

# Outlook for the Texas Economy



**LUIS B. TORRES**  
RESEARCH ECONOMIST

**WESLEY MILLER**  
SENIOR RESEARCH ASSOCIATE

**JACOB STRAUS**  
RESEARCH ASSOCIATE

**BRENDAN HARRISON**  
RESEARCH INTERN

<b>About this Report</b> .....	3
<b>August 2021 Summary</b> .....	4
<b>Economic Activity</b> .....	11
Texas Business Cycle Index and Leading Index .....	11
Major Metros Business Cycle Index .....	11
Consumer Confidence Index .....	12
<b>Financial Activity</b> .....	13
30-Year Mortgage Rate and Ten-Year Bond Yield .....	13
Texas Mortgage Applications .....	13
Fixed 30-Year Mortgage Rates .....	14
<b>Housing</b> .....	15
Housing Sales .....	15
Texas Residential Construction Index .....	15
Major Metros Residential Leading Construction Index .....	16
<b>Energy</b> .....	17
Crude Oil and Natural Gas Prices .....	17
Texas Production of Crude Oil and Rig Count .....	17
<b>Employment</b> .....	18
Employment Growth Rate .....	18
Unemployment Rate .....	18
Major Metros Unemployment Rate.....	19
Unemployment Insurance Claims: Initial Applications .....	19
Unemployment Insurance Claims: Continued Applications .....	20
Labor Force Participation Rate.....	20
Total Private Employee Hourly Earnings.....	21
Major Metros Total Private Employee Hourly Earnings .....	21
Major Metros Employment Growth Rate .....	22
<b>Manufacturing</b> .....	23
Manufacturing Employment .....	23
Major Metros Manufacturing Employment.....	23
Manufacturing Employee Hourly Earnings .....	24
Major Metros Manufacturing Employee Hourly Earnings.....	24
Manufacturing Outlook Survey .....	25

<b>Construction</b> .....	26
Construction Employment .....	26
Construction Employee Hourly Earnings .....	26
Texas Construction Values .....	27
Major Metros Total Construction Values.....	27
<b>Services</b> .....	28
Services Sector Outlook Survey .....	28
Texas Retail Sector .....	28
CPI Inflation Rates .....	29
CPI Inflation Rates (Houston Components) .....	29
<b>Trade</b> .....	30
Real Trade Weighted Value of U.S. Dollar .....	30
Exports (All Commodities).....	30
Manufacturing Exports.....	31
Crude Oil Exports.....	31
Texas Exports by Country.....	32



## About this Report

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 [info@recenter.tamu.edu](mailto:info@recenter.tamu.edu).

Dr. Luis Torres, Wesley Miller, Jacob Straus, and Brendan Harrison

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# August 2021 Economic Report

2Q2021 GROSS STATE PRODUCT	WTI OIL PRICE PER BARREL	NONFARM EMPLOYMENT	2Q2021 REAL INCOME PER CAPITA	U.S. CPI
▲ 6.4% SAAR	▼ \$67	▲ 39,300 jobs	▼ -1.7% YOY	▼ 5.3% YOY

## Summary<sup>1</sup>

Growth prospects for the Texas economy accelerated in the second quarter as the recovery process continued, sparked by an uptick in the oil industry. Despite a steep contraction in the leisure and hospitality sector, payrolls expanded in August, led by strong growth in the professional and business services industry. Joblessness declined, and unemployment claims decreased even as new COVID-19 cases spiked in the first half of the month. Rig counts increased and oil prices dipped, but prices remained relatively elevated. Meanwhile, retail sales approached a record-breaking \$50 billion, and real commodity exports improved. Second-quarter real income per capita declined relative to the same time period last year amid rising inflation due to elevated demand for goods and disrupted supply chains. Containment of the pandemic is vital as additional waves of infection, mainly from the Delta variant, can weigh on consumer behavior and slow the return to pre-pandemic conditions.

Newly released second quarter 2021 data revealed Texas' real **gross domestic product (GDP)** increased 6.4 percent on a seasonally adjusted annualized rate (SAAR). The increase reflected the continued economic recovery, reopening of establishments, and ongoing government response related to the COVID-19 pandemic. In the second quarter, government assistance payments in the form of loans to businesses and grants to state and local governments increased; meanwhile social benefits to households, such as the direct economic impact payments, declined. Professional, scientific, and technical services; accommodation and food services; and information were the leading contributors to the increase in real GDP. Overall growth acceleration in the second quarter was nearly double the long-term average.

Texas' economy continued to recover in August according to the **Dallas Fed's Texas Business-Cycle Index**, which accelerated 10.5 percent SAAR amid steady hiring and joblessness declining. Driven by the similar labor-market improvements, Austin and Fort Worth's metrics rose 14 and 8.5 percent, respectively, while Houston maintained 8 percent growth in economic activity. The local index decelerated 12.3 percent in Dallas and 4.8 percent in San Antonio as job gains slowed in the former and payrolls contracted in the latter.

The **Texas Leading Economic Index** (a measure of future directional changes in the business cycle) resumed its climb after a sharp decline in initial unemployment claims. The downward trend in initial unemployment claims and improvement in other labor-market indicators contributed to the

<sup>1</sup> All measurements are calculated using seasonally adjusted data, and percentage changes are calculated month-over-month, unless stated otherwise.

increase. The **Texas Consumer Confidence Index** decreased for the third straight month amid a resurgence in COVID-19 cases and mounting concerns regarding inflation.

Amid low expectations of additional fiscal and monetary stimulus, economic growth forecasts for the rest of the year cooled as the initial and strongest stage of recovery likely reached its peak, and inflation pressures are believed to be temporary. The **ten-year U.S. Treasury bond yield** ticked down for the fourth consecutive month to 1.3 percent<sup>2</sup>, while the **Federal Home Loan Mortgage Corporation's 30-year fixed-rate** fell to 2.8 percent. The median mortgage rate for the typical Texas homebuyer decreased in August<sup>3</sup> to 3.1 and 3 percent for GSE and nonGSE loans, respectively. As mortgage rates dropped, Texas home-purchase applications increased over the past two months but fell 17.5 percent YTD. Refinance applications improved on a monthly basis yet were still down 12.2 percent over the same period. The annual decreases were likely due to baseline effects after a surge of remodeling and refinancing in 2020. Lenders adding more requisites and the shrinking pool of households able to refinance are likely impacting refinance activity as well. (For more information, see [Finding a Representative Interest Rate for the Typical Texas Mortgage](https://www.recenter.tamu.edu/articles/research-article/Finding-Representative-Interest-Rate-2278) at <https://www.recenter.tamu.edu/articles/research-article/Finding-Representative-Interest-Rate-2278>.)

**Total Texas housing sales** decreased 0.9 percent in August for the third consecutive month despite lower mortgage interest rates. The slowdown was attributed to record low activity for homes priced less than \$200,000 due to dwindling inventories. On the other hand, the number of homes sold priced more than \$400,000 reached an all-time high. The Texas Residential Construction Cycle (Coincident) Index, which measures current construction activity, elevated nationally and within Texas due to improved industry wages and construction values, while employment flattened during August. The Texas Residential Construction Leading Index, however, decreased as weighted building permits flattened and residential starts decreased, while the ten-year real Treasury bill increased. The leading index trended downward, signaling a potential slowdown in future activity. Dallas-Fort Worth (DFW) and Austin's weighted building permits reflected the statewide fluctuations as residential starts decreased in both metros. The DFW leading index decreased while Austin's metric flattened. Houston and San Antonio's indexes, however, suggested steady construction in the coming months as building permits and residential starts increased. (For additional housing commentary and statistics, see [Texas Housing Insight](https://www.recenter.tamu.edu/articles/technical-report/Texas-Housing-Insight) at <https://www.recenter.tamu.edu/articles/technical-report/Texas-Housing-Insight>.)

The **West Texas Intermediate (WTI) crude oil spot price** declined for the second consecutive month, averaging \$66.52 per barrel as OPEC+ oil production increased and global demand flattened. Texas' **active rig count** rose to 256 while crude oil production elevated to 4.94 million barrels per day in July<sup>4</sup>. Natural gas prices trended upward with the **Henry Hub spot price** reaching \$4.07 per million British Thermal Units (BTUs). Prices in the Permian Basin, however, increased at a

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<sup>2</sup> Bond and mortgage interest rates are nonseasonally adjusted.

<sup>3</sup> The release of Texas mortgage rate data typically lags the *Outlook for the Texas Economy* by one month. <sup>4</sup> The release of crude oil production typically lags the *Outlook for the Texas Economy* by one month.

greater rate amid a reduction in pipeline takeaway capacity, narrowing the discount between the Waha Hub and Henry Hub price.

Texas **nonfarm employment** added 39,300 jobs in August, accelerating 5.4 percent SAAR and recording gains in 15 of the last 16 months. Payrolls, however, remained down 209,700 positions from pre-pandemic levels. The Dallas Fed's annual employment forecast was revised to 4.3 percent in August, decreasing 1.3 percentage points from last month's estimates due to an early benchmark revision to Texas job growth. Texas' **unemployment rate** fell to 5.9 percent, down 0.3 percentage points from the previous month but was still greater than the national rate of 5.2 percent. Despite the improvement, the unemployment rate remained elevated relative to pre-pandemic levels of 3.7 percent. The state's **labor force participation rate** was unchanged at 62.3 percent and has trended downward since June 2020. Joblessness in the major metros decreased at a similar rate to the state average and was lowest in Austin at 4 percent while the highest in Houston at 5.9 percent. San Antonio's metric was 5.1 percent, while the unemployment rate decreased to 5 and 5.2 percent in Dallas and Fort Worth, respectively.

The number of Texans filing **initial unemployment insurance claims** sharply decreased to 110,400 in August after last month's spike. On a weekly basis, claims flattened in the last week of the month and trended downward within the major metros (Figures 1 and 2). Moreover, Texas' average weekly **continued unemployment insurance claims** declined over the month, suggesting improved conditions for laid-off workers seeking new job opportunities. Total claims were roughly 37 percent higher than pre-pandemic levels although drastically lower than its May 2020 peak.

Texas' **real income per capita** decreased 1.7 percent year over year (YOY) in 2Q2021 amid rising inflation. The reduction in transfer receipts provided by the Coronavirus Response and Relief Supplemental Appropriations Act, the American Rescue Plan act, and the state's decision to opt out of federal unemployment assistance led to substantial decrease in income. Despite the overall decline, net earnings improved as the economy continued to recover, bolstered by increases in the energy, professional/business/technical services, and accommodation/food sectors. Baseline effects from government stimulus checks and state unemployment insurance pushed income downward substantially relative to last quarter.

Texas' average **real private hourly earnings** increased for the fourth consecutive month, increasing 1.8 percent relative to year-ago levels. The improvement may be attributed to the significant monthly contraction in leisure and hospitality jobs, which typically pay lower than overall average, and the notable increase in professional and business services pushing the sector's employment share up relative to August 2020. Across the major metros, nominal wages reached record levels as Dallas (\$33.34) and Fort Worth's (\$30.36) metric posted real growth of 4.6 and 3 percent, respectively. Real wages flattened in Houston (\$29.89) and San Antonio (\$29.89). In Austin (\$30.59), however, hourly earnings fell for the sixth straight month YOY, decreasing 2.7 percent after adjusting for inflation.

Hiring in Houston decelerated to 4.1 percent on a SAAR basis, recovering 14,900 jobs. Houston payrolls remained 4.3 percent below pre-pandemic levels, a larger gap than the other major

metros. Dallas added 11,400 employees in August, accelerating 7.3 percent SAAR and exceeding the statewide metric. Fort Worth and Austin registered increases of 10,700 and 3,500 workers, respectively. Payroll expansions across the major metros were largely concentrated in the professional/business services, technical services, and education/health services industries. Employment declined only in San Antonio, which shed 900 positions as extensive layoffs in government and leisure/hospitality negatively affected the local service-providing industry. Goods-producing employment also contracted due to falling construction and manufacturing jobs.

Texas' goods-producing sector added 1,000 job this month as energy-related payrolls gained 2,900 positions, offsetting net layoffs in manufacturing. The nondurable goods manufacturing sector lost 3,900 workers, while durable goods manufacturing registered a payroll expansion of 1,700 employees. The Texas Real Estate Research Center's **Texas Manufactured Housing Survey** revealed manufacturers expect difficulties to worsen in coming months as the supply-chain disruption index fell to its lowest level since the survey launched. Manufacturers increased materials inventory and ramped up capital expenditures in hopes of boosting production, but supply-chain issues remained a hindrance. **Average hourly earnings** accelerated 6.7 percent YOY across the manufacturing sector after adjusting for inflation. The majority of respondents to the **Dallas Fed's Manufacturing Outlook Survey** reported no change in wages and benefits in August as the employment index dipped slightly, but the metric remained at elevated levels. Other key business indicators also fell this month, suggesting a slowdown in factory activity. Perceptions of future activity remained strongly positive despite growing uncertainty among industry executives. Unfulfilled demand for labor, rising input prices, and ongoing supply-chain disruptions were top concerns.

Construction payrolls gained 300 jobs, halting four consecutive months of decline. **Average hourly construction earnings** decreased to a nominal wage rate of \$27.86 per hour, declining 6 percent YOY after adjusting for inflation. **Total construction values** dipped slightly in August, largely due to a decrease in residential investment. Single-family construction values contracted in all four major metros except San Antonio, where there was a moderate increase. Meanwhile, apartment construction rebounded after a three-month decline as investment increased in all major metros, contributing to the overall growth in the multifamily sector. Statewide nonresidential activity increased for the third straight month due to large-scale expansions of schools, warehouses, and stores and restaurants; library and hospital construction, however, decreased.

Texas' service-providing sector added 38,300 employees, regaining 708,000 jobs over the last year and registering strong job growth over the previous six months. Despite the monthly increase, the effects of the upsurge in COVID-19 cases and hospitalizations due to the presence of the Delta variant can be observed in the loss of 25,600 jobs in the leisure and hospitality sector. This sector must recoup 128,200 jobs to return to pre-pandemic levels.

