



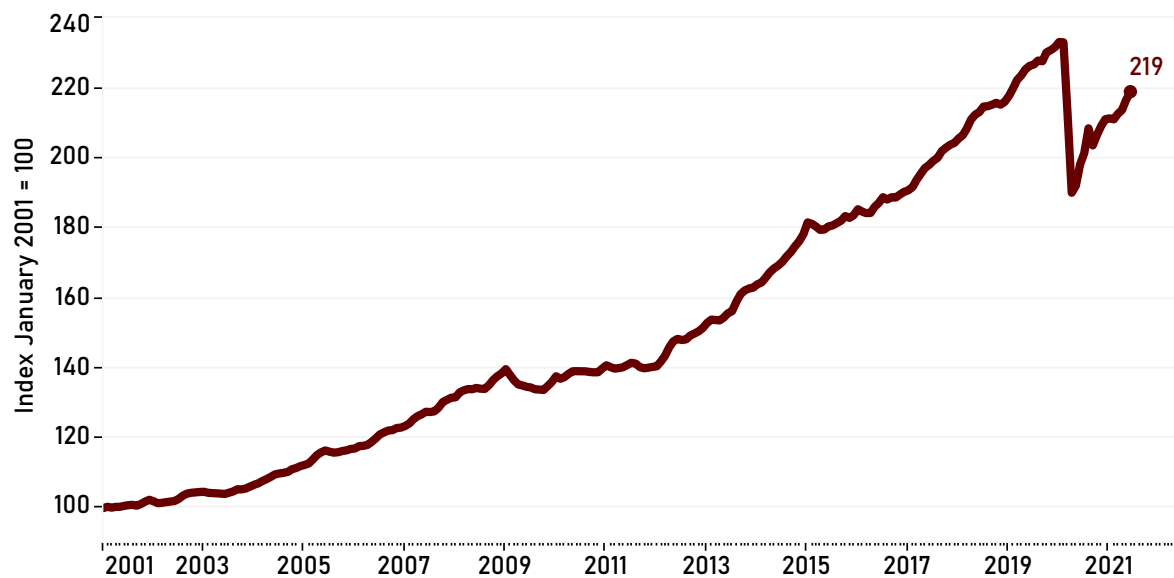
HIGHLIGHTS

- The Business-Cycle Index increased by 1.1% from May to June 2021.
- The revised local unemployment rate decreased from 5.1% to 5.0% in June.
- Local nonfarm employment increased by 1.5% in June and was 2.8% below its February 2020 pre-pandemic level.
- Real taxable sales increased 0.6% from May to June and were essentially the same as in February 2020.
- The number of travelers out of Easterwood Airport was about eight percent higher in July 2021 than in June 2021 and was 99% of the number from July 2019.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

The College Station-Bryan Business-Cycle Index rose 1.1% in June to 219, as seen in Figure 1. The increase resulted from a decrease in the unemployment rate, a rise in nonfarm employment, and a slight increase in taxable sales.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

