

San Antonio Economic Indicators

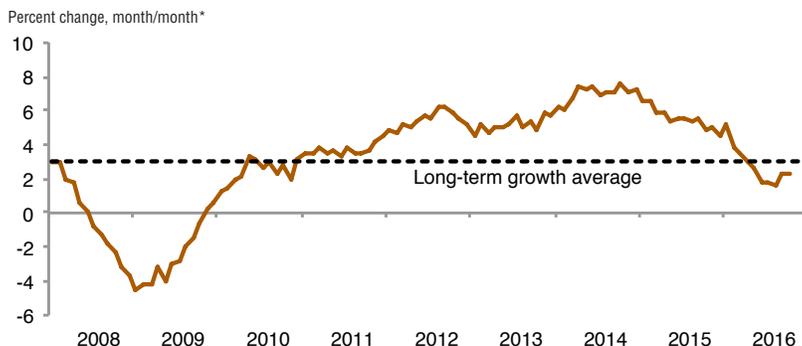
DALLAS FED

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Summary

San Antonio economic activity remained moderate in October. The San Antonio Business-Cycle Index held at a steady pace of growth, as a slight decline in jobs offset a sharp dip in the unemployment rate. While some large service sectors such as health care and retail remain weak, goods-producing industries such as manufacturing have begun to grow again after stagnating for the first half of the year.

San Antonio Business-Cycle Index

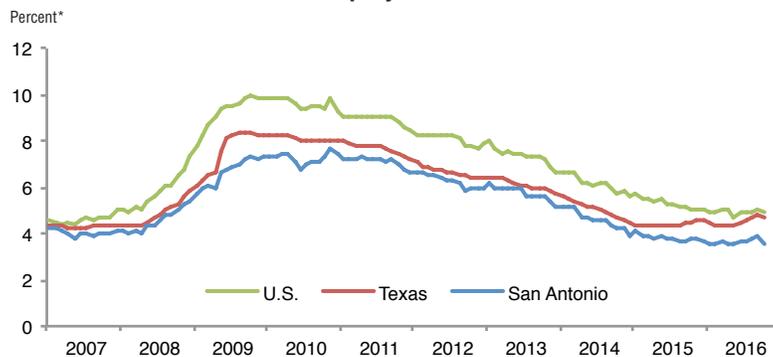


*Seasonally adjusted, annualized rate.
SOURCE: Dallas Fed.

► Growth in the San Antonio Business-Cycle Index was flat at a 2.3 percent annualized rate in October. Since April, the index has fallen below its 3 percent long-term average rate of expansion. Leading indicators, such as help-wanted advertising, are mixed for service sectors but positive for construction and manufacturing jobs, suggesting a turnaround for these areas of the economy.

Employment

Unemployment Rate

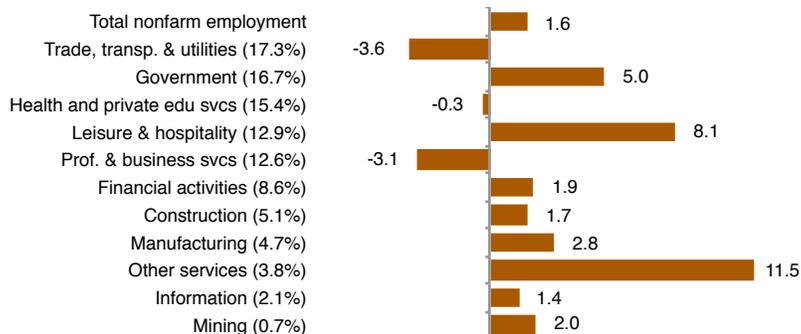


*Seasonally adjusted.
SOURCE: Bureau of Labor Statistics.

► The San Antonio unemployment rate declined to 3.6 percent in October from 3.9 percent in September. Both the state and U.S. jobless rates also declined, falling to 4.7 and 4.9 percent, respectively. The sharp decline in the local rate was the result of an unusual dip in the labor force, the largest since mid-2013. However, the labor force has grown at a 2.1 percent annualized rate year to date—the fastest since 2010.

► Job growth in San Antonio increased by a 1.6 percent annualized rate over the three months through October. Growth has been fairly broad based, although jobs in trade, transportation and utilities continue to decline rather sharply, and professional services, particularly administrative services, took a sharp turn downward. The leisure and hospitality industry has added jobs at a rapid pace, continuing to rebound from weakness in the summer. Government also remains strong, particularly federal government, which grew at an 8.3 percent rate. Most other sectors continued to grow at a moderate pace, and manufacturing employment turned around and began adding jobs after shedding them through most of the past two quarters. Health care hiring remains weak compared with its historical average.

