

Austin Economic Indicators

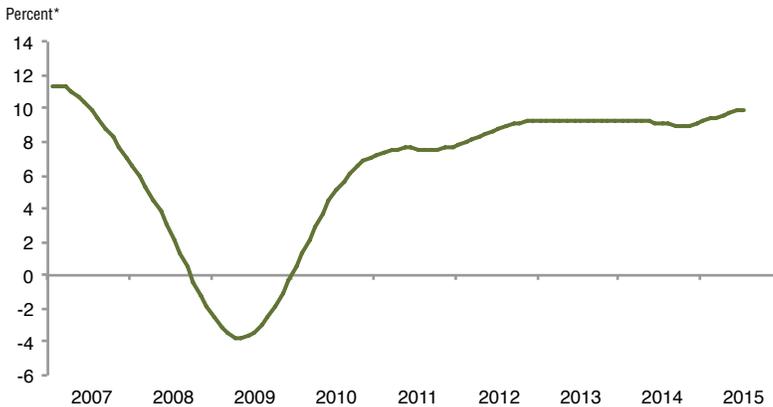
DALLAS FED

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Summary

The Austin economy maintained a steady pace of growth in June. Job growth moderated to an annualized 2.4 percent rate but remained above the state's 1.8 percent. The unemployment rate declined for the third month in a row, to 3.1 percent. In the first half of the year, Austin job growth accelerated to 4.5 percent even as growth in the rest of the state fell below the national average. While goods-producing industries continue to face headwinds, service sector jobs appear poised to grow strongly in the second half of the year.

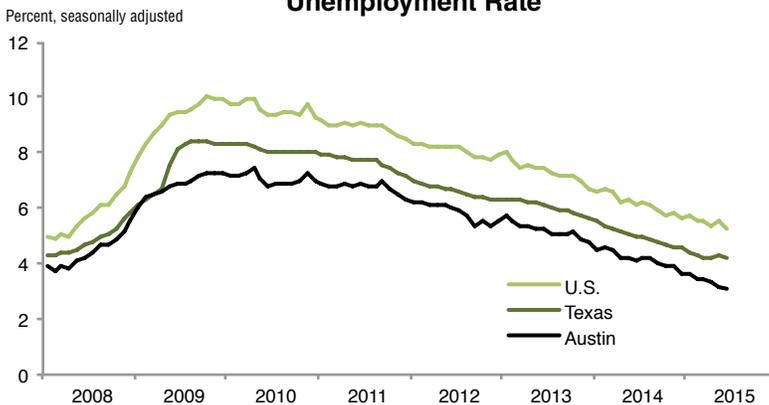
Austin Business-Cycle Index



► The Austin Business-Cycle Index accelerated again, and growth for the first half of the year came in at an annualized 9.9 percent. Employment growth of 4.5 percent over the past six months, coupled with a fall in the unemployment rate from 3.6 percent in December 2014 to 3.1 percent in June 2015, has propelled recent growth in the index.

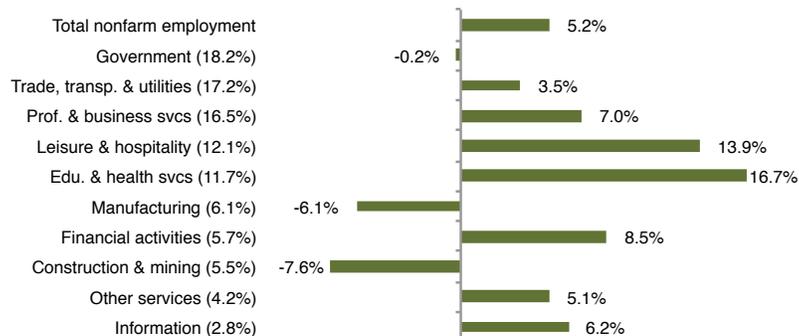
Employment

Unemployment Rate



► The Austin unemployment rate continued to fall, dropping 0.1 percentage point to 3.1 percent in June. The rate is well below the state's 4.2 percent reading and the nation's 5.3 percent rate. Although payroll employment growth has been strong in Austin in recent months, the declining unemployment rate is better attributed to the size of the labor force, which contracted an annualized 3.7 percent in June and grew just 0.5 percent the first half of the year.

Employment Growth (April–June)

