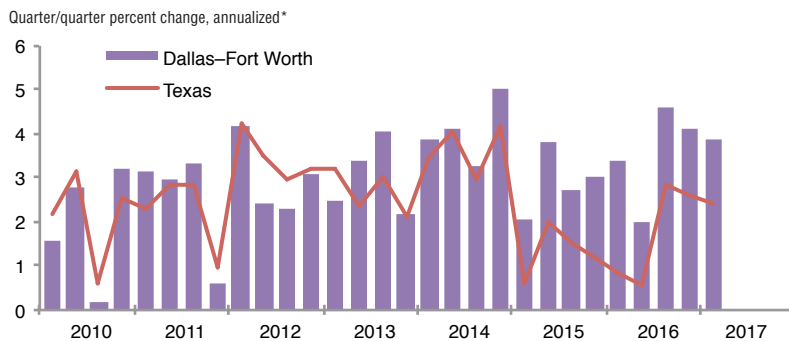


FEDERAL RESERVE BANK OF DALLAS • APRIL 26, 2017

Summary The Dallas–Fort Worth economy expanded in March, with payroll employment rising an annualized 2.0 percent. In the first quarter, DFW employment gains outpaced the state and national growth rates. Dallas and Fort Worth business-cycle indexes also posted strong growth in March, and unemployment edged down in both metros. Single-family housing permits rose further, in part supported by strong job and population growth in the metroplex.

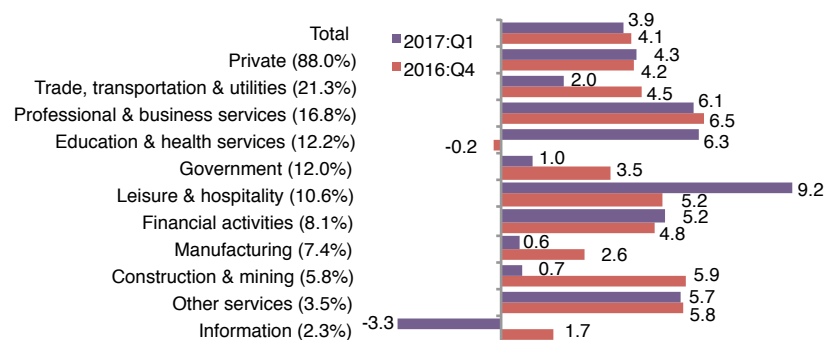
Employment

Employment Growth



SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

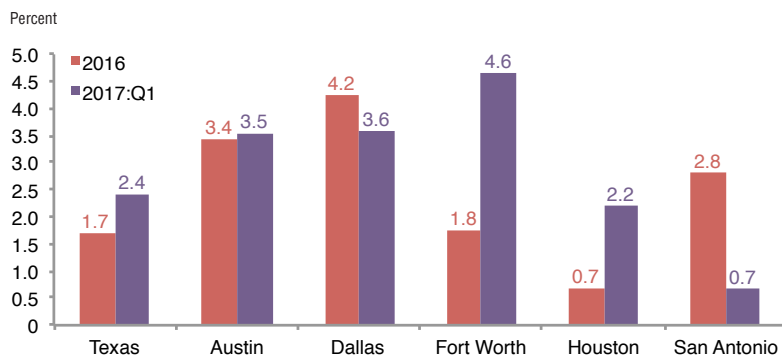
Employment Growth by Sector



NOTES: Data show seasonally adjusted, annualized percentage growth by sector. Numbers in parentheses are shares of total Dallas–Fort Worth nonfarm employment and may not sum to 100 due to rounding.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

Texas and Major Metro Employment Growth



NOTE: The first quarter 2017 change is annualized.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

► DFW employment expanded an annualized 3.9 percent in first quarter 2017, slightly below the 4.1 percent growth in the fourth quarter. First-quarter gains outpaced the state’s 2.4 percent increase and the nation’s 1.5 percent increase. Payrolls climbed 3.6 percent (22,556 jobs) in Dallas and 4.6 percent in Fort Worth (11,609 jobs) during the quarter.

