



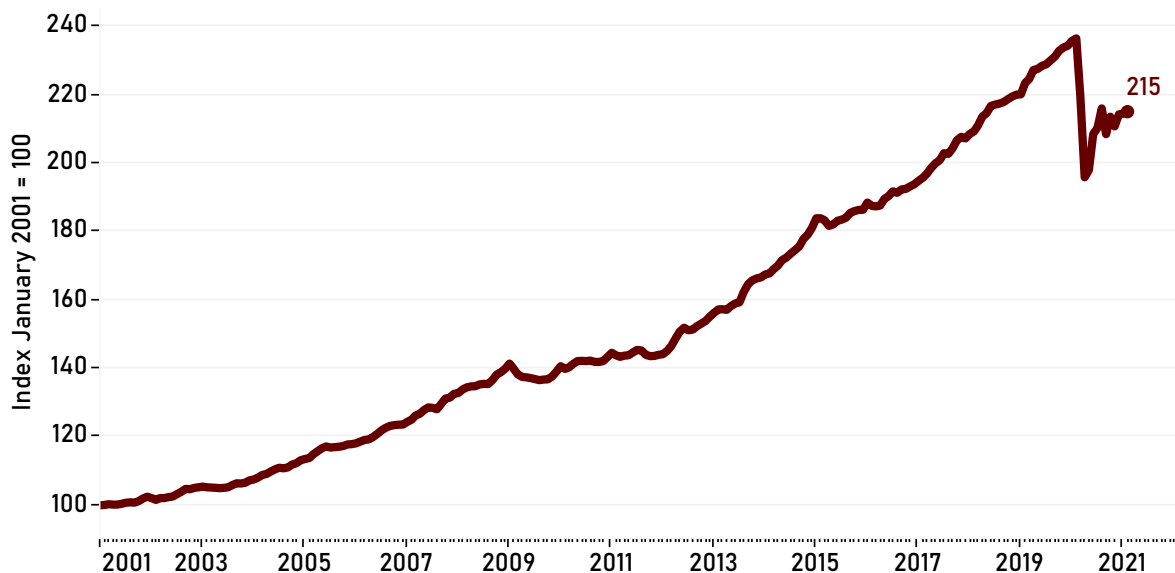
HIGHLIGHTS

- The Business-Cycle Index increased by 0.3% from January 2021 to February 2021.
- The revised local unemployment rate remained at its January 2021 level of 5.7% in February.
- Local nonfarm employment increased slightly by 0.4% in February and is 5.3% lower than it was in February 2020.
- The February winter storm negatively impacted local taxable sales. Real taxable sales decreased 14.3% from January to February and were 14% lower than the same month last year.
- Nationally, the air travel in March 2021 was 52% of its March 2019 level and travel out of Easterwood Airport was 63% of its March 2019 level.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

For the third month in a row, the College Station-Bryan Business-Cycle Index continued to increase, marginally rising 0.3% in February to stand at 215, as seen in Figure 1. The increase resulted from a rise in nonfarm employment and a stable unemployment rate, despite the decrease in inflation adjusted local taxable sales.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

