

San Antonio 2018 Economic Forecast

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Texas CEO Magazine

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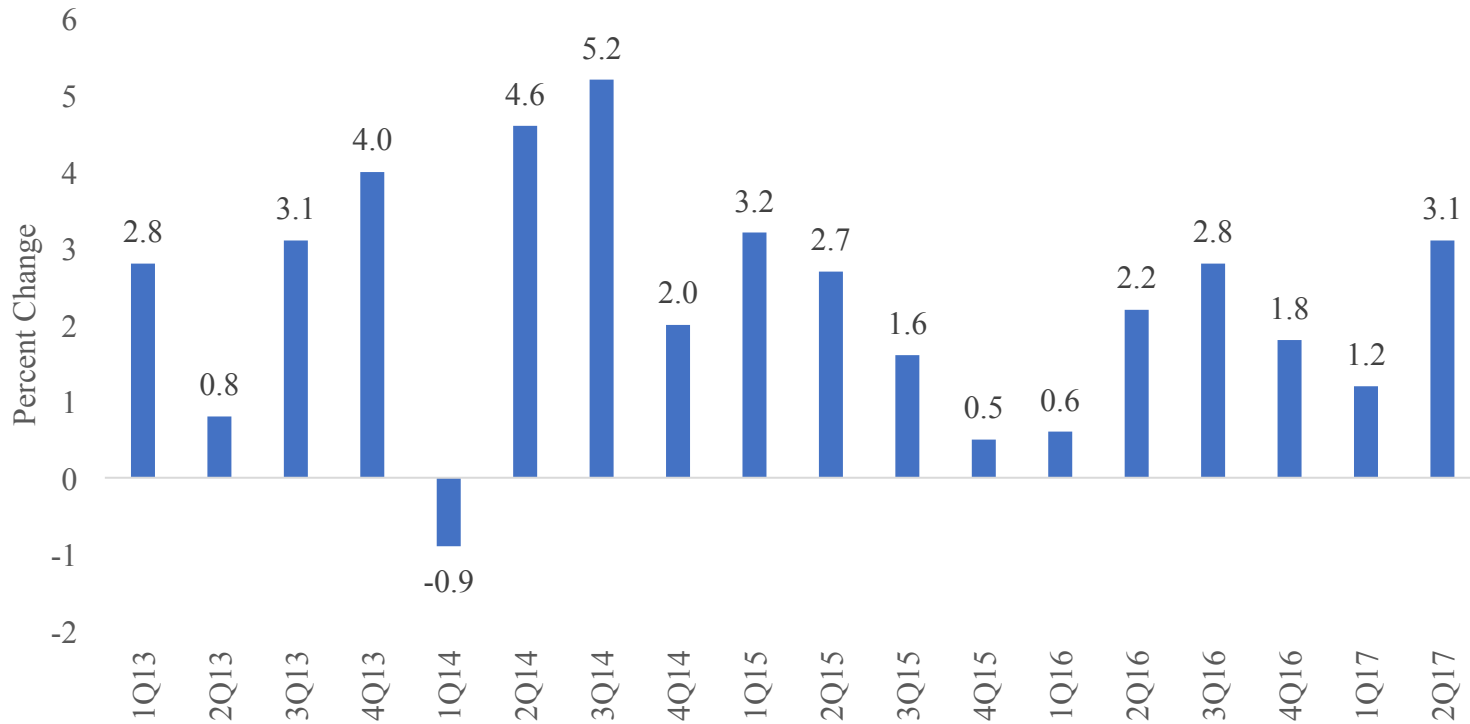
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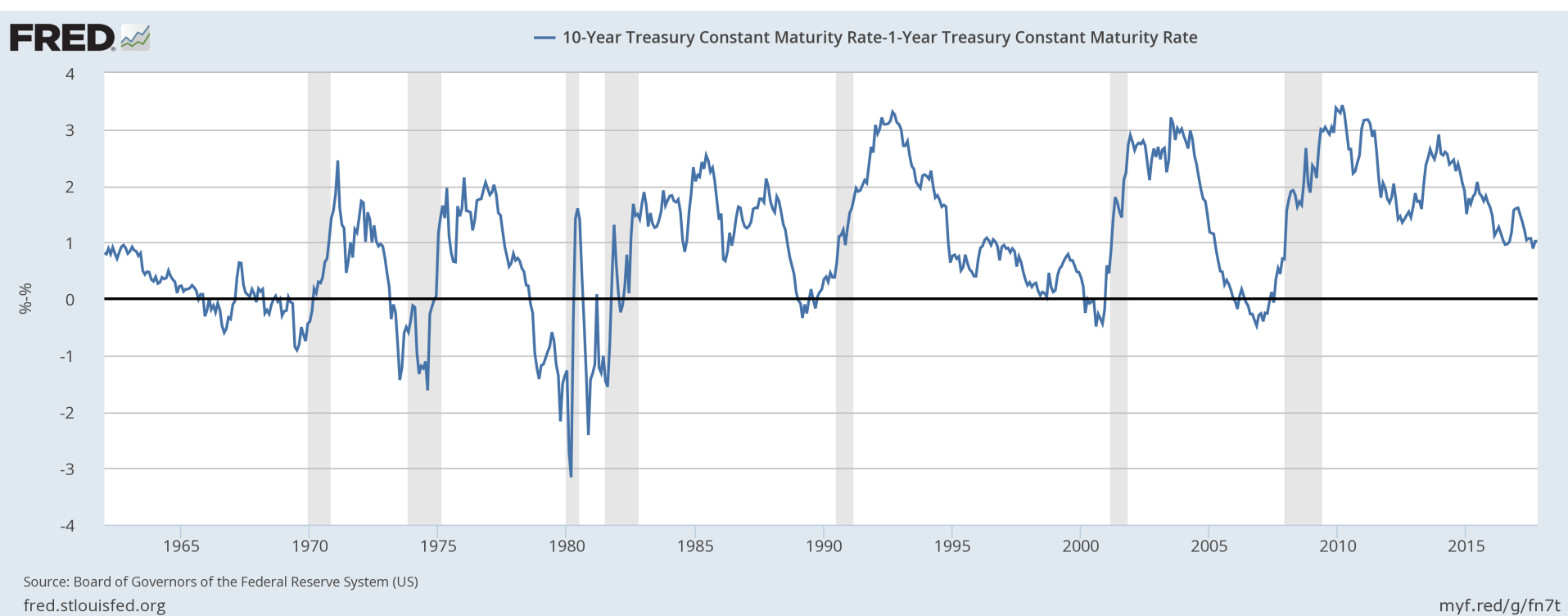
St. Mary's University

