

San Antonio Economic Indicators

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Summary

The San Antonio economy decelerated in April. Jobs contracted at a 0.5 percent annualized rate, in contrast with 1 percent growth in Texas overall. However, job growth so far this year remains substantially stronger than in the state. The San Antonio unemployment rate was flat in April. Housing indicators continue to suggest a healthy market for building activity. Over the past year, biotech and life sciences have been sources of strength in the San Antonio economy.

San Antonio Business-Cycle Index

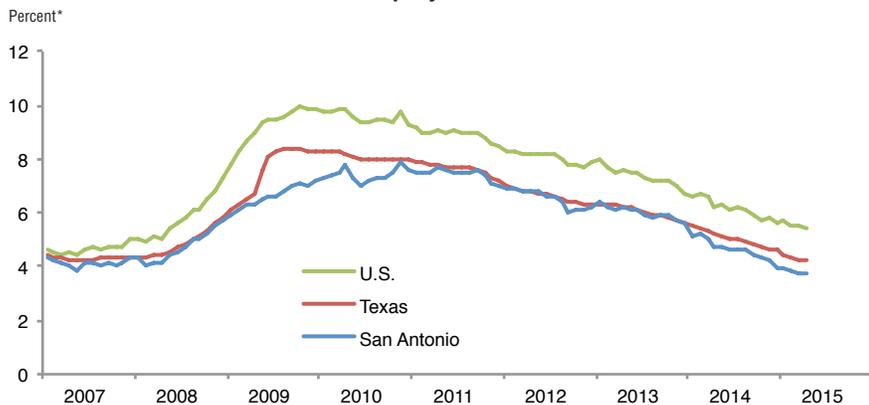


*Six-month, annualized rate.

► Growth in the San Antonio Business-Cycle Index decelerated slightly to an annualized 7.2 percent over the six months through April. While activity in recent months has been mixed, job growth over this period has averaged a robust 3 percent. At the same time, the unemployment rate has fallen 0.6 percentage points to its lowest level in over a decade.

Employment

Unemployment Rate

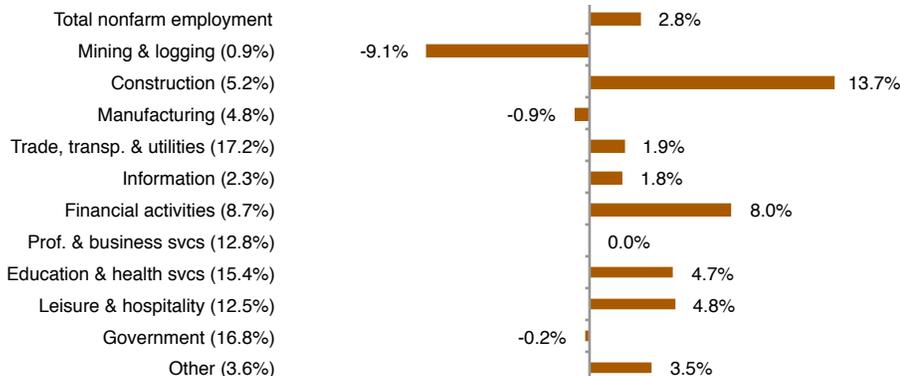


*Seasonally adjusted.

► The unemployment rate in San Antonio held steady at 3.7 percent in April, while the state rate remained at 4.2 percent. Although labor force growth was relatively flat in April, a slight decline in household job growth was not large enough to push the unemployment rate up.

► San Antonio jobs grew an annualized 2.8 percent over the three months ending in April. Growth continues to be broad-based, with most major industries adding new jobs. The notable exception is mining and logging, which has contracted sharply in recent months due to a slowdown in the Eagle Ford Shale. While construction has further decelerated, it remains the fastest-growing industry in San Antonio. Financial activities expanded, with employment growth in real estate picking up sharply to 5 percent. Trade, transportation and utilities employment was somewhat weak as retail trade jobs grew a modest 1.5 percent. Professional and business services, one of the faster-growing industries in prior months, slowed sharply due to a pullback in scientific and technical services employment. Manufacturing and government contracted slightly over this period as well.

