



AUSTIN

"Austin employment growth slowed in May, the unemployment rate remained the same, and wages increased.

The median house price was unchanged, and home inventories fell." – Jul 2024 – Austin Economic Indicators – Dallas Fed

TEXAS

"The Texas economy posted above-average job gains in May, with employment expanding in every major metro. In June, employment contracted slightly in Texas, while hourly earnings rose in the state and in most major metros.

The Texas Business Outlook Surveys (TBOS) indicated that **input and selling prices continued to rise** in June.

Texas exports climbed in April, and the May Banking Conditions Survey reported a slight increase in loan volumes."

"Home sales showed signs of softening in June after rising earlier in the year, while oil prices and rig count dipped in mid-July." – Jun/Jul 2024 – Texas Economic Indicators – Dallas Fed

UNITED STATES

"With the Fed's continued monetary policy restraint and a cooling labor market, we expect PCE inflation to decline gradually to 2%."

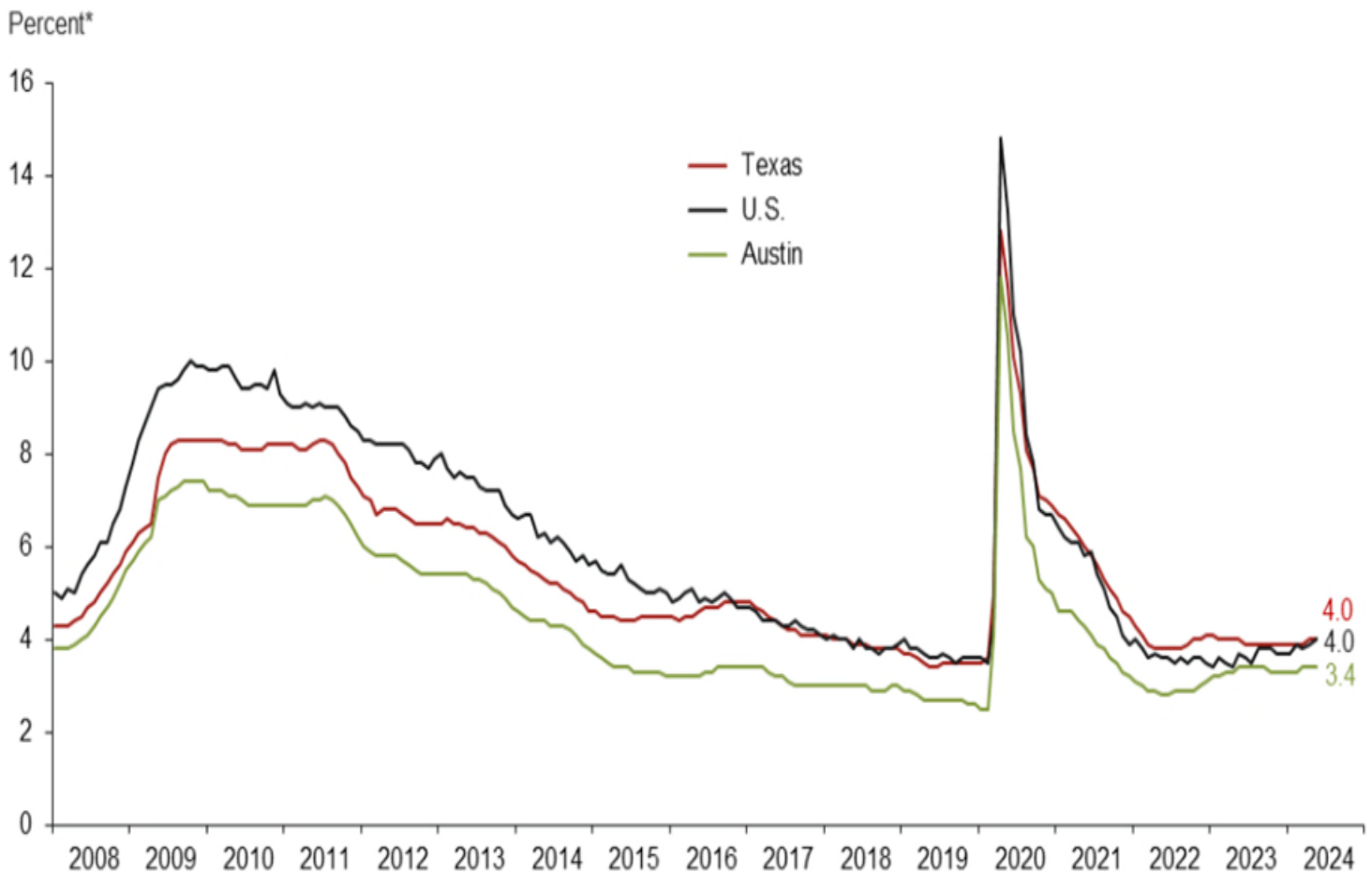
"The labor market remains strong, but overall employment conditions appear to be cooling. Nonfarm payroll employment grew by a robust 206,000 jobs in June."

"Real gross domestic product (GDP) grew at an annualized rate of 1.4% in the first quarter of 2024, according to the U.S. Bureau of Economic Analysis. Going forward, we expect restrictive monetary policy to slow real GDP growth over the forecast horizon towards our 1.7% estimate of trend growth." – Jul 2024 – FedViews – San Francisco Fed

JOBS – UNEMPLOYMENT RATES – AUSTIN MSA, TEXAS, U.S.

“Austin’s unemployment rate stayed at 3.4 percent in May, remaining below the state’s and nation’s rates of 4.0 percent. In May, the local labor force increased an annualized 2.3 percent, while the state’s increased 2.9 percent, and the nation’s fell 1.8 percent.” – Jul 2024 – Austin Economic Indicators – Dallas Fed

Unemployment rate



*Seasonally adjusted.

SOURCE: Bureau of Labor Statistics.

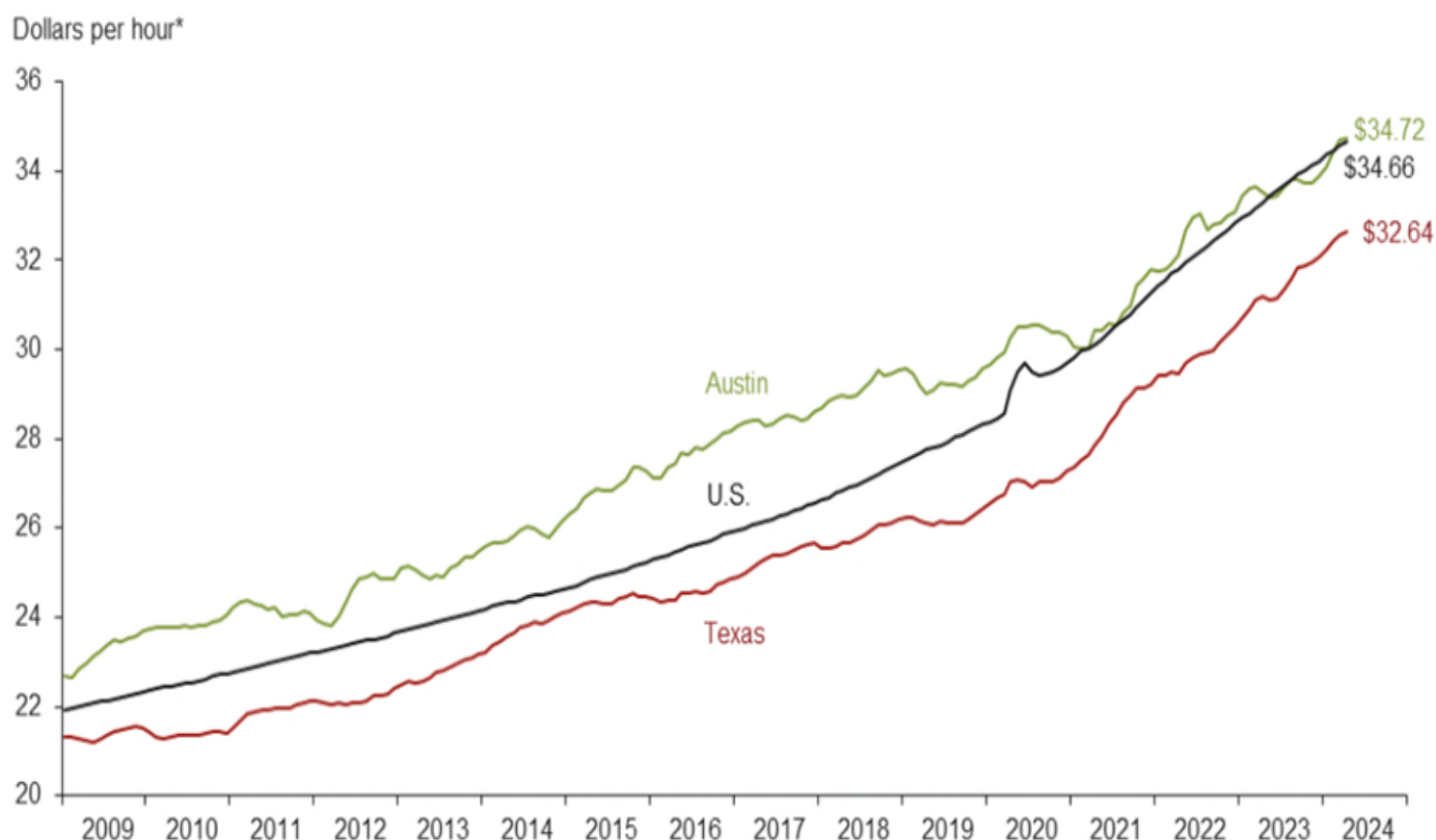
Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Austin Economic Indicators – Jul 2024

JOBS – PRIVATE SECTOR AVERAGE HOURLY EARNINGS – AUSTIN

“Austin’s three-month moving average of wages increased an annualized 1.0 percent in April. **The three-month moving average hourly wage was \$34.72—about the same as the nation’s average** but higher than the state’s rate of \$32.64. Year over year, Austin’s 3.2 percent wage growth was slower than U.S. gains of 3.9 percent and Texas growth of 4.6 percent. In April, the average hourly wage was \$34.51.” – Jun 2024 – Austin Economic Indicators – Dallas Fed

Private sector average hourly earnings



*Seasonally adjusted, three-month moving average.

SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Federal Reserve Bank of Dallas

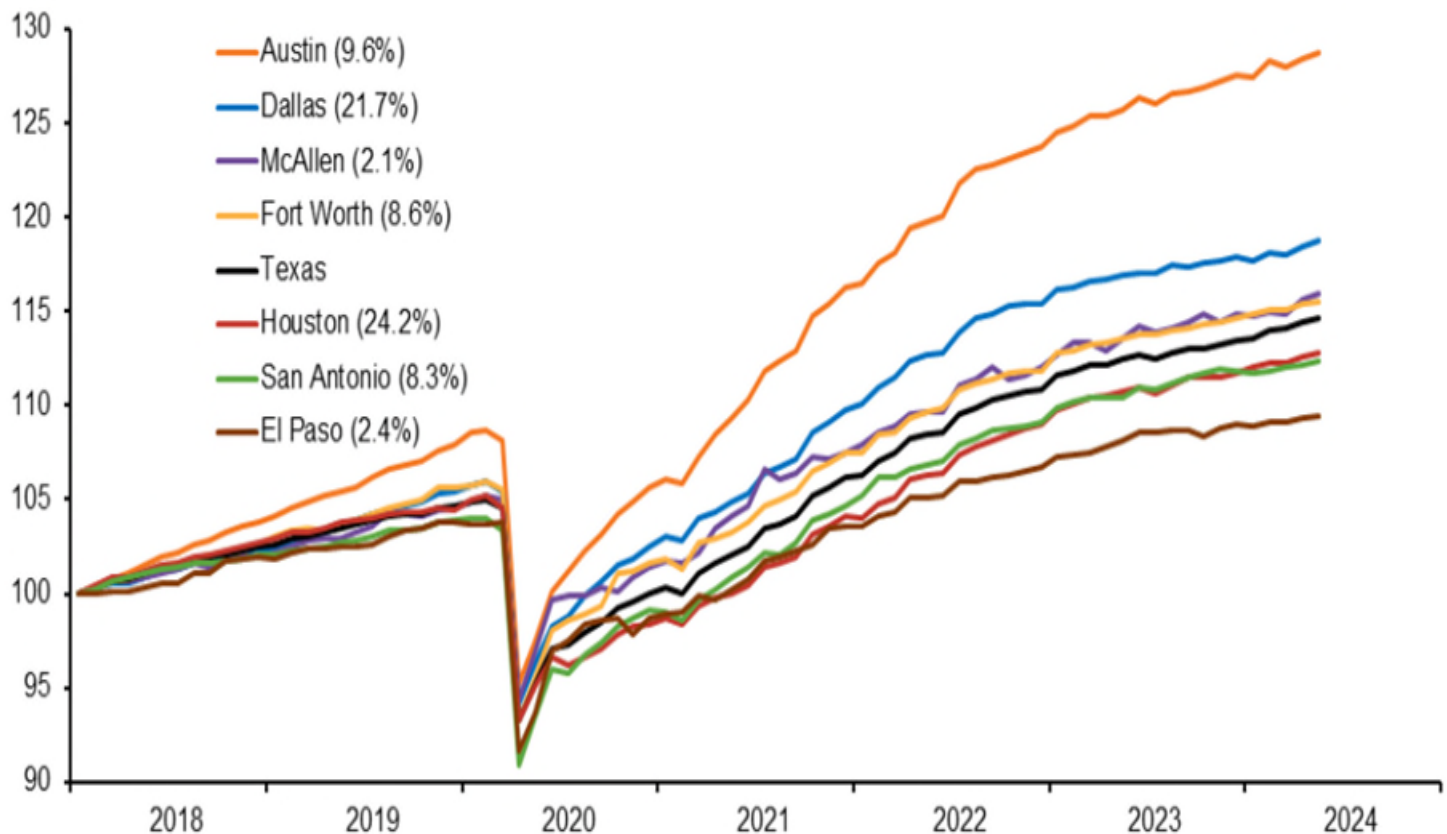
Provided by Federal Reserve of Dallas – Austin Economic Indicators – Jun 2024

JOBS – EMPLOYMENT GROWTH FOR MAJOR METROS – TEXAS

“May employment growth was solid across the major Texas metros. **Dallas and Austin led job growth, with payrolls increasing an annualized 2.9 percent for both metros.** McAllen followed closely, posting a 2.7 percent increase. Payrolls rose 2.3 percent in San Antonio, 1.9 percent in Houston and 1.3 percent in both Fort Worth and El Paso.” – Jun 2024 – Texas Economic Indicators – Dallas Fed

Employment growth for major Texas metros

Index, Jan. 2018 = 100*



*Seasonally adjusted.

