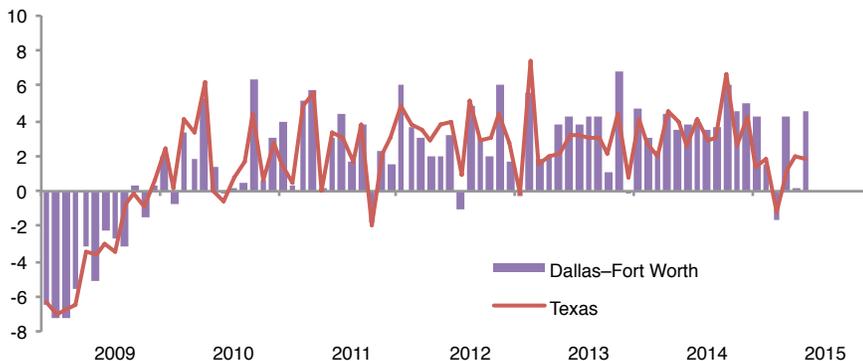


FEDERAL RESERVE BANK OF DALLAS • JULY 21, 2015

**Summary** The Dallas–Fort Worth economy expanded in June at a faster pace than in May. Year to date, DFW payrolls grew 2.2 percent, outperforming the state’s 1.2 percent rate. Home price appreciation slowed slightly, and residential construction activity remained healthy. Unemployment fell in Dallas and held steady in Fort Worth in June. Dallas Fed business-cycle indexes point to continued growth for the metroplex.

## Employment

Month/month percent change, annualized\*

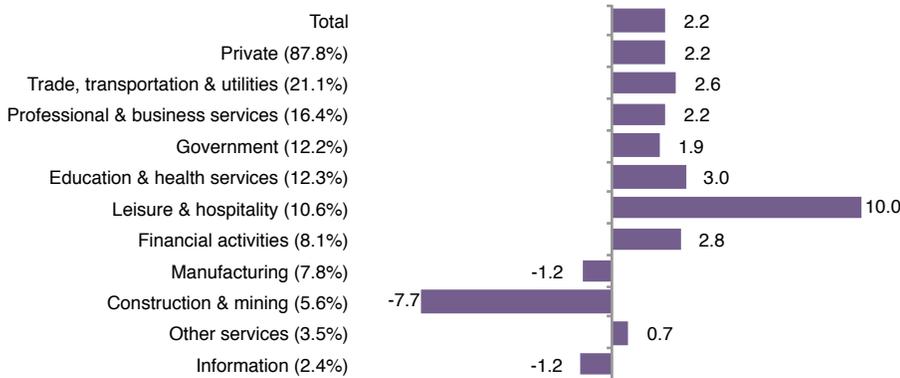


\*Seasonal and other adjustments.

► DFW employment grew at an annualized rate of 4.6 percent in June, adding 12,600 jobs. Job creation picked up, rising 3 percent (24,600 jobs) in the second quarter, compared with 1.3 percent (11,200 jobs) in the first quarter. Over the past 12 months, the metroplex has created jobs at a 3.3 percent rate, second only to Austin, which grew 3.6 percent.

► The Conference Board’s Help Wanted On-Line Index for Dallas indicated the number of new job ads fell 11.7 percent in June following a 10.1 percent increase in May. Total job ads decreased 2.8 percent in June but were up 2.4 percent year over year.

## Employment Growth by Sector

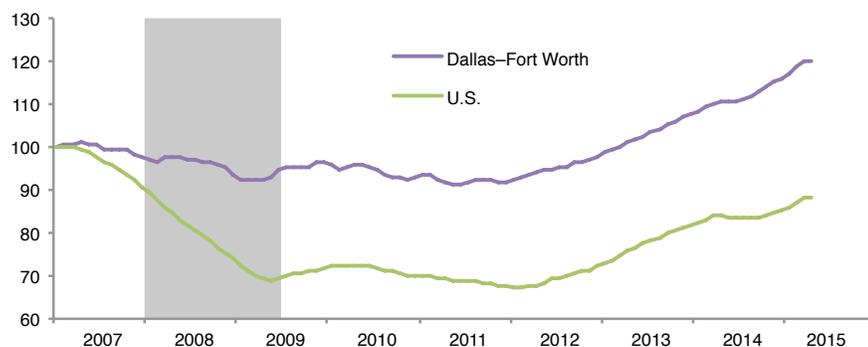


► DFW job creation in the second quarter was mixed, with the goods-producing sectors shedding jobs, while most service-providing industries saw increases. Among the service industries, the leisure and hospitality sector continued to register the fastest growth at 10 percent, followed by gains in education and health services and financial activities services. Employment in the construction and mining sector shrank notably, declining 7.7 percent (7,800 jobs). The manufacturing sector lost 1,600 jobs, and information sector jobs were reduced by 500.

NOTES: Annualized percent change, December 2014–June 2015. Numbers in parentheses are shares of total Dallas-Fort Worth nonfarm employment and may not sum to 100 due to rounding.