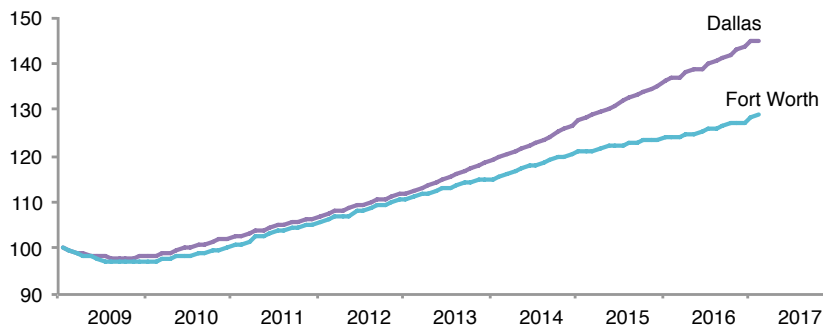
► In the first quarter, DFW employment gains were mostly broad based across sectors. Leisure and hospitality payrolls led growth with an annualized 9.2 percent increase. The professional and business services sector continued to add jobs at a rapid clip of over 6 percent, supported by ongoing corporate relocations and expansions in the metroplex. Other large sectors such as education and health services and financial activities also saw markedly strong increases. Job growth in manufacturing and construction and mining was sluggish under 1 percent, while payrolls in information services contracted.

► Job growth in the DFW metroplex continued to outpace the other major Texas metros in the first quarter. This comes on the heels of a similar robust performance last year. Dallas’ diverse industrial base, several corporate relocations and expansions, and continued healthy growth in the U.S. have supported the metro area’s economy.

► In March, the unemployment rate dipped to 4.1 percent in Dallas and 4.8 percent in Fort Worth. Both figures remain lower than the Texas rate, which edged up to 5.0 percent. The unemployment rate in Dallas remains below the U.S. rate of 4.5 percent and is close to multiyear lows, although it has risen from its recent low of 3.5 percent recorded in mid-2016.

Business-Cycle Indexes

Index, January 2009 = 100*



*Monthly, seasonally adjusted.

SOURCE: Dallas Fed.

► Growth in the [Dallas and Fort Worth business-cycle indexes](#) picked up in March. The Dallas index rose an annualized 4.8 percent during the month, slightly faster than February's revised 4.0 percent pace. The Fort Worth index grew 4.7 percent in March, following February's 0.6 percent increase. Year over year, the Dallas index was up a solid 6.6 percent, and the Fort Worth index was up 3.8 percent due to sustained healthy job creation in the metroplex.

Population

Population Change

(July 1, 2015 to July 1, 2016)

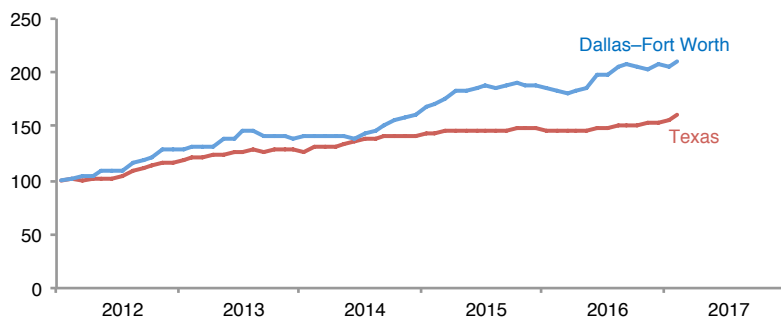
	Population growth	Total increase	Natural increase	Net international migration	Net domestic migration
Texas	1.6%	432,957	211,719	91,839	125,703
DFW	2.0%	143,435	56,164	25,626	60,230

SOURCE: Census Bureau, 2016 Population Estimates.

► Population growth in Dallas-Fort Worth was solid in 2016. Recently released census data show that the metroplex grew by 143,435 people, or a 2.0 percent increase, similar to the 2.1 percent growth seen in 2015 and the 2.0 percent long-term average (from 2001 to 2016) for the metroplex. Population gains in DFW were ahead of Texas' 1.6 percent increase. Net domestic migration accounted for 42 percent of the growth in DFW's population last year, and international migrants made up nearly 18 percent. This means that approximately 235 people moved to DFW every day last year. DFW is the fourth largest metropolitan statistical area in the U.S. with a population of 7.2 million in 2016.

Single-Family Housing Permits

Index, January 2012 = 100*



*Five-month moving average; seasonally adjusted.

SOURCE: Census Bureau.

► Homebuilding continues to increase in the metroplex, buoyed by strong housing demand. DFW single-family housing permits rose 3.8 percent in February compared with a 0.2 percent uptick statewide. Moreover, total DFW permits were up 24 percent in the first two months of 2017 compared with the same period last year, ahead of the 17 percent increase for Texas. Single-family permit issuance in DFW has outpaced the state since mid-2014. This surge in permits for single-family construction, coupled with tight home inventories and solid gains in population and employment, suggests that the DFW residential real estate market will see continued growth in the near term.

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

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