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 4.3 percent in February, while January growth was revised slightly down to 1.9 percent.
- U.S. job growth in February (2.1 percent) was less than Texas.
- Texas’ 3.1 percent job growth in 2024 outpaces the nation’s 1.9 percent.
- February Texas Business Outlook Surveys (TBOS) indicate increase activity in both manufacturing and services.
At the Start of 2024 Texas’ Job Growth Exceeds the Nation

Job growth (percent)*

*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 Grew Strongly in February, Significant Gains Seen Across Most Sectors

Job growth (percent)*

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

<table>
<thead>
<tr>
<th>Sector</th>
<th>U.S.</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2.1%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Trade, Transp. &amp; Util.</td>
<td>1.7%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv.</td>
<td>0.5%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Gov't</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv.</td>
<td>4.0%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>4.2%</td>
<td>8.2%</td>
</tr>
<tr>
<td>Mfg.</td>
<td>-0.4%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Fin. Activ.</td>
<td>0.1%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Constr.</td>
<td>3.4%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Other Serv.</td>
<td>1.9%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Information</td>
<td>0.8%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Oil &amp; Gas, Mining Sup.</td>
<td>-0.3%</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

*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.

Year-to-Date Job Growth Led by Professional and Business Services and Manufacturing

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2023</th>
<th>2024 (Feb. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.1</td>
<td>6.0</td>
</tr>
<tr>
<td>Trade, Trans. &amp; Util. (19.7%)</td>
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<td></td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (15.3%)</td>
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<td></td>
</tr>
<tr>
<td>Gov't (14.7%)</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.7%)</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.7%)</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>Fin. Act. (6.5%)</td>
<td>5.6</td>
<td></td>
</tr>
<tr>
<td>Constr. (5.9%)</td>
<td></td>
<td>1.0</td>
</tr>
<tr>
<td>Other Serv. Information (3.4%)</td>
<td></td>
<td>0.8</td>
</tr>
<tr>
<td>Oil &amp; Gas Extract. &amp; Mining Sup. (1.4%)</td>
<td></td>
<td>-12.8</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.

Austin leads Large Metros in 2024 Job Growth, Employment Flat in Dallas and San Antonio

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

<table>
<thead>
<tr>
<th>City</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024 (Feb. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>3.1</td>
<td>3.2</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Houston</td>
<td>2.7</td>
<td>2.7</td>
<td>2.7</td>
<td></td>
</tr>
<tr>
<td>Dallas</td>
<td>4.1</td>
<td>4.1</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>Austin</td>
<td>8.6</td>
<td>8.6</td>
<td>8.6</td>
<td></td>
</tr>
<tr>
<td>Fort Worth</td>
<td>8.3</td>
<td>8.3</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>San Antonio</td>
<td>8.5</td>
<td>8.5</td>
<td>8.5</td>
<td></td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.

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

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 Flat in February

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data are through February 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 March 16th, 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
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 Increases and Natural Gas Price Ticks Down

*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 February 2023.

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**

Index*

*Seasonally adjusted.

NOTE: Data through February 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 Dip in January

Mexico is Texas’ top trading partner, receiving around 28% of the state’s exports.

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

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 January 2024. 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 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 February 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

Federal Reserve Bank of Dallas
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 January 2024 for Houston and February 2024 for the rest.

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

- Through February, Texas employment has risen 3.1 percent, up from 2.6 percent in 2023.
- The Dallas Fed’s Texas Employment Forecast is 2.5 percent for 2024
- For more information, see the March Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2024/emp240308