



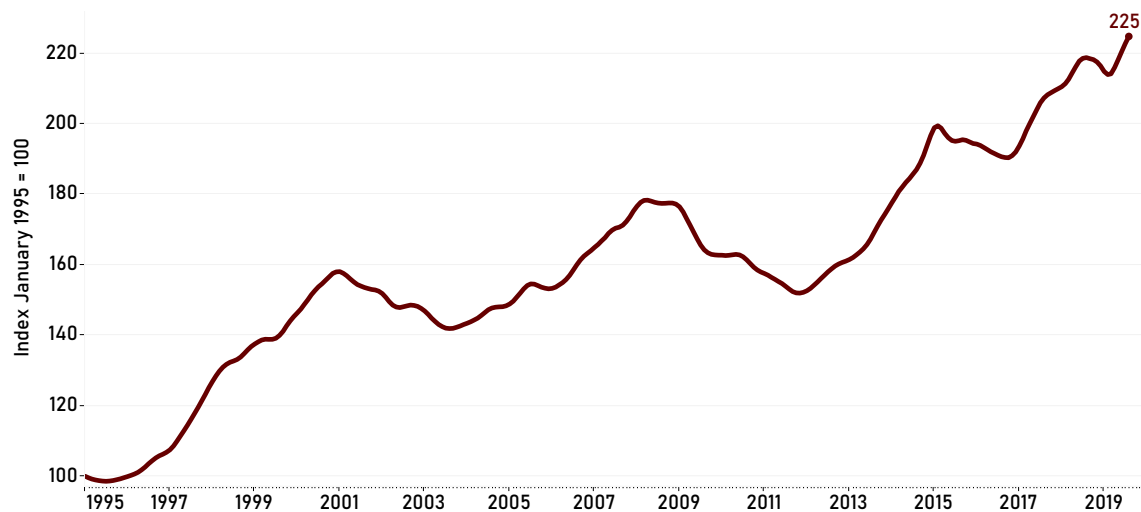
HIGHLIGHTS

- The College Station-Bryan Business-Cycle Index reached another all-time high this month.
- The CSB business-cycle increased almost 1% this month for an annualized rate of 11.8%, extending both the number of months of positive growth and of above-trend growth.
- The unemployment rate in CSB declined again to 2.6%, establishing yet another record low.
- Real taxable sales were down by less than 0.5% in August, but are up 5.1% from August of 2018.
- Nonfarm employment also decreased slightly by 0.2% between July and August.
- The focus section tracks total inflation-adjusted taxable sales and its composition by industry in College Station-Bryan and select Texas metropolitan areas.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

Figure 1 depicts the College Station-Bryan (CSB) Business-Cycle Index. The August 2019 estimate of the CSB Business-Cycle Index rose to 225, the sixth consecutive month of positive growth.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

