



DRAFT

CHAPTER 2

ECONOMIC TRENDS

The present day prosperity of Fort Worth is linked to domestic and international changes in the past. During the 1970s and 1980s, the local economy was driven primarily by a large and successful aerospace and defense industry. Substantial cutbacks in defense contracts prompted the City to begin working towards diversifying its economy in the 1990s, largely through small business development. The result is an economy that is diversified in many industry sectors such as services, trade, manufacturing, transportation, communication, and construction. This diverse employment base helped Fort Worth weather the 2008 Great Recession and is foundational to Fort Worth's ability to rebound from economic impacts of the Coronavirus (COVID-19) pandemic. The economy surpassed pre-pandemic employment levels during 2021 and saw notable expansion in 2022. Fort Worth's robust economic growth is expected to continue over the next five years and beyond.

KEY EMPLOYMENT INDICATORS

TOP 5 EMPLOYERS IN FORT WORTH, 2022		TOP 5 EMPLOYMENT SECTORS BY INDUSTRY, 2022	
American Airlines	40,600	Manufacturing	14.2%
Lockheed Martin	22,950	Real Estate, Rent/Lease	13.3%
Fort Worth ISD	11,330	Professional Services	11.1%
NAS-JRB Fort Worth	11,300	Health Care	7.9%
JPS Health Network	7,132	Retail Trade	7.5%

Source: City of Fort Worth, Economic Development Department, estimates, 2022.

REAL GROSS PRODUCT

Real gross product is forecast to expand at a 3.36% annual pace, resulting in a gain of about \$23.5 billion by 2027.

1,157,533

Current Total Employment in 2022, Fort Worth-Arlington-Grapevine MD

Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2022.

2,249,634

Projected Total Employment by 2045

\$67,927

Median Household Income in Fort Worth, 2021.

Source, left: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates, 2000 Decennial Census.

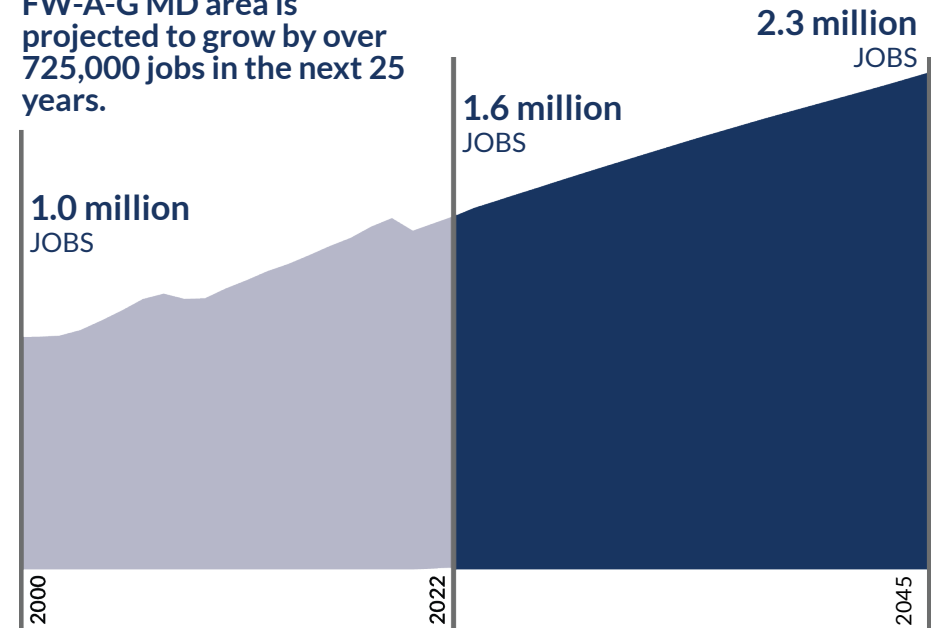
Source, right: Texas Workforce Commission LAUS Report, 2022.

3.9%

Annual unemployment rate for Fort Worth, 2022 (average of rates published for January-November 2022)

FORT WORTH-ARLINGTON-GRAPEVINE EMPLOYMENT, 2001-2045

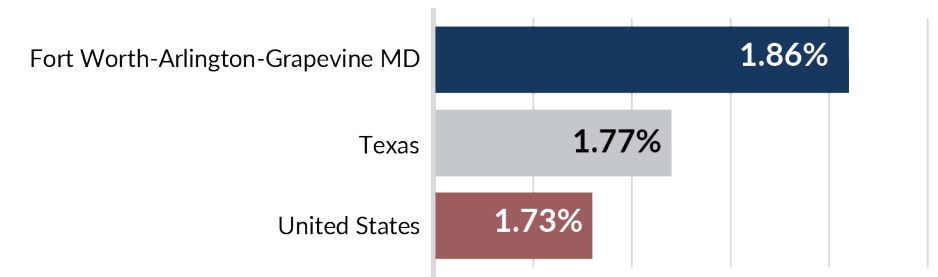
FW-A-G MD area is projected to grow by over 725,000 jobs in the next 25 years.



Source: The Perryman Group, Fort Worth-Arlington-Grapevine Metropolitan Division (FW-A-G MD), 2022.





ANNUAL EMPLOYMENT GROWTH, 2022-2027

Growth and development in the Fort Worth-Arlington-Grapevine Metropolitan Division (MD) is expected to occur at a pace above growth in Texas and the United States growth.



Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2022.

