



HIGHLIGHTS

- Initial unemployment claims over the last 14 weeks topped 46 million nationally. The number of claims per week have declined since the week ending March 28.
- Over the same time period, 2.5 million workers in Texas filed claims.
- Locally, 12,309 initial unemployment claims were filed between weeks ending on March 7 to May 30. Both statewide and locally, the number of claims per week have generally declined since the week ending on April 4.
- Air travel nationally and out of Easterwood Airport increased in May relative to April.
- The unemployment rate increased to 9.4% in College Station-Bryan for the month of April. The local rate was the third-lowest among Texas metropolitan areas. The national unemployment rate in April was 14.7% and the statewide rate in April was 13.5%. The national rate for May declined to 13.3% and the rate in Texas declined to 13%.
- The Business Cycle-Index exhibited another monthly decrease of 1.9% for the month of April.

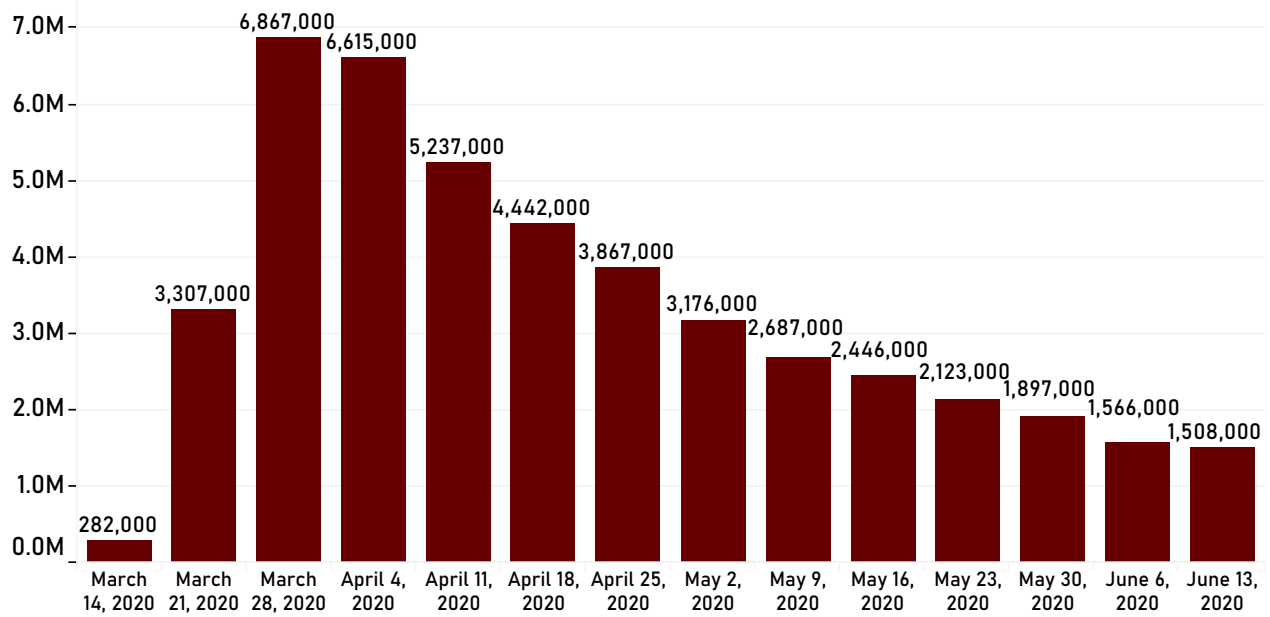
FOCUS ON THE COLLEGE STATION-BRYAN MSA

With the rapidly changing economic environment due to the response to the coronavirus, we continue with our reformatted Economic Indicators, begun in April, that highlight higher frequency and hence more up-to-date national, state, and local indicators of economic activity. We present our index at the end of this document, as it will only show the extent of our recent economic slowdown with a two-month lag.

UNEMPLOYMENT INSURANCE CLAIMS

Figures 1 and 2 depict the initial weekly unemployment insurance (UI) claims as reported by the U.S. Department of Labor. Figure 1 depicts the seasonally adjusted series for the United States beginning with the week ending on March 14, 2020. Over the past 14 weeks, 46 million initial claims have been filed. For the week that ended on June 13, 2020, 1,508,000 workers filed UI claims. This was the eleventh week in a row that the initial weekly claims have declined since the highest number was recorded for the week ending on March 28 when they reached 6,867,000 initial claims.