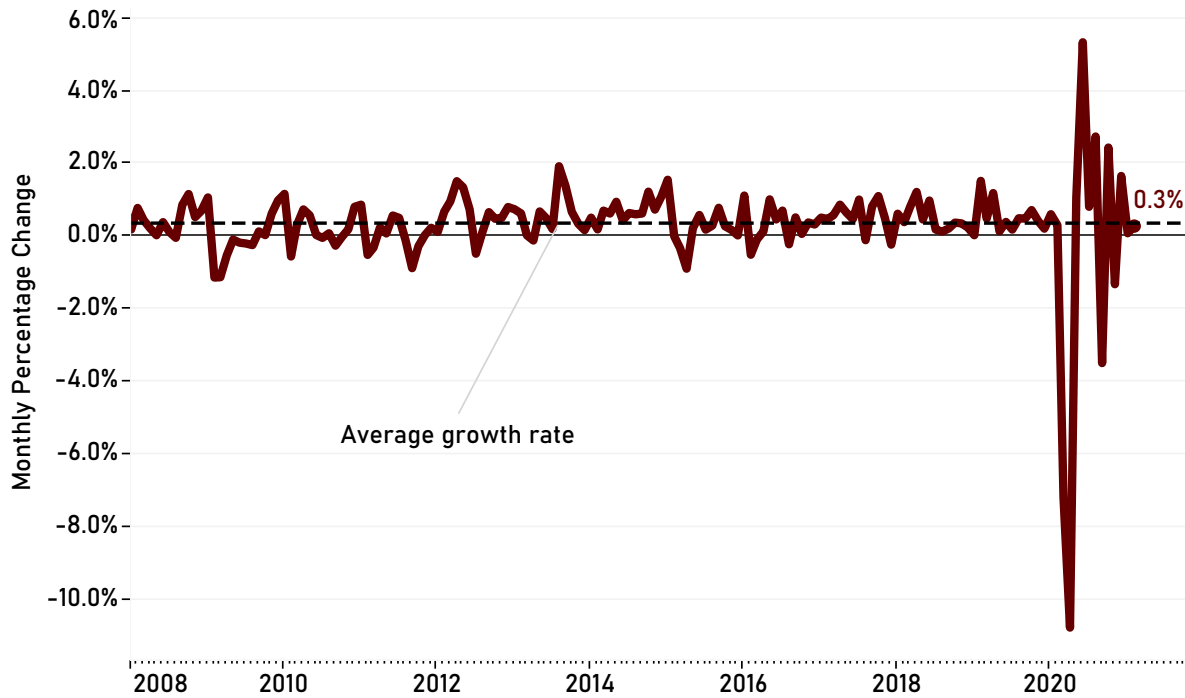


Last reported data point: February 2021 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle rose 0.3% between January and February. The revised local unemployment rate remained at 5.7% in February. Nonfarm employment showed an increase of 0.4% from its revised January value of 117,800 workers to 118,300 in February. The third monthly indicator used in estimating the business-cycle, inflation adjusted taxable sales, decreased 14.3% between January and February, largely due to the winter storm. Total quarterly wages will be updated with data for the fourth quarter of 2020 on June 2, 2021.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

