Economy in Brief:

Indicators for the Dallas Region

Publish date: September 21, 2021

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“**Economy in Brief: Indicators for the Dallas Region**” offers easily digestible insights into our economic landscape. The data points and analysis tools that support this report offer our business community an assessment of current economic conditions to make informed decisions based on trends and projections. Our reporting includes measures of the impact of COVID-19 on our economy.

We include both leading and lagging indicators. Third-party analyses are applied to local conditions when possible. Updates occur periodically to coincide with new data releases or with the addition of new indicators. Notably, many data sources are continuously revising and refining figures from previous reporting periods as more reliable information becomes available. Frequency of data availability is noted for each indicator in the brief.

The **Dallas Regional Chamber** presents this information for discussion and use by members, stakeholders, and the general public. Nothing contained within is intended to predict future economic conditions. Submit questions or suggestions to Eric Griffin, Managing Director of Research and Innovation, at egriffin@dallaschamber.org.

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KEY TAKEAWAYS

- The Dallas Region is **recovering to pre-pandemic employment levels** faster than all other large U.S. metros.
- The Dallas Region is first among the only two large U.S. metros to post **three-year job gains in August 2021**.
- The Dallas Region **unemployment rate of 5.3%** in July 2021 is less than half of the pandemic high of 12.5% in April 2020.
- **Small businesses in the leisure and hospitality industry** are reporting revenues at 62% below pre-pandemic levels in Fort Worth and 67% below normal in Dallas.
- **22 Fortune 500 companies** in the Dallas Region generated $857B in 2020 revenues, second only to the New York Region.

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TOP LINE INDICATORS FOR THE DALLAS REGION

Unemployment Rate

July 2021

5.3%

Decrease of 0.7 percentage points from June 2021. The Texas rate for July 2021 is 6.2%.

Source: Bureau of Labor Statistics, preliminary, not seasonally adjusted

Employment Change

August 2021

+5.4%

Year-over-year gain of 196,500 jobs. Total employment is 99.4% of pre-pandemic levels.

Source: Bureau of Labor Statistics, preliminary, not seasonally adjusted

Consumer Spending

Week Ending September 5, 2021

+22.5%

Increase over pre-pandemic spending in Dallas largely driven by the retail segment. Fort Worth spending is +22.1%.

Source: Opportunity Insights analysis of data provided by Affinity

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TIME SPENT OUTSIDE THE HOME

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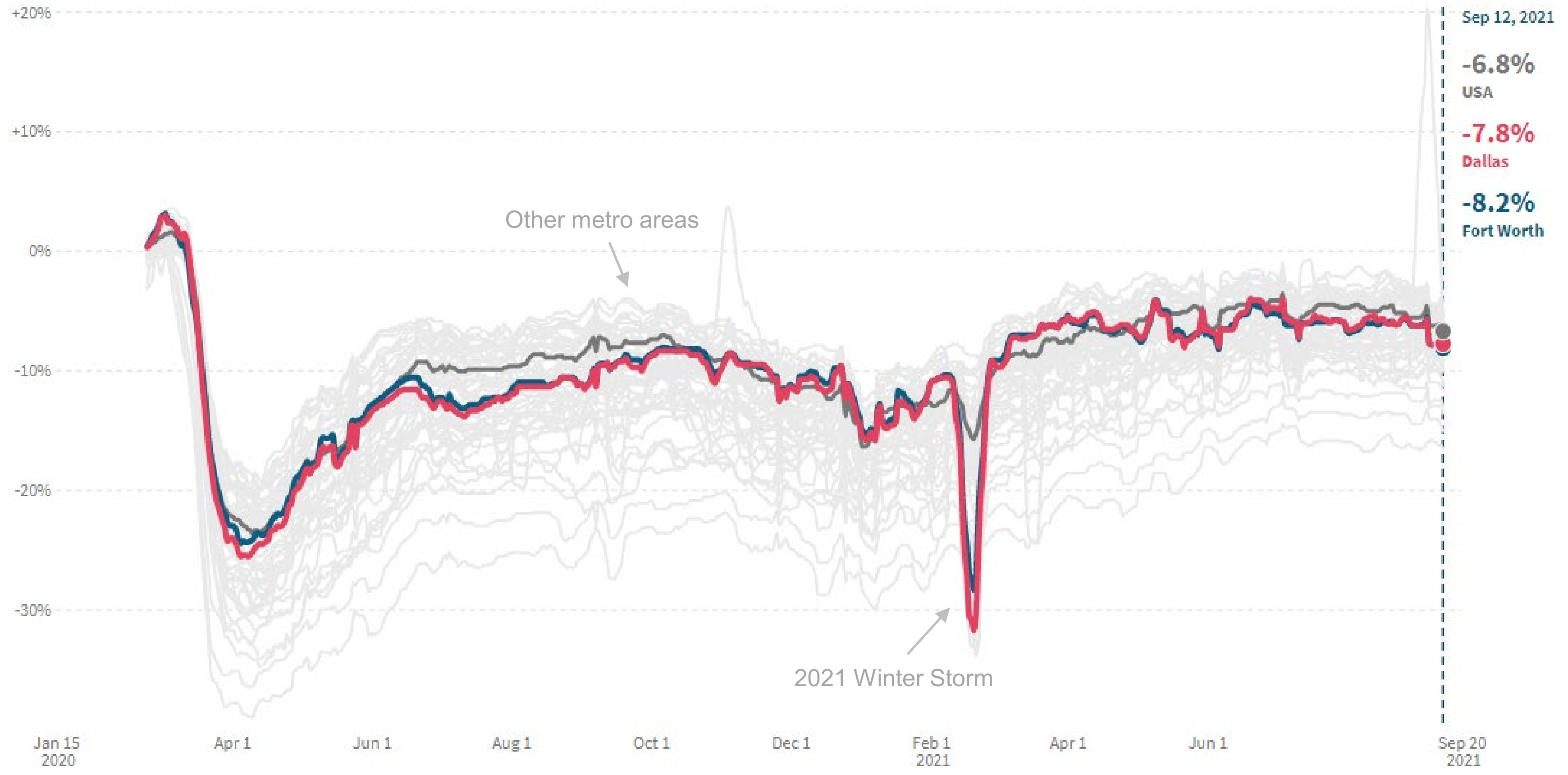
Percent change in time spent outside home for any reason*



*Change in time spent away from home using cellphone location data indexed to January 2020, and not seasonally adjusted.

Description: Percent change in time spent outside the home for any reason – parks, retail and recreation, groceries, transit, and work.

Why it's important: Time spent out of the home compared to pre-pandemic timeframes can provide valuable insight into relative health and level of normalcy of regional economies.

Key Takeaways:

- Total time spent outside of the home by residents of Dallas and Fort Worth has tracked very close to the national average throughout the pandemic except for during the winter storm in February 2021.
- As of September 12, 2021, residents of Dallas are spending 7.8% less time outside of the home compared to normal. Fort Worth residents are spending slightly less time outside the home at 8.2% below normal. Both sides of the Dallas Region are travelling outside the home less than the national average of 6.8% below normal.
- Throughout the summer, time spent outside of the home for any reason in the Dallas Region settled into a range of 4.0% to 7.0% below normal. The latest data shows the biggest reduction in time spent outside the home since March 2020, coinciding with the prevalence of the Delta variant of the virus.

Source: Opportunity Insights Economic Tracker using Google Community Mobility Reports data. Slide last updated September 20, 2021.

Data Frequency: Daily

TIME SPENT OUTSIDE THE HOME

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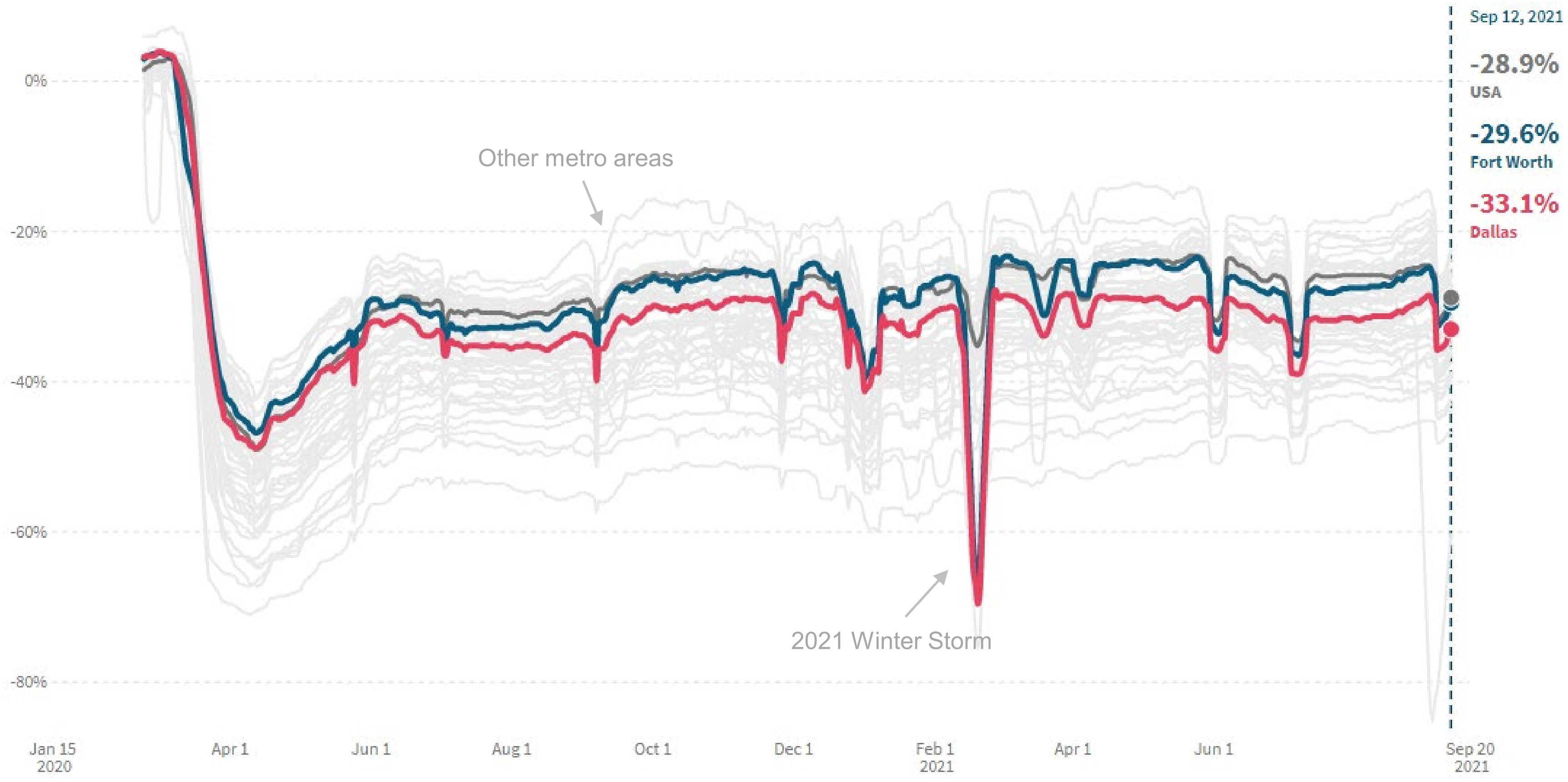
Percent change in time spent outside home at the workplace*