U.S. economy continues to grow.

U.S. Real Gross Domestic Product, % Change from Previous Period, SAAR
(Source: U.S. BEA)

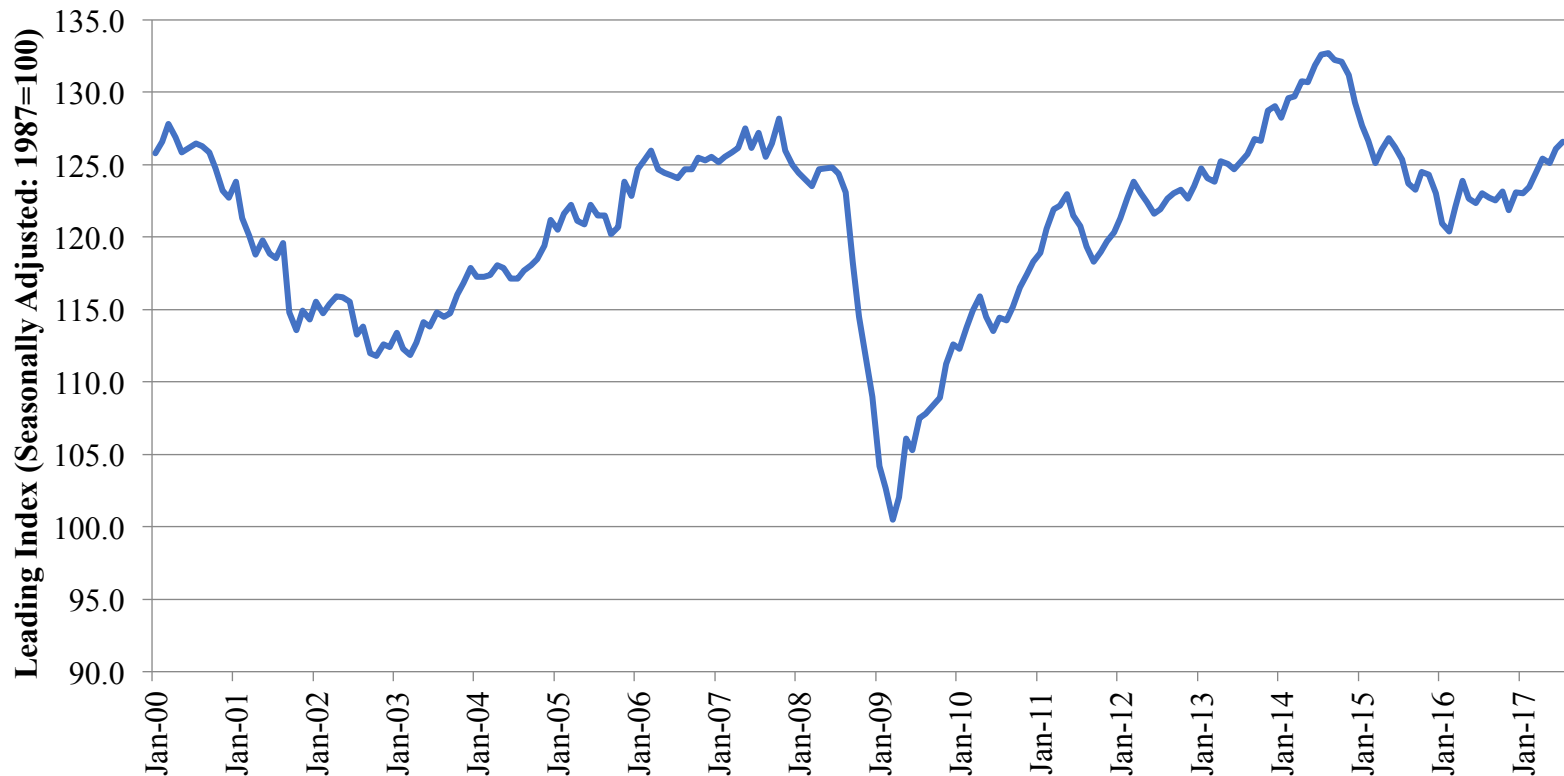


No indication of recession in immediate future according to yield curve.



