



Federal Reserve  
Bank of Dallas

---

## **Texas Economic Performance and Outlook** **(October 2024)**

# **“Employment Growth Continues Expanding in September”**

**Mariam Yousuf, Pia Orrenius and Jesus Cañas**

Federal Reserve Bank of Dallas

10/18/2024

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.

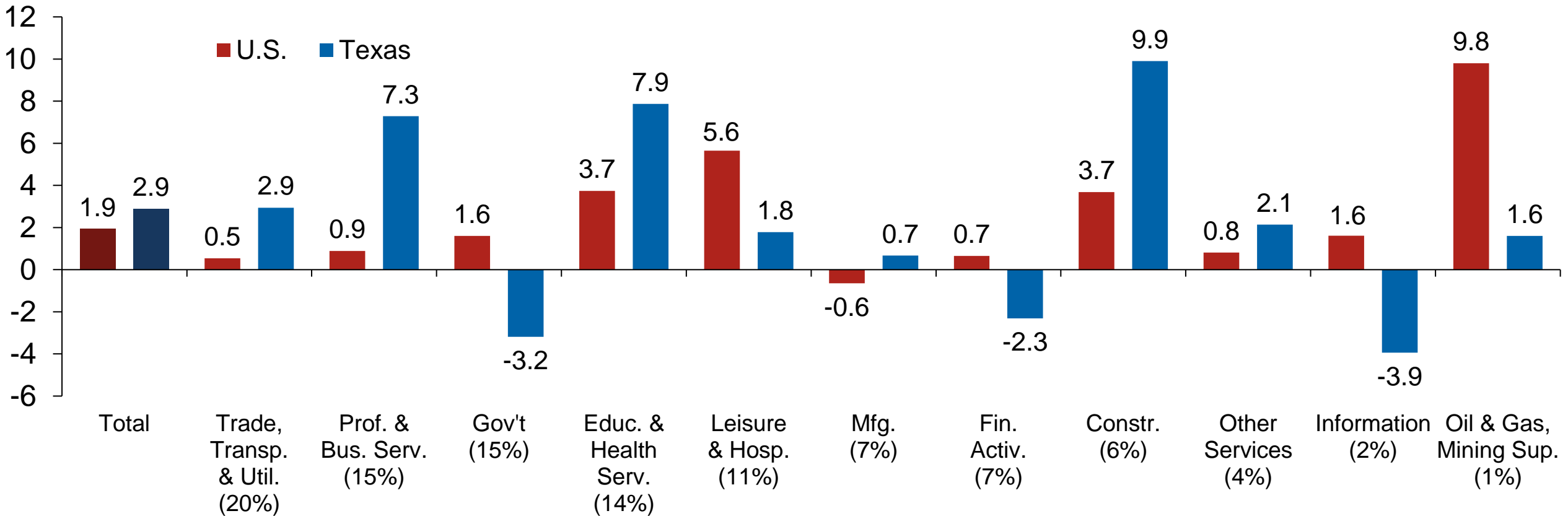
# What's New: Job growth expands further in September, 2024 employment forecast revised up

- Texas employment rose 2.9% in September, slower than August's 7.7% increase
  - Texas job growth ahead the nation's 1.9% rise in September
- The Dallas Fed's Texas Employment Forecast indicates jobs will increase by 2.5% in 2024
  - Forecast was 2.2% percent previously
- Year-to-date Texas employment growth is 2.3%, above to the U.S. 1.5% growth
- Texas unemployment remained unchanged at 4.1% in September
  - U.S. unemployment rate ticked down to 4.1% in September
- September Texas Business Outlook Surveys (TBOS) show expansion in service sector revenue, while manufacturing contracted.
  - According to Texas firms, future growth of prices will slow
  - Remote work policies little changed relative to a year ago for Texas firms

# Overall Economic Activity

# Texas employment expanded strongly in construction, professional & business services, and education & health

Job Growth September 2024/August 2024 (%)\*



\*Seasonally adjusted, annualized rate.

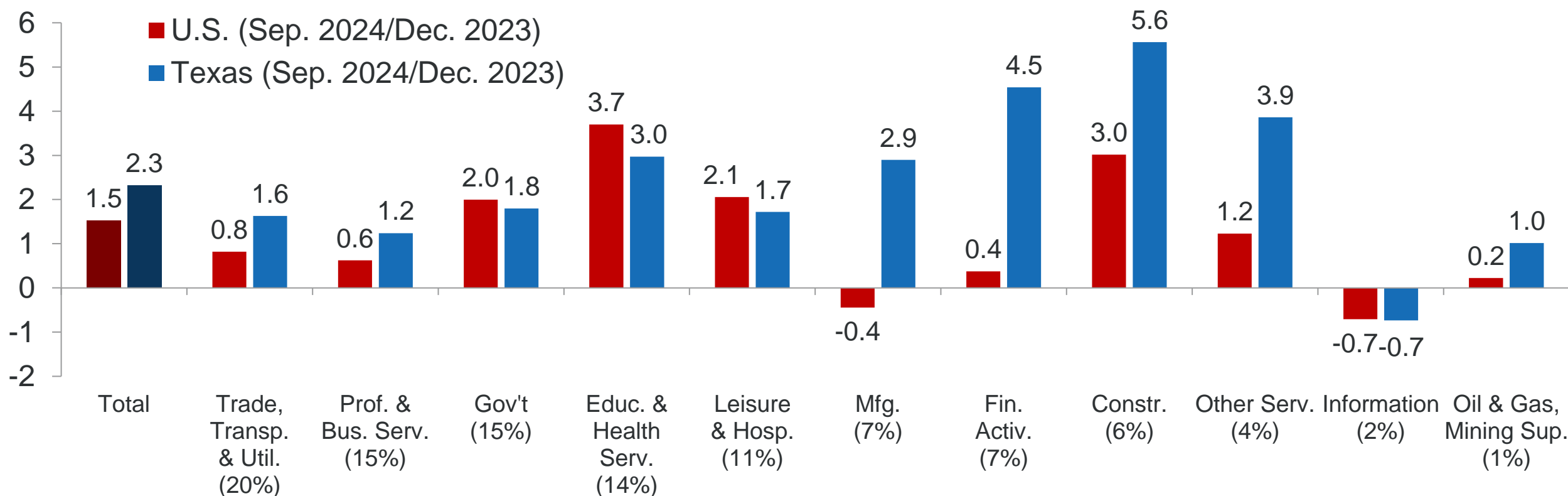
NOTE: Numbers in parenthesis indicate share of total state employment in September 2024.

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)

# YTD Texas employment growth strongest in construction

Job Growth (%)\*



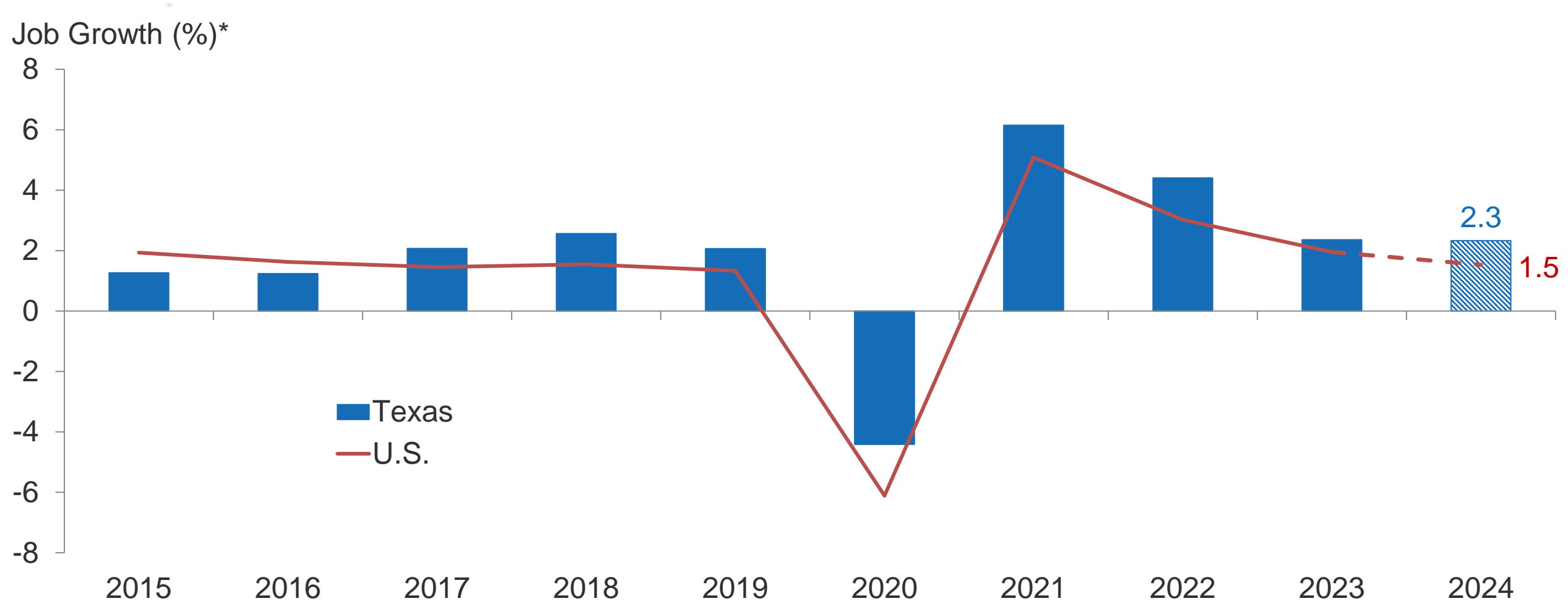
\*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses indicate share of total state employment for September 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 ahead of the nation



\*Seasonally adjusted, annualized rate.

