

San Antonio Economic Indicators

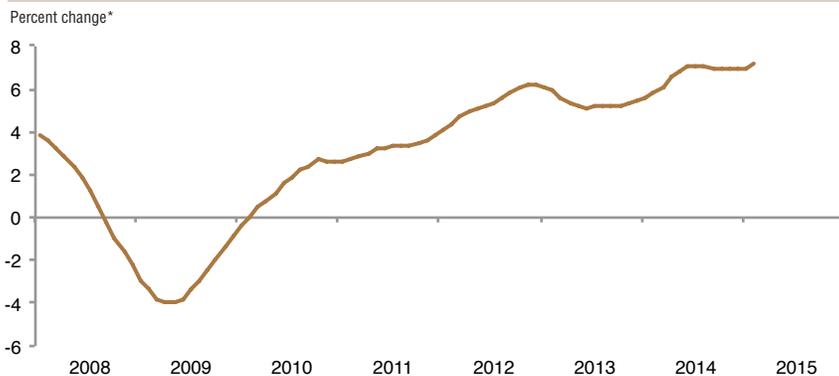
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Summary

The San Antonio economy accelerated in February. Employment grew at an annualized rate of 5.9 percent, far outpacing Texas job growth of 1.3 percent. The unemployment rate fell to 3.8 percent, its lowest level since mid-2007. Indicators of retail activity suggest continued strength. Housing affordability increased in the final quarter of 2014, and indicators point to sustained vigor in residential construction and housing.

San Antonio Business-Cycle Index



*Six-month, annualized rate.

► The San Antonio Business-Cycle Index accelerated to an annualized pace of 7.1 percent over the six months through February. Retail sales and wages, two of the less-timely components of the index, showed a substantial pickup in third quarter 2014. Combined with more recent strength in employment and declines in the unemployment rate, the index is growing at its fastest pace since 2005.

Business-Cycle Index Components

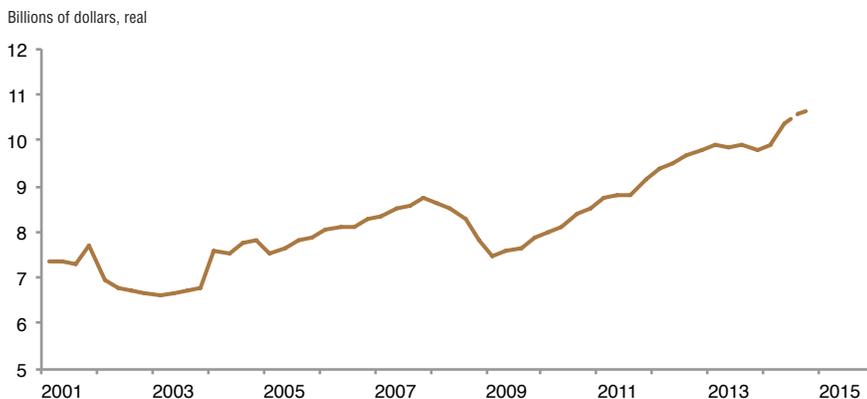
	San Antonio	Texas	U.S.
Annualized job growth (February)	5.9%	1.3%	2.5%
Unemployment rate (February)	3.8%	4.3%	5.5%
Year-over-year change in real retail sales (2014:Q3)*	7.0%	6.5%	2.8%
Year-over-year change in real wages paid (2014:Q3)*	4.6%	4.8%	2.8%

*Most recent data available.

► Measures of San Antonio economic activity picked up in February. The unemployment rate fell to 3.8 percent, its lowest level in eight years. Unemployment rates in Texas and the U.S. also fell, to 4.3 and 5.5 percent, respectively. San Antonio job growth was strong at 5.9 percent, unlike the state, which slowed to 1.3 percent. Third-quarter retail sales growth in San Antonio exceeded the state and nation, rising 7 percent year over year. Wage growth was also strong at 4.6 percent, close to state-level growth and significantly above the nation's pace.

