



Federal Reserve
Bank of Dallas

Texas Economic Performance and Outlook (July 2024)

“Employment Growth Marginally Declines in June”

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DISCLAIMER: The views expressed are the authors' and do not necessarily reflect the views of the Federal Reserve Bank of Dallas or Federal Reserve System.

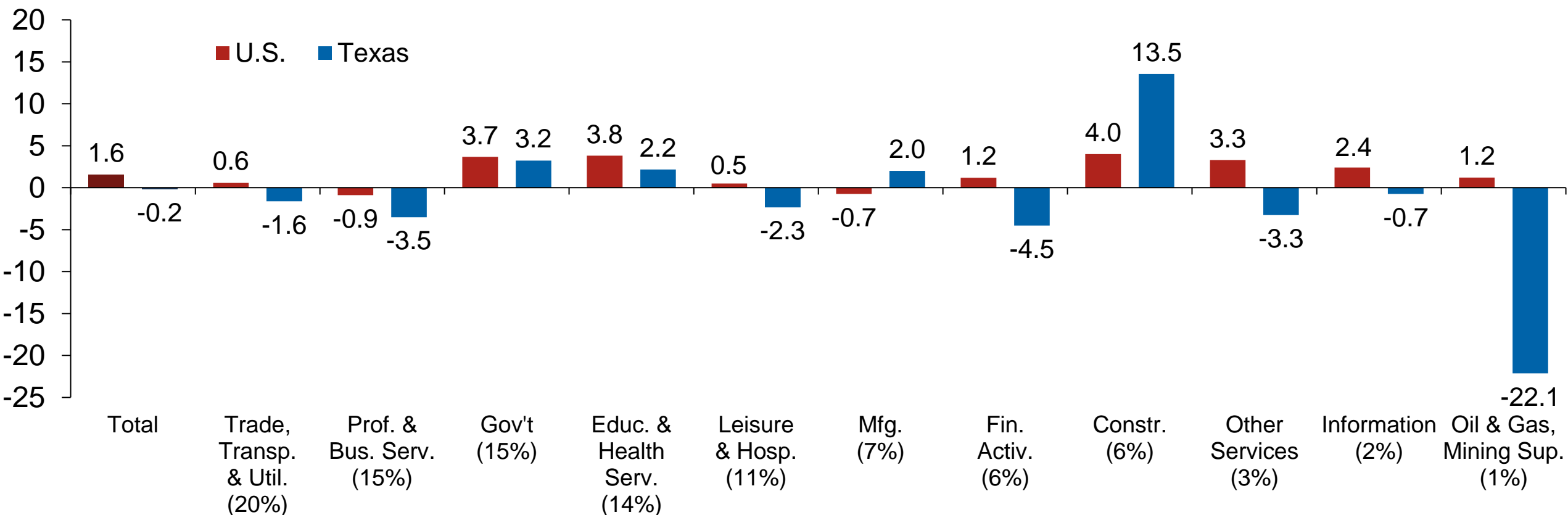
What's New: Job growth slightly falls in June, 2024 employment forecast revised down

- Texas employment declined 0.2% in June, slower than May's 3.2% increase
 - Texas job growth lagged the nation's 1.6% rise in June
- The Dallas Fed's Texas Employment Forecast indicates jobs will increase by 1.9% in 2024
 - Forecast was 2.4% percent previously
- Year-to-date Texas employment growth is 2.3%, greater than the U.S. 1.7%
- Texas unemployment remained at 4.0% in June
 - U.S. unemployment rate ticked up to 4.1% in June
- June Texas Business Outlook Surveys (TBOS) show flattening in manufacturing production and modest expansion in service sector activity.
 - Weakening demand or potential recession cited as most concerning for Texas firms
 - Few firms affected by supply-chain disruptions, mostly by elevating operating costs and delaying orders

Overall Economic Activity

Texas job growth decline led by oil and gas

Job Growth June 2024/May 2024 (%)*



*Seasonally adjusted, annualized rate.

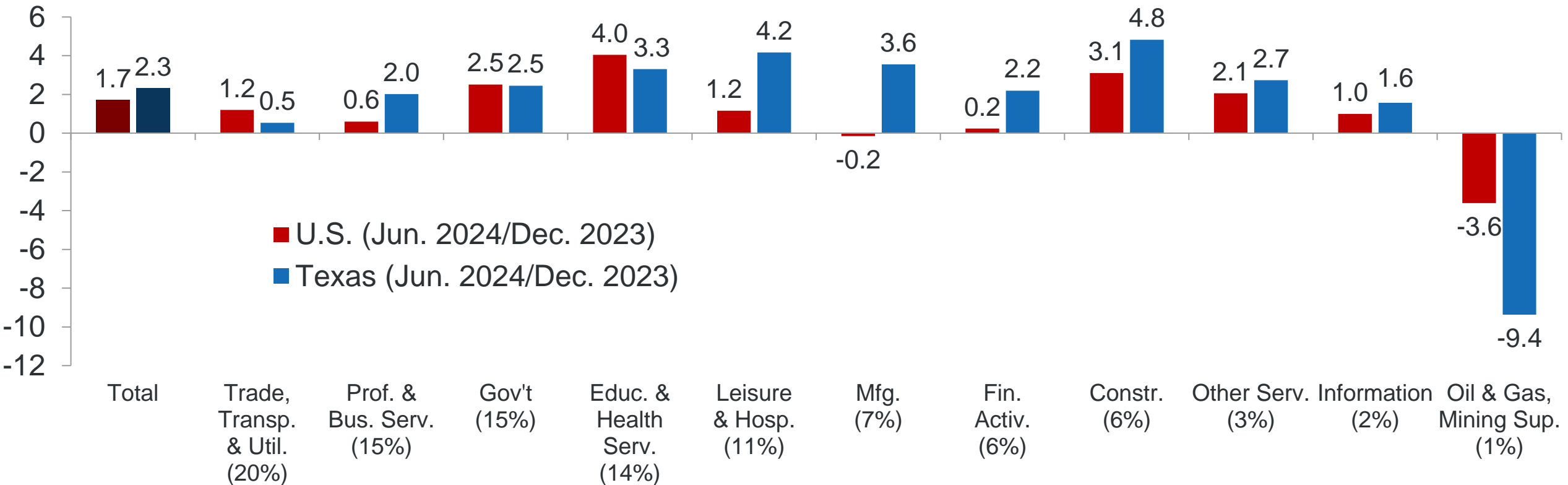
NOTE: Numbers in parenthesis indicate share of total state employment in June 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; Federal Reserve Bank of Dallas.

DATA: [Texas Employment by Industry - Dallasfed.org](https://dallasfed.org/economic/texas/texas-employment-by-industry)

YTD Texas employment growth led by construction and leisure & hospitality

Job Growth (%)*



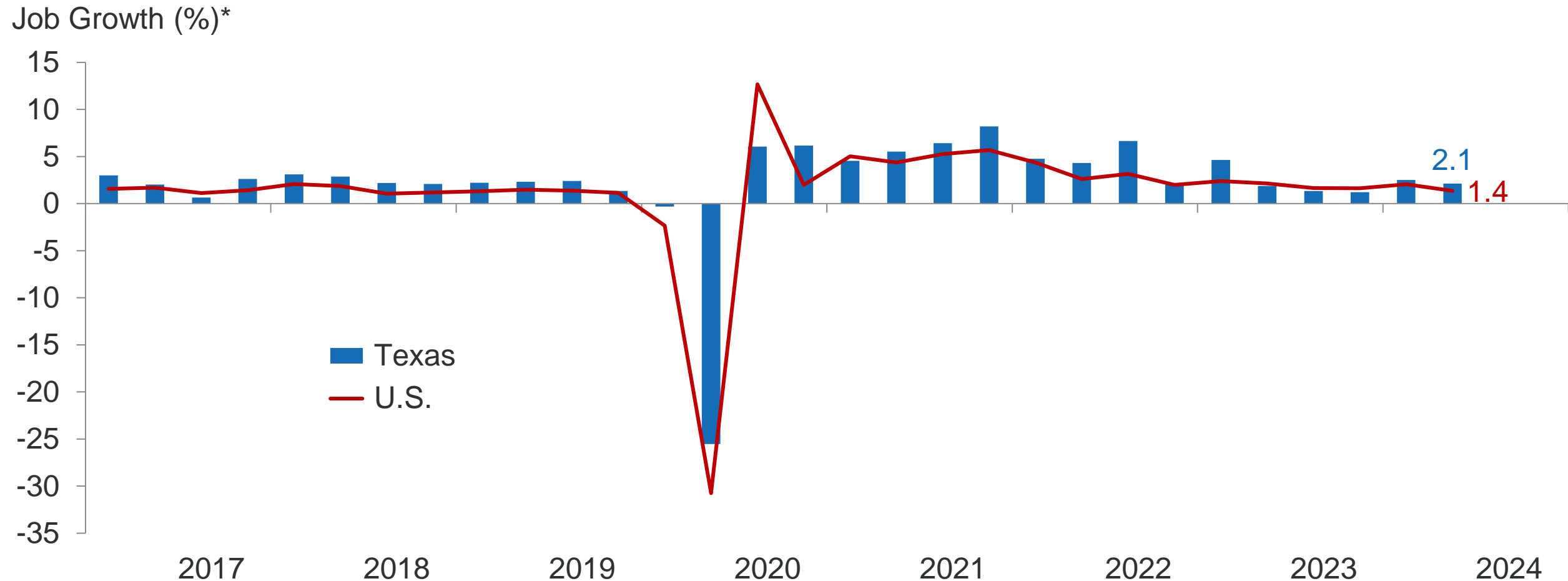
*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses indicate share of total state employment for June 2024.

