



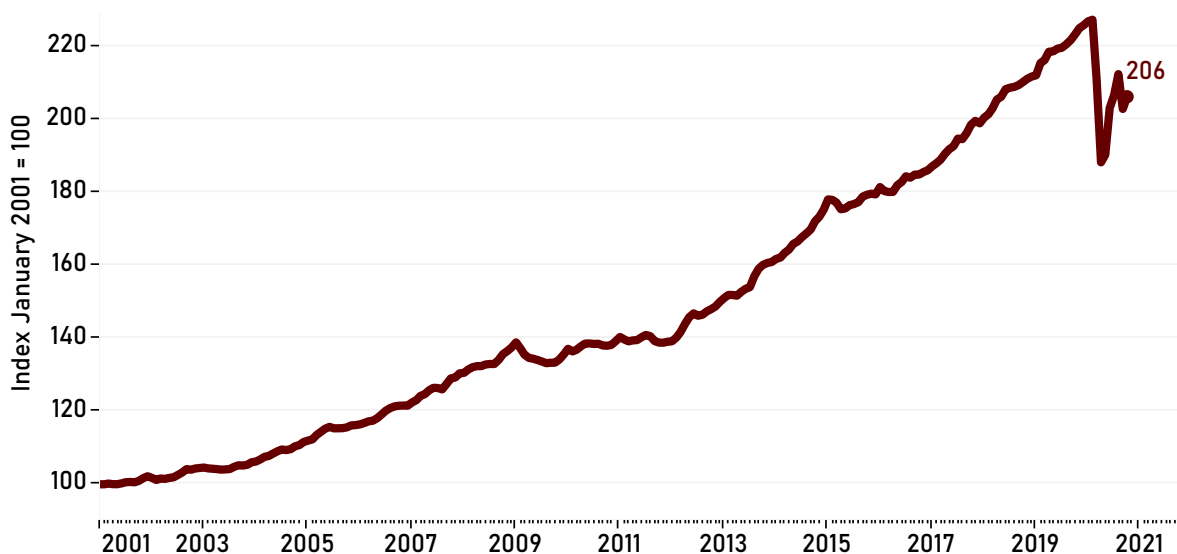
HIGHLIGHTS

- The Business-Cycle Index increased by 1.6% from September to October 2020.
- The local unemployment rate decreased to 4.9% in October from 5.6% in September and remained the second-lowest rate among Texas metros.
- Local nonfarm employment increased slightly since September and is 4.2% lower in October 2020 than it was in October 2019.
- Local real taxable sales increased 6.5% from September to October, but are 9.6% lower than the same month last year.
- Locally, 174 unemployment claims were filed during the week ending on November 28, the lowest weekly total since the week ending on March 14.
- Hotel receipts from January 1 through October of 2020 were 49% of the receipts for the same months of 2019.
- Local air travel increased between October and November and stood at 50% of air travel in November 2019.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

After a one-month of decline in September, the College Station-Bryan Business-Cycle Index increased in October, as seen in Figure 1. The increase resulted from a decline in the unemployment rate and increases in both nonfarm employment and inflation-adjusted taxable sales.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

