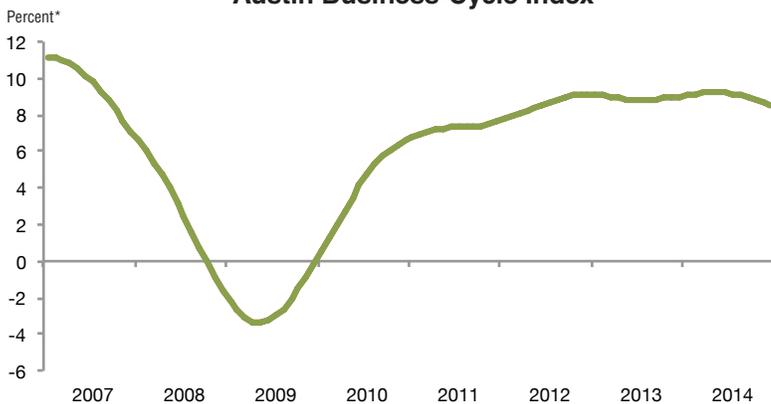


Summary

The Austin economy grew at a steady pace in November. Jobs grew at a modest pace of 2.3 percent annualized, while the unemployment rate remained flat at a low 4.1 percent. Employment in technology industries in Austin has led overall job growth in the postrecession period, although there are signs that this growth may have moderated in the latter half of the year. Real estate markets continue to grow strongly in Austin, as new construction and home price appreciation show few signs of dampening in the near future.

Economic Activity

Austin Business-Cycle Index



► The Austin Business-Cycle Index grew at an 8.5 percent annualized rate over the six months ended in November, slightly below the 8.8 percent rate that the index has grown year to date in 2014. Continued steady job growth, a low unemployment rate and strong growth in retail sales have contributed to recent gains in the index.

Employment

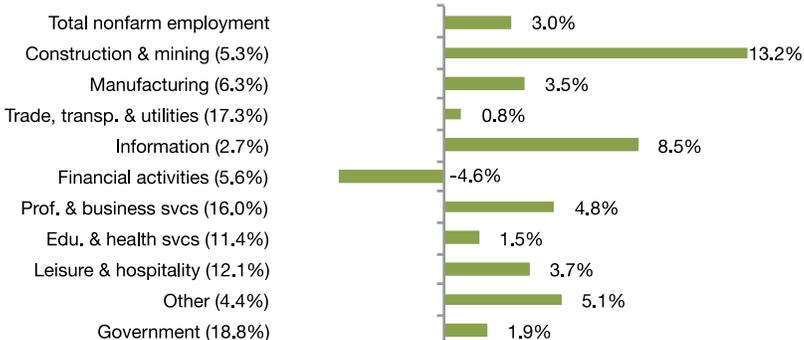
Unemployment Rate



► Austin's unemployment rate remained flat at 4.1 percent in November, while the Texas rate declined a further 0.2 percentage points to 4.9 percent. The Austin unemployment rate has been below its long-term average of 4.5 percent since April 2014. During this period, job growth has slowed slightly to an annualized 3.6 percent compared with its previous post-recession average of 3.8 percent.

► Austin jobs grew an annualized 3 percent for the three months ended in November. Growth was broad-based, although several industries continued to account for a majority of overall growth. Construction employment continued to grow at a rapid 13.2 percent rate. Continually rising help-wanted advertising for this sector indicates that growth is likely to continue at a strong pace into 2015. Jobs in information services picked up sharply, expanding at their fastest pace in six months. Manufacturing saw its first significant increase in jobs this year, growing at a 3.5 percent rate. Financial activity employment was the sole major industry to shed jobs over this period, having declined steadily since reaching an all-time peak of 51,200 jobs in August.

