



# U.S. Macro & Regional Outlook

HIREBA

April 30, 2025

# Overview

- Texas Housing Market
- The Texas Growth Miracle
- Economic Outlook

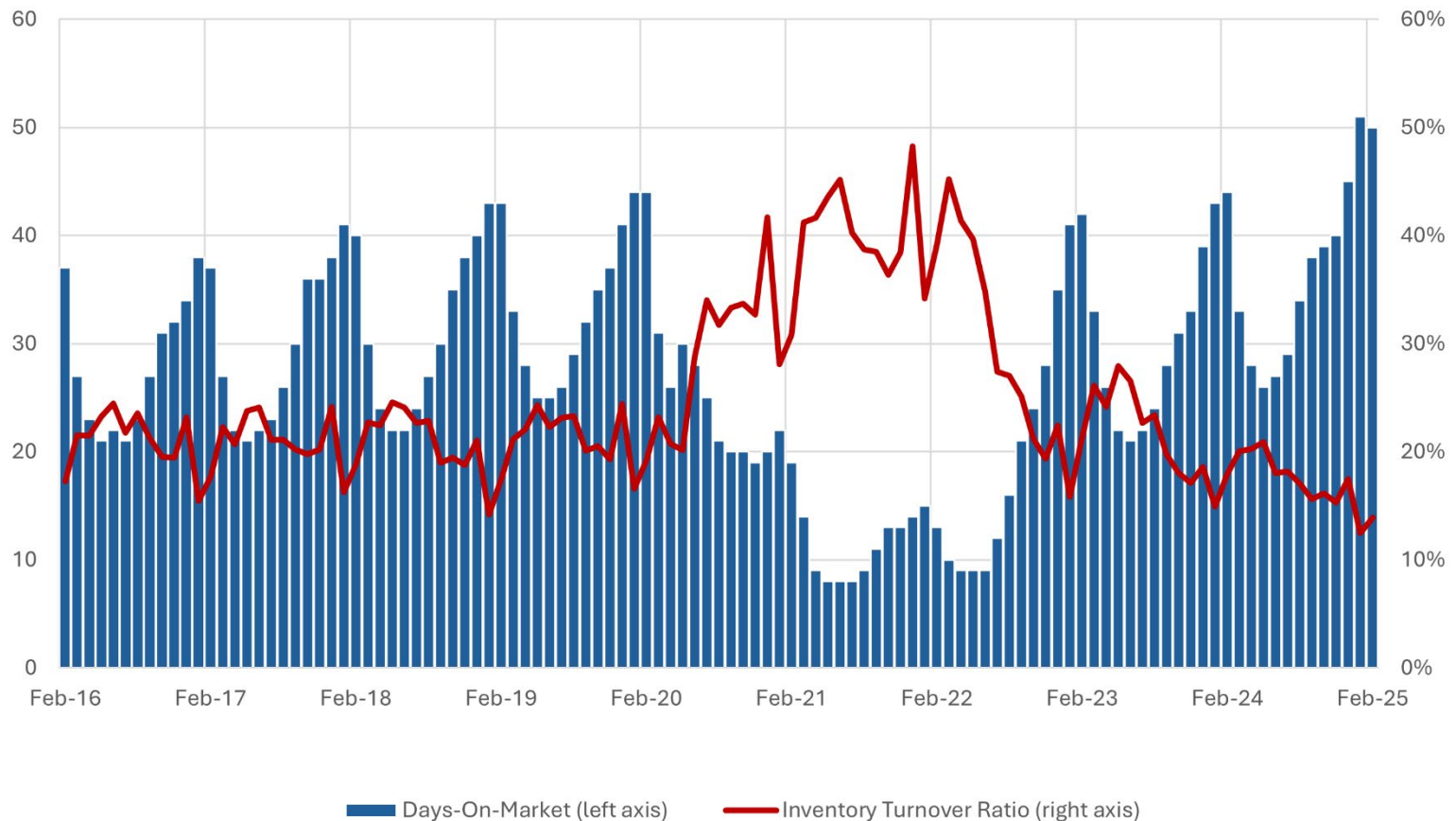
# Texas Housing Market



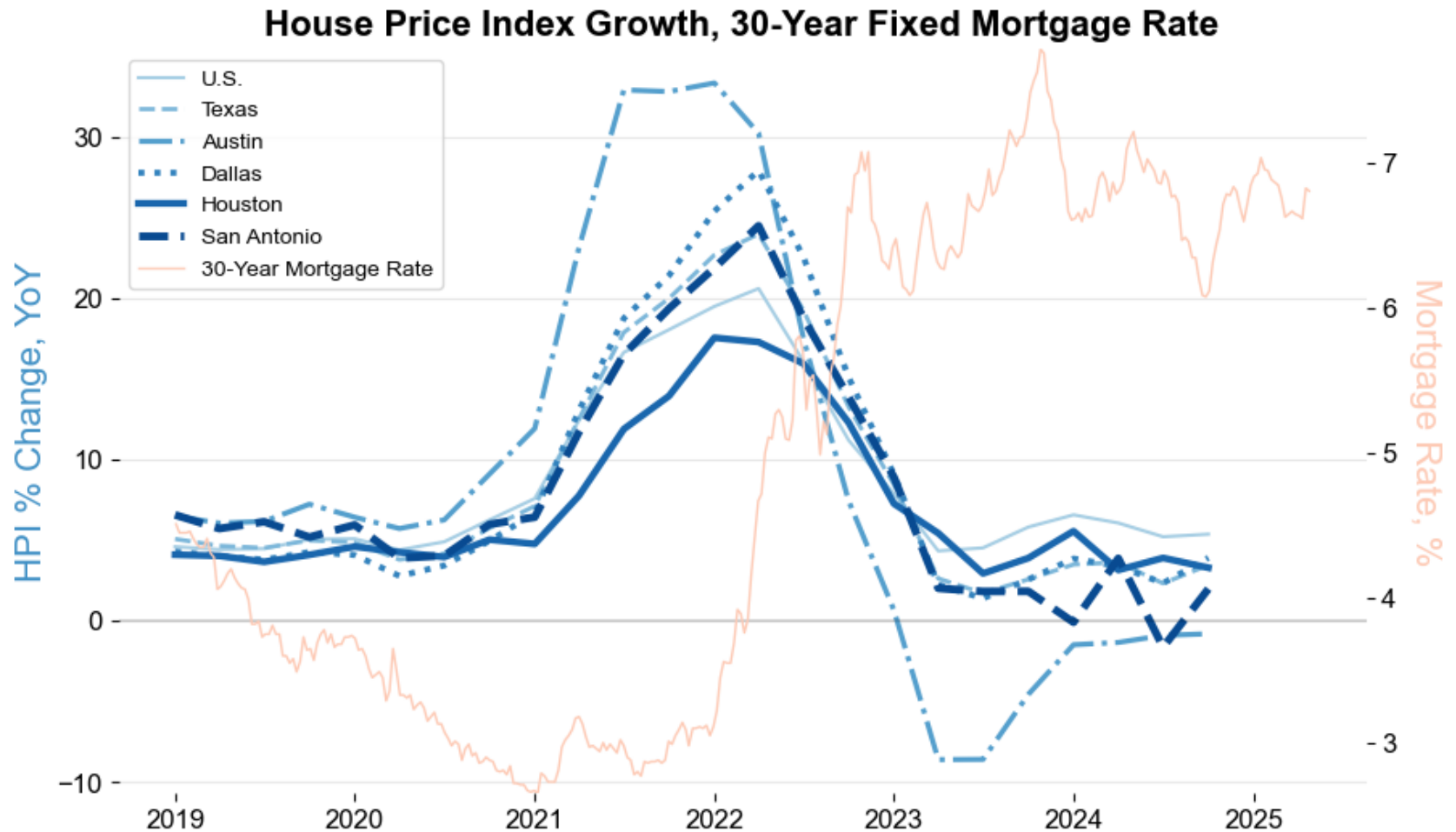
# Housing Market

- Inventory rising
  - Listings rising
  - Sales declining
- Deeply impacted by interest rates
- Varies by geography