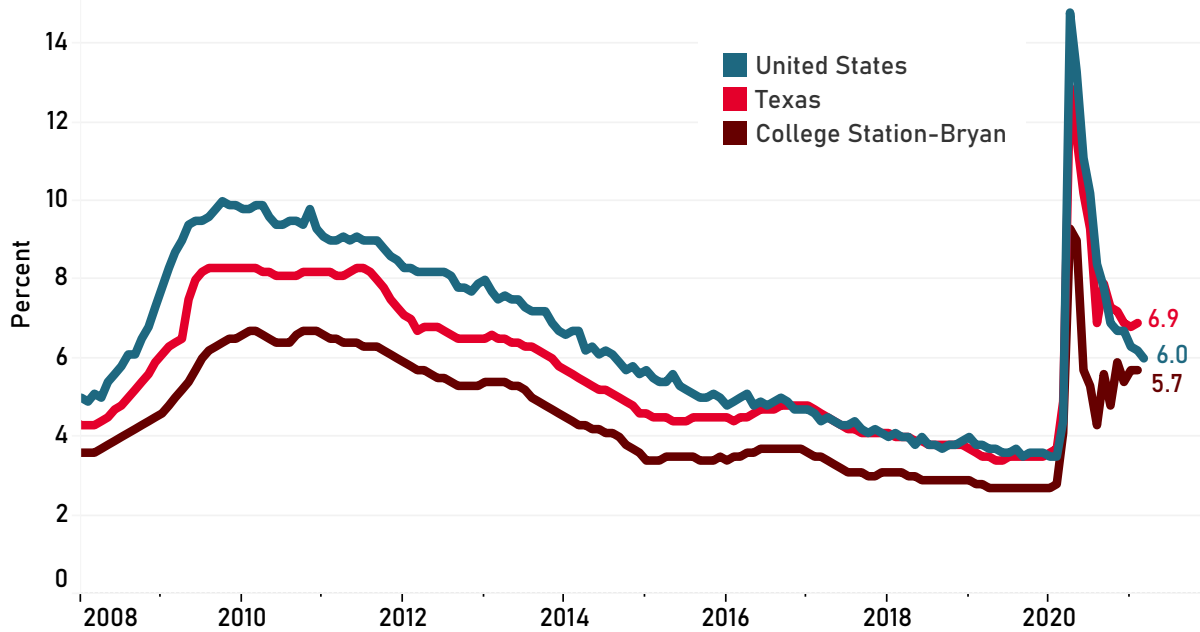


Month-to-month growth rates. Last reported data point: February 2021 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan, Texas, and the U.S. from January 2008 to January 2021. As mentioned, the revised unemployment rate in College Station-Bryan remained at 5.7% in February. The statewide rate for Texas increased in February to 6.9% from 6.8% in January. The national rate is available up to March 2021 and decreased to 6.0% from 6.2% the previous month. The state and metropolitan area unemployment rates for March 2021 will be released by the Bureau of Labor Statistics on April 16 and April 27, respectively.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: February 2021 for College Station-Bryan and Texas, March 2021 for the U.S. Source: Bureau of Labor Statistics.

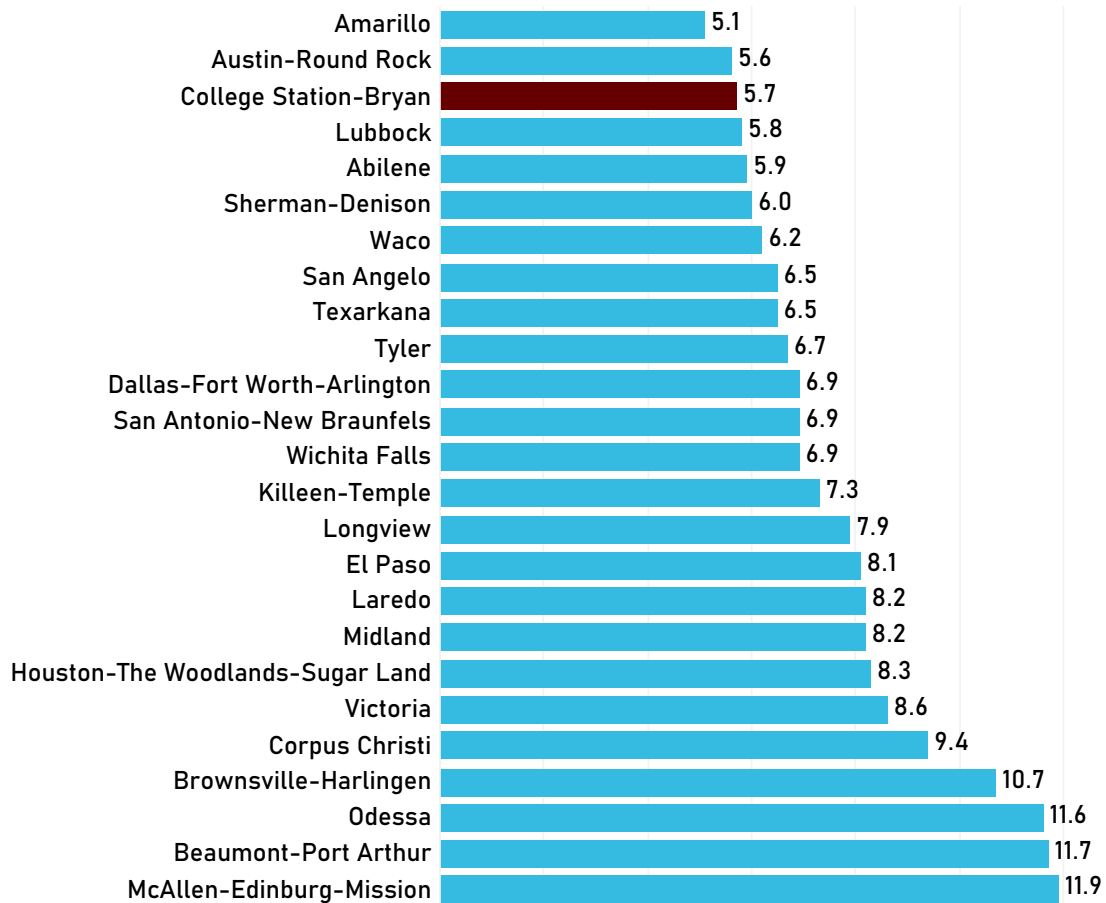
FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

