

San Antonio Economic Indicators

DALLAS **FED**

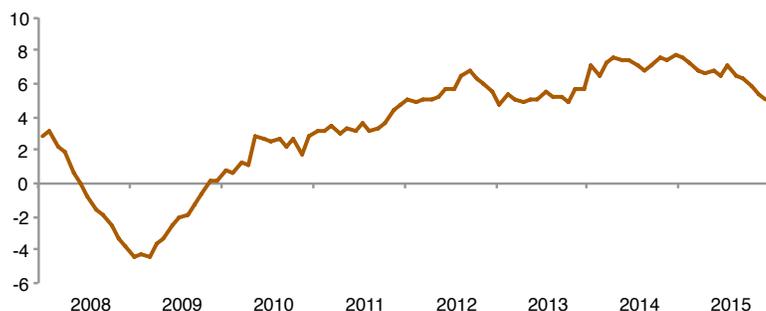
FEDERAL RESERVE BANK OF DALLAS • JANUARY 28, 2016

Summary

The San Antonio economy continued to expand moderately in December. Job growth dipped slightly negative, contrasting with the continued mild growth in the state. However, the unemployment rate decreased slightly, pointing toward continued labor market tightness. While the headwinds of energy and a strengthening dollar had a slight slowing effect on San Antonio in 2015, the metro grew at a 3 percent rate overall last year, close to 2014's strong rate of 3.6 percent.

San Antonio Business-Cycle Index

Percent change, month/month*



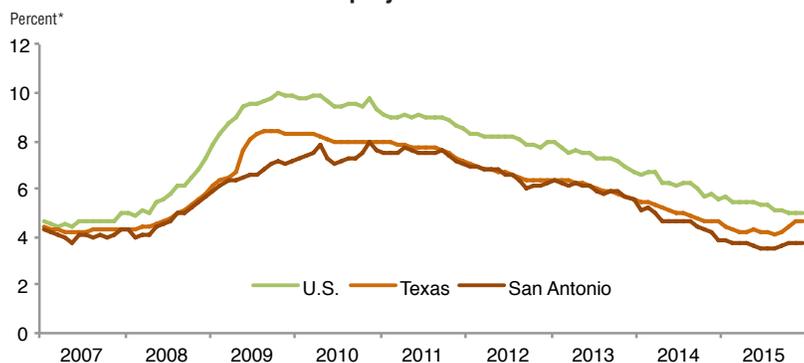
*Seasonally adjusted, annualized rate.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; Dallas Fed.

► Growth in the San Antonio Business-Cycle Index decelerated to a 5.1 percent annualized pace in December—the weakest month of 2015—and well below the 6.5 percent average rate last year. Declines in both job growth and the unemployment rate provided mixed signals; however, the continued good pace of growth in the index relative to its historical average suggests overall economic conditions remain healthy.

Employment

Unemployment Rate



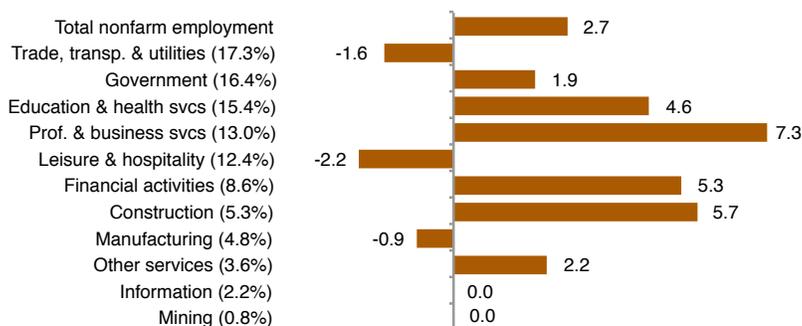
*Seasonally adjusted.

SOURCE: Bureau of Labor Statistics.

► After three consecutive months of increases, the San Antonio unemployment rate fell to 3.7 percent in December. This contrasts with the rise in the state rate to 4.7 percent. The decline stems from a slight contraction in the local labor force, rather than any significant strength in household employment growth.

► Jobs in San Antonio grew at a moderate 2.7 percent annualized rate over the final quarter of 2015. Growth continued to be broad based, although manufacturing remained weak and leisure and hospitality declined after prior solid growth. Retail trade also slumped sharply after moderate growth throughout most of the year. Professional and business services hiring picked up, with particular strength in temporary agency employment, which grew at an annualized pace of 14 percent. Construction employment remained strong as a slowdown in hiring for specialty trade contractors was offset by additional demand for workers in building construction. Insurance buoyed growth in financial activities jobs, while ambulatory health care jobs (such as those in physicians' offices) accounted for most of the growth in education and health services.