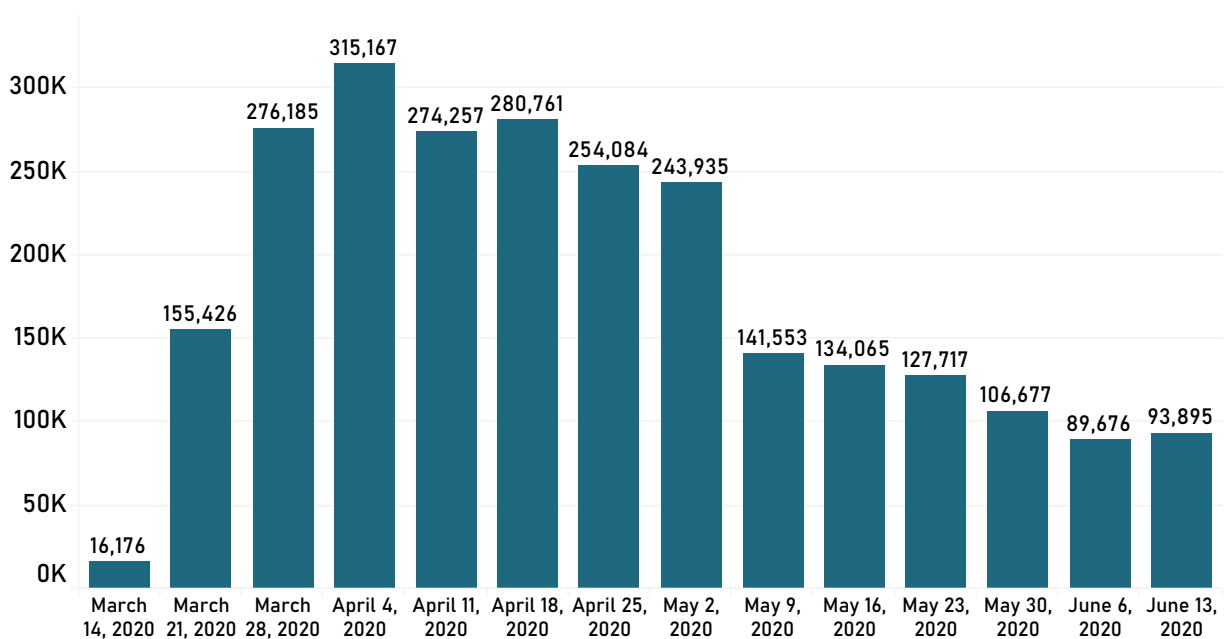
FIGURE 1. UNEMPLOYMENT INSURANCE CLAIMS IN THE UNITED STATES BY WEEK



Source: U.S. Department of Labor.

Figure 2 depicts the initial weekly UI claims in Texas. For the week ending on June 13, 93,895 initial claims were made in the state. The highest number of weekly claims in Texas occurred during the week ending on April 4, when they reached 315,167. Over the last 14 weeks, claims totaled 2,509,574. The number of workers in Texas receiving unemployment benefits for the week ending on June 6 was 1,325,008. For the week ending on May 30, the number of insured unemployed workers was 1,215,507, resulting in an insured unemployment rate of 9.9%. This is the percentage of covered employment receiving unemployment benefits.

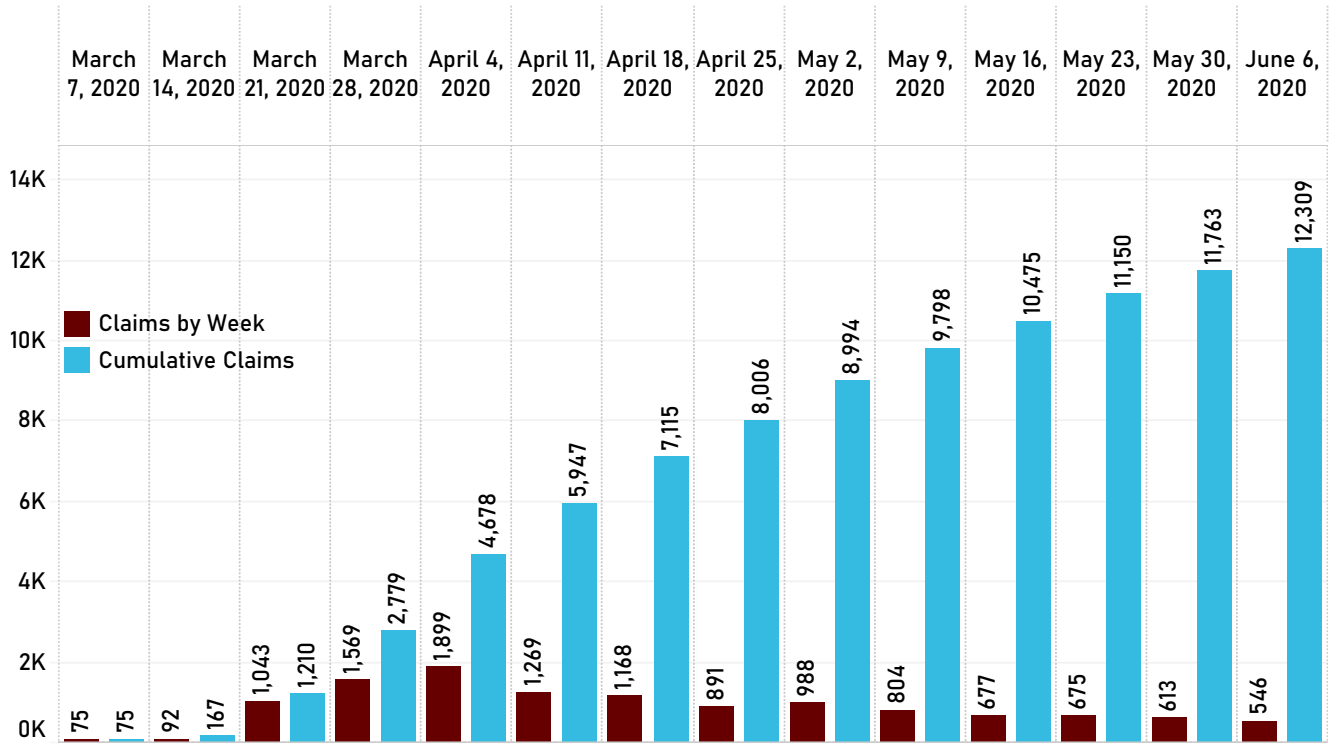
FIGURE 2. UNEMPLOYMENT INSURANCE CLAIMS IN TEXAS BY WEEK



