



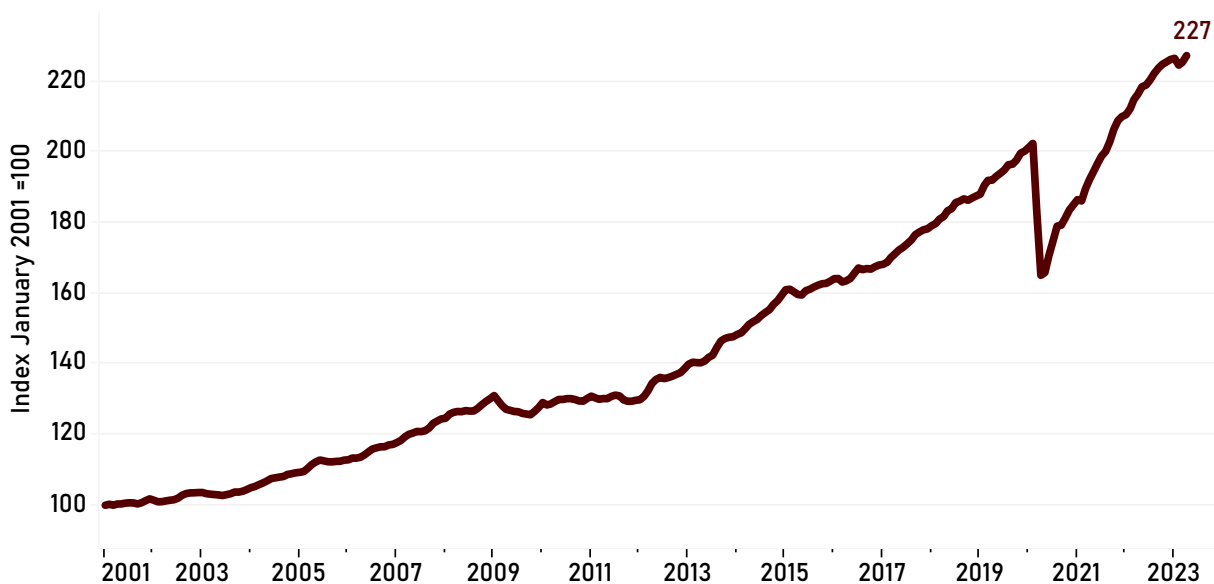
HIGHLIGHTS

- The Business-Cycle Index increased 0.84% from March to April 2023, the highest monthly gain since August 2022.
- The local unemployment rate remained at 3.3% in April 2023, the same as the March value.
- April's local nonfarm employment increased by 1.4% from March.
- April's inflation-adjusted taxable sales were up by 0.2% from March.
- Inflation-adjusted quarterly wages were down by 2% from the previous quarter.
- Through May 2023, inflation-adjusted tax revenues for the state of Texas are up 3.7% compared to the same period in the previous fiscal year.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

The Business-Cycle Index for April 2023 rose by almost two percentage points to 227 compared to 225 in March, a 0.84% increase. This substantial increase results from an unchanged unemployment rate from the previous month's value, an increase nonfarm employment, a small increase in inflation adjusted taxable sales, and despite a decrease in inflation adjusted quarterly wages.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

