



HIGHLIGHTS

- The Business-Cycle Index increased 3.5% from July to August, the fourth straight month of positive growth.
- Initial unemployment claims nationally were 840,000 for the week ending on October 3, the lowest initial claims since the week ending on March 14.
- Initial unemployment claims in Texas were 41,656 for the week ending on October 3, the second lowest weekly claims since mid-March.
- Locally, 224 unemployment claims were filed during the week ending on September 26, the lowest weekly total since the week ending on March 14.
- The local unemployment rate fell to 4.3% in August, the second lowest rate among Texas metros.
- While air travel both nationally and locally has increased since April, the pace of the return to 2019 levels remains slow.
- Local single-family building permits and permit values for the first eight months of 2020 are up relative to the same period in 2019. Pending home sales for the months of June to September of 2020 are also up compared to 2019.

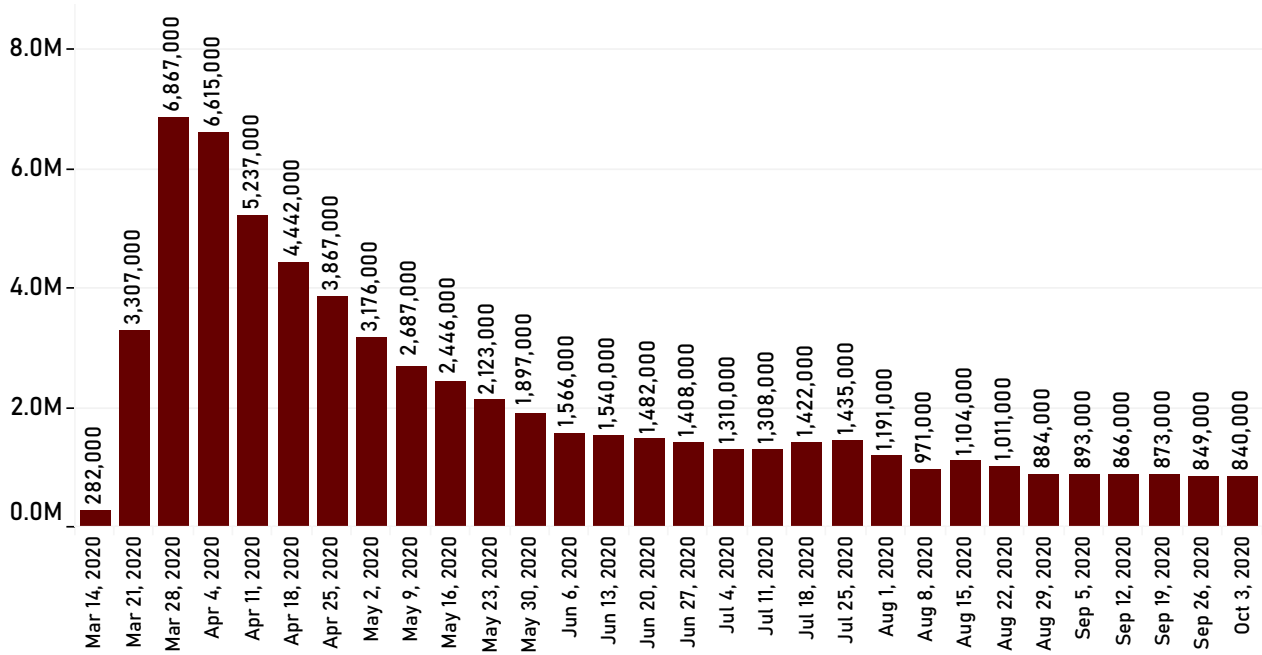
FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

We begin with a set of labor market indicators reflecting national, state and local trends. Recent trends in national and local air travel are presented next. We then consider the local housing market in terms of new construction and pending home sales. Our Business-Cycle Index and the business-cycle are presented at the end of this document. The Business-Cycle Index has largely caught up with current events and is once again providing a timelier insight into the current state of the economy in the College Station-Bryan MSA.

UNEMPLOYMENT INSURANCE CLAIMS

Figure 1 depicts initial weekly unemployment insurance (UI) claims in the United States and shows the seasonally adjusted series beginning with the week ending on March 14, 2020. Since March 14, over 63 million initial claims have been filed. For the week that ended on October 3, 2020, 840,000 workers filed UI claims, slightly less than the prior week. Initial claims have been below the 1 million mark for the last 6 weeks, but have remained above 800,000, well above the March 14 level of 282,000.

