



Texas Manufacturing Outlook Survey

May 26, 2020

Contraction Continues in Texas Manufacturing Sector, Though Severity Eases

What's New This Month

For this month's survey, Texas business executives were asked supplemental questions on the impacts of COVID-19 and reduced activity in the energy industry as a result of low oil prices. Results for these questions from the Texas Manufacturing Outlook Survey, Texas Service Sector Outlook Survey and Texas Retail Outlook Survey have been released together.

This month's data release also includes annual seasonal factor revisions. Once per year, the Federal Reserve Bank of Dallas revises the historical data for the Texas Manufacturing Outlook Survey after calculating new seasonal adjustment factors. Annual seasonal revisions result in slight changes in the seasonally adjusted series.

Texas factory activity declined again in May, though at a slower pace than in April, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, remained negative but improved from -55.6 to -28.0, suggesting the contraction in output has eased somewhat since last month.

Other measures of manufacturing activity pointed to a less-severe decline in May. The new orders index advanced 38 points to -30.6, its highest reading in three months, with more than 20 percent of manufacturers noting an increase in orders. Similarly, the growth rate of orders index pushed up more than 30 points to -30.8. The capacity utilization and shipments indexes also remained negative at -26.0 and -25.7, respectively, but were up from March and April.

Perceptions of broader business conditions remained negative but were somewhat less pessimistic in May. The general business activity index moved up from -74.0 to -49.2. Similarly, the company outlook index moved up nearly 30 points to -34.6, though only 12 percent of manufacturers noted improved outlooks. The index measuring uncertainty regarding companies' outlooks retreated notably to 28.3, though the positive reading still indicates increased uncertainty.

Labor market measures indicated further employment declines and shorter workweeks this month. The employment index remained negative but rose from -22.0 to -11.5. Eight percent of firms noted net hiring, while 19 percent noted net layoffs. The hours worked index rose 18 points to -22.8, with the still-negative reading signaling reduced workweek length.

Prices and wages showed mixed movements in May. The raw materials prices index returned to positive territory after two negative readings, coming in at 2.5. The finished goods prices index, however, remained negative but moved up from -25.0 to -19.4. The wages and benefits index came in at zero—signaling no change in compensation costs this month—after dipping into negative territory in April for the first time since the Great Recession.

Expectations regarding future business conditions were mixed in May. The index of future general business activity remained negative but rose 24 points to -19.0. Most indexes for future manufacturing activity returned to positive territory, rebounding notably in May.

Next release: Monday, June 29

Data were collected May 12–20, and 115 Texas manufacturers responded to the survey. The Dallas Fed conducts the Texas Manufacturing Outlook Survey monthly to obtain a timely assessment of the state's factory activity. Firms are asked whether output, employment, orders, prices and other indicators increased, decreased or remained unchanged over the previous month.

Survey responses are used to calculate an index for each indicator. Each index is calculated by subtracting the percentage of respondents reporting a decrease from the percentage reporting an increase. When the share of firms reporting an increase exceeds the share reporting a decrease, the index will be greater than zero, suggesting the indicator has increased over the prior month. If the share of firms reporting a decrease exceeds the share reporting an increase, the index will be below zero, suggesting the indicator has decreased over the prior month. An index will be zero when the number of firms reporting an increase is equal to the number of firms reporting a decrease. Data have been seasonally adjusted as necessary.

Results Summary

Business Indicators Relating to Facilities and Products in Texas Current (versus previous month)

Indicator	May Index	Apr Index	Change	Series Average	Trend*	% Reporting Increase	% Reporting No Change	% Reporting Decrease
Production	-28.0	-55.6	+27.6	9.7	3(-)	17.5	36.9	45.5
Capacity Utilization	-26.0	-54.8	+28.8	7.4	3(-)	18.1	37.9	44.1
New Orders	-30.6	-68.7	+38.1	5.6	3(-)	21.1	27.2	51.7
Growth Rate of Orders	-30.8	-62.7	+31.9	-0.6	3(-)	17.7	33.8	48.5
Unfilled Orders	-17.4	-26.5	+9.1	-3.2	3(-)	15.3	52.0	32.7
Shipments	-25.7	-56.8	+31.1	8.4	3(-)	21.3	31.7	47.0
Delivery Time	-10.0	-14.6	+4.6	-0.6	3(-)	11.7	66.6	21.7
Finished Goods Inventories	-8.9	-8.8	-0.1	-3.2	14(-)	18.8	53.6	27.7
Prices Paid for Raw Materials	2.5	-21.1	+23.6	24.0	1(+)	14.3	73.9	11.8
Prices Received for Finished Goods	-19.4	-25.0	+5.6	6.0	5(-)	2.1	76.4	21.5
Wages and Benefits	-0.2	-3.4	+3.2	18.5	2(-)	12.1	75.6	12.3
Employment	-11.5	-22.0	+10.5	6.1	4(-)	7.7	73.1	19.2
Hours Worked	-22.8	-40.5	+17.7	2.3	3(-)	10.2	56.8	33.0
Capital Expenditures	-33.9	-55.0	+21.1	6.3	3(-)	5.2	55.7	39.1

General Business Conditions Current (versus previous month)

Indicator	May Index	Apr Index	Change	Series Average	Trend**	% Reporting Improved	% Reporting No Change	% Reporting Worsened
Company Outlook	-34.6	-63.4	+28.8	6.2	3(-)	11.6	42.2	46.2
General Business Activity	-49.2	-74.0	+24.8	1.8	3(-)	7.4	36.0	56.6

Indicator	May Index	Apr Index	Change	Series Average	Trend*	% Reporting Increase	% Reporting No Change	% Reporting Decrease
Outlook Uncertainty†	28.3	54.4	-26.1	13.5	24(+)	44.2	39.8	15.9

Business Indicators Relating to Facilities and Products in Texas
Future (six months ahead)

Indicator	May Index	Apr Index	Change	Series Average	Trend*	% Reporting Increase	% Reporting No Change	% Reporting Decrease
Production	29.7	-13.2	+42.9	38.0	1(+)	49.7	30.3	20.0
Capacity Utilization	28.1	-14.2	+42.3	34.9	1(+)	47.5	33.2	19.4
New Orders	17.8	-13.7	+31.5	35.8	1(+)	44.7	28.4	26.9
Growth Rate of Orders	13.0	-16.1	+29.1	26.3	1(+)	38.9	35.3	25.9
Unfilled Orders	-4.3	-19.4	+15.1	3.7	3(-)	18.6	58.5	22.9
Shipments	13.4	-9.0	+22.4	36.7	1(+)	42.8	27.8	29.4
Delivery Time	-1.9	-16.7	+14.8	-1.8	3(-)	12.9	72.3	14.8
Finished Goods Inventories	-7.7	-15.9	+8.2	-0.5	3(-)	14.4	63.5	22.1
Prices Paid for Raw Materials	21.9	4.6	+17.3	33.3	2(+)	29.5	62.9	7.6
Prices Received for Finished Goods	4.8	-15.9	+20.7	19.1	1(+)	20.0	64.8	15.2
Wages and Benefits	12.7	-1.1	+13.8	37.7	1(+)	24.5	63.7	11.8
Employment	-3.5	-7.9	+4.4	21.7	3(-)	24.3	47.8	27.8
Hours Worked	7.8	-10.6	+18.4	9.2	1(+)	24.5	58.8	16.7
Capital Expenditures	-7.7	-20.6	+12.9	19.6	3(-)	21.1	50.1	28.8

General Business Conditions
Future (six months ahead)

Indicator	May Index	Apr Index	Change	Series Average	Trend**	% Reporting Increase	% Reporting No Change	% Reporting Worsened
Company Outlook	-11.2	-42.0	+30.8	20.2	3(-)	26.4	35.9	37.6
General Business Activity	-19.0	-43.0	+24.0	13.7	3(-)	23.6	33.8	42.6

*Shown is the number of consecutive months of expansion or contraction in the underlying indicator. Expansion is indicated by a positive index reading and denoted by a (+) in the table. Contraction is indicated by a negative index reading and denoted by a (-) in the table.