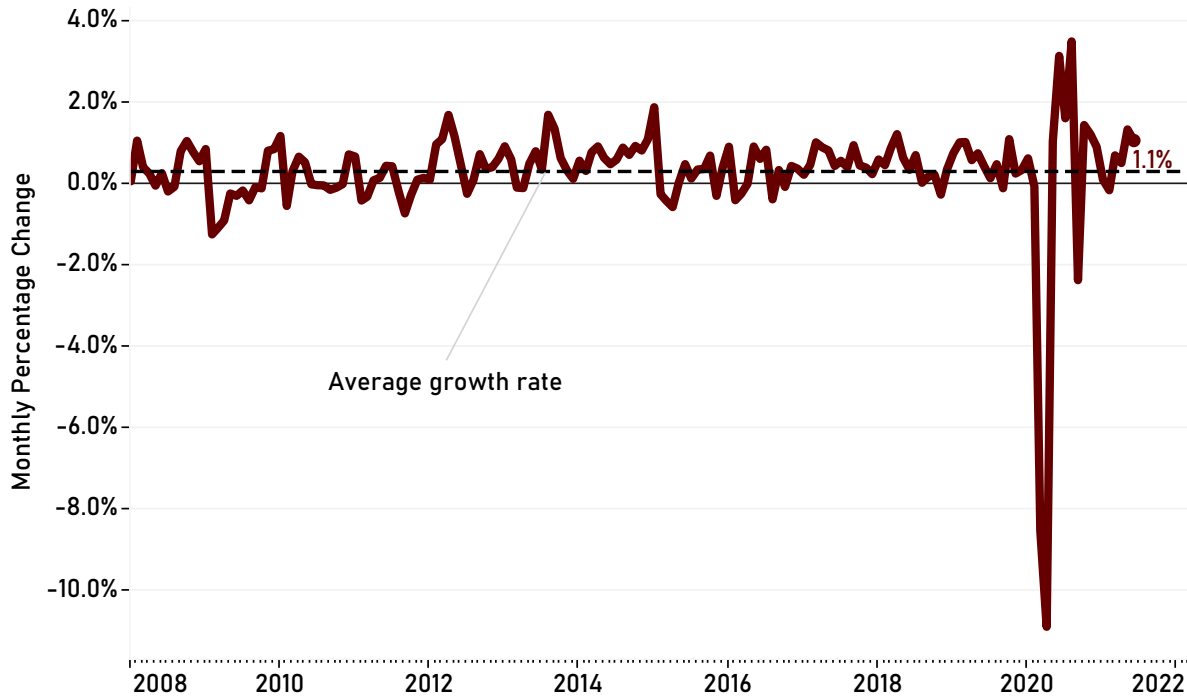


Last reported data point: June 2021 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle rose 1.1% between May and June. The revised local unemployment rate decreased to 5.0% in June. Nonfarm employment showed an increase of 1.5% from its revised May value of 119,700 workers to June's value of 121,500. Inflation-adjusted taxable sales, the third monthly indicator used in the model, increased by 0.6%. The fourth input in our model, quarterly real wages, remained unchanged and the next update will be available in September.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