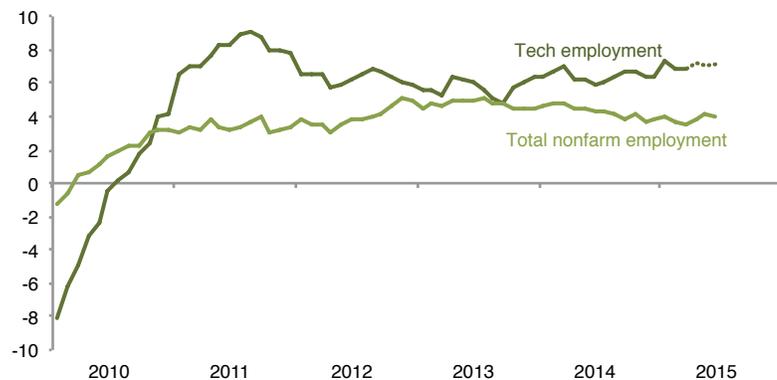


► Second-quarter job growth in Austin picked up to a strong 5.2 percent annualized rate. Much as it did in the state, employment fell sharply in the goods-producing sectors of construction, mining and manufacturing and expanded in most service sector areas. Jobs in private education and health services accelerated, with an 18.5 percent pickup in health care and social services during this time. Leisure and hospitality continued to grow at a swift pace as employment in food and drinking places expanded at a near-record pace of 16.9 percent. Employment in financial activities and business services continued to grow strongly as well, while retail jobs bolstered growth in trade, transportation and utilities. Government employment was flat, while construction and manufacturing jobs declined in the second quarter after posting mild growth in the first.

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.

Technology Employment

Percent, year/year

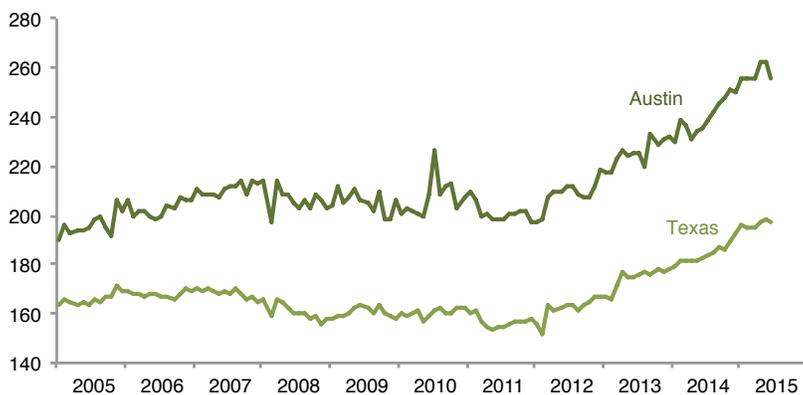


NOTES: Tech employment includes computer and electronics equipment manufacturing, communications software, engineering and technology services. The dashed line indicates projected job growth based on broader industry data.

► Employment in technology-related industries in Austin continues to grow strongly, outpacing growth in total nonfarm employment. Subsector employment data for first quarter 2015 (the most recent available) indicate that year-over-year job growth through March accelerated to 6.8 percent, nearly double the 3.5 percent growth for total Austin employment. Estimates based on more timely broad industry data indicate that this growth accelerated in the second quarter to 7.1 percent, compared with 4 percent for total jobs.

Median Home Price

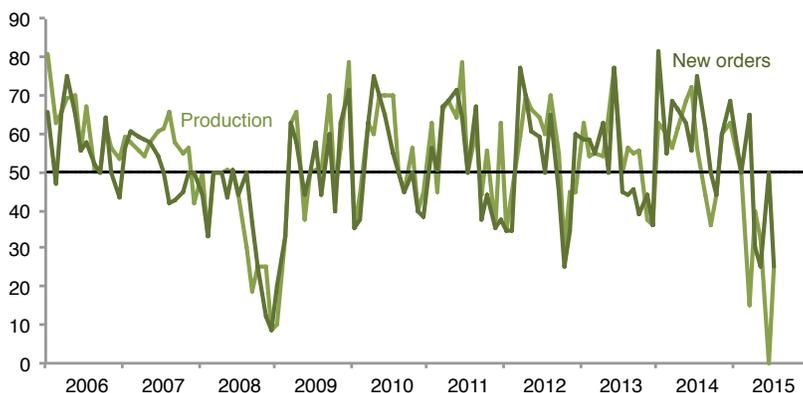
Thousands of dollars, real



► Austin median home prices declined slightly in June, falling 2.5 percent to \$255,625. Even so, prices are up 8.8 percent year over year, above the state's price appreciation of 7.8 percent. Housing permits for both single-family and multifamily units in Austin rose strongly in June, and inventories of existing homes held steady at a lean 2.5 months' supply. Existing-home sales have flattened somewhat, though they remain at a high level. While construction employment continues to fall, online help-wanted ads for construction and maintenance workers remain elevated and point toward continued, though perhaps moderating, growth in regional housing markets.

Purchasing Managers Index

Index, seasonally adjusted



► The Austin Purchasing Managers Index improved in July after falling to a postrecession low in June. The production index fell in June to 0—indicating that all respondents scaled back production—before ticking up to 25 in July. Nevertheless, net production has contracted consistently across all surveyed firms for the past five months. Meanwhile, the new-orders index improved in June to 50—indicating no net change—before falling back to 25. Factors such as the strengthening dollar and slowing economic growth among Austin's large international trading partners are likely to keep manufacturing activity weak for the near future.

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

SOURCES: **Austin Business-Cycle Index:** Bureau of Labor Statistics (BLS), Texas Workforce Commission (TWC) and Dallas Fed; **unemployment rate:** BLS and Dallas Fed; **employment:** BLS, TWC and Dallas Fed; **housing prices:** Multiple Listing Service; **Austin PMI:** Institute for Supply Management–Austin.

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