



## HIGHLIGHTS

- The Business-Cycle Index increased 2.5% from June to July.
- The national level of initial unemployment claims was 884,000 for the weeks ending on August 29 and September 5, the lowest initial claims since March 14.
- Initial claims in Texas and in the College Station-Bryan MSA increased slightly through the end of August, ending at 66,330 claims statewide and 380 in the local metropolitan area for the week ending on September 5.
- The local July unemployment rate decreased to 5.2% in July from 5.7% in June, and was the second lowest among Texas metros.
- In April 2020, local employment in the Leisure and Hospitality industry declined by 3,200 workers compared to April 2019. By July, employment was down only 200 workers compared to July 2019.
- Inflation-adjusted taxable sales in the College Station-Bryan MSA increased from \$331 million in June to \$343 million in July 2020 but were still 3.1% lower than in July 2019.
- Air travel nationally and locally has increased since April. The number of travelers out of Easterwood Airport in August 2020 were 45% of the August 2019 number.

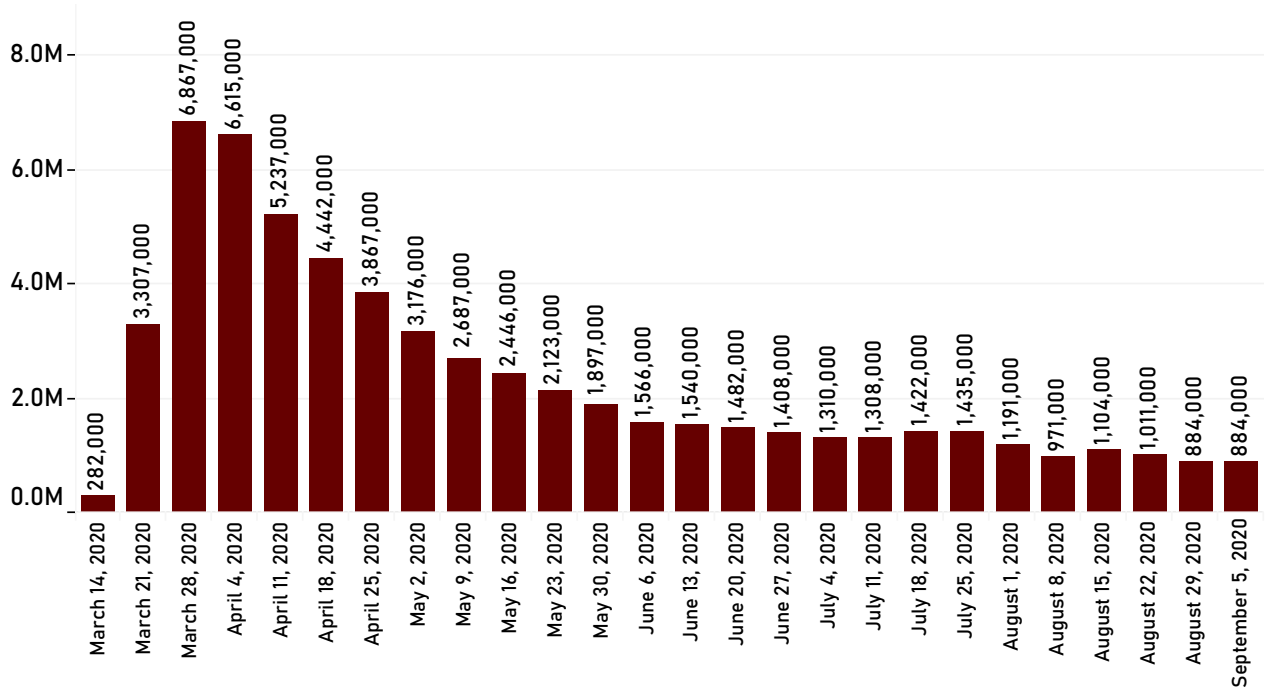
## FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

We begin with a set of labor market indicators reflecting national, state and local trends. Next, we turn to local employment in the Leisure and Hospitality industry and discuss the unique local seasonal employment pattern in this industry. Then we look at taxable sales, comparing this year's values to the same months from 2019. Recent trends in national and local air travel are presented next and local increases in the spring and fall are quantified. Our Business-Cycle Index and the business-cycle are presented at the end of this document. The Business-Cycle Index has largely caught up with current events and is once again providing a more timely insight into the current state of the economy in the College Station-Bryan MSA.

## UNEMPLOYMENT INSURANCE CLAIMS

Figure 1 depicts initial weekly unemployment insurance (UI) claims in the United States and shows the seasonally adjusted series beginning with the week ending on March 14, 2020. Since March 14, over 60 million initial claims have been filed. For the week that ended on September 5, 2020, 884,000 workers filed UI claims, the same number as the prior week. For three of the past five weeks, initial claims fell below the 1 million mark.

