

San Antonio Economic Indicators

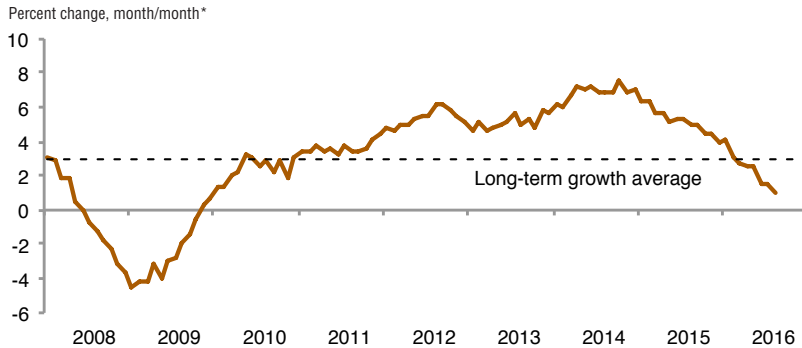
DALLAS FED

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Summary

San Antonio economic activity decelerated sharply in August. The San Antonio Business-Cycle Index slowed significantly due to continued weak job growth and a greater uptick in the unemployment rate. A notable downward shift in the pace of growth in the summer suggests that while economic growth in San Antonio will likely remain positive, it will be significantly weaker this year compared with last.

San Antonio Business-Cycle Index

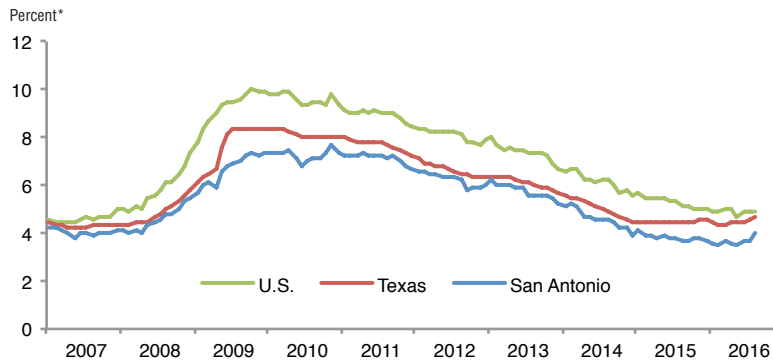


*Seasonally adjusted, annualized rate.
SOURCE: Dallas Fed.

► Growth in the San Antonio Business-Cycle Index decelerated to a 1.0 percent annualized rate in August, down from 1.6 percent in July. This is the slowest rate of expansion since the beginning of the economic recovery at the end of 2009. While this suggests that economic expansion will be significantly slower this year than last, forward-looking indicators such as help-wanted advertising do not suggest job declines for the year.

Employment

Unemployment Rate

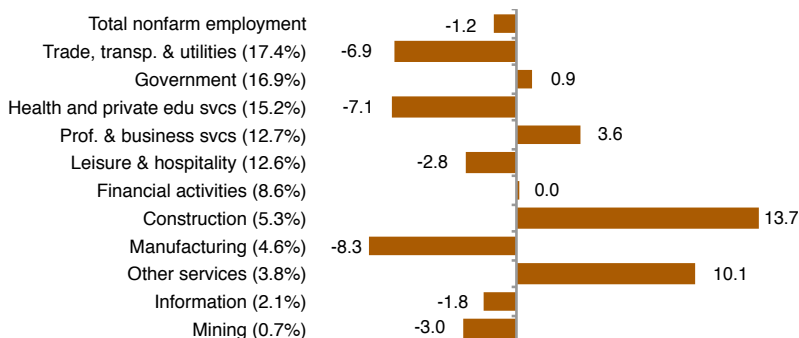


*Seasonally adjusted.
SOURCE: Bureau of Labor Statistics.

► The San Antonio unemployment rate ticked up to 4.0 percent in August from 3.7 percent in July. The U.S. rate held steady at 4.9 percent while the state rate edged up to 4.7 percent. The sharp increase in San Antonio's jobless rate stems from a surge in labor force growth, which rose by 8.5 percent.

► Job growth in San Antonio declined at a 1.2 percent annualized rate over the three months through August. Manufacturing and retail jobs continued to decline, while a sharp drop in outpatient health care services employment led overall declines in health and private education services. Construction continued to grow strongly, while continued demand for auto repair services in the wake of spring hailstorms likely played a role in the sharp rise in other services employment. Professional and business services hiring has improved, while government has slowed slightly but is still holding close to its five-year average of 1 percent. Help-wanted advertising has slipped in recent months but remains at a high level, suggesting that labor demand remains strong.

