

Austin Economic Indicators

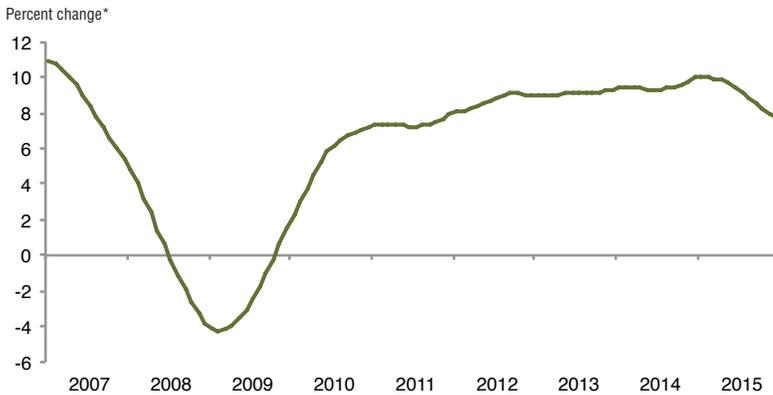
DALLAS **FED**

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Summary

Austin economic growth was strong in November. The Austin Business-Cycle Index continued to grow above trend, while jobs climbed at a rapid 4.6 percent annualized rate. The unemployment rate remained flat at a low level. Despite significant headwinds in manufacturing and continued mild growth in the state economy, most of Austin's large service sectors have continued to expand at a healthy pace.

Austin Business-Cycle Index

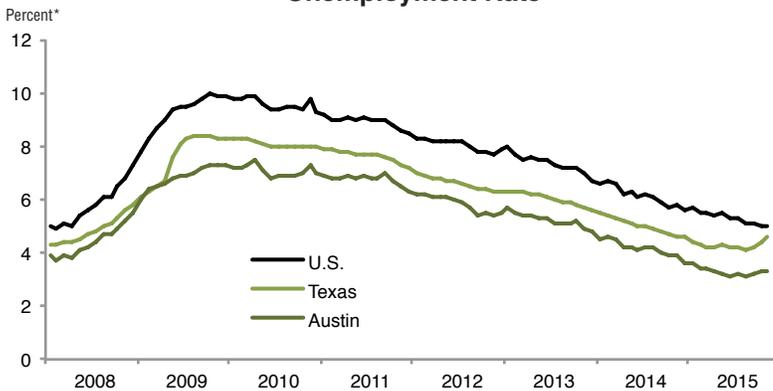


*Month-over-month annualized rate, seasonally adjusted.

► The Austin Business-Cycle Index expanded at a 7.8 percent annualized rate in November, slowing to just above the average post-recession growth rate of 7.7 percent. Although Austin has been fairly insulated from the energy downturn affecting much of Texas, other factors, such as a tight local labor market and a strong dollar, slowed economic activity in the region from its swift pace in early 2015.

Employment

Unemployment Rate

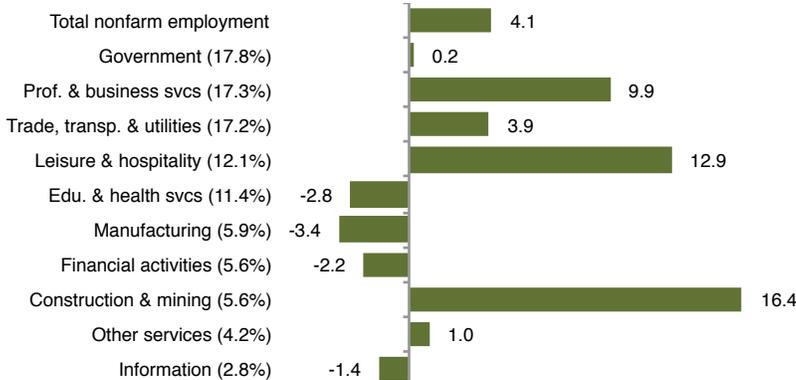


*Seasonally adjusted.

► The Austin unemployment rate held steady at a low 3.3 percent in November, in contrast with the sharp increase in the state unemployment rate to 4.6 percent. At the same time, labor force growth accelerated to its strongest pace in the past six months, suggesting some pickup in the migration of workers into Austin.

► Job growth in Austin accelerated to a 4.1 percent annualized rate over the three months through November. Growth was primarily concentrated in business services, construction, and leisure and hospitality. Employment in food services and drinking places in particular surged after weakness in the third quarter, adding 2,600 jobs. Professional, scientific and technical services also grew at a rapid pace of 10.2 percent in the three-month period. Hiring in trade, transportation and utilities picked up, although retail trade employment growth remained weak. Health care employment fell 1.3 percent, after 3.6 percent growth in the first eight months of 2015. Financial activities, particularly banking related, remained weak, and the manufacturing sector continued to shed jobs.

