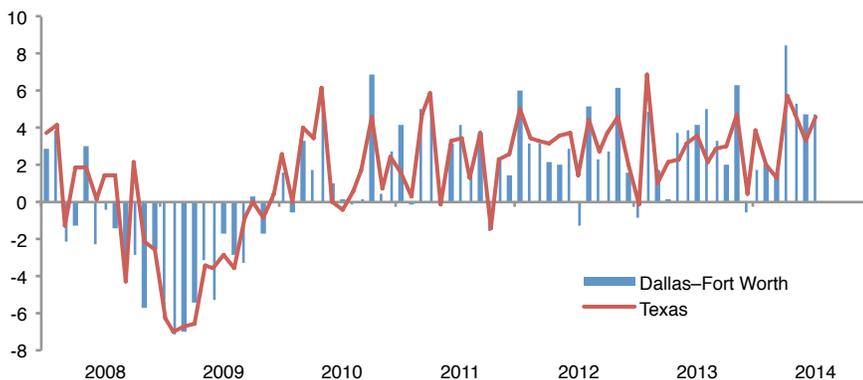


**Summary** The Dallas–Fort Worth economy expanded at a strong clip in July and continues to outperform the state as a whole. Year to date, DFW employment has grown 4.1 percent, faster than the state’s 3.6 percent pace. Job growth remains broad-based across sectors. The Dallas and Fort Worth unemployment rates are still below those of the U.S. Activity in the office and industrial markets remains brisk, characterized by rising rents and low vacancy rates. The Dallas Fed business-cycle indexes suggest continued expansion for the DFW metroplex.

## Employment

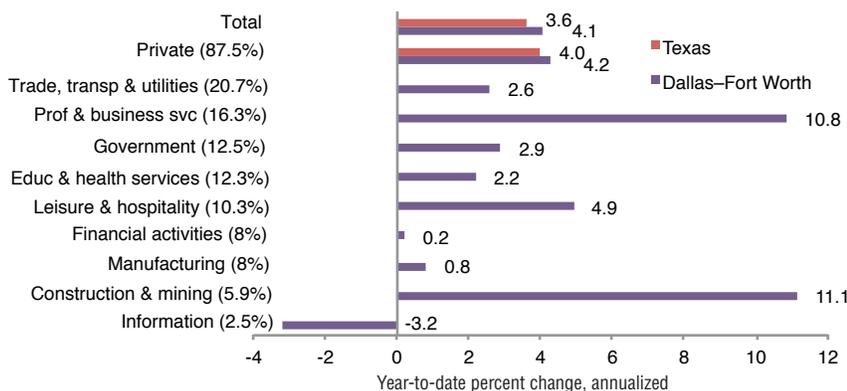
Month/month percent change, annualized\*



\*Seasonal and other adjustments.

► Dallas–Fort Worth employment grew an annualized 4.7 percent in July, adding 12,200 jobs. Through July, the DFW area has seen payrolls increase 4.1 percent, or by 73,600 jobs. Most of the increase is driven by rapid growth in the Dallas economy, which has added jobs at a 4.6 percent pace so far in 2014—faster than any other major metro in the state.

## Employment Growth by Sector

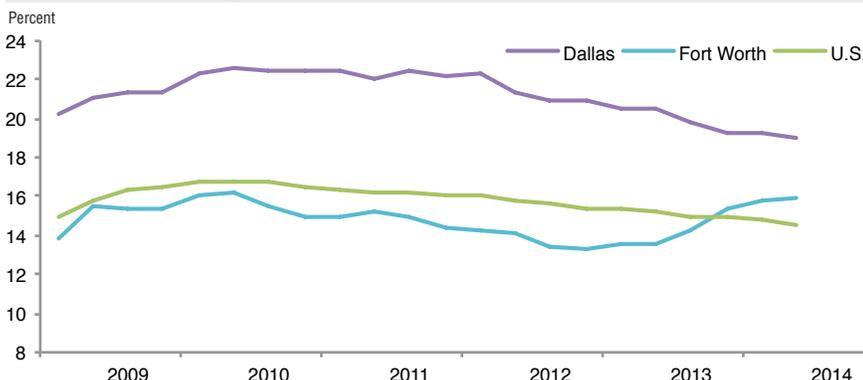


NOTE: Numbers in parentheses are shares of total Dallas-Fort Worth nonfarm employment.

► The metroplex has seen well-rounded job growth through July. The construction and mining sector has recorded the fastest rate of growth at 11.1 percent, followed by professional and business services (10.8 percent), which has added the most jobs year to date. Job creation in manufacturing has improved, and employment in the sector has increased by 1,200 jobs year to date.

