



Federal Reserve
Bank of Dallas

Texas Economic Performance and Outlook

(August 2024)

“Employment Growth Down in July Affected By Hurricane Beryl”

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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.

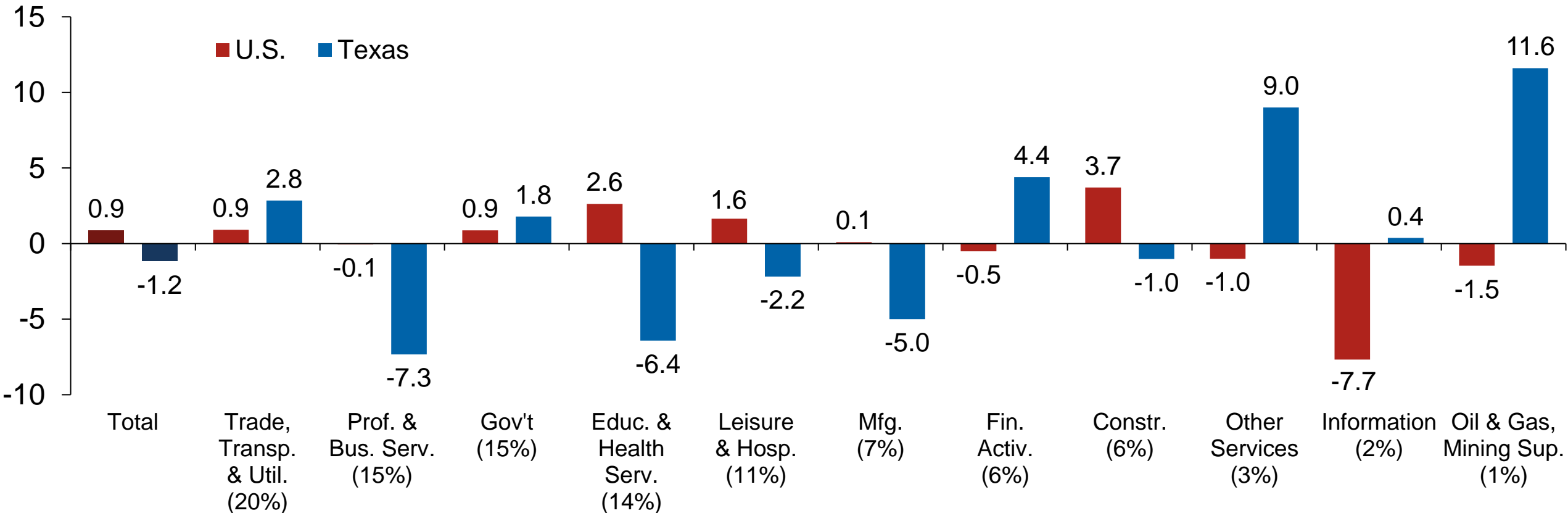
What's New: Job growth falls further in July, 2024 employment forecast revised down

- Texas employment declined 1.2% in July affected by Hurricane Beryl, a tick down from June's 0.6% decline
 - Texas job growth lagged the nation's 0.9% rise in July
- The Dallas Fed's Texas Employment Forecast indicates jobs will increase by 1.6% in 2024
 - Forecast was 1.9% percent previously
- Year-to-date Texas employment growth is 1.7%, similar to the U.S. 1.6% growth
- Texas unemployment ticked up to 4.1% in July
 - U.S. unemployment rate ticked up to 4.3% in July
- July Texas Business Outlook Surveys (TBOS) show flattening in manufacturing activity and modest expansion in service sector revenue.
 - Half of Texas firms looking to hire workers in July
 - However, 41 percent of firms cite "lack of applications" as main impediment to hiring

Overall Economic Activity

Texas job growth decline led by professional services, education and health services, and manufacturing

Job Growth July 2024/June 2024 (%)*



*Seasonally adjusted, annualized rate.

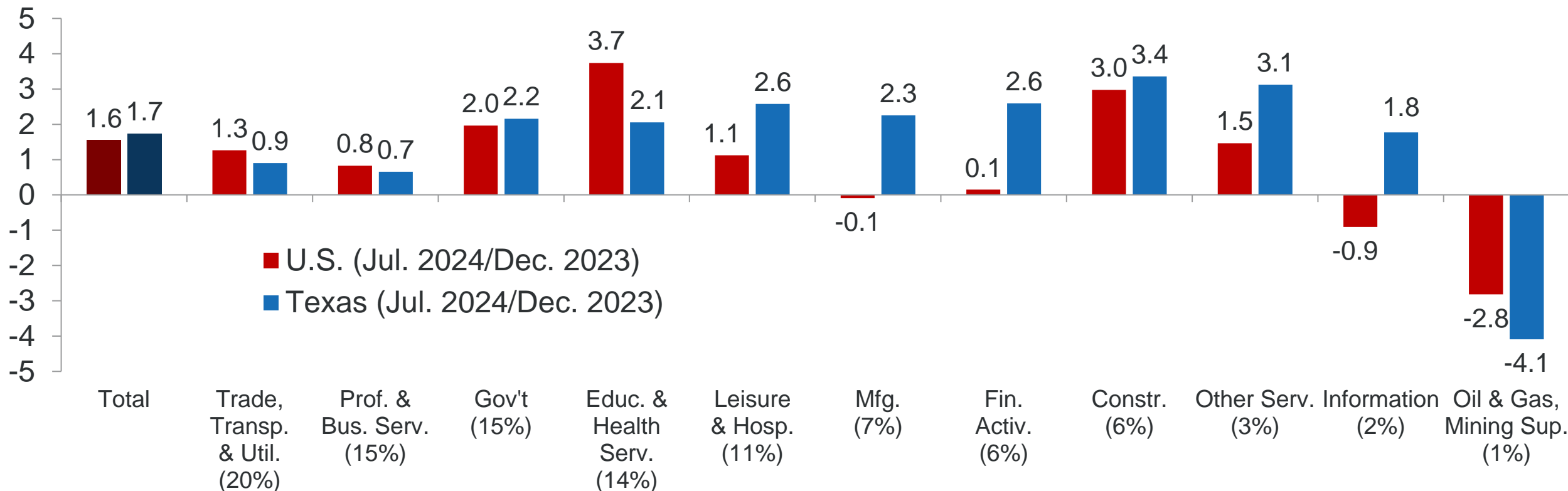
NOTE: Numbers in parenthesis indicate share of total state employment in July 2024.

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

DATA: [Texas Employment by Industry - Dallasfed.org](#)

YTD Texas employment growth broad based except for oil and gas

Job Growth (%)*



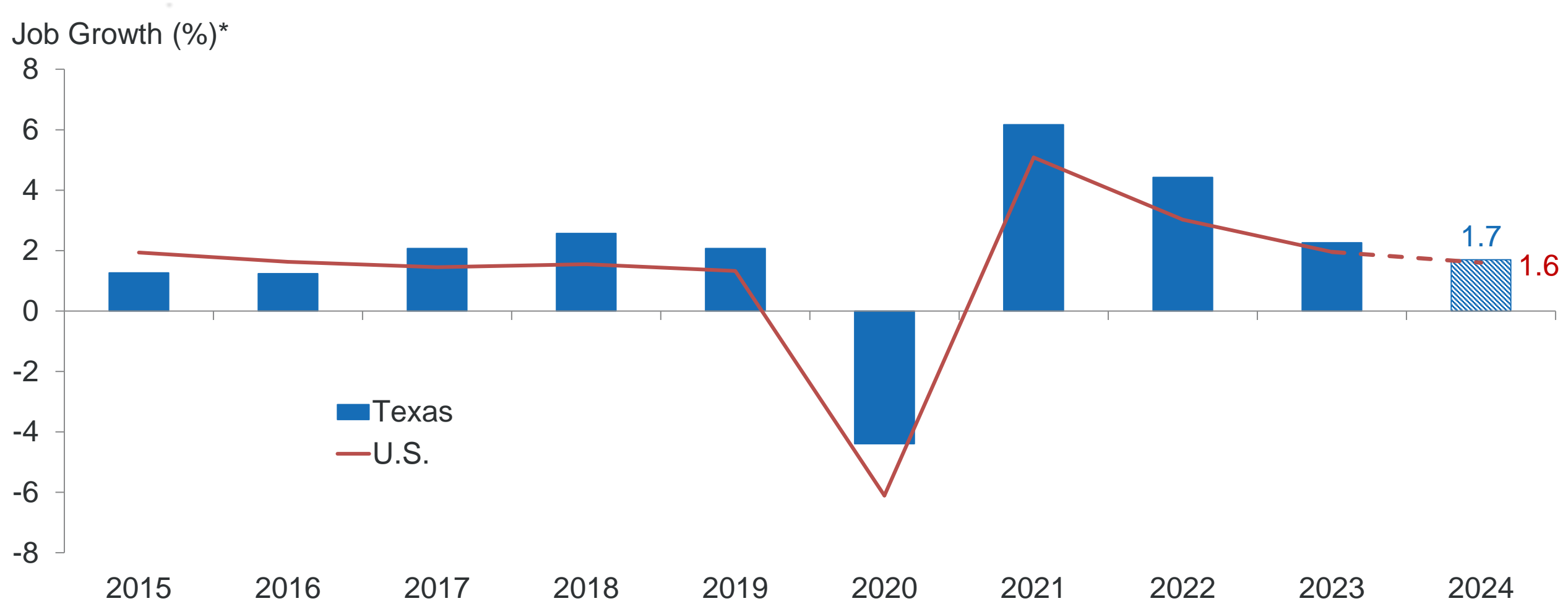
*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses indicate share of total state employment for July 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' 2024 job growth similar to the nation



*Seasonally adjusted, annualized rate.

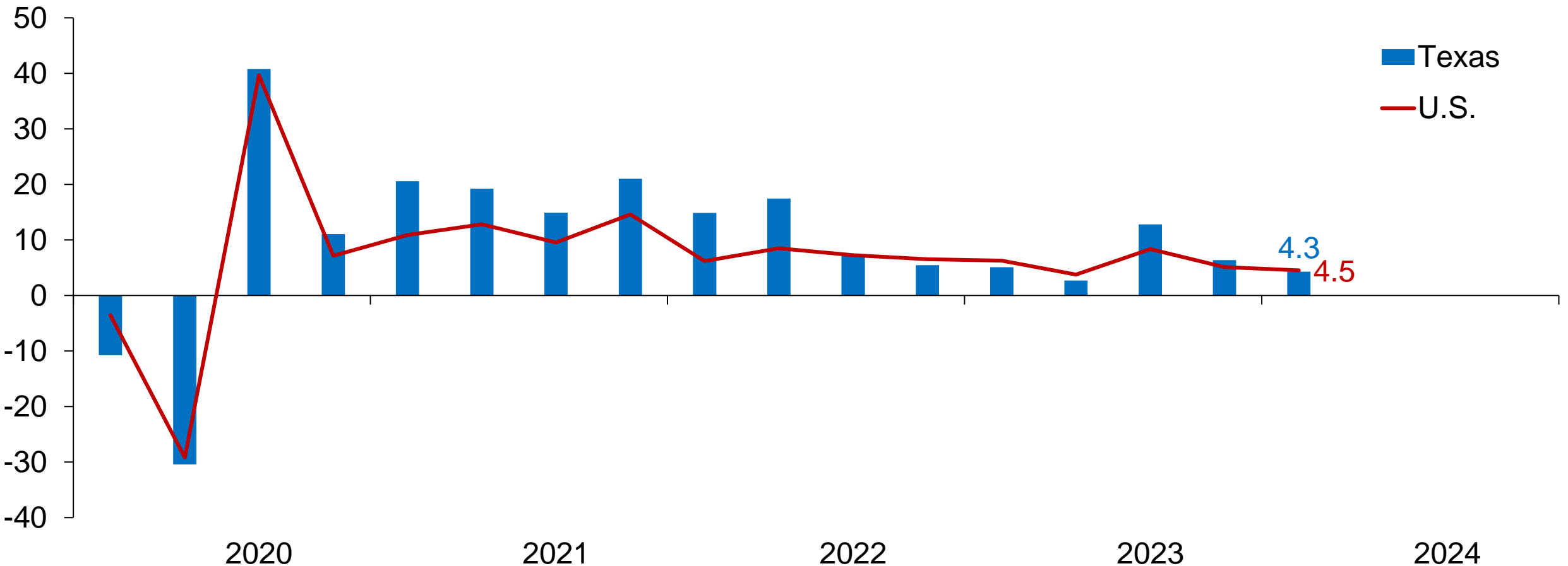
NOTES: Last data points are annualized job growth for July 2024/Dec. 2023. Yearly growth is Dec/Dec.

