

San Antonio Economic Indicators

DALLAS FED

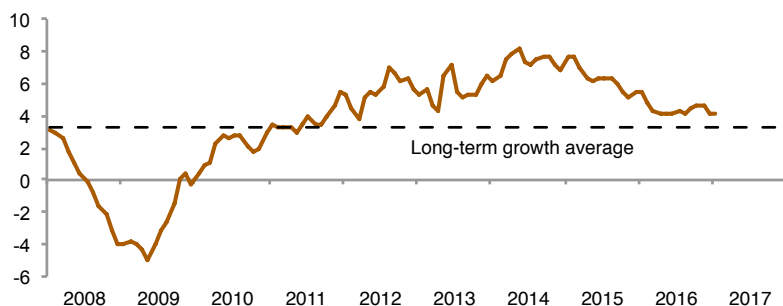
FEDERAL RESERVE BANK OF DALLAS • MARCH 16, 2017

Summary

Growth in the San Antonio economy in January held steady at a pace above its long-term trend. Job growth moderated from its fast pace in December, while the unemployment rate ticked up slightly. Revisions to 2016 employment data show that job growth last year was much higher than initially predicted, continuing to hold above San Antonio's long-term average of 2.4 percent.

San Antonio Business-Cycle Index

Percent change, month/month*



*Seasonally adjusted, annualized rate.

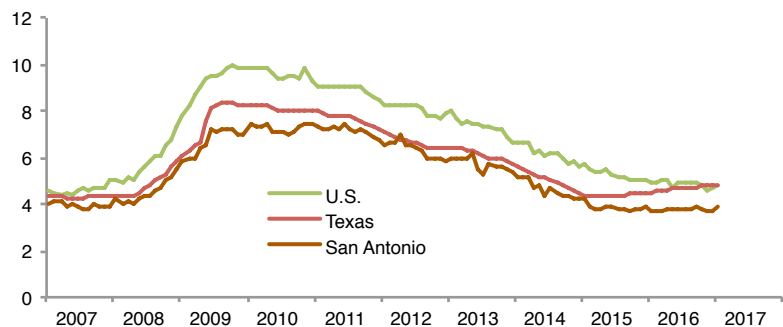
SOURCE: Dallas Fed.

► The San Antonio Business-Cycle Index expanded at a 4.2 percent annualized rate in January, beginning 2017 slightly below last year's rate of 4.4 percent. Revised data show the growth in the index peaked in mid-2014, followed by a slowing through the beginning of 2016 and a leveling off thereafter.

Employment

Unemployment Rate

Percent*



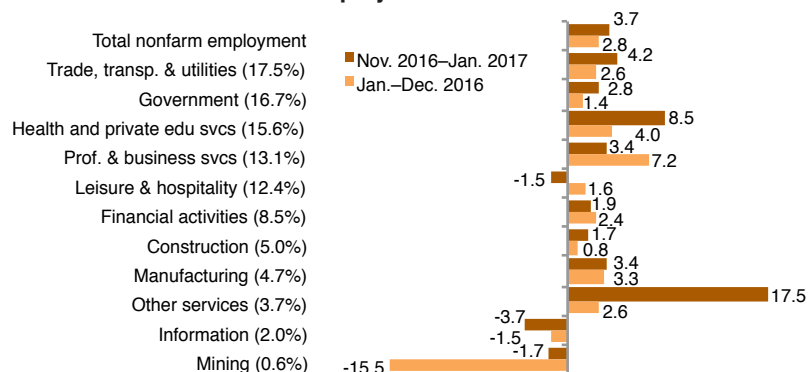
*Seasonally adjusted.

SOURCE: Bureau of Labor Statistics.

► The San Antonio unemployment rate ticked up to 3.9 percent in January, up from 3.7 percent in December and slightly above the 2016 average of 3.8 percent. This remains nearly a percentage point below the state and national rates of 4.8 percent. The local labor force has continued to trend upward in recent months, expanding by an annualized 4.2 percent over the three months through January.

► Job growth in San Antonio increased at a 3.7 percent annualized rate in the three months through January. Aside from a dip in leisure and hospitality and continued declines in information and mining employment, growth was broad based across sectors. Jobs in the other services sector, which includes maintenance and repair services, increased strongly, while health care growth was also robust. Strong growth in retail trade has propelled expansion in the trade, transportation and utilities industry, while the largest share of growth in professional and business services came from a 13.4 percent rise in administrative services such as office administration and call centers.