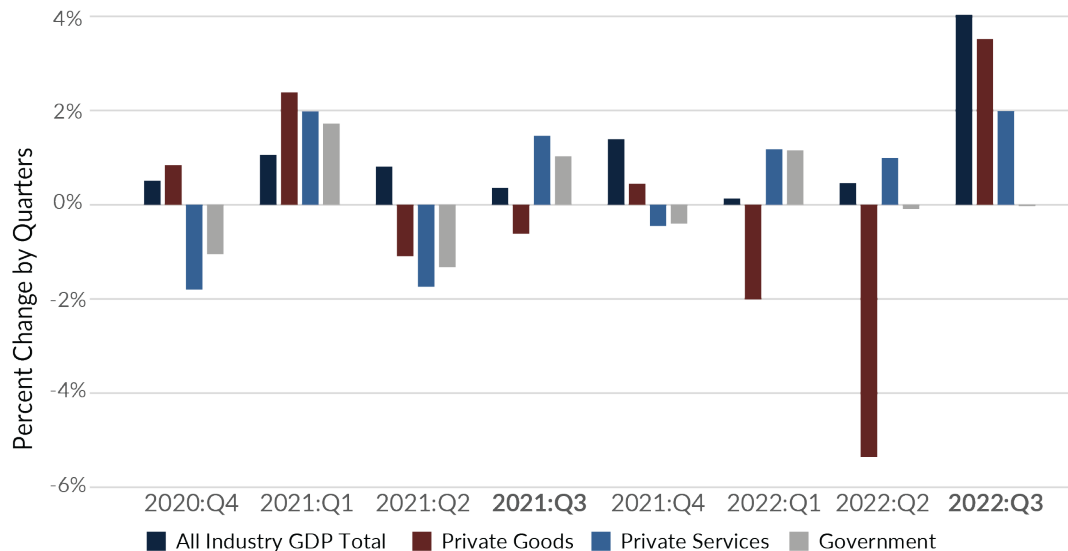
PROJECTED KEY INDICATORS - 5-YEAR FORECAST, INFLATION ADJUSTED, 2022 – 2027

ECONOMIC INDICATOR	2022 ESTIMATE	2027 PROJECTION	FIVE YEAR INCREASE	ANNUAL GROWTH RATE
Real Gross Product	\$130.7 B	\$154.2 B	+\$23.5 B	3.36% 
Real Personal Income	\$124.0 B	\$143.0 B	+\$19 B	2.90% 
Real Retail Sales	\$34.3 B	\$39.5 B	+5.2 B	2.87% 
Employment	1.158 M	1.27 M	+111,966	+1.86% 

Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2022.

QUARTERLY REAL GROSS DOMESTIC PRODUCT BY INDUSTRY - TEXAS

Texas's Real Gross Domestic Product (GDP) first quarter 2021 activity indicates positive growth, while the aftermath of the economic fallout due to the pandemic has resulted in a K-shaped recovery. Private Goods and Private Services alternately lag then rebound through the second quarter of 2022. By the third quarter 2022, all industries are making significant gains except Government Sectors. The annual Year-Over-Year percentage change is shown in the table below.



Source: U.S. Bureau of Economic Analysis, 2021.

Employment is projected to grow by over 112,698 net new positions, led by the Services Sector. Services employ 65,910 while Trade and Logistics add 16,799 and 10,227, respectively.

1.269 M

Projected Total
Employment by 2027

\$154.2 B

Projected Real Gross
Product by 2027

1.86%

Projected Employment
Growth Rate, Annually,
2022-2027

3.36%

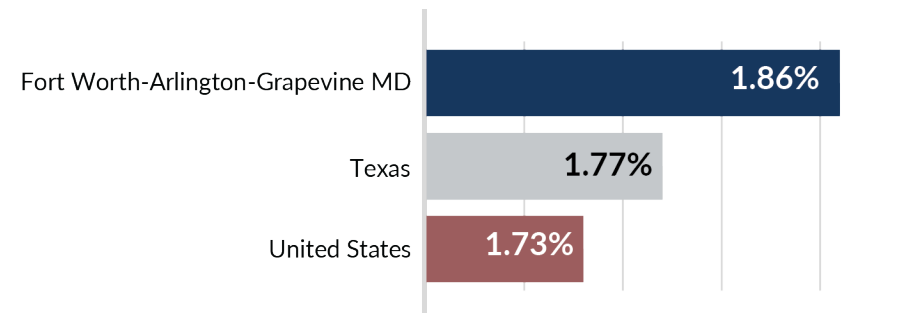
Projected Annual Real
Gross Product (RPG) Annual
Growth Rate, 2022-2027

INDUSTRY	2021 3rd Quarter	2022 3rd Quarter	ANNUAL PERCENT CHANGE
All Industry Total	\$1,815,623	\$1,888,869	4.0%
Private Industry Total	\$1,650,057	\$1,722,720	4.4%
Private Goods	\$510,525	\$490,938	-3.8%
Private Services	\$1,107,908	\$1,181,645	6.7%
Government & Government Enterprises	\$166,966	\$168,014	0.6%

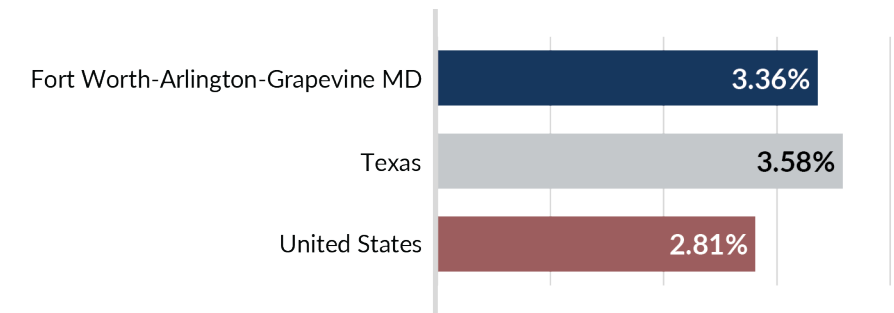
PROJECTED INDUSTRY GROWTH FOR FORT WORTH-ARLINGTON-GRAPEVINE METROPOLITAN DIVISION, 2022–2027

INDUSTRY SECTOR	EMPLOYMENT			REAL GROSS PRODUCT		
	LEVEL CHANGE	ANNUAL GROWTH		LEVEL CHANGE	ANNUAL GROWTH	
SERVICES	+64,120	2.59%	↑	\$6.8 B	3.81%	↑
TRADE	+16,799	1.72%	↑	\$2.6 B	2.81%	↑
LOGISTICS	+10,227	1.97%	↑	\$1.6 B	3.41%	↑
MANUFACTURING	+7,083	1.36%	↑	\$4.0 B	3.97%	↑
FINANCIAL ACTIVITIES	+4,917	1.29%	↑	\$4.1 B	3.11%	↑
GOVERNMENT	+4,433	0.66%	↑	\$1.0 B	1.80%	↑
CONSTRUCTION	+2,427	0.71%	↑	\$0.6 B	1.81%	↑
MINING	+1,199	3.02%	↑	\$1.9 B	6.02%	↑
INFORMATION	+574	1.11%	↑	\$0.8 B	3.65%	↑
AGRICULTURE	+91	0.98%	↑	\$0.0 B	1.63%	↑
UTILITIES	+97	0.74%	↑	\$0.1 B	2.13%	↑

