



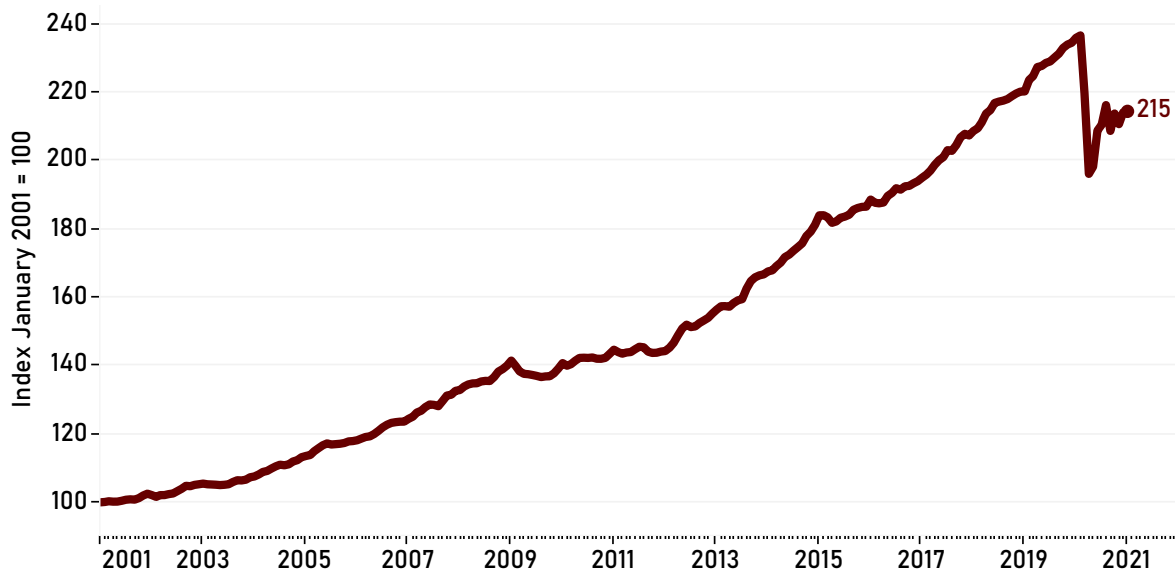
HIGHLIGHTS

- The Business-Cycle Index increased by 0.1% from December 2020 to January 2021.
- The local unemployment rate increased to 5.5% in January from 5.4% in December and is the third lowest rate among Texas metros.
- Local nonfarm employment increased slightly by 0.3% in January and is 5.5% lower than it was in January 2020.
- Local real taxable sales increased 5.2% from December to January and were 0.4% higher than the same month last year.
- While local employment numbers in most industries are within 5% of their pre-pandemic levels, as of January, Leisure and Hospitality employment is down 23% compared to February 2020.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

For the second month in a row the College Station-Bryan Business-Cycle Index has increased, rising 0.1% in January to 215, as seen in Figure 1. The increase resulted from an increase in inflation-adjusted taxable sales and in nonfarm employment, and despite a minor increase in the unemployment rate.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