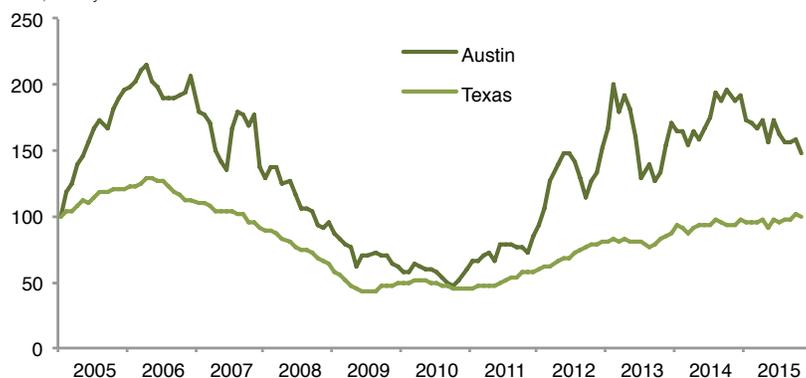
Employment Growth



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for September–November 2015. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

Housing Permits

Index, January 2005 = 100*

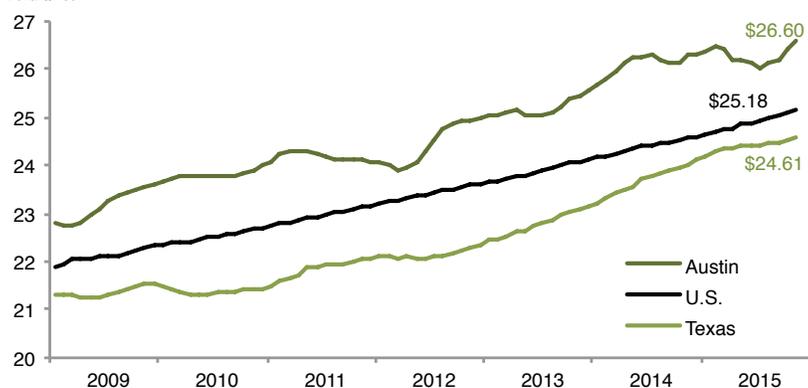


*Seasonally adjusted, indexed on five-month moving average.

► Permits for building new homes and apartments in Austin slipped in November, and the five-month average fell to its lowest level since 2013. However, single-family home inventories were steady at a very low 2.5 months of supply (well below the six months considered normal), and real median home prices reached a new high of \$276,915. Temporary effects such as inclement weather, rather than any fundamental slowdown in housing demand, are likely more responsible for the recent dip in home construction.

Private Sector Average Hourly Earnings

Dollars/hour*

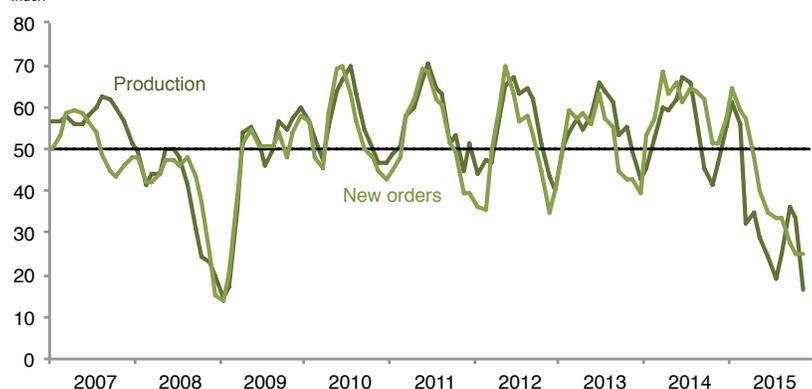


*Seasonally adjusted, five-month moving average.

► Average hourly earnings in Austin picked up over the latter half of 2015 after slipping earlier in the year. This coincided with a milder increase in wages at the state and national level. While average wage growth is influenced by many factors, continued difficulty for employers finding workers in Austin may be a key component in propelling further wage gains in 2016.

Austin Purchasing Managers Index

Index*



*Seasonally adjusted, three-month moving average; values greater than 50 indicate expansion.

► The Austin Purchasing Managers Index (PMI) slid in November as the production index tumbled to a six-year low, indicating a sharp decline in manufacturing output. The new orders index flattened out, but—at a reading of 25—indicated continued decline. Other PMI components improved slightly, but the picture for Austin-area manufacturing remains weak.

NOTE: Data may not match previously published numbers due to revisions.

SOURCES: **Austin Business-Cycle Index:** Bureau of Labor Statistics (BLS), Texas Workforce Commission (TWC) and Dallas Fed; **unemployment rate:** BLS and adjustments by the Dallas Fed; **employment growth:** BLS, TWC and adjustments by the Dallas Fed; **housing permits:** Census Bureau; **private sector average hourly earnings:** BLS, TWC and adjustments by the Dallas Fed; **Austin Purchasing Managers Index:** Institute for Supply Management-Austin.

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