

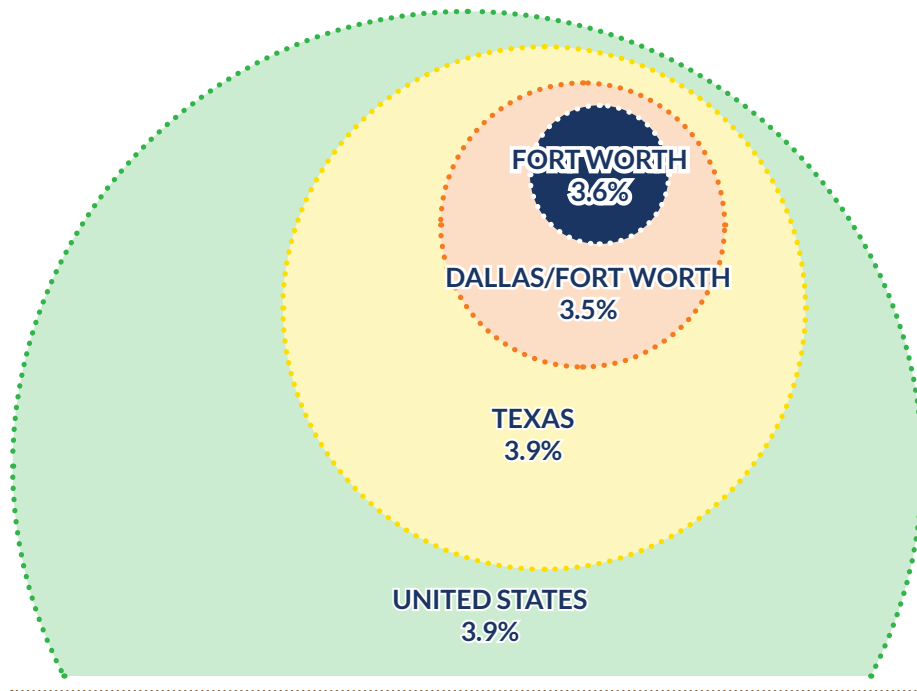


CHAPTER 2

ECONOMIC TRENDS

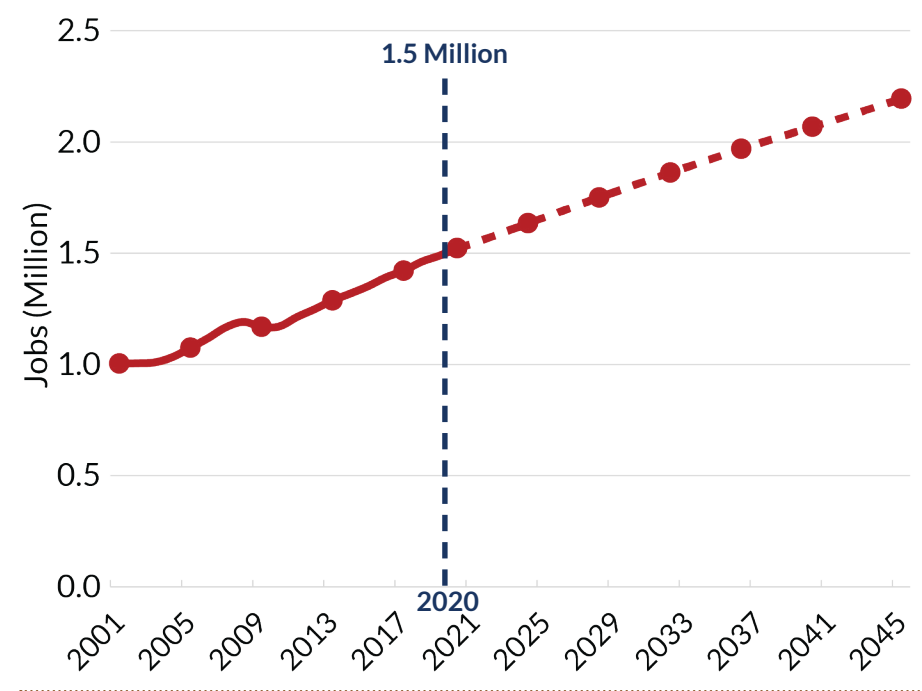
The prosperity of Fort Worth is linked to domestic and international changes. During the 1970s and 1980s, the local economy was driven primarily by a large and successful aerospace and defense industry. Substantial cutbacks in defense contracts prompted the City to begin working towards diversifying its economy in the 1990s, largely through small business development. The result is an economy that is today diversified in many industry sectors such as services, trade, manufacturing, transportation, communication, and construction. This diverse employment base helped Fort Worth weather the recent Great Recession and continue to grow its local economy.

UNEMPLOYMENT RATE - 2018



Source: Texas Workforce Commission, 2018.

