

Economy in Brief:

Indicators for the Dallas Region

Presented by:

TRUIST 

“Economy in Brief: Indicators for the Dallas Region” presented by **Truist** addresses aggregate economic conditions in the cities and counties of North Central Texas (also referred to as the Dallas Region, Dallas MSA, or DFW). The data points and analysis tools that support this report originate with a variety of respected sources. The Dallas Regional Chamber provides this brief as a service to our business community, our partner organizations, and individuals working to extend the benefits of our sound economy to every person who calls Dallas home.

Updates occur periodically to coincide with new data releases or when new indicators become available. Notably, many data sources are continuously revising 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, Vice President of Research and Innovation, at egriffin@dallaschamber.org.



TOP-LINE INDICATORS FOR THE DALLAS REGION

UNEMPLOYMENT RATE



3.4%

(April 2023)

0.5 points lower than March

TX rate is 4.0% (April 2023)
U.S. rate is 3.7% (May 2023)

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

EMPLOYMENT CHANGE



4.4%

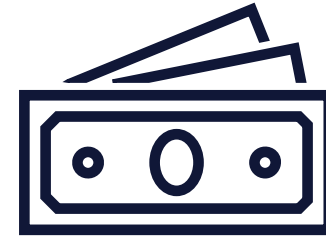
(April 2023)

YOY increase of 199,800 jobs

Total employment is 10.1%
greater than pre-pandemic levels.

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

CORE INFLATION RATE*



7.0%

(May 2023)

All CPI items rate is 4.7%

U.S. rates are 5.3% and 4.0%,
respectively (May 2023)

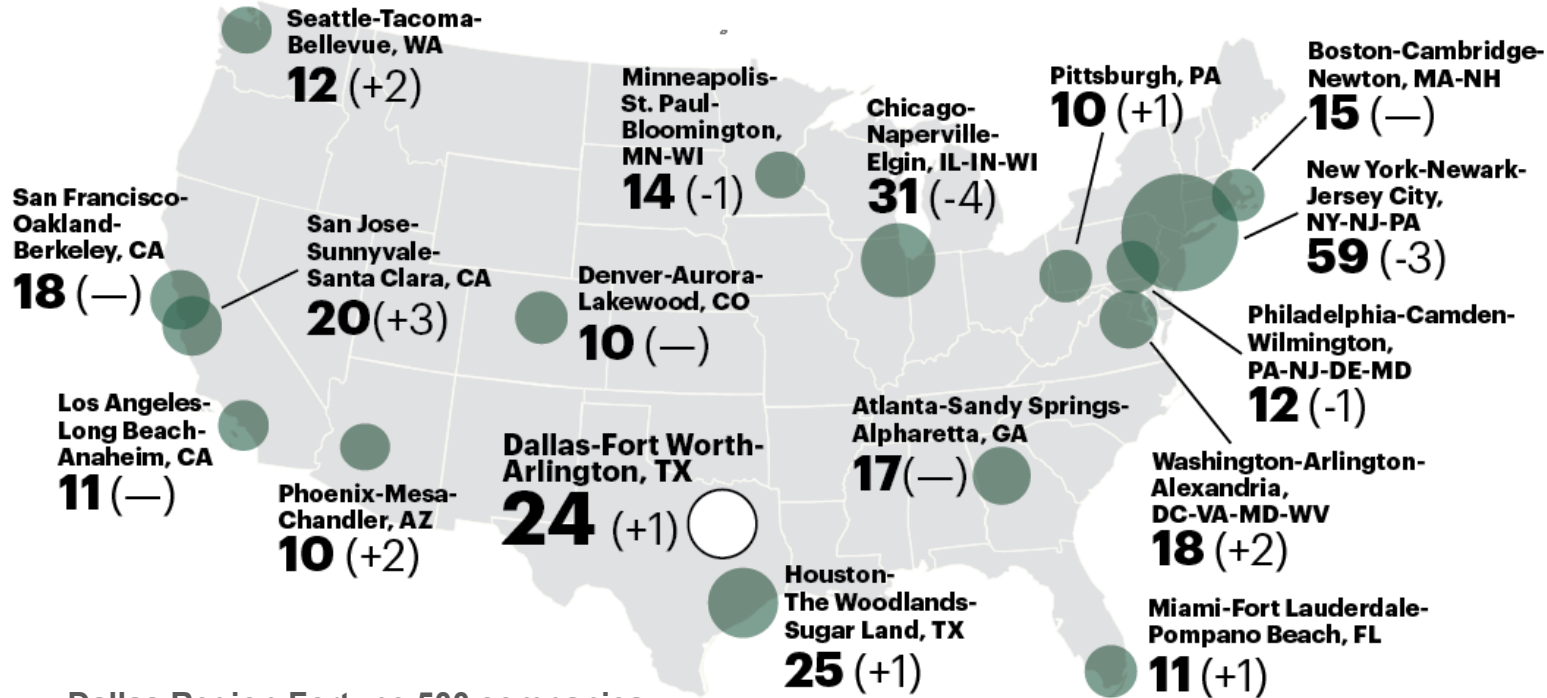
*Source: Bureau of Labor Statistics,
not seasonally adjusted*

KEY TAKEAWAYS

- ❖ The 24 Fortune 500 companies headquartered in the Dallas Region generated **\$1.35T in 2022 revenues**, the second highest amount behind New York.
- ❖ The Dallas Region has the **highest rate of year-over-year job growth at 4.4%** and the second highest total job growth among the largest U.S. metros in April 2023.
- ❖ The Dallas Region's **five-year jobs gain (569.6K)** through April 2023 is more than the combined gains of metros with the next highest employment growth, Atlanta (269.9K) and Phoenix (266.4K).
- ❖ The Dallas Region's **unemployment rate was 3.4%** in April 2023. This rate is 0.5 percentage points lower than March 2023 and the region has rebounded from a high of 11.9% in April 2020.
- ❖ For a weekly view on the national economy and expert global perspectives, visit [**Truist Wealth Insights**](#) to read the latest from investment and market analysts.

FORTUNE 500 COMPANIES

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



Dallas Region Fortune 500 companies

3	ExxonMobil	43	Energy Transfer	165	Southwest Airlines	303	Fluor
9	MCKESSON	68	Caterpillar	172	Builders FirstSource	304	Vistra
30	AT&T	89	American Airlines Group	175	Charles Schwab	310	AECOM
		107	HF Sinclair	199	Kimberly-Clark	396	Celanese
		120	D.R. Horton	200	Texas Instruments	405	Yum China Holdings
		135	CBRE Group	215	Tenet Healthcare	406	EnLink Midstream
		164	Pioneer Natural Resources	277	Jacobs Solutions	428	Commercial Metals

Description: Largest public companies in the United States, ranked by 2022 revenues and headquarter (HQ) locations.

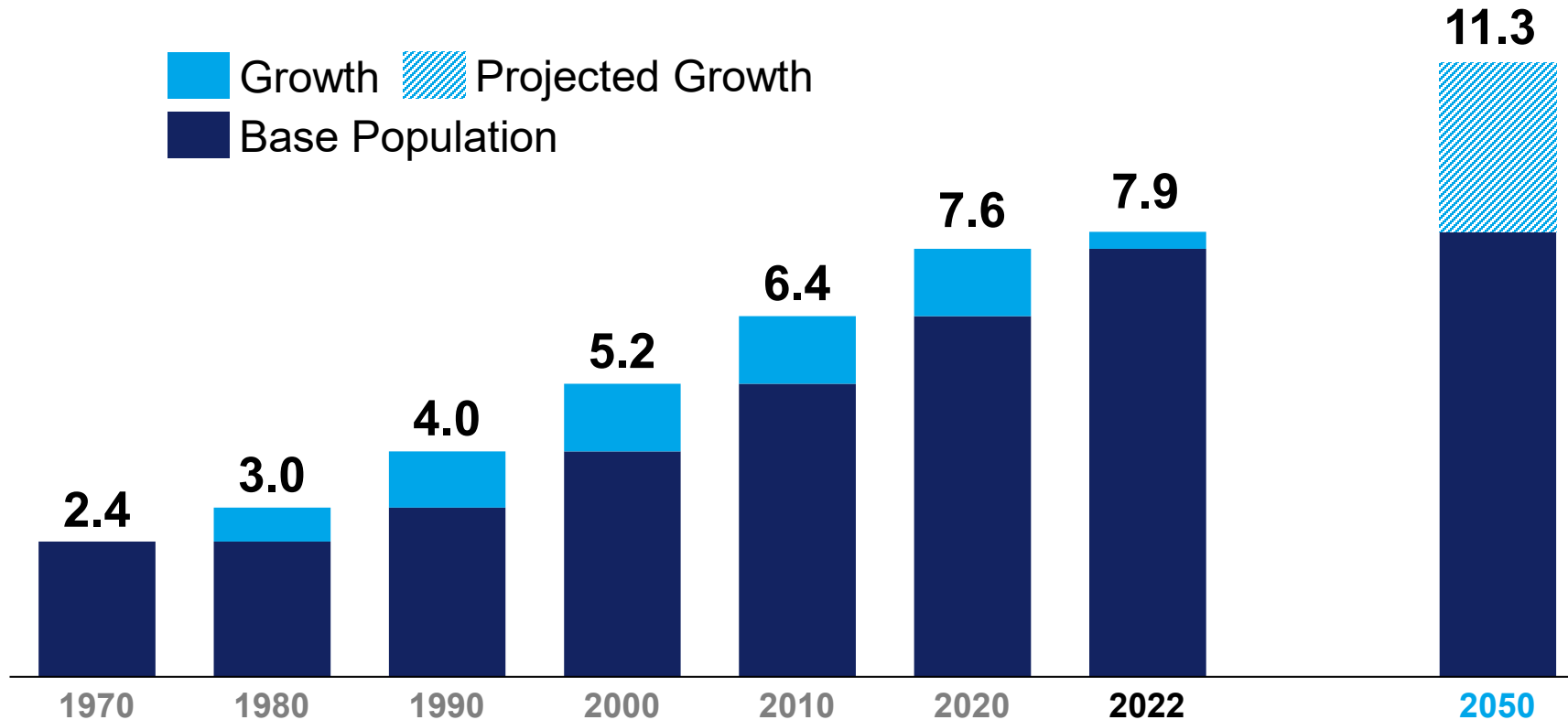
Why it's important: Attracting and retaining the HQs of the biggest companies in the U.S. can serve as a proxy indicator for the ease of doing business or superior quality of life in a region. Tangible benefits associated with HQ locations include high paying jobs, contributions to GDP, and attraction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

Key takeaways:

- The Dallas Region is home to 2 of the top 10 Fortune 500 companies. New York, Los Angeles, and Chicago have none.
- The Dallas Region's 24 Fortune 500 companies represent the 4th largest concentration in the U.S.
- Revenues generated by Dallas Region Fortune 500 companies totaled more than \$1.35T in 2022, the second highest total among metros behind New York.
- Most recently, Caterpillar announced a relocation to Irving in 2022. Jacobs Engineering reorganized and became a subsidiary of Jacobs Solutions holding company.