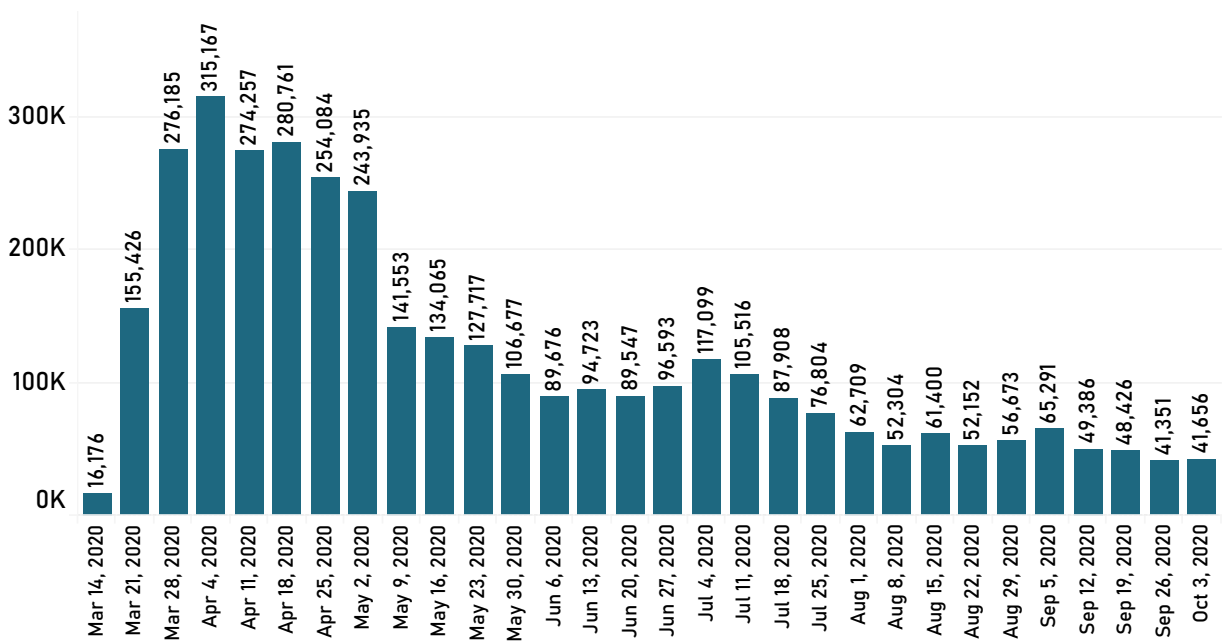
FIGURE 1. UNEMPLOYMENT INSURANCE CLAIMS IN THE UNITED STATES BY WEEK



Source: U.S. Department of Labor.

Initial weekly UI claims in Texas are shown in Figure 2. The Texas series is not seasonally adjusted and is therefore more volatile. Roughly 3.6 million initial claims were filed since March 14. The week ending on October 3 saw 41,656 new claims filed, lower than the September average, but a small increase from the week ending on September 26. New claims remain much higher than the 16,176 claims reported on March 14.

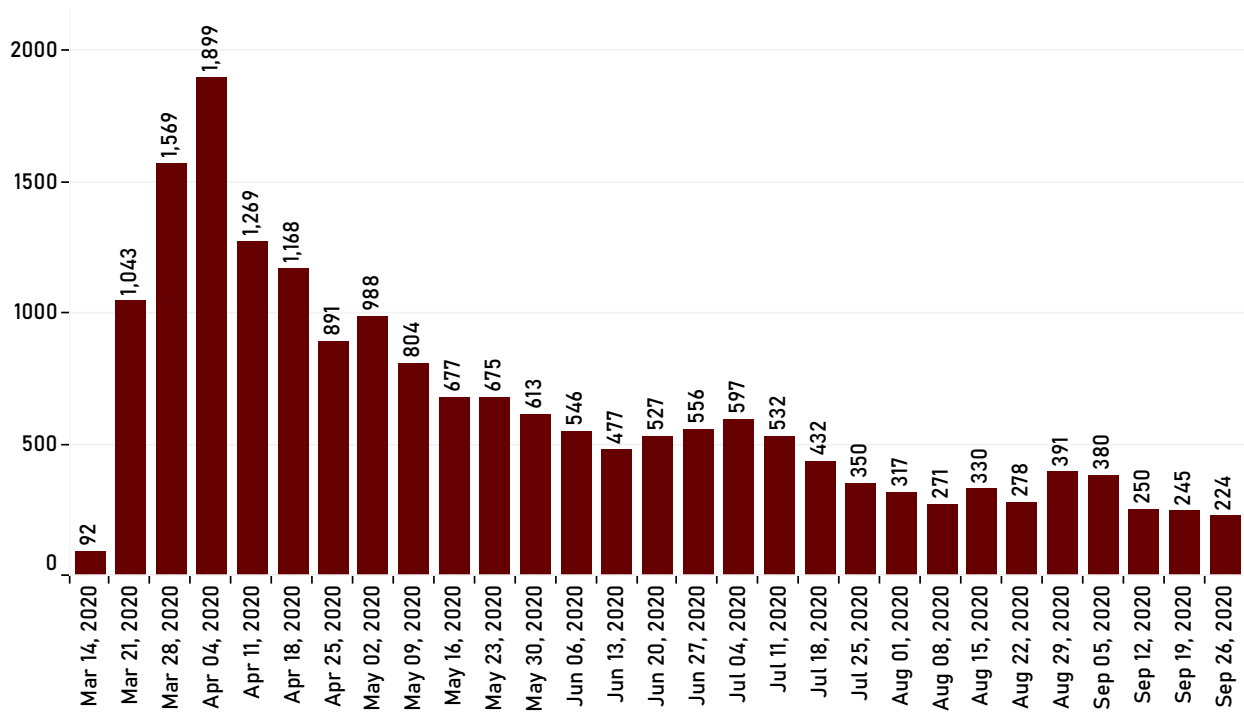
FIGURE 2. UNEMPLOYMENT INSURANCE CLAIMS IN TEXAS BY WEEK



Source: U.S. Department of Labor.