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://dallasfed.org/research/texas-employment-by-industry)

Texas job growth on par with historical average in Q2



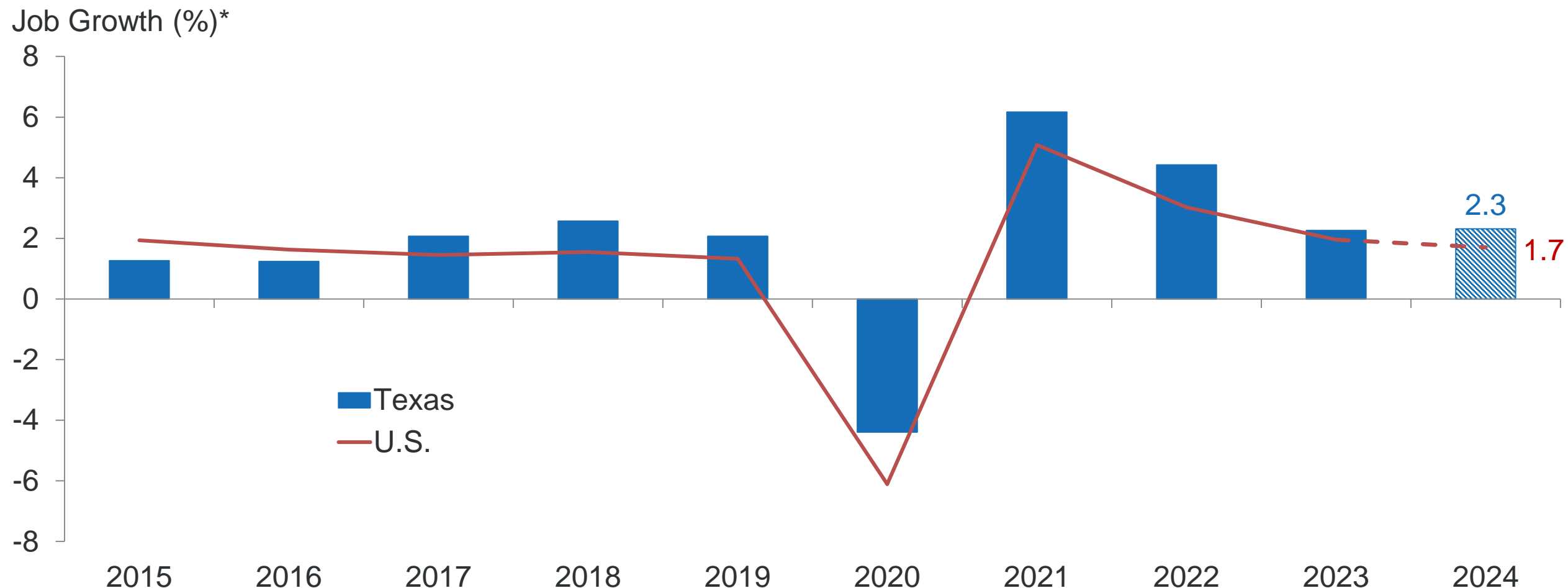
*Seasonally adjusted, annualized rate.

NOTES: Shown is quarterly job growth.

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' 2024 job growth on track to exceed the nation



*Seasonally adjusted, annualized rate.

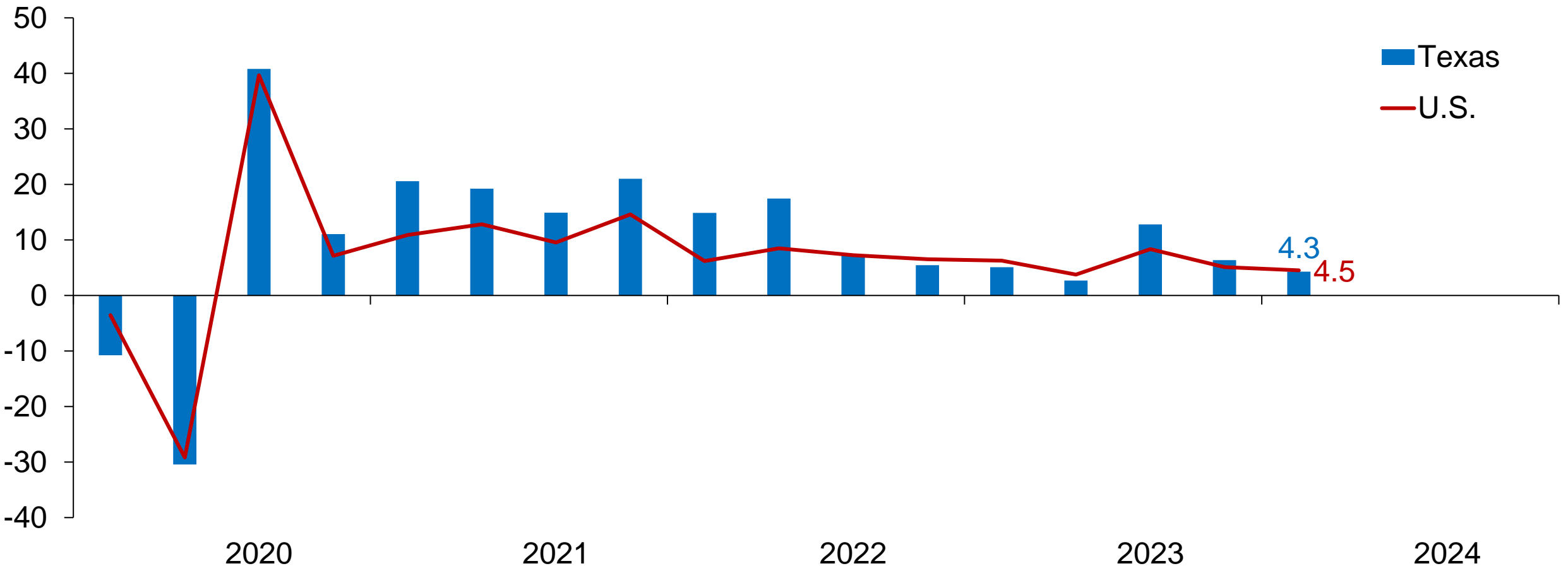
NOTES: Last data points are annualized job growth for June 2024/Dec. 2023. Yearly growth is Dec/Dec.

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](#)

US GDP growth outpaced the Texas in Q1 2024

Percent, Q/Q*



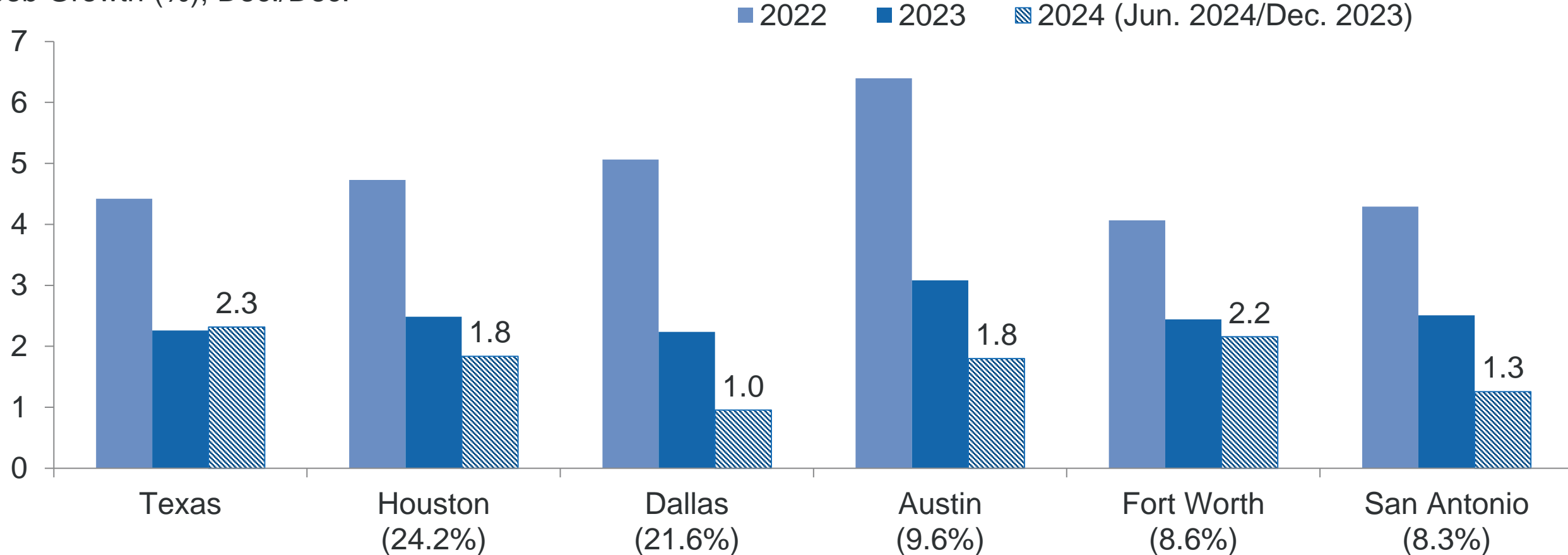
*Seasonally adjusted, annualized rate.

NOTE: Shown are quarterly, nominal GDP growth for the U.S. and GSP (gross state product) growth.

SOURCES: Bureau of Economic Analysis; Federal Reserve Bank of Dallas.

Forth Worth leads Major metros' YTD growth

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



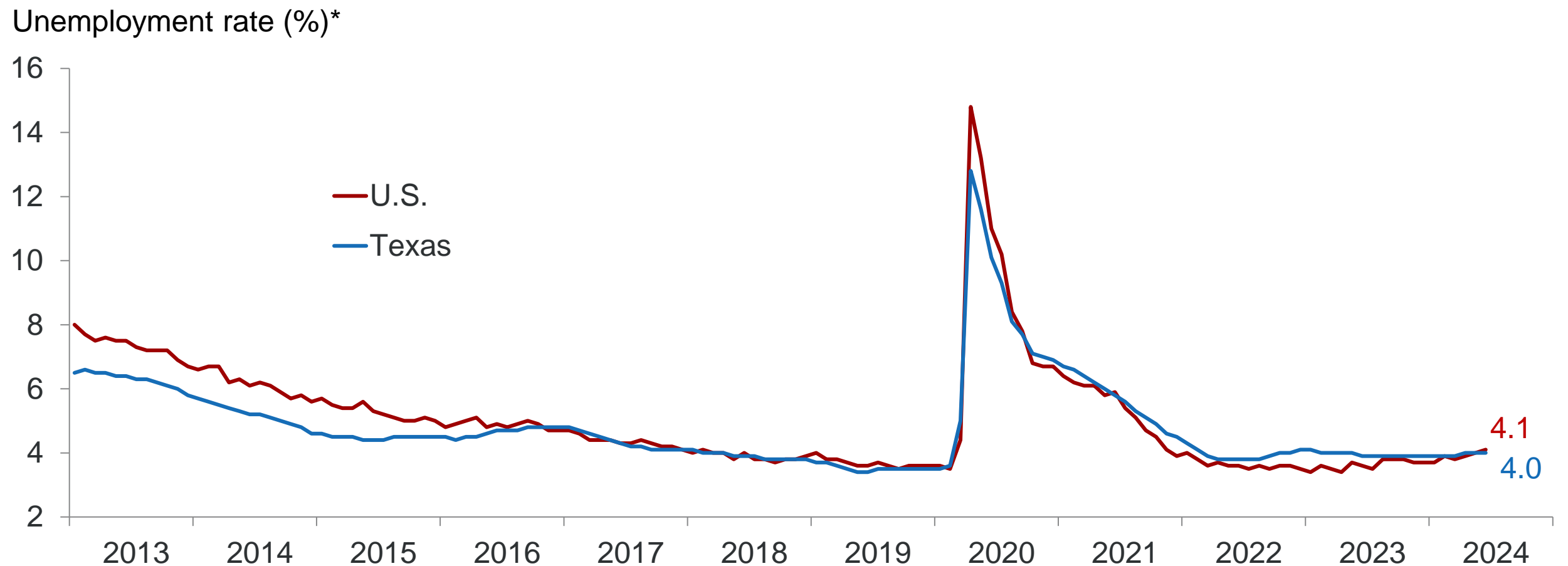
*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of state employment for June 2024.

