

San Antonio Economic Indicators

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Summary

The San Antonio economy expanded rapidly in January. Job growth picked up sharply, rising by more than double the state rate, while the metropolitan unemployment rate fell for a second consecutive month. In 2015, San Antonio benefited from a pickup in government, leisure and hospitality, and health services growth, which cushioned the effects of a declining energy sector and a softening state economy.

San Antonio Business-Cycle Index

Percent change, month/month*



*Seasonally adjusted, annualized rate.

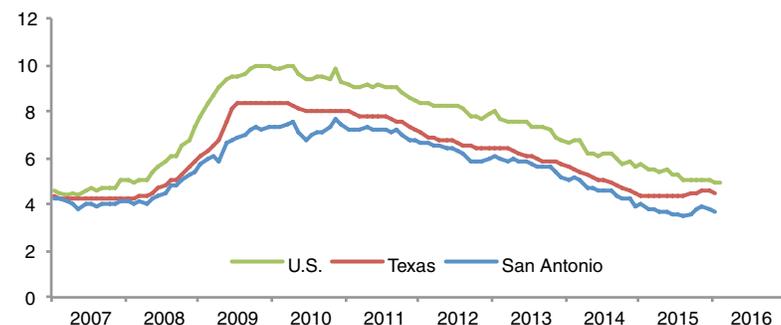
SOURCE: Dallas Fed.

► Growth in the San Antonio Business-Cycle Index accelerated to a 5.4 percent annualized pace in January, following six consecutive months of gradual deceleration. Strong payroll job growth of 6.6 percent and further declines in the unemployment rate contributed to the acceleration in the index.

Employment

Unemployment Rate

Percent*



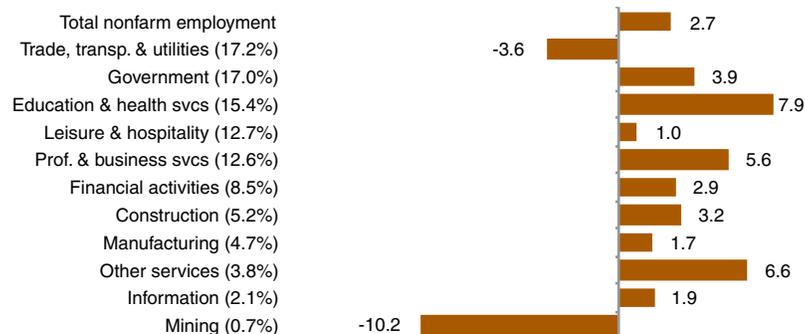
*Seasonally adjusted.

SOURCE: Bureau of Labor Statistics.

► The San Antonio unemployment rate fell for a second month in January to 3.7 percent, signaling a very tight labor market. The rate in San Antonio remains well below the state rate of 4.5 percent and the national rate of 4.9 percent. Labor force growth, which was very weak in December and played a large role in the unemployment rate decline that month, accelerated to a 3.9 percent annualized rate in January.

► Despite a strong start to 2016, San Antonio jobs grew at a moderate 2.7 percent annualized rate in the three months through January. Growth remained broad based, with trade (particularly retail) and mining the only significant sectors of weakness. Education and health services picked up sharply, rising to its fastest three-month growth rate since late 2011. Professional and business services remained strong, largely from hiring in administrative services. Expansion in construction jobs slowed somewhat but remained at a healthy pace. Government employment growth was remarkably strong, with increased hiring at both the federal and local levels. Leisure and hospitality jobs—a drag on overall job growth toward the end of last year—rebounded in January.

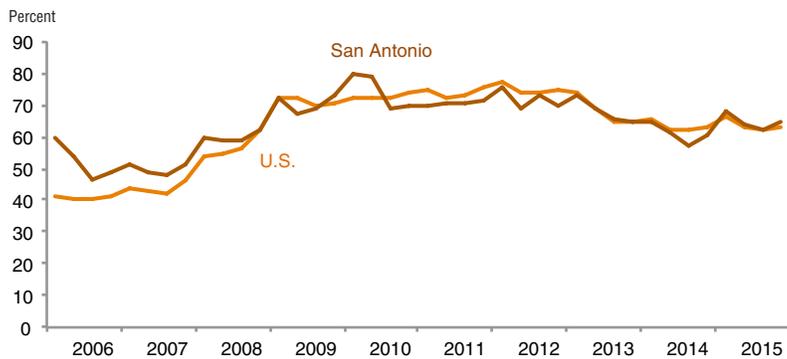
Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for November 2015–January 2016. 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.