Employment Growth

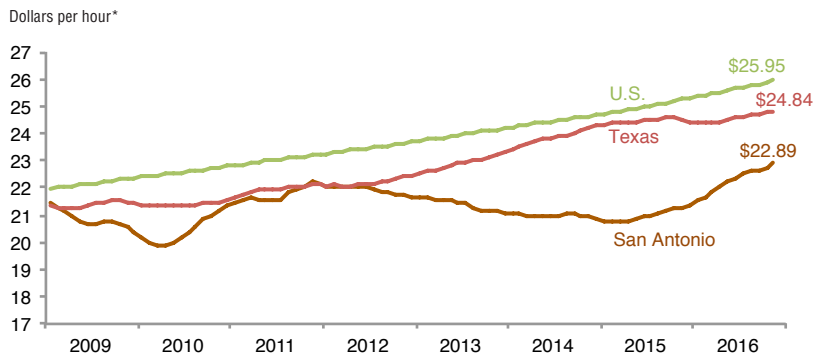


► The annual benchmark revision from the Bureau of Labor Statistics along with a seasonal adjustment from the Dallas Fed show that jobs were added in 2016 at a 2.8 percent rate—faster than the 2.1 percent pace that was reported in the January *San Antonio Economic Indicators*. In particular, industries such as manufacturing and construction, which data initially showed to be flat or slightly down for the year, were revised up notably. Other sectors such as professional and business services and health care were also revised up. Conversely, leisure and hospitality growth was sharply revised down.

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

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

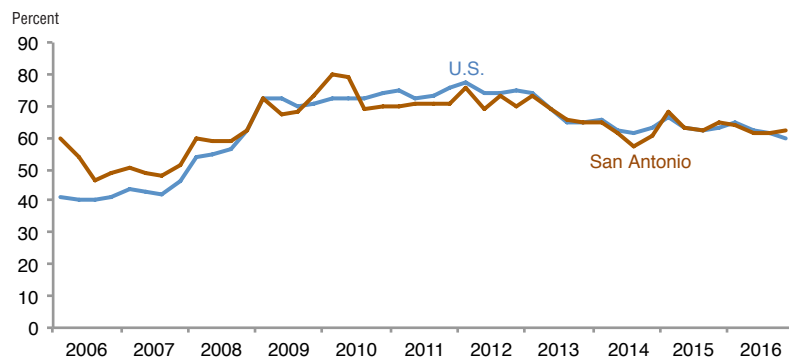
Average Private-Sector Hourly Wages



*Seasonally adjusted, five-month centered moving average.
 SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

► Average wages continued to rise in San Antonio in January. The five-month centered moving average of wages increased to \$22.89, up 7.5 percent from the prior year. This compares with just 1.5 percent wage growth in Texas and 2.9 percent growth in the nation. Texas continued to see weakness in high-paying jobs last year, particularly in the energy and manufacturing sectors. However, San Antonio saw a sharp increase in professional and business services, which tend to pay higher-than-average wages.

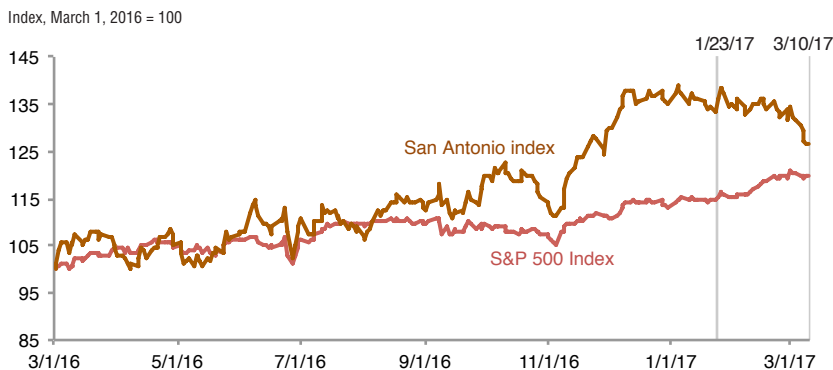
Housing Affordability



SOURCE: National Association of Home Builders/Wells Fargo.

► Home affordability in San Antonio picked up in fourth quarter 2016. The share of homes sold that the median-income family could afford rose from 61.3 percent to 62 percent. This diverged from the U.S. affordability rate, which decreased from 61.4 percent to 59.9 percent. Meanwhile, the median sales price in San Antonio has slipped in recent months, falling from its all-time high of \$213,146 in October to \$206,726 in January.

Stock Indexes



SOURCES: Bloomberg; Standard and Poor's.

► Stock prices of San Antonio-based companies continued to slip from Jan. 23 to March 10, falling 5.2 percent compared with the S&P 500's 4.7 percent gain over this time. Stock prices of energy firms, particularly exploration and production companies, were down moderately, while refining companies were slightly up. Telecommunications, media and financial companies were also up, while food services and retailers were down. Following a rapid rise at the end of last year, the San Antonio stock index has decreased 7.8 percent so far this year compared with a 5.1 percent gain in the S&P 500.

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.

More Dallas Fed economic updates: www.dallasfed.org/research/update/