TOTAL EMPLOYMENT 2001 - 2045



Source: The Perryman Group, Fort Worth-Arlington-Grapevine, MD, 2019.

2,193,989

PROJECTED TOTAL EMPLOYMENT BY 2045

\$76,000

MEDIAN FAMILY INCOME 2019

\$230,000

MEDIAN HOUSE SALE PRICE 2019

3.6%

UNEMPLOYMENT RATE 2018

SERVICE 22.4%
MANUFACTURING 17.5%
TRADE 15.6%

TOP 3 EMPLOYMENT SECTORS 2019

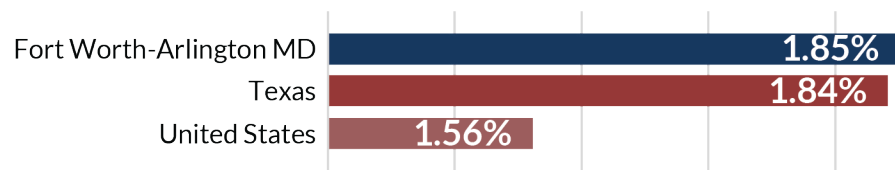
Sources: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2019; HUD, Income Limits, 2019; Texas A&M Real Estate Center, 2019; Texas Workforce Commission, 2018.

PROJECTED INDUSTRY GROWTH THROUGH 2024

INDUSTRY SECTOR	EMPLOYMENT		REAL GROSS PRODUCT	
	ABSOLUTE CHANGE	ANNUAL GROWTH	ABSOLUTE CHANGE	ANNUAL GROWTH
AGRICULTURE	67	0.62% ↑	\$0.005 B	1.33% ↑
MINING	1,315	1.75% ↑	\$2.954 B	5.18% ↑
UTILITIES	146	1.25% ↑	\$0.147 B	2.64% ↑
CONSTRUCTION	3,661	1.13% ↑	\$0.763 B	2.29% ↑
MANUFACTURING	5,840	1.12% ↑	\$4.766 B	4.29% ↑
TRADE	15,726	1.74% ↑	\$4.295 B	3.86% ↑
TRANSPORTATION & WAREHOUSING	8,226	1.83% ↑	\$1.917 B	3.46% ↑
INFORMATION	401	0.73% ↑	\$0.753 B	4.01% ↑
FINANCE, INSURANCE, & REAL ESTATE	5,308	1.57% ↑	\$2.458 B	3.46% ↑
SERVICES	56,600	2.54% ↑	\$6.022 B	4.04% ↑
GOVERNMENT	7,109	0.99% ↑	\$1.254 B	2.18% ↑

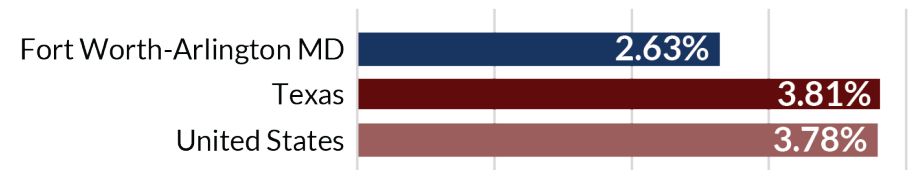
Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2019.

ANNUAL EMPLOYMENT GROWTH 2019-2024



Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2019.

ANNUAL REAL GROSS PRODUCT INCREASE 2019-2024



Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2019.

Growth and development in the Fort Worth-Arlington-Grapevine area is expected to occur at a pace significantly faster than the nationwide rate.