Professional/business services employment led the monthly recovery, hiring 29,600 workers, followed by educational/health services (17,800). Respondents to the **Dallas Fed's Service Sector Outlook Survey** relayed a less optimistic outlook on business activity as its index tumbled to its lowest measure since February. The revenue index also declined, though it remained well above average, while labor-market indicators largely improved in August as employment and hours



worked accelerated. Company outlook remained optimistic even as uncertainty mounted, surrounding supply-chain issues and the re-emergence of COVID-19.

Texas retail employment declined by 700 workers, led by layoffs from clothing and food/beverage stores. Payrolls also contracted in general merchandise. On the other hand, both nonstore retailers and health/personal-care stores reached record levels of employment, the former extended its 15-month expansion, dating back to May 2020 in the wake of the mandated closures for brick-and-mortar businesses. Retail sales ticked down 0.2 percent from last month's record levels after adjusting for inflation. Although real sales values flattened, according to the **Dallas Fed's Retail Outlook Survey**, sales activity expanded at its fastest rate since April as the sales index shot up in August after slowing over the previous months. Labor-market indicators elevated as the employment and hours worked indexes rebounded. Inventories, however, remained tight, trending downward for six consecutive months amid persistent supply-chain disruptions, but 40 percent of executives expected an improvement in company outlook and business activity in the six months ahead.

The **U.S. Consumer Price Index (CPI)** increased 5.3 percent annually with a 25 percent YOY increase in energy costs as oil prices continued to rise. Core inflation, which excludes energy and food, increased 4 percent relative to last August. Despite above-average inflation rates, the deceleration of core figures eased concerns about the economy overheating. The Federal Reserve chose not to make any policy changes regarding their dual mandate of full employment and stable prices as the Federal Open Market Committee (FOMC) continued to believe inflation levels were temporary, citing ongoing supply-chain issues and heightened demand for goods as the main factors. Upward pricing pressures eased within transportation services, slowing the recent surge that resulted from supply shortages and low base effects. Similar fluctuations in the components of Houston's CPI resulted in matching annual growth of 5.3 percent overall and 3.5 percent less food and energy.

The **Texas trade-weighted value of the dollar**<sup>5</sup> increased 1.3 percent in July compared with the previous month but fell 5 percent annually. Meanwhile, Texas' **real commodity exports** increased 3.8 percent in August, reaching a record high after the previous month's dip. **Manufacturing exports** improved, expanding 4.6 percent after adjusting for inflation amid growing shipments of petroleum/coal products and electrical equipment. **Crude oil exports** precipitously increased 27.8 percent from last month's shipments in real terms, slightly lower than peak levels in December 2019. Elevated crude oil exports to Canada pushed the country's share of Texas total exports up, while Mexico's share normalized to its year-long average around 33 percent as oil/gas exports stabilized from record levels in February. Reduced oil/gas purchases accounted for China's portion of Texas exports declining to 4.3 percent, the lowest since February when oil prices rebounded.

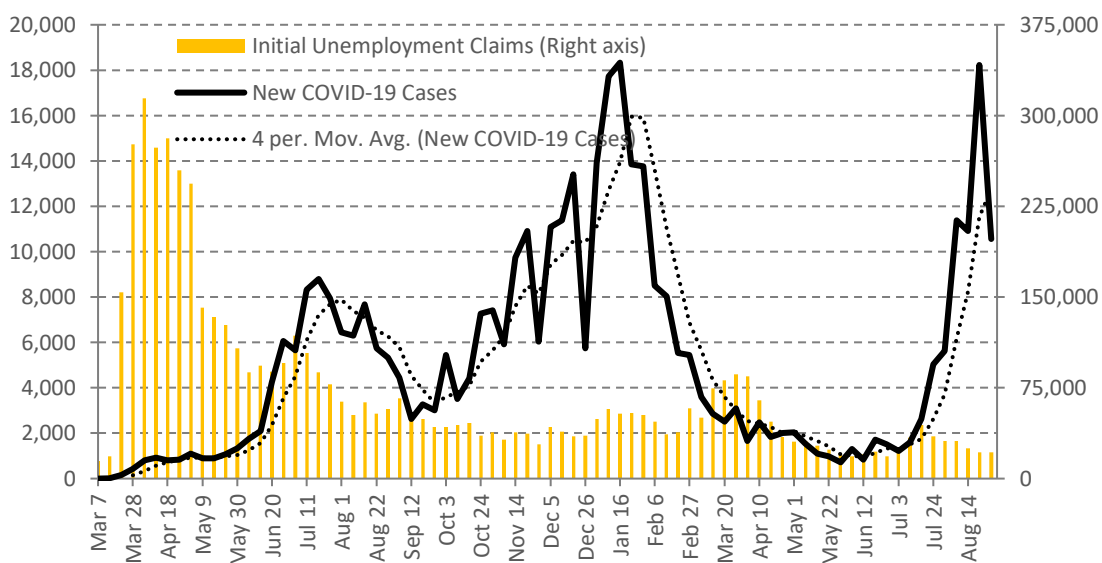
The Center created a Texas weekly leading index to predict turning points in the Texas economy. (For more information, see [Texas Weekly Leading Index on Texas Economy](https://www.recenter.tamu.edu/articles/special-report/COVID-19-Impact-Projections) at <https://www.recenter.tamu.edu/articles/special-report/COVID-19-Impact-Projections>.) The index decreased the

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<sup>5</sup> The release of the Texas trade-weighted value of the dollar typically lags the *Outlook for the Texas Economy* by one month.

first week of August but rose through the rest of the month, pointing toward higher future economic activity as the reopening of the economy continued (Figure 3). The improvement was mainly due to a decrease in the number of people filing for unemployment insurance, and it was offset by a decrease in the number of new business applications. Even though the number of new business applications fell, the total remained high, signaling strong business activity. In addition, an increase in the real price of West Texas Intermediate (WTI) oil contributed to the increase in the weekly leading index. In contrast, an increase in the real rate for the ten-year Treasury bill, which continues to exhibit a negative return in real terms, offset the increase in the index. The rebound in Texas' economic activity could be hindered by possible upsurges in COVID-19 cases as economic and social activity increases. Further waves of infections can reverse increased mobility and spending, affecting the path to recovery.

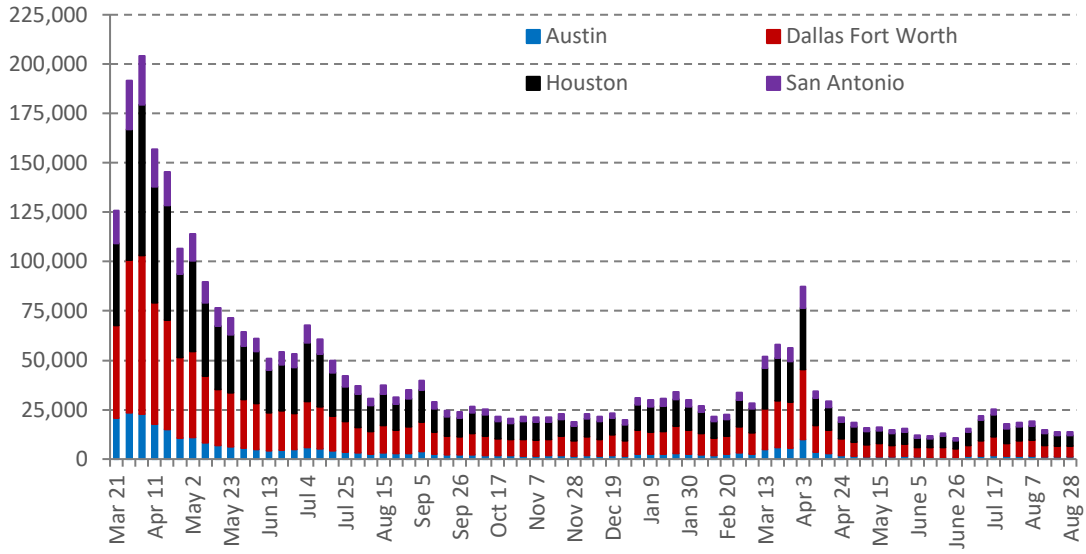
**Figure 1. Texas Weekly Initial Unemployment Claims and New COVID-19 Cases (2020-21)**



Note: Initial unemployment claims are seasonally adjusted.

Sources: Texas Workforce Commission, U.S. Department of Labor Employment and Training Administration, Texas Real Estate Research Center at Texas A&M University calculations, and <https://github.com/nytimes/covid-19-data/blob/master/us-counties.csv>.

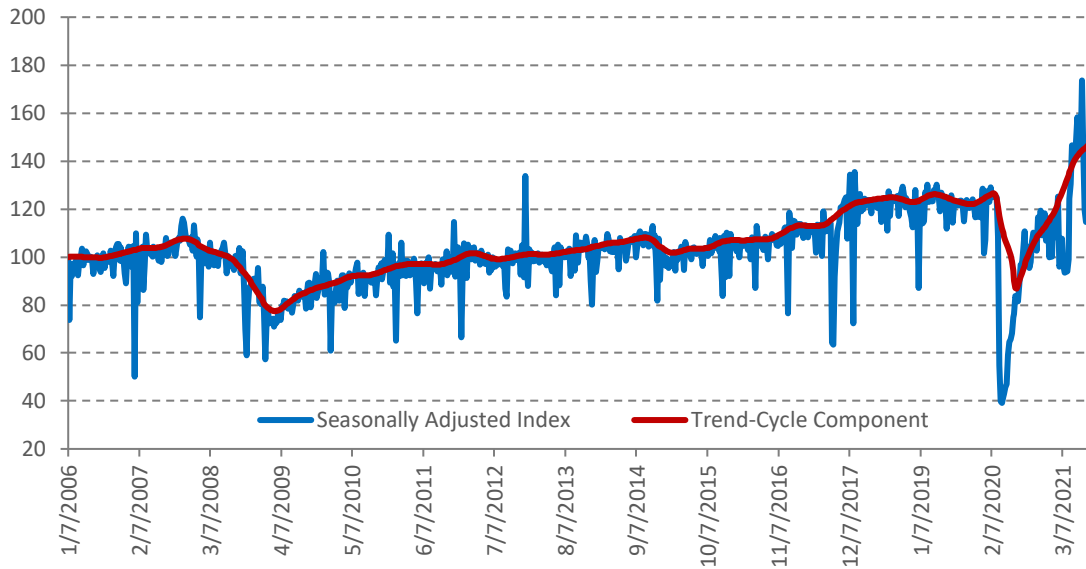
**Figure 2. Major Metro Weekly Initial Unemployment Claims (2020-21)**



Note: Seasonally adjusted.

Sources: Texas Workforce Commission, U.S. Department of Labor Employment and Training Administration, and Texas Real Estate Research Center at Texas A&M University calculations

**Figure 3. Texas Weekly Leading Index  
(Index 1/7/2006 = 100)**



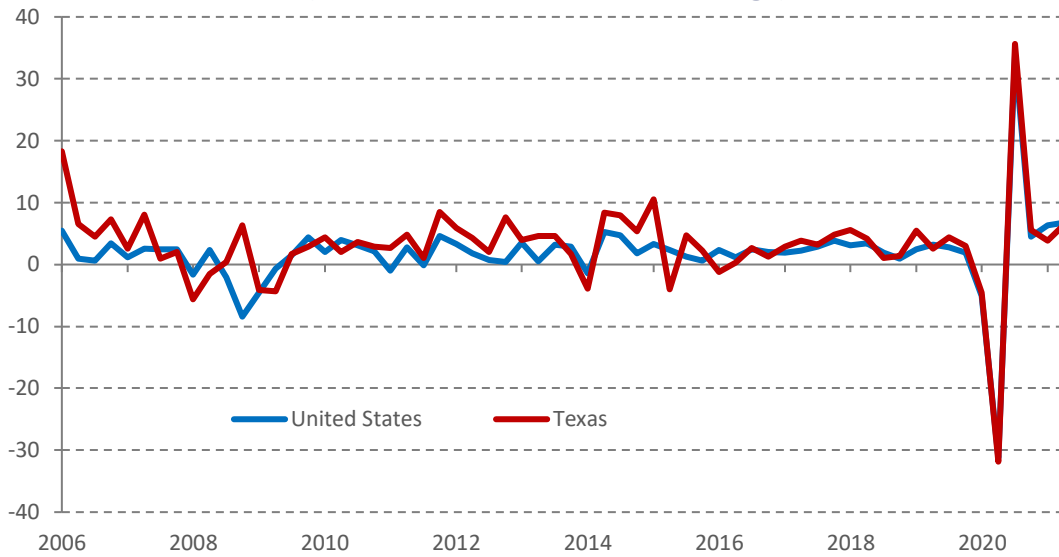
Note: Data through August 28, 2021.

