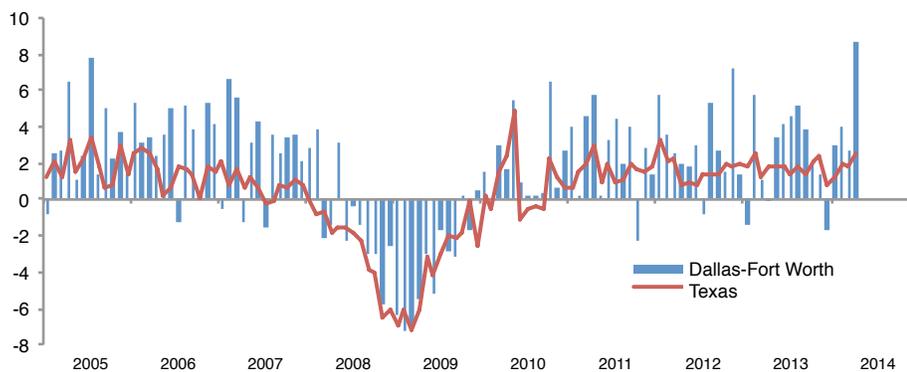


Summary The Dallas–Fort Worth economy expanded at a rapid clip in April. DFW employment grew 8.7 percent, faster than Texas and the U.S., which grew 5.7 percent and 2.5 percent during the month. Unemployment rates in both Dallas and Fort Worth declined further in April. Robust leasing activity continued to keep office and apartment vacancies low despite strong construction. The Dallas Fed business-cycle indexes posted increases, suggesting continued expansion for the Dallas–Fort Worth metroplex.

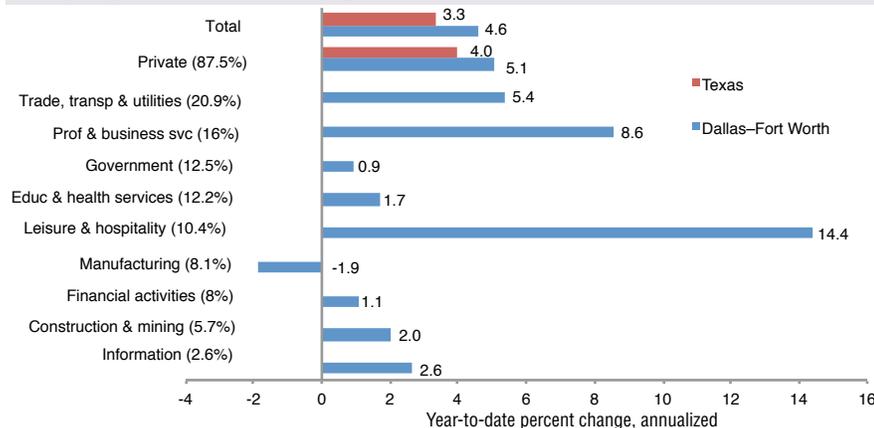
Employment

Month-over-month percent change, annualized



► Dallas–Fort Worth employment expanded at a faster pace in April. Jobs grew at an annual rate of 8.7 percent in April, up sharply from the 2.7 percent increase recorded in March. For the year, Dallas–Fort Worth has added 46,700 jobs—a 4.6 percent annualized pace.