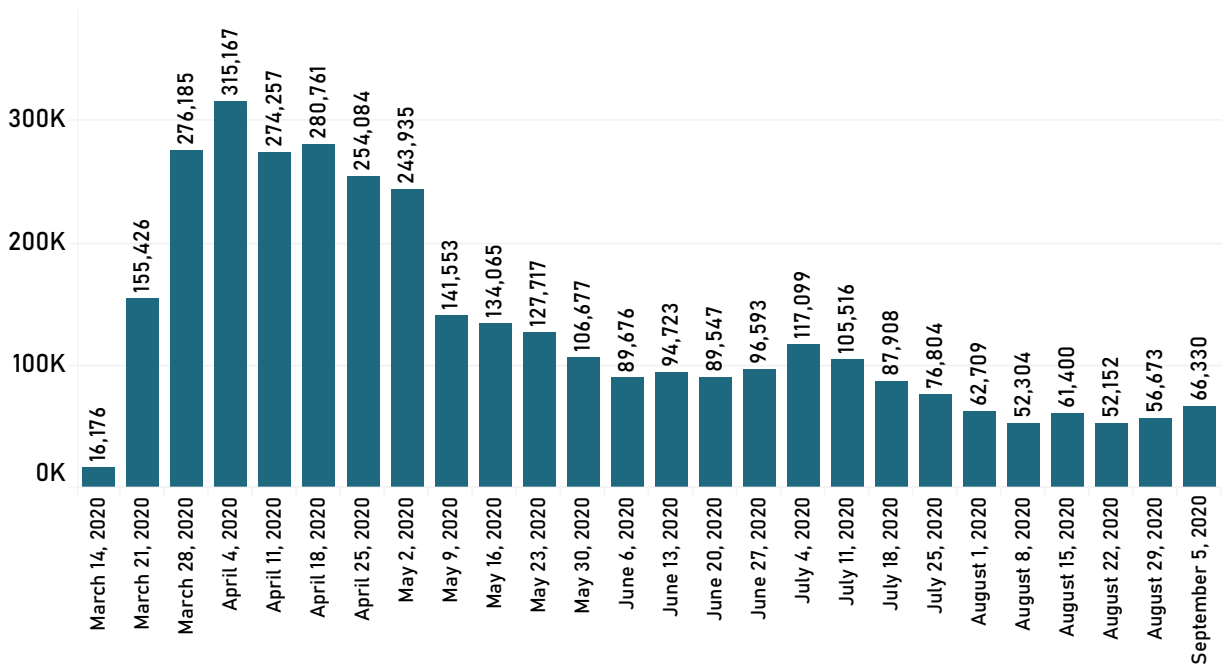
**FIGURE 1. UNEMPLOYMENT INSURANCE CLAIMS IN THE UNITED STATES BY WEEK**



Source: U.S. Department of Labor.

Initial weekly UI claims in Texas are shown in Figure 2. The Texas series is not seasonally adjusted and is therefore more volatile. Over 3.4 million initial claims were filed between March 14 and September 5. The week ending on September 5 saw 66,330 new claims filed, a slight increase from the August average.