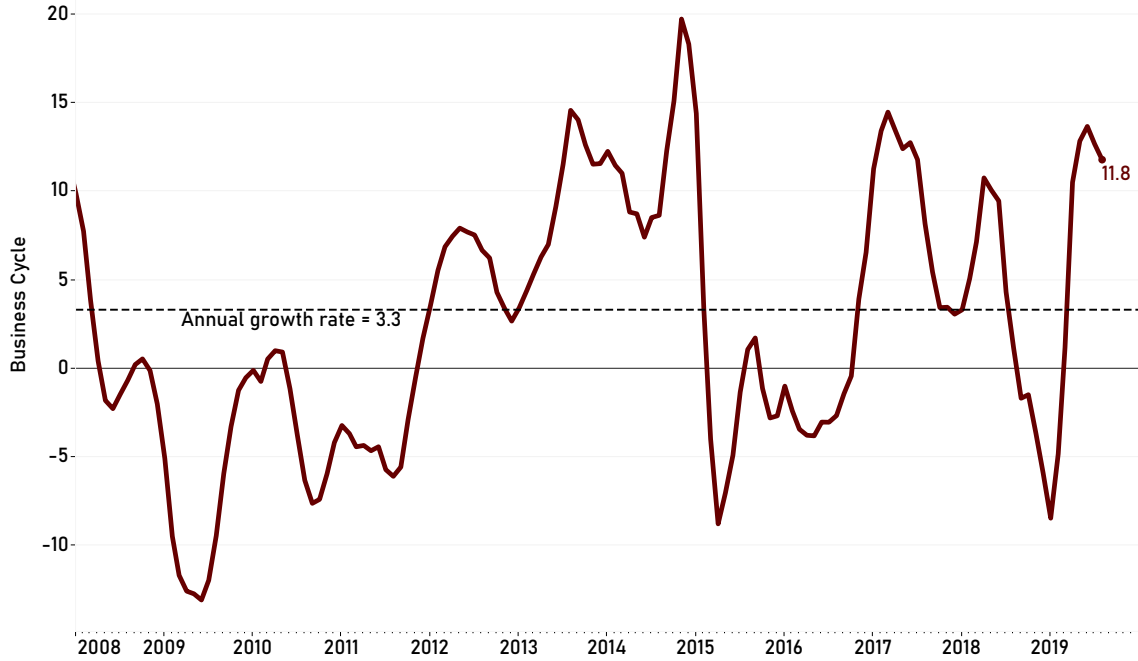


Last reported data point: August 2019 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle Index grew at an annualized rate of 11.8% between July and August. This was largely fueled by the continuing decline of the local unemployment rate.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

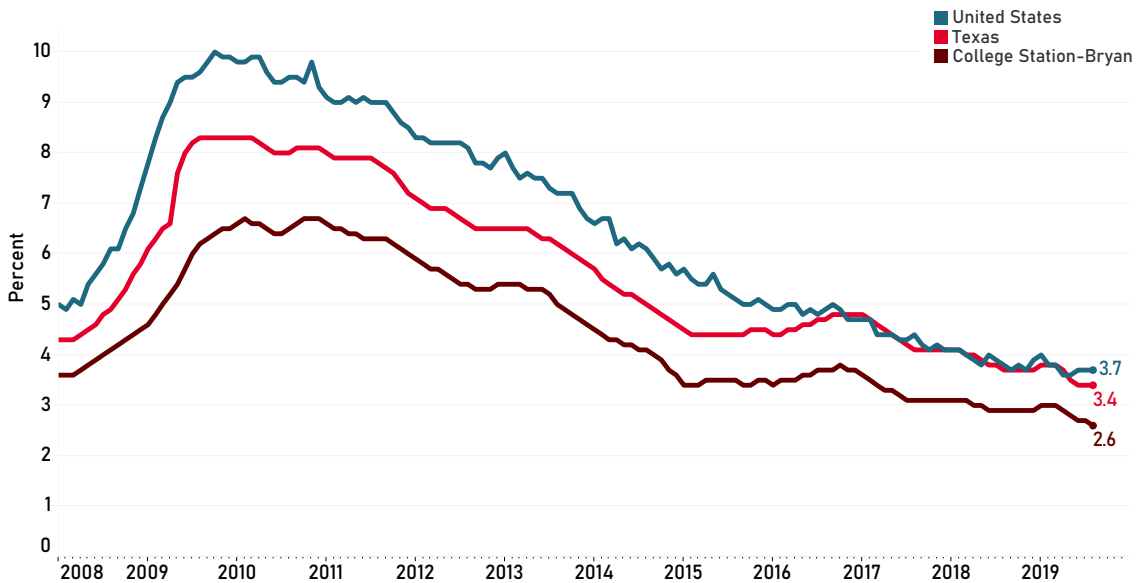


Annualized month-to-month growth rates. Last reported data point: August 2019 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

The local seasonally adjusted unemployment rate decreased from 2.7% to 2.6% for the month of August, another new historic low. Both the Texas statewide unemployment rate and the national unemployment rate stayed constant from July to August at 3.4% and 3.7%, respectively.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: August 2019 (monthly). Source: Bureau of Labor Statistics.