ANNUAL EMPLOYMENT GROWTH, 2022-2027

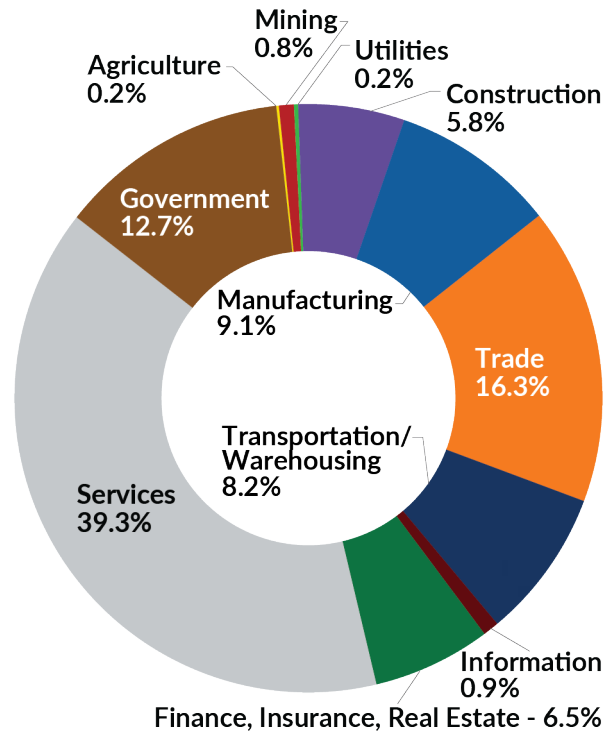


ANNUAL REAL GROSS PRODUCT INCREASE, 2022 - 2027



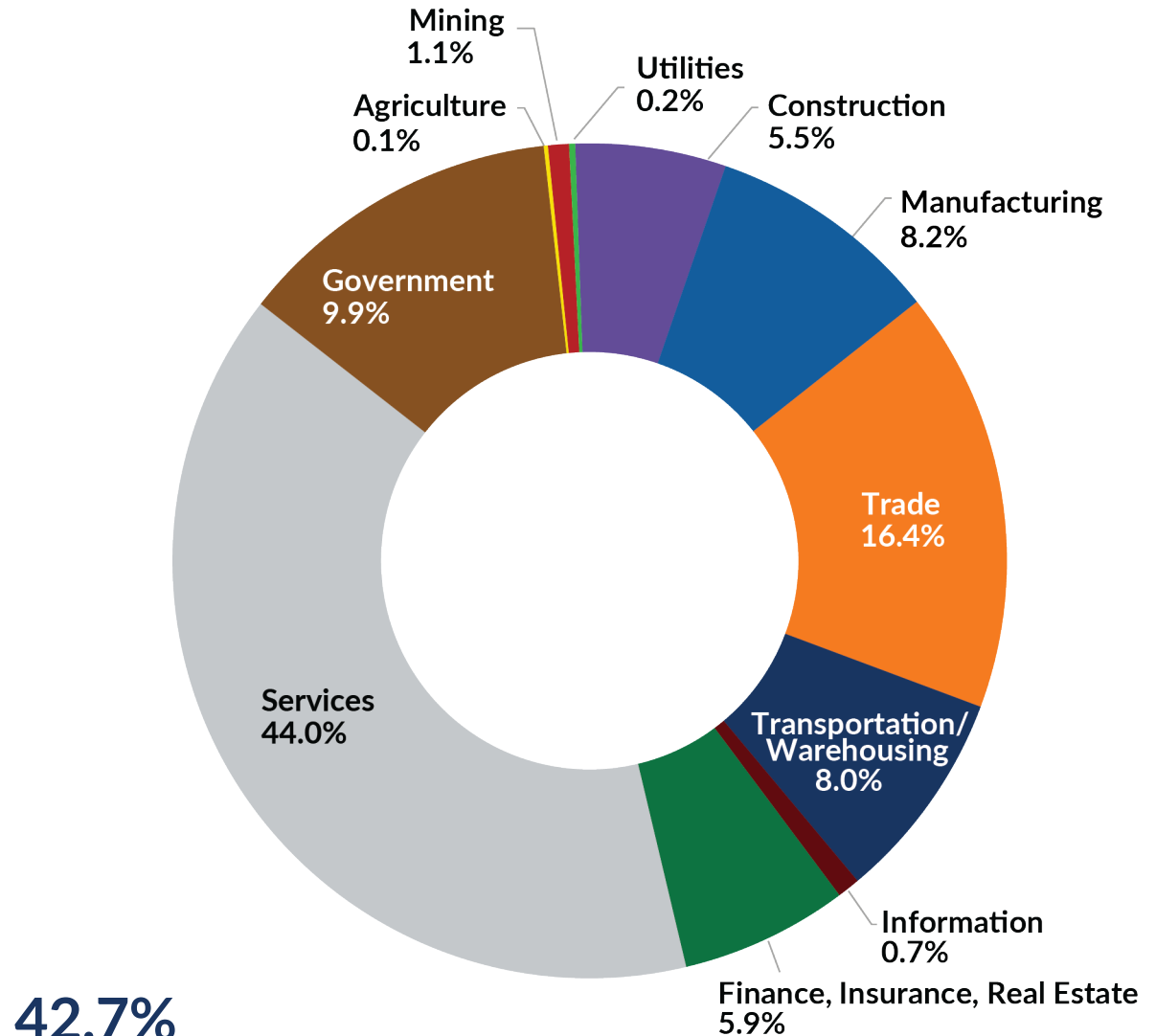
Source, all on this page: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2022.

EMPLOYMENT BY SECTOR, 2022



The Fort Worth-Arlington-Grapevine economy has recovered most of the jobs lost during the COVID-19 pandemic, but business activity remains modestly below pre-COVID-19 levels. Expansion in hard-hit industries such as those related to travel and personal services has contributed to hiring, with other local businesses also experiencing notable expansion. With a long-standing pattern of growth and a number of desirable attributes, the Fort Worth-Arlington-Grapevine area will remain an attractive destination for new business locations and expanded operations.

