



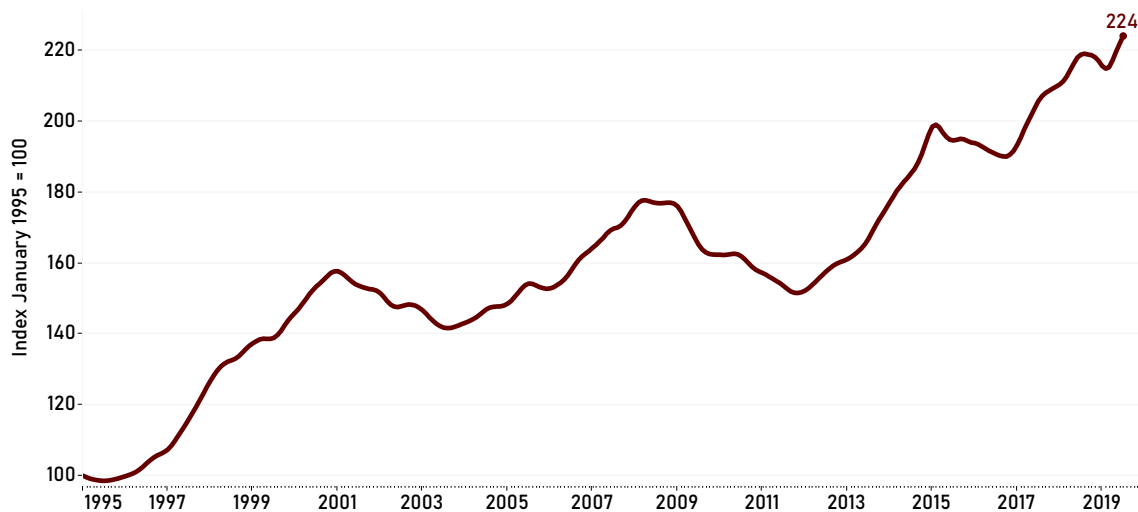
HIGHLIGHTS

- The Business-Cycle Index rose 1% between June and July for an annualized rate of 12.2%.
- The unemployment rate remained at the historical low of 2.7% in July.
- Nonfarm employment is up 1.1% in July, or an increase of about 1,300 workers compared to June.
- Real wages grew 1.7% during the first quarter of 2019 for an annualized rate of 7.1%.
- Real taxable sales in the College Station-Bryan MSA stood at \$354.3 million in July and are up 5.5% from the same time last year.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

Figure 1 depicts the College Station-Bryan (CSB) Business-Cycle Index. The July 2019 estimate of the CSB Business-Cycle Index rose to 224. This is the fifth consecutive month of positive growth.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

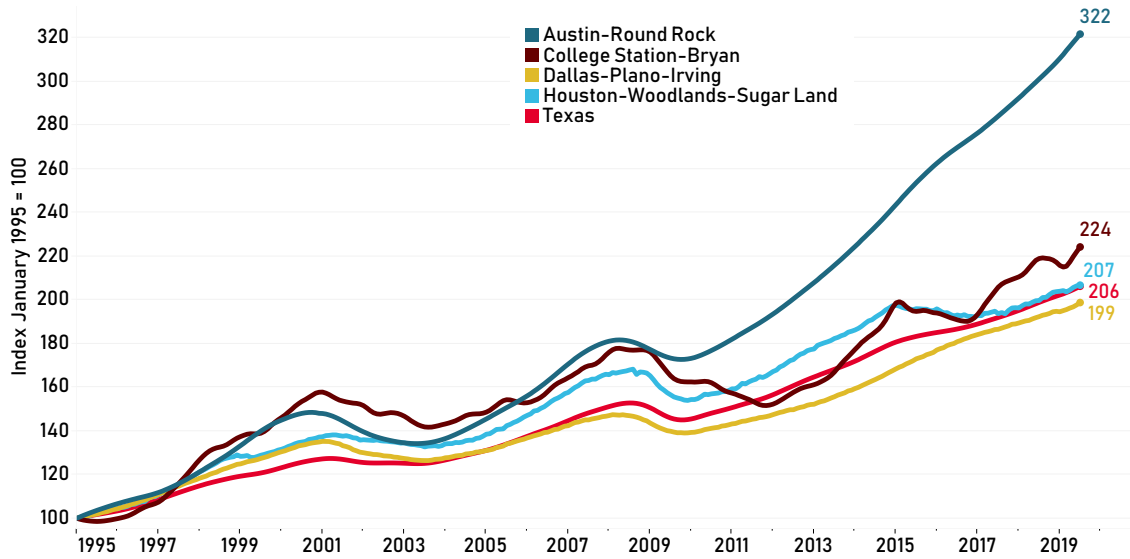


Last reported data point: July 2019 (monthly). Source: Private Enterprise Research Center.