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

DATA: [Texas Employment Data - Dallasfed.org](https://www.dallasfed.org/research/texas-employment)

U.S. unemployment rate rises above Texas'



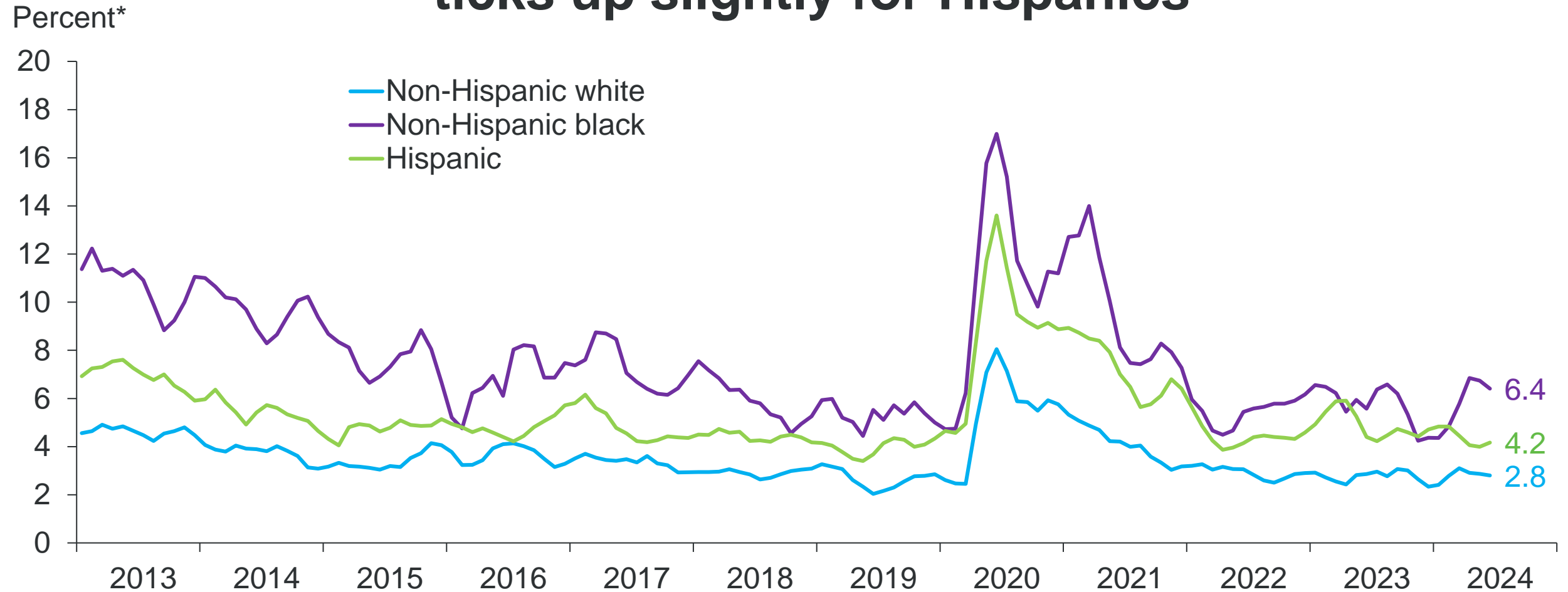
*Seasonally adjusted.

NOTE: Data are through June 2024.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; Federal Reserve Bank of Dallas.

DATA: [Texas Employment by Industry - Dallasfed.org](https://dallasfed.org/economic/texas/economy/employment)

Unemployment dips for blacks and whites; ticks up slightly for Hispanics

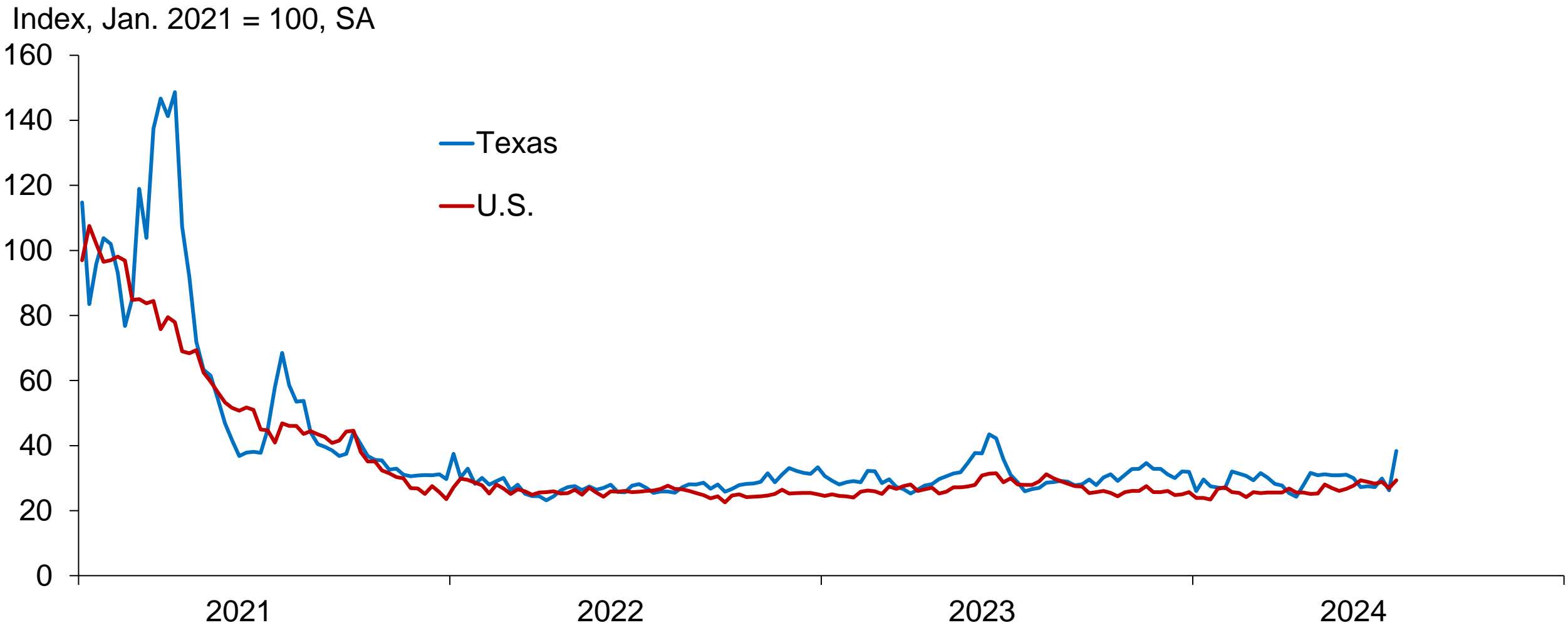


*Seasonally adjusted, 3-month moving average.

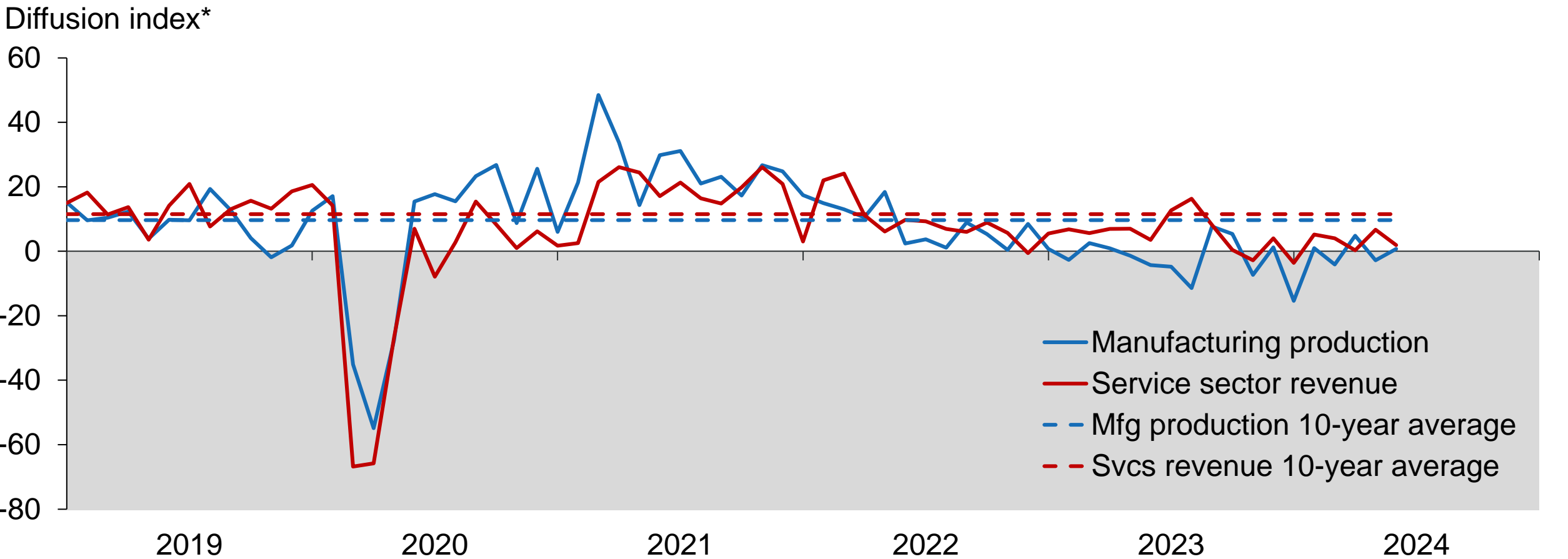
NOTE: Shown are Texas unemployment rates by race and ethnicity through June 2024.

