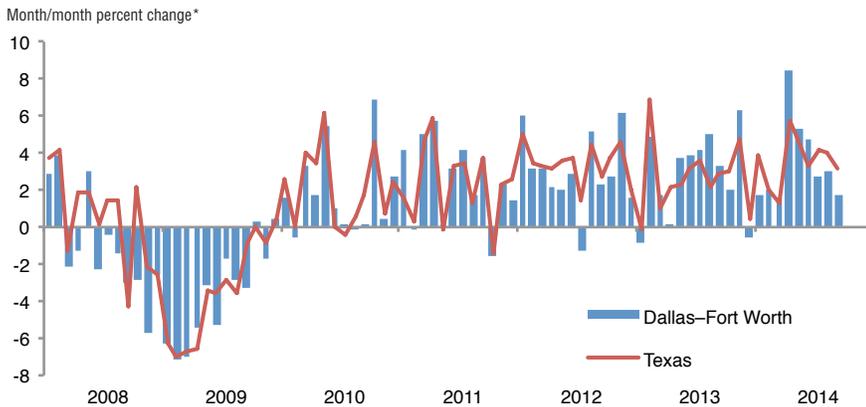


## Summary

The Dallas–Fort Worth economy grew at a slower rate in September than in the summer months. Year to date, DFW employment has grown 3.5 percent, nearly matching the state’s 3.6 percent pace. Job creation remains broad-based across sectors. Residential construction activity is healthy, with apartment construction outpacing homebuilding. Unemployment rates for Dallas and Fort Worth fell in September and remain below those of the U.S. Business-cycle indexes from the Federal Reserve Bank of Dallas point to continued expansion in the metroplex.

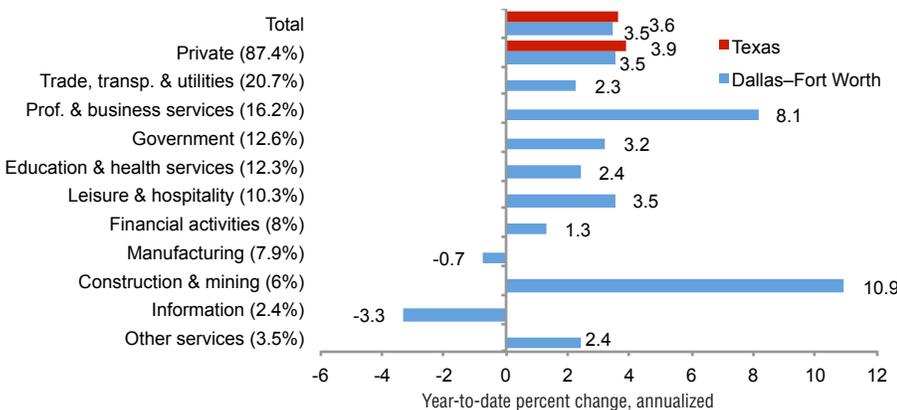
## Employment



\*Annualized; seasonal and other adjustments.

► DFW employment grew at an annualized rate of 1.7 percent in September, adding 4,600 jobs. Job creation slowed considerably, rising 2.5 percent (19,800 jobs) in the third quarter, compared with 6.2 percent (47,400 jobs) in the second. Most of the increase has come from rapid economic growth in Dallas, which has added jobs at a 4 percent pace in the first nine months of the year and is the state’s second-fastest-growing major metro.

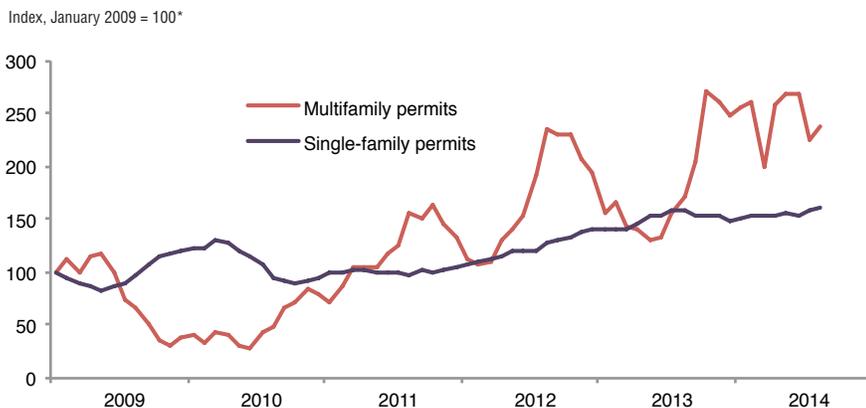
## Employment Growth by Sector



NOTE: Numbers in parentheses are shares of DFW nonfarm employment; total may not equal 100 due to rounding.

► The metroplex has seen broad-based job growth through the first three quarters, led by the construction and mining sector’s 10.9 percent annualized increase. Year-to-date job creation in professional and business services—the second-largest sector—has been strong as well at 8.1 percent, and the sector has accounted for 37 percent of DFW’s employment growth. The manufacturing and information service sectors on net have seen declines, contracting 0.7 percent and 3.3 percent, respectively.

