



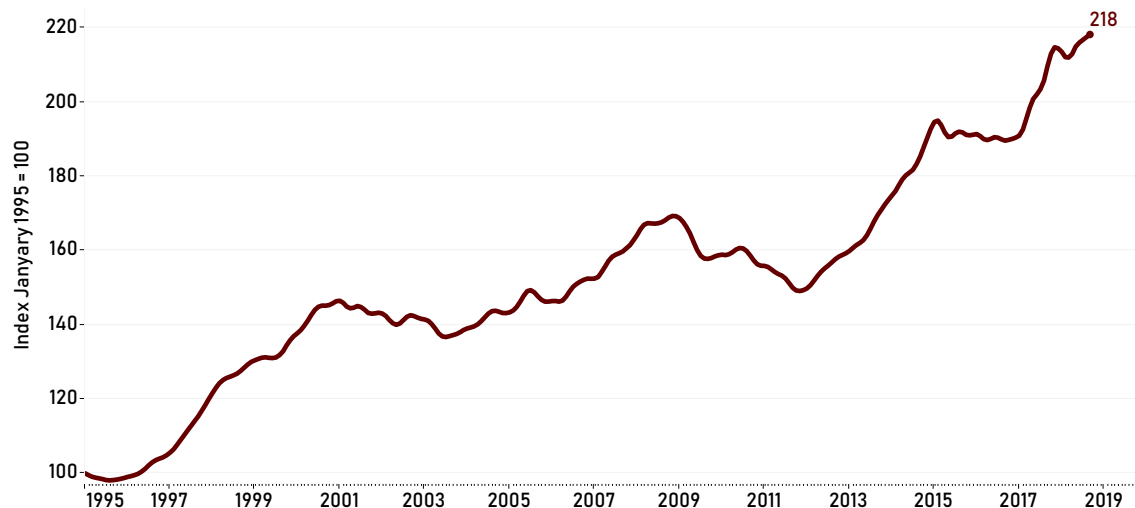
HIGHLIGHTS

- The Business-Cycle Index rose at an annualized rate of 4.1%, still above the long-run average growth rate but down slightly from the growth rate for August.
- The unemployment rate was unchanged in September, remaining at its low 2.9% rate.
- Employment in September reached 120,000, an increase of 1,500 from August.
- In September 2018, real taxable sales were down 4% from the September 2017 level.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

Figure 1 depicts the College Station-Bryan (CSB) Business-Cycle Index. The September Index estimate is 218, about 1 percentage point higher than the revised August estimate.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

