

BY THE NUMBERS: ECONOMIC INDICATORS

January 2026

Executive Summary

This month Opportunity Austin returns to a full edition of our economic indicators report. After an extended Federal shutdown reduced data availability, agencies have largely resumed releases and we have re-added all prior categories. Several of the datapoints now extend through the full calendar year, but a few key releases such as the Bureau of Labor Statistics' jobs and unemployment reports are yet to receive December numbers. Here are some takeaways from this month:

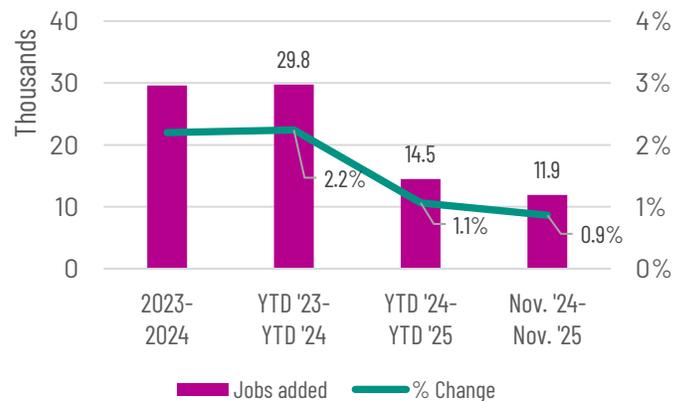
- Austin startups received the most VC funding in our region's history with \$7.94B, up 116% from 2024. Additionally, Austin ranked as having the fifth highest funds raised of all US metros.
- Austin's unemployment rate dropped to 3.5% in November and continues to perform better than all major TX metros and both the state & nation as a whole.
- Growth in Austin's Business Cycle Index slowed to 3.6% YTD, compared to 4.4 in the same time frame in 2024. However, this growth still exceeds all other metropolitan areas in the State.

Non-Farm Payroll Job Growth

Job growth in Austin picked up in Nov. 2025 with the region adding 2,500 jobs since Oct. 2025 in the seasonally-adjusted series. With the boost, Austin's job growth over the past year climbed to 11,900 in Nov. 2025, up from just 9,700 in Sep. 2025.

Austin's job growth of 0.9% from Nov. 2024 to Nov. 2025 exceeded the overall rate in TX, 0.8% and the US, 0.5%. Austin was tied as the 13th best performing of the Top 50 metros, an improvement from earlier in the year. Austin was just 0.3 from ranking within the Top 10. Charlotte had the fastest rate of job growth at 2.7%, followed by Nashville at 1.7%.

Source: U.S. Bureau of Labor Statistics (BLS), CES.

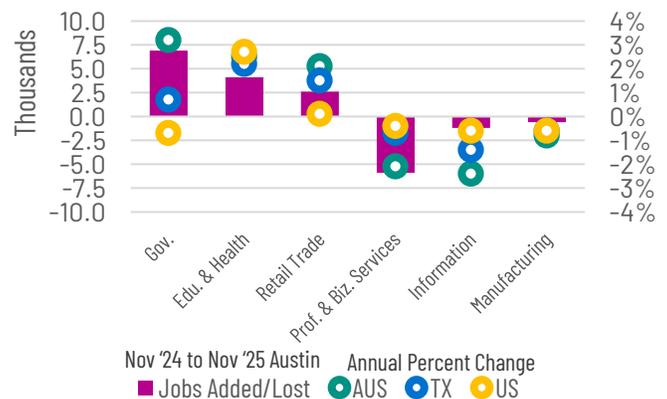


Top Job Gains/Losses by Industry, Nov 2025

The best performing industries in Austin over the last year were Government (up 6,900, 3.2%), Education & Health Services (4,100, 2.5%), and Retail Trade (2,600, 2.1%). Austin's growth rate for Government jobs outperformed both TX and the US, while Education & Health Services in Austin overperformed TX's growth in that sector, but trailed the US.

The worst performing industries were Professional & Biz. Services (-5,900, -2.1%), Information, (-1,200, -2.4%), and Manufacturing (-600, -0.8%). Each of these industries performed better in TX & US overall. However, neither TX nor the US had positive growth in any of those sectors.