**Shown is the number of consecutive months of improvement or worsening in the underlying indicator. Improvement is indicated by a positive index reading and denoted by a (+) in the table. Worsening is indicated by a negative index reading and denoted by a (-) in the table.

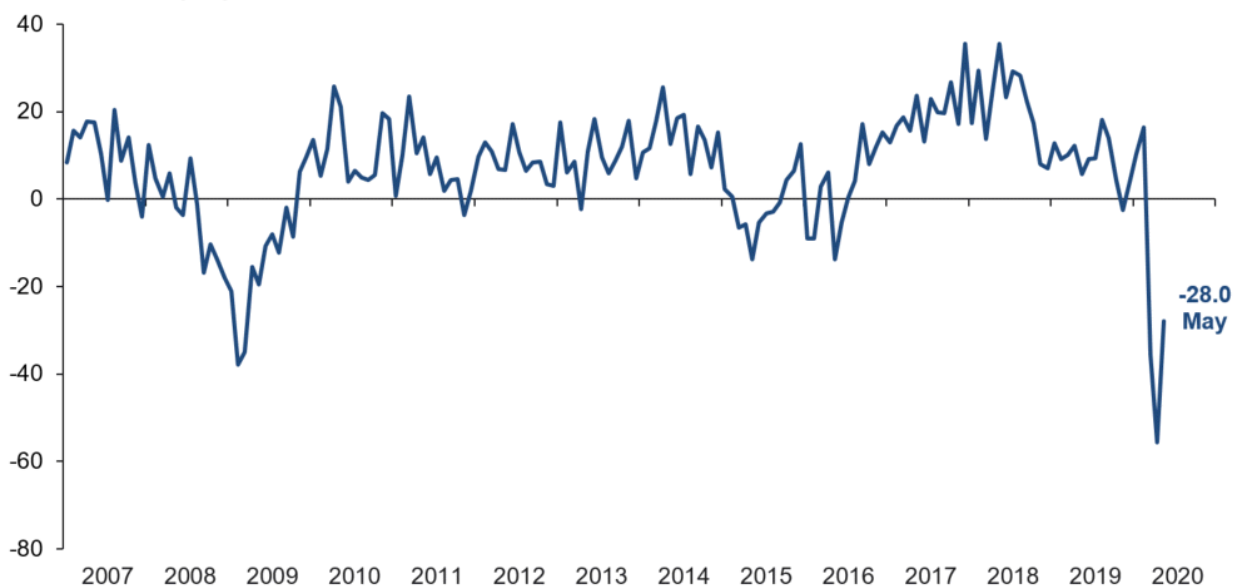
†Added to survey in January 2018.

Data have been seasonally adjusted as necessary, with the exception of the outlook uncertainty index, which does not yet have a sufficiently long time series to test for seasonality.

Production Index

Texas Manufacturing Outlook Survey Production Index

Index, seasonally adjusted



Federal Reserve Bank of Dallas

Comments from Survey Respondents

These comments are from respondents' completed surveys and have been edited for publication.

Chemical Manufacturing

- We are operating at minimum rates due to demand conditions.
- We are seeing slowing across all biotechnology sectors as companies shift production plans away from COVID-19 supplies and are very uncertain about starting any new projects. I am also becoming concerned with deflation as we are passing price concessions made to customers to willing vendors.

Plastics and Rubber Product Manufacturing

- We continue to receive requests from customers for a substantial price reduction of 25 percent on average. Fortunately, we've been able to work with our customers and supply a smaller reduction of 10 percent on average.

Nonmetallic Mineral Product Manufacturing

- Again, it is very difficult to complete this survey due to so many unknowns, which also make it difficult to plan everything from inventory levels to staffing to capacity. Looking at only the past two weeks, incoming orders are unexpectedly strong. But in the building materials business, this could drop sharply and quickly as homebuilders complete homes that have been in process for the past two months and stop building spec homes.

Primary Metal Manufacturing

- COVID-19 is behind the negative outlook.
- We have experienced an unprecedented slowdown across all sectors. This is similar to the 1981, 2001 and 2008 downturns in many ways for manufacturing.

Fabricated Metal Manufacturing

- My hope is that competitors don't start cutting prices to get work. Lowering prices to get business is not the answer. The economy being shell-shocked by COVID-19 is the problem.
- We really don't know what it will look like in six months.
- We still have a lot of requests for quotations out, but many of the projects have been put on hold or canceled.
- The virus is affecting our getting new orders, and it is causing 75 percent of office employees to work out of their houses. The plant employees are working with distance, while wearing masks. Lunchrooms have been extended, moving tables and chairs to larger distances (6-12 feet).

Machinery Manufacturing

- Business is still down about 40 to 50 percent; however, we are about to start producing a medical product with an end use related to COVID-19. This project will temporarily spike our business upward for the rest of the year.
- The best thing I can say is that it's worse for my competition. Business has plummeted and our backlog evaporated, but our spare parts business is making payroll. I guess that will have to do until we see oil recover over the next year.
- After having a good first quarter, April cleared out the balance of orders received in months prior. During April, the amount of inquiries dropped dramatically and that drop has thus far continued into May. In other words, the phone has completely stopped ringing along with online inquiry activities. It's like business just collapsed, with no orders or inquiries coming in whatsoever. In my humble opinion, we are headed for an economic collapse due to this idiotic shutdown by medical edict. It's an unmitigated colossal disaster.
- With the market and oil in constant flux, we have no real ability to forecast the market other than to go conservative. We have made plans to anticipate a decrease in revenue year over year by 50 percent.
- We are a long-cycle business and we are just now starting to see contracts/projects slip to the right, sometimes remaining within 2020 but also moving out to 2021.

Computer and Electronic Product Manufacturing

- After over two months of order delays, the summer months will see a significant downturn, but order activity has been picking back up and production levels will see some improvement as a result this fall. Defense customers are hiring and now ordering frenetically to help offset the commercial air downturn and use up their allocated funding.
- Cities and municipalities are part of our customer base. As their tax base declines, we expect a decrease in orders later this year or early 2021 as an impact due to shutdowns.
- We have seen supply constraints caused by stay-at-home orders to varying degrees around the world drive near-term demand as customers have increased concern about availability. At the same time, demand has become uncertain, with markets like automotive clearly weakening as factory closings in March ripple through supply chains. Customer visibility remains very low and demand highly uncertain.
- We have increased sales and production. However, we are at half of the volume from a year ago.
- After adjustments made to the forecast in March, the forecast has not changed.
- The continued uncertainty surrounding the economic implications of the COVID-19 response impairs vision for the future. As a contract manufacturer, we are in the middle. As such, we may not know the full impact of the downturn for a few months. May is extremely low, but we believe it is an anomaly. That said, the general level of business revenue for us after May is going to be down roughly 40 percent from what it was six months ago. It remains to be seen how our customers will respond, and what their inventory levels might be and their future needs for more product to be manufactured and the timing.

Transportation Equipment Manufacturing

- Nothing but uncertainty hangs over the economy. It is hard to be optimistic about the outlook. The more things remain closed, the more the national debt will increase. The relief valve seems to be negative interest rates, which are poison to savers and seniors. Not good.