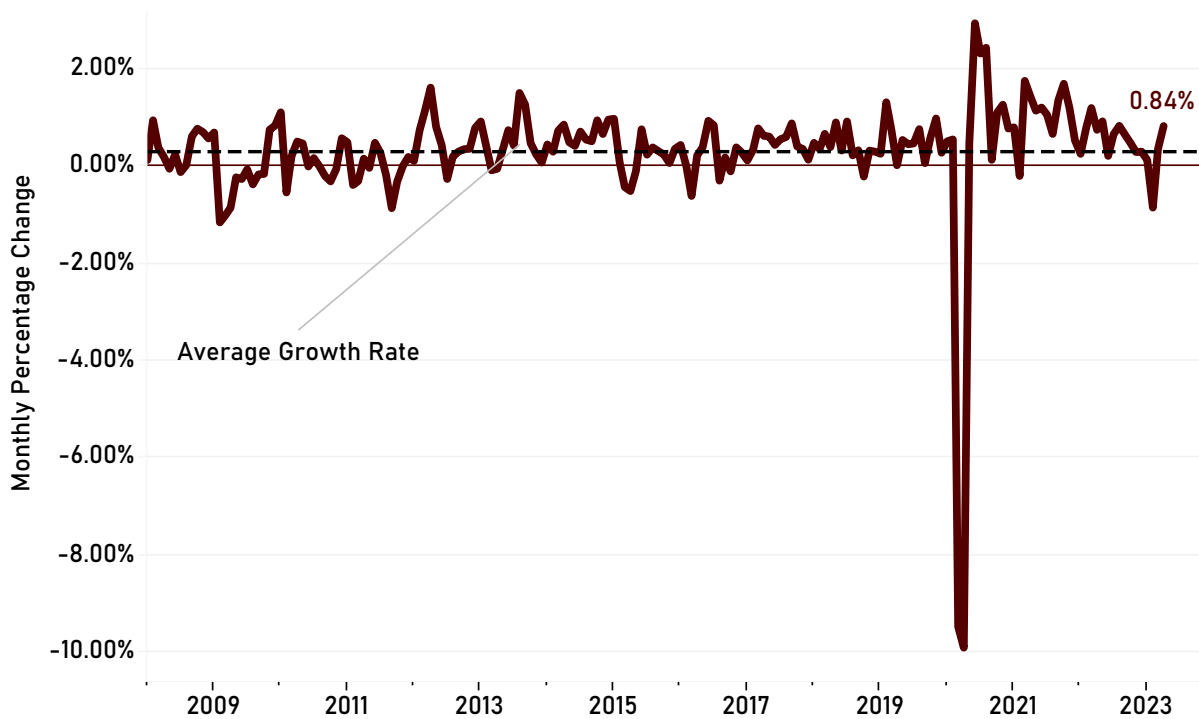


Last reported data point: April 2023 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The 0.84% increase in the CSB Business-Cycle from March 2023 to April 2023 is shown in Figure 2. The increase was driven by the unchanged local unemployment rate of 3.3% in April compared to March 2023. The stable unemployment rate is coupled with a substantial increase in nonfarm employment and a slight increase in inflation-adjusted taxable sales. Nonfarm employment rose by 1,938 workers from 136,453 in March 2023 to 138,390 in April. Inflation-adjusted taxable sales increased by 0.2% between March and April. The fourth variable used to estimate the business cycle, quarterly inflation-adjusted total wages, was updated this month. It decreased by 2% from its previous quarter.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

