“Employment Growth Slows”
What’s New: Job Growth Slows in October

- Texas employment grew 1.2 percent in October, while September growth was revised up to 5.8 percent; Year to date growth is 3.4 percent, below 2022 growth of 4.3 percent.
  - Texas grew at the same pace as the nation in October.

- The Dallas Fed’s Texas Employment Forecast indicates that jobs will increase 3.2 percent in 2023 (down from 3.3 percent last month).
  - The current forecast implies 2.2 percent growth (annualized) in the rest of the year.

- October Texas Business Outlook Surveys (TBOS) indicate positive but slower growth in both manufacturing and services sector activity.

- Large majority of Texas firms report no adverse impacts of difficulty seeking credit or they are not seeking credit
  - Little adverse impact in sales, production, or hiring
  - Little expectation of negative effects on sales, production or hiring
Overall Economic Activity
Texas employment growth decelerated in October; significant gains in information and oil & gas with large decline in other services

*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of total state employment in October 2023


DATA: Texas Employment by Industry - Dallasfed.org
Texas annual job growth on track to exceed the nation

*Seasonally adjusted, annualized rate.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.
DATA: Texas Payroll Employment - Total Nonfarm - Dallasfed.org
Texas job growth decelerates to start the fourth quarter

*Seasonally adjusted, annualized rate.


SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

DATA: Texas Payroll Employment - Total Nonfarm - Dallasfed.org
Texas year-to-date job growth ahead of U.S. across all industries

Job Growth (%)*

- Texas (Oct. 2023/Dec. 2022)

<table>
<thead>
<tr>
<th>Industry</th>
<th>U.S. (%)</th>
<th>Texas (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1.9</td>
<td>3.4</td>
</tr>
<tr>
<td>Trade, Transp. &amp; Util. (20%)</td>
<td>0.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv. (15%)</td>
<td>1.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Gov't (15%)</td>
<td>3.03</td>
<td>3.1</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv. (14%)</td>
<td>4.2</td>
<td>5.1</td>
</tr>
<tr>
<td>Leisure &amp; Hosp. (11%)</td>
<td>3.0</td>
<td>3.9</td>
</tr>
<tr>
<td>Mfg. (7%)</td>
<td>3.5</td>
<td>3.8</td>
</tr>
<tr>
<td>Fin. Activ. (7%)</td>
<td>2.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Constr. (6%)</td>
<td>1.8</td>
<td>2.8</td>
</tr>
<tr>
<td>Other Serv. (3%)</td>
<td>2.9</td>
<td>2.9</td>
</tr>
<tr>
<td>Information (2%)</td>
<td>5.1</td>
<td>9.4</td>
</tr>
<tr>
<td>Oil &amp; Gas, Mining Sup. (1%)</td>
<td>-3.6</td>
<td></td>
</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses indicate share of total state employment for October 2023.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

DATA: [Texas Employment by Industry - Dallasfed.org](https://www.dallasfed.org)
Dallas leads year-to-date job growth in 2023

Job Growth (%), Dec./Dec.*

Texas (24.0%) 3.4
Houston (21.9%) 2.5
Dallas (21.9%) 4.4
Austin (9.5%) 4.0
Fort Worth (8.6%) 2.8
San Antonio (8.3%) 3.0

*Seasonally adjusted, annualized rate.
NOTE: Numbers in parenthesis indicate share of state employment for October 2023.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.
DATA: Texas Employment Data - Dallastfed.org
Texas firms report slower growth in manufacturing and services sector activity

NOTES: Data through October 2023. Shaded area represents contractionary territory.
DATA: Surveys - Dallasfed.org
Texas unemployment rate holds at 4.1 percent in October

*Seasonally adjusted.
NOTE: Data are through October 2023.
DATA: Texas Employment by Industry - Dallasfed.org
Hispanic unemployment rate ticks up

*Seasonally adjusted.

NOTE: Last data points are October 2023 values.