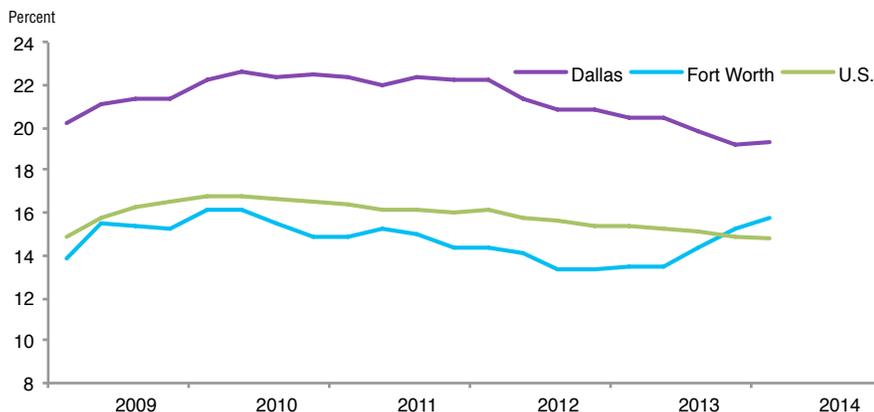
Employment Growth by Sector



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

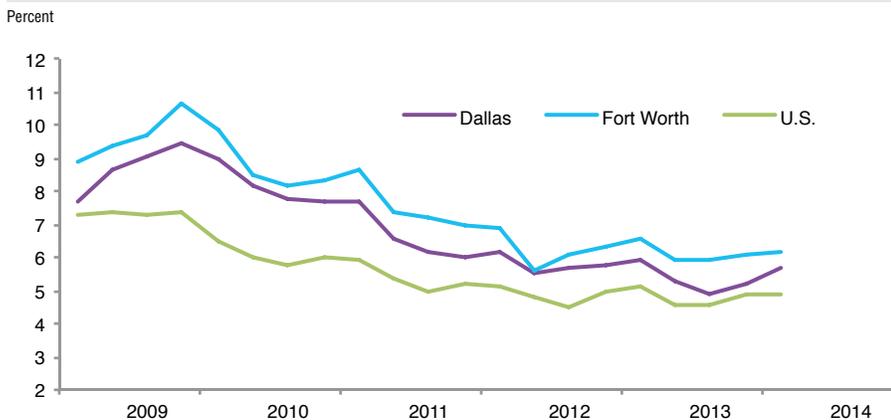
► Job creation in the metroplex was broad-based across major sectors during the first four months of the year. Leisure and hospitality continued to record the strongest growth, followed by professional and business services. Job gains in trade, transportation and utilities—the largest sector—were 11,400 through April. Only the manufacturing sector saw declines in employment levels (1,600 jobs) year to date.

Office Vacancy Rates



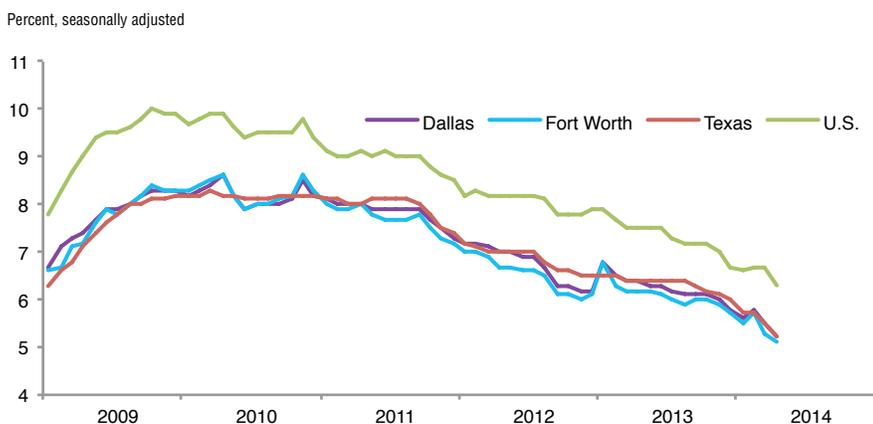
► The DFW office market continued to see solid leasing activity. Office vacancy rates in Dallas and Fort Worth ticked up to 19.3 and 15.8 percent in the first quarter. Healthy job creation is supporting demand for office space in the metroplex, and vacancy rates remain at relatively low levels even with strong ongoing construction activity. Rents continued to rise in the first quarter.

Apartment Vacancy Rates



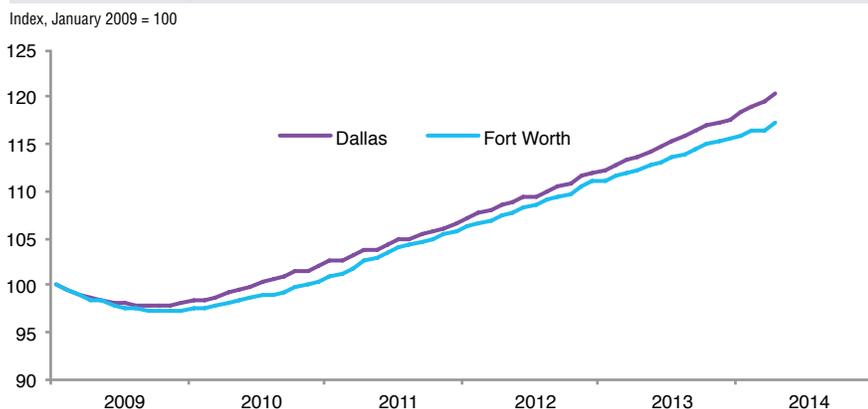
► Apartment vacancy rates in Dallas and Fort Worth edged up to 5.7 percent and 6.2 percent in first quarter 2014. Apartment demand has benefited from healthy population and job growth, and vacancies are at historically low levels despite robust building activity.

Unemployment Rate



► In April, the unemployment rate fell to 5.2 percent in Dallas and 5.1 percent in Fort Worth. The unemployment rate in both metros is at its lowest level since September 2008 and in line with the state's 5.2 percent rate. Both metros have rates lower than the 6.3 percent U.S. rate.

Business-Cycle Index



► Overall economic activity continues to expand in Dallas and Fort Worth, according to the Dallas Fed's metro business-cycle indexes. Through April, the Dallas index rose an annualized 7.5 percent and the Fort Worth index increased 4.5 percent. Strong job creation and a steady decline in the unemployment rate have contributed to the increase in the business-cycle indexes for both Dallas and Fort Worth.

► 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 data revisions.

SOURCES: Employment: Bureau of Labor Statistics' Current Employment Statistics; Texas Workforce Commission; seasonal and other adjustments by the Federal Reserve Bank of Dallas. Office and apartment vacancy rates: CBRE-EA.

Unemployment: Census; metro unemployment rates are seasonally adjusted by the Federal Reserve Bank of Dallas.

Business-cycle indexes: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

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