*Change in time spent away from home using cellphone location data indexed to January 2020, and not seasonally adjusted.

Description: Percent change in time spent outside the home at the workplace.

Why it's important: Time spent out of the home at work compared to pre-pandemic timeframes can indicate a mix of possibilities, including whether the metro area possesses an industry composition suitable for remote work or the impact to regional labor force participation rates.

Key Takeaways:

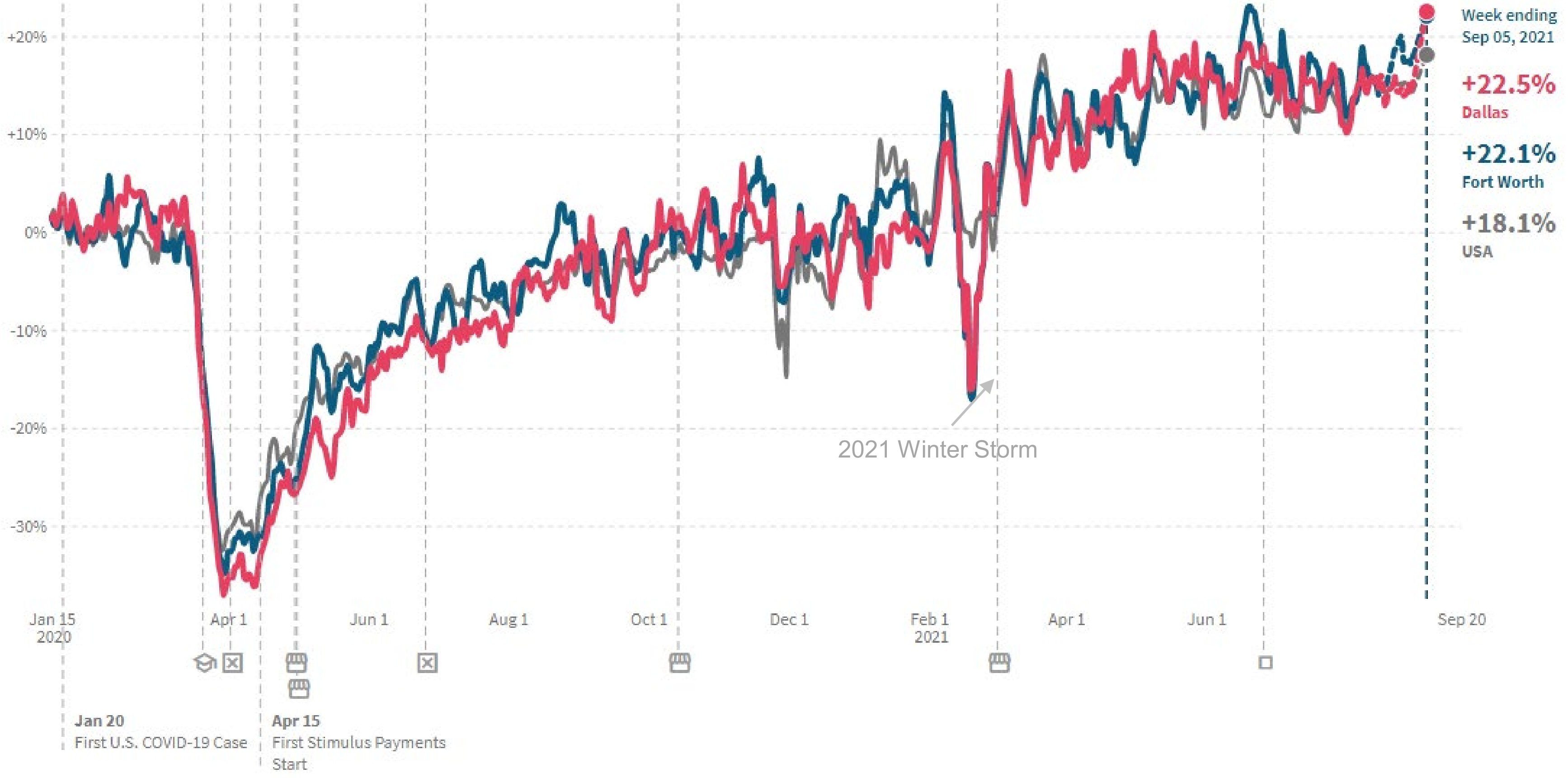
- Total time spent outside of the home at the workplace by residents in Dallas and Fort Worth has tracked very close to the national average with Dallas trailing Fort Worth throughout the pandemic.
- As of September 12, 2021, residents of Dallas are spending 33.1% less time outside of the home at the workplace compared to normal, while Fort Worth residents are spending 29.6% below normal time at the workplace. This may be due to Dallas's higher proportion of jobs in industries where remote work is possible, such as professional and business services and financial activities.
- Throughout the summer, time spent outside the home at the workplace has not risen above 25% below normal in the Dallas Region.

Source: Opportunity Insights Economic Tracker using Google Community Mobility Reports data. Slide last updated September 20, 2021.

Data Frequency: Daily

CONSUMER SPENDING

Percent change in average consumer spending*



*Change in average consumer credit and debit card spending, indexed to normal spending from Jan. 4-31, 2020, and seasonally adjusted. Dashed segments of lines represent provisional data subject to revision.
Note: Cap icon represents statewide school closings; crossed out boxes represent statewide business closings; buildings represent business re-openings and lifting of stay-at-home orders; and square represents Texas ending emergency unemployment benefits.

Source: Opportunity Insights Economic Tracker using Affinity data. Slide last updated September 20, 2021.

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Description: Consumer spending data gathered from credit and debit card purchases indexed against normal spending behaviors.

Why it's important: Consumer spending is widely viewed as an indicator of public confidence and the health of the economy as it represents 70% of gross domestic product.

Key Takeaways:

- Spending levels in Dallas fell 37% below normal near the beginning of April 2020 (35% below normal in Fort Worth) before steadily climbing upward to above normal levels, and then flattening since Spring 2021.
- The Dallas Region has tracked closely with the national average in percent change in consumer spending with a few exceptions (including the winter storm of 2021).
- As of September 5, 2021, consumer spending is exceeding pre-pandemic levels in Dallas (+22.5%), Fort Worth (+22.1%), and the U.S. (+18.1%).

Data Frequency: Weekly

CONSUMER SPENDING

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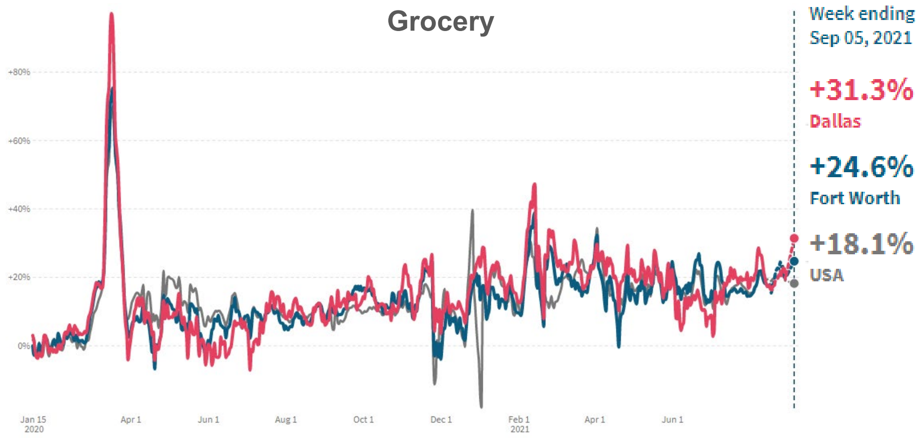
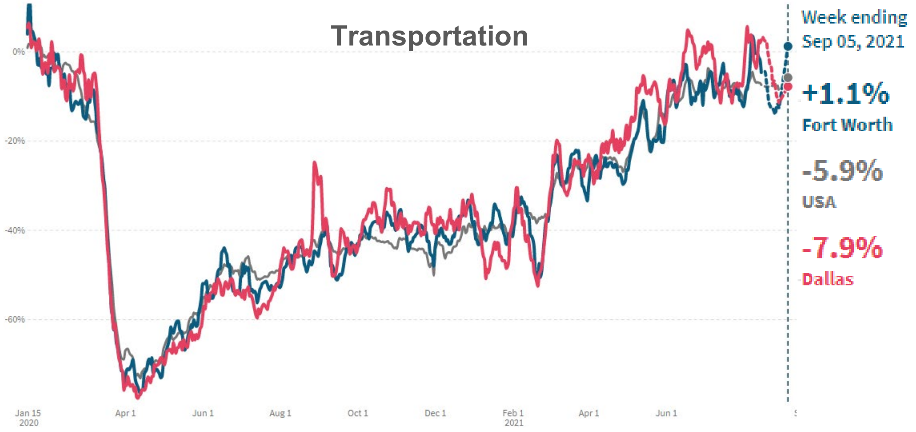
Percent change in average consumer spending* by select industry segment





*Average consumer credit and debit card spending, indexed to normal spending from Jan. 4-31, 2020, and seasonally adjusted. Dashed segments of lines represent provisional data subject to revision.