SOURCES: Current Population Survey, authors' calculations.

Texas unemployment claims turn up



Activity flat in manufacturing and service sector slows in June



*Seasonally adjusted.

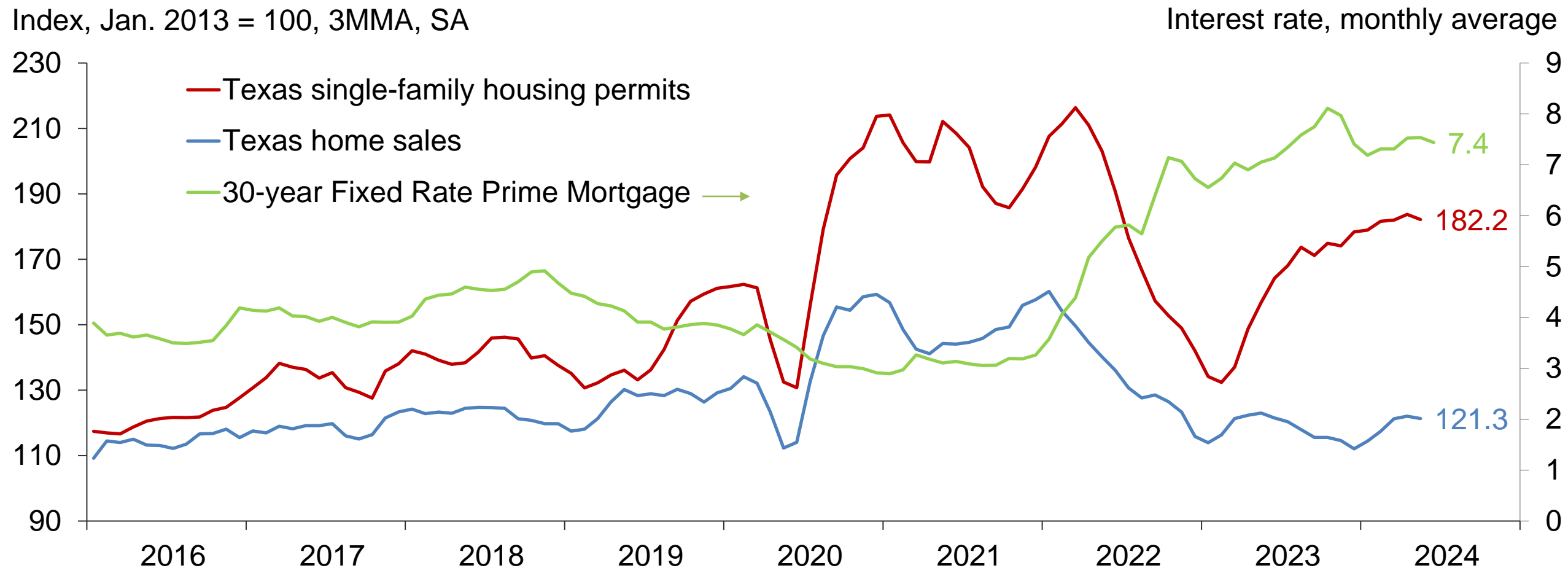
NOTES: Data through June 2024. Shaded area represents contractionary territory.

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

DATA: [Surveys - Dallasfed.org](https://surveys.dallasfed.org)

Real Estate, Finance and Energy

Texas home sales and permits tick down amid high mortgage rates

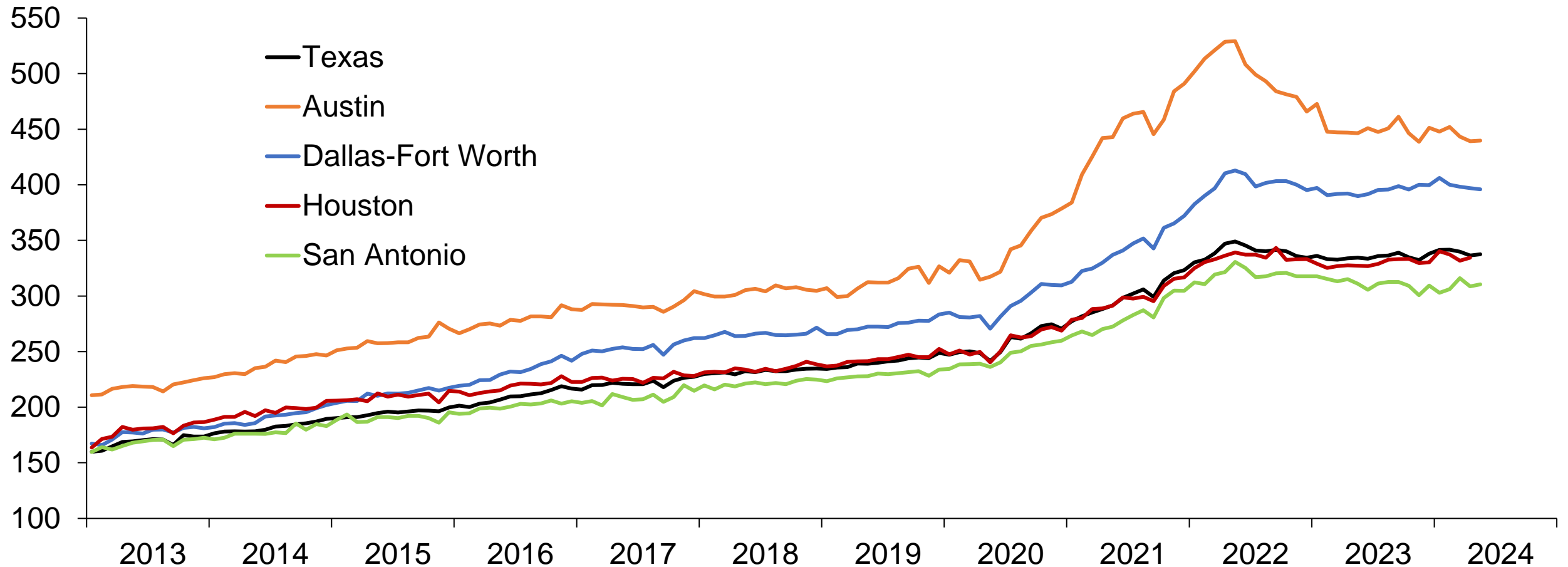


NOTE: Data are monthly through March 2024 for housing permits and home sales and April 2024 for mortgage rates.

SOURCES: MLS; A&M Real Estate Center; Freddie Mac Primary Mortgage Market Survey; U.S. Census.

Texas house prices move sideways

Median sales price, \$*



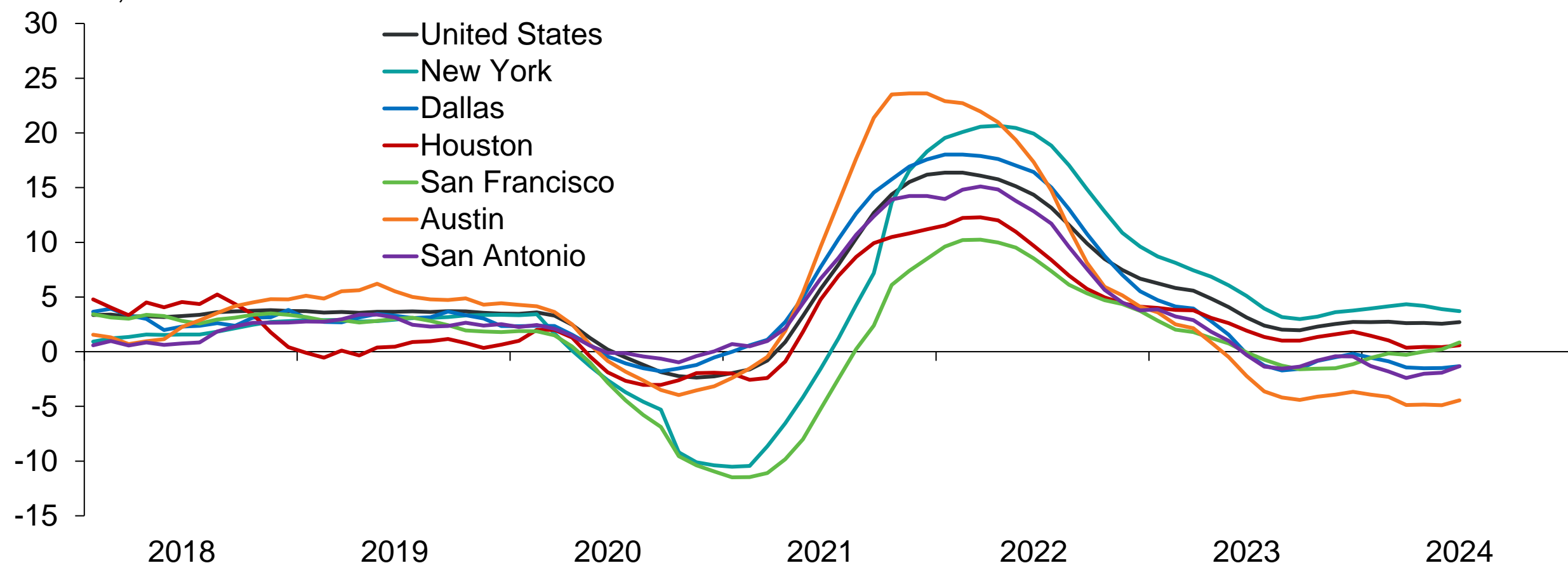
*Seasonally adjusted.

NOTE: Data are monthly through May 2024.

SOURCES: Multiple Listing Service; seasonal and other adjustments by Federal Reserve Bank of Dallas.