Source: U.S. Department of Labor.

Figure 3 depicts the weekly and cumulative unemployment claims in College Station-Bryan for the thirteen weeks from March 7 to June 6, 2020. The data are from the Texas Workforce Commission (TWC). The highest number of claims in the local area were made during the week ending on April 4 when they reached 1,899. Initial claims have generally declined since then, and for the week ending June 6, the number of initial claims totaled 546. Cumulative claims over this period total 12,309. The industries hardest hit in Brazos County in May were full- and limited-service restaurants and food service contractors.

FIGURE 3. WEEKLY AND TOTAL UI CLAIMS IN COLLEGE STATION-BRYAN

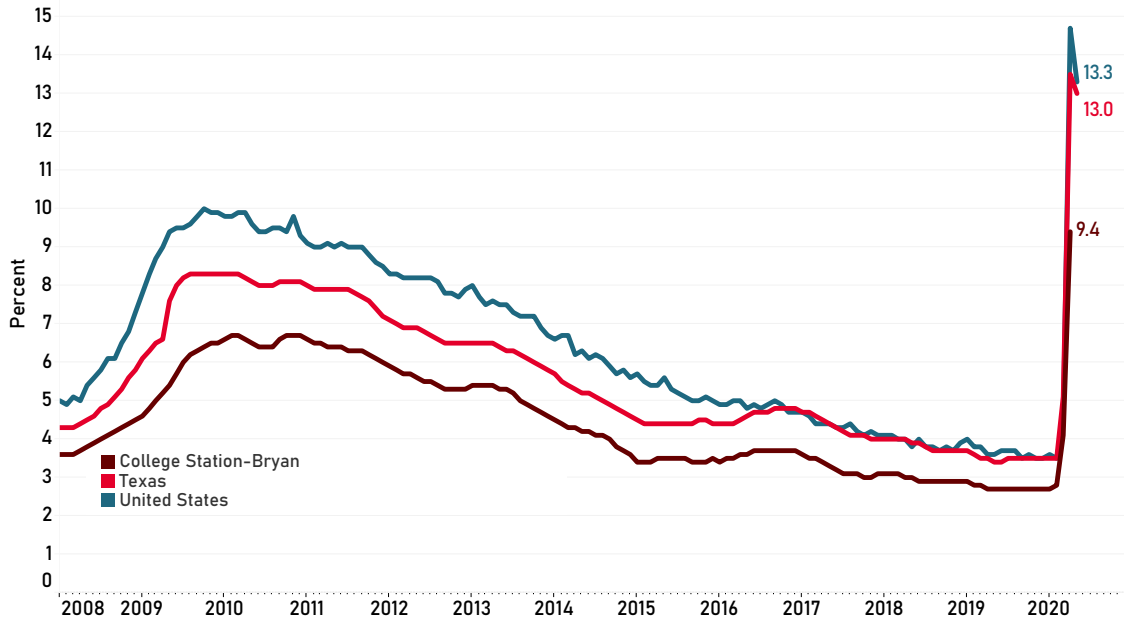


Source: Texas Workforce Commission.

UNEMPLOYMENT RATE

Figure 4 depicts the unemployment rate in College Station-Bryan, along with the rate for Texas and the U.S. In April 2020, the seasonally adjusted unemployment rate in College-Station increased to 9.4%. The rates for metropolitan areas were released on June 3 by the Bureau of Labor statistics. The rate in the state of Texas for April was 13.5%. For the U.S. as a whole, the April rate was 14.7%. At this point in time, May's unemployment rate is available at the national level and the state level. In May, the national rate dropped to 13.3% and the rate in Texas dropped to 13%. Metropolitan area unemployment rates for May will be released on July 1.

