

San Antonio Economic Indicators

DALLAS FED

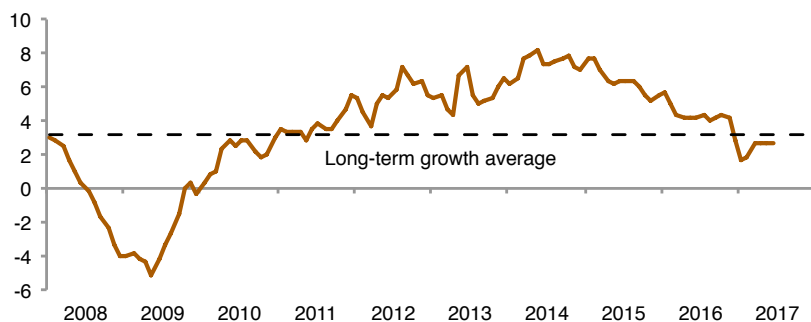
FEDERAL RESERVE BANK OF DALLAS • JULY 27, 2017

Summary

The San Antonio economy continued to grow moderately in June. Jobs increased at a modest pace, and the unemployment rate declined and remains well below its long-term average. While the recovery in Eagle Ford Shale activity has spurred growth in San Antonio's mining industry, other areas of the state have seen larger impacts from the rebound in energy.

San Antonio Business-Cycle Index

Percent change, month/month*



*Seasonally adjusted, annualized rate.

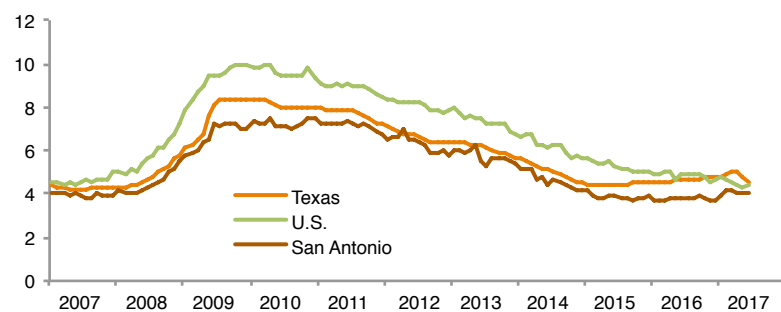
SOURCE: Dallas Fed.

► The San Antonio Business-Cycle Index continued to expand at a 2.7 percent annualized rate in June, the same rate of growth as the prior three months and slightly below the 3.2 percent long-term average. Mediocre job growth of 0.9 percent so far this year, combined with little overall change in the area jobless rate since December 2016, has dampened growth in the index.

Employment

Unemployment Rate

Percent*



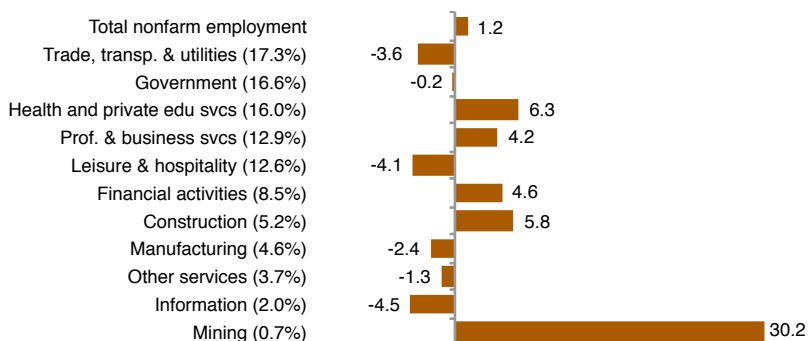
*Seasonally adjusted.

SOURCE: Bureau of Labor Statistics.

► The San Antonio unemployment rate declined to 4.0 percent in June from 4.1 percent in May. Though above the 2016 average, the June rate remains below that of the U.S. at 4.4 percent and the state at 4.6 percent. Labor force growth, while in line with long-term trends year to date, was flat in the second quarter after robust growth in the first.

► San Antonio jobs increased at a mild 1.2 percent annualized rate in second quarter 2017. Growth across industries was mixed, as the goods-producing sectors of mining and construction continued to post strong gains but manufacturing employment slumped. Government hiring was flat, although a sharp decline in state government jobs in June accounted for the bulk of the weakness. Retail trade and hospitality services led the decline in the service sector. Meanwhile, health care continued to add jobs at a robust pace, while scientific and technical services rebounded sharply, accounting for most of the growth in professional and business services. Financial activities also picked up with additional hiring in insurance and real estate-related services.