Source: U.S. BLS, CES.

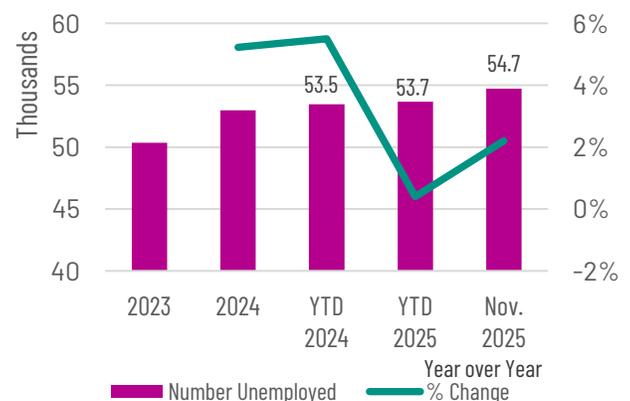


Unemployment

The recent low mark for the total number of unemployed in the Austin region was in 2022 with just 42,100 out of work jobseekers. Both 2023 and 2024 saw increases in the total number of unemployed for YTD 2025 Austin has slightly more unemployed, 200, compared to YTD 2024.

In Nov. 2025, the number unemployed totaled 54,700, which is 1,200 more people than Nov. 2024 when the total unemployed was 53,500. TX has 33,200 more unemployed compared to this time last year, while the US had 693,000 more unemployed.

Source: U.S. BLS, LAUS.



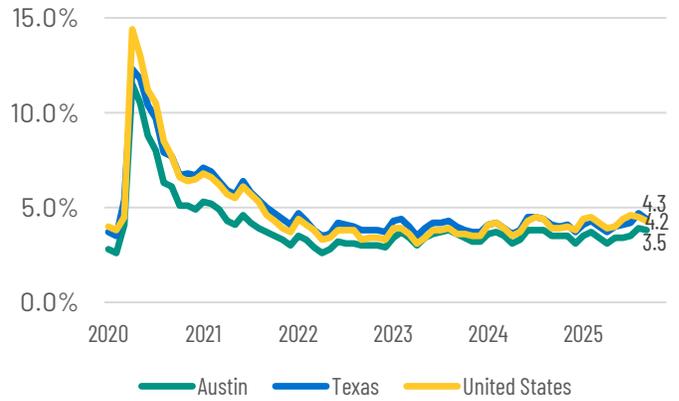


Unemployment Rate Comparison

The unemployment rate for the Austin region was 3.5% in Nov. 2025, which was unchanged from one year ago. Austin's rate continues to perform better than that of TX at 4.2% and the U.S. at 4.3%. Other TX metros including Fort Worth, 3.9%; San Antonio & Dallas, 4.0%; and Houston, 4.5% were all higher than Austin's rate.

Since recovering from a peak of 11.5% during COVID, Austin's rate averaged 4.2% in 2021, 3.0% in 2022, and 3.5% in both 2023 & 2024. TX's rate rose to 12.3% during COVID and declined to 5.6% in 2021 and has since averaged 4.0% the last 3 years. The US rate reached 14.4% in COVID and declined to 3.5% in 2022 & 2023 but rose to 4.0% in 2024.

Source: U.S. BLS, LAUS.

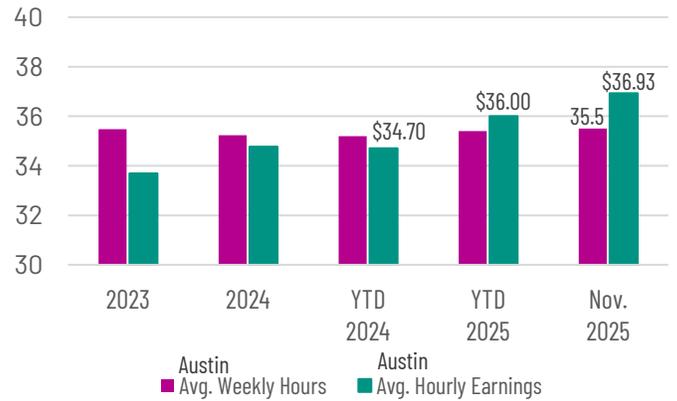


Workforce Hours & Earnings

The average number of hours worked for payroll jobs in the Austin region in Nov. 2025 was 35.5, down from 35.6 this time last year. For 2025 YTD, hours worked is up 0.8% from 2024 YTD. Texas employees also worked more hours this year, compared to last; however, for the US the avg. was unchanged.

