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 slightly declined 0.2 percent in June, while May growth was revised up to 3.2 percent.
- U.S. job growth in June (1.6 percent) was faster than Texas.
- Texas’ 2.3 percent job growth in 2024 outpaces the nation’s 1.7 percent.
- June Texas Business Outlook Surveys (TBOS) show flat service sector activity and manufacturing production.
Texas’ 2024 Job Growth on Track to Exceed 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 Job Growth Decline Led by Oil and Gas

Job Growth (%)*

- Total: -22.1%
- Trade, Transp. & Util.: 1.6%
- Prof. & Bus. Serv.: 0.6%
- Gov't: -0.2%
- Educ. & Health Serv.: 3.7%
- Leisure & Hosp.: 3.2%
- Mfg.: 3.3%
- Fin. Activ.: 13.5%
- Constr.: 3.0%
- Other Serv.: 2.4%
- Information: 1.2%
- Oil & Gas, Mining Sup.: 1.2%

*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of total state employment for June 2024.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.
DATA: Texas Employment by Industry - Dallasfed.org
YTD Texas Employment Growth Led by Construction and Leisure & Hospitality

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

-9.4

-12

-10

-8

-6

-4

-2

0

2

4

6

Total

Trade, Trans. & Util. (19.6%)

Prof. & Bus. Serv. (14.8%)

Gov't (14.8%)

Educ. & Health Serv. (13.7%)

Leisure & Hosp. (10.8%)

Mfg. (6.9%)

Fin. Act. (6.5%)

Constr. (6.0%)

Other Serv. (3.5%)

Information (1.6%)

Oil & Gas Extract. & Mining Sup. (1.3%)

2023

2024 (Jun. 2024/Dec. 2023)

*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.

Forth Worth Leads Major metros’ YTD Growth

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

<table>
<thead>
<tr>
<th>City</th>
<th>2022</th>
<th>2023</th>
<th>2024 (Jun. 2024/Dec. 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>2.3</td>
<td>1.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Houston (24.2%)</td>
<td></td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>Dallas (21.6%)</td>
<td></td>
<td></td>
<td>1.0</td>
</tr>
<tr>
<td>Austin (9.6%)</td>
<td></td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>Fort Worth (8.6%)</td>
<td></td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>San Antonio (8.3%)</td>
<td></td>
<td>1.3</td>
<td></td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.
NOTE: Numbers in parenthesis indicate share of state employment for June 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
U.S. Unemployment Rate Rises Above Texas’

Unemployment Rate (%)*

*Seasonally adjusted.
NOTE: Data are through June 2024.
Texas Initial Unemployment Claims Remain Subdued

Weekly claims, indexed Jan. 2018 = 100*

*Seasonally adjusted.
NOTE: Data through the week ending July 13, 2024.
Texas Job Forecast Points to 1.9 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 Rig Count Falls and Oil Prices are Flat

*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 June 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 Flat

*Seasonally adjusted.
NOTE: Data through June 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 May

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

*Seasonally adjusted, real dollars. Data through May 2024.
NOTES: Seasonally adjusted, real dollars. Data through May 2024.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Exports Tick Down in May Except Oil and Gas

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 June 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 Increase while Sales Tick Down

Total existing home sales (thousands)*

*Seasonally adjusted.
NOTE: Data are monthly through May 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>$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>

*Dollars (thousands)*

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

- Through June, Texas employment has risen 2.3 percent, on par with 2023 growth.
- The Dallas Fed’s Texas Employment Forecast is 1.9 percent for 2024
- For more information, see the March Texas Employment Forecast at https://www.dallasfed.org/research/forecast/2024/emp240308