



Federal Reserve  
Bank of Dallas

# The Texas Economy

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*The views expressed are my own and do not  
necessarily reflect official positions  
of the Federal Reserve System.*

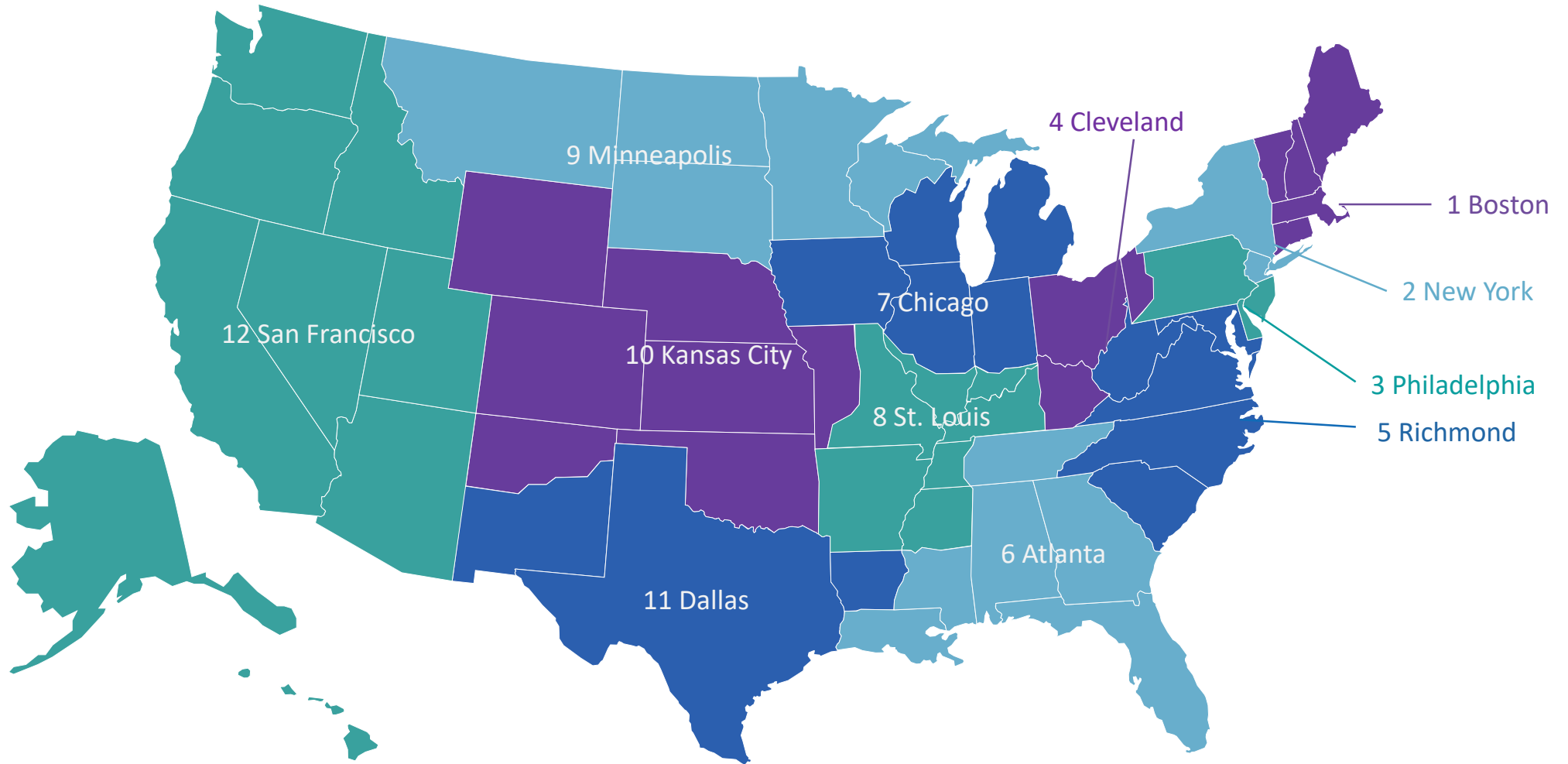
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# Today's Agenda

- Overview of the Federal Reserve System and Community Development
- Labor market trends
- Wages
- Housing market trends
- Prices/Inflation trends
- Community Perspective

# The Federal Reserve System

# Federal Reserve Regions



# Federal Reserve Responsibilities



Monetary Policy



Bank Supervision  
& Regulation



Financial System Stability

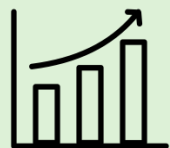


Consumer Protection  
& Community Development



Payment Systems  
Safety & Efficiency

# Community Development Strategies



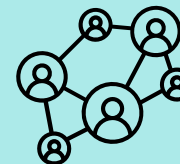
**Research, trend analysis  
and public awareness building**  
of issues relating to lower-income  
populations



**Targeted initiatives in communities**  
that test, refine, and scale models promoting economic  
opportunity



**Linking “what works” to capital**  
Connecting promising solutions in  
lower-income markets to diverse  
investment vehicles and capital providers



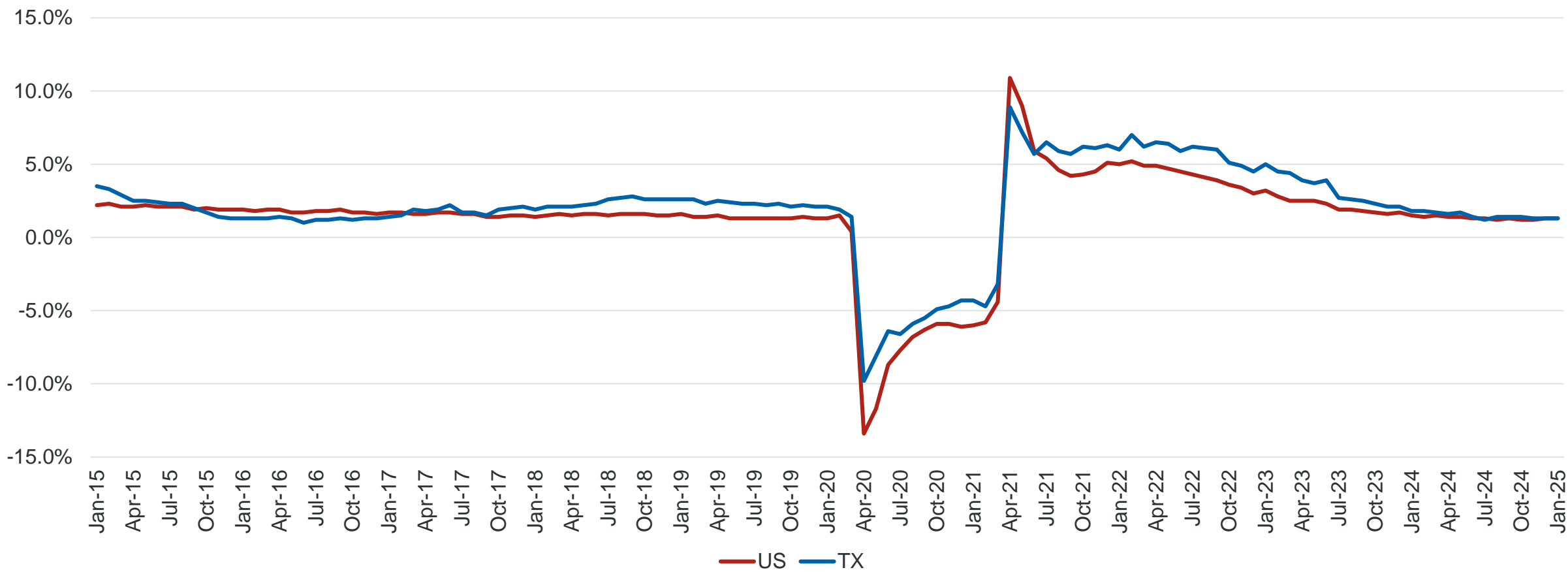
**District-wide outreach**  
to build relationships, collect intelligence from stakeholders,  
exchange ideas and insights, and leverage connections toward  
larger-scale impact

