



Federal Reserve
Bank of Dallas

Texas Economic Performance and Outlook

(November 2024)

“Employment Growth Contracts Slightly in October”

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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. Any data requests can be addressed to Diego Morales-Burnett at Diego.Morales-Burnett@dal.frb.org.

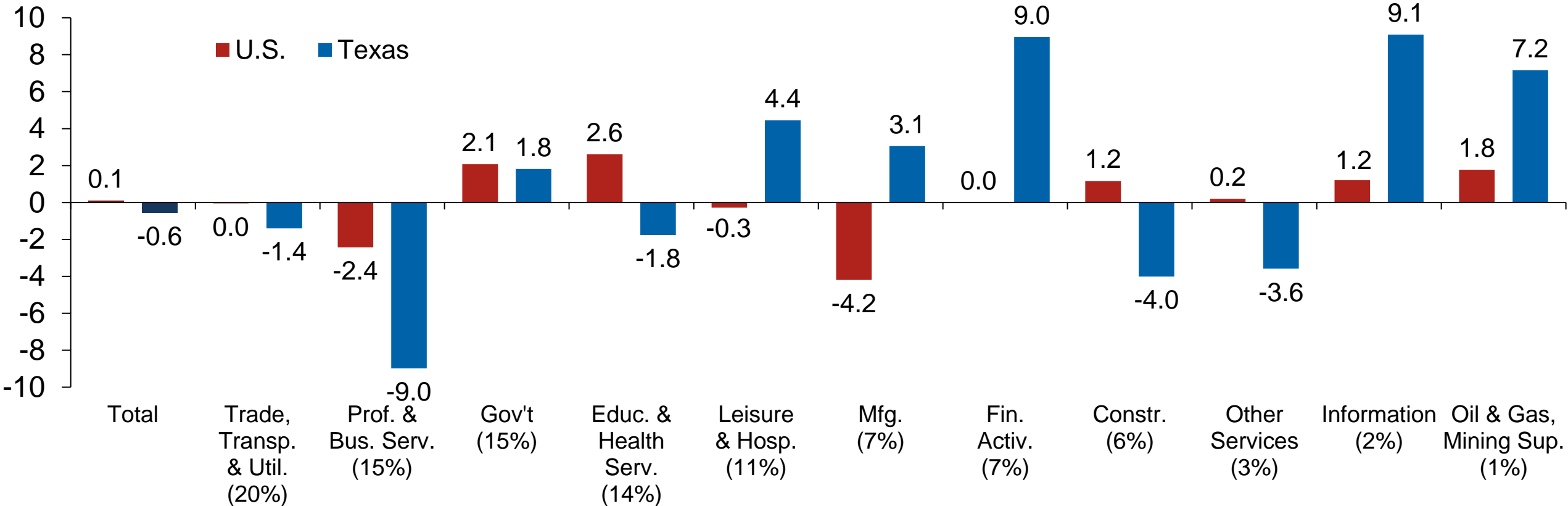
What's New: Job growth negative in October, 2024 employment forecast revised down

- Texas employment declined 0.6% in October, slower than September's 3.7% increase
 - U.S. job growth was flat in October
- The Dallas Fed's Texas Employment Forecast indicates jobs will increase by 2.1% in 2024
 - Forecast was 2.5% percent previously
- Year-to-date Texas employment growth is 2.1%, above the U.S. 1.3% growth
- Texas unemployment remained unchanged at 4.1% in October
 - U.S. unemployment rate likewise did not change from 4.1% in October
- October Texas Business Outlook Surveys (TBOS) show expansion in manufacturing sector as well as the service sector.
 - According to Texas firms, few had difficulty seeking credit for short- and long-term uses

Overall Economic Activity

Texas employment contracted strongest in professional & business services

Job Growth October 2024/September 2024 (%)*



*Seasonally adjusted, annualized rate.

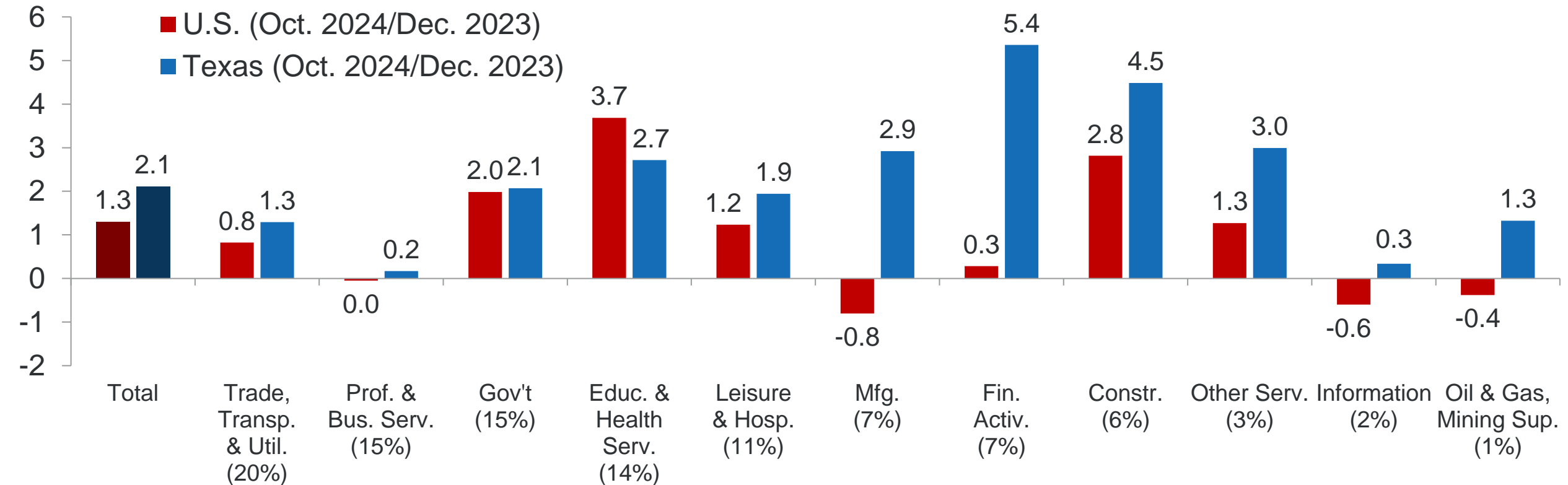
NOTE: Numbers in parenthesis indicate share of total state employment in October 2024.

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

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

YTD Texas employment growth remains ahead of the nation, strongest gains in financial activity and construction

Job Growth (%)*



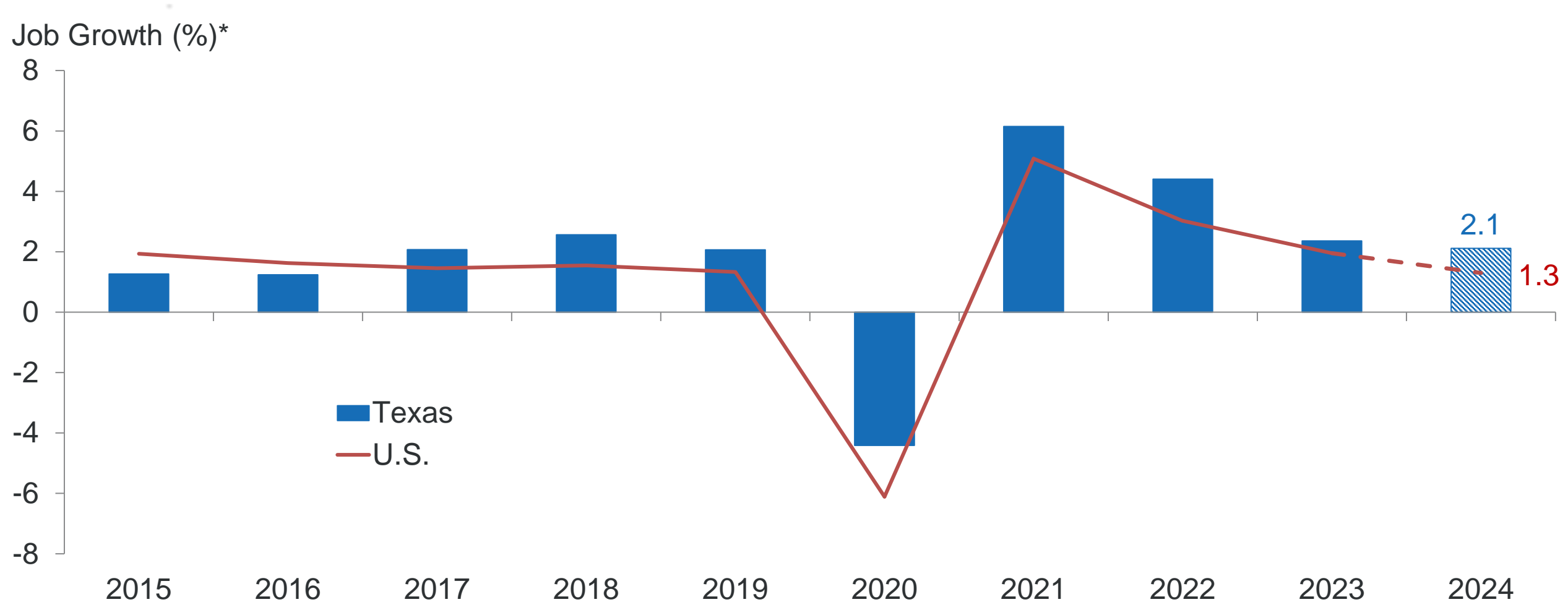
*Seasonally adjusted, annualized rate.