PROJECTED EMPLOYMENT BY SECTOR, 2047

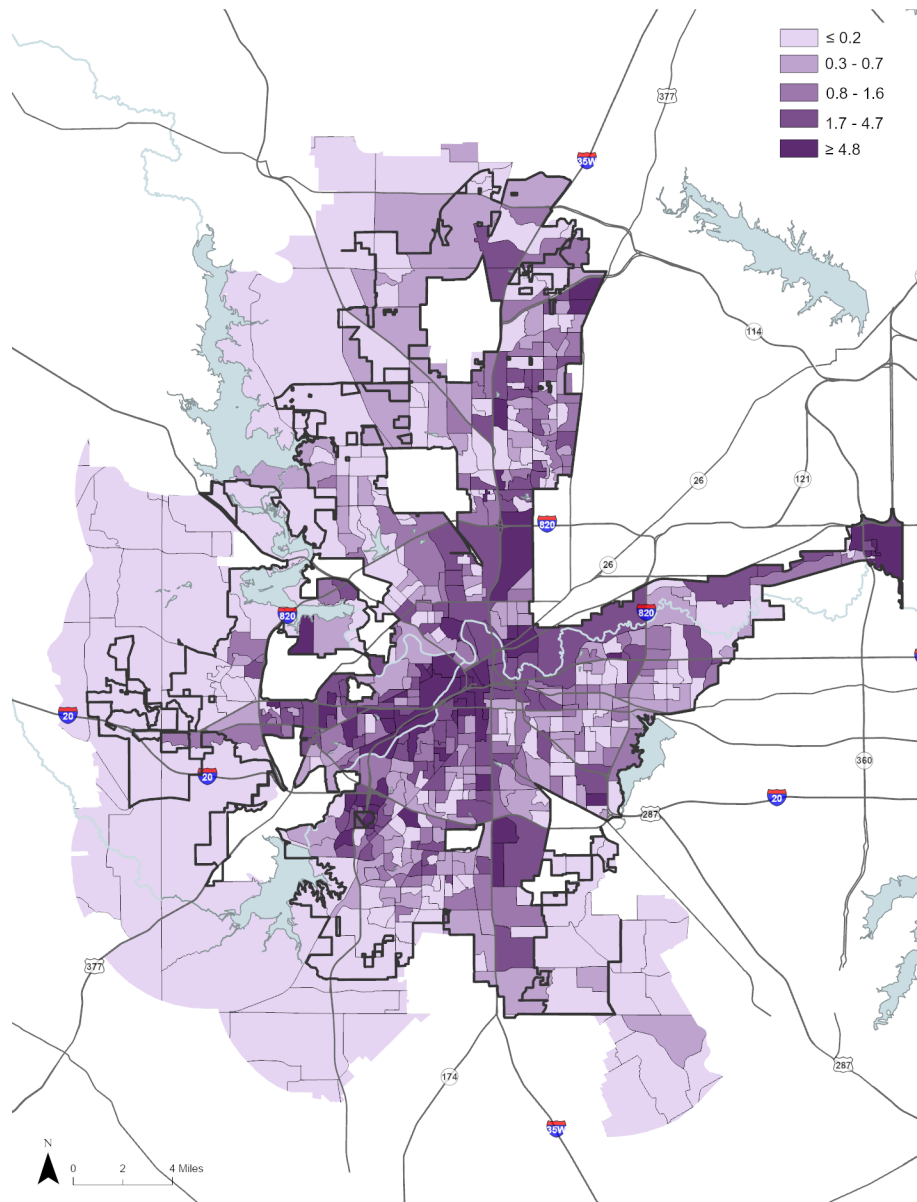


42.7%

Percentage Increase for Projected
Employment from 2022 to 2047

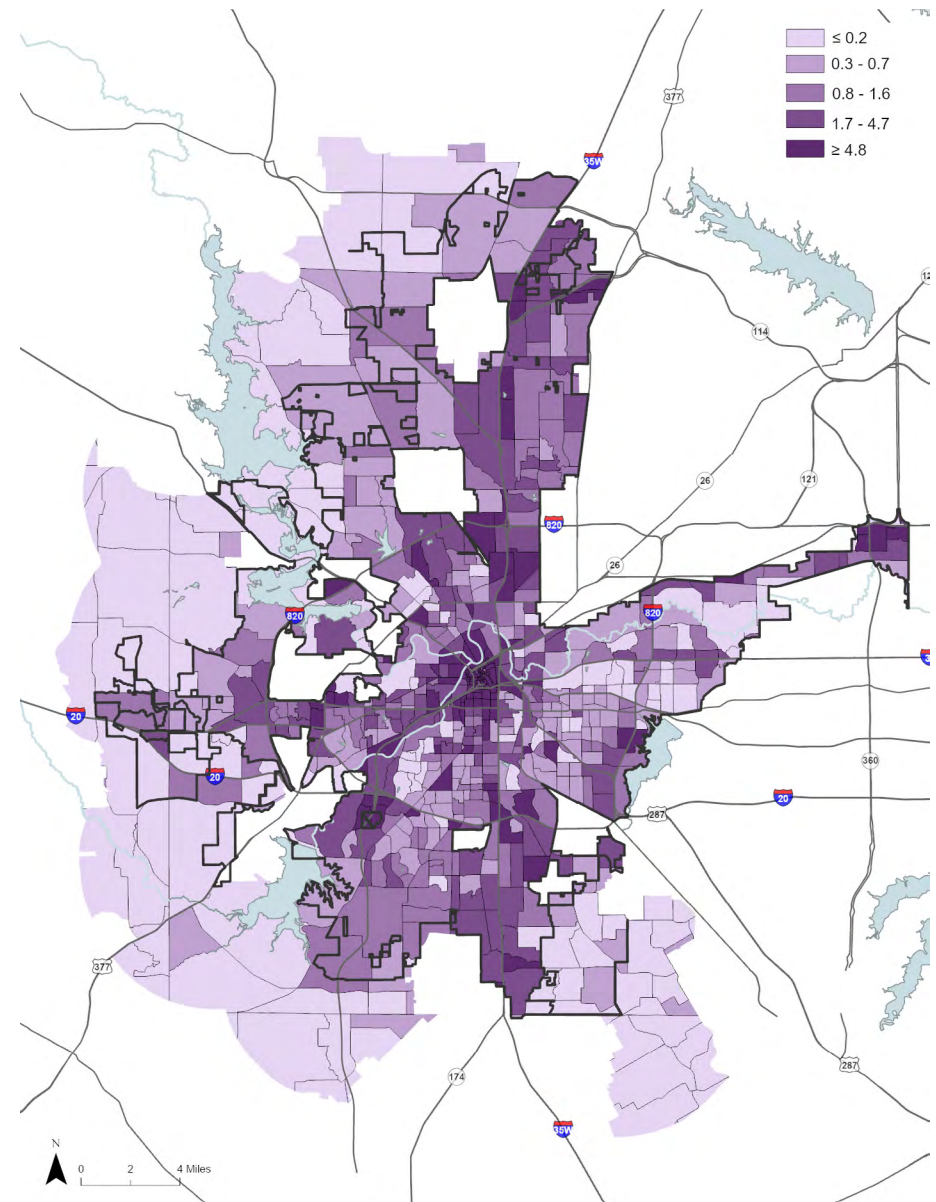
Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2022.