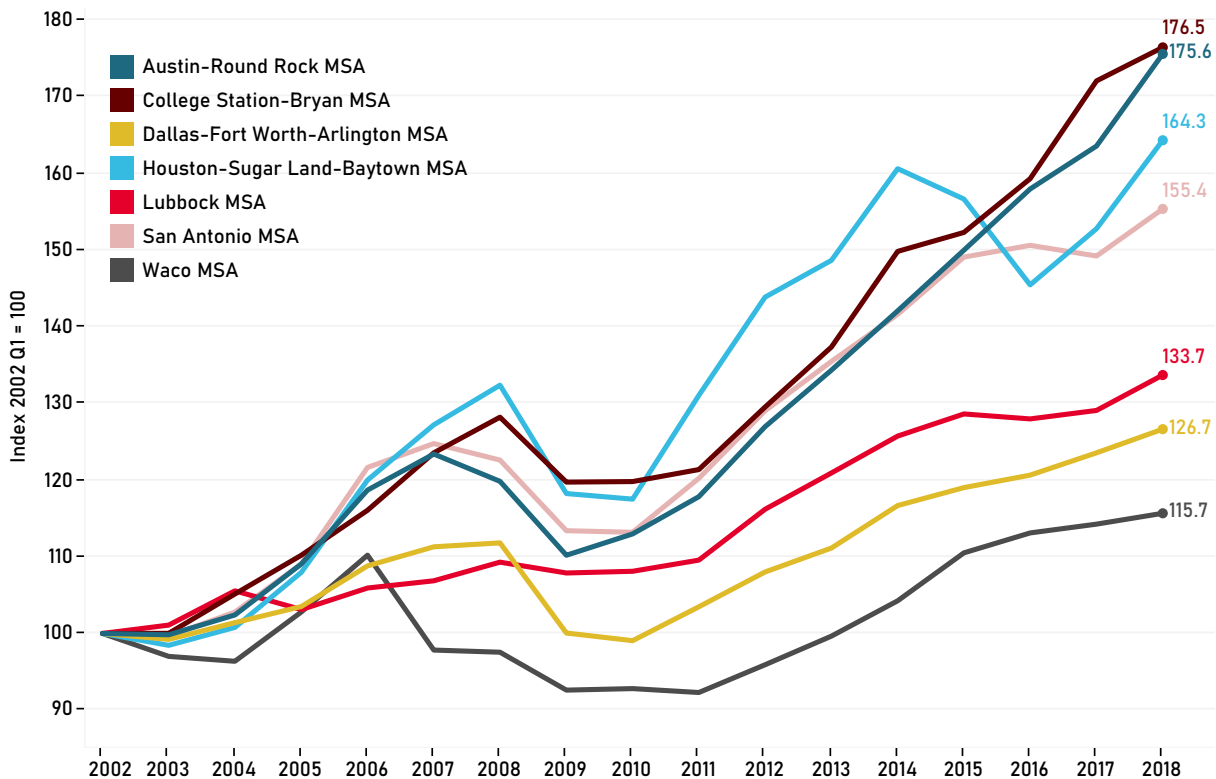
FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month, the focus section compares taxable sales in College Station-Bryan to other Texas metropolitan areas. The data are from the Texas Comptroller and allow a comparison of the rate of growth in inflation-adjusted total taxable sales in College Station-Bryan to the growth rate in other Texas MSAs. The data also show how the composition of taxable sales has changed over time, and how the composition by industry in College Station-Bryan compares to other Texas metro areas.

GROWTH IN INFLATION-ADJUSTED TOTAL TAXABLE SALES

The Texas Comptroller collects sales taxes on retail sales, taxable services, leases, and rentals.¹ Figure 4 shows how total real (inflation-adjusted) taxable sales have grown since 2002 in College Station-Bryan and in other Texas MSAs. The series for College Station-Bryan indicates that real taxable sales grew at a steady rate between 2002 and 2008, rising 28%. In the first year of the “Great Recession” they dropped 8 percentage points and the indexed value remained at about 120 until 2011. Between 2011 and 2018, real taxable sales rose 46%. The index value of 176.5 for College Station-Bryan indicates that real taxable sales in 2018 were 76.5% higher than in 2002. Compared to the other Texas MSAs, College Station-Bryan and Austin-Round Rock had the highest growth in taxable sales, followed by Houston and San Antonio.

