

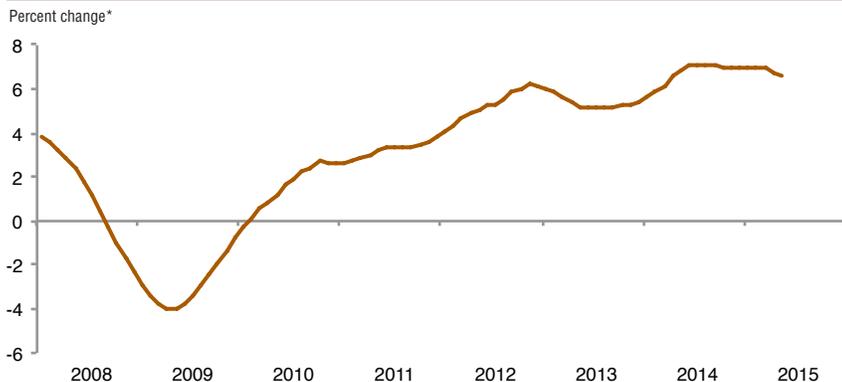
San Antonio Economic Indicators

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Summary Economic activity in San Antonio picked up in May. Jobs grew at an annualized 2.9 percent, slightly higher than the state's 2.1 percent. The unemployment rate fell to a post-recession low of 3.6 percent. Many of San Antonio's key industries such as biotech, government and tourism have improved so far this year. As a result, despite some weaknesses stemming from slowing Eagle Ford Shale activity and the strong U.S. dollar, year-to-date job growth in San Antonio is 1.5 percentage points above that of Texas.

Business-Cycle Index



*Six-month, annualized rate.

► The San Antonio Business-Cycle Index decelerated slightly to a 6.7 percent annualized pace from December through May. Job growth over this period slowed below its 3.6 percent pace in 2014. The unemployment rate has continued its decline, however, falling 0.6 percentage points since November to its lowest rate since the late 1990s.

Business-Cycle Index Components

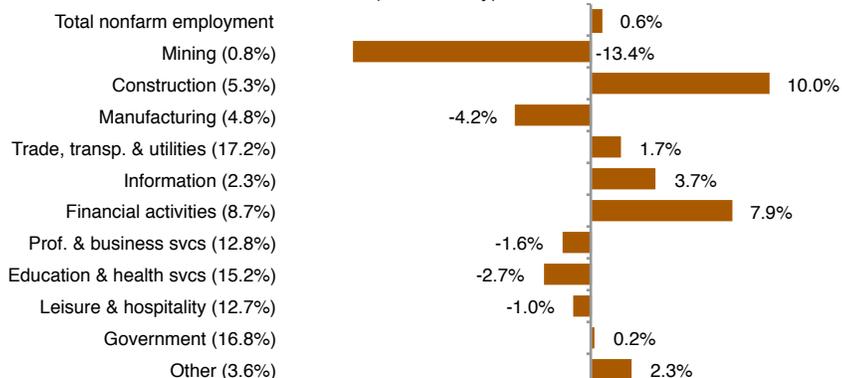
	San Antonio	Texas	U.S.
Annualized job growth (May)	2.9%	2.1%	2.4%
Unemployment rate (May)	3.6%	4.3%	5.5%
Year-over-year change in real retail sales (2014:Q4)*	3.5%	5.2%	3.0%
Year-over-year change in real wages paid (2014:Q4)*	6.4%	6.8%	4.1%

*Most recent data available.

► Measures of San Antonio economic activity picked up in May. The unemployment rate fell once again to a very low 3.6 percent, while rates in Texas and the U.S. ticked up to 4.3 and 5.5 percent, respectively. Job growth accelerated in San Antonio to an annualized 2.9 percent after sluggishness in the prior two months. The most timely data available for real wages paid in San Antonio point toward good growth, just slightly below the state's rapid pace of 6.8 percent year over year. Retail sales growth in the metro area was more modest, possibly due to the strength of the dollar dampening international spending and tourism.

Employment

Employment Growth (March–May)

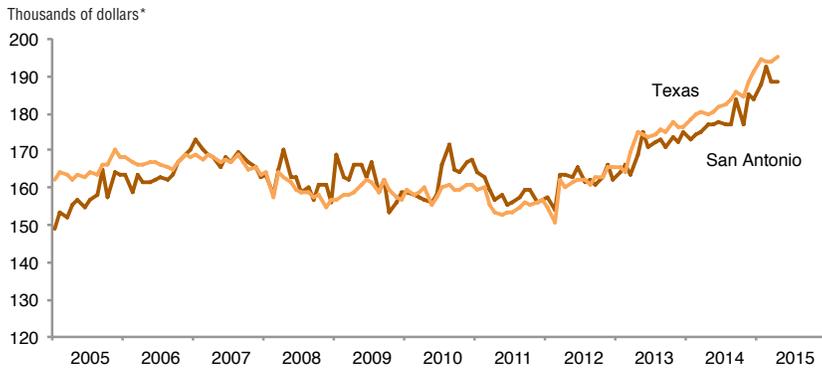


NOTES: Numbers in parentheses represent share of total employment and may not sum to 100 percent due to rounding. Job growth data are seasonally adjusted and annualized.