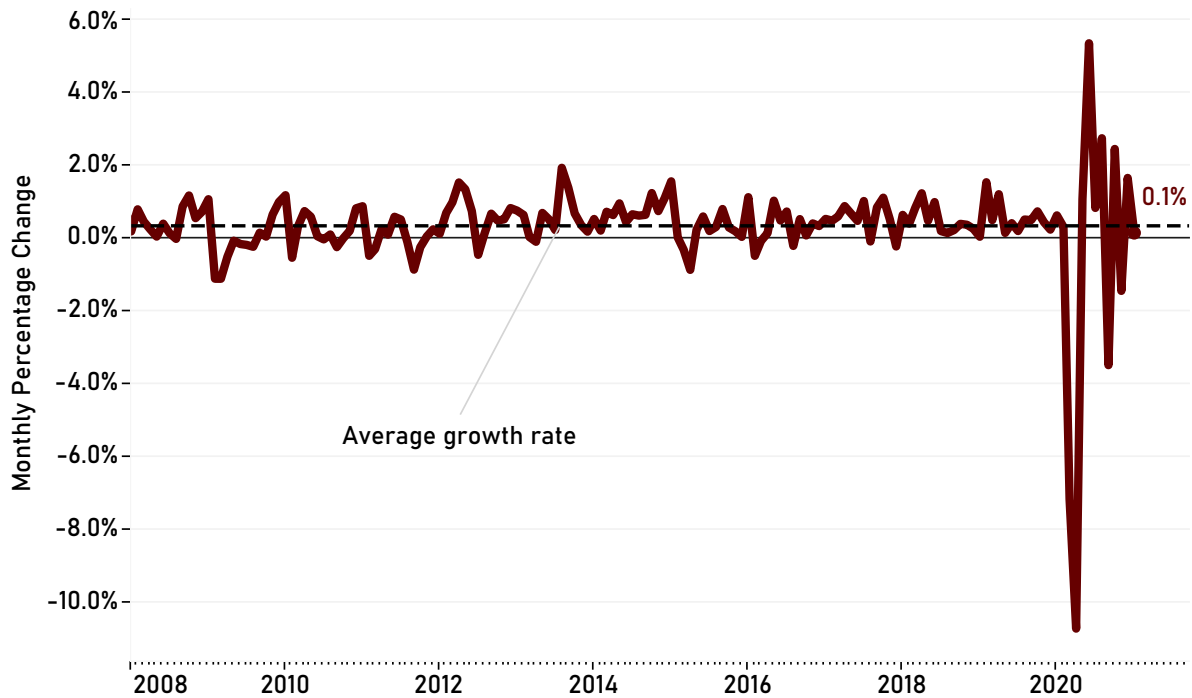


Last reported data point: January 2021 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle rose 0.1% between December and January. The local unemployment rate increased from 5.4% in December to 5.5% in January. Nonfarm employment showed an increase of 0.3% from its revised December value of 117,000 workers to 117,400 in January. The third monthly indicator used in estimating the business-cycle, inflation adjusted taxable sales, increased 5.2% between December and January. Quarterly total wages, the final variable used to estimate the business-cycle, was updated on March 9th with data from the third quarter of 2020. Total wages decreased 0.4% from the second quarter of 2020 to the third quarter of 2020.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

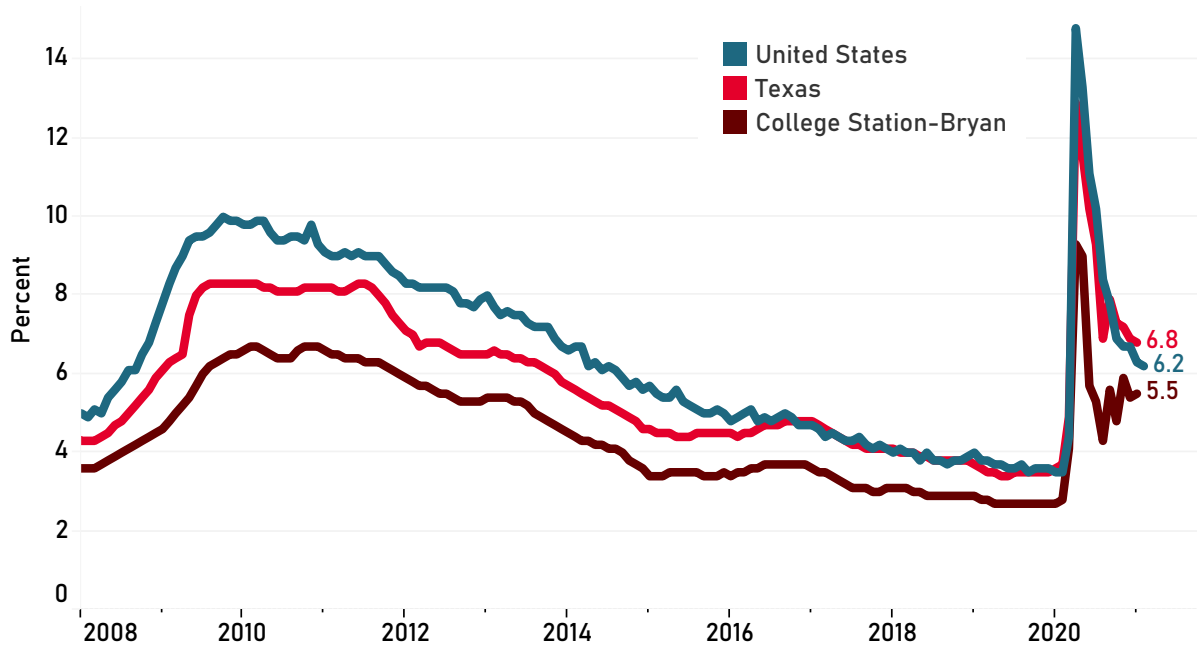


Month-to-month growth rates. Last reported data point: January 2021 (monthly). Source: Private Enterprise Research Center.