## Residential Construction



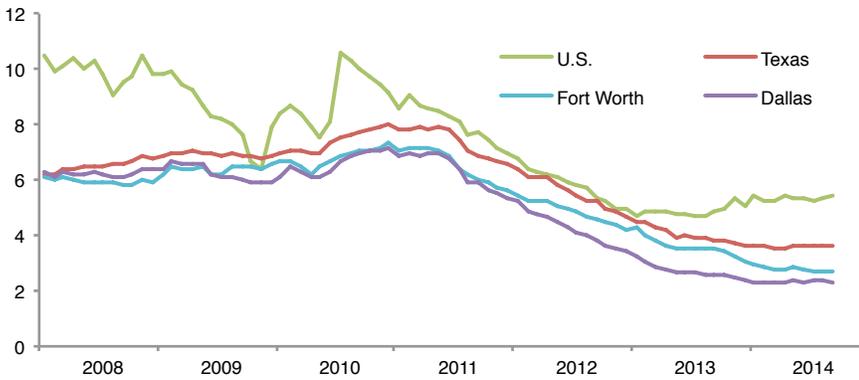
\*Five-month moving average; seasonally adjusted.

► DFW apartment construction has rebounded strongly during the economic recovery. A total of 12,737 apartment permits have been issued through August, up 43.9 percent from the same period last year. Multifamily building permits, which were up 10.1 percent in 2013 over 2012, have surpassed prerecession highs.

► In contrast, single-family home construction has increased gradually. Year to date, single-family permits are up 3.6 percent versus the same period last year. Homebuilding activity (measured by permits issued) remains significantly below its prerecession peak and below levels seen in 2002 and 2003, before the onset of the housing boom.

## Home Inventories

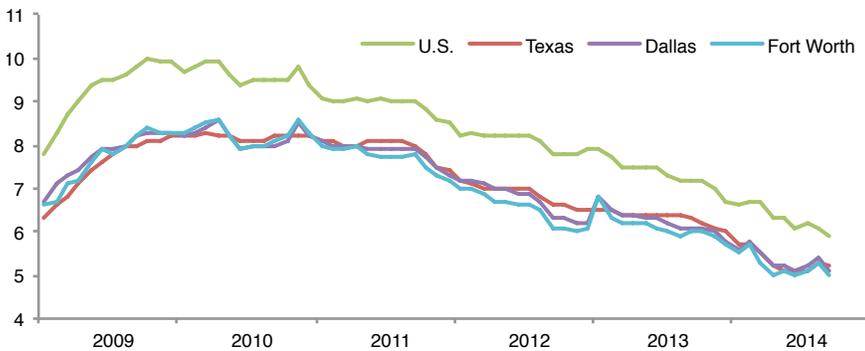
Months of inventory, seasonally adjusted



► Home inventories remain tight. In September, inventories edged down to 2.3 months in Dallas but held steady at 2.7 months in Fort Worth and 3.6 months in Texas, according to the Multiple Listing Service. These figures are below the U.S. level of 5.4 months and well below the 6-month threshold that usually signals a balanced housing market. Inventories in both the metros are lower than the levels seen during the U.S. housing boom.

## Unemployment Rate

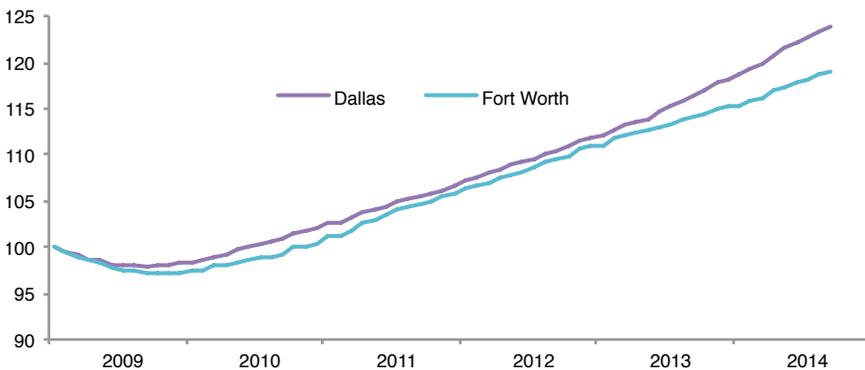
Percent, seasonally adjusted



► In September, the unemployment rate dropped to 5.1 percent in Dallas, 5 percent in Fort Worth and 5.2 percent in Texas. All three rates are lower than the U.S. rate of 5.9 percent.

## Business-Cycle Index

Index, January 2009 = 100\*



\*Monthly; seasonally adjusted.

► Overall economic activity continues to expand in the metroplex, according to the Dallas Fed's metro business-cycle indexes. Through September, the Dallas index has risen an annualized 6.7 percent, and the Fort Worth index has increased 4.3 percent. Robust job creation and a decline in the unemployment rate have contributed to the gains.

► The Dallas Fed produces business-cycle indexes for Texas and its major and border metros to help gauge the 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 revisions.

SOURCES: **Employment:** Bureau of Labor Statistics' Current Employment Statistics, Texas Workforce Commission and Federal Reserve Bank of Dallas; **housing:** Census Bureau and Multiple Listing Service; **unemployment:** Census Bureau and Federal Reserve Bank of Dallas; **business-cycle indexes:** Federal Reserve Bank of Dallas.

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