TEXAS AND TEXAS MSA ECONOMIC INDEXES

Figure 2 depicts the CSB Business-Cycle Index with four rebased indexes produced by the Federal Reserve Bank of Dallas (FRBD). The growth rates underlying each index are based on the real gross domestic product for each metropolitan area and for the state of Texas. Real GDP grew at an annual rate of 4.8% between 2001 and 2017 in Austin-Round Rock, 3.3% in College Station-Bryan, and 3.0% in Houston-Woodlands-Sugar Land. In the state of Texas as a whole, real GDP grew 3.0% per year, and in Dallas-Plano-Irving it grew 2.8% per year.¹ The graph shows the Great Recession in 2009 and the generally positive growth afterward. Houston and College Station-Bryan had a period of slow or even a slight decline from 2015 to 2017. The delayed impact of the recession on College Station-Bryan is also evident in the graph - while most of Texas was growing again by 2010, College Station-Bryan's recovery started in 2012.

FIGURE 2. TEXAS BUSINESS-CYCLE INDEXES

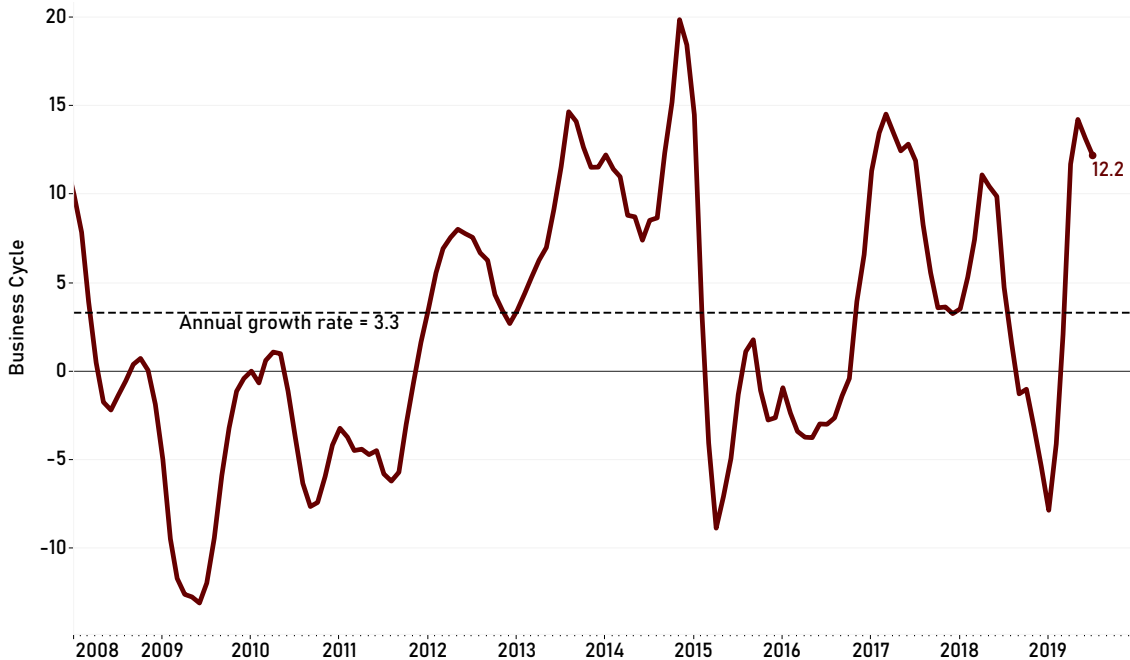


Last reported data point: July 2019 (monthly). Sources: Federal Reserve Bank of Dallas, Metro Business-Cycle Indexes, rebased to January 1995; Private Enterprise Research Center, College Station-Bryan.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

Figure 3 depicts the annualized month-to-month growth rate in the CSB Business-Cycle Index for the period from January 2008 to the present. The CSB Business-Cycle Index grew at an annualized rate of 12.2% in the month of July, the fifth consecutive positive rate since March 2019.

