

FEDERAL RESERVE BANK OF DALLAS
SAN ANTONIO BRANCH

**2014 Economic Outlook:
Texas Growth to Pick Up**

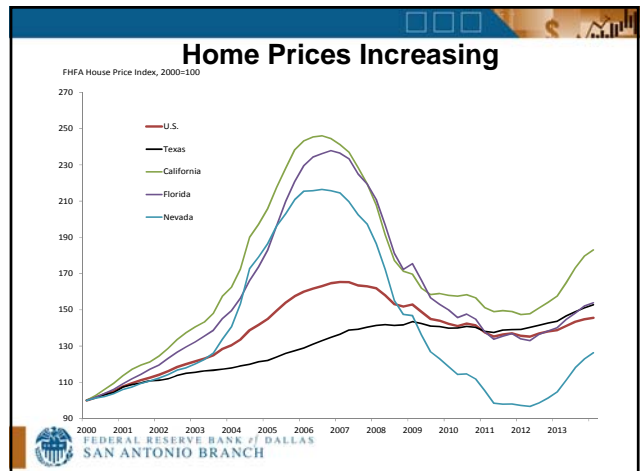
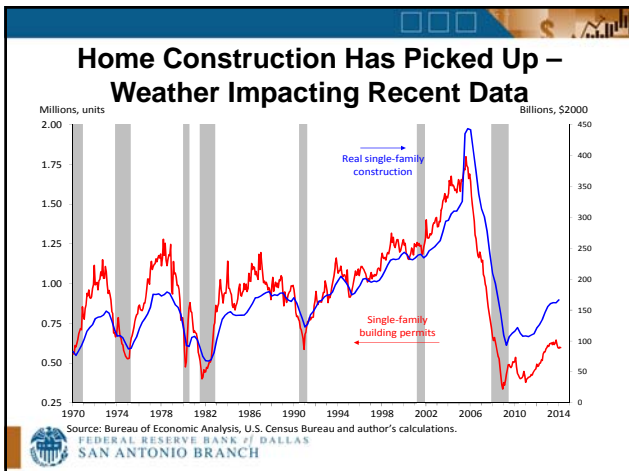
Keith Phillips, Sr. Economist and Research Officer

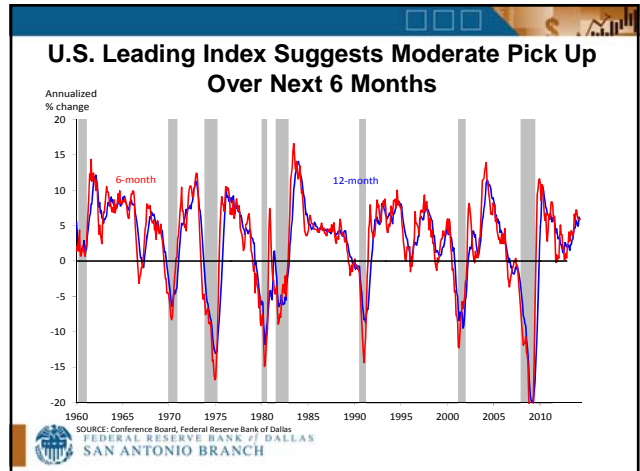
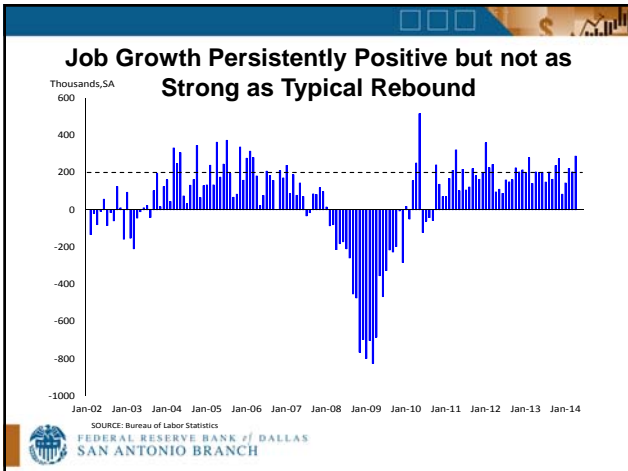
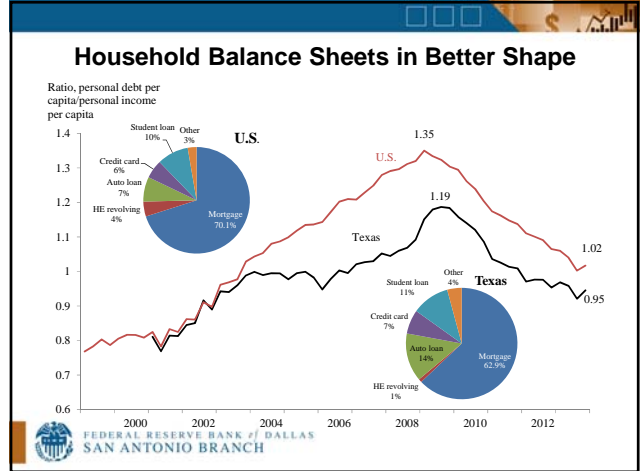
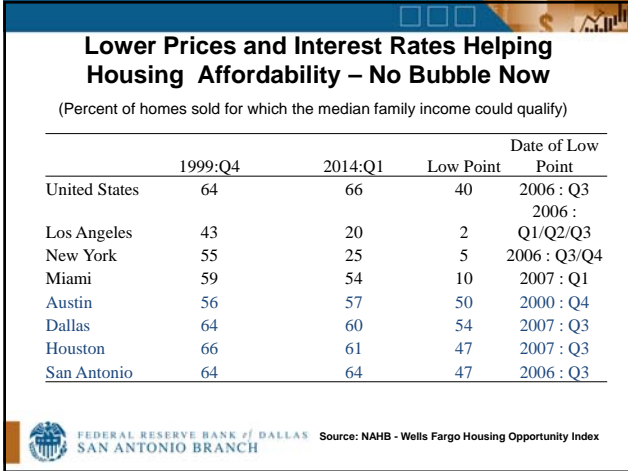
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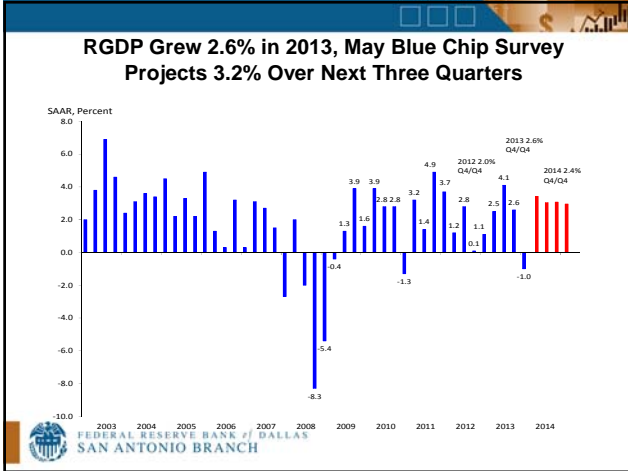
National Economy Still Growing at a Modest Pace

- In 2013 international weakness restrained US exports. Uncertainty, sharp cuts in federal spending, and increased payroll taxes restrained consumer and business spending.
- Meanwhile housing sector, consumer finances, and state and local government improved.