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

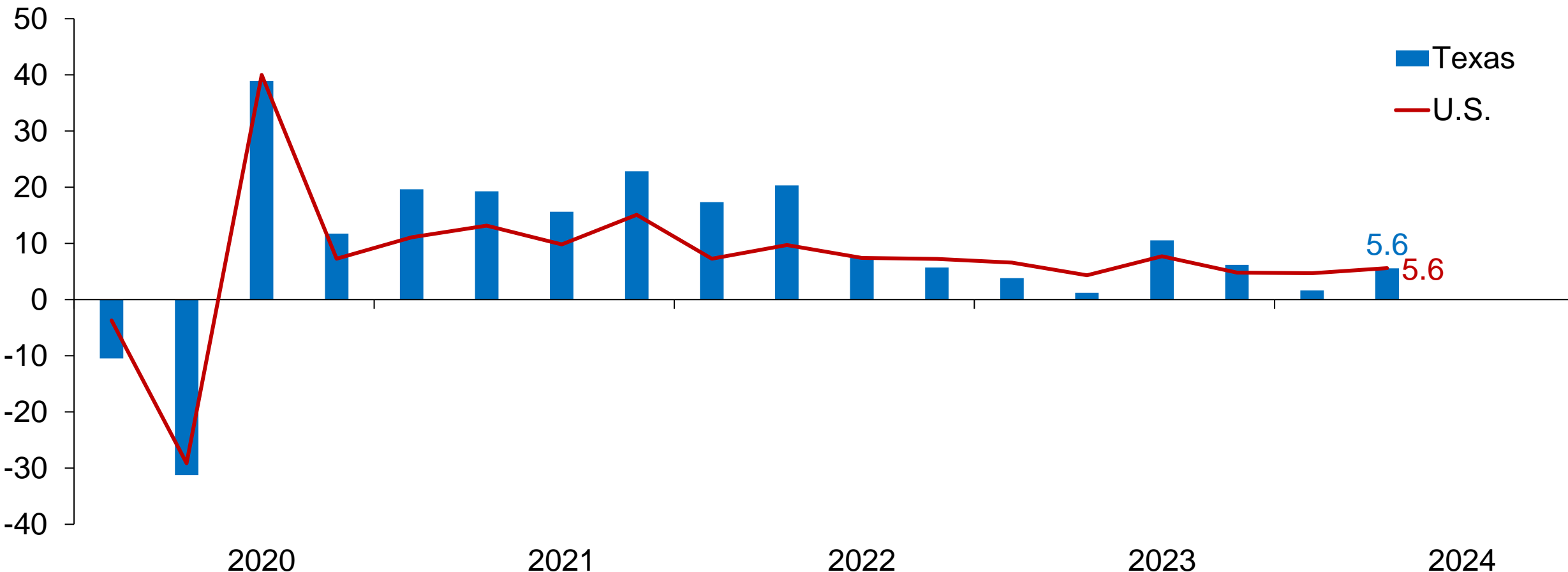
NOTES: Last data points are annualized job growth for Oct. 2024/Dec. 2023. Yearly growth is Dec/Dec.

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 on par with Texas' growth in Q2 2024

Percent, Q/Q*



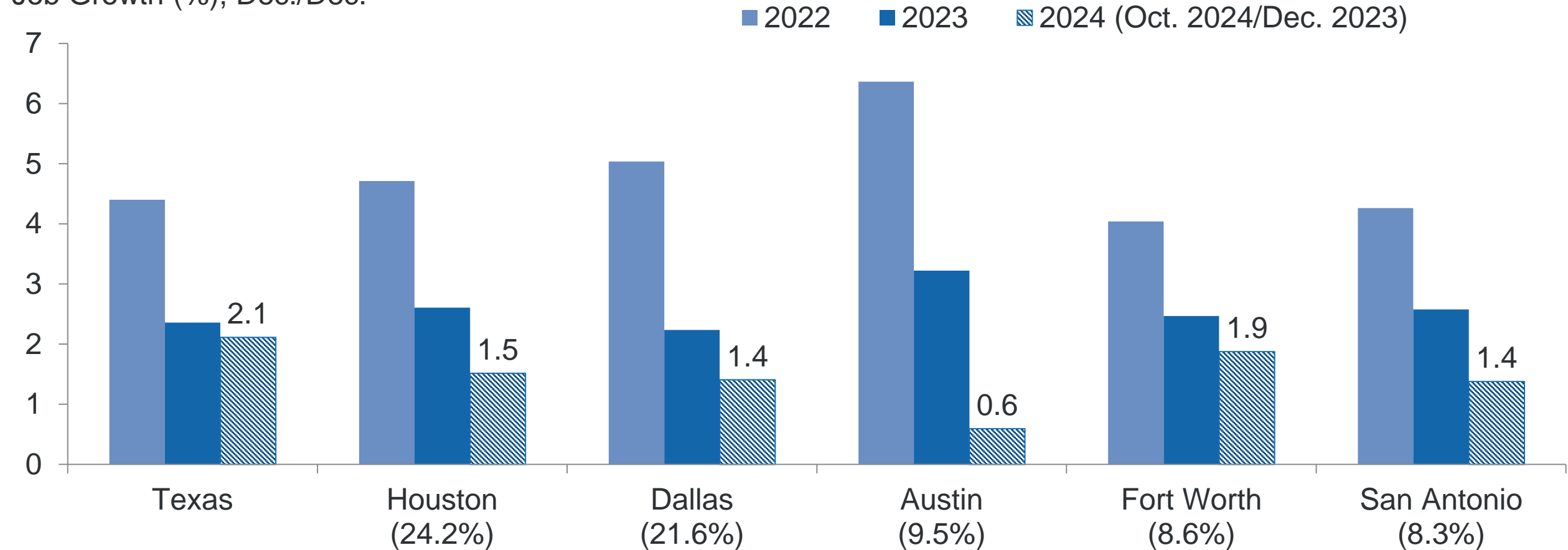
*Seasonally adjusted, annualized rate.

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.

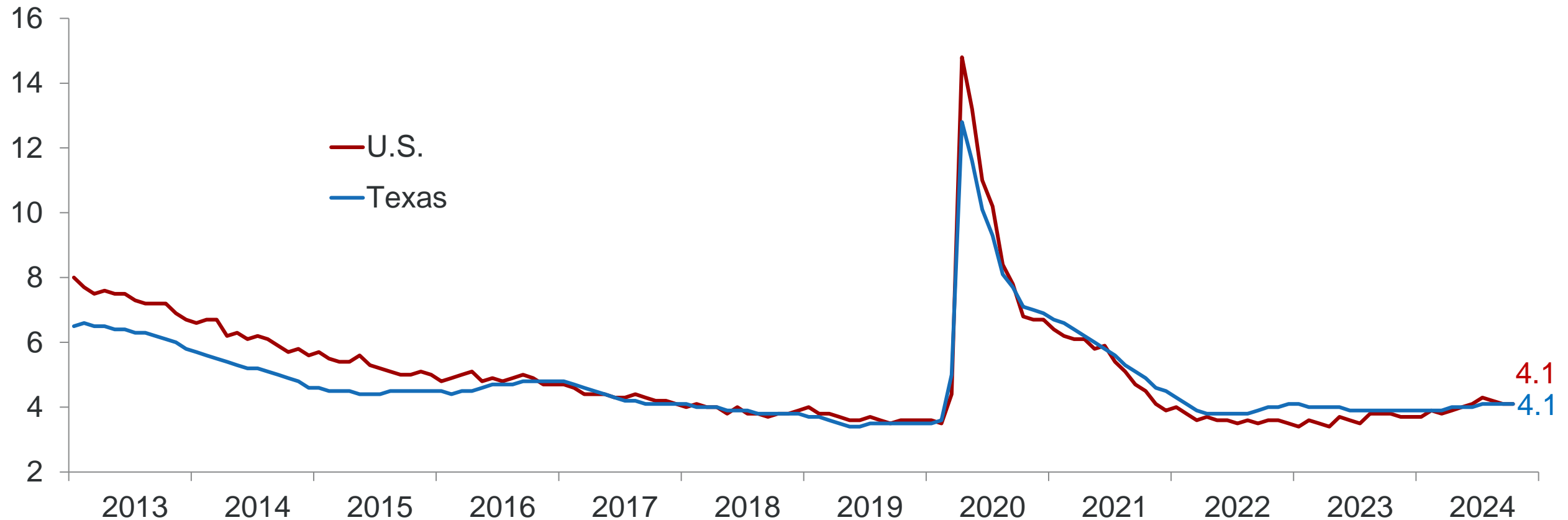
NOTE: Numbers in parenthesis indicate share of state employment for October 2024.