## Home Prices

Index, January 2007 = 100

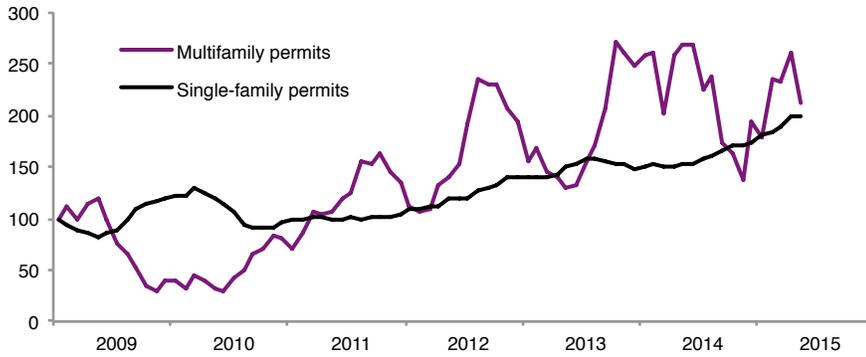


NOTE: Gray bar indicates U.S. recession.

► Home price appreciation in DFW backed off slightly in April. The S&P/Case-Shiller Home Price Index for DFW fell an annualized 1 percent in April after rising an annualized 17.1 percent in March. The composite index for the U.S., which covers 20 major metros, increased 3.6 percent in April. Year-over-year home price increases have been stronger in DFW, at 8.6 percent, than the nation at 5.4 percent.

## Residential Construction

Index, January 2009 = 100\*



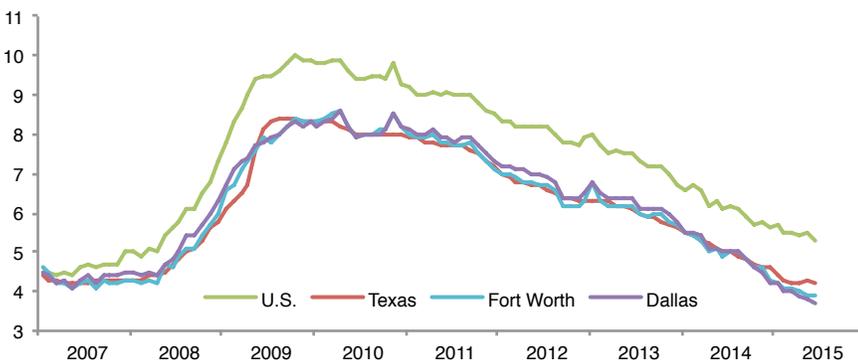
\*Five-month moving average, seasonally adjusted.

► DFW apartment construction appears to be slowing. The number of apartment permits issued in May was 828, down 42 percent from April levels. Through May, a total of 7,311 multifamily permits have been issued, down 21.7 percent from the same period last year.

► In contrast, single-family home construction has continued to increase. Year to date through May, single-family permits are up 30.5 percent over the same period last year. However, home-building activity (measured by permits issued) still remains below its prerecession peak and below levels seen in 2002 and 2003, before the onset of the housing boom.

## Unemployment Rate

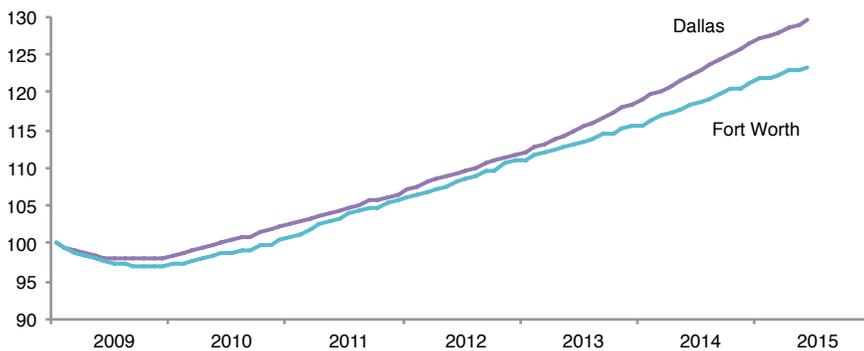
Percent, seasonally adjusted



► In June, the unemployment rate fell to 3.7 percent in Dallas and held steady at 3.9 percent in Fort Worth, while edging down to 4.2 percent in Texas. All three figures are lower than the U.S. rate of 5.3 percent. Unemployment in both Dallas and Fort Worth is below its prerecession low of 4.1 percent, suggesting a tight labor market in the metroplex. Over the past 12 months, the rate has dropped 1.3 percentage points in Dallas and 1 percentage point in Fort Worth.

## Business-Cycle Index

Index, January 2009 = 100\*



\*Monthly, seasonally adjusted.

► Overall economic growth picked up in the metroplex, according to the Dallas Fed's metro business-cycle indexes. In June, the Dallas index rose at an annualized pace of 6.5 percent, following a 3.6 percent increase in May. The Fort Worth index climbed 4.4 percent in June, following a 1.6 percent increase in May. Year over year, the indexes are up 6.1 percent in Dallas and 4.4 percent in Fort Worth thanks to continued job creation and declines in unemployment.

► The Dallas Fed produces business-cycle indexes for Texas and its major and border metros to help gauge the current state of the economy. The metro indexes are constructed using payroll employment, the unemployment rate, inflation-adjusted real wages and inflation-adjusted retail sales.

NOTE: Data may not match previously published numbers due to revisions.

SOURCES: **Employment:** Bureau of Labor Statistics' Current Employment Statistics, Texas Workforce Commission and Dallas Fed; **housing:** S&P/Case-Shiller Home Price Indexes; **residential construction:** Census Bureau; **unemployment:** Census Bureau and Dallas Fed; **business-cycle indexes:** Dallas Fed.

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