Sales

Retail Sales

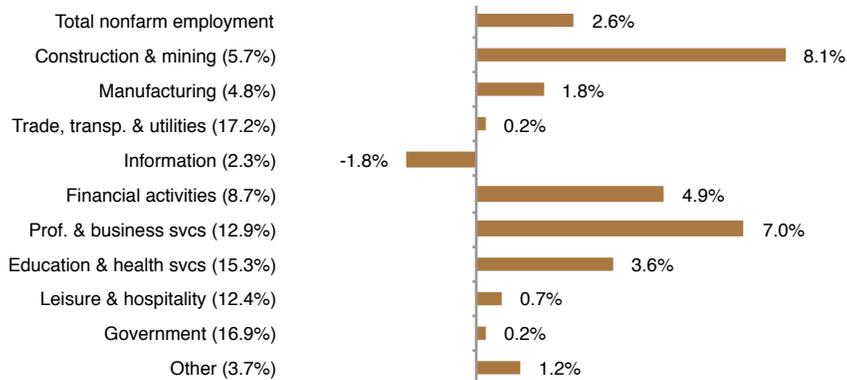


NOTE: Dashed line indicates projected values.

► San Antonio retail sales have grown significantly since the end of 2013. Third quarter 2014 data show growth at its fastest pace in nearly two years. Sales likely weakened in 2013 due to the effects of federal budget cuts rippling through the local economy. Projections based on sales tax rebates suggest that retail sales grew 9.1 percent year over year in fourth quarter 2014.

Employment

Employment Growth (December 2014–February 2015)

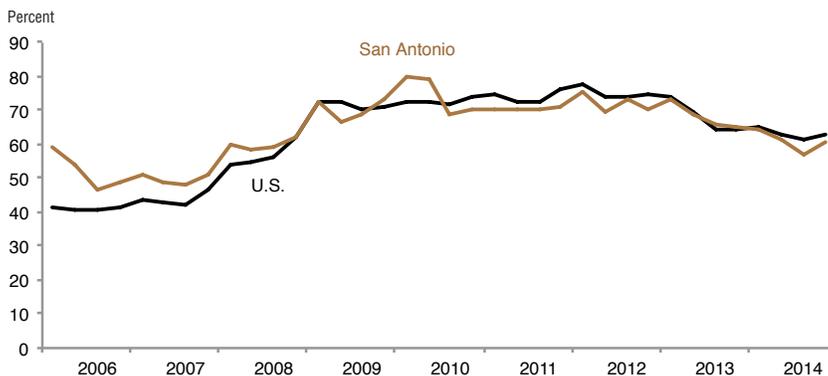


NOTES: Numbers in parentheses represent share of total employment and may not sum to 100 percent due to rounding. Job growth data are seasonally adjusted and annualized.

► San Antonio employment expanded at a 2.6 percent annualized rate over the three months ended in February. Growth was broad based, with all major sectors except information services reporting net jobs gains. Construction and mining led the sectors, with construction employment adding jobs at a 17.2 percent pace. Professional and business services also added jobs rapidly, with professional, scientific and technical services reversing recent declines to grow 6.2 percent. Financial activities employment rose steadily; finance and insurance accounted for 1,200 net new jobs over this time. Leisure and hospitality remained weak due to tepid growth in accommodation and food services.

Housing Markets

Housing Affordability



► Housing affordability ticked up in San Antonio in fourth quarter 2014. According to the National Association of Home Builders/Wells Fargo Housing Opportunity Index, 60.5 percent of homes sold were affordable to a median-income family in San Antonio. This is up from 57.2 percent in the third quarter. Recent strong home price appreciation has pushed housing affordability slightly below the national average, although it remains well above that of most other large U.S. metro areas.

Stock Index

Stock Price Indexes



► The San Antonio Stock Index grew 6.1 percent from March 10 to March 30, outperforming the S&P 500, which increased 2.1 percent. Low oil prices continued to benefit refiners, which drove most of the growth in the local index. Manufacturing and communications firms also saw a moderate increase, while financial companies' stock prices were flat over this period.

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

SOURCES: **San Antonio Business-Cycle Index:** Bureau of Labor Statistics (BLS), Texas Workforce Commission and Federal Reserve Bank of Dallas; **retail sales:** Texas Comptroller of Public Accounts and Dallas Fed; **employment:** BLS and Dallas Fed; **housing affordability:** National Association of Home Builders/Wells Fargo; **stock price indexes:** Bloomberg and Standard and Poor's.

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