Your Texas Economy
Texas produces 9 percent of U.S. GDP, second only to California.

Texas has a large and diverse workforce made up of 15.2 million workers.

Texas is younger and growing faster than the nation.
Overview of Texas Economy

- Texas employment grew 1.7 percent in December, while November growth was revised down to 2.9 percent.
- U.S. job growth in December (1.7 percent) was the same than Texas.
- Texas’ 3.1 percent job growth in 2023 outpaced the nation’s 1.7 percent.
- December Texas Business Outlook Surveys (TBOS) indicate increase activity in both manufacturing and services.
Texas Job Growth Holds Above U.S. in 2023

*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 Fourth Quarter Job Growth Ahead of the Nation

*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 All Private Sector

Job growth (percent)*

- **Texas (Dec. 2023/Dec. 2022)**

<table>
<thead>
<tr>
<th>Sector</th>
<th>U.S.</th>
<th>Texas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.1</td>
<td>1.7</td>
</tr>
<tr>
<td>Trade, Transp. &amp; Util. (19.9%)</td>
<td>2.5</td>
<td>0.3</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (15.2%)</td>
<td>1.6</td>
<td>0.6</td>
</tr>
<tr>
<td>Gov't (14.6%)</td>
<td>3.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (13.7%)</td>
<td>5.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (10.7%)</td>
<td>2.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Mfg. (6.9%)</td>
<td>3.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Fin. Activ. (6.5%)</td>
<td>2.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Constr. (5.9%)</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td>Other Serv. (3.4%)</td>
<td>1.7</td>
<td>3.0</td>
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<tr>
<td>Information (1.6%)</td>
<td></td>
<td>-2.2</td>
</tr>
<tr>
<td>Oil &amp; Gas, Mining Sup. (1.4%)</td>
<td>2.9</td>
<td>-1.6</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.

Strongest Growth in Leisure and Hospitality Services

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

- Total: 3.1%
- Trade, Trans. & Util.: 2.5%
- Prof. & Bus. Serv.: 1.6%
- Gov't: 2.2%
- Educ. & Health Serv.: 5.0%
- Leisure & Hosp.: 5.2%
- Mfg.: 3.5%
- Fin. Act.: 2.5%
- Constr.: 4.7%
- Other Serv.: 3.0%
- Information: -1.6%
- Oil & Gas: 4.1%

*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.
Dallas Leading Metro Job Growth in 2023

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>-8</td>
<td>-6</td>
<td>-4</td>
<td>0</td>
</tr>
<tr>
<td>Houston</td>
<td>3.1</td>
<td>2.9</td>
<td>3.3</td>
<td>2.9</td>
</tr>
<tr>
<td>Dallas</td>
<td>2.4</td>
<td>2.6</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Austin</td>
<td>-2</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Fort Worth</td>
<td>-8</td>
<td>-6</td>
<td>-4</td>
<td>0</td>
</tr>
<tr>
<td>San Antonio</td>
<td>-8</td>
<td>-6</td>
<td>-4</td>
<td>0</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
Texas Unemployment Rate Declines to 4.0 Percent

*Unemployment rate (percent)*

*Seasonally adjusted.

NOTE: Data are through December 2023.

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 January 13, 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 Drops 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 December 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 Expands

*Seasonally adjusted.
NOTE: Data through December 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.
Texas Export Levels Declined in November

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

Index, Jan. 2012=100*

NOTES: Seasonally adjusted, real dollars. Data through November 2023.
SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Texas Exports Are Led by Oil and Gas, and Petroleum and Coal Products

Index, Jan. 2012 = 100

*Seasonally adjusted, real dollars.

NOTE: Data through November 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 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 Growth Expands while Retail Sales Revenue Contract

*Seasonally adjusted.

NOTES: Data through December 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
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 Increase

Total existing home sales*

Months supply of inventory*

*Seasonally adjusted.

NOTE: Data through November 2023.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
Texas Median 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>$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.

NOTE: Data are seasonally adjusted and through October 2023 for Houston and November 2023 for the rest.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
2023 Texas Economic Outlook

- Texas employment has grown 3.1 percent in 2023, down from 4.3 percent growth in 2022.
- For more information, please join us for our annual Texas Economic Outlook on February 9th at https://www.dallasfed.org/research/events/2024/24outlook