FIGURE 4. INDEXED REAL TAXABLE SALES IN SELECTED TEXAS MSAs

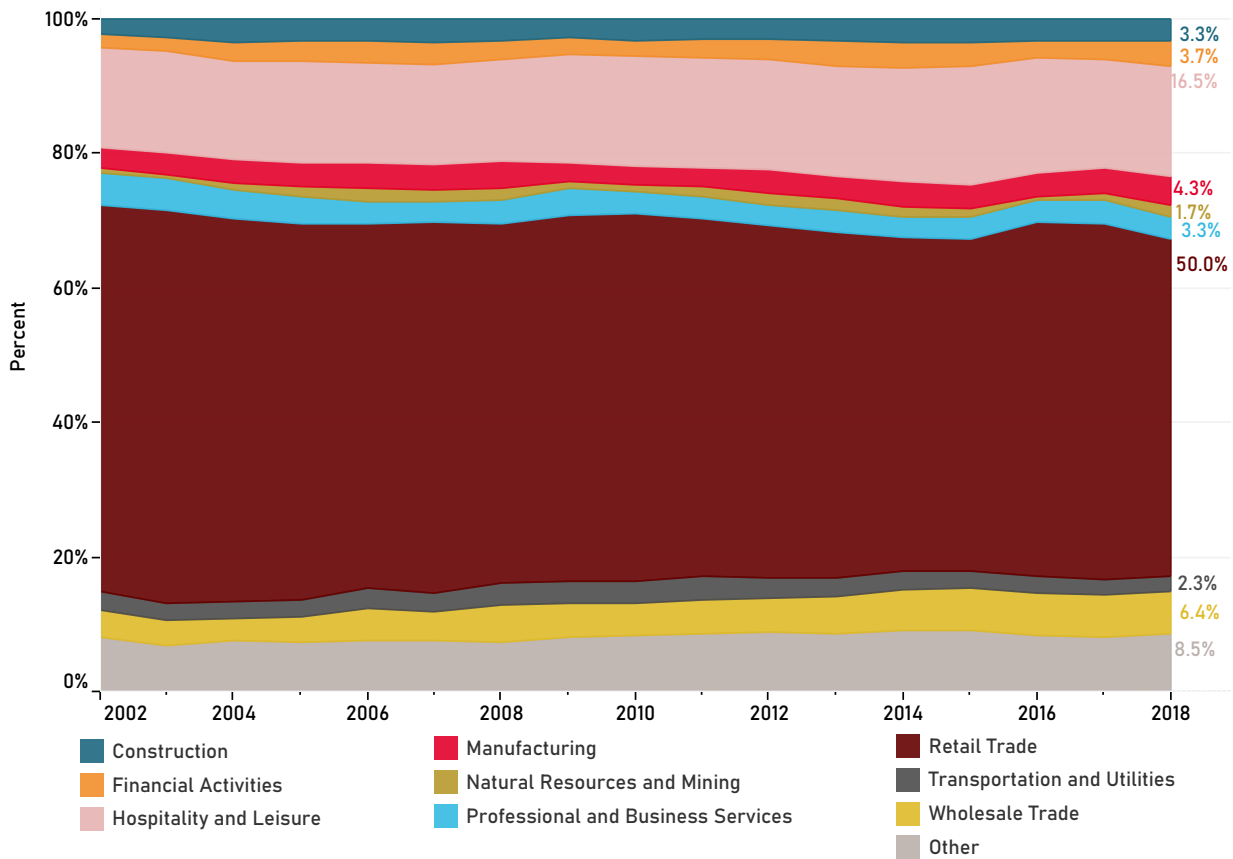


Source: Texas Comptroller of Public Accounts.

INDUSTRY SHARES OF TAXABLE SALES

The shares of total taxable sales by industry for the years 2002 to 2018 in College Station-Bryan are shown in Figure 5. Recall that this figure is based on taxable sales data, so the relative size of the various industry shares are shares of taxable sales, not shares of total sales. From 2002 to 2018, the relative size of taxable sales in Retail Trade has declined in College Station-Bryan from 57% to 50%. During this time, the relative size of taxable sales in Hospitality and Leisure grew from 15% in 2002 to 16.5% in 2018. Also notable is the increased relative size of Wholesale Trade, which grew from 4% in 2002 to 6.4% in 2018. In all of these comparisons from Figure 5, the change in relative size is an indication of the change over time in the size of taxable sales in one industry relative to another and does not necessarily indicate any change in the absolute size of the taxable sales in an industry.

FIGURE 5. SHARES OF TAXABLE SALES IN COLLEGE STATION-BRYAN



Source: Texas Comptroller of Public Accounts.