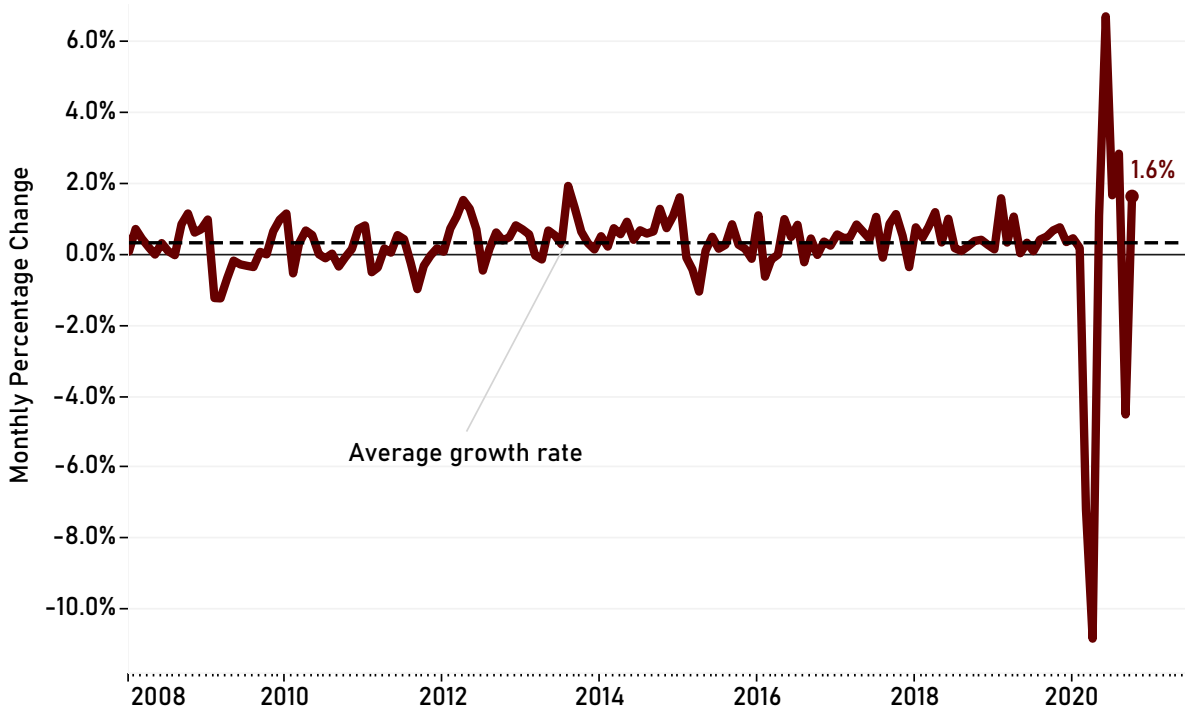


Last reported data point: October 2020 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle increased 1.6% between September and October. This increase comes after a month decline from August to September. The local unemployment rate decreased from 5.6% in September to 4.9% in October. Nonfarm employment was revised this month and shows a modest increase of 0.1% from 118,500 workers in September to 118,600 in October. The third monthly indicator used in estimating the business-cycle, inflation adjusted taxable sales, increased 6.5% between September and October. Together, these three variables account for the October expansion. The fourth variable used in our model, quarterly aggregate wages, was updated for the second quarter of 2020 and showed a decline in real total wages of -1.9% relative to the first quarter of 2020.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