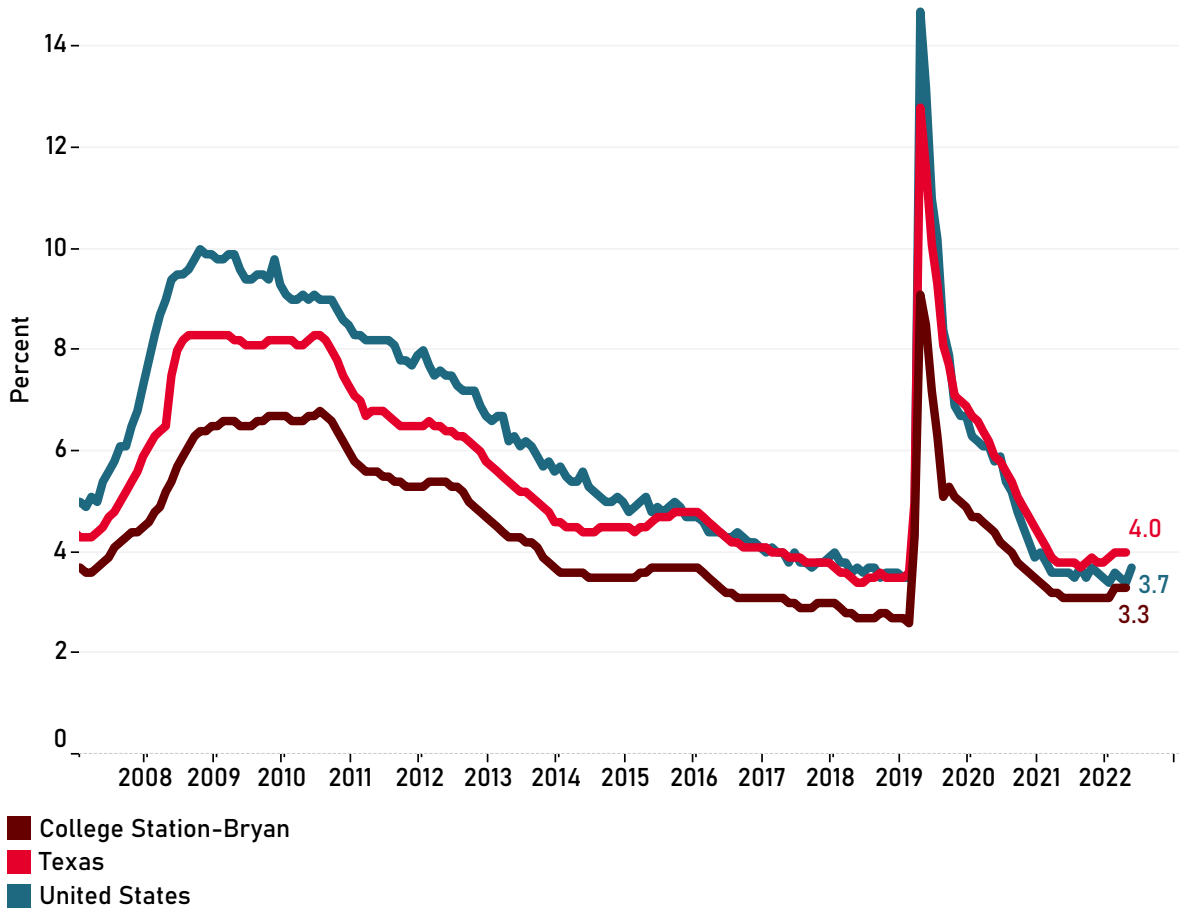


Month-to-month growth rates. Last reported data point: April 2023 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan and Texas from January 2008 to April 2023, and for the nation through May 2023. The unemployment rate in College Station-Bryan remained at 3.3% in April, the same rate as March 2023. The Texas rate also remained constant at 4% compared to March. At the national level, however, the rate increased from 3.4% in April to 3.7% in May. The state and metropolitan area unemployment rates for May will be released by the Bureau of Labor Statistics on June 16 and June 28, 2023, respectively.

FIGURE 3. UNEMPLOYMENT RATE



Source: Bureau of Labor Statistics. Seasonally adjusted. Last reported data point: April 2023 for College Station-Bryan and Texas and May 2023 for the United States (monthly).