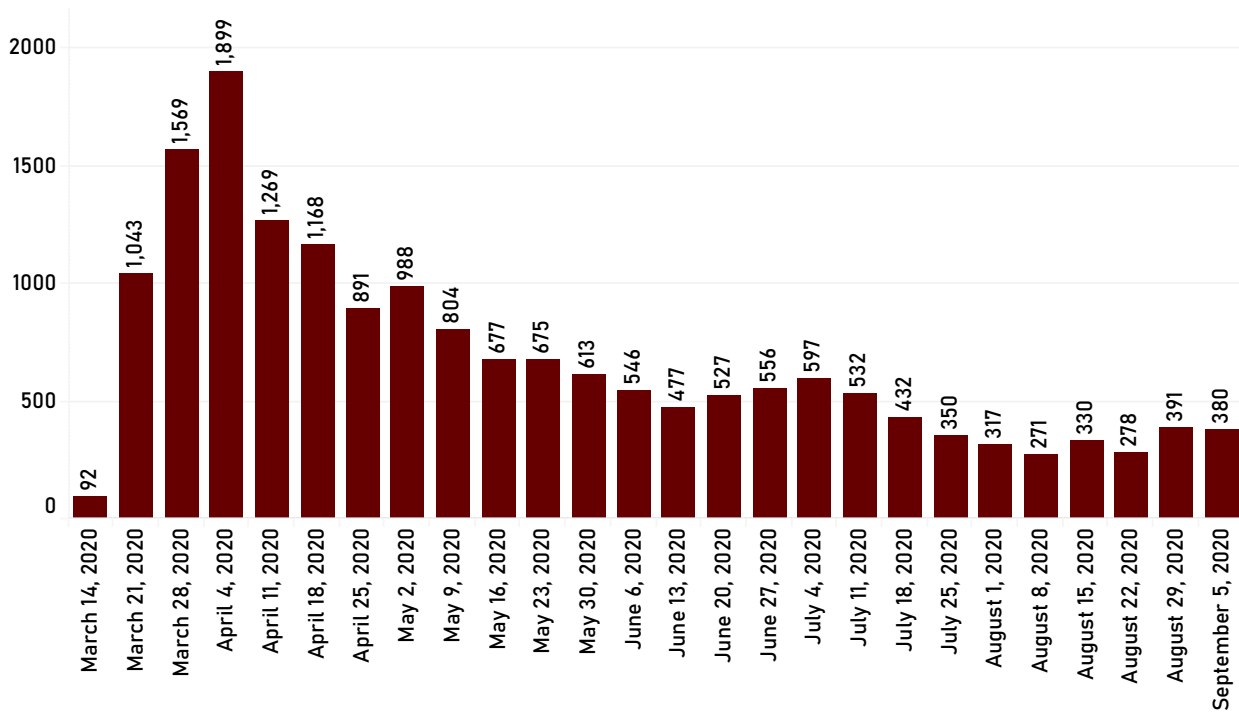
**FIGURE 2. UNEMPLOYMENT INSURANCE CLAIMS IN TEXAS BY WEEK**



Source: U.S. Department of Labor.

Figure 3 depicts the weekly unemployment insurance claims in College Station-Bryan for the same period shown in the previous two figures. These include claims filed in Brazos, Burlleson, and Robertson counties. The data are from the Texas Workforce Commission (TWC). As was the case statewide, local UI claims rose at the beginning of September. Initial claims increased with 771 claims filed during the two weeks ending on August 29 and September 5. These last two weeks have had the highest number of initial claims since the middle of July. Over the last 26 weeks, or half of the year, depicted in the figure, 17,672 initial claims have been made in the local area.

**FIGURE 3. WEEKLY UNEMPLOYMENT INSURANCE CLAIMS IN COLLEGE STATION-BRYAN**

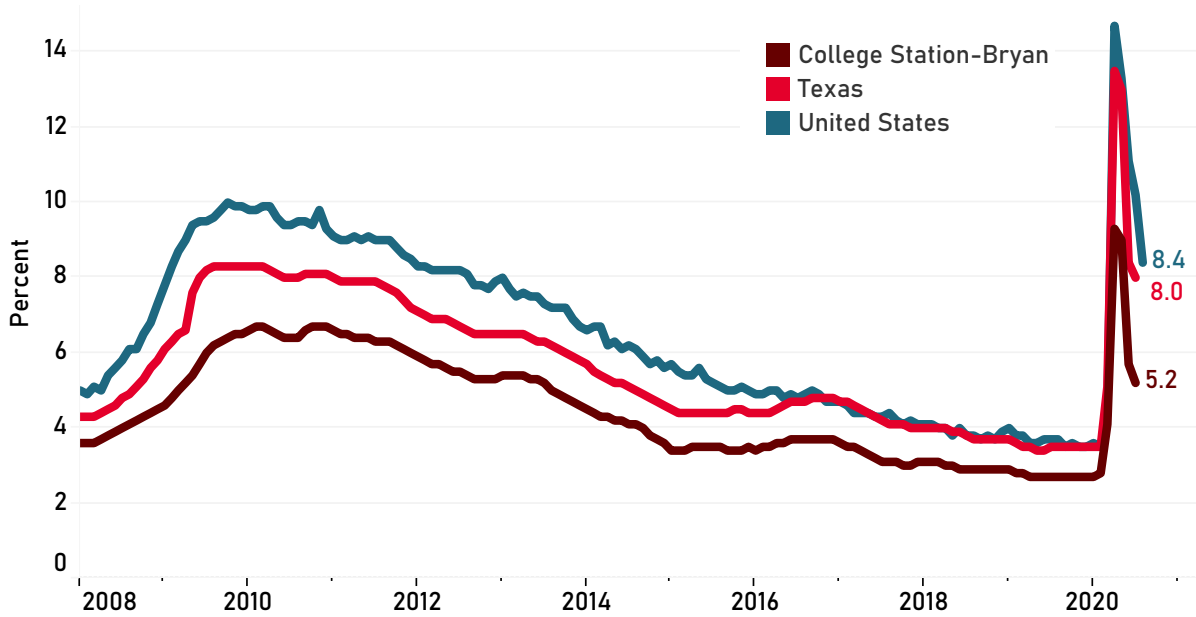


Source: Texas Workforce Commission.

## UNEMPLOYMENT RATE

Monthly unemployment rates in College Station-Bryan, Texas, and the U.S. are shown in Figure 4. The local unemployment rate fell to 5.2% in July 2020, a 0.5 percentage point drop from the revised June rate of 5.7%. The statewide unemployment rate for July declined to 8.0% from a revised June rate of 8.4%. The national rate was 11.1% in June, 10.2% in July, and declined to 8.4% in August. The state and metropolitan area unemployment rates for August will be released by the Bureau of Labor Statistics on September 18 and September 30, respectively.