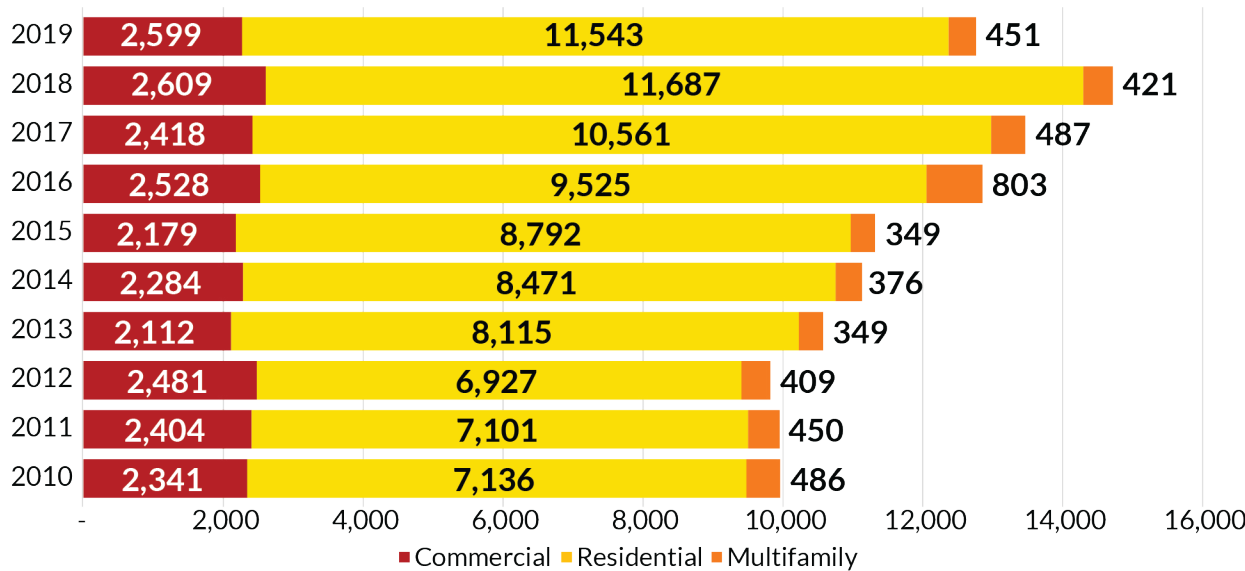
Employment is projected to grow by a little over 104,000 net new positions, led by the services sector. Real gross product is forecast to expand at a 3.78% annual pace, resulting in a gain of about \$25.3 billion by 2024. Key growth sectors are likely to be services, manufacturing, and wholesale and retail trade.

KEY INDICATORS 2019 - 2024

ECONOMIC INDICATOR	2019 LEVEL	2024 LEVEL	FIVE YEAR INCREASE	ANNUAL GROWTH
REAL GROSS PRODUCT	\$124.4 B	\$149.7 B	\$25.3 B	3.78% ↑
REAL PERSONAL INCOME	\$115.9 B	\$138.1 B	\$22.2 B	3.56% ↑
REAL RETAIL SALES	\$38.6 B	\$46.2 B	7.6 B	3.65% ↑
EMPLOYMENT	1.1 M	1.2 M	104.4 TH	1.85% ↑

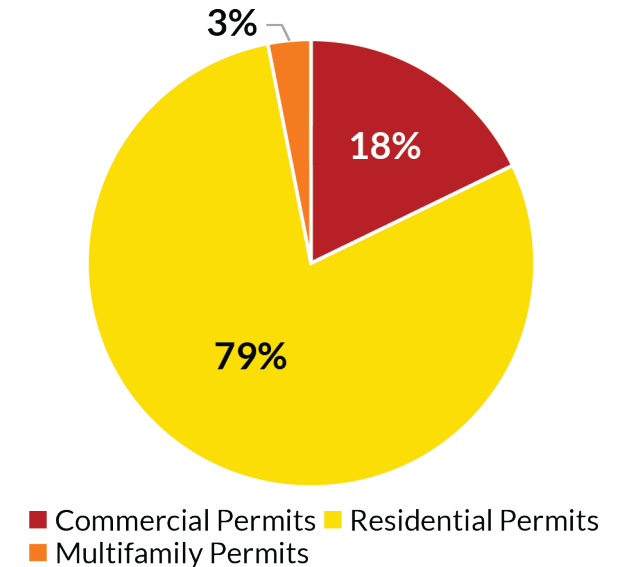
Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2019.