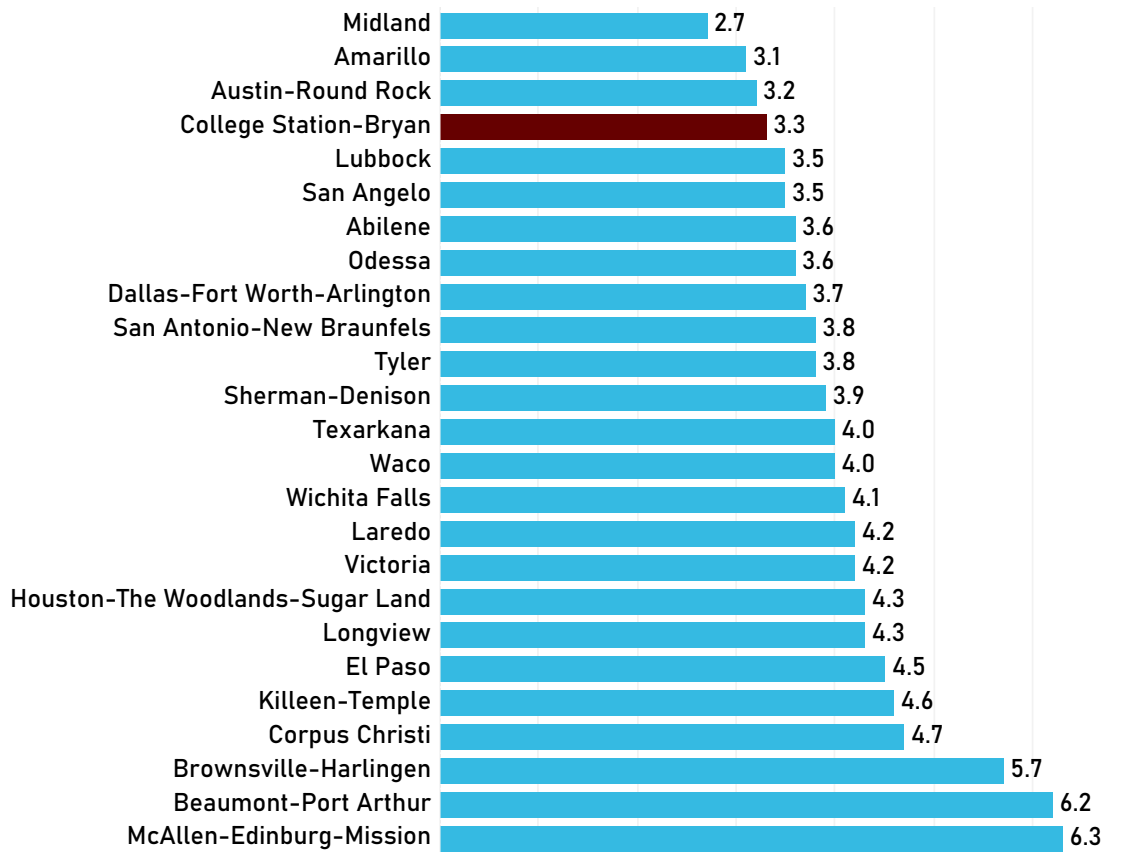
FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month, we present the unemployment rates in the Texas Metropolitan Statistical Areas (MSAs) for the month of April. We also discuss the state tax collections in Texas for fiscal years 2019-2023 and break down the major revenue sources. Local and national air travel are also analyzed.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts the local unemployment rates for all Texas MSAs for April 2023. College Station-Bryan’s rate of 3.3% was the fourth lowest, behind the 2.7% rate for Midland and 3.1% rate for Amarillo and 3.2% rate for Austin-Round Rock. McAllen-Edinburg-Mission, Beaumont-Port Arthur, and Brownsville-Harlingen again had the three highest unemployment rates at 6.3%, 6.2%, and 5.7%, respectively. Austin-Round Rock had the lowest unemployment rate among the four largest MSAs, while the rate in Dallas-Fort Worth-Arlington was 3.7% followed by San Antonio-New Braunfels at 3.8%. Houston-The Woodlands-Sugar Land again had the highest unemployment rate in this group at 4.3%. Except for the San Antonio-New Braunfels MSA, which had an increase from 3.7 to 3.8%, the three other large MSAs reported an unchanged unemployment rate compared to March.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, APRIL 2023