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](https://dallasfed.org/research/texas-payroll-employment-total-nonfarm)

US GDP growth outpaced the Texas in Q1 2024

Percent, Q/Q*



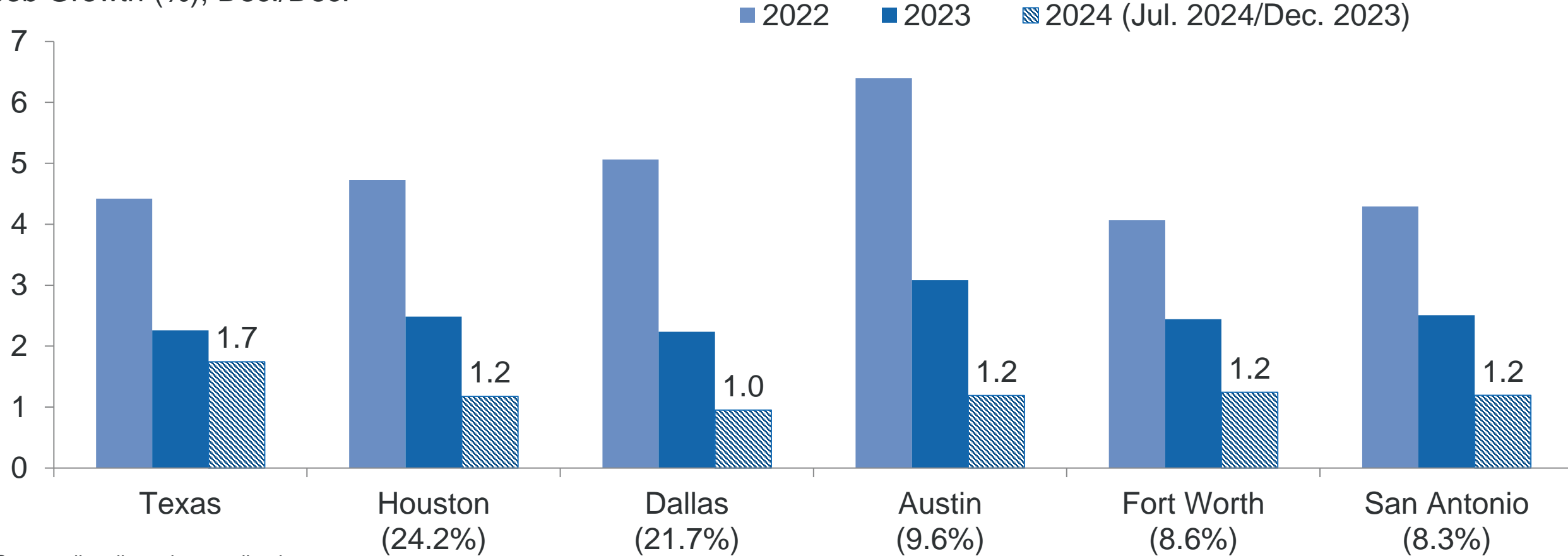
*Seasonally adjusted, annualized rate.

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.

Job growth slows across major metros in YTD growth

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



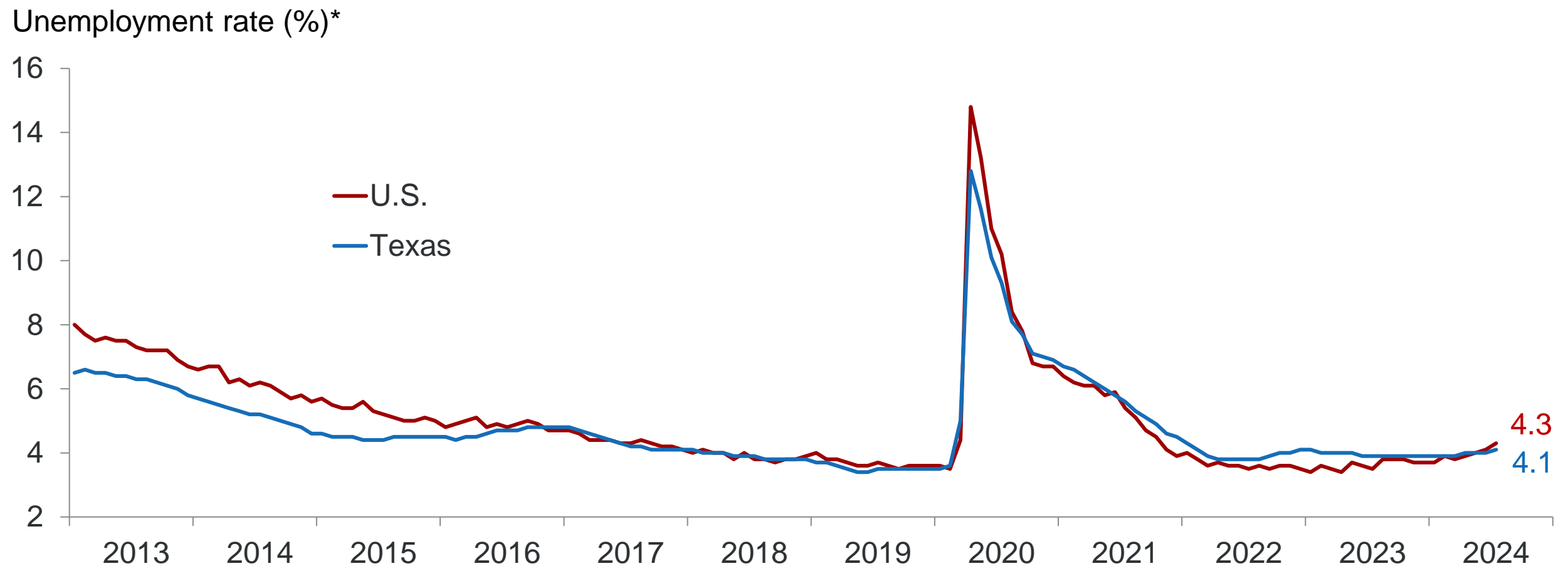
*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of state employment for July 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-data)

Unemployment rate ticks up in Texas and the nation



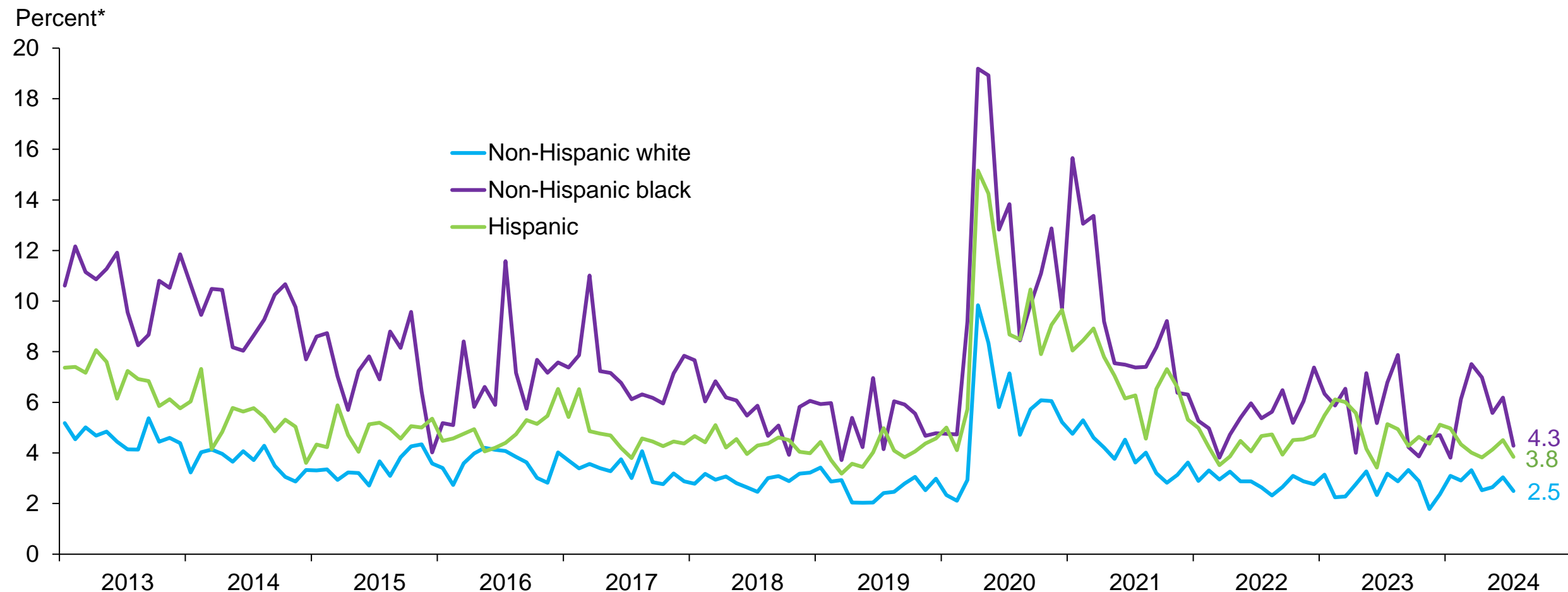
*Seasonally adjusted.

NOTE: Data are through July 2024.