FORT WORTH BUILDING PERMITS 2010 - 2019

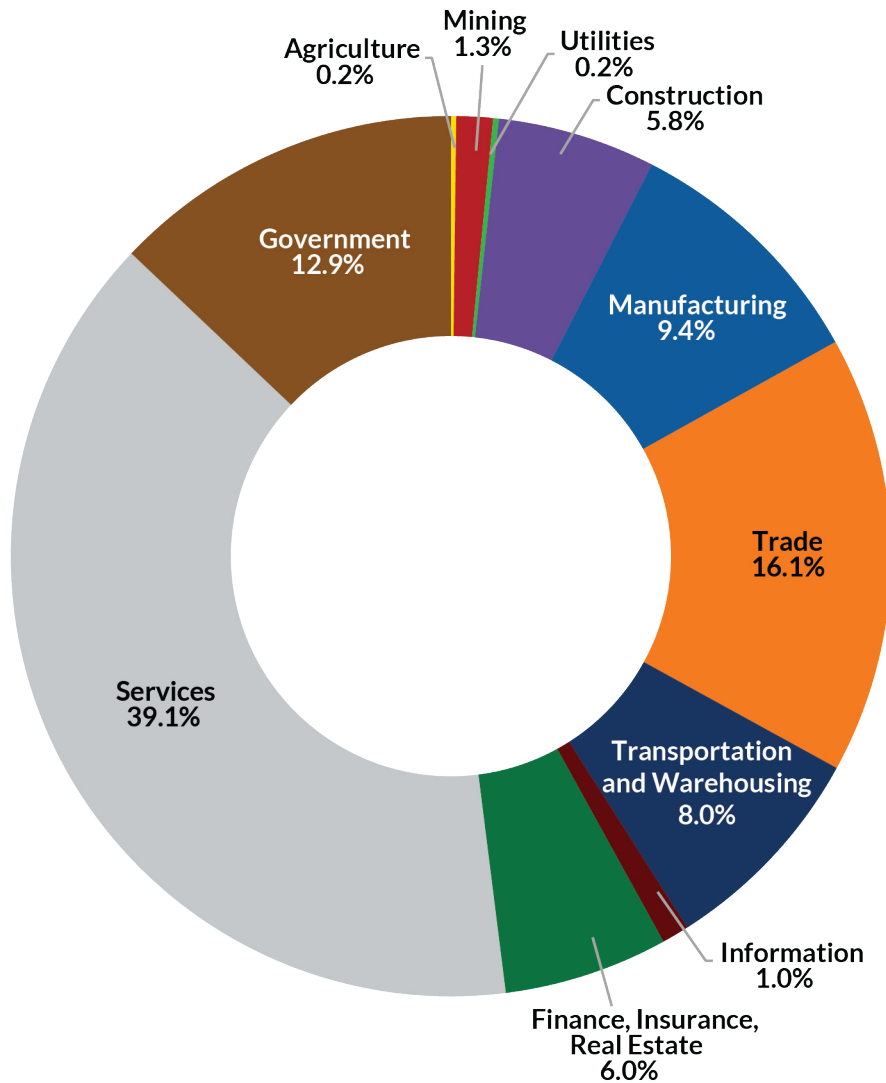


Source: City of Fort Worth, Development Services Department, 2019.

FORT WORTH BUILDING PERMITS 2019

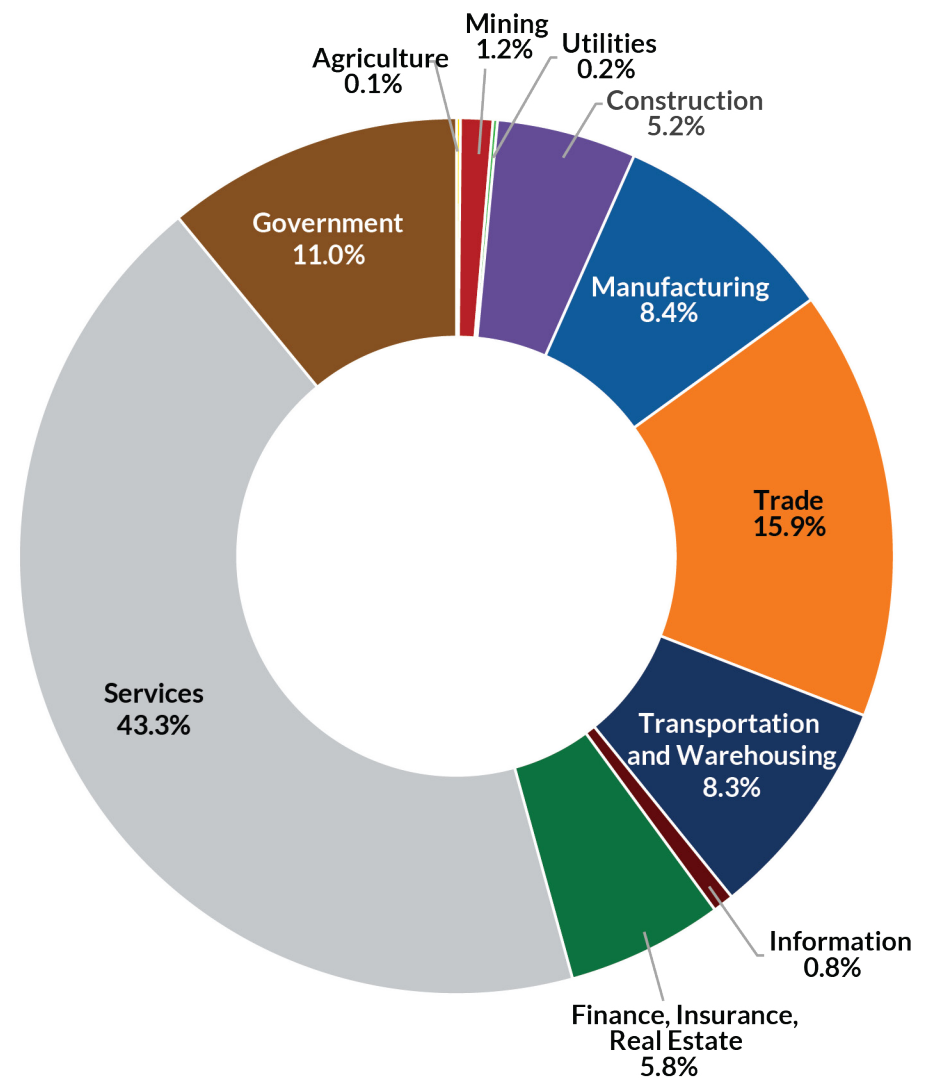


2019 EMPLOYMENT BY INDUSTRIAL SECTOR



Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2019.

