THE REGIONAL ECONOMY

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Federal Reserve Bank of Dallas
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Overview

• Labor Markets
• Industry Activity
  – Energy
  – Manufacturing
  – Exports
  – Services
• Prices and Wages
• Real Estate
• Outlook

Labor Markets

• Dallas Fed’s Texas monthly employment data
  – Dallas Fed improves upon raw data from Texas Workforce Commission
    • Two-step seasonal adjustment
    • Early benchmarking
  – Available by industry and for 23 metro areas in the state

• Other states and U.S. employment available from Bureau of Labor Statistics
Texas Job Growth by Sector

Employment growth—annualized percent change

<table>
<thead>
<tr>
<th>Sector</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade, Transp. &amp; Util.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(20.3%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gov.</td>
<td>(15.0%)</td>
<td>(15.0%)</td>
</tr>
<tr>
<td>Educ. &amp; Health Serv.</td>
<td>(13.7%)</td>
<td>(13.7%)</td>
</tr>
<tr>
<td>Prof. &amp; Bus. Serv.</td>
<td>(13.5%)</td>
<td>(13.5%)</td>
</tr>
<tr>
<td>Leisure &amp; Hosp.</td>
<td>(10.7%)</td>
<td>(10.7%)</td>
</tr>
<tr>
<td>Mfg.</td>
<td>(7.1%)</td>
<td>(7.1%)</td>
</tr>
<tr>
<td>Fin. Act.</td>
<td>(6.1%)</td>
<td>(6.1%)</td>
</tr>
<tr>
<td>Constr.</td>
<td>(5.7%)</td>
<td>(5.7%)</td>
</tr>
<tr>
<td>Oil &amp; Gas Extract., Min. Sup.</td>
<td>(1.8%)</td>
<td>(1.8%)</td>
</tr>
</tbody>
</table>

NOTE: Numbers shown in parentheses are the total share of state nonfarm employment accounted for by each sector.

Metro Job Creation

Index, Jan’10 = 100

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>2016 ann. growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>3.4%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>2.7%</td>
</tr>
<tr>
<td>Austin</td>
<td>2.1%</td>
</tr>
<tr>
<td>Ft. Worth</td>
<td>1.1%</td>
</tr>
<tr>
<td>Houston</td>
<td>-0.9%</td>
</tr>
</tbody>
</table>

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Industry Activity

- Data from other sources
  - Energy prices and rig counts
  - Value of exports

- Dallas Fed surveys
  - Beige Book
  - Texas Business Outlook Surveys
  - Quarterly Energy Survey

Energy Activity

*Dollars is dollars per barrel. Natural gas price is dollars per million Btu, multiplied by 10.*
Exports & Value of the Dollar

Service Sector Activity
Retail Activity

Index, 3MMA

Texas recession

Expansion

Contraction


TSSOS Revenue
TROS Sales

NOTE: TSSOS stands for Texas Service Sector Outlook Survey. Texas Retail Outlook Survey (TROS) is a component of TSSOS using information from only retail and wholesale sectors.

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Prices and Wages
Survey Price Measures

Index, 3MMA

Selling Prices (TSSOS)

Finished Goods Prices (TMOS)

Weekly Wages

2015 dollars per week, 3MMA

Hours per week, 3MMA

Texas average weekly wage

Texas average weekly hours

U.S. average weekly wage

NOTE: Shaded bar represents U.S. recession.
Texas Home Sales and Inventory

Total existing home sales, thousands (5MMA)

Months in inventory (5MMA)

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Existing Home Prices

Real dollars (thousands), 4MMA

Outlook

• Dallas Fed’s Texas Leading Index
  – Composite of 8 leading indicators
    • Texas value of the dollar
    • U.S. leading index
    • Real oil price
    • Well permits
    • Initial claims
    • Texas stock index
    • Help-wanted index
    • Avg weekly hours

• Dallas Fed’s Texas Employment Forecast
  – Inputs: past state employment growth, past changes in the Texas Leading Index
  – Projects growth for the calendar year
Job Outlook

Visit our website for data and reports on the regional economy.