# Labor Market



# Job growth in Texas remains strong and stable

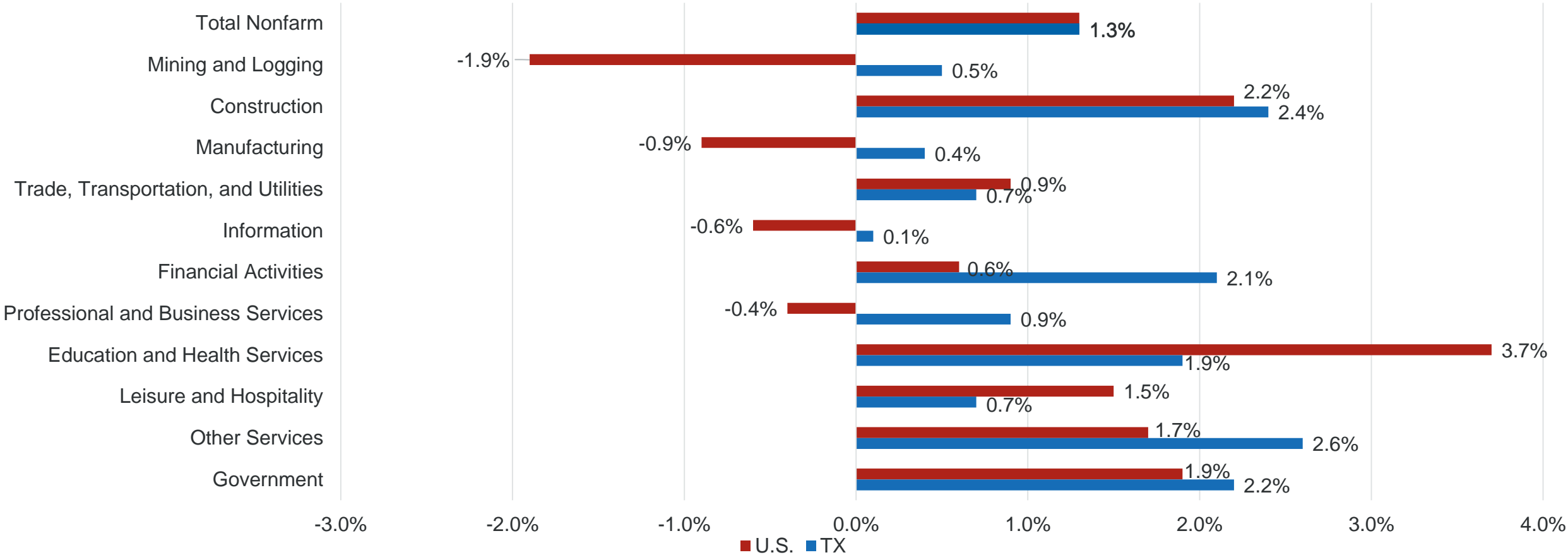
YOY Percent Change



Notes: Data are seasonally adjusted.  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment>

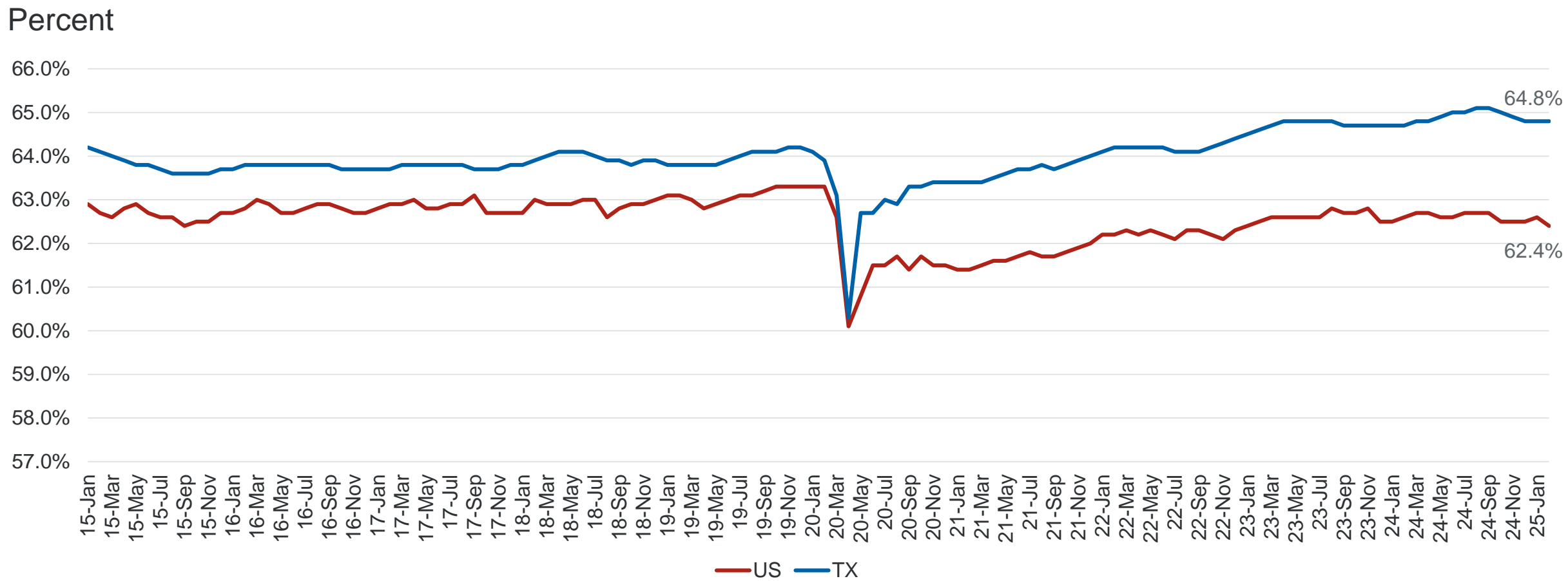
# Employment in Texas has grown across all sectors

Job Growth, YOY Percent Change, Jan. 2024-Jan. 2025



Notes: Data are seasonally adjusted.  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment>