Apartment rents flat to down in most Texas markets

Percent, Y/Y*

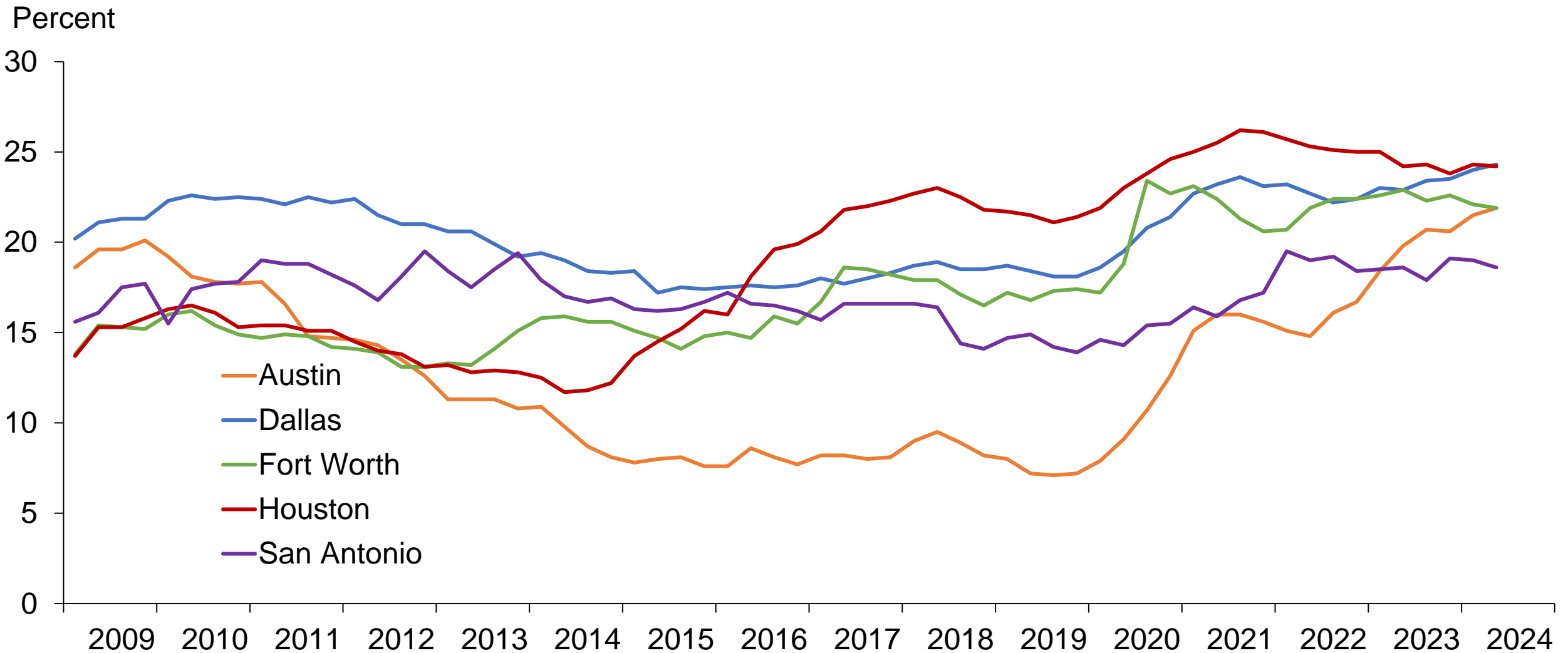


*Seasonally adjusted.

NOTES: Data are monthly through June 2024. New York is missing March through September 2020 data. San Francisco is missing June through September 2020 data. Missing data are linearly interpolated.

SOURCE: Zillow.

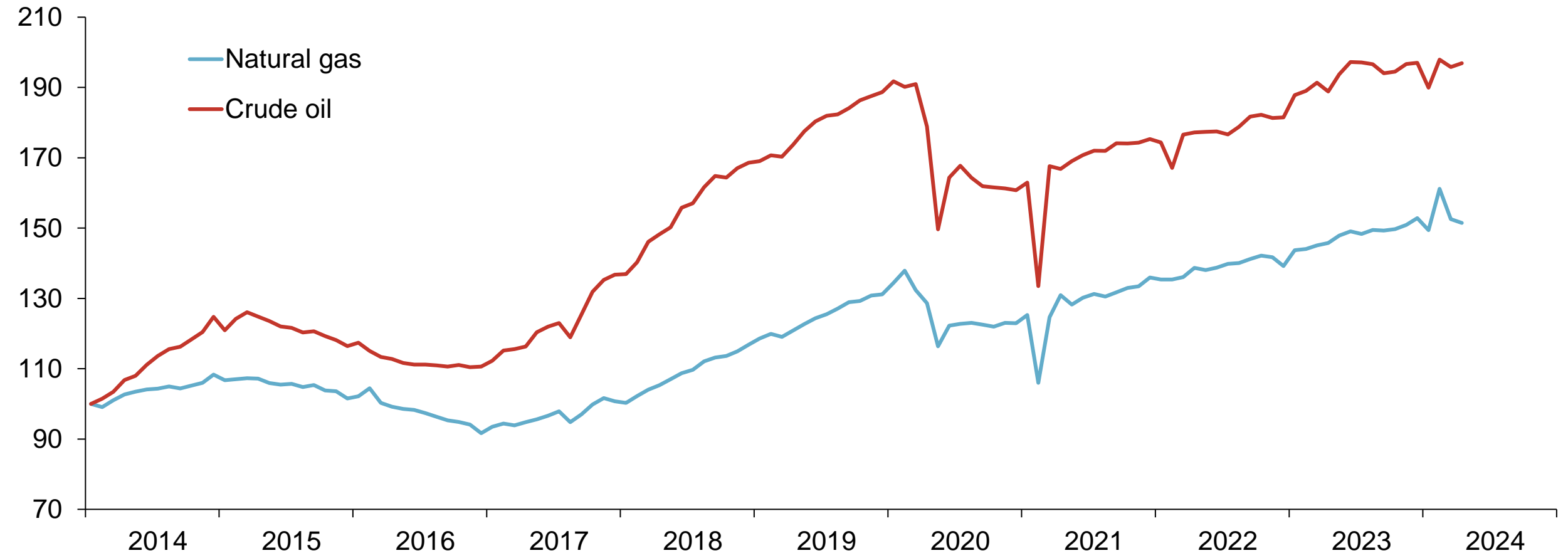
Office vacancy rise in Austin and Dallas



NOTE: Data through Q2 2024.
SOURCE: CBRE Econometric Advisors.

Texas oil and gas production little changed in April

Index, Jan. 2014 = 100*

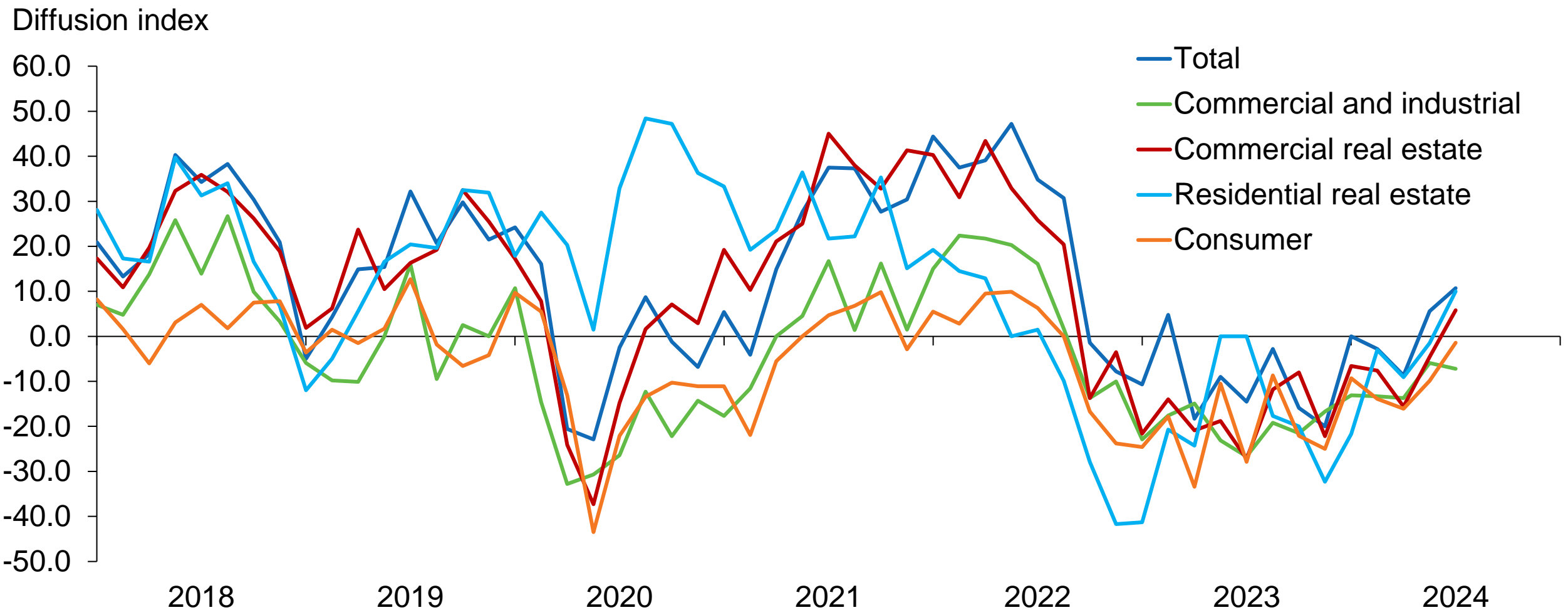


*Seasonally adjusted.

NOTES: Shown are crude oil and natural gas marketed production through April 2024. Production of natural gas are based on billion cubic feet while crude oil is based on million barrels per day.

SOURCE: Energy Information Administration.

