



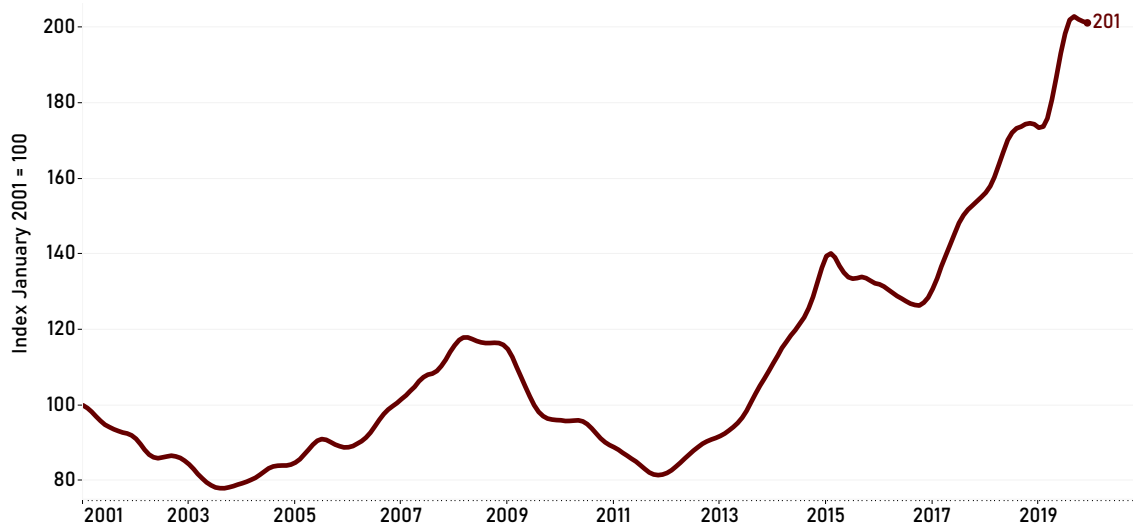
## HIGHLIGHTS

- The Business-Cycle Index decreased by 0.2% in the month of December 2019.
- The unemployment rate remained at the same level as the previous month, 2.7% in December 2019.
- Nonfarm employment decreased 0.2% in the month of December, but is up 3.4% from its level in December 2018.
- Taxable sales showed a decrease of 1% in December and are up 3.2% compared to the previous year.
- The focus section highlights the monthly revenues, number of rooms and average monthly revenues per room in the hotel industry in College Station-Bryan.

## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

Figure 1 depicts the College Station-Bryan (CSB) Business-Cycle Index. The December estimate of the CSB Business-Cycle Index is 201, down slightly from the revised November value.

**FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX**

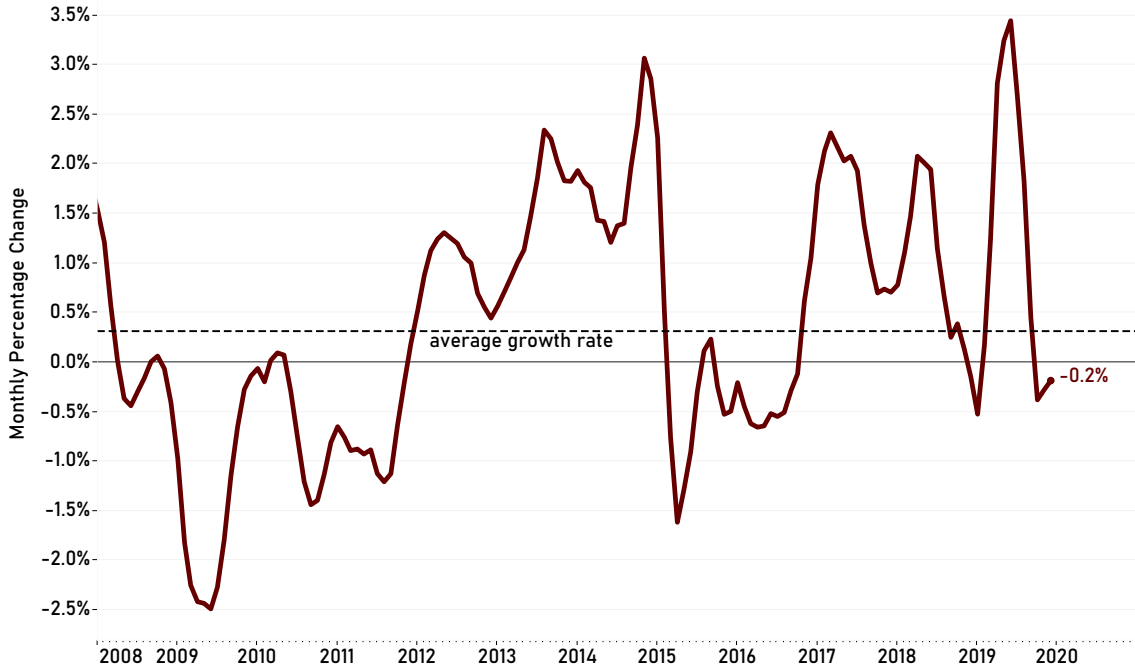


Last reported data point: December 2019 (monthly). Source: Private Enterprise Research Center.

## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle Index declined slightly in December by 0.2%. The decline is attributable to several factors. The most recent release of the seasonally adjusted nonfarm employment numbers for December were lower than in November, and the November numbers were revised downward relative to numbers reported last month. Taxable sales were down slightly for the month as well. The unemployment rate remains flat at the low level of 2.7%. Altogether, these have led to the small decline in the index. Despite this small decline, over the past 12 months the index has grown 15.4%, from 174.5 in December 2018 to 201.3 in December 2019.

**FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE**

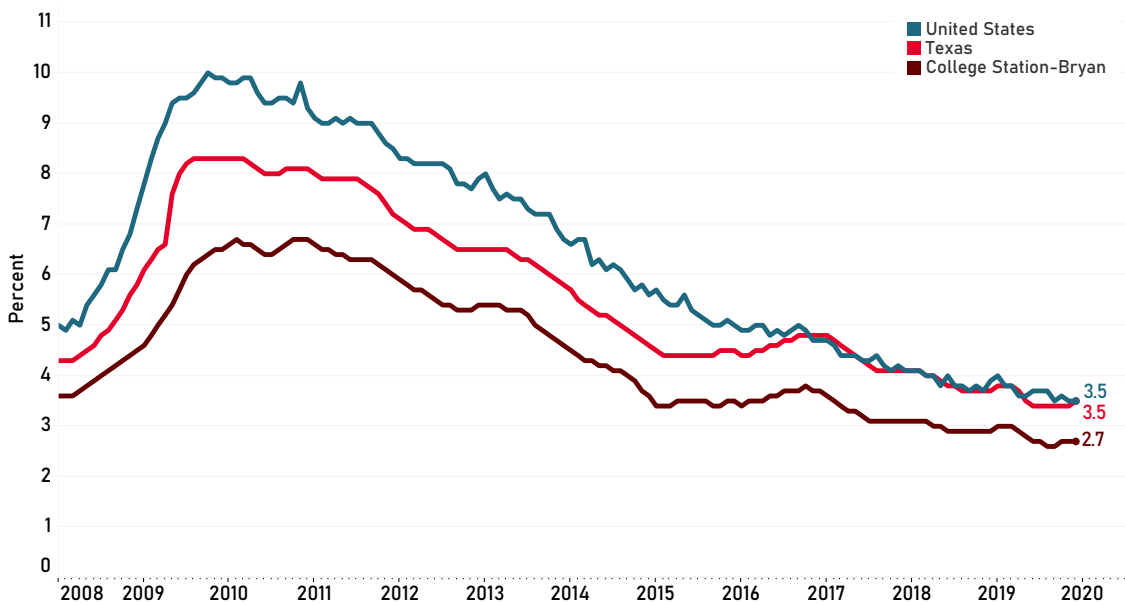


Annualized month-to-month growth rates. Last reported data point: December 2019 (monthly). Source: Private Enterprise Research Center.

**UNEMPLOYMENT RATE**

Figure 3 depicts the unemployment rate from January 2008 to December 2019 in the College Station-Bryan MSA, along with the series for Texas and the U.S. In December, the CSB unemployment rate remained at 2.7%. The unemployment rate for the United States also remained constant at 3.5% while the Texas unemployment rate increased from 3.4% to 3.5%.

**FIGURE 3. UNEMPLOYMENT RATE**



Seasonally adjusted. Last reported data point: December 2019 (monthly). Source: Bureau of Labor Statistics.