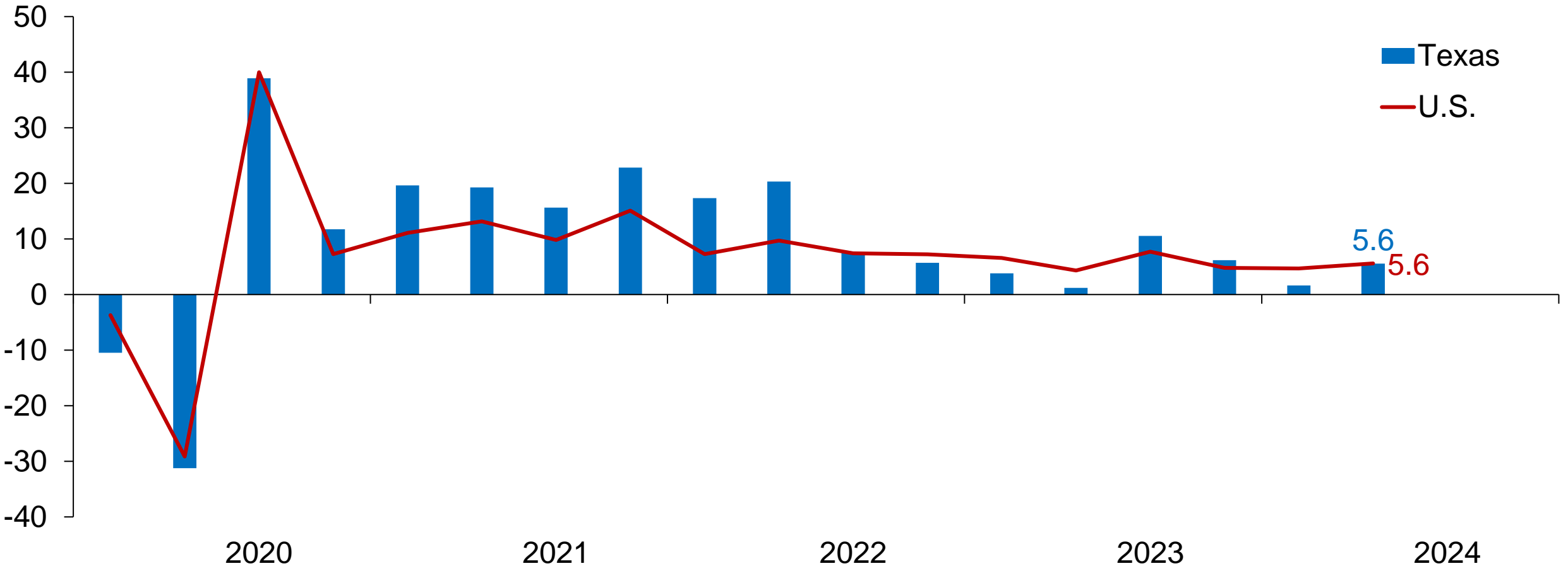
NOTES: Last data points are annualized job growth for Sep. 2024/Dec. 2023. Yearly growth is Dec/Dec.

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 on par with Texas' growth in Q2 2024

Percent, Q/Q\*



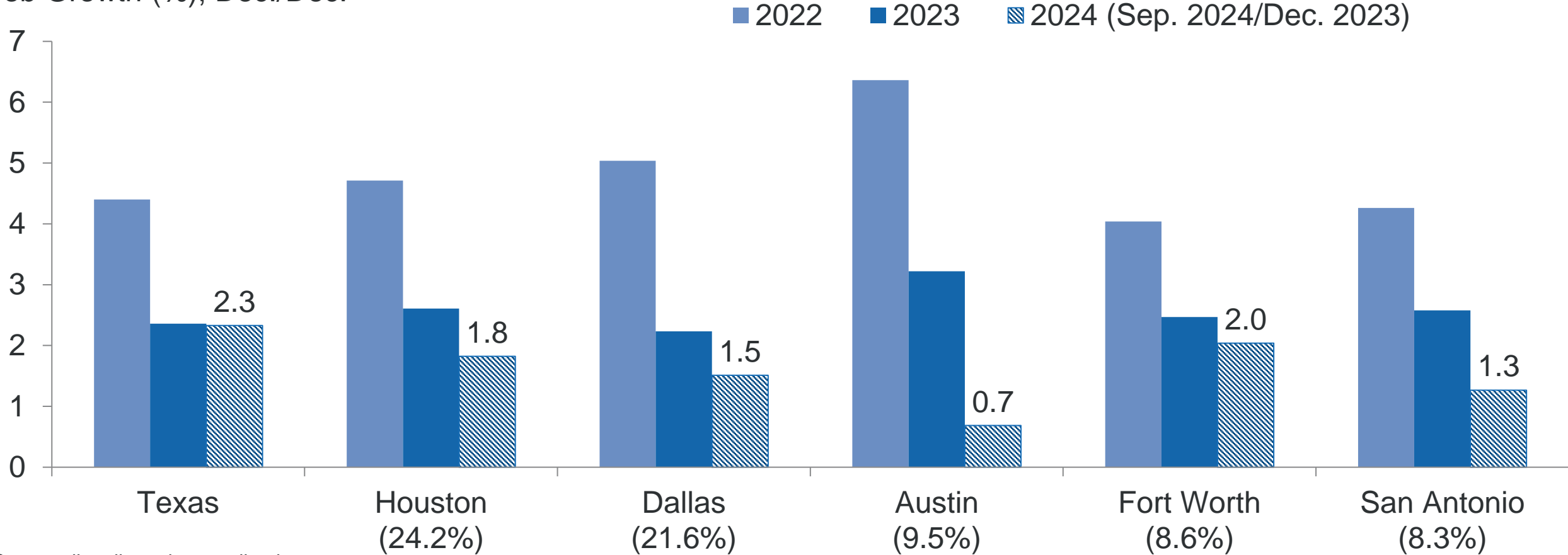
\*Seasonally adjusted, annualized rate.

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.

# YTD employment growth led by smaller metros

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



\*Seasonally adjusted, annualized rate.

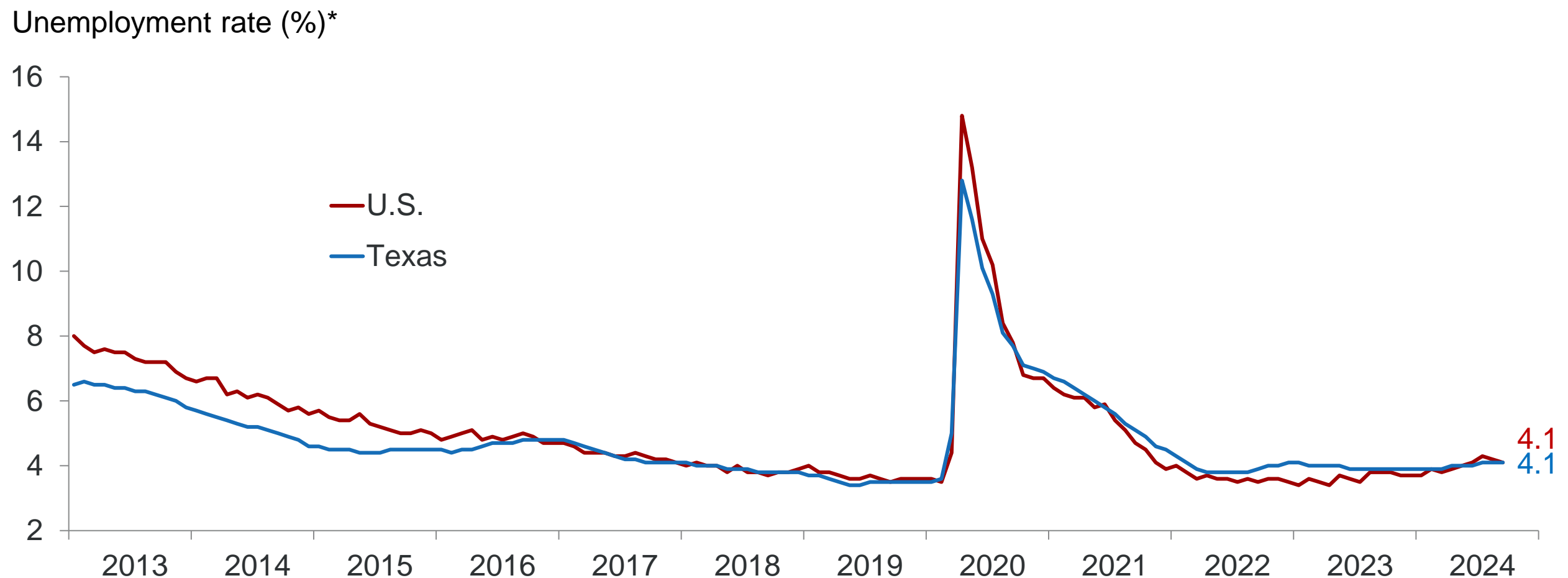
NOTE: Numbers in parenthesis indicate share of state employment for September 2024.

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)



# Unemployment rate flat in Texas, ticks down for the nation



\*Seasonally adjusted.

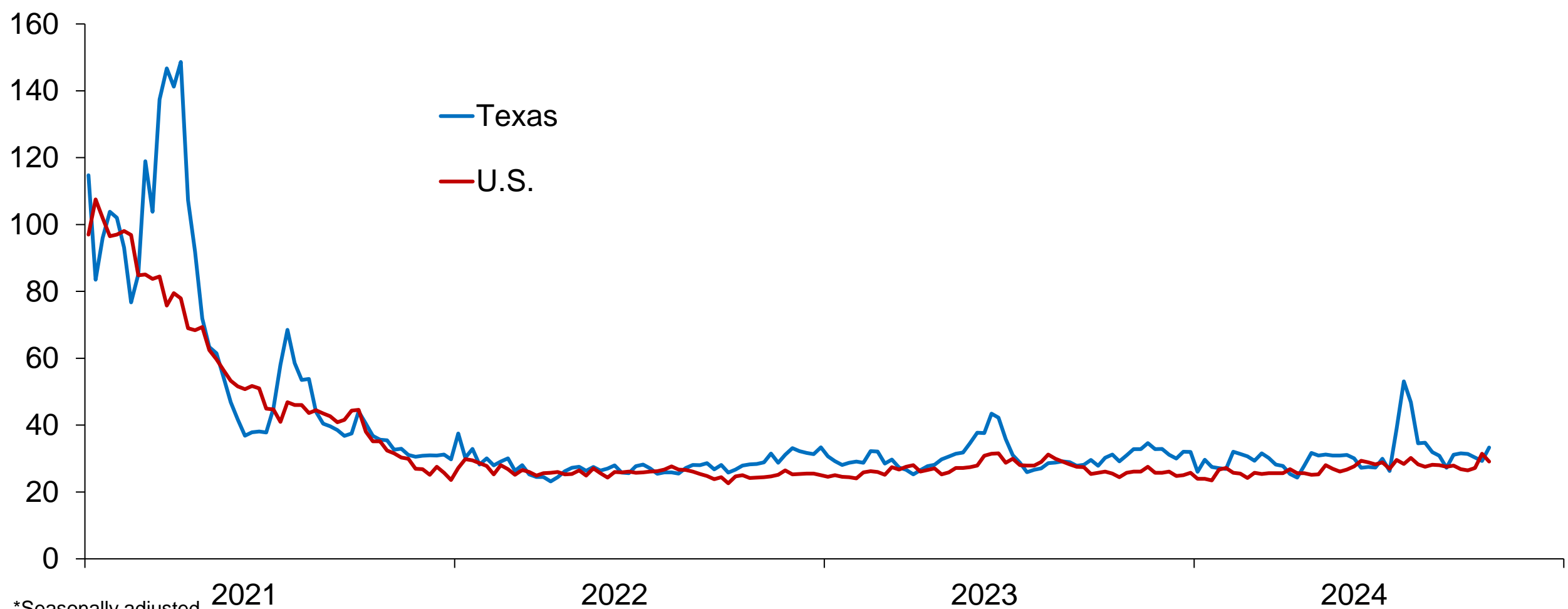
NOTE: Data are through September 2024.