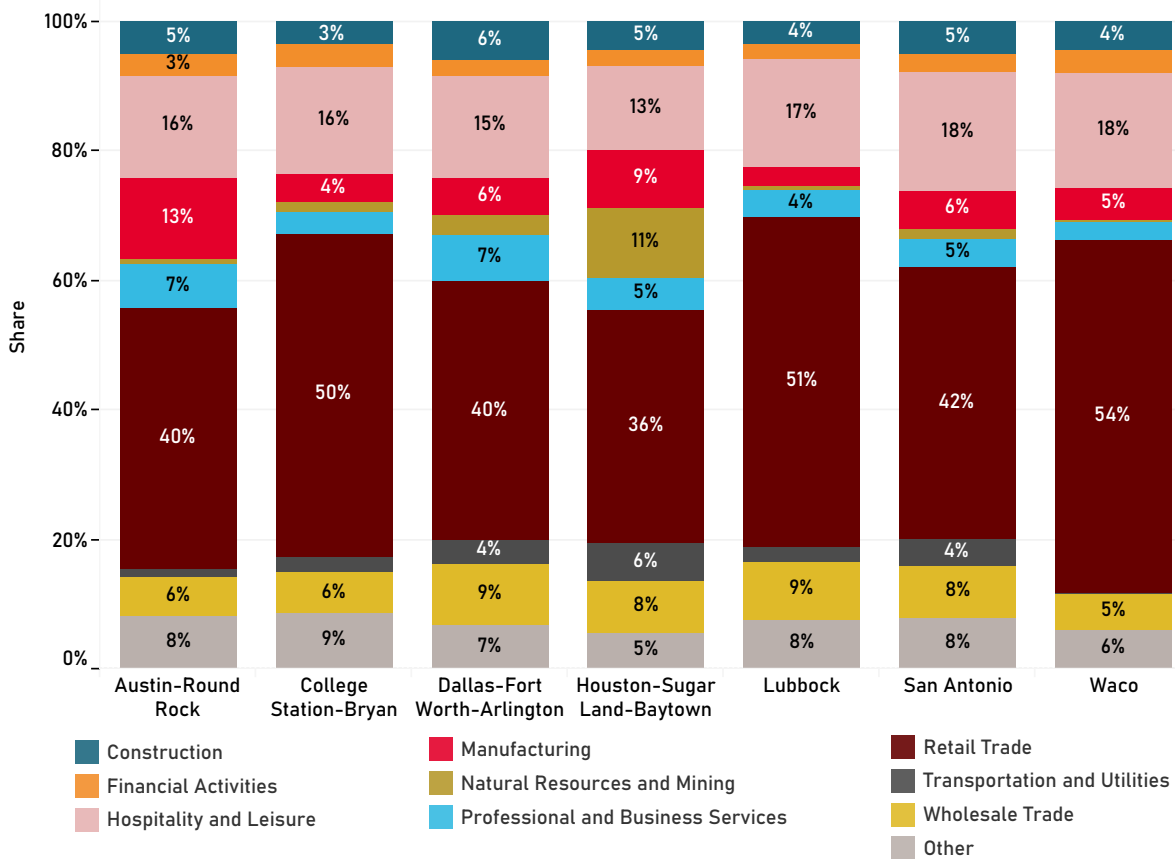
INDUSTRY SHARES OF TAXABLE SALES IN 2018 BY MSA

How does the industry share of taxable sales in College Station-Bryan compare to other Texas MSAs? Figure 6 shows the comparison for 2018. Retail Trade accounts for the largest share of taxable sales in each MSA, and is 50% or more in College Station-Bryan, Lubbock and Waco. Retail Trade's share is the lowest in Houston, in part because Houston has such a large share of taxable sales attributed to Natural Resources and Mining at 11%. No other MSA in our list has such a high share attributed to Natural Resources and Mining. Hospitality and Leisure has the second highest share of taxable sales across all MSAs and in both Waco and San Antonio at 18% of taxable sales. At 16%, College Station-Bryan is similar to Austin. Finally, Manufacturing has a large share of taxable sales in Austin and Houston, at 13% and 9%, respectively. In College Station-Bryan, Manufacturing's share of taxable sales is only 4%, smaller than all other MSAs listed here except Lubbock.

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FIGURE 6. SHARES OF TAXABLE SALES BY INDUSTRY IN 2018 IN SELECT TEXAS MSAs



Source: Texas Comptroller of Public Accounts.

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*.

ENDNOTES

¹ See the Comptroller’s website <https://comptroller.texas.gov/taxes/sales/> for a summary of the sales and use tax. Only sales that are subject to the sales tax are summarized in this focus section. Also see <https://comptroller.texas.gov/taxes/publications/94-124.php> for an example of the extent of the sales tax within the manufacturing industry.

DATA SOURCES

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 College Station-Bryan, TX (MSA), 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.

Quarterly Sales Tax Historical Data

Texas Comptroller of Public Accounts, Quarterly Sales by MSA. Data was obtained through a public information request.

Texas Metro Business Cycle Indexes

Federal Reserve Bank of Dallas, Regional Economic Data, Metro Business-cycle Indexes: <https://www.dallasfed.org/research/econdata/mbcindex.aspx>

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.

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