- Growth picked up in second half of 2013 – despite slower growth due to weather in first quarter, healthier growth likely to continue in rest of 2014

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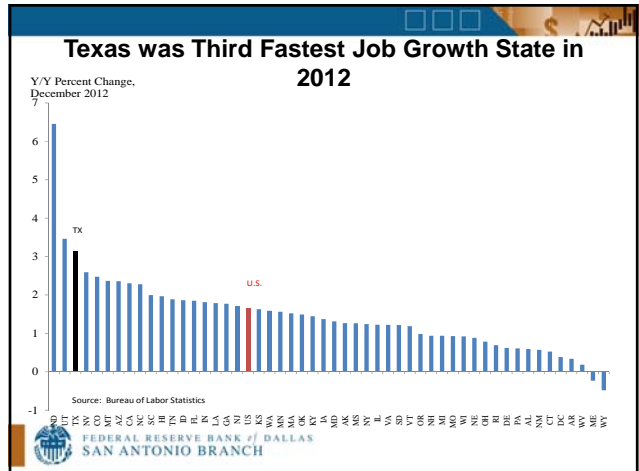
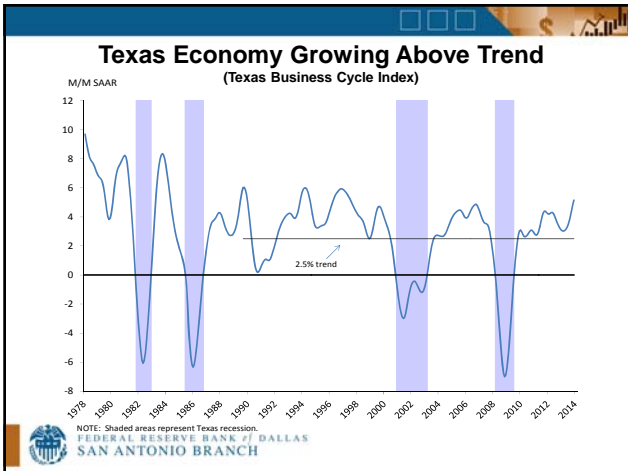


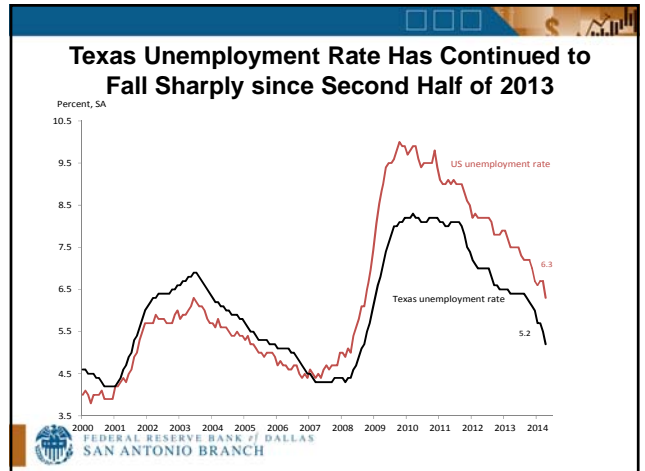
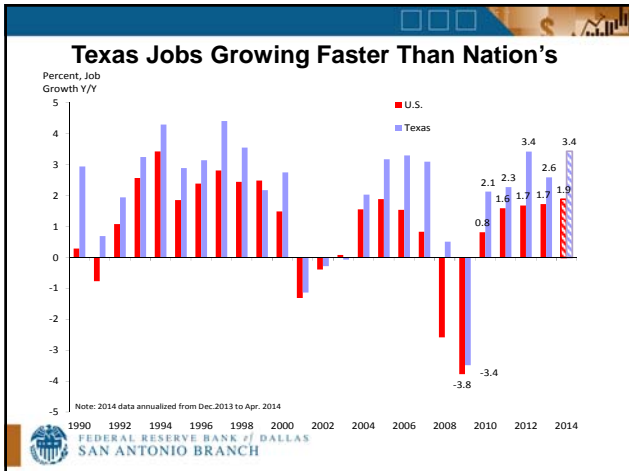
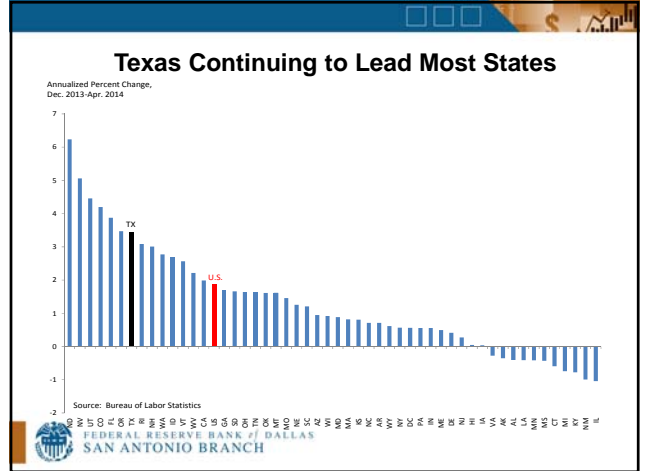
