

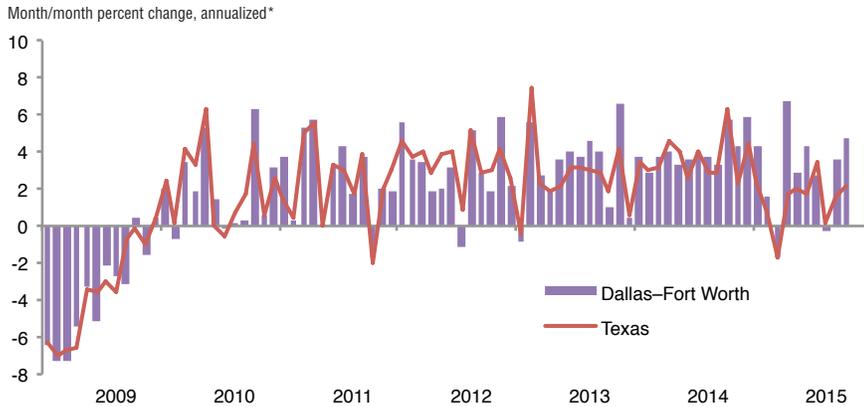
FEDERAL RESERVE BANK OF DALLAS • NOVEMBER 24, 2015

## Summary

The Dallas–Fort Worth economy expanded at a fast clip in October after posting strong growth in September. This year through October, the metroplex has created jobs at a 2.8 percent rate, outpacing both the state at 1.4 percent and the nation at 1.8 percent. Home sales rose further and home inventories remained tight in October. Unemployment edged up in both Dallas and Fort Worth. Dallas Fed business-cycle indexes point to sustained growth for the metroplex.

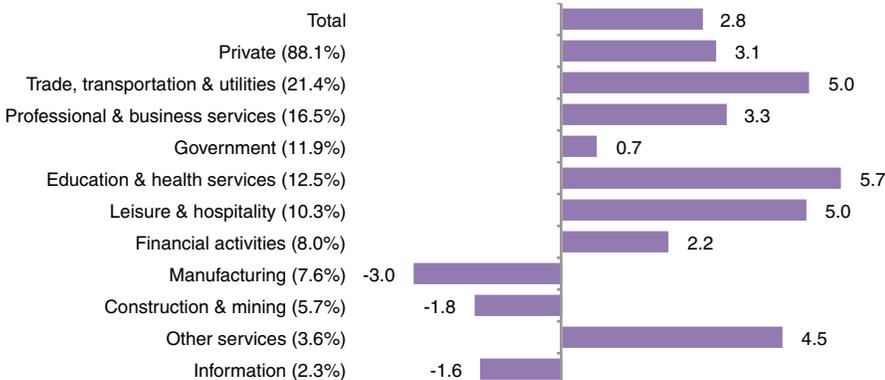
## Employment

### Employment Growth



\*With seasonal and other adjustments.

### Employment Growth by Sector

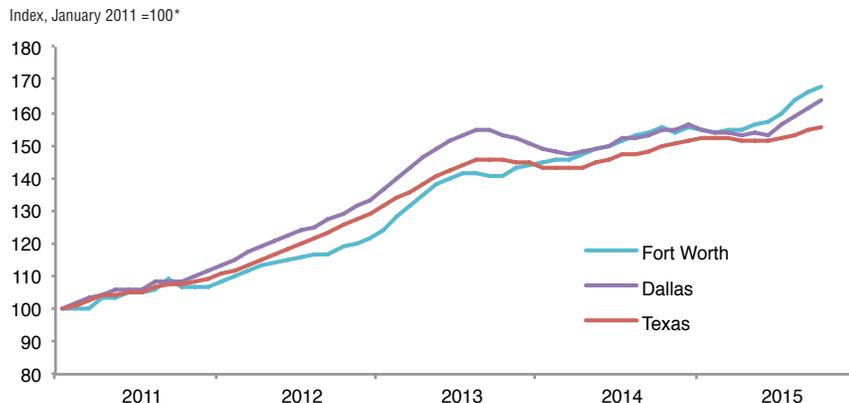


NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for December 2014–October 2015. Numbers in parentheses are shares of total Dallas-Fort Worth nonfarm employment and may not sum to 100 due to rounding.

► DFW employment grew an annualized 4.7 percent in October as the metroplex added 13,100 jobs. The strong increase was due to rapid payroll expansion in the Dallas area; employment in Fort Worth shrank. Job growth in Fort Worth has been uneven this year, while Dallas has seen consistent increases. Through October, employment in Dallas has expanded at a solid 3.9 percent annual rate (76,100 jobs), while in Fort Worth, it has inched up 0.4 percent (2,900 jobs).

► DFW employment in the goods-producing industries continued to contract in October, while service sector jobs rose strongly. Education and health services remained the fastest-growing sector year to date at 5.7 percent (19,200 jobs), while trade, transportation and utilities—which makes up the largest share of DFW employment—followed suit at 5 percent (29,400 jobs). Gains in leisure and hospitality and in professional and business services were healthy as well, with the two sectors together adding 29,200 jobs. Employment losses in manufacturing and in construction and mining continued, totaling 9,500 jobs through October.