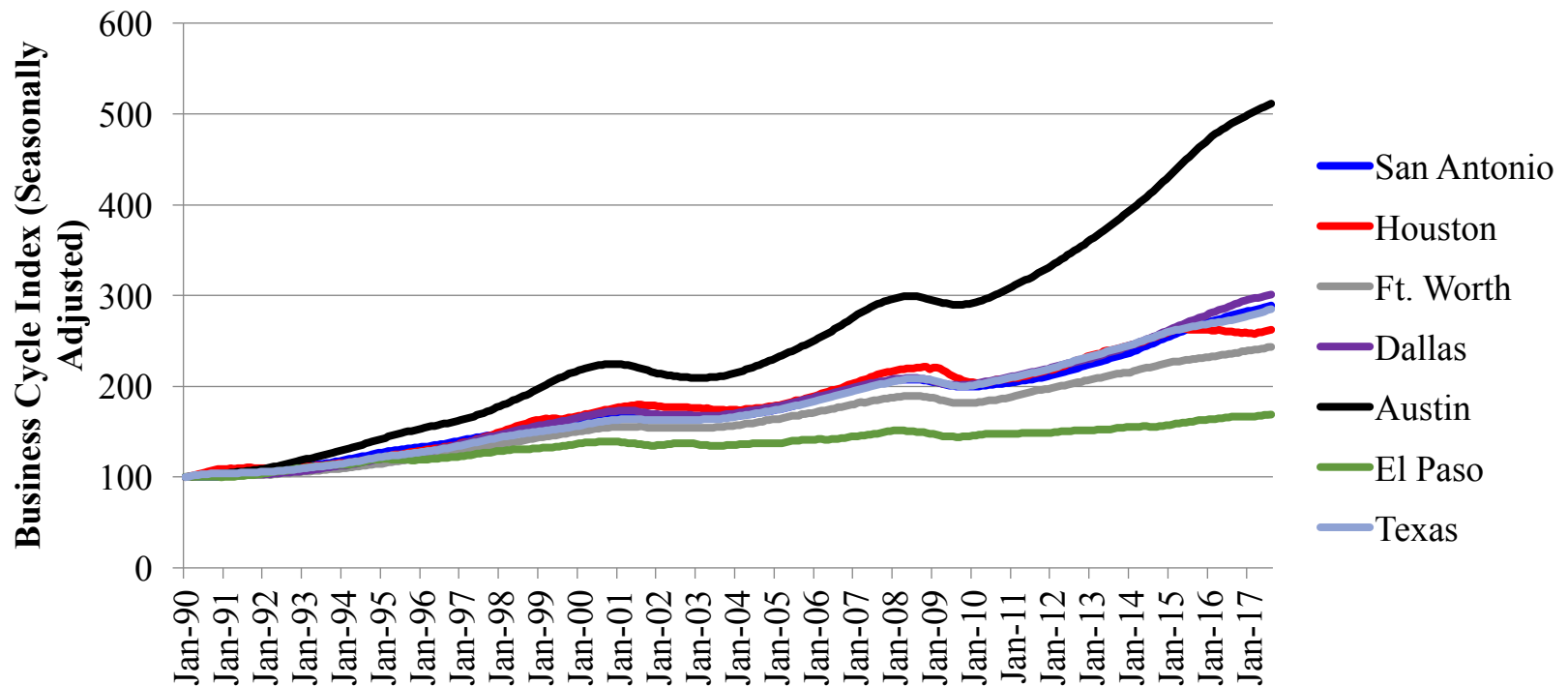
Leading index indicates continued growth in Texas over next 6-9 months.

Texas Leading Index Thru July 2017