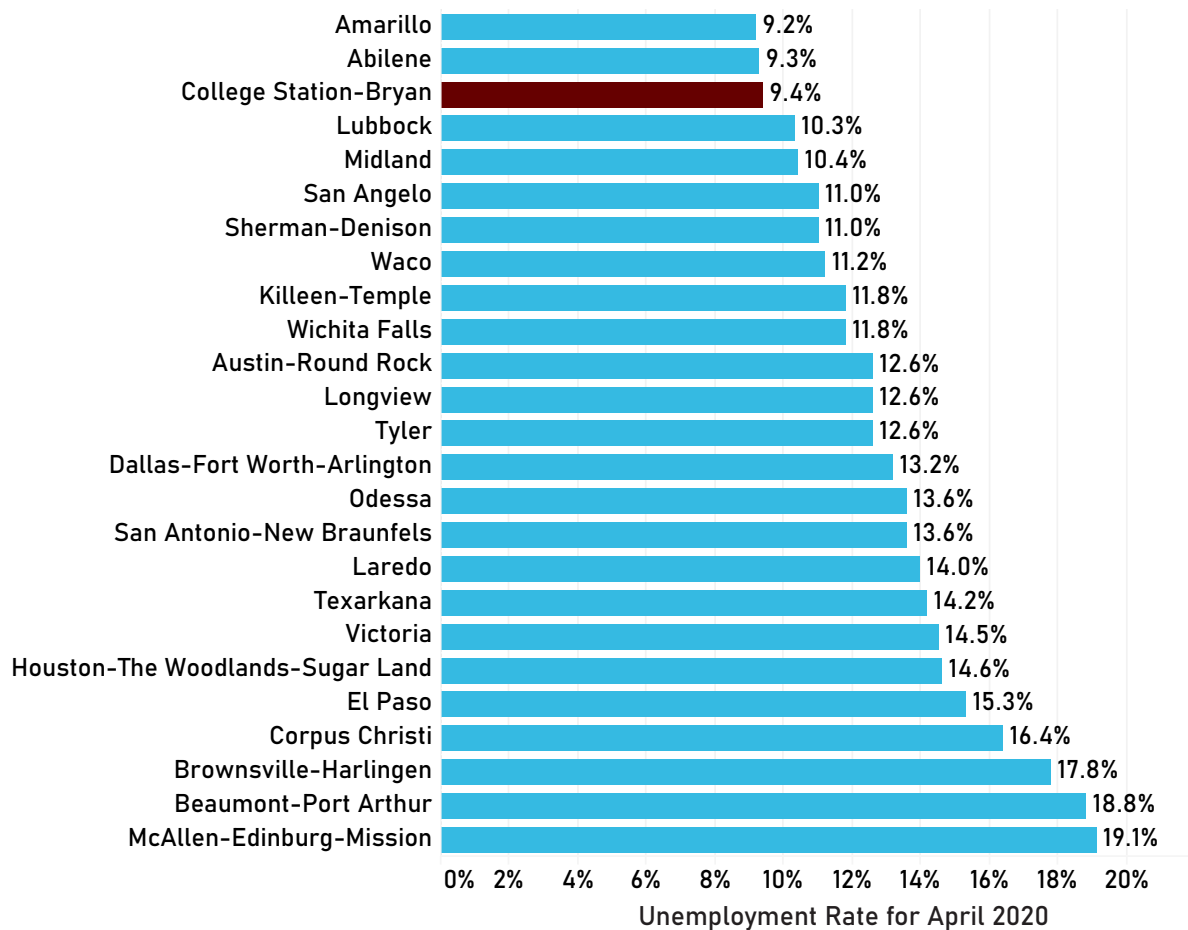
FIGURE 4. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: April 2020 for College Station-Bryan; May 2020 for Texas and the United States. Source: Bureau of Labor Statistics.

The April unemployment rates for all of the Texas metropolitan statistical areas (MSAs) are shown in Figure 5. College Station-Bryan’s rate was the third lowest in the state after Amarillo’s rate of 9.2% and Abilene’s rate of 9.3%. The three MSAs with the highest unemployment rates in the state were McAllen-Edinburg-Mission at 19.1%, Beaumont-Port Arthur at 18.8% and Brownsville-Harlingen at 17.8%. Among the four largest MSAs, Houston-The Woodlands-Sugar Land had the highest April unemployment rate at 14.6%. The rate in San Antonio-New Braunfels was 13.6% and 13.2% in Dallas-Fort Worth-Arlington. Austin’s unemployment rate of 12.6% was the lowest among the four largest MSAs.

