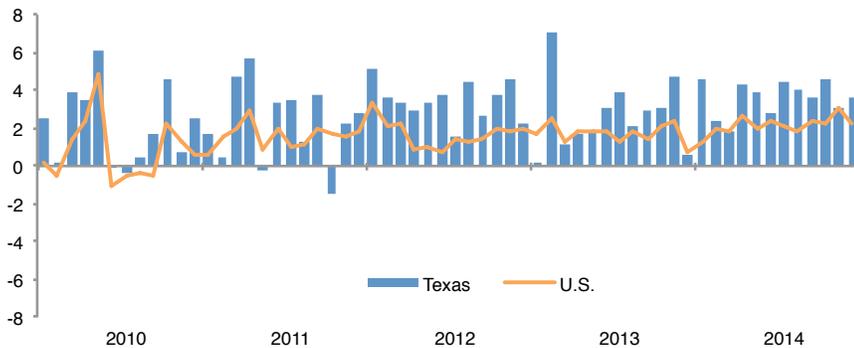


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**Summary** The Texas economy continues to expand, with employment growing at a 3.7 percent annualized rate in December. Overall job creation was broad-based in 2014, and the unemployment rate declined further. The Texas Leading Index edged down in November, suggesting continued positive growth but at a slower pace.

## Employment Growth

Month-over-month percent change, annualized\*

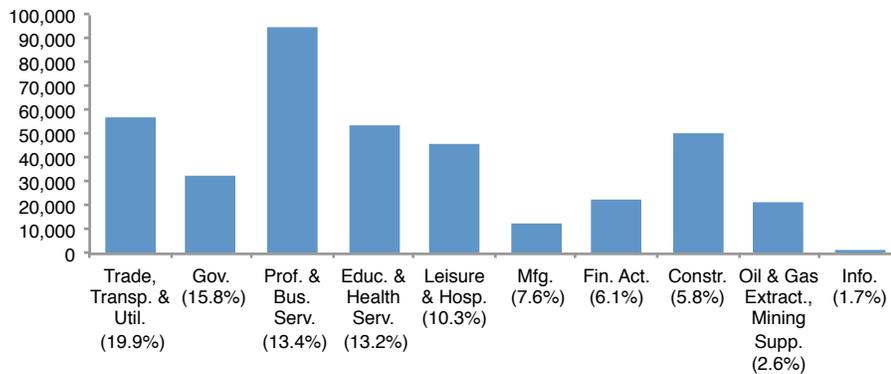


\*Seasonal and other adjustments.

► Texas employment grew at a 3.7 percent annualized pace in December, outperforming the nation's 2.2 percent increase. Texas gained 35,200 jobs in December after adding 29,200 jobs in November. Current Texas employment stands at 11.7 million, according to the payroll survey (CES).

## Employment by Sector

Jobs added year to date

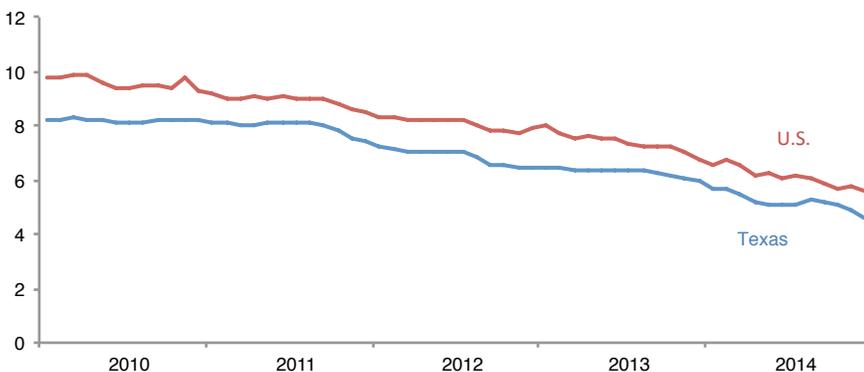


NOTE: Numbers in parentheses are the total share of Texas nonfarm employment.

► Texas saw strong job gains of 3.6 percent in 2014. The professional and business services sector, which includes lawyers, accountants, architects, engineers and other IT professionals and makes up 13.4 percent of total Texas employment, added the most jobs last year—94,600 jobs. The construction sector, accounting for about 6 percent of total Texas employment, recorded the fastest pace of increase in 2014, growing 8.1 percent.

## Unemployment

Percent \*



\*Seasonally adjusted.

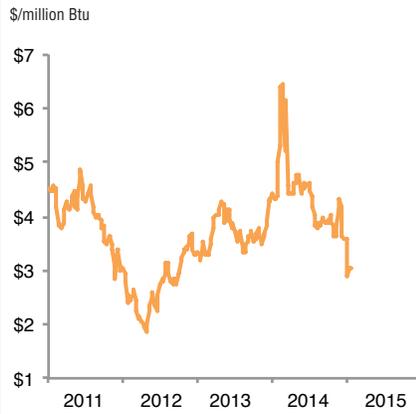
► The Texas unemployment rate fell to 4.6 percent in December. The Texas rate continues to be lower than the U.S. rate, which fell to 5.6 percent in December. Texas' unemployment rate has fallen 1.4 percentage points since the beginning of 2014 and is at a six-year low.