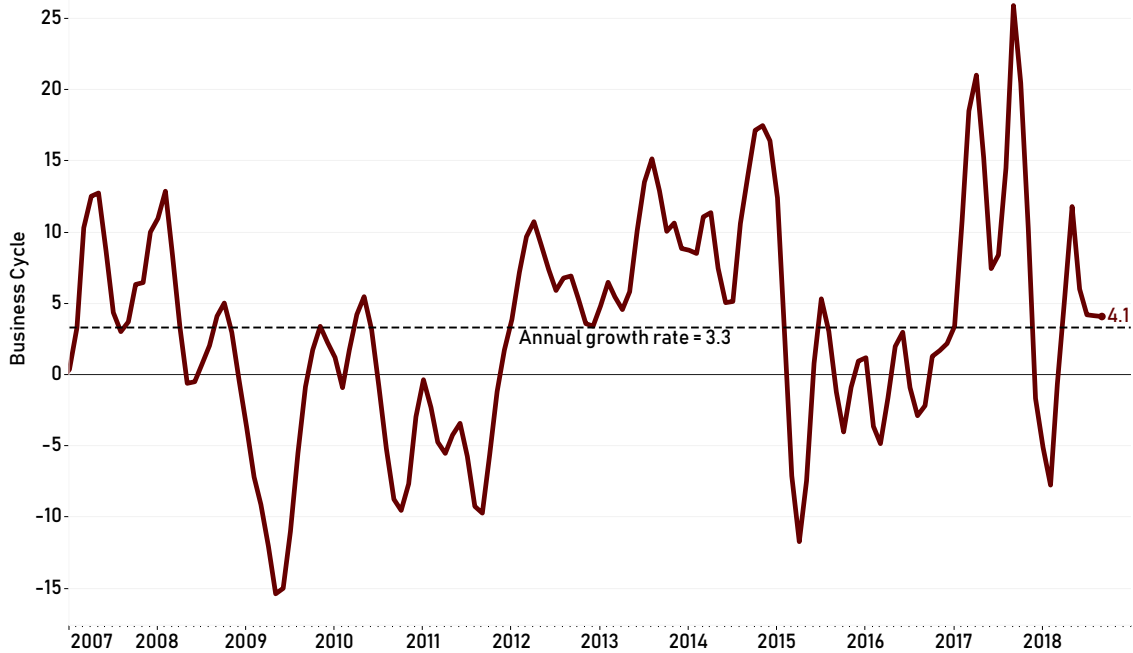


Last reported data point: September 2018 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle Index expanded at an annualized rate of 4.1% in September. Growth is positive and continues to be above the average long-run annual growth rate, as seen in Figure 2. Over the course of this year, the annualized growth rate has averaged 2.5%. Nonfarm employment (not graphed) increased in September relative to August by about 1,500 employees, or 1.2%. Real taxable sales in September 2018 (not graphed) were 4% lower than in September 2017.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

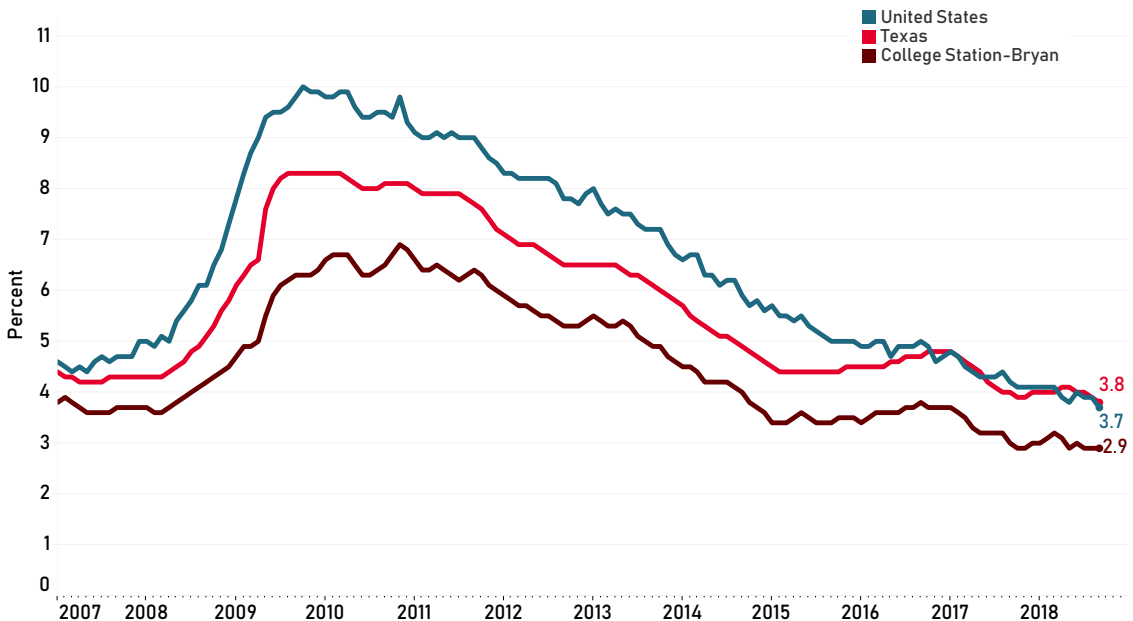


Annualized month-to-month growth rates. Last reported data point: September 2018 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 depicts the unemployment rate from January 2007 to September 2018 in the College Station-Bryan MSA, along with the ratio for Texas and the U.S. In September, the CSB unemployment rate remained at its August level of 2.9%. Between August and September, the U.S. unemployment rate decreased from 3.9% to 3.7%, while the Texas rate dropped from 3.9% to 3.8%.