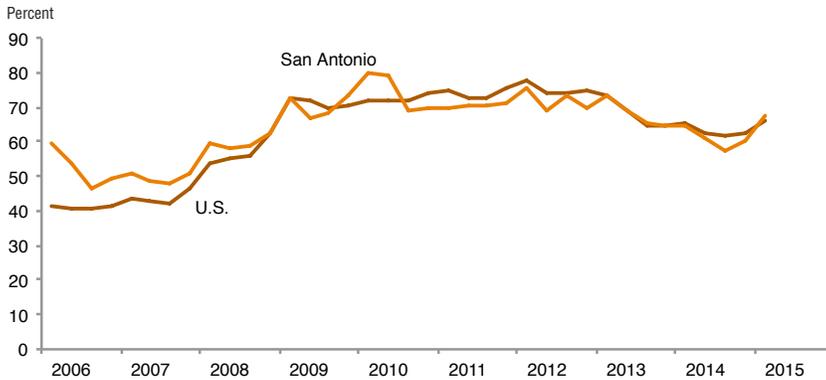
Employment Growth (February–April)



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.

Housing Markets

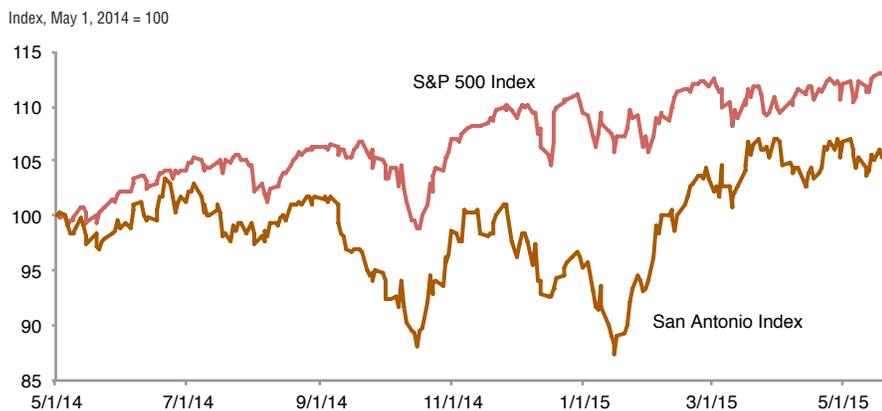
Housing Affordability



► Housing affordability increased in San Antonio in the first quarter. The NAHB/Wells Fargo Housing Opportunity Index, which measures the percentage of homes sold that are affordable to a median-income family, rose to 67.8 percent. This has been driven by increases in median income; housing prices have been largely stable since peaking in early 2015. This income growth pushed affordability above the national average for the first time since 2013. Along with continued growth in housing permits and home sales, this suggests San Antonio housing markets are in good shape for the near future.

Stock Index

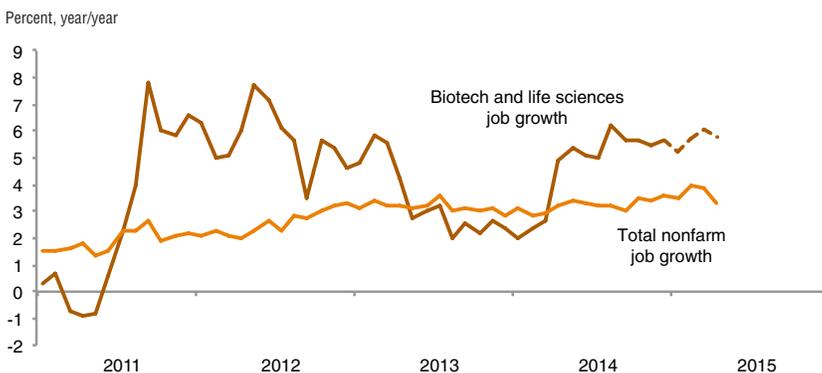
Stock Price Indexes



► The San Antonio Stock Index grew 1.6 percent from April 20 to May 22, comparable to the 1.2 percent gain in the S&P 500 over this time. Financial firms drove most of this growth. Energy and communication company stocks were mixed, with larger firms generally up and smaller ones flat or down. Manufacturers continued to weaken, while retail firms were flat overall.

Biotechnology Industry

Biotech and Life Sciences Employment



NOTE: Dotted portion of line indicates projected growth based on broader industry data.

► Employment in biotechnology and life sciences outpaced overall San Antonio job growth in 2014. Biotech and life sciences employment—which includes medical instrument and pharmaceutical manufacturing, laboratory services, and scientific research and development—has generally been a strong area of growth in San Antonio. While 2013 was a weak year, likely due to cuts in federal grants and funding to research institutions, 2014 saw a strong rebound in growth. While detailed employment data are available only through the end of 2014, changes in broader industry categories suggest growth has remained strong this year through April.

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 (TWC) and Dallas Fed; **unemployment rate:** BLS 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; **biotech and life sciences employment:** TWC, BLS and Dallas Fed.

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