

San Antonio Economic Indicators

DALLAS FED

FEDERAL RESERVE BANK OF DALLAS • MARCH 31, 2016

Summary The San Antonio economy expanded at a moderate pace in February. Growth in the San Antonio Business-Cycle Index decelerated but continued above trend. While employment contracted slightly in February, year-to-date job growth remains above last year's pace of 2.7 percent. The unemployment rate held steady at a low level, indicating that chronic labor market tightness in the region has abated little.

San Antonio Business-Cycle Index

Percent change, month/month*



*Seasonally adjusted, annualized rate.

SOURCE: Dallas Fed.

► Growth in the San Antonio Business-Cycle Index slipped to a 4.7 percent annualized rate in February after ticking up last month to 5.3 percent. This was the slowest month of index growth since early 2013. February's negative job growth was a notable drag. Over the past 12 months, declines in the unemployment rate and strong retail sales and wage data sustained above-average growth in the index.

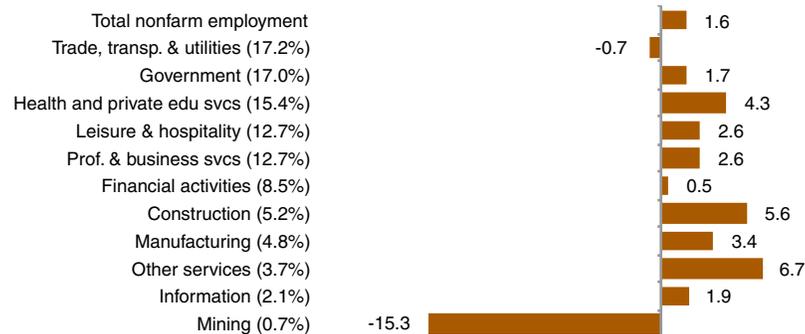
Business-Cycle Index Components

	San Antonio	Texas	U.S.
Annualized job growth (February)	-0.5%	0.4%	2.0%
Unemployment rate (February)	3.6%	4.4%	4.9%
Year-over-year change in retail sales (2015:Q3)*	2.4%	-2.7%	2.1%
Year-over-year change in real wages paid (2015:Q3)*	5.8%	3.4%	4.6%

► Indicators of the San Antonio economy were somewhat mixed in February. Negative job growth contrasted with weakly positive growth for the state and strong growth for the nation. Nevertheless local labor markets remain tight, as indicated by the low unemployment rate of 3.6 percent, the lowest reading in the postrecession period. The most recent data available on real retail sales and wages paid for San Antonio show continued strength in the third quarter of last year, bettering state and national data over the same period.

*Most recent data available for San Antonio.

Employment Growth



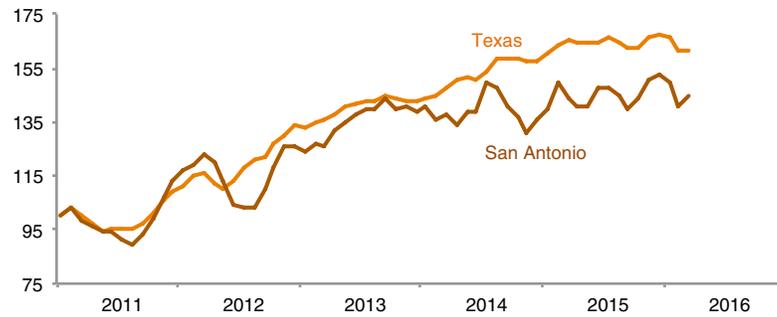
► Job growth in San Antonio slowed to 1.6 percent over the three months ending in February. Growth continued to be broad based, and many large sectors such as health care, leisure and hospitality, and government continued to grow at a moderate pace. Construction hiring remained strong, and a rise in help-wanted advertising for construction positions in January and February suggests more growth ahead in this sector. Manufacturing employment continued to pick up steam and grew at a brisk pace, driven by a sharp rise in durable-goods manufacturing. Retail trade jobs remained weak and served as a drag on growth in the trade, transportation and utilities sector. Mining continued its precipitous decline in February, with the sector posting its sharpest monthly drop since the middle of 2015.

NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for December 2015-February 2016. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

Single-Family Housing Permits

Index, fourth quarter 2010 = 100

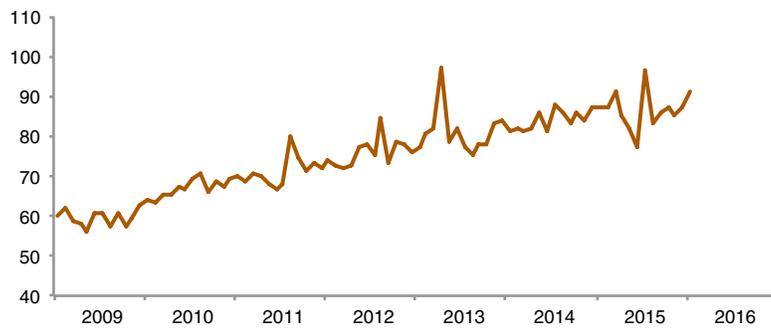


NOTES: Indexed on a three-month moving average. Data are seasonally adjusted.
SOURCES: Census Bureau; adjustments by the Dallas Fed.

► Permits for single-family housing construction rose in the beginning of the year after seeing significant volatility in the second half of 2015. Overall, residential real estate activity was slightly slower in San Antonio than the state, with a 3.7 percent rise in permits year over year in 2015 versus 5.7 percent for Texas. However, February existing-home sales were strong, and housing inventories dipped to an 11-month low of 3.7 months, indicating continued strong demand in the region.

Monthly Hotel Receipts

Millions of dollars, seasonally adjusted

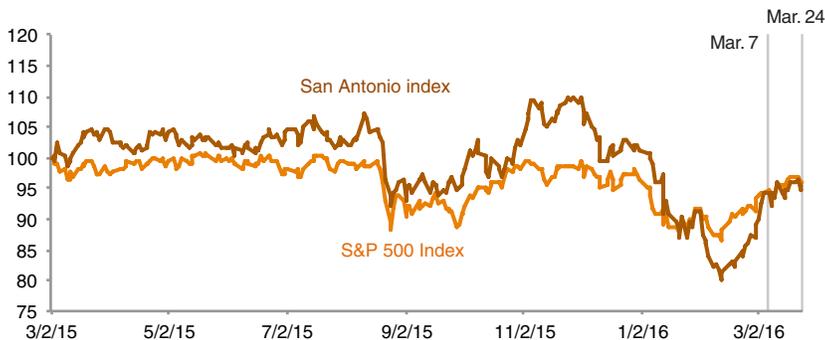


SOURCE: Texas Comptroller of Public Accounts.

► Growth in tourism and hospitality activity picked up in the beginning of 2016. Receipts from hotel and lodging establishments were up 4.4 percent year over year in January, outpacing last year's overall growth rate of 2.6 percent. Relatively mild weather and low gasoline prices likely contributed to this uptick.

Stock Indexes

Index, March 2, 2015 = 100



SOURCES: Bloomberg; Standard and Poor's.

► The San Antonio Stock Index increased a modest 1.2 percent from March 7 to March 24, slightly underperforming the S&P 500's 1.7 percent growth over the same time. Large communications-related companies were a significant driver of growth in this period. Stock prices of local energy companies have been generally flat, as have those of manufacturing and retail firms.

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

Questions regarding *San Antonio Economic Indicators* can be addressed to Christopher Slijk at christopher.slijk@dal.frb.org.