This month we present the February unemployment rates in the Texas MSAs, local inflation adjusted taxable sales for each city in the College Station-Bryan metro area, and local and national air travel. The taxable sales for February 2021 reveal the effects of the winter storm.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts all Texas MSA unemployment rates for February 2021. College Station-Bryan MSA's rate of 5.7% in February was third lowest in the state. Amarillo had the lowest February unemployment rate at 5.1%, followed by Austin-Round Rock with a rate of 5.6%. McAllen-Edinburg-Mission, Beaumont-Port Arthur, and Odessa, had the three highest January rates at 11.9%, 11.7%, and 11.6%, respectively. As noted, Austin-Round Rock had the lowest unemployment rate among the four largest MSAs at 5.6%. Dallas-Fort Worth-Arlington and San Antonio-New Braunfels followed at 6.9% and Houston-The Woodlands-Sugar Land again held the highest rate in this group at 8.3%.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, FEBRUARY 2021

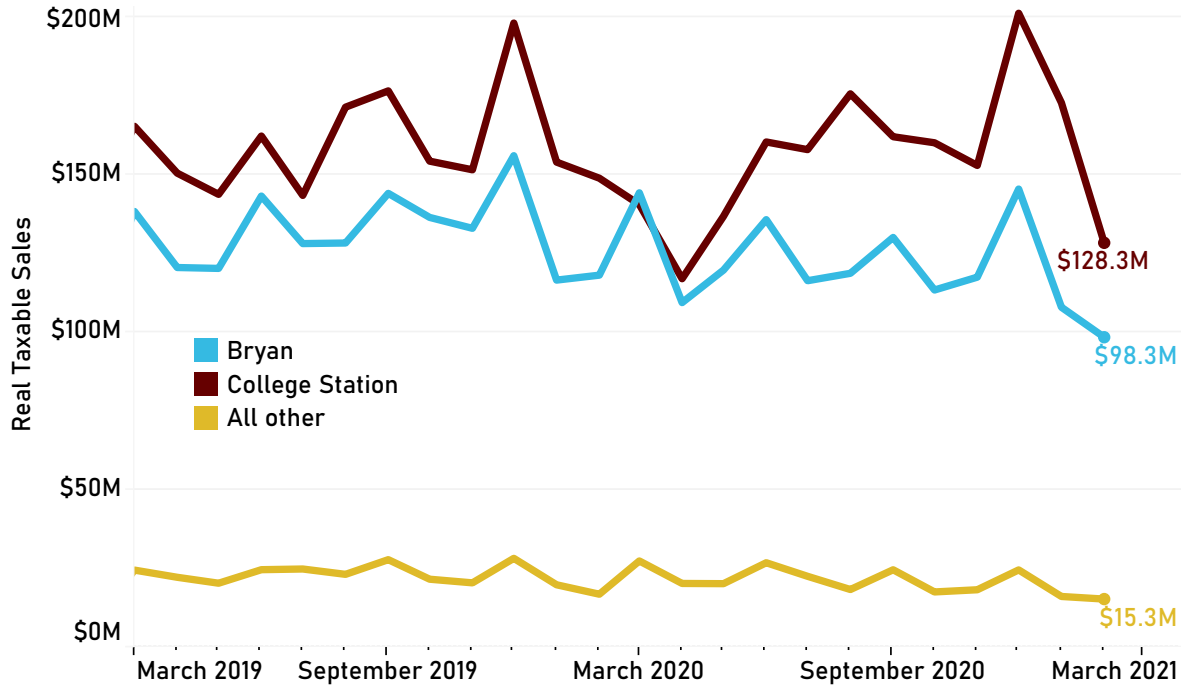


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, February 2021.