Average hourly earnings have risen on average 3% in Austin the last two years, while the average earnings in TX were up 5% and in the US 4.2%. For the first 11 months of 2025, average earnings in Austin were up 3.7% from \$34.70 to \$36.00. Increases both in the TX and the US were more profound at 4.6% and 3.9%, respectively.

Source: U.S. BLS, CES.

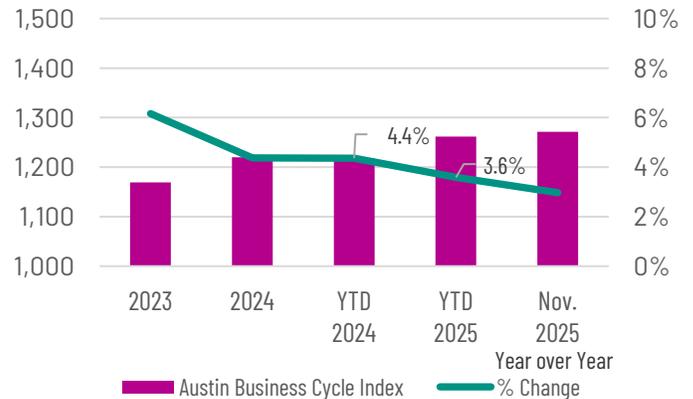


Metro Business Cycle Index

The Austin metro's business cycle index continues to show growth in both the YTD and YOY comparison through November. After robust growth of 12 to 13% in 2021 & 2022, the rate slowed to 3.6% for YTD 2025 compared to YTD 2024 growth of 4.4%.

Statewide, the business cycle index grew by 2.8% from YTD 2024 to YTD 2025, down from growth of 3.9% from YTD 2023 to YTD 2024. Across Texas, YTD growth in the other major metros was between 1.3% in Houston to 2.2% in Dallas and Ft. Worth. San Antonio was at 1.4%. Produced by the Federal Reserve of Dallas, the business cycle index reflects broad economic conditions including unemployment, inflation-adjusted wage and retail sales growth.

Source: Dallas Federal Reserve.

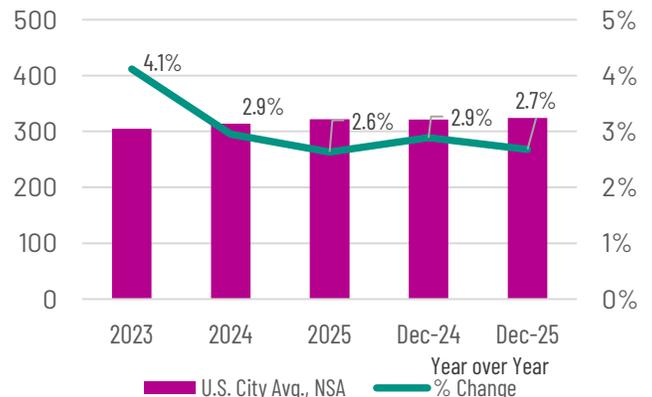


Consumer Price Index

After reaching a 40-year high of 8.0% in the annual percent change in 2022, the U.S. Consumer Price Index fell to 4.1% in 2023 and 2.9% in 2024. The rate of inflation continued to ease in 2025 ending the year at 2.6%.

While a CPI is not produced for the Austin metro, the Houston and Dallas metro indices were both up by 1.3% in 2025, which is improved from inflation rates of 2.5% and 3.9% in 2024, respectively. Nationally, some of the biggest contributors to increasing inflation in the Index were Natural Gas, up 10.8%; Electricity, up 6.7%; Medical Services, up 3.5%; Shelter, up 3.2%; and Food, up 3.1%.