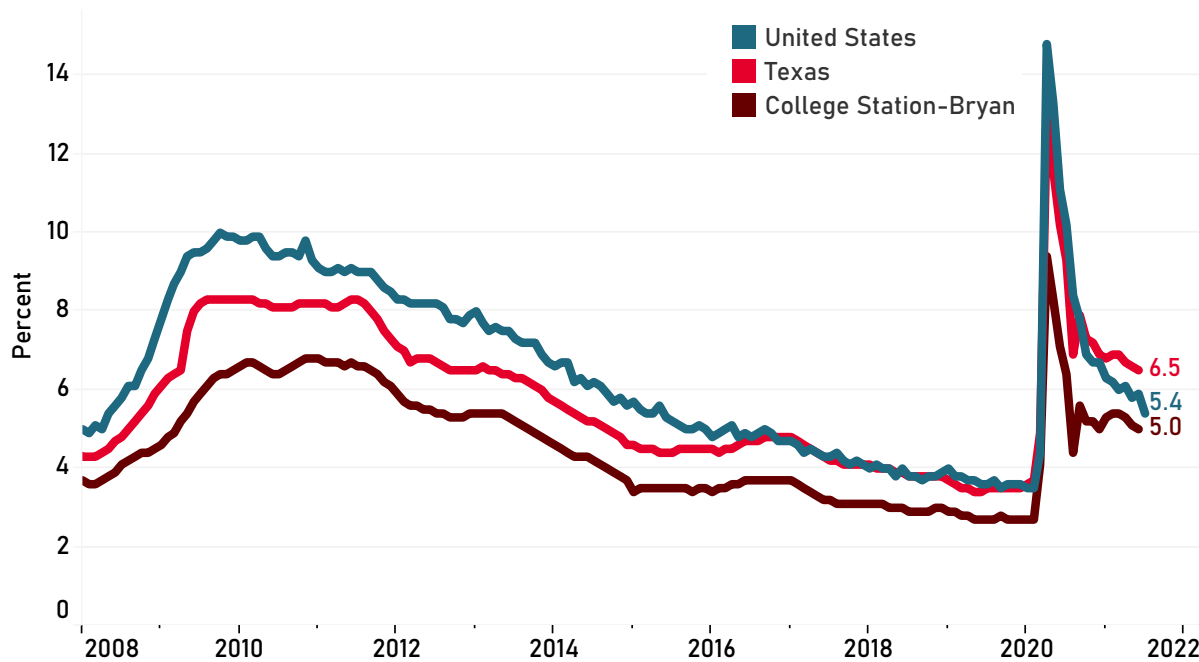


Month-to-month growth rates. Last reported data point: June 2021 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan, the state of Texas, and the U.S. from January 2008 to June 2021. As mentioned, the revised unemployment rate in College Station-Bryan decreased to 5.0% in June. The statewide rate for Texas decreased from 6.6% in May to 6.5% in June. The national rate is available through July 2021 and decreased to 5.4% from 5.9%. The state and metropolitan area unemployment rates for July 2021 will be released by the Bureau of Labor Statistics on August 20 and September 1, respectively.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: June 2021 for Texas and College Station-Bryan, July 2021 for the national unemployment rate (monthly). Source: Bureau of Labor Statistics.

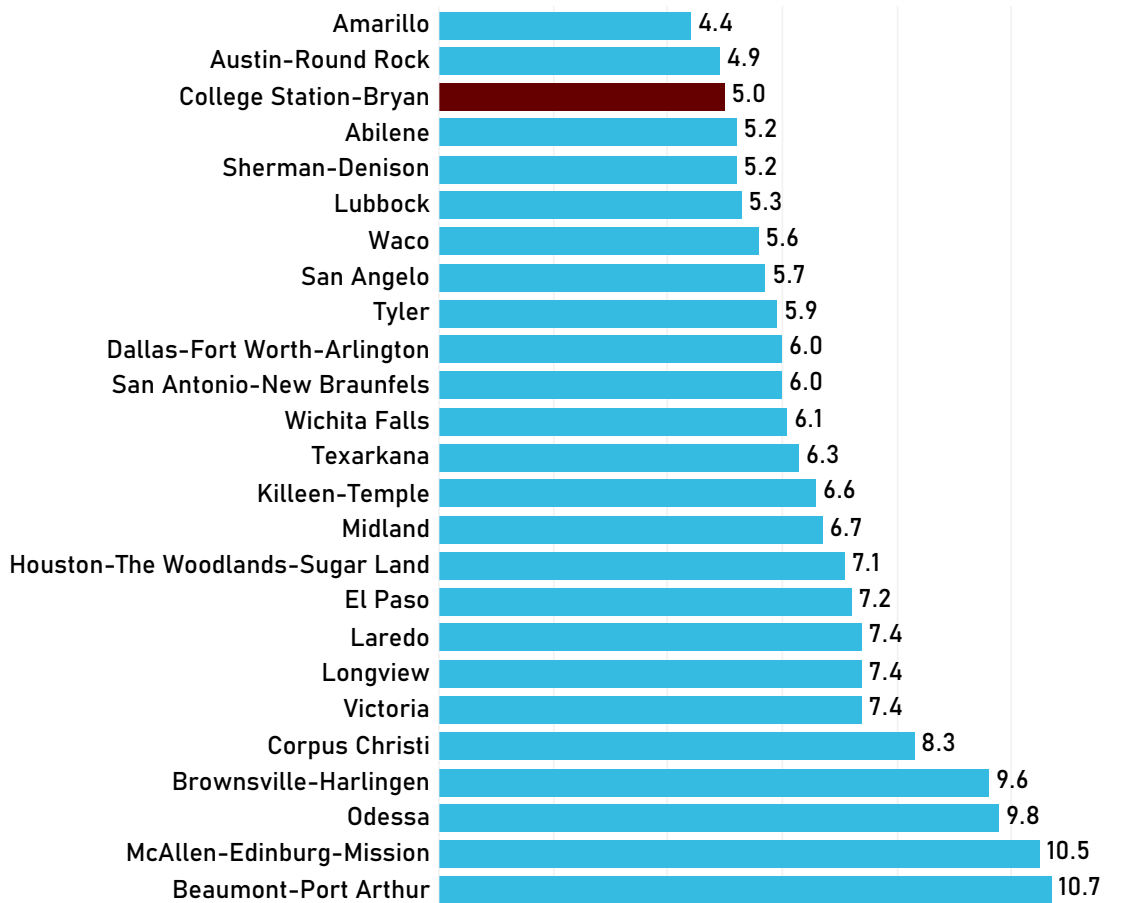
FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

