

San Antonio Economic Indicators

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Summary

San Antonio economic indicators were mixed in March. Jobs contracted at a 0.9 percent annualized rate, though this was less than the 1.2 percent contraction for the state. The unemployment rate still fell to 3.7 percent due to a decline in the labor force. Housing market indicators were largely positive despite some slowing in housing starts as inventories remained low and existing-home sales rose.

San Antonio Business-Cycle Index

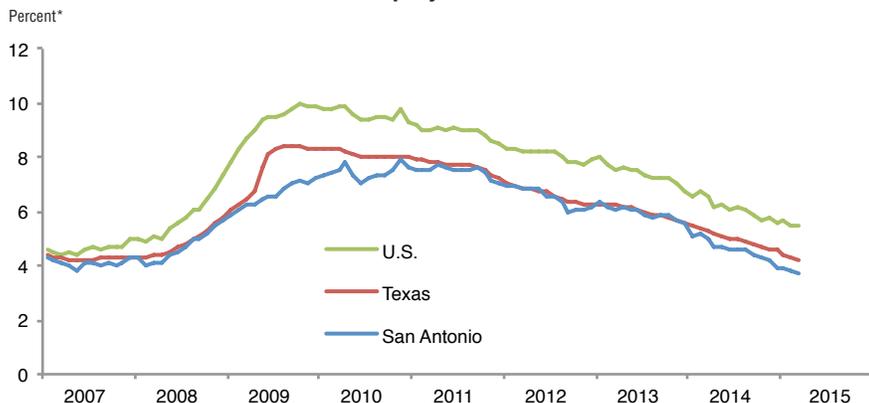


*Six-month, annualized rate.

► Growth in the San Antonio Business-Cycle Index was flat at an annualized 7 percent over the six months through March. Strong job growth and a persistently falling unemployment rate over this time have pushed growth to a near 10-year high. While the San Antonio economy has maintained much of its momentum from the end of 2014, labor market tightness and slowing growth throughout the state are likely to moderate regional economic expansion over the next six months.

Employment

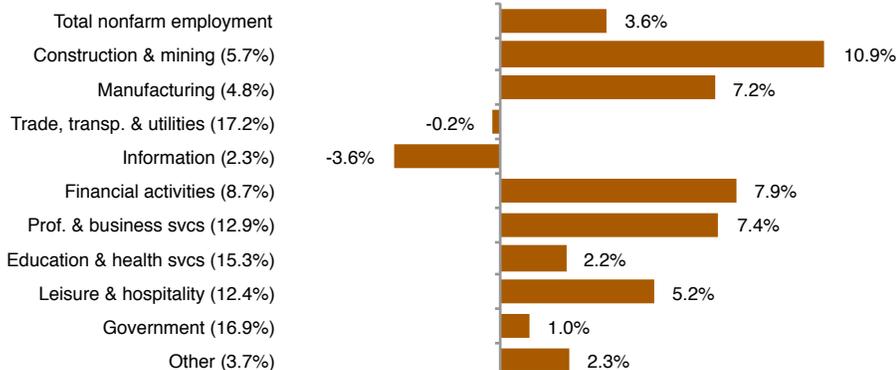
Unemployment Rate



*Seasonally adjusted.

► The San Antonio unemployment rate fell from 3.8 percent in February to 3.7 percent in March, its lowest level in 15 years. This mirrors the 0.1 percentage-point drop in the Texas rate to 4.2 percent. Despite the loss of jobs in March, an annualized 4.3 percent contraction in the labor force outpaced job losses and thus nudged the unemployment rate downward.

Employment Growth (January–March)



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 jobs grew at a 3.6 percent annualized rate over the first quarter of 2015. Growth remained broad based, with only the information and trade, transportation and utilities sectors reporting net job losses. Though construction and mining employment decelerated slightly, it continued to lead other industries with a 10.9 percent growth rate. Financial activities picked up, particularly insurance-related jobs, which grew at an 8.9 percent rate. Manufacturing increased sharply due to strong growth in jobs for nondurable goods production. Government also picked up slightly as state and local government jobs expanded 2.2 percent. Meanwhile, private education and health services weakened as health care employment growth slowed to half the 6.5 percent rate it posted in fourth quarter 2014.

Employment

Construction Employment



NOTE: Dotted portion of line indicates projected values.

► Construction employment in San Antonio has been extraordinarily strong since October of last year, growing at a 14.3 percent annualized rate. This is the fastest six-month rate since the mid-1990s. However, employment growth slowed to 10.2 percent in March, while help-wanted advertising for construction workers fell 23.5 percent, indicating that continued deceleration in construction jobs is likely. Based on help-wanted data, construction jobs are projected to grow 8.1 percent in April.

Housing Markets

Housing Starts Index



NOTES: Indexed on a three-month moving average. Data are seasonally adjusted.

► Housing starts in San Antonio declined slightly in February after trending upward since October of last year. Housing inventories remain at a low 3.7 months' supply, while inflation-adjusted median home prices rose to \$191,453, up 10.3 percent from the year prior. While new construction may continue to see some slowing, the San Antonio housing market overall looks to be in a good place moving into the second quarter.

Stock Index

Stock Price Indexes



► The San Antonio Stock Index fell 3.2 percent from April 1 to April 17, in contrast with the S&P 500, which gained 1 percent over this time. Energy company stocks were largely down, with refiners in particular acting as the largest drag on the San Antonio index. Finance firms ticked up moderately, while most retail and manufacturing firms were flat.

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; **unemployment rate:** BLS and Dallas Fed; **employment:** BLS and Dallas Fed; **housing starts:** Federal Reserve Bank of St. Louis; **stock price indexes:** Bloomberg and Standard and Poor's.

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