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 flat in Texas and the nation

Unemployment rate (%)*



*Seasonally adjusted.

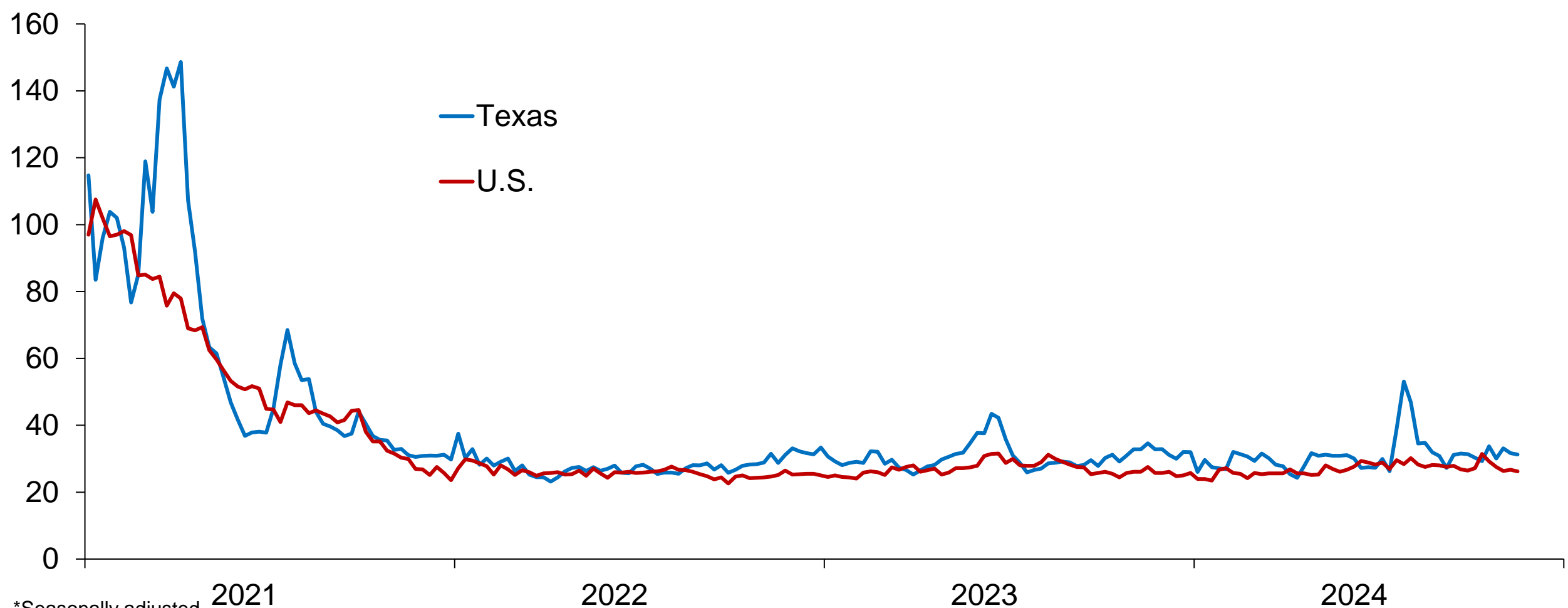
NOTE: Data are through October 2024.

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*

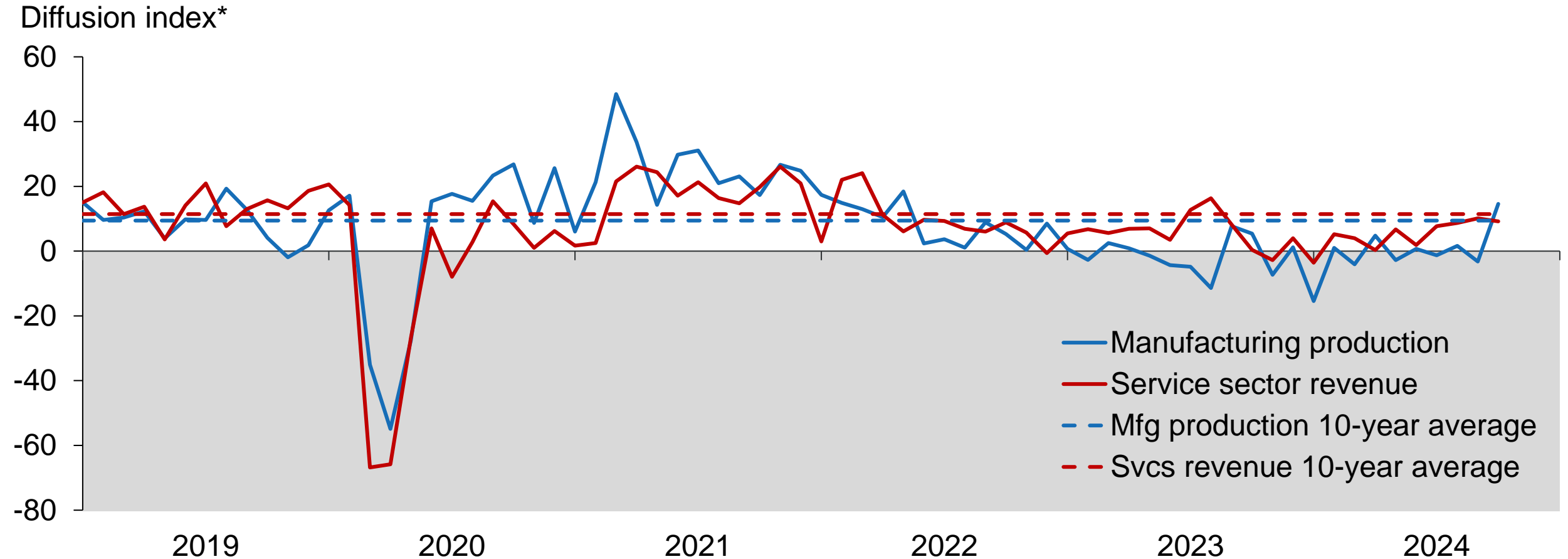


*Seasonally adjusted.

NOTE: Data are through the week ending November 11, 2024.

SOURCE: Department of Labor.

Manufacturing production rebounds above average while services revenue remains positive



*Seasonally adjusted.

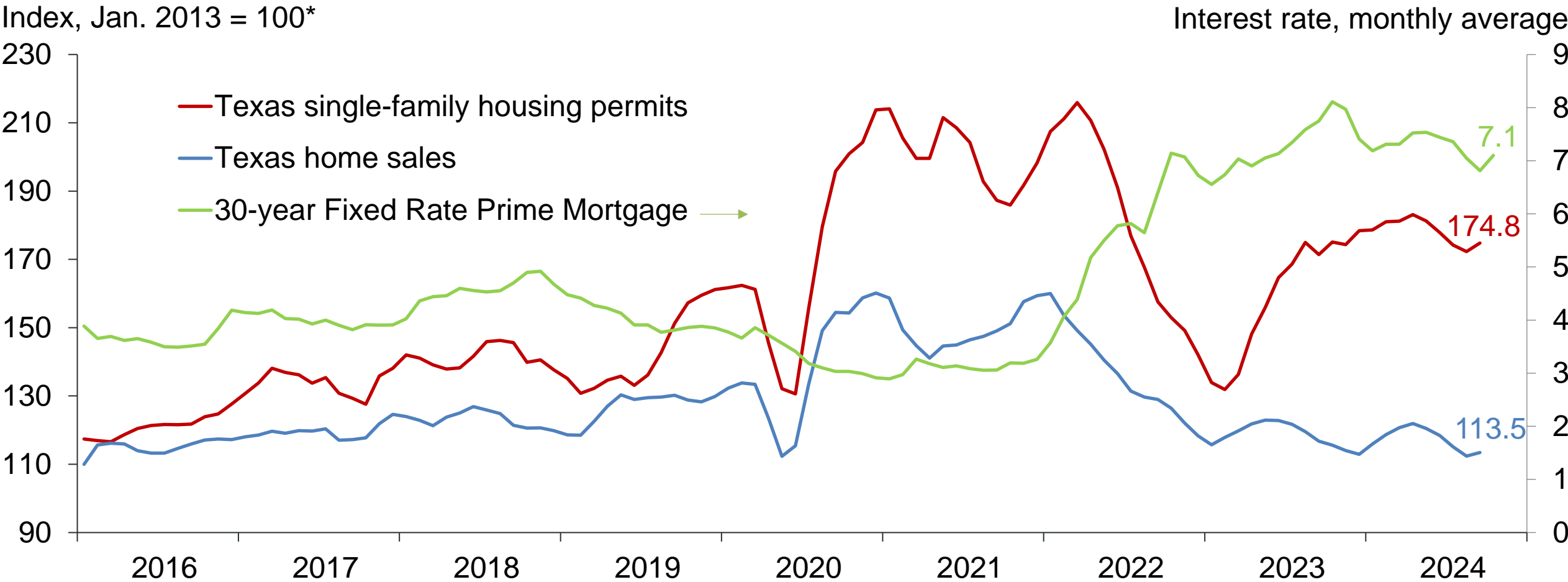
NOTES: Data through October 2024. Shaded area represents contractionary territory.