POPULATION CHANGE

Annual estimated population change, 1970-2022 and 2050 projections*



*Texas population in 2022 is estimated to be 30.0 million, of which DFW comprises 26.5%.

Description: Annual estimates of population change from natural causes (births minus deaths) and net migration (both domestic and international) for the Dallas Region.

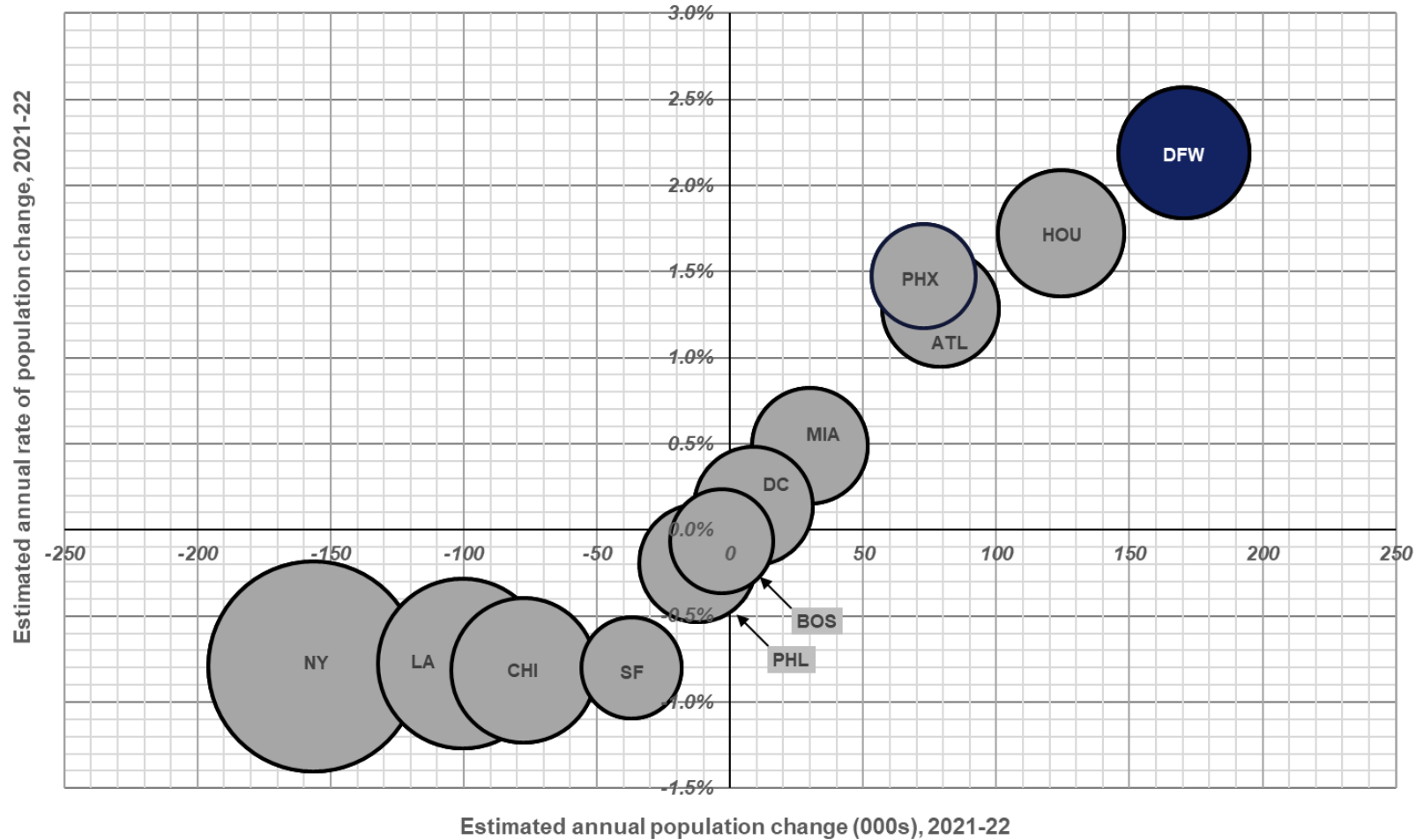
Why it's important: Population change broadly describes the health of a metropolitan economy. Changes in each component hint at different conditions. For instance, declining natural increases can indicate an aging population. Net negative migration can indicate impending talent deficits.

Key takeaways:

- The Dallas Region has been on a run of population growth for several decades topping more than one million new residents every 10 years since 1980.
- In 2022, DFW added an annual record-topping 170,000 new residents representing 36% of population growth for the entire state of Texas.
- On average, population in the Dallas Region increased by nearly 467 people per day in 2022.
- By 2050, population projections indicate that the DFW will be larger than Chicago to become the 3rd largest metropolitan area in the U.S.

POPULATION CHANGE

Annual estimated total population, 2021
Annual estimated population change (000s) and rate of change, 2021 – 2022



Size of bubble represents estimated total population, 2022

Description: Comparative estimates of total metropolitan population, and net and percent population change among the largest U.S. metros.

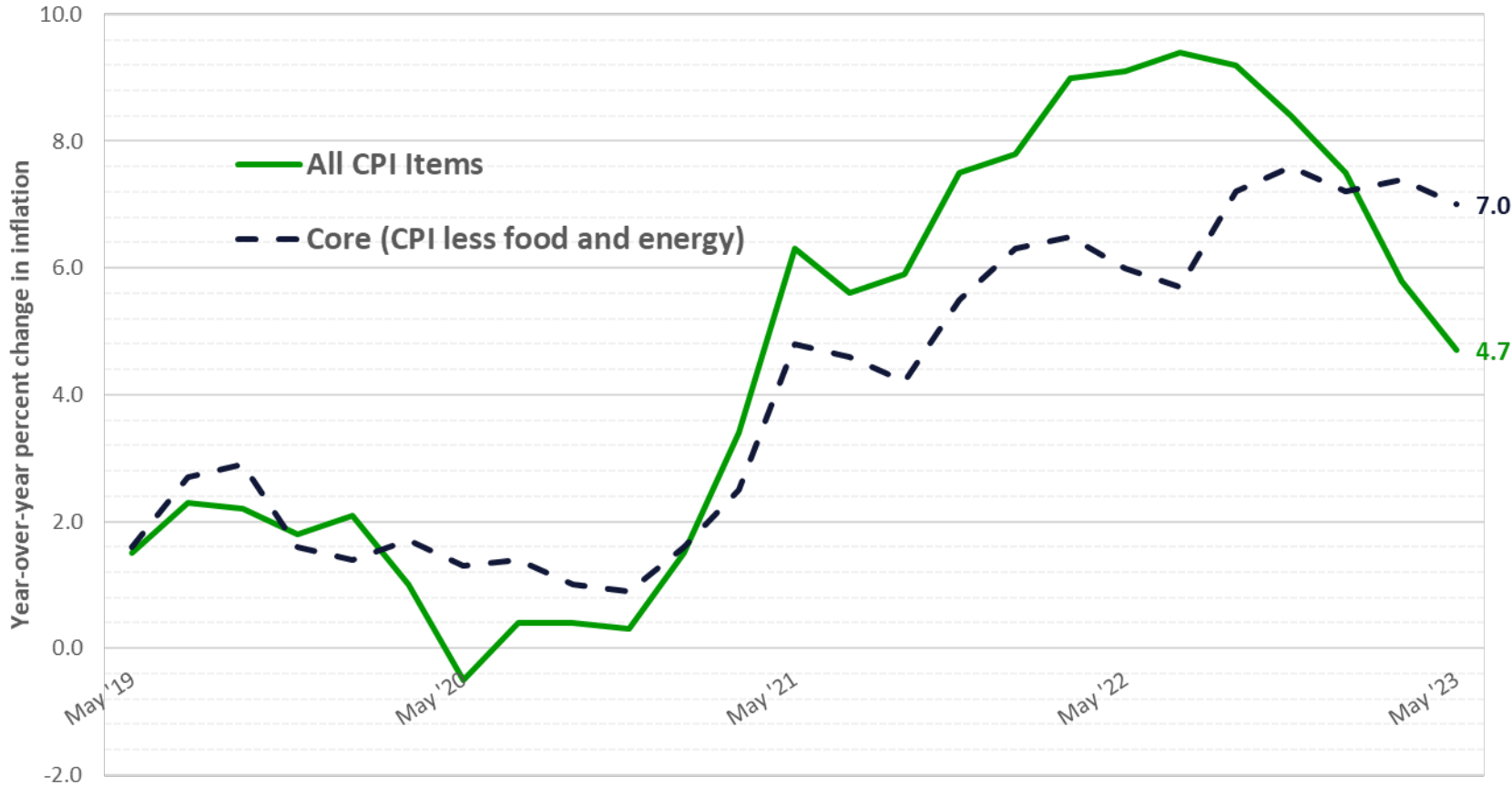
Why it's important: Population growth and rates of growth offer different insights into overall population change, especially considering the initial size of population.

Key takeaways:

- Among the largest U.S. metros, the Dallas Region has led in annual estimated population growth, rate of growth, or both throughout the past decade. In 2022, DFW added an annual record 170,000 people, more than any other metro. This represents nearly 50,000 more people than 2nd place Houston.
- The Dallas Region grew by 2.2% in 2022, 0.5 percentage points more than the next highest growth rate among the largest metros (Houston at 1.7%). Two-fifths of the 50 biggest metro areas lost population or saw no growth.
- The three metros larger than DFW saw declining populations: New York shrank in population by 157,000; Los Angeles lost 101,000 people; and Chicago lost 78,000 people.

