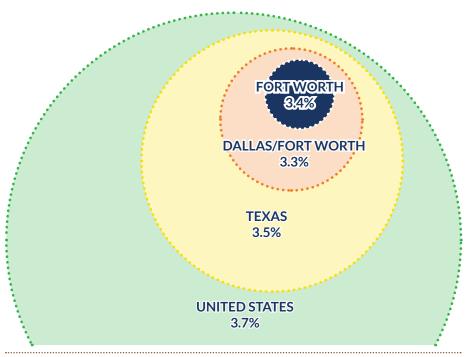


# CHAPTER 2 ECONOMIC TRENDS

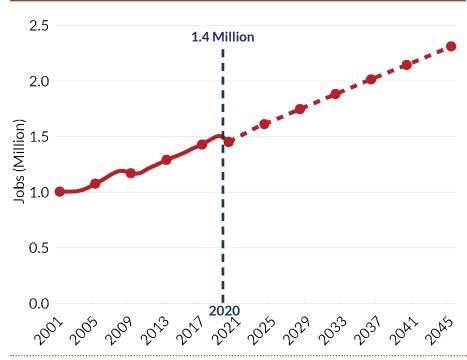
The prosperity of Fort Worth is linked to domestic and international changes. During the 1970s and 1980s, the local economy was driven primarily by a large and successful aerospace and defense industry. Substantial cutbacks in defense contracts prompted the City to begin working towards diversifying its economy in the 1990s, largely through small business development. The result is an economy that is 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 will contribute to Fort Worth's ability to rebound from economic declines due to the 2020 Coronavirus (COVID-19) pandemic. Fort Worth's robust economic growth is expected to continue.

## **UNEMPLOYMENT RATE, 2019**



Source: Texas Workforce Commission, 2020.

## **TOTAL EMPLOYMENT, 2001 - 2045**



Source: The Perryman Group, Fort Worth-Arlington-Grapevine, MD, 2020.

3.4%

UNEMPLOYMENT RATE, 2019

2,301,398

PROJECTED TOTAL EMPLOYMENT BY 2045

\$81,500

MEDIAN FAMILY INCOME, 2020

TOP 3 EMPLOYMENT SECTORS, 2019

SERVICE	22.4%
MANUFACTURING	17.5%
TRADE	15.6%

Sources: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2020; HUD, Income Limits, 2020.

#### **KEY INDICATORS, 2001 - 2025**

ECONOMIC INDICATOR	2020 LEVEL	2025 LEVEL	FIVE YEAR INCREASE	ANNUAL GROWTH
REAL GROSS PRODUCT	\$129.2 B	\$160.3 B	\$31.1 B	4.41% 👚
REAL PERSONAL INCOME	\$123.1 B	\$149.5 B	\$26.4 B	3.96% 👚
REAL RETAIL SALES	\$34.9 B	\$42.8 B	7.9 B	4.15%
EMPLOYMENT	1.0 M	1.2 M	128.0 TH	2.34% 👚

Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2020.

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 roughly 128,000 net new positions, led by the services sector.

Real gross product is forecast to expand at a 4.41% annual pace, resulting in a gain of about \$31.1 billion by 2025. Key growth sectors are likely to be mining, services, and manufacturing.

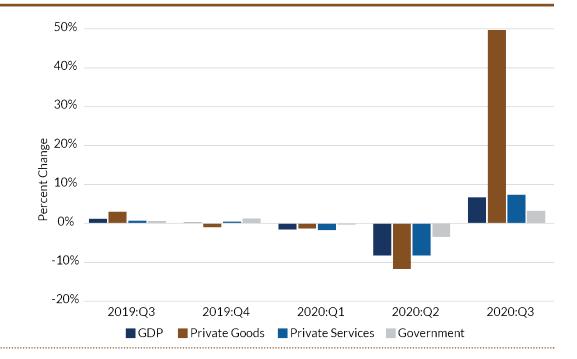
The economic indicators in the table are real variables, which are adjusted for the effects of inflation.