Figure 3 depicts the weekly unemployment insurance claims in College Station-Bryan. These weekly totals include claims filed in Brazos, Burleson, and Robertson Counties. The data are from the Texas Workforce Commission (TWC). As was the case statewide, local UI claims rose at the beginning of September. Initial claims during the week ending on September 26 were 224, the lowest weekly claims since the 92 claims reported for the week ending on March 14. Over the last 29 weeks, 18,391 initial claims have been made in the local area.

FIGURE 3. WEEKLY UNEMPLOYMENT INSURANCE CLAIMS IN COLLEGE STATION-BRYAN

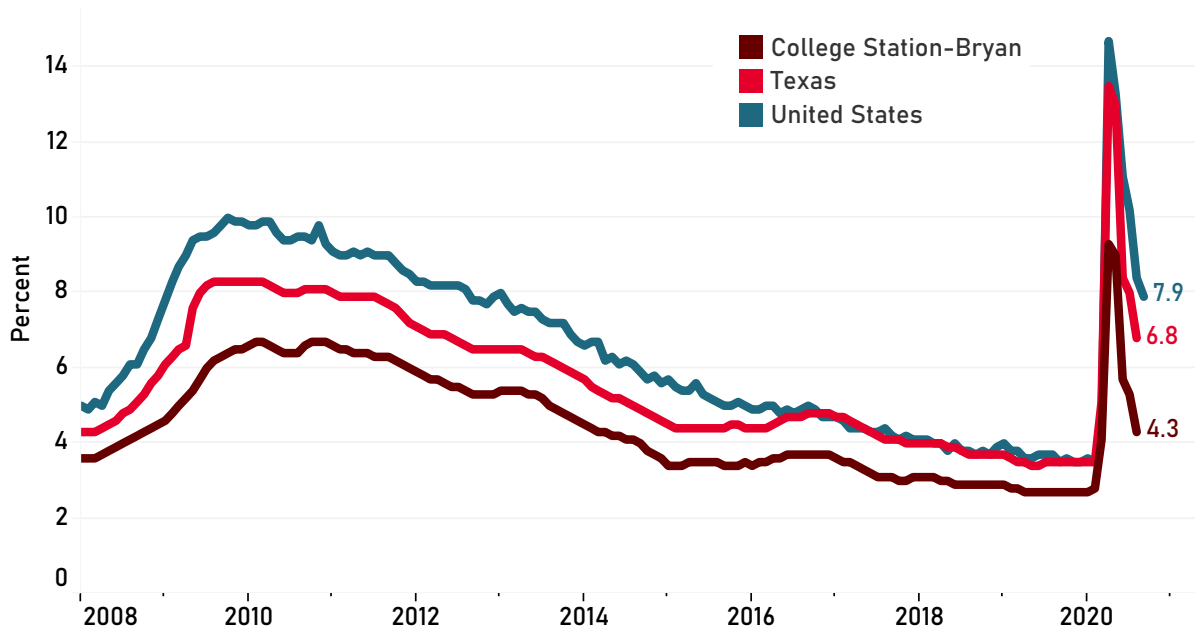


Source: Texas Workforce Commission.

UNEMPLOYMENT RATE

Monthly unemployment rates in College Station-Bryan, Texas, and the U.S. are shown in Figure 4. The local unemployment rate fell to 4.3% in August 2020, a whole percentage point drop from the revised July rate of 5.3%. The statewide unemployment rate for August declined to 6.8% from a revised July rate of 8%. The national rate was 10.2% in July, 8.4% in August, and declined to 7.9% in September. The state and metropolitan area unemployment rates for September will be released by the Bureau of Labor Statistics on October 20 and October 28, respectively.

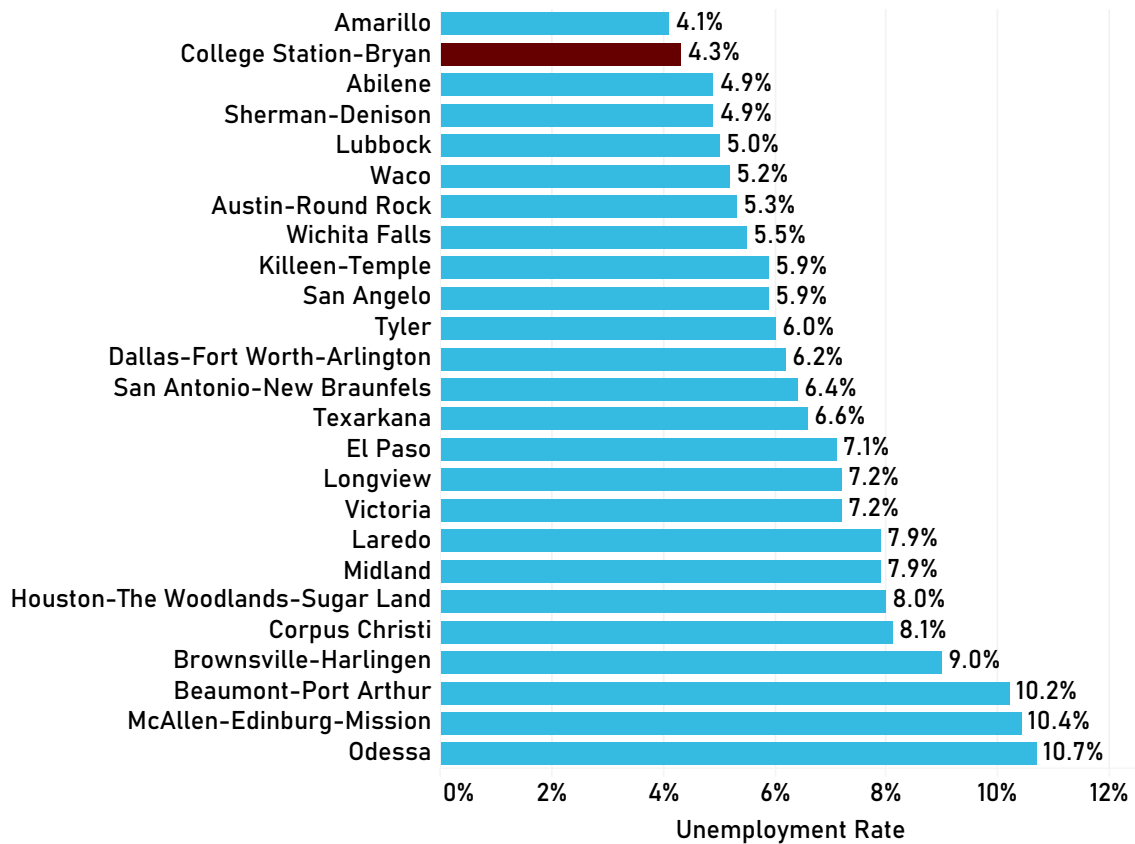
FIGURE 4. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: August 2020 for Texas and College Station-Bryan, September 2020 for national Unemployment rate (monthly). Source: Bureau of Labor Statistics.

