

# San Antonio Economic Indicators

DALLAS **FED**

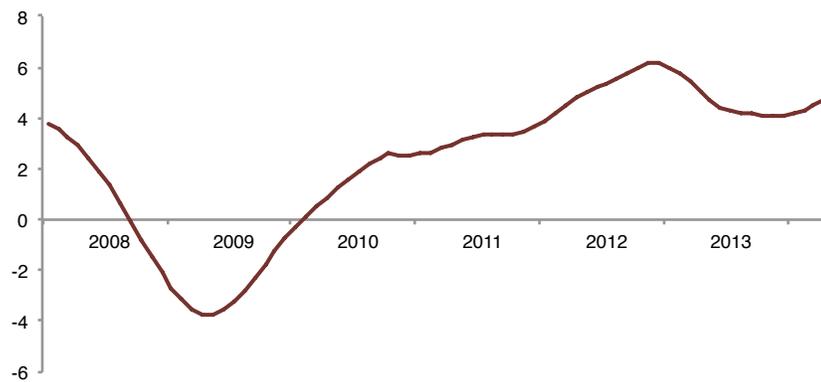
FEDERAL RESERVE BANK OF DALLAS • MAY 2014

## Summary

The San Antonio economy accelerated in April. The unemployment rate fell to 4.8 percent, 0.4 percentage points below the state and 1.5 percentage points below the nation. Private employment growth was strong, particularly in business and professional services, while government jobs declined. New building permits remained steady in March and construction employment grew moderately in April, but housing starts weakened and continue to lag behind the state as a whole.

### San Antonio Business-Cycle Index

Percent change\*



\*Six-month, annualized rate.

► The San Antonio Business-Cycle Index continued to accelerate, primarily due to a continuing decline in the unemployment rate. The six-month growth rate increased from 4.5 percent in March to 4.8 percent in April, the highest rate in nearly a year. Overall, the San Antonio economy continues to track above trend when compared with the 10-year annual growth rate of 3.4 percent.

### Business-Cycle Index Components

|   | San Antonio | Texas | U.S. |
|---|-------------|-------|------|
| Annualized job growth (April)                         | 1.7%        | 5.7%  | 2.5% |
| Unemployment rate (April)                             | 4.8%        | 5.2%  | 6.3% |
| Year-over-year change in real retail sales (2013:Q3)* | 2.4%        | 1.0%  | 3.0% |
| Year-over-year change in real wages paid (2013:Q3)*   | 2.0%        | 3.2%  | 2.2% |

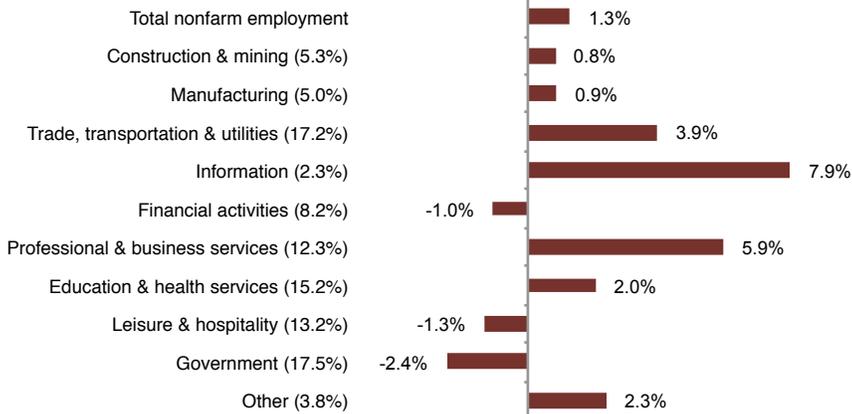
\*Most recent data available.

► San Antonio saw job growth of 1.7 percent, or about 1,300 net new jobs, in April after a decline in March. However, the rate was below that of the state and the nation, which saw 5.7 percent and 2.5 percent annual growth, respectively. Much of the strength in Texas and the U.S. can be attributed to the end of unusually cold weather that impeded growth over the first quarter and affected San Antonio indirectly though reduced trade with hard-hit areas.

► The unemployment rate fell 0.4 percentage points in April to 4.8 percent, close to its prerecession levels of about 4 percent. While some of the decrease was due to an exit of workers from the labor force, most of the drop was due to an increase in household employment.

## Employment

### Employment Growth (January–April)

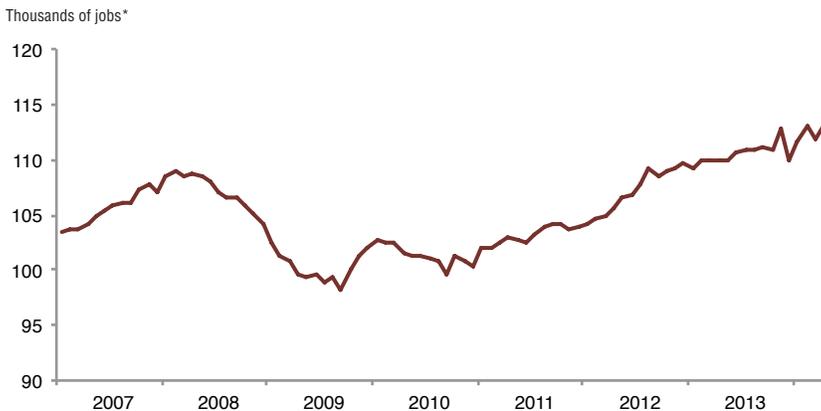


NOTES: Numbers in parentheses are shares of total employment. Job growth data are seasonally adjusted and annualized.