EXISTING EMPLOYMENT PER ACRE, 2019



Source: U.S. Census Bureau, LEHD, 2019.

PROJECTED EMPLOYMENT GROWTH PER ACRE, 2010 - 2045



Source: North Central Texas Council of Governments, 2045 Employment Forecast, 2018.

DEVELOPMENT PERMITTING AND GROWTH

Single-family residential development comprises the majority of the City's building permit activity, which correlates to Fort Worth's population growth. Commercial building permits have fluctuated annually over the past decade, with a high in 2012 and a low in 2020. Multifamily building permits have increased steadily over the past ten years, with the 2022 total more than doubling the previous peak in 2016.

\$5.1B

Total Permit Value for 2022

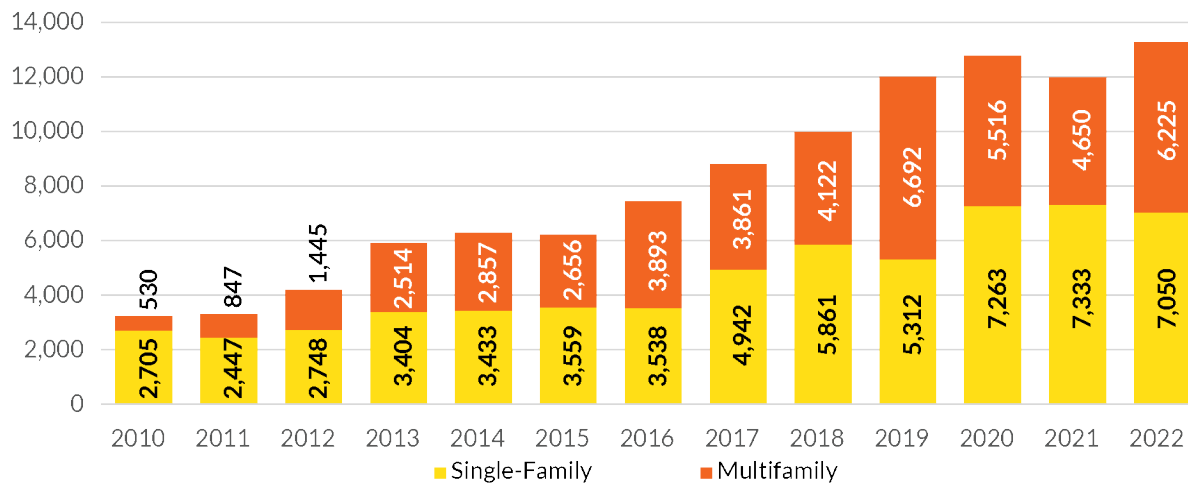
\$4.5B

Total Permit Value for 2021

14.68 % 

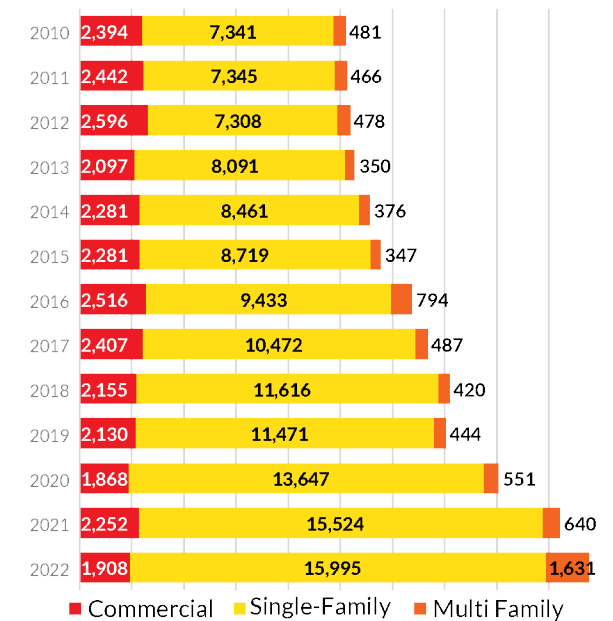
Permit Value Percent Change
From 2021 to 2022

NEW UNITS OF HOUSING - SINGLE-FAMILY AND MULTI-FAMILY BUILDING PERMITS, 2022

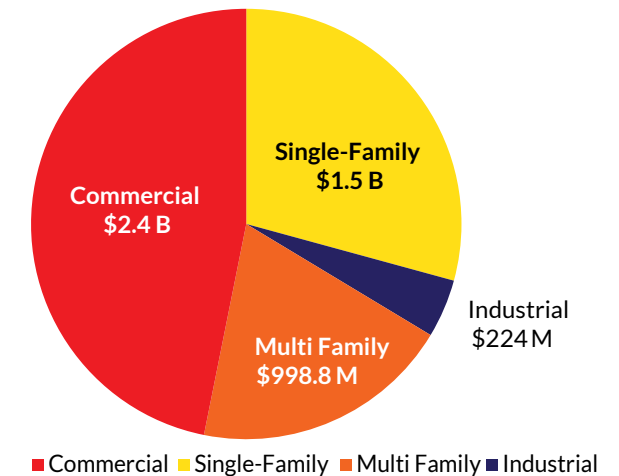


Source: City of Fort Worth, Development Services Department, 2022.