The August unemployment rates for all of the Texas metropolitan statistical areas (MSAs) are shown in Figure 5. As was the case for the previous two months, College Station-Bryan’s rate in August, 4.3%, was again second lowest to Amarillo’s 4.1%. Abilene recorded the third lowest rate at 4.9%. Odessa, McAllen-Edinburg-Mission and Beaumont-Port Arthur had the three highest August rates at 10.7%, 10.4%, and 10.2%, respectively. The four largest metro areas’ unemployment rates range from a high of 8.0% in Houston-The Woodlands-Sugar Land to a low of 5.3% in Austin-Round Rock. The August rate in Dallas-Fort Worth-Arlington was 6.2% and the rate in San Antonio-New Braunfels was 6.4%.

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

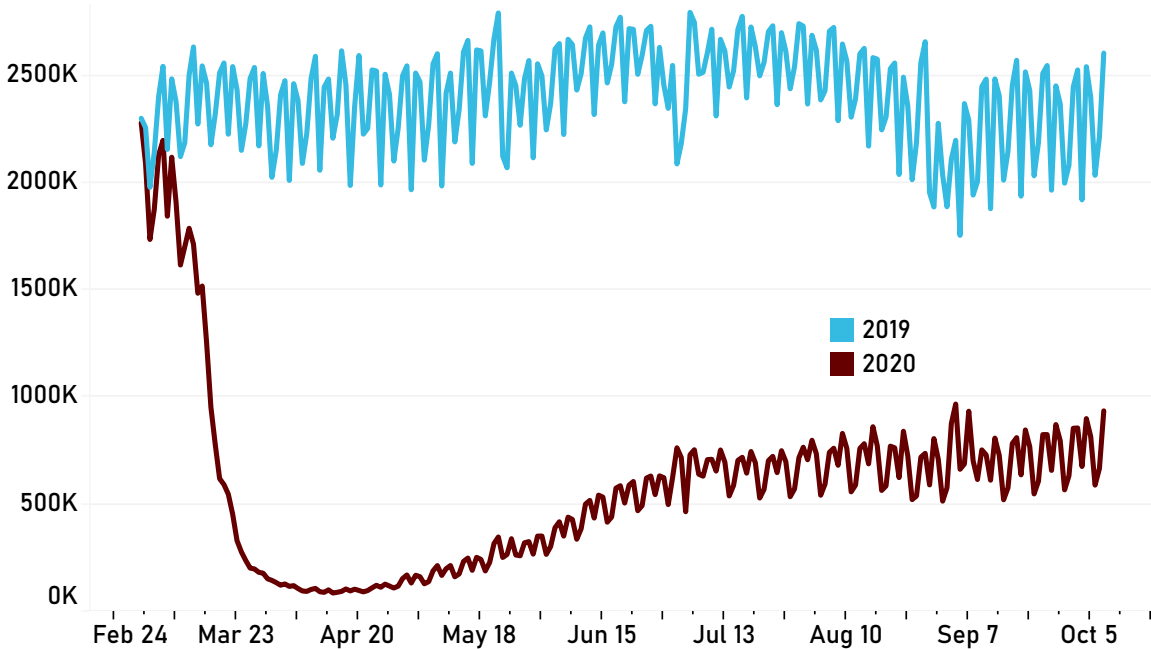


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted August 2020.

AIR TRAVEL

Figure 6 depicts the number of travelers screened by the Transportation Security Administration (TSA) from March 2 to October 8, 2020, along with a series for the same day of the week from 2019. The traveler count for the month of March 2020 was 48.3% of the traveler count for the same month in 2019. In April 2020, air travel ground to a halt, and was 4.7% of the count from April 2019. In the following five months, air travel has crawled slowly upward. May's count was 9.6% of the 2019 level, June's was 18.9%, July was 26.1%, 29% in August, and September was 32%. For the first eight days of October, the number of travelers was about 34% of the count from the same period of 2019. The rate of increase of air travel in 2020 toward 2019 levels has slowed significantly and remains about one-third of last year's level.