## Home Sales

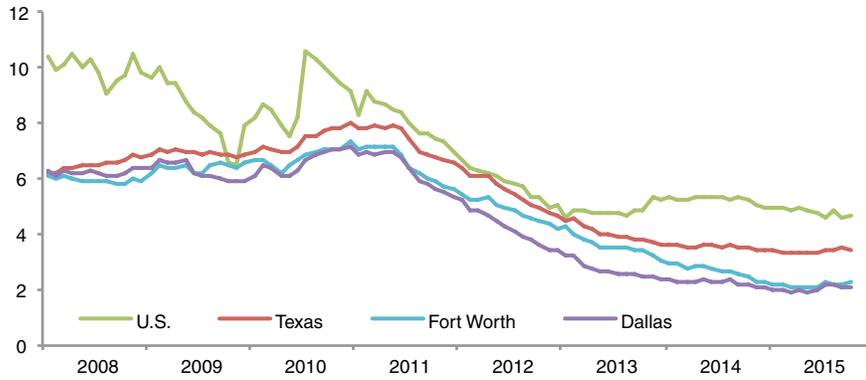


\*Six-month moving average, seasonally adjusted.

► DFW housing demand remained strong, thanks to solid job growth. Existing-home sales rose 1 percent in Dallas but dipped 1.6 percent in Fort Worth in October. However, six-month moving averages show continued increases in existing-homes sales in both metro areas. Year-over-year sales are up 7 percent in Dallas and 6.5 percent in Fort Worth, far outpacing the 1.8 percent increase for Texas. Existing-home sales in Dallas are nearly on par with their 2006 high, and sales in Fort Worth are slightly above. Even new-home sales remain solid in the metroplex and are strongest for low- to mid-priced homes, according to Dallas Fed business contacts.

## Home Inventories

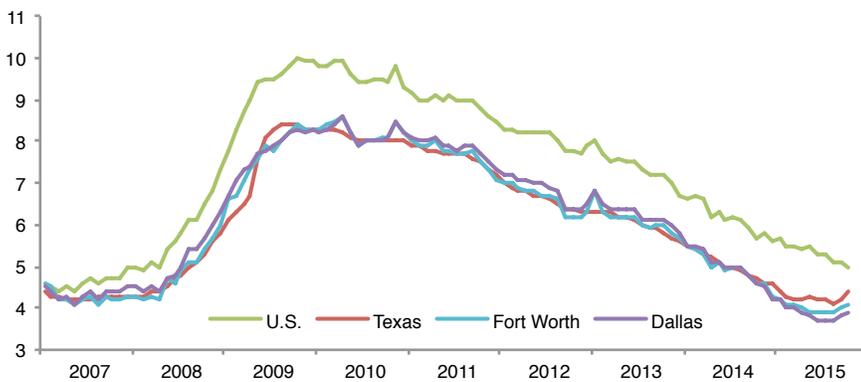
Months of inventory, seasonally adjusted



► Home inventories remain tight. In October, supplies were 2.1 months in Dallas, 2.3 months in Fort Worth and 3.4 months in Texas, according to the Multiple Listing Service. These figures are below the U.S. level of 4.7 months and well below the 6-month threshold that usually signals a balanced housing market. Inventories in both metros are near historic lows and well below the levels seen during the U.S. housing boom.

## Unemployment Rate

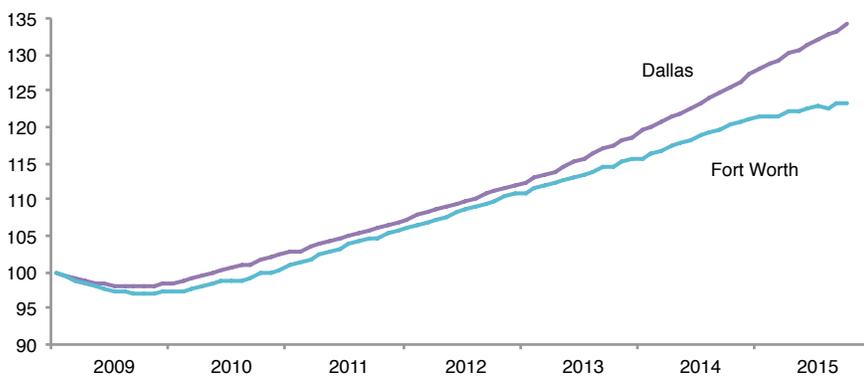
Percent, seasonally adjusted



► Unemployment in the metroplex remains historically low. In October, the rate ticked up to 3.9 percent in Dallas, 4.1 percent in Fort Worth and 4.4 percent in Texas. All three figures are under the U.S. rate of 5.0 percent. Unemployment in both Dallas and Fort Worth remains lower than during the U.S. housing boom, suggesting a very tight labor market in the metroplex. Over the past 12 months, the rate has dropped 0.7 percentage points in Dallas and half a percentage point in Fort Worth.

## Business-Cycle Indexes

Index, January 2009 = 100\*



\*Monthly, seasonally adjusted.

► Overall economic growth remained solid in Dallas and slowed in Fort Worth, according to the Dallas Fed's metro business-cycle indexes. The Dallas index rose at an annualized pace of 8.2 percent in October following a 5.5 percent increase in September. The Fort Worth index ticked up 0.6 percent in October following a 5.6 percent increase in September, largely due to a dip in payroll employment growth. Year over year, the indexes are up 6.9 percent in Dallas and a more modest 2.5 percent in Fort Worth due to continued job creation and low unemployment.

► The Dallas Fed produces business-cycle indexes for Texas and its major and border metros to help gauge the state of the economy. The metro indexes are constructed using payroll employment, the unemployment rate, inflation-adjusted real wages and inflation-adjusted retail sales.

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

SOURCES: **Employment:** Bureau of Labor Statistics, Texas Workforce Commission and adjustments by the Dallas Fed; **home sales** and **inventories:** Multiple Listing Service; **unemployment:** Census Bureau and adjustments by the Dallas Fed; **business-cycle indexes:** Dallas Fed.

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