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

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

Real Estate, Finance and Energy

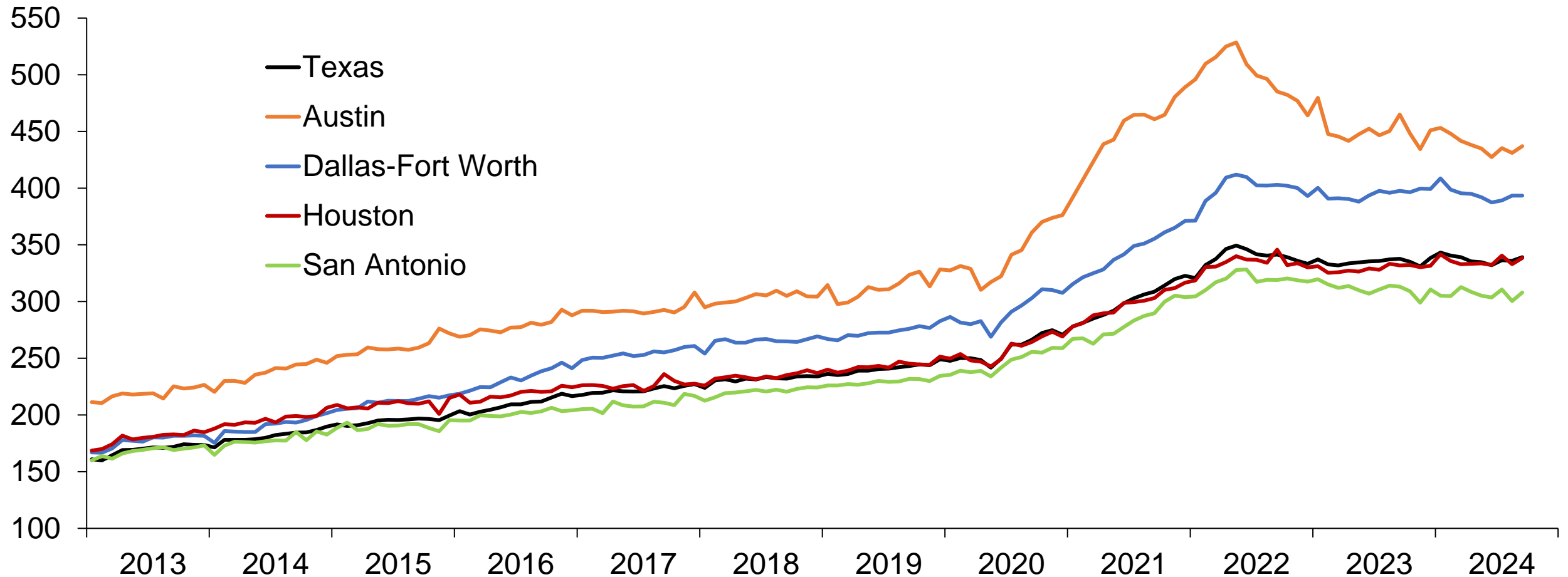
Texas home sales, permits and mortgage rates tick up



*Seasonally adjusted, three-month moving average.
NOTE: Data are monthly through September 2024 for housing permits and home sales and October 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 September

Median sales price, \$*



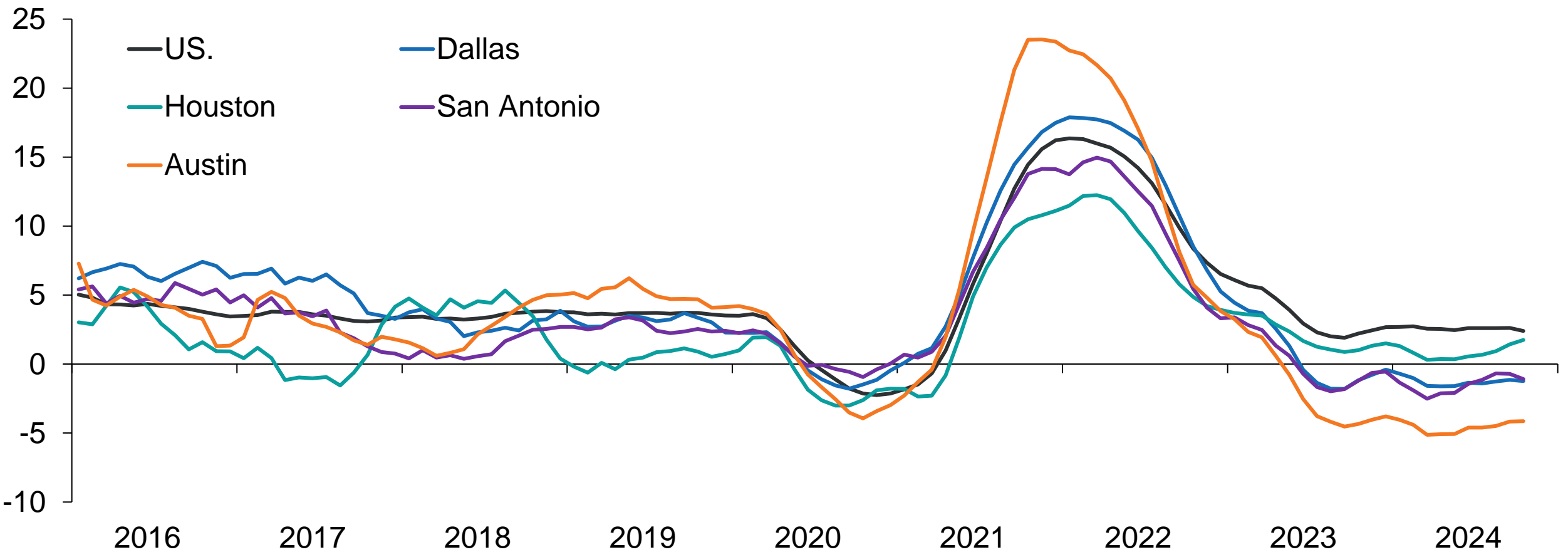
*Seasonally adjusted.

NOTE: Data are monthly through September 2024.