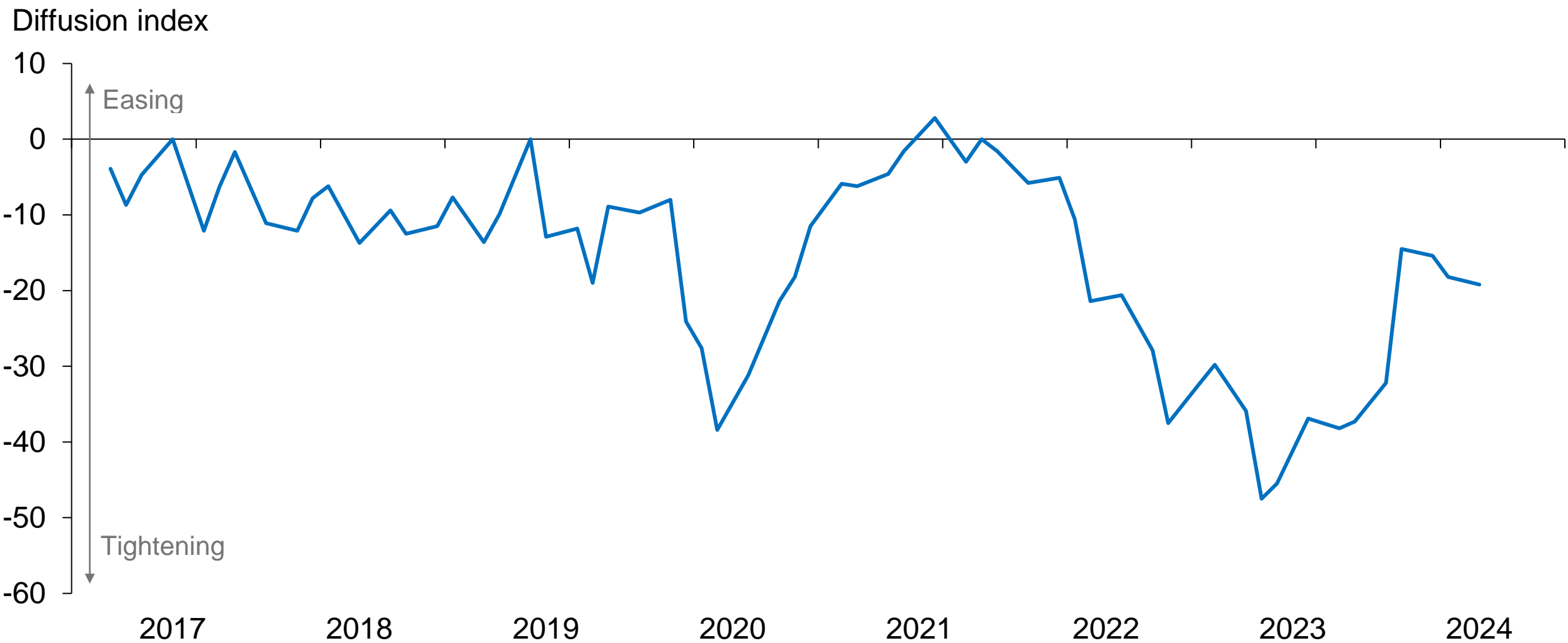
Overall loan volumes edge up further in July, according to 11th District bankers



NOTE: Data through July 2024.

SOURCE: Federal Reserve Bank of Dallas' Banking Conditions Survey.

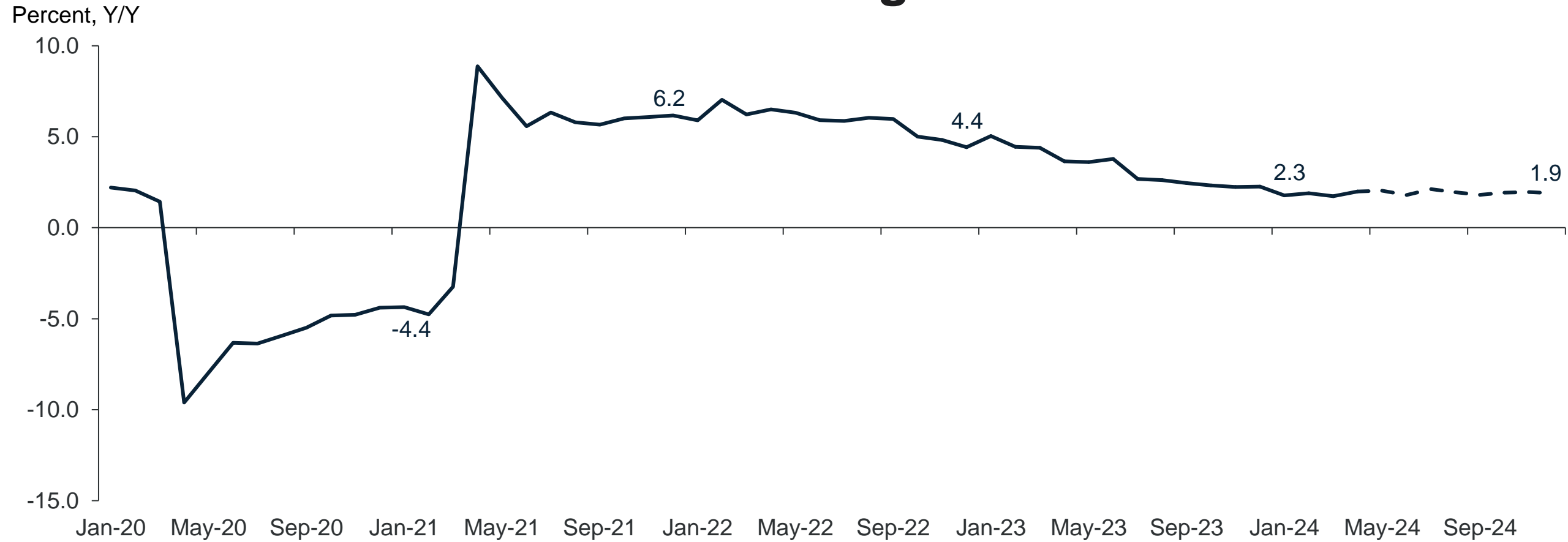
Texas banks report continued tightening of credit standards



NOTES: Includes credits and terms. Data are through July 2024.
SOURCE: Federal Reserve Bank of Dallas' Banking Conditions Survey.

Outlook for 2024

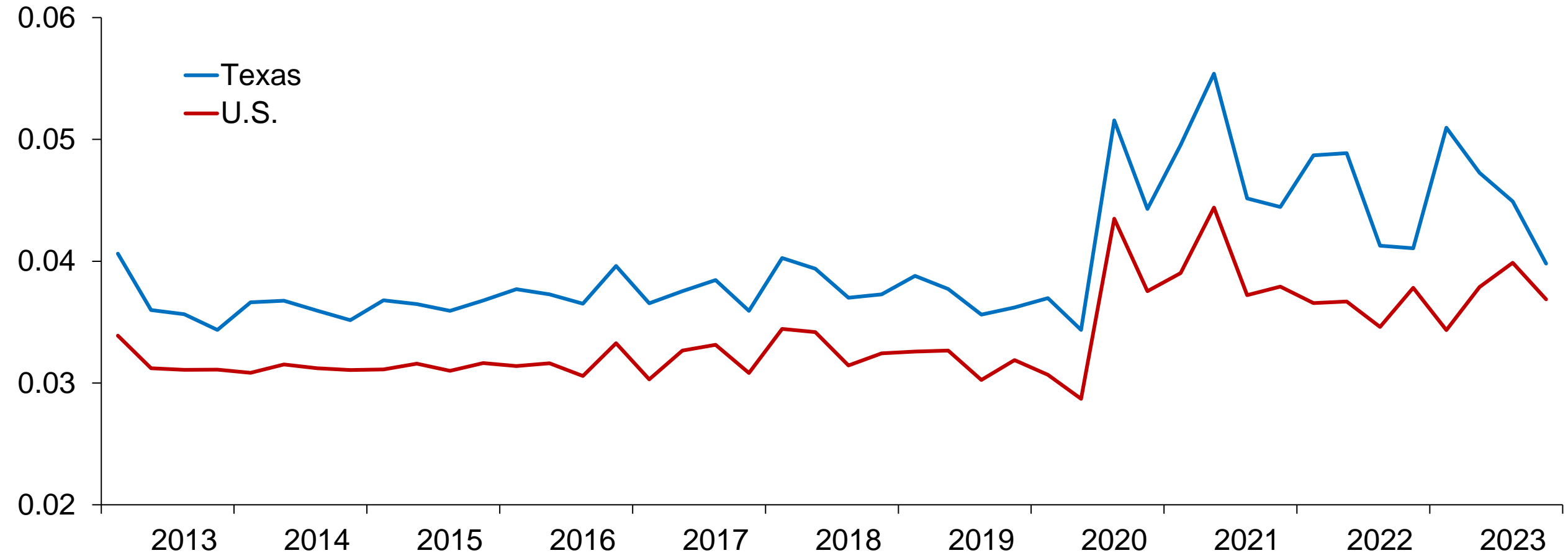
The Texas employment forecast indicates 1.9% growth in 2024 around long-run trend



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).

Rate of business formation in Texas falls but remains above the nation

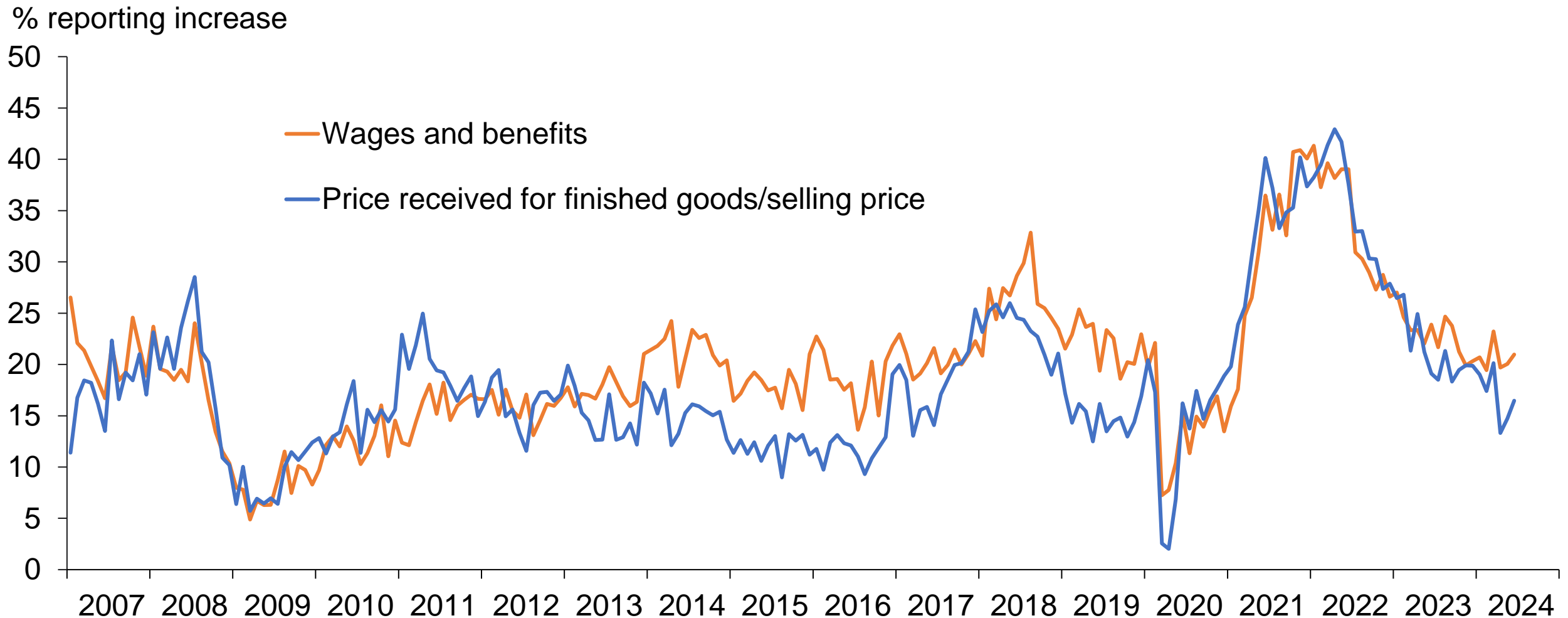
Business applications per business establishments



NOTES: Data are quarterly through Q4 2023. Business applications data are missing for the first week of January 2021.