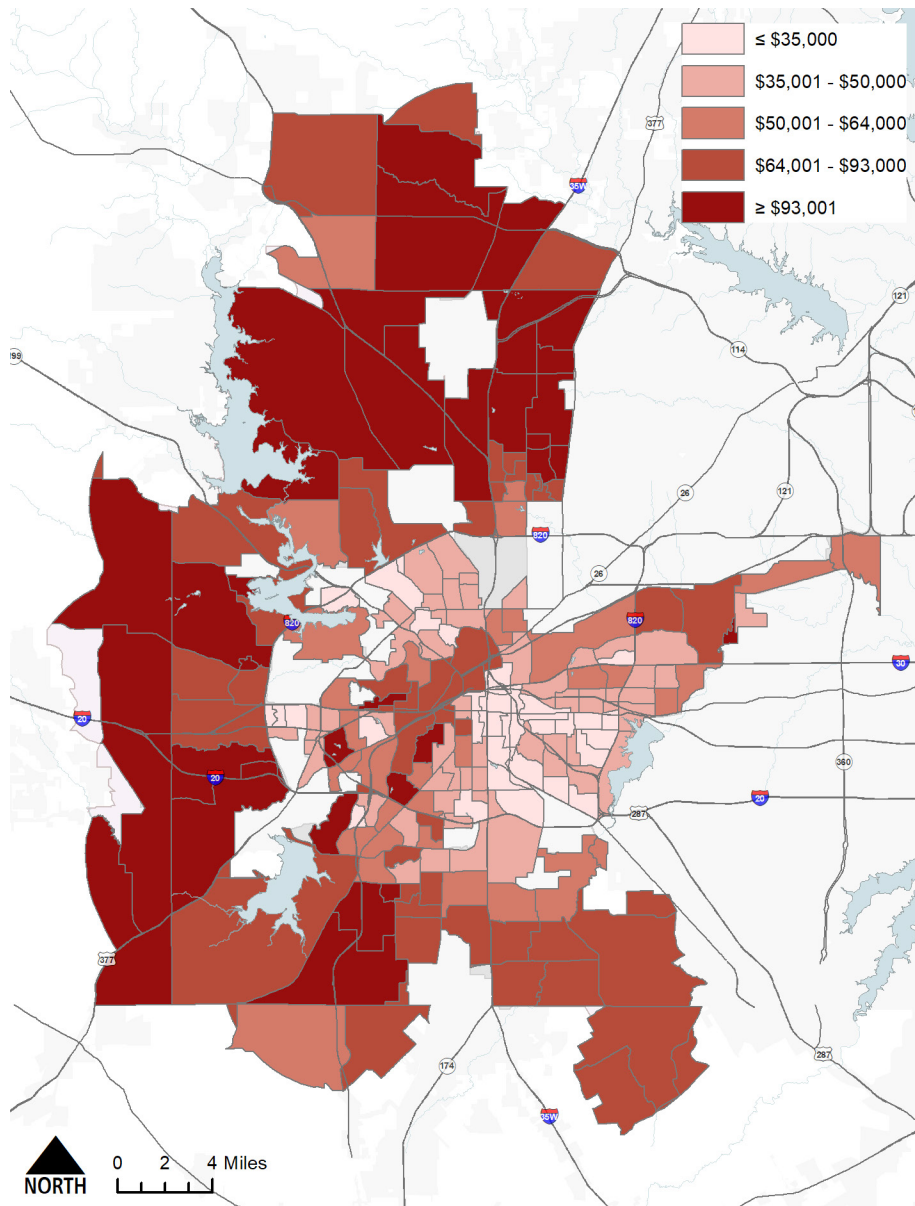
2045 PROJECTED EMPLOYMENT BY INDUSTRIAL SECTOR



Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2019.

The Fort Worth-Arlington-Grapevine area continues to see economic growth. The region's manufacturing and transportation and logistics businesses form a solid basis for expansion over an extended time horizon. 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 locations and expanded operations.