# Texas Housing: Days on Market



# Impact of Interest Rates

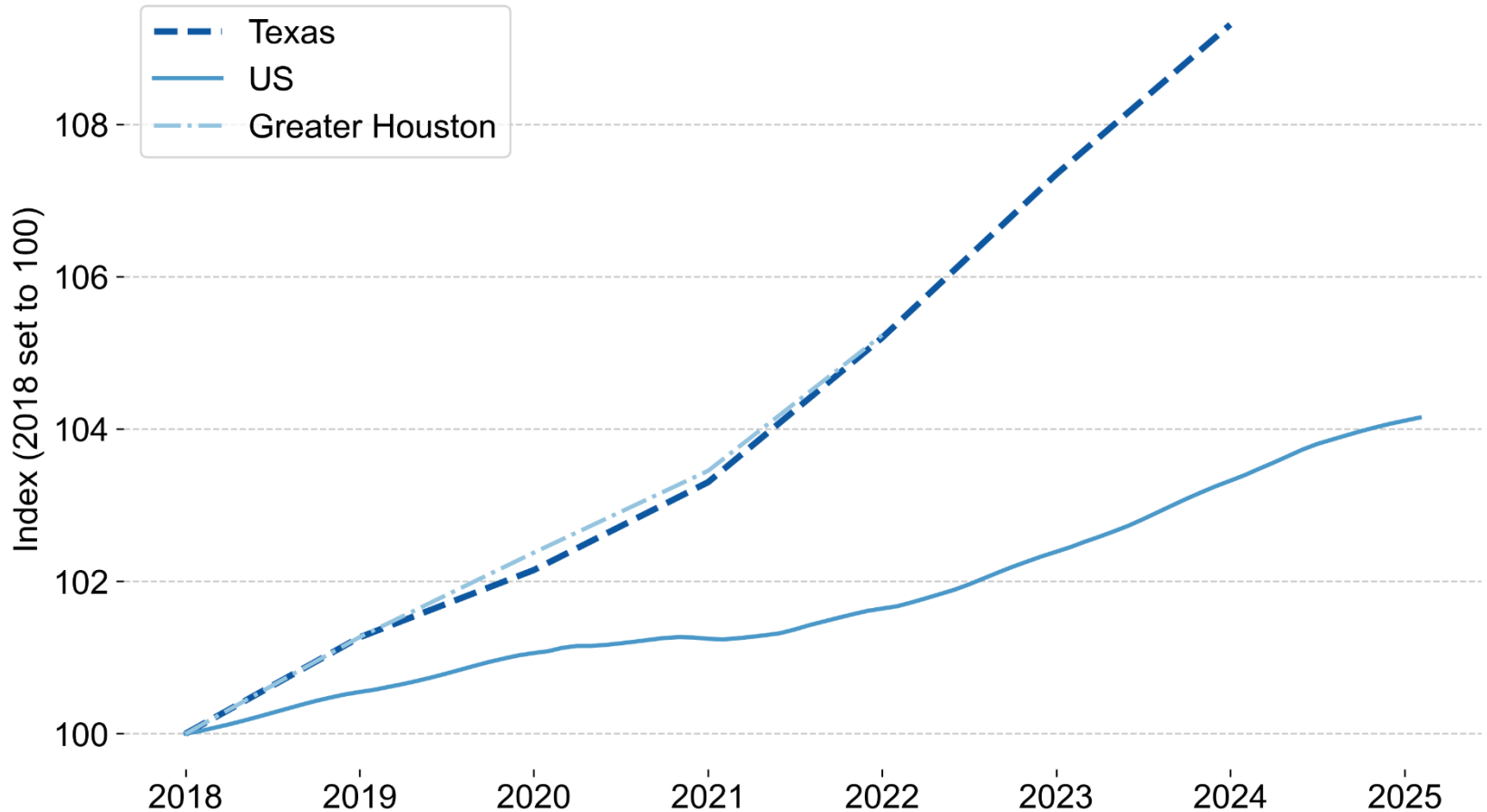


# The Texas Growth Miracle



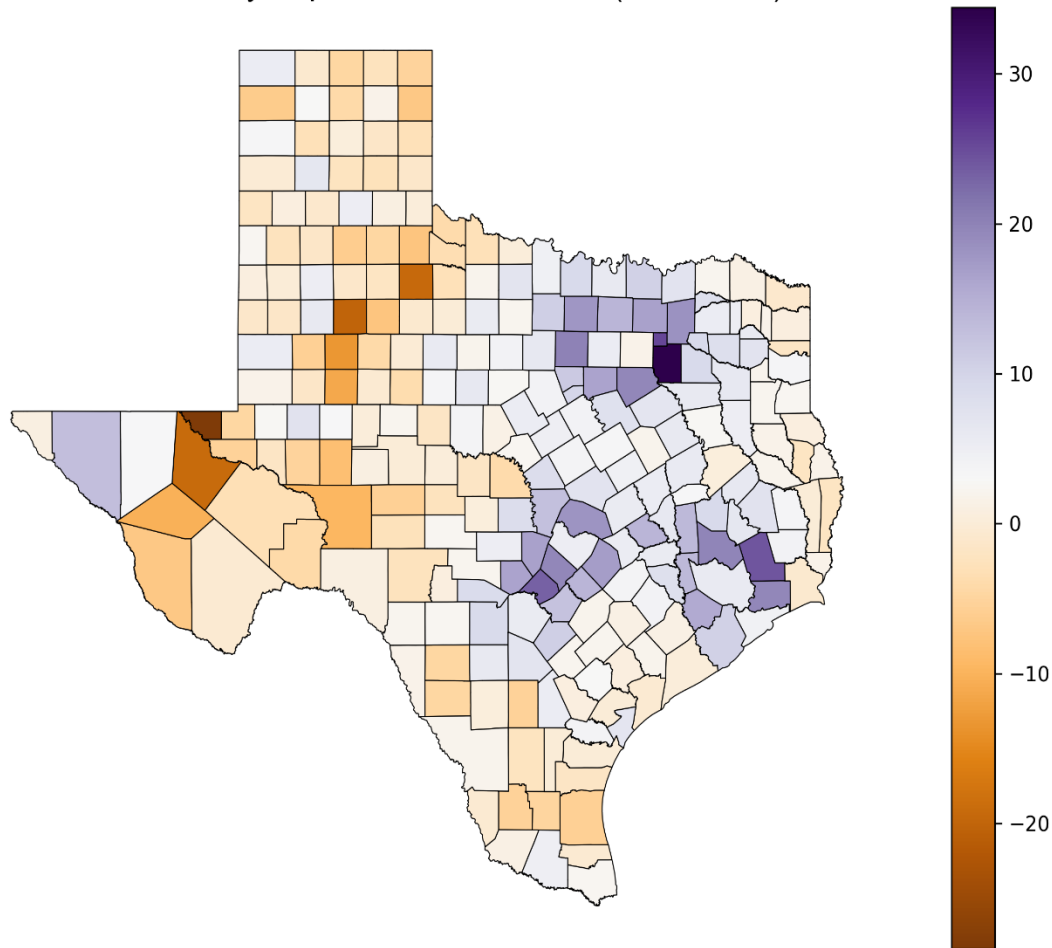