NOTE: Numbers in parentheses indicate share of state employment for May 2024.

SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by the Dallas Fed.

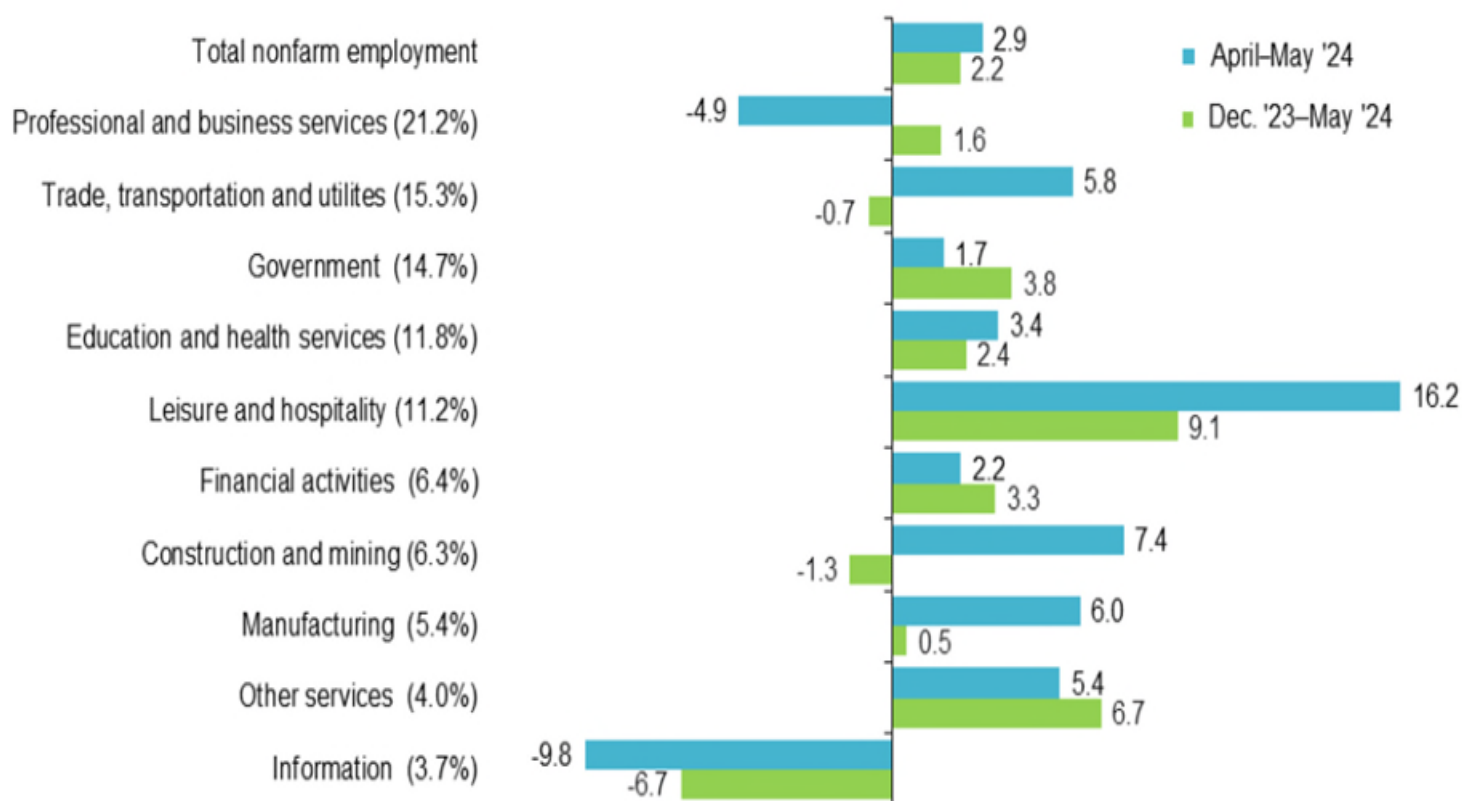
Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Texas Economic Indicators – Jun 2024

JOBS – EMPLOYMENT GROWTH BY SECTOR – AUSTIN

“Austin employment grew 2.9 percent in May after increasing 3.4 percent in April. Sectors with the most growth were leisure and hospitality (1,916 jobs) and trade, transportation and utilities (974 jobs). Sectors that saw a decline included professional and business services (-1,198 jobs) and information (-429 jobs). **Year to date, Austin employment growth was 2.2 percent, below the state’s 2.8 percent gains** and above the nation’s 1.9 percent increase.” – Jul 2024 – Austin Economic Indicators – Dallas Fed

Employment growth by sector



NOTE: Data show seasonally adjusted and annualized percentage employment growth by industry. Numbers in parentheses represent the share of total employment and may not sum to 100 due to rounding.

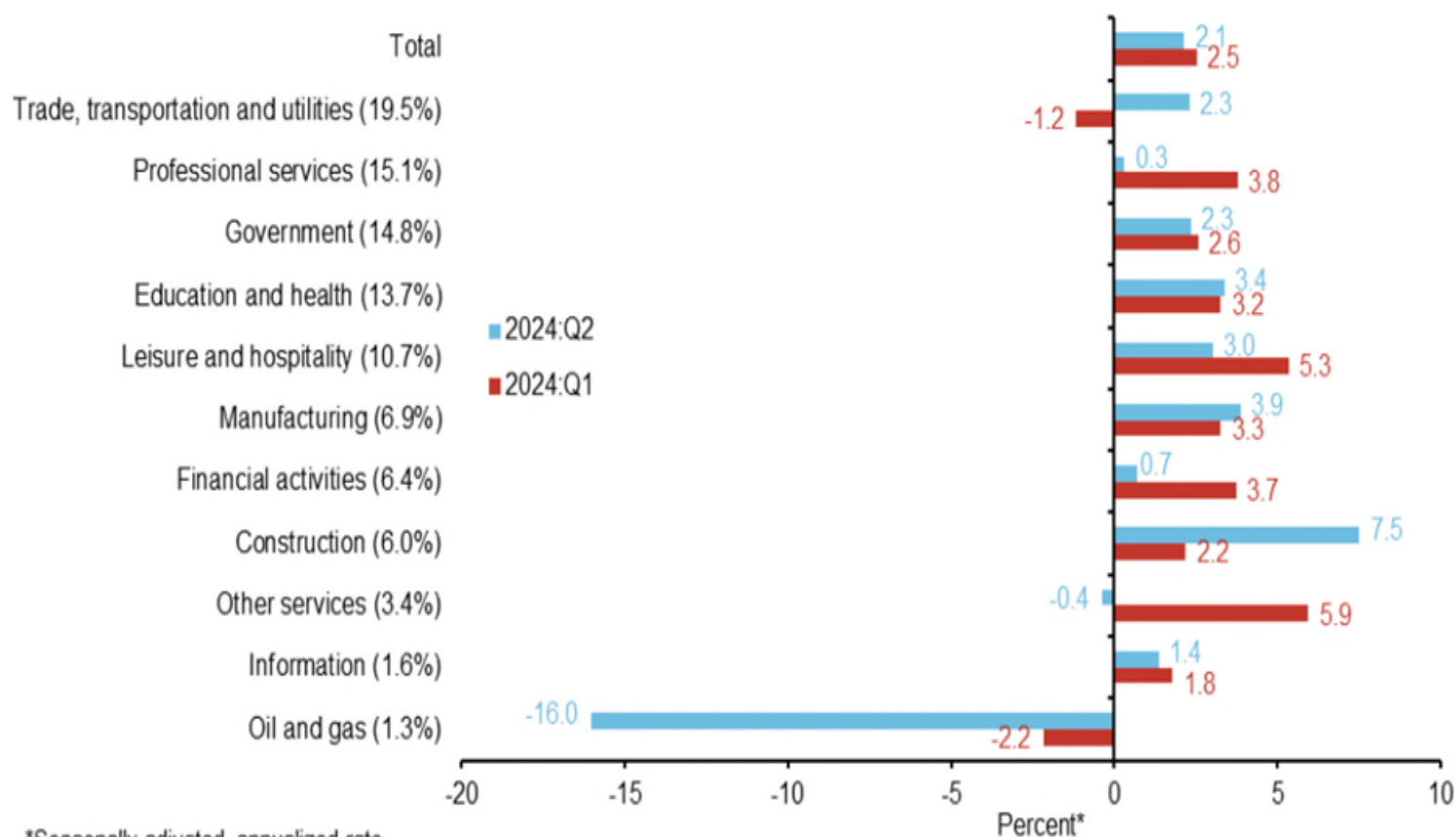
SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Federal Reserve Bank of Dallas

JOBS – EMPLOYMENT GROWTH BY SECTOR – TEXAS

“Texas employment was little changed at an annualized -0.2 percent in June (-1,200 jobs) after increasing an upwardly revised 3.2 percent in May. **Second-quarter growth was 2.1 percent annualized, slightly slower than the first quarter’s 2.5 percent increase.** Compared to the first quarter, the state’s construction and trade, transportation and utilities sectors had stronger job gains, while oil and gas employment continued to contract. The Dallas Fed’s Texas Employment Forecast was revised down to 1.9 percent job growth this year (December/December).” – Jul 2024 – Texas Economic Indicators – Dallas Fed

Texas employment growth by sector



*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses indicate share of total state employment for June 2024.

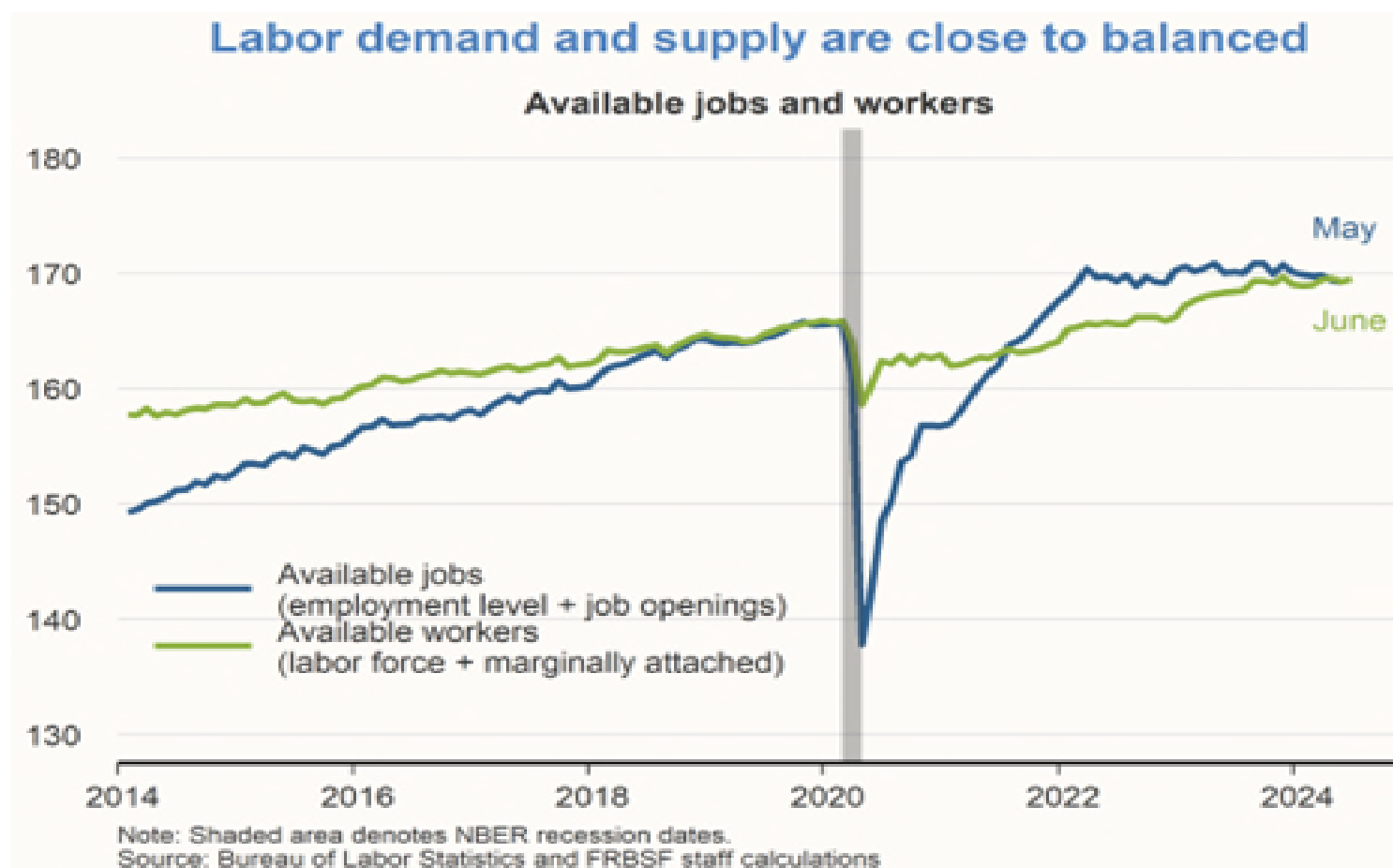
SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas.

Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Texas Economic Indicators – Jul 2024

LABOR DEMAND AND SUPPLY – CLOSE TO BALANCE

“One way to assess the state of the labor market is to compare labor demand (the number of available jobs) to labor supply (the number of available workers). Employed workers plus job openings (labor demand) are now nearly equal to the size of the labor force plus marginally attached workers (labor supply), implying that **the labor market is close to balanced.**” - Jul 2024 – FedView – San Francisco



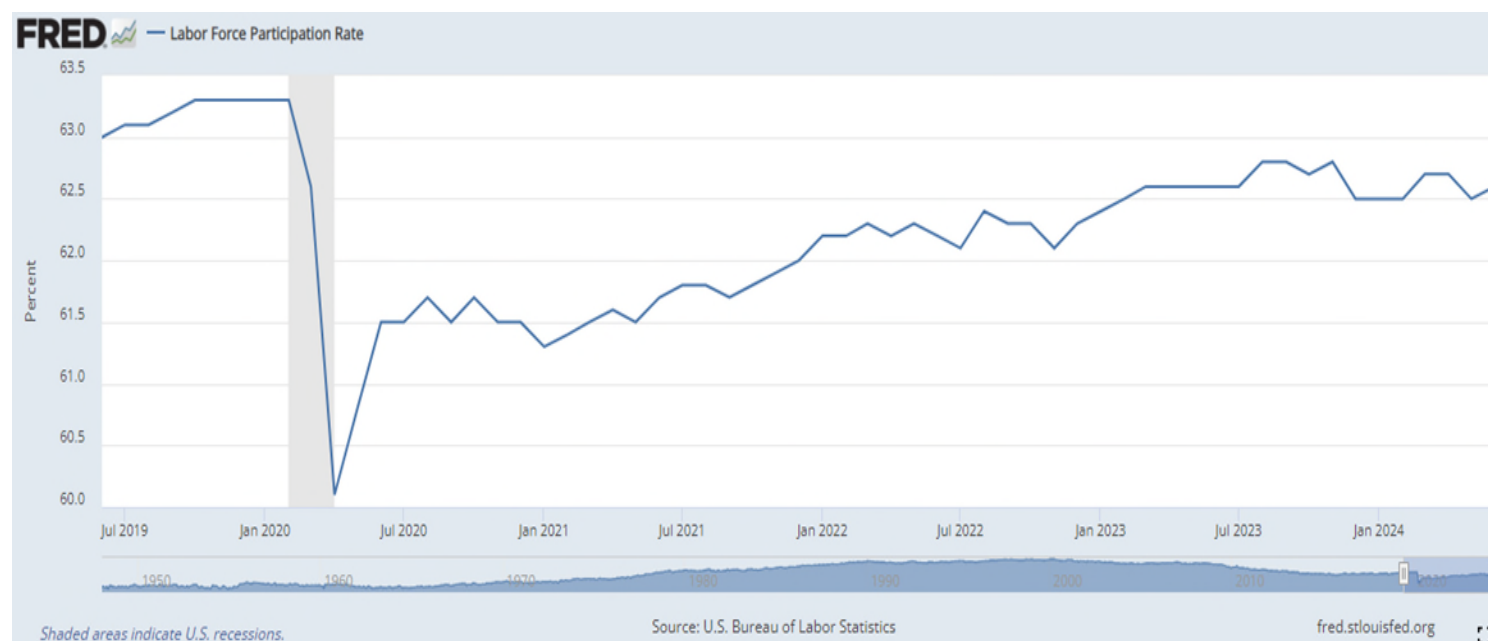
Provided by San Francisco Fed - FedView – Jul 2024

JOBS – LABOR PARTICIPATION RATE IN THE U.S.

“The labor force participation rate changed little at 62.6 percent in June, and the employment population ratio held at 60.1 percent. These measures showed little or no change over the year.

The number of people employed part time for economic reasons, at 4.2 million, changed little in June. These individuals, who would have preferred full-time employment, were working part time because their hours had been reduced or they were unable to find full-time jobs.

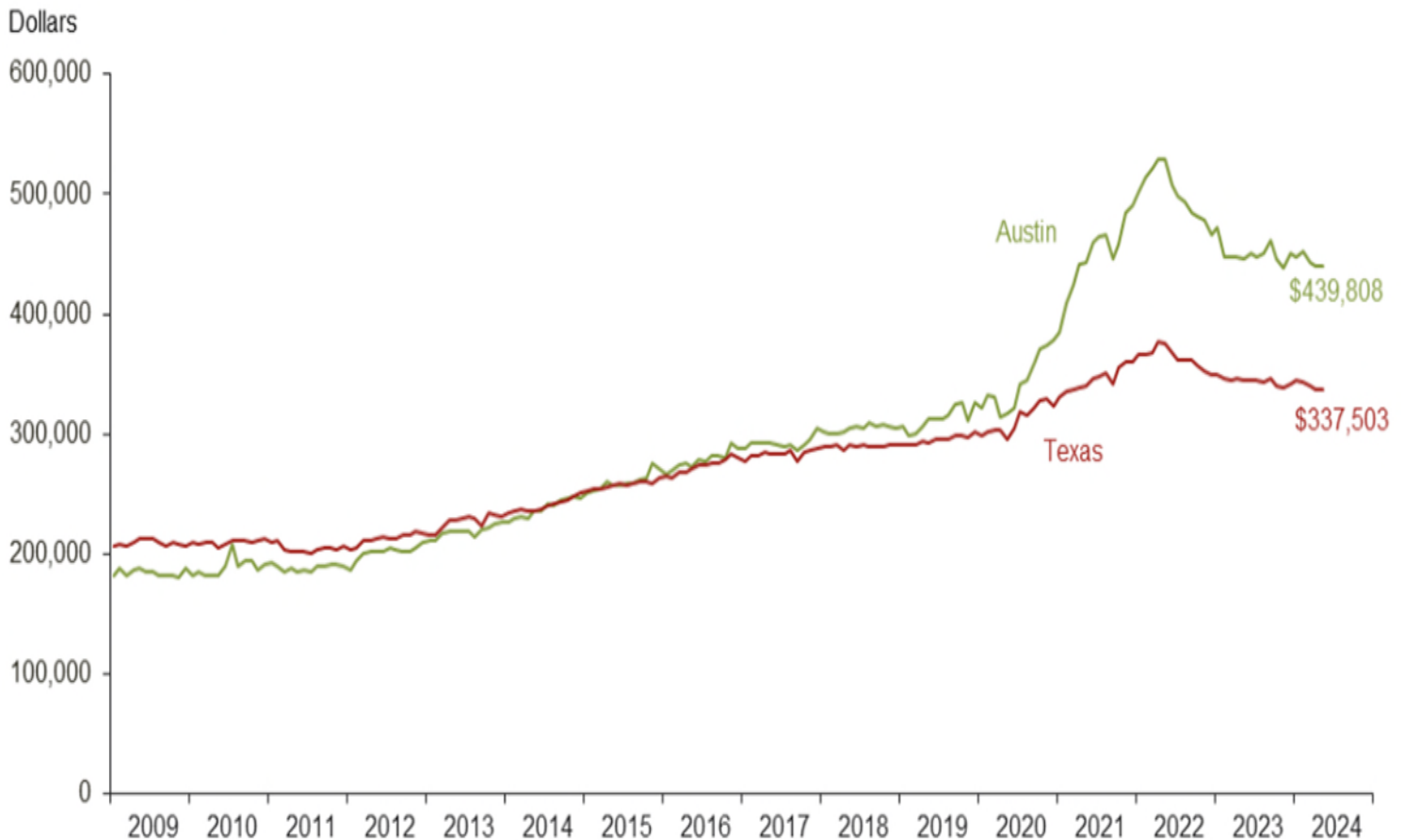
Among those not in the labor force who wanted a job, the number of people marginally attached to the labor force, at 1.5 million, was essentially unchanged in June. These individuals wanted and were available for work and had looked for a job sometime in the prior 12 months but had not looked for work in the 4 weeks preceding the survey. **The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, edged down to 365,000 in June.”** – The Employment Situation – Jun 2024 – Bureau of Labor Statistics



HOUSING – AUSTIN MEDIAN HOME PRICES

“Austin’s median home price was flat in May. Texas home prices were also unchanged. **Median home prices in May were \$439,808 in Austin** and \$337,503 in Texas. **Year over year, home prices trended down—falling 1.5 percent in the metro and 2.3 percent in the state.**” – Jul 2024 – Austin Economic Indicators – Dallas Fed

Median home prices



NOTE: Data are real, seasonally adjusted and through May 2024.

SOURCE: Real Estate Center at Texas A&M University; adjustments by the Dallas Fed.

Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Austin Economic Indicators – Jul 2024
2023

HOUSING – TEXAS SINGLE-FAMILY HOUSING MARKET

“Texas housing demand softened in June amid high mortgage rates. Texas existing-home sales declined 3.4 percent compared with May. Mortgage rates remained elevated, averaging 7.4 percent in June, and continued to impact housing affordability. Texas single-family housing construction permits fell 7.0 percent in June. **Inventories in Texas were 4.4 months of supply, the highest level since April 2013.**” – Jul 2024 – Texas Economic Indicators – Dallas Fed

Texas single-family housing market



*Seasonally adjusted, three-month moving average.

NOTE: Data are monthly through June 2024.

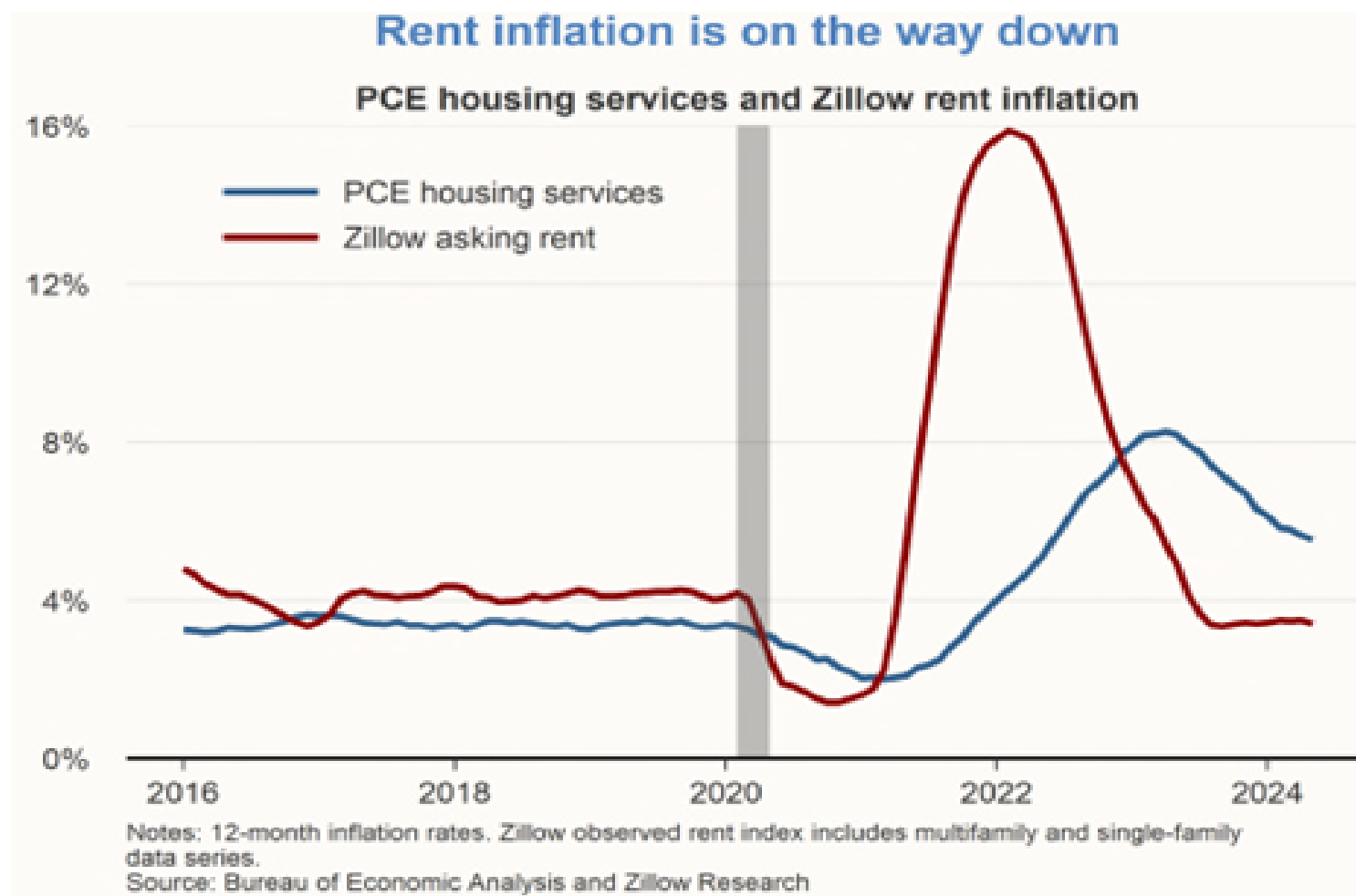
SOURCES: Multiple listing services; A&M Real Estate Center; Freddie Mac Primary Mortgage Market Survey; U.S. Census.

Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Texas Economic Indicators – Jul 2024

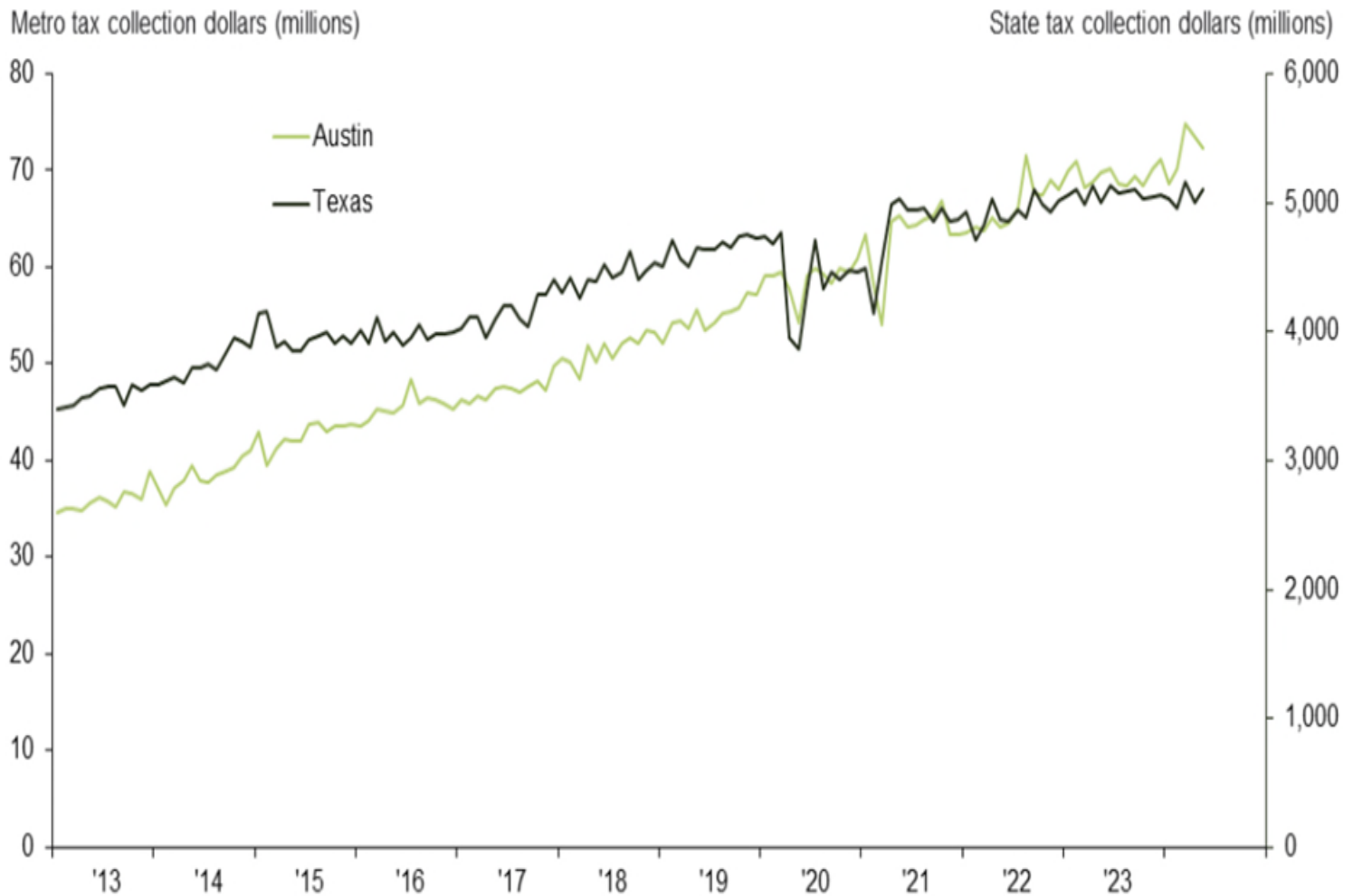
HOUSING - RENT INFLATION DECLINING

“Asking rent inflation as measured by the Zillow observed **rent index that combines both multifamily and single-family series is now well below the housing services component of 12-month PCE inflation**. Movements in asking rent inflation tend to lead movements in housing services inflation by about one year. Given that asking rent inflation is now close to the pre-pandemic average, we would **expect to see continued declines in housing services inflation over the next year or so.**” – Jul 2024 – FedView – San Francisco



SALES TAX COLLECTIONS - AUSTIN

“In May, Austin’s real inflation-adjusted retail sales tax collections decreased 1.6 percent, while the state’s collections grew 1.8 percent. Year over year, the metro retail sales tax collections rose 3.6 percent, contrasting Texas’ collections, which grew 2.1 percent. Prior solid monthly gains and the annual increases in May imply retail spending demand in the Austin area remains at elevated levels.” – Jul 2024 – Texas Economic Indicators – Dallas Fed



NOTE: Data are through May 2024, seasonally adjusted and real.

SOURCE: Texas Workforce Commission.

Federal Reserve Bank of Dallas

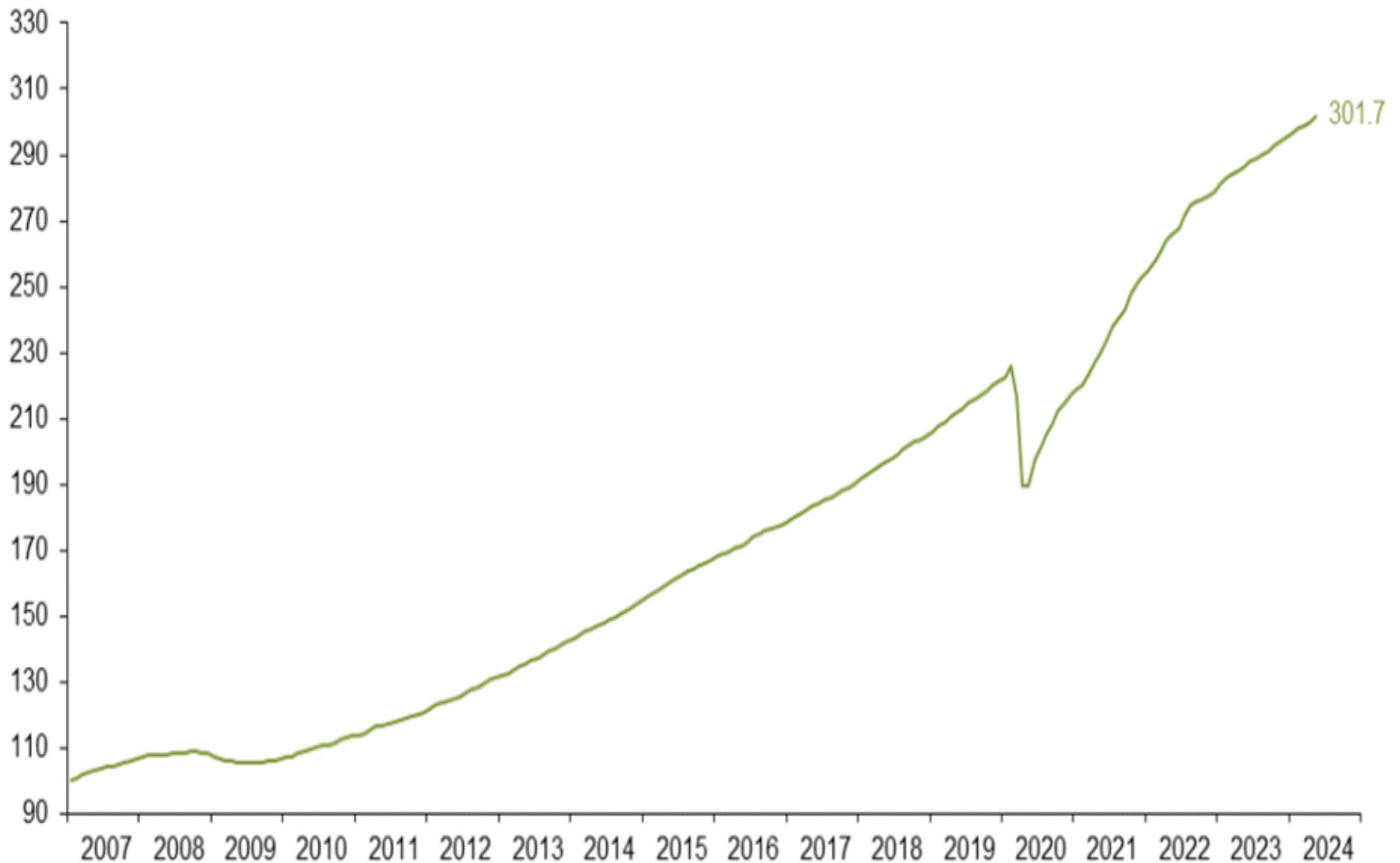
Provided by Federal Reserve of Dallas – Austin Economic Indicators – Jul 2024

BUSINESS CYCLE INDEX – AUSTIN

“The Austin Business-Cycle Index, a broad measure of economic activity, **grew an annualized 8.0 percent in May**, faster than the 4.3 percent gain in April.” – Jul 2024 – Austin Economic Indicators – Dallas Fed

Austin Business-Cycle Index

Index, January 2007 = 100



SOURCE: Dallas Fed.

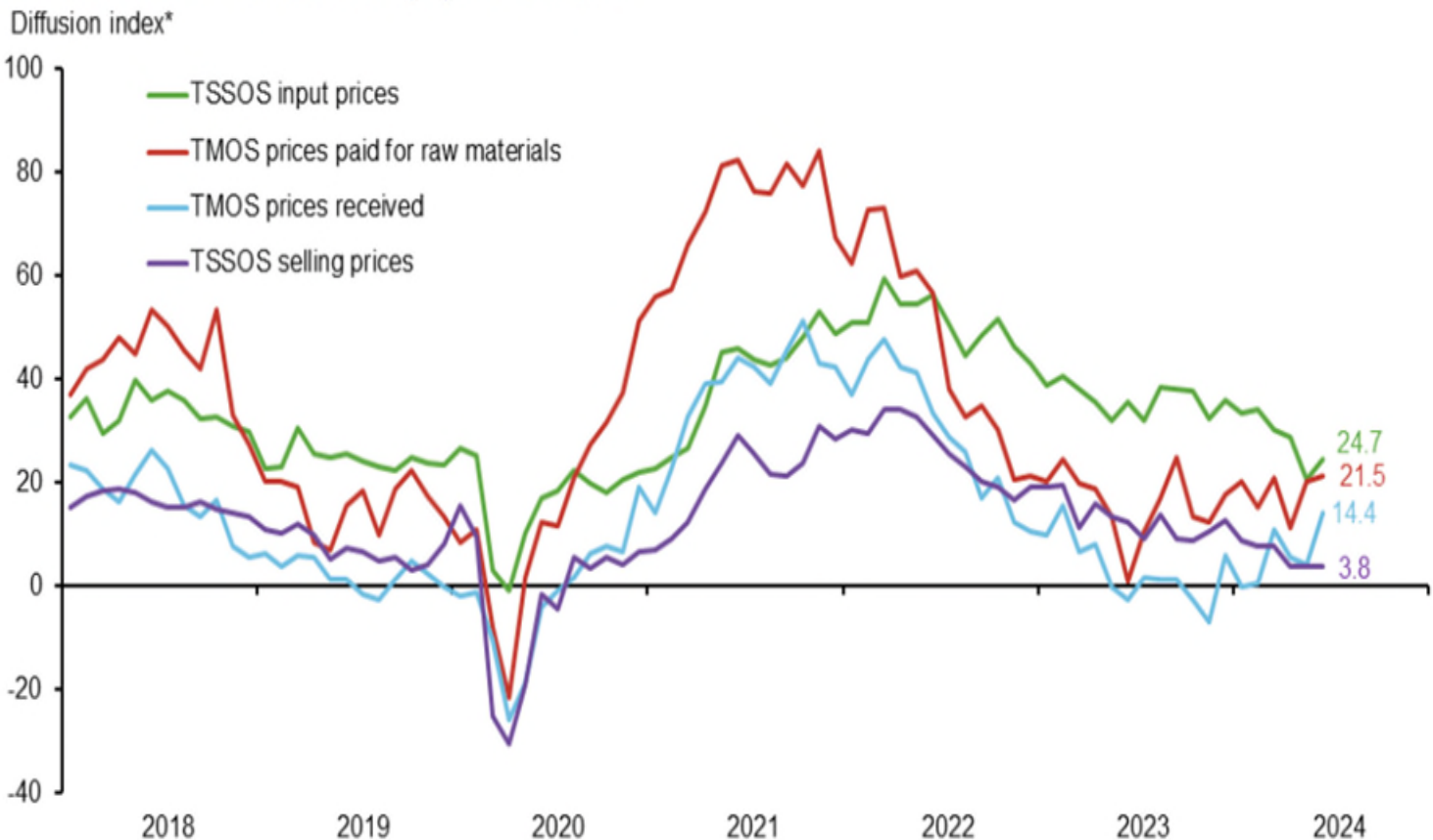
Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Austin Economic Indicators – Jul 2024

BUSINESS OUTLOOK SURVEYS INDEXES – TEXAS

“The Texas Business Outlook Surveys price indexes were positive and generally rose in June, indicating continued growth in input costs and selling prices. The manufacturing survey index of prices paid for raw materials increased to a reading of 21.5 and the prices received index climbed to 14.4. The service sector input prices index rose to 24.7, and the service sector selling prices index remained at 3.8.” – Jun 2024 – Texas Economic Indicators – Dallas Fed

Texas Business Outlook Surveys price indexes



*Seasonally adjusted.