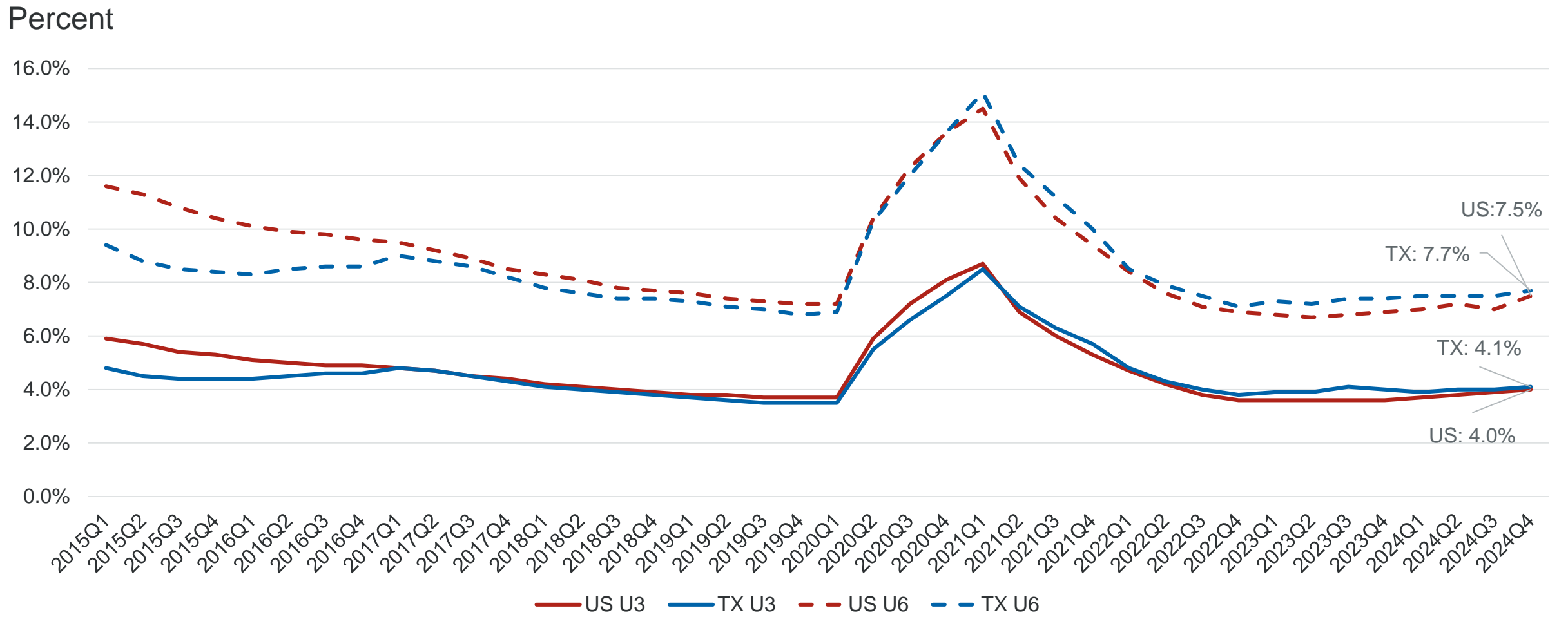
# Labor force participation rates in Texas are strong and surpass the US



Notes: Data are seasonally adjusted.

Source: U.S. Bureau of Labor Statistics, Labor Force Participation Rate for Texas [LBSSA48], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/LBSSA48>, U.S. Bureau of Labor Statistics, Labor Force Participation Rate [CIVPART], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CIVPART>

# Unemployment is relatively flat in Texas and across the nation

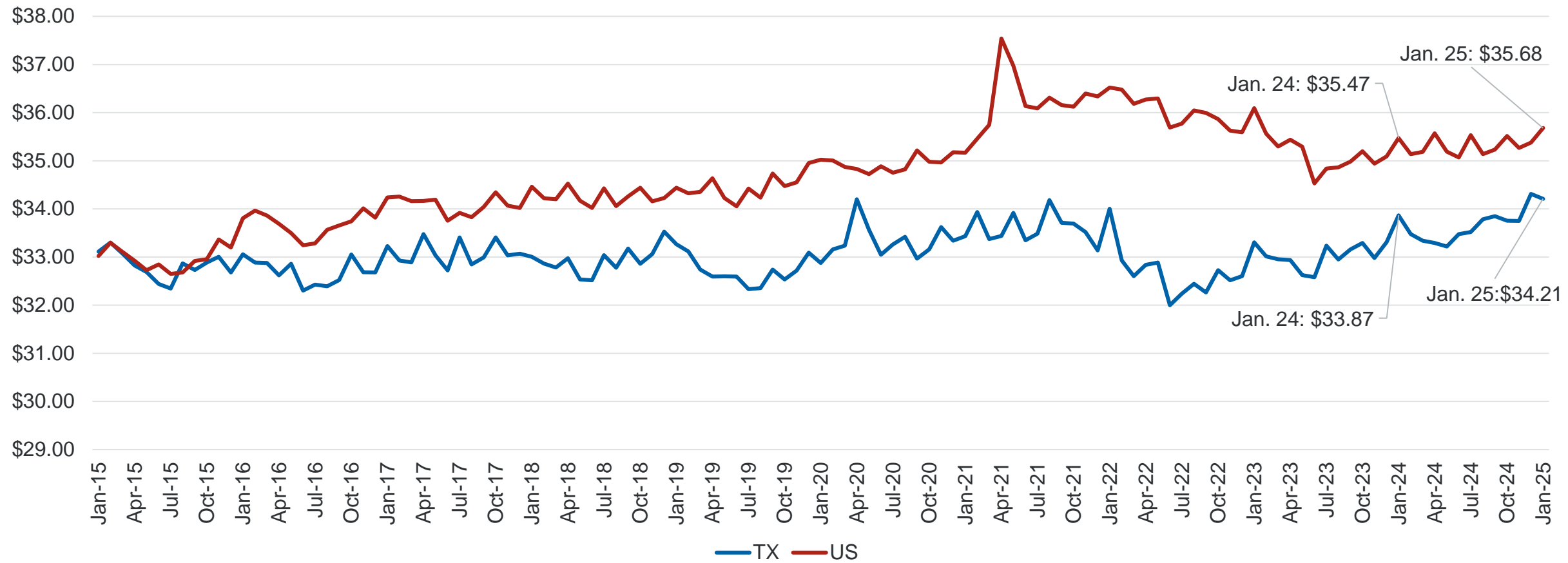


Notes: Non seasonally adjusted data. Data reflect 4-quarter moving averages.  
Source: U.S. Bureau of Labor Statistics (BLS) <https://www.bls.gov/lau/stalt24q4.htm> and <https://www.bls.gov/lau/stalt-archived.htm>