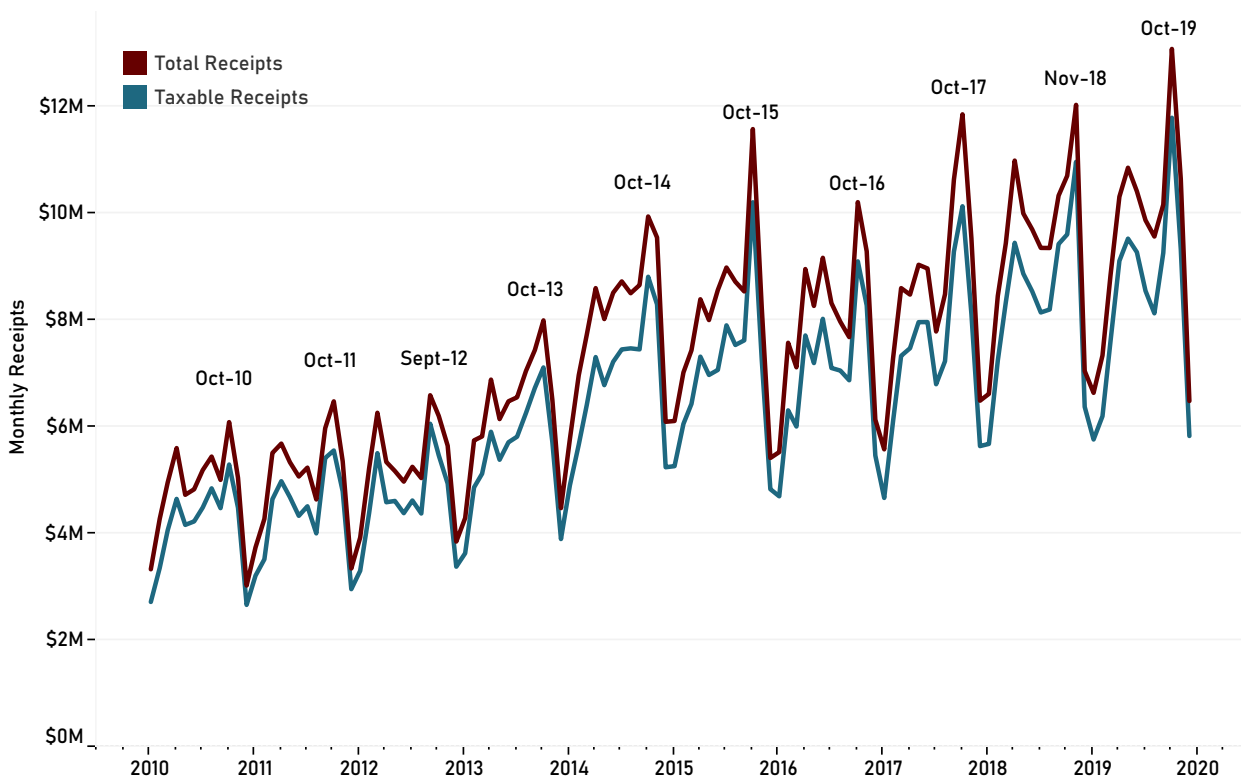
## FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month, we highlight the hotel industry in College Station-Bryan using data from the Texas Comptroller of Public Accounts. The statistics in the following figures are limited to the hotels in Brazos County.<sup>1</sup> The figures identify total and taxable monthly receipts, total rooms available, average monthly receipts per room, and annual hotel receipts for the last ten years.

### HOTEL RECEIPTS

Figure 4 depicts the total and taxable hotel receipts in Brazos County from January 2010 to December 2019. These data are not adjusted for inflation. Total receipts includes both taxable and nontaxable receipts. Monthly taxable receipts have averaged about 87% of total receipts. Monthly receipts tend to be highest during Texas A&M University's football season from September to November and are lowest in December and January. The highest total receipts for a single month were \$13.1 million in October of 2019. Total annual hotel receipts through December of 2019 were \$114.1 million, or 0.2% higher than the total receipts for 2018.