Source: Opportunity Insights Economic Tracker using Affinity data. Slide last updated September 20, 2021.

Description: Consumer spending data gathered from credit and debit card purchases by select industry segments.

Why it's important: Pandemic-related impacts on consumer purchases vary widely by segment. Shifts in consumer spending can signal long-term behavior changes and supply chain impacts that can inform fiscal, monetary, and public policy responses.

Key Takeaways:

- Consumer spending fell dramatically throughout the U.S. at the onset of the pandemic across all segments except grocery spending, which spiked in conjunction with stay-at-home orders.
- Restaurant and hotel spending in the Dallas Region began returning to normal in conjunction with vaccine distribution in March 2021. As of September 5, spending in this segment was well above normal at +15.5% in Dallas and +14.3% in Fort Worth.
- Retail and transportation spending have followed diverging pathways during the pandemic and recovery periods. The retail segment is driving an overall increase in consumer spending as of September 5, 2021. Transportation spending has only recently returned to normal levels during the summer months.

Data Frequency: Weekly

SMALL BUSINESS REVENUE

Percent change in average small business revenue*

*Change in small business net revenue calculated as a seven-day moving average, indexed to Jan. 4-31, 2020, and seasonally adjusted. Note: Cap icon represents statewide school closings; crossed out boxes represent statewide business closings; buildings represent business re-openings and lifting of stay-at-home orders; and square represents Texas ending emergency unemployment benefits.

Source: Opportunity Insights Economic Tracker using Womply data. Slide last updated July 14, 2021. Indicator is currently under review.

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Description: Small business transaction data from consumer purchases aggregated to the metropolitan level.

Why it's important: Small business transaction data can identify variations in net revenues. Net revenue changes can provide insight into the health and trajectory of local economies because 99.7% of all U.S. businesses are 'small,' or those employing fewer than 500 workers, as defined by the Small Business Administration.

Key Takeaways:

- Changes in small business revenues in the Dallas Region have tracked closely with the national average (except during the winter storm of February 2021).
- Small business revenues bottomed out in mid-April 2020 in Dallas and Fort Worth at 51% and 44% below normal, respectively.
- As of June 30, 2021, small business revenues were 40% below normal in Dallas and 34% below normal in Fort Worth.

Data Frequency: Daily

SMALL BUSINESS REVENUE

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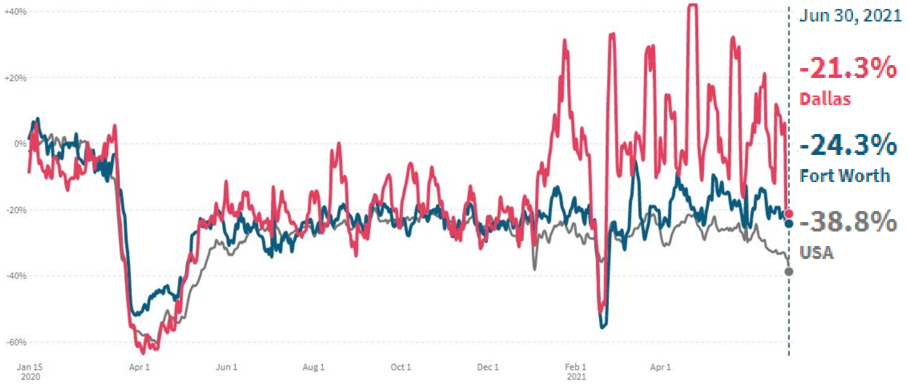
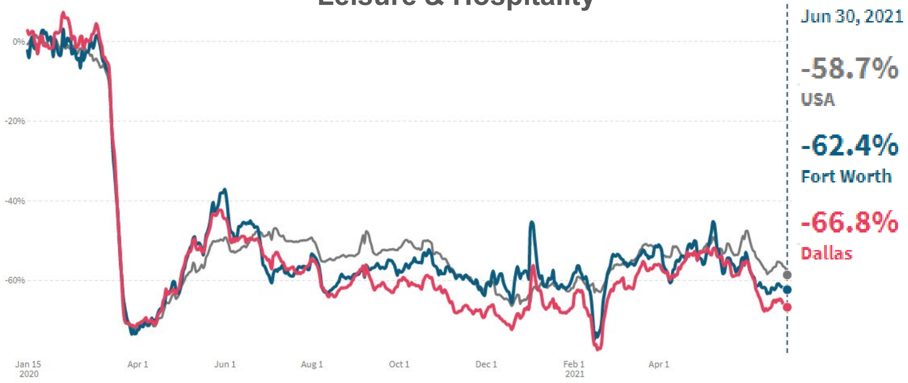
Percent change in small business revenue* by select industry segment

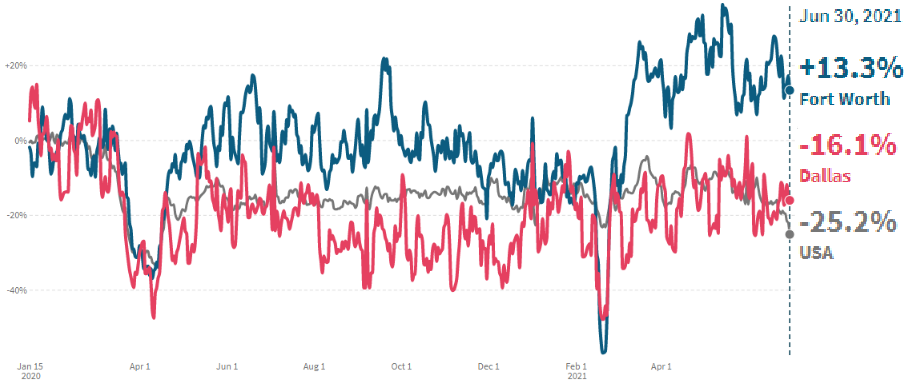
Education & Health Services



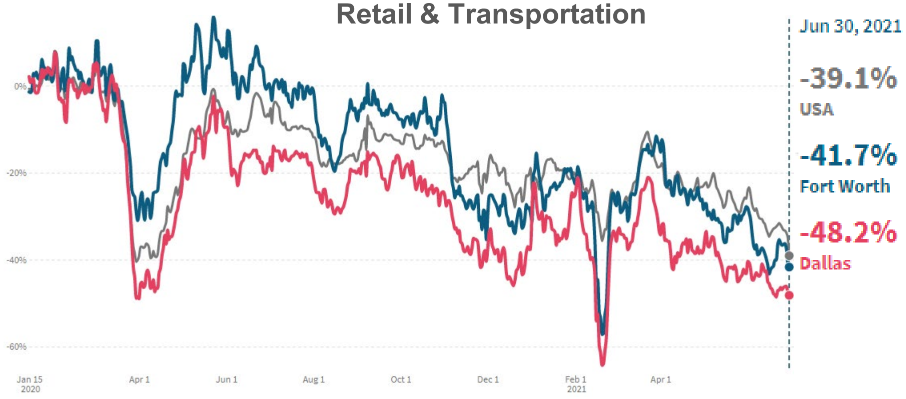
Leisure & Hospitality



Professional & Business Services



Retail & Transportation



*Change in small business net revenue calculated as a seven-day moving average, indexed to Jan. 4-31, 2020, and seasonally adjusted.

Source: Opportunity Insights Economic Tracker using Womply data. Slide last updated July 14, 2021. Indicator is currently under review.

Description: Small business transaction data from consumer purchases by select industry segments aggregated to the metropolitan level.

Why it's important: Just as with consumer purchases, small business revenues by segment have not been impacted equally during the pandemic. For instance, small businesses that provide leisure and hospitality services are more likely not to have recovered from the steep drop-off in revenue in March 2020 to the same degree as those small businesses providing professional services or retail. This should provide policy makers with guidance on addressing the most vulnerable consumer-dependent industries.