INFLATION

YOY percent change in Consumer Price Index, May 2019 – 2023*



*Inflation data shown for DFW is only available in odd-numbered months.

Description: Year-over-year (YOY) percent change in the consumer price index (CPI) for the Dallas Region over the past 5 years.

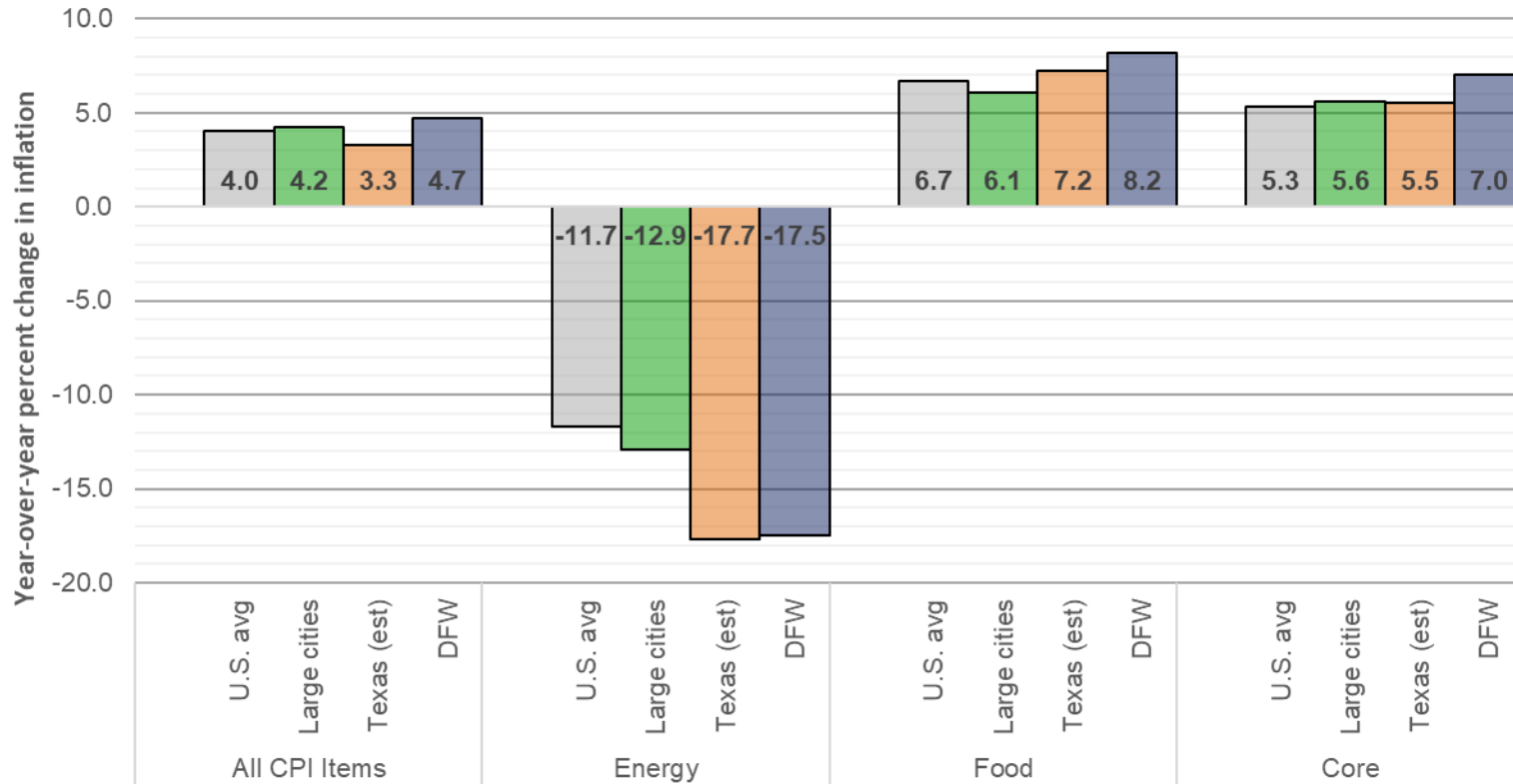
Why it's important: CPI is a measure of the changing cost of a basket of goods and services over time. It serves as an indicator of how far household income can stretch. Energy and food costs are generally considered more volatile than other CPI items. Setting them aside produces a measure of “core inflation.” Along with keeping unemployment rates low, containing inflation drives monetary policy.

Key takeaways:

- The Dallas Region has seen five consecutive periods of declining inflation. In May 2023, DFW’s CPI was 4.7% higher than 12 months ago, down from a high of 9.4% registered in July 2022. Lower energy and transportation costs have helped to bring the overall CPI down.
- In May 2023, DFW’s core inflation rate was 7.0%, down 0.4 percentage points from the previous reporting period. Although this represents a slight improvement, DFW continues to outpace the national average of 5.3% by 1.7 percentage points. High costs of shelter in DFW is the driving factor in keeping core inflation elevated.

INFLATION

YOY percent change in Consumer Price Index, May 2023*



*CPI data for DFW is only available in odd-numbered months. The rate for Texas represents the West South Central Region (AR, LA, OK, and TX). Core inflation represents CPI items less energy and food.

Description: Year-over-year (YOY) percent change in the consumer price index (CPI) for the Dallas Region, Texas, large cities (>2.5M population), and the U.S. city average.

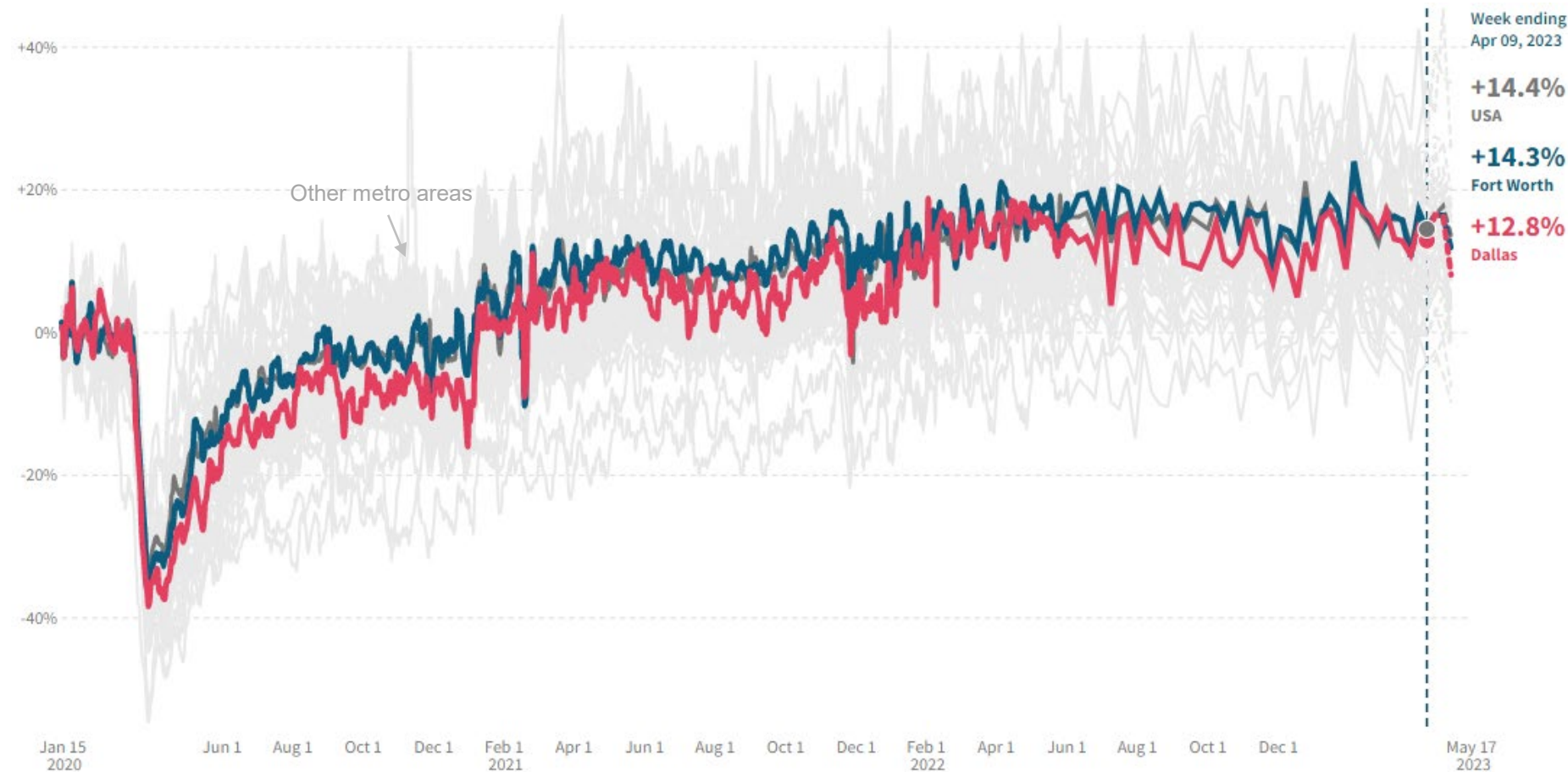
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Key takeaways:

- Energy prices have declined considerably in DFW since inflation reached a peak of 52.8% in June 2022. At -17.5% in May 2023, energy inflation in the region has fallen well below the U.S. average. Food prices in DFW, however, remain higher than the rest of the country largely due to food away from home (e.g. restaurants).
- In May 2023, the Dallas Region experienced higher than average inflation rates for all CPI items, as well as for core items, though overall inflation continues trending downward. Overall inflation in DFW is 4.7% (down from a high of 9.4% in July 2022) and core inflation is 7.0% primarily due to the cost of shelter.

CONSUMER SPENDING

Percent change in average consumer spending*



*Change in average consumer credit and debit card spending, indexed to pre-pandemic spending from Jan. 4-31, 2020; seasonally adjusted. Dashed line segments represent provisional data subject to revision. Modeling was improved in Sep. 2022 to remove previous weighing bias.