► San Antonio jobs grew at a tepid 0.6 percent annualized rate over the three months ending in May. Growth was mixed across industries. Construction continued to lead overall employment gains, adding 1,200 jobs. Financial activities employment also remained strong, with insurance-related employment growing at an 8.8 percent rate. Leisure and hospitality employment declined slightly over this period, although year to date it picked up by 6.1 percent. Education and health services employment declined, driven by a drop in private education and social services. Manufacturing employment dipped, particularly durable goods manufacturing, as a strong U.S. dollar likely dampened local exports. Mining continued its sharp decline as a result of slowing activity in the Eagle Ford Shale.

Housing Markets

Median Home Prices

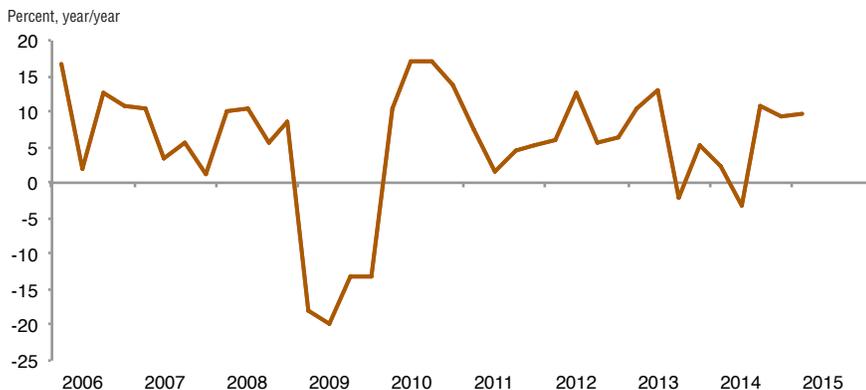


*Seasonally adjusted, real.

► Inflation-adjusted median home prices in San Antonio increased 2.3 percent year to date through April, closely following the 2.2 percent rise in prices statewide. Total existing home sales reached an all-time high in May, while inventories remained at a low 3.7 months' supply for the fourth consecutive month. The low inventory of homes and a 5.7 percent increase in construction help-wanted advertising in May suggest continued strength in home construction in the months ahead.

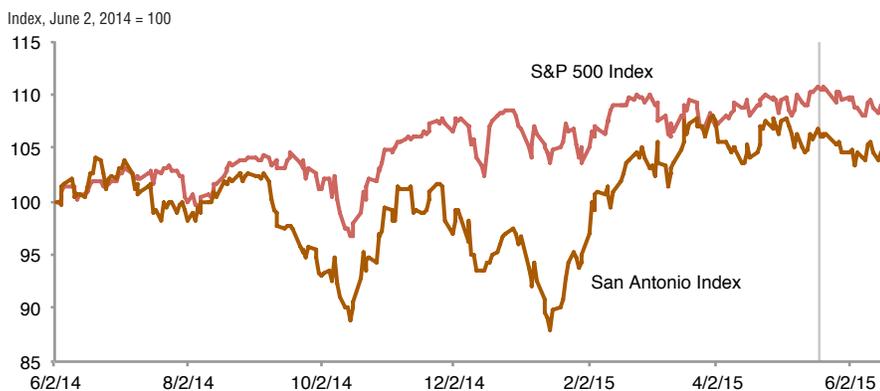
Hospitality

Change in Quarterly Hotel Receipts



► Tourism and hospitality in San Antonio has remained strong for the year thus far. Total receipts from hotels and lodging establishments increased by 9.2 percent year over year in the first quarter of 2015. This increase has likely spurred the recent additional hiring in accommodation services, which increased by an annualized 11.3 percent over the three months ending in May. This increase in tourism activity may be a reflection of the increased consumer spending resulting from lower energy prices, which have freed up more income for vacationing and business travel.

Stock Index



NOTE: Lines denote period from May 18, 2015 to June 19, 2015.

► The San Antonio Stock Index fell by 0.4 percent from May 18 to June 19, similar to the 0.6 percent decline in the S&P 500 over this time. Performance amongst energy firms was mixed, as some energy production companies recovered modestly from prior weakness while larger refiners' share prices remained flat or declined. Financial, communication and marketing firms picked up moderately, while retail firms declined slightly.

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 Dallas Fed; **employment:** BLS and Dallas Fed; **housing:** Multiple Listing Service; **hotel receipts:** Texas Comptroller of Public Accounts; **stock price indexes:** Bloomberg and Standard and Poor's.

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