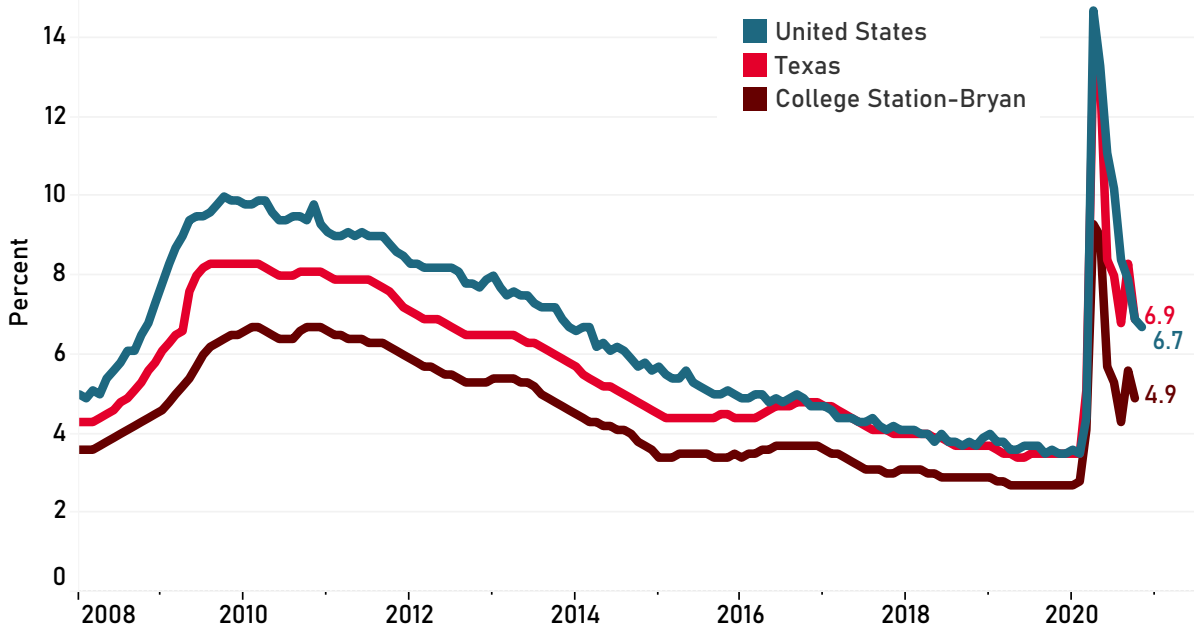


Month-to-month growth rates. Last reported data point: October 2020 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan, Texas, and the U.S. from January 2008 to October 2020. The unemployment rate in College Station-Bryan and in Texas both decreased between September and October. As mentioned, the local unemployment rate declined to 4.9% in October from 5.6% in September. The state rate decreased from 8.3% in September to 6.9% in October. The national rate is