Employment Growth

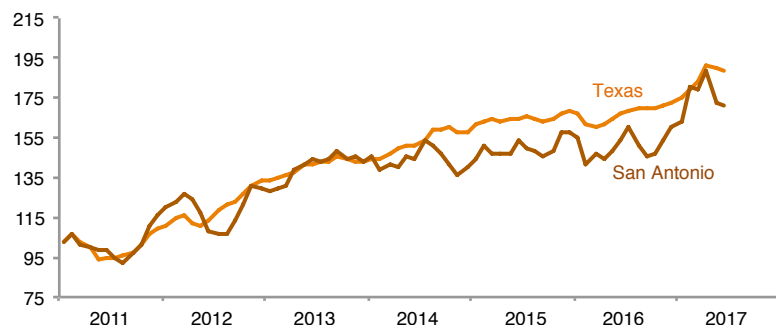


NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector from April to June 2017. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

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

Single-Family Housing Permits

Index, first quarter 2011 = 100



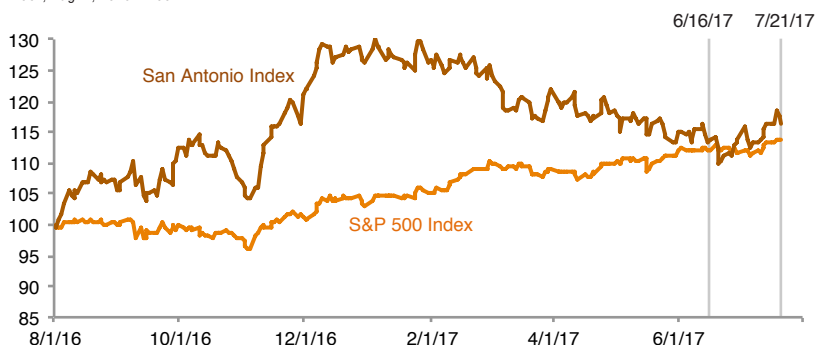
NOTES: Indexed on a three-month moving average. Data are seasonally adjusted.

SOURCES: Census Bureau; adjustments by the Dallas Fed.

► Building permits for single-family homes in San Antonio slipped recently compared with the state average. Over the three months through May, new permits declined from a 10-year high despite continued strong sales of existing homes. Home inventories increased slightly to 3.4 months' supply but held below the state average of 3.8 months.

Stock Indexes

Index, Aug. 1, 2016 = 100

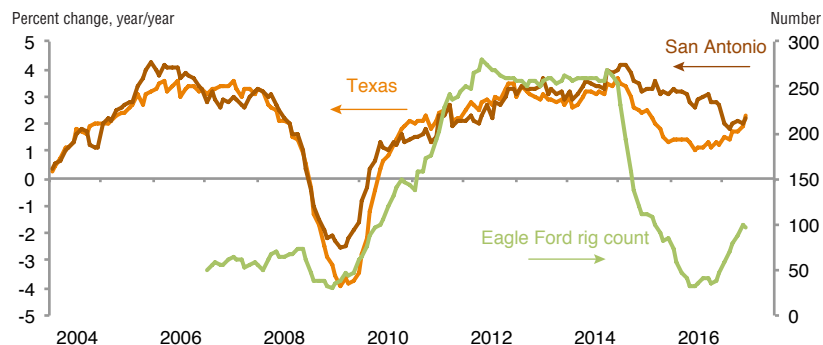


SOURCES: Bloomberg; Standard and Poor's.

► Stock prices of companies with a significant presence in San Antonio rose 2.4 percent from June 16 to July 21, above the 1.6 percent rise in the S&P 500 over the same time. Increases were concentrated in rising stock prices of financial and refining firms. Manufacturers and communication companies saw mixed growth, while local food servicers and retailers continued to see overall declines.

Job Growth and Eagle Ford Rig Count

Percent change, year/year



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

SOURCES: Bureau of Labor Statistics; Baker Hughes; Dallas Fed.

► With the moderation in San Antonio job growth and sharp rebound in energy-intensive areas of Texas, year-over-year job growth in the state surpassed the metro in June for the first time since 2012. The recovery in oil and gas activity in the Eagle Ford Shale south of San Antonio, which has added 64 rigs since bottoming out in mid-2016, has been only a slight boost to San Antonio job growth. Conversely, oil and gas areas such as the Gulf Coast—which include metros such as Houston and Corpus Christi—have seen a pickup in jobs from essentially no growth in 2016 to 2.6 percent so far this year.

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.

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