

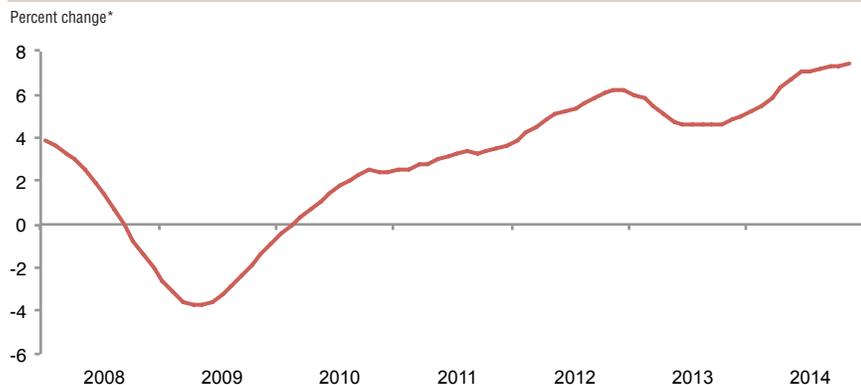
San Antonio Economic Indicators

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Summary The San Antonio economy grew at a very strong pace in November. Payroll employment growth reached a 10-year high of 9.4 percent. The unemployment rate fell to 4.5 percent, continuing the downward trend of the prior three months. Housing markets have been steady, although multifamily has shown some mixed signs in recent months. Stocks of companies based in San Antonio were weak in November and December as energy sector companies continued to feel the effects of falling oil prices.

San Antonio Business-Cycle Index



*Six-month, annualized rate.

► Growth in the San Antonio Business-Cycle Index accelerated to 7.4 percent over the six months ended in November. Revised data show that the index has grown 7.2 percent this year and has been accelerating since the third quarter of 2013. Continued strength in the four components of the index has pushed growth the past several months higher than initially estimated.

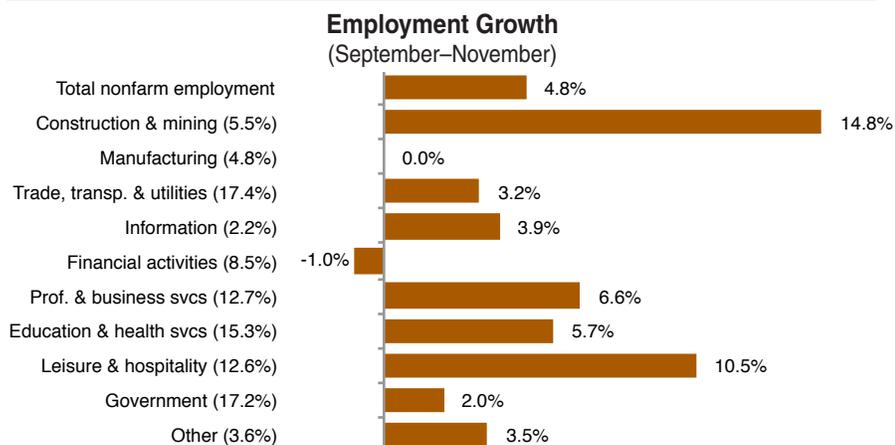
Business-Cycle Index Components

	San Antonio	Texas	U.S.
Annualized job growth (November)	9.4%	3.2%	2.0%
Unemployment rate (November)	4.5%	4.9%	5.8%
Year-over-year change in real retail sales (2014:Q2)*	6.1%	-10.8%	2.4%
Year-over-year change in real wages paid (2014:Q2)*	3.5%	3.8%	1.9%

*Most recent data available.

► Measures of San Antonio economic activity continued to pick up in November. The unemployment rate fell to a six-year low of 4.5 percent. Meanwhile, Texas saw a drop to 4.9 percent, while the U.S. was flat at 5.8 percent. Annualized job growth in San Antonio was unusually high at 9.4 percent, while state job growth slowed to an annualized 3.2 percent and the U.S. picked up to 2.8 percent. Second-quarter retail sales growth in San Antonio was much higher than the state and nation (although a sharp decline for Texas was primarily due to abnormally strong sales in second quarter 2013). Wage growth was also strong at 3.5 percent, nearly keeping pace with wage growth in the state overall.