FIGURE 3. UNEMPLOYMENT RATE

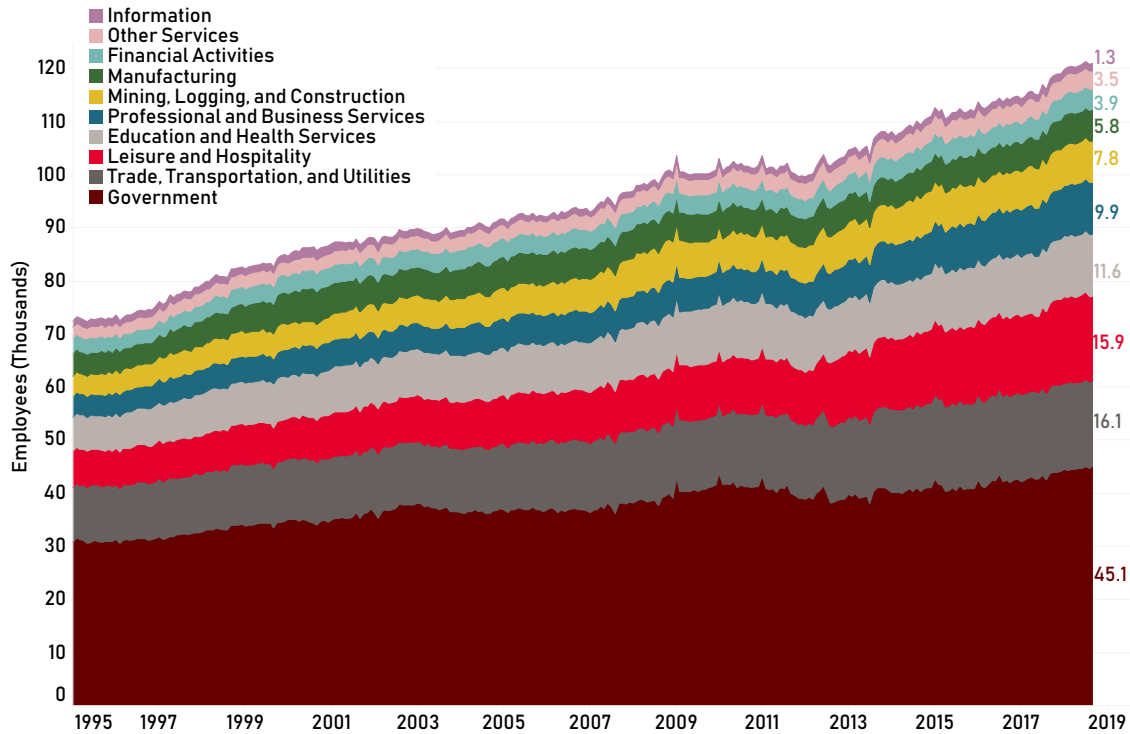


Seasonally adjusted. Last reported data point: September 2018 (monthly). Source: Bureau of Labor Statistics.

FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month, we highlight several features of the local labor market, including a brief description of the composition of local employment, a comparison of the growth of nonfarm employment in CSB to other major Texas MSAs, and conclude by comparing earnings by industry in CSB to the composition of earnings at the state and national levels.

