OB GROWTH IN the Eleventh District states—Louisiana, New Mexico and Texas—picked up in October and November after a very sluggish third quarter. Employment growth rebounded in Texas and New Mexico but slowed during October and November in Louisiana, where it was sluggish for most of the year. Economic indicators suggest District employment growth should continue to be stronger than the weak growth posted in the third quarter.

Texas' private job growth reached an annualized 2.4 percent in October and November, up from 1.6 percent in the third quarter. Employment growth in Texas had been damped by slower homebuilding and a slump in some high-technology industries.

New Mexico job growth increased 2.5 percent in the fourth quarter after falling 1.3 percent in the third quarter. The service sector rebounded strongly in October and November, up 4.8 percent and 7.4 percent, respectively. New Mexico’s manufacturing sector remains weak, with employment declining 1.3 percent in the past two months.

Louisiana’s employment growth slowed to 0.4 percent in October and November, after increasing 1.2 percent in the third quarter. Louisiana’s manufacturing sector has been very weak in 1996, and employment fell 7.4 percent in the past two months. For the first time in many years, however, higher oil and gas prices have helped boost Louisiana employment in mining.

The Federal Reserve’s Texas Leading Index increased strongly in November, suggesting that employment growth over the next three months should continue to be stronger than during the weak third quarter. The increase in the index has been driven by increases in most indicators, particularly in the help-wanted and stock price indexes.

—Fiona Sigalla