#### **REAL GROSS DOMESTIC PRODUCT BY INDUSTRY - TEXAS**

Texas's Real Gross Domestic Product (GDP) third quarter 2020 activity indicates a rebound from the COVID-19 pandemic impacted economic declines seen in the second quarter of 2020. Economic activity is expected to continue as the impact of the COVID-19 pandemic dissipates.

#### **TOP SECOND QUARTER 2020 DECLINES BY INDUSTRY**

Private Goods	
Agriculture, forestry, fishing, and hunting	37.3%
Mining, quarrying, and oil and gas extraction	13.2%
Durable goods (e.e. cars, appliances, etc.)	9.1%
Private Services	
Arts, entertainment, and recreation	31.1%
Accomodation and foor services	31.0%
Transportation and warehousing	14.7%
Government	
State and local	3.6%



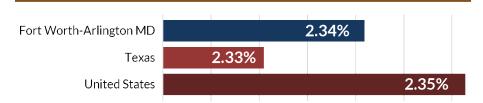
Source: U.S. Bureau of Economic Analysis, 2020.

## PROJECTED INDUSTRY GROWTH THROUGH 2025

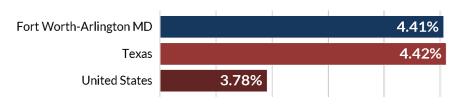
INDUSTRY SECTOR	EMPLOYMENT		REAL GROSS PRODUCT	
INDUSTR'I SECTOR	ABSOLUTE CHANGE	ANNUAL GROWTH	ABSOLUTE CHANGE	ANNUAL GROWTH
AGRICULTURE	145	1.41%	\$0.003 B	2.12%
MINING	3,357	5.72%	\$8.852 B	8.92%
UTILITIES	134	1.08%	\$0.129 B	2.47%
CONSTRUCTION	5,531	1.78%	\$0.847 B	2.64%
MANUFACTURING	7,802	1.54%	\$4.472 B	3.88%
WHOLESALE & RETAIL TRADE	15,268	1.75%	\$3.732 B	3.76%
TRANSPORTATION & WAREHOUSING	8,646	1.88%	\$1.904 B	3.46%
INFORMATION	522	1.00%	\$0.777 B	4.30%
FINANCE, INSURANCE, & REAL ESTATE	4,865	1.41%	\$2.600 B	3.27%
SERVICES	76,446	3.56%	\$6.717 B	4.70%
GOVERNMENT	5,289	0.75%	\$1.112 B	1.92%

Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2020.

## ANNUAL EMPLOYMENT GROWTH, 2020 - 2025



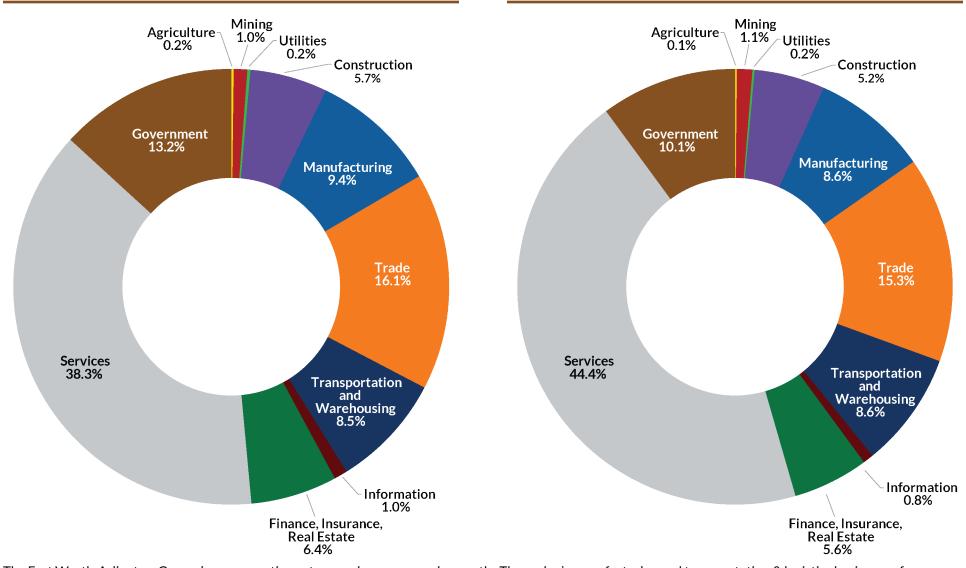
# ANNUAL REAL GROSS PRODUCT INCREASE, 2020 - 2025



Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2020.