Food Manufacturing

- We could sell all we could produce. Lead times are increasing, though suppliers are helping. We believe that the need for humanitarian food relief will continue to nearly year-end due to the nature of the pandemic and the economics of it as well as what may be a shallow upwardly inclined level of improvement rather than a spike.

- Raw product prices have doubled in some cases. Retail price increases are not keeping up. There is a shortage of raw materials.
- Our business continues to be good, with strong demand from retail and club grocery channels. Our biggest concern is the meat supply chain, which has been severely disrupted. Prices for our inputs have skyrocketed and are approximately 250 percent higher than the previous three-year average. This is causing us to increase our prices to our customers. While we believe that this is a short-term issue, the severity and speed of the increase forced us to make a quick decision to raise prices.
- Food manufacturing remains very strong. We have had some supply chain issues but thankfully not enough to really affect our overall business. What has been surprising is the lack of applicants looking for work. We are looking to increase hiring by 10 percent but have had difficulty finding people.

Beverage and Tobacco Product Manufacturing

- My uncertainty month to month is the same, but it is greatly increased over six months or a year ago. My business was good during pantry stocking, but now it has leveled off some. Some of that is due to a shortage of aluminum can bodies and a resulting decrease in production. The big question is, how will employment bounce back? And whatever level of buying power people have, will their spending behavior be constrained by economic uncertainty?

Textile Product Mills

- We are in the luxury bedding manufacturing business, and it seems that as more people are staying home, they are wanting to improve their bedroom luxuries. We are holding steady. Although we have lost sales at 400 retail stores [that carry our products] at the moment as they are closed, other areas have sharply increased to make up the difference. We feel very fortunate.

Apparel Manufacturing

- Military uniform production and supply-store demand continue to be relatively strong.

Paper Manufacturing

- There is a slight uptick in activity that gives hope. We fully expect a small second wave of COVID-19 that will be reported by the media as devastating and, therefore, influence the public back into a slowdown period that will affect the late second quarter and early third quarter.

Printing and Related Support Activities

- The virus continues to impact our business. We are an “essential” business producing food packaging and medical packaging, specifically printing the raw material that is used for face masks. Sales of packaging for consumer packaged goods have increased 30-plus percent year over year, while packaging for institutional products has stopped. Face mask material demand is up over 1,000 percent year to date. Notwithstanding the COVID-related rise in unemployment, we are limited by our ability to bring in qualified, trainable candidates. This is our biggest impediment to further increases in production.
- COVID-19 has shut down much of our customer base, and if not for work already in our pipeline, we would be stupid slow right now. This is as bleak of an outlook as we have ever had as long as I've been involved with the day-to-day business going back to 1987.

Miscellaneous Manufacturing

- Customers are continuing to push orders out and do layoffs. We feel volumes will rebound in 4–6 months, but many customers will still be down 30–40 percent from pre-shutdown.
- We had no change in the number of employees April vs. May only because we received a PPP grant. On June 1, 2020, employee hours will be reduced and salaried employees will see a decrease in compensation.
- April was a very difficult month and had a significant negative impact to our performance against plan. We are still having significant stress and delays in our supply chain and productivity issues caused by employees working remotely. However, we are hopeful the worst is behind us, and we have a good plan to keep our employees productive and safe following safety protocols as everybody comes back to work. We don't think keeping business closed is the right answer, but we do think following health guidelines is also important.

Questions regarding the Texas Manufacturing Outlook Survey can be addressed to Emily Kerr at emily.kerr@dal.frb.org.

Texas **Business** Outlook Surveys

Special Questions

May 26, 2020

For this month's survey, Texas business executives were asked supplemental questions on the impacts of COVID-19 and reduced activity in the energy industry as a result of low oil prices. Results below include responses from participants of all three surveys: Texas Manufacturing Outlook Survey, Texas Service Sector Outlook Survey and Texas Retail Outlook Survey.

Texas Business Outlook Surveys

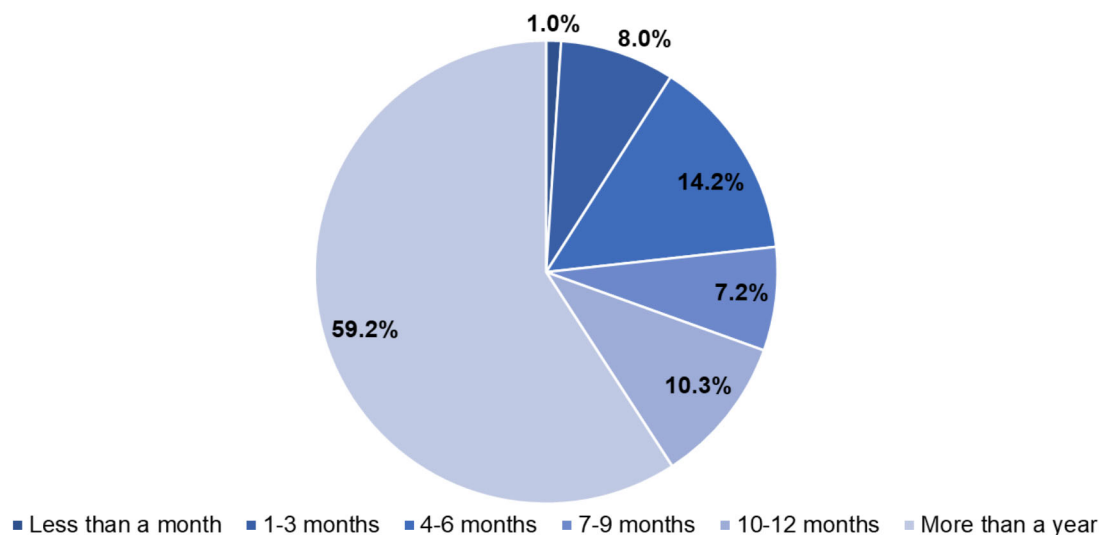
Data were collected May 12–20, and 399 Texas business executives responded to the surveys.

How do your firm's current revenues compare with a typical May? For example, if revenues are down 20 percent from normal, enter 80 percent. If revenues are up 20 percent, enter 120 percent.

	Share of respondents (percent)	Average response (percent)
Entries less than 100	81.2	59.9
Entries of exactly 100	8.6	100.0
Entries greater than 100	10.2	161.0
All entries	100.0	73.7

NOTE: 383 responses.

If current revenue levels were to continue, how long could your firm survive?



SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

NOTE: 387 responses.

Have you applied for a PPP (Paycheck Protection Program) loan?

	Percent
Yes	60.4
No	39.6

NOTE: 391 responses.

If you applied for a PPP loan, have you received it?

	Percent
Yes	93.1
No, but we have been approved	1.3
No, we are awaiting approval	3.9
No, we were denied funding	1.7

NOTES: 233 responses. This question was only posed to those indicating they applied for a PPP loan.

How did receiving the PPP loan benefit your firm? Please select all that apply.

	Percent
Prevented layoffs and/or furloughs	77.8
Prevented wage reductions	65.7
Helped us pay bills and/or rent	52.3
Allowed for rehiring of workers	20.8
Other	14.8

NOTE: 216 responses. This question was only posed to those indicating they received a PPP loan.

How could the PPP have been more effective in helping your firm?

This question was only posed to those indicating they applied for a PPP loan, and 146 business executives submitted an answer. The most common responses were a longer time frame for spending the money, clearer terms for loan forgiveness, more flexibility in how the money can be spent, and a smoother application and payout process.

Have you taken any of the following steps regarding employment in response to COVID-19? Please select all that apply.