Source: U.S. BLS, CPI.



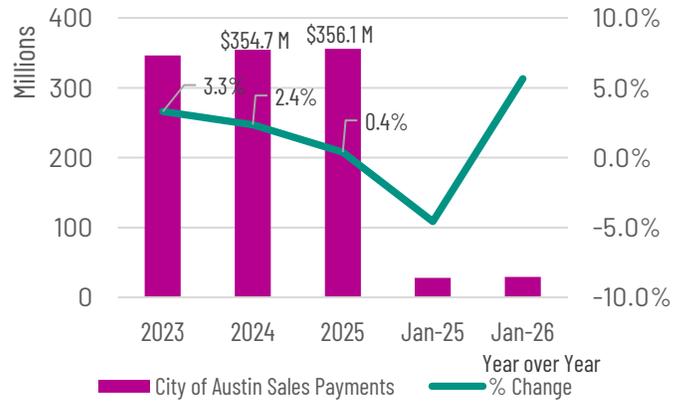


Sales Tax Receipts

Sales tax allocation payments to the City of Austin totaled \$356 million in 2025, a slight increase of 0.4% over 2024. Previously, payments were up 2.4% in 2024 and 3.3% in 2023. For January 2025, City of Austin received \$29.5 million, up 5.6% from January 2024.

In Round Rock, receipts totaled \$129M and were up 10.5% in 2025 following a drop of -1.4% in 2024 and growth of 1.4% in 2023. San Marcos received 0.5% more in sales tax receipts in 2025 to \$39M, which follows a decline of -2.1% in 2024 and growth of 4.2% in 2023. For Jan. 2025, receipts were up 15.3% in Round Rock and 4.7% in San Marcos over last year.

Source: Texas Comptroller.

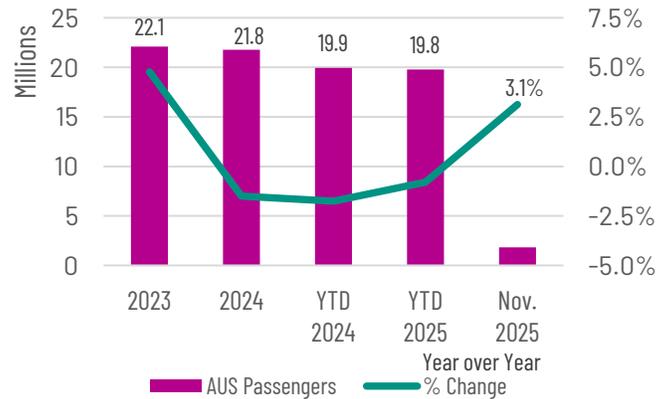


AUS Airport Passenger Activity

Annual passenger counts through the Austin airport hit a record 22.1 million in 2023 and fell 1.5% in 2024. Through Nov. 2025, YTD totals are 19.78 million, down from the same time last year at 19.94 million. Nov. 2025 was the 3rd busiest November of all time with 1.825 million passengers, up 3.1% from the same time last year.

Total cargo (including Belly freight, cargo and mail) totaled 301.9 million pounds in 2024, up 6.7% from 283.1 million pounds in 2023. The annual record for total cargo occurred in 2022 with 310.1 million pounds transported. For Nov. 2025, YTD cargo totaled 254.1 million pounds, which was an 8.3% decrease from the same time last year.

Source: City of Austin.