MEDIAN HOUSEHOLD INCOME

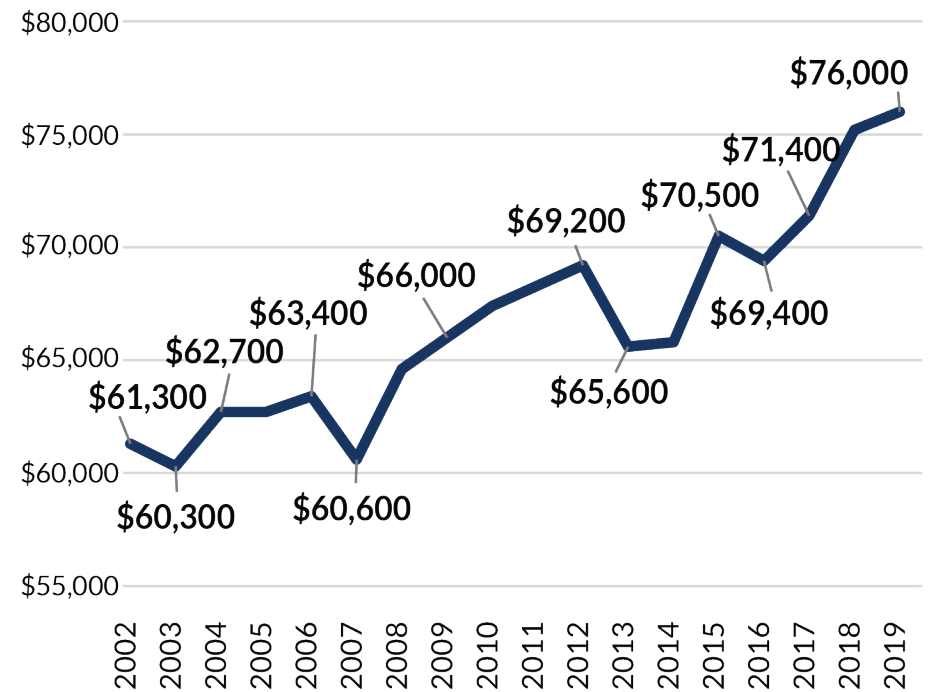


Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2014-2018.

Median household incomes remain highest in the Downtown, Arlington Heights, TCU/Westcliff, Far North, Far Northwest, Far West, Far South, Far Southwest and parts of the Eastside sectors.

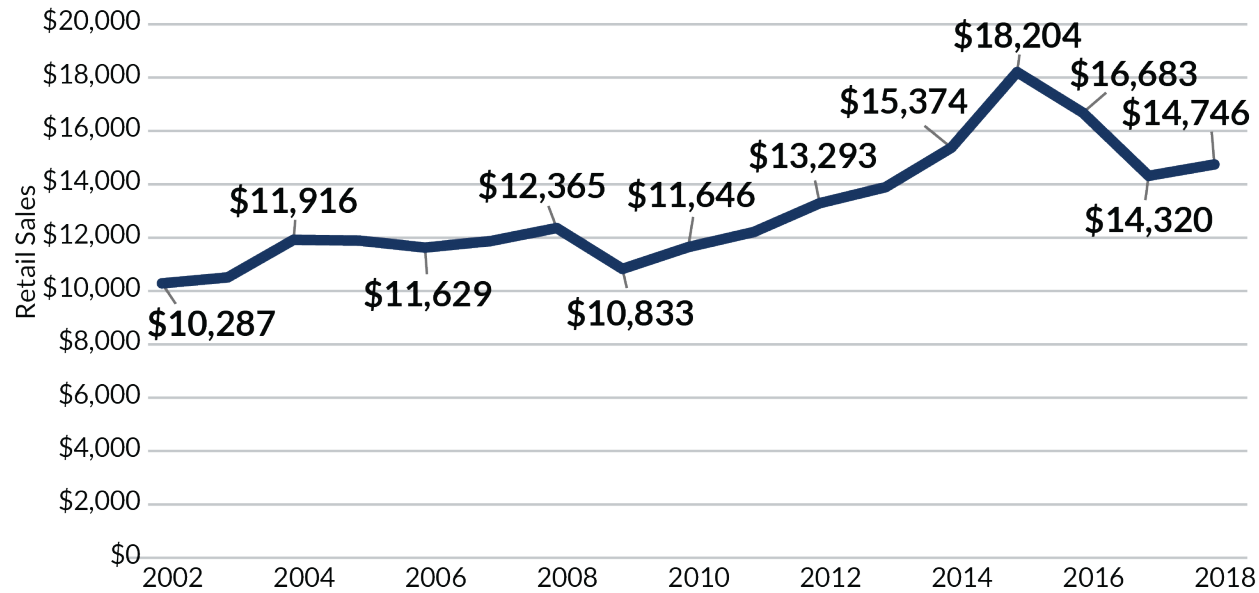
Median family income for the Fort Worth-Arlington HUD Metro Fair Market Rent (FMR) Area increased from \$61,300 to \$76,000 between 2002 and 2019, an average annual increase of about 1.3% over the 17-year period.