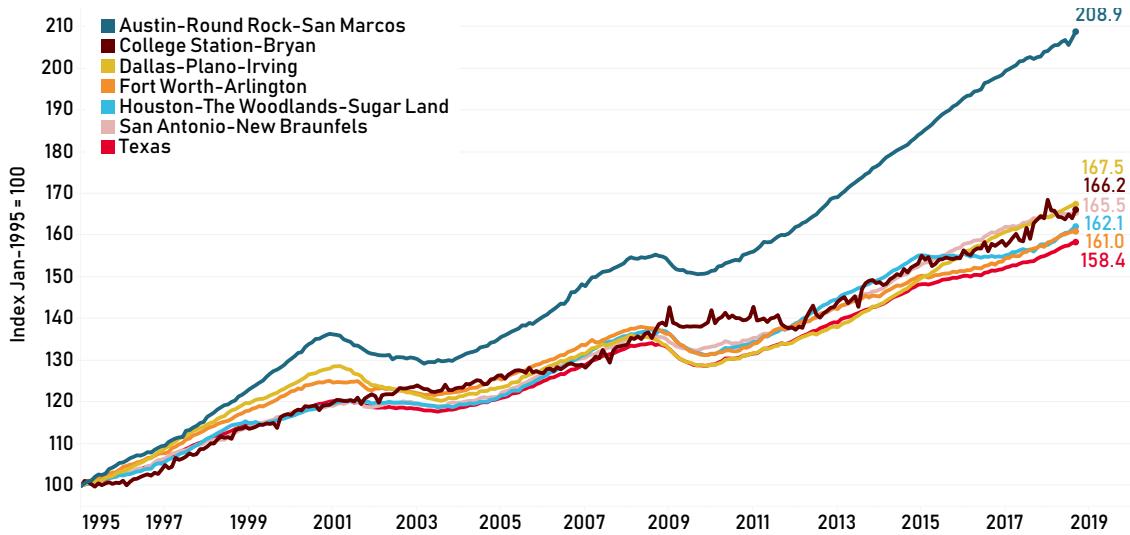
FIGURE 4. EMPLOYMENT BY INDUSTRY IN COLLEGE STATION-BRYAN



Seasonally adjusted by the Federal Reserve Bank of St. Louis. Last reported data point: September 2018 (monthly). Source: Bureau of Labor Statistics, retrieved from FRED; Federal Reserve Bank of St. Louis.

Nonfarm employment in CSB increased from 72,500 in January 1995 to 120,900 in September 2018, an increase of 48,400 employed individuals over 23 years.¹ The top industry employer in CSB is Government with 45,100 employees in September of 2018, or 37% of the total. Of these, 33,300 are state government employees - primarily Texas A&M University employees - that comprise 28% of total employment in the CSB MSA. The other three major industries are: Trade, Transportation and Utilities: 16,100 or 13%; Leisure and Hospitality: 15,900 or 13%; and Education and Health Services: 11,600 or 10% of the total employment.