	Percent
Increased working from home	68.9
Reduced work hours (including cutting overtime)	43.2
Reduced or suspended bonuses	33.4
Paid time off	23.4
Furloughs	19.8
Layoffs	18.5
Reduced wages	16.7
Other	11.1
None	11.1

NOTE: 389 responses.

Have you attempted to recall any laid off/furloughed workers or increase hours among current workers?

	Percent
Yes	33.3
No	66.7

NOTES: 186 responses. This question was only posed to those indicating they laid off/furloughed workers or reduced work hours.

Were there any impediments to recalling workers or increasing hours? Please select all that apply.

	Percent
Fear of infection	60.0
Lack of child care	46.7
Generous unemployment benefits	43.3
Other	6.7
None	30.0

NOTES: 60 responses. This question was only posed to those indicating they attempted to recall any laid off/furloughed workers or increase hours among current workers.

Was any part of your business shut down due to state/local operational restrictions?

	Percent
Yes	35.1
No	64.9

NOTE: 388 responses.

In light of Gov. Abbott’s “Open Texas” plan which took effect May 1, has your business reopened to the maximum allowable level?

	Percent
Yes	45.5
No	54.5

NOTES: 134 responses. This question was only posed to those indicating any part of their business was shut down.

What will it take for your business to reopen to the maximum allowable level?

This question was only posed to those indicating any part of their business was shut down and had yet to reopen to the maximum allowable level under Gov. Abbott’s “Open Texas” plan. The responses can be found on the individual survey Special Questions results pages.

Have your firm’s revenues been negatively impacted by reduced activity in the energy industry as a result of low oil prices?

	Percent
Yes	48.7
No	51.3

NOTE: 382 responses.

Above you note that your May revenues are down from typical levels. Approximately what share of this decline is due to reduced activity in the energy industry as a result of low oil prices?

	Percent
Less than a quarter	57.0
More than a quarter but less than half	20.3
More than half but less than three-quarters	10.1
More than three-quarters	12.7

NOTES: 158 responses. This question was only posed to those indicating current revenues are down from a typical May and that their firm’s revenues have been negatively impacted by reduced activity in the energy industry.

Survey respondents were given the opportunity to provide comments. These comments can be found on the individual survey Special Questions results pages.

Texas Manufacturing Outlook Survey

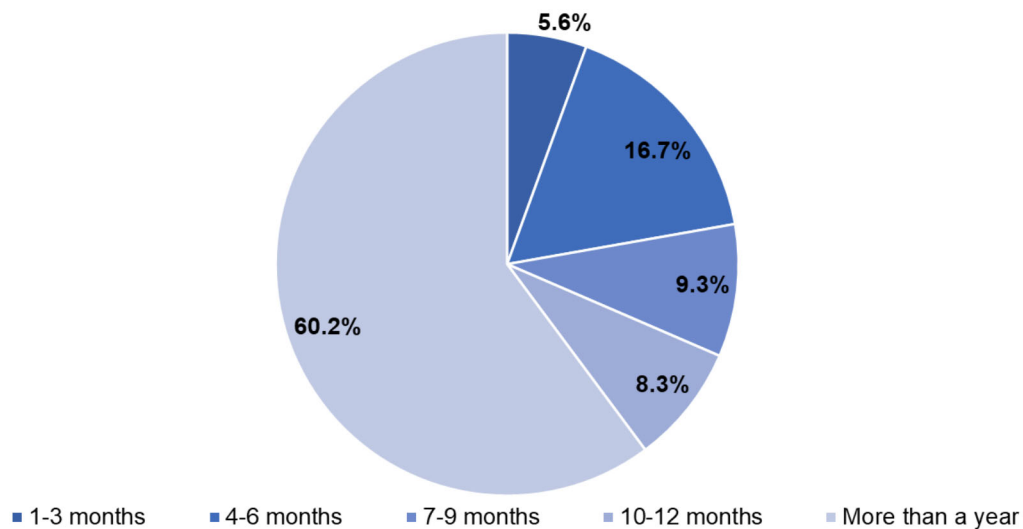
Data were collected May 12–20, and 112 Texas manufacturers responded to the survey.

How do your firm's current revenues compare with a typical May? For example, if revenues are down 20 percent from normal, enter 80 percent. If revenues are up 20 percent, enter 120 percent.

	Share of respondents (percent)	Average response (percent)
Entries less than 100	78.0	60.2
Entries of exactly 100	5.5	100.0
Entries greater than 100	16.5	120.6
All entries	100.0	72.3

NOTE: 109 responses.

If current revenue levels were to continue, how long could your firm survive?



SOURCE: Federal Reserve Bank of Dallas Texas Manufacturing Outlook Survey.

NOTE: 108 responses.

Have you applied for a PPP (Paycheck Protection Program) loan?

	Percent
Yes	67.0
No	33.0

NOTE: 109 responses.

If you applied for a PPP loan, have you received it?

	Percent
Yes	98.6
No, but we have been approved	0.0
No, we are awaiting approval	0.0
No, we were denied funding	1.4

NOTES: 73 responses. This question was only posed to those indicating they applied for a PPP loan.

How did receiving the PPP loan benefit your firm? Please select all that apply.

	Percent
Prevented layoffs and/or furloughs	83.3
Prevented wage reductions	65.3
Helped us pay bills and/or rent	50.0
Allowed for rehiring of workers	18.1
Other	13.9

NOTE: 72 responses. This question was only posed to those indicating they received a PPP loan.

How could the PPP have been more effective in helping your firm?

This question was only posed to those indicating they applied for a PPP loan, and 47 manufacturers submitted an answer. The most common responses were a longer time frame for spending the money, clearer terms for loan forgiveness, more flexibility in how the money can be spent, and a smoother application and payout process.

Have you taken any of the following steps regarding employment in response to COVID-19? Please select all that apply.

	Percent
Increased working from home	68.8
Reduced work hours (including cutting overtime)	50.5
Paid time off	32.1
Reduced or suspended bonuses	31.2
Layoffs	17.4
Furloughs	12.8
Reduced wages	12.8
Other	8.3
None	12.8

NOTE: 109 responses.

Have you attempted to recall any laid off/furloughed workers or increase hours among current workers?

	Percent
Yes	21.1
No	78.9

NOTES: 57 responses. This question was only posed to those indicating they laid off/furloughed workers or reduced work hours

Were there any impediments to recalling workers or increasing hours? Please select all that apply.

	Percent
Fear of infection	50.0
Lack of child care	41.7
Generous unemployment benefits	33.3
Other	25.0
None	41.7

NOTES: 12 responses. This question was only posed to those indicating they attempted to recall any laid off/furloughed workers or increase hours among current workers.

Was any part of your business shut down due to state/local operational restrictions?

	Percent
Yes	11.9
No	88.1

NOTE: 109 responses.

In light of Gov. Abbott’s “Open Texas” plan which took effect May 1, has your business reopened to the maximum allowable level?

	Percent
Yes	61.5
No	38.5

NOTES: 13 responses. This question was only posed to those indicating any part of their business was shut down.

What will it take for your business to reopen to the maximum allowable level?

This question was only posed to those indicating any part of their business was shut down and had yet to reopen to the maximum allowable level under Gov. Abbott’s “Open Texas” plan. These comments are from respondents’ completed surveys and have been edited for publication.

- Reopening all functions and restoration of product demand.
- Return of business levels of 2019; it will be a long road back.
- We need our customers to reopen so we have somewhere to send our products and a means of getting paid for them.
- Business must improve. We can't hire people if we don't have orders.
- Opening up of all businesses fully—not this partial situation.
- Ramping up to maintain social distance, availability of vendor materials, our dealers fully functioning and retail customers returning to showrooms.

Have your firm’s revenues been negatively impacted by reduced activity in the energy industry as a result of low oil prices?