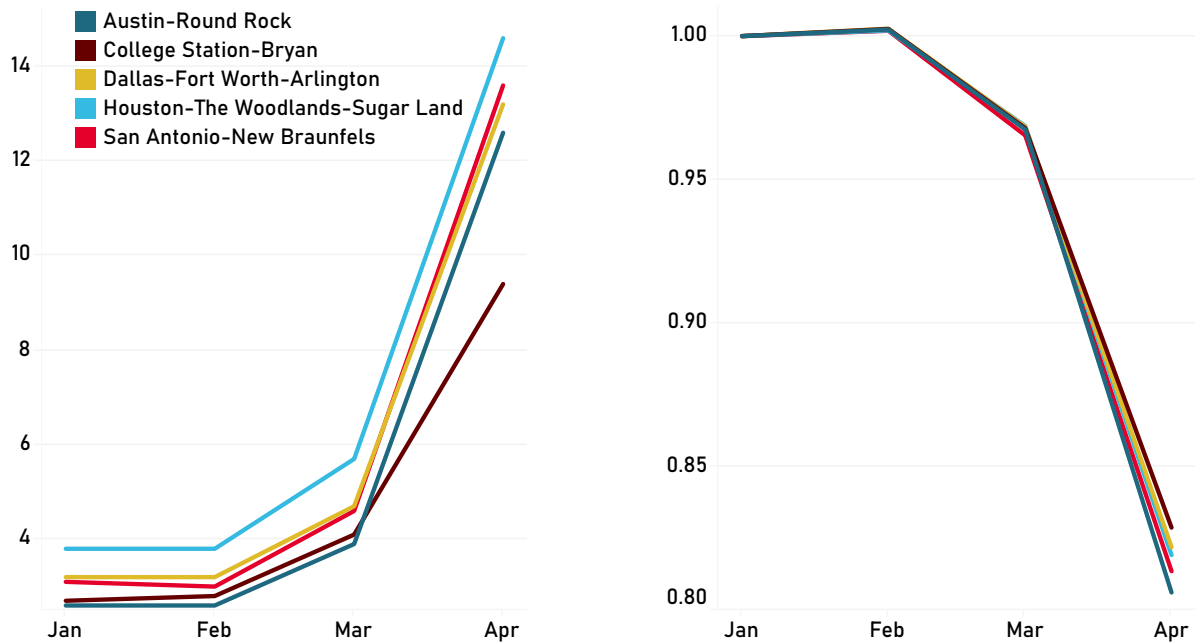
**FIGURE 5. UNEMPLOYMENT RATES IN TEXAS MSAs
APRIL 2020**



Source: Bureau of Labor Statistics

The graph on the left side of Figure 6 depicts the unemployment rates in select Texas MSAs for the first four months of 2020. The unemployment rate in College Station-Bryan rose from a revised rate of 4.1% in March to 9.4% in April. In March, only the Austin-Round Rock rate of 3.9% was lower than the College Station-Bryan rate. The graph on the right side of Figure 6 shows how civilian employment has changed since January 2020 in each of the five MSAs. April's employment count in College Station-Bryan was 82.9% of the number of employees in January. In Austin-Round Rock, April's employment was 80.7% of the January count, while in San Antonio it was 81.3%. In Houston-Woodlands-Sugarland, employment was 81.9% and in Dallas-Fort Worth-Arlington it was 82.2%. College Station-Bryan saw an 11% contraction in its labor force between January and April. Austin-Round Rock's labor force contracted 10.1% and Houston's labor force contracted the least at 7.7%.

**FIGURE 6. UNEMPLOYMENT RATES AND INDEXED EMPLOYMENT IN SELECT TEXAS MSAs
JANUARY- APRIL 2020**

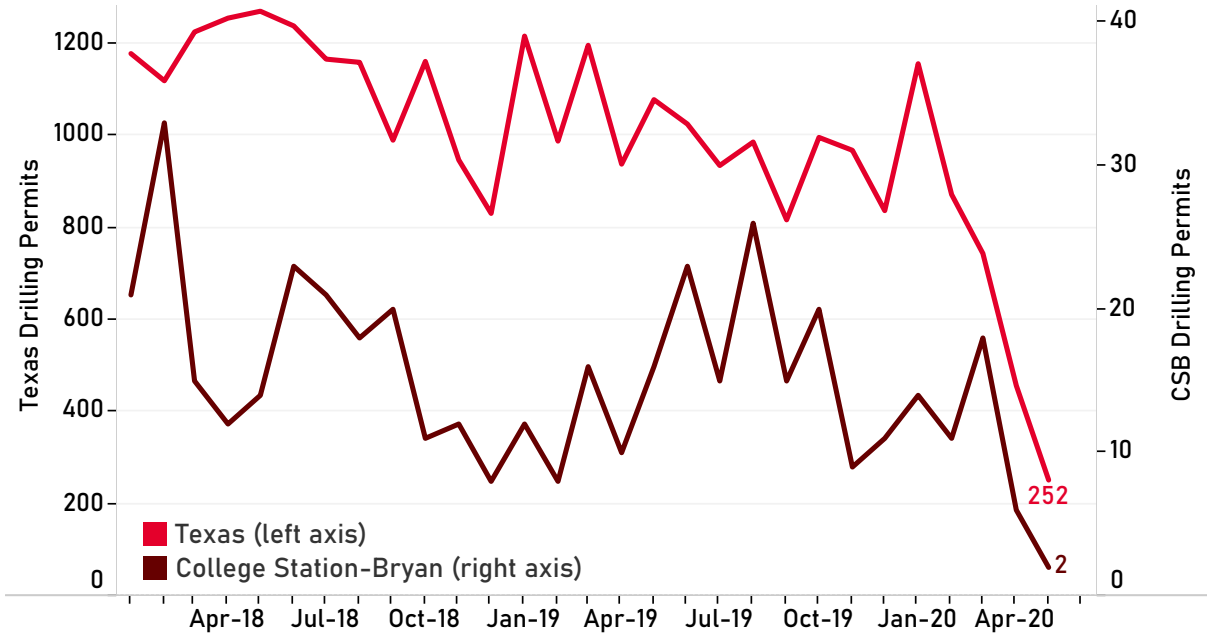


Source: Bureau of Labor Statistics. Index Values by Private Enterprise Research Center.