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

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

Unemployment declines across the board in July



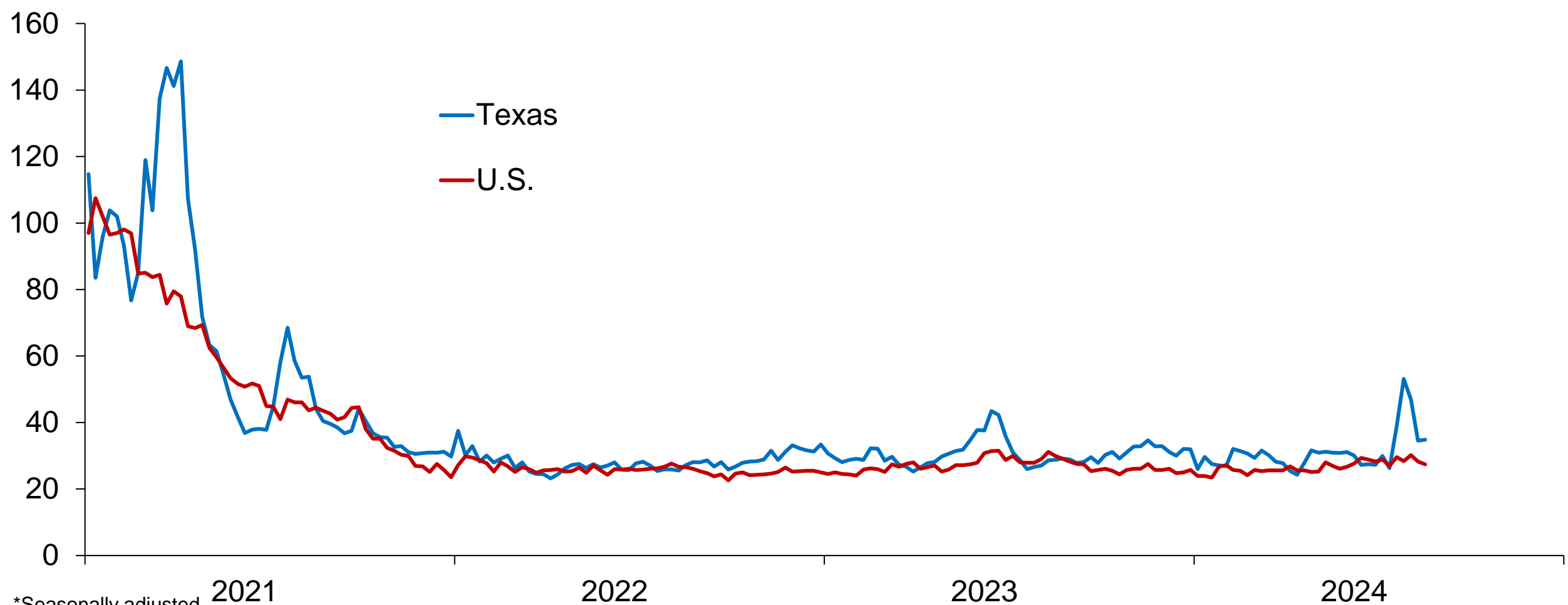
*Seasonally adjusted.

NOTES: Shown are Texas unemployment rates. Data are monthly through July 2024.

SOURCE: Current Population Survey, authors' calculations.

Texas unemployment claims recover but not to pre-Beryl levels

Index, Jan. 2021 = 100*

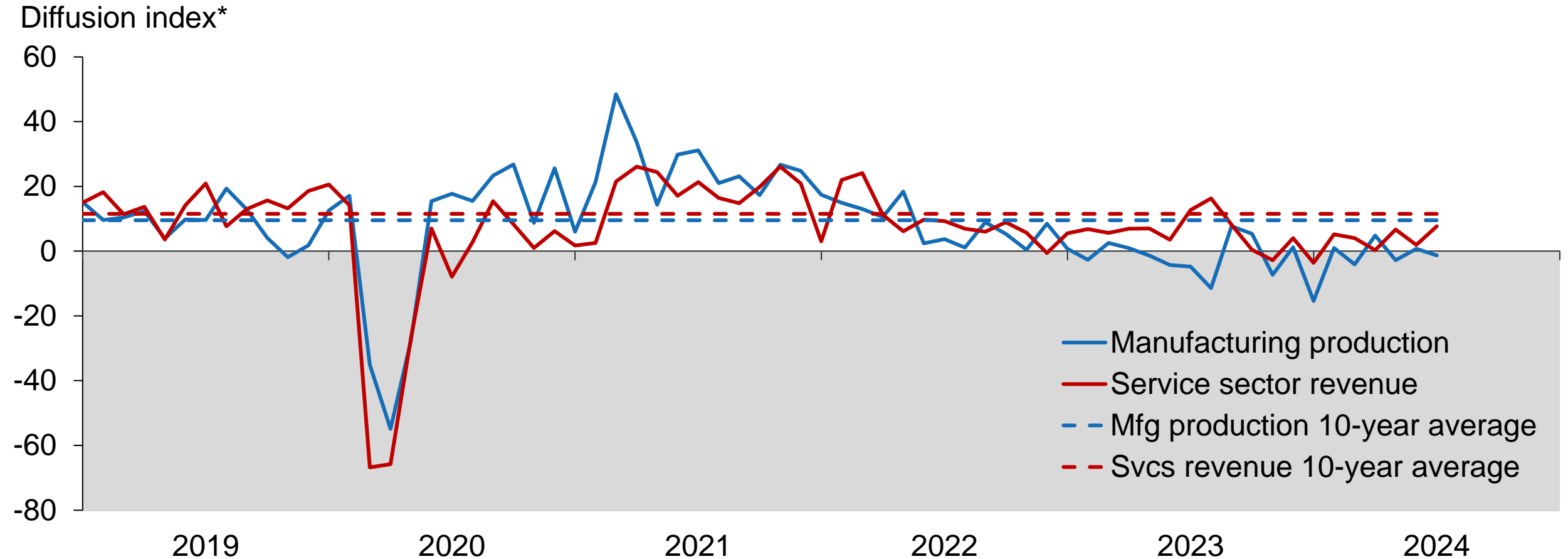


*Seasonally adjusted.

NOTE: Data are through the week ending August 10, 2024.

SOURCE: Department of Labor.

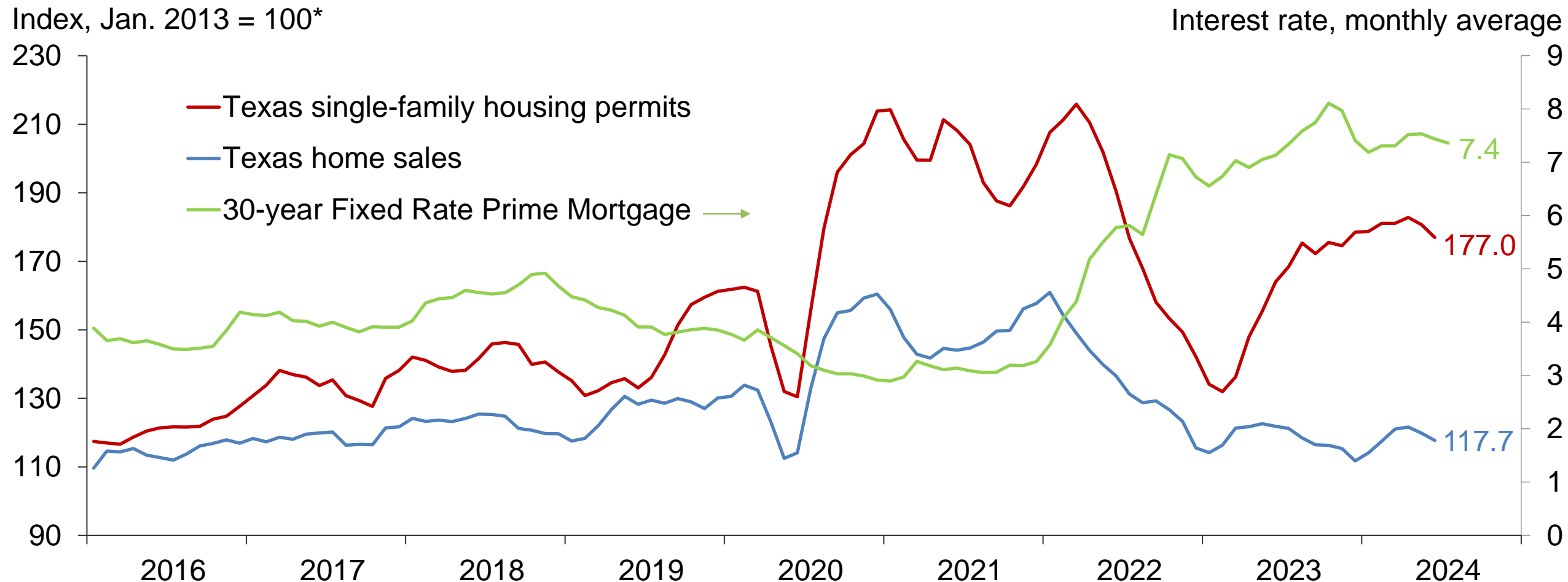
Service sector activity picks up while manufacturing remains flat in July



*Seasonally adjusted.
NOTES: Data through July 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 turn down amid high mortgage rates



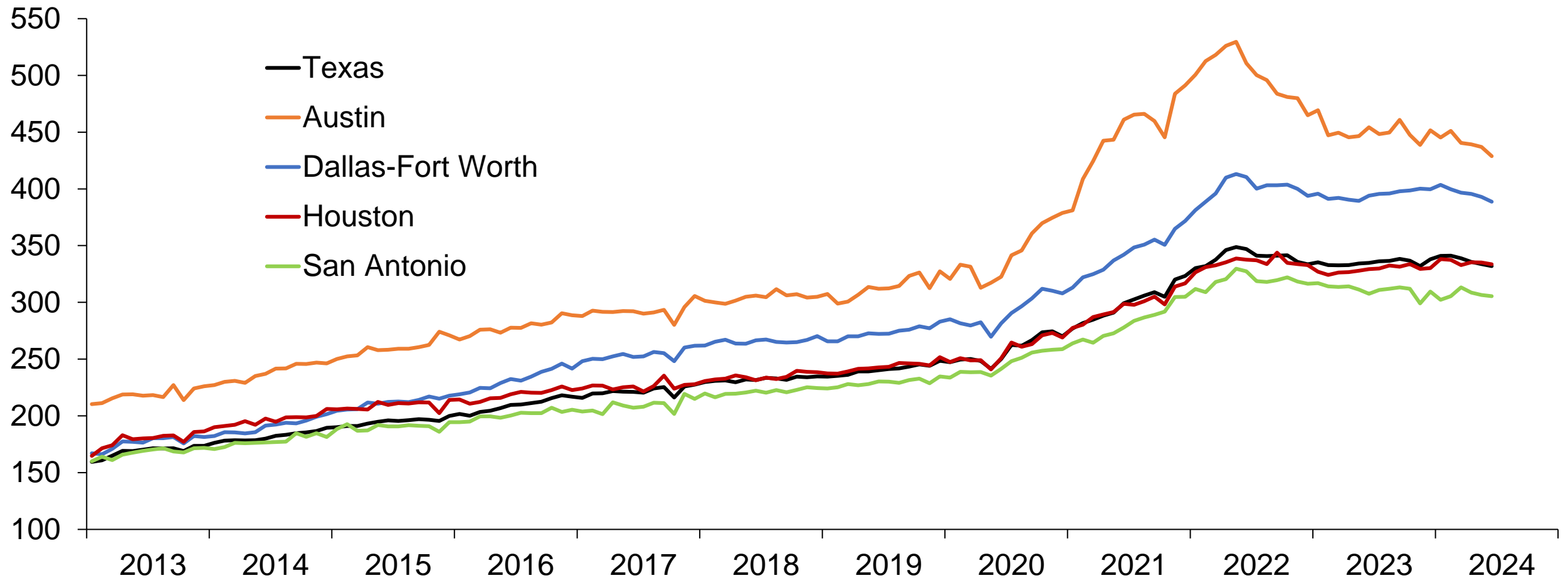
*Seasonally adjusted, three-month moving average.