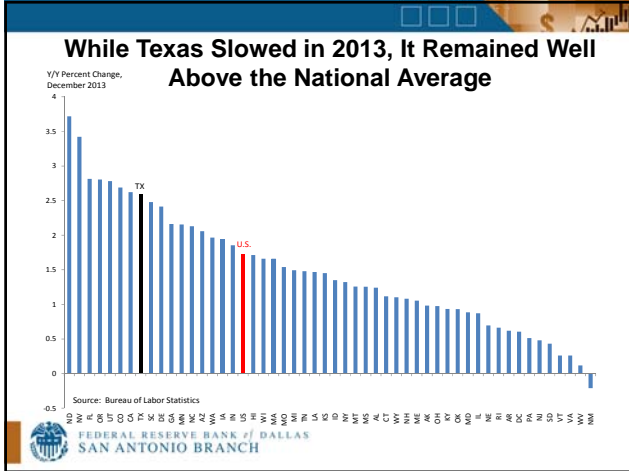


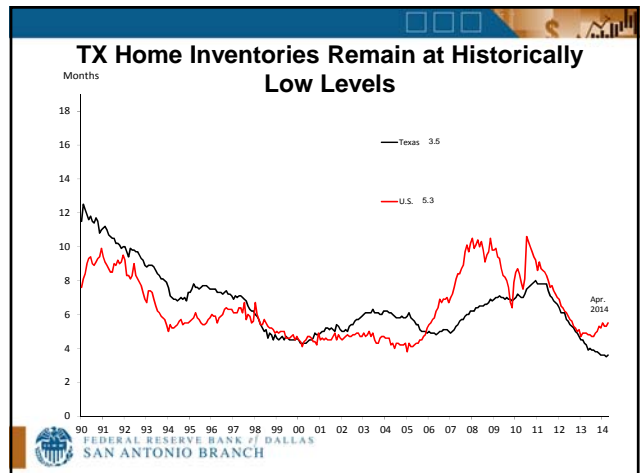
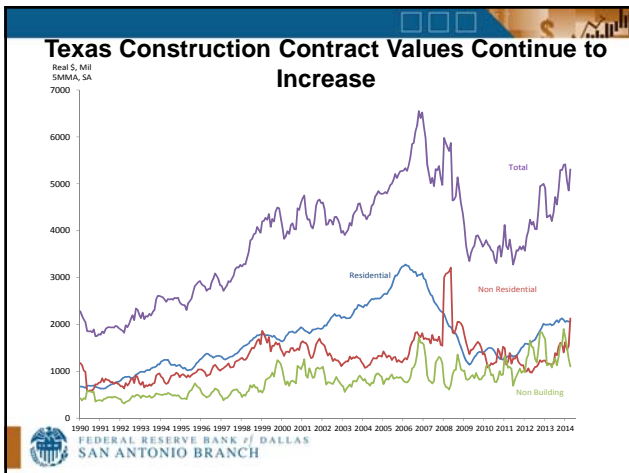
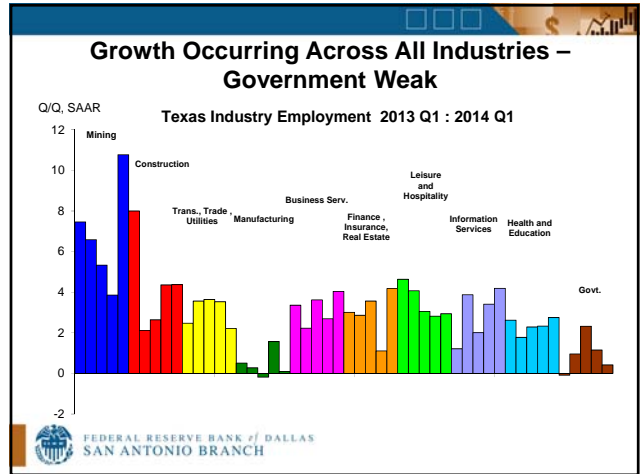
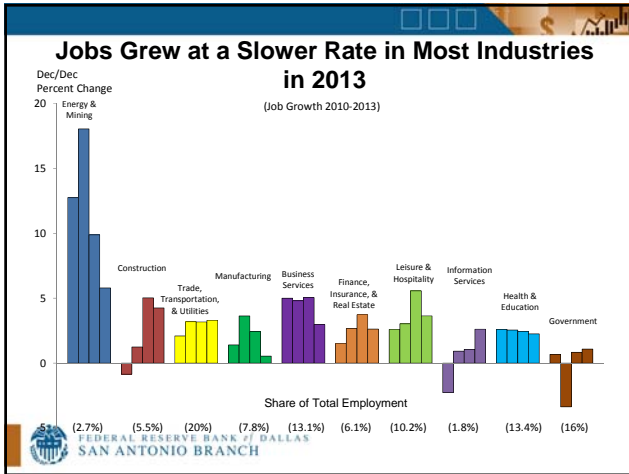
In Past Several Years, Texas Economy Has Grown Above Trend and Stronger than Nation

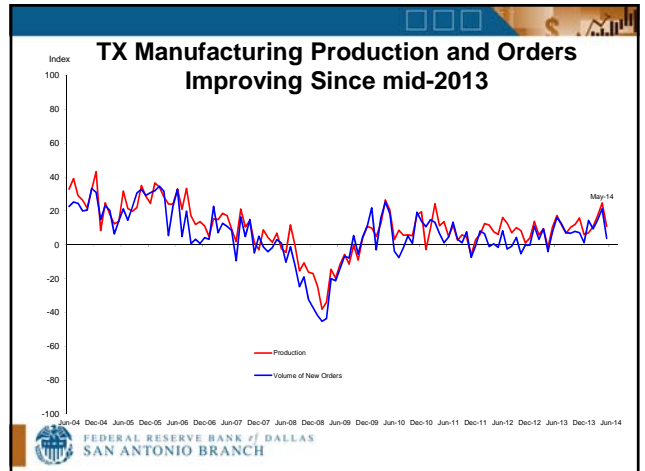
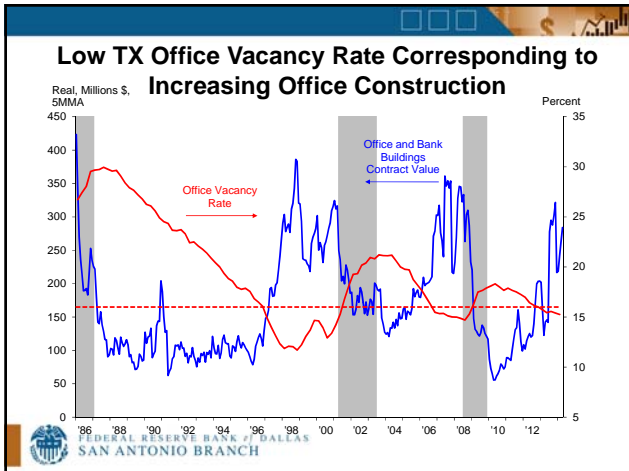
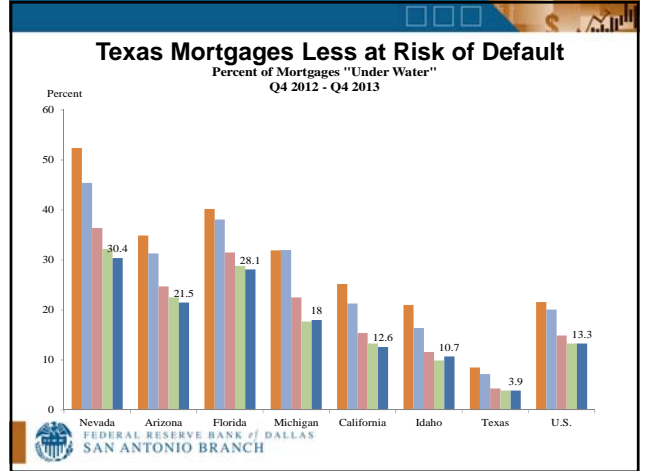