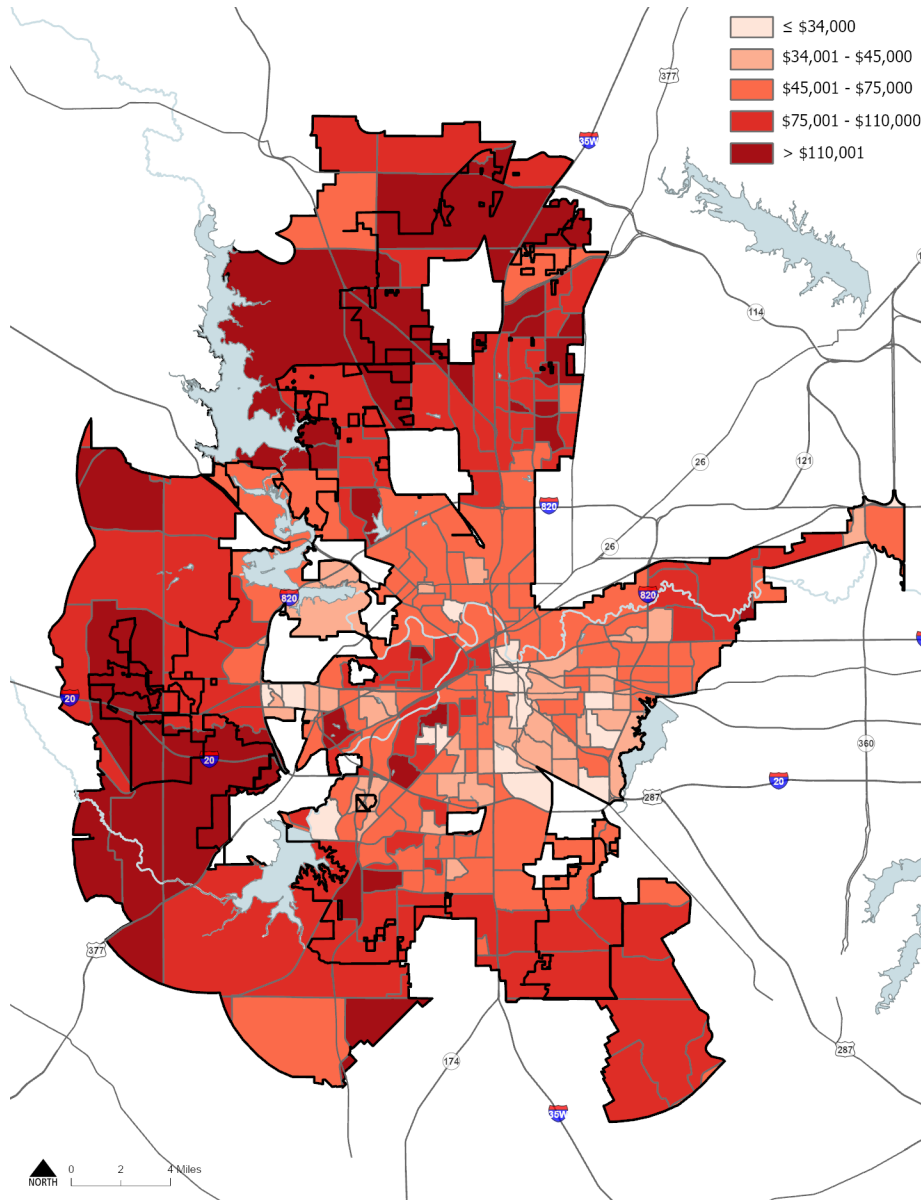
TOTAL BUILDING PERMITS ISSUED, 2022



BUILDING PERMITS ISSUED, 2022



MEDIAN HOUSEHOLD INCOME



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2017-2021.

Household Income is defined as the total gross income received by all members of a household within a 12-month period. This figure comprises the earnings of everyone under the same roof who is over the age of 15 whether they're related or not. Sources include wages, salaries, retirement income, investment income, Social Security benefits, and earnings from other income sources. Median household income, on the other hand, is the number that falls in the middle of all the member's incomes.

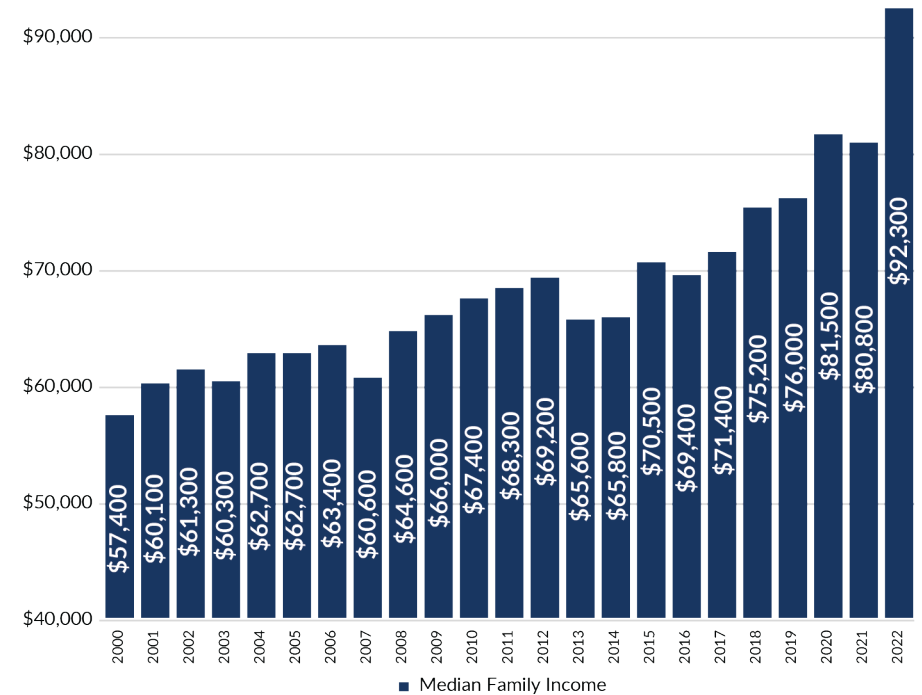
2.3%

Annual Growth Rate of
Median Family Income
between 2000 and 2022

2.24%

Average inflation rate from 2000 to 2022.
Calculations are based on the average annual CPI
data in the U.S. from 1914 to 2022

LOCAL AREA MEDIAN FAMILY INCOME, 2000 - 2022



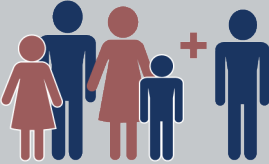
Source: HUD, Income Limits, Fort Worth-Arlington Metropolitan Fair Market Rent Area, 2022.

HOUSEHOLD INCOME VS. FAMILY INCOME VS. PER CAPITA INCOME & RETAIL SALES


Household income is one of three commonly cited measures of individual wealth. The other two, family income and per capita income, take different approaches to measure how well people in a given area are doing financially. Retail sales represent a key metric that tracks consumer demand for finished goods.

HOUSEHOLD INCOME VS. FAMILY INCOME VS. PER CAPITA INCOME


Household Income, as defined by the U.S. Census Bureau, includes the gross cash income of all people ages 15 years or older occupying the same housing unit, regardless of how they are related, if at all. A single person occupying a dwelling alone also is considered a household.



Family Income considers only households occupied by two or more people related by birth, marriage, or adoption.



Per Capita Income measures the income earned by each individual in a given area. Therefore, two-income earners in the same family or household are counted separately when measuring per capita income.