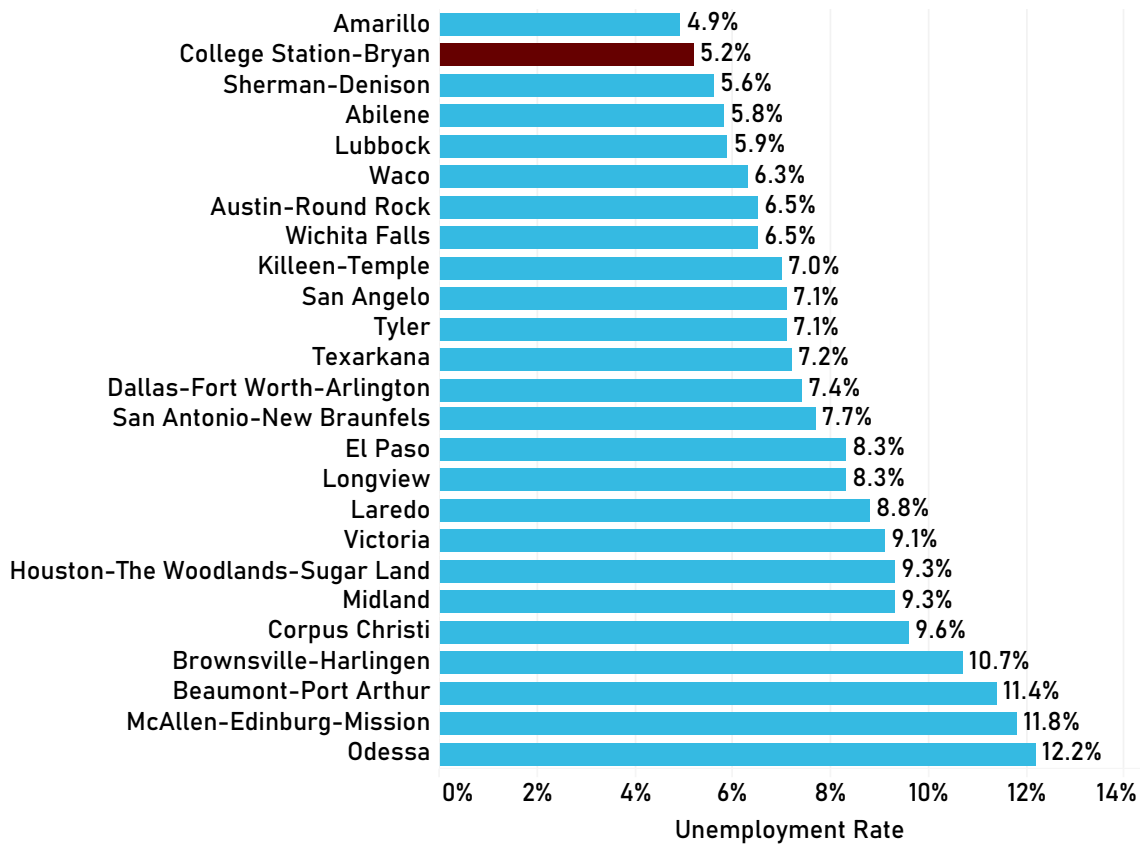
FIGURE 4. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: July 2020 for Texas and College Station-Bryan, August 2020 for national Unemployment rate (monthly). Source: Bureau of Labor Statistics.

The July unemployment rates for all of the Texas metropolitan statistical areas (MSAs) are shown in Figure 5. As was the case in June, College Station-Bryan’s rate in July was again second lowest to Amarillo’s rate. In July, Amarillo’s rate was 4.9% and the local rate was 5.2%. Sherman-Denison recorded the third lowest rate at 5.6%. Odessa, McAllen-Edinburg-Mission and Beaumont-Port Arthur had the three highest July rates at 12.2%, 11.8%, and 11.4%, respectively. The four largest metro areas’ unemployment rates range from a high of 9.3% in Houston-The Woodlands-Sugar Land to a low of 6.5% in Austin-Round Rock. The July rate in Dallas-Fort Worth-Arlington was 7.4% and the San Antonio-New Braunfels rate was 7.7%.