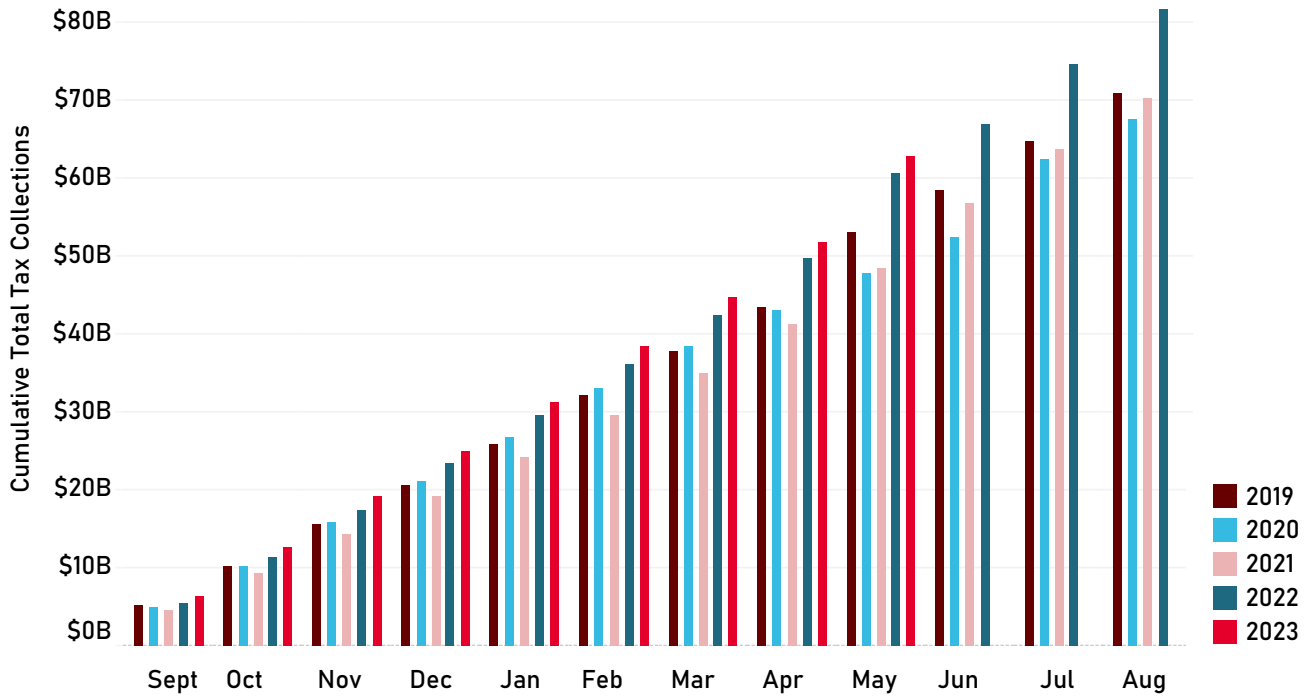


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, April 2023.

TEXAS STATE TAX REVENUES

Inflation adjusted, cumulative Texas state tax revenues by month for fiscal years 2019 to 2023 are shown in Figure 5. In Texas, the fiscal year runs from September to August. These tax revenues are based on the data from the Texas Comptroller. The tax revenues in previous years have been adjusted for inflation for comparability across years. Thus far in the current fiscal year, tax revenues are available through May. Comparing the series for fiscal years 2019-2023, we see that the cumulative tax revenues up to May 2023 were much higher than previous fiscal years. Cumulative tax revenues through May 2023 were \$62.7 billion, compared to \$60.5 billion through May 2022, \$48 billion in May 2021, \$47 billion through May 2020, and \$53 billion through May 2019.

