

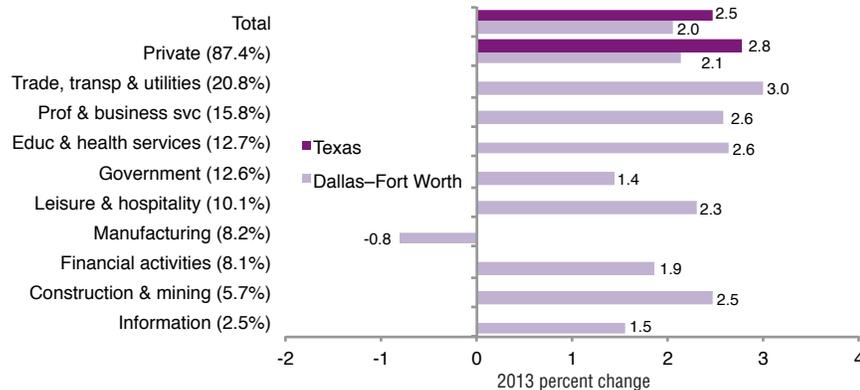
Summary The Dallas–Fort Worth economy continues to expand, though 2013 employment growth was revised down. After benchmark revisions, DFW employment grew 2 percent in 2013, half a percentage point below the state’s revised rate but above the U.S. pace of 1.7 percent. The residential housing market continues to tighten, with home inventories still declining and house prices rising. The Dallas and Fort Worth unemployment rates remain below those of the U.S and Texas, and the Dallas Fed business-cycle indexes suggest that the DFW metroplex expanded faster than the state in 2013.

Labor Market Indicators

	Dallas	Fort Worth	Texas	U.S.
Job growth (2013)	1.8%	2.6%	2.5%	1.7%
Job growth (2012)	3.6%	3.2%	3.3%	1.7%
Unemployment rate (December)	5.9%	5.8%	6.0%	6.7%

► Employment in both Dallas and Fort Worth edged down in December, while growth in the state as a whole picked up. For the fourth quarter, Fort Worth employment grew 3.1 percent and Dallas employment fell 0.5 percent. This compares with Texas’ growth of 2.3 percent in the quarter and U.S. growth of 1.4 percent. For the year, Dallas added 39,200 jobs and Fort Worth gained 23,300.

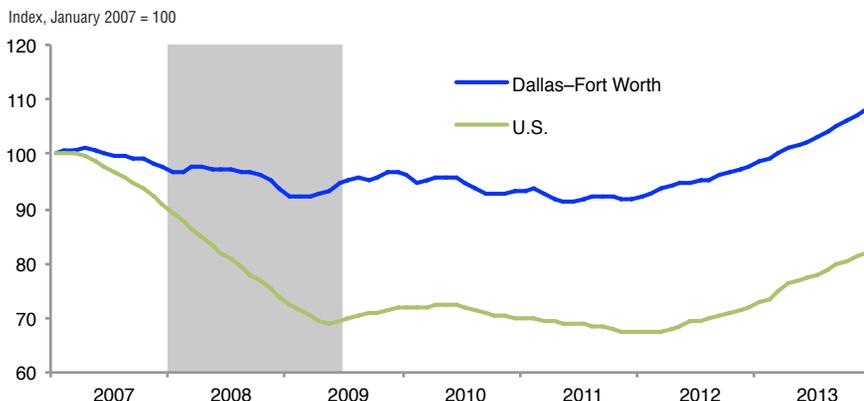
Employment Growth by Sector



► The metroplex recorded revised job growth in all major sectors in 2013 except manufacturing, which slipped 0.8 percent. DFW lagged the state in private job growth by 0.7 percentage points for the year, but outpaced Texas in government job growth. DFW job growth in 2013 was led by the trade, transportation and utilities sector, which added 18,800 jobs. The information sector led December employment growth, gaining 11.3 percent.

NOTE: Numbers in parentheses are shares of total Dallas–Fort Worth nonfarm employment.

Home Prices

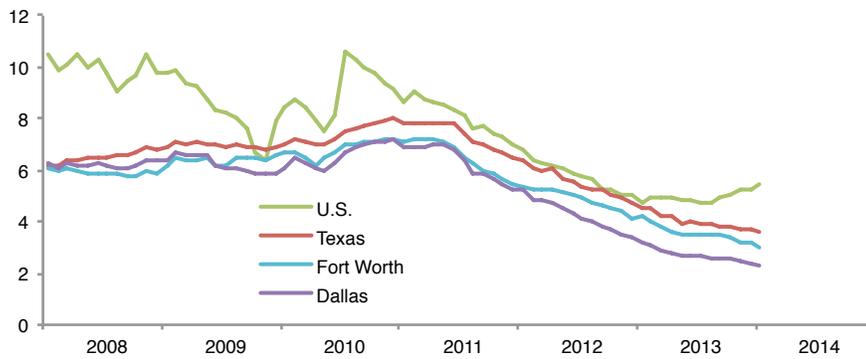


NOTE: Gray bar indicates U.S. recession.