SOURCE: U.S. Census Bureau.

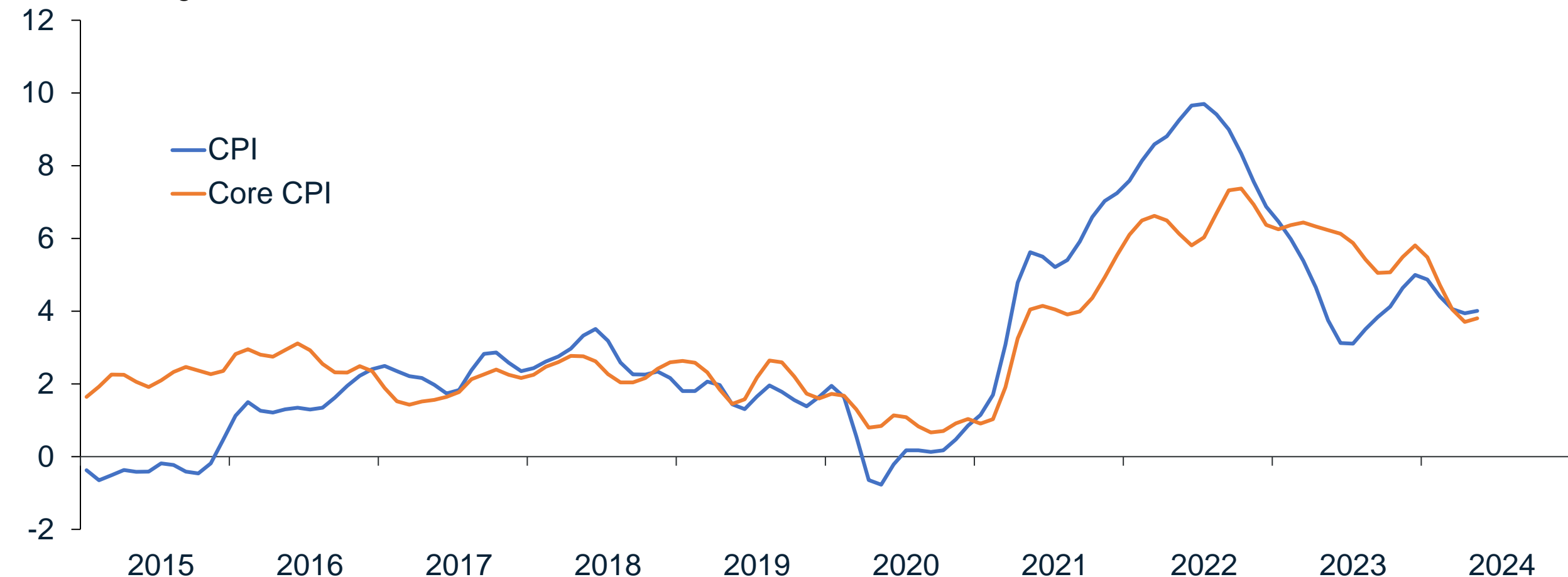
Share of Texas firms reporting an increase in prices and wages uptick in June



NOTES: Percent reporting increase was constructed by weighting the respective component of TMOS and TSSOS according to GDP shares. Data through June 2024.
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

Texas CPI stalls through May

Y/Y % Change

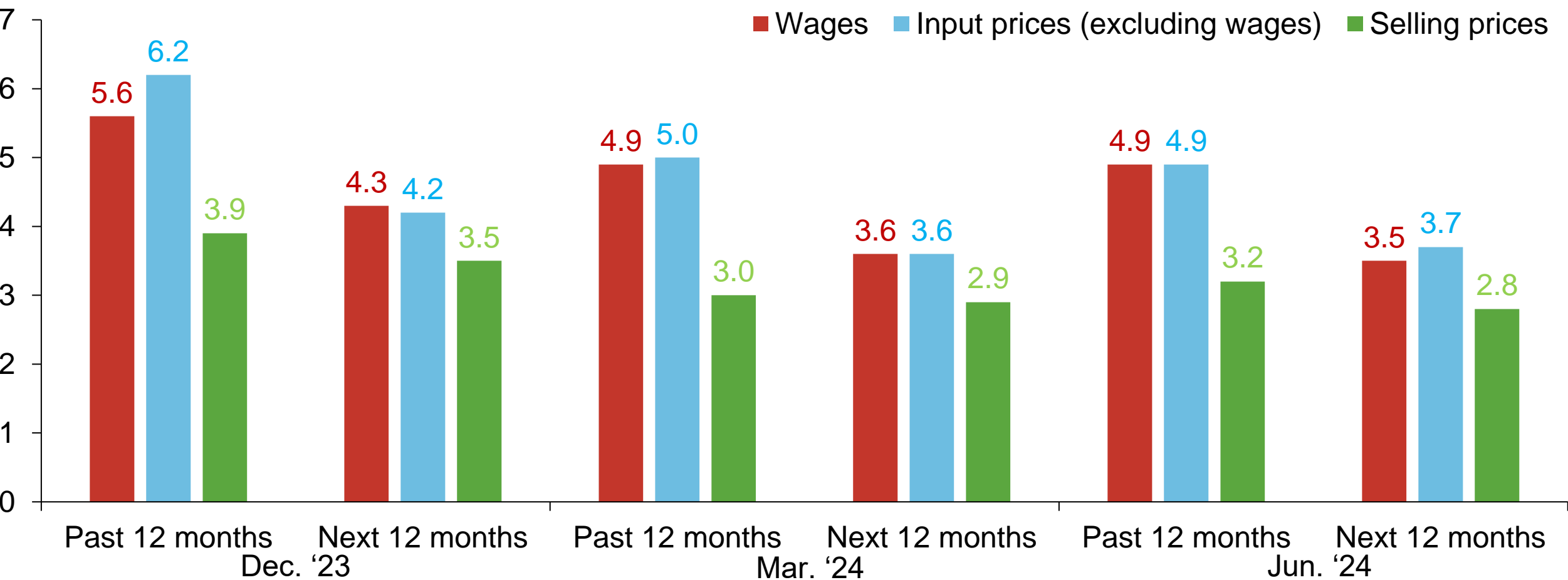


NOTE: CPI data through May 2024.
SOURCE: Bureau of Labor Statistics.

Survey Special Questions

Texas firms expect slower price and wage growth 12 months ahead

Percent of respondents

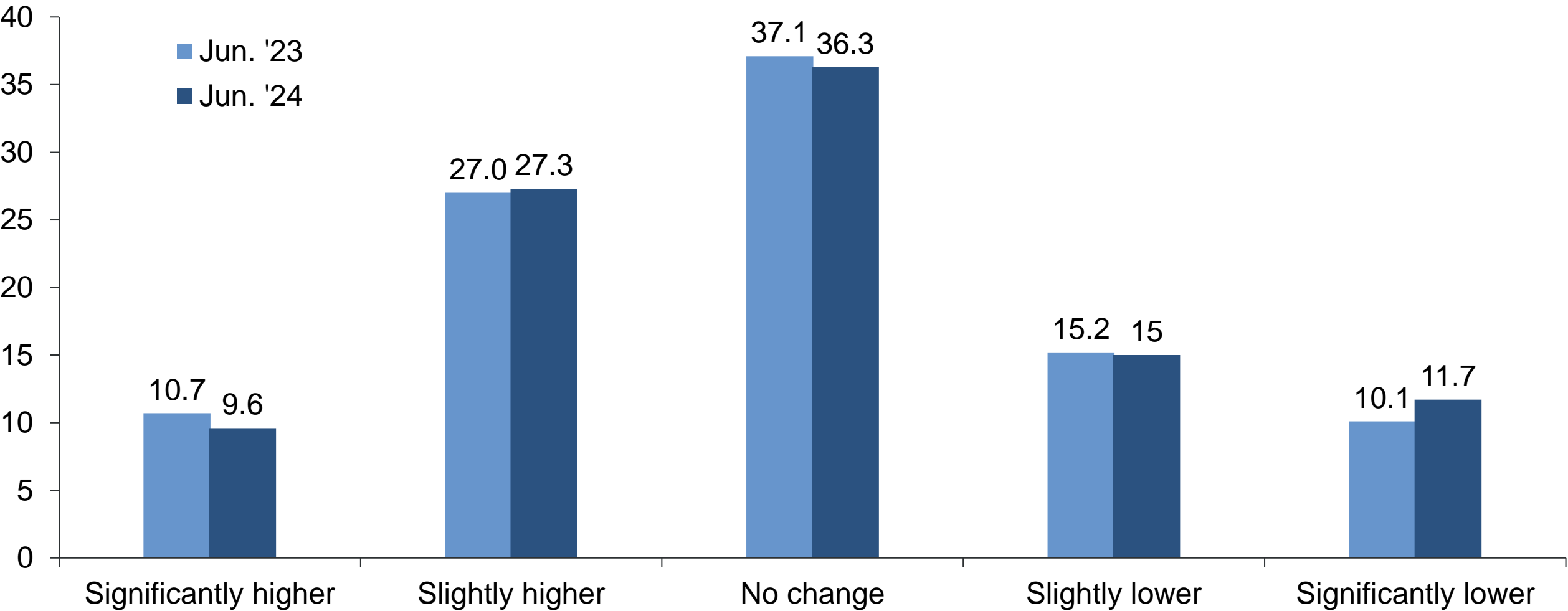


NOTES: Respondents were asked, "What percent change in wages, input prices and selling prices did your firm experience over the past 12 months, and what do you expect over the next 12 months?" N = 303 in June 2024. Shown are averages, calculated as trimmed means with the lowest and highest 5 percent of responses omitted.

SOURCE: Dallas Fed's Texas Business Outlook Surveys.