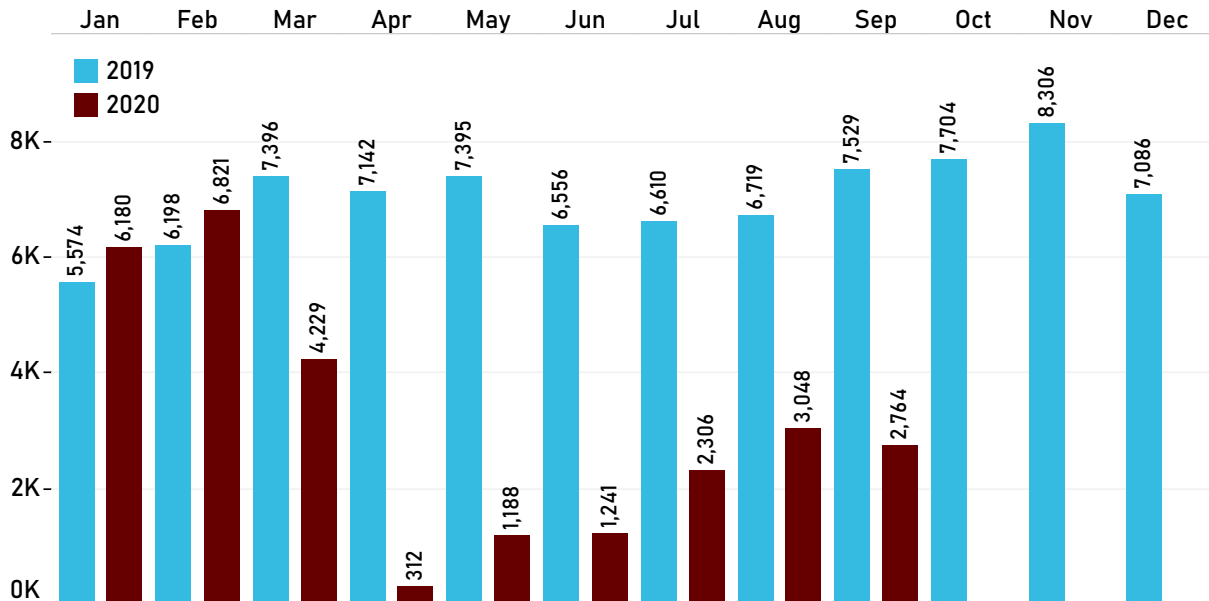
FIGURE 6. TRAVELERS THROUGH TSA CHECKPOINTS, 2019 VS. 2020



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

The local number of passengers traveling out of Easterwood Airport during 2019 and through September of 2020 is shown in Figure 7. Similar to the national pattern, total enplanements out of Easterwood declined most dramatically in April 2020 when only 312 passengers traveled, or 4.4% of the count in April 2019. In May, the passenger count was 16.1% of the count from May 2019. June 2020 enplanements were 18.9% of the 2019 level, July's were 34.9%, August's were 45.4%, and September's were 36.7%. It is interesting that, as of September 2020, local air travel is closer to 2019 levels than air travel nationally. As seen in the values for the latter months of last year, air travel still has a long way to go before it returns to 2019 levels.