(Source: Federal Reserve Bank of Dallas)



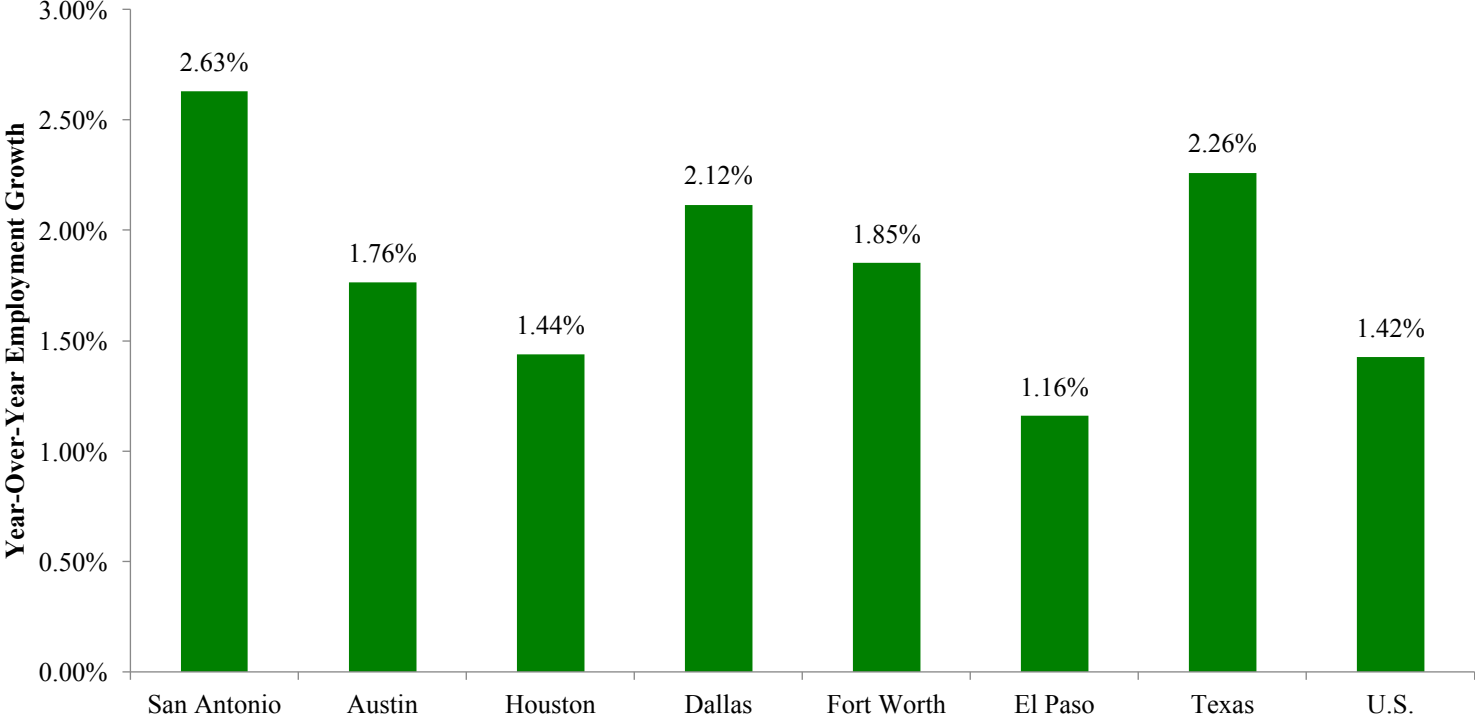
Growth continues across major metropolitan areas (except Houston) and state.