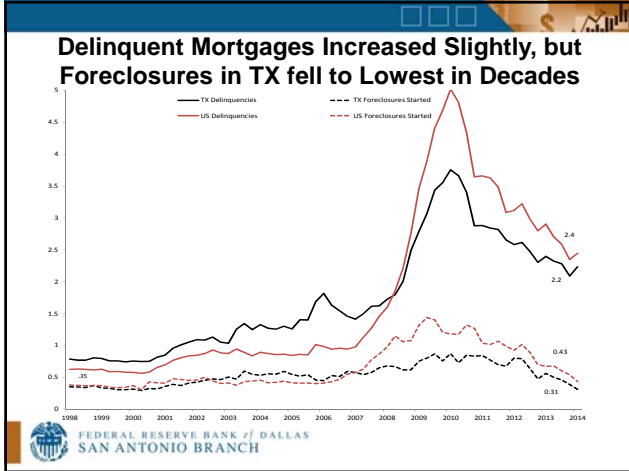
- In past three years growth in energy, high-tech and exports provided a stimulus to Texas. Housing market in better shape than nationally
- In 2013 manufacturing and federal government weakened. Energy and residential construction grew strongly but moderated somewhat
- This year I expect job growth around 3.1% - slightly faster than 2013 (2.6%)

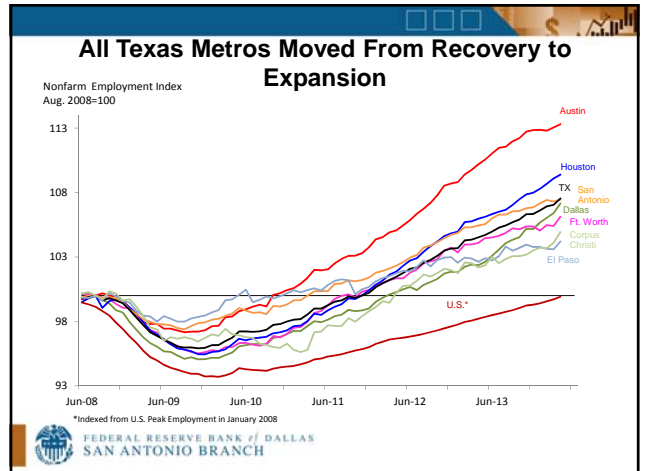
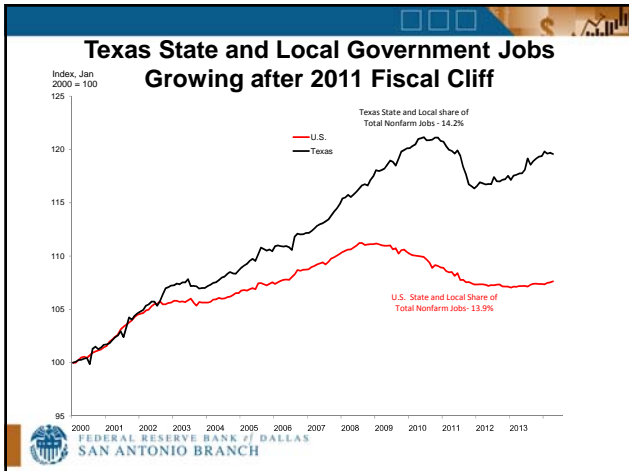
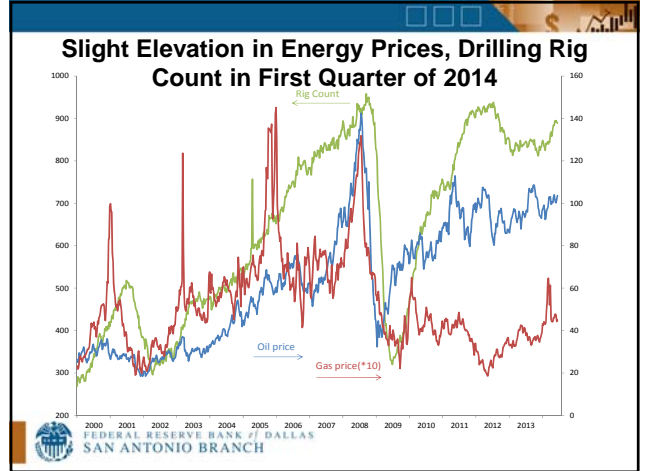
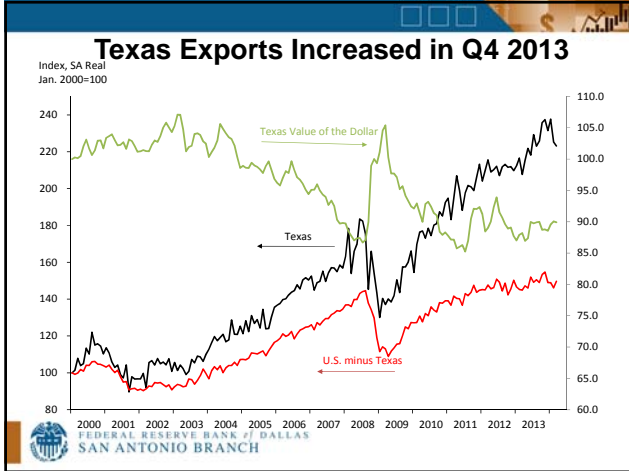
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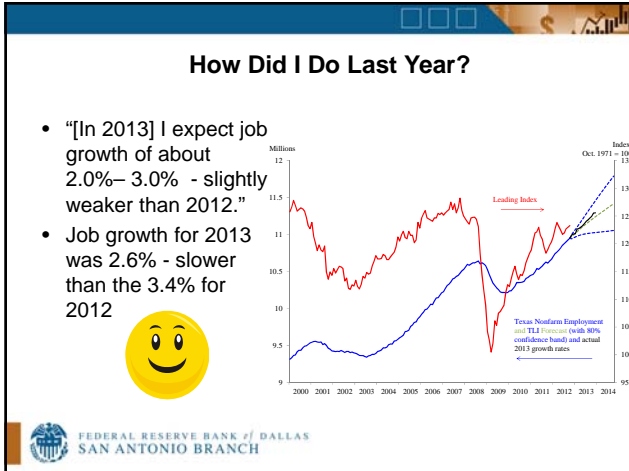
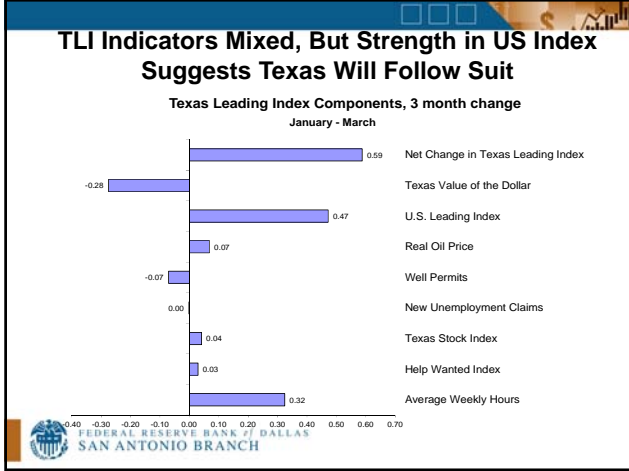












- ### Summary
- In 2013 U.S. economy picked up in second half – improved pace likely to continue this year.
 - 2013 TX job growth was slower, as manufacturing and federal government weakened. Texas was still in top 10 states for job growth in U.S.
 - In 2014 residential construction growth will likely dampen while manufacturing activity picks up and federal government becomes less of a drag.
 - Texas job growth likely will be slightly faster this year than last – around 3.1%
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