# Population Growth

Population Growth (2018-2025)



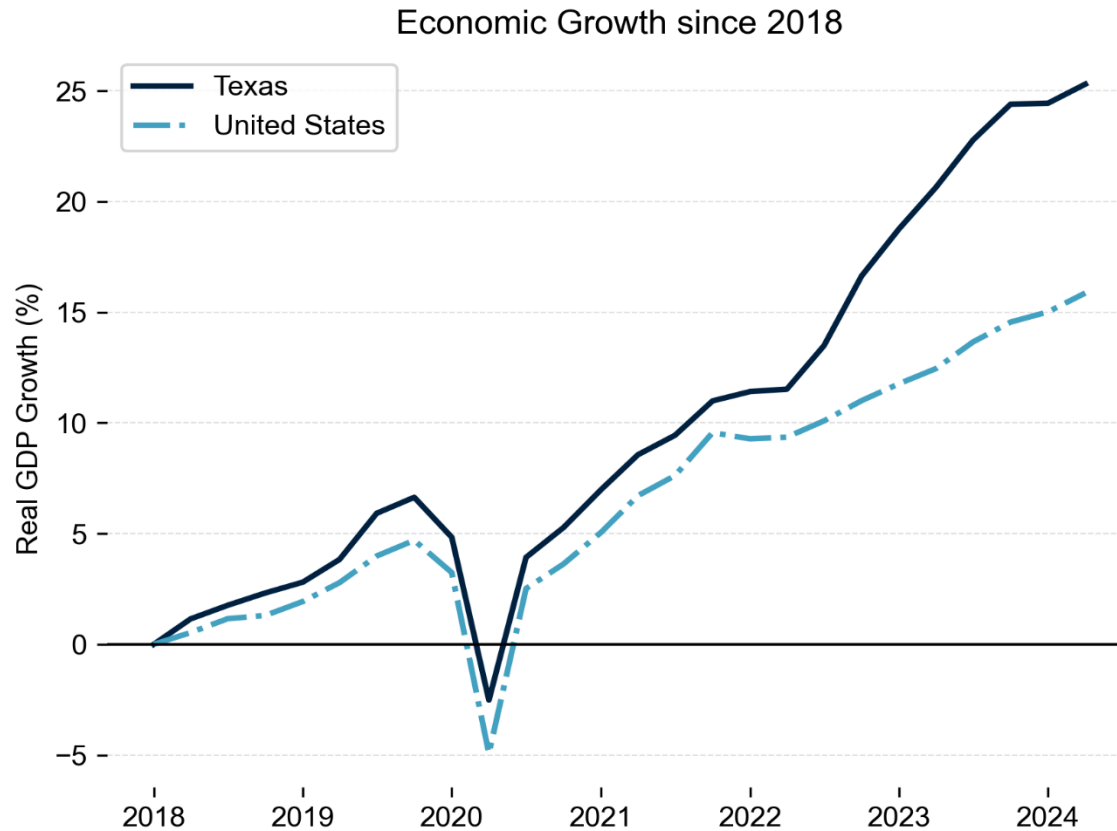
# Texas Regional Growth

Texas County Population Growth Rate (2020-2024)



Source: U.S. Census data and Author's calculations.