Source: Texas Real Estate Research Center at Texas A&M University



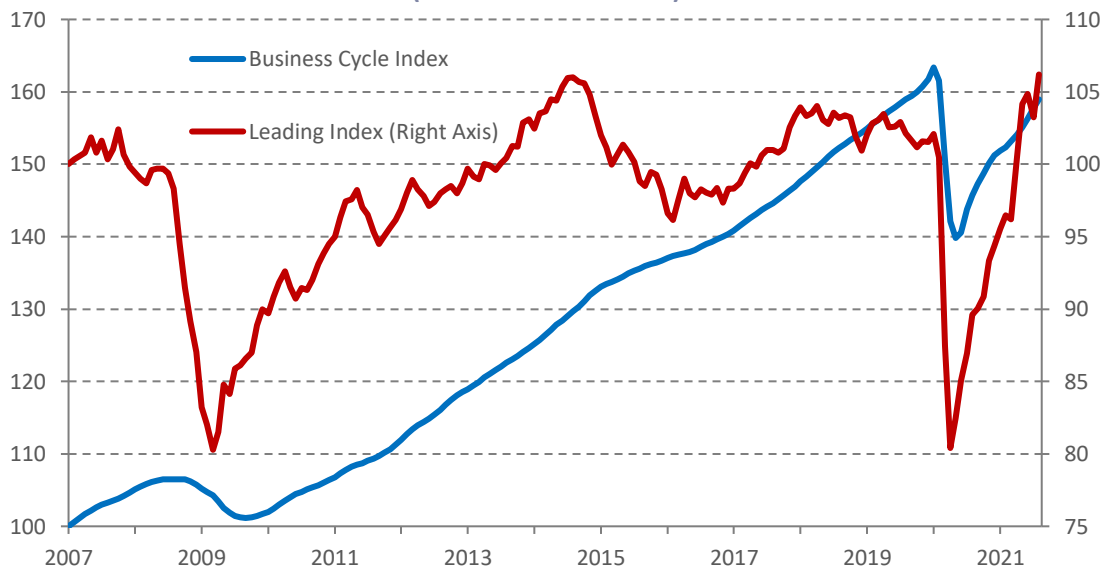
# Economic Activity

### Gross State Product (Quarter-over-Quarter Percent Change)



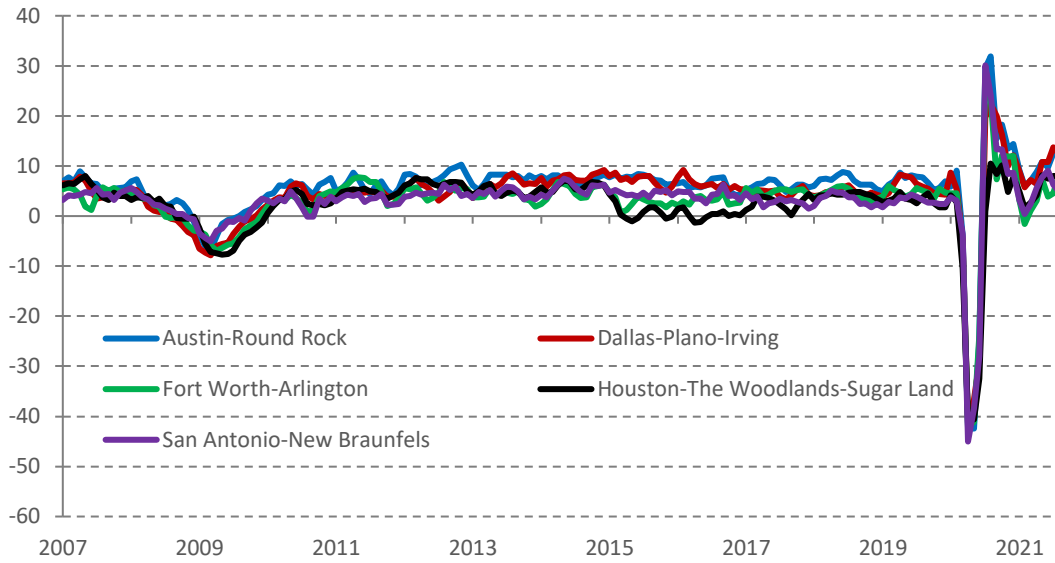
Note: Inflation adjusted. Seasonally adjusted annualized rate.  
Source: Bureau of Economic Analysis

### Texas Business Cycle Index and Leading Index (Index Jan 2007 = 100)



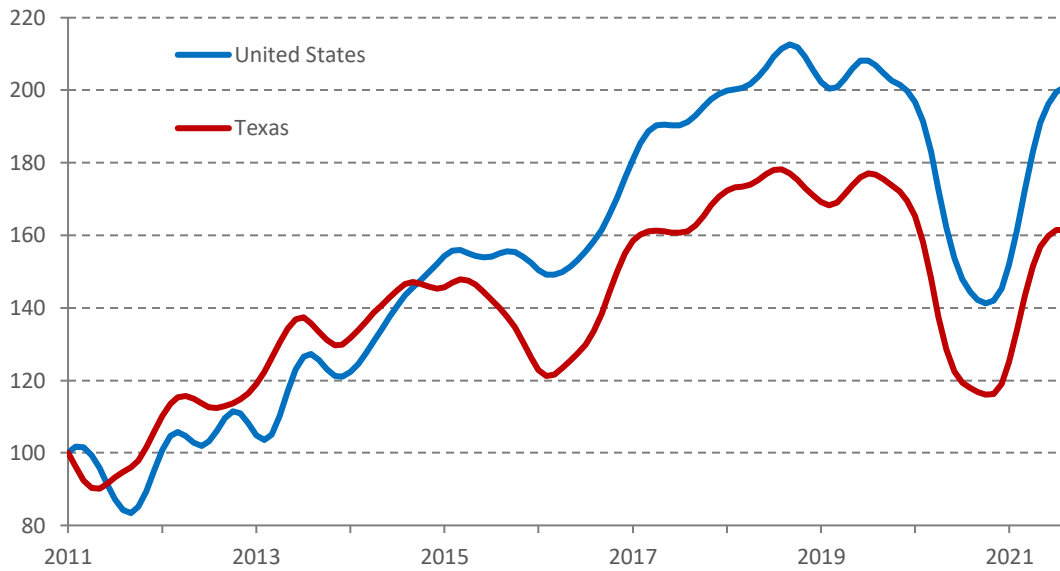
Note: Seasonally adjusted. For more information, see [Texas Business Cycle Index](#).  
Source: Federal Reserve Bank of Dallas

### Major Metros Business Cycle Index (Quarter-over-Quarter Percent Change)



Note: Seasonally adjusted. For more information, see [Texas Business Cycle Index](#).  
Source: Federal Reserve Bank of Dallas

### Consumer Confidence Index (Index Jan 2011 = 100)

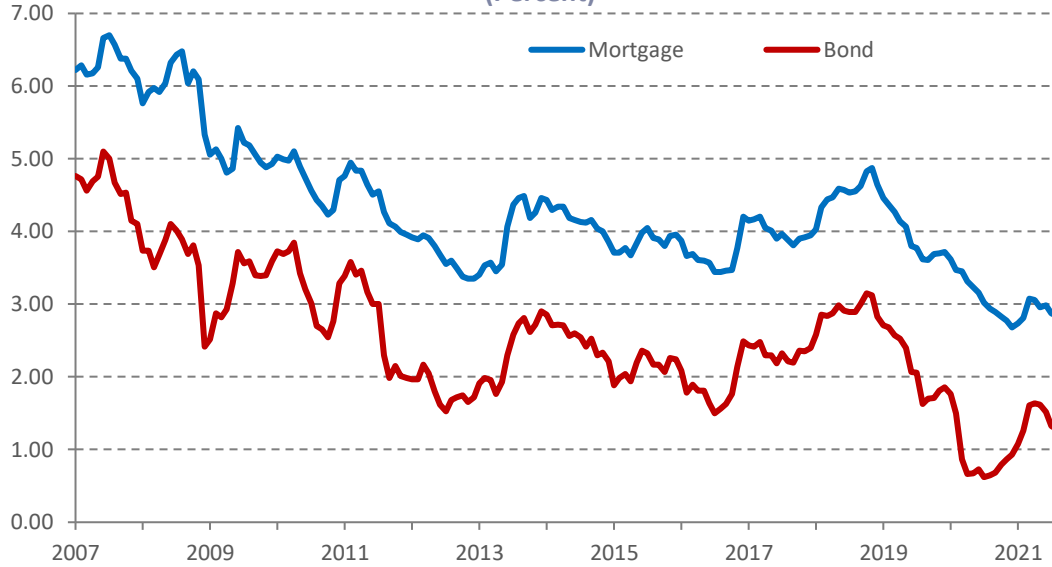


Note: Trend-cycle component.  
Source: Conference Board



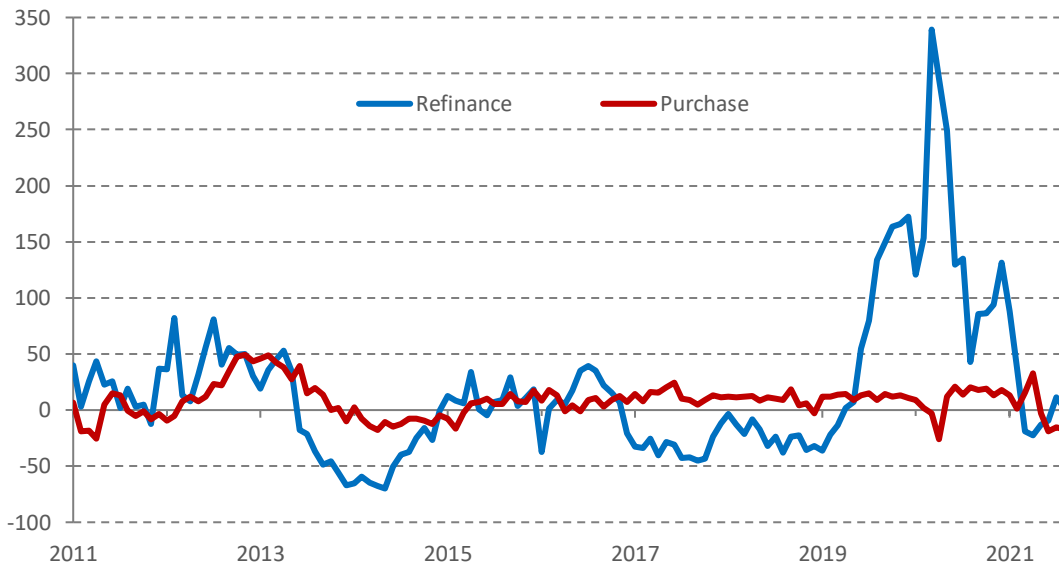
# Financial Activity

### 30-Year Mortgage Rate and Ten-Year Bond Yield (Percent)



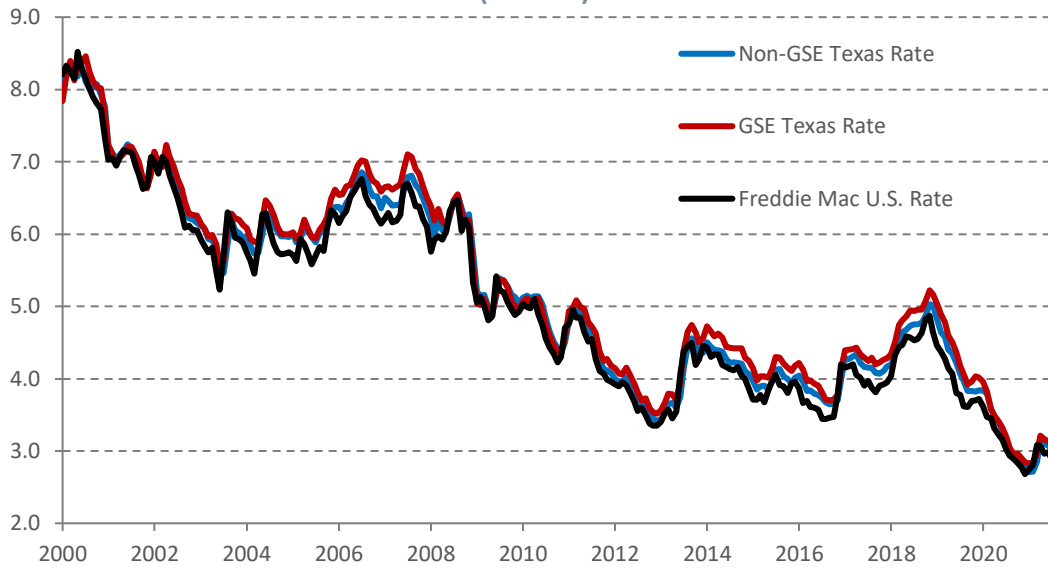
Note: Nonseasonally adjusted.  
Sources: Federal Home Loan Mortgage Corporation and Federal Reserve Board

### Texas Mortgage Applications (Year-over-Year Percentage Change)



Note: Seasonally adjusted.  
Source: Mortgage Bankers Association

### Fixed 30-Year Mortgage Rates (Percent)

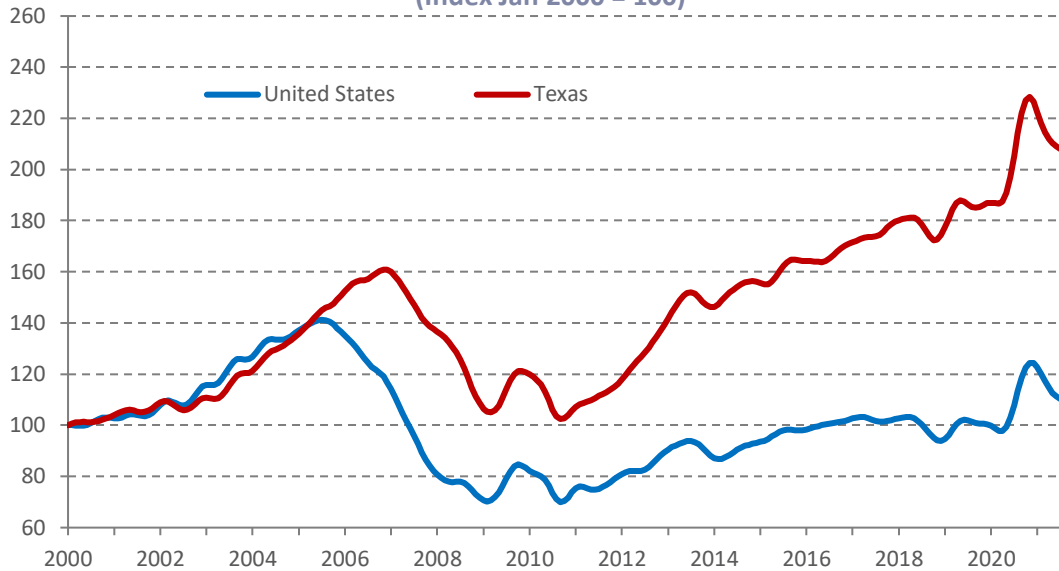


Note: Nonseasonally adjusted. The data for the most recent origination month is preliminary.  
Sources: Federal Home Loan Mortgage Corporation and TrueStandings Servicing