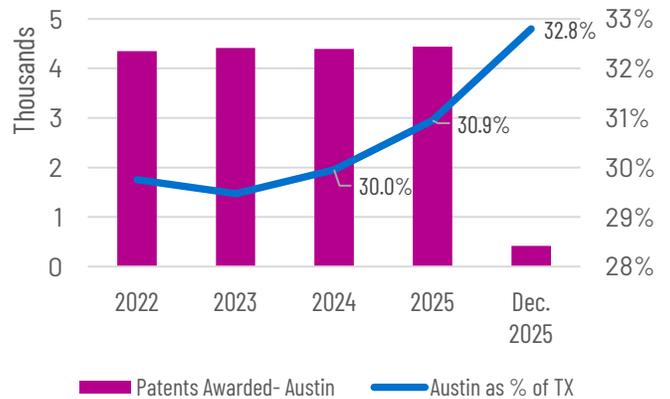


Patent Activity

Austin inventors are averaging an impressive 4,500 patents awarded each year during the 2020's, which is higher than the 3,750 averaged during the 2010's. Patent activity totaled 4,442 in 2025, up 1.1% from 2024. Texas saw a 2.2% drop in patents in 2025, while the US was up 0.3%. For Dec. 2025, a total of 415 patents were awarded, roughly the same amount as last year.

Austin continues to represent approximately 30% of patent activity in TX. This is a truly remarkable data point since the Austin MSA only represents around 8% of the entire population of the State. Austin's share of TX patents increased to 30.9% in 2025, up from 30.0% in 2024 and 29.5% in 2023.

Source: U.S. Patent & Trademark Office.

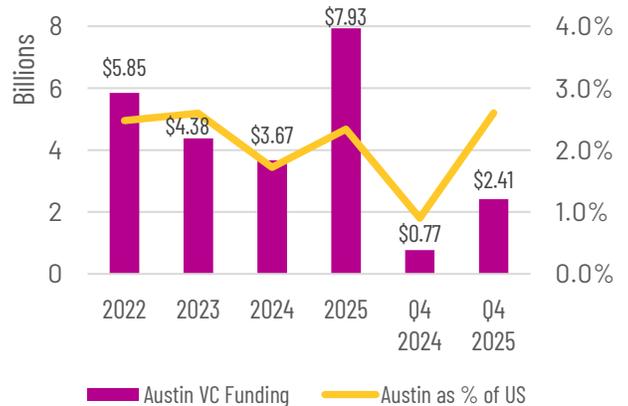


Venture Capital Investment

Venture Capital funding in Austin reached record levels with a total \$7.94 billion raised in 2025, up 116.4% from \$3.67 billion in 2024. Previously, Austin's record VC funding year was 2021 when \$6.86 billion was raised. The top five funding rounds for 2025 include: Base Power, \$1B; Saronic, \$600M; NinjaOne, \$500M; Ontic, \$426M; and Aptronik, \$403M.

With it's best year ever in 2025, Austin moved up a spot to the fifth highest amount of VC investment of any metro in the US. Austin's share of VC funding nationwide increased to 2.4% in 2025, up from 1.7% in 2024. Deal size in Austin increased to \$21.3M in 2025 up from \$8.9M in 2024. For 2025 Q4, Austin saw VC funding totaling \$2.44B from 75 deals.

Source: Pitchbook.



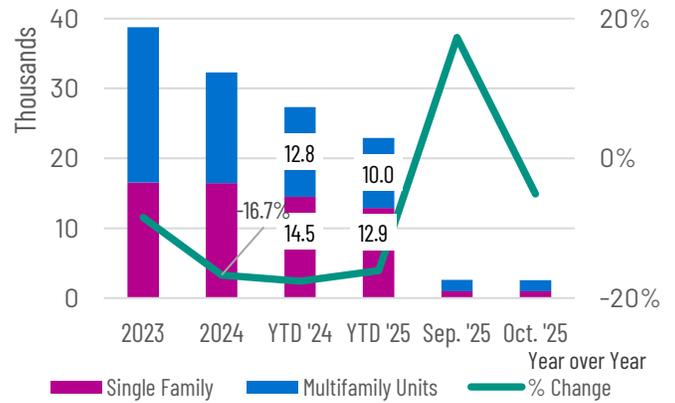


Housing Permit Activity

Building permits issued in the Austin region came down from historic highs of between 42,000 to 51,000 units in 2021 and 2022. Last year a total of 32,300 units were issued, down 16.7%. For YTD 2025, a total of 22,900 units have been issued, down from 27,300 or -16.1% from the same time last year. Nationally, permits were down 2.6% in 2024 and for YTD 2025, US permits are about 4.4% off last years pace.