	Percent
Yes	50.5
No	49.5

NOTE: 107 responses.

Above you note that your May revenues are down from typical levels. Approximately what share of this decline is due to reduced activity in the energy industry as a result of low oil prices?

	Percent
Less than a quarter	36.7
More than a quarter but less than half	22.4
More than half but less than three-quarters	12.2
More than three-quarters	28.6

NOTES: 49 responses. This question was only posed to those indicating current revenues are down from a typical May and that their firm's revenues have been negatively impacted by reduced activity in the energy industry.

Special Questions Comments

These comments have been edited for publication.

Chemical Manufacturing

- We are operating at minimum rates due to low demand. Our products eventually go into automobiles and electrical infrastructure, and much of our production is exported.

Plastics and Rubber Product Manufacturing

- Oil prices are greatly impacting overall revenue. The worldwide rig count is down 38 percent vs. this time last year. Domestically, the U.S. rig count is down 62 percent overall. WTI [West Texas Intermediate oil] is hovering around \$25–30 a barrel. Breakeven for most producers is around \$40 per barrel. Until oil can stabilize at \$40 per barrel, production will remain at a standstill. What we need is the easing of stay-at-home restrictions. As more people get back on the road, demand will increase and drillers will be able to begin producing again as oil stabilizes.

Nonmetallic Mineral Product Manufacturing

- It is too soon to see the impact of lower oil prices. This will likely occur as state tax revenues decline and highway projects get delayed or canceled due to lack of funding next year.
- Regarding the energy industry, the impact has not been felt yet. But it will be, and soon.
- A portion of our product line goes to the oilfield exploration/drilling area. With the drop on oil prices, this demand has decreased considerably, although we have been receiving a small number of orders in the past couple of weeks from smaller firms in this segment.

Primary Metal Manufacturing

- Demand for our products is way off.

Fabricated Metal Manufacturing

- We service commercial aircraft, and that business will be in for a long recovery period for many reasons.
- The construction industry is being primarily driven by retail customers in the second quarter. The increase is fairly significant.
- We have one customer in the drilling industry, and their purchases from us are down 50 percent. They also asked for longer terms and a reduction in prices.
- Energy will get worse before it gets better, especially the Permian. Many small to midsize customers are laying off and closing.

Machinery Manufacturing

- With oil prices falling, our customers have suspended projects, reduced budgets, or pushed out delivery dates into 2021. We need stability and confidence in oil prices so customers and banks will fund projects and order our products.
- We were much more affected by the energy crash than COVID-19. That is common with most energy-related business, especially in the Permian Basin.
- It's really the combination of COVID-19 and weak oil prices that caused the downturn. Once demand evaporated, who's to say what came first and why.
- We are in trouble and we need to end all foreign aid, shut China off completely, ramp up domestic manufacturing on a World War II scale and get this country moving again.

Computer and Electronic Product Manufacturing

- Oil prices have reduced some activity, but COVID-19 has impaired the ability of companies to operate (even essential ones), which has delayed the ability of our customers to increase sales. Plants have delayed purchasing or gone to minimal shifts, reducing the demand for products from some of our customers. We believe this is temporary (even though oil prices will be lower for a while). In short, I would say that oil wasn't helping, but the virus response prolongs and exaggerates the impact.
- We have reduced work hour demands in order to minimize pressure on employees to come to work. This allows those more sensitive or susceptible (due to age) to take off without worry. This has reduced our shipments, primarily due to the lower manufacturing hours applied. Most of our employees are back at work operating under the new precautions we have in place.

- In early March, we reduced salaries by 12 percent. Since that time, we have reinstated salaries to the pre-March-reduction level. We remain optimistic that we can continue at these levels for a few months; however, we will need business to turn back to normal in the fourth quarter of this year.

Transportation Equipment Manufacturing

- We have a long lead time and a production backlog that was over nine months in February, so current revenues have not seen a significant decline, aside from March, since we are building orders that came in 2019. However, we have seen a sharp decline in new orders, so we are anticipating a significant reduction in our 2021 forecast.
- Low energy prices are a plus.

Food Manufacturing

- We are extremely fortunate relative to other businesses.

Wood Product Manufacturing

- We're not sure what will happen with homebuilders. We are concerned there may be a major reduction in the amount of homes being built. Texas is better than other states, with more people moving here.

Paper Manufacturing

- Running 30 percent off in manufacturing means running a pretty big loss each month. The PPP [Paycheck Protection Program] has helped for at least eight weeks.
- My concern for the near term and the long run is just the unknown. To this point in time, my business has been negatively affected, but not to the extent that I feared it might be.

Miscellaneous Manufacturing

- Our revenues are down 50 percent, predominately due to the automotive shutdown. Our other market sectors, which are varied, are also down, but not to the extent that automotive is down. Even during the Great Recession, our automotive business never completely stopped like it has due to the pandemic.
- If the shutdown continues any longer, we will have permanent 20–30 percent wage reductions across the board.

Texas Service Sector Outlook Survey

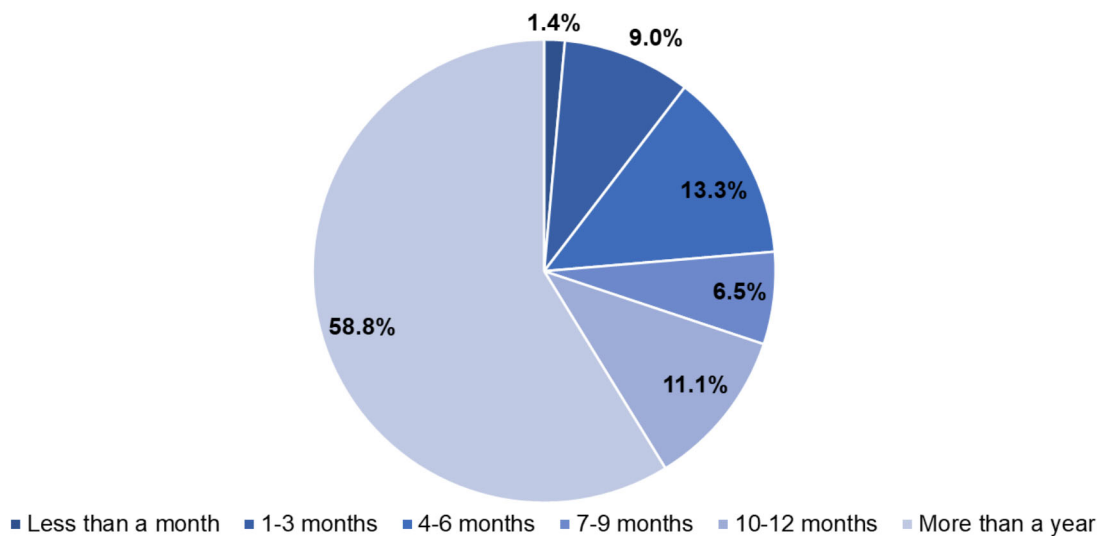
Data were collected May 12–20, and 287 Texas business executives responded to the survey.

How do your firm's current revenues compare with a typical May? For example, if revenues are down 20 percent from normal, enter 80 percent. If revenues are up 20 percent, enter 120 percent.

	Share of respondents (percent)	Average response (percent)
Entries less than 100	82.5	59.9
Entries of exactly 100	9.9	100.0
Entries greater than 100	7.7	195.6
All entries	100.0	74.2

NOTE: 274 responses.

If current revenue levels were to continue, how long could your firm survive?



SOURCE: Federal Reserve Bank of Dallas Texas Service Sector Outlook Survey.

NOTE: 279 responses.

Have you applied for a PPP (Paycheck Protection Program) loan?