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 unemployment rate in College Station-Bryan increased to 5.5% in January from 5.4% in December 2020. The statewide rate for Texas decreased in January to 6.8% from 6.9% in December. The national rate is available up to February 2021 and decreased to 6.2% from 6.3% the previous month. The state and metropolitan area unemployment rates for February 2021 will be released by the Bureau of Labor Statistics on March 26 and April 7, respectively.

FIGURE 3. UNEMPLOYMENT RATE



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

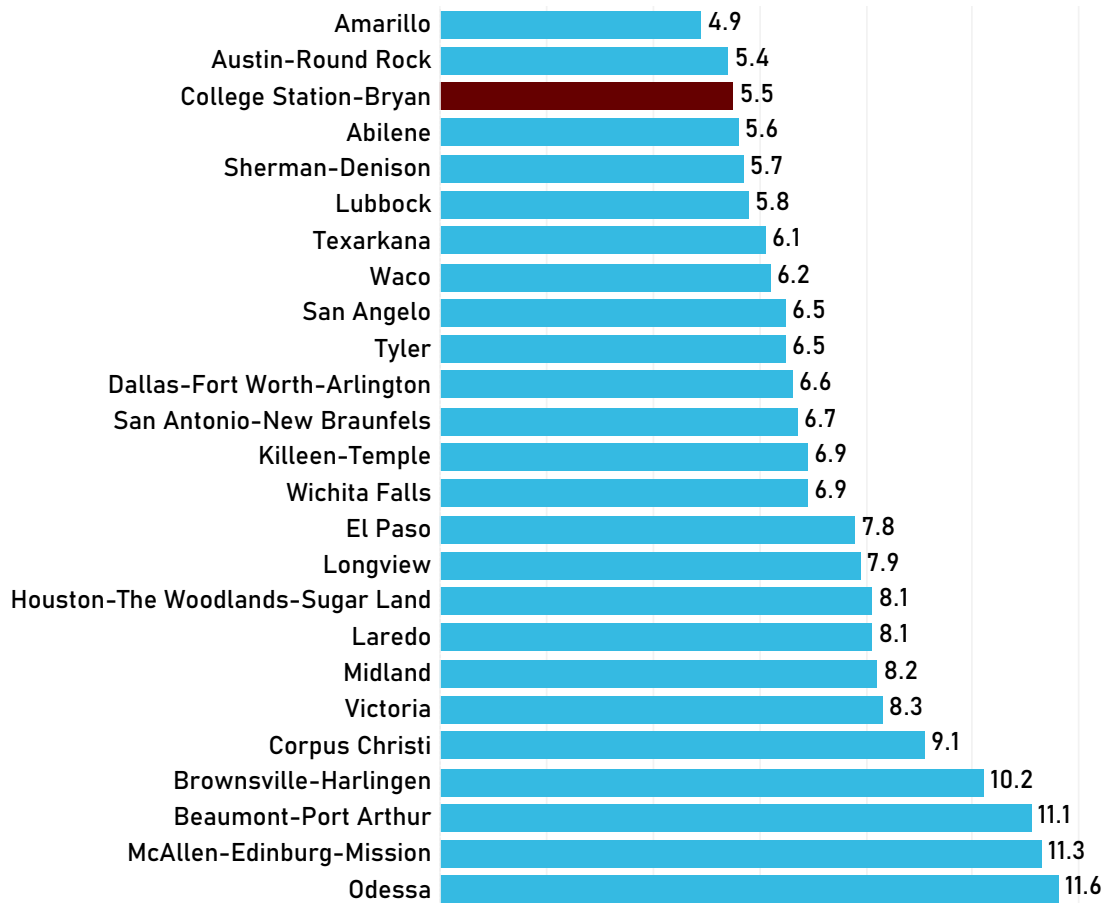
FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

