

San Antonio Economic Indicators

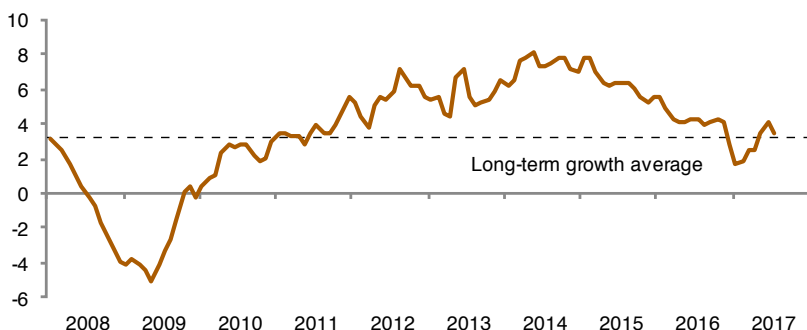
DALLAS FED

FEDERAL RESERVE BANK OF DALLAS • AUGUST 25, 2017

Summary The San Antonio economy grew at a steady pace in July. The San Antonio Business-Cycle Index expanded above trend as jobs stayed flat, but the area unemployment rate declined sharply. While recent growth has been below last year's strong pace, labor market indicators suggest this is likely due to continued tightness in labor markets rather than an underlying weakness in the local economy.

San Antonio Business-Cycle Index

Percent change, month/month*



*Seasonally adjusted, annualized rate.

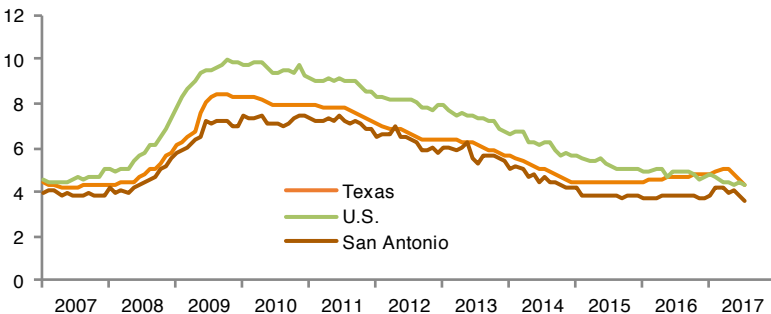
SOURCE: Dallas Fed.

► The San Antonio Business-Cycle Index expanded at a 3.4 percent annualized rate in July, a slight slowing from June. While July job growth was weak, revisions to first-quarter data showed significant improvement in year-to-date job growth. Along with a sharp decline in the unemployment rate over the past several months, this has helped lift growth in the index above its 3.2 percent long-term rate since May.

Employment

Unemployment Rate

Percent*



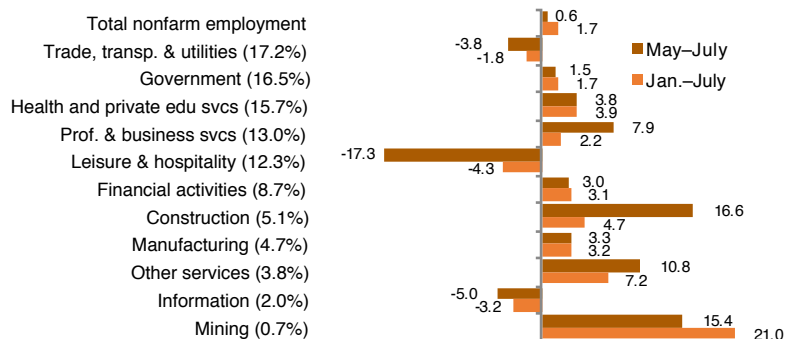
*Seasonally adjusted.

SOURCE: Bureau of Labor Statistics.

► The San Antonio unemployment rate declined to 3.6 percent in July from 3.8 percent in June. This is the lowest the jobless rate has been since 2000 and is well below the state and national rates of 4.3 percent. Labor force growth was flat in July and is just 0.9 percent year to date, which, along with moderate job growth, suggests continued issues with tight labor markets.

► San Antonio jobs increased at a mild 0.6 percent annualized rate over the three months through July. Growth has been mostly positive across industries, with the exception of leisure and hospitality, which saw a sharp decline over the summer, and retail, which declined 6 percent and dragged on growth in trade, transportation and utilities. Mining and construction continued to grow strongly, with construction picking up to its fastest three-month pace since 2008. Manufacturing continued to grow at a steady pace, while large service sectors such as professional services, health care and financial activities grew steadily or accelerated compared with earlier in the year.