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)

# Texas unemployment claims little changed

Index, Jan. 2021 = 100\*

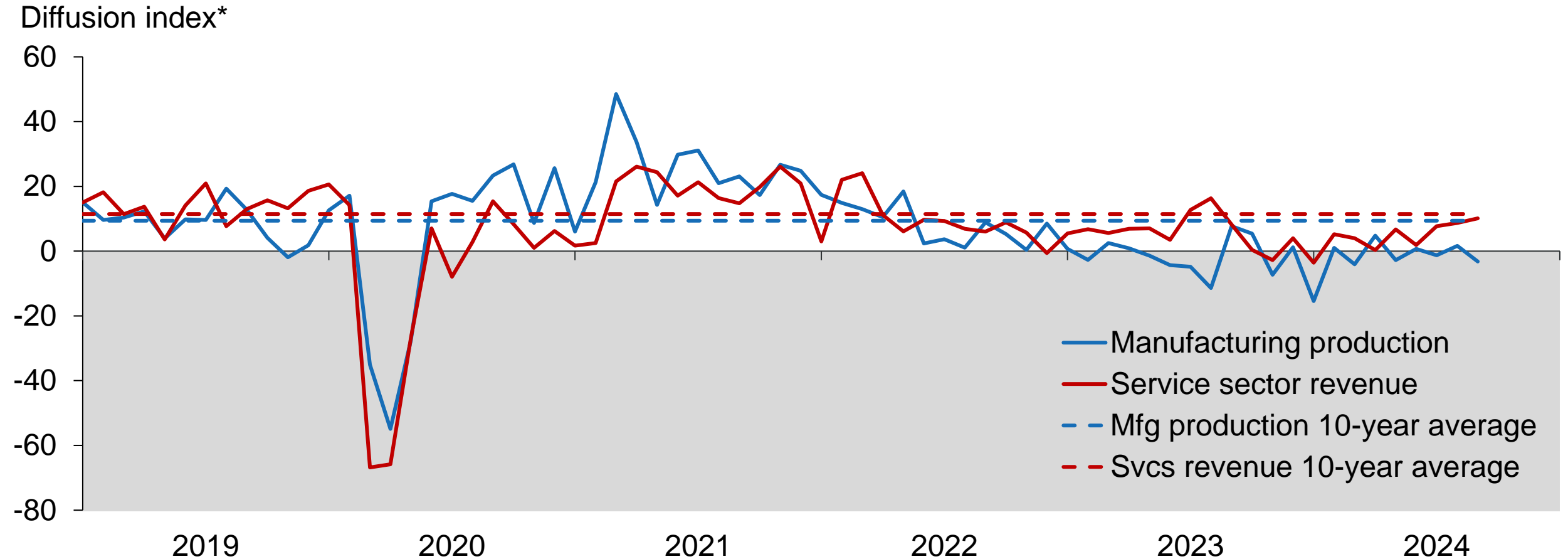


\*Seasonally adjusted.

NOTE: Data are through the week ending October 12, 2024.

SOURCE: Department of Labor.

# Service sector moves up to trend while manufacturing contracts in September



\*Seasonally adjusted.

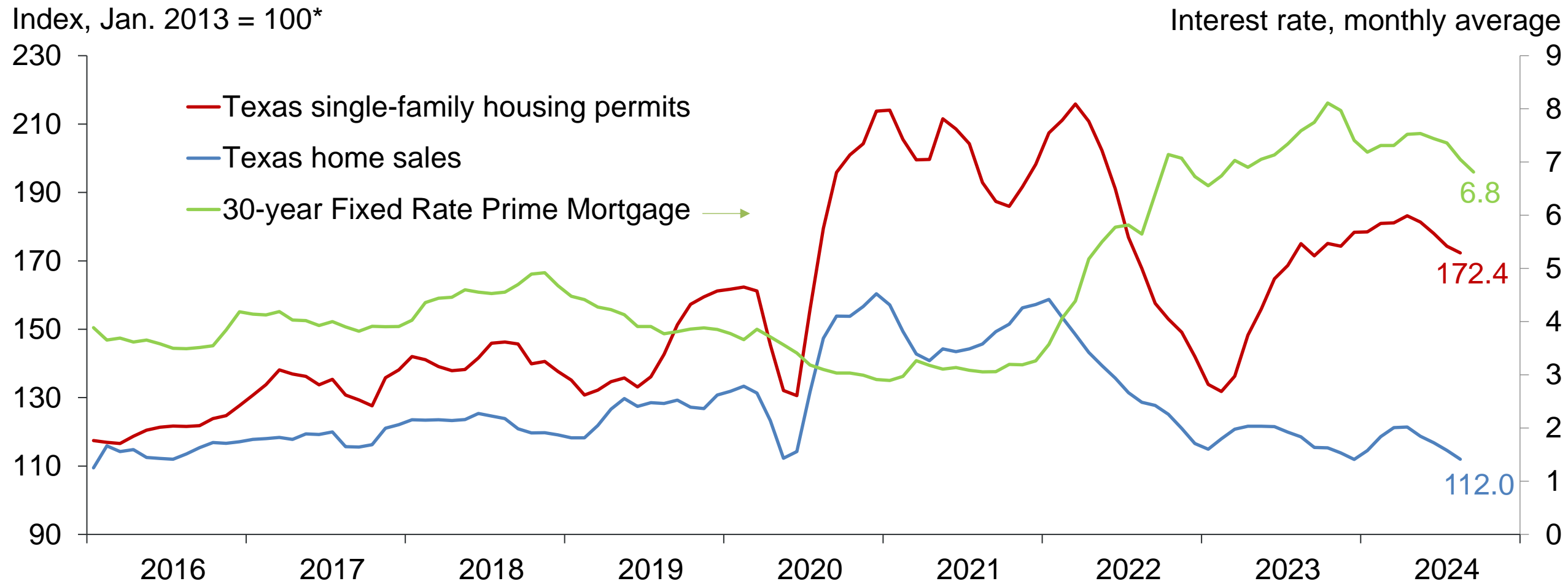
NOTES: Data through September 2024. Shaded area represents contractionary territory.

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

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

# Real Estate, Finance and Energy

# Texas home sales, permits and mortgage rates continue declining



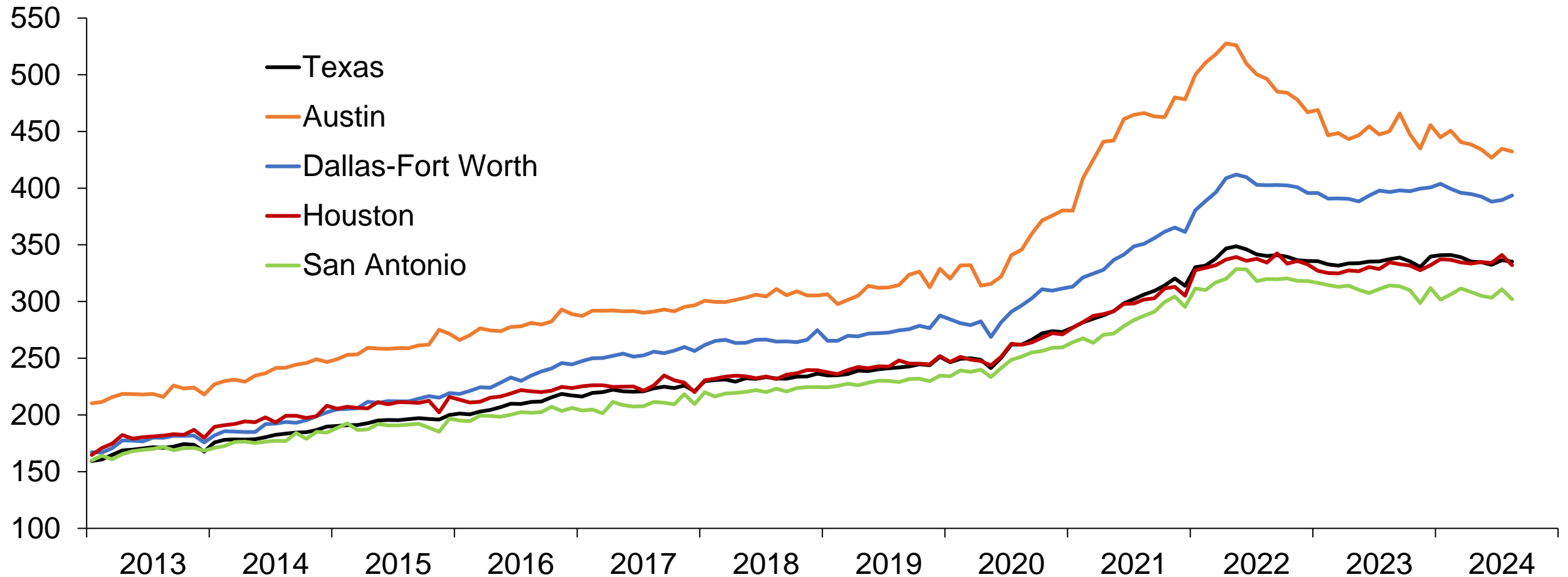
\*Seasonally adjusted, three-month moving average.