#### **EMPLOYMENT BY SECTOR, 2020**

#### PROJECTED EMPLOYMENT BY SECTOR, 2045



The Fort Worth-Arlington-Grapevine area continues to experience economic growth. The region's manufacturing and transportation & 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 business locations and expanded operations.

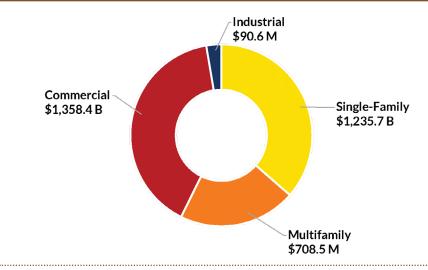
Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD, 2020.

#### **GROWTH AND DEVELOPMENT**

Fort Worth's building permit data indicate historic and current growth trends. 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 been relatively stable, with modest increases since 2016. Multifamily building permits have fluctuated over the past ten years, with 2016 showing the highest level activity over the last decade.

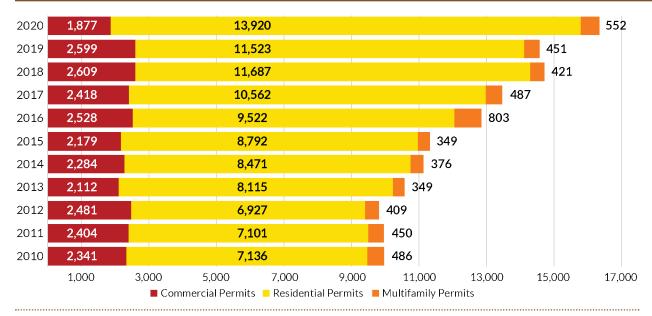
The value of all permits in 2020 totaled more than \$4.3 billion, an increase of 3.6 percent from the 2019 value of \$4.2 billion.

#### FORT WORTH BUILDING PERMITS VALUE, 2020



Source: City of Fort Worth, Development Services Department, 2020.

## FORT WORTH BUILDING PERMITS, 2010 - 2020



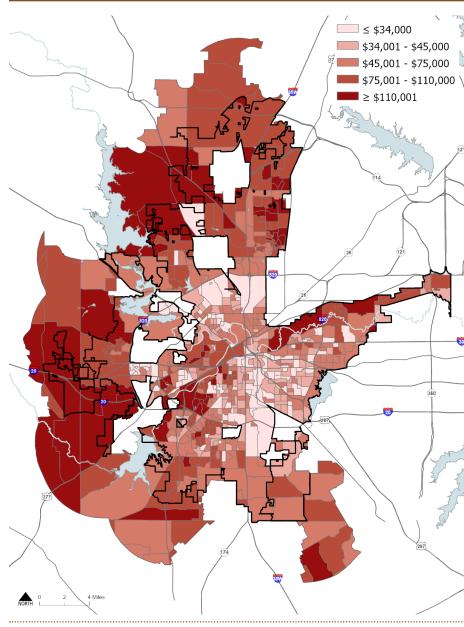
Source: City of Fort Worth, Development Services Department, 2020.



Single-family residential development continues to increase in response to Fort Worth's rising population growth.

Single-family infill housing in Central City. (Source: City of Fort Worth.)

#### MEDIAN HOUSEHOLD INCOME

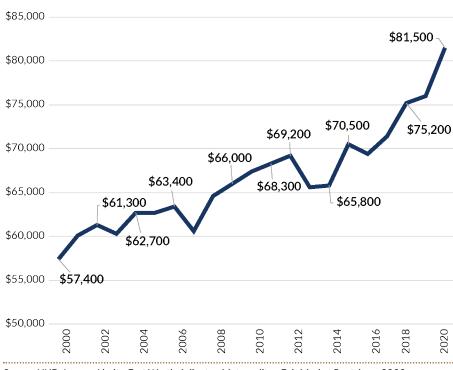


Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2015-2019.