Employment Growth (September–November)



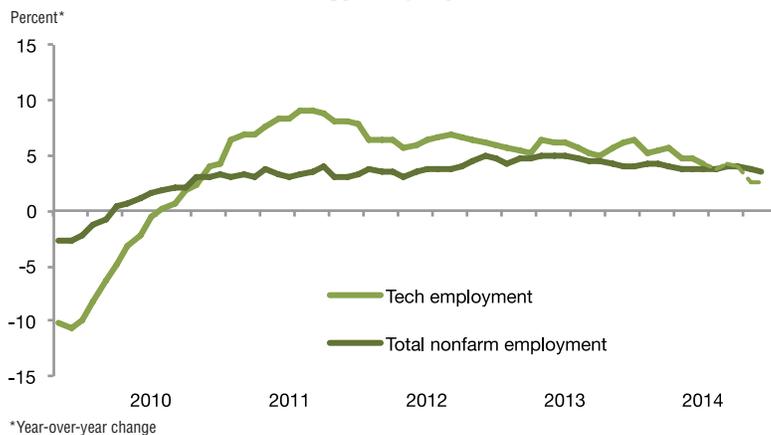
NOTES: Numbers in parentheses represent share of total employment and may not sum to 100 percent due to rounding. Job growth data are seasonally adjusted and annualized.

Employment

Government Employment



Technology Employment Growth

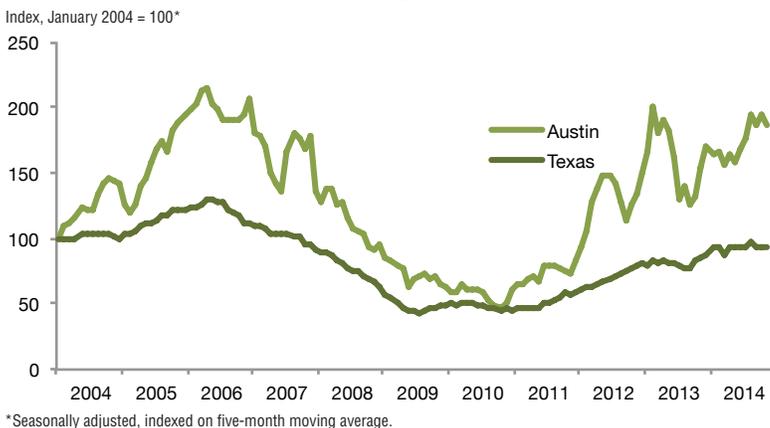


► Government employment in Austin has seen a recent resurgence after a moderate decline earlier in the year. Much of the recent growth in government employment has been driven by additional federal jobs, which have grown by an annualized 10.3 percent over the three months ended in November. While most public sector employment is made up of state and local employees, growth in these areas has been much slower at just 1.3 percent overall.

► Since mid-2010, employment in the Austin technology sector—which includes electronics equipment manufacturing and communications, software, engineering and technology services—has led overall job growth in Austin. Tech employment is generally more volatile than the Austin labor market overall: Although tech jobs fell sharply during the recession, they also recovered much more quickly. From 2009 to 2013, tech sector employment has averaged an annual growth rate of 6.1 percent, compared with 3.8 percent for total employment in Austin. While tech industry employment detail is only available through second quarter 2014, growth in broader industry categories indicates that industry hiring may have slowed in recent months to below the rate for overall employment in Austin.

Housing

Housing Permits



► Permits for new residential construction in November dipped slightly in Austin, though the five-month average remains close to its post-recession highs. New multifamily units continued to lead permit growth in the past six months. However, continued home price appreciation has pushed single-family construction up significantly, with year-to-date permits up 25 percent compared with 2013. Hiring in construction shows no signs of slowing, indicating that 2015 will likely continue to be a strong year for housing markets in Austin.

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

SOURCES: **Austin Business-Cycle Index:** Bureau of Labor Statistics (BLS), Texas Workforce Commission and Federal Reserve Bank of Dallas; **unemployment rate and employment:** BLS and Federal Reserve Bank of Dallas; **tech employment:** Texas Workforce Commission, BLS and Federal Reserve Bank of Dallas; **housing:** Multiple Listing Service.

CONTACT: Questions regarding *Austin Economic Indicators* can be addressed to Christopher Slijk at christopher.slijk@dal.frb.org.