**FIGURE 5. UNEMPLOYMENT RATES IN TEXAS MSAs  
JULY 2020**



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

## LEISURE AND HOSPITALITY EMPLOYMENT

Monthly employment in the Leisure and Hospitality industry in College Station-Bryan for 2019 and for January through July of 2020 is presented in Figure 6. This industry grouping includes accommodations, food services, and arts and entertainment, with most of the employment in food services. To reveal the unique employment patterns of local employment in this industry, the monthly data has not been seasonally adjusted. The series for 2019 indicates that Leisure and Hospitality employment rose during the spring and fall semesters. As a point of reference, statewide employment in this industry is highest during the summer months. During the 2019 fall football season (September-November), local employment in the Leisure and Hospitality industry was up 800 workers relative to the annual average and was up 500 workers from the spring semester (February-April) average. In April of this year, employment was down 3,200 workers from April of 2019. In May, it was down 1,800 workers relative to May 2019, and by July 2020 it was down 200 workers relative to July 2019. Also note that employment in January and February of this year was above the employment for the same months of 2019 — our local economy was doing well prior to the impact of the pandemic.

**FIGURE 6. MONTHLY LEISURE AND HOSPITALITY EMPLOYMENT IN COLLEGE STATION-BRYAN 2019 VS 2020**

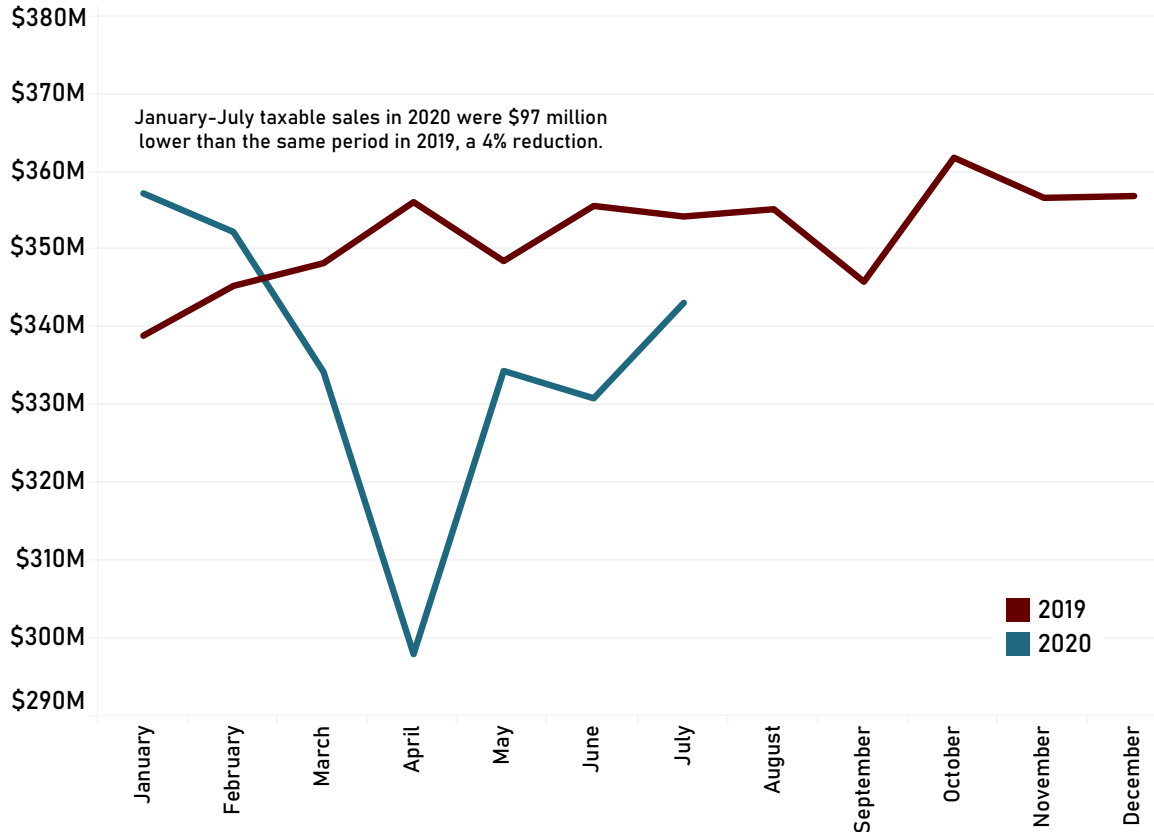


Source: Bureau of Labor Statistics, State and Area Employment, Hours and Earnings, not seasonally adjusted.

### LOCAL TAXABLE SALES

Figure 7 depicts monthly inflation-adjusted and seasonally adjusted taxable sales in the College Station-Bryan MSA for 2019 and 2020. This is one of the four series that are inputs in our business-cycle model. Real taxable sales in January 2020 were up 5.4% from January 2019 and in February they were up 2.0%. In March of this year, they were down 4.0% compared to March 2019. Relative to the same months of 2019, real taxable sales were down 16.3% in April, 4.1% in May, 7.0% in June, and 3.1% in July. Note that real taxable sales have grown substantially since their low in April 2020, including a 3.7% increase between June and July. For the year to date from January through July 2020, real taxable sales were \$97 million lower than the same period in 2019, a 4% reduction.