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

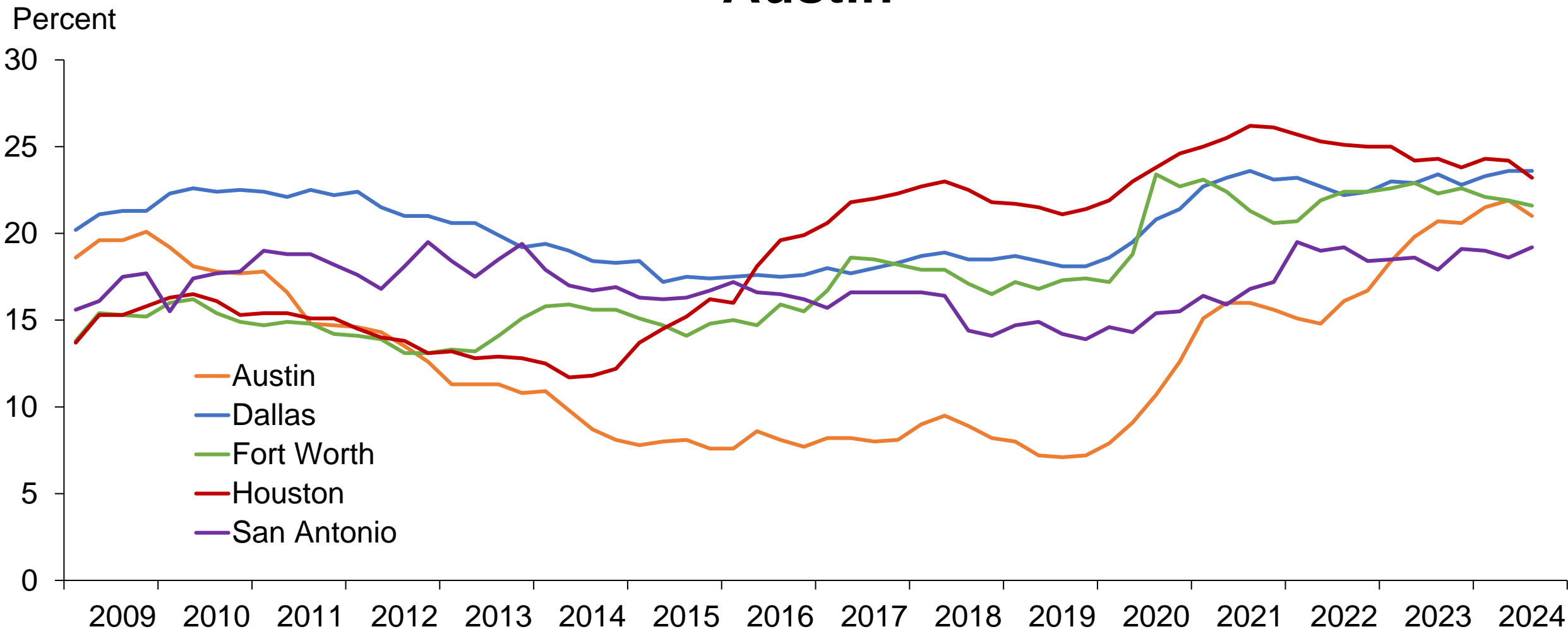
Apartment rents up in Houston

Percent, Y/Y*



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

Office vacancy ticks down in Houston, Fort Worth, and Austin

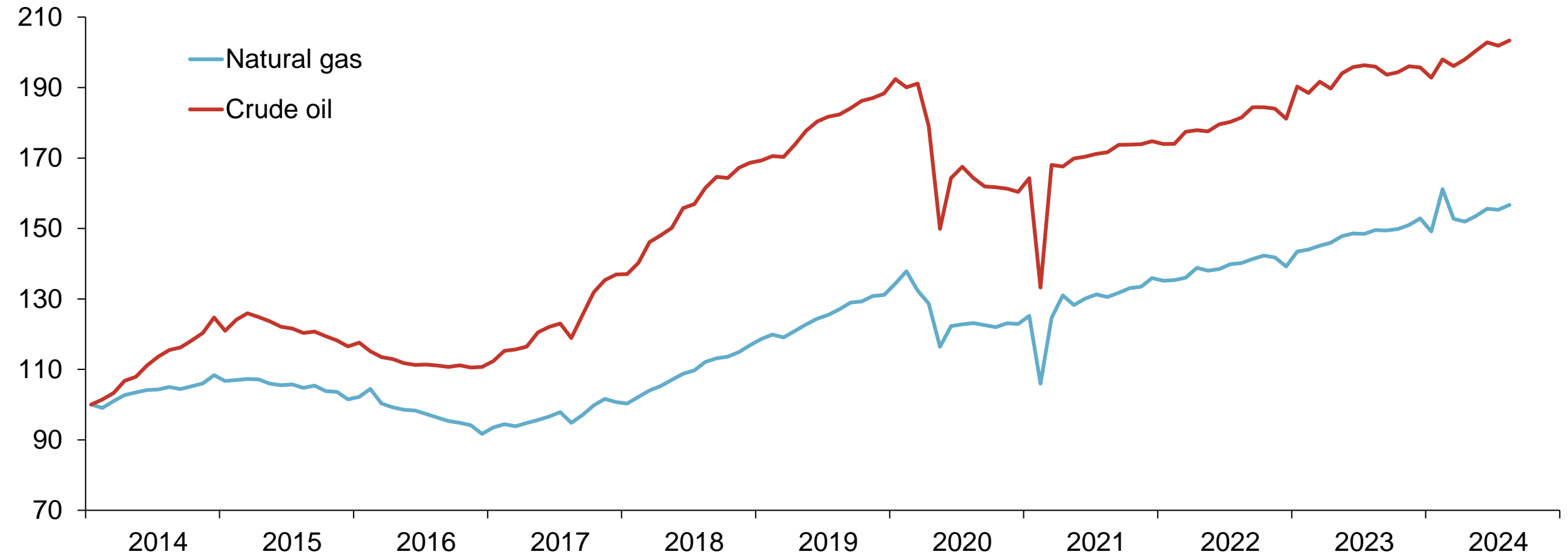


NOTE: Data through Q3 2024.

SOURCE: CBRE Econometric Advisors.

Texas oil and gas production tick up in August

Index, Jan. 2014 = 100*



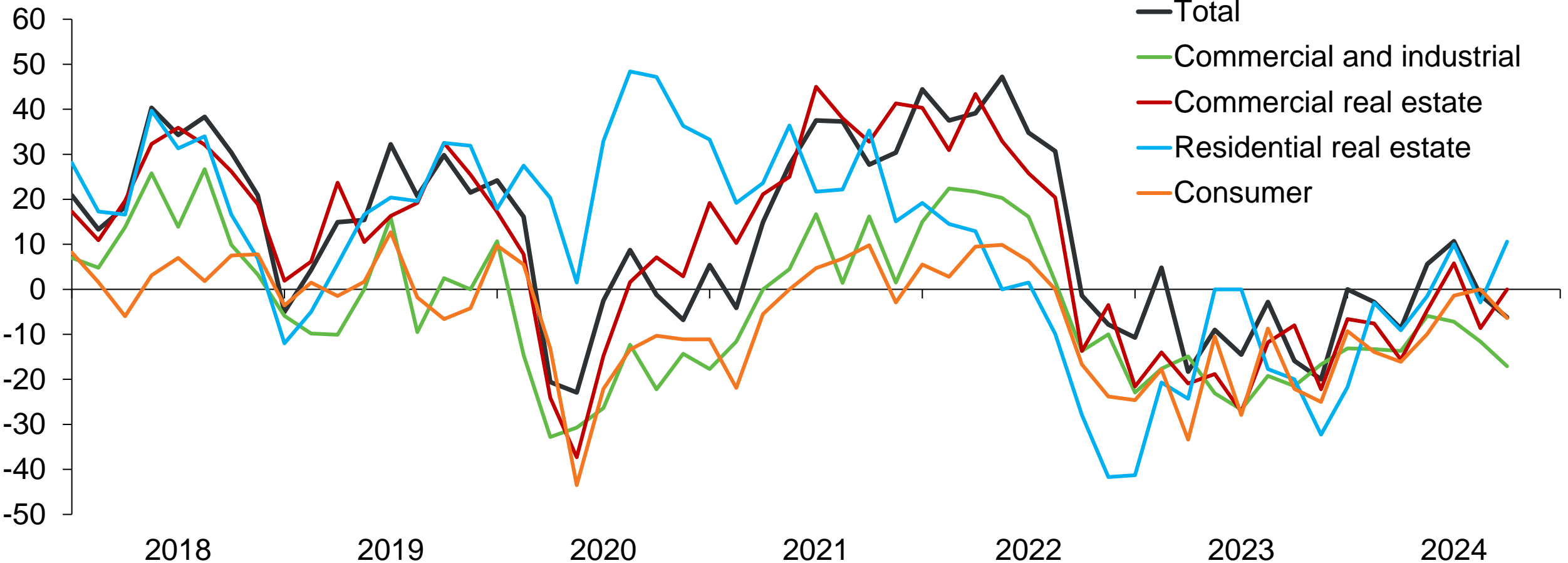
*Seasonally adjusted.

NOTES: Shown are crude oil and natural gas marketed production through August 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 11th District bankers

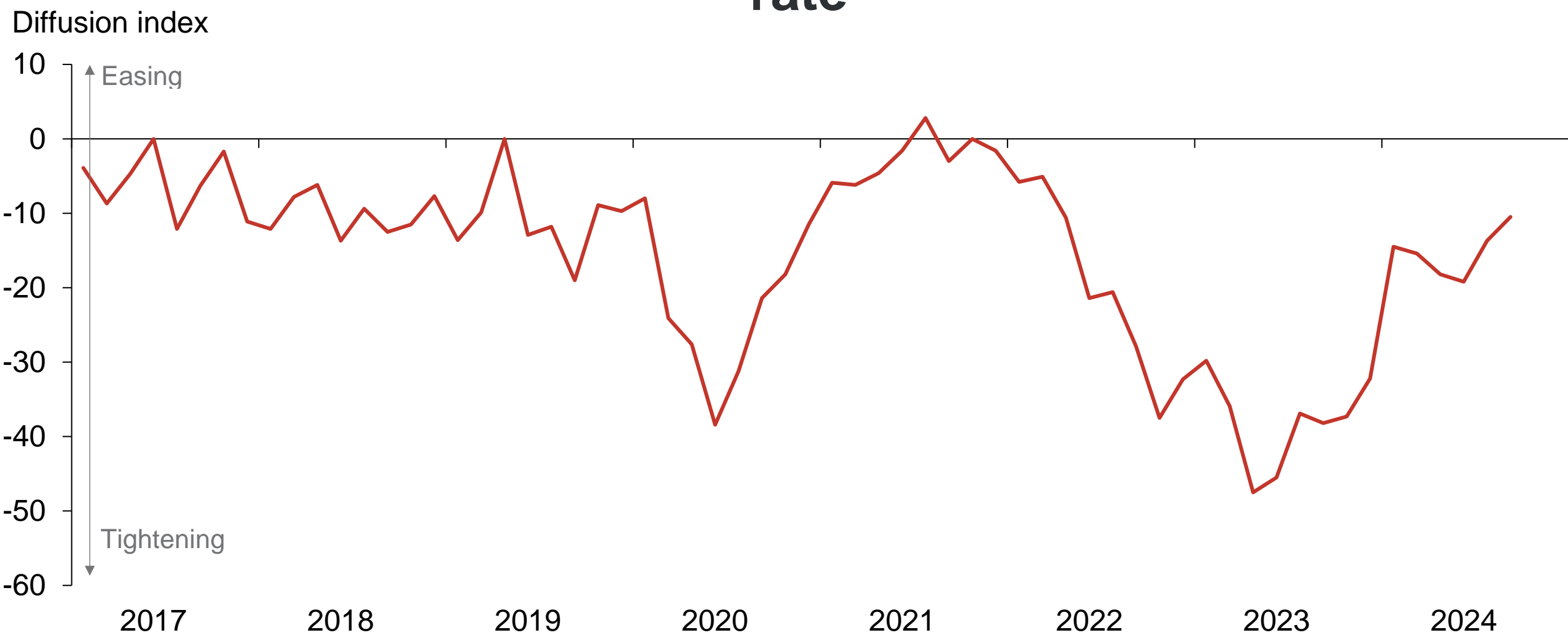
Diffusion index



NOTE: Data through October 2024.