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

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

Texas house prices slowly declining in June

Median sales price, \$*

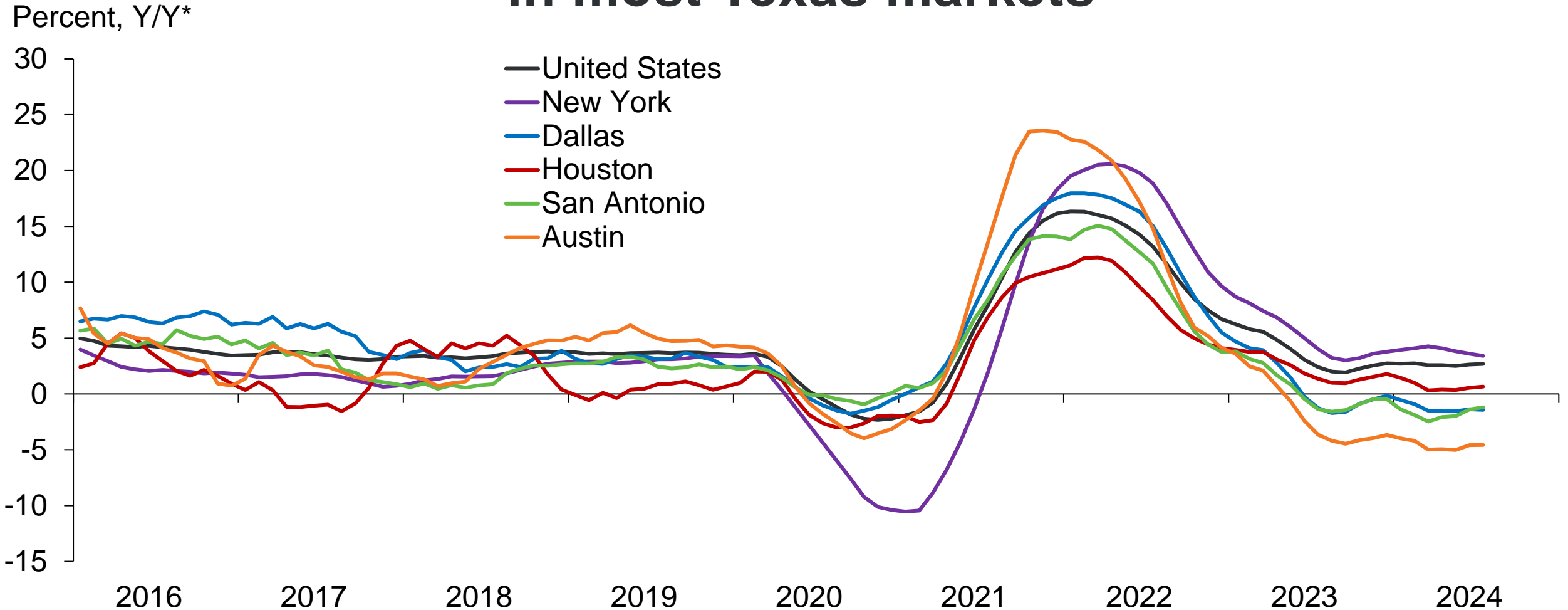


*Seasonally adjusted.

NOTE: Data are monthly through June 2024.

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

Apartment rent growth remains negative in most Texas markets

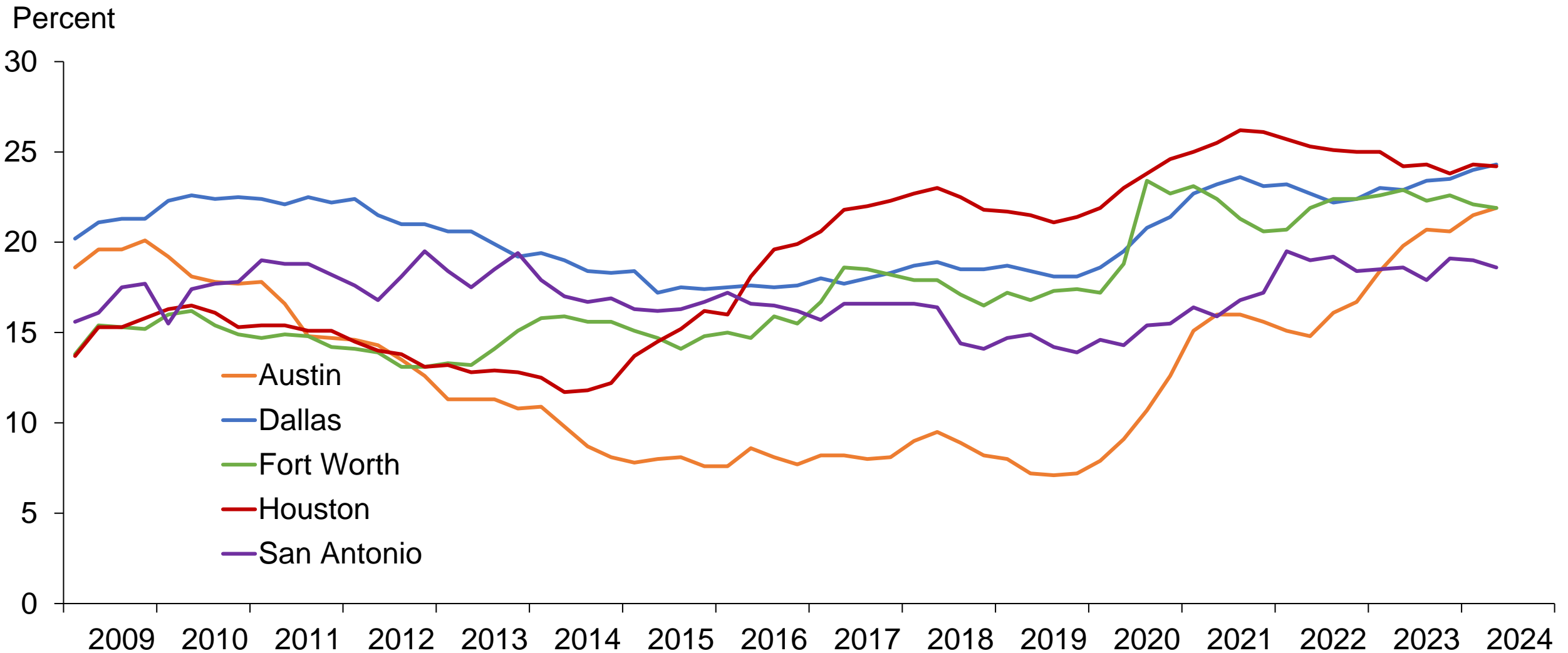


*Seasonally adjusted

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

SOURCE: Zillow.

Office vacancy rise in Austin and Dallas

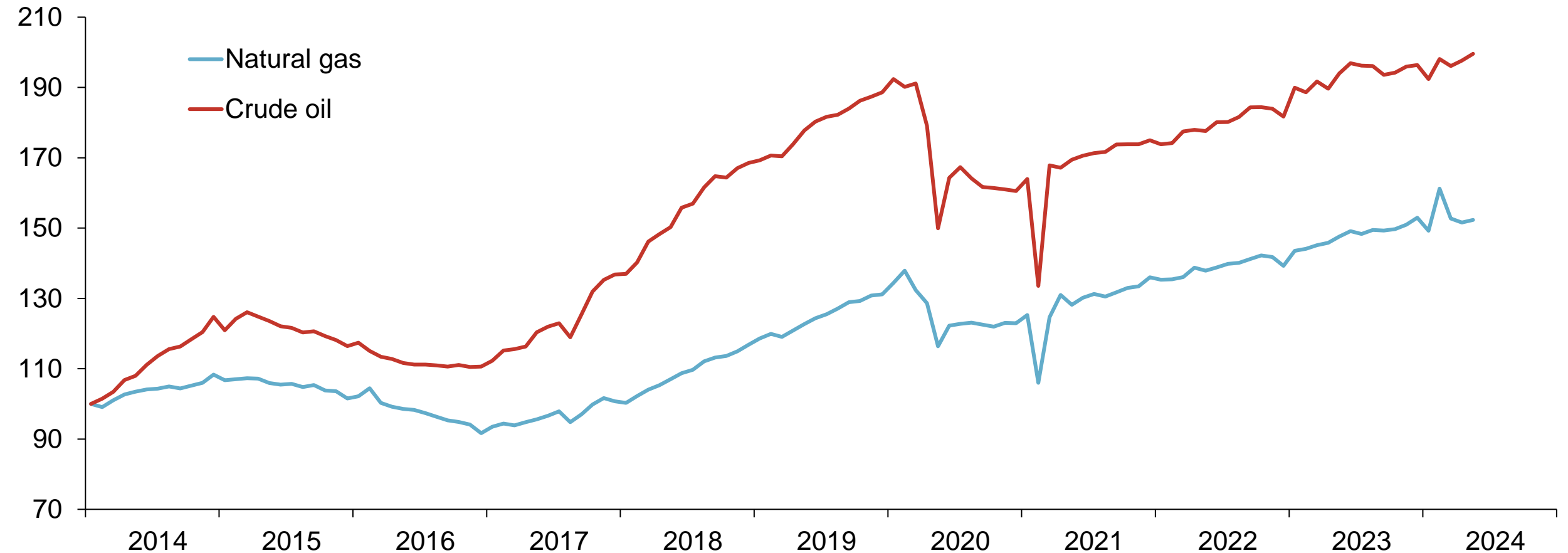


NOTE: Data through Q2 2024.

SOURCE: CBRE Econometric Advisors.

Texas oil and gas production slightly increase in May

Index, Jan. 2014 = 100*



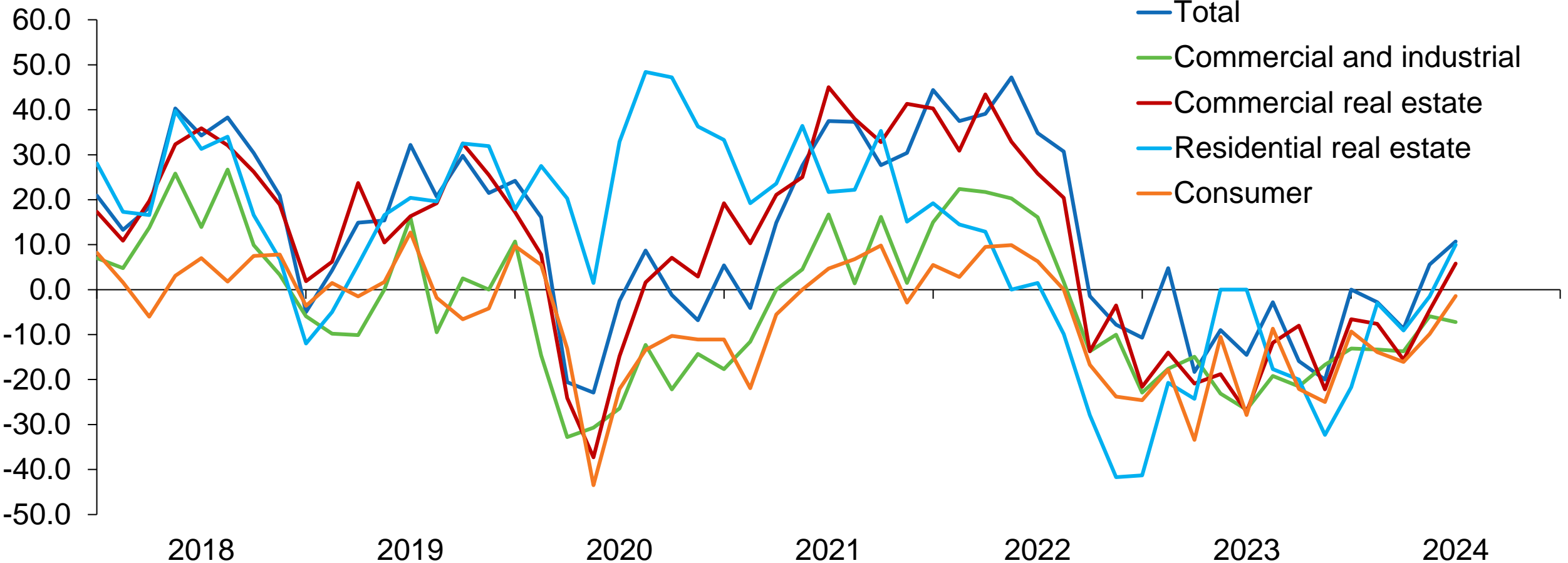
*Seasonally adjusted.