	Percent
Yes	57.8
No	42.2

NOTE: 282 responses.

If you applied for a PPP loan, have you received it?

	Percent
Yes	90.6
No, but we have been approved	1.9
No, we are awaiting approval	5.6
No, we were denied funding	1.9

NOTES: 160 responses. This question was only posed to those indicating they applied for a PPP loan.

How did receiving the PPP loan benefit your firm? Please select all that apply.

	Percent
Prevented layoffs and/or furloughs	75.0
Prevented wage reductions	66.0
Helped us pay bills and/or rent	53.5
Allowed for rehiring of workers	22.2
Other	15.3

NOTE: 144 responses. This question was only posed to those indicating they received a PPP loan.

How could the PPP have been more effective in helping your firm?

This question was only posed to those indicating they applied for a PPP loan, and 99 business executives submitted an answer. The most common responses were a longer time frame for spending the money, clearer terms for loan forgiveness, more flexibility in how the money can be spent, and a smoother application and payout process.

Have you taken any of the following steps regarding employment in response to COVID-19? Please select all that apply.

	Percent
Increased working from home	68.9
Reduced work hours (including cutting overtime)	40.4
Reduced or suspended bonuses	34.3
Furloughs	22.5
Paid time off	20.0
Layoffs	18.9
Reduced wages	18.2
Other	12.1
None	10.4

NOTE: 280 responses.

Have you attempted to recall any laid off/furloughed workers or increase hours among current workers?

	Percent
Yes	38.8
No	61.2

NOTES: 129 responses. This question was only posed to those indicating they laid off/furloughed workers or reduced work hours.

Were there any impediments to recalling workers or increasing hours? Please select all that apply.

	Percent
Fear of infection	62.5
Lack of child care	47.9
Generous unemployment benefits	45.8
Other	2.1
None	27.1

NOTES: 48 responses. This question was only posed to those indicating they attempted to recall any laid off/furloughed workers or increase hours among current workers.

Was any part of your business shut down due to state/local operational restrictions?

	Percent
Yes	44.1
No	55.9

NOTE: 279 responses.

In light of Gov. Abbott's "Open Texas" plan which took effect May 1, has your business reopened to the maximum allowable level?

	Percent
Yes	43.8
No	56.2

NOTES: 121 responses. This question was only posed to those indicating any part of their business was shut down.

What will it take for your business to reopen to the maximum allowable level?

This question was only posed to those indicating any part of their business was shut down and had yet to reopen to the maximum allowable level under Gov. Abbott's "Open Texas" plan. These comments are from respondents' completed surveys and have been edited for publication.

Increased business activity

- Increased sales.
- Have all businesses open up.
- Demand for product.
- Customer orders.
- Being open and having pre-COVID volume are two very different things. More openings require significant financial commitment, which is not backed by revenue.
- Call volume and interest in our product are very high; however, there is a reluctance to move forward. It will take a big increase in overall consumer confidence to make a difference.
- The energy sector recovering enough to need consulting services.
- Full reopening of all other businesses in the community.
- Consumer confidence.
- Reduction in social distancing guidelines.
- Allowable gatherings with no limitations.
- Travel and the relaxation of limitations on gatherings.
- Lifting of the national order not to travel. We also need the airlines to increase their schedules.
- Continuation of businesses opening and virus leveling (and not an increase in cases).

Increased occupancy allowance

- We need more than 75 percent of the seating capacity opened. And no spikes in COVID-19 counts after reopening.
- One-hundred percent occupancy.
- Social distancing, constant sanitation and percent of occupancy are not practical.
- Running a restaurant/private club is not feasible at 25 percent capacity. In addition, the steps that are needed to ensure our employees and members/guests are healthy are huge. Our plans are to open on June 1 as long as the capacity is increased to 50 percent and there is not a spike in new cases. We are continuing to do takeout, which has been good.
- Opening fully to allow in-person conferences and courtroom hearings.

More guidance and/or preparations for reopening safely

- Knowing how to open a public entertainment facility while being safe for staff and the public. There may be an "Open Texas" plan, but it came without guidance or particulars on practical application.
- Clear and consistent guidelines.
- Safety measures for assembling students again.
- Cleaning protocols in place and social distancing formalized in the office.

- We will start on May 18 with a test run in our Dallas office. Once we have all protocols down and working well, we will increase the allowed in-office participation to the amount permitted under government orders and then extend to other offices/locations when permitted.
- Honest information from government instead of partisan statements to gain favor.
- Facility renovations and reconfiguration of staff work space. Access to adequate cleaning supplies. Additional technology to support increased remote service delivery. Security and possible contracted staff to conduct customer and staff prescreening prior to facility entry.
- Planning and equipping offices for the return of workers.
- Getting a better grip of COVID-19 by state and local officials. They're guessing due to pressure from voters, who will be the first to point the finger right back at our governor or mayor if anything goes wrong.
- Obtain equipment for noninvasive temperature taking and other items to comply with Texas Health and Human Services guidelines.

Favorable virus developments and/or employees feeling safe

- Testing, demonstrated successful treatment, more serious voluntary compliance with social distancing and/or mask-wearing in public settings, and a vaccine. I hate to have a glass-half-empty view, but I am fairly certain we will see a second wave of infections. I am not sure the public in general is cognizant of that possibility.
- Widespread testing; effective treatments.
- Ninety-five percent of employees are working from home. I will not open until we are assured that the pandemic is under control and that a vaccine will be available.
- The pandemic has not reached levels acceptable to ensure the safety of workers. [Texas] Gov. Abbott has not followed the CDC [Centers for Disease Control] nor scientific facts.
- Communitywide success with the reopening, with no meaningful spike in COVID cases.
- Continued reduction with hospitalization rates, improvement with consumer travel confidence, and clarity with a reopening timeline.
- Staff feeling safe in their environment.
- Employees feeling comfortable returning to a high-rise office shared with other firms.
- We are waiting for it to be safe for our employees. That will require a vaccine and/or effective treatment.
- Child care and employee confidence in safety measures.
- Adequate testing to ensure that staff in our office can keep from being infected by other employees; extremely effective treatments and/or an effective vaccine.

More time

- Another three weeks.
- Phase 3 [of the reopening].
- Time, reduction in COVID cases and continued reassessment of personal space needed. Also, obtaining necessary PPE [personal protection equipment] to operate.
- Time.
- Time and money.
- We will open the lobbies beginning May 18, with full staff practicing all recommended precautions.
- Should be to maximum [level of reopening] in June.

Other

- At this point, nothing. It can't happen. No events, catering, etc. We have no intention of trying to pack our restaurant at this time.
- Depends on our clients and their states.
- As an acute-care hospital, we will continue to limit elective procedures until we are confident that we can handle a full load while caring for COVID-19 patients as needed.

Have your firm's revenues been negatively impacted by reduced activity in the energy industry as a result of low oil prices?

	Percent
Yes	48.0
No	52.0

NOTE: 275 responses.

Above you note that your May revenues are down from typical levels. Approximately what share of this decline is due to reduced activity in the energy industry as a result of low oil prices?

	Percent
Less than a quarter	66.1
More than a quarter but less than half	19.3
More than half but less than three-quarters	9.2
More than three-quarters	5.5

NOTES: 109 responses. This question was only posed to those indicating current revenues are down from a typical May and that their firm's revenues have been negatively impacted by reduced activity in the energy industry.

Special Questions Comments

These comments have been edited for publication.

Utilities

- It's difficult to delineate between [demand declines due to] COVID-19 and low oil prices at this point in time. We should know more over the next few months.