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 \$57,400 to \$81,500 between 2000 and 2020, an average annual increase of about 1.8% over the 20-year period.

## MEDIAN FAMILY INCOME, 2000 - 2020



Source: HUD, Income Limits, Fort Worth-Arlington Metropolitan Fair Market Rent Area, 2020.

#### RETAIL SALES PER PERSON, 2002 - 2019



In 2019, per capita retail sales in Fort Worth totaled \$14,828 per person, a 0.22 percent increase from 2018, lower than the Fort Worth-Arlington-Grapevine MD retail sales of \$16,625 and the Dallas-Plano-Irving MD, which had a per capita retail sales figure of \$17,549.

Source: The Perryman Group, Fort Worth-Arlington-Grapevine MD. 2020.

Source: Texas Comptroller of Public Accounts and U.S. Census Bureau, 2019.

#### **INFLATION**

Between 2002 and 2019, the average growth rate of per capita retail sales in Fort Worth remained flat at less than one percent, an indication of stagnant wages.

Per Capita Retail Sales Inflation Adjusted Average Growth Rate: 0.6%



2002 2010

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. The CPI measures inflation, the escalation of prices of consumer goods.

Source: U.S. Bureau of Labor Statistics, 2020, Texas Comptroller of Public Accounts, and U.S. Census Bureau, 2019.

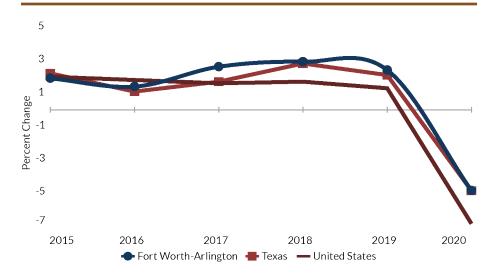
#### **EMPLOYMENT CHANGE**

Since 2015, the employment figures for the Fort Worth-Arlington area generally trended above Texas and the United States. During this same time period, the year over year percent change ranged between 1.4 percent to 2.9 percent until 2020. Beginning in the first quarter of 2020, employment figures at all levels began trending downward, primarily due to the impact of the Coronavirus (COVID-19) pandemic. The employment decline was -4.9 percent for the Fort Worth-Arlington area and Texas. At the national level, the employment decline was -6.9 percent.

According to the U.S. Bureau of Labor Statistics (BLS), the total nonfarm employment in the Dallas-Fort Worth-Arlington Metropolitan Statistical Area (MSA) stood at 3,657,500 in August 2020, down 140,300 from one year earlier, representing a 3.7 percent decline compared to the national decline of 7.0 percent. This was the fifth consecutive month of decline according to the BLS data. Additionally, the Dallas-Fort Worth-Arlington MSA had the second-slowest rate of job loss among the 12 largest metropolitan areas in the country, as 10 of the 12 areas had greater percentage losses according to the BLS.

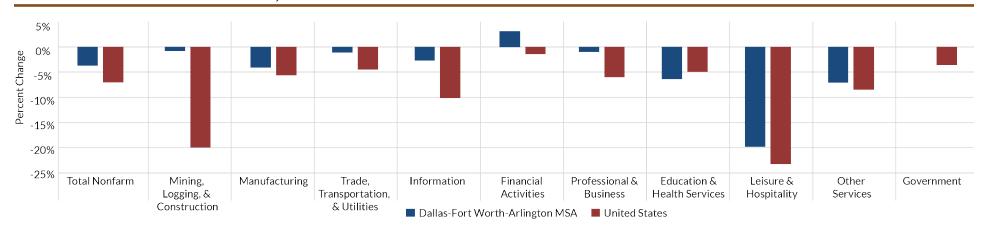
The Dallas-Fort Worth-Arlington MSA consists of two metropolitan divisions — separately identifiable employment centers within the larger metropolitan area. The employment declines since 2019 for the area's metropolitan divisions (MD) are listed below.

