

# San Antonio Economic Indicators

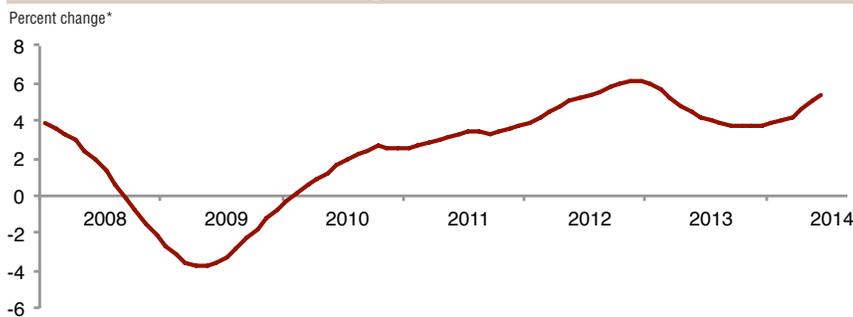
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## Summary

San Antonio saw mixed signs of growth in June after a very strong month in May, although broader measures of economic activity point toward continued expansion. The unemployment rate dropped to 4.7 percent, comparable to prerecession levels in 2008. However, payroll job growth slowed to an annualized 0.4 percent after a strong 6.3 percent increase in May. Housing starts slowed slightly, but other indicators such as construction employment and sales point to continued strength in housing.

## San Antonio Business-Cycle Index



\*Six-month, annualized rate.

► Growth in the San Antonio Business-Cycle Index picked up again in June, with the six-month growth rate increasing from 5.0 to 5.3 percent, continuing the upward trend in growth that began at the end of 2013. This increase was driven primarily by a decline in the unemployment rate to 4.7 percent.

## Business-Cycle Index Components

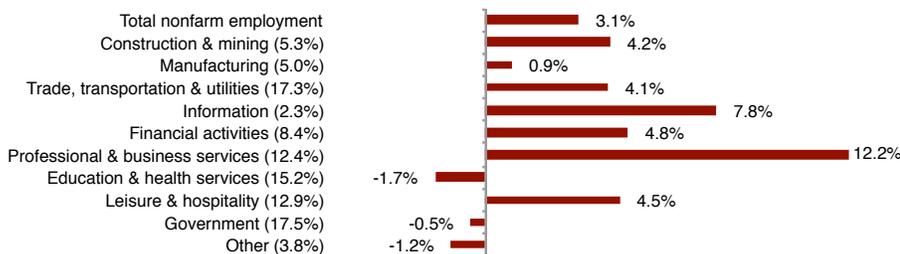
	San Antonio	Texas	U.S.
Annualized job growth (June)	0.4%	2.4%	2.5%
Unemployment rate (June)	4.7%	5.1%	6.1%
Year-over-year change in real retail sales (2013:Q4)*	-12.2%	0.9%	2.5%
Year-over-year change in real wages paid (2013:Q4)*	1.5%	0.6%	0.8%

\*Most recent data available.

► June saw just 300 net new jobs created locally (a 0.4 percent annual rate), far below the growth rates of the state and the nation. Unusually, all the net job growth came from the public sector, which has been very weak throughout 2014. Government jobs increased at an annual rate of 2.3 percent, while private-sector employment remained flat overall. The unemployment rate fell by 0.2 percentage points to 4.7, the lowest level since July 2008. This contrasts with the state and national unemployment rates, which remain elevated compared with their prerecession levels despite falling more than half a percentage point each since the beginning of the year.

## Employment

### Employment Growth (March-June)



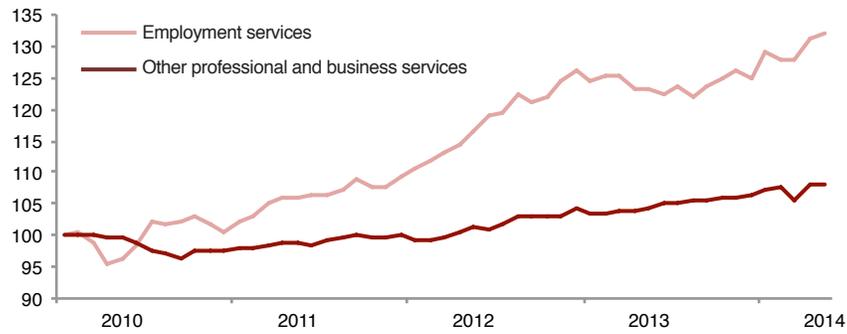
NOTES: Numbers in parentheses are shares of total employment. Job growth data are seasonally adjusted and annualized.