Specialty Trade Contractors

- We are counting on [the Federal Reserve] to do the right thing as [they] have done in the past. We have 100 percent trust in the decisions [they] make and want to make sure [they] continue to do the right actions regardless of the politics that can sway things one way or the other.

Air Transportation

- The effect [of COVID-19] has been catastrophic—unprecedented in aviation history.

Truck Transportation

- We're a truck repair shop. We've seen a greatly reduced number of trucks running because no one is making things to be hauled. We need America to get back to work so there is something for trucks to haul.

Support Activities for Transportation

- We are uncertain what percent of revenues are attributed to the energy industry. As a trucking company, we are seeing energy companies with trucks trying to move into other segments of transportation, increasing available capacity and decreasing rates.

Warehousing and Storage

- We're in a bit of an odd position. Because of the tremendous growth in the second half of 2019, even in this depressed state, we are well above any previous May. We are roughly 20 percent off our highs set in March, however, and we expect that to worsen to perhaps 35 percent off of our highs over the next several months. We have not taken any employee actions at this time, other than a freeze on future hiring.

Data Processing, Hosting and Related Services

- Ours is a recurring-revenue technology business.

Credit Intermediation and Related Activities

- Primarily in the service sector either by individuals being laid off or the companies dependent on the oil-industry activity. The suspension of UIL [University Interscholastic League] athletic activities and schools has had an impact on some businesses.
- We expect to see some of our customers negatively impacted by the energy industry. Normal slowdowns in the energy sector hit us about six months after the slowdown.

Insurance Carriers and Related Activities

- Our business was essential, by definition, and so we worked from home and continued pretty much unchanged. But, we will have numerous clients whose insurance is based on payrolls or receipts, and their year-end insurance audit will be negative or lower.

Real Estate

- The drop in oil prices has affected the real estate industry because many are not buying homes now because of loss of jobs or loss of income from oil wells.
- Projected energy job losses will generate a significant headwind for us for the next 18 months.

Rental and Leasing Services

- An oil bust such as what we have in the Permian Basin greatly reduces the business in my four stores that serve that market. Those stores are down through April by over 25 percent, and the bust really didn't kick the door open until April. We will not feel the impact of the bust as much in North Texas or Central Texas, but West Texas and South Texas are already significantly being impacted. We suspect those stores that serve oil will be down 30 to 50 percent this year. This hurts our equipment rental business the most, then whole good sales. Usually, parts and service will be flat or up as people try to keep what they have running.

Professional, Scientific and Technical Services

- At present we are holding our own. Volatility in energy can actually impact us favorably as our clients scramble to adapt. Longer term our views are less certain. We will continue to watch and adapt as best we can.
- Collections have been good so far, but we are starting to see a slowdown that will impact revenue in the months ahead. The pipeline of deals has slowed, especially in real estate and finance.
- Overall, energy-related revenue may be down, but increases in related restructuring work may totally offset it.
- Since we are a software technology company, most of our employees can work from home, and we are less affected by the COVID-19 shutdown. But, our revenue is getting affected as our buyers are mid-size and large companies in the United States, the European Union, and Asia.
- Our strong year-to-year growth relates to business already under contract pre-COVID-19. Engineering services tend to lag behind overall economic downturns (historically 12–18 months but uncertain for current conditions). Delayed bond elections, voter sentiments for future bond elections and state and local funding in 2021 and 2022 could have a material impact on our future work.
- Multiple-person workshops are not considered viable by my clients with social distancing. Online has not been tried but has been suggested.
- We service the retail grocery industry, which has been navigating increased activity and demand with limited resources. Overall activity for us has increased, but pressures on cash have restricted revenue collection.
- We have fewer leads, but the leads we have are more serious about doing business—fewer tire kickers.

Administrative and Support Services

- As an entrepreneur, I am used to drastic changes, but this one is completely out of my hands. I see retirement in my future, but my employees worry me tremendously. So, I will keep working until I can afford it [retirement].
- Due to a large backlog that was generated off of fourth quarter 2019 and the first two months of 2020, the short term is OK. The main concern is that new contracts are only selling at 30 percent of normal. Once the backlog is gone, the current sales pace will not fill the void.
- Lack of energy demand and the resulting drop in prices will have a more lasting impact on the local economy than COVID-19.
- We have not applied [for the Paycheck Protection Program (PPP)] because we are not yet eligible as a government agent tourism office. That may change with [Coronavirus Aid, Relief and Economic Security (CARES) Act Phase Four]; however, in Texas, government agencies can't get loans without going through the AG's [attorney general's] office (two-month process, minimum), so it still may not be an option for us.
- First, we would have not been able to stay in business without PPP. We had already supplemented two payrolls because of reduced revenues. The uncertainties of how long this would last would have kept us from investing more into the business. We still are concerned that this could last longer than the PPP; although activity is increasing, any [virus] resurgence could be detrimental.
- This is very disruptive to a solid business environment. We need to get people back to work. The initial slowing of the spread worked, and now since the hospitals are prepared, we need to move forward and manage the risk like all the other risks we face daily.
- The oil industry provides many high-end clients who are now on the sidelines of travel.

Educational Services

- Current revenues have not been impacted by oil prices, but future revenues will be since the state provides 23 percent of our funding. They have asked us to plan for 5 to 10 percent cuts to this funding source beginning Sept. 1 or sooner.

Ambulatory Health Care Services

- We focus on cosmetic dentistry, which is discretionary and requires larger expenditures; most folks borrow or use credit to pay. Internet searches for cosmetic dentistry and the number of requests for a smile consult we receive are actually leading indicators of the consumer confidence indices. Since most have to borrow, if they're concerned about current/future employment, they postpone searches for our primary service.

Hospitals

- We expect to see a lag in activity reduction as workers lose their insurance coverage and/or relocate.

Nursing and Residential Care Facilities

- We must continue to take care of our 10,000+ senior residents, so we cannot reduce our number of employees or their work hours. While we are doing what we can to "reopen" where possible, the need to restrict access to nonessential visitors continues and is expected to continue for at least a few more months. Our revenues have decreased, our expenses have increased and, therefore, our liquidity is suffering. We desperately need widespread testing of our residents and employees so that we can be aware of the level of risk present in our buildings. We also need PPE [personal protective equipment] to be provided to us free of charge like it has been to traditional health care companies. We are investigating whether a PPP loan under the alternative-size requirements might be available to us.

Social Assistance

- Our placement rate has been negatively impacted as a result of the low oil prices.

Amusement, Gambling and Recreation Industries

- We operate an amusement park, so are completely shut down, both in seasonal employment and the ability to open for customers.

Accommodation

- Our locations in West Texas have been negatively impacted, as work slowed or stopped—less business activity, less demand for lodging.

Food Services and Drinking Places

- People are afraid to come out and eat. Coming out to eat is not a good experience with nothing on tables and no one there. It has cost us to reopen our dining rooms. We are better off with them closed until all is back to normal, if we ever get there.

Religious, Grantmaking, Civic, Professional and Similar Organizations

- Our service area covers Wichita Falls and surrounding counties (we are headquartered in Dallas). The contraction in spending there is remarkable, almost like a temperature change. People there are truly scared of the future.
- The only industry we serve is the oil and gas industry. The combination of COVID-19 and low oil prices has essentially destroyed our business model.