NOTES: Shown are crude oil and natural gas marketed production through May 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

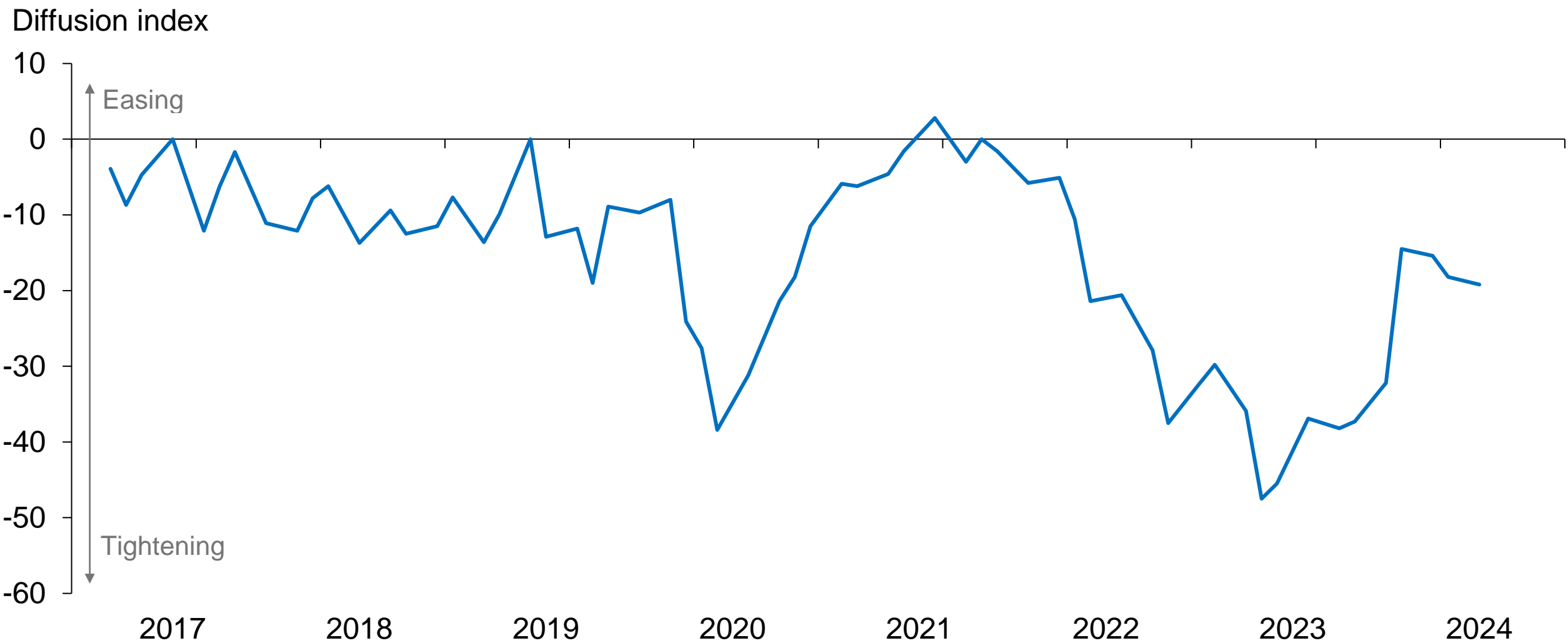
Diffusion index



NOTE: Data through July 2024.

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

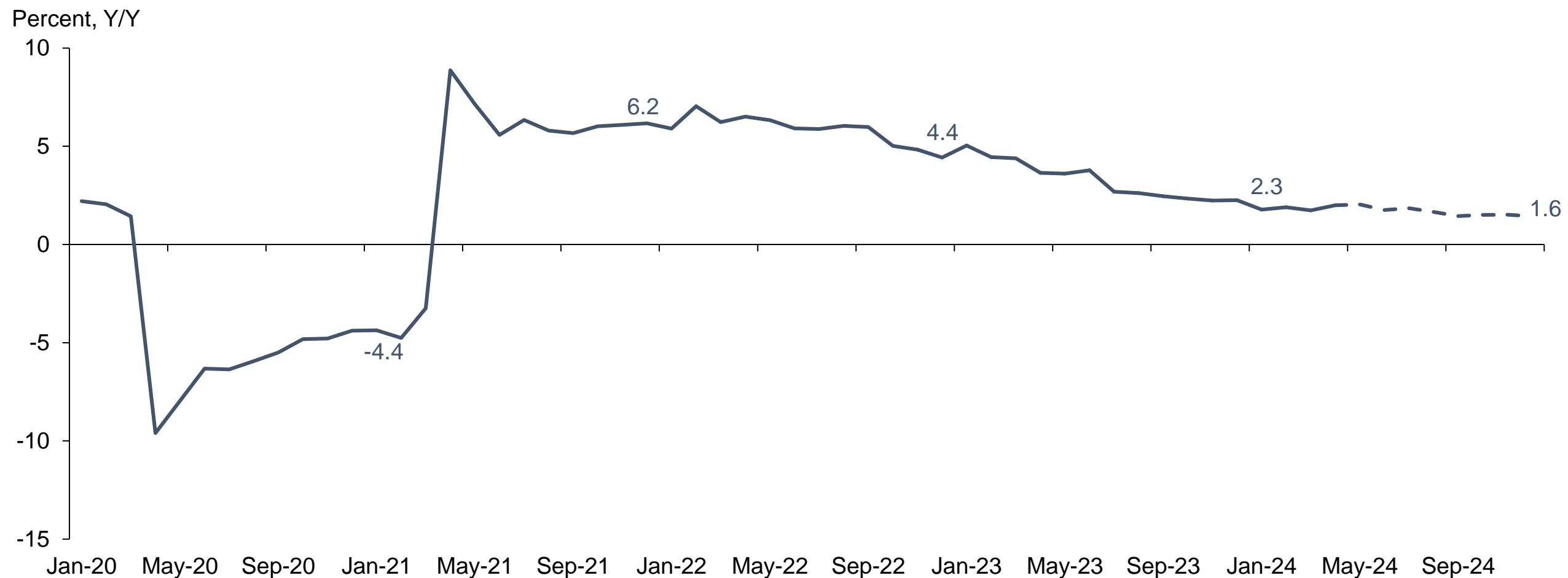
Texas banks report continued tightening of credit standards



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

Outlook for 2024

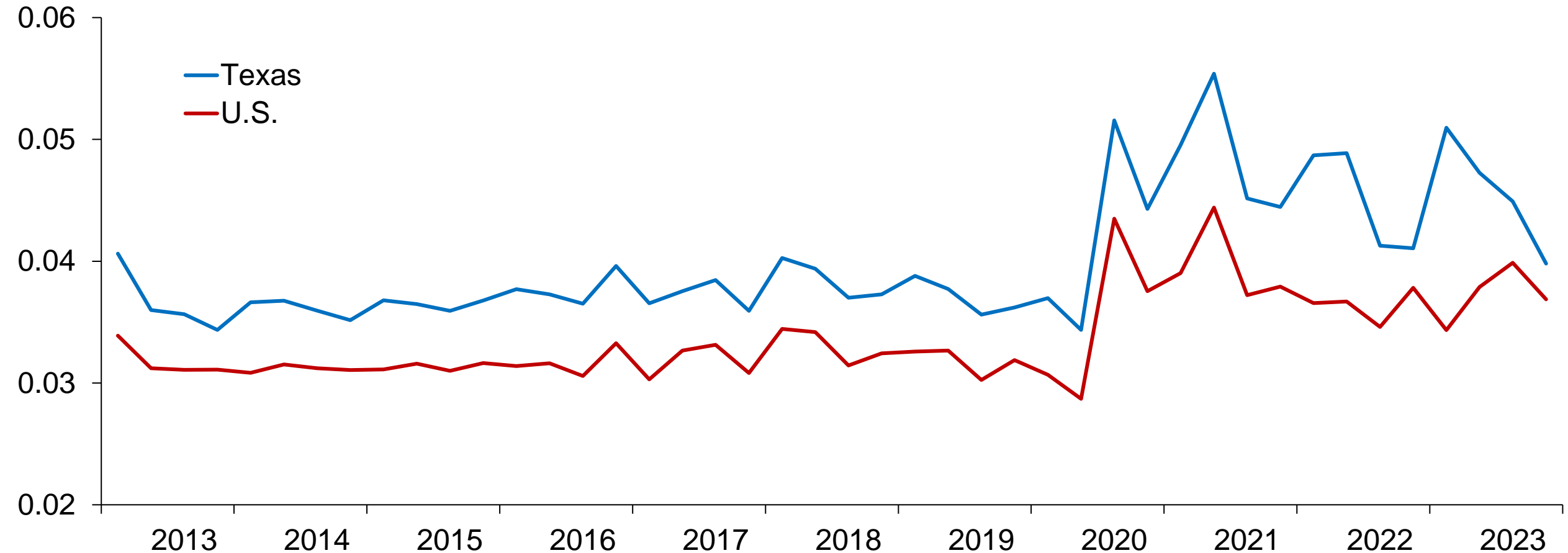
The Texas employment forecast indicates 1.6% growth in 2024, below 2% long-run trend



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

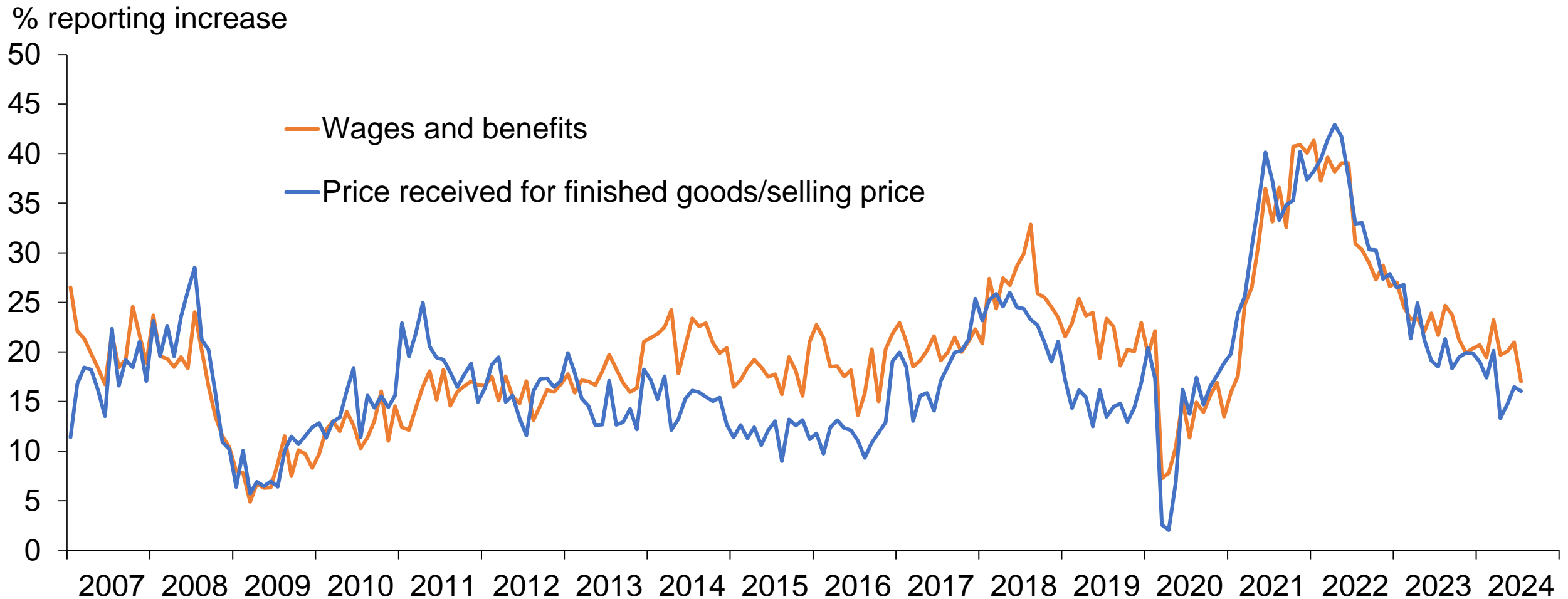
Business applications per business establishments



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

SOURCE: U.S. Census Bureau.