Business Cycle Index: Jan. 1990-August 2017 (Jan. 1990 = 100)
(Source: Federal Reserve Bank of Dallas)



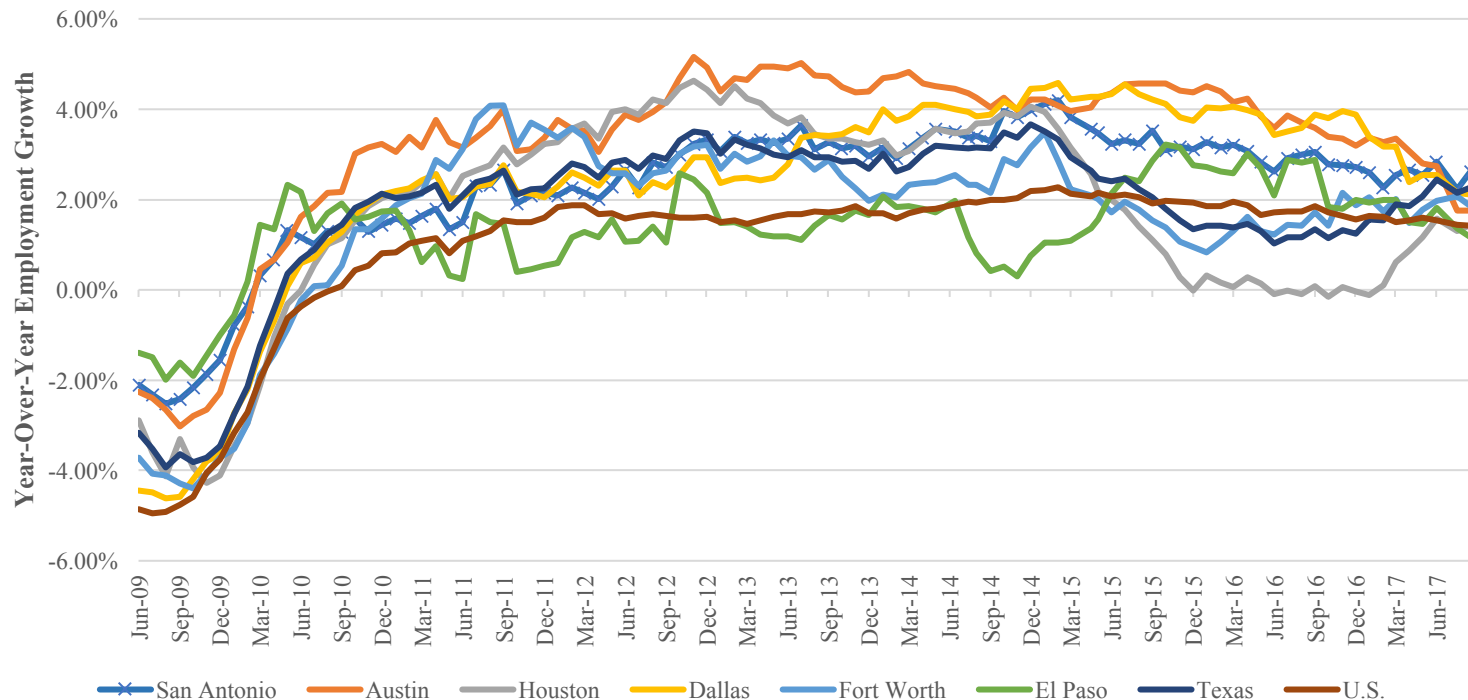
San Antonio had strongest rate of employment growth in August.

