

# Regional Update

The Eleventh District economy continued to grow in the first quarter of 1996 but not as robustly as in 1995. Recent movements in economic indicators and an improving Mexican economy suggest moderate expansion in second-quarter 1996 that could gain momentum in the second half of the year.

District job growth improved in February and March after a sluggish January. The District finished the first quarter with an employment increase of 2.1 percent (at an annual rate), compared with 2.9-percent

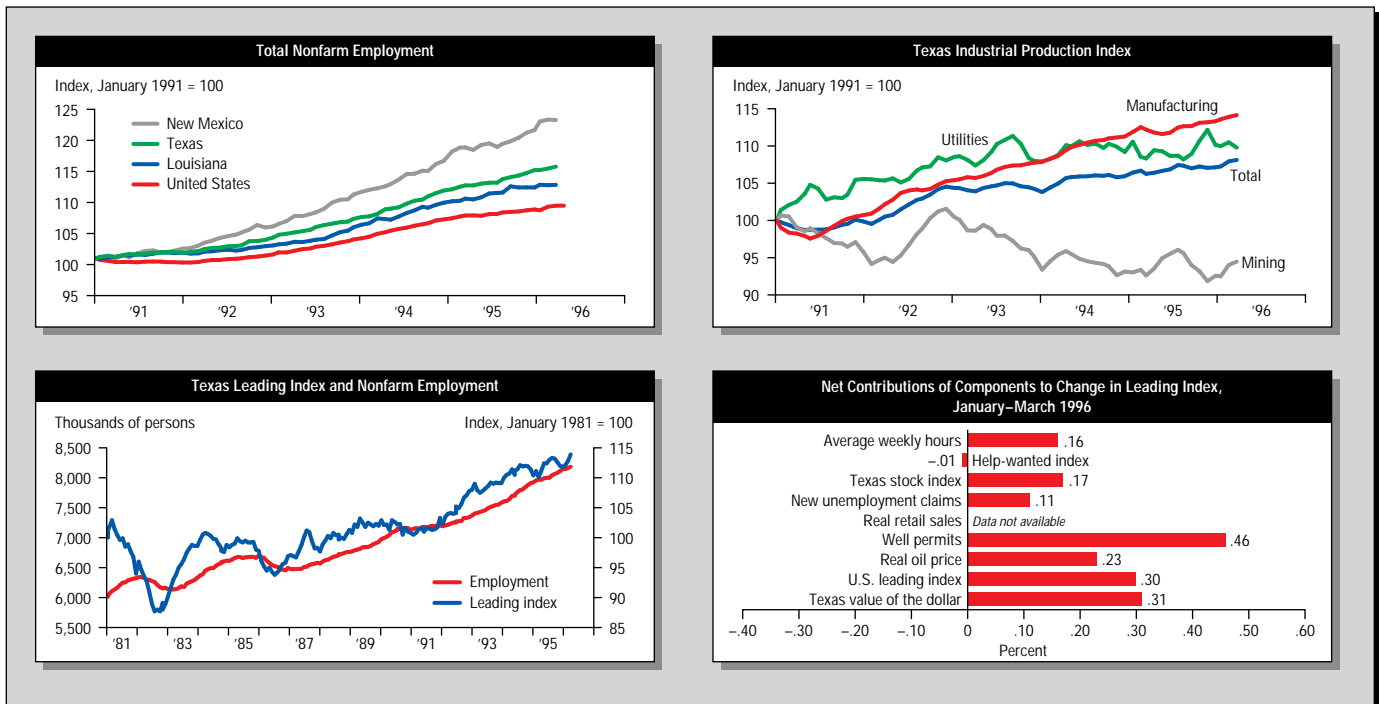
job growth in 1995. Rapidly expanding high-tech industries continued to stimulate growth in business services and construction, while higher energy prices gave energy-related industries slight job gains. Growth in manufacturing jobs was sluggish, but anecdotal reports suggest orders picked up in April, which could boost employment in coming months.

Mexico's continued improvement could mean more Eleventh District exports to Mexico and stronger retail sales along the border. After

bottoming out in 1995, the Mexican economy has been improving slowly. The stabilization of the Mexican economy helped boost Texas exports to Mexico in fourth-quarter 1995 after declines in the first three quarters.

The Texas Leading Index strengthened in the first quarter of 1996, following declines in late 1995. March's increase was the largest since April 1995, and six of the eight index components contributed gains. Recent movements in the Texas Leading Index suggest continued expansion in coming months, and perhaps even more vigorous growth in the third and fourth quarters.

—D'Ann M. Petersen



## REGIONAL ECONOMIC INDICATORS

Texas Leading Index	Texas Employment							Total Nonfarm Employment		
	TIPI total	Mining	Construction	Manufacturing	Government	Private service-producing	Texas	Louisiana	New Mexico	
3/96	113.9	120.7	153.8	425.7	1,036.3	1,467.0	8,184.5	1,795.0	711.4	
2/96	112.8	120.5	154.5	425.6	1,037.3	1,464.9	8,162.6	1,794.0	711.8	
1/96	112.1	119.8	152.6	425.5	1,040.2	1,462.0	8,144.9	1,795.3	710.1	
12/95	111.8	119.6	154.5	421.4	1,035.3	1,461.9	8,145.1	1,788.1	702.1	
11/95	112.0	117.1	154.4	418.4	1,032.4	1,459.6	8,110.8	1,788.4	699.5	
10/95	112.6	119.8	154.8	415.8	1,030.7	1,455.3	8,082.5	1,788.2	694.8	
9/95	113.2	119.5	155.3	411.7	1,031.3	1,453.0	8,063.0	1,791.1	691.5	
8/95	113.3	119.9	155.4	408.0	1,029.3	1,458.9	8,041.1	1,775.1	689.1	
7/95	113.0	120.0	155.1	405.0	1,026.2	1,449.4	8,001.0	1,774.1	686.2	
6/95	112.4	119.3	156.7	407.3	1,028.0	1,445.1	7,999.7	1,772.7	689.5	
5/95	112.4	119.1	156.9	406.1	1,027.2	1,441.8	7,989.5	1,762.8	688.1	
4/95	111.2	118.8	156.0	401.7	1,029.4	1,440.2	7,968.4	1,757.3	683.4	

## FURTHER INFORMATION ON THE DATA

For more information on employment data, see "Reassessing Texas Employment Growth" (*Southwest Economy*, July/August 1993). For TIPI, see "The Texas Industrial Production Index" (*Dallas Fed Economic Review*, November 1989). For the Texas Leading Index and its components, see "The Texas Index of Leading Indicators: A Revision and Further Evaluation" (*Dallas Fed Economic Review*, July 1990).

Online economic data and articles are available on the Dallas Fed's BBS, Fed Flash (214) 922-5199 or (800) 333-1953, and WWW home page: [www.dallasfed.org](http://www.dallasfed.org)