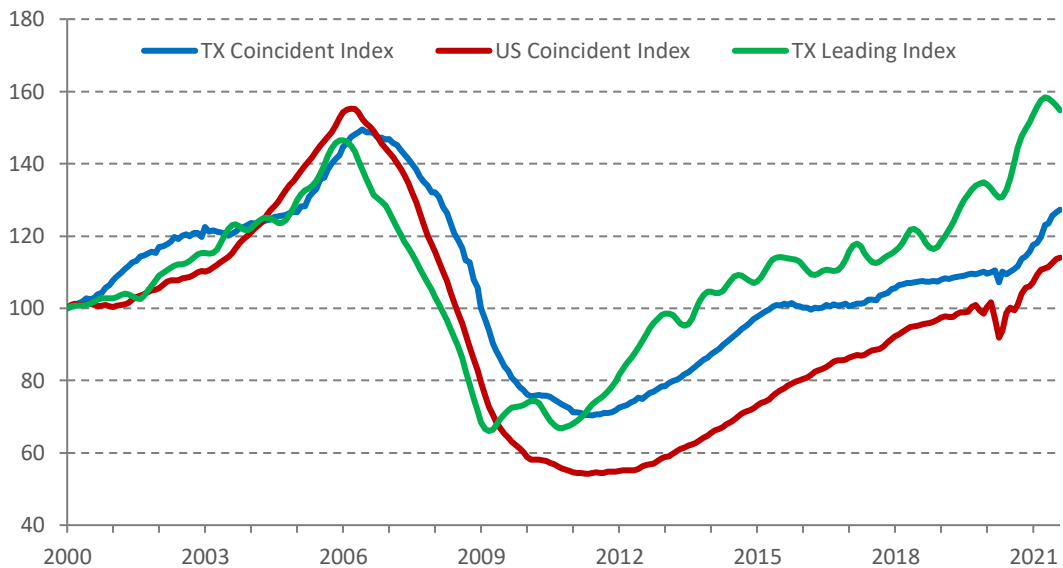
# Housing

### Housing Sales (Index Jan 2000 = 100)



Note: Trend-cycle component. Sales for the United States include all existing homes and new single-family homes; new non-single-family homes are not included. Texas includes all existing and new homes. For more information, see [Housing Sales](#).  
Sources: U.S. Census Bureau, National Association of Realtors, and Texas Real Estate Research Center at Texas A&M University

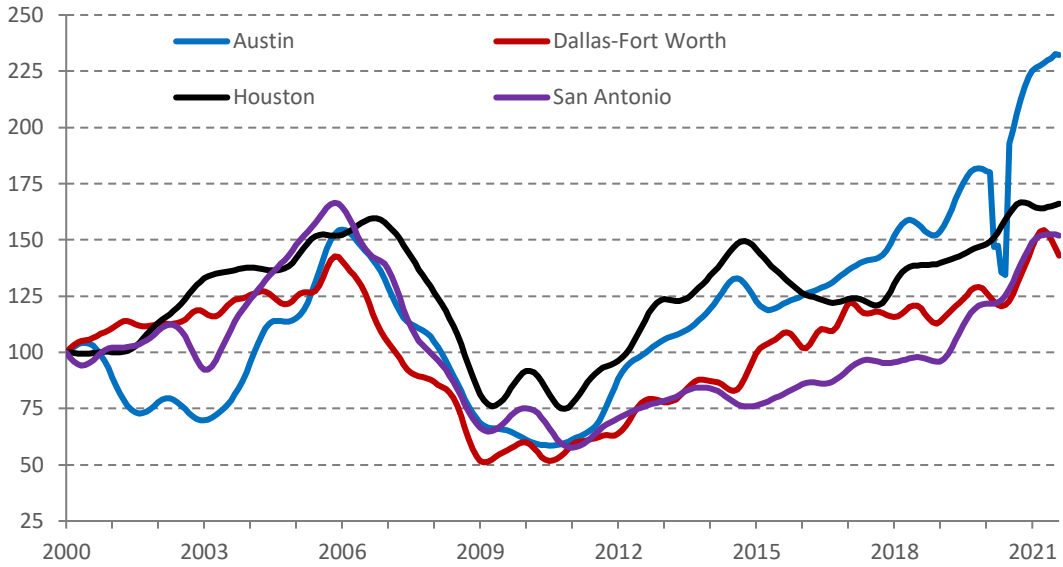
### Texas Residential Construction Index (Index Jan 2000 = 100)



Note: Trend-cycle component.  
Sources: Texas Real Estate Research Center at Texas A&M University and Federal Reserve Bank of Dallas



### Major Metros Residential Leading Construction Index (Index Jan 2000 = 100)

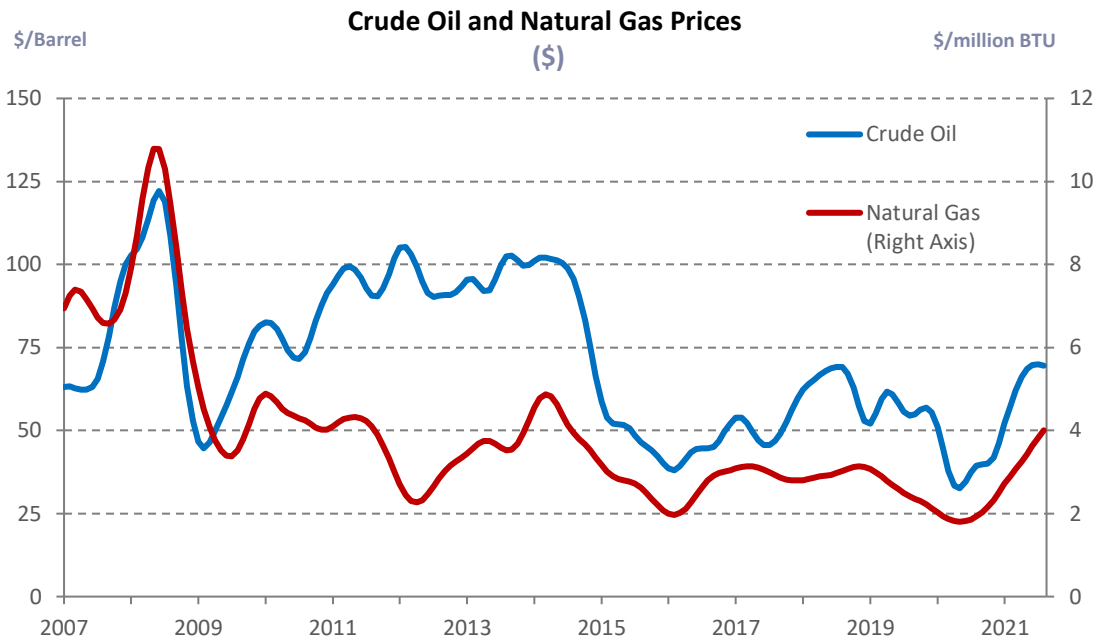


Note: Trend-cycle component.

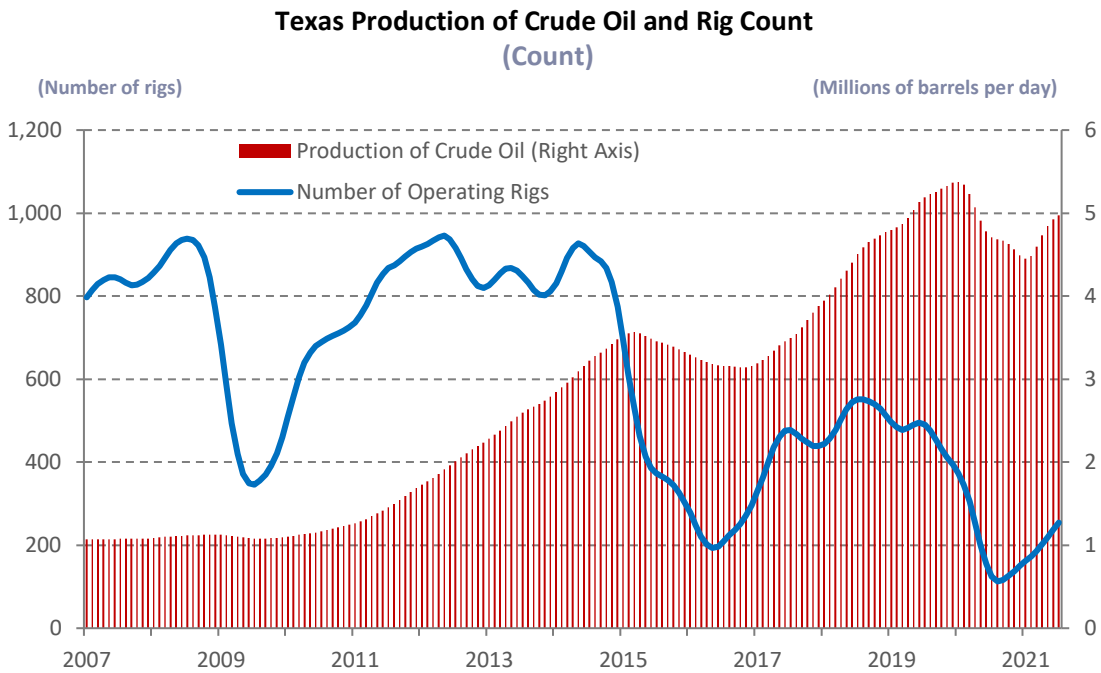
Sources: Texas Real Estate Research Center at Texas A&M University and Federal Reserve Bank of Dallas



# Energy



Note: Trend-cycle component. For more information, see [Crude Oil and Natural Gas Prices](#).  
 Source: U.S. Energy Information Administration received from Thomson Reuters

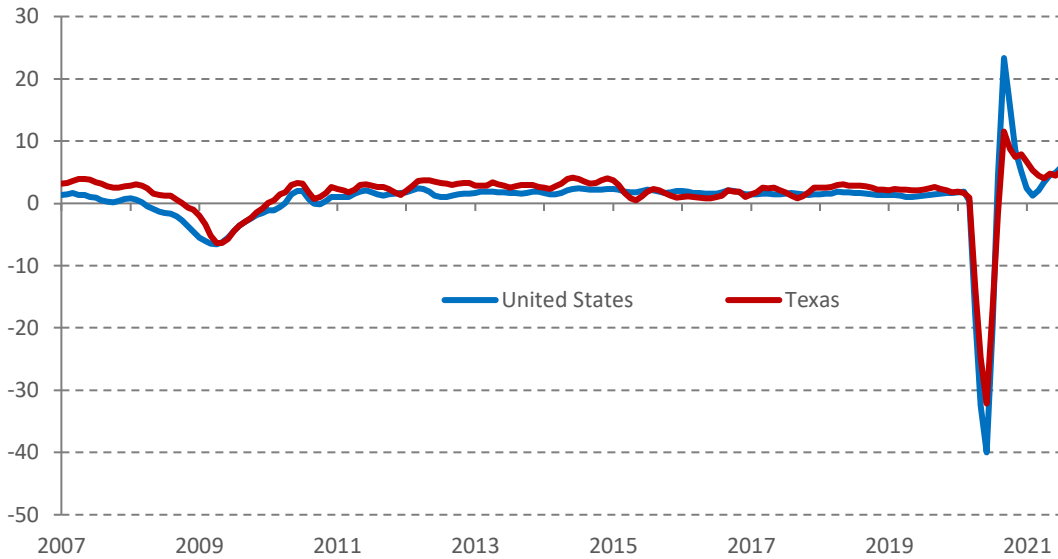


Note: Trend-cycle component. For more information, see [Texas Production of Crude Oil and Rig Count](#).  
 Sources: Baker Hughes and U.S. Energy Information Administration



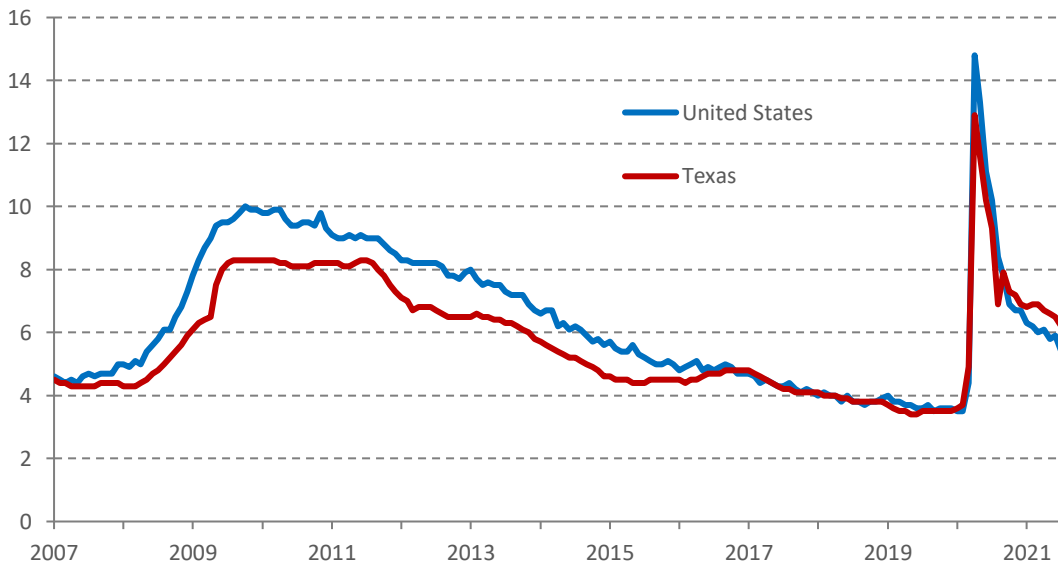
# Employment

### Employment Growth Rate (Quarter-over-Quarter Annualized Percent Change)



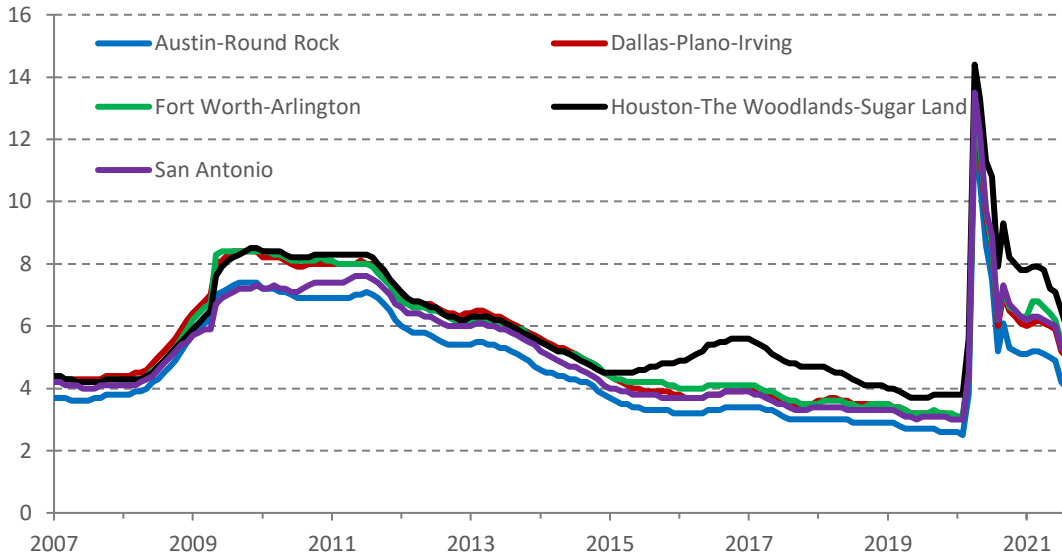
Note: Seasonally adjusted, three-month moving average. August 2021 is preliminary.  
For more information, see [Employment Growth Rate](#).  
Source: Bureau of Labor Statistics