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

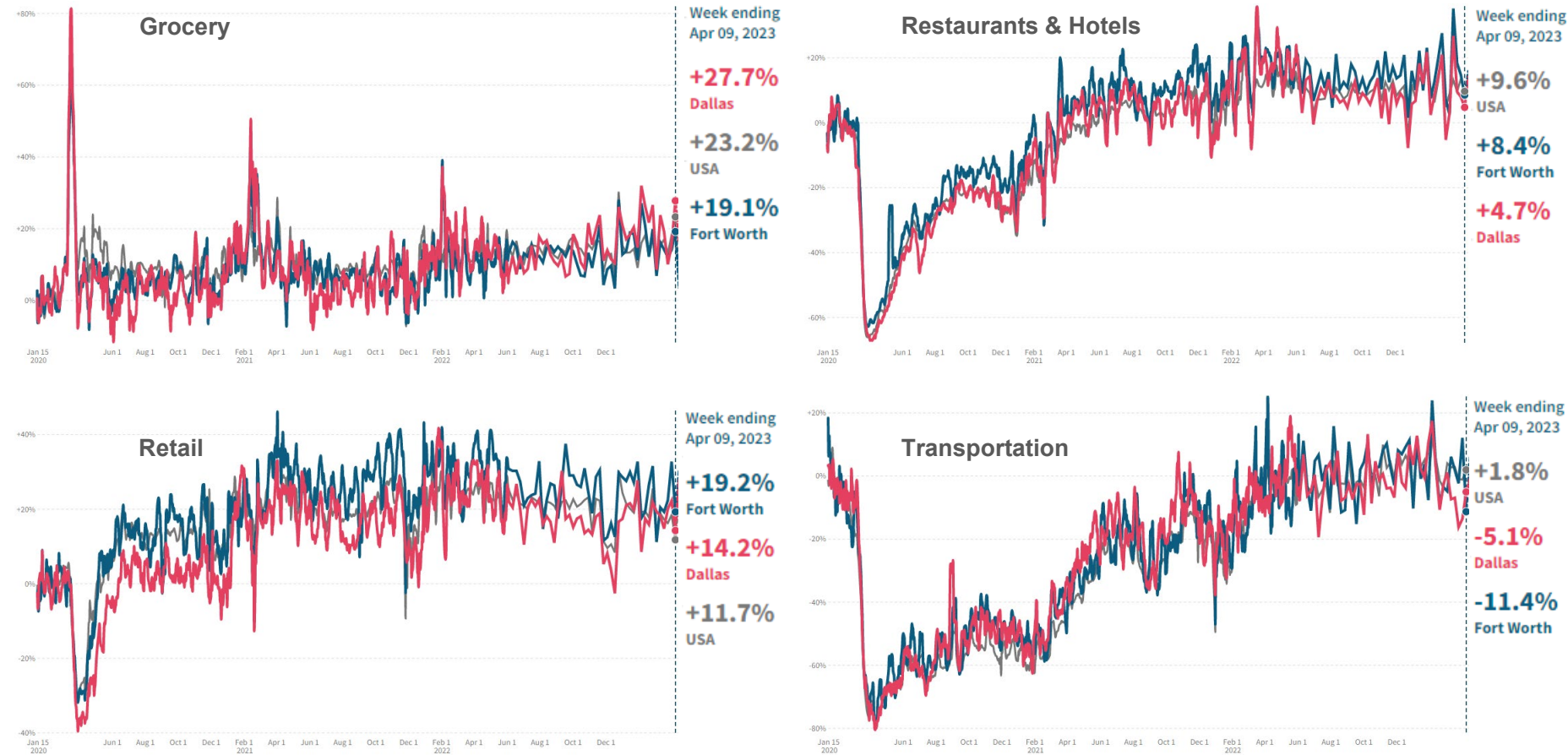
Why it's important: Consumer spending is widely viewed as an indicator of public confidence and the health of the economy as it represents 70% of gross domestic product.

Key takeaways:

- Spending levels in Dallas fell 36% below pre-pandemic conditions in April 2020 (32% lower in Fort Worth) before steadily climbing upward to consistently exceed pre-pandemic levels during 2021. Spending levels continued to increase in the first half of 2022, more so in Fort Worth than Dallas.
- As of April 9, 2023, consumer spending exceeded pre-pandemic levels in Dallas (+13%), Fort Worth (+14%), and the U.S. (+14%).
- Inflation and the Federal Reserve's measures to curb it appear to have impacted spending behavior in DFW as consumers respond to rising prices and higher interest rates. Economists continue debating whether the U.S. economy is headed towards recession in 2023, as well as prospects for severity.

CONSUMER SPENDING

Percent change in average consumer spending by select industry segment*



*Change in average consumer credit and debit card spending, indexed to pre-pandemic spending from Jan. 4-31, 2020; seasonally adjusted. Modeling was improved in Sep. 2022 to remove previous weighing bias.

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

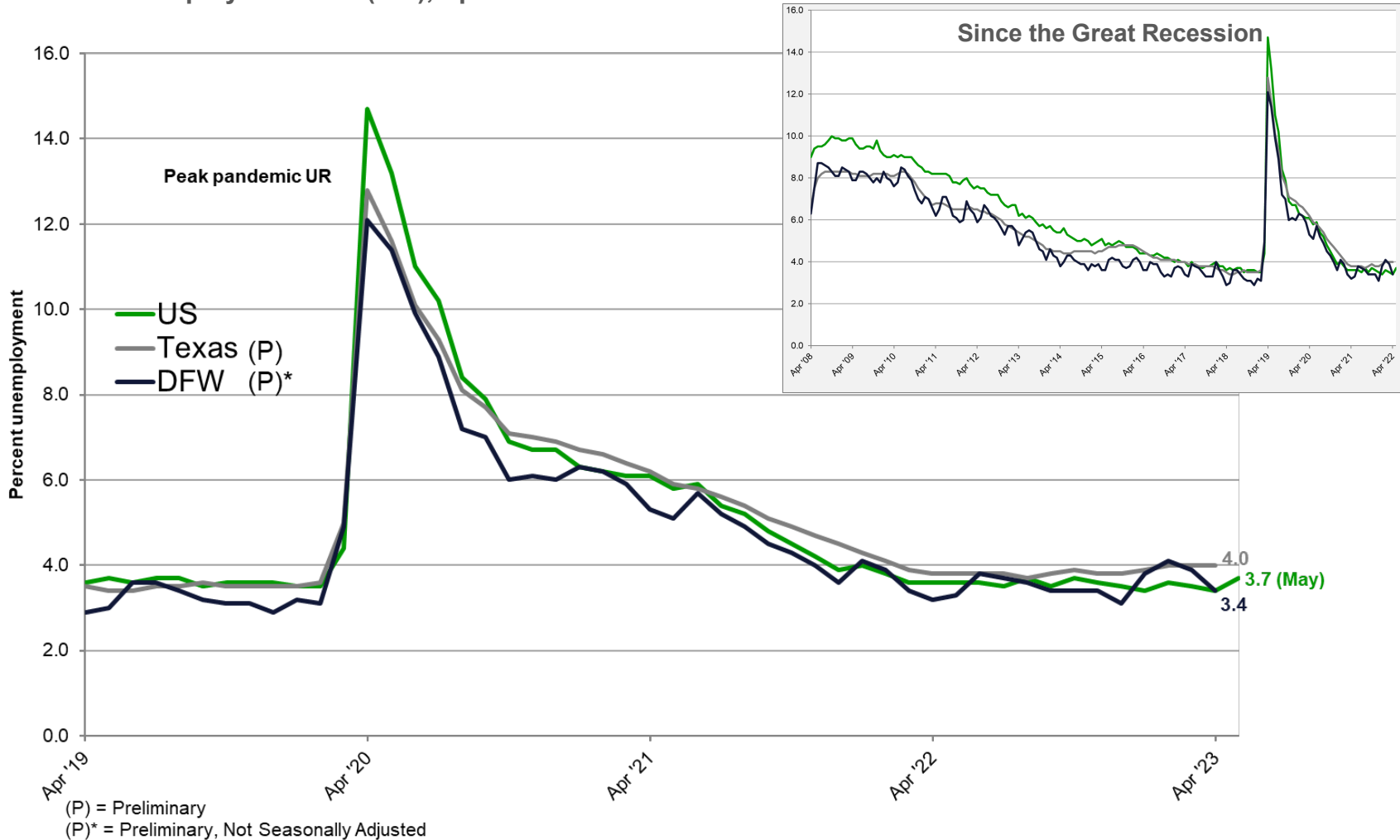
Why it's important: Pandemic-related impacts on consumer purchases vary widely by segment. Shifts in consumer spending among segments can signal behavior changes and supply chain impacts that inform fiscal, monetary, and public policy responses.

Key takeaways:

- Consumer spending fell dramatically throughout the U.S. at the onset of the pandemic across all segments, excepting grocery spending.
- Restaurant and hotel spending in the Dallas Region began returning to normal in conjunction with vaccine distribution in March 2021. As of April 9, 2023, spending in this segment was up 5% in Dallas and up 8% in Fort Worth.
- Retail and transportation spending followed diverging pathways during the pandemic/recovery periods. The retail segment has driven an overall increase in consumer spending, but inflationary pressure began to impact this behavior at the end of 2022 just before a spike in holiday shopping. Transportation spending only reached pre-pandemic levels in early 2022.