Last year in the Austin region, the share of single-family units, 51.1%, exceeded multifamily for the first time since 2021. For YTD 2025, 56.2% or 12,900 units were single family out of compared to 10,000 that were multifamily.

Source: U.S. Census Bureau Building Permits Survey.

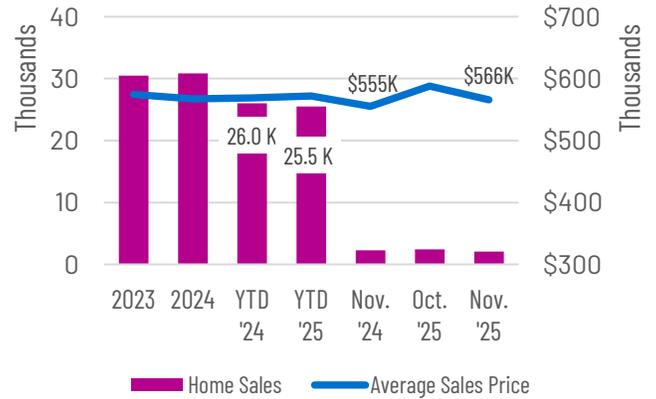


Home Sales

Home sales in the Austin region peaked at 41,094 in 2021. For the last two years, total sales were about 30,500. In November, YTD sales are down by about 750 or 2.6% compared to the same time last year. Statewide, YTD sales in Nov. were up 0.8% compared to 2024, while U.S. sales were down 0.5%.

The average sales price in the Austin region was \$565,641 in November 2025, up from \$555,252 one year ago. Likewise, the YTD sales price was trending slightly higher this year. In Nov. 2025, months on inventory in Austin was 4.8 months, down from 5.9 early this summer. Months of Inventory is still 1 month higher than one year ago.

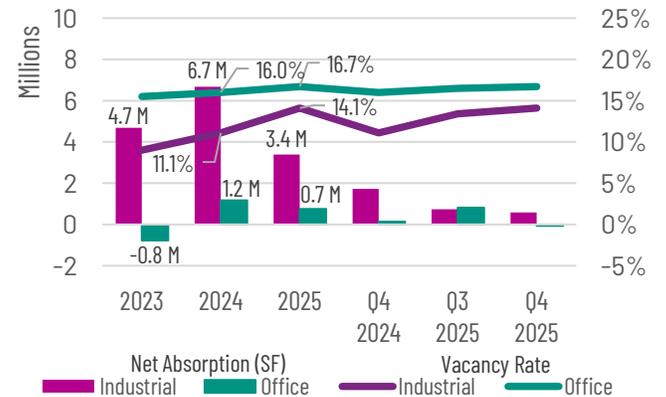
Source: TX A&M Real Estate Research Center.



Commercial Real Estate Activity

After having office vacancy rates of around 7 to 8% just before COVID in the Austin region, continued new construction delivery and softened leasing activity has brought the office vacancy rate up to 16.7% in 2025 compared to 16.0% in 2024. The current office market totals 138M SF, having added 18M SF of new inventory since 2020 Q2. Quoted lease rates in 2025 Q4 ticked up to \$44.15 from \$40.93 in 2024 Q4.

Likewise, the Austin industrial market has grown to 173M SF, adding 60M SF since 2020 Q2 or 51% growth over 5 years. The vacancy rate reached 14.1% in 2025, up from 11.1% in 2024. Quoted lease rates held steady at \$14.71 in 2025 Q4. Source: CoStar.



Upcoming Releases

Release dates are largely returning to their regular cadence; however, it may take a few months for all agencies to catch up. The upcoming February 4th BLS release will include preliminary December 2025 numbers. Final 2025 benchmark revised labor data can be expected mid to late March 2026. Here's a few key releases over the next few weeks.

- U.S. Census Bureau's 5-year American Community Survey data: January 29, 2026,
- Metro Jobs & Unemployment release for December 2025: February 4, 2026,
- U.S. BEA's 2024 Gross Domestic Product by County & Metro areas: February 5, 2026.

Contact Us

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