### Unemployment Rate (Percent)



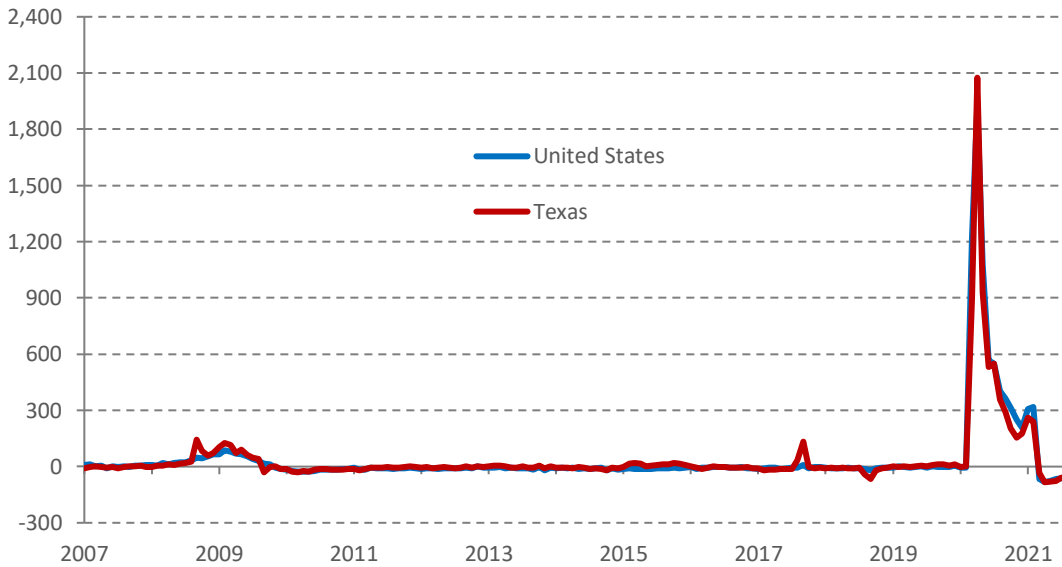
Note: Seasonally adjusted. August 2021 is preliminary. For more information, see [Unemployment Rate](#).  
Source: Bureau of Labor Statistics

### Major Metros Unemployment Rate (Percent)



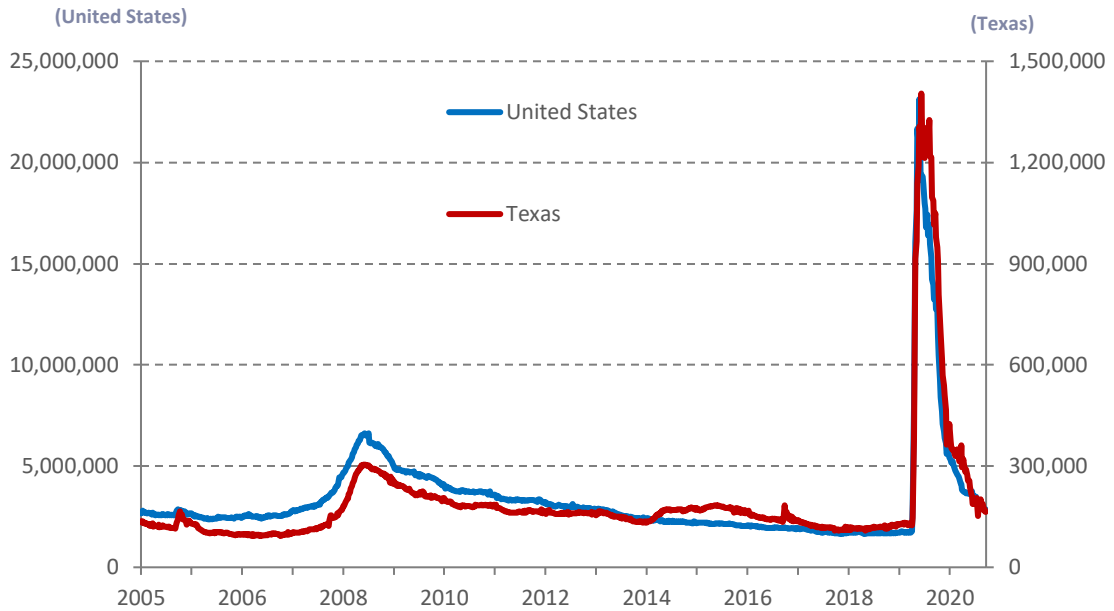
Note: Seasonally adjusted. August 2021 is preliminary. For more information, see [Unemployment Rate](#).  
Source: Bureau of Labor Statistics

### Unemployment Insurance Claims: Initial Applications (Year-over-Year Percentage Change)



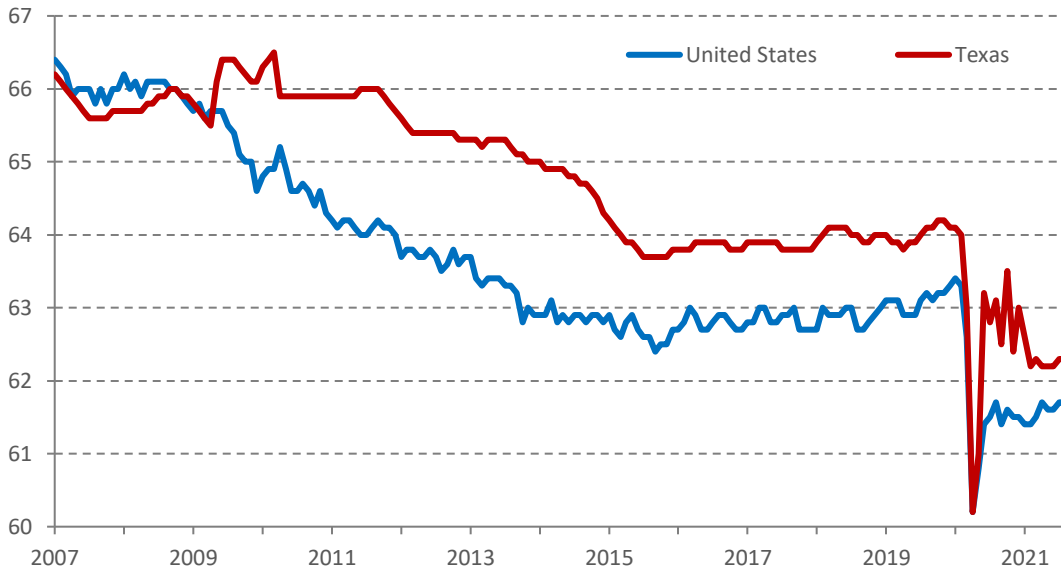
Note: Seasonally adjusted. For more information, see Unemployment Insurance Claims: Initial Applications.  
Source: Department of Labor

## Unemployment Insurance Claims: Continued Applications



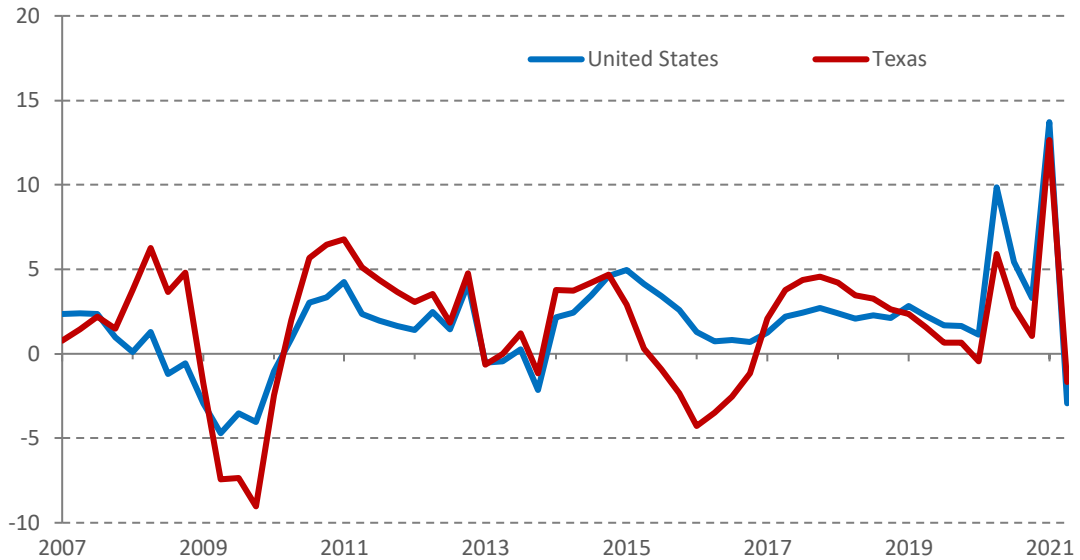
Note: Seasonally adjusted. Average weekly continued claims.  
Source: Department of Labor/Haver Analytics

## Labor Force Participation Rate (Percent)



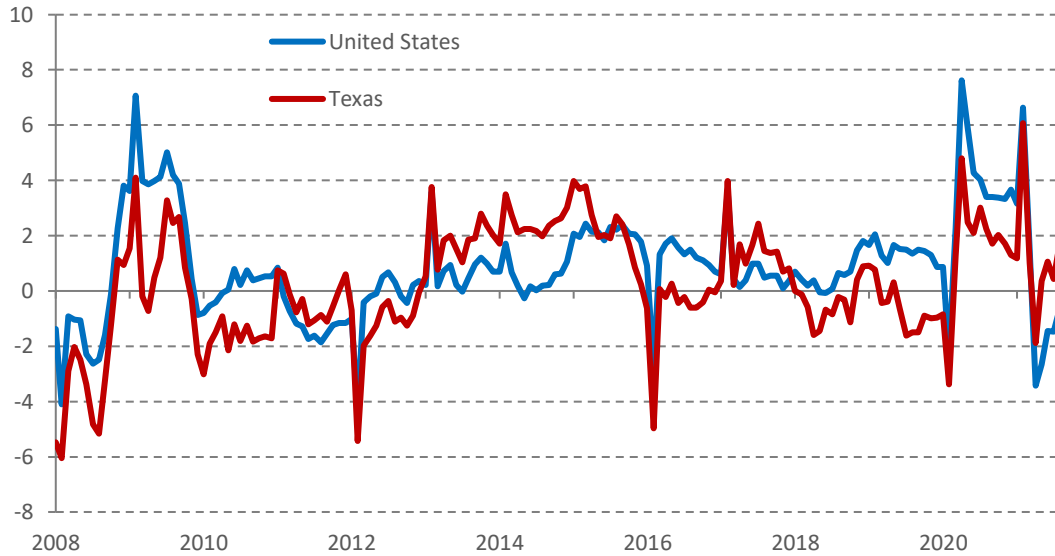
Note: Seasonally adjusted. For more information, see [Unemployment Rate](#).  
Source: Bureau of Labor Statistics

### Real Personal Income Per Capita (Year-over-Year Percentage Change)



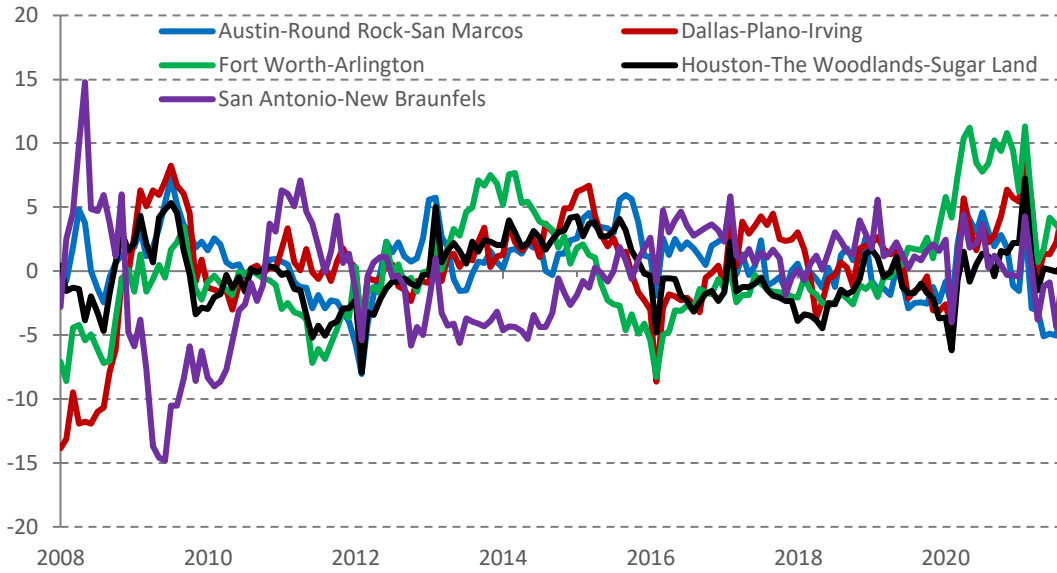
Note: Seasonally adjusted quarterly annualized rate. Second quarter 2021 data is preliminary.  
Source: Bureau of Economic Analysis