This month we present the June unemployment rates in Texas MSAs, the components of population growth, incomes of non-movers and movers in Brazos County, and air travel out of Easterwood Airport.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts all Texas MSA unemployment rates for June 2021. College Station-Bryan MSA's rate of 5.0% was the third lowest in the state. Amarillo had the lowest unemployment rate at 4.4%, followed by Austin-Round Rock at 4.9%. Beaumont-Port Arthur, McAllen-Edinburg-Mission, and Odessa had the three highest June rates at 10.7%, 10.5%, and 9.8%, respectively. As noted, Austin-Round Rock had the lowest unemployment rate among the four largest MSAs at 4.9%. Dallas-Fort Worth-Arlington and San Antonio-New Braunfels followed at 6.0%. Houston-The Woodlands-Sugar Land again had the highest rate in this group at 7.1%.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, JUNE 2021

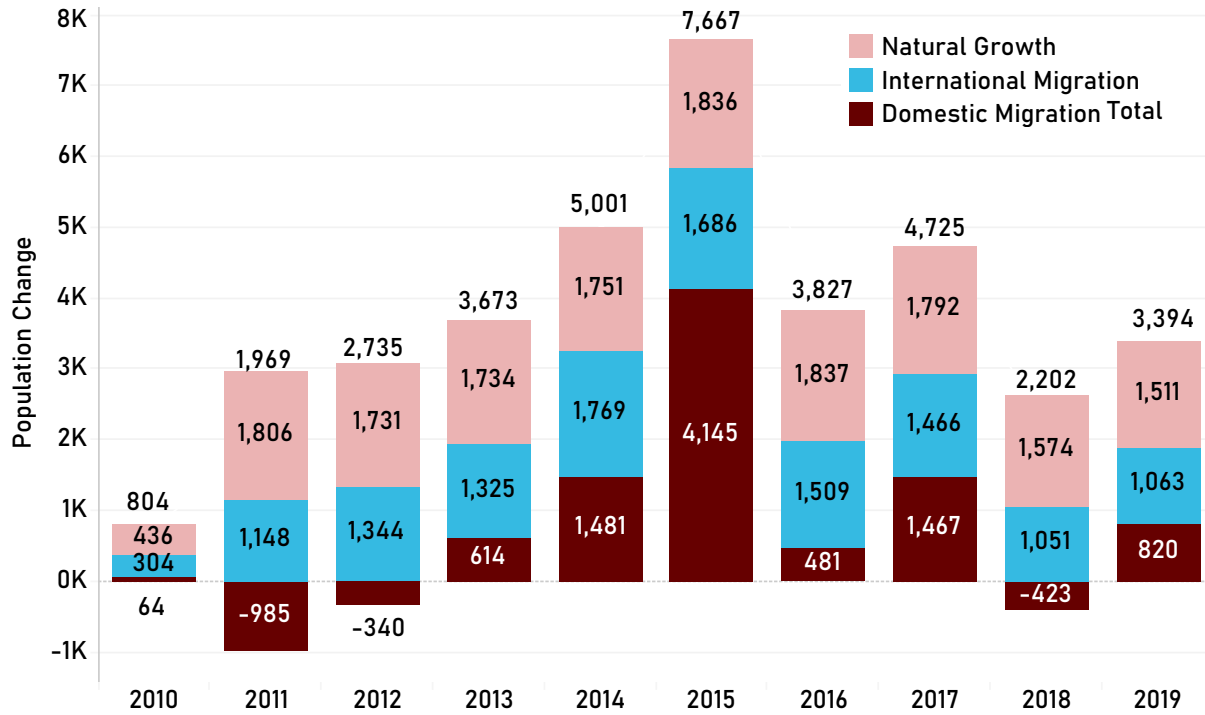


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, June 2021.

COMPONENTS OF POPULATION GROWTH

An area's population grows or declines through international and domestic migration and natural growth (births-deaths).¹ These three components of the local area's year-to-year population growth are depicted in Figure 5 for the years 2010-2019. In three of the ten years, domestic migration was negative. Net domestic in-migration was highest from 2014 to 2015. In eight of the ten years, natural population growth was the largest component of total growth and accounted for 44% of the growth from 2010 to 2019. The combination of international and domestic net migration accounted for the remaining 56%.