This month we present the January unemployment rates in the Texas MSAs, local industry employment relative to their pre-pandemic levels from February 2020, local nonfarm employment and inflation adjusted taxable sales, an Index on Mobility and Engagement developed by the Federal Reserve Bank of Dallas, and air travel out of Easterwood Airport.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts all Texas MSA unemployment rates for January 2021. The College Station-Bryan MSA's rate of 5.5% was third lowest in the state. Amarillo had the lowest January unemployment rate at 4.9% followed by Austin-Round Rock with a rate of 5.4%. Odessa, McAllen-Edinburg-Mission and Beaumont-Port Arthur had the three highest rates at 11.6%, 11.3%, and 11.1%, respectively. As noted, Austin-Round Rock had the lowest unemployment rate among the four largest MSAs at 5.4%. Dallas-Fort Worth-Arlington followed at 6.6%, with San Antonio-New Braunfels at 6.7% and Houston-The Woodlands-Sugar Land again with the highest rate in this group at 8.1%.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, JANUARY 2021

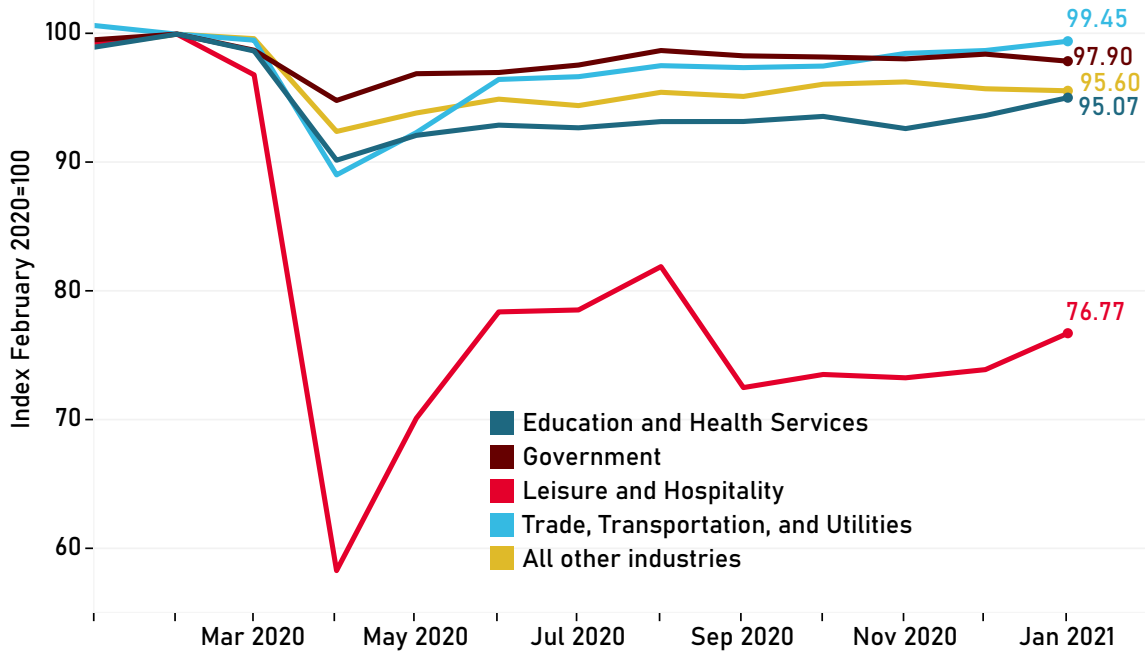


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, January 2021.

EMPLOYMENT BY INDUSTRY IN THE COLLEGE STATION-BRYAN MSA

The series shown in Figure 5 identify how employment levels within each of the four largest local industries have changed since February 2020 up to January of 2021. All other non-top four industries are included as the ‘Other’ category. With this month’s data release, the Bureau of Labor Statistics has revised its nonfarm employment counts and industry employment counts in College Station-Bryan for recent months.¹ Employment in Trade, Transportation, and Utilities in January 2021 was 99.5% of its pre-pandemic employment. Government employment, which includes federal, state (including Texas A&M University), and local employment, was 97.9% of its February 2020 level. January’s employment in Education and Health Services was 95.1% of its pre-pandemic level. The outlier is Leisure and Hospitality with employment at only 76.8% of this industry’s February 2020 level. Employment in all other industries in January was 95.6% of their collective February 2020 level.