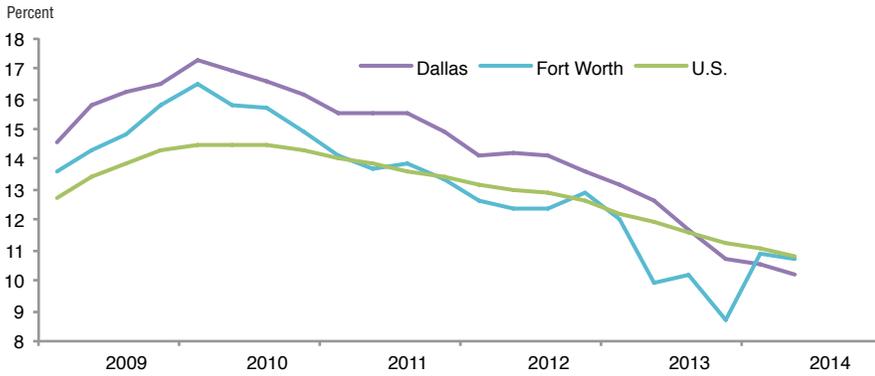
► In July, professional and business services was the fastest-growing sector, with job growth of 13 percent (annualized). Leisure and hospitality employment also rose at a robust pace during the month, with annualized job growth of 10.3 percent.

## Office Vacancy Rates



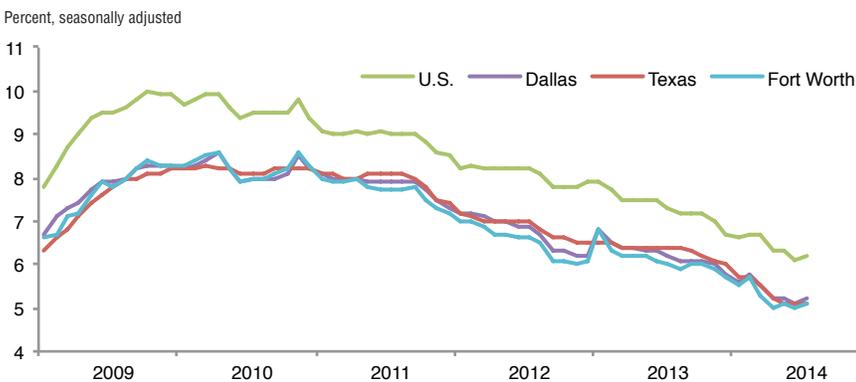
► The DFW office market continued to see solid leasing activity. Office vacancy rates in Dallas edged down from 19.3 percent to 19 percent in the second quarter and ticked up in Fort Worth from 15.8 percent to 15.9 percent. Vacancy rates in Dallas are the lowest since first quarter 2001, according to data from CBRE. Healthy job creation is driving demand for office space in the metroplex. Rents continued to rise in Dallas but held steady in Fort Worth in the second quarter.

## Industrial Availability Rates



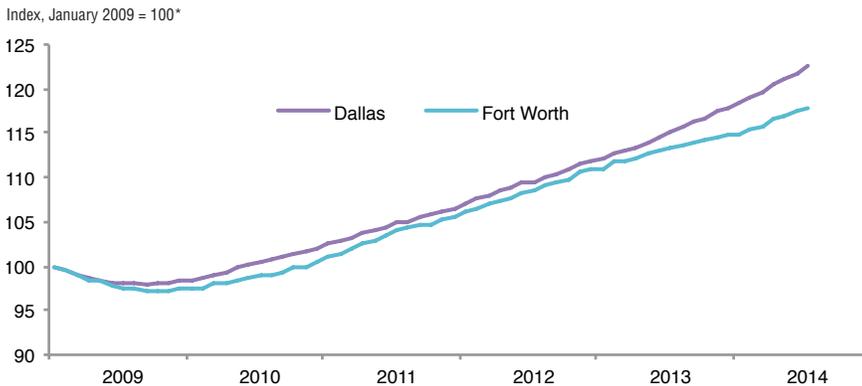
► Leasing activity was strong, and industrial availability rates in Dallas and Fort Worth fell to 10.2 and 10.7 percent, respectively, in the second quarter. Business contacts note that industrial vacancy in Dallas is near historic lows. The DFW area is one of the major trade and distribution centers in the U.S., and employment in the trade, transportation and utilities sector makes up about 20 percent of the metro's total. Rental rates rose in Dallas and Fort Worth in the second quarter, according to CBRE data.

## Unemployment Rate



► In July, the unemployment rate edged up to 5.2 percent in Dallas and 5.1 percent in Fort Worth, while the rate in Texas held steady at 5.1 percent. The U.S. rate was 6.2 percent. The Dallas and Fort Worth rates are a percentage point below their year-ago levels.

## Business-Cycle Index



\*Monthly; seasonally adjusted.

► Overall economic activity continues to expand at a rapid clip in the metroplex, according to the Dallas Fed's metro business-cycle indexes. Through July, the Dallas index has risen an annualized 7 percent and the Fort Worth index has increased 4.7 percent. Robust job creation and a decline in the unemployment rate have contributed to the increases.

► 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 and Federal Reserve Bank of Dallas; **office vacancy and industrial availability rates:** CBRE Econometric Advisors; **unemployment:** Census Bureau and Federal Reserve Bank of Dallas; **business-cycle indexes:** Federal Reserve Bank of Dallas.

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