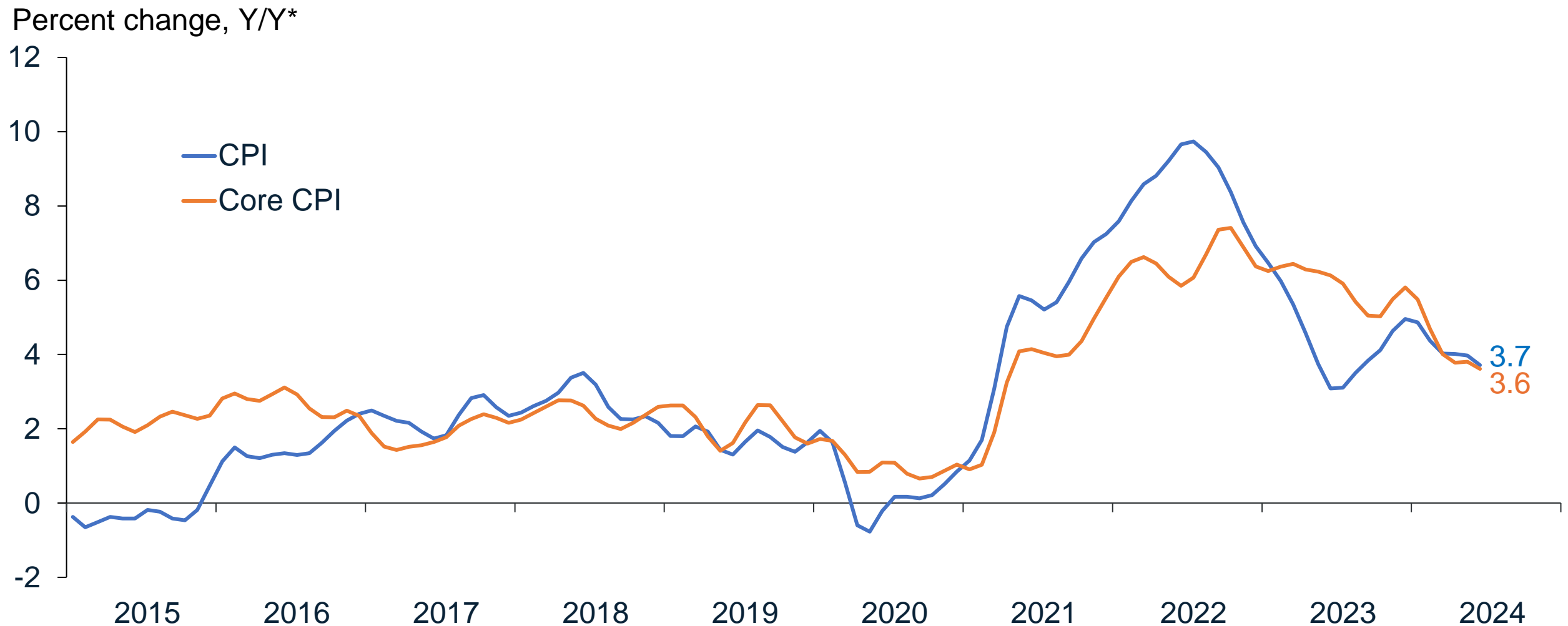
Share of Texas firms reporting an increase in prices and wages decline in July



NOTES: Percent reporting increase was constructed by weighting the respective component of TMOS and TSSOS according to GDP shares. Data through July 2024.

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

Texas CPI declines in June but remains elevated



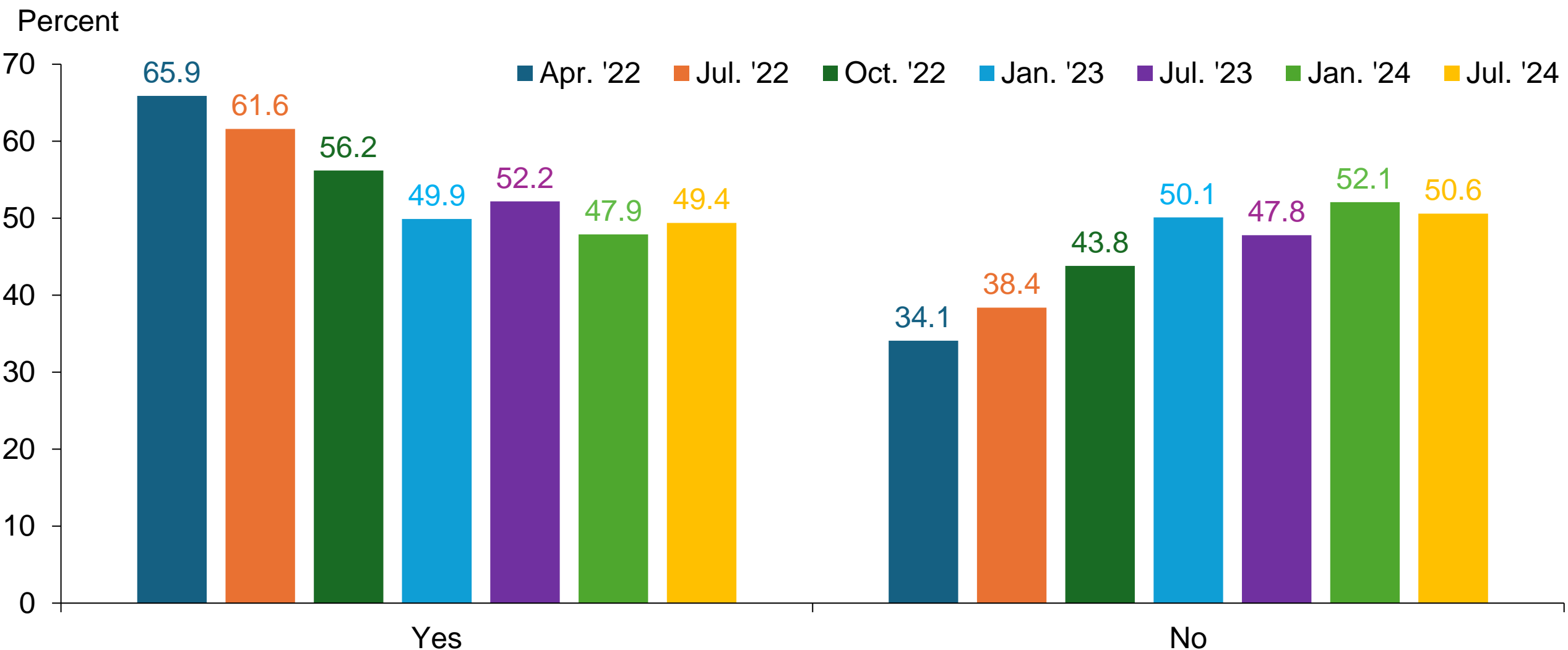
*Seasonally adjusted.

NOTE: CPI data through June 2024.

SOURCE: Bureau of Labor Statistics.

Survey Special Questions

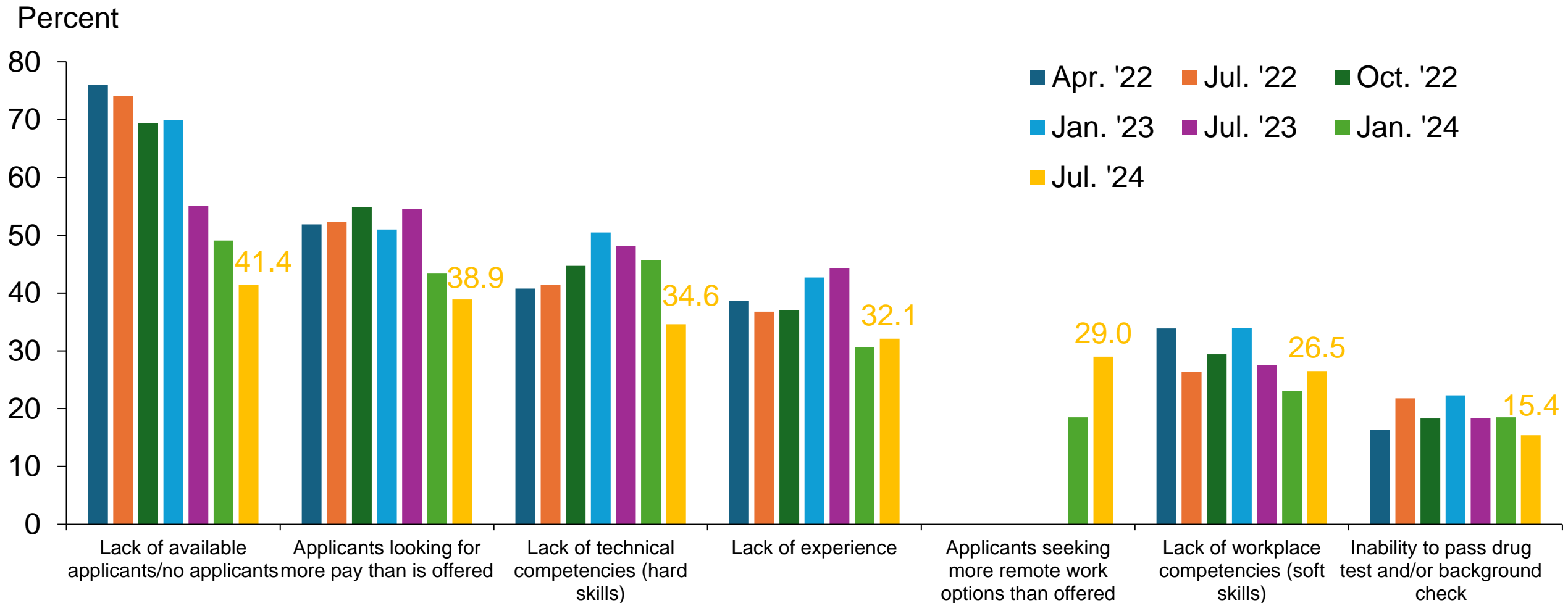
Almost half of Texas firms are trying to hire workers in July



NOTES: Participants were asked, "Are you currently trying to hire workers?" N=330 responses in July.