Employment Growth

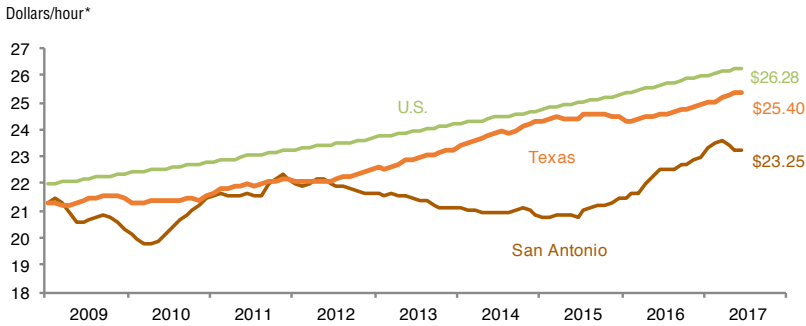


NOTES: Data show seasonally adjusted and annualized percentage employment growth by sector. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

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

► While job growth over the summer has been modest, revisions from the Dallas Fed's [early benchmark](#) suggest growth was a much healthier 2.0 percent in the first half of the year, compared with an estimated 0.9 percent last month.

Average Private Sector Hourly Wages

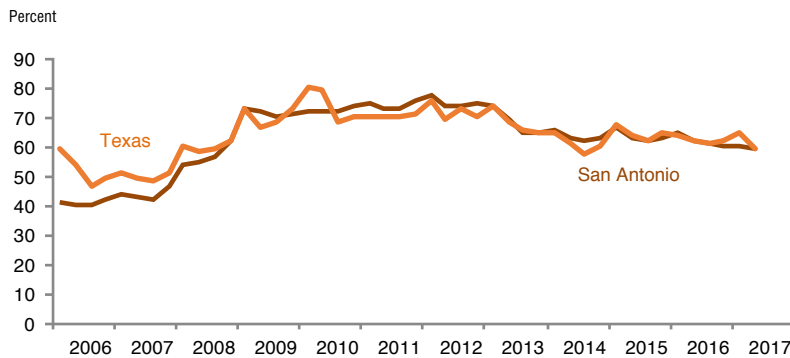


*Seasonally adjusted, three-month centered moving average.

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

► Average hourly earnings in the private sector flattened out in San Antonio in July after falling 1.3 percent from their peak of \$23.56 in March. Wages remain well below the state and national averages. Nevertheless, the metro average is up 3.4 percent compared with a year ago and over 12 percent from a low of \$20.74 in early 2015.

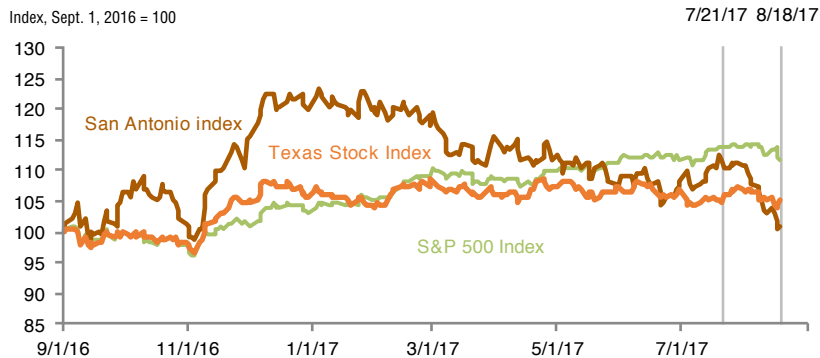
Home Affordability



SOURCE: National Association of Home Builders/Wells Fargo.

► San Antonio's home affordability declined in the second quarter as the percentage of homes sold that a median-income family could afford fell from 64.4 to 59.3 percent. This puts San Antonio on par with the national average of 59.4 percent. Home inventories declined to 3.4 months' supply, below Texas' 3.8 months, while home sales and the median home price approached all-time highs.

Stock Price Indexes



SOURCES: Bloomberg; Standard and Poor's.

► Stock prices of companies with a significant presence in San Antonio fell a sharp 8.6 percent from July 21, compared with a 1.9 percent decline in the S&P 500 and a 0.8 percent slip in the Texas Stock Index over the same time. Losses were broad-based, and retailers, energy-related companies, financial firms and hospitality firms all saw moderate or strong declines in their share prices. Exceptions were manufacturing and communications firms, in which performance was more mixed.

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.