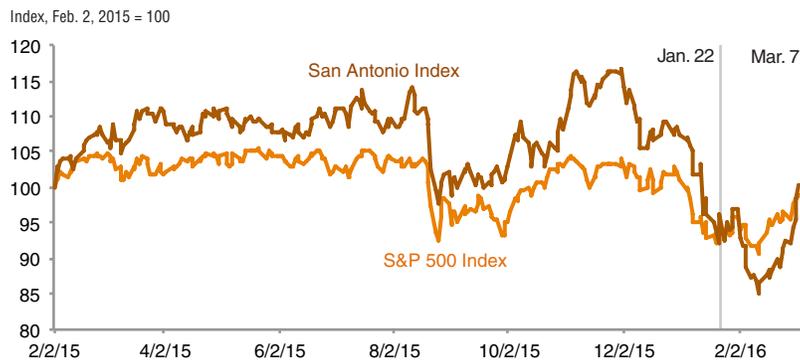
Home Affordability



SOURCE: National Association of Home Builders/Wells Fargo.

► Home affordability increased slightly in the fourth quarter of last year in San Antonio and the U.S. overall. The percentage of homes that a median-income family could afford rose from 62.4 to 64.5 percent, driven primarily by a slight decline in the median home price in the fourth quarter. However, home sales reached record highs in January, and home inventories were at a relatively lean four-months' supply, indicating that housing demand remains strong. Upward trends in new building permits and help-wanted advertising for construction workers in San Antonio point to continuing growth in housing supply as well.

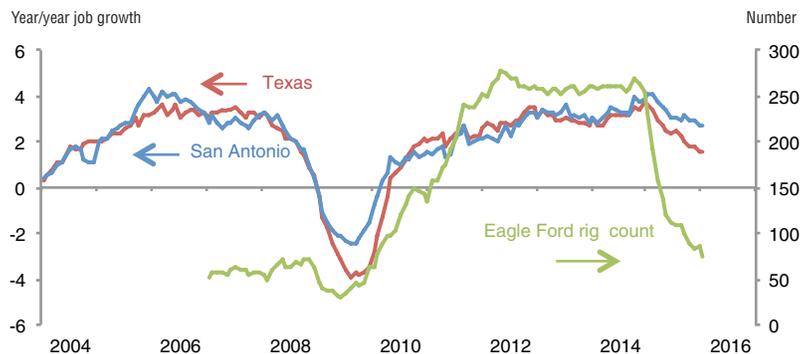
Stock Indexes



SOURCES: Bloomberg; Standard and Poor's.

► Stocks of San Antonio-based companies rebounded by 4.2 percent between Jan. 22 and March 7, slightly below the 5 percent rise in the S&P 500 over the same period. Recent improvements in energy markets have increased stock prices of oil- and gas-related companies. Stocks of local retail, finance and communication firms have also picked up in recent weeks.

Job Growth and Eagle Ford Rig Count



NOTE: Eagle Ford rig count data not available prior to 2007.

SOURCES: Bureau of Labor Statistics; Energy Information Administration; Dallas Fed.

► Although San Antonio job growth decelerated in 2015 from the prior year's pace, the area remained resilient in the face of declining Eagle Ford activity. At the state level, consumers benefited from lower gasoline prices, which helped drive leisure and hospitality activity, while increasing health insurance coverage boosted demand for health care services. These sectors, along with government, are industries that have an outsized presence in the San Antonio economy. Thus, despite a two-thirds decline in the Eagle Ford rig count in 2015, total employment in San Antonio remained quite robust.

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

Questions regarding *San Antonio Economic Indicators* can be addressed to Christopher Slijk at christopher.slijk@dal.frb.org.