\$67,927

Median Household Income, Fort Worth-Arlington-Grapevine Metropolitan Division (MD), 2021

\$17,038

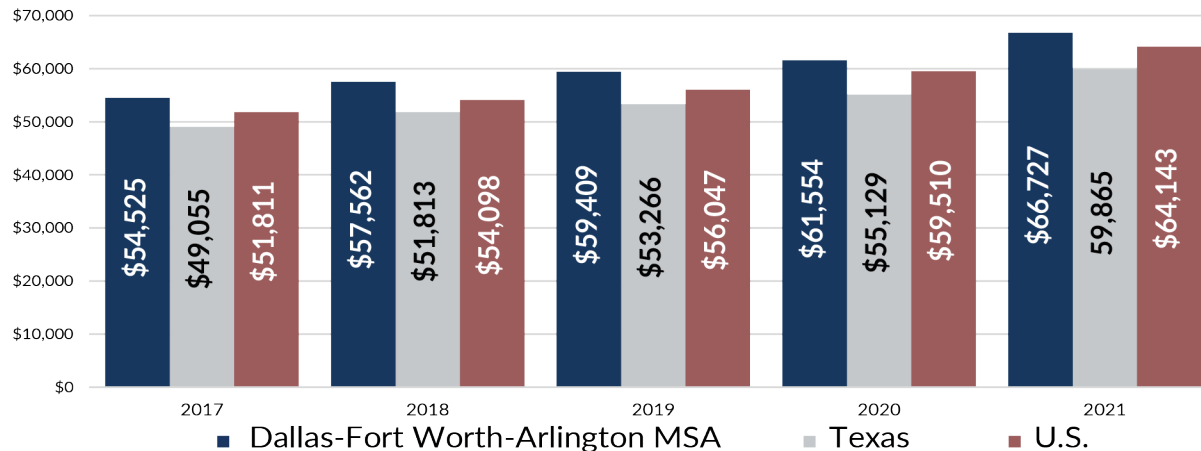
Per Capita Retail Sales in Fort Worth-Arlington-Grapevine Metropolitan Division, 2022

35.6%

Increase in Per Capita Retail Sales from 2002 (\$11,773)

Source: The Perryman Group, 2022

PERSONAL INCOME PER PERSON, DALLAS-FORT WORTH-ARLINGTON MSA



Source: U.S. Bureau of Economic Analysis, 2022. Personal income last published on November 16, 2022 for prior year (2021).

\$61,638

Per Capita Personal Income (By Residence) for the Dallas-Fort Worth-Arlington MSA, 2022

\$48,042

Per Capita Real Personal Income (By Residence, Inflation Adjusted, for the Dallas-Fort Worth-Arlington MSA in 2022

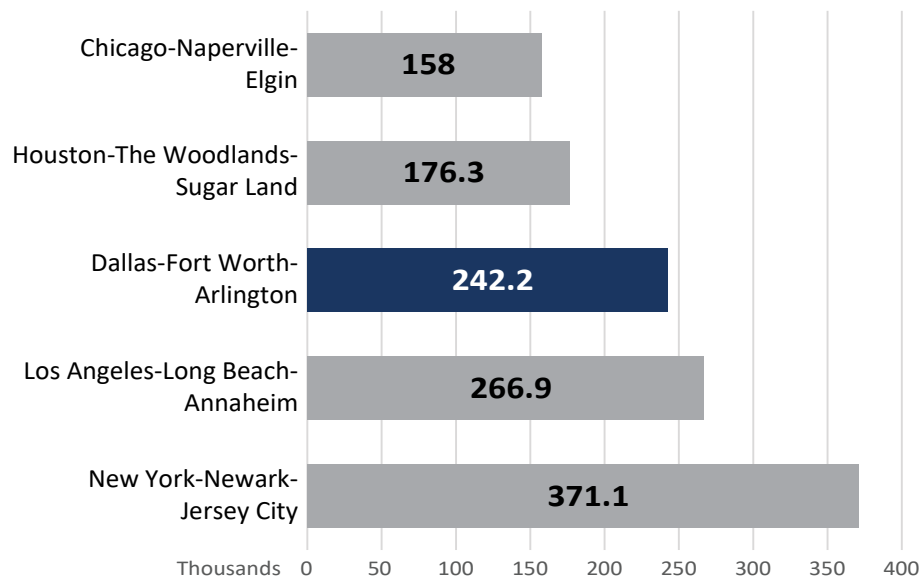
Source: The Perryman Group, 2022.

WORKFORCE & INDUSTRY EMPLOYMENT

For the 19th consecutive month, every Texas metro area achieved positive annual growth, with 19 areas exceeding the pre-COVID employment levels set in February 2020. The Dallas-Fort Worth-Arlington MSA consists of two metropolitan divisions: Fort Worth-Arlington and Dallas-Plano-Irving – separately identifiable employment centers within the larger metropolitan area. Fort Worth-Arlington gained 53,900 jobs during the period. The local rate of job gain, 5.6 percent, compares favorably to the 4.1 percent national increase.

The total non-farm employment in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area (MSA) increased by 210,000 over the year in November. Professional and business services had the largest gain (+51,700) among the metropolitan area's private-industry supersectors. The 7.1 percent increase in the metropolitan area's professional and business services supersector compared to the 3.2 percent gain on a national level.

TOP 5 METROPOLITAN AREA JOB GROWTH, 2022



Source: U.S. Bureau of Labor Statistics, November 2022.

3rd

Largest employment growth between November 2020 and November 2021, in rankings among largest MSAs in the nation