available up to November and continued its steady decline to 6.7% from 6.9% in October. The state and metropolitan area unemployment rates for November will be released by the Bureau of Labor Statistics on December 18 and January 5, respectively.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: October 2020 for College Station-Bryan and Texas, November 2020 for the U.S. Source: Bureau of Labor Statistics.

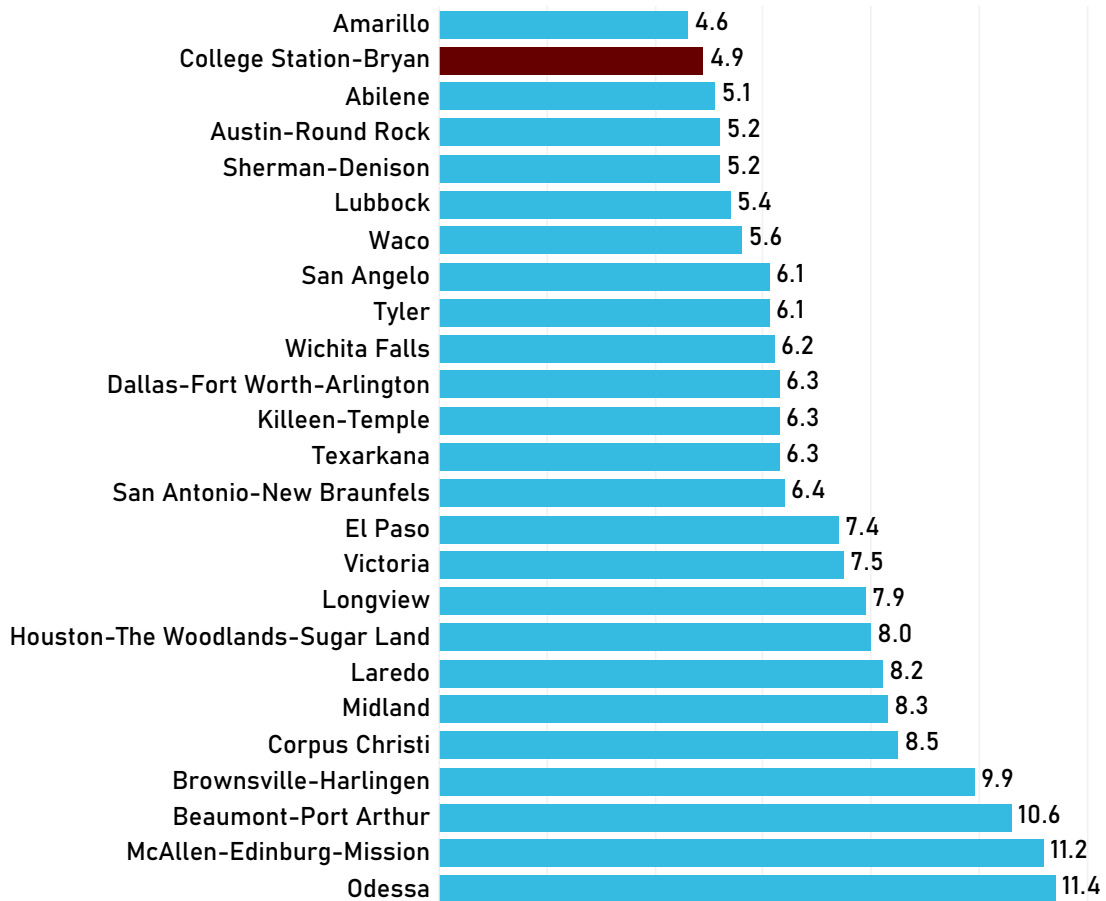
FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

