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.8%)</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td>2.3</td>
<td>-4</td>
</tr>
<tr>
<td>Fin. Act. (6.5%)</td>
<td>2.6</td>
<td>-3</td>
</tr>
<tr>
<td>Constr. (6.0%)</td>
<td>3.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Other Serv. (3.5%)</td>
<td>3.1</td>
<td>-4.1</td>
</tr>
<tr>
<td>Information (1.6%)</td>
<td>1.8</td>
<td>-5</td>
</tr>
<tr>
<td>Oil &amp; Gas Extract. &amp; Mining Sup. (1.4%)</td>
<td>-4.1</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.

Job growth slows across major metros in YTD growth

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

- **Texas**: 1.7
- **Houston (24.2%)**: 1.2
- **Dallas (21.7%)**: 1.0
- **Austin (9.6%)**: 1.2
- **Fort Worth (8.6%)**: 1.2
- **San Antonio (8.3%)**: 1.2

*iSeasonally adjusted, annualized rate.*

**NOTE:** Numbers in parenthesis indicate share of state employment for July 2024.
**SOURCES:** Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.
**DATA:** [Texas Employment Data - Dallastfed.org](https://www.dallastfed.org)
Unemployment rate ticks up in Texas and the nation

Unemployment Rate (%)*

*Seasonally adjusted.

NOTE: Data are through July 2024.


Texas unemployment claims recover but not to pre-Beryl levels

Weekly claims, indexed Jan. 2018 = 100*

*Seasonally adjusted.

NOTE: Data through the week ending July 13, 2024.


The Texas employment forecast indicates 1.6% growth in 2024, below 2% long-run trend

*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
Natural gas price and rig count fall as oil prices tick up

*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 July 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 Flat

*Seasonally adjusted.

NOTE: Data through July 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 Down in June

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

*Seasonally adjusted, real dollars.

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

SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Exports Tick Down in June Except Petroleum Products and Chemicals

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.

NOTES: Data through May 2024. Share of 2023 exports in parentheses.

SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by 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 Slow Pace of Contraction

*Seasonally adjusted.
NOTE: Data are monthly through July 2024.
SOURCES: Texas Service Sector Outlook Surveys; Texas Retail Outlook Surveys.
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 and Sales Tick Down

Total existing home sales (thousands)*

Home sales

Inventory

Months supply of inventory*

*Seasonally adjusted.

NOTE: Data are monthly through June 2024.

SOURCES: Multiple Listings Service; seasonal and other adjustments by FRB Dallas.
Texas Home Prices Declining From Record Highs

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Median Price*</th>
<th>Y/Y % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$429,573</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Houston</td>
<td>$333,937</td>
<td>-1.1%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$305,912</td>
<td>-3.5%</td>
</tr>
<tr>
<td>Dallas-Fort Worth</td>
<td>$389,282</td>
<td>-4.2%</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, three-month moving average, real dollars.
NOTE: Data are monthly through June 2024.
SOURCES: Multiple Listing Service; seasonal and other adjustments by Federal Reserve Bank of Dallas.
2024 Texas Economic Outlook

- Through July, Texas employment has risen 1.7 percent, lagging 2023 growth.
- The Dallas Fed’s Texas Employment Forecast is 1.6 percent for 2024
- For more information, see the March Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2024/emp240308