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 2.8 percent in May, while April growth was revised down to 3.4 percent.
- U.S. job growth in May (2.1 percent) was slower than Texas.
- Texas’ 2.8 percent job growth in 2024 outpaces the nation’s 1.9 percent.
- May Texas Business Outlook Surveys (TBOS) show improvement in service sector activity but manufacturing production declines.
Texas’ 2024 Job Growth on Track to Exceed the Nation

Job growth (percent)*

*Seasonally adjusted, annualized rate.
NOTE: Last data points are annualized job growth for May, 2024/Dec. 2023.
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 Solid and Broad-based in May Except for Oil & Gas and Information Services

- U.S. (May 2024/Apr. 2024)
- Texas (May 2024/Apr. 2024)
YTD Texas Employment Growth Led by Leisure & Hospitality and Other Services

<table>
<thead>
<tr>
<th>Category</th>
<th>2023</th>
<th>2024 (May. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td>-6.6</td>
</tr>
<tr>
<td>Trade, Trans. &amp; Util.</td>
<td>2.8</td>
<td>0.9</td>
</tr>
<tr>
<td>(19.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv.</td>
<td>3.2</td>
<td>3.2</td>
</tr>
<tr>
<td>(15.2%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gov't</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>(14.8%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educ. &amp; Health Serv.</td>
<td>3.2</td>
<td>3.7</td>
</tr>
<tr>
<td>(13.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>5.4</td>
<td>3.5</td>
</tr>
<tr>
<td>(10.8%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mfg.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6.9%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fin. Act.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constr.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6.0%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Serv.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3.5%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1.6%)</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.


Federal Reserve Bank of Dallas
## Austin and Houston Lead Texas Major Metros in YTD Job Gains

<table>
<thead>
<tr>
<th>Metro</th>
<th>Job Growth (%)</th>
<th>2022</th>
<th>2023</th>
<th>2024 (May. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>2.8</td>
<td>2.2</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Houston</td>
<td>2.2</td>
<td>1.7</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>Dallas</td>
<td>(21.7%)</td>
<td>1.7</td>
<td>2.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Austin</td>
<td>(9.6%)</td>
<td>2.2</td>
<td>2.0</td>
<td>1.1</td>
</tr>
<tr>
<td>Fort Worth</td>
<td>(8.6%)</td>
<td>2.0</td>
<td>2.0</td>
<td>1.1</td>
</tr>
<tr>
<td>San Antonio</td>
<td>(8.3%)</td>
<td>1.1</td>
<td>2.0</td>
<td>1.1</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.

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

**SOURCES:** Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

**DATA:** [Texas Employment Data - Dallafed.org](http://www.dallafed.org)
Texas and U.S. Unemployment Rate at 4.0 Percent

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data are through May 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 June 15, 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
Texas Job Forecast Points to 2.4 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
Natural Gas Prices Tick Up, while Oil Price and Rig Count Decreases

*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 May 2024.

Federal Reserve Bank of Dallas
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 Contracts

Index*

*Seasonally adjusted.

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

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

DATA: [https://www.dallasfed.org/research/surveys/tmos](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 Up in April

Index, Jan. 2012=100*

Mexico is Texas’ top trading partner, receiving around 26% of the state’s exports.

NOTES: Seasonally adjusted, real dollars. Data through April 2024.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Transportation Equipment and Computer and Electronics Exports Increase in April

*Seasonally adjusted, real dollars.

NOTE: Data through April 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 while Retail Sales Slow Pace of Contraction

NOTES: Data through May 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

*Seasonally adjusted.
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*

Notes:
- Data are through May 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 May 2024. Houston data is through April 2024.
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
2024 Texas Economic Outlook

- Through May, Texas employment has risen 2.8 percent, up from 2.3 percent in 2023.
- The Dallas Fed’s Texas Employment Forecast is 2.4 percent for 2024.
- For more information, see the March Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2024/emp240308