OIL DRILLING PERMITS

Figure 7 presents oil drilling permits for the state of Texas and for the CSB MSA - including Brazos, Burleson, and Robertson Counties - from January 2018 to May 2020. In the state of Texas, monthly permits averaged 1,128 during 2018 and 998 for 2019. In January of 2020, 1,156 permits were issued, and since then, the count has dropped each month with only 252 permits issued in May. The monthly permit count in the three counties that comprise our local MSA was 14 in January and in February 11 were issued. In March, the number rose to 18, while 6 permits were issued in April, and only 2 permits were issued in May. The decline in permits state-wide and locally has followed the price of oil. The spot price of oil dropped from \$57.52 per barrel in January to \$16.55 in April and rebounded to \$28.56 in May.

FIGURE 7. TOTAL APPROVED DRILLING PERMITS IN TEXAS AND COLLEGE STATION-BRYAN BY MONTH

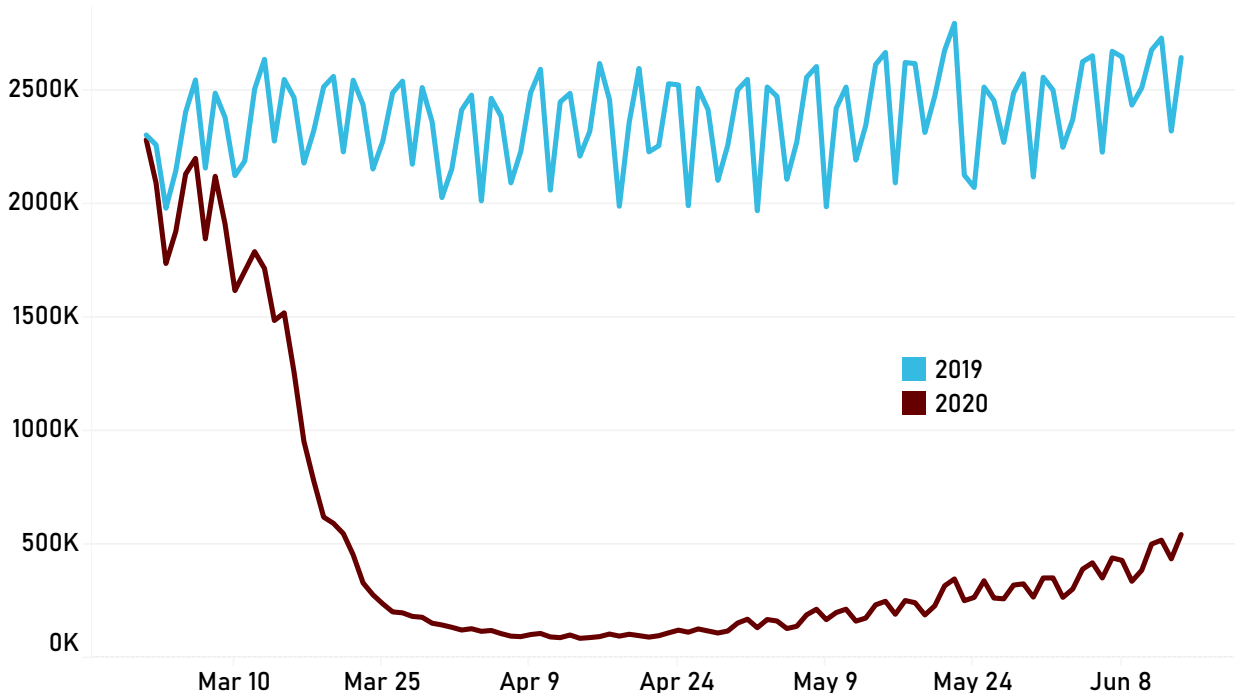


Source: The Railroad Commission of Texas.

AIR TRAVEL

Figure 8 depicts the number of travelers screened by the TSA from March 2, 2020 to June 14, 2020, along with a series from 2019 for the same day of the week. The traveler count for the month of March 2020 was 48.4% of the traveler count for the same month in 2019. The counts in April and May of 2020 were 4.7% and 9.6%, respectively, of the counts from 2019. During the first two weeks of June, the number of travelers were 16.2% of the 2019 numbers. For the week ending June 14, the number of travelers rose to 17.6% of the number of travelers for the same week of 2019.