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

Texas banks report continued tightening but at a decelerated rate

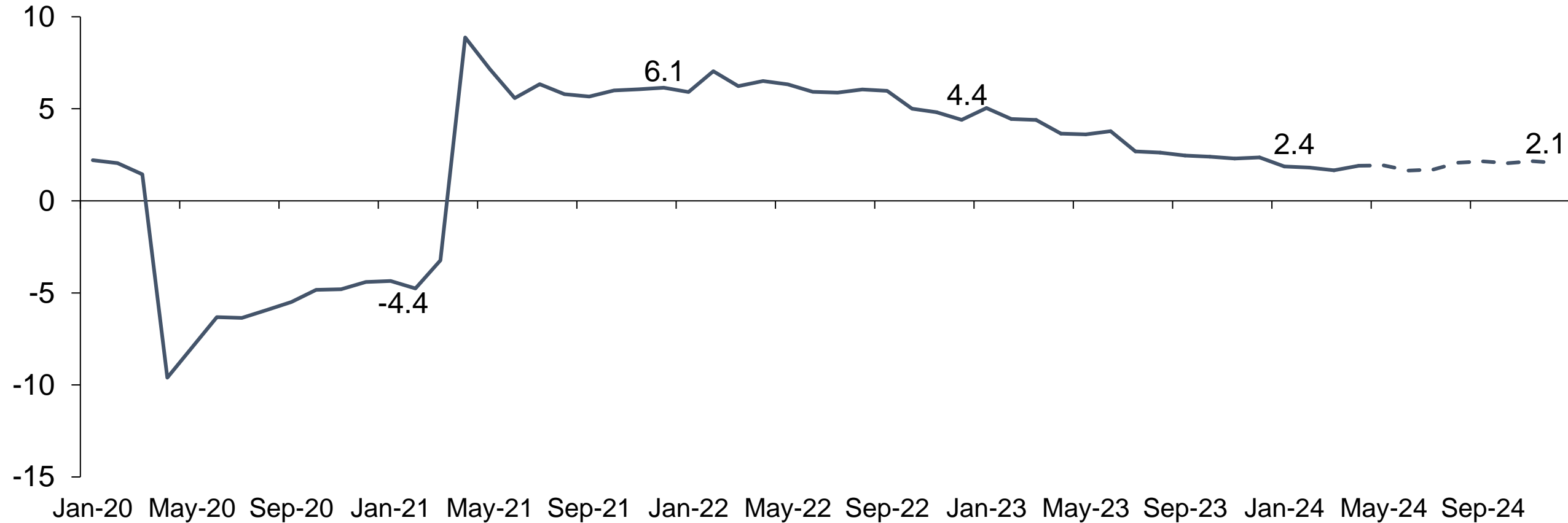


NOTES: Includes credits and terms. Data are through October 2024.
SOURCE: Federal Reserve Bank of Dallas' Banking Conditions Survey.

Outlook for 2024

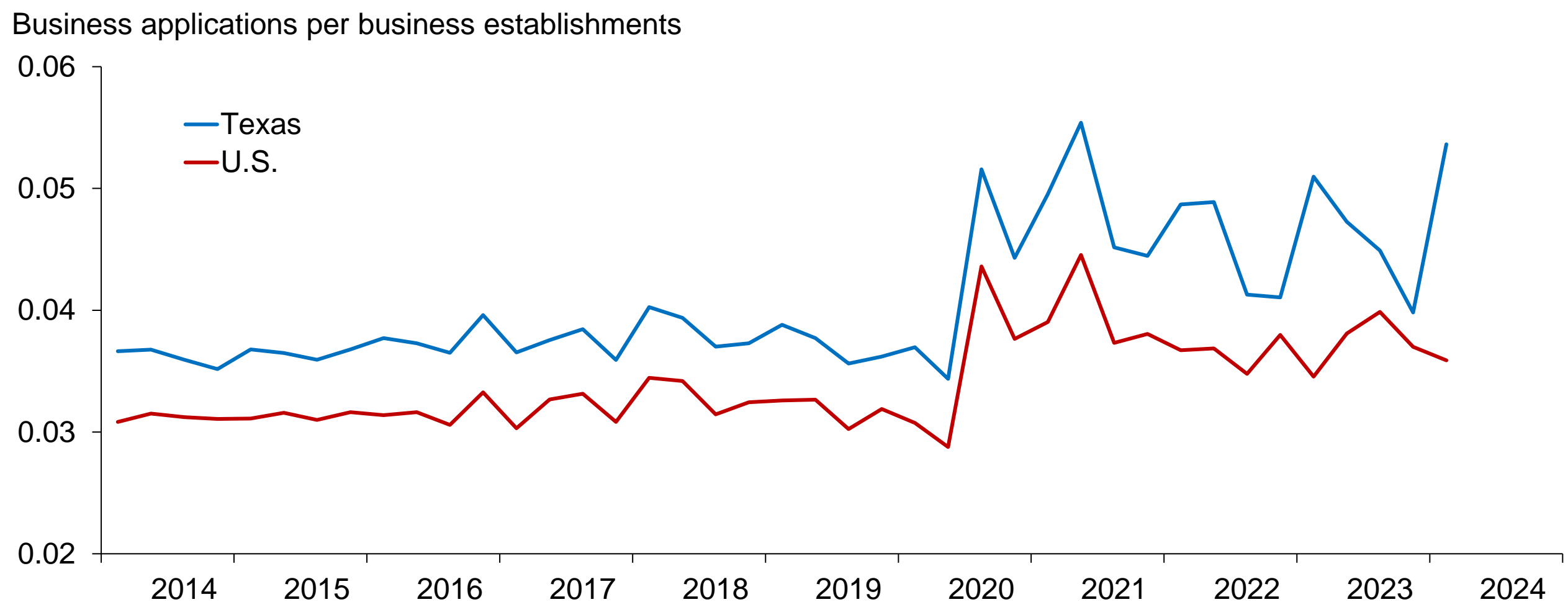
The Texas employment forecast indicates 2.1% growth in 2024, slightly above 2% long-run trend

Percent, Y/Y



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).

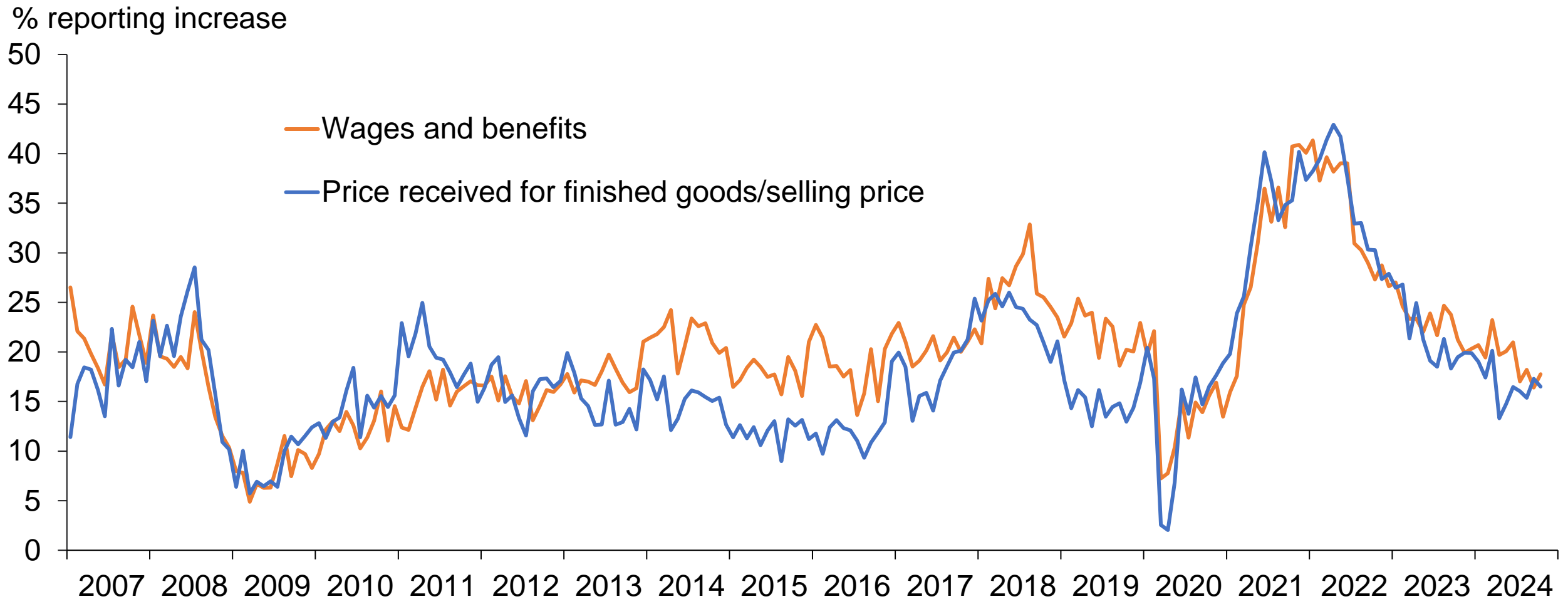
Rate of business formation in Texas rises while the nation ticks down in the beginning of the year



