Texas Economic Update

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The views expressed are those of the speaker and should not be attributed to the Federal Reserve Bank of Dallas or the Federal Reserve System.
U.S. Employment Update

LOST 8.7 MILLION JOBS

REGAINED 6.8 MILLION
Texas Employment Update

LOST 429,600 JOBS

REGAINED ALL + 542,900 MORE
Texas Surpasses Pre-Recession Peak

U.S. employment (millions) vs. Texas employment (millions) from 2005 to 2013.
Texas Job Growth Bests U.S.

Annual job growth (percent)

Year to date

2013

2.0

1.6

Texas Job Growth Bests U.S.
Texas Job Growth is Broad Based

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

Unemployment rate (percent)

- U.S.: 7.3
- Texas: 6.4
ENERGY

25% of U.S. refinery capacity and 60% of U.S. petrochemical production is in Texas

Texas #1 producer of oil and gas in nation

High energy prices benefit the Texas economy
Energy Activity Holding Steady

Active rigs in Texas

0 100 200 300 400 500 600 700 800 900 1,000

Oil and Natural Gas Prices Diverge

*Oil price is dollars per barrel. Natural gas price is dollars per million Btu, multiplied by 10.
MANUFACTURING

Texas produces 10% of U.S. goods

Manufacturing sector highly correlated with overall economy

Dallas Fed’s Manufacturing Survey offers early look at trends
Texas Manufacturing Activity Rising...

Index, 3MMA

Texas recession

Expansion

Contraction

Production

2007 2008 2009 2010 2011 2012 2013
...and Broader Perceptions Strong
Texas accounts for 17% of U.S. exports

Gulf coast is a major exporter of oil and petrochemicals

Land-based trade on Texas-Mexico border also important export region
Texas Export Strength Continues

Index, 2000 = 100

- Texas
- U.S.
Exports to Canada and China Rise in Q2

Index, 2000 = 100

- Mexico: 37%
- Latin America: 16%
- Asia: 16%
- EU: 9%
- Canada: 10%
- Other: 8%

*Latin America excludes Mexico. **Asia excludes China.
Housing sector slow to recover

Texas avoided a big bubble

Currently booming
Home Sales High, Inventory Low

Total existing-home sales

Home sales

Inventory

Months in inventory

WHAT DO WE EXPECT FOR THE REST OF 2013?
Texas Economy will Continue Expanding

Dallas Fed Employment Forecast
Summary

Texas Growth Outpacing U.S. Growth

Energy, Exports, Housing are Bright Spots

Job Growth will be Weaker in 2013

Some Uncertainty Persists, Especially Pertaining to Federal Government, ACA