UNEMPLOYMENT RATE

Unemployment rate (U-3), April 2019 – 2023



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

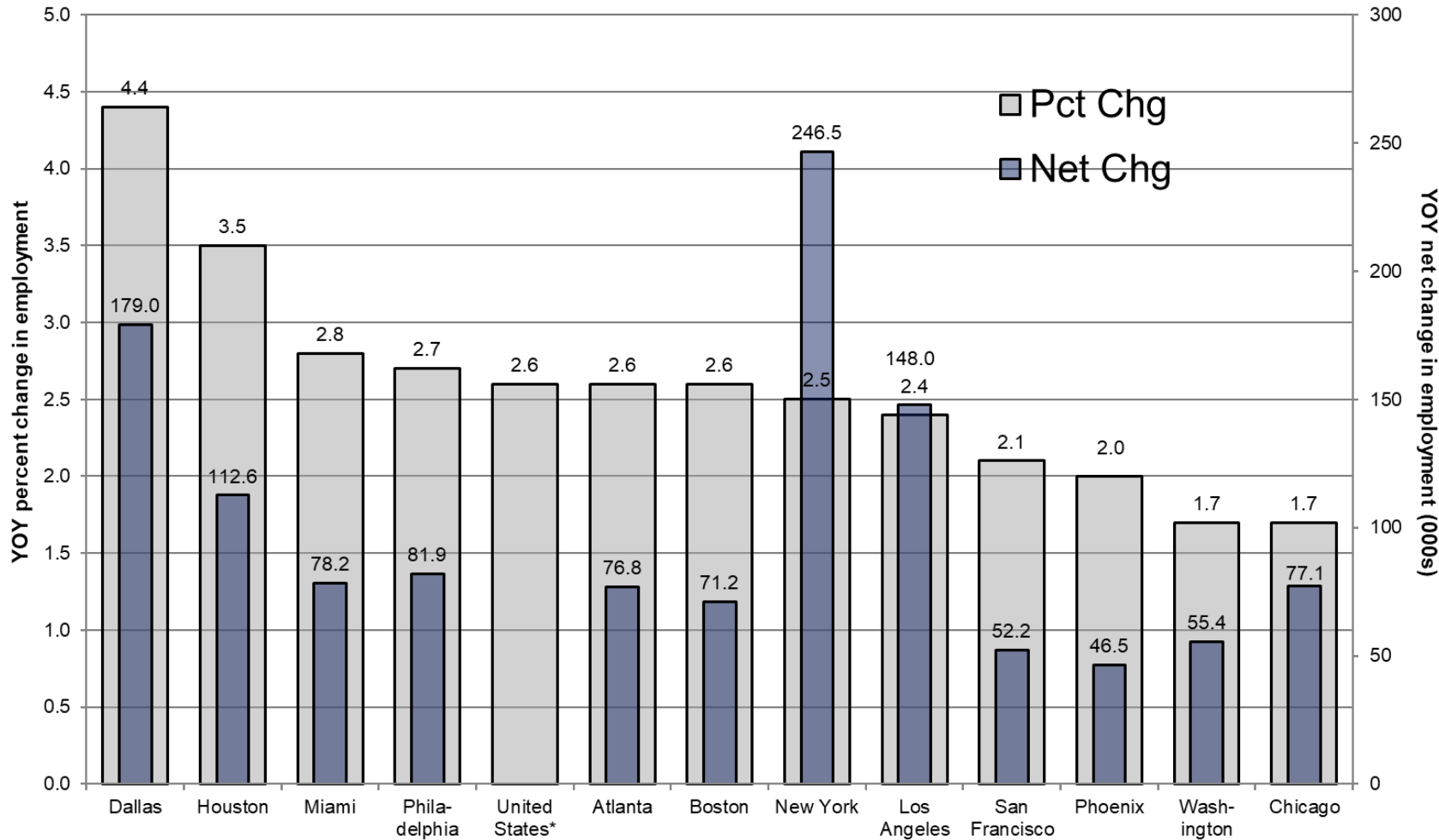
Why it's important: The official unemployment rate applies to people who want to work but who are not attached to a job. U-3 is one of the most important economic indicators available because it signals the relative efficiency of the labor market and/or health of the economy (or sector). Along with containing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

Key takeaways:

- The national U-3 ticked up by 0.3 percentage points to 3.7% in May 2023. The Texas unemployment rate in April was 4.0% April, while the Dallas Region recorded an unemployment rate of 3.4%, 0.5 percentage points lower than in March. This stands in contrast to the high of 11.9% registered in April 2020.
- During the Great Recession, the Dallas Region saw a peak U-3 of 8.7% – 3.2 percentage points lower than the pandemic high. However, the previous recovery took 70 months to fall below 4.0% compared with 19 months during the pandemic recovery.

EMPLOYMENT BY METRO AREA

YOY percent change and net change (000s) in employment, April 2023



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

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

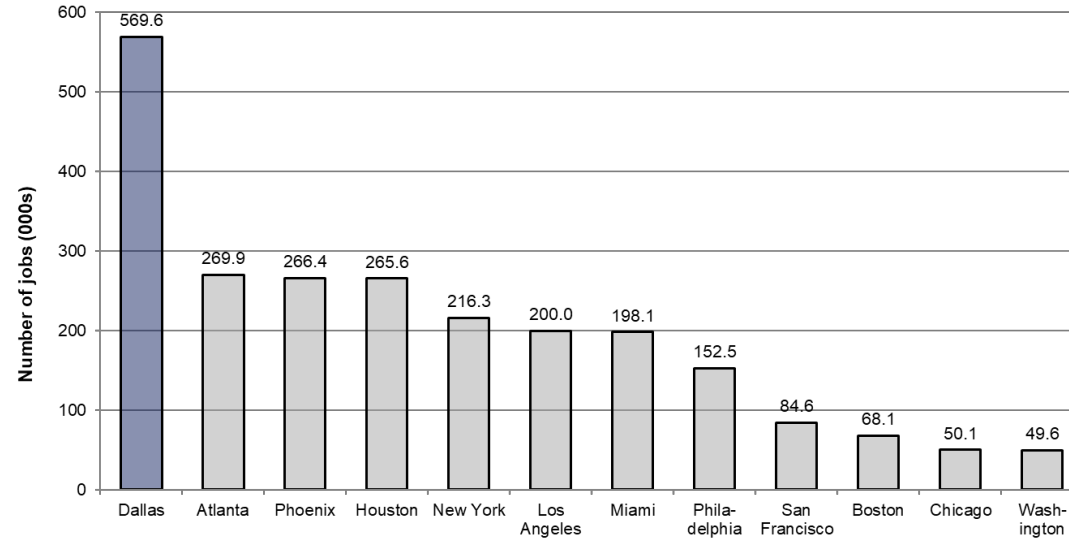
Why it's important: YOY net change in employment can indicate whether an economy is improving or declining, while accounting for the effects of seasonal variability in monthly data. YOY percent change in employment normalizes the size of the employment base across target geographies, allowing for an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

Key takeaways:

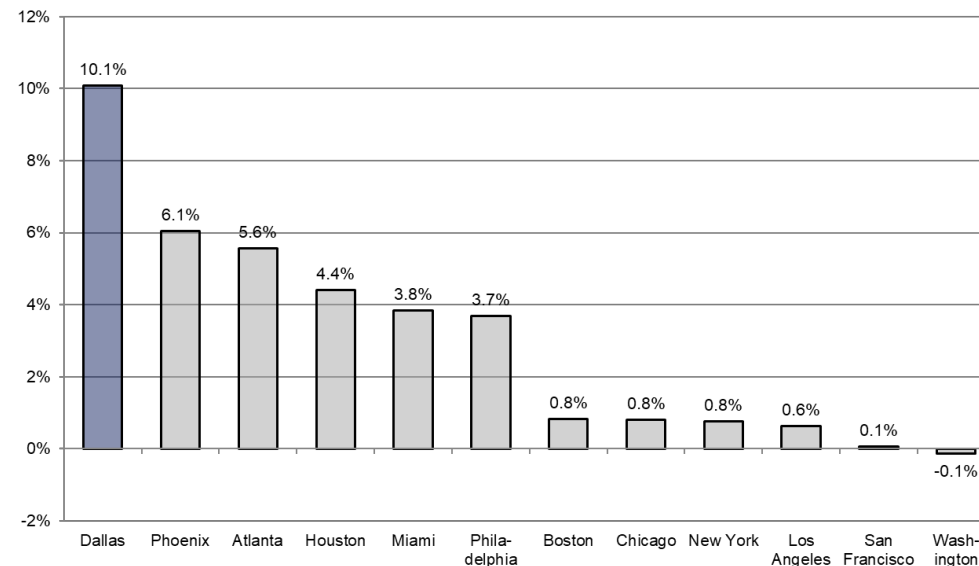
- DFW added the second most jobs (179,000) and had the highest rate of employment growth (4.4%) among large metros in April 2023.
- All large metro areas have shown YOY employment gains for the 25th month in a row. Since most early pandemic job losses were temporary, larger-than-normal YOY gains began appearing in April 2021, but should scale back throughout 2023.
- The top 12 metros accounted for 32% of the 3.9 million jobs added to the U.S. economy in April 2023.
- The Dallas Region's pre-pandemic and pandemic job performance is hidden in these employment rebound comparison figures requiring more exploration that follows.

EMPLOYMENT BY METRO AREA

5-year net change in employment (000s), April 2019 – 2023



Percent of current total employment beyond peak pre-pandemic employment, April 2023



Description: Five years of 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.

