Your Texas Economy
Texas Economy

Texas produces 9 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 1.2 percent in October, while September growth was revised up to 5.8 percent.
- U.S. job growth in October (1.2 percent) was the same as Texas. Texas job growth in 2023 is still outpacing the nation.
- The Dallas Fed’s Texas Employment Forecast indicates that jobs will increase 3.2 percent in 2023 (down from 3.3 percent last month).
- October Texas Business Outlook Surveys (TBOS) indicate a slowdown in both manufacturing and services, while staying in positive territory.
Texas Job Growth Holds Above U.S. in 2023

Job growth (percent)*


Texas 3.4

U.S. 1.9

*Seasonally adjusted, annualized rate.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.
DATA: https://www.dallasmfed.org/research/econdata/tae000000.aspx
Job Growth Cools in Early Fourth Quarter

*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 Outpacing U.S. Across Every Sector

Job growth (percent)*

*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.

Strong Growth in Oil and Gas, Education and Health Services

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

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.4</td>
<td>9.5</td>
</tr>
<tr>
<td>Trade, Trans. &amp; Util. (19.8%)</td>
<td>2.6</td>
<td>2.6</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (15.3%)</td>
<td>2.3</td>
<td>3.1</td>
</tr>
<tr>
<td>Gov't (14.7%)</td>
<td>3.1</td>
<td>3.9</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.6%)</td>
<td>5.1</td>
<td>3.9</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.6%)</td>
<td>3.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td>3.5</td>
<td>3.8</td>
</tr>
<tr>
<td>Fin. Act. (6.6%)</td>
<td>3.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Constr. (5.8%)</td>
<td>3.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Other Serv. (3.4%)</td>
<td>2.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Information (1.7%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Gas Extract. &amp; Mining Sup. (1.5%)</td>
<td></td>
<td>2.9</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.
DATA: [https://www.dallasfed.org/research/econdata/tax-emp-ind.aspx](https://www.dallasfed.org/research/econdata/tax-emp-ind.aspx)
Dallas Leading Metro Job Growth in 2023

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

*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
Texas Unemployment Rate Holds at 4.1 Percent in October

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data are through October 2023.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
Uptick in Texas Initial Unemployment Claims in November

Weekly claims, indexed Jan. 2020 = 100

*Seasonally adjusted.
NOTE: Data through the week ending November 11, 2023.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.

Federal Reserve Bank of Dallas
Texas Job Forecast Points to 3.2 Percent Growth in 2023

*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 Stabilizes, Oil Price Dips and Natural Gas Price Rises

*Dollars Rig Count

*Rig Count Stabilizes, Oil Price Dips and Natural Gas Price Rises*

Oil Price

Texas Rig Count

Natural Gas Price (x10)

*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 October 2023.

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 Slows Slightly

*Seasonally adjusted.
NOTE: Data through October 2023. 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.
Export Levels Edge Up in Texas

Index, Jan. 2012=100*

Mexico is Texas’ top trading partner, receiving around 30% of the state’s exports.

NOTES: Seasonally adjusted, real dollars. Data through September 2023.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Texas Oil and Gas Exports Spike

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 September 2023. 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 72% 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 Nearly Flattens, Retail Sales Revenue Contracts

*Seasonally adjusted.

NOTES: Data through October 2023. 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](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 are falling due to rising mortgage rates, which is suppressing demand.

*From July 2021 to July 2022
Home Sales Fall, Inventories Slightly Increase

Total existing home sales*

Months supply of inventory*

*Seasonally adjusted.
NOTE: Data through September 2023.
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
Texas Median Home Prices Have Stabilized 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>$466,049</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Houston</td>
<td>$334,620</td>
<td>-6.9%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$317,701</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Dallas-Fort Worth</td>
<td>$397,488</td>
<td>-4.8%</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, real dollars. Table data through September 2023.
NOTE: Data are seasonally adjusted and through September 2023.
SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
2023 Texas Economic Outlook

- Texas employment has grown 3.4 percent in 2023, down from 4.3 percent growth in 2022.
- In 2023, the Dallas Fed expects jobs to increase 3.2 percent.
- For more information, see the December Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2023/emp231117.