FIGURE 5. REAL CUMULATIVE TEXAS STATE TAX REVENUES, FISCAL YEARS 2019-2023

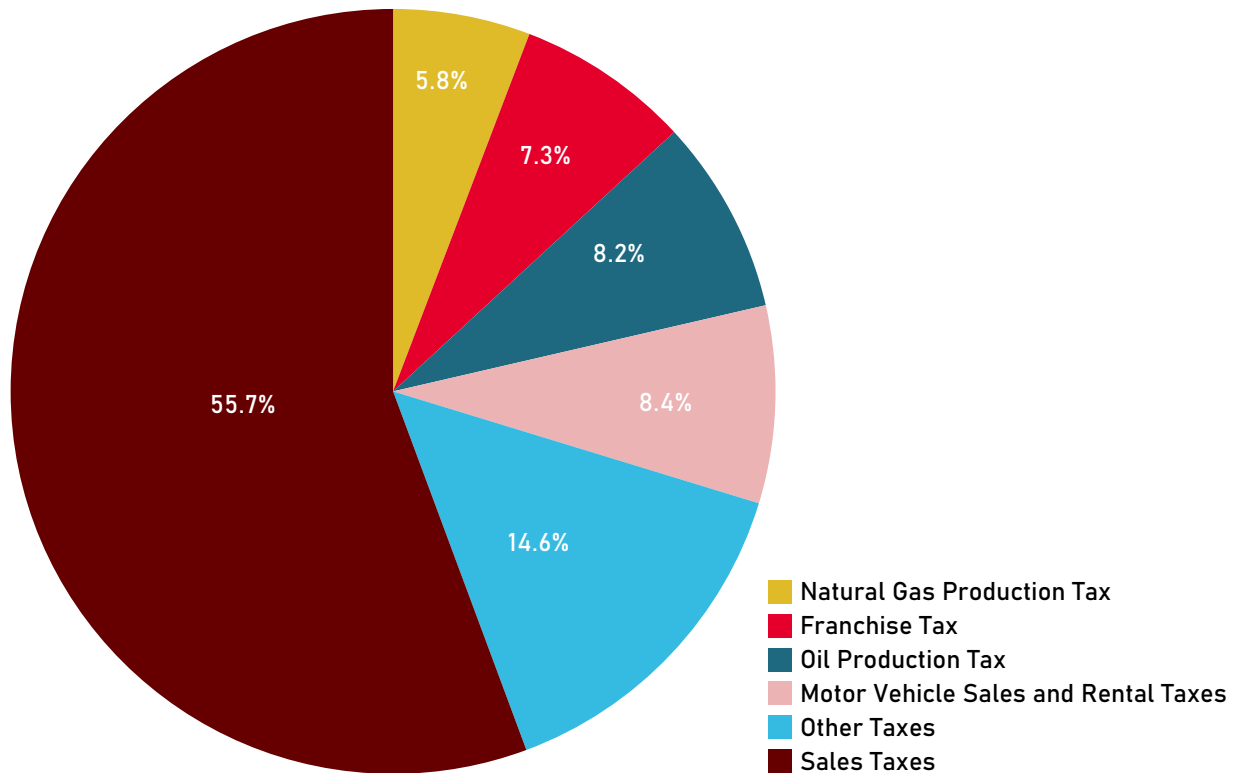


Source: Texas Comptroller of Public Accounts.

COMPOSITION OF TEXAS STATE TAX REVENUES

The state tax revenue collections by major tax revenue source for the fiscal year 2022 are illustrated in Figure 6. For the months between September 2021 and August 2022, sales taxes accounted for 55.7% of state tax revenue. Motor vehicle sales and rental taxes followed with 8.4% of the total tax collections. Oil production tax, franchise tax, and natural gas production tax contributed 8.2%, 7.3%, and 5.8% respectively. All other major taxes comprise 14.6% of the total tax collections. It should be noted that all other major taxes include motor fuel taxes, insurance taxes, cigarette and tobacco taxes, alcoholic beverage taxes, utility tax, and hotel occupancy tax.