Texas Retail Outlook Survey

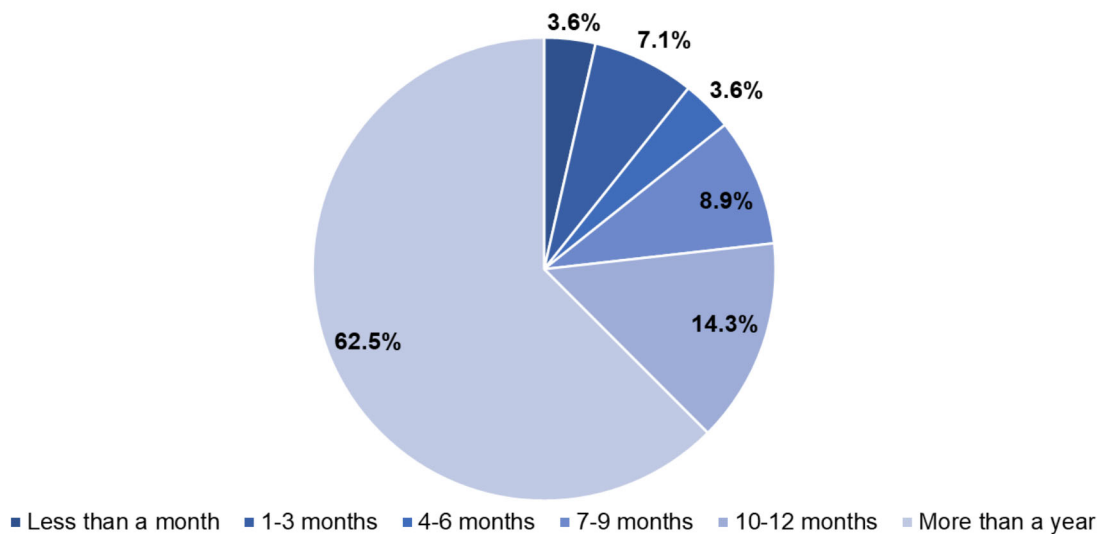
Data were collected May 12–20, and 57 Texas retailers responded to the survey.

How do your firm's current revenues compare with a typical May? For example, if revenues are down 20 percent from normal, enter 80 percent. If revenues are up 20 percent, enter 120 percent.

	Share of respondents (percent)	Average response (percent)
Entries less than 100	90.7	63.3
Entries of exactly 100	7.4	100.0
Entries greater than 100	1.9	120.0
All entries	100.0	67.1

NOTE: 54 responses.

If current revenue levels were to continue, how long could your firm survive?



SOURCE: Federal Reserve Bank of Dallas Texas Retail Outlook Survey.

NOTE: 56 responses.

Have you applied for a PPP (Paycheck Protection Program) loan?

	Percent
Yes	67.9
No	32.1

NOTE: 56 responses.

If you applied for a PPP loan, have you received it?

	Percent
Yes	97.3
No, but we have been approved	0.0
No, we are awaiting approval	2.7
No, we were denied funding	0.0

NOTES: 37 responses. This question was only posed to those indicating they applied for a PPP loan.

How did receiving the PPP loan benefit your firm? Please select all that apply.

	Percent
Prevented layoffs and/or furloughs	80.6
Prevented wage reductions	69.4
Helped us pay bills and/or rent	58.3
Allowed for rehiring of workers	22.2
Other	13.9

NOTE: 36 responses. This question was only posed to those indicating they received a PPP loan.

How could the PPP have been more effective in helping your firm?

This question was only posed to those indicating they applied for a PPP loan, and 20 retailers submitted an answer. The most common responses were a longer time frame for spending the money, clearer terms for loan forgiveness, more flexibility in how the money can be spent, and a smoother application and payout process.

Have you taken any of the following steps regarding employment in response to COVID-19? Please select all that apply.

	Percent
Increased working from home	58.9
Reduced work hours (including cutting overtime)	53.6
Reduced or suspended bonuses	32.1
Furloughs	26.8
Paid time off	26.8
Layoffs	21.4
Reduced wages	21.4
Other	7.1
None	12.5

NOTE: 56 responses.

Have you attempted to recall any laid off/furloughed workers or increase hours among current workers?

	Percent
Yes	51.5
No	48.5

NOTES: 33 responses. This question was only posed to those indicating they laid off/furloughed workers or reduced work hours.

Were there any impediments to recalling workers or increasing hours? Please select all that apply.

	Percent
Fear of infection	53.3
Lack of child care	33.3
Generous unemployment benefits	26.7
Other	0.0
None	26.7

NOTES: 15 responses. This question was only posed to those indicating they attempted to recall any laid off/furloughed workers or increase hours among current workers.

Was any part of your business shut down due to state/local operational restrictions?

	Percent
Yes	38.2
No	61.8

NOTE: 55 responses.

In light of Gov. Abbott’s “Open Texas” plan which took effect May 1, has your business reopened to the maximum allowable level?

	Percent
Yes	70.0
No	30.0

NOTES: 20 responses. This question was only posed to those indicating any part of their business was shut down.

What will it take for your business to reopen to the maximum allowable level?

This question was only posed to those indicating any part of their business was shut down and had yet to reopen to the maximum allowable level under Gov. Abbott’s “Open Texas” plan. These comments are from respondents’ completed surveys and have been edited for publication.

- Customers will have to reopen [their businesses] to the maximum level first.
- We could do so tomorrow but are planning to wait until June 1. We want to see testing results peak and then decline before resuming normal operations. We are not missing a beat as we have 90 full-time employees (40 percent of our workforce) working from home, which started mid-March.
- Internal planning.
- Our primary customers are restaurants. When they are allowed to reopen close to 100 percent, we’ll be able to justify incurring expenses associated with fully “reopening” our business. We can’t do so until we are at roughly 80 percent of pre-COVID-19 revenue levels for a sustained period of time—i.e., 45–60 days—to ensure it is a real revenue increase versus a one-time restocking of the supply chain that proves to not be sustainable.
- Easing of restrictions from customers and fewer infections.
- As a vending company, many of our customers have not fully returned to work or have remained closed. Those that reopen may have much of their workforce working remotely now. Our business relies significantly on head count within a business to establish that business as a customer. Otherwise, the account is not profitable. Either we need things to return fully to the way they were or we need to aggressively sell our services to obtain new customers.
- Not sure, but additional testing and a drop in the daily levels would help.

Have your firm's revenues been negatively impacted by reduced activity in the energy industry as a result of low oil prices?

	Percent
Yes	61.1
No	38.9

NOTE: 54 responses.

Above you note that your May revenues are down from typical levels. Approximately what share of this decline is due to reduced activity in the energy industry as a result of low oil prices?

	Percent
Less than a quarter	67.7
More than a quarter but less than half	16.1
More than half but less than three-quarters	9.7
More than three-quarters	6.5

NOTES: 31 responses. This question was only posed to those indicating current revenues are down from a typical May and that their firm's revenues have been negatively impacted by reduced activity in the energy industry.

Special Questions Comments

Merchant Wholesalers, Durable Goods

- We are impacted by energy, with less capital for investments.
- The federal unemployment benefits are hindering workers from wanting to go back. Why work when you make more at home?

Motor Vehicle and Parts Dealers

- Our business is in Houston. Most of the large energy company layoffs occurred in May, therefore, we expect significant decline in revenue for the remainder of this year.
- We have been hit with a tremendous drop in used car prices in April and are seeing some small rebound in May. We will not see full recovery for a while, and this will have a negative impact on new-car business. [There is] a lot of uncertainty around rental car companies dumping their rental fleet into the already-soft used car market.

Building Material and Garden Equipment and Supplies Dealers

- [Declining] oil revenues have reduced dividend and royalty checks to our customers who spend in our store.
- We need to get everyone back to work.

Nonstore Retailers

- We have one warehouse in Houston, and I'm sure a portion of lost business is associated with reduced energy activity, but I'd say it's less than 5 percent.

Questions regarding the Texas Business Outlook Surveys can be addressed to Emily Kerr at emily.kerr@dal.frb.org.