### Total Private Employee Hourly Earnings (Year-over-Year Percent Change)



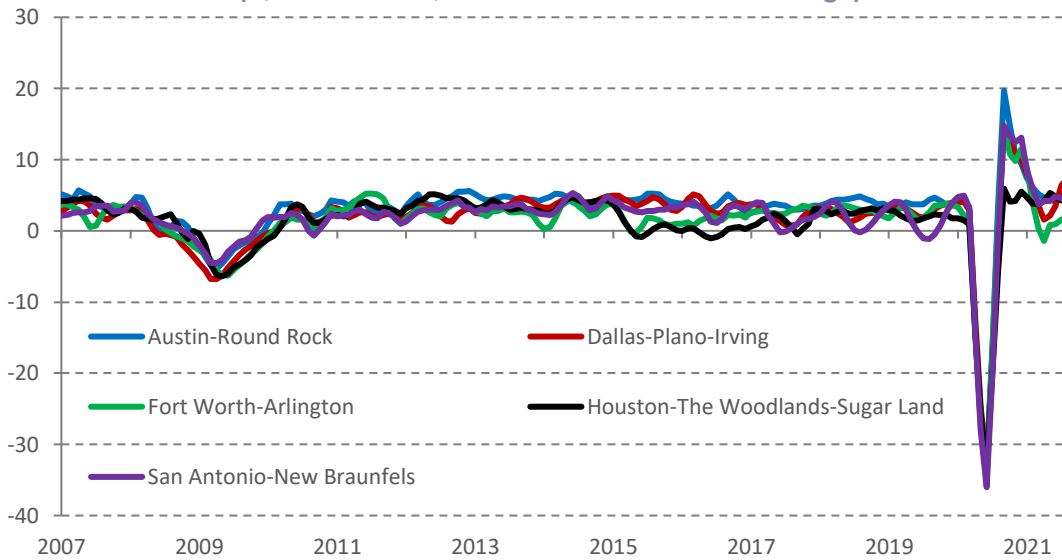
Notes: Inflation adjusted, seasonally adjusted. August 2021 is preliminary.  
For more information, see [Total Private Employee Hourly Earnings](#).  
Source: Bureau of Labor Statistics

### Major Metros Total Private Employee Hourly Earnings (Year-over-Year Percent Change)



Notes: Inflation adjusted, seasonally adjusted. August 2021 is preliminary.  
For more information, see [Total Private Employee Hourly Earnings](#).  
Source: Bureau of Labor Statistics

### Major Metros Employment Growth Rate (Quarter-over-Quarter Annualized Percent Change)

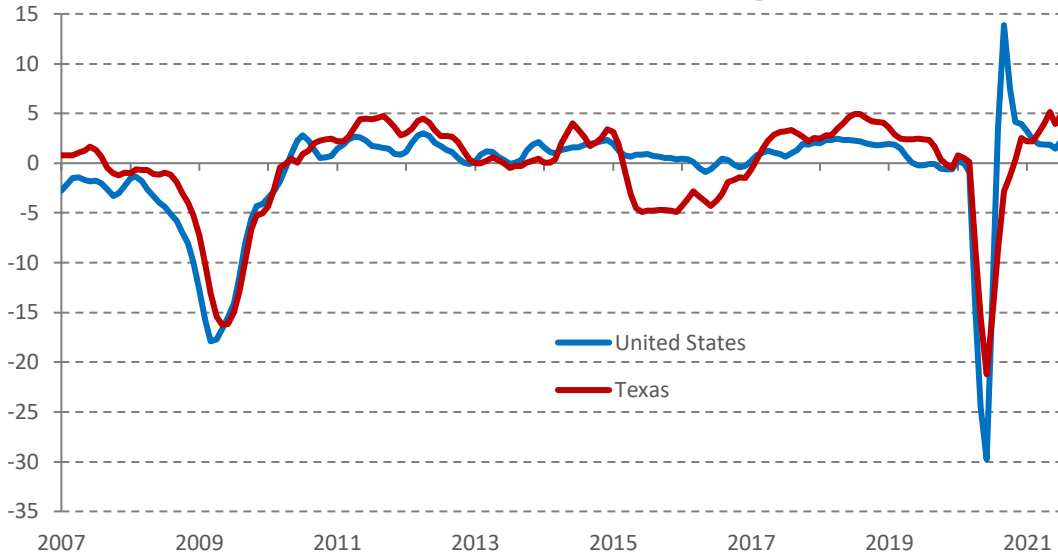


Note: Seasonally adjusted, three-month moving average. August 2021 is preliminary.  
For more information, see [Employment Growth Rate](#).  
Source: Bureau of Labor Statistics



# Manufacturing

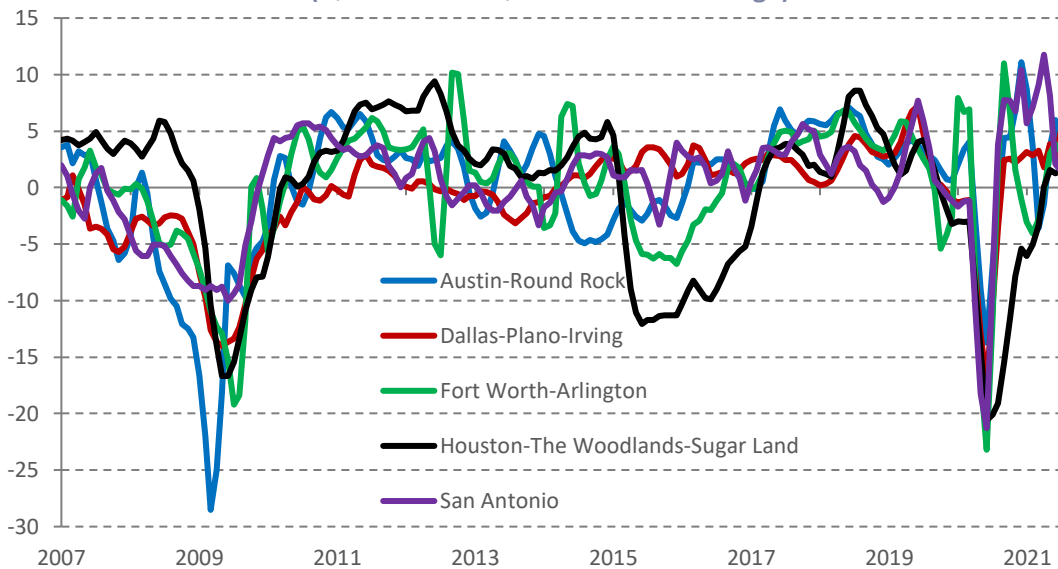
### Manufacturing Employment (Quarter-over-Quarter Percent Change)



Note: Seasonally adjusted, three-month moving average. August 2021 is preliminary. For more information, see [Employment Growth Rate](#).

Source: Bureau of Labor Statistics

### Major Metros Manufacturing Employment (Quarter-over-Quarter Percent Change)

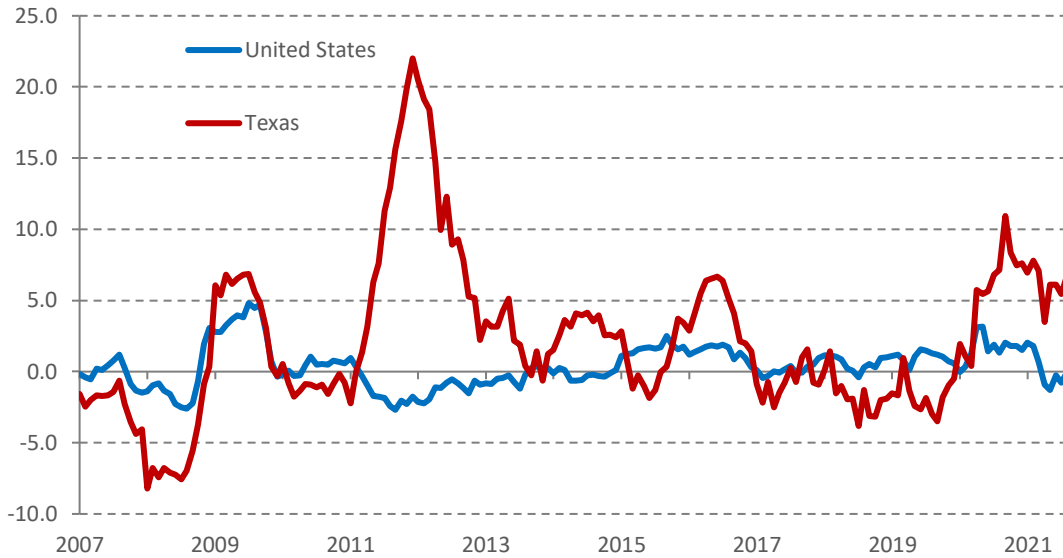


Note: Seasonally adjusted, three-month moving average. August 2021 is preliminary. For more information, see [Employment Growth Rate](#).

Source: Bureau of Labor Statistics



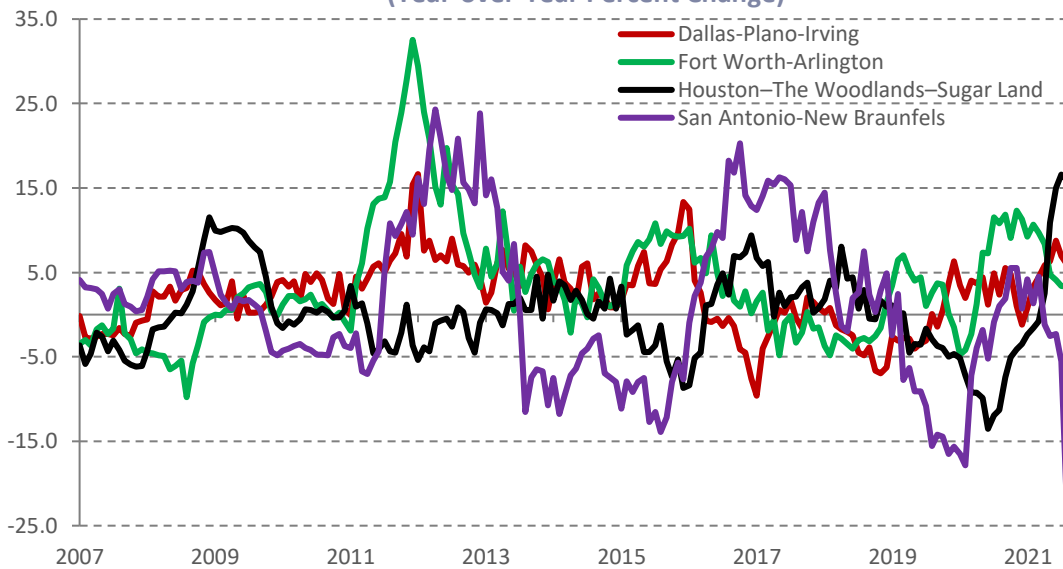
### Manufacturing Employee Hourly Earnings (Year-over-Year Percent Change)



Notes: Inflation adjusted, seasonally adjusted. August 2021 is preliminary. For more information, see [Total Private Employee Hourly Earnings](#).

Source: Bureau of Labor Statistics

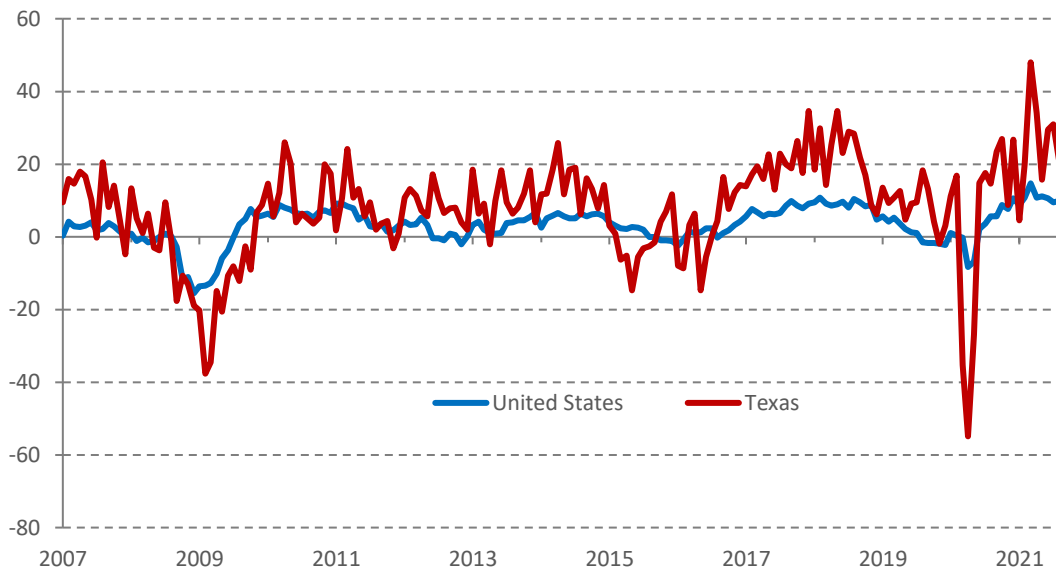
### Major Metros Manufacturing Employee Hourly Earnings (Year-over-Year Percent Change)



Notes: Inflation adjusted, seasonally adjusted. August 2021 is preliminary. For more information, see [Total Private Employee Hourly Earnings](#).

Source: Bureau of Labor Statistics

### Manufacturing Outlook Survey (Index)



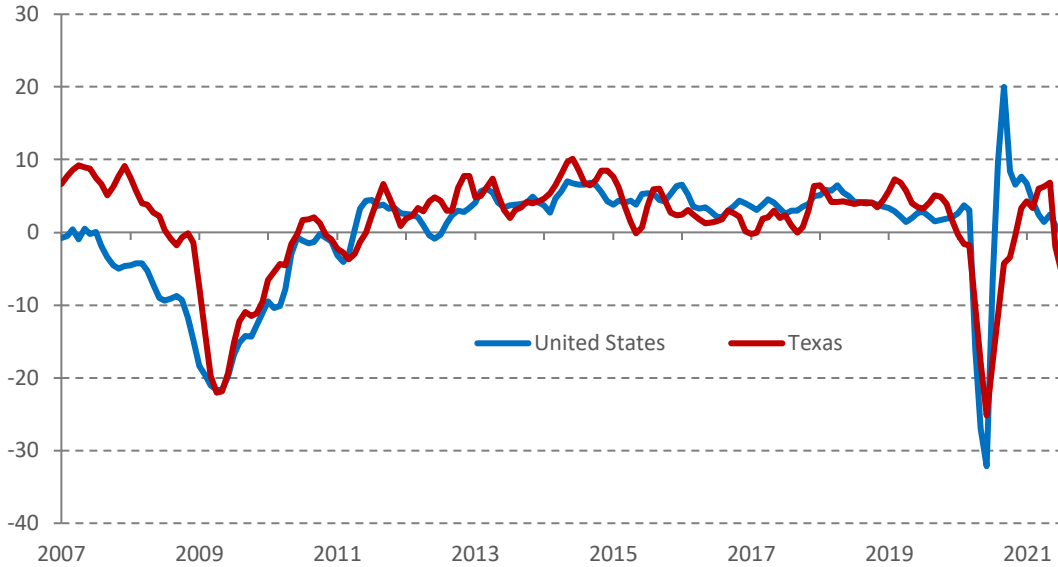
Note: Seasonally adjusted. For more information, see [Manufacturing Outlook Survey](#). United States index is adjusted -50 to be on scale with Texas index.