NOTE: Data are monthly through June 2024.

SOURCE: Federal Reserve Bank of Dallas Texas Business Outlook Surveys.

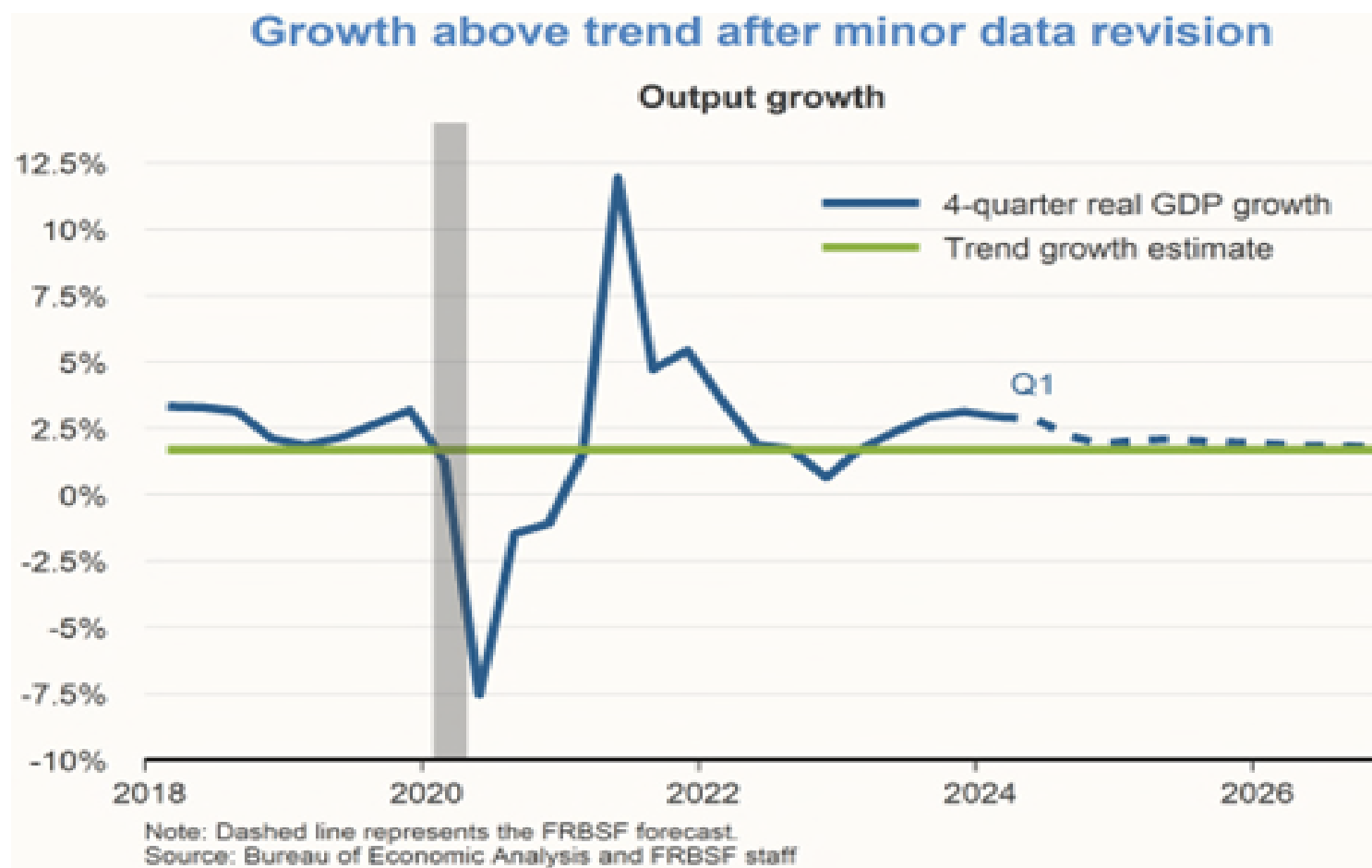
Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Texas Economic Indicators – Jun 2024

GDP GROWTH – U.S.

“Real gross domestic product (GDP) grew at an annualized rate of 1.4% in the first quarter of 2024, according to the U.S. Bureau of Economic Analysis. This figure was revised up slightly from the prior estimate and follows the reading of 3.4% growth in the fourth quarter of 2023.

Going forward, we expect **restrictive monetary policy to slow real GDP growth over the forecast horizon towards our 1.7% estimate of trend growth.**” – Jul 2024 – FedView – San Francisco



Provided by San Francisco Fed - FedView – Jul 2024

CONSUMER CONFIDENCE AND CONSUMER SENTIMENT – U.S.

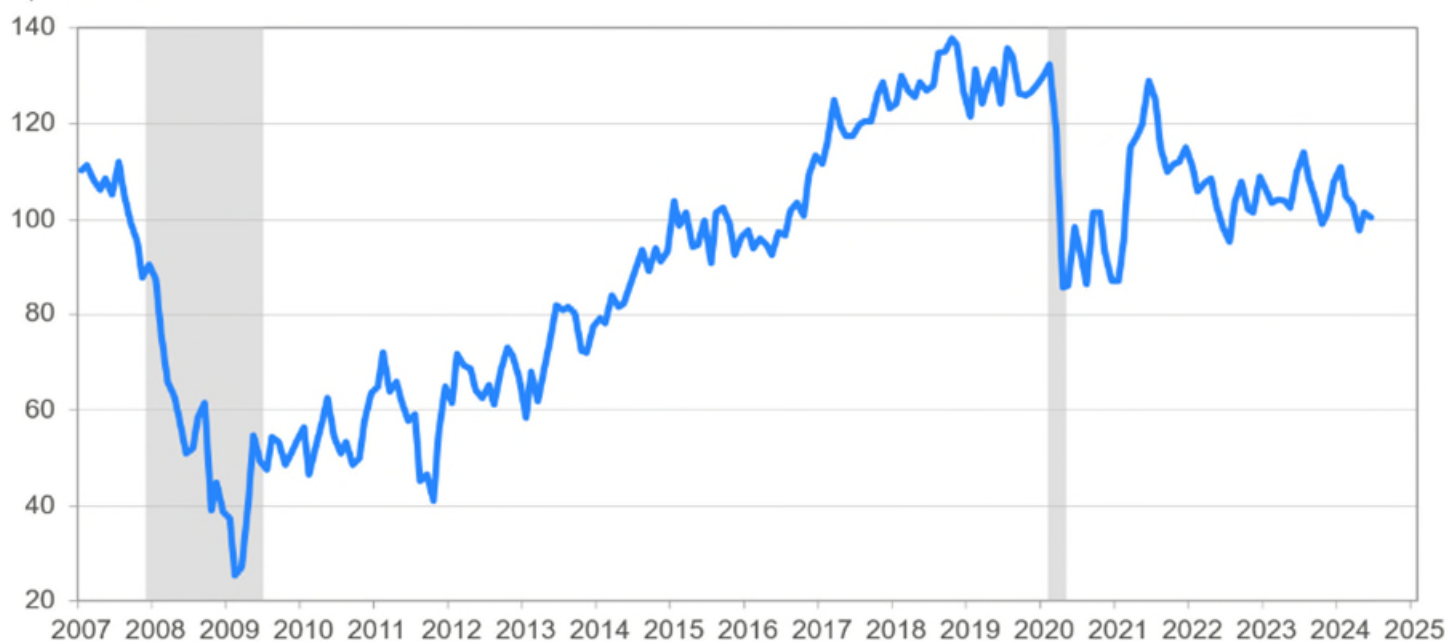
“The Conference Board Consumer Confidence Index® dipped in June to 100.4 (1985=100), down from 101.3 in May.”

“Confidence pulled back in June but remained within the same narrow range that’s held throughout the past two years, as **strength in current labor market views continued to outweigh concerns about the future**. However, if material weaknesses in the labor market appear, Confidence could weaken as the year progresses,” said Dana M. Peterson, Chief Economist at The Conference Board. – Jun 2024 – The Conference Board

“Consumer sentiment held steady in June; this month’s reading was a scant and statistically insignificant 0.9 index points below May and well within the margin of error. While consumers exhibited confidence that inflation will continue to moderate, **many expressed concerns about the effect of high prices and weakening incomes on their personal finances**. These trends offset the improvements in the short- and long-run outlook for business conditions stemming in part from expectations for softening interest rates. Still, sentiment is currently about 36% above the trough seen in June 2022.” – Jul 2024 – Survey of Consumers – University of Michigan

Consumer Confidence Index®

Index, 1985 = 100



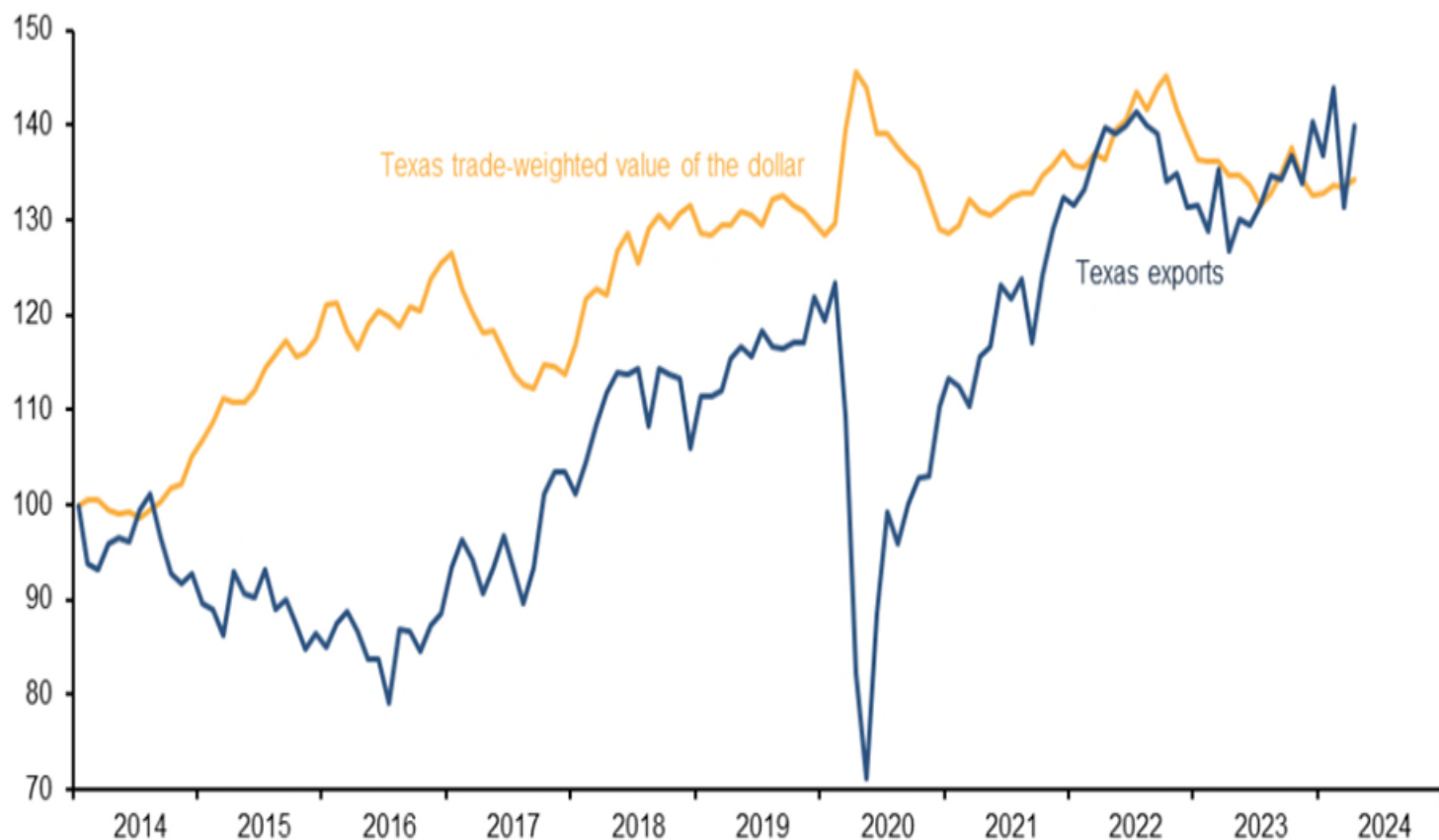
*Shaded areas represent periods of recession.
Sources: The Conference Board; NBER
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TEXAS EXPORTS – TEXAS

“Texas exports expanded 6.5 percent in April. On a smoothed basis (three-month moving average), exports to Texas’ largest trading partners were mixed. Exports rose 4.3 percent to Asia (excluding China), 2.1 percent to Mexico and 0.6 percent to Latin America (excluding Mexico). Meanwhile, exports to China fell 3.1 percent, and exports to Europe were down 5.0 percent.” – Jun 2024 – Texas Economic Indicators – Dallas Fed

Exports

Index, Jan. 2014 = 100*



*Seasonally adjusted.

NOTE: Data are monthly through April 2024.

SOURCE: Census Bureau, WISERTrade; Bureau of Labor Statistics; Dallas Fed.