FIGURE 5. EMPLOYMENT INDEX BY INDUSTRY IN COLLEGE STATION - BRYAN

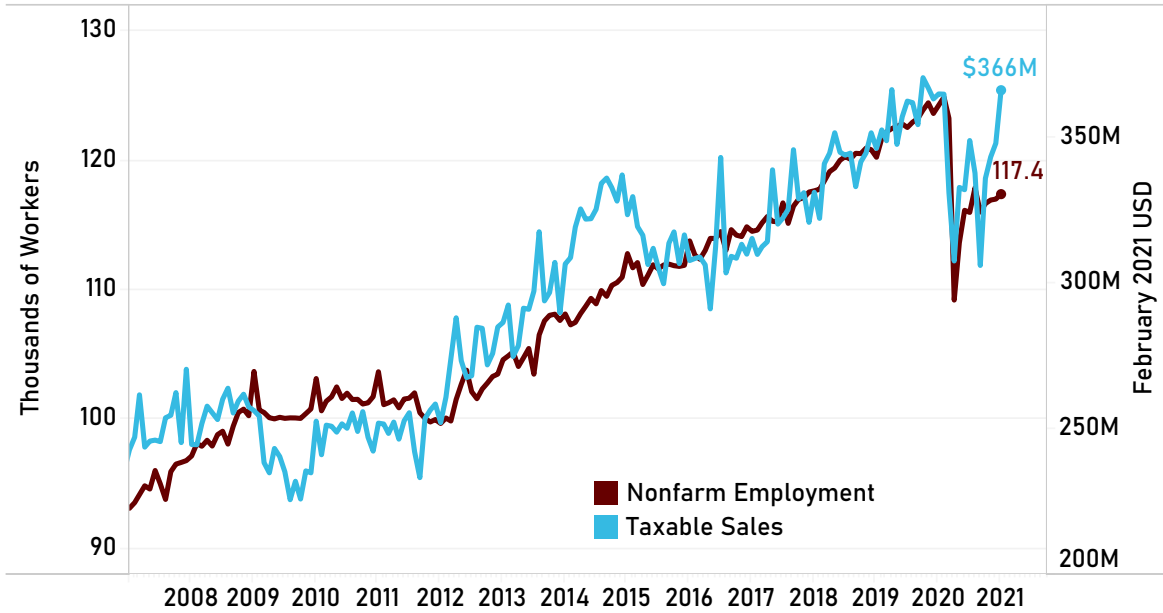


Indexed to February 2020. Source: Bureau of Labor Statistics. Based on seasonally adjusted series.

NONFARM EMPLOYMENT AND TAXABLE SALES

Total nonfarm employment and inflation-adjusted taxable sales for the College Station-Bryan MSA are graphed in Figure 6. Nonfarm employment is measured on the left axis and taxable sales are measured on the right axis. These two series move together and their general movements through time are reflected in the Business-Cycle Index from Figure 1. A notable feature of these series are the relatively flat growth following the Great Recession that ended nationally in June of 2009. Locally, the low growth period extended until the beginning of 2012. Both series grew from 2012 to February of 2020 with a more rapid growth during the first four years of this period. Since the substantial drops in the two series from March to April 2020, both have recovered some losses. Total nonfarm employment in January 2021 was 94% of its February 2020 level while taxable sales, with several recent months of rapid growth, rose to \$366 million or 0.4% higher than its February 2020 level.