INFLATION ADJUSTED TAXABLE SALES IN THE COLLEGE STATION - BRYAN MSA

The series shown in Figure 5 identify inflation adjusted taxable sales that are not seasonally adjusted. All of the series begin in March of 2019 and extend to February 2021 and all series declined in April of 2020. College Station's taxable sales declined 22% between April 2019 and 2020, Bryan experienced a 9.2% decline and the smaller cities (Caldwell, Snook, Somerville, Bremond, Calvert, Franklin and Hearne) experienced an 8.8% decline. Comparing the last 12 months, March 2020 to February 2021, to the previous 12 months provides an indication of how taxable sales have been impacted by a full year of pandemic related adjustments. Taxable sales in College Station over the last year were 97.1% of the previous year's taxable sales. In Bryan, taxable sales over the past year were 92% of sales from the previous year. In the smaller cities, they were 91.8%. During the last 12 months, taxable sales in College Station comprised 52% of all taxable sales in the MSA's cities, Bryan comprised 41%, and the smaller cities' sales comprised 7%. One final observation is the decline in February 2021 relative to February 2020 due to the winter storm. The declines in taxable sales in College Station, Bryan, and the smaller cities were 14%, 17%, and 9%, respectively.

FIGURE 5. TAXABLE SALES BY CITY FOR THE COLLEGE STATION BRYAN-MSA, 2019 - 2021

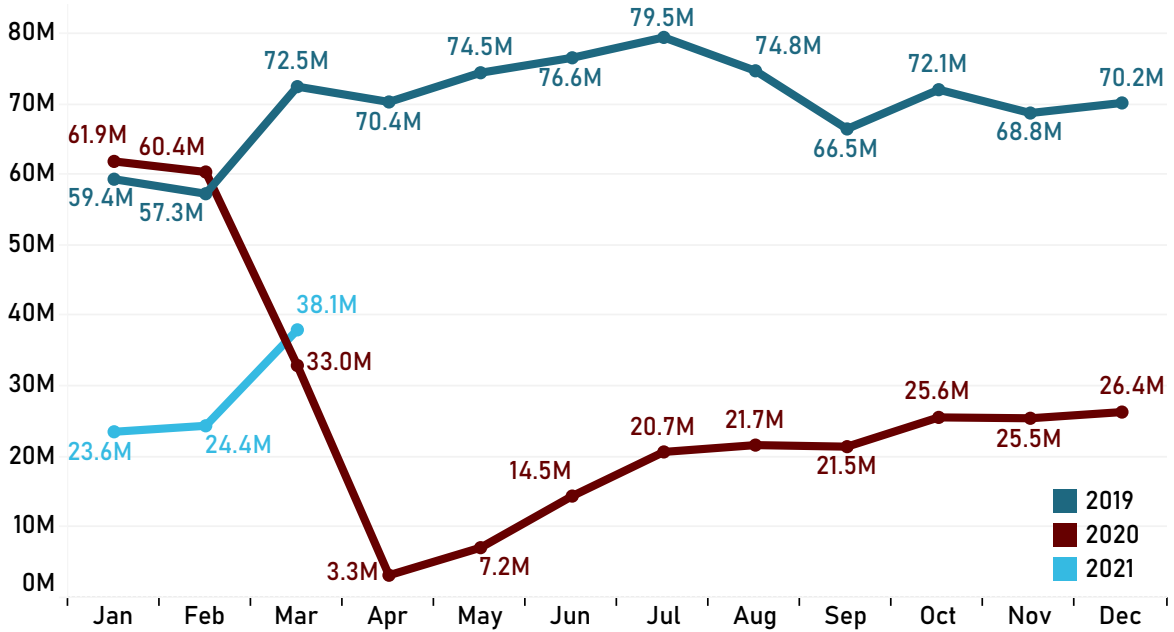


“All other” is the sum of taxable sales in Bremond, Caldwell, Calvert, Franklin, Hearne, Snook and Somerville. Sources: Sales and Use Tax Allocation sourced from the Texas Comptroller of Public Accounts. Taxable sales calculated by the Private Enterprise Research Center using current period allocation and city tax rates. Adjusted for inflation using the Consumer Price Index for all Urban Consumers. Last reported data point: February 2021.

