

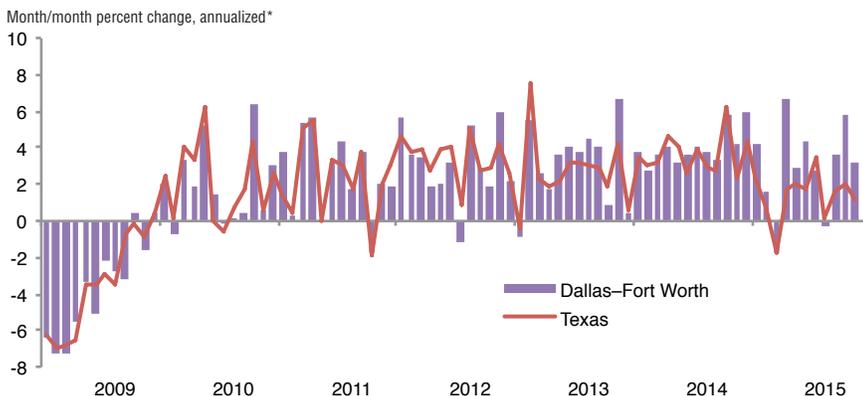
FEDERAL RESERVE BANK OF DALLAS • DECEMBER 22, 2015

## Summary

The Dallas–Fort Worth economy continued to expand at a rapid clip in November. This year through November, the metroplex created jobs at a 3 percent annual rate, outpacing both the state at 1.3 percent and the nation at 1.8 percent. Home prices rose further in the third quarter, and residential construction remained strong. Unemployment in November held steady in Dallas but edged up in Fort Worth. Dallas Fed business-cycle indexes point to continued growth for the metroplex.

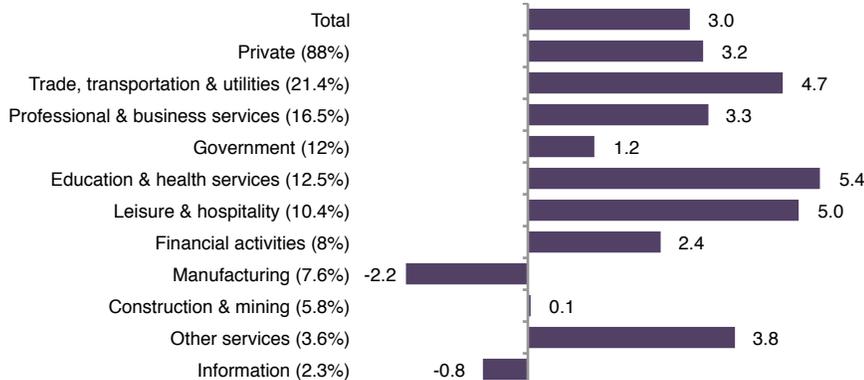
## Employment

### Employment Growth



\*Seasonal and other adjustments.

### Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector, December 2014–November 2015. Numbers in parentheses represent share of total Dallas–Fort Worth nonfarm employment and may not sum to 100 due to rounding.

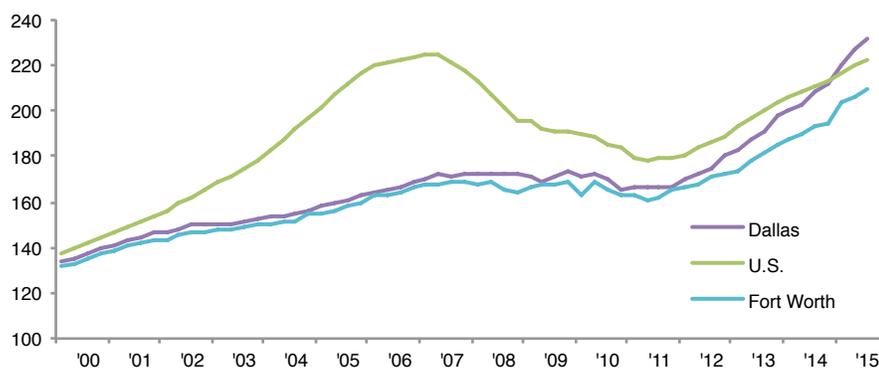
► DFW employment grew an annualized 3.2 percent in November, adding 9,100 jobs. The strong increase in November was due to continued rapid payroll expansion in the Dallas metro area; employment in Fort Worth shrank for a second consecutive month. Job growth in Fort Worth has been uneven this year, while Dallas has seen consistent increases. Through November, employment in Dallas expanded at a solid 4.1 percent annual rate (89,100 jobs), while it increased in Fort Worth by a mere 0.2 percent annualized (2,000 jobs).

► This year through November, DFW employment in the goods-producing industries has contracted (1.2 percent), while service-sector jobs are up strongly (3.7 percent). Education and health services remained the fastest-growing sector year to date at 5.4 percent (20,100 jobs), and leisure and hospitality followed suit at 5 percent (15,500 jobs). Employment gains in the trade, transportation and utilities sector—which makes up the largest share of DFW employment—have been strong as well at 4.7 percent (30,200 jobs).

► Manufacturing employment was down 5,400 jobs through November. Employment in construction and mining is nearly flat for the year, as gains in Dallas (4,400 jobs) have been largely offset by declines in Fort Worth (4,200 jobs).