In this month's focus section, we present the unemployment rates in Texas MSAs for October, the unemployment insurance claims in the College Station-Bryan MSA, the hotel receipts in Brazos County, and local air travel by month in 2019 and 2020.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts all Texas MSA unemployment rates for October 2020. The College Station-Bryan MSA's rate of 4.9% in September was second-lowest to Amarillo's 4.6%. Abilene recorded the third-lowest rate at 5.1%. Odessa, McAllen-Edinburg-Mission and Beaumont-Port Arthur had the three highest September rates at 11.4%, 11.2%, and 10.6%, respectively. Austin had the lowest unemployment rate among the four largest MSAs at 5.2%, Dallas-Fort Worth-Arlington's rate was 6.3%, San Antonio-New Braunfels recorded a rate of 6.4% and Houston-The Woodlands-Sugar Land again had the highest rate in this group at 8.0%.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, OCTOBER 2020

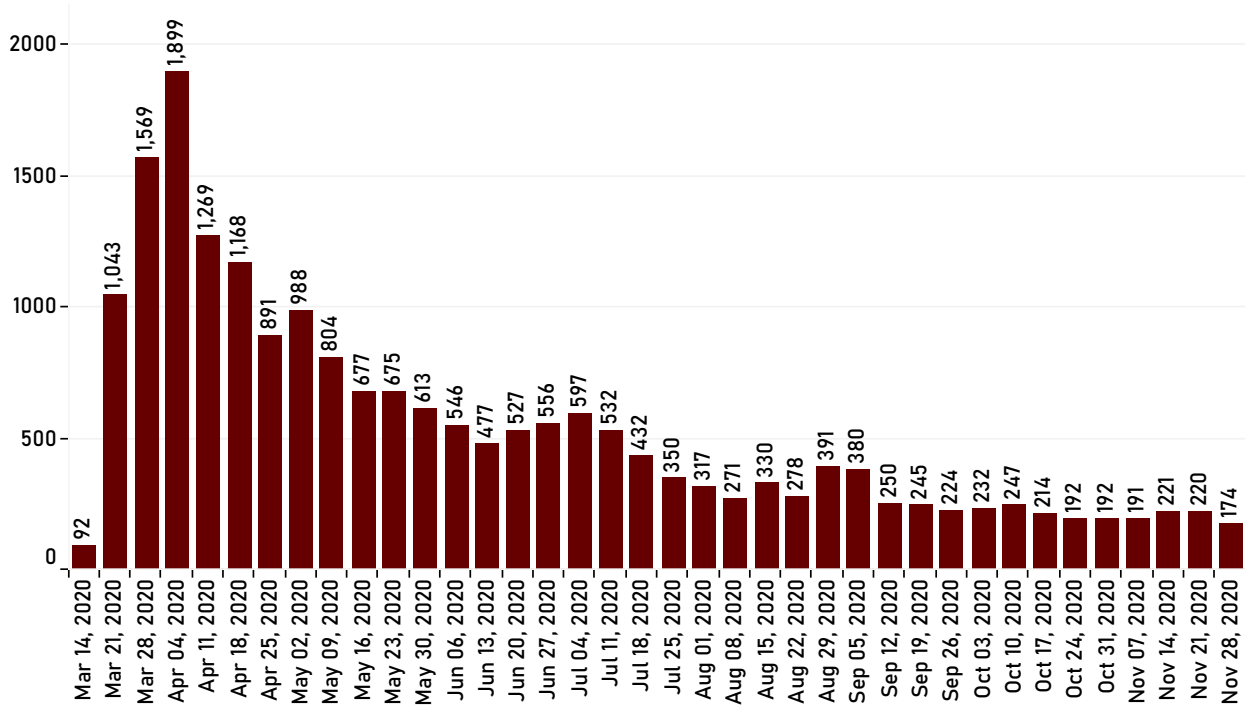


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, October 2020.

LOCAL UNEMPLOYMENT INSURANCE CLAIMS

Figure 5 depicts the weekly unemployment insurance claims in College Station-Bryan as reported by the Texas Workforce Commission. These include claims filed in Brazos, Burleson, and Robertson counties. Since mid-September, the weekly claims have remained below 250. For the week ending on November 28, 174 claims were filed, the lowest number of claims since March 14.

FIGURE 5. WEEKLY UNEMPLOYMENT INSURANCE CLAIMS FOR COLLEGE STATION-BRYAN



Source: Texas Workforce Commission.