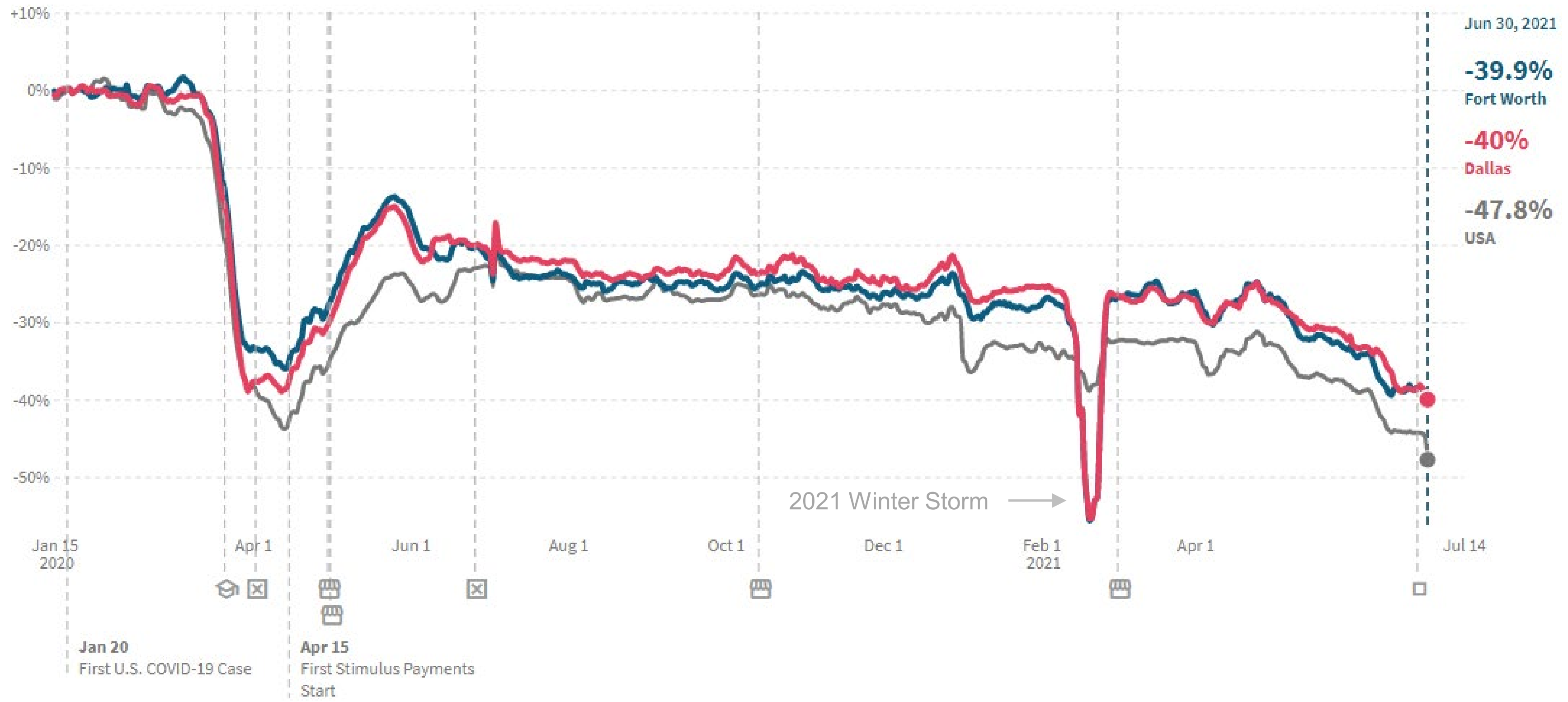
Key Takeaways:

- Leisure and hospitality small businesses have seen the greatest sustained negative impacts to revenues nationwide. In Dallas, revenues were 67% below normal and in Fort Worth, revenues were 62% below normal as of June 30, 2021.
- Professional and business services revenues have experienced the greatest divergence between Dallas and Fort Worth.
- Retail and transportation revenues have shown the most consistent downward trend since the initial rebound after the first round of stimulus funding in April 2020. Online retail sales are likely capturing formerly local purchases.

Data Frequency: Daily

SMALL BUSINESS ATTRITION

Percent change in number of small businesses open*



*Open small business defined as having financial transaction activity in previous three days, calculated as a seven-day moving average, indexed to Jan. 4-31, 2020, and seasonally adjusted.
Note: Cap icon represents statewide school closings; crossed out boxes represent statewide business closings; buildings represent business re-openings and lifting of stay-at-home orders; and square represents Texas ending emergency unemployment benefits.

Source: Opportunity Insights Economic Tracker using Womply data. Slide last updated July 14, 2021. Indicator is currently under review.

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Description: Financial transaction activity as an indicator of whether a small business remains open.

Why it's important: Small businesses that suddenly stopped registering financial transactions may have fallen victim to the economic downturn. Now that vaccine distribution has accelerated, small business closures offer insight into medium and long-term labor market impacts because 99.7% of enterprises nationwide are classified as small.

Key Takeaways:

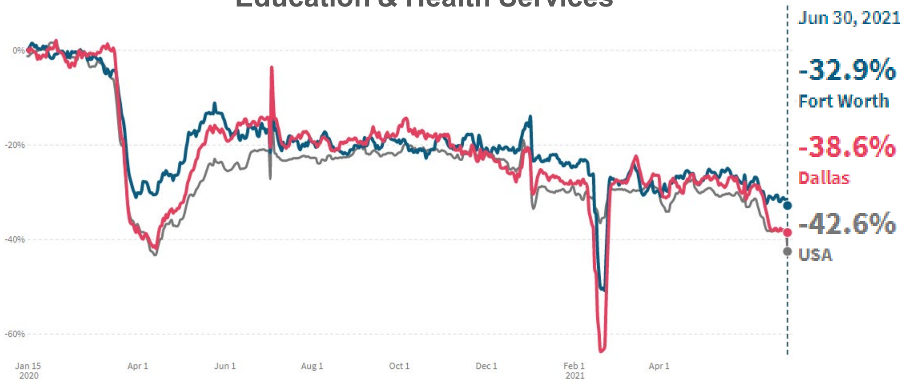
- Small businesses have a high rate of creation and destruction, typically referred to as "churn." However, many more small businesses have closed during the pandemic than during normal economic activity.
- From July through December 2020, the Dallas Region tracked closely with the national percent change in small businesses remaining open but began to register a lower closure rate than the national average beginning in January 2021.
- Since April 2021, Dallas and Fort Worth small businesses remaining open have been on a downward trend, mirroring the picture nationwide. Both Dallas and Fort Worth had 40% fewer small businesses open compared with pre-pandemic levels while the national average was closer to 50% fewer open businesses as of June 30, 2021.

Data Frequency: Daily

SMALL BUSINESS ATTRITION

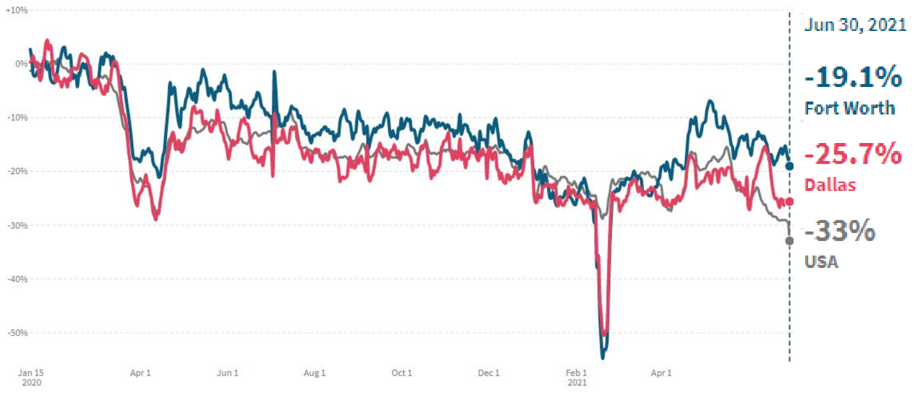
Percent change in number of small businesses open* by select industry segment

Education & Health Services



Leisure & Hospitality

Professional & Business Services



Retail & Transportation

*Open small business defined as having financial transaction activity, calculated as a seven-day moving average, indexed to Jan. 4-31, 2020, and seasonally adjusted.

Source: Opportunity Insights Economic Tracker using Womply data. Slide last updated July 14, 2021. Indicator is currently under review.

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Description: Financial transaction activity by select industry segment as an indicator of whether a small business remains open.

Why it's important: Mirroring changes in both consumer spending and small business revenues, small business closures vary according to industry segment. As policy makers continue to negotiate additional funding and policy response, segment analysis should assist in determining which industries are in most dire need.

Key Takeaways:

- As of June 30, 2021, all industry segments in the Dallas Region reported double-digit fewer small businesses open than normal.
- The leisure and hospitality segment has continuously underperformed throughout the pandemic and recovery with 56%-60% fewer pre-pandemic businesses remaining open.
- Professional and business services began showing signs of improvement in April 2021, but open small businesses remain between 19%-26% below normal across the region.
- The percent of small businesses in the retail and transportation segment declined rapidly beginning in April to between 34%-38% below normal in the Dallas Region.