FIGURE 3. COLLEGE STATION-BRYAN BUSINESS-CYCLE



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

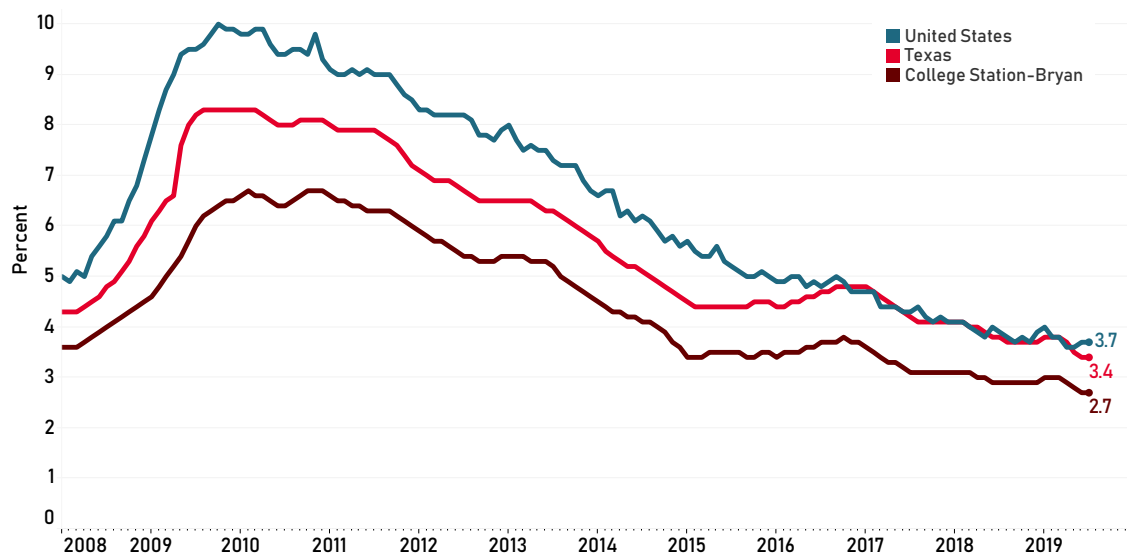
DATA SERIES UNDERLYING THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

This marks the one-year anniversary of the first issue *Economic Indicators*. In the inaugural issue we presented graphs depicting the four data series from which we estimate the business-cycle index, and here we present the same graphs to illustrate how the series changed over the course of the year. Some of the business-cycle's attributes can be seen in the following graphs of the unemployment rate, non-farm employment, real (inflation-adjusted) total wages, and real taxable sales. The index is the product of a model and methodology that extracts the underlying common factor that ties these four individual series together.

UNEMPLOYMENT RATE

The first series is the local area's seasonally adjusted unemployment rate. This series is released monthly by the U.S. Bureau of Labor Statistics. Figure 4 presents the local unemployment rate, the rate in Texas and the rate of the U.S. In College Station-Bryan, it remained at 2.7% for the month of July, a historic low for the area. At this time last year, the unemployment rate was 2.9%. The Texas unemployment rate at 3.4% and the national unemployment rate at 3.7% were also unchanged from their June levels. Both of these rates have also declined over the past year. One year ago, the rate in Texas was 3.8%, and the national rate was 3.9%.