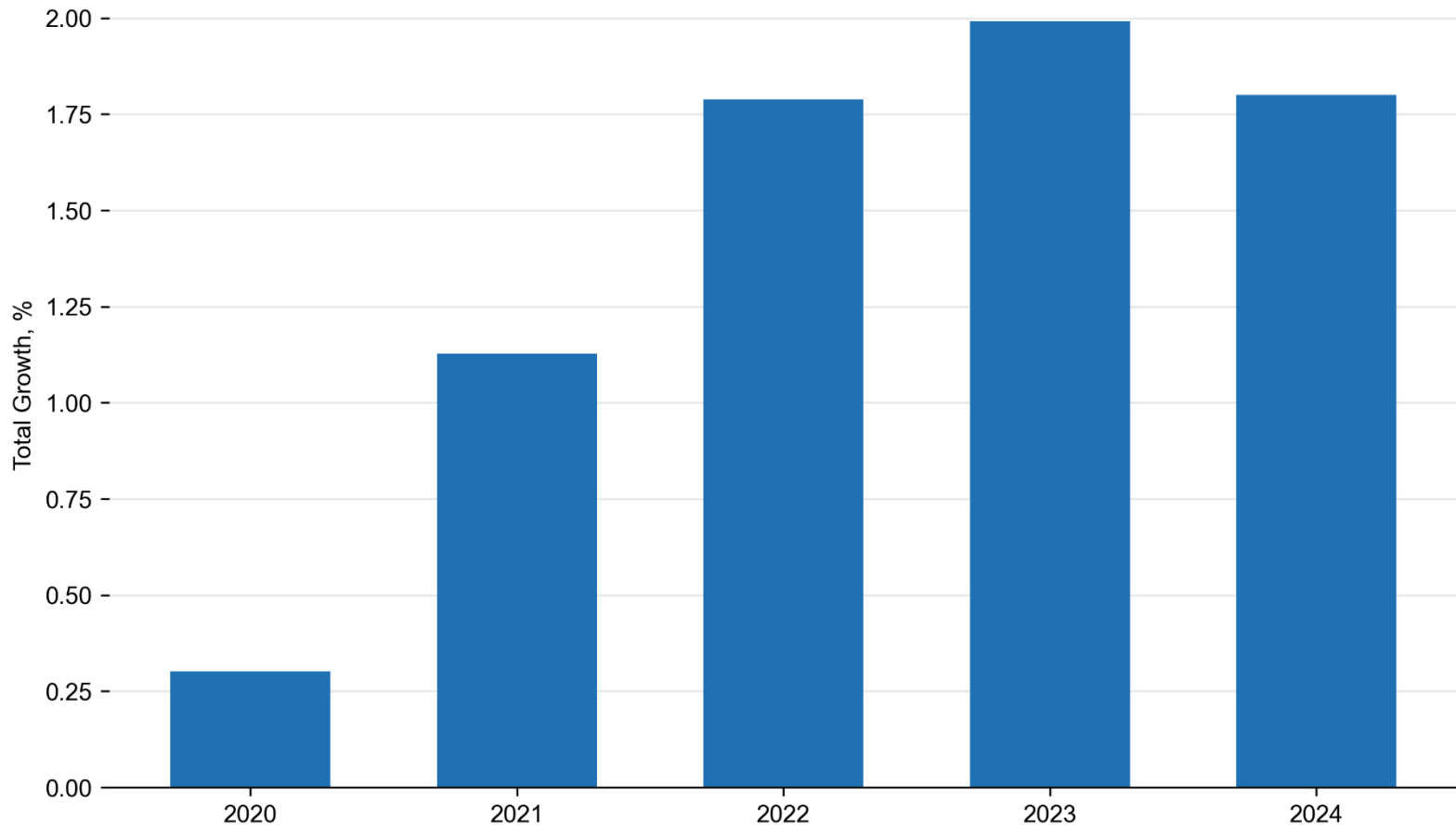
# Economic Growth



Source: BEA, and Author's Calculations

# Population Growth: 2024

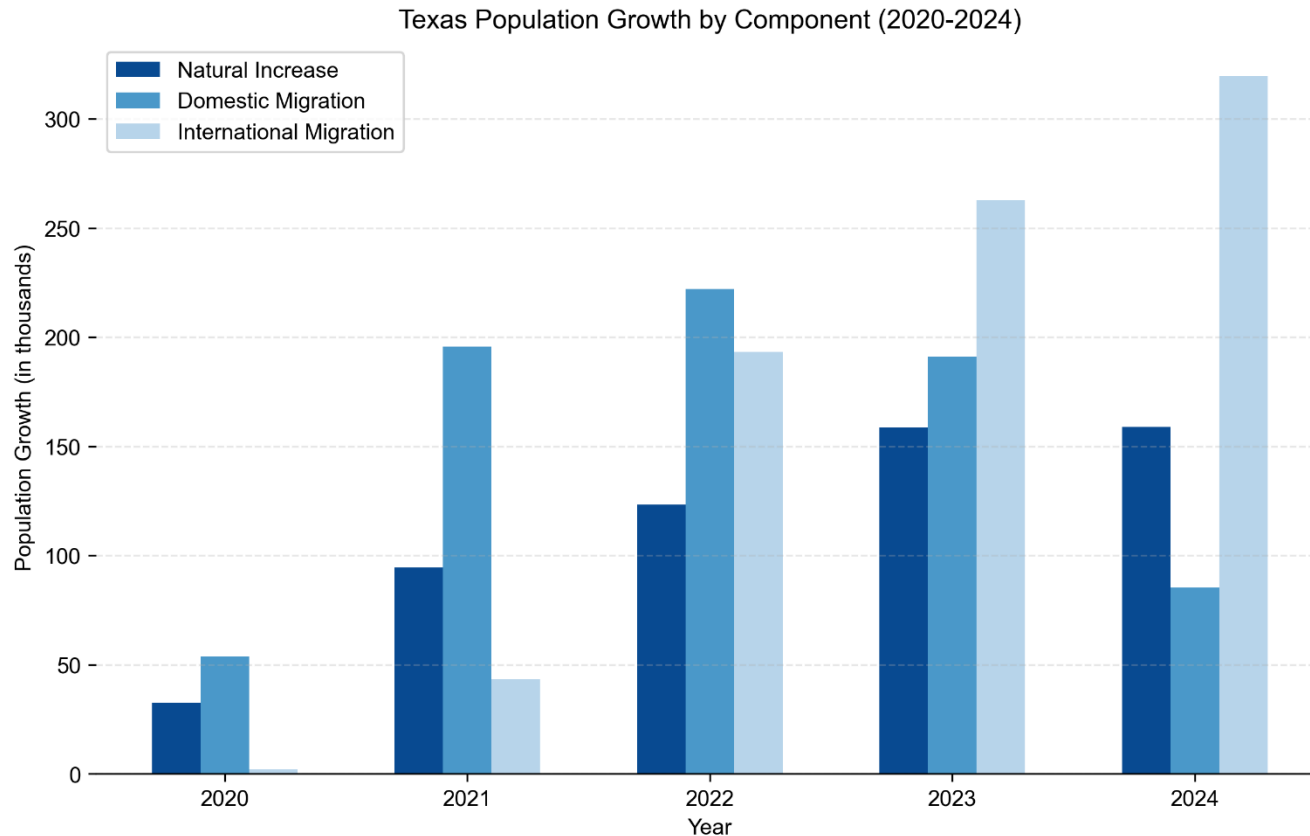
Texas Population Growth (2020-2024)