Capital expenditures little changed compared to last year

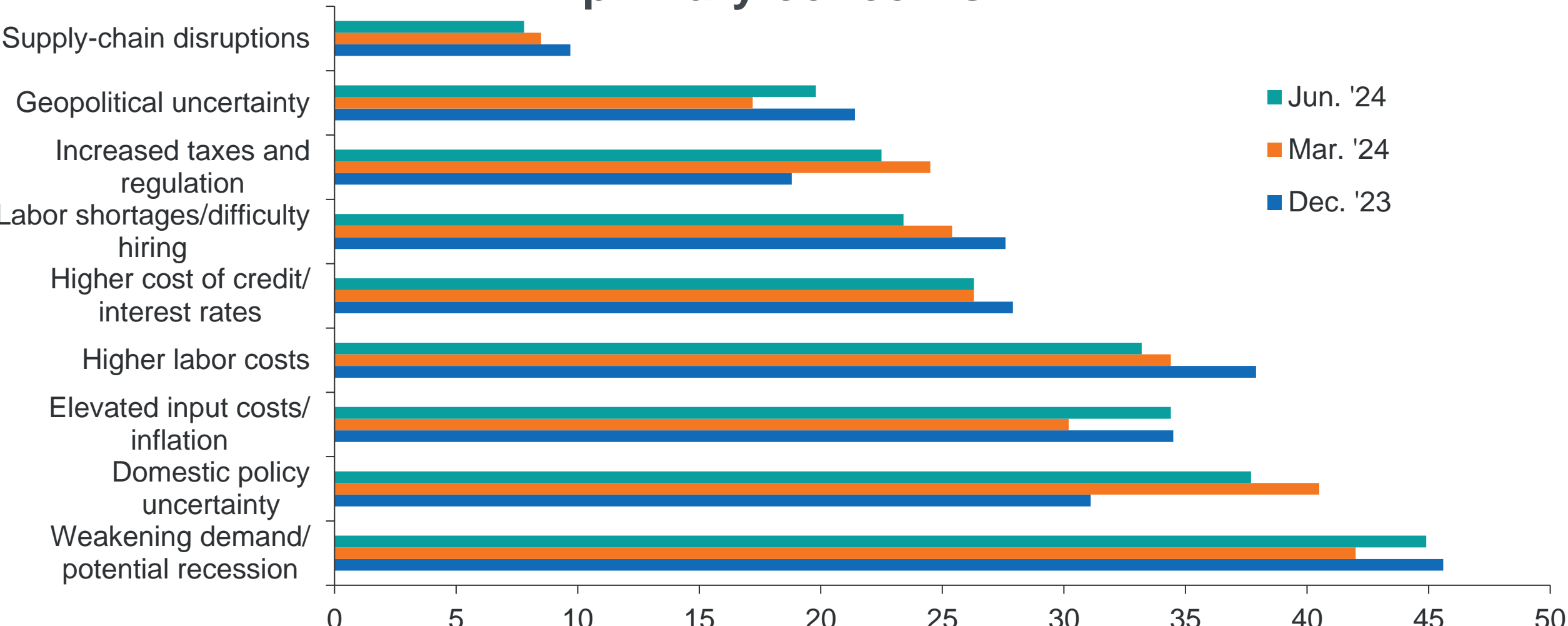
Percent of respondents



NOTE: Respondents were asked, "What are your firm's expectations for capital expenditures in 2024 compared with last year?" N = 333 in June 2024.

SOURCE: Dallas Fed's Texas Business Outlook Surveys.

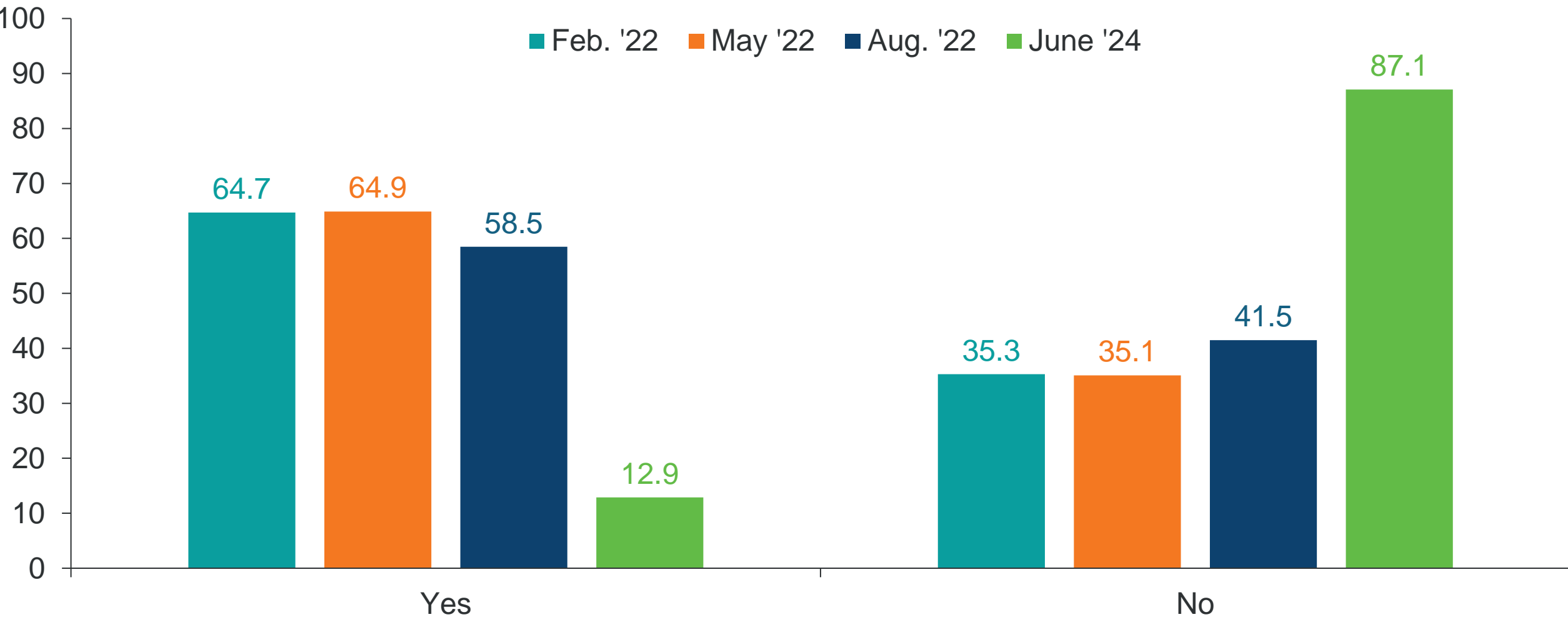
Firms report weakening demand and domestic policy uncertainty as primary concerns



NOTES: Respondents were asked, "What are the primary concerns around your firm's outlook over the next six months, if any? Please select up to three." N = 334 in June 2024. "Domestic policy uncertainty" includes national elections and was added in December 2023.
SOURCE: Dallas Fed's Texas Business Outlook Surveys.

Nearly 90% of firms report no supply-chain disruptions or delays

Percent of respondents

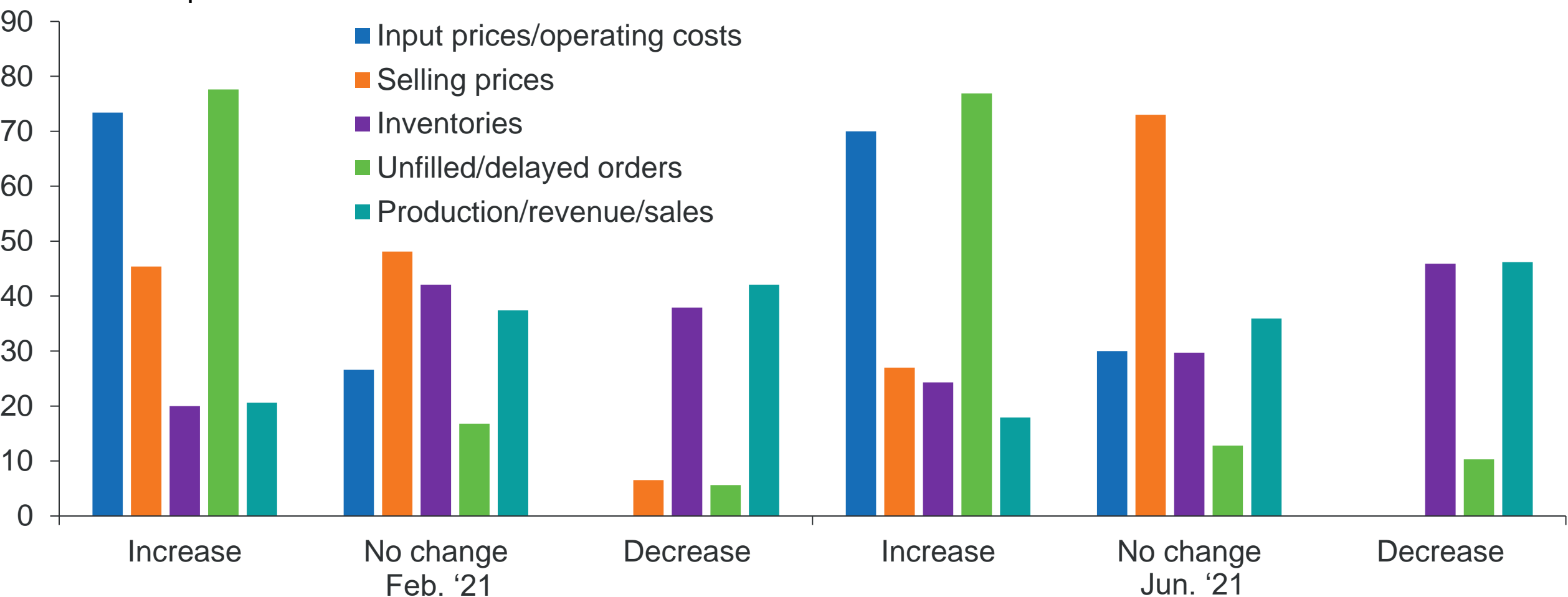


NOTES: Respondents were asked, "Are you currently experiencing any supply-chain disruptions or delays?" N = 333 in June 2024.

SOURCE: Dallas Fed's Texas Business Outlook Surveys.

Firms report supply chain disruptions translate to higher unfilled/delayed orders and higher input costs/operating costs

Percent of respondents



NOTES: Respondents were asked, "To what extent have supply-chain disruptions affected the following measures of your business?" N = 42 in June 2024. This question was only posed to those currently experiencing supply-chain disruptions/delays. Missing bars represent a value of 0.

SOURCE: Dallas Fed's Texas Business Outlook Surveys.

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