Employment



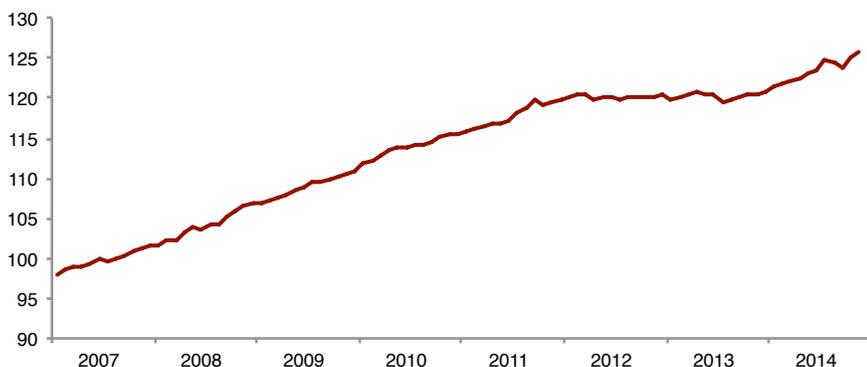
NOTES: Numbers in parentheses represent share of total employment and may not sum to 100 percent due to rounding. Job growth data are seasonally adjusted and annualized.

► Total nonfarm employment growth in San Antonio surged to an annualized 4.8 percent over the three months ended in November. Employment grew across most industries. Once again, construction and mining led job growth at a very strong 14.8 percent. Leisure and hospitality employment accelerated, primarily due to new hotel and accommodation hiring, which accounted for nearly one-third of the 3,000 new jobs added. Education and health services employment accelerated as well, with health care and social services growing 3.9 percent. Government also expanded, with federal employment adding 700 jobs and reaching its highest level since the end of 2013. Financial activities weakened slightly, primarily due to stagnation in finance and insurance hiring.

Employment

Health Care and Social Assistance Jobs

Thousands, seasonally adjusted



► Employment in health care and social assistance picked up sharply in October and November after several months of decline. Employment in the sector has increased at a 3.8 percent rate since mid-2013. Some of the recent uptick may be due to increased enrollments in health insurance through the Affordable Care Act and a more recent rise in Medicaid enrollments, which have surged throughout the state since March.

Housing Markets

Multifamily Permits and Vacancy Rates



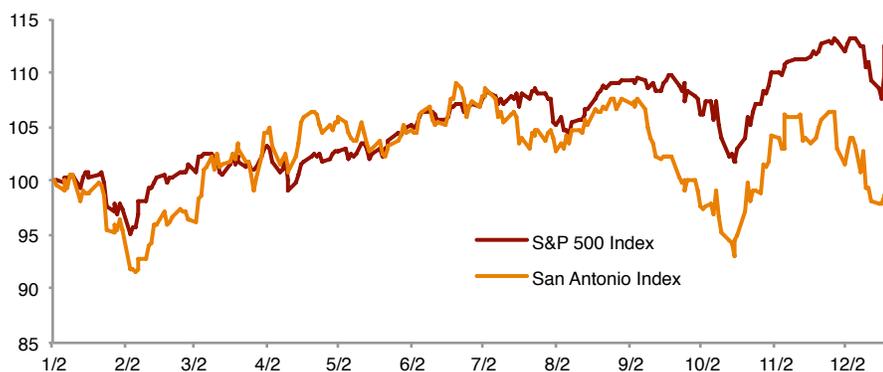
NOTES: Permit data are based on five-month moving average; data are seasonally adjusted.

► Seasonally adjusted multifamily vacancy rates ticked up slightly in the third quarter to the 20-year average of 6.8 percent. This followed a 0.4 percentage-point fall to 6.7 percent in the second quarter. Permits for new multifamily construction fell off through most of 2014 after strong growth late last year. If the multifamily construction volume remains subdued, the recent upward trend in vacancies may dampen as occupancy catches up to existing units.

Stock Index

Stock Price Indexes

Index, Jan. 2, 2014 = 100



► The San Antonio Stock Index declined 5.1 percent from Nov. 20 to Dec. 19, contrasting with the S&P 500 which, though volatile in recent weeks, was up 0.9 percent over the same period. Energy companies were again a major source of weakness as energy producers continued to suffer from further sharp declines in oil prices. Growth in retail corporations was mixed, while finance company growth weakened slightly.

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

SOURCES: **San Antonio Business-Cycle Index:** Bureau of Labor Statistics (BLS), Texas Workforce Commission and Federal Reserve Bank of Dallas; **employment:** BLS and Dallas Fed; **multifamily permits and vacancy rates:** CBRE and Multiple Listing Service; **stock price indexes:** Bloomberg and Standard and Poor's.

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