Source: U.S. Census Bureau



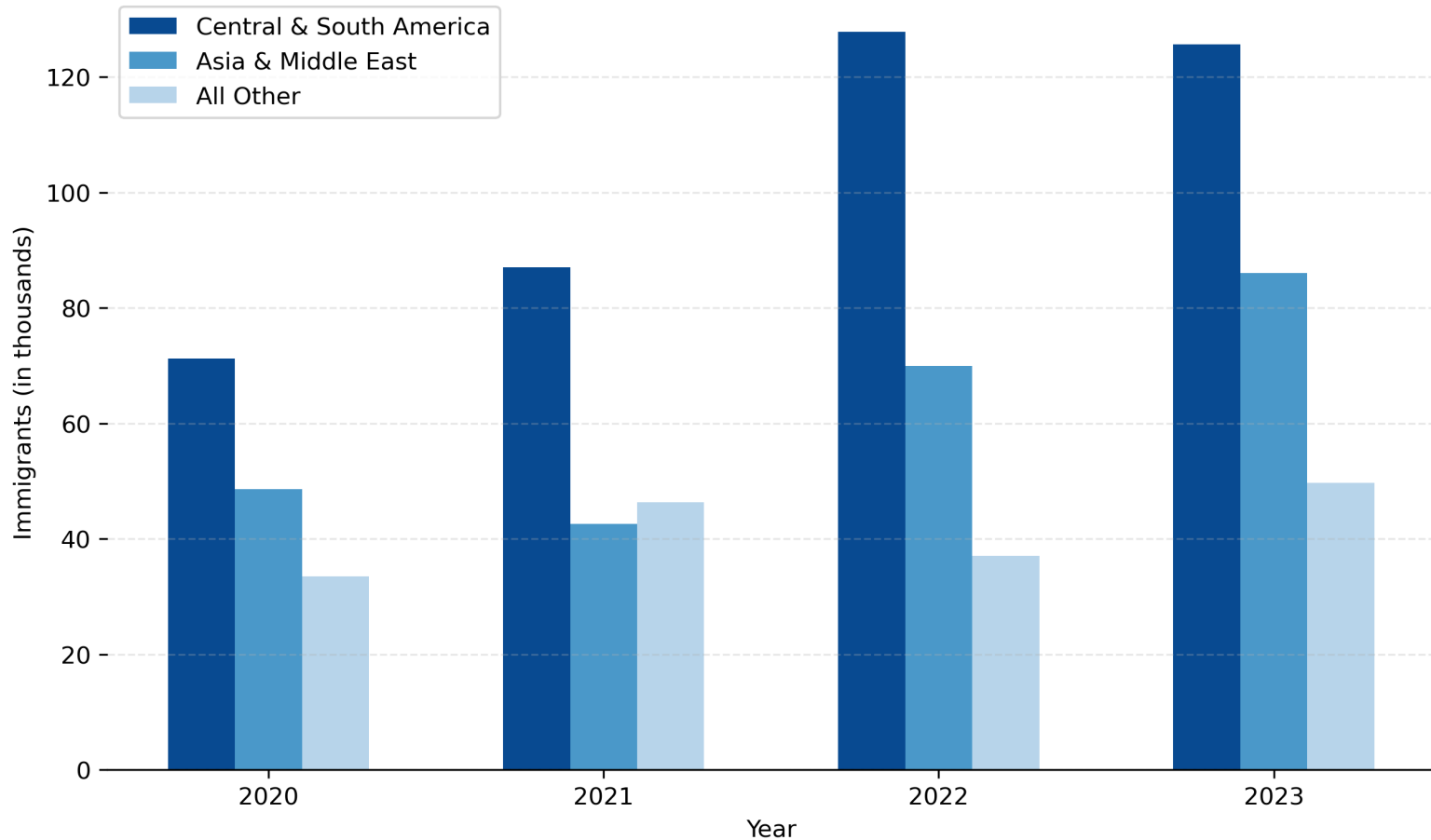
# Population Growth Components



Source: U.S. Census Bureau

# International Migration

Immigration to Texas by Region (2020-2023)



Source: American Community Survey and author's calculations

# Net Migration Outlook

- International immigration largely affected by federal policy.
- Domestic migration affected by economic opportunity.
- Will Texas continue growing?

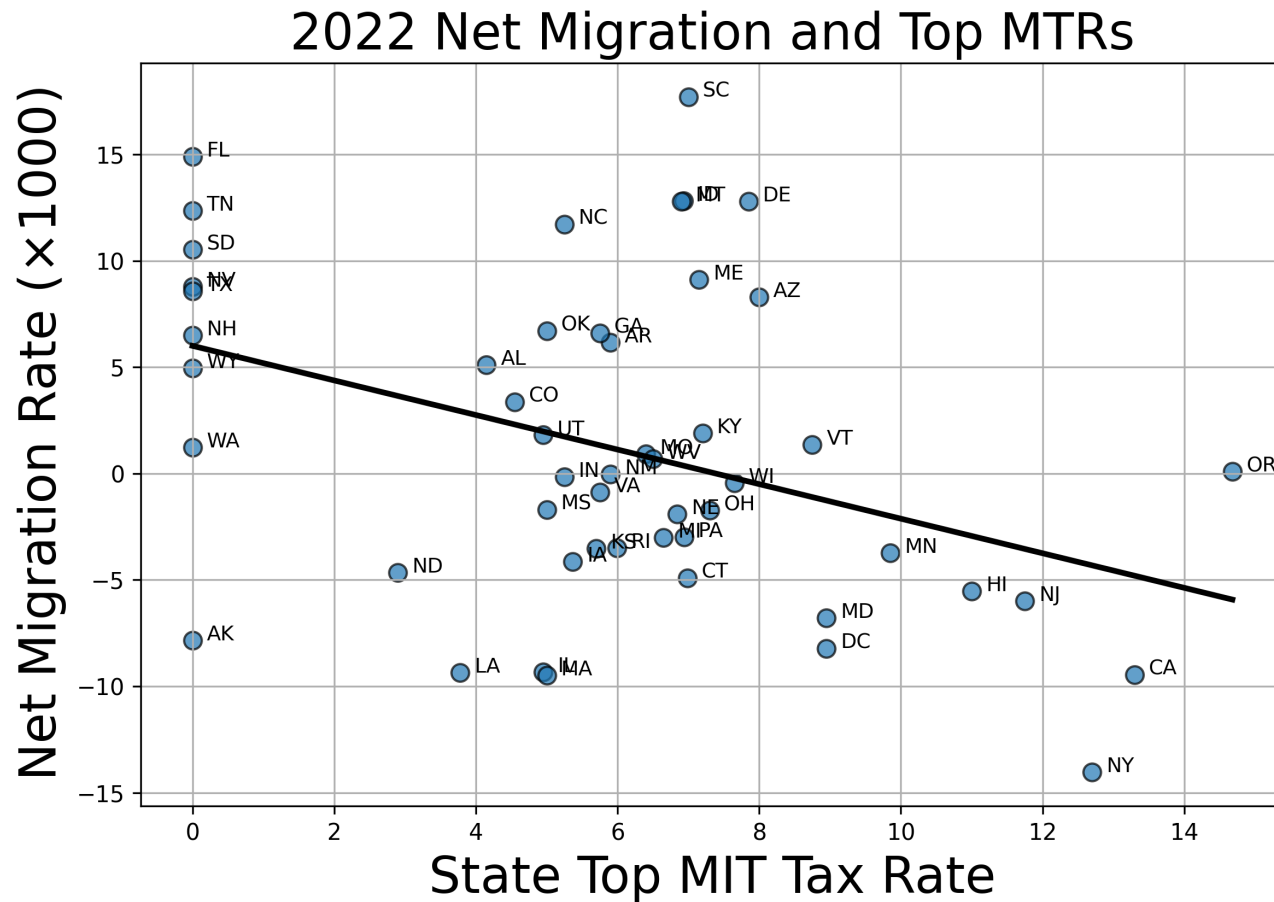
Why did Texas grow so much?



