Overview of Texas Economy

- The Texas economy grew robustly in 2018.
  - Last year’s job growth was 2.3 percent (Dec./Dec).
  - In 2014 job growth was very strong due to the oil boom, but in 2015 and 2016 job growth was much weaker due to the oil bust.
- So far in 2019, Texas employment growth is 2.7 percent (June/Dec.).
- The Dallas Fed’s Texas employment forecast predicts 2.5 percent job growth in 2019, with a range of 1.7 to 3.3 percent (Dec./Dec.).
2019 Texas Job Growth Outpaces U.S.

Job growth (percent), Dec./Dec.*

*Seasonally adjusted, annualized rate.


SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.

DATA: https://www.dallasfed.org/research/econdata/tae000000.aspx
Recent Acceleration in Job Growth Follows Moderate First Quarter Expansion

*Seasonally adjusted, annualized rate.
NOTE: Last data points are partial quarter job growth (June 2019/Mar. 2018).
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.
DATA: https://www.dallasfed.org/research/econdata/tae000000.aspx
2019 Texas Job Growth Outpaces U.S. in Most Sectors

Job growth 2019 YTD (percent)*


Total: 2.7
Trade, Transp. & Util.: 2.0
Gov’t: 0.6
Prof. & Bus. Serv.: 0.8
Educ. & Health Serv.: 2.0
Leisure & Hosp.: 3.0
Mfg.: 3.8
Fin. Activ.: 4.1
Constr.: 6.0
Info. & Other Serv.: 3.9
Oil & Gas, Mining Sup.: -1.8

*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of total state employment for most recent monthly data.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.

Job Growth Broad Based So Far in 2019

Job growth (percent), Dec./Dec.*

*Seasonally adjusted, annualized rate.

NOTE: Numbers in parenthesis indicate share of total state employment for most recent monthly data.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.

Most Large Texas Metros See Robust Job Growth in 2019

Job growth (percent), Dec./Dec.*

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Texas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Houston</td>
<td>2.7</td>
<td>3.2</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>(24.8%)</td>
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<tr>
<td>Dallas</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>(21.2%)</td>
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<tr>
<td>Austin</td>
<td></td>
<td></td>
<td></td>
<td>3.3</td>
</tr>
<tr>
<td>(8.6%)</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>San Antonio</td>
<td></td>
<td></td>
<td></td>
<td>1.7</td>
</tr>
<tr>
<td>(8.4%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Worth</td>
<td></td>
<td></td>
<td></td>
<td>1.0</td>
</tr>
<tr>
<td>(8.4%)</td>
<td></td>
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</tr>
</tbody>
</table>

*Seasonally adjusted, annualized rate.
NOTE: Numbers in parenthesis indicate share of state employment for most recent monthly data.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by FRB Dallas.
DATA:  [https://www.dallasfed.org/research/econdata/tx-emp.aspx#tab3](https://www.dallasfed.org/research/econdata/tx-emp.aspx#tab3)
Texas Unemployment Rate Reaches Historic Low

Unemployment rate (percent)*

*Seasonally adjusted.
NOTE: Data through June 2019.
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas.
2019 Texas Job Growth Forecast is 2.5 percent

2019 Texas job growth forecast is above the long-term average of 2.1 percent.

Jobs (millions)*

*Seasonally adjusted. 
NOTES: Observed employment data through June 2019. Shaded region represents the 80 percent confidence band around the forecast. SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; FRB Dallas. DATA: http://www.dallasfed.org/research/forecast/index.cfm
Texas is #1 producer of oil and natural gas in nation

Approximately 30% of U.S. refinery capacity and 75% of U.S. petrochemical production is in Texas

Low energy prices hurt Texas economy on net
Oil Prices Tick Down, Rig Count Softens

NOTES: Oil price is dollars per barrel. Natural gas price is dollars per million Btu, multiplied by 10. Data through June 2019.

Texas produces 10% of U.S. manufactured goods

Manufacturing sector leading indicator of economic growth

Dallas Fed’s Texas Manufacturing Outlook Survey offers early look at turning points and insight on trends
Texas Manufacturing Production Expanding at a Slower Pace

Index, 3-month moving average*

*Seasonally adjusted.
NOTE: Data through June 2019.
SOURCE: Federal Reserve Bank of Dallas Texas Manufacturing Outlook Survey (TMOS).
DATA: https://www.dallasfed.org/research/surveys/tmos
Texas is the top exporting state and accounts for 20% of U.S. exports.

Gulf coast ports are major exporters of oil and gas, oil products and petrochemicals.

Texas-Mexico border ports also process over half of state exports.
Texas Exports Remain Elevated After Steady Growth

Index, Jan. 2008=100*

Mexico is Texas’ top trading partner, receiving around 34% of the state’s exports.

*Seasonally adjusted, real dollars.
NOTE: Data through June 2019.
SOURCES: U.S. Census Bureau; WISERTrade; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Texas Oil and Gas Exports Surged Following Removal of the Oil Export Ban in 2015

Index, Jan. 2010=100*

- Oil and gas (23.1%)
- Petroleum and coal products (14.4%)
- Transportation equipment (8%)
- Computers and electronics (15%)
- Chemicals (13.7%)
- Machinery ex. electrical (7.1%)

*Seasonally adjusted, real dollars.

NOTE: Data through June 2019. Share of Texas’ exports in parentheses.

SOURCES: U.S. Census Bureau; Bureau of Labor Statistics; seasonal and other adjustments by FRB Dallas.
Service industry makes up the bulk of the Texas economy

Accounts for over 60% of private-sector activity in Texas

Dallas Fed’s Texas Service Sector Outlook Survey provides timely insight into this key sector
Texas Services Revenue Moderating, Retail Sales Decline

Index, 3-month moving average*

*Seasonally adjusted.
NOTES: Data through June 2019. The TROS is a component of TSSOS using information only from retail and wholesale trade sectors.
SOURCES: Federal Reserve Bank of Dallas Texas Service Sector Outlook Survey (TSSOS) and Texas Retail Outlook Survey (TROS).
DATA: https://www.dallasfed.org/research/surveys/tssos
Texas house prices have tracked the nation since the Great Recession.

Single-family housing sector was slow to recover.

Housing markets currently tight in most of the state.
Texas Home Sales Remain Elevated, Inventories Remain Flat

Total existing home sales*

*Seasonally adjusted.

NOTE: Data through June 2019.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.
Texas Median Home Price Near Record High

Dollars (thousands), four-month moving average*

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>May Median Price*</th>
<th>Y/Y % Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>$313,915</td>
<td>2.3%</td>
</tr>
<tr>
<td>Dallas</td>
<td>$288,506</td>
<td>0.7%</td>
</tr>
<tr>
<td>Houston</td>
<td>$240,318</td>
<td>1.0%</td>
</tr>
<tr>
<td>Ft. Worth</td>
<td>$240,510</td>
<td>2.3%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$227,491</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

*Seasonally adjusted, real dollars.

NOTE: Data through June 2019.

SOURCES: Multiple Listing Service; seasonal and other adjustments by FRB Dallas.