NOTE: Data are monthly through August 2024 for housing permits and home sales and September 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 in August

Median sales price, \$\*



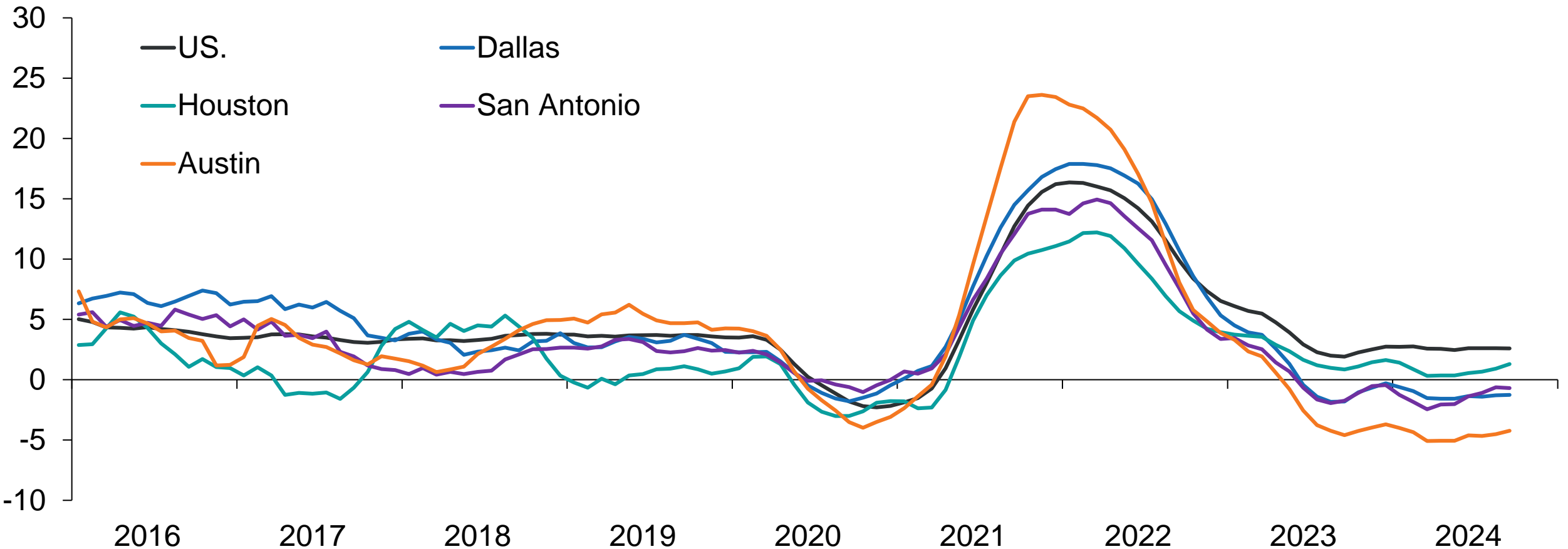
\*Seasonally adjusted.

NOTE: Data are monthly through August 2024.

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

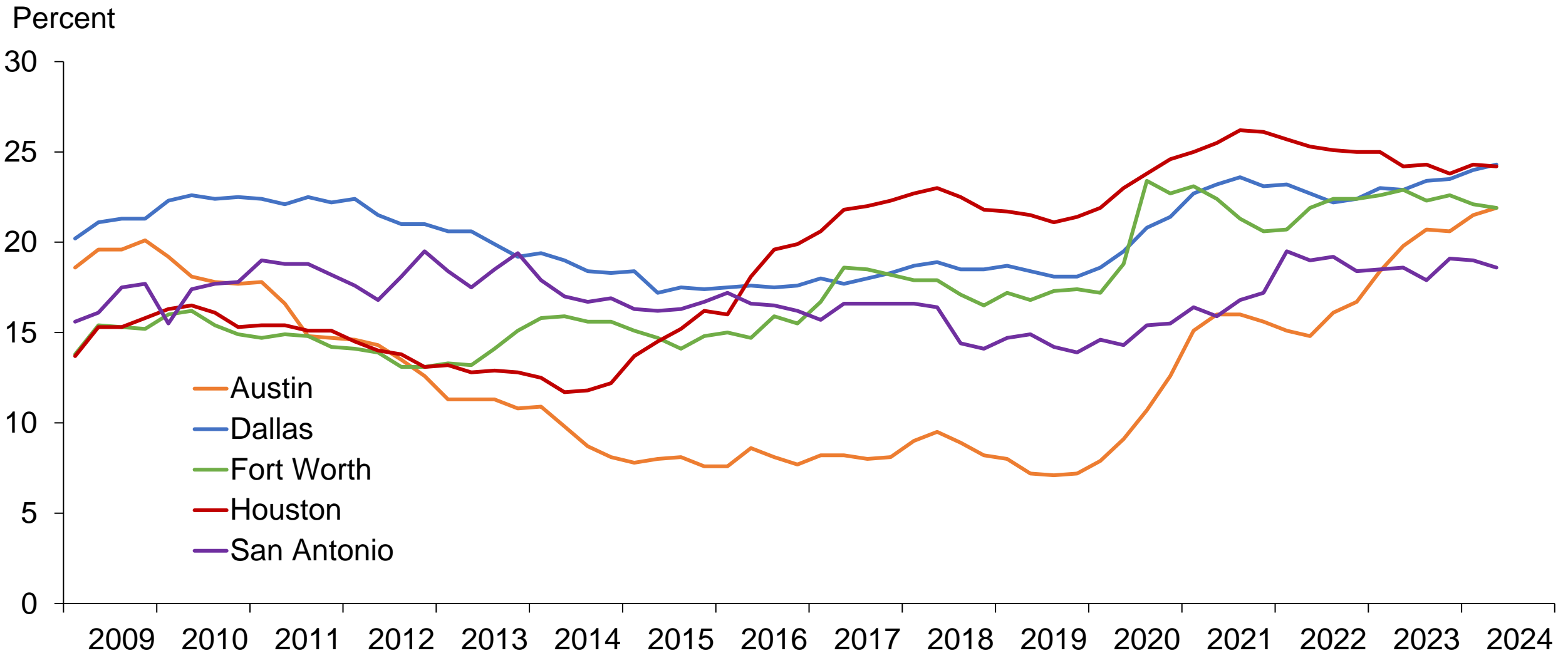
# Apartment rents up in Houston

Percent, Y/Y\*



\*Smoothed and seasonally adjusted  
NOTES: Data are monthly through September 2024.  
SOURCE: Zillow.

# Office vacancy rise in Austin and Dallas



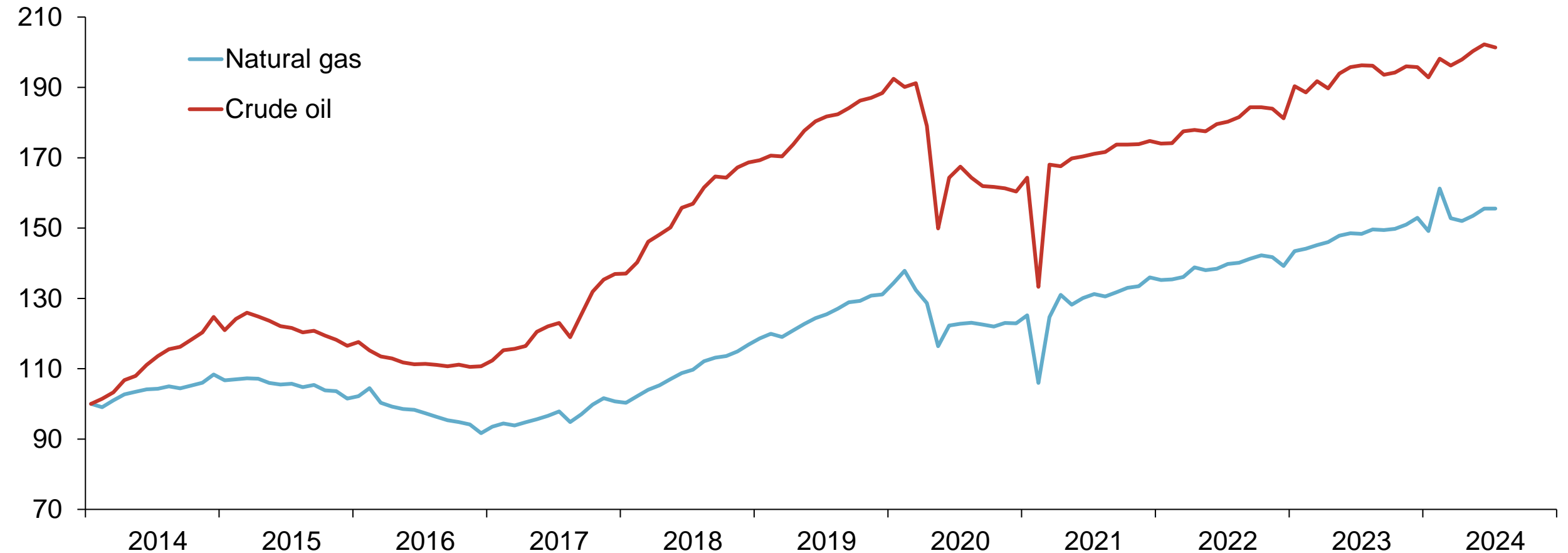
NOTE: Data through Q2 2024.

SOURCE: CBRE Econometric Advisors.