**FIGURE 7. INFLATION-ADJUSTED TAXABLE SALES IN THE COLLEGE STATION-BRYAN MSA**

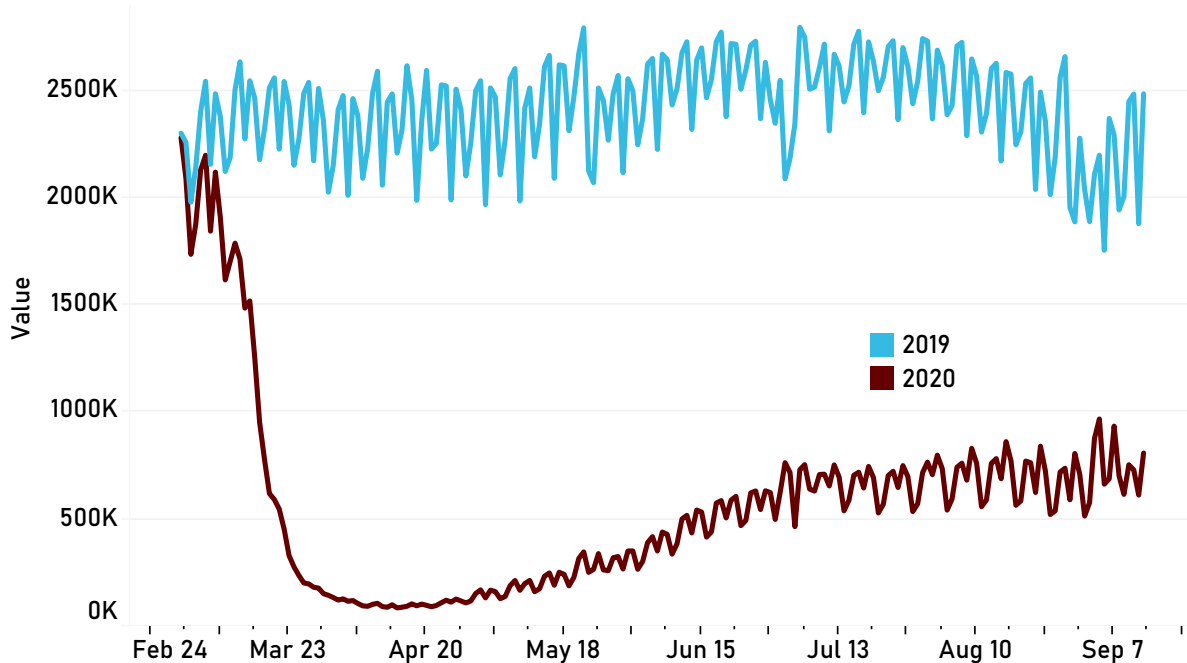


Source: Texas Comptroller; seasonal adjustment by Private Enterprise Research Center.

### AIR TRAVEL

Figure 8 depicts the number of travelers screened by the TSA from March 2, 2020 to September 13, 2020, along with a series from 2019 for the same day of the week. The traveler count for the month of March 2020 was 48.3% of the traveler count for the same month in 2019. The counts in April, May, June, July and August of 2020 were 4.7%, 9.6%, 18.9%, 26.1%, and 29%, respectively, of the same monthly counts from 2019. During the first 13 days of September, the number of travelers was 33.9% of the 2019 number. As these numbers and the series in the figure indicate, air travel continues its slow rise toward 2019 levels.