MEDIAN FAMILY INCOME 2003 - 2019



Source: HUD, Income Limits, 2019; Fort Worth-Arlington Metropolitan Fair Market Rent Area, 2019.

RETAIL SALES PER PERSON - 2003 - 2017



In 2018, per capita retail sales in Fort Worth totaled \$14,746 per person, a 3 percent increase from 2017, and lower than the Fort Worth-Arlington-Grapevine MD retail sales of \$15,425 and the Dallas-Plano-Irving MD, which had a per capita retail sales figure of \$16,078.

Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2018.

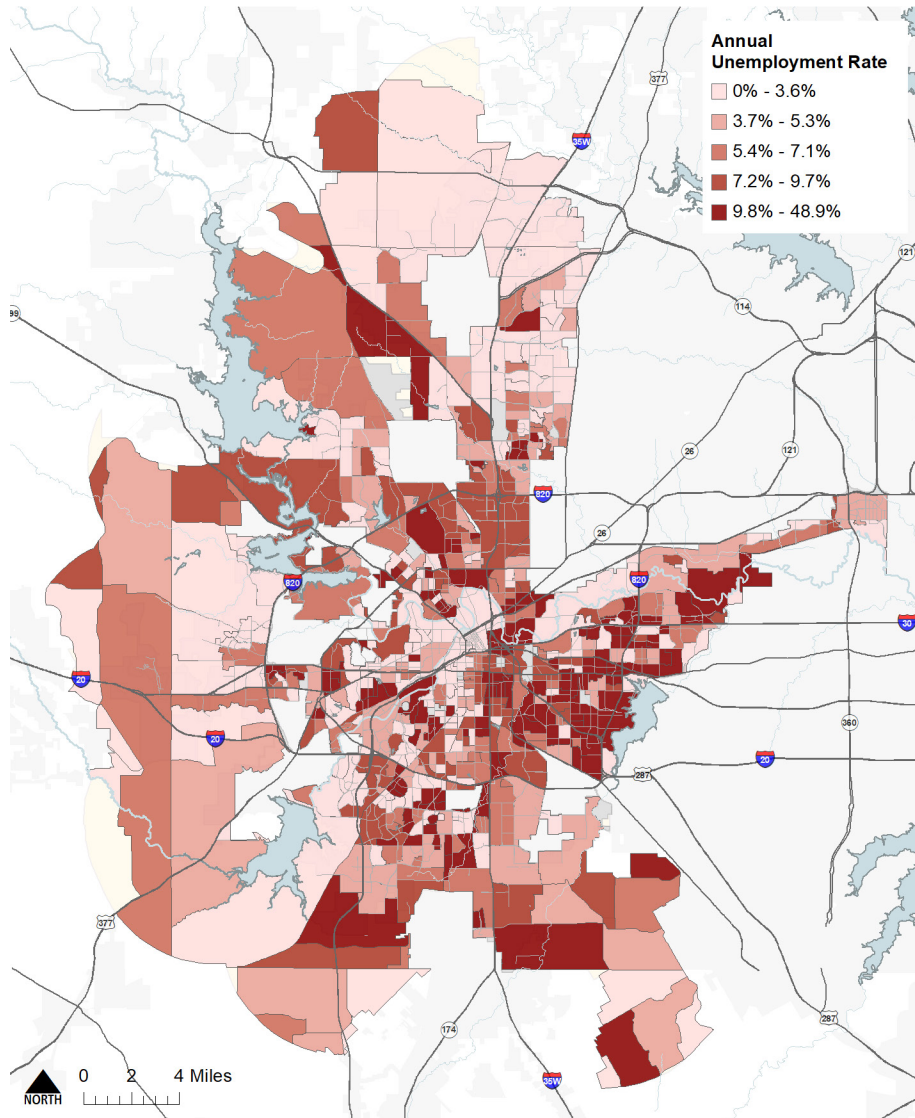
Source: Texas Comptroller of Public Accounts and U.S. Census Bureau, 2018.