# Wages

# Private sector average hourly earnings are growing

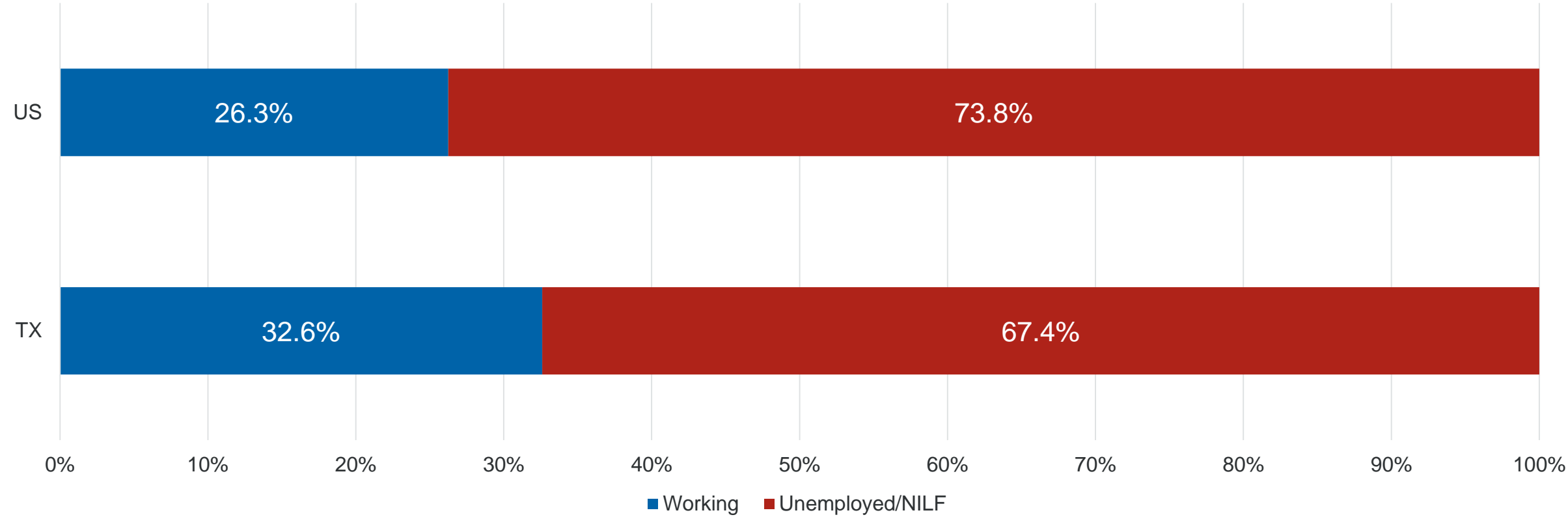
Real Dollars (Jan. 2025)



Notes: Data are not seasonally adjusted.  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment>

# About one-third of working Texans are below the federal poverty line

Share of People Below Federal Poverty Line (2024 annual estimates)



Notes: Authors own calculations. Weighted Sample  
Source: Sarah Flood, Miriam King, Renae Rodgers, Steven Ruggles, J. Robert Warren, Daniel Backman, Annie Chen, Grace Cooper, Stephanie Richards, Megan Schouweiler, and Michael Westberry. IPUMS CPS: Version 12.0 2024 ASEC sample.

# Private sector average hourly earnings are not enough to make ends meet for some Texas families

Wages	TX	Austin MSA	Dallas MSA	Houston MSA	San Antonio MSA
Minimum Wage	\$7.25	\$7.25	\$7.25	\$7.25	\$7.25
Avg. Hourly Earnings (Jan. 25)	\$34.21	\$35.59	\$36.47	\$35.51	\$31.03
1 Working Adult No Children Living Wage	\$21.82	\$24.55	\$23.86	\$22.18	\$21.14
1 Working Adult 1 Child Living Wage	\$36.26	\$40.94	\$38.98	\$37.12	\$35.56
1 Working Adult 2 Children Living Wage	\$44.46	\$51.08	\$48.04	\$45.69	\$43.53
2 Adults (1 Working) 1 Child Living Wage	\$35.93	\$39.46	\$38.16	\$36.49	\$35.25
2 Working Adults1 Child Living Wage	\$20.49	\$22.92	\$21.89	\$20.93	\$20.11

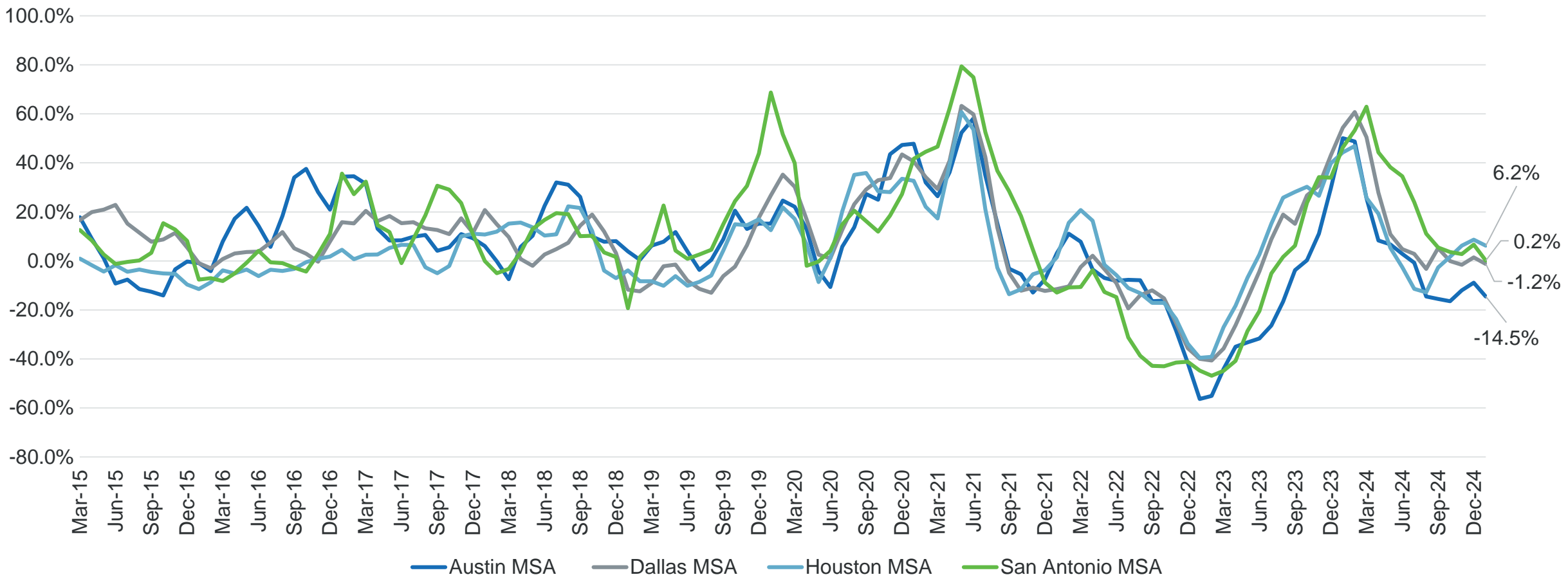
Notes: Private sector average hourly earnings are not seasonally adjusted  
Source U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment> and <https://livingwage.mit.edu/states/48/locations>