FIGURE 7. ENPLANEMENTS AT EASTERWOOD AIRPORT, 2019 VS 2020

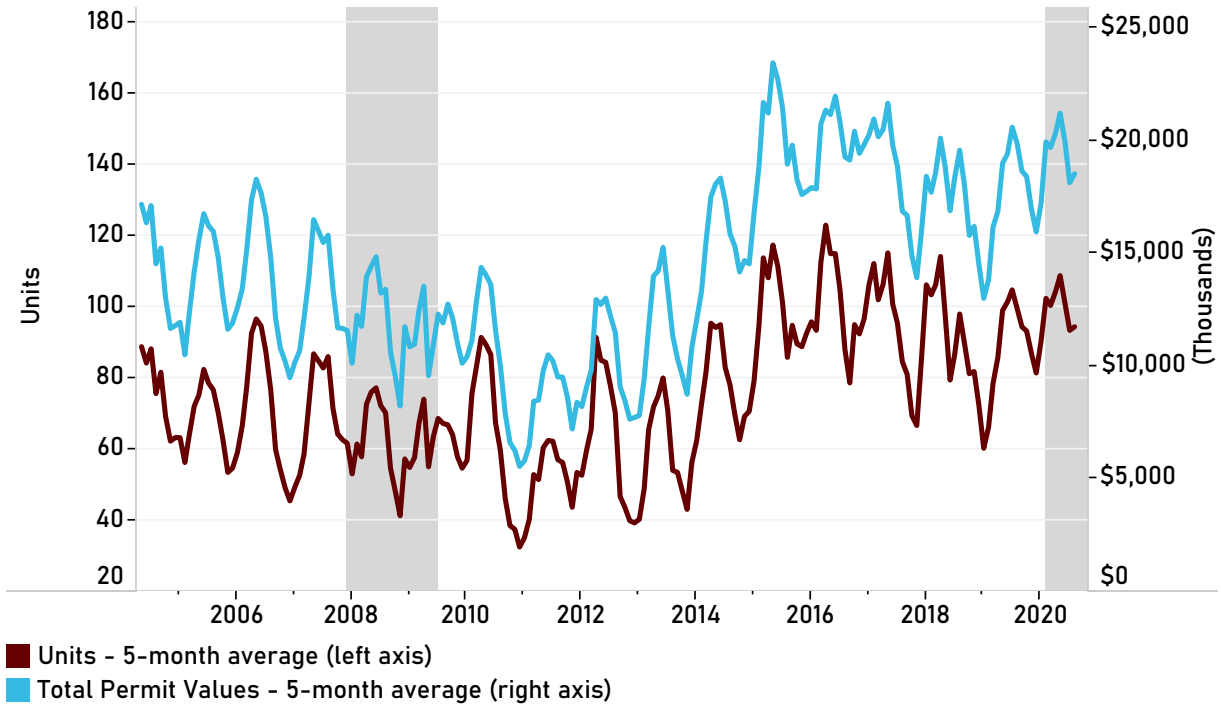


Source: Texas A&M University System.

COLLEGE STATION-BRYAN HOUSING MARKET

Figure 8 presents the five-month average of single-family housing permits and inflation adjusted permit values from 2004 to the present. Housing starts are inherently variable from month to month, and the five-month averages in the figure help uncover the underlying cycle in the series. As these two series indicate, local home construction fell during the Great Recession and remained lower in the years immediately following the recession. Housing construction grew thereafter, with the highest total permits and inflation adjusted total permit values in 2015 and 2016. Over the past few years, permits and values have leveled off.

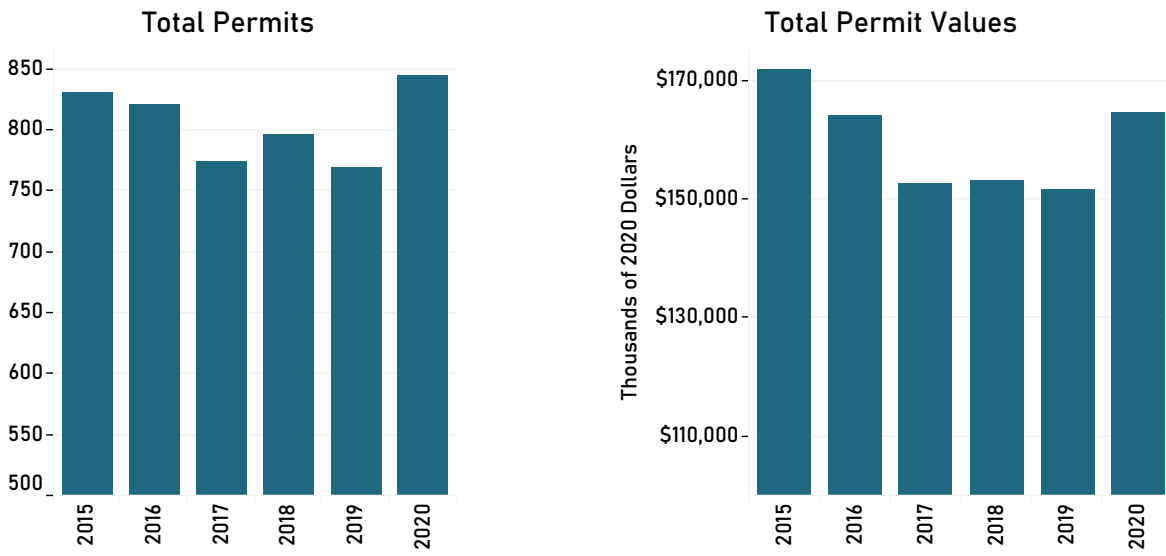
FIGURE 8. SINGLE FAMILY PERMITS & INFLATION ADJUSTED PERMIT VALUES IN COLLEGE STATION - BRYAN



Source: U.S. Census Bureau, 5 month moving average by the Private Enterprise Research Center.

Given that 2015 was the recent high, Figure 9 depicts total single-family housing permits and total permit values over the first eight months of 2015 through 2020. Thus far in 2020, 845 total permits have been issued locally. This is the highest eight-month tally among the six years depicted. The total value of the permits for the first eight months of 2020 is almost \$165 million, the second highest to 2015.