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

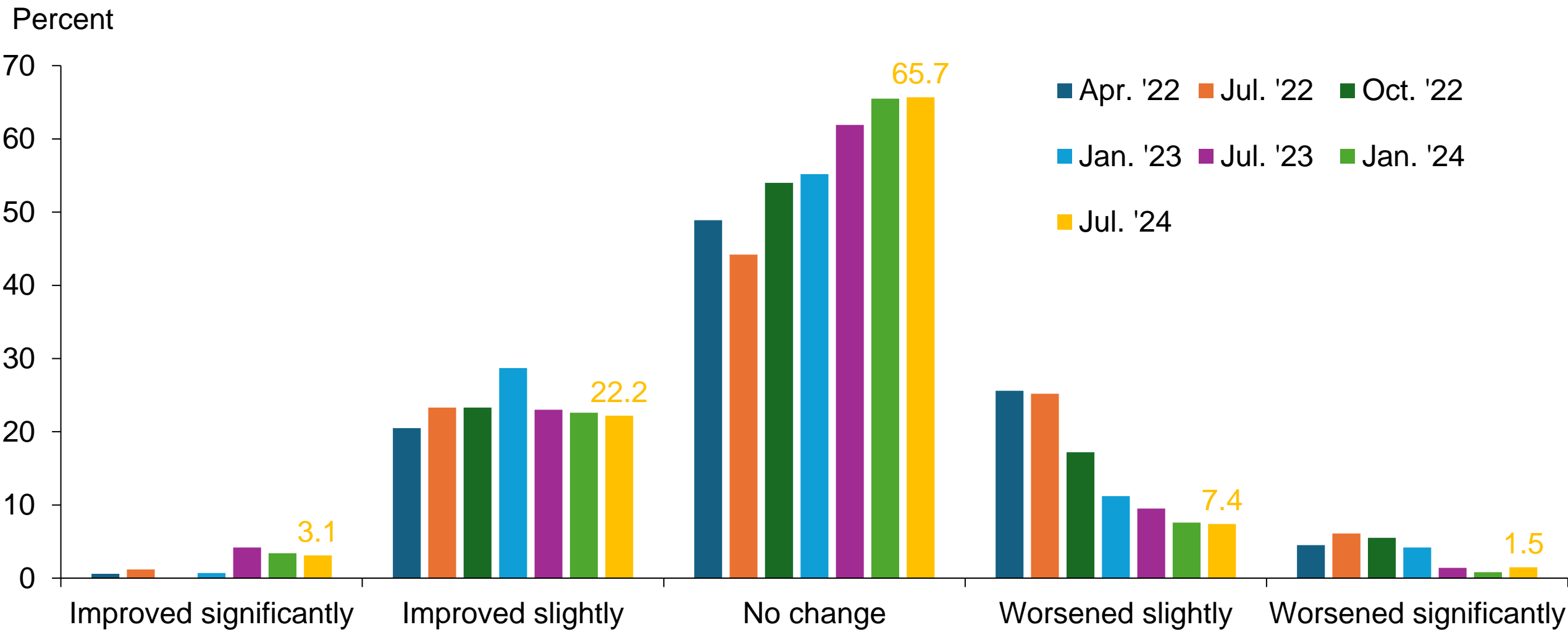
Lack of applicants: main impediment to hiring in Texas



NOTES: Participants were asked, "Are there any impediments to hiring workers? Please select all that apply." N=162 responses in July. This question was only posed to firms currently trying to hire workers. "Other" and "None" categories are excluded.

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

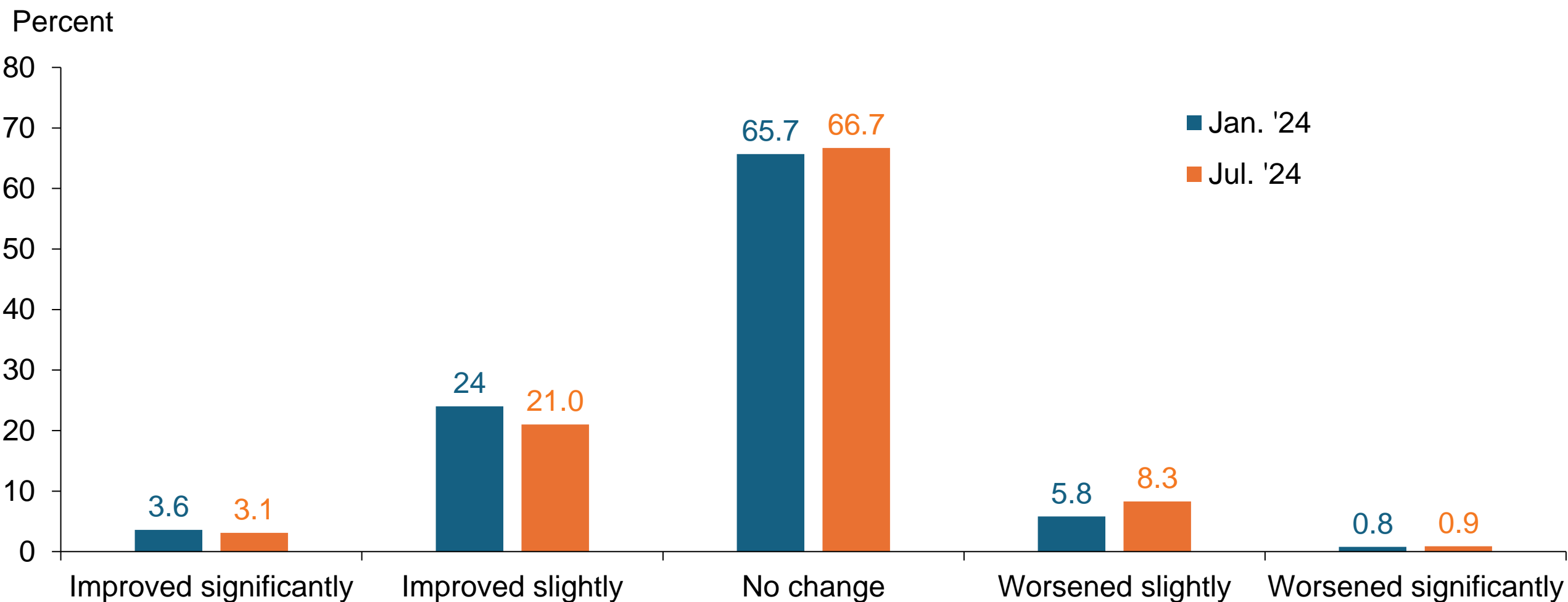
Majority of Texas firms report no change in applicant availability



NOTES: Participants were asked, "How has the availability of applicants changed over the past month?" N=324 responses in July.

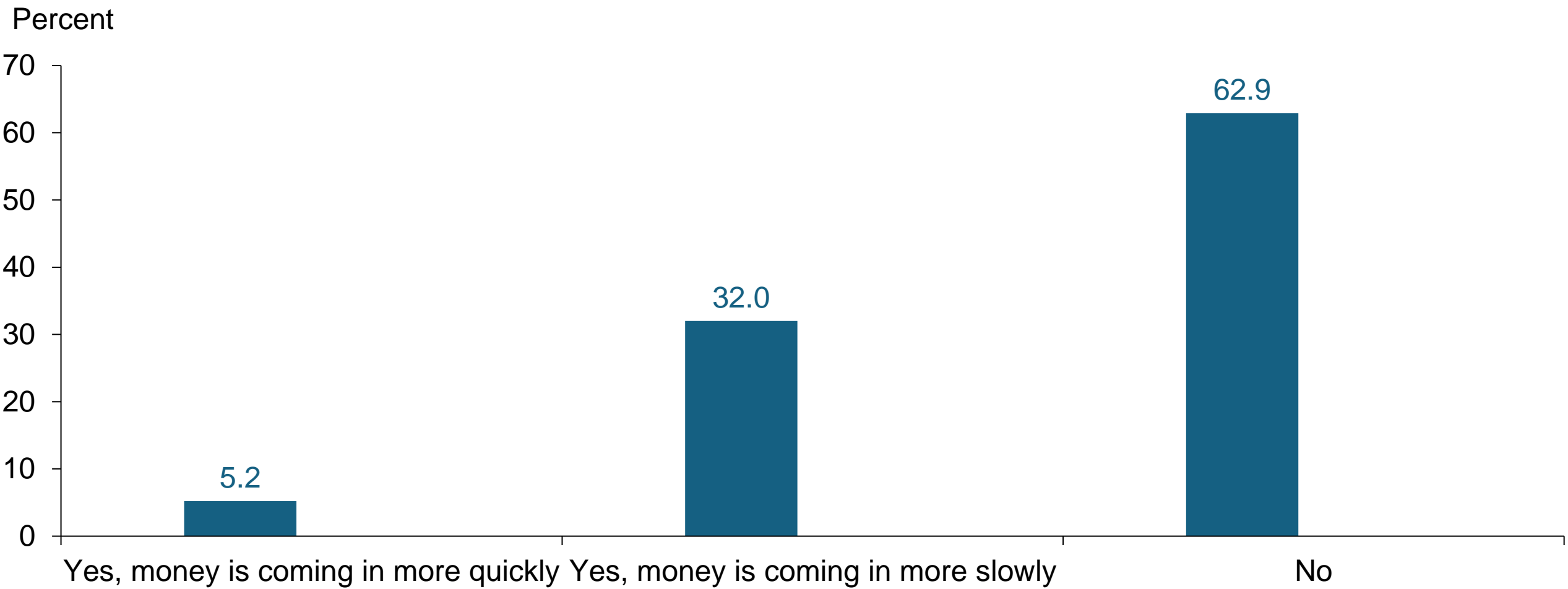
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

Majority of Texas firms report no change in worker retention



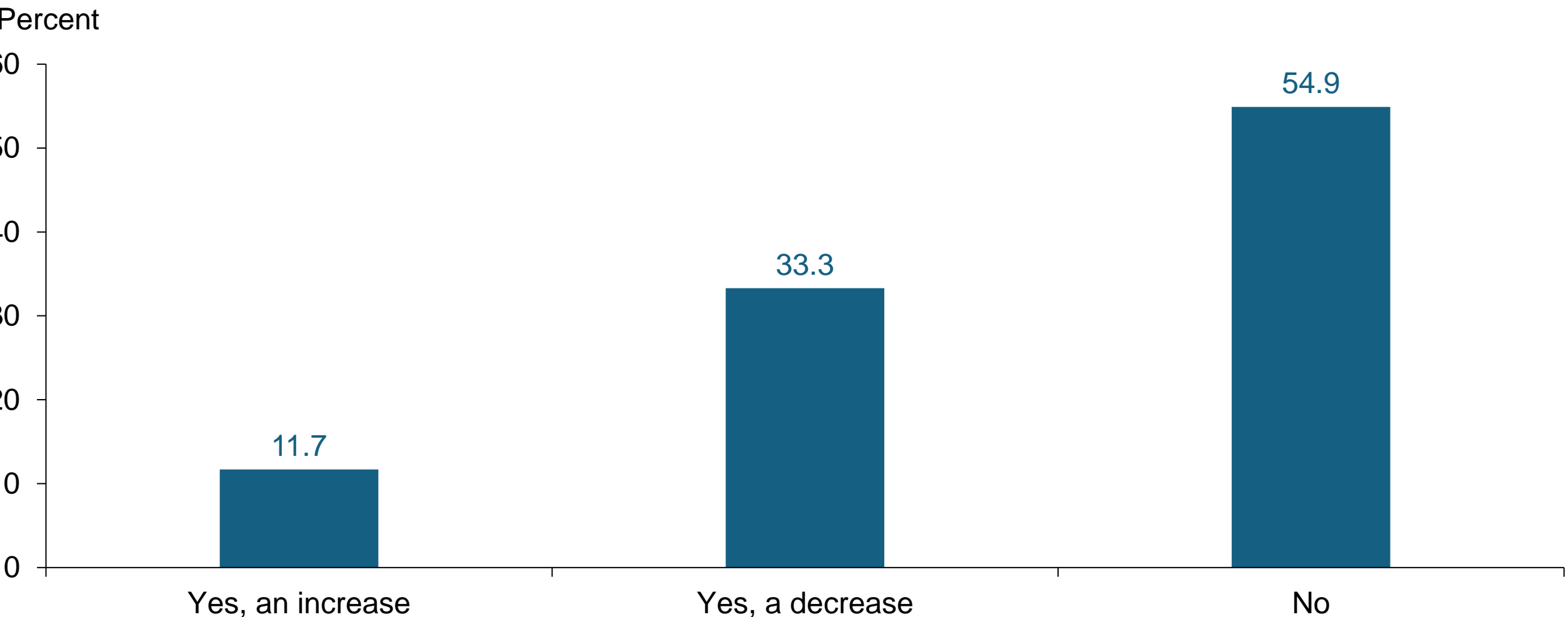
NOTES: Participants were asked, "How has the availability to retain workers changed over the past month?" N=324 responses in July.
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