FIGURE 5. COMPONENTS OF POPULATION GROWTH IN THE COLLEGE STATION-BRYAN MSA, 2010-2019



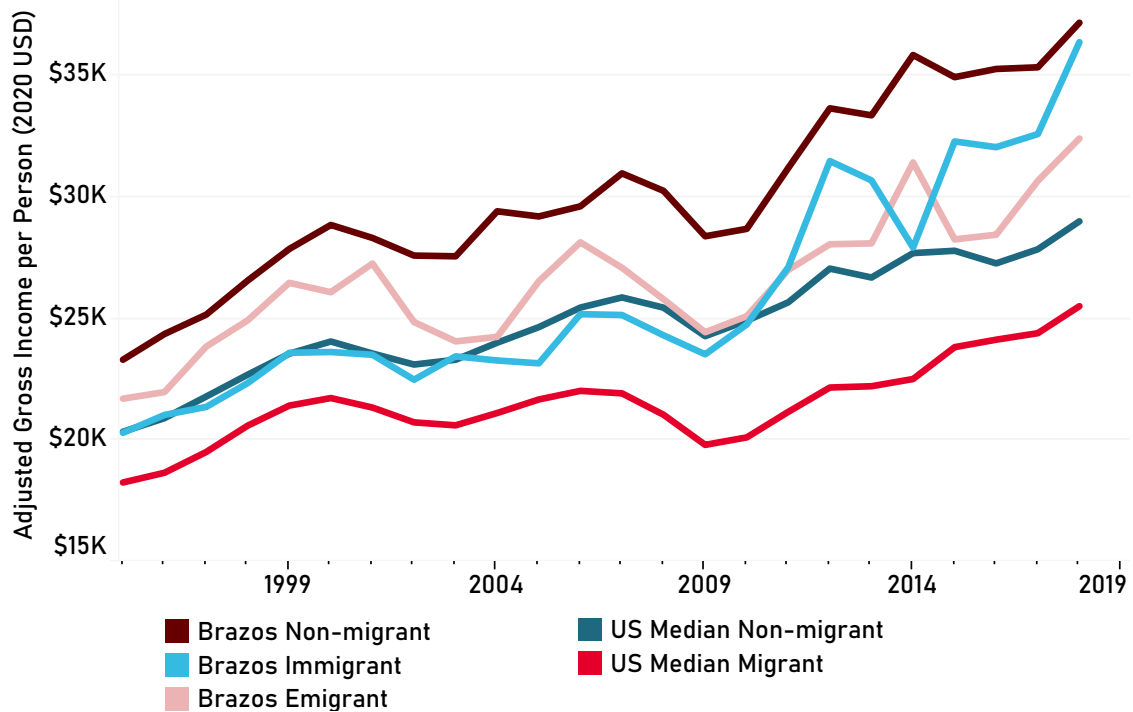
Source: Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Totals and Components of Change, 2010-2019.

BRAZOS COUNTY AVERAGE INCOME OF MIGRANTS AND NON-MIGRANTS

Figure 6 presents the average income for people moving into and out of Brazos County as well as those who did not move for the years 1995 to 2018. These series are derived from the Internal Revenue Service’s (IRS) migration data. The IRS data matches a households’ tax returns across two years and is limited to households that file tax returns in both the first and second year of the match.² In our case, the matched data for Brazos County excludes many students who do not file their own tax returns for two consecutive years. The income series are real adjusted gross income per person (per exemption).

The highest series reflects the average income for non-migrants, or people in households that did not move across a county line during the year-to-year match. Overall, this series has increased through time, though the impact of the Great Recession from 2007 to 2009 is evident. This series is also higher than the series for immigrants into Brazos County and the emigrants who leave Brazos County. Migrant households are typically younger, and thus their incomes are lower than non-migrant households. However, this relative relationship is not the case for all U.S. counties. Also of note, the local average non-migrant income series exceeds the comparable national median and grew at a faster rate. In 2018, the average income of non-migrants in Brazos County was 28% above the U.S. median. Between 1995 and 2018, non-migrants’ average income in Brazos County increased 2.1% per year compared to 1.6% for the U.S. median. From the trough of the Great Recession in 2010 to 2018, non-migrants’ average income in Brazos County increased at an average rate of 3.2% per year compared to 2.0% for the U.S. median.