Employment Growth in Major Metropolitan Areas, Texas, and U.S.:
August 2017
(Source: Federal Reserve Bank of Dallas, U.S. BLS, Author's calculations)



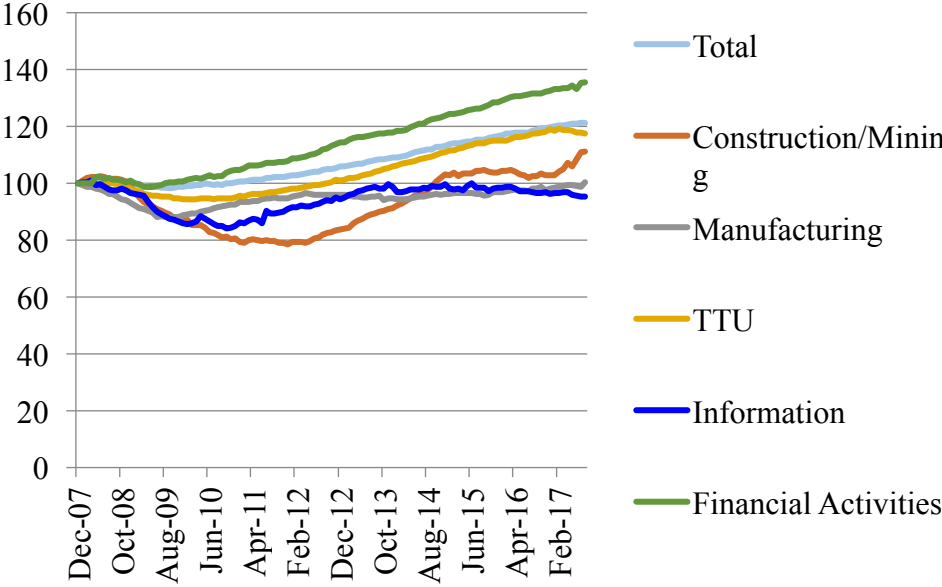
Most major metro areas experiencing static or slowing employment growth with exception of energy-driven areas.

Trends in Employment Growth in Metropolitan Areas, Texas, and U.S.:
June 2009-August 2017
(Source: Federal Reserve Bank of Dallas, U.S. BLS, Author's calculations)