## **EMPLOYMENT CHANGE, 2015 - 2020**



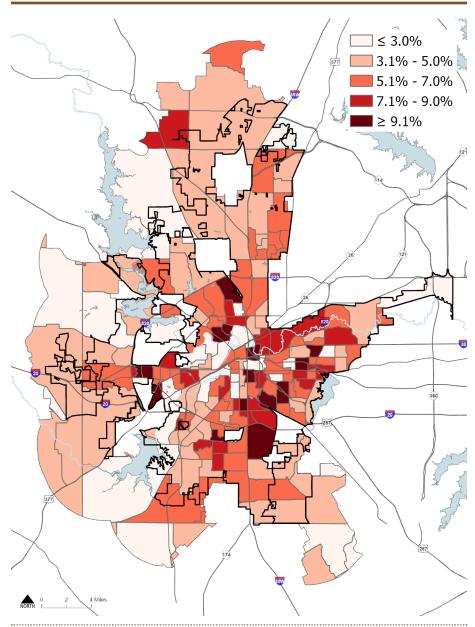
		EMPLOYMENT DECLINE	
	% Area's Workforce	#	%
Dallas-Plano-Irving MD	72%	84,100	3.1%
Fort Worth-Arlington MD	28%	56,200	5.1%

## **EMPLOYMENT CHANGE BY INDUSTRY, YEAR OVER YEAR 2019**



Source: U.S. Bureau of Labor Statistics, 2020.

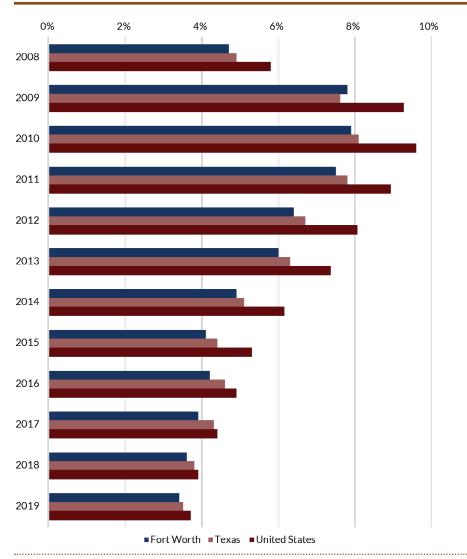
## **UNEMPLOYMENT RATE**



Source: U.S. Census Bureau, American Community Survey 5-Year Estimates, 2015-2019.

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 experienced lower unemployment rates than the nation as a whole during the recession and subsequent economic recovery.

## **ANNUAL UNEMPLOYMENT RATE, 2008 - 2019**



Source: Texas Workforce Commission, 2020.

# **CHALLENGES AND OPPORTUNITIES**

#### **CHALLENGES AND OPPORTUNITIES**

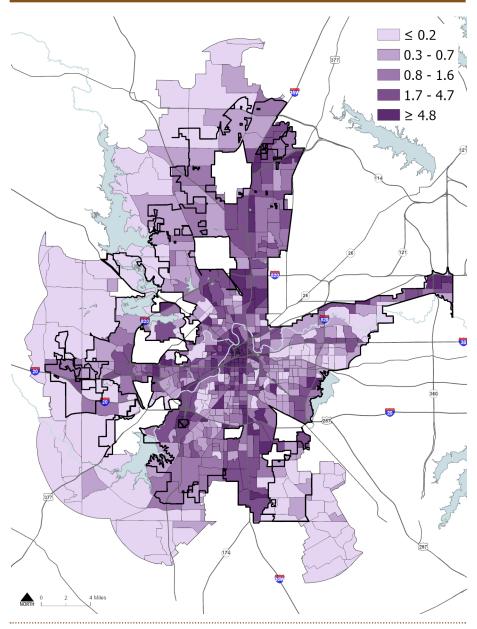
The changing economy provides Fort Worth with several challenges and many opportunities. The national, state, and local economies emerged from the 2007-2008 recession and are expected to rebound from the COVID-19 pandemic. Fort Worth's diverse economy and its close proximity to Alliance and D/FW airports and the Interstate 35 corridor have contributed to its past and current ability to rebound from economic challenges. 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.

### PROJECTED EMPLOYMENT GROWTH PER ACRE, 2010 - 2045



Source: North Central Texas Council of Governments, 2015.