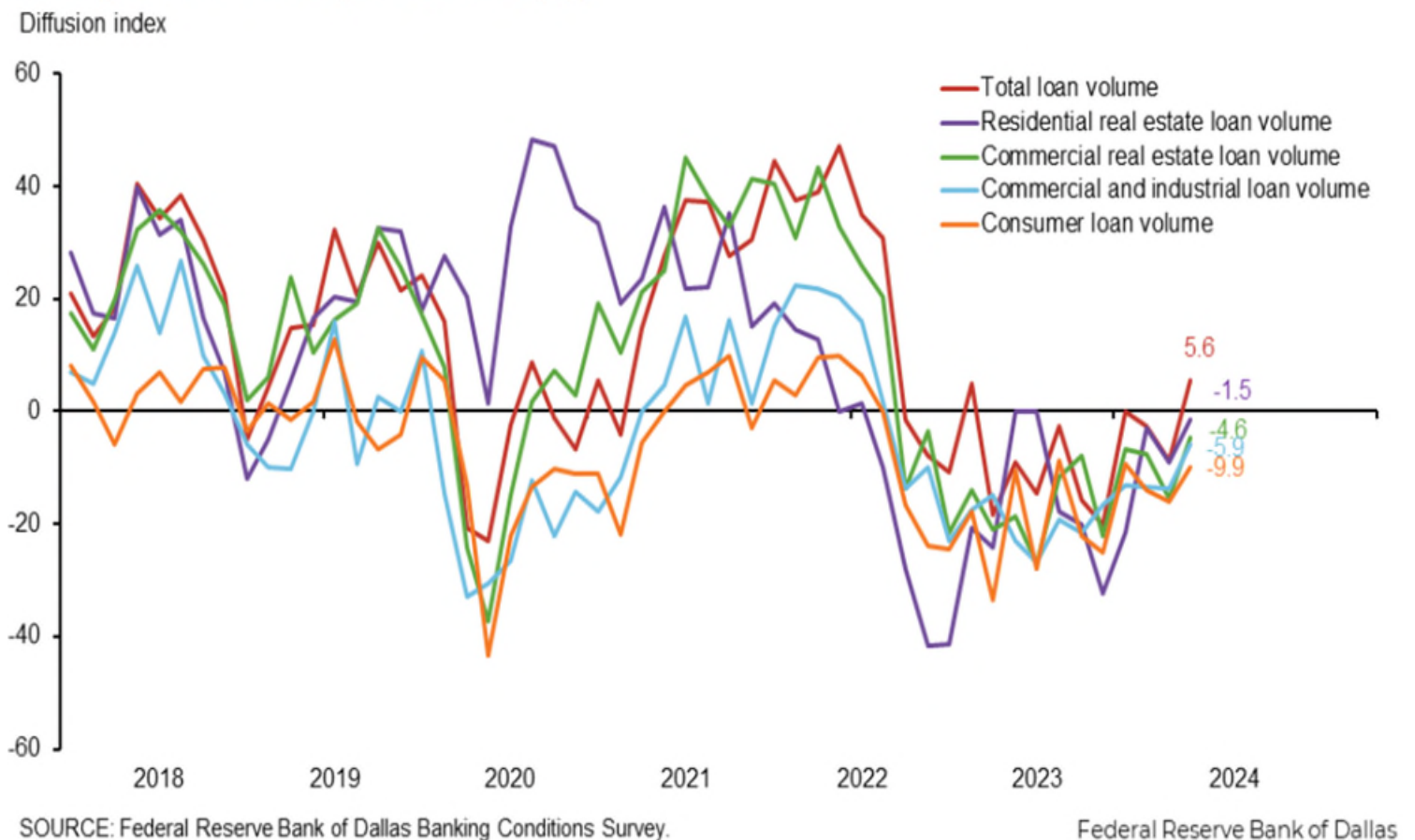
Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Texas Economic Indicators – Jun 2024

BANKING CONDITIONS SURVEY LOAN VOLUME BY TYPE - TEXAS

“The Dallas Fed's Banking Conditions Survey suggested slight growth in total loan volumes in May. However, **volumes for various loan types contracted**, but at a slower pace than April. The total loan volume index jumped 14.3 points to 5.6. Meanwhile, the commercial and industrial index was -5.9, the commercial real estate loan index was -4.6 and the consumer volume index was -9.9, **all posting their 14th consecutive negative readings**. The residential real estate loan volume index improved but remained in negative territory at -1.5.”
 – Jun 2024 – Texas Economic Indicators – Dallas Fed

Banking Conditions Survey loan volume by type

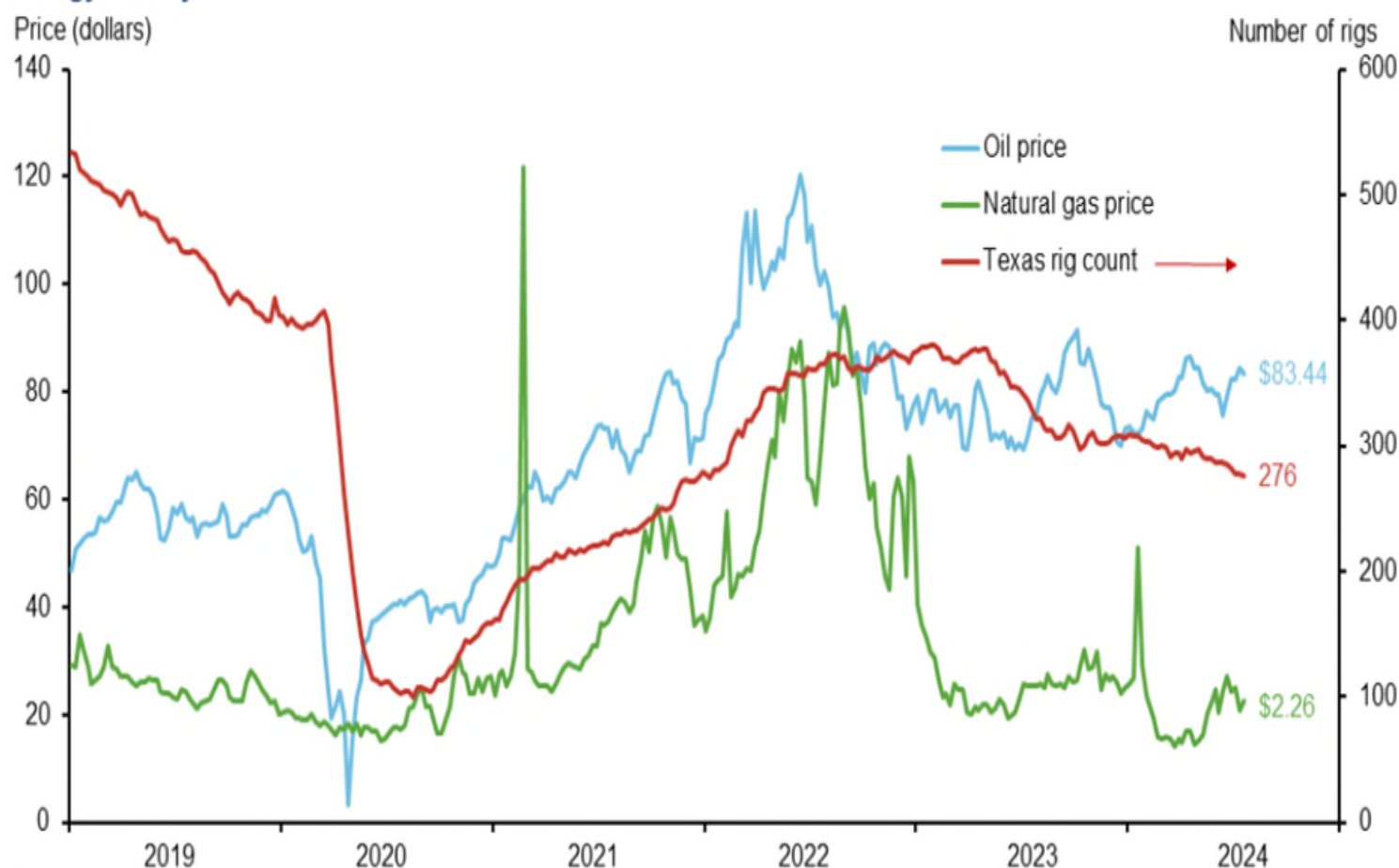


Provided by Federal Reserve of Dallas – Texas Economic Indicators – Jun 2024

ENERGY ACTIVITY - TEXAS

“Oil prices ticked down in mid-July following a run-up in the prior five weeks. As of the week ending July 12, West Texas Intermediate crude was \$83.44 per barrel, \$1.17 lower than the first week of July. Natural gas (Henry Hub) increased \$0.19 to \$2.26 per million British thermal units. **The number of active rigs in Texas has been declining since the end of 2023 and fell to 276 in mid-July.**” – Jul 2024 – Texas Economic Indicators – Dallas Fed

Energy activity



NOTES: Data are weekly through the week ending July 12, 2024. The West Texas Intermediate (WTI) oil price is dollars per barrel; the natural gas price is dollars per million British thermal units, multiplied by 10.

SOURCES: Baker Hughes; Energy Information Administration; *The Wall Street Journal*.

Federal Reserve Bank of Dallas

Provided by Federal Reserve of Dallas – Texas Economic Indicators – Jul 2024

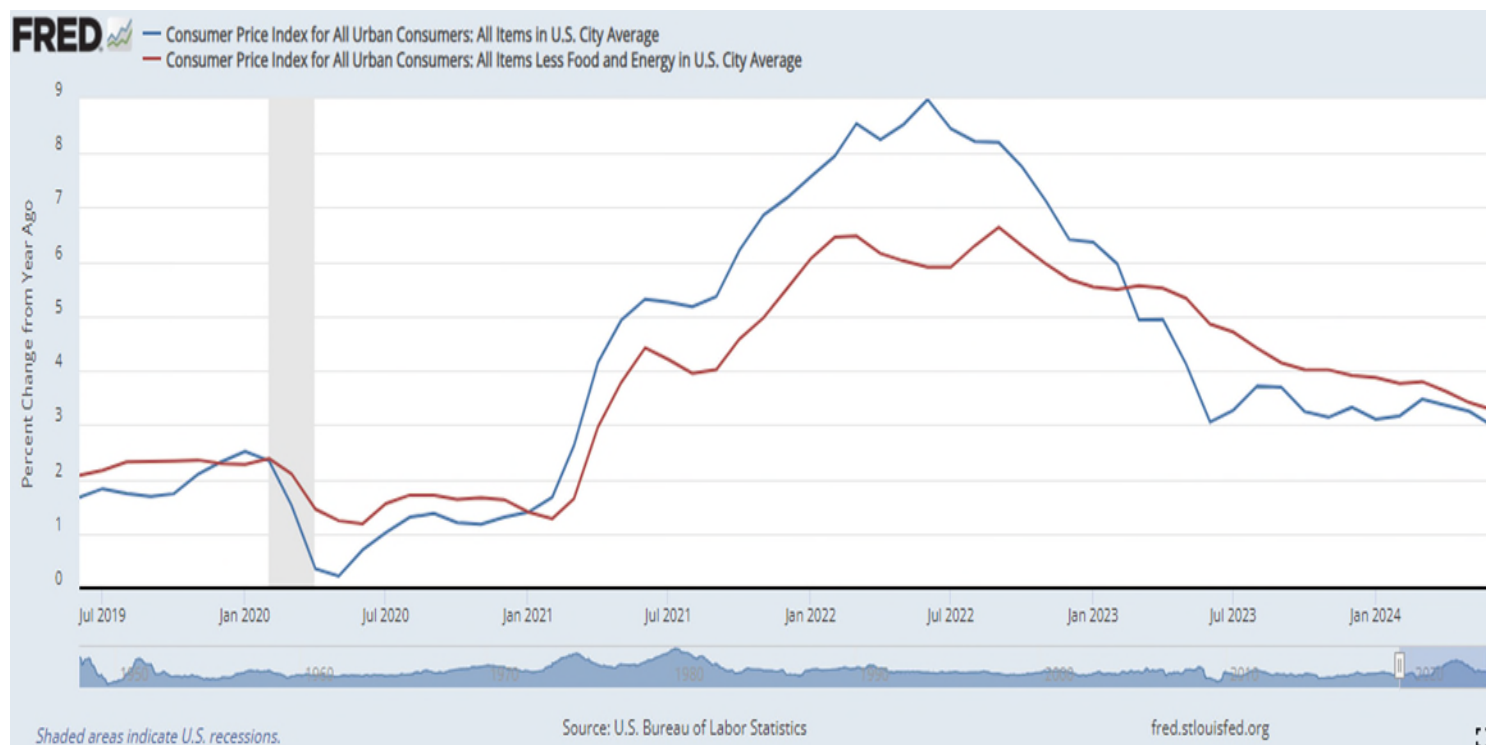
CONSUMER PRICE INDEX

“The all-items index rose 3.0 percent for the 12 months ending June, a smaller increase than the 3.3-percent increase for the 12 months ending May.

The all items less food and energy index rose 3.3 percent over the last 12 months and was the **smallest 12-month increase** in that index **since April 2021**.