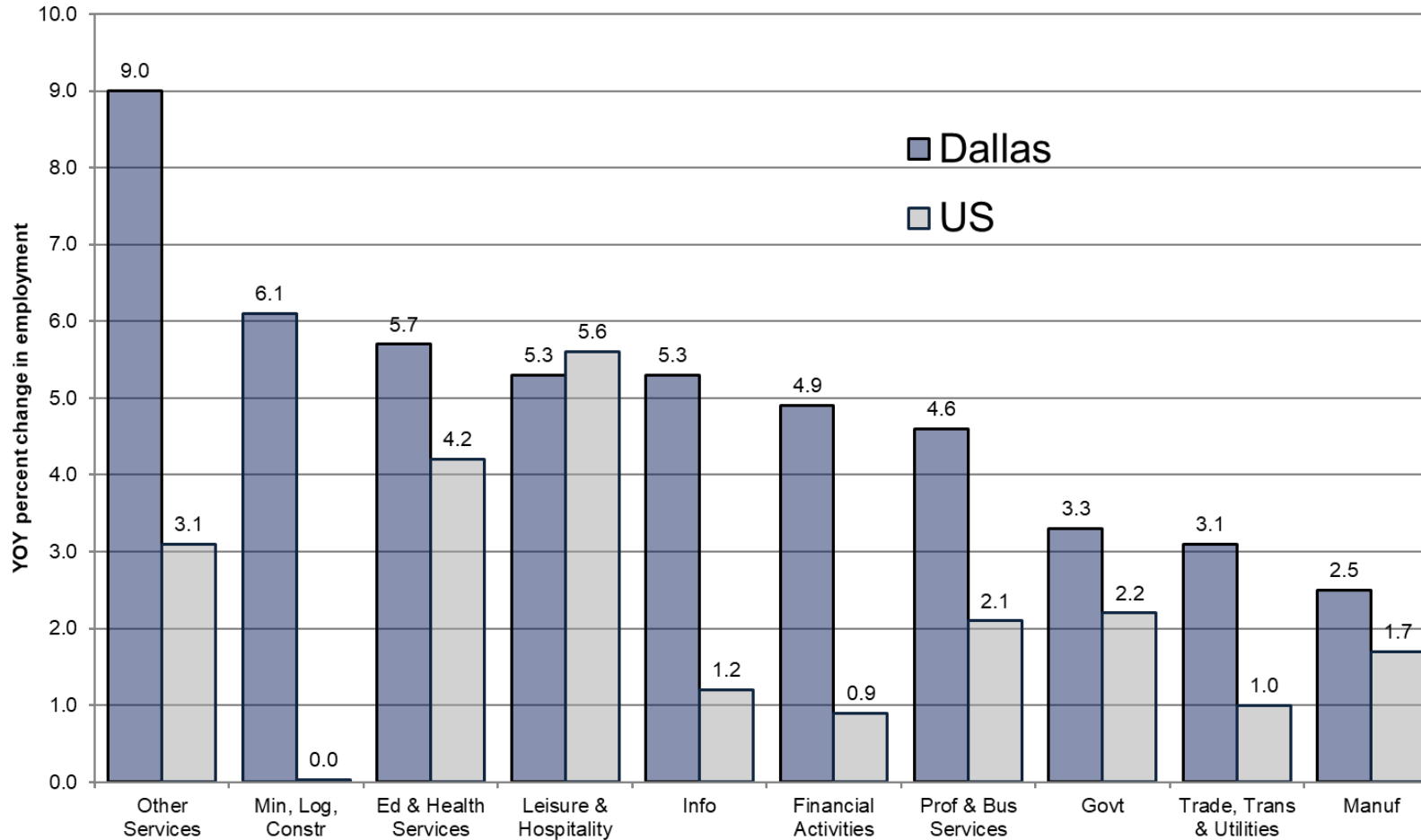
Why it's important: Five years of net change in employment data highlights the economic strength metros exhibited heading into the pandemic, as well as the speed of employment recovery after pandemic job losses. Percent of jobs beyond the pre-pandemic peak indicates how fast a metro has moved beyond recovery.

Key takeaways:

- The Dallas Region is first among large metros in net job gains over the past five years with a total of 569,600, more jobs than the next two large metros – Atlanta and Phoenix – combined.
- The Dallas Region surpassed its pre-pandemic total jobs high mark from February 2020 sooner than all other large metros. Several large metros remain at or below pre-pandemic job levels.
- In April 2023, total employment in the Dallas Region was 4.2 million. Dallas stands at 110.1% of peak pre-pandemic employment, 4.0 percentage points higher than the next large metro.

EMPLOYMENT BY INDUSTRY

YOY percent change in employment by industry sector, April 2023



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

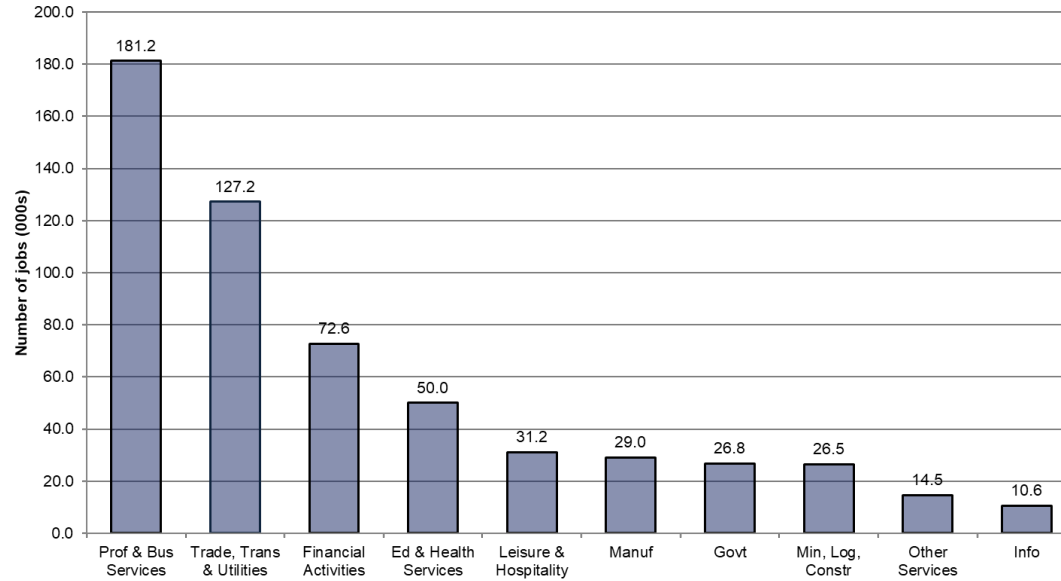
Why it's important: Industries have been impacted by the pandemic to varying degrees. This is reflected in the magnitude of job losses, recovery, and growth in the Dallas Region by sector compared with national figures.

Key takeaways:

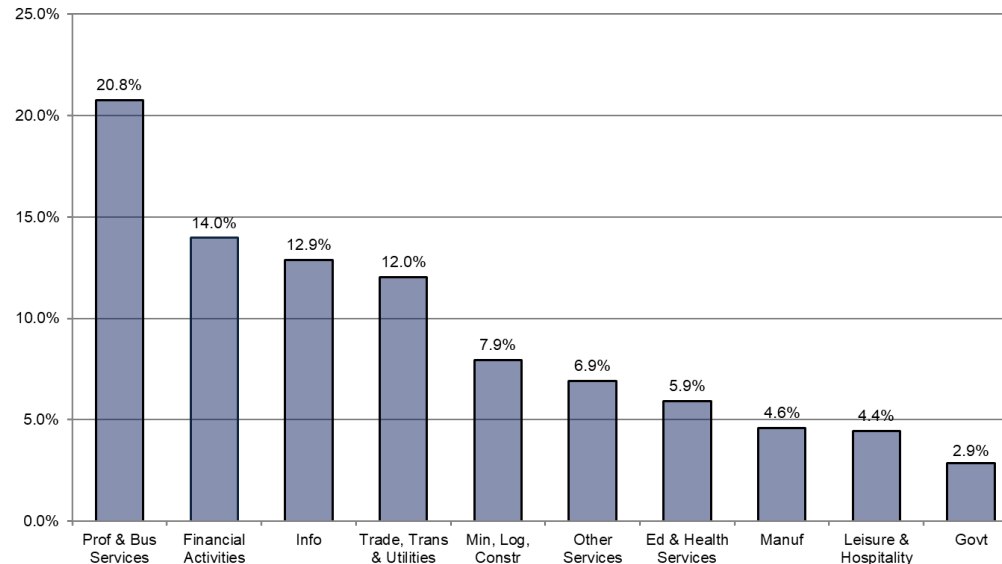
- All Dallas Region industries are showing YOY growth in April 2023. This represents two full years of growth across all but one industry (government saw a single month of contraction during this time). Notably, financial activities never posted a YOY loss of jobs in DFW throughout the pandemic-induced downturn.
- Other services and mining/construction led among DFW industries in YOY percent growth for April 2023. The leisure and hospitality industry continues to rebound after many months of apparent large YOY percent increases in employment. but was the only local industry not to exceed U.S. average growth.
- The Dallas Region's pre-pandemic industrial diversity has helped to reduce the length of recovery as compared to metro areas that are dependent on only a few industries.

EMPLOYMENT BY INDUSTRY

5-year net change in employment (000s) by industry, April 2019 - 2023



Percent of current total employment beyond peak pre-pandemic employment by industry, April 2023



Description: Five years of net change in employment for industry sectors, covering pre-pandemic, pandemic, and recovery periods, and percent of pre-pandemic jobs recovered to date by sector.