INFLOW/OUTFLOW FOR CITY OF FORT WORTH - 2017



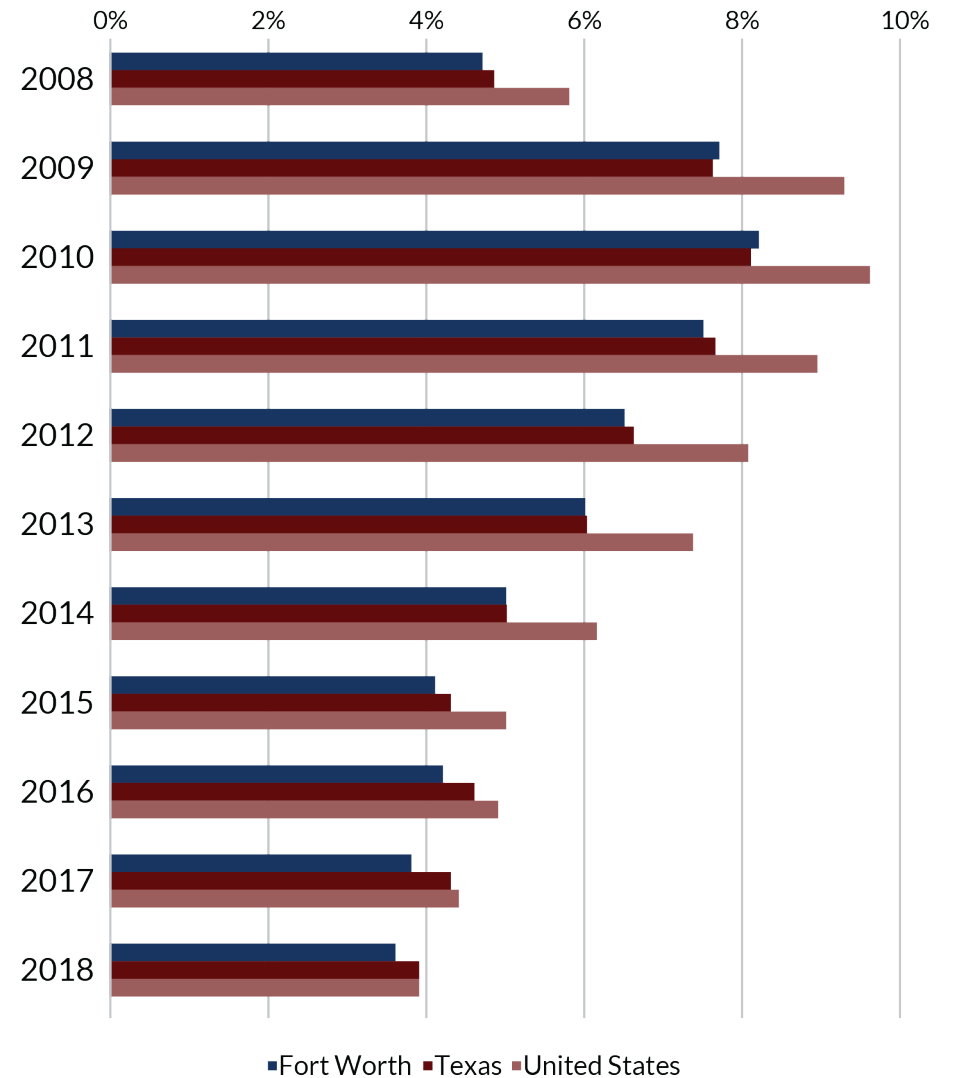
Source: U.S. Census Bureau, OnTheMap Application, 2017.

ANNUAL UNEMPLOYMENT RATE



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2014-2018.

ANNUAL UNEMPLOYMENT RATE 2008 - 2018



Source: Texas Workforce Commission, 2018.

Fort Worth's unemployment rate experienced a spike from 2009 to 2010 due to the national recession, but rates began falling in 2011. The State of Texas and the City of Fort Worth have experienced lower unemployment rates than the nation as a whole during the recession and subsequent economic recovery.

CHALLENGES AND OPPORTUNITIES

The changing economy provides Fort Worth with several challenges and many opportunities. The national, state, and local economies emerged from the 2007-2008 recession. Fort Worth fared well during this time due to its diverse economy and its close proximity to Alliance and D/FW airports and the Interstate 35 corridor. In addition, the community's pro-business stance has helped diversify the Fort Worth economy.

In late 2017, Fort Worth completed its first economic development strategic plan, aimed at enhancing the city's status in the region and nation over the next five years and beyond. The plan's key findings are listed below.

- Fort Worth is the fastest growing, among the 20 largest US cities.
- Fort Worth has relatively low external visibility among large US cities, but has unique assets available to raise the city's profile.
- The city has a vast reserve of land to drive growth, but residential uses dominate the tax base.
- The city's jobs-housing balance is eroding.
- Fort Worth residents are increasingly dependent on jobs in other cities.
- Dallas-Fort Worth is a talent magnet, drawing new residents from across the US.
- Fort Worth has districts at different stages, which can drive economic development.
- Investment in the urban core (downtown & surrounding areas) benefits the entire city.
- Fort Worth has key occupational strengths:
 - General: transportation, installation, production
 - Specific: aerospace & geotechnical engineering

The policies and programs of the City must be continuously examined to ensure that they help mitigate the impacts of economic downturns, while promoting and enhancing Fort Worth's economic strengths to position Fort Worth to compete successfully on the national and international stage for creative, high growth businesses and the talented individuals who fuel them.