# Texas oil and gas production fall slightly in July

Index, Jan. 2014 = 100\*



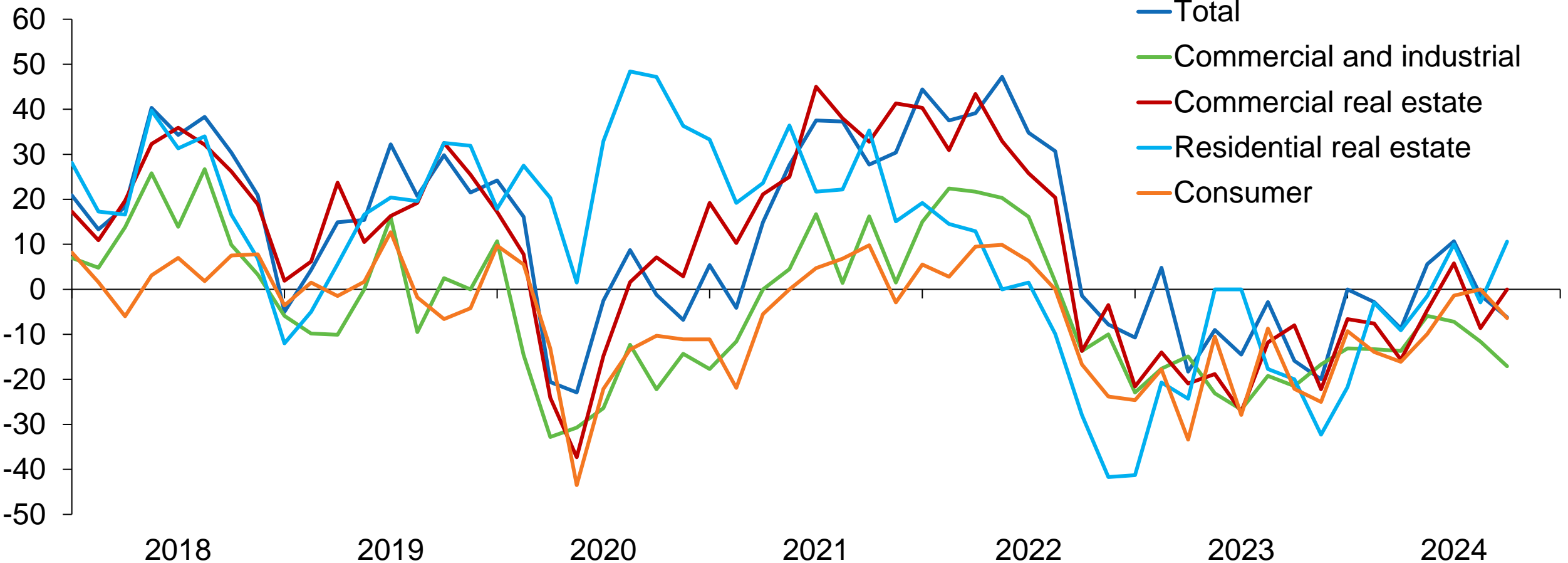
\*Seasonally adjusted.

NOTES: Shown are crude oil and natural gas marketed production through July 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 down in October driven by commercial and industrial, according to 11<sup>th</sup> District bankers

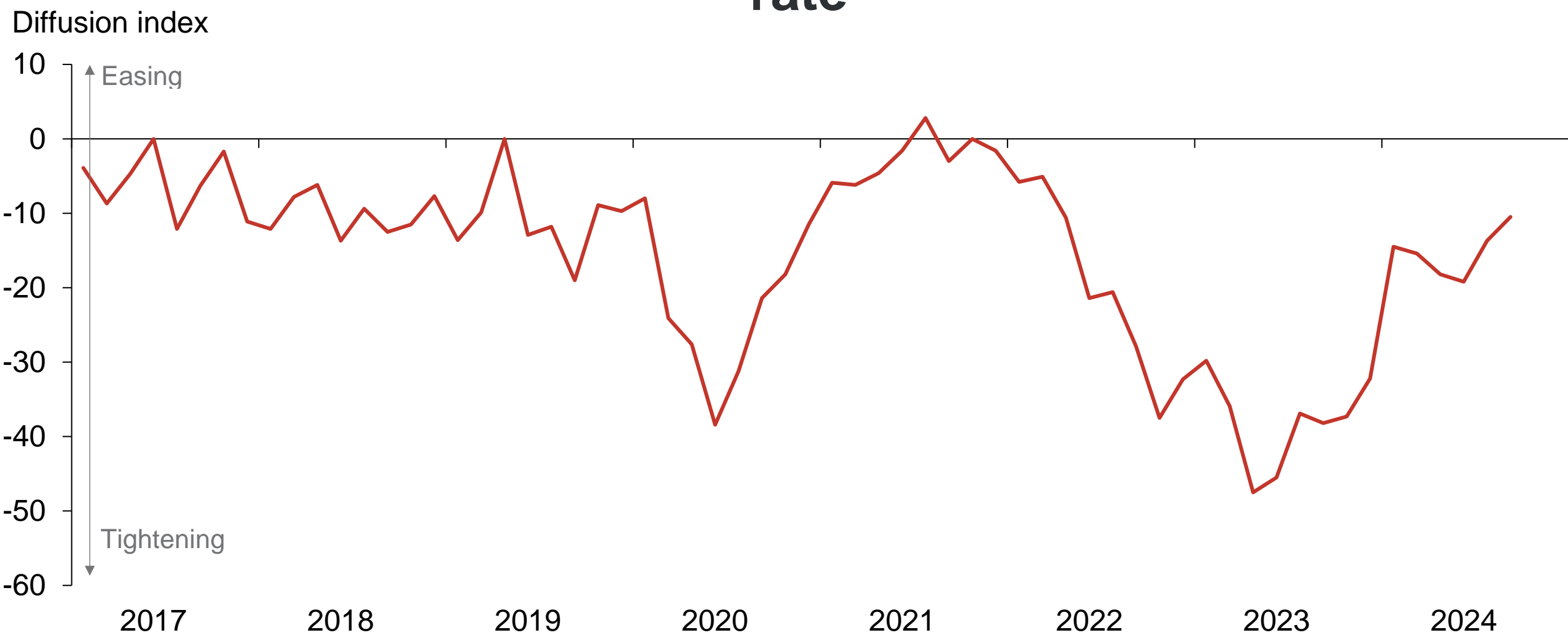
Diffusion index



NOTE: Data through October 2024.

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

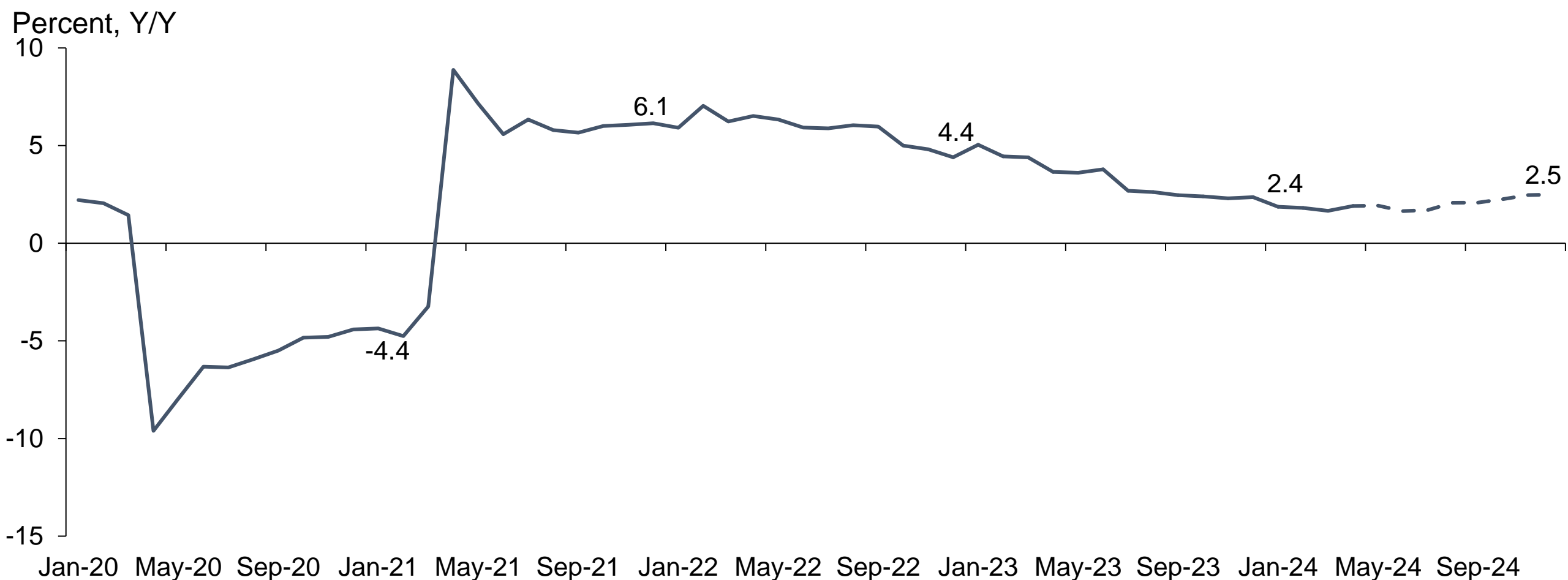
# Texas banks report continued tightening but at a decelerated rate



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

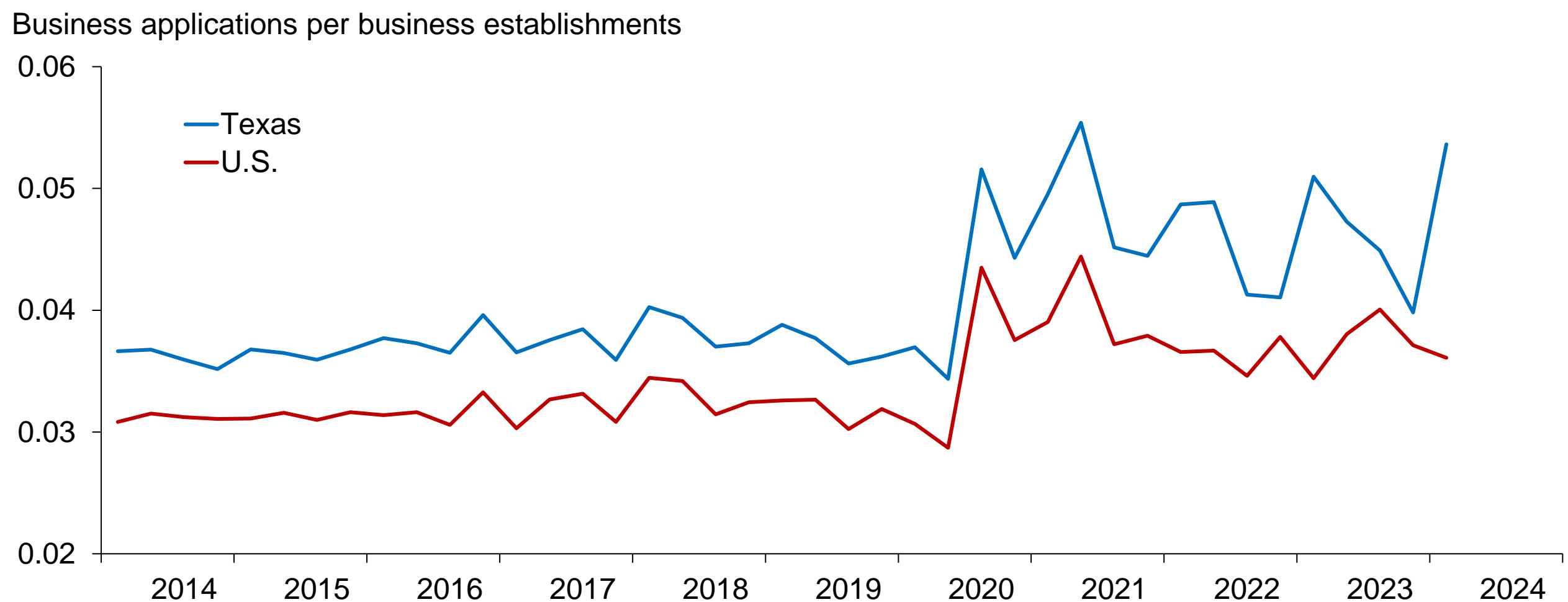
## **Outlook for 2024**

# The Texas employment forecast indicates 2.5% growth in 2024, above 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).