# Reason #1: Favorable Fiscal Policy

- No income tax
- Business friendly
- 2017 federal tax reform: SALT cap

# State Tax Policy and Migration



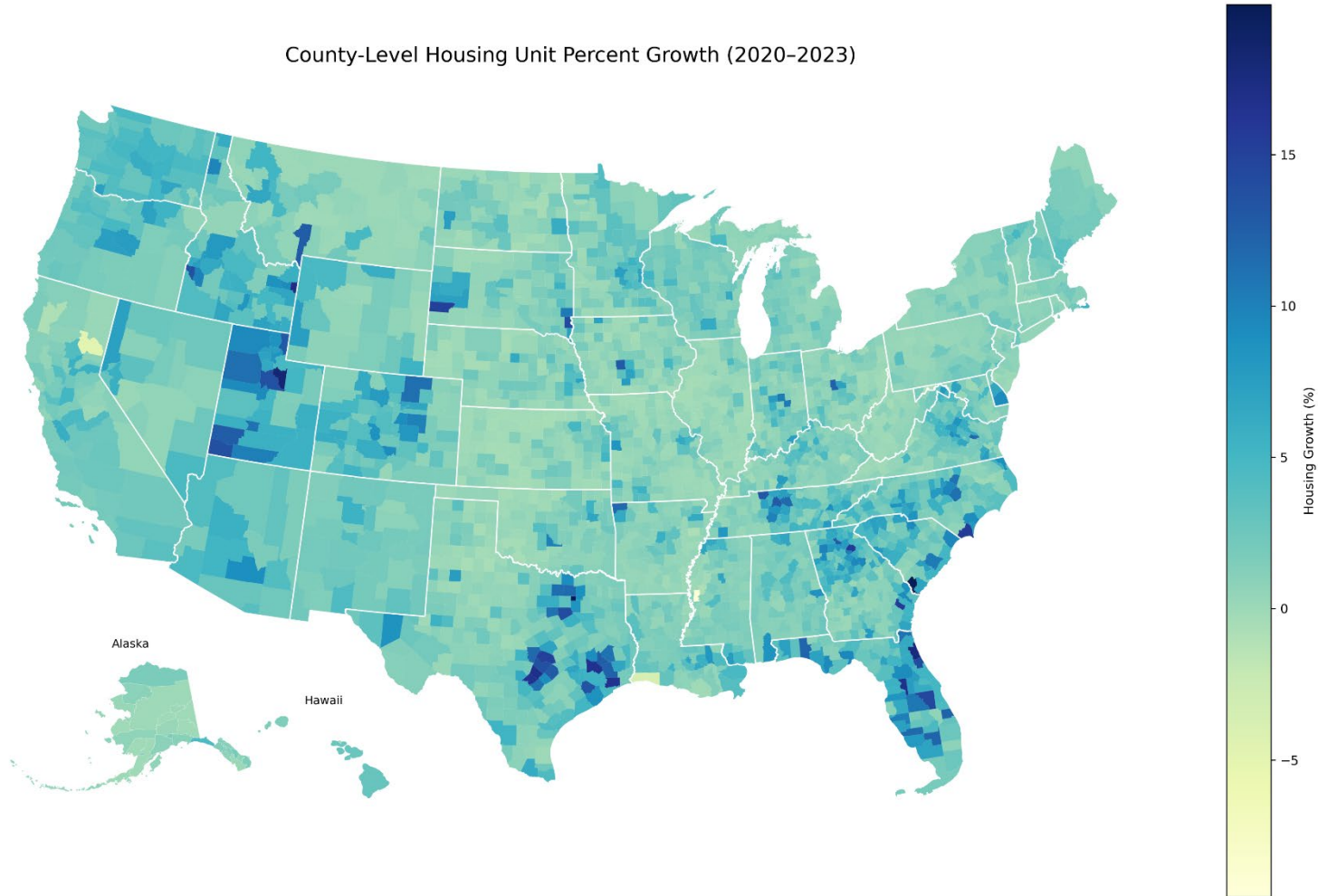
Source: IRS SOI, Tax Foundation, and author's calculations

# Reason #2: Housing Market

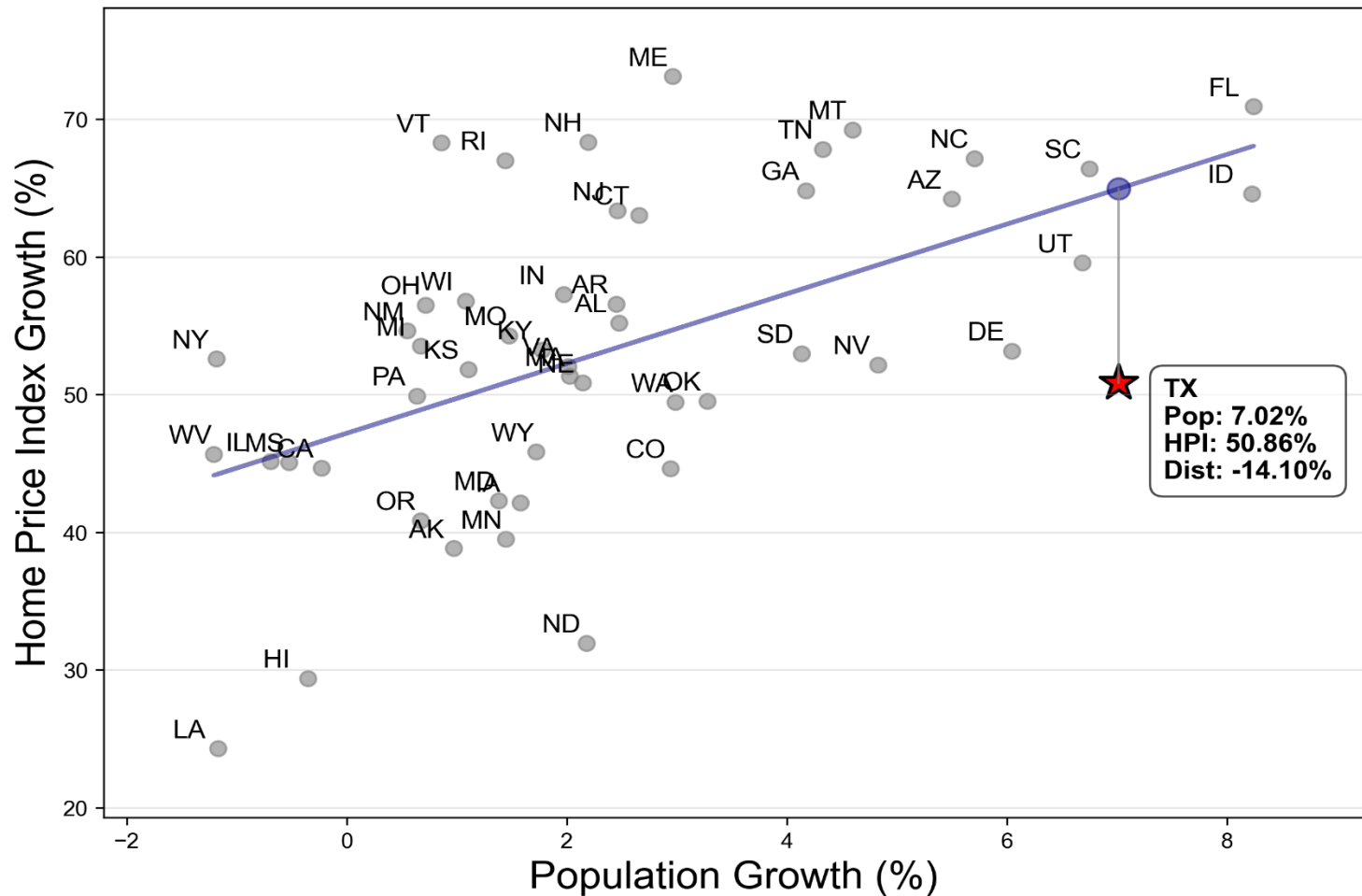
- Low home prices
- Abundant housing supply