FIGURE 4. MONTHLY TOTAL AND TAXABLE HOTEL RECEIPTS IN BRAZOS COUNTY

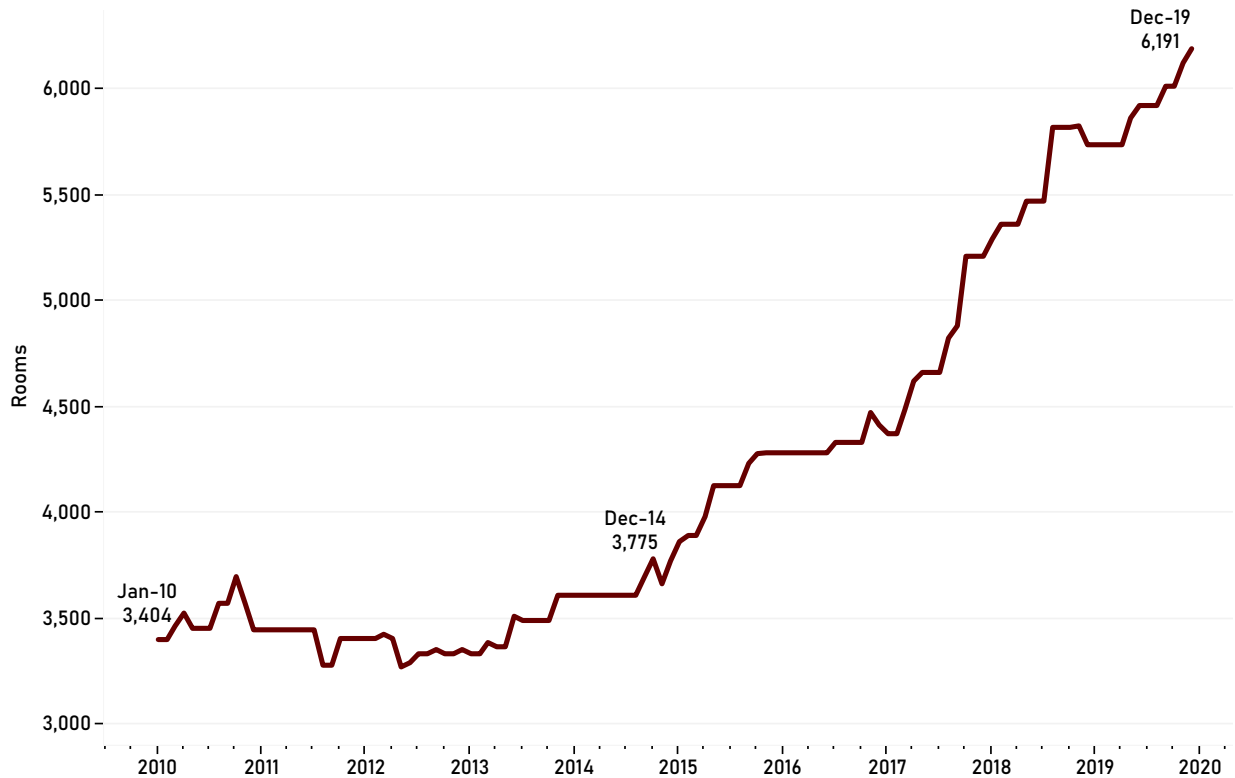


Last reported data point: December 2019 (monthly). Source: Texas Comptroller of Public Accounts; adjustments by the Private Enterprise Research Center.

### HOTEL ROOMS

Figure 5 depicts the monthly total number of hotel rooms in Brazos County for hotels with 15 or more rooms. The number of rooms were relatively constant for the first five years of the data, but have risen steadily since the end of 2014. In January 2010, the number of rooms was just over 3,400 and as of December of 2019, the count had risen to 6,191. Between January of 2010 and December of 2014, the number of rooms increased by 371 or 10.9%. From December 2014 to December 2019, the number of rooms increased by 2,416, or 64%.