Sources: Federal Reserve Bank of Dallas and Institute for Supply Management



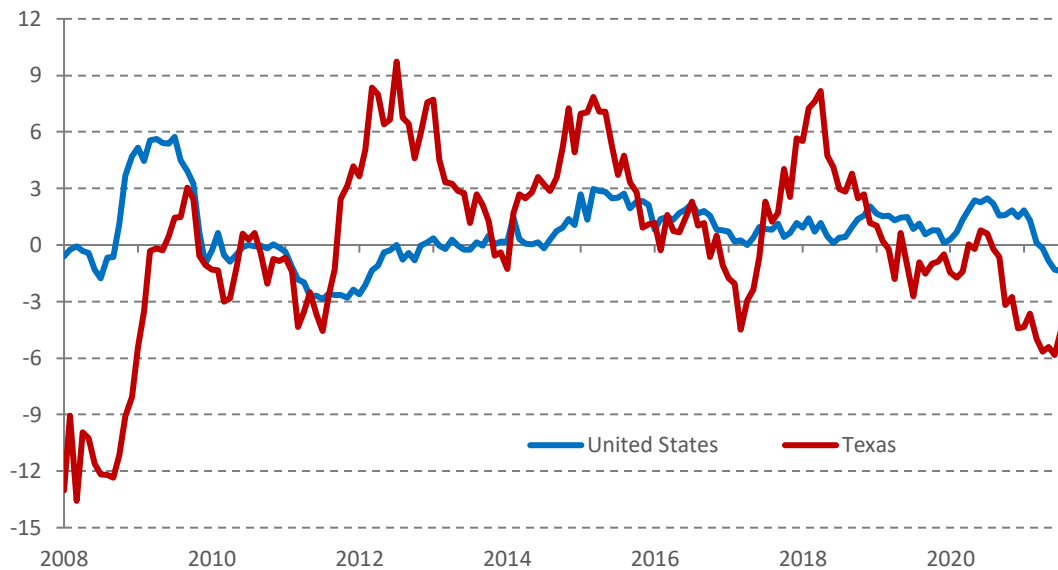
# Construction

### Construction Employment (Quarter-over-Quarter Percent Change)



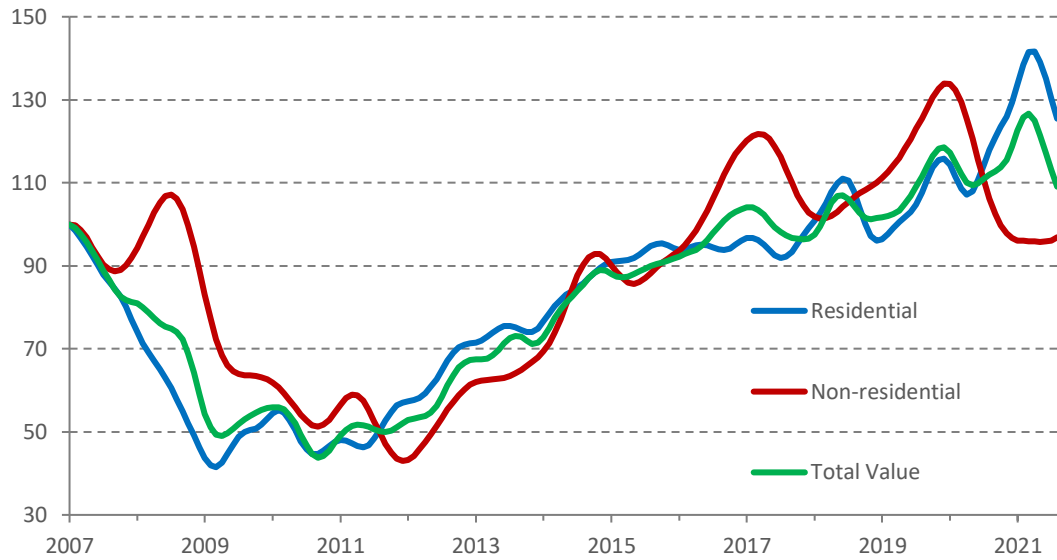
Note: Seasonally adjusted, 3-month moving average. August 2021 is preliminary. For more information, see [Employment Growth Rate](#).  
Source: Bureau of Labor Statistics

### Construction Employee Hourly Earnings (Year-over-Year Percent Change)



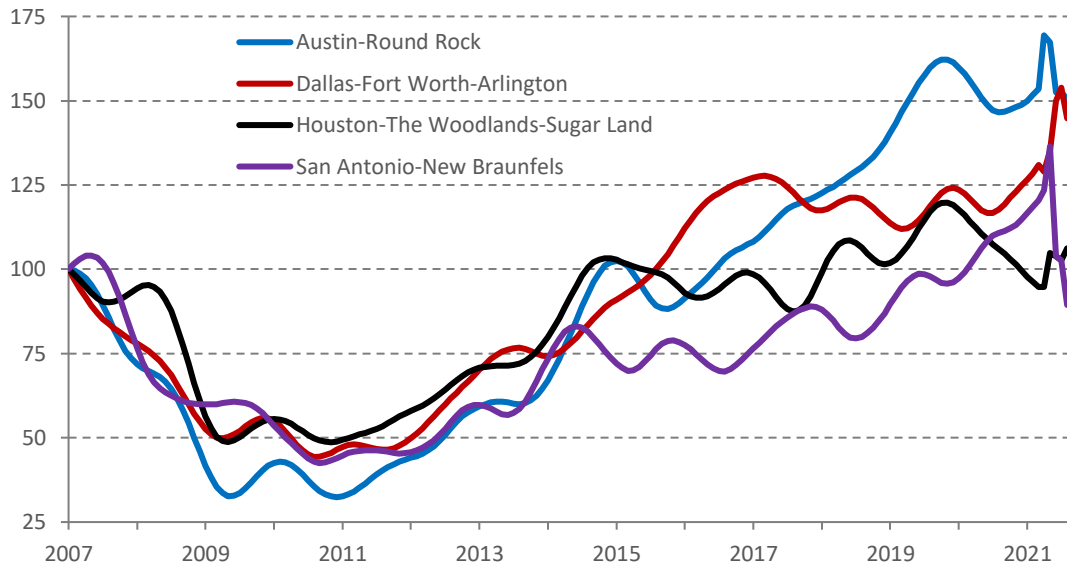
Notes: Inflation adjusted, seasonally adjusted. August 2021 is preliminary. For more information, see [Total Private Employee Hourly Earnings](#).  
Source: Bureau of Labor Statistics

**Texas Construction Values**  
(Index Jan 2007 = 100)



Note: Inflation adjusted trend-cycle component.  
Source: Dodge Analytics

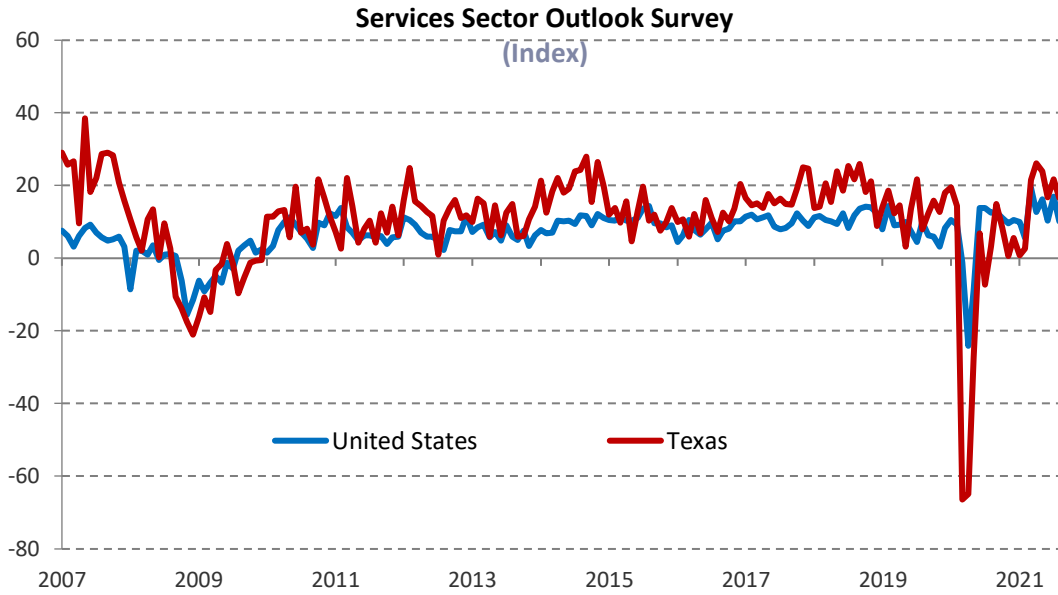
**Major Metros Total Construction Values**  
(Index Jan 2007 = 100)



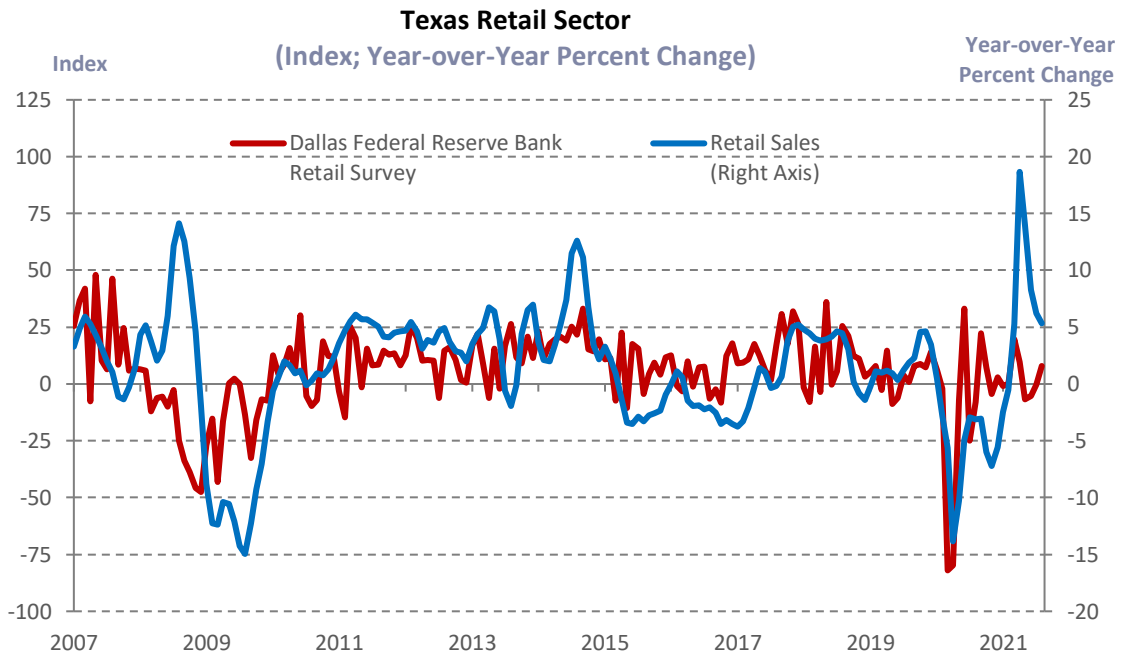
Note: Inflation adjusted trend-cycle component.  
Source: Dodge Analytics



# Services

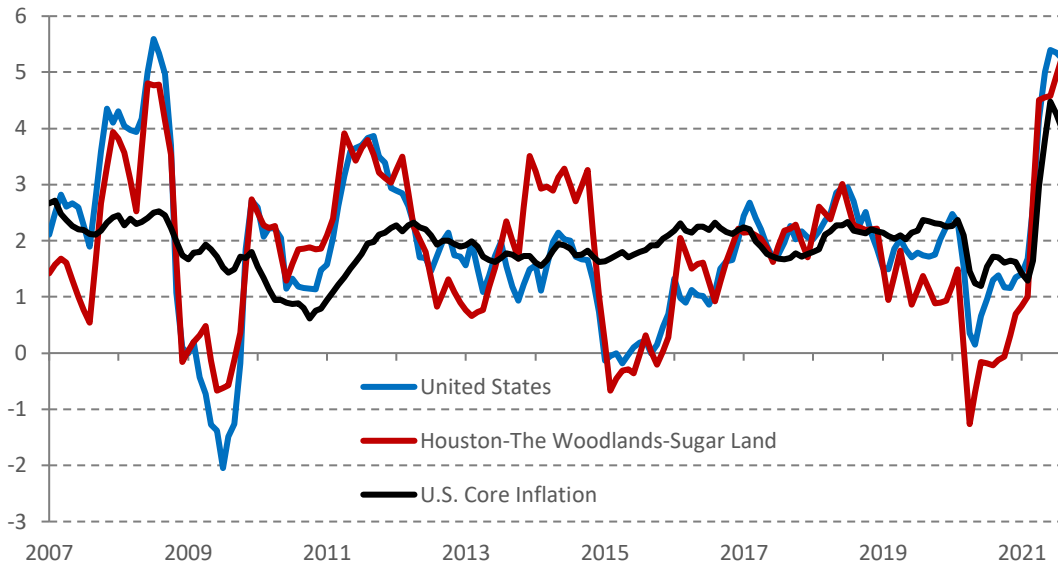


Note: Seasonally adjusted. For more information, see [Services Sector Outlook Survey](#). United States index is adjusted -50 to be on scale with Texas index.  
Sources: Federal Reserve Bank of Dallas and Institute for Supply Management