FIGURE 8. TRAVELERS THROUGH TSA CHECKPOINTS, 2019 VS. 2020

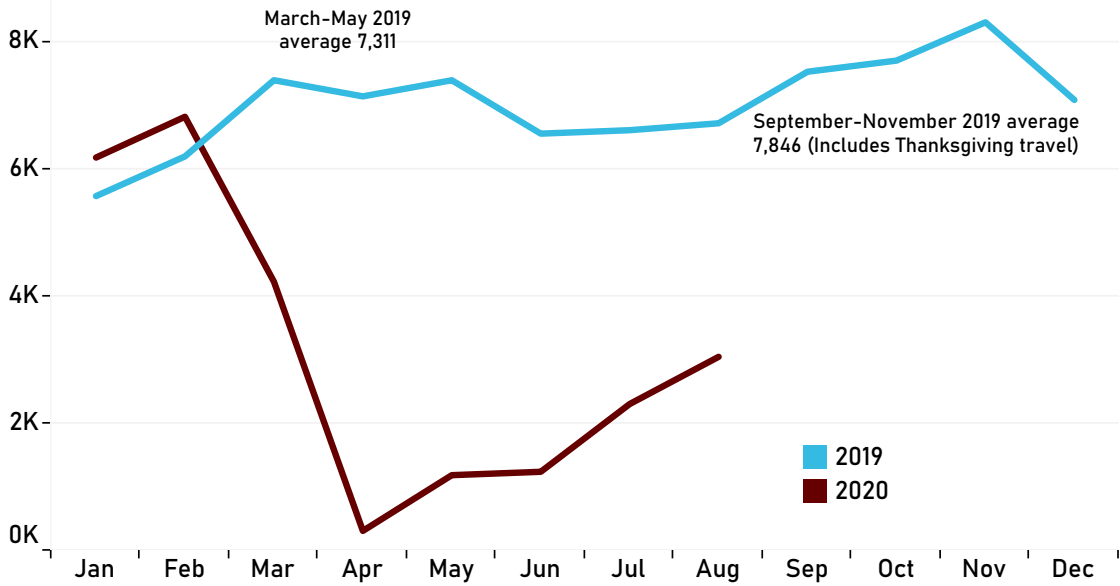


Source: Transportation Security Administration. Data from 2019 is 1 year apart on the same weekday.

The number of passengers traveling out of Easterwood Airport during 2019 and January to August of 2020 are shown in Figure 9. As was seen with taxable sales and employment in the Leisure and Hospitality industry, travel from Easterwood Airport was up in January and February 2020 relative to 2019. The series for 2019 also reveals that local air travel was higher in the spring and the fall than during the summer and winter months. In the fall of 2019, which includes the football season and the busy Thanksgiving travel period, monthly enplanements at Easterwood were up 828 passengers from the yearly average and were up 535 from the March-May average. Similar to the national pattern, total enplanements out of Easterwood declined most significantly in April 2020 when enplanements were down 6,830 passengers compared to April 2019. The recovery is a slow process. In May, the passenger count was 16.1% of the count from May 2019. June 2020's enplanements were 18.9% of the June 2019 enplanements, July's were 34.9%, and August's were 45.4% of August 2019 enplanements. It is interesting that, so far, local air travel is closer to 2019 levels than air travel nationally. Still, there is a long way to go until air travel returns to normal.



**FIGURE 9. ENPLANEMENTS AT EASTERWOOD AIRPORT, 2019 VS 2020**

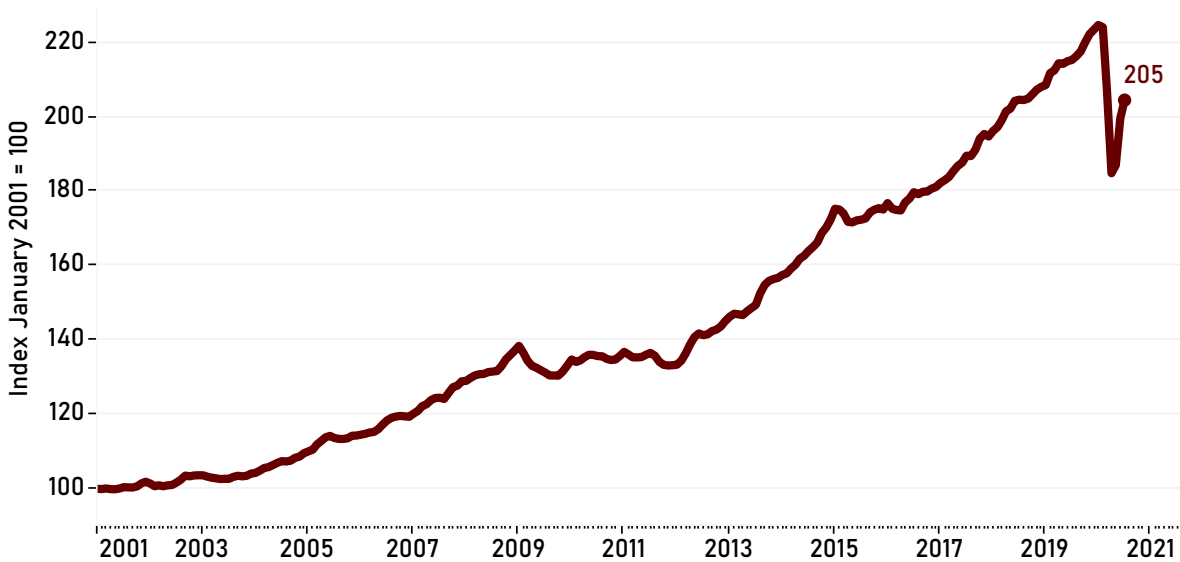


Source: Texas A&M University System.

**THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX**

Figure 10 depicts the College Station-Bryan Business-Cycle Index. The economic variables used in the estimation of our Business-Cycle Index are the monthly value of the local unemployment rate, nonfarm employment, taxable sales, and quarterly values of aggregate wages. The index depicts the decline in the local economy beginning with a slight decrease in February - the month of the peak in the business-cycle as identified by the National Bureau of Economic Research - followed by severe negative shocks in March and April. May, June, and July have exhibited positive growth, but even with that, the index is still down 9% since January.