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 wages and prices little changed in October

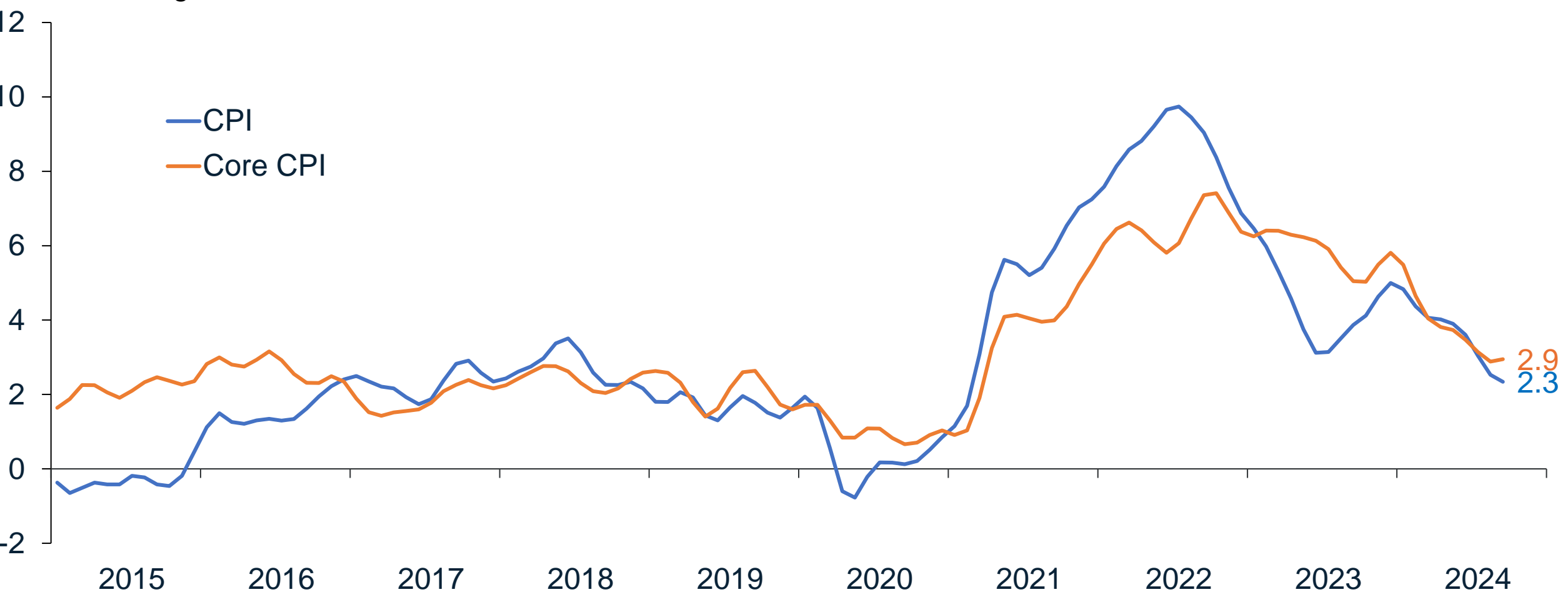


NOTES: Percent reporting increase was constructed by weighting the respective component of TMOS and TSSOS according to GDP shares. Data through October 2024.