The energy index increased 1.0 percent for the 12 months ending June. **The food index increased 2.2 percent over the last year.**” – Jul 2024 – Economic News Release – U.S. Bureau of Labor Statistics

Consumer Price Index - 12 Month Percentage Change

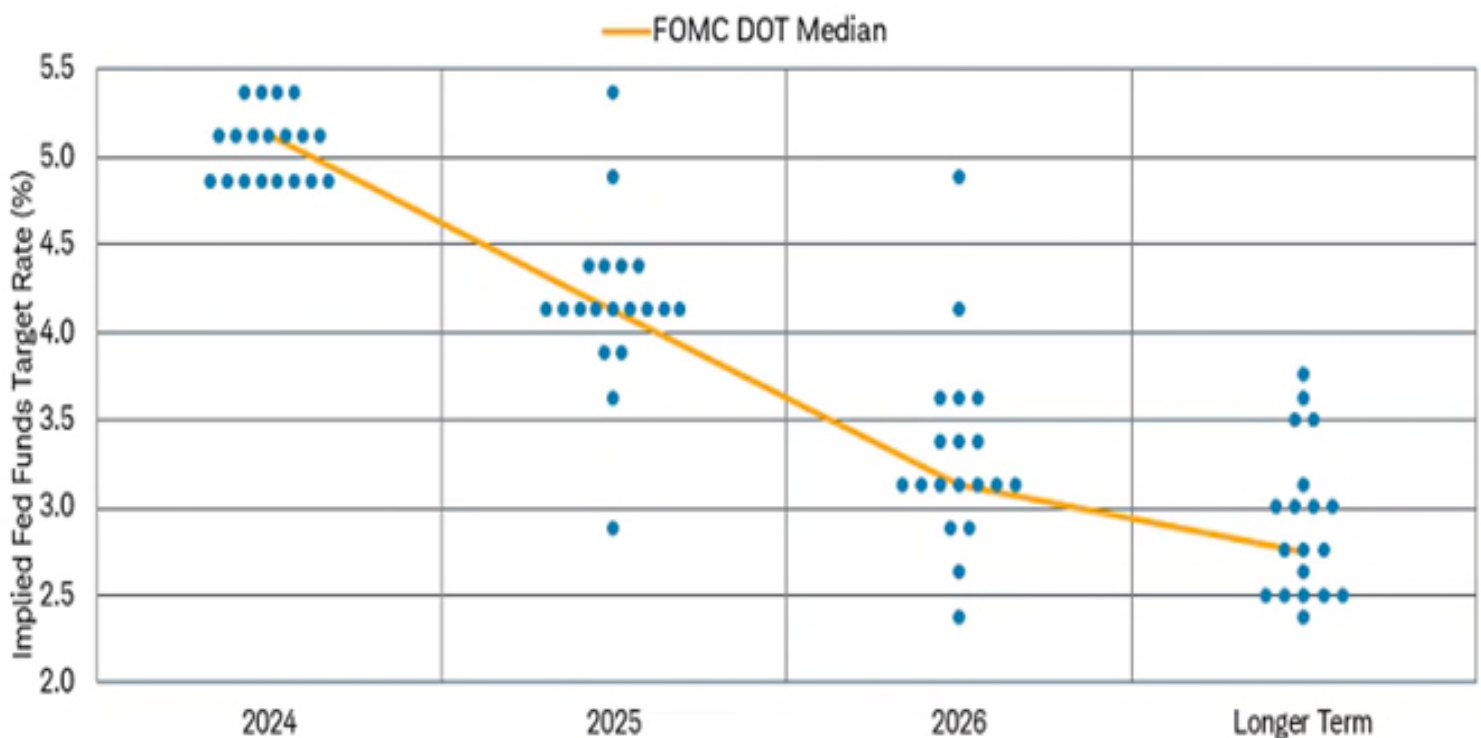


Source: Bureau of Labor Statistics, not seasonally adjusted, 1982-84=100 Provided by the St. Louis Fed

FEDERAL FUNDS RATE – FEDERAL RESERVE EXPECTATIONS

“The quarterly Summary of Economic Projections showed that the Fed expects inflation to remain elevated in the near term but anticipates it will fall in 2025, allowing for as many as four rate cuts. Notably, the long-run interest rate forecast moved up from a median estimate of 2.6% to 2.8%.” – Jun 2024 – Charles Schwab

The FOMC's latest dot plot

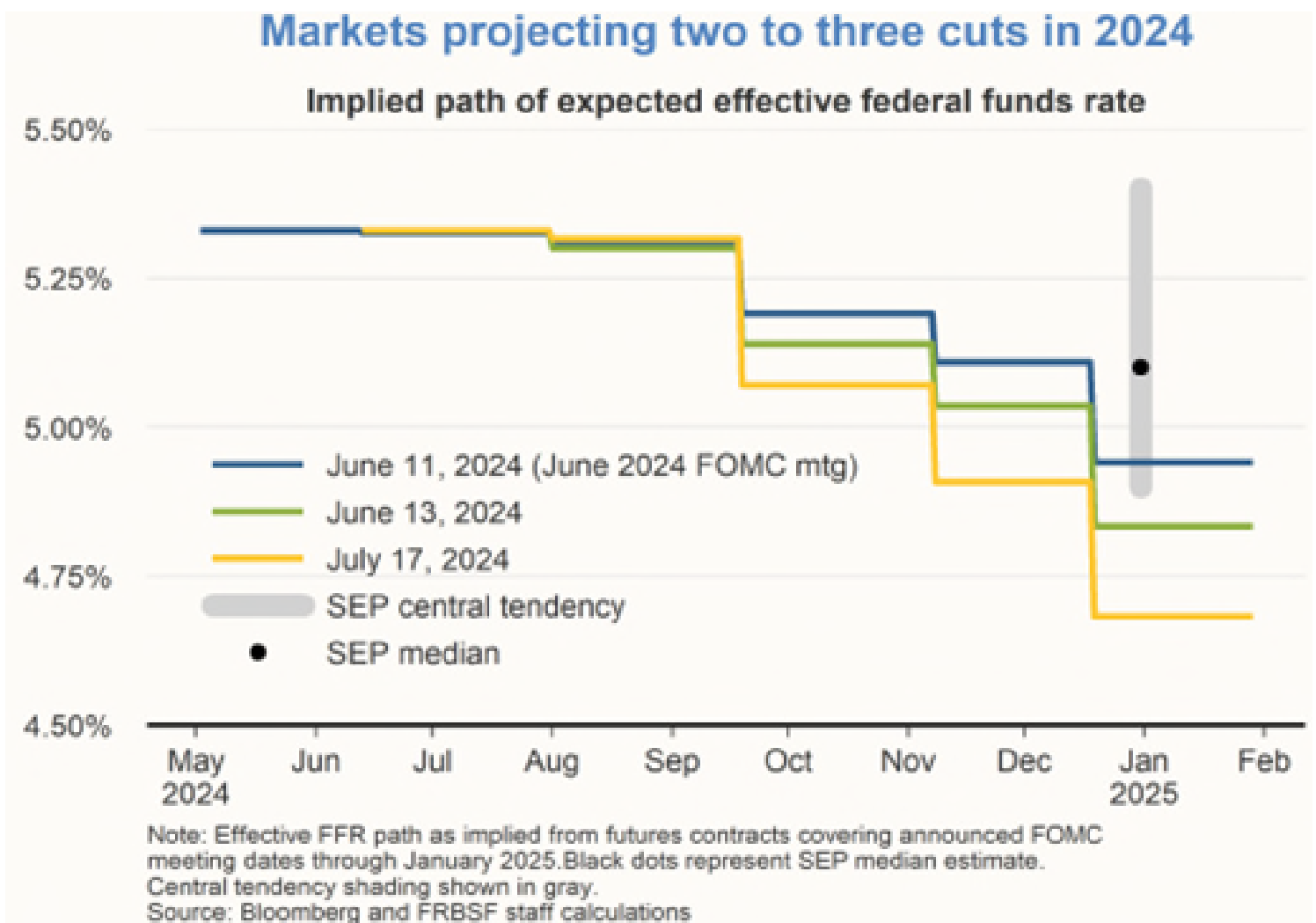


Source: Bloomberg. FOMC DOT Plot as of June 12, 2024.

Provided by Charles Schwab – Jun 2024

FED FUNDS RATE – MARKET EXPECTATIONS

“The June reading for consumer price index (CPI) inflation that was released on July 11 has shifted the financial **market projection closer to three 25 basis point rate cuts by the end of 2024.**” – Jul 2024 – FedView – San Francisco



Provided by San Francisco Fed - FedView – Jul 2024

TARIFF EVASION – CHINESE COMPANIES IMPORTING STEEL VIA MEXICO

“China has been importing steel and aluminum to the United States through Mexico to avoid paying tariffs, senior administration officials said. In April, a U.S. delegation went to Mexico to meet with Mexican President Andres Manuel Lopez Obrador to address the issue.”

“The White House is joining forces with Mexico to prevent Chinese companies from importing steel and aluminum into the U.S. through the Southern border without paying tariffs.”

“Under the new joint agreement, Mexico will require importers to provide country-of-origin information about their steel products. Mexico will also increase tariffs on aluminum, steel and other products from countries with which it does not have a free trade agreement.”

“On Tuesday, National Economic Advisor Lael Brainard said the president will sign a proclamation stating that a 25% tariff will be imposed on steel arriving from Mexico if it is not melted or poured in the North American Free Trade Agreement countries of Mexico, the U.S. or Canada.”



A steel billet is pierced during the hot rolling process to create a seamless pipe at the Tenaris pipe mill Wednesday, June 6, 2018, in Bay City, Texas. (AP Photo/David J. Phillip) Provided by Spectrum News

“China makes almost 50% of the steel that is used globally, according to a senior Biden administration official. While Chinese steel accounts for 0.6% of U.S. demand, the official said **China is producing more than it can use domestically or the world can easily absorb.** China’s export steel prices are about 40% lower than U.S. steel prices.

The last time Chinese steel flooded the market was in the early 2000s, causing more than 14,000 steel workers in Pennsylvania and Ohio to lose their jobs, the president said in April.” – Jul 2024 – Spectrum News

TECHNOLOGY – PAYMENT APP ETIQUETTE

“Payment apps have been around for years. PayPal dates back to the dot-com boom, making it as old as a Gen Z user. **There are 90 million U.S. Venmo users**, and Pew Research survey data showed 57% of 18- to 29-year-olds reported using it. The code of conduct is still being worked out.”

“Payment apps that allow us to send money seamlessly are turning us into each other’s accountants, itemizing charges from a \$3 coffee to a \$60 theater ticket. Tools like Venmo, PayPal and Splitwise make it easy to ask friends to chip in for a pizza or an outing—and pressures the one who always promises to pay you back to actually do so—but **few things can sour a friendship faster than an unexpected bill.**”

“The impersonal nature of after-the-fact Venmos, especially when the person seeking repayment never mentioned they would send a bill, have people **rethinking what’s a friendly gesture, and what’s a billable cost.**”

“Payment requests of \$5 or less are **considered rude by 72% of people ages 16 to 26**, according to an April survey by the payments service Cash App.”



Payment apps like Venmo have made it easier to send money back and forth, and let friends avoid uncomfortable conversations about who owes what. ILLUSTRATION: WSJ, ISTOCK, VENMO

“Venmo, Splitwise and other **apps let users nudge each other with reminders of outstanding bills.** Venmo’s transactions tab, PayPal’s and Cash App’s activity menus and Splitwise’s home screen keep users’ **debts visible for months or more**, making it hard to forget when someone owes you money, or when you owe them.”

“Most people pay their debts promptly, said PayPal, which owns Venmo. This year through June, **more than 78% of users who received a money request fulfilled it on the same day**, while 17% paid within five days. Some 4.5% took longer or allowed requests to expire. PayPal requests expire after 60 days; Venmo’s don’t expire.” – July 2024 -WSJ

SUSTAINABILITY – AI THREATENS TECH CLIMATE COMMITMENTS

“Google and Microsoft have vowed to slash emissions by the end of the decade, but new disclosures show their numbers are moving in the wrong direction.

Google’s overall emissions increased by 13.5% from 2022 to 2023, according to its annual sustainability report released Tuesday. They are up by nearly half since 2019. A recent disclosure from **Microsoft** told a similar story. Its **total emissions were up by 29% between 2020 and 2023**.

Meanwhile, **Google has pledged a 50% cut against a 2019 baseline**, and Microsoft has said it will be carbon-negative by 2030.

‘In spite of the progress we’re making, we face significant challenges that we’re actively working through,’ wrote Google Chief Sustainability Officer Kate Brandt and Senior Vice President Benedict Gomes in a letter accompanying the report.

The AI boom is substantially responsible for the lack of progress. Large language models like ChatGPT are powered by energy-intensive data centers, and **AI is projected to increase electricity demands from data centers by 50% by 2027**, according to researcher Alex de Vries. Data center construction and grid infrastructure upgrades push up energy consumption, too.”



Google’s overall emissions increased by 13.5% from 2022 to 2023, according to its annual sustainability report.
NOAH BERGER/AGENCE FRANCE-PRESSE/GETTY IMAGES
Provided by The Wall Street Journal (WSJ)

“Tech companies have insisted that while AI may be driving ramped-up electricity demand at present, it will also be responsible for massive energy savings elsewhere. Google, for example, has worked on an AI-powered tool that would help airplanes avoid generating contrails, which account for 57% of aviation’s global-warming impact, according to the Intergovernmental Panel on Climate Change.

It isn’t yet clear if efficiency gains will cancel out energy use. And even if they do, the biggest impact will likely be felt in other sectors, like air travel and construction. That leaves tech companies with ever-growing emissions problems on their carbon balance sheets.” – Jul 2024 - WSJ

IN DEPTH - CHILD ID THEFT

INTRODUCTION

“Child identity theft occurs when someone uses a minor’s personal information, such as name, date of birth or Social Security number to fraudulently gain credit or other benefits. Creditors do not verify age of applicants. Thus, the discovery of this crime can go undetected until a child becomes an adult and seeks credit, only to find a history of falsely obtained credit in existence. The damage caused by child identity theft can vary from a single fraudulent bill in collections to a foreclosed mortgage. Thus, it is important to be vigilant about protecting your child from becoming a potential victim.” – Mar 2024 – Dept of State NY.com



Gaining access to a child's Social Security number is considered the holy grail for thieves, so be very cautious about sharing it. JON KRAUSE – Provided by The WSJ

“It may seem like identity theft won't happen to your child, but unfortunately, **it's becoming increasingly common**. Taking appropriate steps to protect against identity theft is essential in the digital information age. You can protect your child's financial future by employing preventative measures, monitoring your child's credit report, knowing the signs of identity theft and acting quickly when problems arise.” – Mar 2023 – Money.com

Javelin Strategy’s Child Identity Fraud Study reported that **identity theft affected one out of every 50 children in 2021** and costs families in the U.S. almost \$1 billion each year. These child identity theft statistics show how serious the problem is. Staying alert and monitoring your child's credit report is a great way to avoid this hassle.” – Mar 2023 – Money.com

IN DEPTH - CHILD ID THEFT

WHY WOULD A THIEF TARGET A CHILD'S IDENTITY?