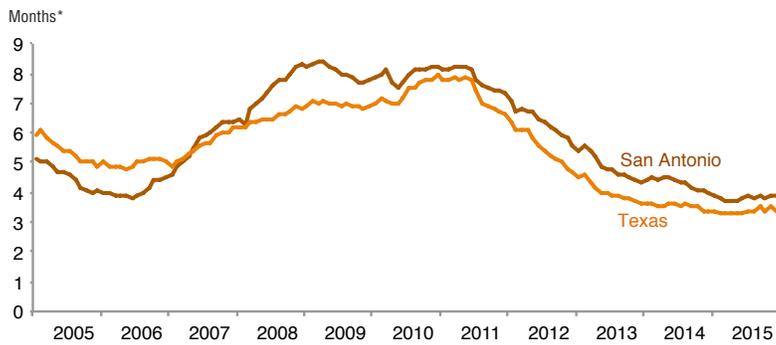
Employment Growth by Sector



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

SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

Home Inventories

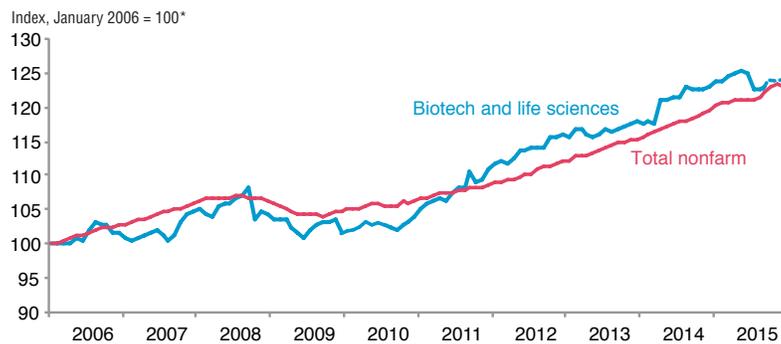


*Seasonally adjusted.

SOURCE: Multiple Listing Service.

► San Antonio single-family home inventories relative to sales remained flat in December at 3.9 months' supply while falling in the state to 3.4 months' supply. Inventories in San Antonio, though below the six-month level considered healthy, are higher than in other very tight Texas real estate markets such as Austin and Dallas. Nevertheless, recent robust growth in housing permits, existing-home sales and construction employment suggests that the regional housing market remains robust.

Biotechnology and Life Sciences Employment



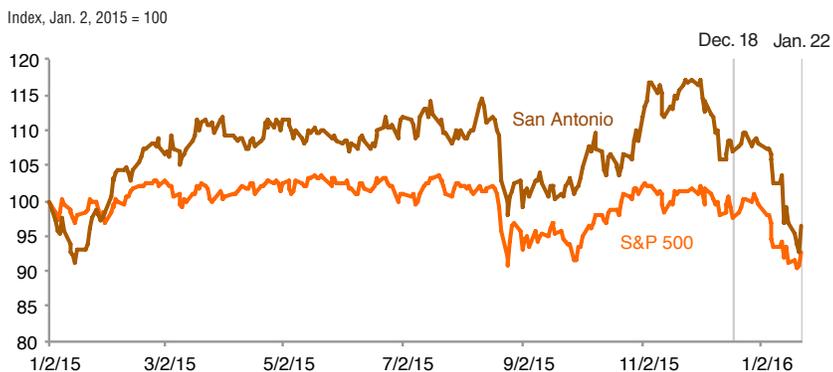
*Seasonally adjusted.

NOTE: Biotech and life sciences employment includes pharmaceutical and medical device manufacturing, scientific research and development, technical consulting and medical laboratories. Dashed line indicates estimates based on broader industry data.

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

► Employment in biotechnology and life sciences in San Antonio dipped in the third quarter, predominantly due to a sharp decline in technical consulting services. Since 2010, the biotech and life sciences cluster has grown at an annual average of 3.4 percent, above the 2.7 percent rate for total nonfarm employment. Estimates based on broader industry data suggest some pickup in the fourth quarter of last year, however, as health services-related employment surged at a 5.6 percent annual rate.

Stock Indexes



SOURCES: Bloomberg; Standard and Poor's.

► Stocks of San Antonio-based companies suffered a sharp 9.8 percent decline from Dec. 18 to Jan. 22, double the S&P 500's 4.9 percent fall over the same time. Renewed turmoil in energy markets and concerns about global economic growth have led to a broad decline in stock prices across industries. Energy drilling and exploration companies were hit particularly hard by the sharp drop in oil prices.

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

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