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

Texas CPI moving in the right direction through September

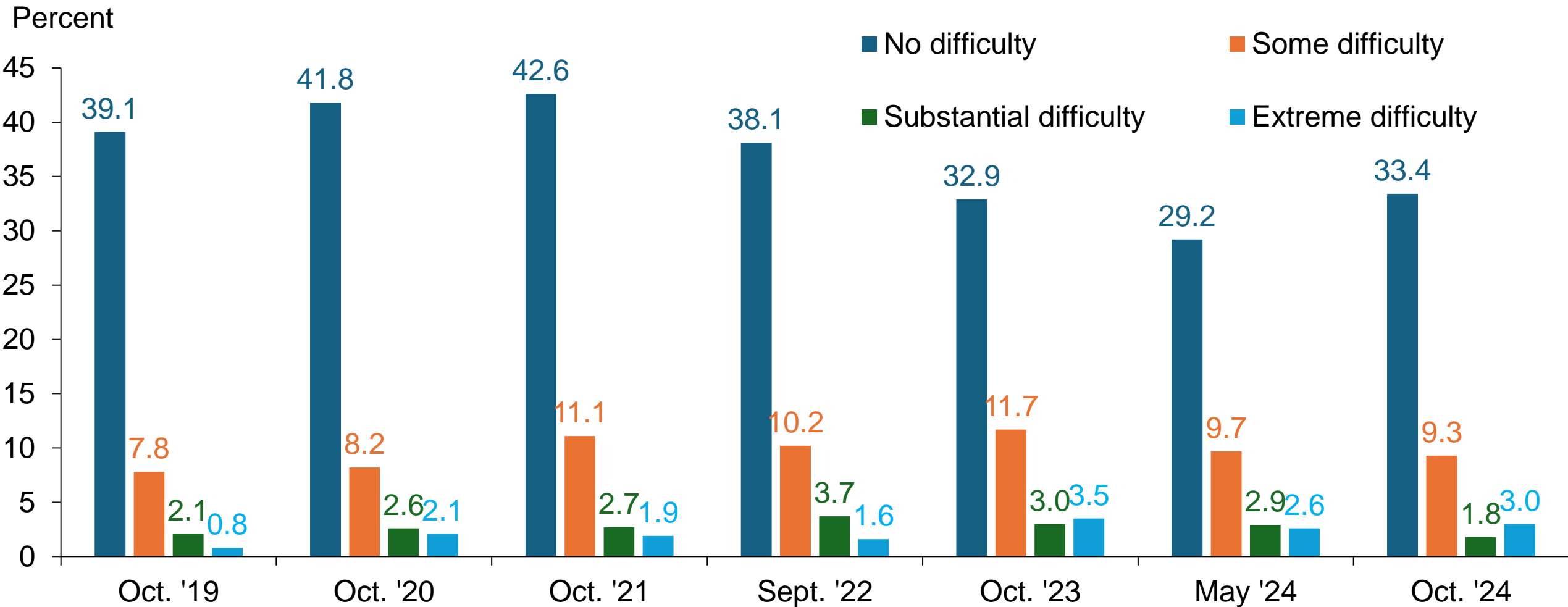
Percent change, Y/Y*



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

Survey Special Questions

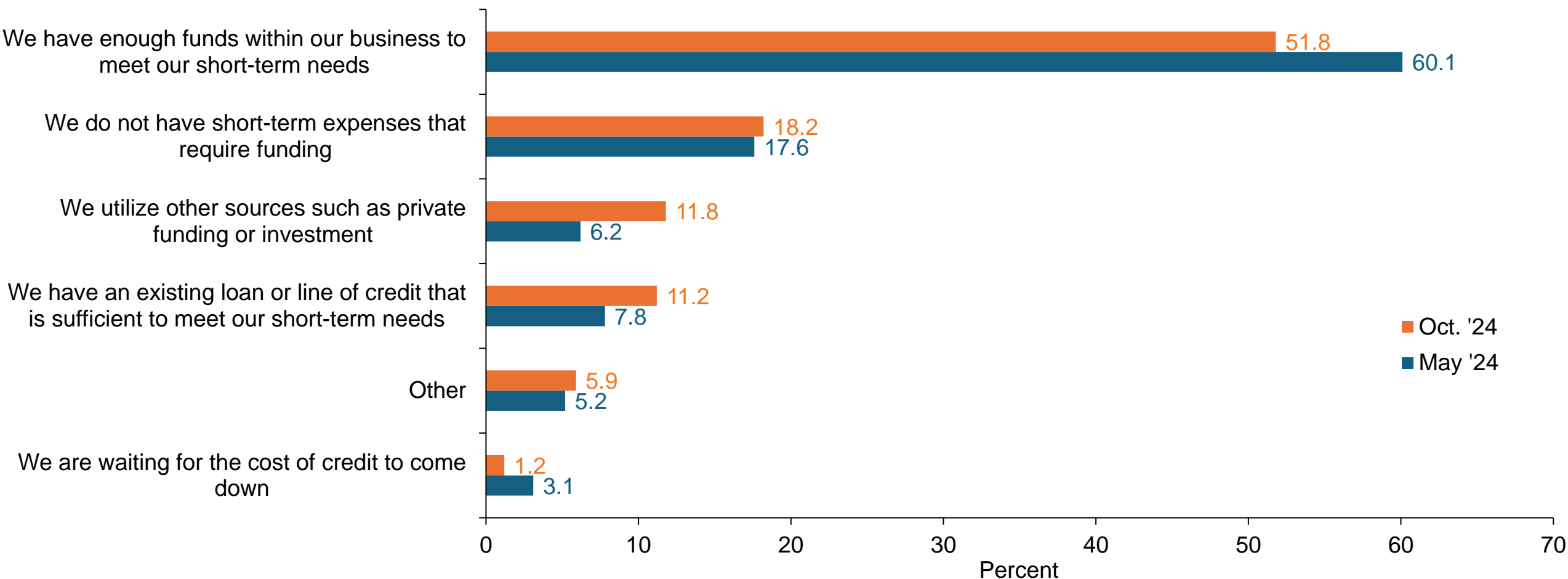
A third of Texas firms report no difficulty seeking short-term financing, up from May



NOTES: 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?" N = 332 responses in October. "Not applicable—haven't sought credit" is excluded and was 52.4 percent in October 2024.

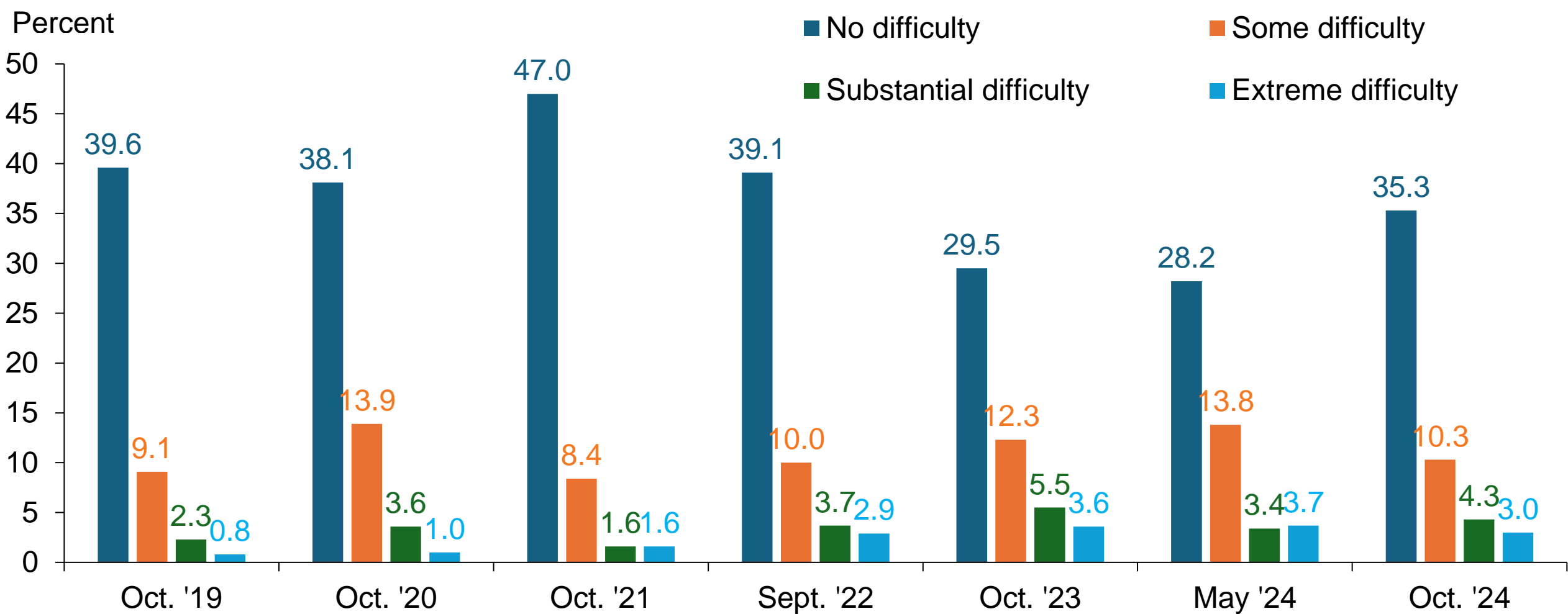
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

Half of TBOS firms who have not sought short-term credit report enough funds to meet short-term needs, down from May



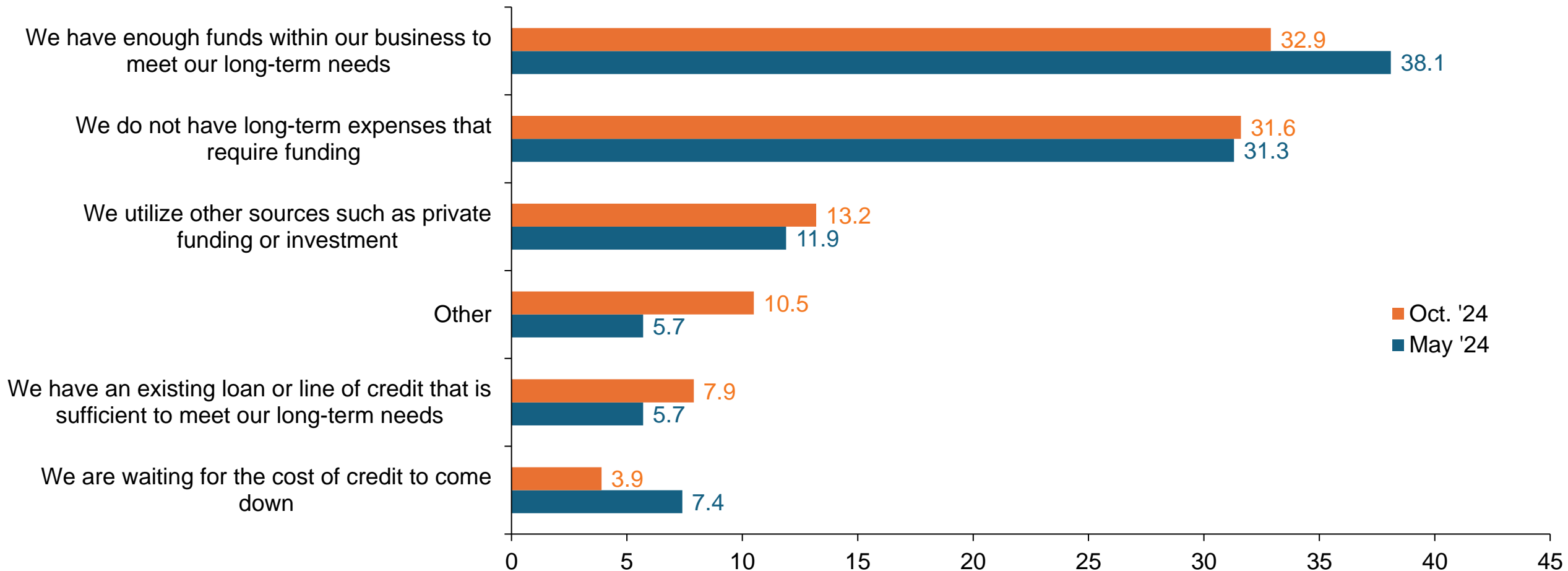
NOTES: Participants were asked, "Why has your business not sought credit for short-term use?" N = 170 responses in October. This question was only posed to those answering "Not applicable–haven't sought credit" to the previous question.
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

35 percent of Texas firms report no difficulty seeking long-term financing, up from May



NOTES: Participants were asked "To what extent is your business having difficulty obtaining financing for desired long-term uses such as capital expenditures?" N = 329 responses in October. "Not applicable—haven't sought credit" is excluded and was 47.1 percent in October 2024.
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

A third of businesses not seeking long-term credit report enough funds to meet long-term needs, down from May



NOTES: Participants were asked, "Why has your business not sought credit for long-term use?" N = 152 responses in October. This question was only posed to those answering "Not applicable—haven't sought credit" to the previous question .
SOURCE: Federal Reserve Bank of Dallas' Texas Business Outlook Surveys.

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