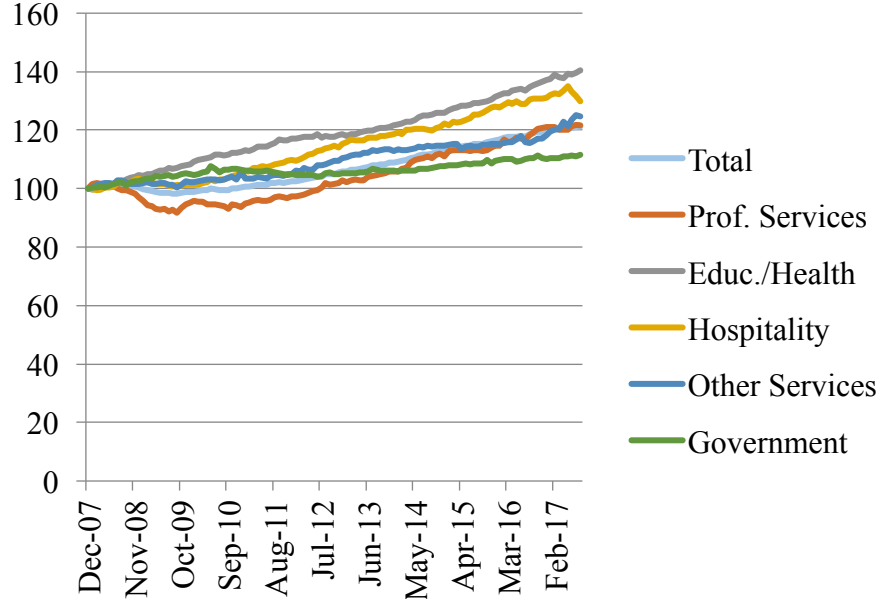


Broad-based growth across most sectors in San Antonio.

**Employment Change in San Antonio by Sector
Thru August 2017
(Dec. 2007 = 100)**

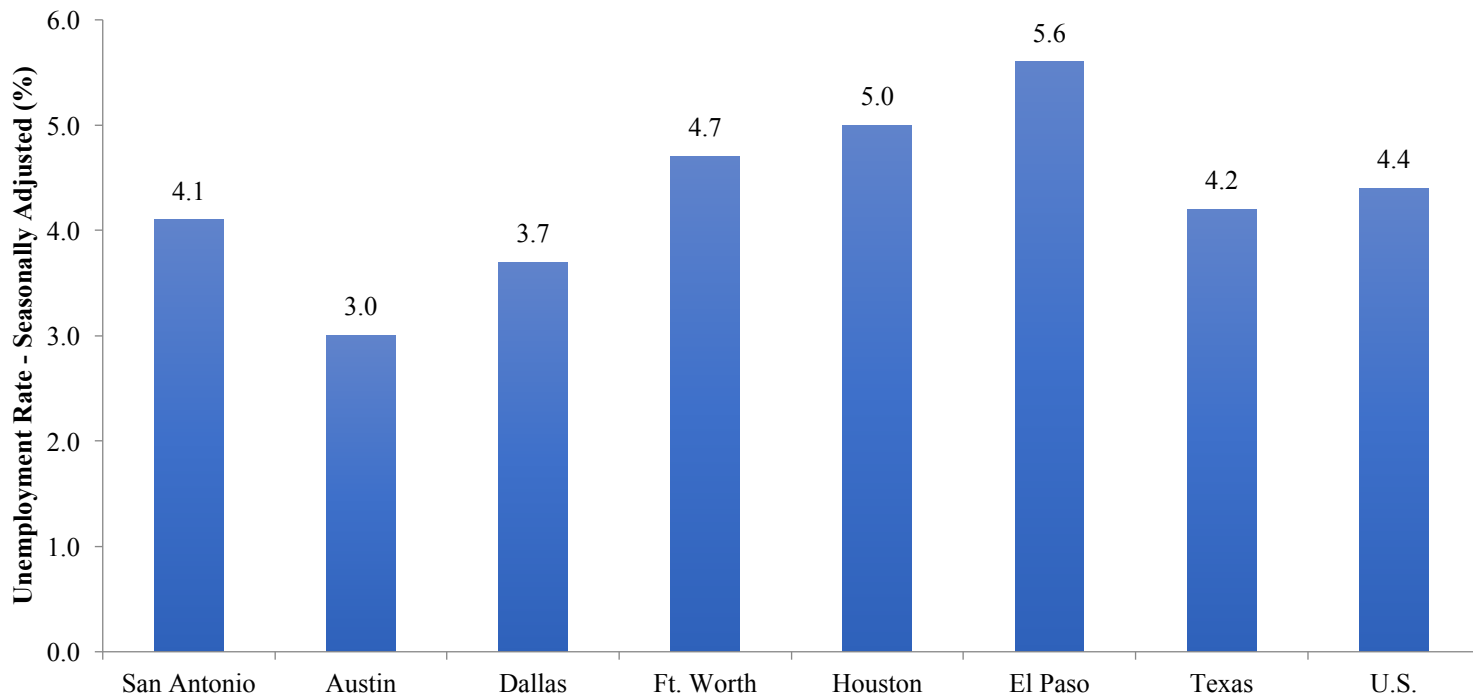


**Employment Change in San Antonio by
Sector Thru August 2017
(Dec. 2007 = 100)**



San Antonio had third lowest unemployment rate in August at 4.1%.