Data Frequency: Daily

EMPLOYMENT BY METRO AREA

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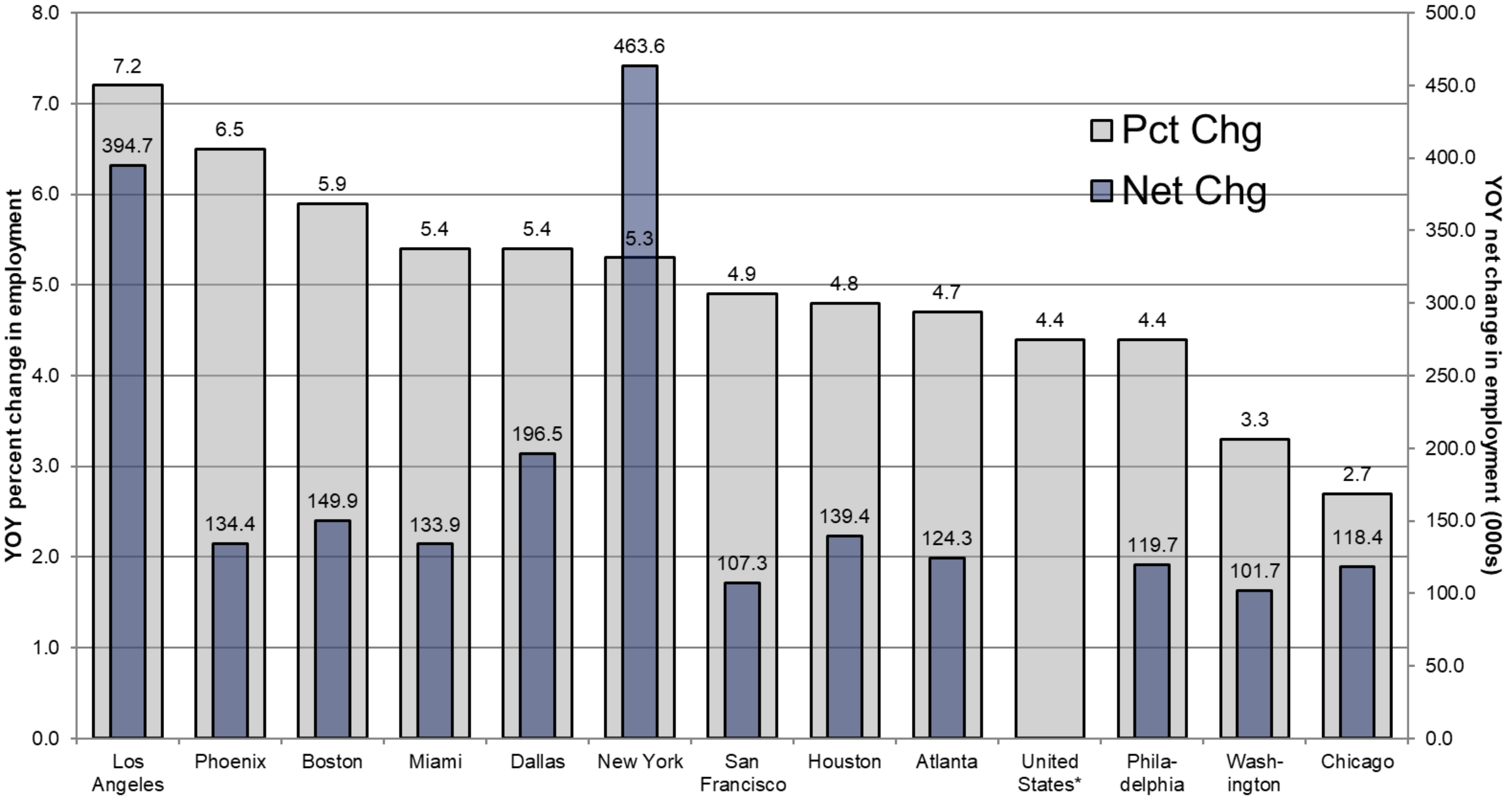
YOY percent change and net change (000s) in employment, August 2021



* U.S. net change not shown to prevent skewing of scale.

Source: BLS. Slide last updated September 17, 2021.

Description: Year-over-year (YOY) percent and net change in employment for the 12 most populous U.S. metropolitan areas.

Why it's important: YOY net change in employment can indicate whether an economy is improving or declining while accounting for the effects of seasonal variability in monthly data. YOY percent change in employment normalizes the size of the employment base across target geographies allowing for more meaningful comparisons of performance.

Key Takeaways:

- All metro areas have shown YOY employment gains for the fifth month in a row. Since most early pandemic job losses were temporary, large apparent YOY gains began appearing in April 2021 and may continue through the rest of the year.
- The top 12 metros accounted for 36% of the 6.1 million jobs added back to the U.S. economy in August 2021.
- The Dallas Region added the 3rd most jobs and the 4th highest rate of employment growth among large metros in August 2021.
- The Dallas Region's pre-pandemic and pandemic job performance is hidden in these unique employment rebound comparison figures and requires the additional exploration that follows.

Data Frequency: Monthly

RECOVERY BY METRO AREA

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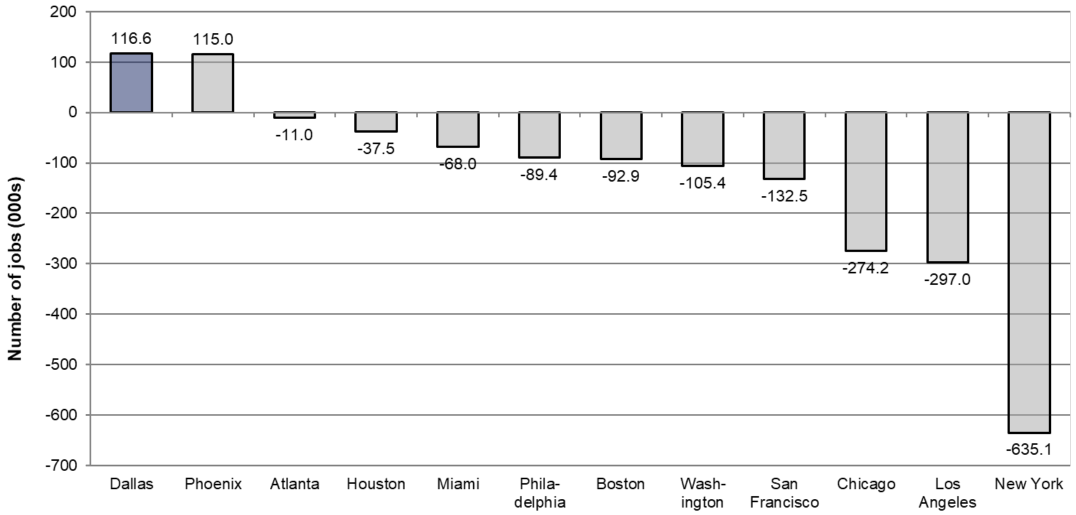
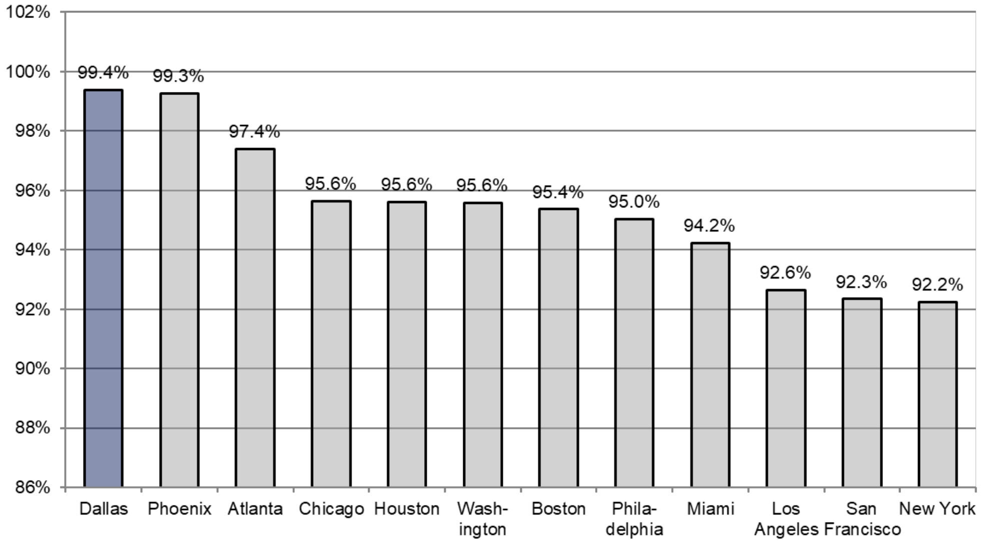
3-year net change (000s) in employment YOY, August 2019 – 2021



Current total employment as a percent of pre-pandemic employment, August 2021



Source: BLS. Slide last updated September 17, 2021.

Description: Year-over-year (YOY) net change in employment for the 12 most populous U.S. metropolitan areas covering pre-pandemic, pandemic and recovery periods, and percent of pre-pandemic jobs recovered to date.

Why it's important: Three years of net change in employment data highlights the economic strength metros exhibited heading into the pandemic as well as the speed of employment recovery. Percent of jobs recovered can indicate how soon metros will begin to add jobs beyond those being recovered.

Key Takeaways:

- The Dallas Region is one of only two large metros to post net job gains over the past three years.
- While the Dallas Region still needs an additional 24,000 jobs to reach pre-pandemic levels, most large metros still have more than 50,000 pandemic job losses to recover, even after including pre-pandemic job gains from 2019. Chicago, Los Angeles and New York have more between 200,000 – 770,000 job losses to recover.
- Total employment in the Dallas Region was 3.81M in August 2021, which is 99.4% of pre-pandemic employment (February 2020). This is the highest rate among large metros.