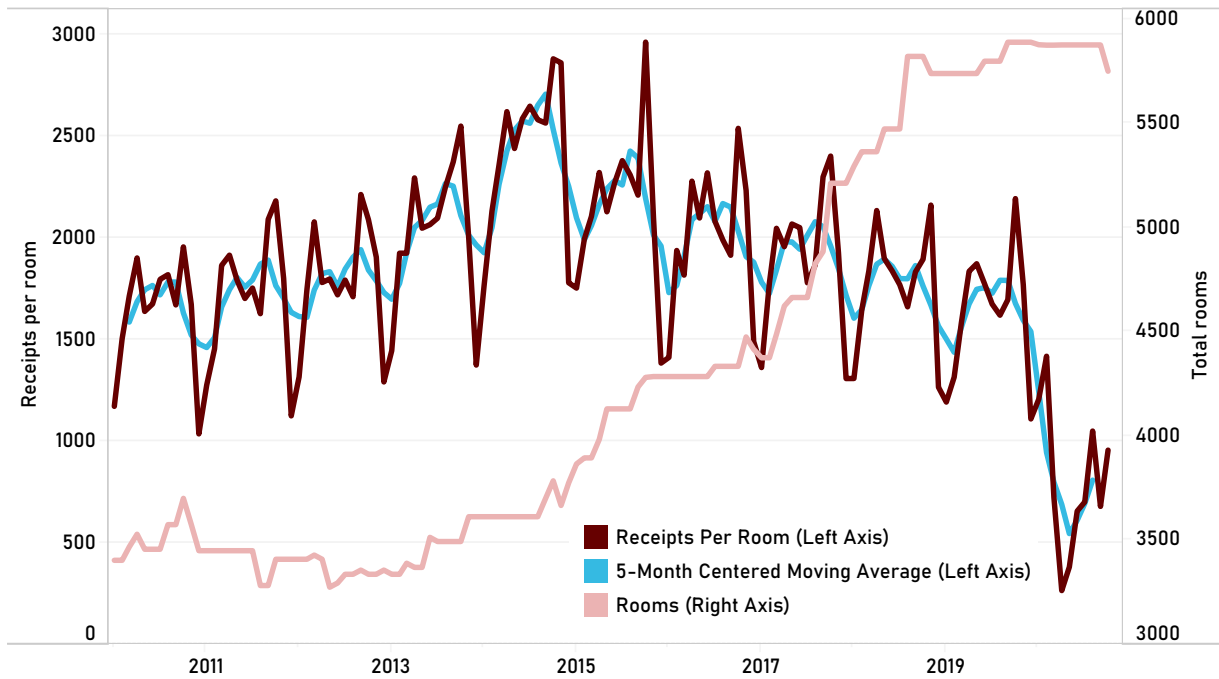
HOTEL RECEIPTS IN BRAZOS COUNTY

During the last decade, the number of hotel rooms in Brazos County has expanded significantly from about 3,400 at the beginning of 2010 to over 5,700 in October 2020. This growth in rooms is depicted in Figure 6 and is measured on the right axis. Two series that reflect the average inflation-adjusted receipts per room are measured on the left axis. These series reveal the seasonal pattern in receipts per room and the general rise in average room receipts for the first four years in the graph followed by a decline in average revenues.

The seasonal pattern is clearly seen in the more volatile series depicting the average receipts per room per month. This series shows the noticeable peaks each year that correspond with one spring month and one fall month - typically April and October. The annual peak in the fall is the higher of the two. The trough each year occurs in winter in either December or January. The smoother series is the 5-month centered moving average, and it also depicts an annual seasonal pattern of revenues per room.

The general rise in receipts per room between January 2010 and the end of 2014 occurred during a period of relatively stable room counts. As seen over the course of the remaining years in the figure, average revenues per room declined during the periods of growing numbers of rooms. The precipitous drop in revenues per room over the last eight months, beginning in March 2020, reveals just how hard this recession has hit local hotels.