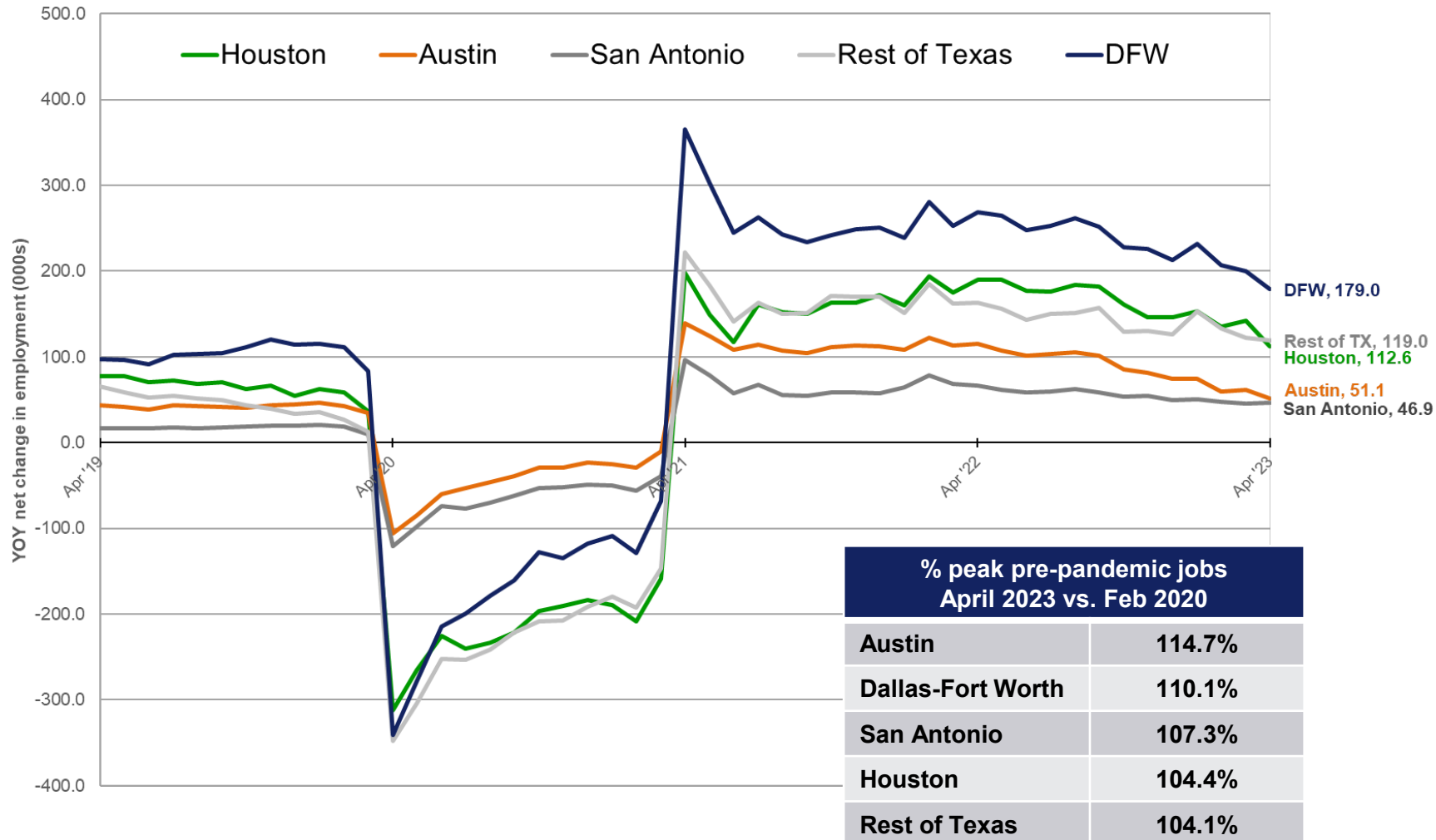
Why it's important: Three years of net change in employment data highlights the economic strength each sector exhibited heading into the pandemic, as well as the speed of employment recovery. Percent of jobs recovered indicates how soon industries began to add new jobs beyond recovery.

Key takeaways:

- All industry sectors in DFW are showing five-year gains in employment in April 2023. Professional & business services; trade, transportation & utilities; and financial activities comprise 67% of those gains.
- All DFW sectors have exceeded pre-pandemic employment levels meaning every industry is adding new jobs beyond recovery from pandemic-induced losses.
- Although the leisure and hospitality sector employment increased by 5.3% in April 2023, the industry lost more jobs than all other sectors combined in April 2020. Current total jobs in this industry are 4.4% higher than prior to the pandemic, the low end among sectors.

EMPLOYMENT BY TEXAS REGION

YOY net change in major Texas MSA employment (000s), April 2019 – 2023



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

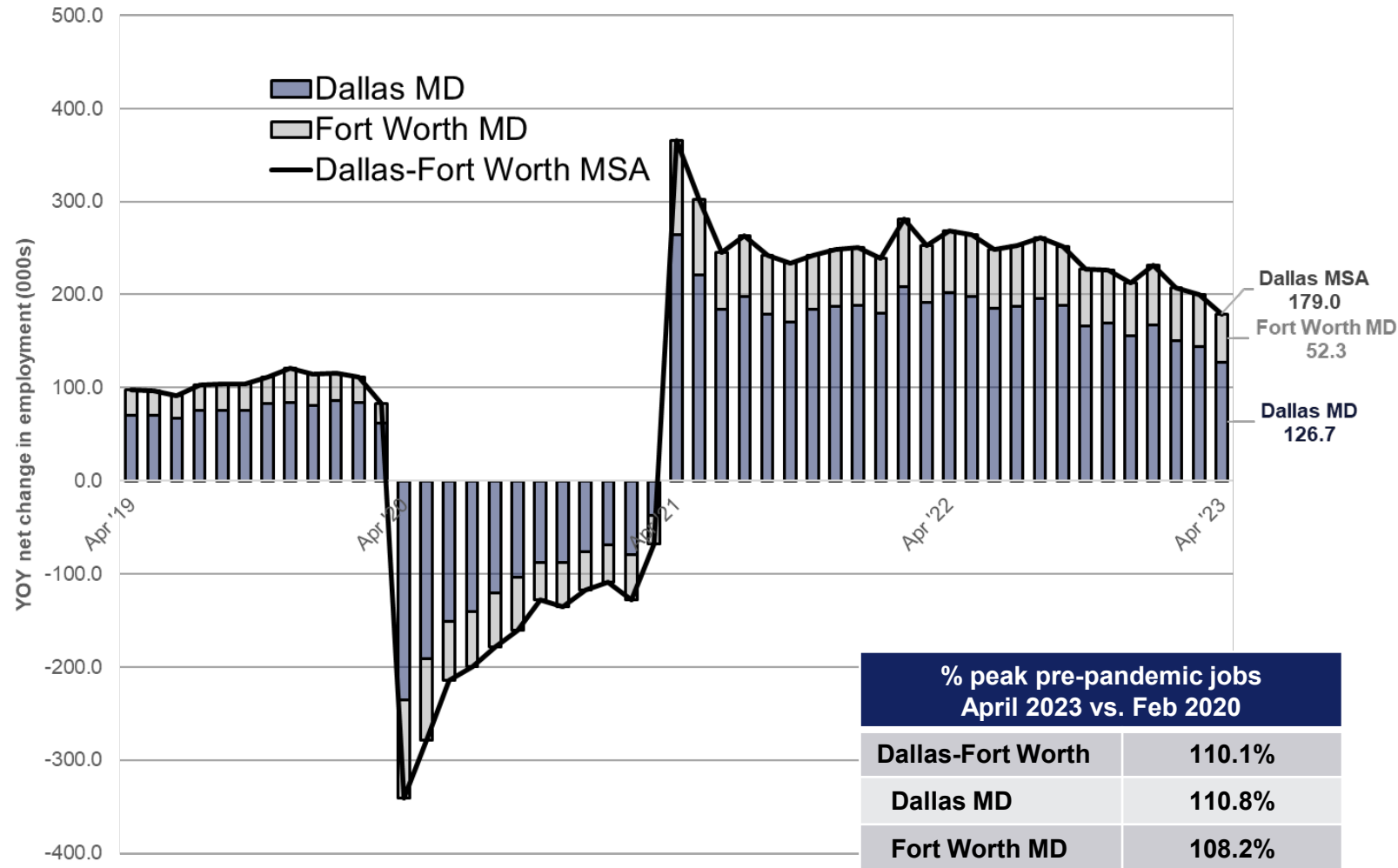
Why it's important: The four largest MSAs in Texas account for about three-fourths of employment in the state. Pandemic-related job losses were also concentrated in urban areas, so recovery in these locations largely dictates how well the state is recovering.

Key takeaways:

- In April 2023, large Texas MSAs accounted for 77% of YOY statewide job gains and 72% of total jobs in the state.
- In April 2023, the Dallas MSA exceeded peak pre-pandemic job levels (110%). This rebound is second among large Texas metros behind Austin, where job gains have increased total jobs by 14.7 percentage points over February 2020 levels.
- From June 2010 through March 2020, the Dallas MSA created jobs without interruption, while other Texas metros periodically endured the impacts of energy and/or climate-related shocks. Although COVID-19 ended this growth streak, strong economic fundamentals have helped recovery come faster for the Dallas MSA than the rest of nation.

EMPLOYMENT BY TEXAS REGION

YOY net change in DFW MSA and MD employment (000s), April 2019 – 2023



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 different between the Dallas and Fort Worth MDs.

Key takeaways:

- The Dallas MD accounted for 71% (126,700) of the region's 179,000 job gains in April 2023, compared with 29% (52,300) in the Fort Worth MD.
- In April 2023, employment in the Dallas MD is 111% of pre-pandemic totals. Dallas regained pandemic job losses by July 2021. Fort Worth MD job totals are 108% of pre-pandemic levels. Fort Worth regained pandemic job losses by September 2021.
- 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.

BUSINESS ACTIVITY IMPACTS

Metropolitan division (MD) outlook: Employment & gross product by industry sector, 2022 – 2027

Industry Supersector	Dallas-Plano-Irving MD				Fort Worth-Arlington-Grapevine MD			
	Employment		Real Gross Product		Employment		Real Gross Product	
	Absolute	Percent	Absolute \$B	Percent	Absolute	Percent	Absolute \$B	Percent
Agriculture	141	1.01%	\$0.0	1.67%	91	0.98%	\$0.0	1.63%
Mining	1,140	2.22%	\$1.9	5.20%	1,199	3.02%	\$1.9	6.02%
Utilities	156	0.47%	\$0.2	1.87%	97	0.74%	\$0.1	2.13%
Construction	4,960	0.64%	\$1.3	1.74%	2,427	0.71%	\$0.6	1.81%
Manufacturing	15,194	1.49%	\$9.6	4.10%	7,083	1.36%	\$4.0	3.97%
Trade	40,451	1.78%	\$7.4	2.57%	16,799	1.72%	\$2.6	2.81%
Logistics	17,552	2.14%	\$2.5	3.57%	10,227	1.97%	\$1.6	3.41%
Information	4,552	1.17%	\$8.6	3.71%	574	1.11%	\$0.8	3.65%
Financial Activities	22,636	1.44%	\$15.2	3.19%	4,917	1.29%	\$4.1	3.11%
Services	191,585	2.69%	\$28.7	4.09%	64,120	2.59%	\$6.8	3.81%
Government	12,931	0.81%	\$2.7	1.95%	4,433	0.66%	\$1.0	1.80%
Total, All Industries	311,297	1.99%	\$78.1	3.45%	111,966	1.86%	\$23.5	3.36%

Source: US Multi-Regional Econometric Model, The Perryman Group
Notes: Components may not sum due to rounding

Description: Statistical model of employment and real gross product outlook for metropolitan divisions in the Dallas Region.