Data Frequency: Monthly

EMPLOYMENT BY INDUSTRY

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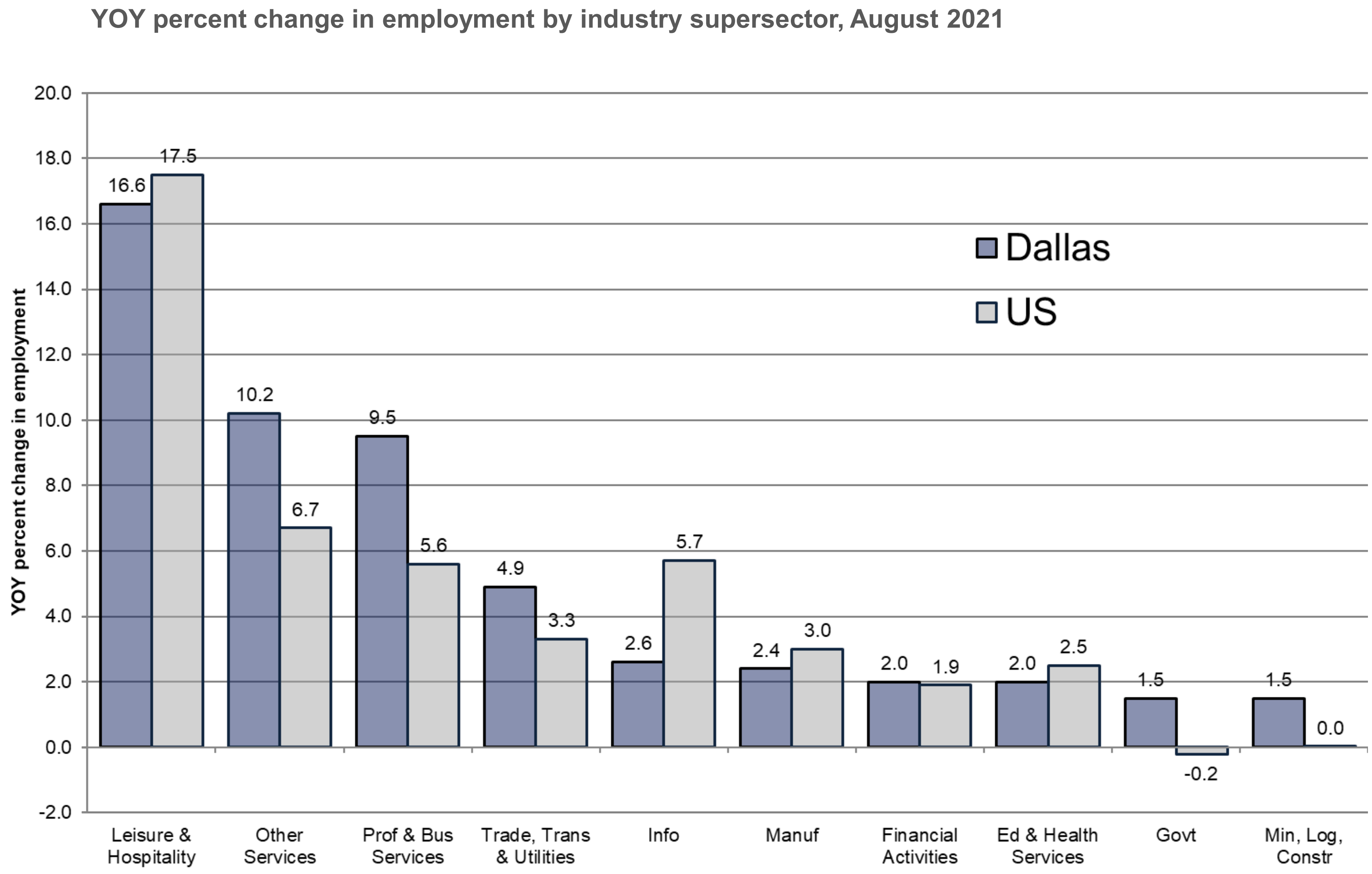


Source: BLS. Slide last updated September 17, 2021.

Description: Year-over-year (YOY) percent change in employment in the Dallas Region by industry compared with the U.S.

Why it's important: Industries have been impacted by the pandemic to varying degrees as well as by geography. This is reflected in the magnitude of job losses in the Dallas Region by supersector compared with national figures.

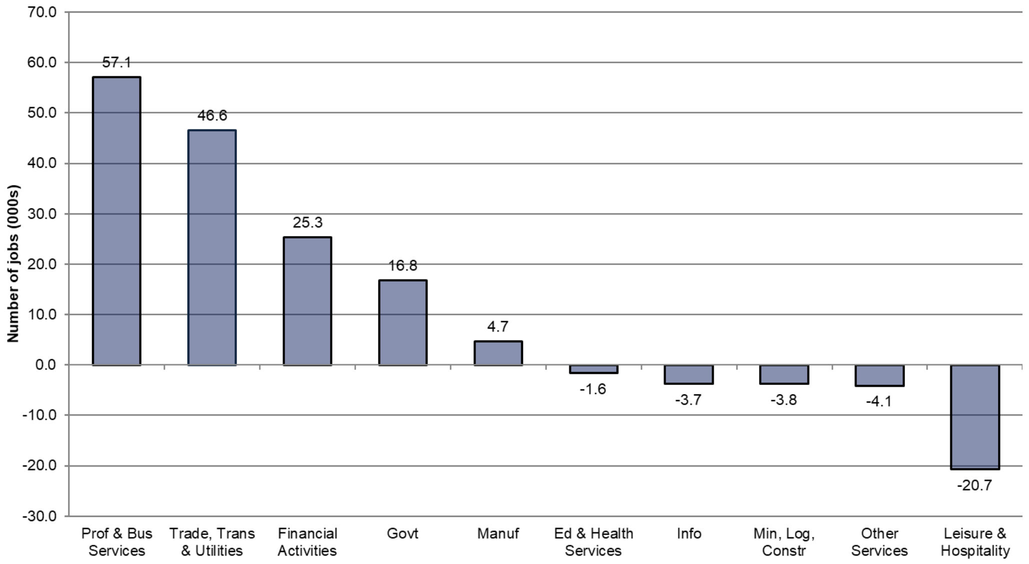
Key Takeaways:

- All Dallas Region industries are showing year over year growth in August 2021. Excepting the mining/construction sector, this represents five months in a row of growth across industries.
- The Dallas Region's pre-pandemic industrial diversity may help reduce the length of a recovery period as compared to metro areas that are dependent on only a few industries.
- The leisure and hospitality industry is showing signs of rebounding after a fifth month of apparent large YOY percent increases in employment. However, pre-pandemic and pandemic job performance among Dallas Region industries is hidden in these unique employment rebound figures and requires the additional exploration that follows.

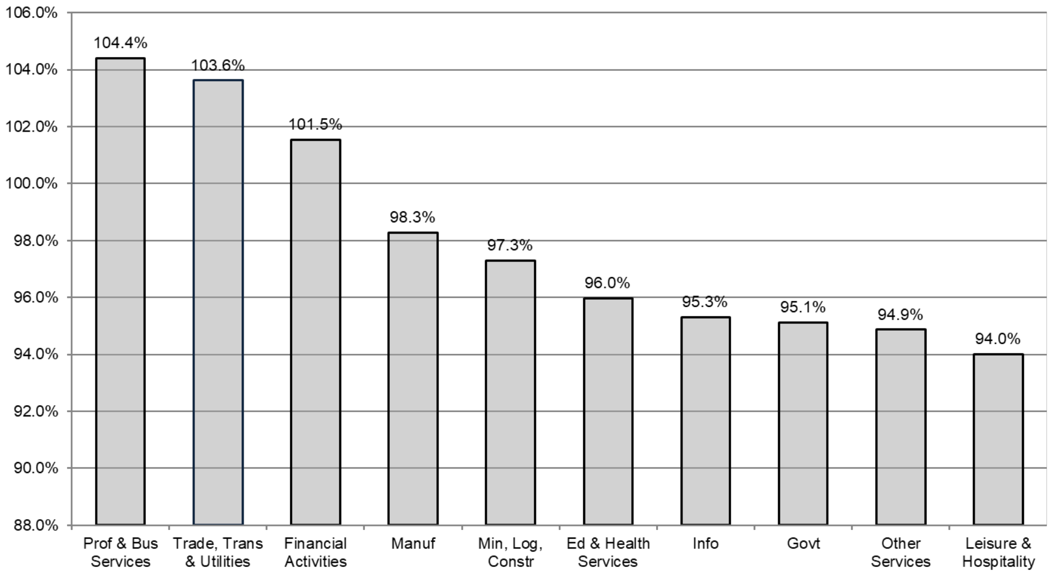
Data Frequency: Monthly

RECOVERY BY INDUSTRY

3-year net change (000s) in employment by industry, YOY August 2019 - 2021



Current total employment as a percent of pre-pandemic employment by industry, August 2021



Source: BLS. Slide last updated September 17, 2021.

Description: Year-over-year (YOY) net change in employment for industry supersectors covering pre-pandemic, pandemic and recovery periods, and percent of pre-pandemic jobs recovered to date by supersector.

Why it's important: Three years of net change in employment data highlights the economic strength each supersector exhibited heading into the pandemic as well as the speed of employment recovery. Percent of jobs recovered can indicate how soon industries will begin to add jobs beyond those being recovered.