# Housing Market

# Single family building permits vary across the Texas Triangle

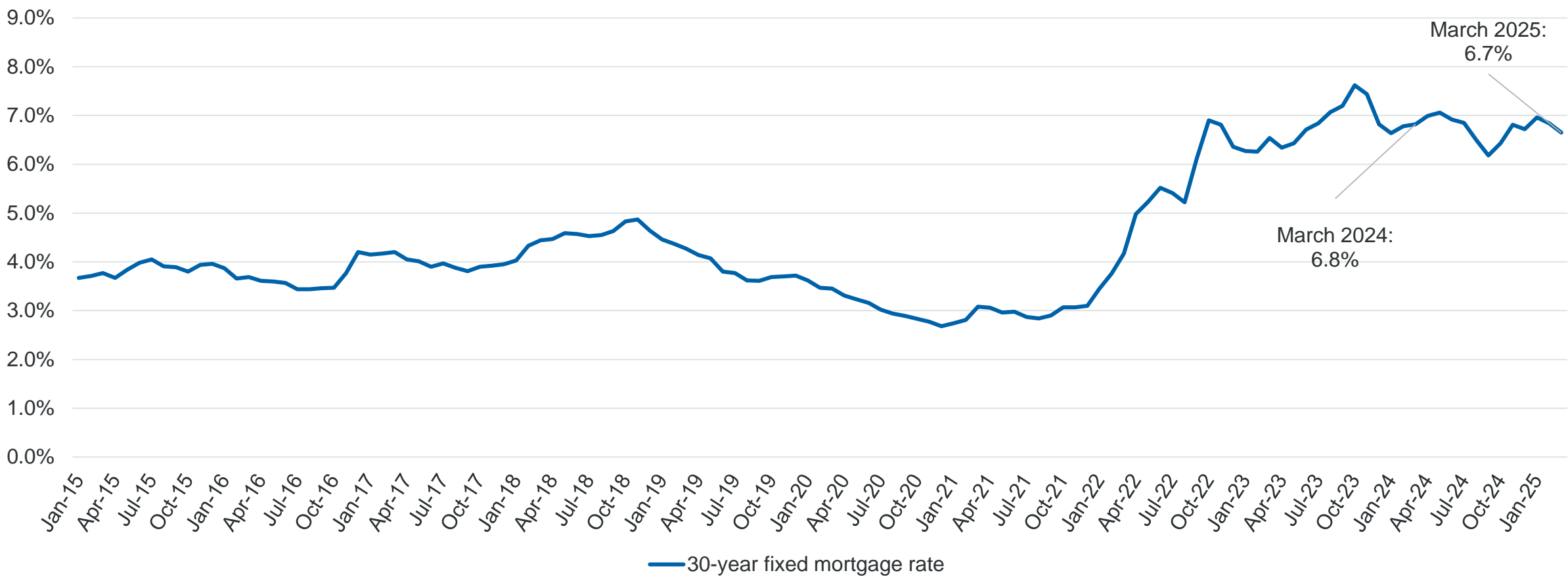
YOY Percent Change, 3-Month Moving Average



Notes: Data are from the U.S. Census Bureau and were compiled by Texas A&M University Real Estate Center.  
Source: Texas A&M University Texas Real Estate Center <https://trerc.tamu.edu/data/building-permits/>

# 30-year fixed mortgage rates have ticked downward, but remain elevated

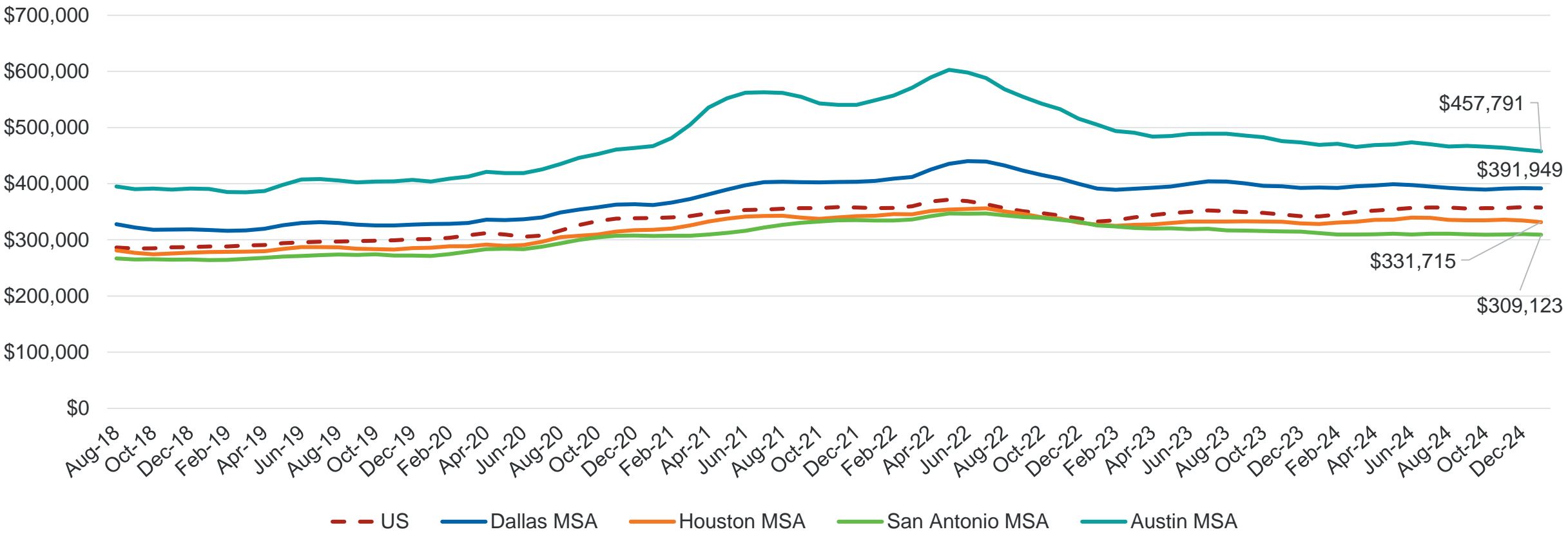
Average Monthly Rate



Source: Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>, March 25, 2025.

# Median home sale prices are relatively constant across the Texas Triangle

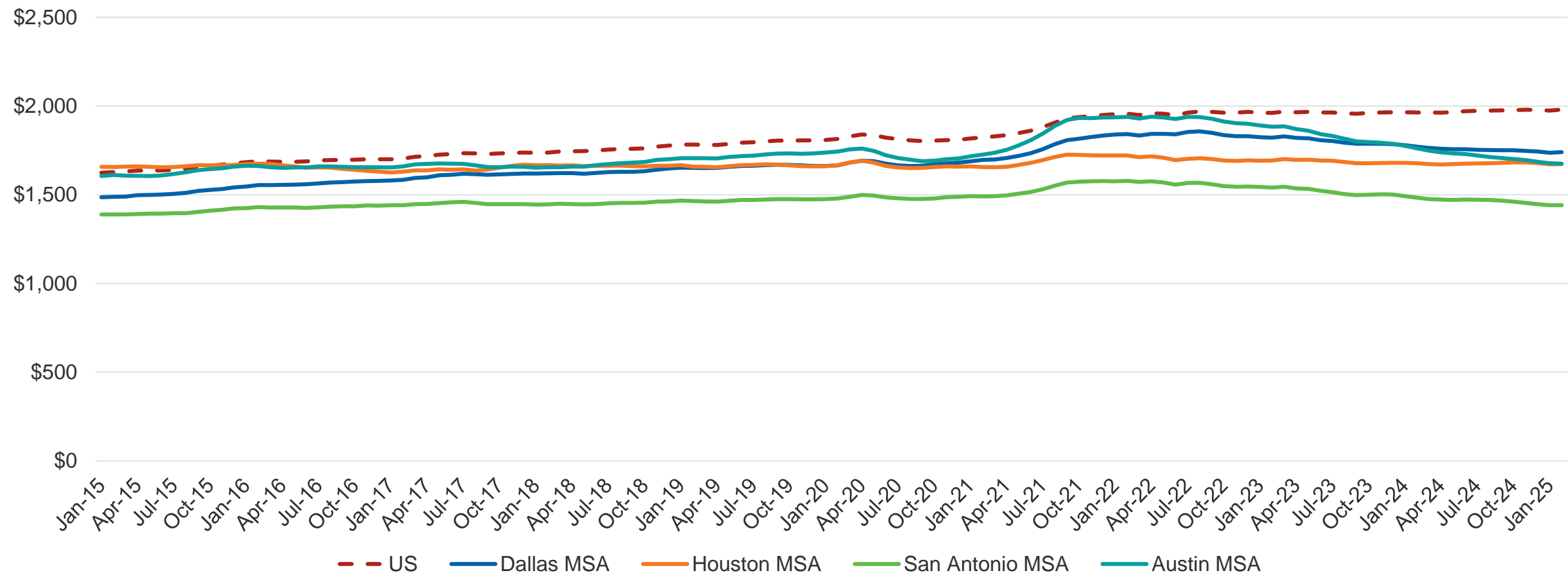
Zillow Median Sales Price (Real Dollars, Jan. 2025)