# Housing Unit Growth (2020-2023)

County-Level Housing Unit Percent Growth (2020-2023)



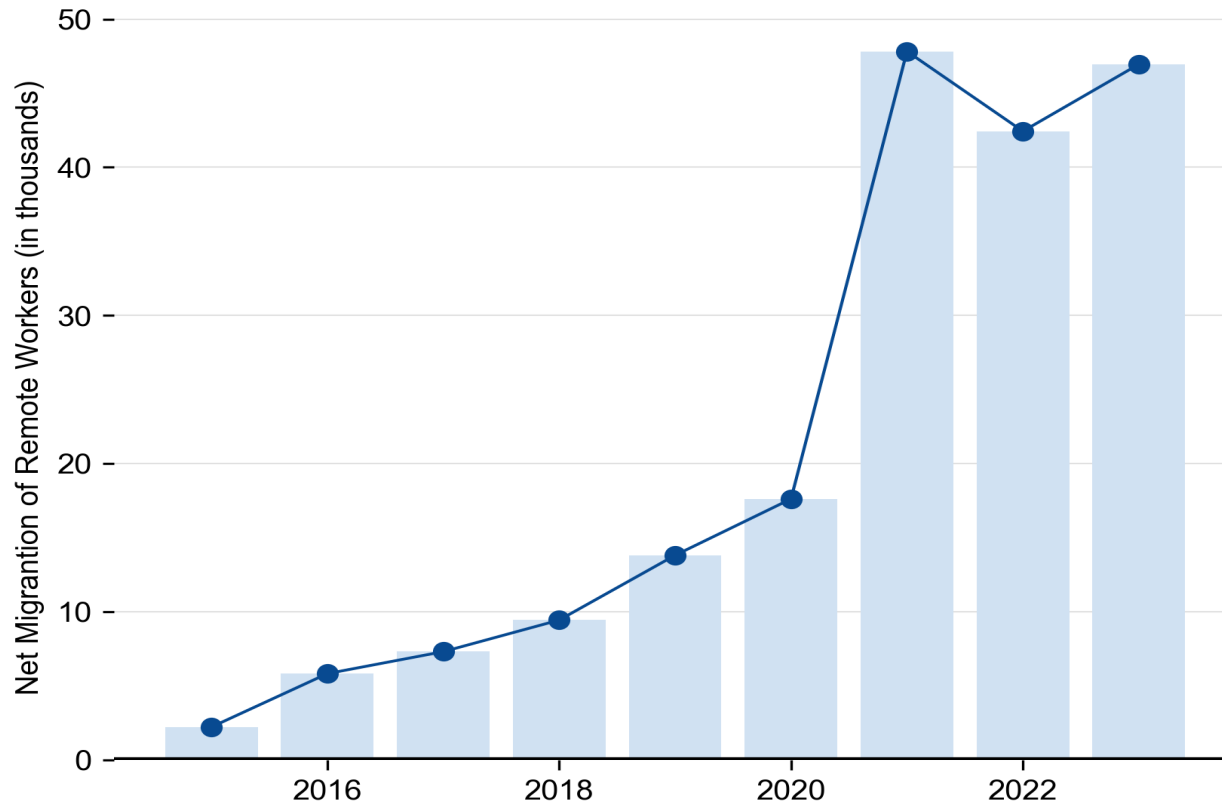
# Housing Unit Growth (2020-2023)