FIGURE 5. HOTEL ROOMS FOR COLLEGE STATION-BRYAN

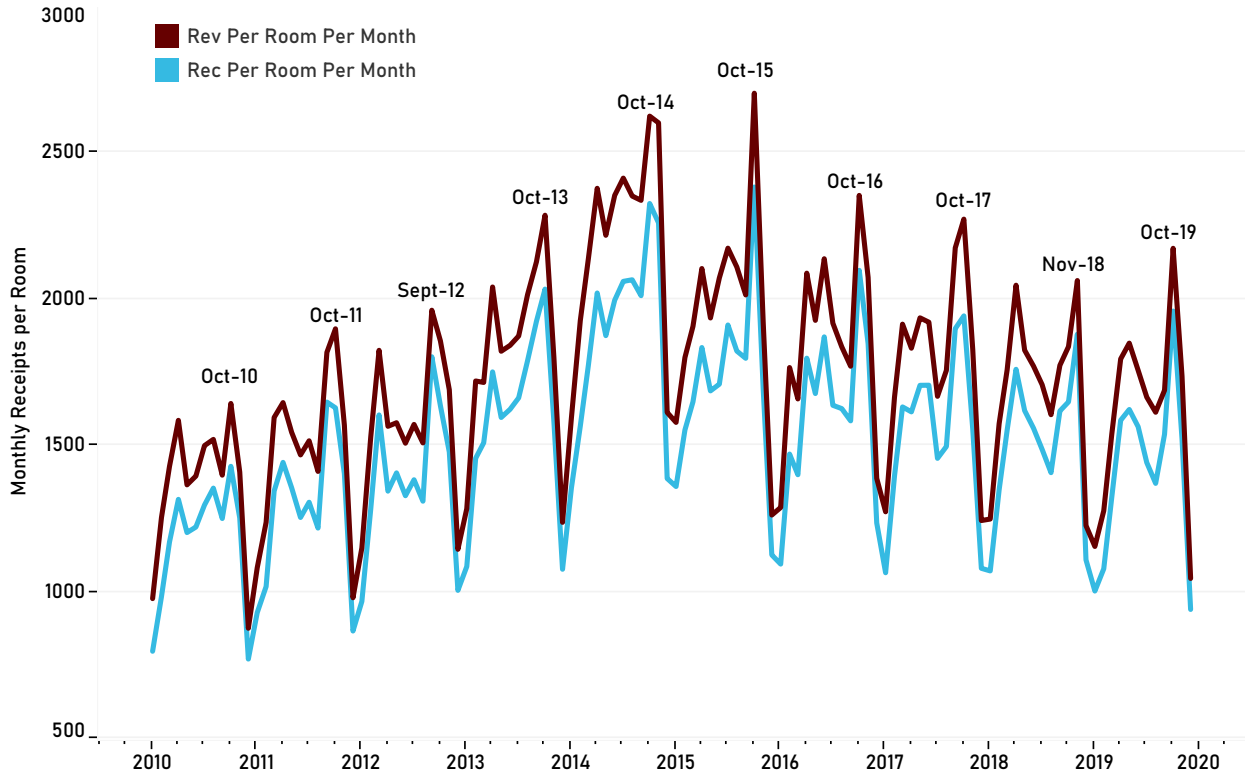


Last reported data point: December 2019 (monthly). Source: Texas Comptroller of Public Accounts; adjustments by the Private Enterprise Research Center.

### MONTHLY RECEIPTS PER ROOM

The monthly average total and taxable receipts per hotel room in Brazos County are presented in Figure 6. These averages are the ratio of the aggregated receipts from Figure 4 to the number of rooms depicted in Figure 5. These series indicate that the monthly average total and taxable receipts per room rose between 2010 and 2014 during a period of increasing demand and a relatively stable supply of rooms. In October 2010, monthly total receipts per room were \$1,644 and by October 2014, they had risen to \$2,625. The highest monthly revenue of \$2,703 per room occurred in October 2015. As seen in Figure 6, the substantial increase in the supply of rooms has resulted in reducing the average monthly revenues per room in the last few years. The average revenue per room in October of 2019 was \$2,174, or 5.3% higher than the 2018 peak month of November.