32% of firms record a slowing pace of receivables relative to recent past



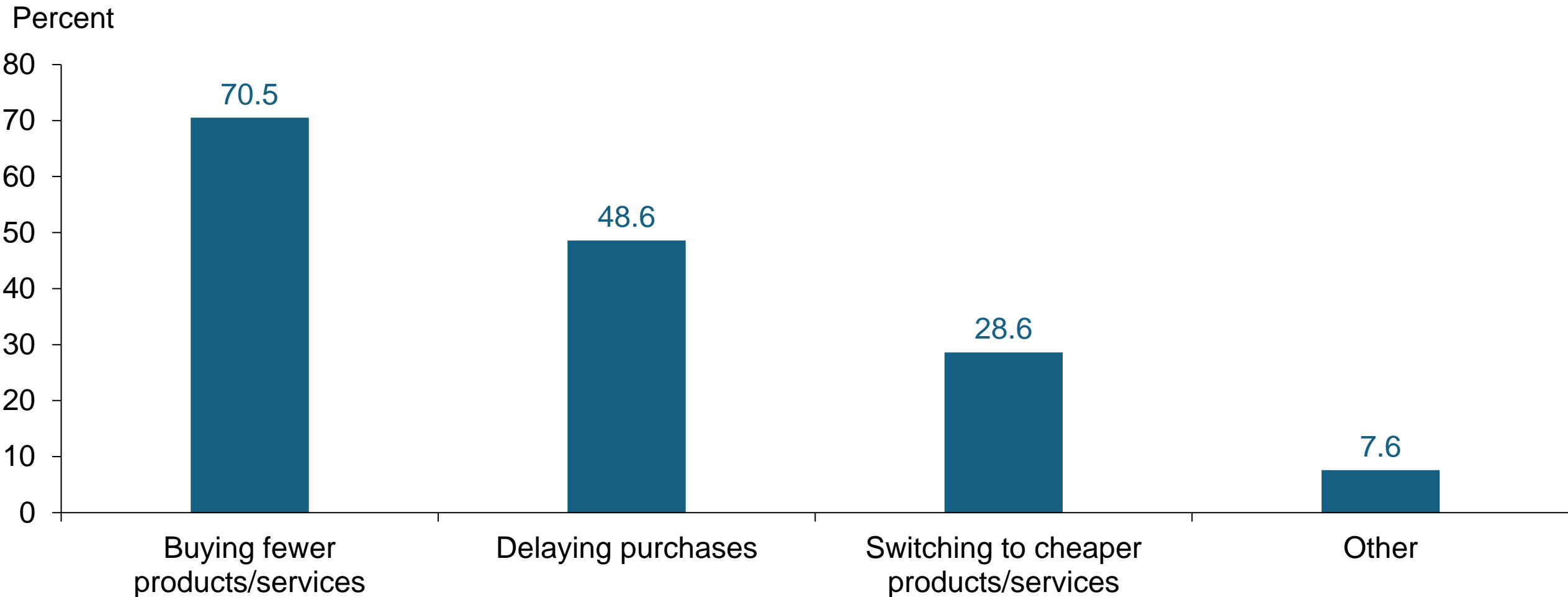
NOTES: Participants were asked, "Over the past three months, has your firm seen a change in the pace of receivables (the money people owe you) coming in?" N=291 responses in July. These calculations exclude the 9.3 percent of respondents selecting "Not applicable—we don't have receivables."
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

Customer spending flat to down relative to April, according to Texas firms



NOTES: Participants were asked, "Over the past three months, has your firm seen a change in the amount of spending per customer?" N=315 responses in July.
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

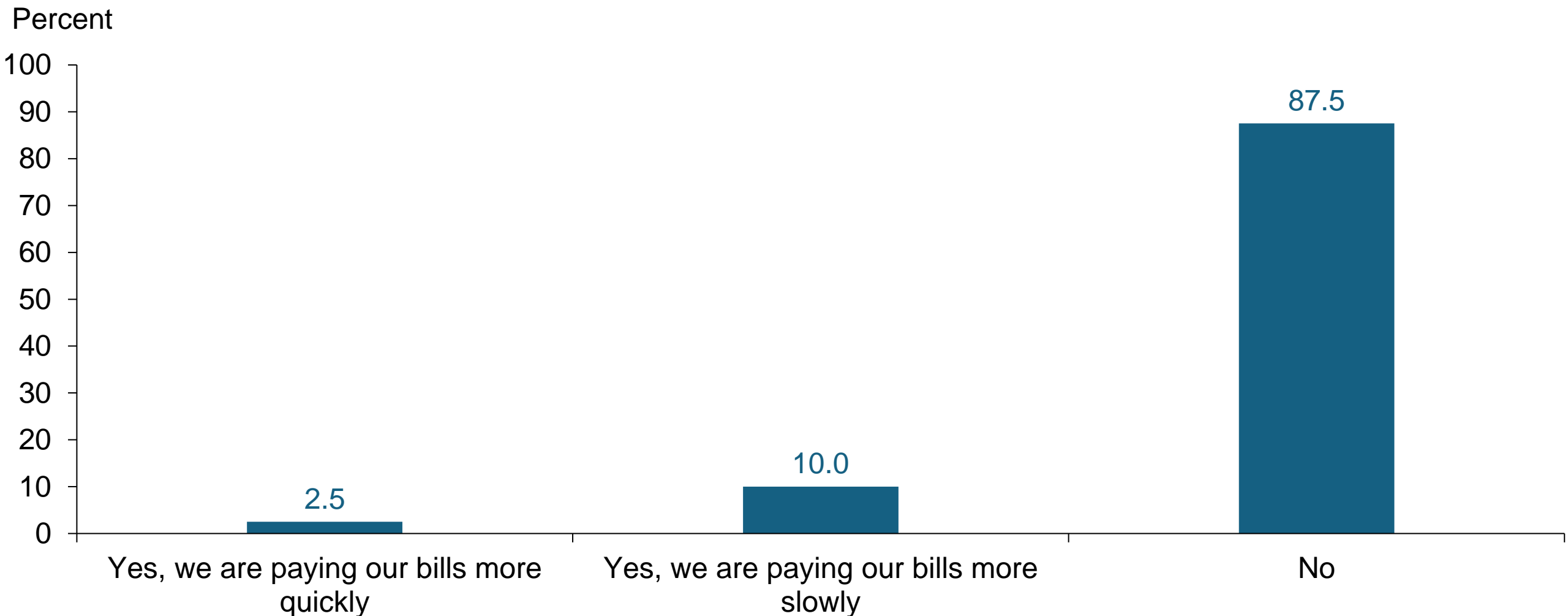
70 percent of firms cite customers buying fewer products and services



NOTES: Participants were asked, "In what way(s) has the amount of spending per customer decreased? Please select all that apply." N=105 responses in July. This question was only posed to firms seeing a decrease in the amount of spending per customer.

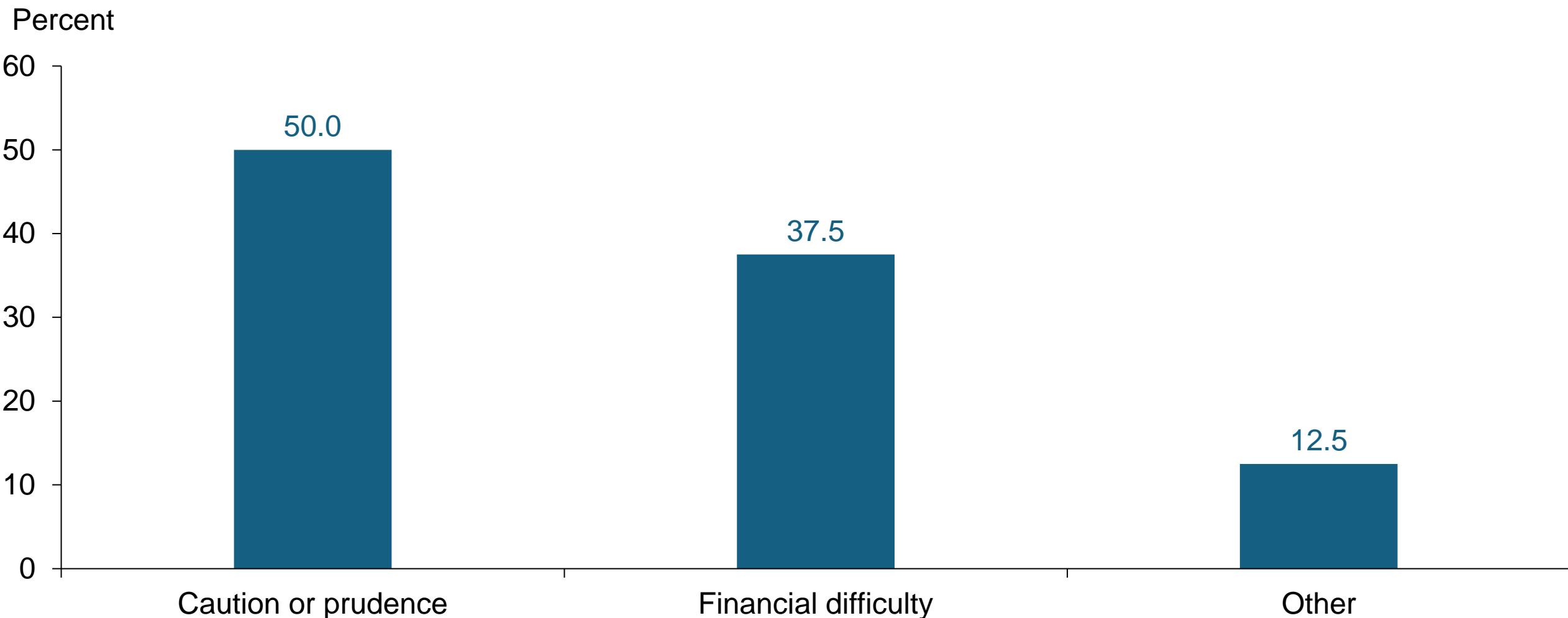
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

Most Texas firms pay their bills at the same pace as recent months



NOTES: Participants were asked, "Over the past three months, has there been a change in the pace at which your firm pays its bills?" N=321 responses in July.
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

Half of firms paying bills slower cite caution or prudence



NOTES: Participants were asked, "What is the primary reason for your slower payments?" N=32 responses in July. This question was only posed to firms paying their bills more slowly.

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

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