► Total employment growth over the three months ended in April was a mediocre 1.3 percent, although private sector employment fared better at 2.1 percent. The information sector added 400 jobs, which translates to a large 7.9 percent increase due to the industry’s relatively small size. Professional and business services employment rose 5.9 percent, while a surge in wholesale trade led to a 3.9 percent increase in trade, transportation and utilities jobs. Growth in education and health services employment decelerated to 2 percent, slowed by health care and social assistance jobs. Leisure and hospitality employment continued to struggle, while both local and federal government jobs declined sharply.

## Employment

### Professional and Business Services



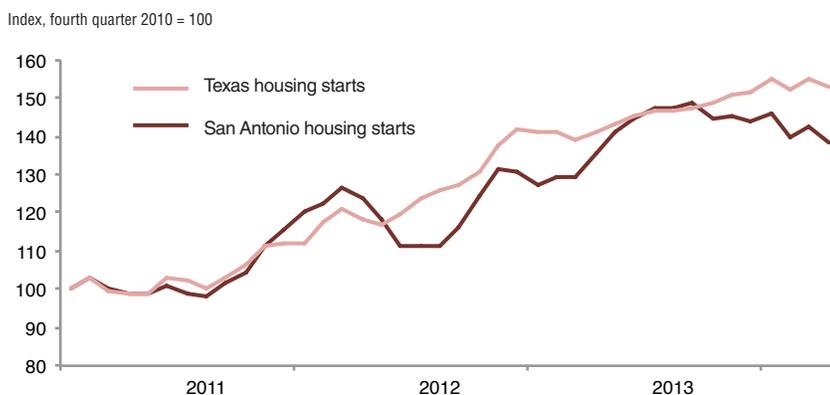
\*Seasonally adjusted.

► The professional and business services sector, encompassing jobs from technical and legal consulting to administrative and facilities support, has seen unusual volatility over the six-month period ending in April. Nevertheless, growth over this time has been strong at an annualized 4 percent. The industry added 1,300 net new jobs in April and employs more people now than ever before.

► Employment in administration, waste management and remediation services grew at a 10.6 percent annual rate from January to April. The subsector of employment services, which includes temporary jobs, expanded at a 7.8 percent pace—a good sign for overall job growth because employers often hire temp workers before permanent employees. Another leading indicator of employment—help-wanted advertising in professional and business services, as measured by the Conference Board—has also increased strongly.

## Housing Markets

### Housing Starts Index

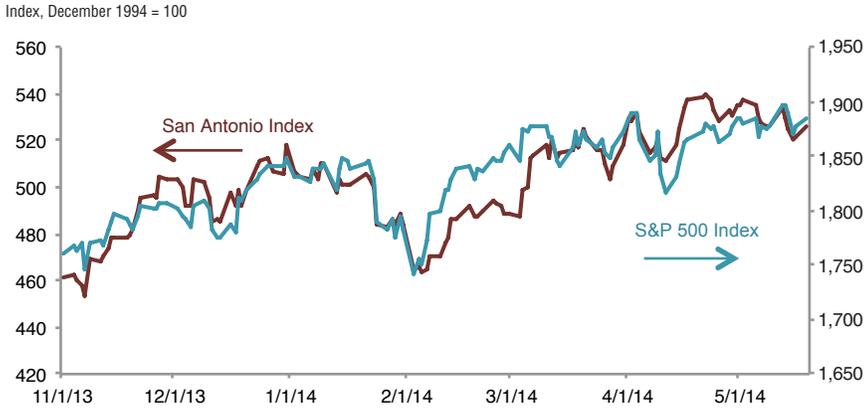


NOTES: Indexed on three-month moving average; data are seasonally adjusted.

► Although home construction and building permits in San Antonio have been moderately strong in recent years, the area has not kept up with the pace of Texas overall. Beginning in third quarter 2013, the three-month moving average of housing starts continued to expand in Texas but gradually declined in San Antonio. Though housing inventories have fallen in both San Antonio and Texas, the area’s inventories remain higher, at 4.3 months’ supply versus 3.5 for the state. This indicates that the pressure to build new housing units is less in San Antonio than in other densely populated cities such as Dallas and Austin. Even so, median year-over-year housing prices in San Antonio increased 6.4 percent in March and home sales remained steady, pointing to continued health in the local housing market.

## Stock Index

### Stock Price Indexes



► The San Antonio Stock Index fell 2.4 percent from April 21—when it reached an all-time high—to May 19. That compares with the S&P 500, which grew 0.7 percent over this time. The primary drag over this period was weakness in manufacturing, banking and communications firms. While energy companies continued to do well, growth moderated compared with the fast rates seen earlier in the year. Nevertheless, both indexes picked up near the end of the period, suggesting that as the national economy continues to grow, businesses in San Antonio will expand as well.

#### SOURCES

San Antonio Business-Cycle Index: Bureau of Labor Statistics; Texas Workforce Commission; Federal Reserve Bank of Dallas.  
Employment: Bureau of Labor Statistics; Federal Reserve Bank of Dallas.  
Professional and business services employment: Bureau of Labor Statistics; Federal Reserve Bank of Dallas.  
Housing starts index: Federal Reserve Bank of St. Louis.  
Stock price indexes: Bloomberg; Standard and Poor's.

Questions regarding *San Antonio Economic Indicators* can be addressed to Christopher Slijk at [christopher.slijk@dal.frb.org](mailto:christopher.slijk@dal.frb.org).