FIGURE 6. NON-MIGRANT AND MIGRANT INCOMES IN BRAZOS COUNTY AND NATIONALLY

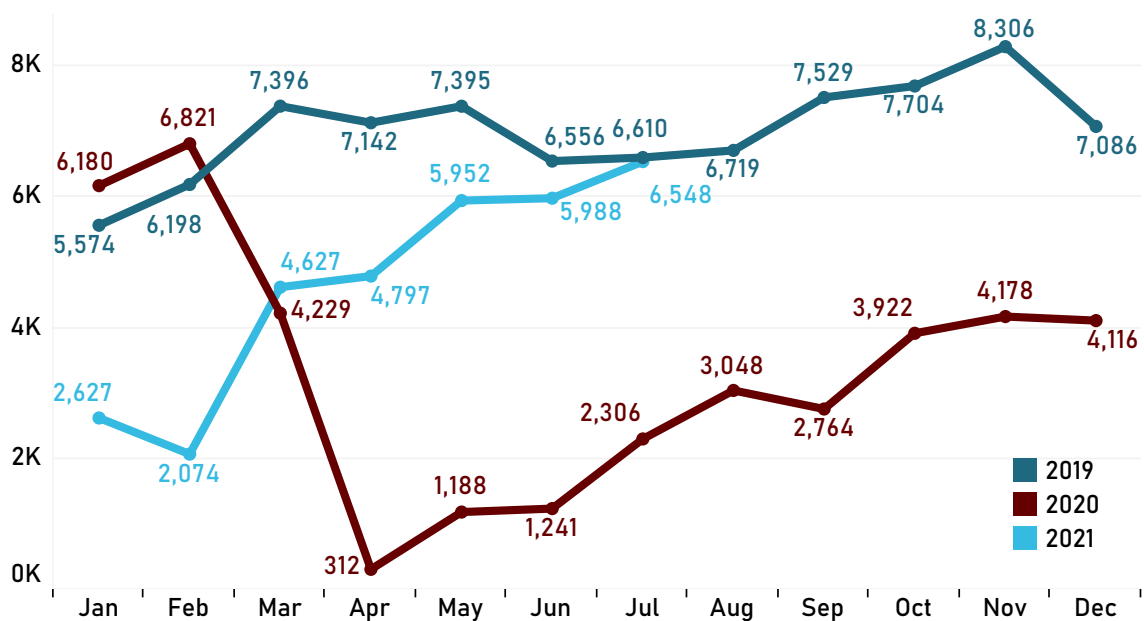


Source: Internal Revenue Service, Statistics of Income (SOI), SOI Tax Stats-Migration Data.

AIR TRAVEL OUT OF EASTERWOOD AIRPORT

The number of travelers out of Easterwood Airport from January 2019 to July of 2021 is shown in Figure 7. In July, 6,548 travelers departed from Easterwood. This was 99% of the count from July 2019, indicating that air travel out of Easterwood for the month had returned to the pre-pandemic counts. Nationally, July's number of travelers through Transportation Security Administration checkpoints was 80% of the count from July 2019. As has been the case for the last few months, local air travel was closer to its pre-pandemic level for the month of July than was air traffic nationally.

FIGURE 7. ENPLANEMENTS AT EASTERWOOD AIRPORT BY MONTH, 2019 - 2021



Source: Texas A&M University System.

SPONSORED BY THE BRAZOS VALLEY ECONOMIC DEVELOPMENT CORPORATION

PRIVATE ENTERPRISE RESEARCH CENTER, TEXAS A&M UNIVERSITY | AUGUST 2021 INDEX

ENDNOTES

¹ Population growth also includes a small residual each year, not depicted in the figure, which represents a change in the population not attributed to these three components.

² The data series in the figure are based on the 1995/1996 match to the 2018/2019 match. The IRS introduced several methodological changes in 2011. As a result of these changes, the average incomes after these changes are not strictly comparable to the averages before 2011. The methodological changes improve the way the matches between year 1 and year 2 are made and increase the length of time over which the tax returns for each year are accepted for inclusion in the data files. This last change resulted in an increase in the inclusion of more high income returns and thus leads to higher computed averages.

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 August 16, 2021.

Income of Non-migrant and Migrants

Internal Revenue Service, Statistics of Income (SOI), SOI Tax Stats-Migration Data, <https://www.irs.gov/statistics/soi-tax-stats-migration-data>

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 Non-farm 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>

Population

Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Totals and Components of Change, 2010-2019. <https://www.census.gov/data/tables/time-series/demo/popest/2010s-total-metro-and-micro-statistical-areas.html>

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

DATA SOURCES

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