**FIGURE 6. TOTAL AND TAXABLE RECEIPTS PER ROOM FOR BRAZOS COUNTY**

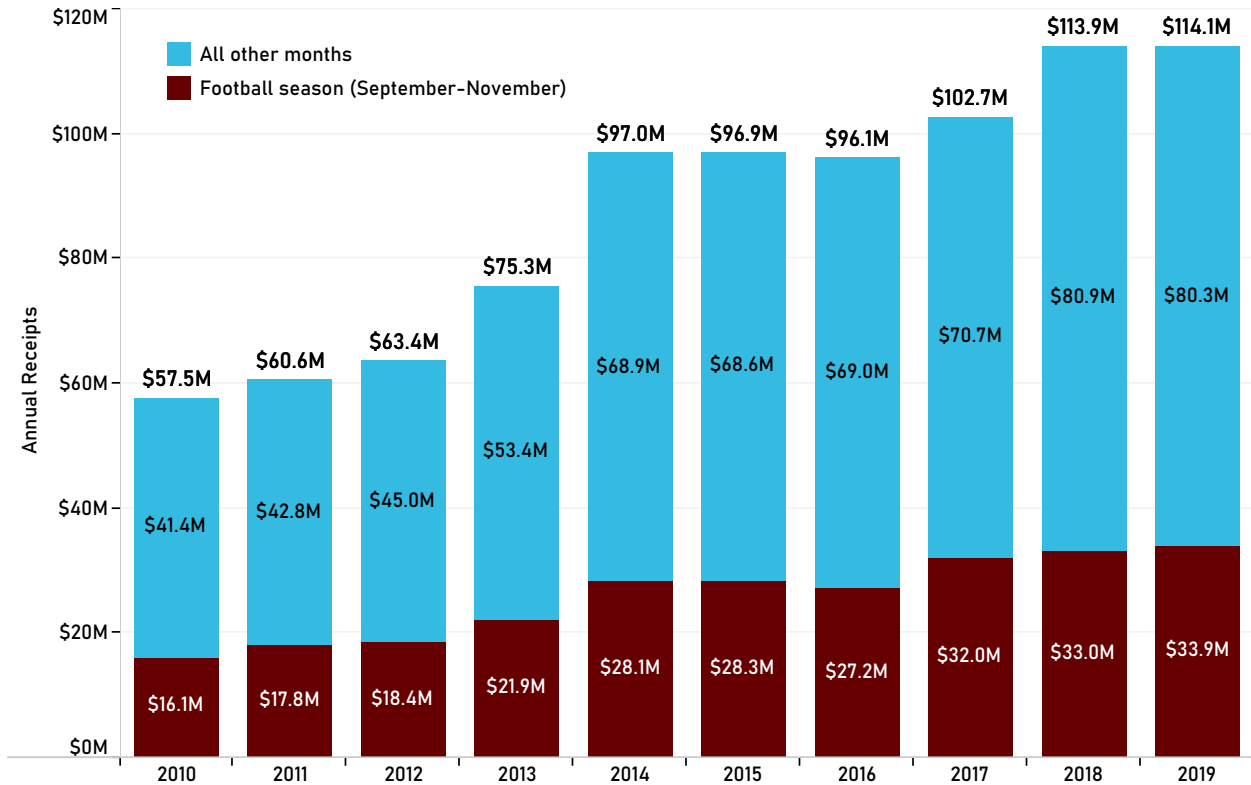


Last reported data point: December 2019 (monthly). Source: Texas Comptroller of Public Accounts; adjustments by the Private Enterprise Research Center.

**ANNUAL HOTEL RECEIPTS**

Total annual hotel receipts in Brazos County for the years 2010 to 2019 are presented in Figure 7. The portions of annual receipts received during the football season, September-November, and during the remaining nine months are shown separately in each column. Two things are evident in the figure: the rapid growth in total annual revenues between 2010 and 2014 and the stable share of annual revenues garnered during the football season. The rise in revenues between 2012 and 2014 coincided with Texas A&M joining the SEC. The first and second phases of the Kyle Field expansion were completed in 2014 and 2015. In 2012, total revenues were \$63.4 million and rose to \$97.0 million, or 53%, by 2014. Interestingly, the share of annual revenues received during the football season in these two years stabilized at about 29%. The football season’s share of annual revenues has ranged from a low of 28.1% in 2010 to a high of 31.2% in 2017.<sup>2</sup> Total annual revenues were the highest in 2019 at \$114.1 million, and the football season’s share was 29.7% of the total.

**FIGURE 7. ANNUAL HOTEL RECEIPTS FOR BRAZOS COUNTY**



Last reported data point: 2019 (annual). Source: Texas Comptroller of Public Accounts; adjustments by the Private Enterprise Research Center.

**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*.

**ENDNOTES**

<sup>1</sup> The data from the Texas Comptroller of Public Accounts include a monthly record for each hotel. The record includes the hotel's location, total monthly receipts, taxable receipts and number of rooms. We aggregate the data for the hotels in Brazos County with at least 15 rooms. Several adjustments were necessary to correct room counts and to impute total receipts for a few hotels in particular months.

<sup>2</sup> If monthly revenues were stable across all months, we would expect that 25% of annual revenues would be earned during the three months of the football season.

## DATA SOURCES

### Hotel Receipts and Rooms

Data requested from Texas Comptroller of Public Accounts, received February, 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



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.

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