FIGURE 4. UNEMPLOYMENT RATE

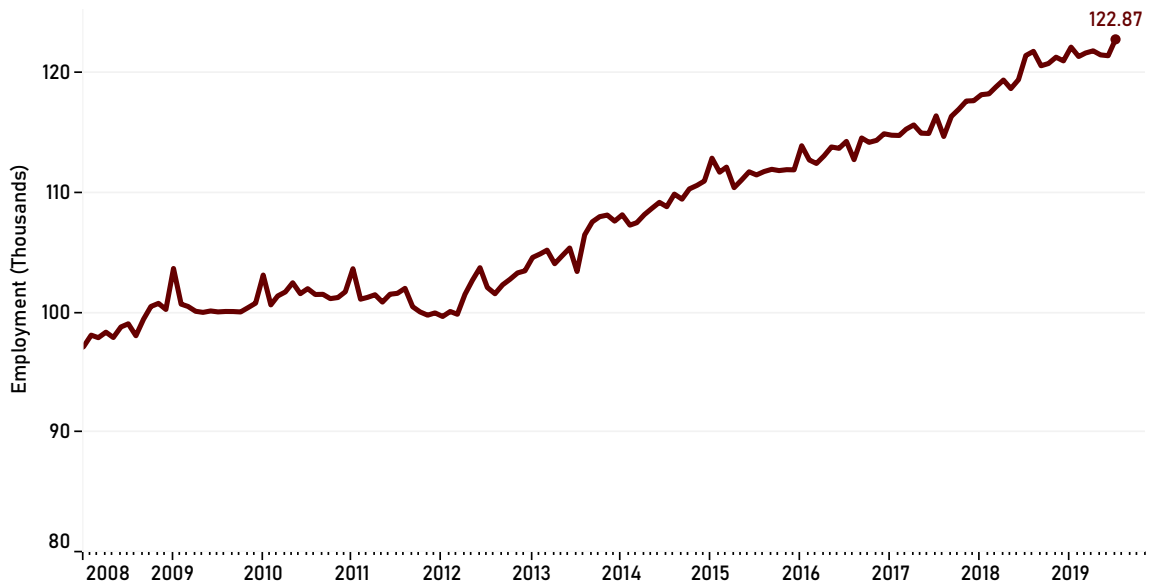


Seasonally adjusted. Last reported data point: July 2019 (monthly). Source: U.S. Bureau of Labor Statistics.

NON-FARM EMPLOYMENT

The next series is monthly seasonally adjusted total non-farm employment in the CSB MSA. This data is released monthly by the U.S. Bureau of Labor Statistics, and we use that data after it is further seasonally adjusted by the Federal Reserve Bank of Dallas. As the figure shows, employment has been on an upward trend since July 2012, growing 20% over this period. Over the last year, local employment has grown by about 1,350 workers, or 1.1%.

FIGURE 5. NON-FARM EMPLOYMENT IN COLLEGE STATION-BRYAN

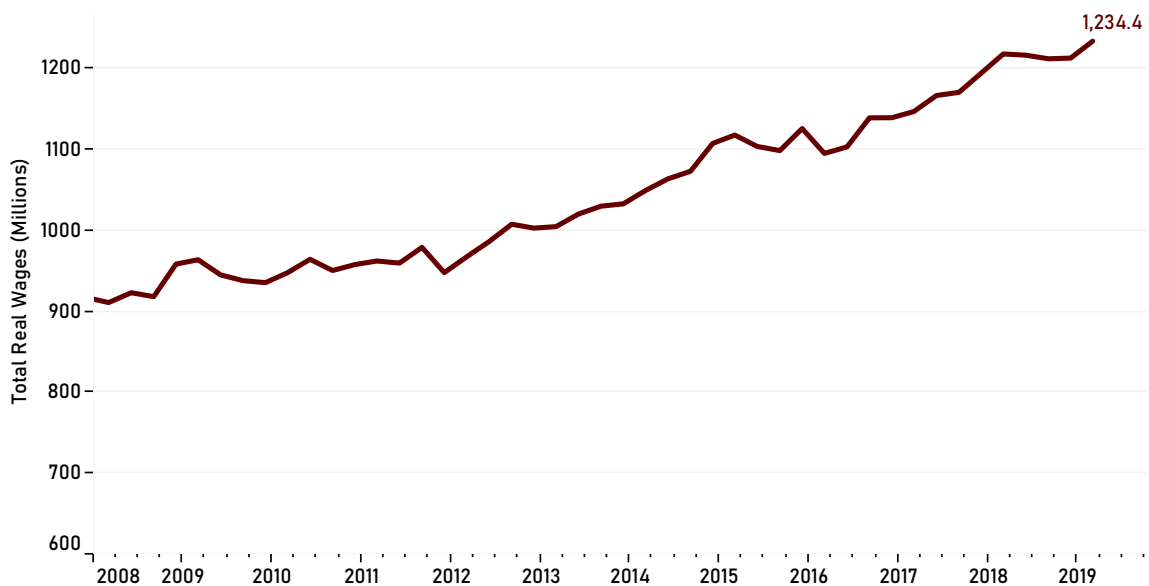


Seasonally adjusted by the Federal Reserve Bank of Dallas. Last reported data point: July 2019 (monthly). Source: U.S. Bureau of Labor Statistics; Federal Reserve Bank of Dallas, Total Non-farm Payroll Employment for College Station-Bryan, TX (MSA).