Notes: Zillow Home Value Index (ZHVI) Expressed in dollars and reflects the typical value for homes in the 35th to 65th percentile range. Data includes all homes, including condos and co-ops. Data for July and August 2023 are missing for the Houston MSA, so assumed price stability between June 2023 through August 2023.  
Source: <https://www.zillow.com/research/data/?msocid=34f6e09e6cad6444251af52c6dbf6505>

# Average rent is relatively constant across the Texas Triangle

Zillow Observed Rent Index (ZORI): Expressed in Average Real Dollars (Jan. 2025)

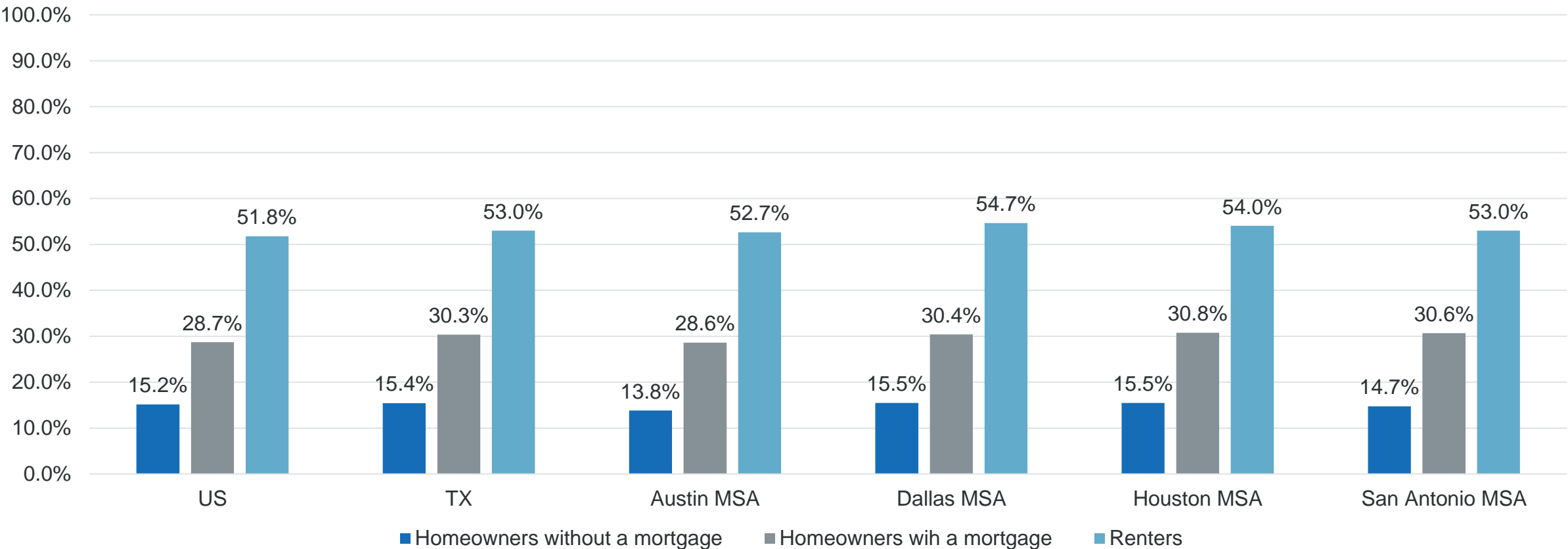


Notes: Zillow Observed Rent Index (ZORI): Index is weighted to the rental housing stock to ensure representativeness across the entire market, not just those homes currently listed for-rent. Index expressed in dollars by computing the mean of listed rents that fall into the 35th to 65th percentile range for all homes and apartments in a given region, which is weighted to reflect the rental housing stock.

Source: <https://www.zillow.com/research/data/?msockid=34f6e09e6cad6444251af52c6dbf6505>

# More than half of Texan renters and about one-third of Texan homeowners with a mortgage are housing cost burdened

Share of occupied housing units paying 30% or more of household income on housing costs, 2023

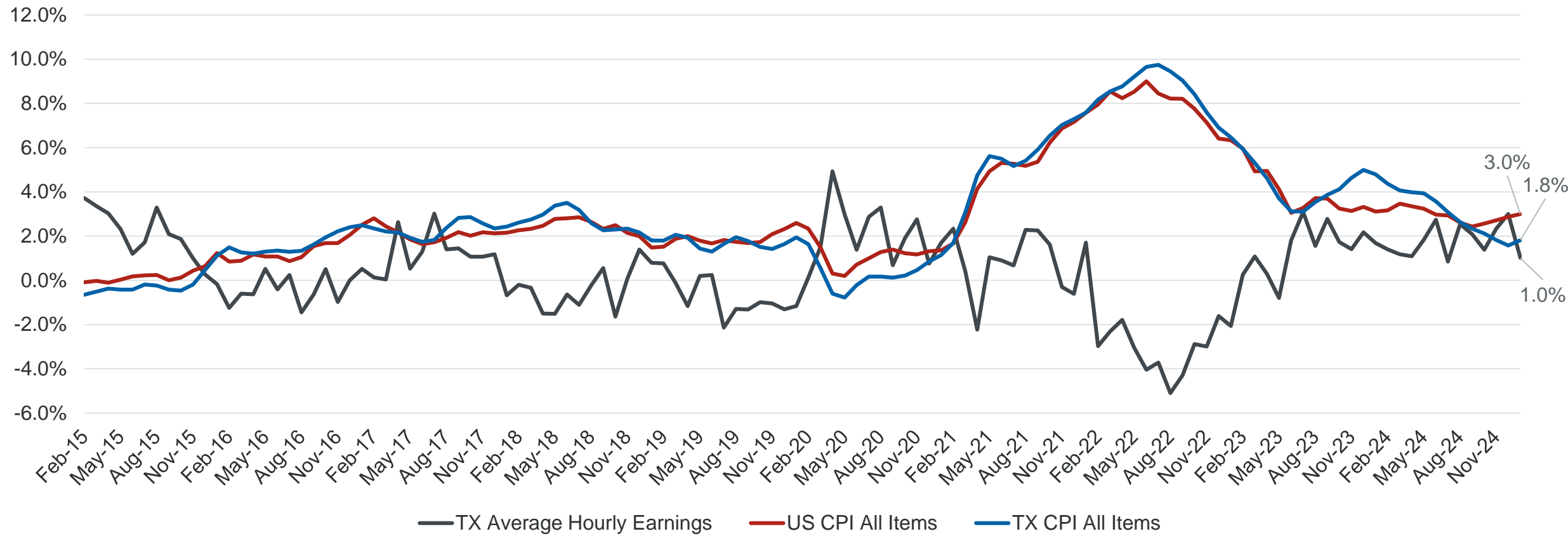


Notes: Author's own data aggregations  
Source American Community Survey (ACS) 2023 1-year estimates. Table DP04 Selected Housing Characteristics.  
[https://data.census.gov/table?q=DP04:+Selected+Housing+Characteristics&q=010XX00US\\_040XX00US48](https://data.census.gov/table?q=DP04:+Selected+Housing+Characteristics&q=010XX00US_040XX00US48)