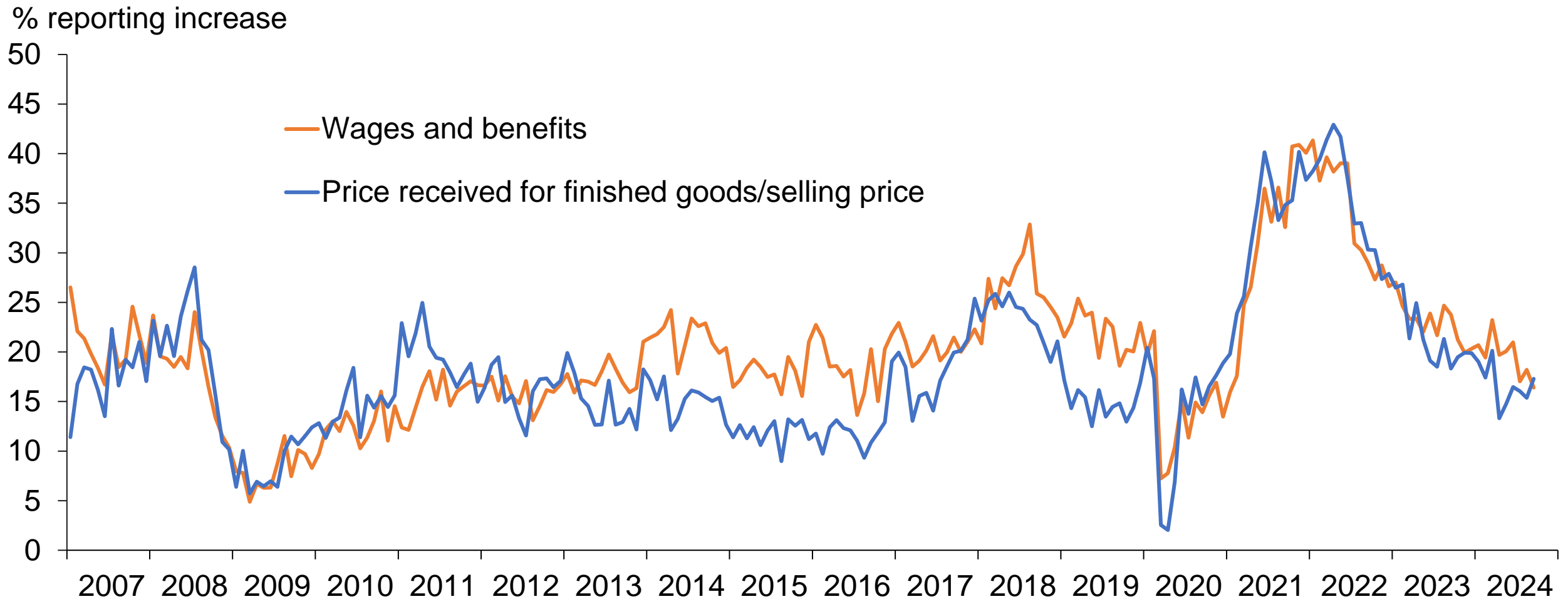
# Rate of business formation in Texas rises while the nation ticks down in the beginning of the year



NOTES: Data are quarterly through Q1 2024. Business applications data are missing for the first week of January 2021.

SOURCE: U.S. Census Bureau.

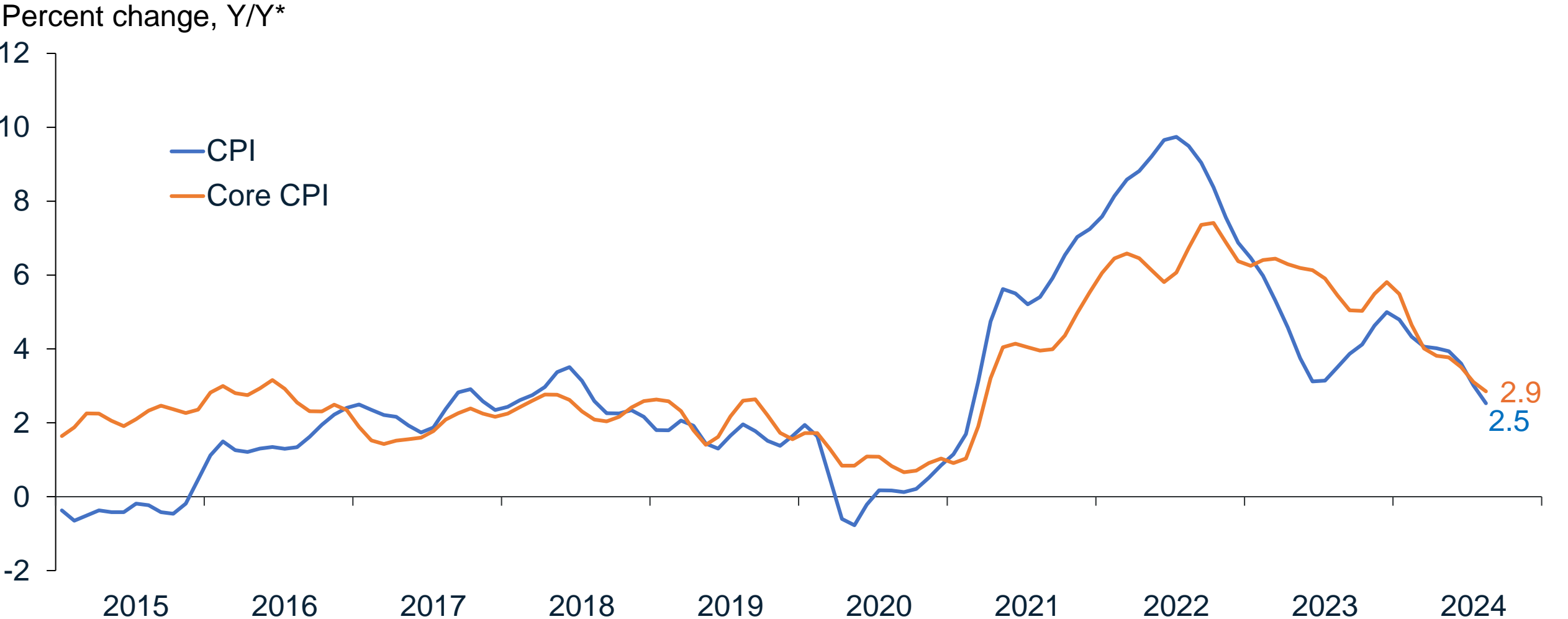
# Share of Texas firms reporting an increase in prices grew slightly in September



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

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

# Texas CPI moving in the right direction through August

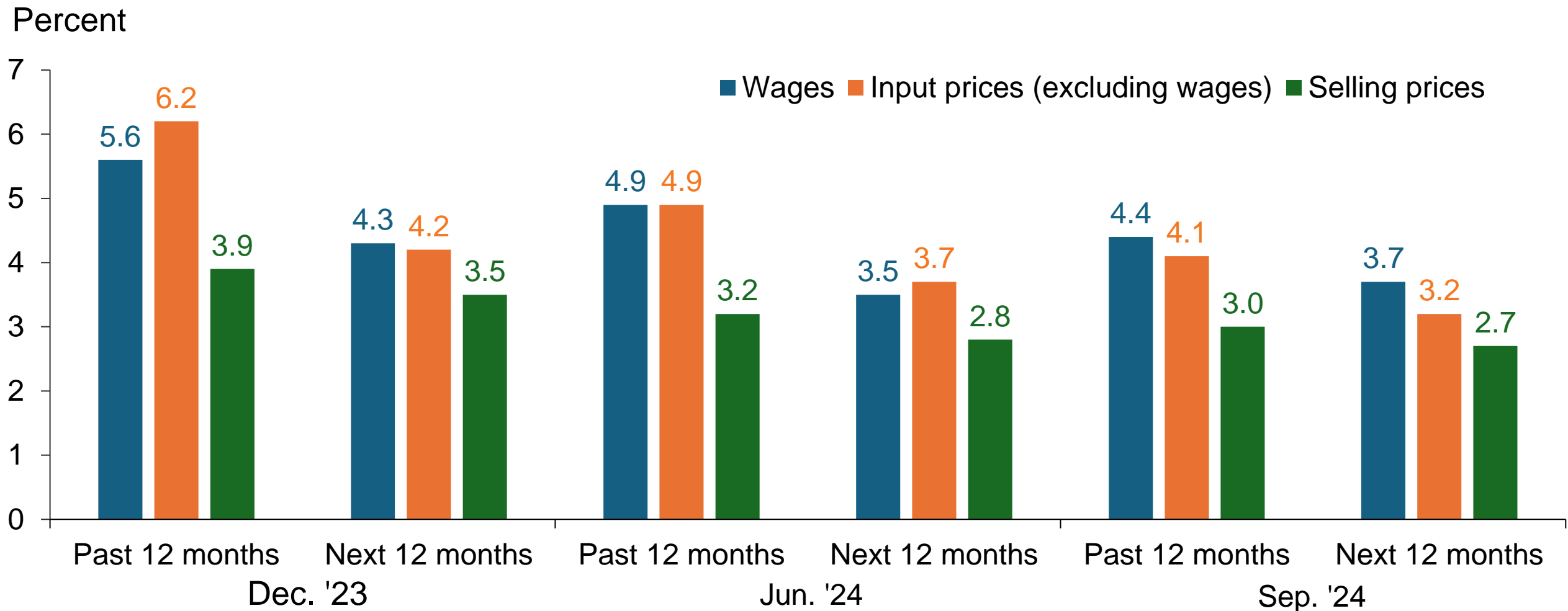


\*Seasonally adjusted.  
NOTE: CPI data through August 2024.  
SOURCE: Bureau of Labor Statistics.