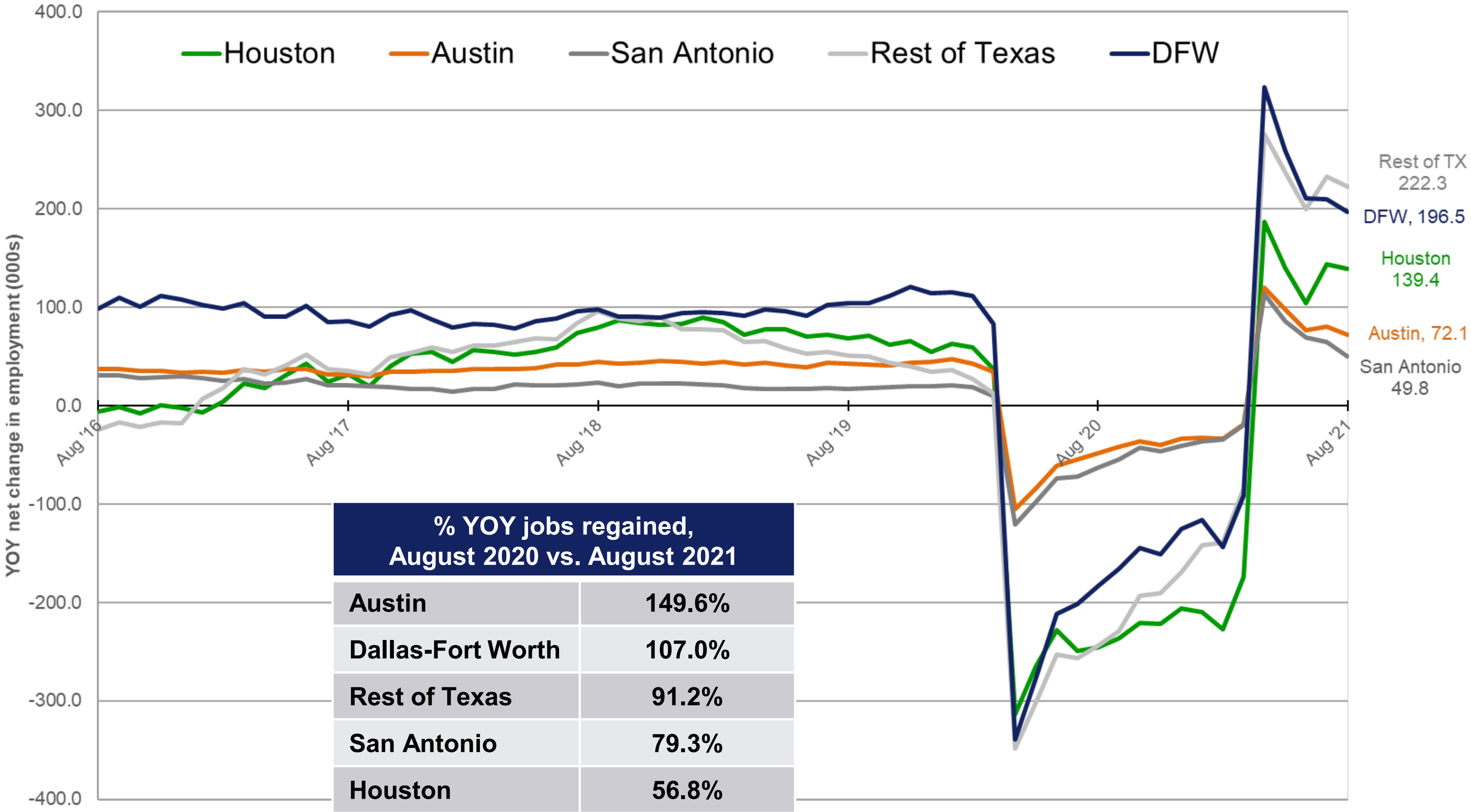
Key Takeaways:

- Half of Dallas Region supersectors are showing three-year growth in employment in August 2021.
- Although the leisure and hospitality supersector increased by more than 16% in YOY employment in August 2021, this industry lost more jobs in April 2020 than all other sectors combined. This is reflected in a three-year decline in employment (-20,700) as well as the lowest rate of rebounding from pre-pandemic job levels (94.0%).
- The trade, financial, and professional and business services supersectors have exceeded pre-pandemic employment totals with other services joining leisure and hospitality at less than 95% of pre-pandemic employment.

Data Frequency: Monthly

EMPLOYMENT BY TEXAS REGION

YOY net change in major Texas MSA employment (000s), July 2016 – 2021



% YOY jobs regained, August 2020 vs. August 2021	
Austin	**149.6%**
Dallas-Fort Worth	**107.0%**
Rest of Texas	**91.2%**
San Antonio	**79.3%**
Houston	**56.8%**

Source: BLS. Slide last updated September 17, 2021.

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Description: Year-over-year (YOY) net change in employment for the largest Texas metropolitan statistical areas (MSAs).

Why it's important: The four largest metros in Texas account for 71% of employment in the state. Pandemic-related job losses were also concentrated in these urban areas, so recovery in these locations largely dictates how well the state is recovering.

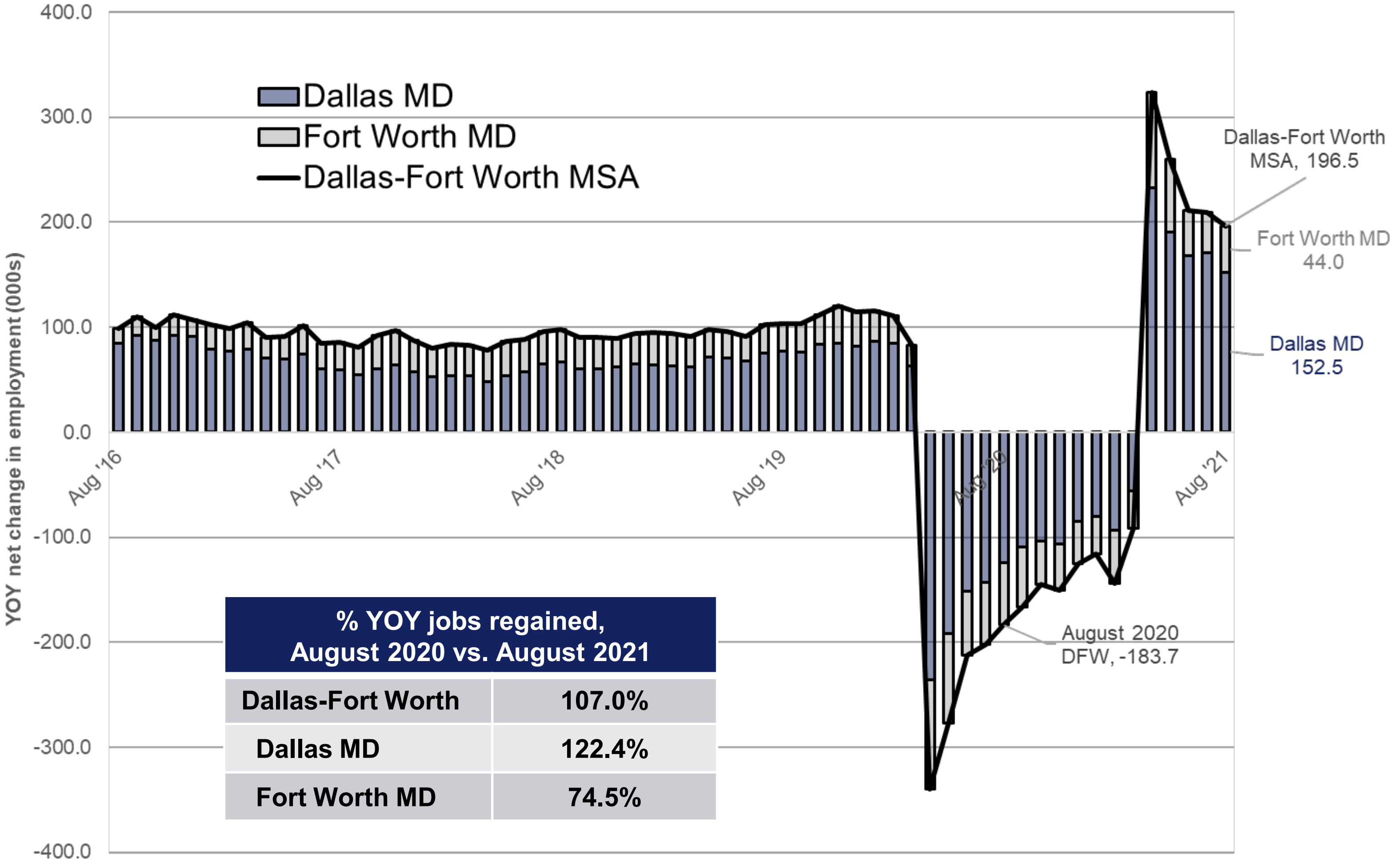
Key Takeaways:

- In August 2021, large Texas metros accounted for 67% of YOY statewide job gains.
- In August 2021, the Dallas Region gained more jobs than the YOY jobs lost in August 2020 (107%). This rebound is second among Texas metros behind Austin, where 2020 job losses have also been recouped and exceeded in August 2021.
- From June 2010 through March 2020, the Dallas Region created jobs without interruption, while other Texas metros have periodically endured the impacts of energy and/or climate-related shocks. Although COVID-19 ended this growth streak, strong economic fundamentals may help recovery come faster for the Dallas Region than the rest of nation.

Data Frequency: Monthly

EMPLOYMENT BY TEXAS REGION

YOY net change in DFW MSA and MD employment (000s), August 2016 – 2021



% YOY jobs regained, August 2020 vs. August 2021	
Dallas-Fort Worth	107.0%
Dallas MD	122.4%
Fort Worth MD	74.5%

Source: BLS. Slide last updated September 17, 2021.

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Description: Year-over-year (YOY) net change in employment for the DFW metropolitan statistical area (MSA) and metro divisions (MD).

Why it's important: Assessing employment by MD offers a more granular view of where changes are occurring within the MSA. This is particularly important because the industrial mix is quite different between the Dallas and Fort Worth MDs.