FIGURE 6. NONFARM EMPLOYMENT AND REAL TAXABLE SALES IN COLLEGE STATION - BRYAN

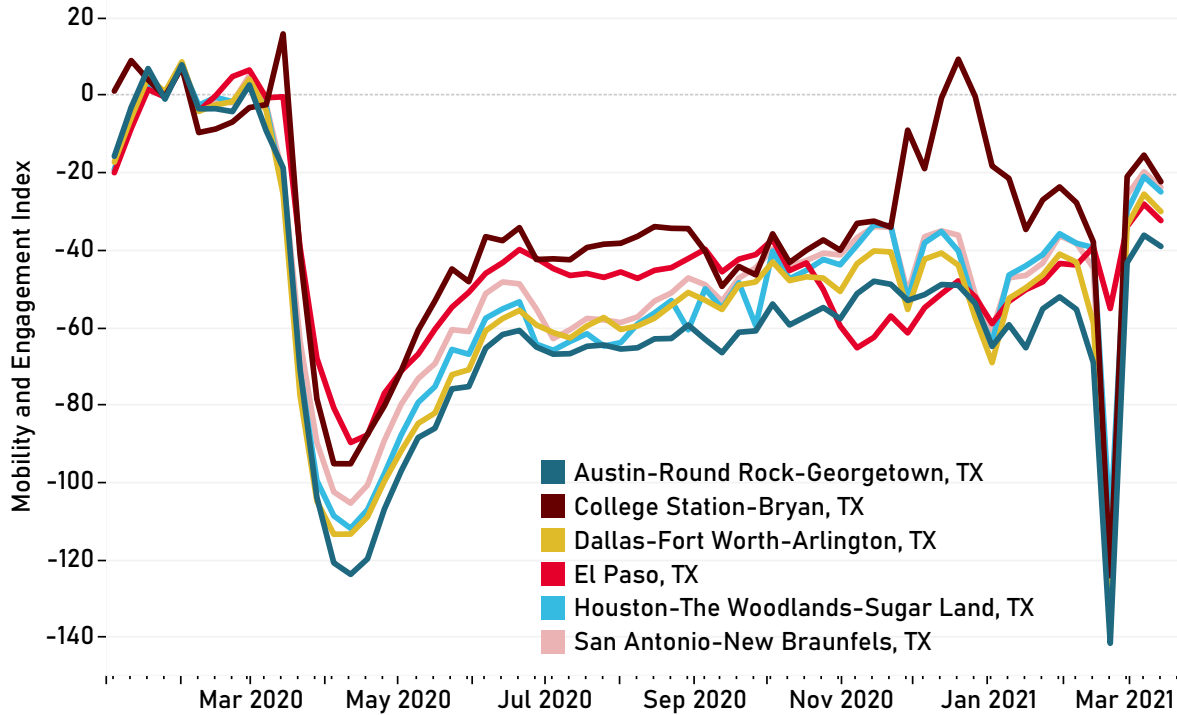


Sources: Nonfarm Employment Bureau of Labor Statistics and Federal Reserve Bank of Dallas. Real Taxable Sales from Texas Comptroller with seasonal and inflation adjustment by the Private Enterprise Research Center.

MOBILITY AND ENGAGEMENT INDEX BY THE FEDERAL RESERVE BANK OF DALLAS

In February’s issue of *Economic Indicators* we referenced a weekly measure of mobility produced by the Federal Reserve Bank of Dallas. We present it again this month in Figure 7 to illustrate the significant effect the February winter storm had on activity. The Dallas Fed’s Mobility and Engagement Index (MEI) uses mobile device data to analyze people’s geographic movements, time spent at home and away from home, as well as the distance of trips to create a measure that tracks a population’s activity. The index is scaled so that the national average in January and February of 2020 was equal to zero and was equal to -100 in the second week of April 2020 (Atkinson et al., 2020). Each metro area’s MEI for the week ending February 20, 2021 indicates the substantial drop in mobility due to the storm. For that week, the MEI in all of the MSAs depicted, besides El Paso, dropped below their previous lows in April 2020. The winter storm was less severe in El Paso and El Paso’s electric service was not interrupted because it is outside ERCOT’s service area.