## Survey Special Questions

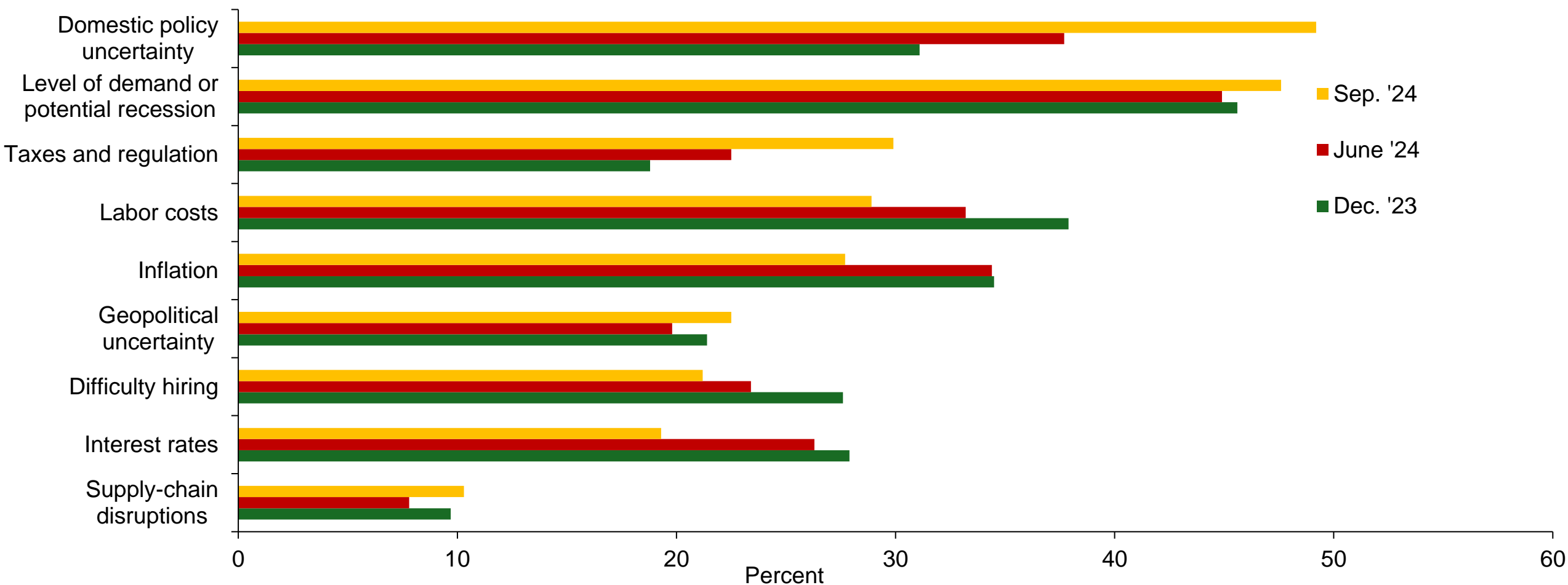
# Firms report future price growth slowing relative to the past year in September



NOTES: Shown are averages, calculated as trimmed means with the lowest and highest 5 percent of responses omitted. Participants 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 = 290 responses in September.

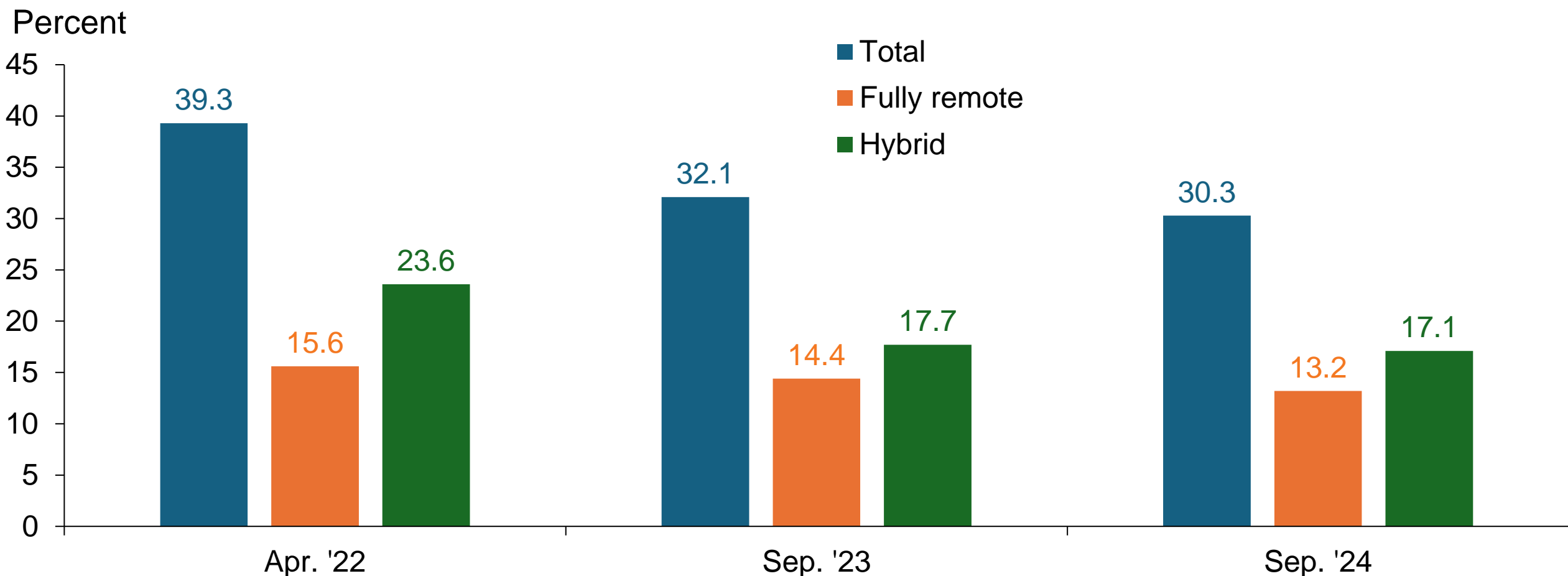
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

# Domestic policy uncertainty highest concern among Texas businesses



NOTES: Participants 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 = 311 responses in September. "Domestic policy uncertainty" was added in December 2023. "Domestic policy uncertainty" includes national elections.  
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

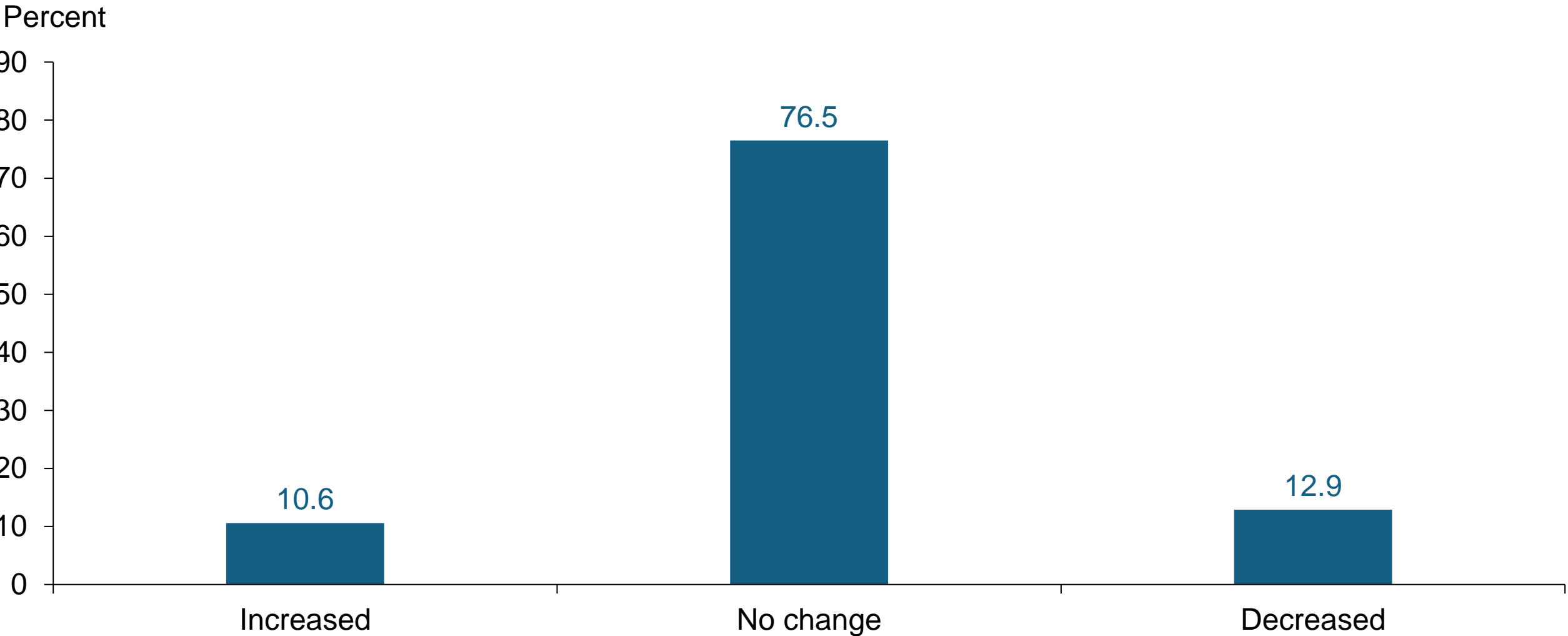
# Share of remote and hybrid work little changed from last year



NOTES: Shown are averages, calculated as the mean of received responses. Participants were asked "What share of your employees is currently working remotely? Please provide shares for fully remote versus hybrid (combination of on-site and remote work)." N = 297 responses in September. Prior to April 2022, respondents were not asked to break out fully remote versus hybrid, and responses could be lower as a result if respondents had in mind only workers working mostly remotely. Responses for February 2020 are from an August 2020 question asking, "What share of your employees were working remotely in February (pre-COVID-19)?".