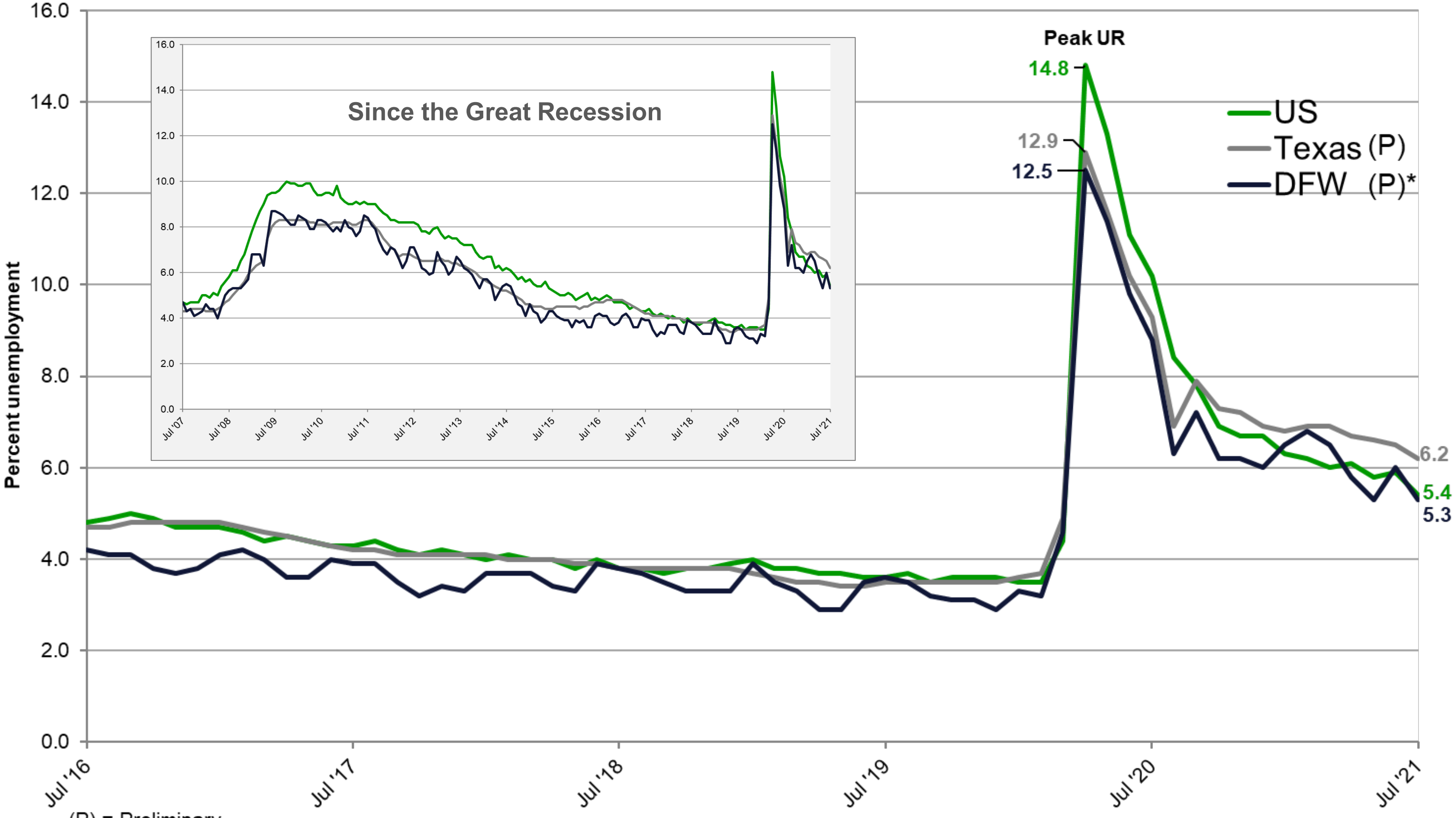
Key Takeaways:

- The Dallas MD accounted for 78% (152,500) of the region's 196,500 job gains in August 2021, compared with 22% (44,000) in the Fort Worth MD.
- In August 2021, the Dallas MD recouped and exceeded all the YOY jobs lost in August 2020 (122%) while the Fort Worth MD recovered 75% of YOY jobs lost for the same period.
- The Dallas MD relies more heavily on the professional and business services, financial activities, and information sectors for employment than Fort Worth. The Fort Worth MD is more dependent on the trade, transportation, and utilities; mining, logging, and construction; and manufacturing sectors for employment than Dallas.

Data Frequency: Monthly

UNEMPLOYMENT RATE

Unemployment rate (U-3), July 2016 – 2021



(P) = Preliminary
(P)* = Preliminary, Not Seasonally Adjusted

Source: BLS, TWC. Slide last updated September 1, 2021.

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Description: Percent of the regional, state, and national civilian workforce who are not employed, but desire to have a job (also known as U-3).

Why it's important: The official unemployment rate, U-3, applies to people who want to work but who are not attached to a job. U-3 is one of the most important economic indicators available because it signals the relative efficiency of the labor market and/or the relative health of the economy (or sector).

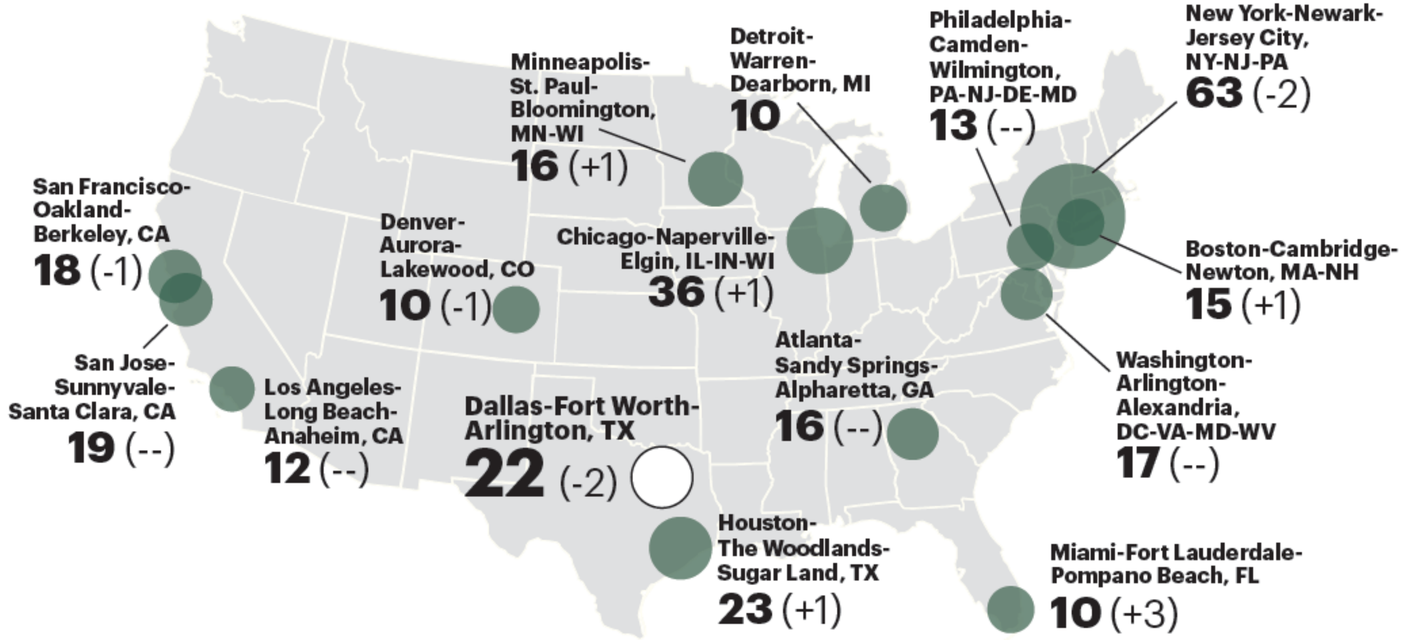
Key Takeaways:

- After topping out at 14.8% in April 2020, the national U-3 has declined to 5.4% as of July 2021.
- The Texas U-3 topped out in April 2020 at 12.9% and currently stands at 6.2% in July 2021.
- The Dallas Region hit a high mark of 12.5% in April 2020, interrupting a 10-year trending decline in the U-3. The July 2021 rate for the Dallas Region was 5.3%, a decrease of 0.7 percentage points from 6.0% in June 2021.
- During the Great Recession, the Dallas Region saw a peak U-3 of 8.7% – nearly 4.0 percentage points lower than the pandemic high. However, the previous recovery took more than three times as long as the current recovery to reach a U-3 of 5.3%.

Data Frequency: Monthly

FORTUNE 500 COMPANIES

Metro areas with most Fortune 500 companies and change from prior year



Dallas Region Fortune 500 companies

7	McKESSON
10	ExxonMobil
11	AT&T

81	Energy Transfer	210	Texas Instruments	350	Builders FirstSource
122	CBRE Group	224	Core-Mark Holding	363	Yum China Holdings
148	D.R. Horton	225	Jacobs Engineering Group	428	Pioneer Natural Resources
158	Kimberly-Clark	251	Charles Schwab	477	Celanese
167	Tenet Healthcare	274	Vistra	492	Commercial Metals
174	American Airlines Group	279	HollyFrontier		
196	Fluor	336	Southwest Airlines		

Source: Fortune Magazine. Slide last updated June 7, 2021.

DRC
DALLAS REGIONAL CHAMBER

Description: Largest public companies in the United States ranked by 2020 revenues and headquarter (HQ) locations.

Why it's important: Attracting and retaining the HQs of the biggest companies in the U.S can serve as a proxy indicator for the ease of doing business or superior quality of life in a region. But tangible benefits associated with HQ locations include high paying jobs, contributions to GDP, and attraction of goods and services providers within the Fortune 500 company's supply chain.

Key Takeaways:

- The Dallas Region is home to 3 of the top 15 Fortune 500 companies. New York, Los Angeles, and Chicago have none.
- The Dallas Region's 22 Fortune 500 companies represent the 4th largest concentration in the U.S.
- Revenues generated by Dallas Region Fortune 500 companies totaled more than $857B in 2020, second only to New York.
- CBRE Group and Charles Schwab relocated to the region in 2020, offsetting the loss of JCPenney and Sabre to acquisition. GameStop and EnLink Midstream dropped below the top 500 threshold, but were joined by Match Group, Hilltop Holdings, Arcosa and Valhi for a total of 45 Fortune 1000 companies.

Data Frequency: Annual

End of report

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