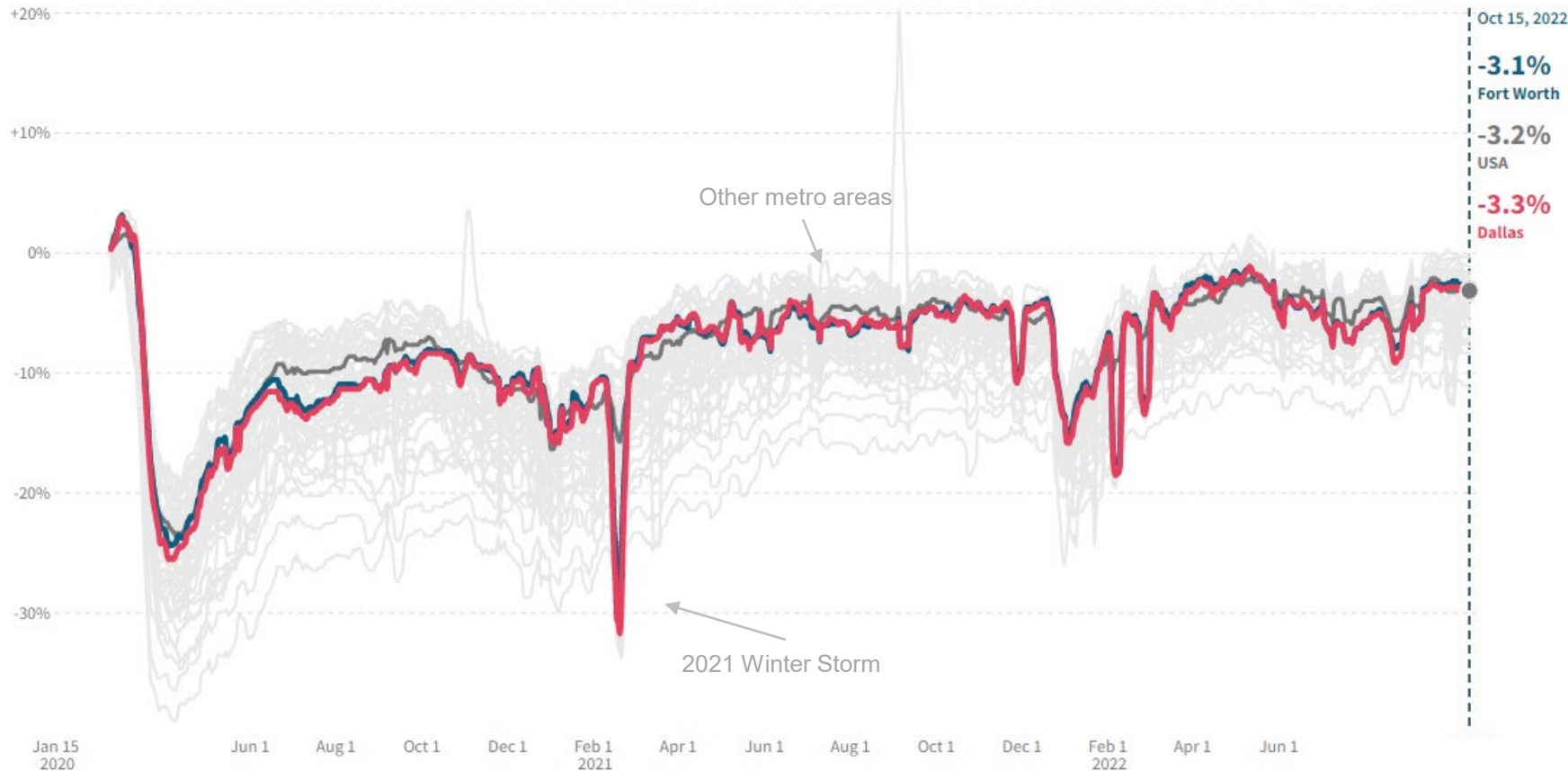
Why it's important: The Perryman Group offers a scenario for projected recovery from the pandemic-induced downturn on two key indicators of economic health and the local distribution of those impacts by metropolitan division (MD).

Key takeaways:

- In 2020, during the height of the pandemic, Perryman concluded that, unlike prior to the Great Depression, the structural foundation of the Texas economy was sound, and “the overall size and scope of activity should return to essentially its prior path.”
- This analysis proved to be accurate. Dallas-Fort Worth reached pre-pandemic job totals from February 2020 faster than all other large U.S. metros. Through 2027, the Dallas MD is expected to produce 311,000 new jobs, while the Fort Worth MD will contribute an additional 112,000 jobs.
- Regional gross product will expand by 3.5% in the Dallas MD and by 3.4% in the Fort Worth MD.
- While Fort Worth is expected to keep pace with overall state economic growth, Dallas is poised to exceed U.S. and state growth.

TIME SPENT OUTSIDE THE HOME

Percent change in time spent outside the home for any reason*



*Change in time spent away from home using cellphone location data indexed to January 2020 activity; not seasonally adjusted. **Google has discontinued producing the Community Mobility Report – this data is provided for historical context.**

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

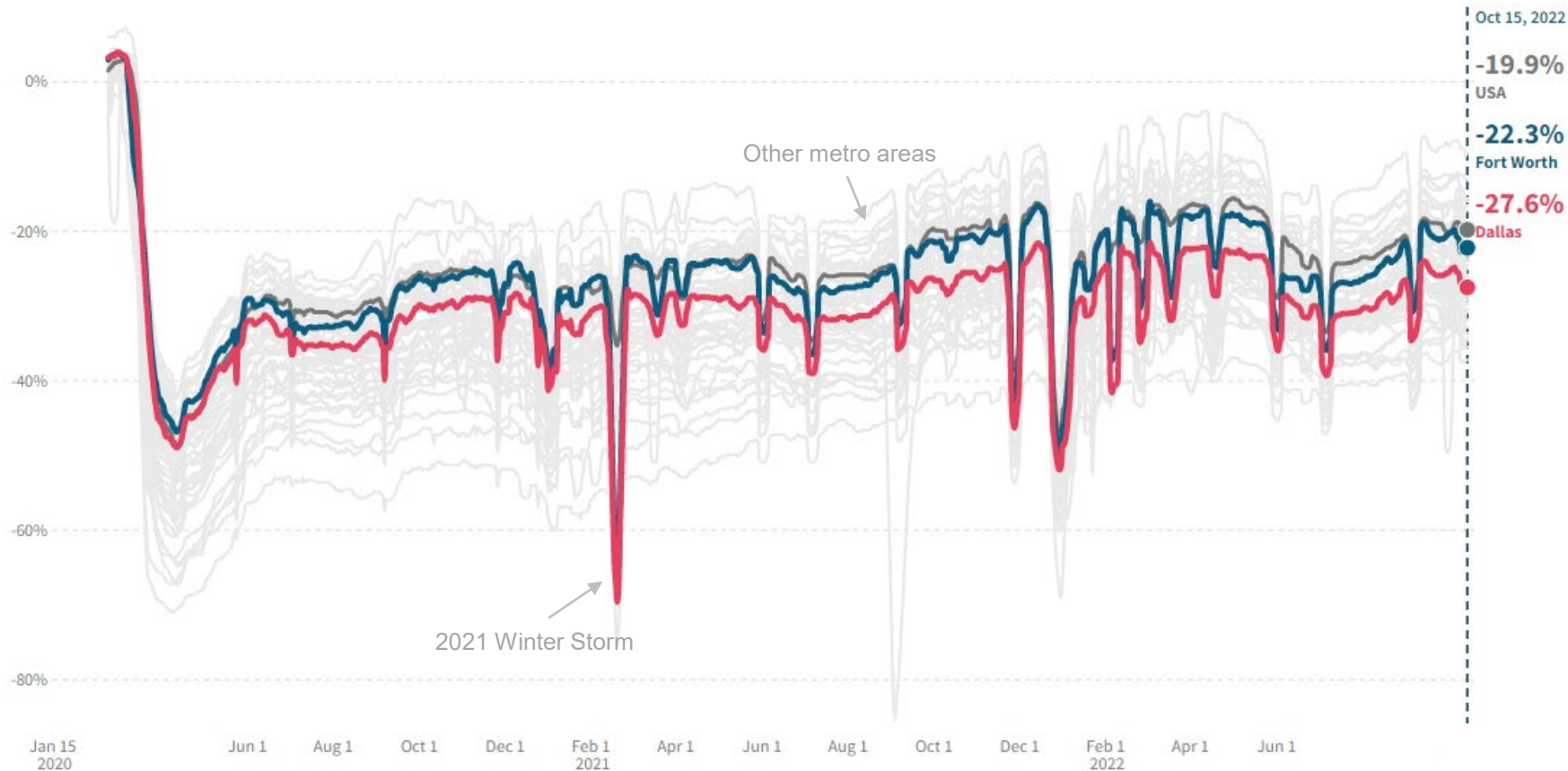
Why it's important: Time spent outside of the home compared to pre-pandemic timeframes can provide context to describe the relative health and level of present-day regional economic activity.

Key takeaways:

- Total time spent outside of the home by residents of Dallas and Fort Worth tracked very closely to the national average throughout the pandemic, except during the winter storm in February 2021.
- As of October 15, 2022, residents of Dallas and Fort Worth spent approximately 3% less time outside of the home compared to pre-pandemic conditions.
- Throughout the summer and fall of 2021, time spent outside of the home for any reason in the Dallas Region settled into a range of 4-7% below normal. The prevalence of the delta variant of the COVID-19 virus did not alter this trend. However, spread of the omicron variant coincided with the steepest decline in movement outside of the home since the winter storm of 2021.

TIME SPENT OUTSIDE THE HOME

Percent change in time spent outside the home at the workplace*



*Change in time spent away from home using cellphone location data indexed to January 2020 activity; not seasonally adjusted. **Google has discontinued producing the Community Mobility Report – this data is provided for historical context.**

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

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

Key takeaways:

- Total time spent outside of the home at the workplace by DFW residents tracked very closely to the national average. The Dallas rate of time spent in the workplace consistently trailed Fort Worth throughout the pandemic.
- As of October 15, 2022, residents of Dallas spent 28% less time outside of the home at the workplace compared to pre-pandemic conditions, while Fort Worth residents spent 22% less time at the workplace. This difference may have been due to Dallas' higher proportion of jobs in industries where remote work is possible.
- Prevalence of the omicron variant of the COVID-19 virus coincided with less time spent in the workplace than during the months when the delta variant prevailed.

End of report