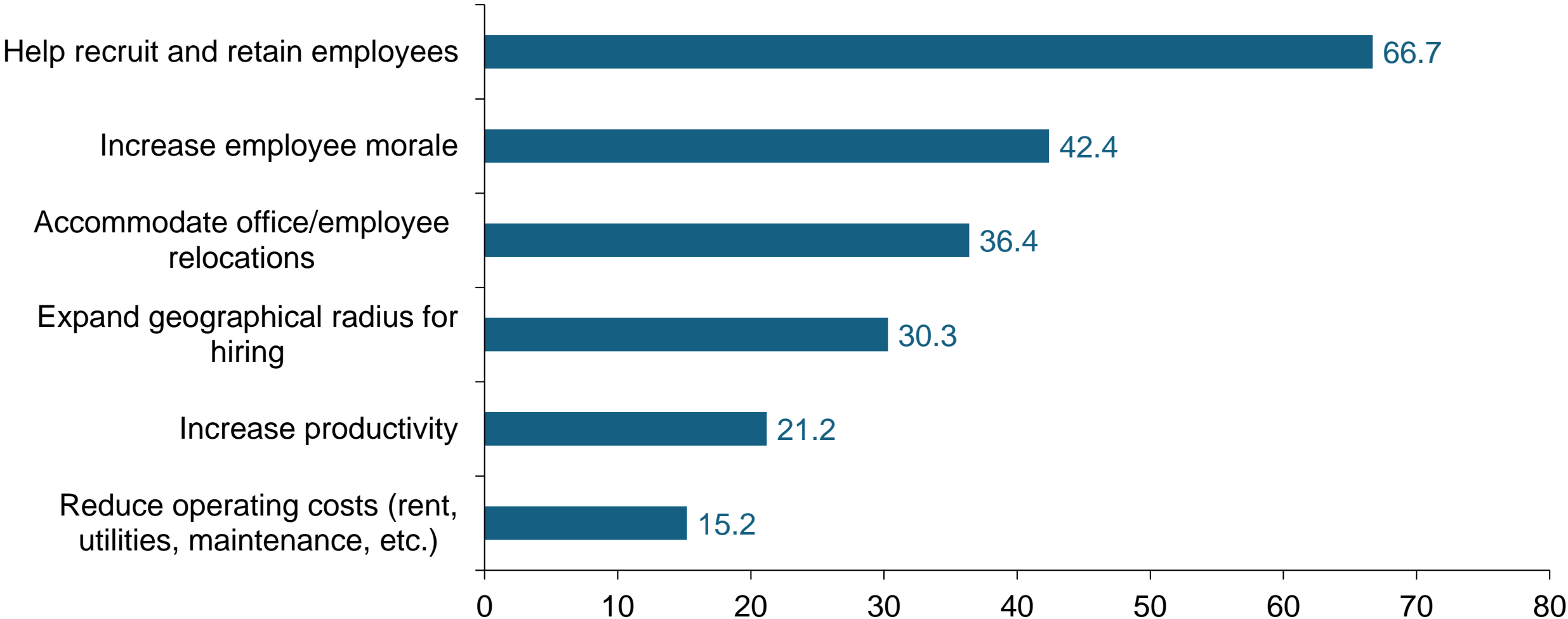
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys

# Three quarters of TBOS firms did not change remote work policy over the last year



NOTES: Participants were asked, "How has the share of employees working remotely changed over the past year?" N = 311 responses in September.  
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

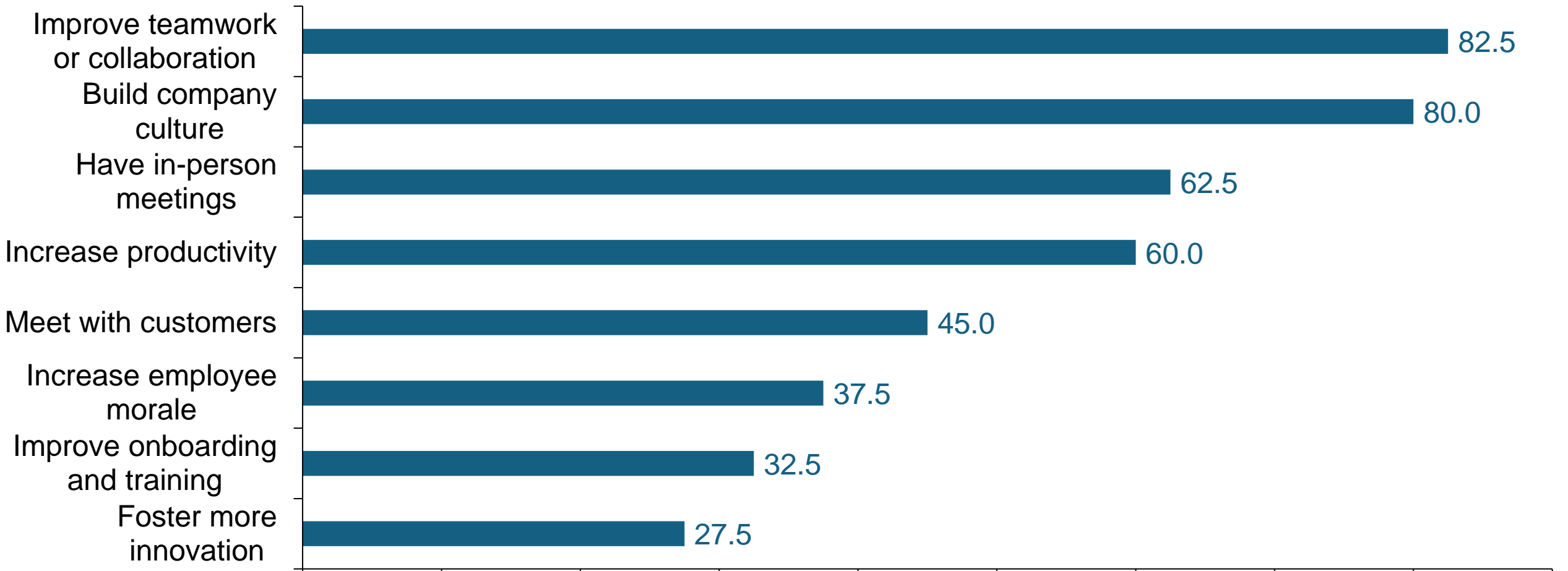
# Two thirds of firms who increased remote work cite recruitment and retention



NOTES: Participants were asked, "What motivated the increase in remote work? Please select all that apply." N = 33 responses in September. This question was only posed to firms that noted an increase in remote work.

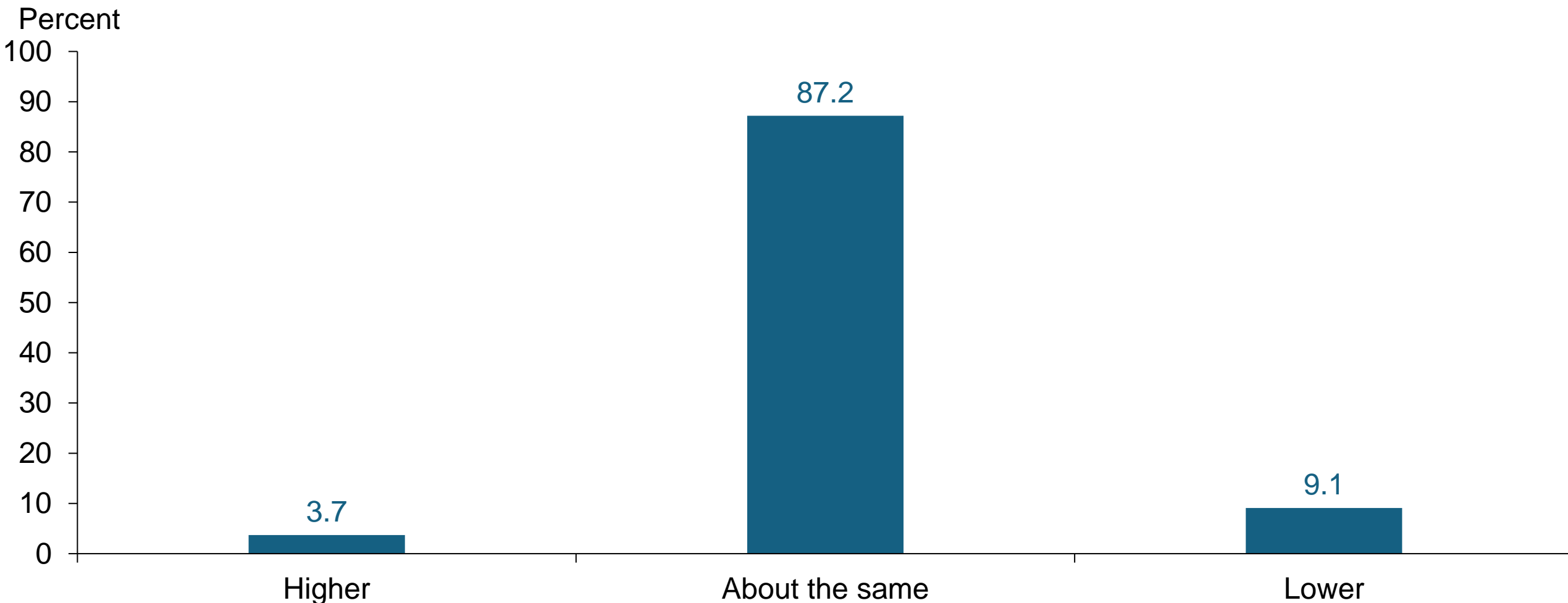
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

# Around 80% of firms who decreased remote work cite teamwork and collaboration



NOTES: Participants were asked, "What motivated the decrease in remote work? Please select all that apply." N = 40 responses in September. This question was only posed to firms that noted an decrease in remote work.  
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

# Wage growth about the same for remote workers relative to on-site workers, according to TBOS firms



NOTES: Participants were asked, "For employees who work mostly or entirely remotely, how has wage growth over the past year compared with wage growth for similar employees who work mostly on-site?" N = 243 responses in September.

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



**Thank you!**  
**Please visit [dallasfed.org](https://dallasfed.org) for more  
information**



Dallas Fed Economics

Texas Economic Indicators

Texas Business Outlook Surveys

Southwest Economy

Special Reports

Texas Employment Forecast

Weekly Economic Index

## Dallas Fed Publications