53,900

Total jobs gained in Fort Worth-Arlington in 2022

5.6%

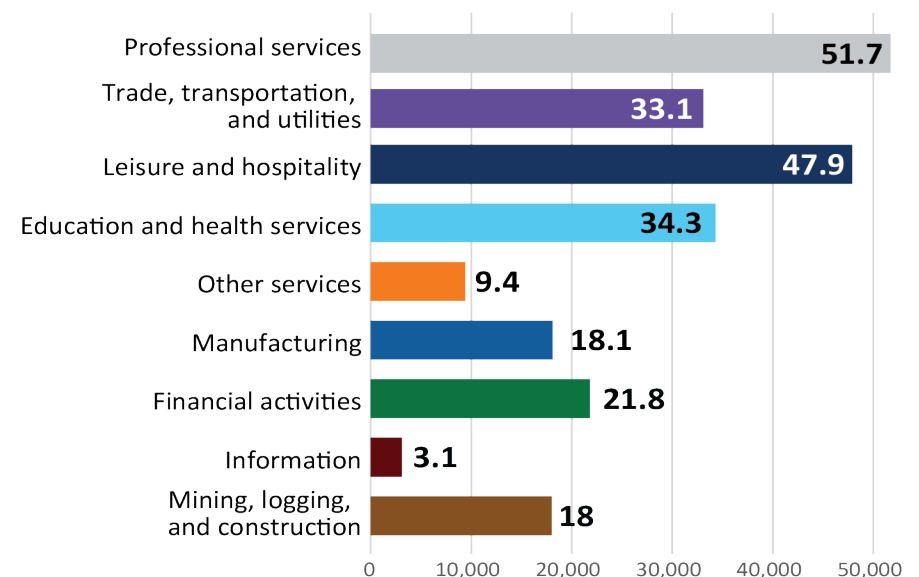
Local rate of job gain

29%

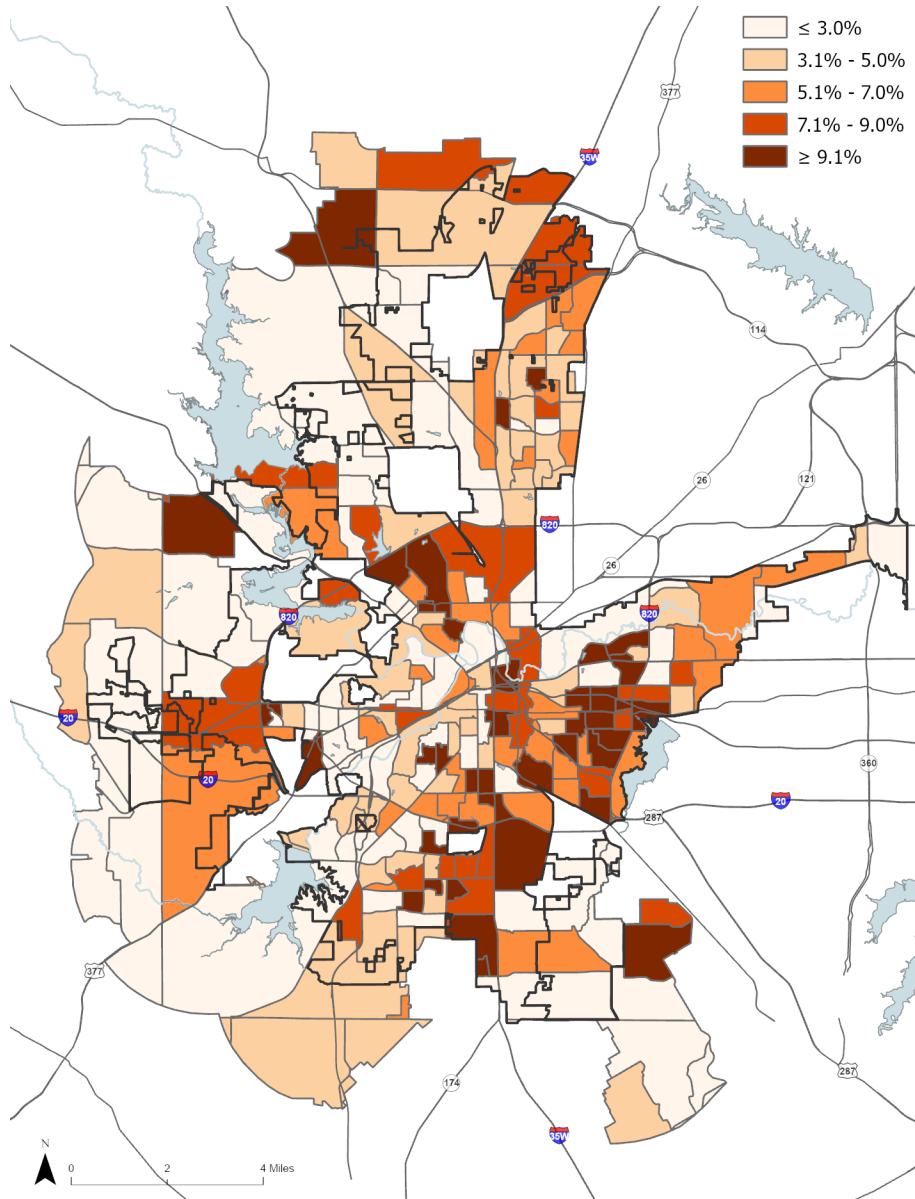
Fort Worth-Arlington share of the greater Dallas-Fort Worth-Arlington MSA's total non-farm employment in 2022

Source: The Perryman Group, Economic Forecast, Fort Worth-Arlington-Grapevine MD, 2022.

INDUSTRY SUPERSECTOR EMPLOYMENT, OVER-THE-YEAR NET CHANGE FOR THE DALLAS METROPOLITAN AREA, 2022



UNEMPLOYMENT RATE



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2017-2021.

Over 2022, all Texas metropolitan areas experienced a decrease in unemployment rates.

3.3%

Unemployment Rate in the D-FW-A Metro Area, 2022

4.4%

Veteran Unemployment Rate, 2022

3.6%

Unemployment Rate Among Those with a High School Diploma

2.3%

Unemployment Rate Among Those with a Bachelor's Degree and Higher

17,500

Women Entering Texas' Labor Force for the First Time in November, 2022

32,200

Men Entering Texas' Labor Force for the First Time in November, 2022

Source: Texas Workforce Commission, 2022.

CHALLENGES, TRENDS & OPPORTUNITIES

The City of Fort Worth continues to successfully adapt to the challenges and many opportunities of a changing economy. National, state, and local economies were hard hit by the 2007-2008 recession and the COVID-19 pandemic. Fort Worth's diverse economy and pro-business stance, close proximity to Alliance and D/FW airports, and to the Interstate 35-corridor have all contributed to its ability to rebound from these economic challenges.

Fort Worth continues to face significant challenges from local and worldwide economic trends. The COVID-19 pandemic radically changed not only the business landscape, but wider development patterns. An unbalanced tax base, major supply chain disruptions, online retail's disruption of brick-and-mortar stores, labor shortages, social equity, climate change, uncertainty in corporate real estate, and increasing competitive pressures within the Dallas-Fort Worth metro area further complicate the picture.

The primary challenges to the Fort Worth economy are the convergence of three major factors:



In light of Fort Worth's monumental growth over the past few years and the various economic disruptions caused by the COVID-19 pandemic, the City of Fort Worth updated the 2017 Economic Development Strategic Plan. The 2022-2026 Update includes a list of Fort Worth's target industries, calls for several bold new initiatives to help Fort Worth build upon its existing foundation, and creates a long-term roadmap for further economic development success.