Texas Real Estate Research Center economists continuously monitor many facets of the global, national, and Texas economies. *Outlook for the Texas Economy* summarizes significant state economic activity and trends. All measurements are calculated using seasonally adjusted data, and percentage changes are calculated month over month, unless stated otherwise.

This publication is designed to be a one-stop resource for economic indicators. We hope you find them as useful as we do. Your feedback is always appreciated. Send comments and suggestions to mailto:info@recenter.tamu.edu.

Joshua Roberson and Rhutu Kallur

Data current as of April 10, 2024

© 2024, Texas Real Estate Research Center. All rights reserved.
Summary

The Texas economy has remained resilient despite high inflation rates. Most of April’s employment growth was mostly in education and health services. The unemployment rate has remained unchanged for the last six months.

Inflation Growth Remains Steady

The Consumer Price Index (CPI), which has been steady since the beginning of 2024 with no major fluctuations, rose 0.3 percent in April. The CPI was up 3.4 percent from April 2023. The indexes for gasoline and shelter both rose in April and contributed 70 percent of the monthly increase. The energy index increased 1.1 percent year-over-year (YOY) while the food index declined by 0.2 percent.

In April, the key federal funds interest rate was at approximately 5.375 percent as the Federal Reserve continued to grapple with persistent inflation. Despite expectations for multiple rate cuts at the start of the year, inflation has been stubborn, rising from 3.2 percent in February to 3.5 percent in March. With the CPI dipping to 3.4 in April, many expect the Fed to begin rate cuts soon. Fed chairman Jerome Powell has suggested rates will eventually decline sometime in 2024, with up to three 25-basis point interest rate cuts expected, bringing the federal funds rate closer to 4.6 percent. So, while the current rates remain unchanged, there are indications that adjustments may occur later in the year.

Texas Payroll Growing at Slower Rate

Texas total nonfarm employment added 42,600 workers, resulting in a 0.3 percent month-over-month (MOM) gain. Dallas and Houston experienced the highest increases of 21,300 and 13,400 employees, respectively. Austin and San Antonio experienced moderate increases of 4,600 and 1,900, respectively. Education and health services have overtaken professional and business services (7,600) by adding 12,000 workers. Education services specifically has seen 1 percent growth and has been growing at the same rate since March 2024. Trade, transportation, and utilities was on decline since the beginning of the year and moved up slightly in April by 0.4 percent for the first time in 2024.
Texas worker sentiment remains resilient with a participation rate of 64.2 percent. The unemployment rate has been steady at 3.9 to 4 percent for nine months, and continued unemployment claims have averaged around 135,649 applications weekly.

**Texas Homes Sales Recover**

According to the latest data, Texas had a 5.8 percent increase in total home sales MOM, resulting in 29,212 homes sold (see table). Most of the major cities experienced a slight upswing. San Antonio had the biggest increase in home sales volume among the Big Four with 8 percent (3,188) followed by Dallas with a 4 percent (8,120) increase.

**Table 1. Home Sales Volume**

<table>
<thead>
<tr>
<th>City</th>
<th>March</th>
<th>April</th>
<th>MoM Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Antonio-New Braunfels</td>
<td>2,952</td>
<td>3,188</td>
<td>8.0%</td>
</tr>
<tr>
<td>Texas</td>
<td>27,594</td>
<td>29,212</td>
<td>5.9%</td>
</tr>
<tr>
<td>Dallas-Fort Worth-Arlington</td>
<td>7,804</td>
<td>8,120</td>
<td>4.0%</td>
</tr>
<tr>
<td>Austin-Round Rock-San Marcos</td>
<td>2,791</td>
<td>2,895</td>
<td>3.7%</td>
</tr>
<tr>
<td>Houston-Pasadena-The Woodlands</td>
<td>7,373</td>
<td>7,464</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

Source: Data Relevance Project and Texas Real Estate Research Center at Texas A&M University
Note: Data are seasonally adjusted

**Service Sector Has Growth Boost**

Texas’ service-providing private employment had its biggest MOM burst since January 2023. In April, service-providing employment crossed over ten million with a 0.41 percent MOM change. In January 2023, that growth rate was 0.7 percent MOM. According to the Dallas Fed’s Service Sector Outlook Survey, despite the boost in employment, most of the business executives surveyed still had a negative sentiment toward general business activity. Input prices and wages eased slightly this month, but revenue remained unchanged. Looking out six months from now, executives surveyed also stated that employment growth will be positive but grow at a slower pace.

**Texas Export Growth Slow Without Oil Boost**

Texas’ all-commodity exports in March increased 3.6 percent MOM but fell 5.8 percent YOY. This time last year Texas oil and gas exports temporarily benefited from Russian oil sanctions, which explains the large YOY dip. In general, Texas exports have gradually increased since early 2023 but are far short of export levels from 2022.
Demand for Texas oil and gas, the state’s largest export, has been sluggish with export values hovering in the $12 export value range. The high mark for Texas oil and gas exports was June 2022, when export levels reached $15.5 billion, with most of the oil going to either Asia or Europe. Export levels have since fallen but remain above the long-term trend.