FIGURE 6. INFLATION ADJUSTED HOTEL RECEIPTS PER ROOM AND AVAILABLE ROOM COUNT, BRAZOS COUNTY

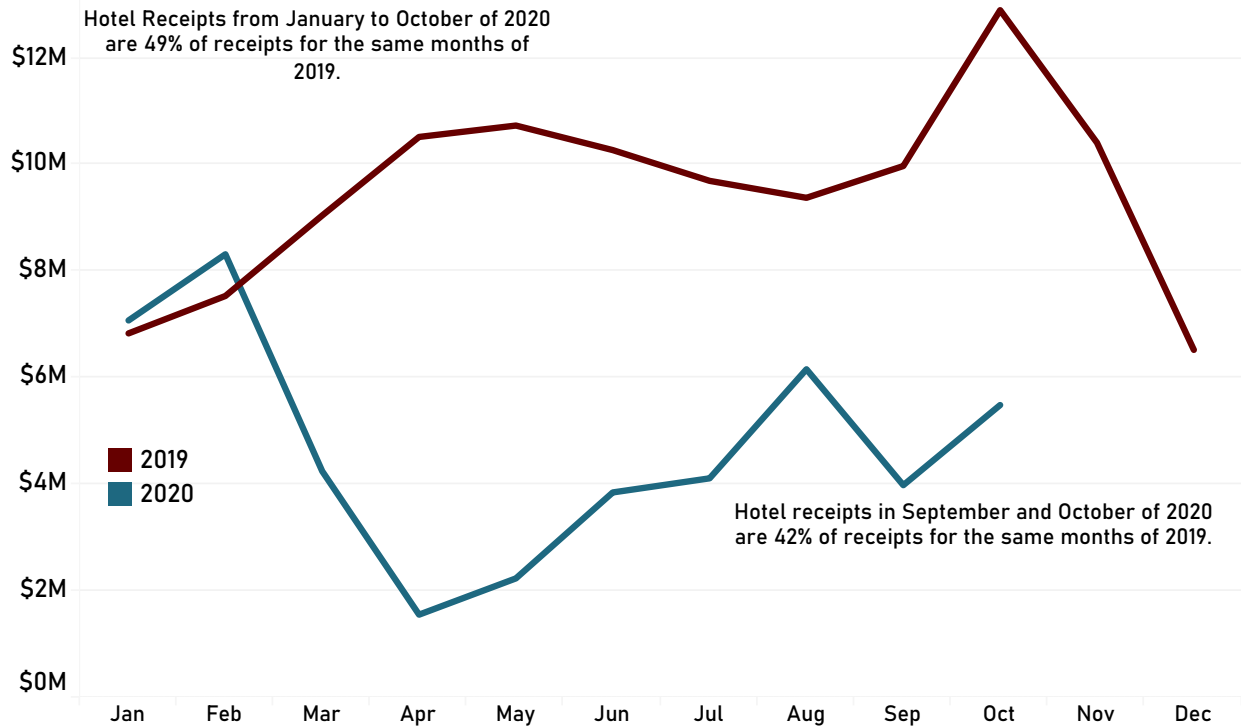


Source: Texas Comptroller of Public Accounts; adjustments by Private Enterprise Research Center. Reflects hotels in Brazos County and dollar values have been adjusted for inflation (October 2020=100). Last reported data point: October 2020.

HOTEL RECEIPTS

Total inflation adjusted hotel receipts in Brazos County by month are shown in Figure 7 for 2019 and 2020. The receipts during the months of 2020 again show the substantial decline in revenues beginning in March. Hotel receipts from January to October of 2020 were 49% of receipts for the same months of 2019. During the first two months of this year’s football season, September and October, hotel revenues were 42% of the receipts for the same months of 2019.

FIGURE 7. INFLATION ADJUSTED HOTEL RECEIPTS, BRAZOS COUNTY

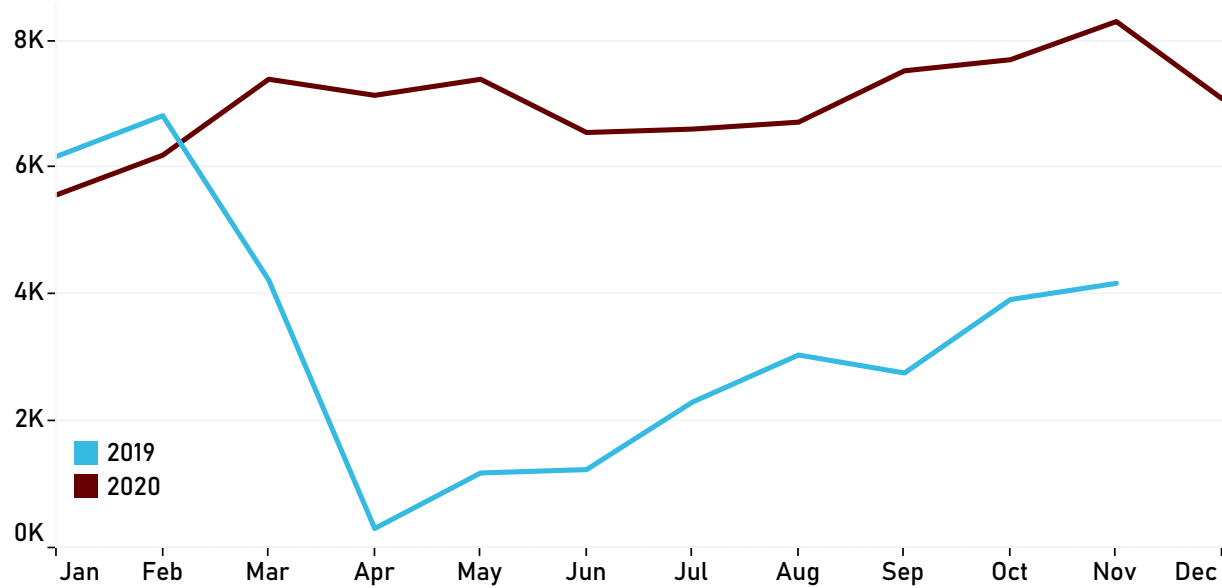


Source: Texas Comptroller of Public Accounts; adjustments by Private Enterprise Research Center. Reflects hotels in Brazos County and dollar values have been adjusted for inflation (October 2020=100).