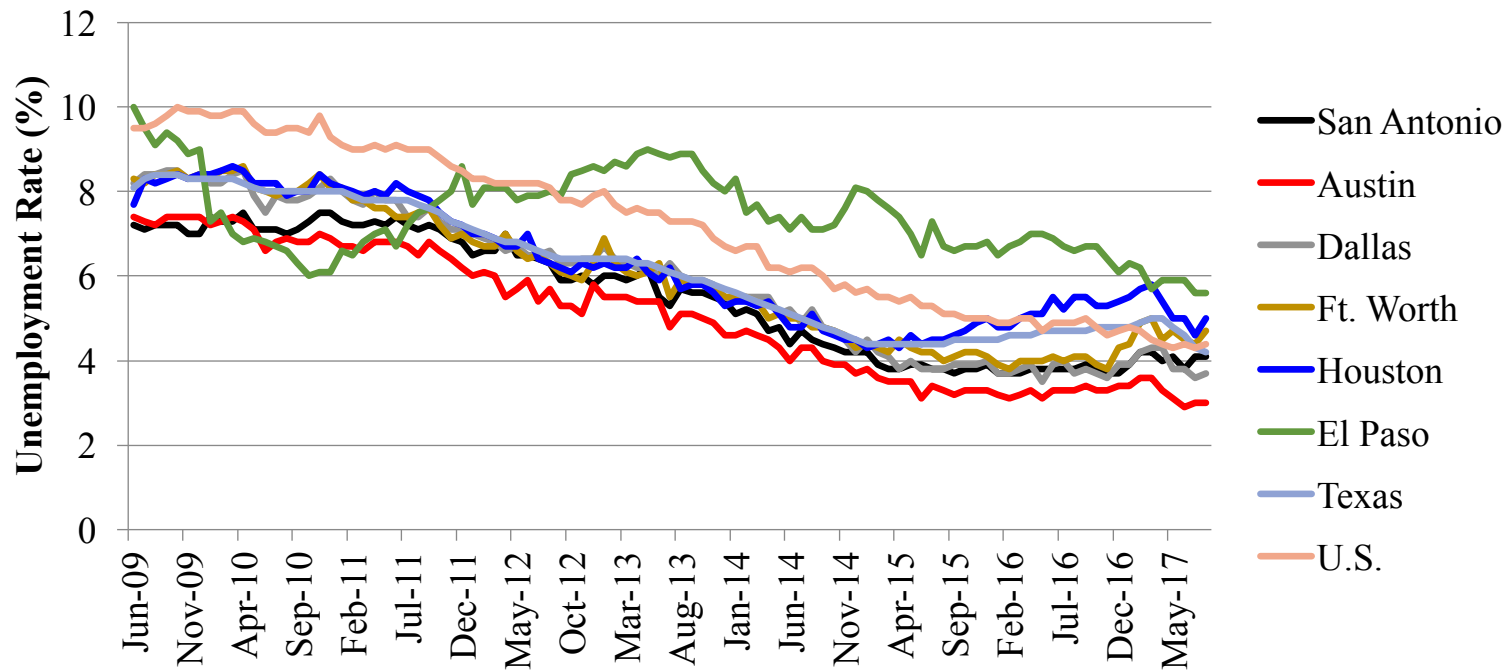
**Comparison of Metropolitan Area, Texas, and U.S.
Unemployment Rates: August 2017
(Source: Federal Reserve Bank of Dallas, U.S. BLS, FRED)**



Unemployment rate in San Antonio seems to have hit bottom and has increased slightly since end of 2016.

**Unemployment Rate (Seasonally Adjusted):
June 2009-August 2017**

(Source: Federal Reserve Bank of Dallas, U.S. BLS, FRED)



Forecast

- San Antonio 2018 forecast:
 - Employment growth over next 12 months in the range of 2.25-2.50%
 - Unemployment rate over the next 12 months in the range of 4.00-4.25%
- Recession in next 2-3 years?
 - Probably already at full employment
 - Third longest expansion in history