“In the United States, it's illegal for people under the age of 18 to enter into a contractual agreement with a lender, so it may be hard to understand what a criminal could gain from stealing a child's identity. However, although it's illegal to do so, **many lenders do not verify a person's age before issuing them a loan or credit card**. Additionally, in 2011 the Social Security Administration (SSA) stopped issuing Social Security Numbers (SSNs) in order and switched to a randomized SSN system. This makes **it impossible to know someone's age from their SSN alone**.

Another reason that thieves target **children** is that they **possess an untouched credit history**. A criminal can use a child's sensitive information — such as their SSN, date of birth, birth certificate or access to social media accounts — to commit fraud and scam lenders. Some examples of child identity theft include:

- Applying for government benefits like unemployment
- Purchasing a vehicle with an auto loan
- Opening bank or credit card accounts
- Filing fake tax returns with the Internal Revenue Service (IRS) for tax refunds
- Taking out loans with various financial institutions
- Receiving fraudulent student aid
- Gaining employment illegally

Since most people don't expect children to be victims of identity theft, crimes against them **can go unnoticed for years, devastating their financial futures.**” – Mar 2023 – Money.com

IN DEPTH - CHILD ID THEFT

WHAT IS THE POTENTIAL IMPACT OF CHILD IDENTITY THEFT?

“The effects of identity theft can be severe once the child victim reaches adulthood. The victim might not even know about the identity theft until they apply for a line of credit and are denied or have problems getting a driver’s license or government benefits.

As the victimized child becomes an adult, the theft of their identity could result in the following:

- A low credit score
- Tax issues
- An inability to receive student aid
- Higher insurance rates
- A criminal record

The sooner a parent realizes that their child is a victim of identity theft and takes action, the fewer problems the child will face in the future.” – Mar 2023 – Money.com

IN DEPTH - CHILD ID THEFT

WHAT ARE THE COMMON SIGNS OF IDENTITY THEFT?

“Warning signs of child identity theft include:

- Suspicious mail that arrives addressed to the child, such as bills, credit cards, or pre-approved credit offers
- Phone calls or correspondence from debt collectors for debts supposedly owed by the child
- An existing credit report in the child’s name
- An existing financial account in the child’s name
- Strange notices or requests from the Internal Revenue Service, such as:
 - Notices indicating your child has failed to pay income taxes when no income was earned
 - Requests confirming your child’s employment when your child is unemployed, and
 - Notices indicating your child’s information is listed on a tax return other than your own

It is important to check whether your child has a credit report. The credit reporting agencies do not knowingly keep credit files on minors. Therefore, contacting the credit reporting agencies to confirm your child does not have a credit file will likely mean that he/she has not been a victim. If there is no report at one credit reporting agency, it is still recommended that you contact the other two major credit agencies to confirm that no file exists for your child.” – Mar 2024 – Dept of State NY

IN DEPTH - CHILD ID THEFT

WHAT TO DO IF YOUR CHILD IS A VICTIM OF IDENTITY THEFT

“It can be upsetting to realize your child is the victim of identity theft, but there are things you can do to minimize the damage.

Freeze their credit file

If you discover that someone has stolen your child's identity, the first thing to do is freeze their credit. Frozen credit makes it almost impossible for cybercriminals to open a new line of credit in your child's name, even if they have your child's PPI [Private Personal Information]. You can also freeze your child's credit as a preventative measure.

To freeze your child's credit, contact all three major credit bureaus: Equifax, Experian and TransUnion. Ask the credit reporting agencies to remove any affected accounts. After your child's credit reports are frozen, lenders must verify their identity before offering credit to anyone claiming to be them.

Contact the fraud department of all businesses where the information was misused

If you find any fraudulent accounts in your child's name, such as bank accounts or loans, contact the fraud departments of all businesses involved. You will need to prepare evidence to show that your child is a real person and that neither you nor your child opened these accounts. Ask each business, bank or institution to terminate the accounts and request a confirmation letter that certifies the closing.

If your child's social media account was hacked or duplicated, change the username and password immediately to mitigate damage. Contact the platform's service representatives to notify them about the problem.” – Mar 2023 – Money.com

IN DEPTH - CHILD ID THEFT

WHAT TO DO IF YOUR CHILD IS A VICTIM OF IDENTITY THEFT (continued)

Report the identity theft to authorities

“Once your child’s finances are frozen and secured, report the identity theft to the authorities. File an official identity theft report online with the Federal Trade Commission (FTC) and make a recovery plan. You should also contact the SSA to see if they allow a change of your child’s Social Security number.

You may also want to file a police report with local law enforcement. In child identity theft cases where your child’s identity has been compromised by a family member, guardian or close friend, you must file a police report to press charges.

Start monitoring their credit report

After you freeze your child’s credit and you’ve contacted the proper authorities, keep an eye on your child’s credit history or employ a credit monitoring service. If you notice any activity on the credit report, you’ll need to take action again.” – Mar 2023 – Money.com

IN DEPTH - CHILD ID THEFT

HOW CHILD IDENTITY THEFT CAN HAPPEN

“Scammers use many strategies to obtain valuable information about children. They might **scour social-media platforms, search through data breaches, check public records, engage with the child directly in online forums or buy the information on the Dark Web**. With just a few pieces of data, crooks can hijack children’s social-media accounts, intercept their physical mail, obtain low-limit credit cards in their name through retailers or access funds by changing passwords.” – Mar 17, 2024 – WSJ

“There are several forms of identity theft. Some common ways criminals obtain the information needed for identity theft include familial fraud, phishing scams, hacking and data breaches.

Familial fraud

A common cause of child identity theft is when a family member, legal guardian or close friend takes advantage of their relationship with a child to steal their PII. These scammers abuse the victim's trust to access confidential information without suspicion. Familial fraud is especially harmful when committed by a parent, guardian or someone responsible for the child’s wellbeing.

Phishing scams

Phishing scams target children and their families and trick them into revealing sensitive information. Phishing attacks can take the form of phony emails, pop-up ads, social media messages or phone calls, which can be difficult even for adults to identify as scams.

Children that use the internet without parental supervision have a higher chance of giving their sensitive information to a scammer. For example, if an identity thief contacts a child pretending to be a government official or other authority figure, the child may unknowingly fall victim to a social security scam.” – Mar 2023 – Money.com

IN DEPTH - CHILD ID THEFT

HOW CHILD IDENTITY THEFT CAN HAPPEN (continued)

Hacking

“As more children use the internet for school and entertainment, hacking becomes more prevalent. Hacking occurs when a cybercriminal gains unauthorized access to digital devices that hold sensitive information, such as smartphones, computers or entire networks. For example, hackers may use password hacks or malware to access PII on your child's computer.

Hackers can also gain access to social media accounts, stealing your child's photos and information to create fake duplicate accounts. They then use these compromised accounts to scam others into sending money or sharing PII and other sensitive information.

Data breaches

A data breach is a cyberattack where criminals access confidential or sensitive information from an institution such as a bank, government office or online retailer. Data breaches usually occur due to technological vulnerabilities in a company's records or other infrastructure. With a data breach, criminals can steal PPI or corporate data, which they can sell for profit.

Companies will usually inform you of any data breach that puts your or your child's information at risk. If a criminal infiltrates an institution that holds your child's PII, they may use it for identity theft or sell it on the dark web to other cybercriminals. You can't do much to protect yourself against a data breach besides being cautious about who you trust with your information.

Other types of data breaches can occur from a criminal bribing an employee at a school for sensitive information. Fraudsters can also use stolen mail to gain information and create fake identities.” – Mar 2023 – Money.com

IN DEPTH - CHILD ID THEFT

HOW TO PROTECT CHILD'S DATA

Freeze It

“The first step to protect children is to freeze their credit, which restricts anyone, including the parent or child, from opening new credit accounts with the child’s Social Security number. The sooner people can do it the better—in fact, they can enact a freeze as soon as the child is assigned a Social Security number.

‘Honestly, there’s no downside to keeping a child’s credit frozen or even freezing it when they are a baby,’ says the FTC’s Leach.” – Mar 17, 2024 – WSJ

Parents Limit Exposure

“Parents should also recognize how much they themselves expose about their children on social media. **‘Parents’ social-media behavior puts their kids at risk,**’ says Tracy Kitten, director of fraud and security at Javelin Strategy & Research, and author of the consulting firm’s 2023 Child ID Theft report. ‘They post where their kids go to school, what sports they play, their names, their birthdays.’

Armed with that information, ‘a bad actor could start building a persona or profile, or “synthetic identity,” that mimics the child’s persona or identity,’ Kitten says. From there, she says, the mimicked or fake credit profile could be used to apply for benefits or open new accounts under the child’s name or using parts of that child’s identity.” – Mar 17, 2024 – WSJ

IN DEPTH - CHILD ID THEFT

HOW TO PROTECT CHILD'S DATA (continued)

Question Everyone

“As children get older, there are ongoing steps to take to protect their vital information. Don’t overlook a very basic move: **Lock their birth certificate and Social Security card someplace safe, like a cabinet or safe**, and if documents are stored in the cloud, be sure to use a password manager and multifactor authentication to gain access to those files, says Max Anderson, chief growth officer at 360 Privacy, a company that deletes information of customers off the internet.

Meanwhile, be very cautious when asked to share a child’s information, a Social Security number in particular. ‘If your child needs to get a passport, a job, or pay taxes, they’ll need to share their Social Security number in the process,’ says Leach. Opening a new bank account will also require that number. ‘But **never [share it] with anyone who calls, emails or texts and asks for it**. Always be skeptical, always give it to someone through a secure means,’ Leach cautions.

When a school or sports team or even doctor’s office asks for the number, **push back**. ‘**Ask why they need it**,’ Carnegie Mellon’s Lightman says. ‘If they do, ask who has access to it, how it’s secured and stored and for how long.’

‘Prevention is always easier than remediation,’ says Incode’s Guerra. ‘If data can’t be accessed, or is not collected in the first place, by definition it cannot be stolen.’” – Mar 17, 2024 – WSJ

IN DEPTH - CHILD ID THEFT

HOW TO PROTECT CHILD'S DATA (continued)

Keep Quiet

“The next crucial step involves something that is much harder to control but is ultimately a parent’s responsibility: how children handle themselves online.

‘Parents should know how much information their children are disclosing online,’ says Lightman, noting that this can be nearly impossible to understand in totality. ‘We’re talking about Gen Alpha here. Their digital footprint starts when they are born.’

Lightman recommends the online-safety section of the website for the nonprofit Common Sense Media to get information and advice about the identity-theft dangers online. And there are plenty to inform children about. Warn them, in a way that will resonate with a young person, about the troves of data that social-media sites collect, and how hackers could use the information to gain access to their accounts. **Encourage them not to fill out online personality quizzes, whose primary focus is often data mining.** Advise them not to give too much away while playing on collaborative game sites, and explain how ‘friends’ made online may not be so well-meaning.

‘There needs to be common ground and a shared understanding between parent and child about what to post, what not to post, in which channel and with whom,’ he says. ‘The difficult part is when a child knows they are being monitored, they might hide activity from their parents.’

He recommends providing access to social media through ‘mediated’ accounts—such as Instagram Supervision or Snapchat Family Center—which often provide a set of tools and insights that parents can use to help their teens navigate social-media engagements. Parental oversight is an opt-in feature and the teen typically has to agree to participate. Studies have shown these types of accounts and conversations lower chances of victimization.” – Mar 17, 2024 – WSJ

IN-DEPTH TOPICS LOCATED ON THE COUNTY AUDITOR'S WEBPAGE

5G Network	4 th Qtr 2018	Money Market Reform	3 rd Qtr 2016
Afterpay	4 th Qtr 2020	Natural Gas – U.S. Exports	4 th Qtr 2019
Alibaba	3 rd Qtr 2017	Negative Interest Policy	2 nd Qtr 2016
Austin Housing	1 st Qtr 2024	New Silk Road	2 nd Qtr 2017
Bitcoin	4 th Qtr 2016	Non-Fungible Tokens	1 st Qtr 2021
Cashless Society	4 th Qtr 2017	Pandemic – Impact	1 st Qtr 2020
Child ID Theft	2 nd Qtr 2024	Quantitative Easing	1 st Qtr 2016
Chatbots	1 st Qtr 2019	Real Estate Commissions	4 th Qtr 2023
Deep Sea Mining	3 rd Qtr 2020	Repurchase Agreements	3 rd Qtr 2019
EV Supply Chain	3 rd Qtr 2022	Secure Act - Retirement	4 th Qtr 2022
Facial Recognition	1 st Qtr 2018	Series I Bonds	1 st Qtr 2022
FedNow	2 nd Qtr 2023	Small Business Reorg Act	2 nd Qtr 2020
Housing Affordability	3 rd Qtr 2023	Student Loan Update	1 st Qtr 2023
IRS - Online Platforms	2 nd Qtr 2022	Texas Imports and Exports	2 nd Qtr 2018
Labor Participation Rate	4 th Qtr 2015	Universal Postal Union	3 rd Qtr 2018
Libra, Calibra, Facebook	2 nd Qtr 2019	Vehicle Shortage	2 nd Qtr 2021
Lumber Prices Soaring	4 th Qtr 2021		

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