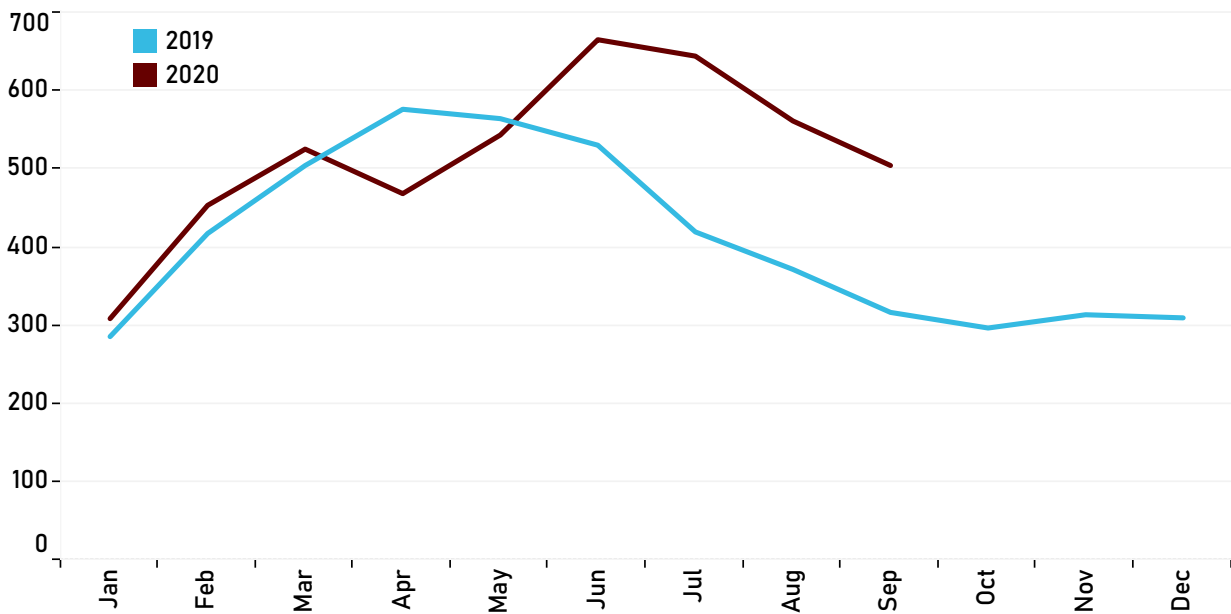
FIGURE 9. SINGLE FAMILY HOUSING PERMITS & INFLATION ADJUSTED PERMIT VALUES IN COLLEGE STATION-BRYAN, JANUARY TO AUGUST, 2015 TO 2020



Source: U.S. Census Bureau, inflation adjustment by Private Enterprise Research Center.

Monthly pending listing counts for 2019 and 2020 are graphed in Figure 10. Pending listings are those for which the seller has accepted an offer from the buyer, but the sale has not closed, as the seller awaits an inspection or as the financing arrangement is finalized. January to March of 2020 saw higher pending listings than in 2019. Pending listings in April and May of this year were lower than last year, but from June to September they have increased. This rise in pending sales helps account for lower active listings from June to September of this year relative to 2020. That is, the supply relative to last year at this time is declining and sales are up. The average listing price locally is also up, averaging \$374,503 from June to September compared to \$358,050 over the same months of 2019.

FIGURE 10. PENDING LISTING COUNT IN COLLEGE STATION-BRYAN, 2019 VS 2020

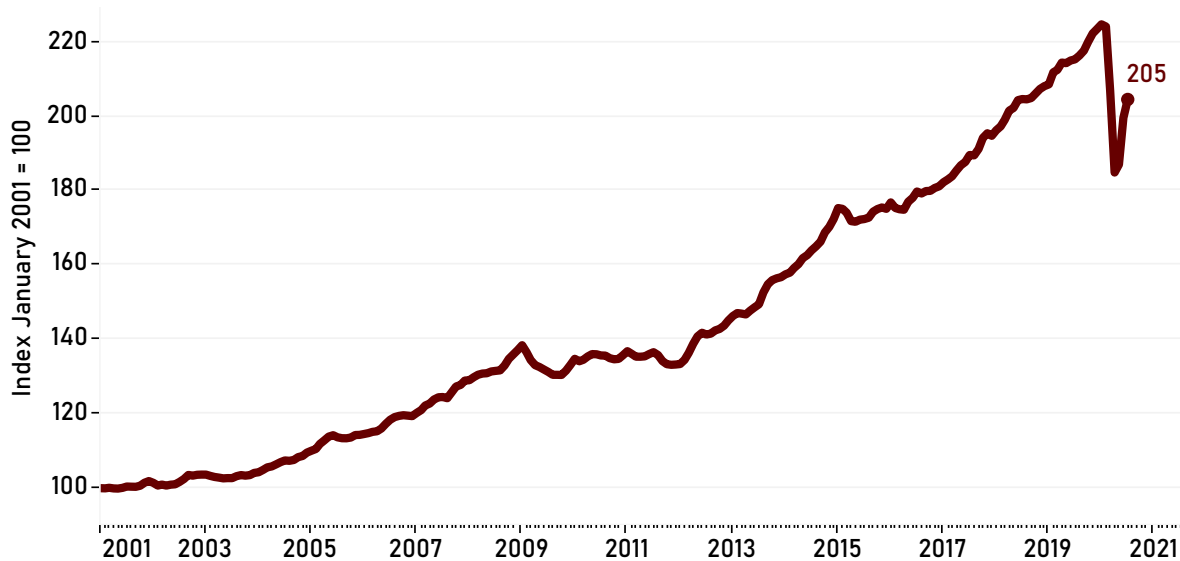


Source: Realtor.com, Housing Inventory: Pending Listing Count in College Station-Bryan, TX (CBSA) .

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

Figure 11 depicts the College Station-Bryan Business-Cycle Index. The economic variables used in the estimation of our Business-Cycle Index are the monthly value of the local unemployment rate, nonfarm employment, and taxable sales, and quarterly values of aggregate wages. The index depicts the decline in the local economy beginning with a slight decrease in February - the month of the peak in the business-cycle as identified by the National Bureau of Economic Research - followed by severe negative shocks in March and April. May, June, July, and August have all exhibited positive growth, a sign of economic recovery. However, the index remains 6% lower than its January value, indicating that we are still in the recovery phase of the cycle and far below a level that would indicate expansion beyond our previous peak.