## Home Prices

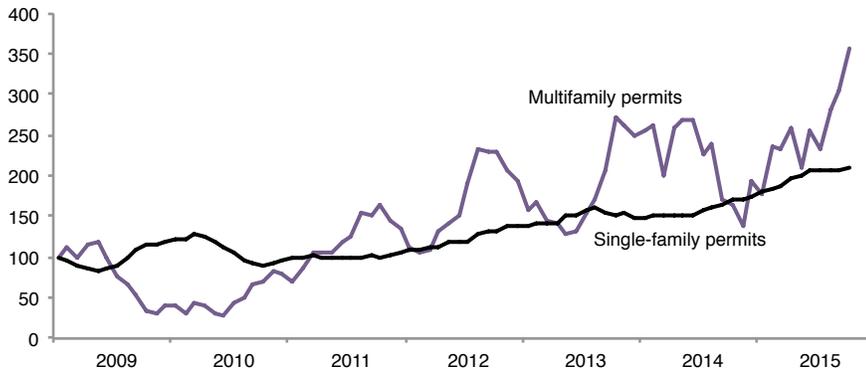
Index, first quarter 1991 = 100



► The DFW housing market remains healthy, and home prices continue to trend upward. Home prices rose 2.1 percent in Dallas and 1.4 percent in Fort Worth in the third quarter, according to the Federal Housing Finance Agency purchase-only house price index. This is slower than the second-quarter appreciation of 3 percent in Dallas and 1.5 percent in Fort Worth. On a year-over-year basis, prices were up 11 percent in Dallas and 8.6 percent in Fort Worth—both higher than the Texas (7.5 percent) and national (5.7 percent) gains. Prices in the metroplex are well above their peak before the housing bust, in part due to low inventories and continued strong demand.

## Residential Construction

Index, January 2009 = 100\*



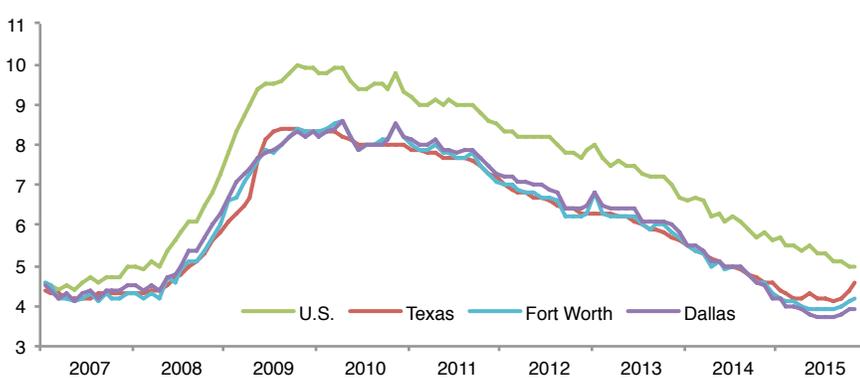
\*Five-month moving average, seasonally adjusted.

► Single-family home construction continues to increase, buoyed by strong housing demand. This year through October, total single-family permits were up 26 percent over the same period last year. However, homebuilding activity (measured by permits issued) remains below its prerecession peak and below levels seen in 2002 and 2003—before the onset of the housing boom—due to persistent labor shortages, constrained lending for land development and higher input costs.

► DFW apartment construction remains strong. In October, the number of apartment permits issued was up 18.1 percent from September. This year through October, a total of 19,699 multifamily permits have been issued—up 31.2 percent from the same period last year.

## Unemployment

Percent\*

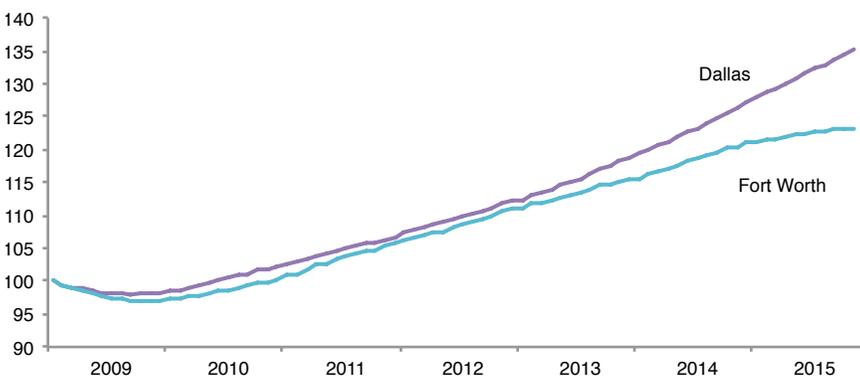


\*Seasonally adjusted.

► Unemployment in the metroplex remains near historical lows. In November, the unemployment rate held steady at 3.9 percent in Dallas but edged up to 4.2 percent in Fort Worth and 4.6 percent in Texas. All three figures remain lower than the U.S. rate of 5.0 percent. Unemployment in both Dallas and Fort Worth remains close to multiyear lows, suggesting a very tight labor market in the metroplex. Unemployment is down 0.6 percentage points in Dallas and 0.4 percentage points in Fort Worth compared with year-ago levels.

## Business-Cycle Indexes

Index, January 2009 = 100\*



\*Monthly, seasonally adjusted.

► Overall economic growth remained solid in Dallas but sluggish in Fort Worth, according to the Dallas Fed's metro business-cycle indexes. The Dallas index rose an annualized 6.7 percent in November following a 9.5 percent increase in October. The Fort Worth index inched up 0.7 percent in November after holding steady in October, largely due to a dip in payroll employment growth in both months. Year over year, the indexes are up 7 percent in Dallas and a more modest 2.3 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 current state of the economy. The metro indexes are constructed using payroll employment, the unemployment rate, inflation-adjusted wages and inflation-adjusted retail sales.

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

SOURCES: **Employment:** Bureau of Labor Statistics' Current Employment Statistics, Texas Workforce Commission and adjustments by the Dallas Fed; **home prices:** Federal Housing Finance Agency; **residential construction:** Census Bureau; **unemployment:** Census Bureau and adjustments by the Dallas Fed; **business-cycle indexes:** Dallas Fed.

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