# Reason #3: Pandemic & WFH

- Pandemic-related disruption
- Surge in remote work

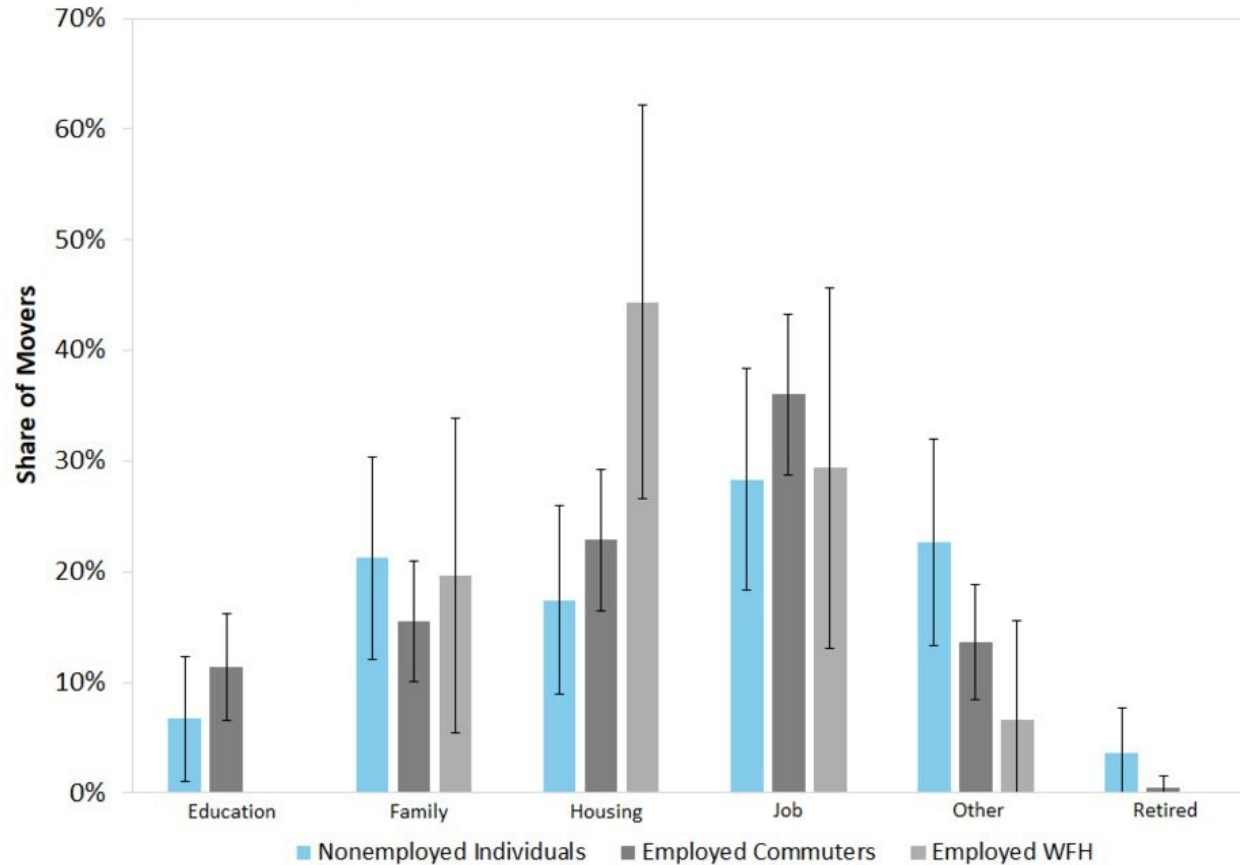
# Remote Worker Migration to TX



Source: American Community Survey and author's calculations

# Reasons for Relocating?

Primary Reason for Relocating to a Different State



■ FEDERAL RESERVE BANK OF ST. LOUIS

Source: Bick, Blandin, Mertens, and Rubinton (2024)

# Outlook for Texas Growth

- Fiscal Policy: SALT outlook favorable
- Housing supply: outlook uncertain
- Remote work: outlook favorable

# U.S. Economic Outlook



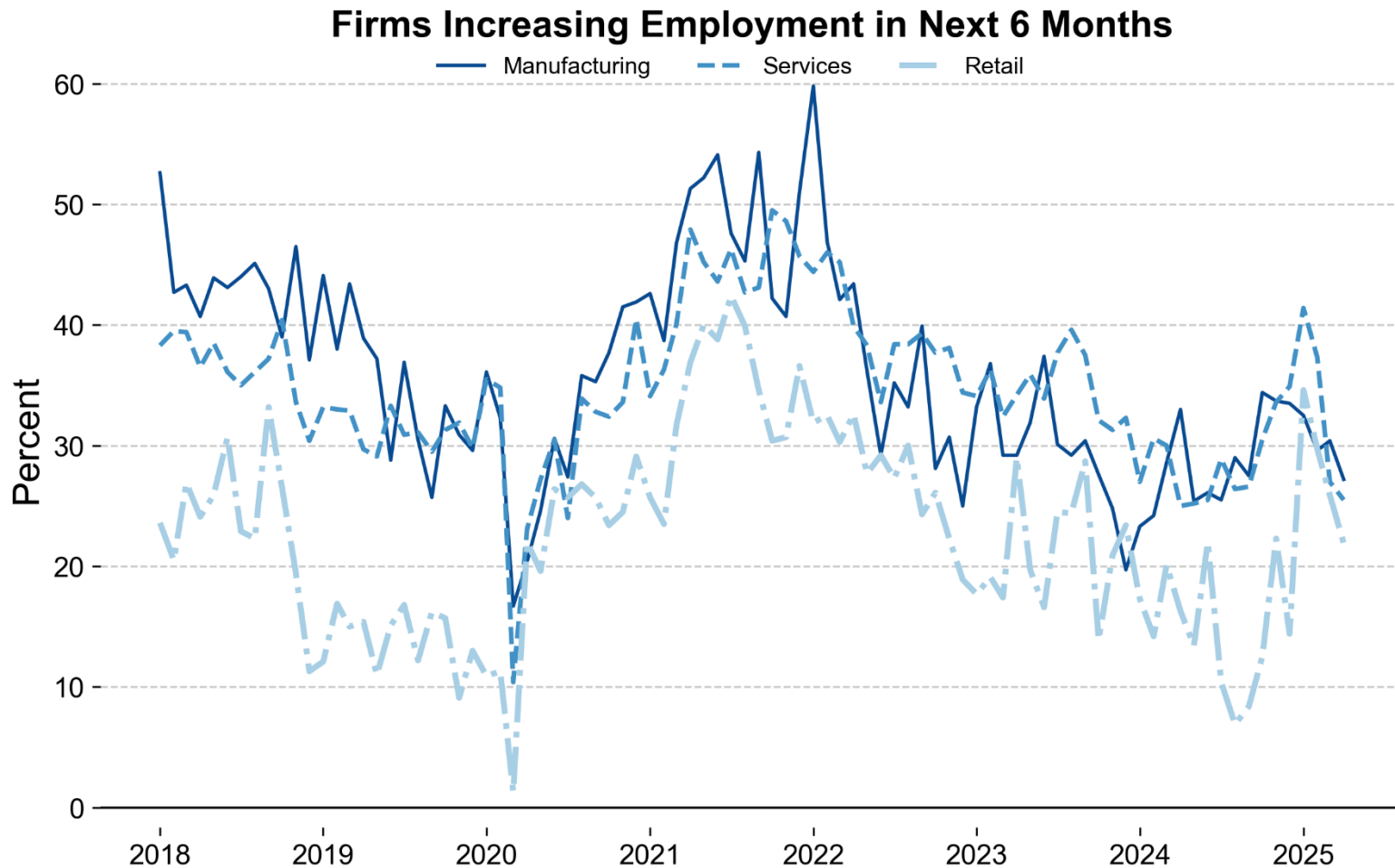
# U.S. Economic Outlook

- Evidence of “soft landing” in early 2025
- Tariff concerns dampened outlook
- Recession odds have increased

# Impact of Tariffs

- Raised prices
- Disrupted supply chains and labor markets
- Could be disrupting financial markets: ↑ interest rates

# Texas Planned Hiring



Source: FRED, FRB Dallas



# Conclusion

- House prices could begin to decline
- Long-term prospects for Texas economic growth
- Tariffs caused significant deterioration of macro outlook
- Silver lining: outlook can quickly improve (but time is running out)
- Very resilient economy

Questions?