FIGURE 7. MOBILITY AND ENGAGEMENT INDEX BY THE DALLAS FEDERAL RESERVE

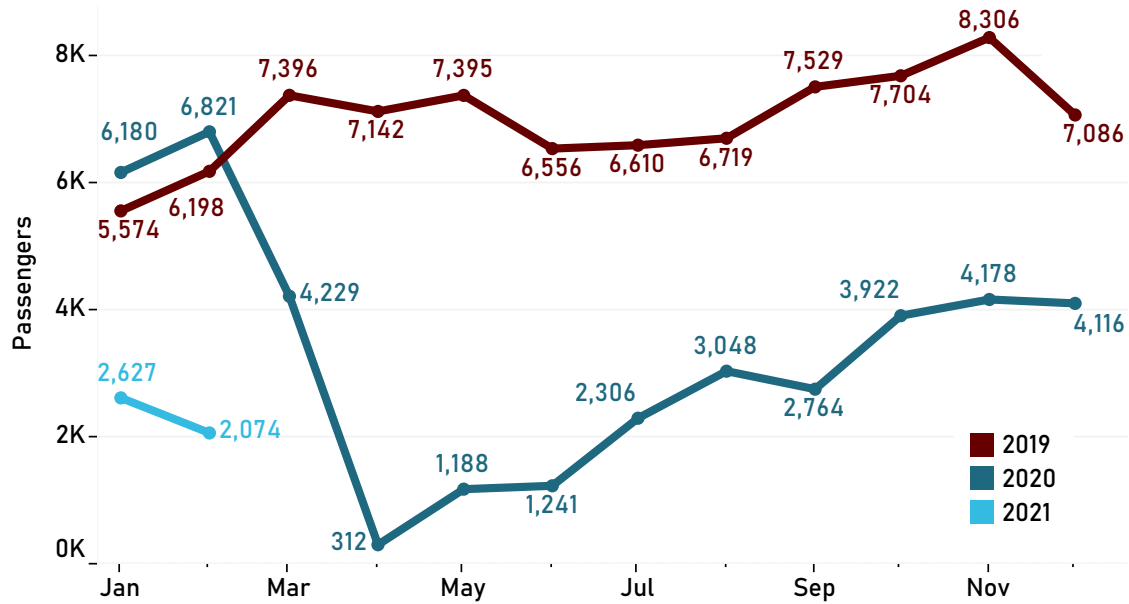


Source: Atkinson et al; Federal Reserve Bank of Dallas.

AIR TRAVEL OUT OF EASTERWOOD AIRPORT

Figure 8 depicts the number of travelers out of Easterwood Airport for each month from January 2019 to February 2020. Air travel in 2020 from Easterwood Airport was 48% of travel during 2019. From March to December of 2020, the number of travelers was 38% of the number for the same period in 2019. In January 2021, 2,672 travelers departed from Easterwood, or 40% of the number two years prior and 43% of the January number in 2020. Nationally, the number of travelers through TSA checkpoints in January 2021 was 38% of the January count from 2020, so local travel was slightly ahead of the national percentage. However, February's winter storm reduced local air travel significantly, and February 2021 saw only 2,074 departing travelers from Easterwood, 30% of the number from February 2020. In comparison, nationally, February's number of travelers through TSA checkpoints was 41% of the February 2020 number.

FIGURE 8. ENPLANEMENTS AT EASTERWOOD AIRPORT BY MONTH, 2019 - 2021



Source: Texas A&M University System.

ENDNOTES

¹ Revisions affected the seasonally adjusted values from January 2016 to December 2020. Relative to last month's data release from the BLS, local total nonfarm employment was revised down 5% or by 5,800 workers for December 2020. Among the four largest industries, Leisure and Hospitality employment was revised down the most. The number of workers in this industry in December 2020 was revised from down 16,843 to 13,035 workers, or by 23%, between the February and March release of the data. For a discussion of the revisions see: <https://www.bls.gov/sae/publications/benchmark-article/annual-benchmark-article.htm>.

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

Employment by Industry

U.S. Bureau of Labor Statistics, State Employment and Unemployment, in College Station-Bryan, TX (MSA) [COLL748NA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/graph/?g=BSLs>

Enplanements at Easterwood Airport

Texas A&M University System based on email request. Received March 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.

Mobility and Engagement Index

Atkinson, Tyler; Dolmas, Jim; Koch, Christoffer; Koenig, Evan; Mertens, Karel; Murphy, Anthony; and Kei-Mu Yi. Mobility and Engagement Following the SARS-Cov-2 Outbreak; Federal Reserve Bank of Dallas, June 2020, <https://doi.org/10.24149/wp2014> for methods & <https://www.dallasfed.org/research/mei.aspx> for data.

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



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.

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