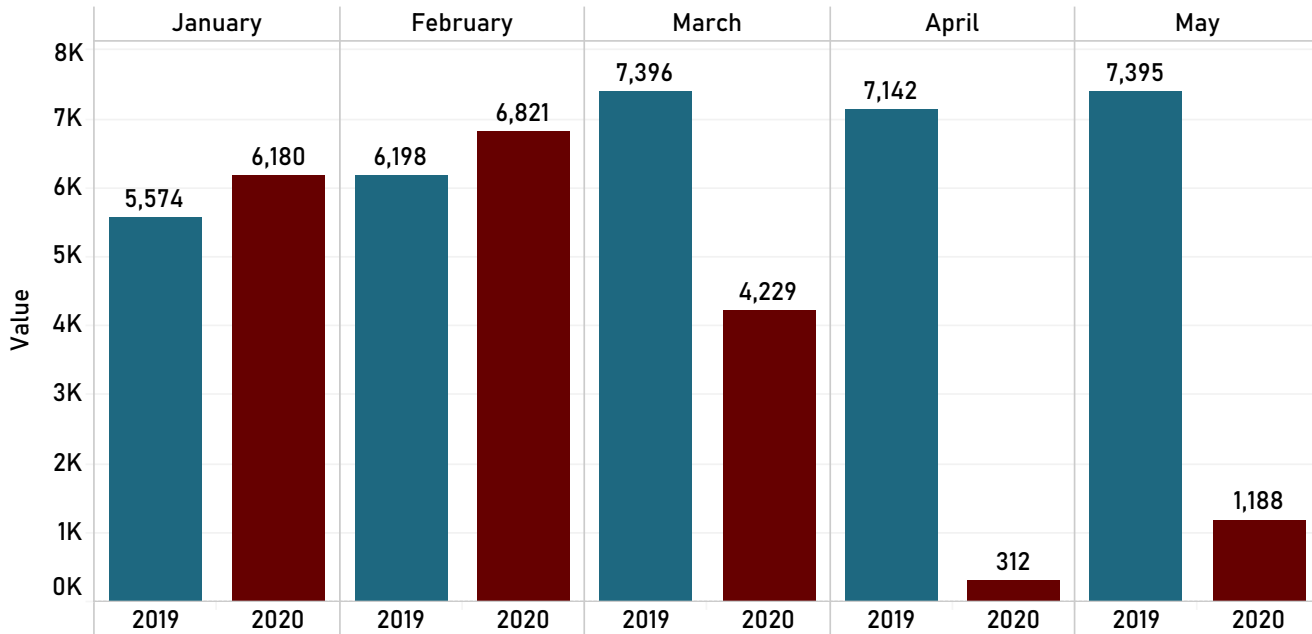
FIGURE 8. TSA TRAVELER THROUGHPUTS 2019 VS 2020



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

The number of air passengers traveling out of Easterwood Airport during the first five months of 2019 and 2020 are shown in Figure 9. Air travel out of Easterwood Airport was up for the first two months of 2020 compared to 2019. As expected from the previous figure, air travel out of Easterwood dropped significantly beginning in March. Total enplanements for March 2020 were down almost 42% compared to March 2019. In April, 312 passengers flew out of Easterwood, or 4.3% of the enplanements during April 2019. May's count was 1,188 passengers or 16.1% of the 7,395 enplanements in May of 2019.

FIGURE 9. ENPLANEMENTS AT EASTERWOOD AIRPORT, 2019 VS 2020



Source: Texas A&M University System.

These figures illustrate once again that the coronavirus and accompanying shelter-in-place orders have had substantial negative effects on the economy and was unprecedented in the size of the initial impact. The evidence continues to indicate that from the middle of April to the present, there has been a gradual improvement in the economy.

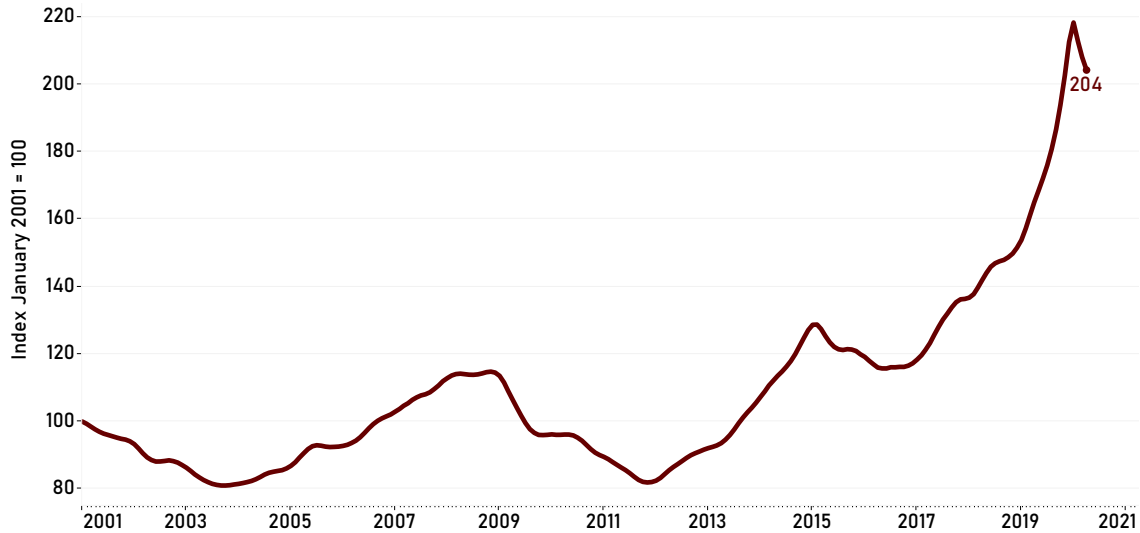
THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

Figure 10 depicts the College Station-Bryan Business-Cycle Index. The April estimate of the CSB Business-Cycle Index is down 6.5% since the beginning of the year. The economic variables that underlie the estimation of our Business-Cycle Index are reported with a lag. Three variables - the local unemployment rate, local nonfarm employment, and local taxable sales are reported monthly, but the most recent data available is from April. The fourth variable, aggregate wages, are reported quarterly and the most recent data is from the last quarter of 2019.