FIGURE 6. COMPOSITION OF TEXAS STATE TAX COLLECTIONS FOR FISCAL YEAR 2022

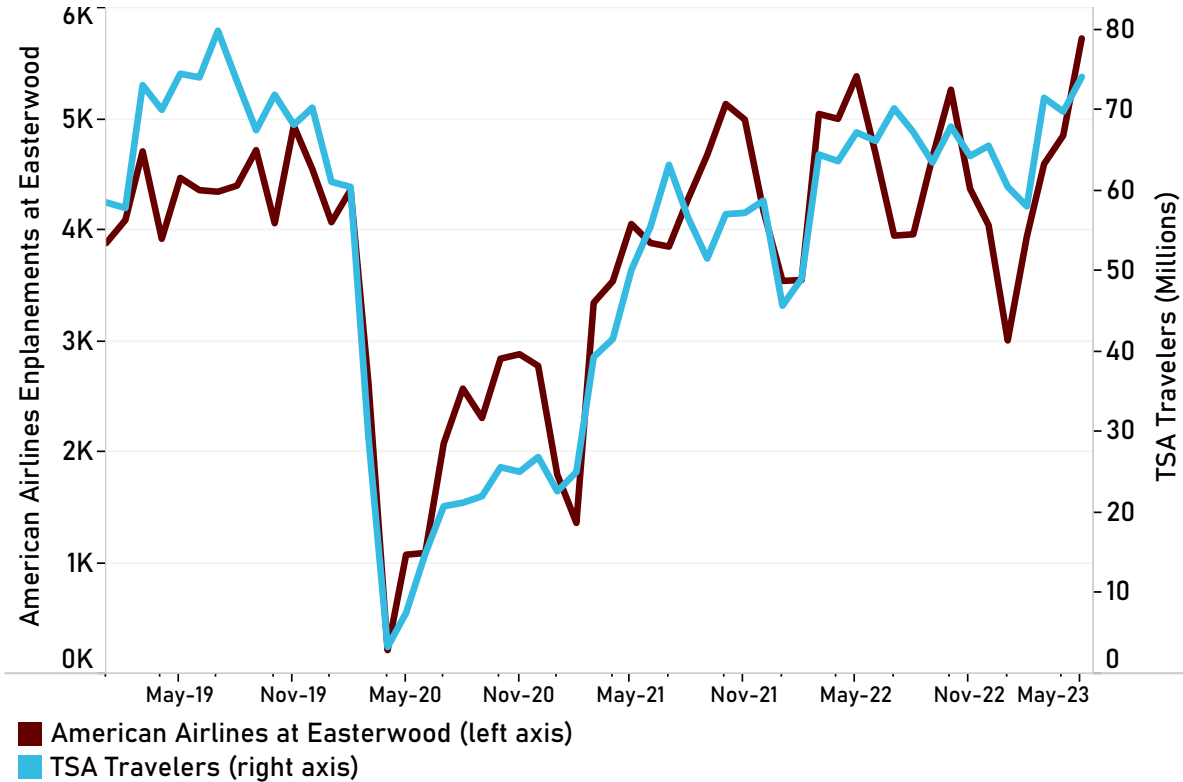


Source: Texas Comptroller of Public Accounts.

AIR TRAVEL

Figure 7 depicts the enplanements at Easterwood Airport on American Airlines (left axis) and the number of travelers passing through Transportation Security Administration (TSA) checkpoints (right axis) from January 2019 to May 2023. As seen in the figure, the national and local passenger counts have followed similar patterns from the beginning of 2019 to the present. Both show substantial declines in 2020 during the first months of the pandemic. Nationally, May's air travel was 22% higher than the number of travelers in February 2020, just before the onset of the pandemic restrictions. National air travel was also up 10% from May 2022. Local air travel out of Easterwood Airport on American Airlines in May 2023 was 31% higher than in February 2020, and 6% higher than in May 2022.

FIGURE 7. AMERICAN AIRLINES ENPLANEMENTS AT EASTERWOOD AIRPORT & TOTAL TRAVELERS THROUGH TSA CHECKPOINTS



Sources: Texas A&M University System and Transportation Security Administration. Last reported data point May 2023 (monthly).

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 June 7, 2023.

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

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>

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.

Texas State Tax Revenues

Texas Comptroller of Public Accounts, Monthly State Revenue Watch, Total Tax Collections from All Funds data, <https://comptroller.texas.gov/transparency/revenue/watch/all-funds>

Travelers through TSA Checkpoints

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>

Wages

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

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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