# Prices

# Real private sector average hourly earnings in Texas are not keeping pace with inflation

YOY Percent Change

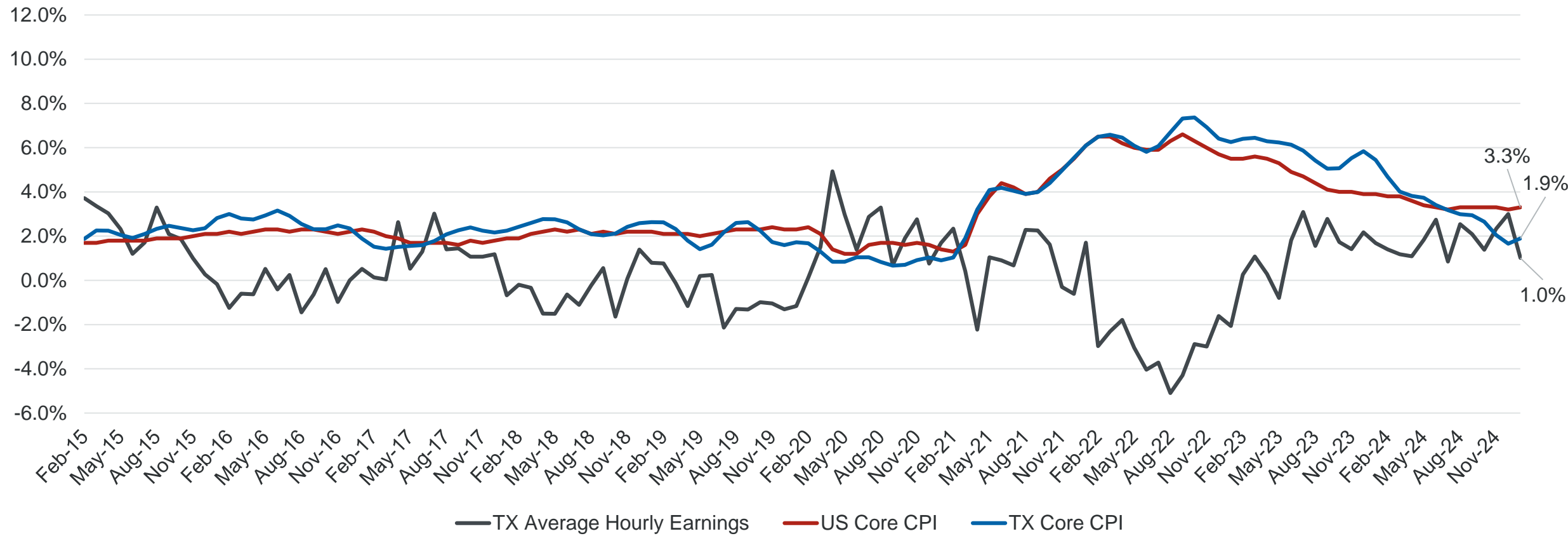


Notes: Private sector average hourly wages are not seasonally adjusted. CPI-U data are seasonally adjusted  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment> and <https://www.bls.gov/cpi/data.htm>



# Real private sector average hourly earnings in Texas are not keeping pace with core inflation

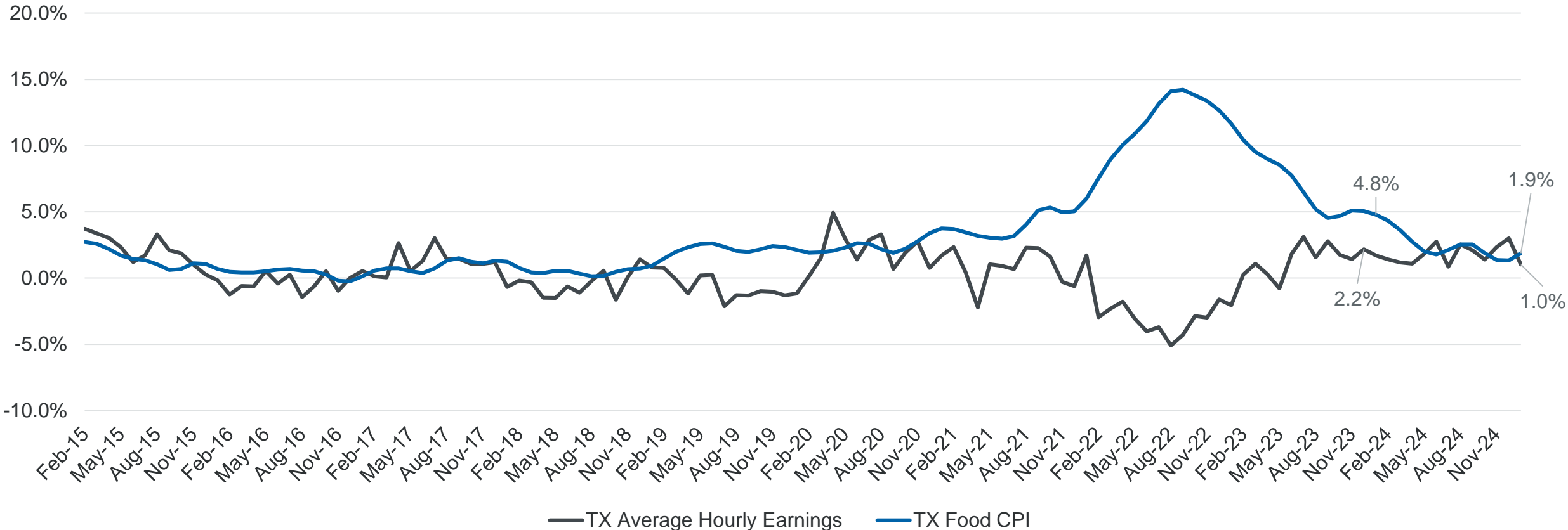
YOY Percent Change



Notes: Private sector average hourly wages are not seasonally adjusted. CPI-U data are seasonally adjusted  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment> and <https://www.bls.gov/cpi/data.htm>