PERC produces a monthly business-cycle index for the College Station-Bryan metropolitan statistical area (CSB MSA) in order to provide timely information on the state of the local economy. Official real GDP numbers for our MSA are only available annually, and with an average lag of over one year. For instance, today, the available real GDP numbers for the CSB MSA is the annual value for 2018. The annual value for 2019 will be released on December 9, 2020. There are no monthly values. Our monthly index is much more up-to-date, and much more frequent, than the official GDP statistic, and in normal times it presents a useful and timely indicator of economic activity. Unfortunately, we are not at present in normal times, and even our monthly indicator has been unable to keep pace with current events, including shelter-in-place orders and the business restrictions that began in mid-March. Our index only provides a snapshot of where we have been, not the current economic situation we face.

April was a hard-hit month and our index shows the continuing effects of the measures taken to slow the spread of COVID-19. As new months of data become available, future estimates of the index will provide continuing and updated indications of the severity of the current economic event.

FIGURE 10. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

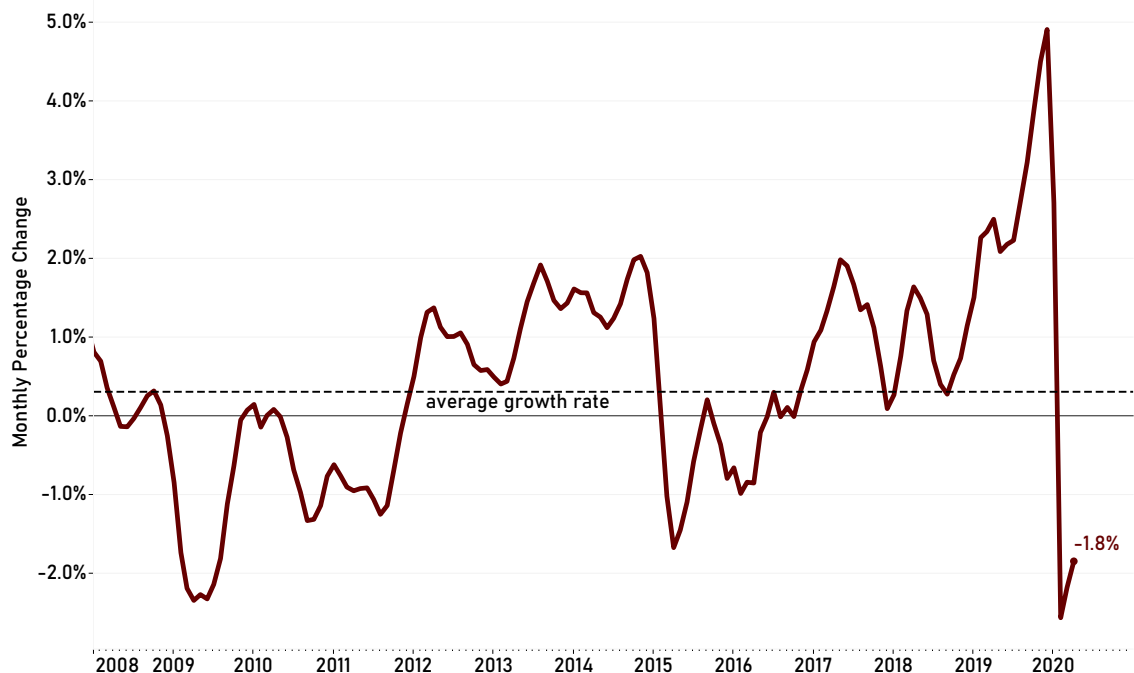


Last reported data point: April 2020 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle in Figure 11 showed a decrease of 1.85% from March to April, adding to the previous two months’ declines. As mentioned, the local unemployment rate rose to 4.1% in March and to 9.4% in April. Nonfarm employment declined about 0.4% between February and March and by 8.5% between March and April. Inflation-adjusted taxable sales fell 5.9% from February to March and fell another 10.5% between March and April. The quarterly wage measure was released this past month and wages were up 1.4% from the third to the fourth quarter of 2019.

FIGURE 11. COLLEGE STATION-BRYAN BUSINESS-CYCLE



Month-to-month growth rates. Last reported data point: April 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, 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

Civilian Employment

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>

County Level Unemployment Insurance Claims

Texas Workforce Commission, weekly claims by county, <https://www.twc.texas.gov/news/unemployment-claims-numbers#claimsByCounty>

Drilling Permits

Railroad Commission of Texas; Research and Statistics; Oil and Gas data; Drilling Permits Data Visualization; <https://www.rrc.state.tx.us/oil-gas/research-and-statistics/data-visualization/drilling-permits/>

Enplanements at Easterwood Airport

Texas A&M University System based on email request. Received June 18, 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.

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.

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

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.

West Texas Intermediate

Business Insider; Markets Insider; Markets, Commodities, Price of Oil (West Texas Intermediate): <https://markets.businessinsider.com/commodities/oil-price?type=wti>

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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