► The S&P Case-Shiller Home Price Index for DFW rose at an annualized pace of 10.6 percent in December. The composite index for the U.S., which covers 20 major metros, rose 9.5 percent. For all of 2013, home prices grew more slowly in DFW than in the nation as a whole, rising at a 10.2 percent pace, compared with 13.5 percent in the U.S..

Home Inventories

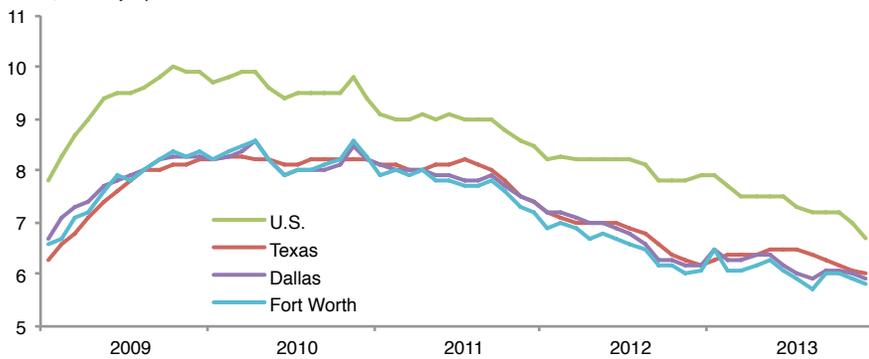
Months of inventory, seasonally adjusted



► Home inventories continued to decline in Dallas and Fort Worth in January, hitting 2.3 months' supply in Dallas and 3 months in Fort Worth. For the state, inventories reached 3.6 months' supply in January, well below both the U.S. level of 5.5 months and the 6-month supply that usually signals a balanced housing market. The median home price ticked up to \$197,029 in Dallas in January and edged down to \$134,934 in Fort Worth, according to the Multiple Listing Service.

Unemployment Rate

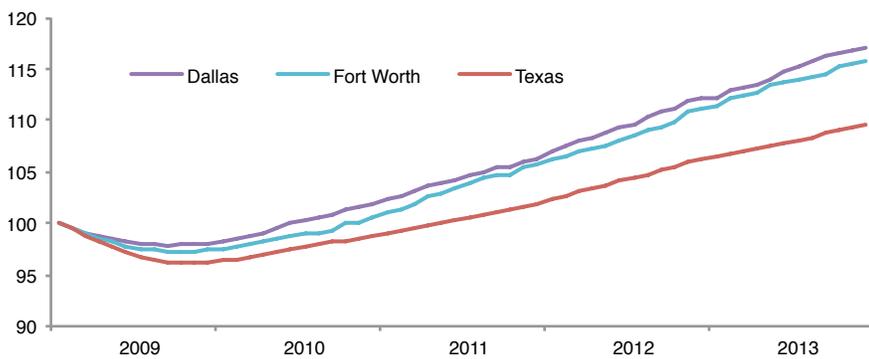
Percent, seasonally adjusted



► In December, the unemployment rate edged down to 5.9 percent in Dallas and 5.8 percent in Fort Worth. Both metros had rates lower than Texas and the U.S., which were 6 percent and 6.7 percent, respectively, at year-end.

Business-Cycle Index

Index, January 2009 = 100



► Overall economic activity continues to expand in Dallas and Fort Worth, according to the Dallas Fed metro business-cycle indexes. Through December, the increases were 4.3 percent in Dallas and 4.7 percent in Fort Worth—in both cases, a slightly slower pace than in 2012. The Dallas and Fort Worth economies grew faster than the state overall in 2013.

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

NOTES: Data may not match previously published numbers due to revisions. Housing and business-cycle index data are seasonally adjusted.

SOURCES: Employment: Bureau of Labor Statistics' Current Employment Statistics; Texas Workforce Commission; seasonal and other adjustments by the Federal Reserve Bank of Dallas.

Housing: Federal Housing Finance Agency; Multiple Listing Service; Census Bureau; Bank of Tokyo-Mitsubishi UFJ; S&P Case-Shiller.

Commercial real estate: CBRE Inc.

Unemployment: Census; seasonal adjustments by the Federal Reserve Bank of Dallas.

Business-cycle indexes: Federal Reserve Bank of Dallas.

Questions can be addressed to Amy Jordan at amy.jordan@dal.frb.org. DFW Economic Indicators can be found online at www.dallasfed.org/research/indicators/index.cfm.