The Dallas–Fort Worth economy slowed in March, with job growth declining for the first time in 15 months. For the first quarter, however, payrolls grew a modest 0.9 percent (annualized), faster than the state’s 0.7 percent increase. Home sales grew in March, and apartment demand remained strong. Unemployment in Dallas and Fort Worth held steady in March.

DFW employment declined at a 3.1 percent annual rate in March. This is the first drop since December 2013, when DFW payrolls edged down an annualized 0.2 percent, shedding 500 jobs. Over the past 12 months, the metroplex has created jobs at 3.4 percent pace—the fastest among major Texas metros.

The Conference Board’s Help Wanted OnLine Index for Dallas indicated the number of new job ads dropped 11.5 percent in March following a 3.5 percent increase in February. Total job ads fell 4.6 percent in March but were up 8 percent year over year.

First-quarter job growth was markedly slower in the first quarter than in the final quarter of 2014. The payroll increase of 0.9 percent (7,700 jobs) in the first quarter compares with a 5.3 percent gain (42,600 jobs) in the fourth.

First-quarter job growth was mixed. The leisure and hospitality services category saw the fastest rate of increase at 6.5 percent, followed by the information services and trade, transportation and utilities sectors, while payrolls shrank notably in the construction and mining and professional and business services sectors.

In March, existing-home sales rose 1.3 percent in Dallas and 8.8 percent in Fort Worth. Six-month moving averages show a slight slowing in DFW sales activity during the first quarter. However, year-over-year sales were up a strong 4.7 percent in Dallas and 7.9 percent in Fort Worth in March. Home inventories remain tight, edging down to 1.9 months in Dallas and 2.1 months in Fort Worth. Strong demand and a limited supply have continued to spur residential construction. Single-family housing permits in DFW were up 26 percent year over year in February. With employment continuing to grow and some major companies relocating to DFW, it is likely that the local housing market will remain healthy this year.
In March, the unemployment rate held steady at 4 percent in Dallas and 4.1 percent in Fort Worth while edging down to 4.2 percent in Texas. All are lower than the U.S. rate of 5.5 percent. Unemployment is at a 14-year low in Dallas and at a prerecession low in Fort Worth, suggesting a tight labor market in the metroplex. Over the past 12 months, the rate has dropped 1.4 percentage points in Dallas and 1.2 percentage points in Fort Worth.

Overall economic growth slowed in the metroplex, according to the Dallas Fed’s metro business-cycle indexes. The Dallas index rose at an annualized pace of 1.7 percent in March following a 5.2 increase in February. The Fort Worth index edged up 0.4 percent following a 2.4 percent increase in February. Year over year, the indexes climbed 6.4 percent in Dallas and 4.2 percent in Fort Worth, thanks to strong job creation and sharp declines in unemployment.

The Dallas Fed produces business-cycle indexes for Texas and its major and border metros to help gauge the current state of the economy. The metro indexes are constructed using payroll employment, the unemployment rate, inflation-adjusted real wages and inflation-adjusted retail sales.

NOTE: Data may not match previously published numbers due to revisions.


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