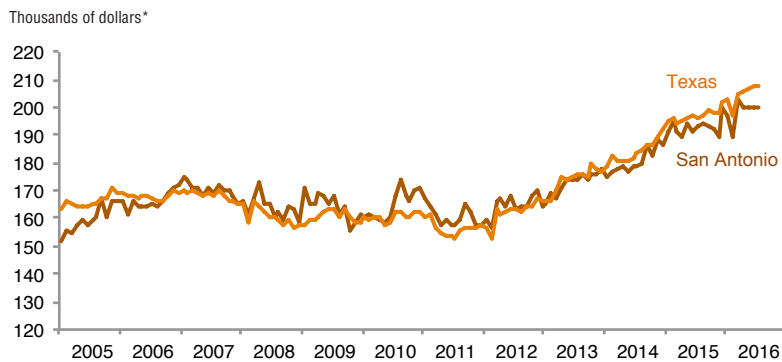
Employment Growth by Sector



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

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

Median Home Prices

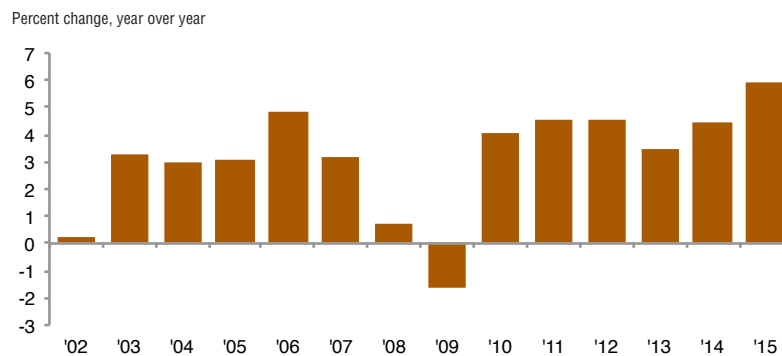


*Seasonally adjusted, real.

SOURCE: Multiple Listing Service.

► The median San Antonio home price was \$199,830 in July, with median home prices holding steady at just under \$200,000 since March. San Antonio home prices have been slower to appreciate this year than prices across the state and have increased 3.2 percent year to date compared with Texas' 6.0 percent. However, home inventories remain tight at 3.6 months' supply, well below the six months' supply that is typically associated with a balanced market. Strong growth in construction employment and permits for new single-family home construction suggest that the San Antonio residential real estate markets remain healthy.

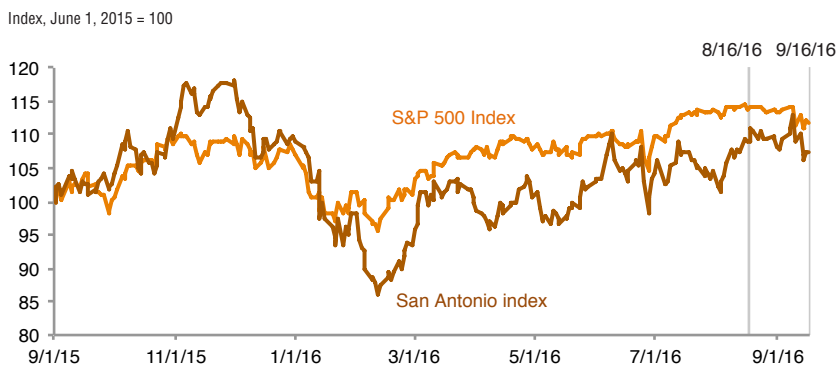
Metro Gross Domestic Product



SOURCE: Bureau of Economic Analysis.

► Recently released data for San Antonio's 2015 gross domestic product (GDP) show a significant pickup in output. Inflation-adjusted GDP expanded at a 5.9 percent rate last year, the fastest rate of any Texas major metros and among the fastest pace among all large metros in the U.S. Construction, which expanded at a 10 percent pace, and information services, which expanded at a 9.1 percent rate, led growth across industries; accommodation and food services slowed to 0.9 percent after expanding at a rapid 5.2 percent pace in 2014. Despite very weak employment growth, manufacturing output expanded at a 1.1 percent rate, suggesting continued productivity gains in the industry.

Stock Indexes



SOURCES: Bloomberg; Standard and Poor's.

► The San Antonio stock index declined by 1.6 percent from Aug. 16 to Sept. 16, similar to the 1.8 percent decline in the S&P 500 over the same time period. Energy firms' performance was mixed, as refiners and producers saw some increase in their share prices, but oilfield service companies continued to decline. Financial companies saw a slight strengthening, but media, retail and machinery manufacturing firms declined notably.

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.

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