



► *Our collective story involves a lot more than the recent oil and gas boom.*

**A**s my 10 years leading the Federal Reserve Bank of Dallas draw to a close, I find myself reflecting on the creative and innovative spirit of Texas.

Nature's endowments and Texans' ingenuity—the shale exploration revolution arrived during my tenure—have contributed to a period of tremendous growth: Texas output has increased \$331 billion, or 31 percent, in real terms from 2005 to 2013. To put that in context, Texas' economic capacity has grown by the equivalent of Norway, one of the world's wealthiest countries and the home of my maternal ancestors.

In fact, our collective story involves a lot more than the recent oil and gas boom. Texas has outperformed the rest of the U.S. in the pace of job creation by a greater than 2-to-1 margin for more than two decades. Since 1990, 68 net new jobs have been created in Texas for every 100 that existed in 1990. That compares with 10 new jobs in New York and seven in Michigan.

There are justifiable concerns following recent, sharp oil price declines. For those predicting a repeat of the economic calamity that followed the 1980s Texas bust, I would recommend this issue of *Southwest Economy*. The Texas economy relies less on the oil and gas sector than before, Michael Plante reports in this issue.

Nonetheless, lower oil prices, if they are sustained, will dampen state employment growth, though not uniformly across our economically diverse metropolitan areas, Amy Jordan writes. And after a year of record economic growth, including new highs in income per capita and home price appreciation, Texas' streak of outperforming the nation may be challenged, Keith Phillips and Christopher Slijk anticipate in our annual economic outlook.

Texas may face some near-term uncertainties, but I don't fret for the longer-term future of our great economic powerhouse or its people—Texas' underlying strength.

I'm reminded of the lyrics from one of my favorite country ballads:

*Never knowin' if believin' is a blessin' or a curse  
Or if the going up was worth the coming down.*

I depart the Dallas Fed knowin' that believin' has been a blessin', and no matter the ups and downs, our prospects remain bright.

A handwritten signature in black ink that reads "Richard W. Fisher". The signature is fluid and cursive, with a large initial "R" and "F".

Richard W. Fisher  
President and CEO  
Federal Reserve Bank of Dallas