

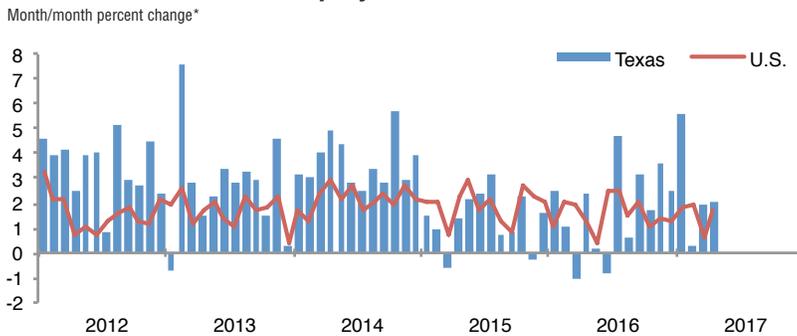
FEDERAL RESERVE BANK OF DALLAS • MAY 22, 2017

Summary

The Texas economy expanded at a moderate pace in April. While employment growth accelerated, it was mixed across major Texas metros. Exports expanded in the first quarter. The rig count rose further in April, while the Texas Leading Index dipped.

Employment

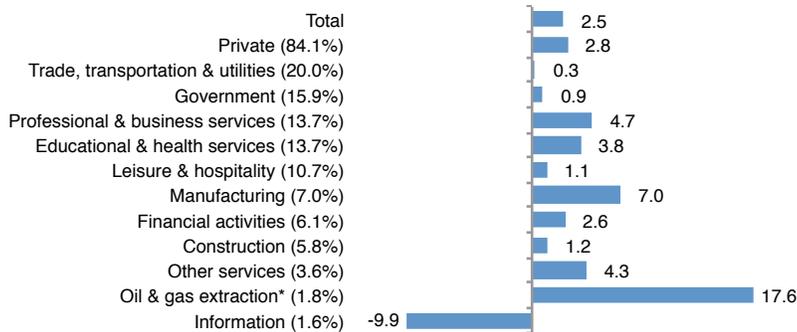
Employment Growth



*Seasonally adjusted, annualized rate.

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

Employment by Sector



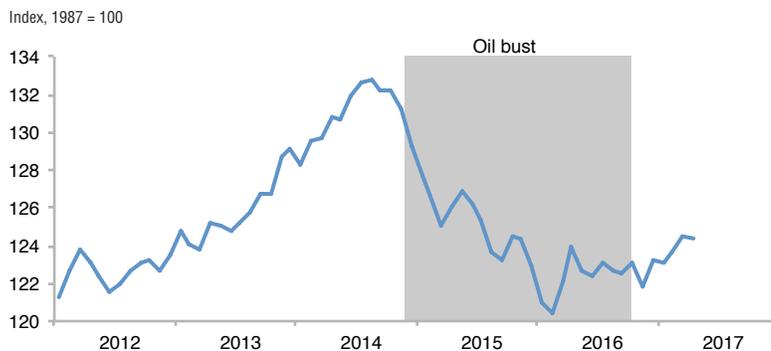
*Includes support activities for mining.

NOTES: Data show seasonally adjusted and annualized percentage employment growth by sector for December 2016–April 2017. Numbers in parentheses represent share of total employment in April 2017 and may not sum to 100 due to rounding.

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

- ▶ Texas employment expanded an annualized 2.1 percent in April, and year to date it has grown 2.5 percent.
- ▶ The [Dallas Fed's Texas Employment Forecast](#) suggests 2.4 percent growth in 2017.
- ▶ Payrolls in Dallas contracted 5.4 percent in April, while in Houston, job growth strengthened to 5.4 percent. However, all major metros have added jobs so far in 2017.
- ▶ Employment growth year to date through April has been broad based across major sectors, with the exception of information services, where it has contracted an annualized 9.9 percent.
- ▶ Employment in the energy sector has surged an annualized 17.6 percent so far in 2017 but remains below pre-oil-bust levels.
- ▶ Texas manufacturing employment has turned around, expanding an annualized 7.0 percent this year after declining in 2015 and 2016.