Employment Growth by Sector

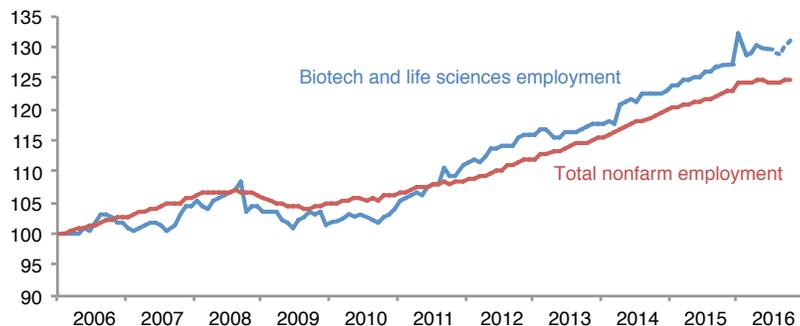


NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for August–October 2016. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

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

Biotechnology and Life Sciences Employment

Index, January 2006 = 100



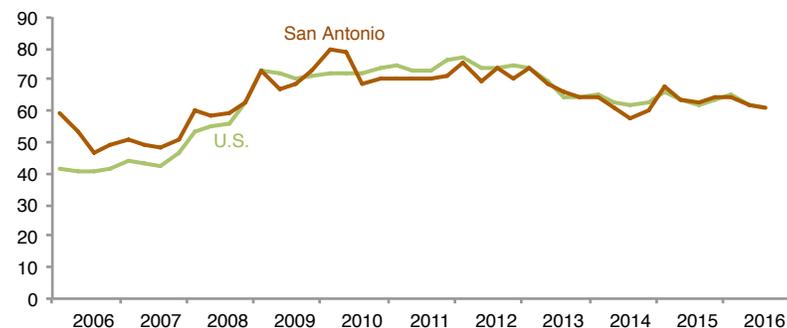
NOTE: Dashed line indicates estimate based on broader industry data.

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

► Employment growth in the biotech and life sciences in San Antonio held steady in the second quarter (latest data available). This industry, which includes medical equipment manufacturing, scientific research and development services, testing laboratories and related medical services, grew at a 2.3 percent annualized pace over this time, while there was a slight decline in total employment in San Antonio. More timely broader industry data suggest that growth since June has accelerated to 3.2 percent, compared with 0.6 percent for total jobs.

Housing Affordability

Percent

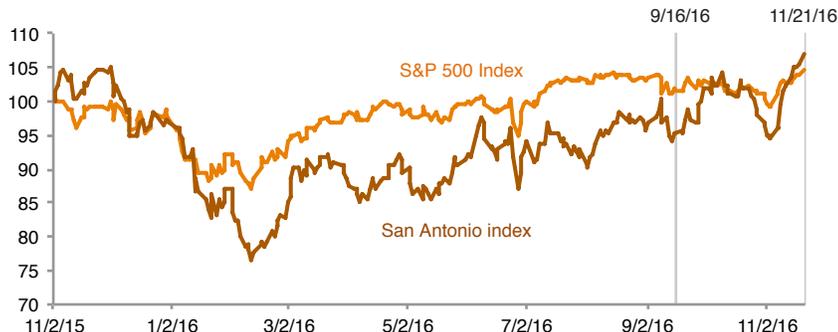


SOURCE: National Association of Home Builders/Wells Fargo.

► Home affordability held flat in San Antonio and the U.S. overall in the third quarter. The National Association of Home Builders/Wells Fargo Housing Opportunity Index suggests the share of homes sold that the median-income family could afford was 61.3 percent in San Antonio, compared with 61.4 percent for the nation. Home prices and sales rose in the third quarter, while new-home permits and continued demand for construction workers suggest that the San Antonio housing market remains robust.

Stock Indexes

Index, Nov. 2, 2015 = 100



SOURCES: Bloomberg; Standard and Poor's.

► Stock prices of San Antonio-based companies picked up sharply over the past two months, rising 12.5 percent from Sept. 16 to Nov. 21; the S&P 500 rose just 2.8 percent over the same period. This increase has been broad based, with energy and financial firms' performance in particular picking up sharply in the last few weeks. Manufacturing companies' stock prices have also risen, while retail firms saw mixed results. Communications firms on the whole were an exception, declining over this time frame.

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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