AIR TRAVEL

The total number of passengers traveling out of Easterwood Airport during 2019 and January through October of 2020 is shown in Figure 8. After trending up from April to August 2020 when the passenger count was 45% of the count in August of 2019, September’s count fell to 37% of the count in September 2019. October and November 2020 saw a rebound in local air travel with 51% of October 2019’s count and 50% of November 2019’s count, respectively. For the first 11 months of 2020, the number of passengers traveling out of Easterwood Airport was 47% of the number for the same months of 2019. Since March, the 2020 passenger count is 35% of the count for the same period of 2019.

FIGURE 8. ENPLANEMENTS AT EASTERWOOD AIRPORT, 2019 VS 2020



Source: Texas A&M System.

NOTES AND LINKS

The extent of the College Station-Bryan MSA is defined by the Census Bureau and includes Brazos, Burleson, and Robertson counties. The Business-Cycle Index is re-estimated each month using the most recent data for the four economic variables included in the model: the unemployment rate, nonfarm employment, real wages, and real taxable sales. The real wage series is released on a quarterly basis and the other three are released monthly. The underlying data series are subject to revision. With new monthly data and revisions of past data, each month the Index and the Business-Cycle will differ from previous estimates.

For more details about the CSB Business-Cycle Index see: *Methodology for Constructing an Economic Index for the College Station-Bryan Metropolitan Statistical Area*.

DATA SOURCES

County Level Unemployment Insurance Claims

Texas Workforce Commission, weekly claims by county, <https://www.twc.texas.gov/news/unemployment-claims-numbers#claimsByCounty>

Enplanements at Easterwood Airport

Texas A&M University System based on email request. Received December 10, 2020.

Hotel Receipts

Data retrieved from Texas Comptroller of Public Accounts through Texas Comptroller's Secure Information and File Transfer System, December 2020. <https://comptroller.texas.gov/transparency/open-data/hotel-receipts/>

Inflation

U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items [CPIAUCSL], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CPIAUCSL>. Wages and Taxable Sales are converted to real dollars (inflation-adjusted) using the CPI-U.

Nonfarm Employment

Federal Reserve Bank of Dallas, Texas Workforce Commission, and Bureau of Labor Statistics, Total Nonfarm Payroll Employment for Texas Metropolitan Statistical Areas, two-step Seasonally Adjusted, retrieved from Federal Reserve Bank of Dallas. <https://www.dallasfed.org/research/econdata/brysa.aspx>

Taxable Sales (Sales and Use Tax Allocation)

Texas Comptroller of Public Accounts, Allocation Payment Detail, Current Period Collections. Data available through Texas Comptroller of Public Accounts: <https://mycpa.cpa.state.tx.us/allocation/AllocDetail>. Historical data prior to 2016 from Texas Comptroller of Public Accounts. Seasonal Adjustment by Private Enterprise Research Center.

Unemployment Rate

Bureau of Labor Statistics, Unemployment by Metropolitan Area, Seasonally Adjusted, Local Area Unemployment Statistics, retrieved from Bureau of Labor Statistics, <https://www.bls.gov/lau/metrossa.htm>

Wages

Bureau of Labor Statistics, Total Quarterly Wages in College Station-Bryan, TX (MSA), retrieved from <https://www.bls.gov/cew/datatoc.htm>. Quarterly files by area. Seasonal Adjustment by Private Enterprise Research Center.

CONTACT



BRAZOS VALLEY
ECONOMIC DEVELOPMENT
CORPORATION

The Brazos Valley Economic Development Corporation serves Brazos County, the City of Bryan, the City of College Station, Texas A&M University, the surrounding region and private sector investors through the Invest Brazos Valley program. BVEDC helps companies launch, grow, and locate in the Brazos Valley.

979.260.1755 | brazosvalleyedc.org



**PRIVATE ENTERPRISE
RESEARCH CENTER**
TEXAS A&M UNIVERSITY

Founded in 1977 through the generosity of former students, corporations and foundations, the Private Enterprise Research Center pursues a dual mission of supporting academic research at Texas A&M University and developing market-oriented solutions to public policy problems.

979.845.7559 | perc.tamu.edu