**FIGURE 10. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX**

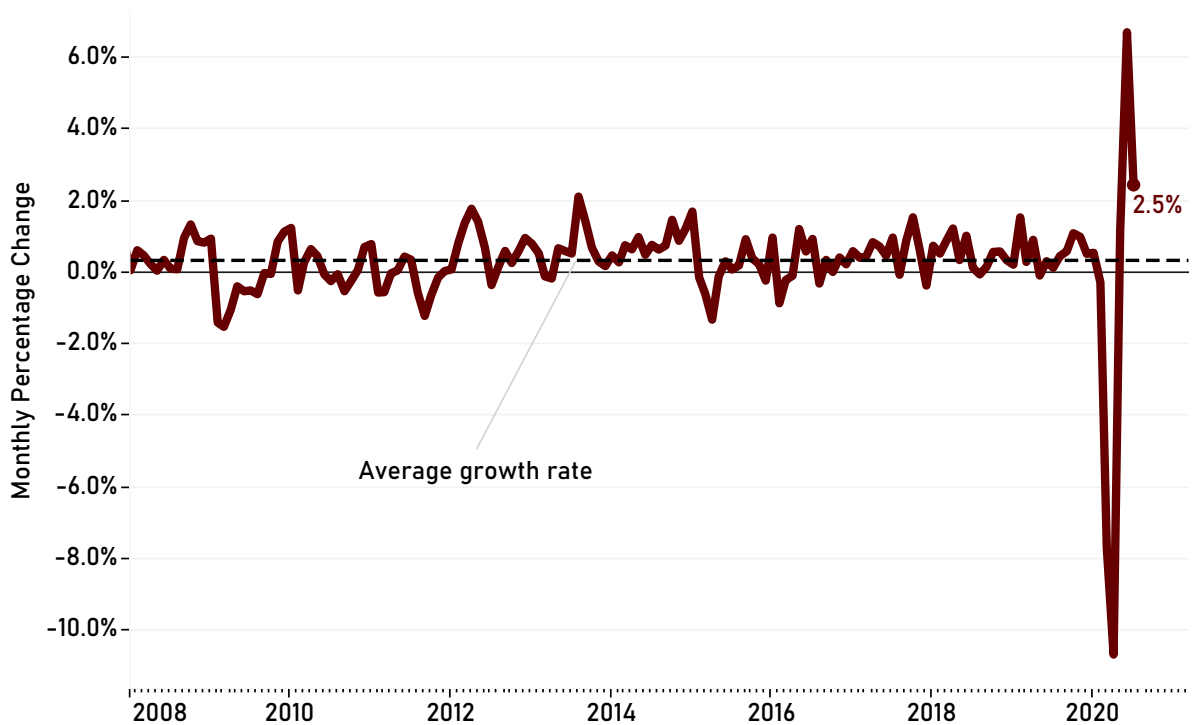


Last reported data point: July 2020 (monthly). Source: Private Enterprise Research Center.

## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle in Figure 11 shows an increase of 2.5% from June to July. This follows a revised increase of 6.7% from May to June. As mentioned, the local unemployment rate fell from 5.7% in June to 5.2% in July. This is the first of the four series in the model that produces the business-cycle. The second series, nonfarm employment, rose modestly from June to July. Also mentioned previously, taxable sales in July 2020 were up 3.7% from June. The remaining variable in the model is quarterly aggregate wages and is reported with a lag of almost two quarters. The most recent value for the first quarter of 2020 was released this month and was up less than 1% from the fourth quarter of 2019. Figure 11 illustrates the massive economic impact of the pandemic, and the recovery that would be impressive and historic if not for the fact that it immediately follows the prior massive downturn. A comparison with the Great Recession period shows once more the unprecedented nature of the current economic cycle.

FIGURE 11. COLLEGE STATION-BRYAN BUSINESS-CYCLE



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

## NOTES AND LINKS

The extent of the College Station-Bryan MSA is defined by the Census Bureau and includes Brazos, Burlison, 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 September 11, 2020.

### **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.

### **Hospitality and Leisure Employment**

U.S. Bureau of Labor Statistics, State and Area Employment, Hours and Earnings, not seasonally adjusted. <https://data.bls.gov/cgi-bin/dsrv>

### **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> (June 2020 value was not updated at the time of publication. June value imputed from BLS nonfarm employment series: <https://www.bls.gov/data/#employment>).

### **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.

### **Transportation Security Administration Traveler Throughput**

Transportation Security Administration <https://www.tsa.gov/coronavirus/passenger-throughput>

### **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>

### **Unemployment Insurance Claims**

United States Department of Labor, Office of Unemployment Insurance, Weekly Claims: [https://oui.doleta.gov/unemploy/claims\\_arch.asp](https://oui.doleta.gov/unemploy/claims_arch.asp)

### **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](http://brazosvalleyedc.org)



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