REAL WAGES

Data on total wages in the CSB MSA are released quarterly from the U.S. Bureau of Labor Statistics. This measure of all wages paid to all workers is the third series used in estimating the model. The Private Enterprise Research Center adjusts this series for inflation and for seasonality, producing a real seasonally adjusted total wage data series. The most recent observation reflects total wages in the first quarter of 2019 and was released on September 4, 2019. Real wages in the CSB MSA grew during the first quarter of 2019 and are up 1.3% over the course of the previous year.

FIGURE 6. REAL WAGES IN COLLEGE STATION-BRYAN

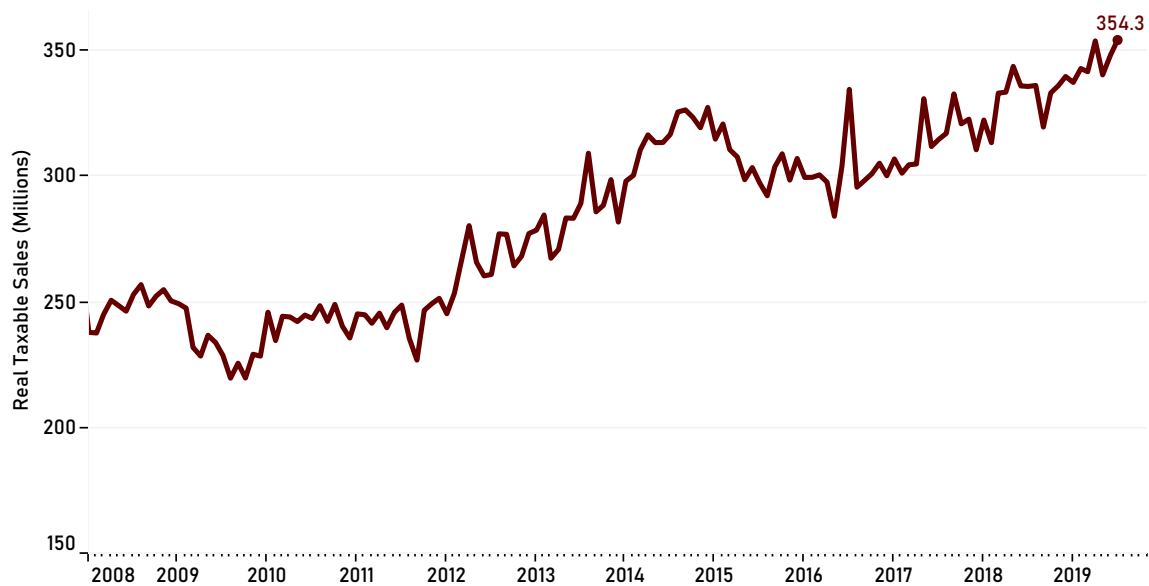


Seasonally adjusted. Last reported data point: Quarter 1, 2019 (quarterly). Sources: Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics. Adjusted for inflation using CPI-U. (Quarter 2, 2019=100).

REAL TAXABLE SALES

We construct the final series, total taxable sales, using data reported by the Texas Comptroller of Public Accounts. Brazos, Burleson, and Robertson Counties make up the College Station-Bryan MSA. This measure is based on the monthly sales taxes reported by Brazos and Burleson Counties and, because Robertson County does not collect a separate sales tax, monthly sales taxes collected from the cities of Bremond, Calvert, Franklin and Hearne in Robertson County. The sales tax collections and the respective sales tax rates allow us to calculate gross sales subject to the sales tax. We both seasonally adjust this series and adjust for inflation to generate our real taxable sales data series, which is presented in Figure 7. In July, real, seasonally adjusted taxable sales were \$354.3 million, a figure that has increased by 5.5% over the twelve months since July of 2018.

FIGURE 7. REAL TAXABLE SALES IN COLLEGE STATION-BRYAN



Last reported data point: July 2019 (monthly). Source: Texas Comptroller of Public Accounts; Private Enterprise Research Center for aggregation to the CSB MSA and seasonal adjustment. Adjusted for inflation using CPI-U. (July 2019=100).

NOTES AND LINKS

The extent of the College Station-Bryan MSA is defined by the U.S. 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

¹The U.S. Bureau of Economic Analysis will release of metropolitan areas' GDP for 2018 in December.

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 U.S. 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> for years 2016 to 2018. Historical data prior to 2016 from Texas Comptroller of Public Accounts. Seasonal Adjustment by Private Enterprise Research Center.

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

U.S. 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, 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.



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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