Housing: single-family building permits rising while existing-home sales decline further

Index, Jan. 2013 = 100, 3MMA, SA

NOTES: Texas single-family housing permits and existing-home sales data through September 2023. Mortgage data through October 2023.
SOURCES: MLS; A&M Real Estate Center; Freddie Mac Primary Mortgage Market Survey; U.S. Census.
House prices tick up across Texas

Median Sales Price, $

- Texas
- Austin
- Dallas-Fort Worth
- Houston
- San Antonio


SOURCES: Multiple Listing Service; seasonal and other adjustments by Federal Reserve Bank of Dallas.
Apartment rent growth stabilize across the country

Percent, Y/Y

- United States
- New York
- Houston
- Dallas-Fort Worth
- San Antonio
- San Francisco
- Austin

NOTES: Data are monthly, seasonally adjusted through October 2023. New York is missing March through September 2020 data. San Francisco is missing June through October 2020 data. Missing data are linearly interpolated.

SOURCE: Zillow.
Office vacancy stabilizes but not in Austin

NOTE: Data through Q3 2023.
SOURCE: CBRE Econometric Advisors.
Loan volumes keep declining, according to 11th District bankers

NOTE: Data through November 2023.
Credit standards continue to tighten in Texas banks

NOTE: Includes credits and terms. Data are through November 2023.

SOURCES: Federal Reserve Bank of Dallas' Banking Conditions Survey.
Oil and gas production on the rise

NOTE: Shown are crude oil and natural gas marketed production through August 2023.
SOURCE: Energy Information Administration.
High-Frequency Data
NOTES: Total (initial and continuing) unemployment claims data through the week ending November 4th and include states UI and federal PUA, PEUC and EB when available. SOURCE: Department of Labor.
Texas rate of business formation exceeds the nation’s

NOTES: Data are quarterly through Q1 2023. Business applications data are missing for the first week of January 2021. SOURCE: U.S. Census Bureau.
The Texas employment forecast indicates a 3.2 percent rise in 2023 after rising 4.3 in 2022.

NOTE: The Dallas Fed Texas Employment Forecast is based on the average of four models. Three models are VARs where Texas payroll employment is regressed on WTI oil prices, the US leading index and the Texas leading index, respectively. The fourth model is a regression of payroll employment on lags of payroll employment, expectations for U.S. GDP growth, WTI oil prices, and four COVID-19 dummy variables (March-June 2020).
Share of Texas firms raising prices and wages may have bottomed for now

% Reporting Increase

NOTE: Percent reporting increase was constructed by weighing the respective component of TMOS, TSSOS, and TROS according to GDP shares. Data through October 2023.

Texas headline CPI turns up in September; core CPI high but trending down

Y/Y % Change

Survey Special Questions
Fewer Texas firms report “no difficulty” obtaining short-term financing

NOTES: 368 responses in October 2023. Participants were asked, “To what extent is your business having difficulty obtaining financing for desired short-term uses such as paying workers and acquiring inventories of material or supplies?”

Fewer Texas firms report “no difficulty” obtaining long-term financing

NOTES: 366 responses in October 2023. Participants were asked, “To what extent is your business having difficulty obtaining financing for desired long-term uses such as capital expenditures?”

Slightly higher share of Texas firms report being adversely affected by difficulty obtaining credit

NOTES: 365 responses in October 2023. Participants were asked, "Has your firm’s production and/or sales been adversely affected by difficulty obtaining credit?"
Few Texas firms expect adverse effects on sales/production due to difficulty obtaining credit

NOTES: 360 responses in October 2023. Participants were asked, “Over the next six months, do you expect your firm’s production and/or sales to be adversely affected by difficulty obtaining credit?”
Slightly higher share of Texas firms report reduced hiring due to difficulty obtaining credit

Percent

NOTES: 363 responses in October 2023. Participants were asked, "Has your firm reduced hiring and/or increased layoffs due to difficulty obtaining credit?"

Few firms expect reduced hiring due to difficulty obtaining credit

NOTES: 361 responses in October 2023. Participants were asked, “Over the next six months, do you expect your firm to reduce hiring and/or increase layoffs due to difficulty obtaining credit?”

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