Federal Reserve
Bank of Dallas

Your Texas Economy

Current through: Friday, September 20, 2019
Overview of Texas Economy

- The Texas economy grew robustly in 2018.
  - Last year’s job growth was 2.4 percent (Dec./Dec.).
  - In 2014 job growth was very strong due to the oil boom, but in 2015 and 2016 job growth was much weaker due to the oil bust.
- So far in 2019, Texas employment growth is 2.3 percent (Jul./Dec.).
- The Dallas Fed’s Texas employment forecast predicts 2.3 percent job growth in 2019, with a range of 1.7 to 2.8 percent (Dec./Dec.).
2019 Texas Job Growth Outpaces U.S.

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

*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 Slows Slightly From Strong Second Quarter

**Job growth (percent), quarter/quarter***

*Seasonally adjusted, annualized rate.

NOTE: Data through August 2019. Data for Q3 is based on data from Jul. 2019 and Aug. 2019

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

DATA: [https://www.dallasfed.org/research/econdata/lae000000.aspx](https://www.dallasfed.org/research/econdata/lae000000.aspx)
2019 Texas Job Growth Outpaces U.S. in Most Sectors

Job growth 2019 YTD (percent)*


<table>
<thead>
<tr>
<th>Category</th>
<th>U.S.</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Trade, Transp. &amp; Util. (15.3%)</td>
<td>0.7%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Gov't (15.3%)</td>
<td>1.9%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (13.9%)</td>
<td>2.6%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.6%)</td>
<td>1.4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.9%)</td>
<td>1.4%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Mfg. (7.1%)</td>
<td>2.7%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Fin. Activ. (6.3%)</td>
<td>6.0%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Constr. (6.1%)</td>
<td>4.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Info. &amp; Other Serv. (5.1%)</td>
<td>2.5%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Oil &amp; Gas, Mining Sup. (1.9%)</td>
<td>-1.6</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.

Job Growth Broad Based So Far in 2019

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


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<thead>
<tr>
<th>Category</th>
<th>2017</th>
<th>2018</th>
<th>2019 YTD</th>
</tr>
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<tbody>
<tr>
<td>Total</td>
<td>2.3</td>
<td>1.7</td>
<td>-1.6</td>
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*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.

# Most Large Texas Metros See Robust Job Growth in 2019

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<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Houston (24.7%)</td>
<td>2.0</td>
<td>2.0</td>
<td>2.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Dallas (21.1%)</td>
<td>2.0</td>
<td>2.0</td>
<td>2.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Austin (8.7%)</td>
<td>2.0</td>
<td>2.0</td>
<td>2.4</td>
<td>3.9</td>
</tr>
<tr>
<td>San Antonio (8.3%)</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Fort Worth (8.5%)</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
<td>2.5</td>
</tr>
</tbody>
</table>

*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 Remains At Historic Low

Unemployment rate (percent)*

*Seasonally adjusted.

NOTE: Data through August 2019.

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

2019 Texas Job Growth Forecast is 2.3 percent

*Seasonally adjusted.

NOTES: Observed employment data through August 2019. Shaded region represents the 80 percent confidence band around the forecast.

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

DATA: [http://www.dallasfed.org/research/forecast/index.cfm](http://www.dallasfed.org/research/forecast/index.cfm)

2019 Texas job growth forecast is above the long-term average of 2.1 percent.
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 Continues to Soften

NOTES: Oil price is dollars per barrel. Natural gas price is dollars per million Btu, multiplied by 10. Data through August 2019.
Texas produces 10% 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 Rebounds

Index, 3-month moving average*

*Seasonally adjusted.
NOTE: Data through August 2019.
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 20% 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 Remain Elevated After Strong Growth

Mexico is Texas’ top trading partner, receiving around 34% of the state’s exports.

*Seasonally adjusted, real dollars.
NOTE: Data through July 2019.
SOURCES: U.S. Census Bureau; WISERTrade; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Texas Oil and Gas Exports Surged Following Removal of the Oil Export Ban in 2015

Index, Jan. 2010=100*

*Seasonally adjusted, real dollars.

NOTE: Data through July 2019. Share of 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 over 65% of private-sector activity in Texas

Dallas Fed’s Texas Service Sector Outlook Survey provides timely insight into this key sector
Texas Services Revenue Picking Up, Retail Sales Flat

Index, 3-month moving average*

*Seasonally adjusted.
NOTES: Data through August 2019. The TROS is a component of TSSOS using information only from retail and wholesale trade sectors.
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
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 Remain Elevated, Inventories Remain Flat

Total existing home sales*

*Seasonally adjusted.

NOTE: Data through August 2019.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
Texas Median Home Price Near Record High

Dollars (thousands), four-month moving average*

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>August Median Price*</th>
<th>Y/Y % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$314,649</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Dallas</td>
<td>$292,224</td>
<td>0.1%</td>
</tr>
<tr>
<td>Houston</td>
<td>$246,297</td>
<td>4.3%</td>
</tr>
<tr>
<td>Ft. Worth</td>
<td>$244,457</td>
<td>4.1%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$229,302</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, real dollars.
NOTE: Data through August 2019.
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.