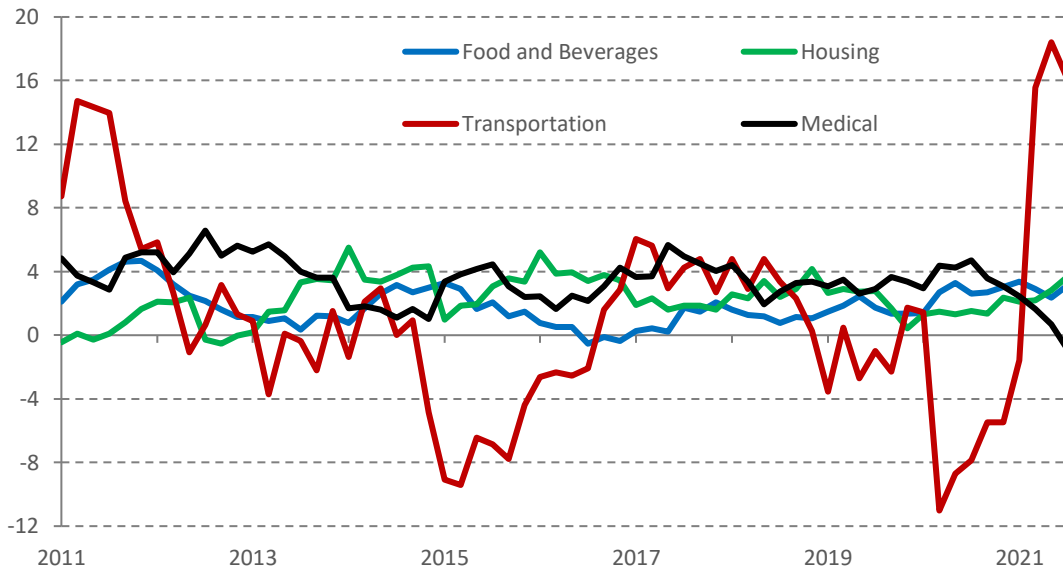
Note: Seasonally adjusted and inflation adjusted. For more information, see [Texas Retail Sector](#).  
Sources: Retail Sector Outlook Survey from the Federal Reserve Bank of Dallas, Retail Sales from Texas Comptroller of Public Accounts

**CPI Inflation Rates**  
(Year-over-Year Percent Change)



Note: Seasonally adjusted. For more information, see [CPI Inflation Rates](#).  
Source: Bureau of Labor Statistics

**CPI Inflation Rates (Houston Components)**  
(Year-over-Year Percent Change)

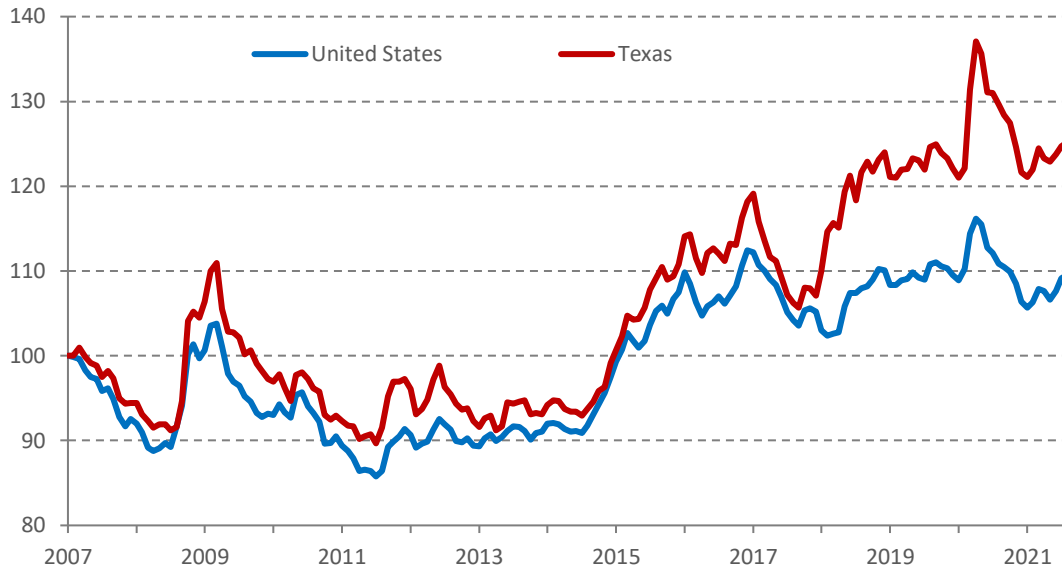


Note: The Houston CPI is composed of the following major groups: Food and Beverages, Housing, Apparel, Transportation, Medical Care, Recreation, Education and Communication, and Other Goods and Services. The four major components are included in the graph above.  
Source: Bureau of Labor Statistics



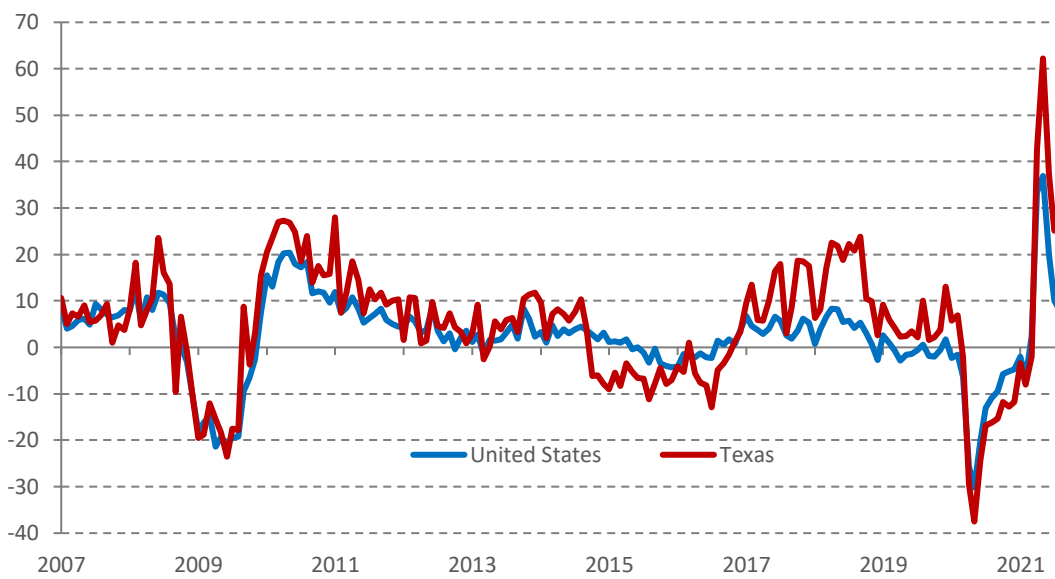
# Trade

### Real Trade Weighted Value of U.S. Dollar (Index Jan 2007 = 100)



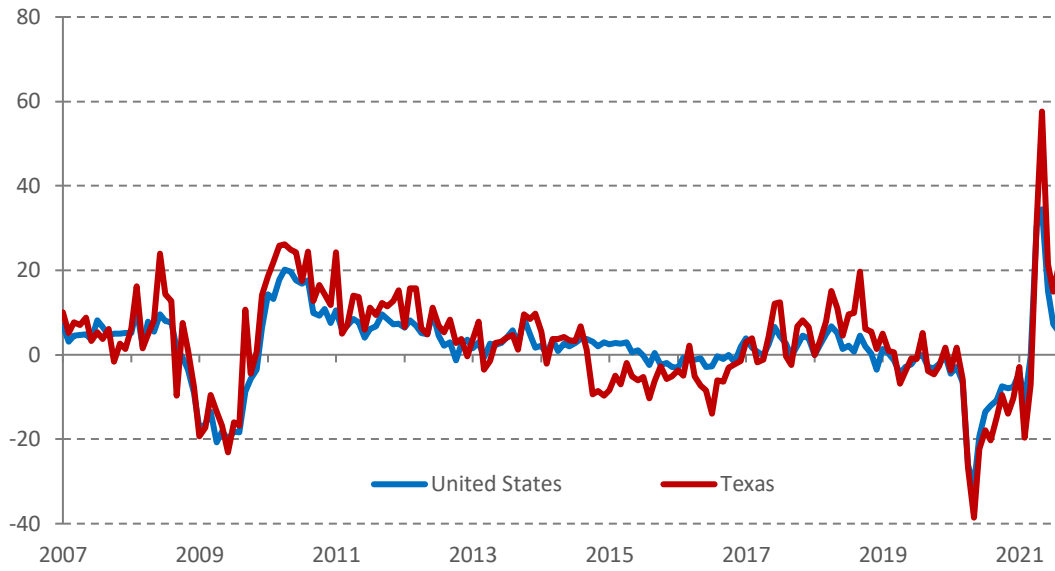
Note: For more information, see [Real Trade Weighted Value of U.S. Dollar](#).  
Sources: Federal Reserve Bank of Dallas and Federal Reserve Bank of St. Louis

### Exports (All Commodities) (Year-over-Year Percent Change)



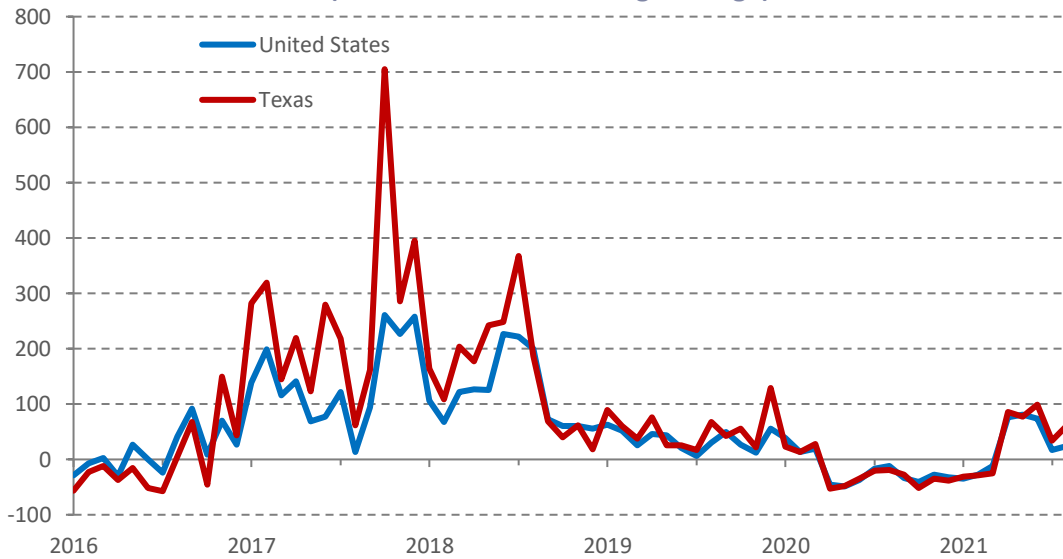
Note: Seasonally adjusted. Inflation adjusted with Bureau of Labor Statistics export indices. For more information, see [Exports](#).  
Sources: International Trade Administration, Foreign Trade Division, and U.S. Census Bureau

### Manufacturing Exports (Year-over-Year Percent Change)



Note: Seasonally adjusted. Inflation adjusted with Bureau of Labor Statistics export indices. For more information, see [Manufacturing Exports](#).  
Sources: International Trade Administration, Foreign Trade Division, and U.S. Census Bureau

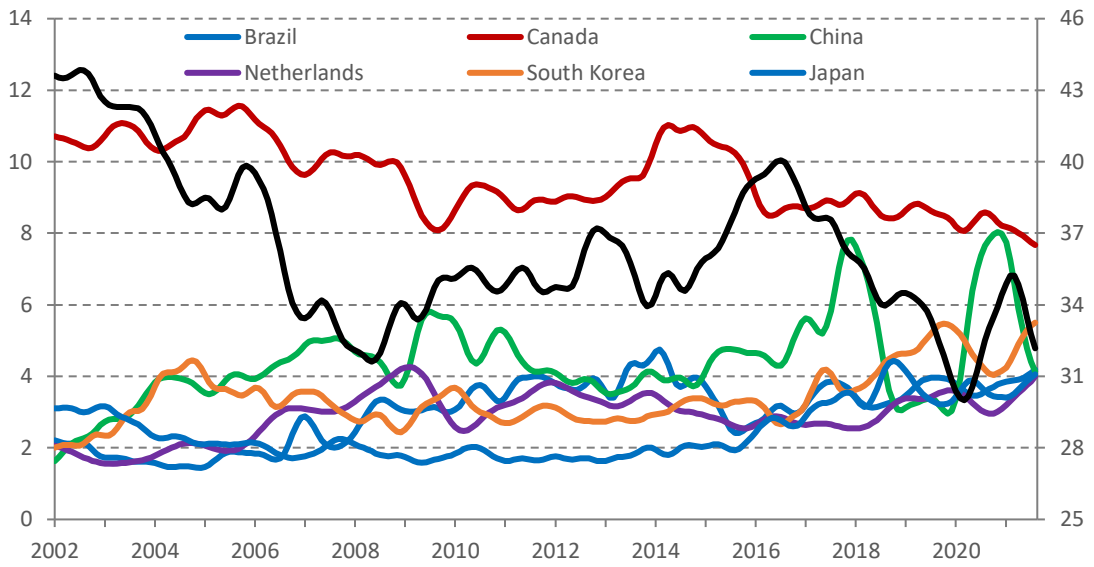
### Crude Oil Exports (Year-over-Year Percentage Change)



Note: Seasonally adjusted. Inflation adjusted with Bureau of Labor Statistics export indices. For more information, see [Crude Oil Exports](#).  
Sources: International Trade Administration, Foreign Trade Division, and U.S. Census Bureau



### Texas Exports by Country (Percent)



Note: Trend-cycle component. For more information, see [Exports](#).  
Sources: International Trade Administration, Foreign Trade Division, and U.S. Census Bureau



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Texas A&M University  
2115 TAMU  
College Station, TX 77843-2115

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