### Crude Oil Prices



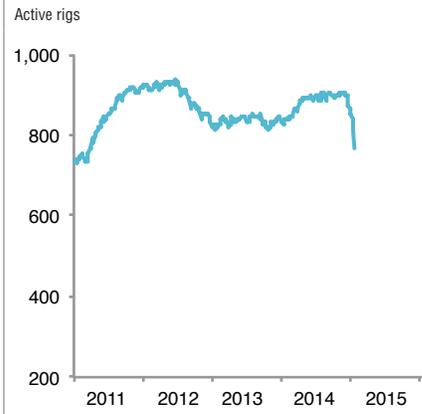
► The West Texas Intermediate crude oil price fell from \$54.14 per barrel for the week ending Jan. 2 to \$45.92 for the week ending Jan. 16 and was down 50.2 percent year over year.

### Natural Gas Prices



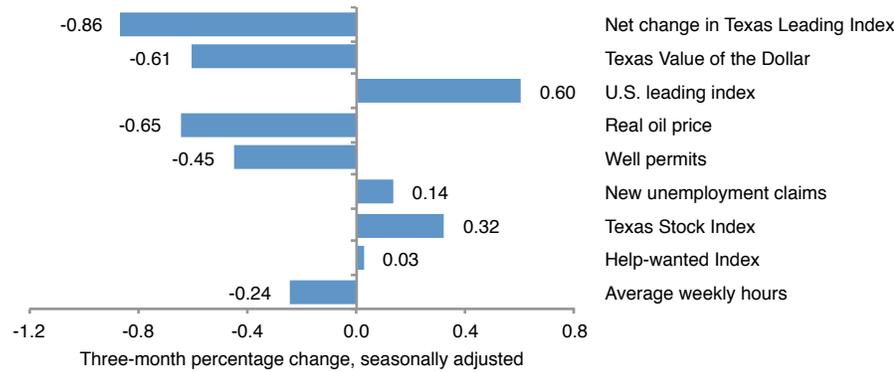
► Natural gas prices rose to \$3.06 per million Btu for the week ending Jan. 16, a 1.2 percent increase from its Jan. 2 level. The price was 30.1 percent lower than year-earlier levels.

### Texas Rig Count



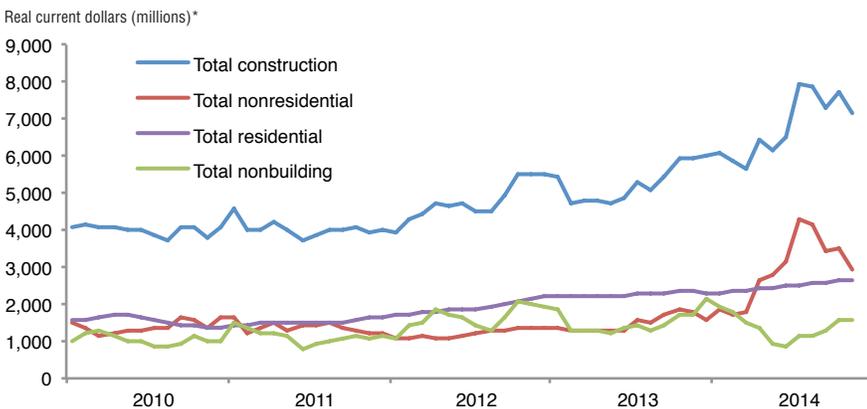
► The Texas rig count dropped from 840 in the week ending Jan. 2 to 766 during the week ending Jan. 16 and was down 8.9 percent from last year's level.

### Texas Leading Index with Components



► The Texas Leading Index, which uses key economic indicators to forecast employment growth, edged down 0.9 percent from September to November as half of its components declined during the period.

### Construction Contract Values



► The five-month moving average of total Texas construction contract values fell 7.6 percent in November to \$7,148 million but was up 20.8 percent year over year. The drop in November was due to sharp declines in both nonresidential and nonbuilding construction.

\*Seasonally adjusted, five-month moving average.

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

SOURCES: **Employment:** Bureau of Labor Statistics' Current Employment Statistics (CES) and Texas Workforce Commission; seasonal and other adjustments by the Federal Reserve Bank of Dallas; **unemployment:** Bureau of Labor Statistics and Federal Reserve Bank of Dallas; **energy:** Wall Street Journal and Baker Hughes; **Texas Leading Index:** Federal Reserve Bank of Dallas; **construction:** F.W. Dodge; seasonal and other adjustments by FRB Dallas.

Questions can be addressed to Emily Gutierrez at [emily.gutierrez@dal.frb.org](mailto:emily.gutierrez@dal.frb.org). Texas Economic Indicators can be found online at [www.dallasfed.org/research/indicators/index.cfm](http://www.dallasfed.org/research/indicators/index.cfm).