Petroleum and coal products, the state’s number two export commodity, have fared about the same with export levels maintaining around $6 billion since summer 2023. Unlike oil and gas, this export is concentrated in developing Latin American markets.

**Select Economic Indicators**

- The Texas Leading Economic Index has risen slightly by 0.5 percent from 128.8 to 129.5 (1987=100), signaling steady economic growth in the upcoming months.

- Nominal average hourly earnings increased marginally by **0.3 percent** MOM to $32.7 and by **4.6 percent** YOY.

- Earnings across all four major metros were mixed, with Dallas increasing by $0.25, Austin decreasing by $0.12, and Houston and San Antonio having no major changes.

- Texas consumer confidence fell by **8.6 percent** in April. It had been on the rise since September but started falling during March and has continued to fall.

- The ten-year U.S. Treasury bond jumped 33 basis points, standing at **4.54 percent**.

- The **Federal Home Loan Mortgage Corporation’s 30-year fixed-rate** rose by 17 basis points to 6.99 percent.

- The West Texas Intermediate (WTI) crude oil spot price slightly rose by **7.4 percent** YOY to $85.35. The Henry Hub natural gas spot price plummeted another **35 percent** YOY from $2.16 to $1.60 per million British thermal units (BTU).
Texas Business-Cycle Index

Index January 2010 = 100

Source: Federal Reserve Bank of Dallas

Texas Leading Index

Index January 2010 = 100

Source: Federal Reserve Bank of Dallas
Economic Activity

Gross Domestic Product

Index 2010 Q1 = 100

2010 2015 2020

United States Texas

Source: Bureau of Economic Analysis

Job Openings

Index January 2010 = 100

2010 2015 2020

United States Texas

Source: Bureau of Labor Statistics
Employment Index

Source: Bureau of Labor Statistics

Unemployment Rate

Source: Bureau of Labor Statistics
Employment

Initial Unemployment Claims

Source: Department of Labor

Labor Force Participation Rate

Source: Bureau of Labor Statistics
Crude Oil Price

Source: Energy Information Administration

Texas Crude Oil Production

Source: Energy Information Administration
Residential Home Sales
Seasonally Adjusted Annualized Rate

Source: National Association of Realtors - Texas Real Estate Research Center at Texas A&M University

Texas Home Price Index
Seasonally Adjusted Annualized Rate

Source: Texas Real Estate Research Center at Texas A&M University
U.S. Purchase Mortgage Origination Dollar Volume
Seasonally Adjusted

Source: Mortgage Bankers Association

---

Single-Family Housing Starts
Seasonally Adjusted Index

Source: Dodge Construction Network - Texas Real Estate Research Center at Texas A&M University
Texas and U.S. Manufacturing Employment Index

Index 100 = January 2010

2010 2015 2020

United States Texas

Source: Bureau of Labor Statistics - Texas Real Estate Research Center at Texas A&M University

Texas and U.S. Manufacturing Employee Hourly Earnings

2014 2016 2018 2020 2022 2024

$20.00 $22.50 $25.00 $27.50 $30.00

United States Texas

Source: Bureau of Labor Statistics - Texas Real Estate Research Center at Texas A&M University
**Texas Manufacturing Employee Hourly Earnings**

Hourly Earnings:
- $15
- $20
- $25
- $30

2010 - 2020

- **Red Line**: Nominal Earnings
- **Blue Line**: Inflation-Adjusted Earnings

Source: Bureau of Labor Statistics - Texas Real Estate Research Center at Texas A&M University

**Manufacturing Outlook Index**

0+ = Expansion

Index:
- 25
- 0
- -25
- -50

2005 - 2020

- **Red Line**: United States
- **Blue Line**: Texas

Source: Institute for Supply Management - Federal Reserve Bank of Dallas
Services Sector Outlook Index

0+ = Expansion

Source: Institute for Supply Management - Federal Reserve Bank of Dallas

Retail Sales Index

Source: Census Bureau - Federal Reserve Bank of Dallas
Texas Export Values by Destination

Source: Census Bureau via WISER

Texas Oil and Gas Exports

Source: Census Bureau via WISER
Texas A&M University
2115 TAMU
College Station, TX 77843-2115

EXECUTIVE DIRECTOR
PAMELA CANON

ADVISORY COMMITTEE

DOUG FOSTER, PRESIDING OFFICER
Lockhart

BESA MARTIN, ASSISTANT PRESIDING OFFICER
Boerne

TROY ALLEY, JR.
DeSoto

PATRICK GEDDES
Dallas

KRISTI DAVIS
Carrollton

DOUG JENNINGS
Fort Worth

VICKI FULLERTON
The Woodlands

BECKY VAJDAK
Temple

HARRY GIBBS
Georgetown

BARBARA RUSSELL, EX-OFFICIO
Denton