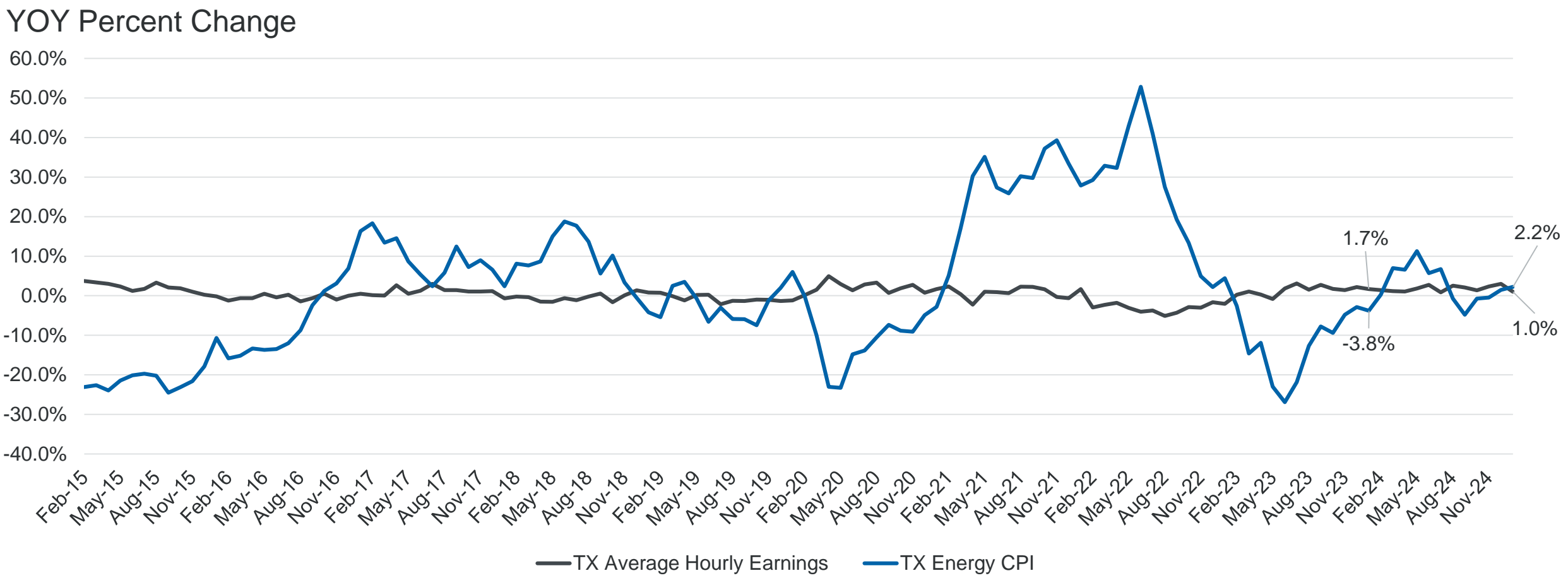
# Real private sector average hourly earnings in Texas are not keeping pace with Texas based food inflation

YOY Percent Change



Notes: Private sector average hourly wages are not seasonally adjusted. CPI-U data are seasonally adjusted  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment> and <https://www.bls.gov/cpi/data.htm>

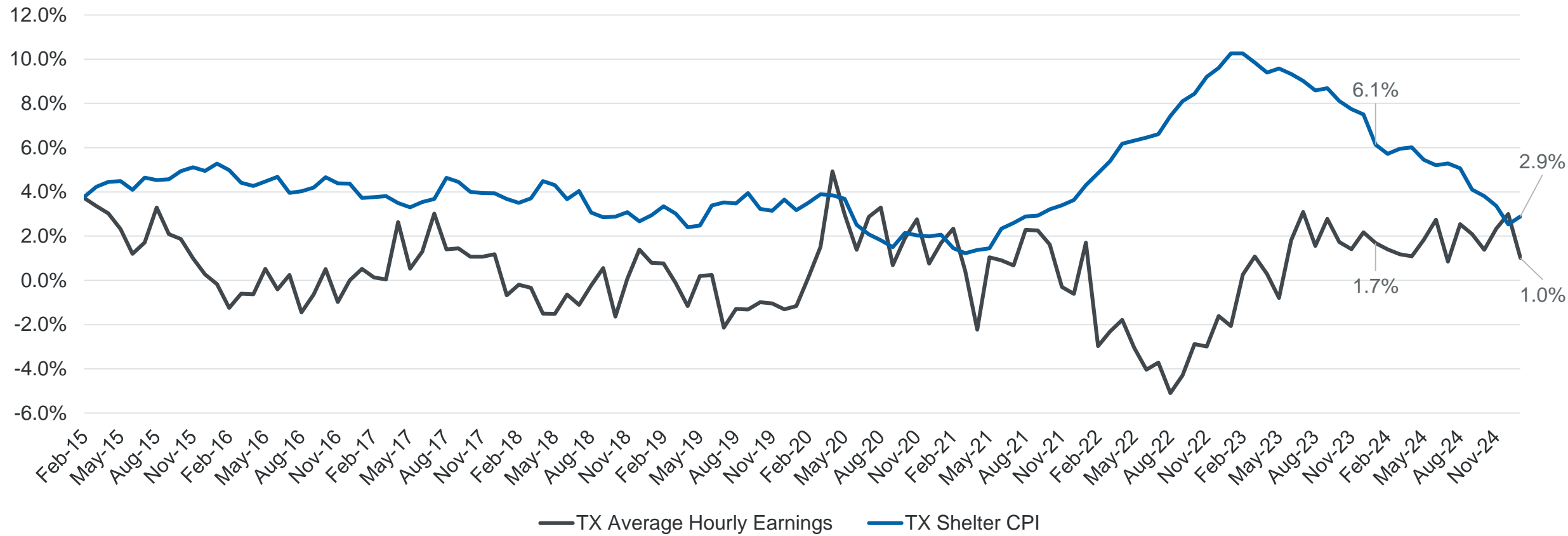
# Real private sector average hourly earnings in Texas are not keeping pace with Texas based energy inflation



Notes: Private sector average hourly wages are not seasonally adjusted. CPI-U data are seasonally adjusted  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment> and <https://www.bls.gov/cpi/data.htm>

# Real private sector average hourly earnings in Texas are not keeping pace with Texas based shelter inflation

YOY Percent Change




Notes: Private sector average hourly wages are not seasonally adjusted. CPI-U data are seasonally adjusted  
Source. U.S. Bureau of Labor Statistics, Current Employment Statistics (CES). <https://www.bls.gov/data/home.htm#employment> and <https://www.bls.gov/cpi/data.htm>

# Community Perspectives

# Community Development

*Promoting the economic resilience and mobility of lower-income individuals, households, and communities*


## Areas of Focus:



**Investments in lower-income individuals & households**


**Human capital development**


- Educational attainment
- Workforce development



**Household financial stability**

- Financial capability
- Expanding access to credit and savings opportunities






**Investments in lower-income places**

**Development of critical infrastructure**

- Broadband
- Energy
- Housing
- Childcare facilities



**Small business development**



**Innovative economic development finance**



# Community Perspectives Snapshot

December  
2024

- Continued high levels of demand for social services
- Lack of affordable housing, childcare, and transportation were key barriers to work

January  
2025

- Sustained high level of demand for social services
- Nonprofits looking for alternative sources for funding

March  
2025

- Sustained high level of demand, especially for rent assistance and household staples
- Workforce development agency noted wages in lower-skilled roles not keeping pace with inflation
- Nonprofits noted budget cost and stay layoff
- Funding cuts direct impact on newly resettled refugees
- Steep decline in service utilization over past month from foreign-born clients

**Thank you!**