AIR TRAVEL

Figure 6 shows monthly traveler counts through TSA checkpoints from January 2019 to March of 2021. The monthly traveler count increased to 38.1 million in March from 24.4 million in February 2021 - 5.1 million more travelers than in March 2020. While still 48% lower than the March 2019 traveler count of 72.5 million, the number of travelers in March 2021 was closer in percentage terms to the pre-pandemic monthly count than any month in the past year.

FIGURE 6. MONTHLY TSA TRAVELER THROUGHPUT, 2019 - 2021

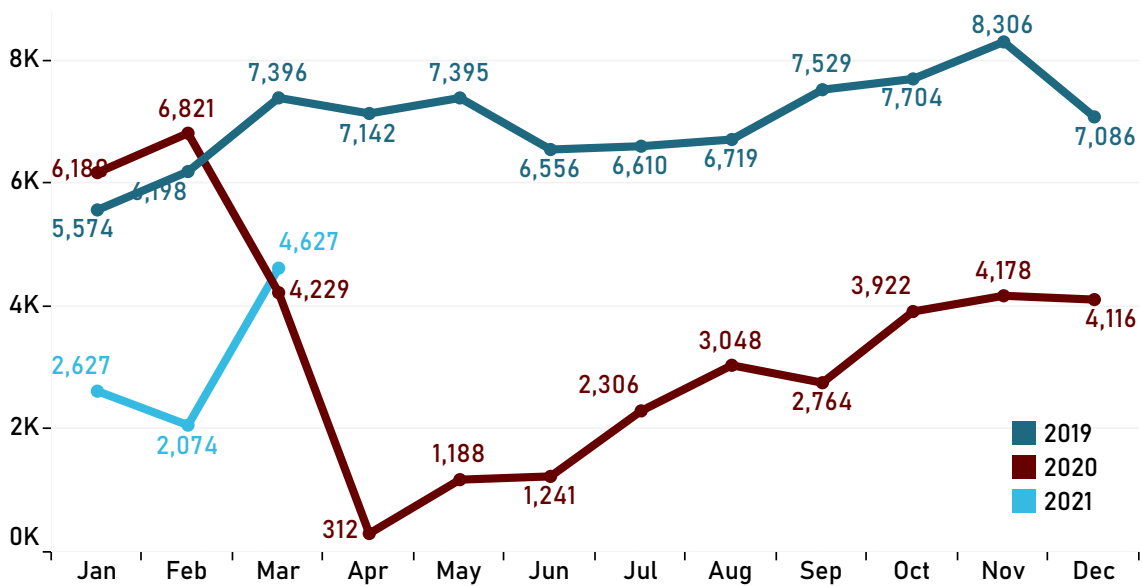


Source: Transportation Security Administration.

AIR TRAVEL OUT OF EASTERWOOD AIRPORT

Figure 7 depicts the same months as in Figure 6 but the series is based on the number of travelers out of Easterwood Airport. In January 2021, 2,672 travelers departed from Easterwood, or 40% of the number two years prior and similar to the national ratio for that month. As seen in the figure, local air travel was adversely affected by February’s winter storm, but the 4,627 departing passengers in March 2021 were higher than the March 2020 count and were almost 63% of the March 2019 count. Overall, local air travel was closer to the pre-pandemic level for the month of March than was the national level. Nationally and locally, air travel in March indicates favorable progress toward normalcy for this hard-hit industry.

FIGURE 7. TRAVELERS OUT OF EASTERWOOD AIRPORT, 2019 - 2021



Source: Texas A&M University 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

Enplanements at Easterwood Airport

Texas A&M University System based on email request. Received April 12, 2021.

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.

National Air Travel

Transportation Security Administration, Transportation Security Administration checkpoint travel numbers, <https://www.tsa.gov/coronavirus/passenger-throughput?page=1>

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.

979.260.1755 | brazosvalleyedc.org



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