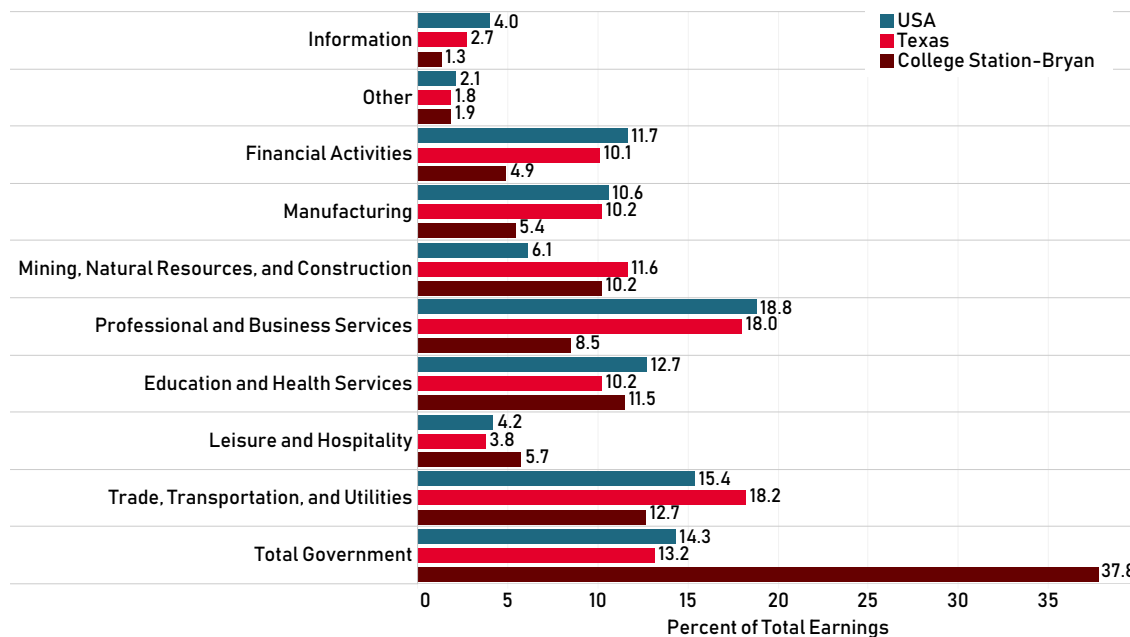
FIGURE 5. NONFARM EMPLOYMENT BY METROPOLITAN STATISTICAL AREAS, INDEXED TO 1995



Last reported data point: September 2018. Total Nonfarm Payroll Employment index (January 1995=100). Source: Federal Reserve Bank of Dallas, retrieved from FRED; Federal Reserve Bank of St. Louis; and the Private Enterprise Research Center for the index.

Figure 5 illustrates how nonfarm employment has grown for metropolitan areas in the state of Texas and for the state as a whole. For this figure, each MSA’s nonfarm employment count is indexed to its respective values in January 1995. With January 1995 set to 100, indexed nonfarm employment in the state of Texas has grown to 158.4 in September 2018, indicating a 58.4% increase over this period. Employment in the Austin-Round Rock-San Marcos MSA grew the most at 108.9%. Employment in the College Station-Bryan MSA grew 66.2%, third among the metro areas included in the graph. The time series of CSB employment shows less volatility during recessions and slower growth during recoveries because Texas A&M University employment is less cyclical than the private sector.

FIGURE 6. COMPOSITION OF TOTAL EARNINGS BY INDUSTRY



Data as of: Quarter 1, 2018. Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Private Enterprise Research Center for percentages of total earnings by industry.

Figure 6 displays the share of total earnings by industry for the U.S., Texas, and the College Station-Bryan MSA as of the first quarter of 2018.² Locally, the earnings from Government comprise the largest share of all earnings, accounting for 37.8%. Given that earnings from Government make up such a large share of total earnings in CSB, the other industries' shares are lower than the state and national shares. For example, nationwide, employees in Professional and Business Services garner the largest share of earnings at 18.8%. The state of Texas is near the national rate at 18.0% of earnings from employment in this industry, while only 8.5% of CSB earnings were from Professional and Business Services. Similarly, 4.9% of earnings are from Financial Activities in CSB, compared to 11.7% nationally. Earnings in Manufacturing account for 10.6% of the national total, while accounting for 5.4% locally.

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 with the other three released monthly. The underlying data series are subject to revision. Due to new monthly data and revisions of past data, the Index and the Business-Cycle may 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

¹The data series presented in this figure do not sum to the nonfarm employment series previously mentioned due to different seasonal adjustment methods between the Federal Reserve Bank of Dallas and the Federal Reserve Bank of St. Louis.

²These data are from the Quarterly Census of Employment and Wages from the Bureau of Labor Statistics and include agricultural and farming employment, whereas the employment data in Figure 4 exclude farm employment. The Other category includes Other Services and Unclassified. Natural Resources and Mining are combined with Construction to form Mining, Natural Resources, and Construction.

DATA SOURCES

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>

Nonfarm Employment

Federal Reserve Bank of Dallas, Texas Workforce Commission, and Bureau of Labor Statistics, Total Nonfarm Payroll Employment for College Station-Bryan, TX (MSA), two-step Seasonally Adjusted, retrieved from Federal Reserve Bank of Dallas, <https://www.dallasfed.org/research/econdata/brysa.aspx>

Wages

Federal Reserve Bank of St. Louis and U.S. Bureau of Labor Statistics, Total Quarterly Wages in College Station-Bryan, TX (MSA) [ENUC177830010SA], Seasonally Adjusted, retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/graph/?g=l5Wo>

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> for years 2016 to 2018. Historical data prior to 2016 from Texas Comptroller of Public Accounts.

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.

Employment by Industry

U.S. Bureau of Labor Statistics, All Employees by Industry in College Station-Bryan, TX retrieved from FRED, Federal Reserve Bank of St. Louis.

Earnings by Industry

U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, NAICS-Based Data Files: <https://www.bls.gov/cew/datatoc.htm>.

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.

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