► While growth in June was weak, jobs grew at a healthy 3.1 percent annual rate over the three months ending in June. Many private-sector industries continued to grow strongly, while government posted job losses. Professional and business services saw a strong uptick in growth, with temporary employment in particular growing by 17.7 percent over this period. Employment in financial activities, construction and mining, and leisure and hospitality continued to accelerate, while trade, transportation and utilities maintained a strong level of growth. Meanwhile, manufacturing employment growth slowed, adding just 100 jobs overall in the second quarter, and education and health services saw a mild contraction.

## Employment

### Professional and Business Services Employment Index

Index, January 2010 = 100

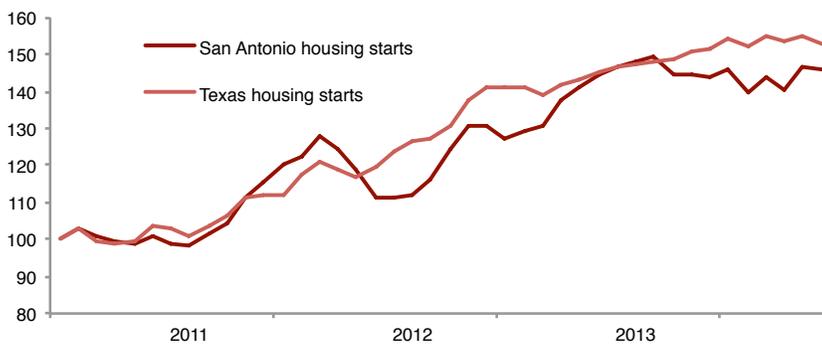


► Since the middle of 2013, employment in professional and business services has been driven by jobs in employment services companies. Many of these jobs are with temp employment agencies. Generally, temp employment is seen as a possible leading indicator for overall employment growth, as businesses contract with temp firms until they are sure that a demand increase is not just temporary. Once demand is persistent over a period of time, companies often switch to hiring permanent full-time workers. Overall, the recent increase in temp employment may signal further hiring and business expansion in the third quarter of the year.

## Housing Markets

### Housing Starts Index

Index, fourth quarter 2010 = 100



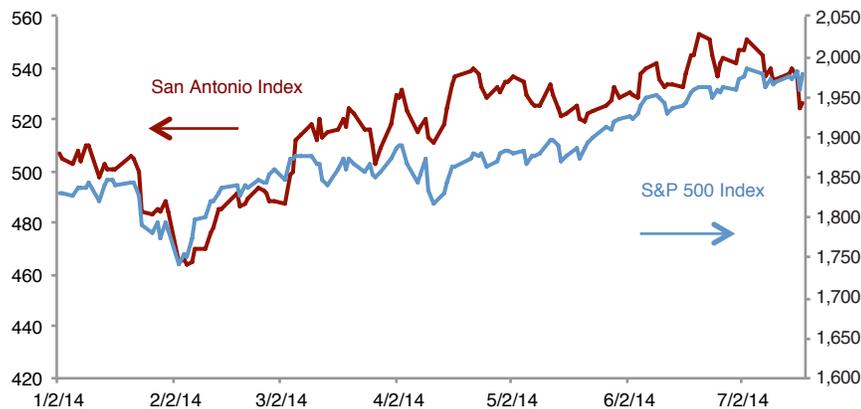
NOTES: Indexed on three-month moving average; data are seasonally adjusted.

► New housing starts in San Antonio weakened slightly in May in parallel with the state overall. However, year-over-year starts were up 6.8 percent, and new housing permits increased to a three-month high. Multifamily permits rebounded after weaknesses in March and April. Help-wanted advertising in construction continued to rise strongly, while home sales remained stable, pointing toward continued strength in local housing markets despite the slowdown in housing starts.

## Stock Index

### Stock Price Indexes

Index, December 1994 = 100



► Stock prices of companies located in San Antonio declined in recent weeks. After reaching a record high on June 20, the San Antonio Stock Index fell 4.7 percent through July 18. This contrasts with a 0.8 percent growth in the S&P 500 over the same period. Energy firms, particularly those involved in petroleum refining, saw a notable fall in June after the Department of Commerce granted permission to several firms to export condensate. This minimally processed form of oil can be sent directly to the global market, bypassing the refining process typically required of exported petroleum products.

NOTE: Data may not match previously published numbers due to data revisions.

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.

Housing starts index: Federal Reserve Bank of St. Louis.

Stock price indexes: Bloomberg; Standard and Poor's.

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