Texas Leading Index

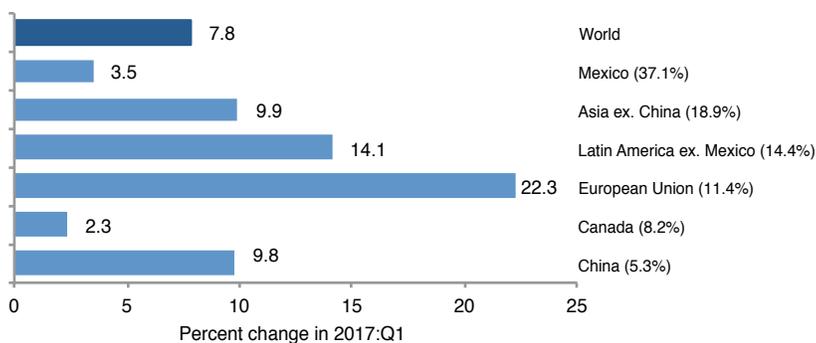


NOTES: Data are seasonally adjusted. Oil-bust shading represents Texas energy sector employment peak to trough, December 2014 to September 2016.

SOURCE: Dallas Fed.

- ▶ The [Texas Leading Index](#), a composite of eight indicators that tend to change direction before the overall economy does, sheds light on the future of the state's economy. In April, the estimated value of the Texas Leading Index fell slightly, but the estimated three-month change remained positive.

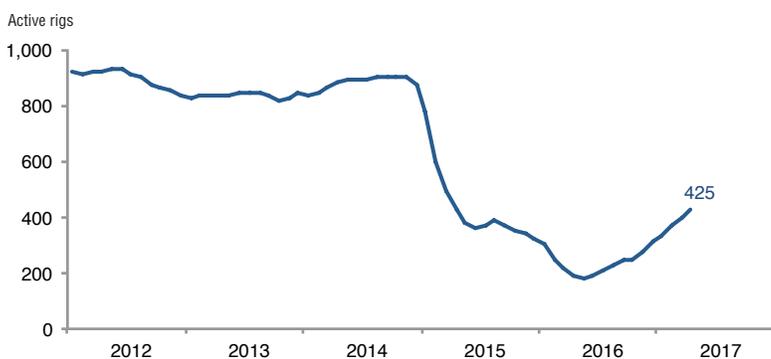
Exports



NOTES: Data are seasonally adjusted. Numbers in parentheses indicate share of total exports in first quarter 2017.
SOURCES: Census Bureau; WISERTrade; adjustments by the Dallas Fed.

► Texas exports ticked down 0.7 percent in March, compared with the nation's 0.3 percent increase. However, Texas exports to the world expanded 7.8 percent in the first quarter. This increase was broad based across Texas' top five export categories as well across its major trading partners. The largest increase was seen in exports of mining and oil and gas products, which both rose 62 percent. Among its large trading partners, exports to the European Union posted the strongest increase. U.S. exports fell 2.4 percent in the first quarter.

Texas Rig Count

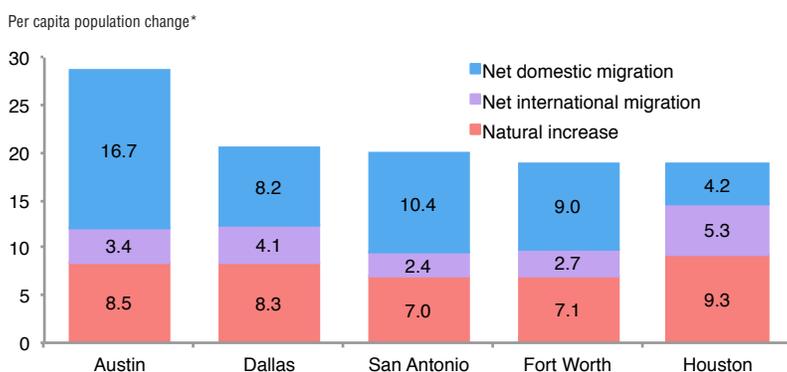


SOURCE: Baker Hughes.

► Drilling activity rose further. The Texas rig count increased in April to 425, up 26 rigs from March. April marked the 11th straight month of increase.

► The average West Texas Intermediate spot price of oil increased in April to \$51.06 per barrel from \$49.33 in March. Year-over-year prices were up 25.3 percent.

Population Change



* July 1, 2015, to July 1, 2016, per 1,000 residents in previous year.

SOURCE: Census Bureau, 2015 and 2016 American Community Survey 1-Year Estimates.

► For every 1,000 existing residents in Austin, roughly 30 new residents arrived last year—the highest per capita population increase among the major Texas metros in 2016. The increase was driven by strong net domestic migration.

► Houston had the highest per capita natural increase, measured as births minus deaths, and net international migration of the major metros.

► In 2016, Texas ranked second behind Florida among U.S. states in total net migration (international and domestic), but placed 11th in per capita net migration among the states.

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

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