FIGURE 11. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

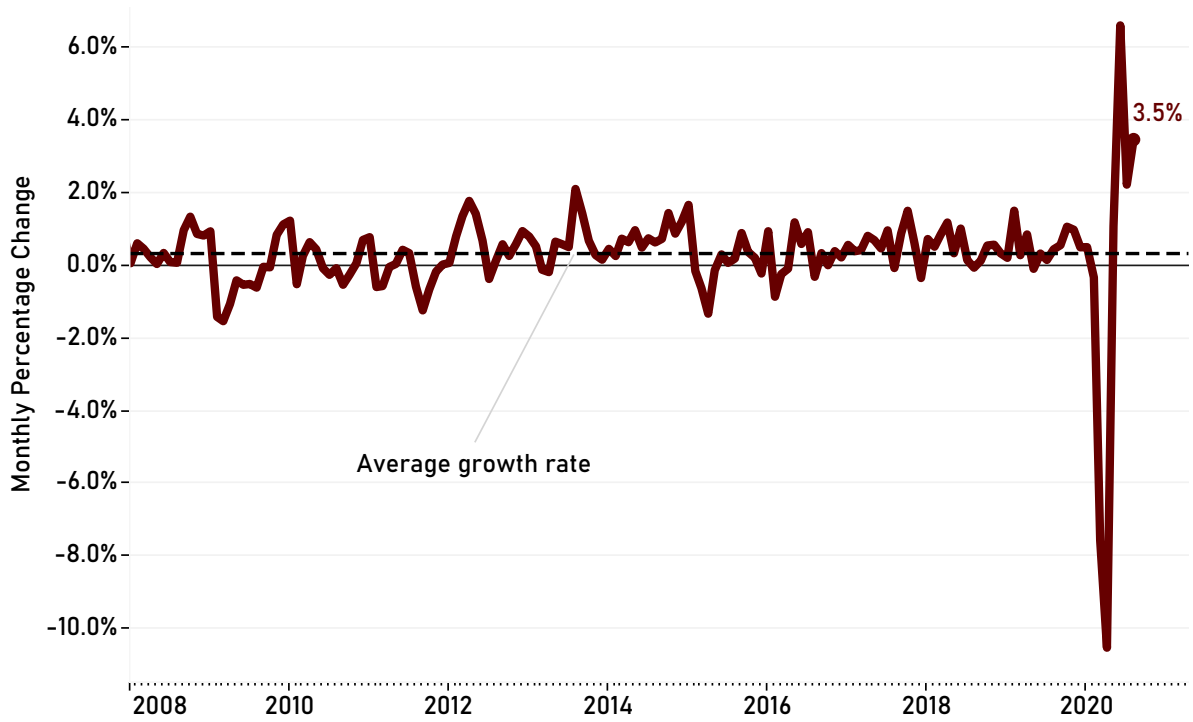


Last reported data point: August 2020 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

Between July and August, the CSB Business-Cycle shown in Figure 12 increased 3.5%. This follows a revised increase of 2.2% from June to July. Two of the three monthly indicators used in estimating the business cycle continued to show improvement. As noted, the local unemployment rate fell from a revised rate of 5.3% in July to 4.3% in August. Nonfarm employment rose just over 1% from July to August. Seasonally adjusted real taxable sales in August were down 3.3% in August compared to July. The remaining variable in the model is quarterly aggregate wages and will not be updated again until December 2, 2020. Figure 12 illustrates the massive economic impact of the pandemic, and the recovery that would be impressive and if not for the fact that it immediately follows the prior massive downturn. A comparison of recent months with the Great Recession period of December 2007 to June of 2009 shows once more the unprecedented nature of the current economic cycle.

FIGURE 12. COLLEGE STATION-BRYAN BUSINESS-CYCLE



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

County Level Unemployment Insurance Claims

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

Enplanements at Easterwood Airport

Texas A&M University System based on email request. Received October 8, 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.

Housing Inventory: Active Listing Count in College Station-Bryan

Realtor.com, Housing Inventory: Active Listing Count in College Station-Bryan, TX (CBSA) [ACTLISCOU17780], retrieved from FRED, Federal Reserve Bank St. Louis;

<https://fred.stlouisfed.org/series/ACTLISCOU17780>, October 5, 2020. Not seasonally adjusted.

Housing Inventory: Average Listing Price in College Station-Bryan

Realtor.com, Housing Inventory: Average Listing Price in College Station-Bryan, TX (CBSA) [AVELISPRI17780], retrieved from FRED, Federal Reserve Bank St. Louis;

<https://fred.stlouisfed.org/series/AVELISPRI17780>, October 5, 2020. Not seasonally adjusted.

Housing Inventory: Pending Listing Count in College Station-Bryan

Realtor.com, Housing Inventory: Pending Listing Count in College Station-Bryan, TX (CBSA) [PENLISCOU17780], retrieved from FRED, Federal Reserve Bank St. Louis;

<https://fred.stlouisfed.org/series/PENLISCOU17780>, October 5, 2020. Not seasonally adjusted.

Housing Permits and Values

U.S. Census Bureau, Building Permits Survey, Permits by Metropolitan Area; <https://www.census.gov/construction/bps/msamonthly.html>

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> (June 2020 value was not updated at the time of publication. June value imputed from BLS nonfarm employment series: <https://www.bls.gov/data/#employment>).

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.

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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