



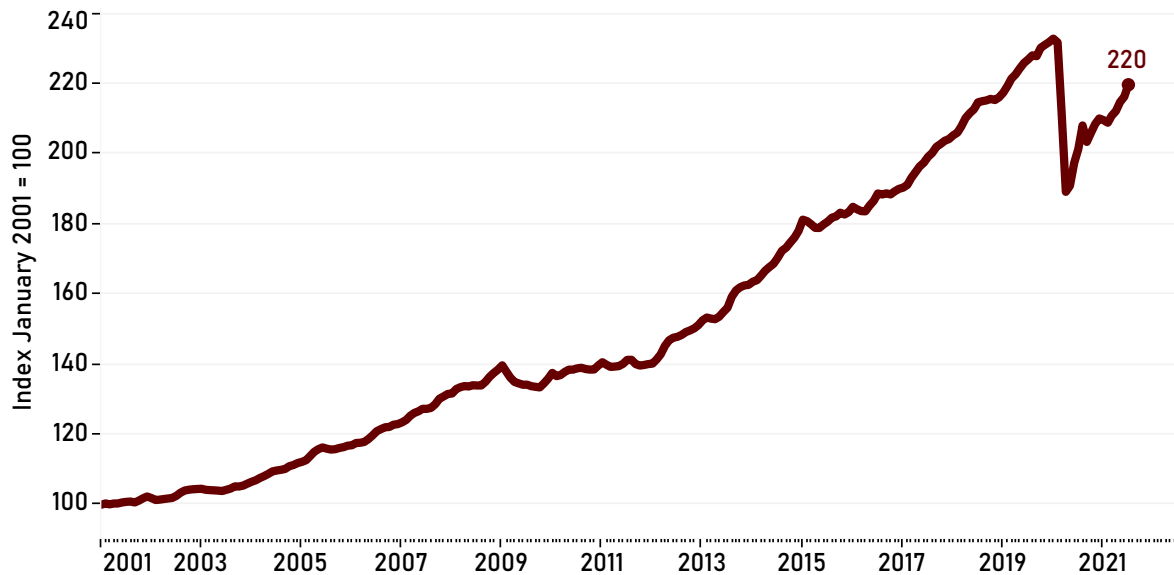
HIGHLIGHTS

- The Business-Cycle Index increased by 1.6% from June to July 2021.
- The revised local unemployment rate decreased substantially, from 5.0% to 4.4% in July.
- Local nonfarm employment decreased slightly, by 0.2% in July, and was 3.3% below its February 2020 pre-pandemic level.
- Real taxable sales also decreased slightly, by 0.2% from June to July and was 0.1% lower than it was in February 2020.
- Wages from the first quarter of 2021 were down 0.4% from the first quarter of 2020, and 2.1% lower than the fourth quarter of 2020.
- The number of travelers out of Easterwood Airport was 7% lower in August 2021 than in July 2021, and was 91% of the number from August 2019.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

The College Station-Bryan (CSB) Business-Cycle Index rose 1.6% in July to 220, as seen in Figure 1. The increase resulted from a substantial decrease in the unemployment rate, despite slight decreases in wages, nonfarm employment, and taxable sales.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

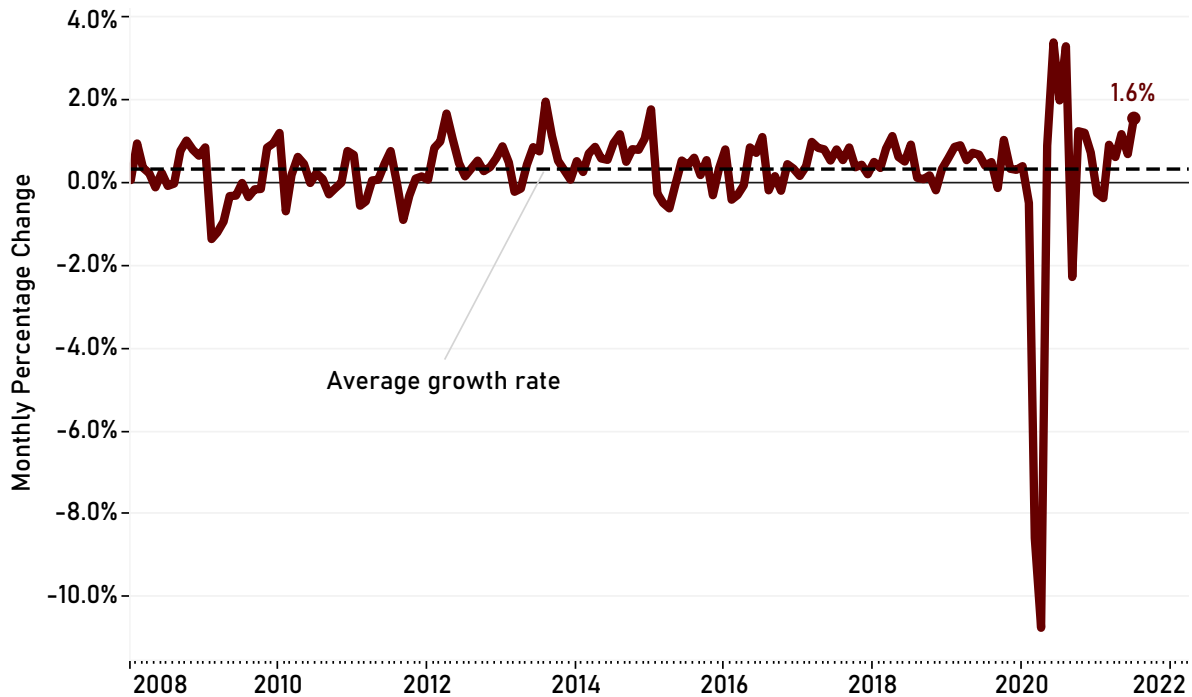


Last reported data point: July 2021 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle rose 1.6% between June and July. The revised local unemployment rate decreased to 4.4% in July. Nonfarm employment showed a decrease of 0.2% from its revised June value of 120,800 workers to July's value of 120,600. Inflation adjusted taxable sales, the third monthly indicator used in the model, decreased by 0.2%. The fourth input in our model, quarterly real wages, displayed a decrease of 2.1% in the first quarter of 2021 from the last quarter of 2020. The decline in the unemployment rate from 5.0% in June to 4.4% in July indicates a substantial improvement. The magnitude of the improvement and the unemployment rate's statistical weight in the model account for the overall rise in the business-cycle index even though the other indicators exhibited modest declines.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

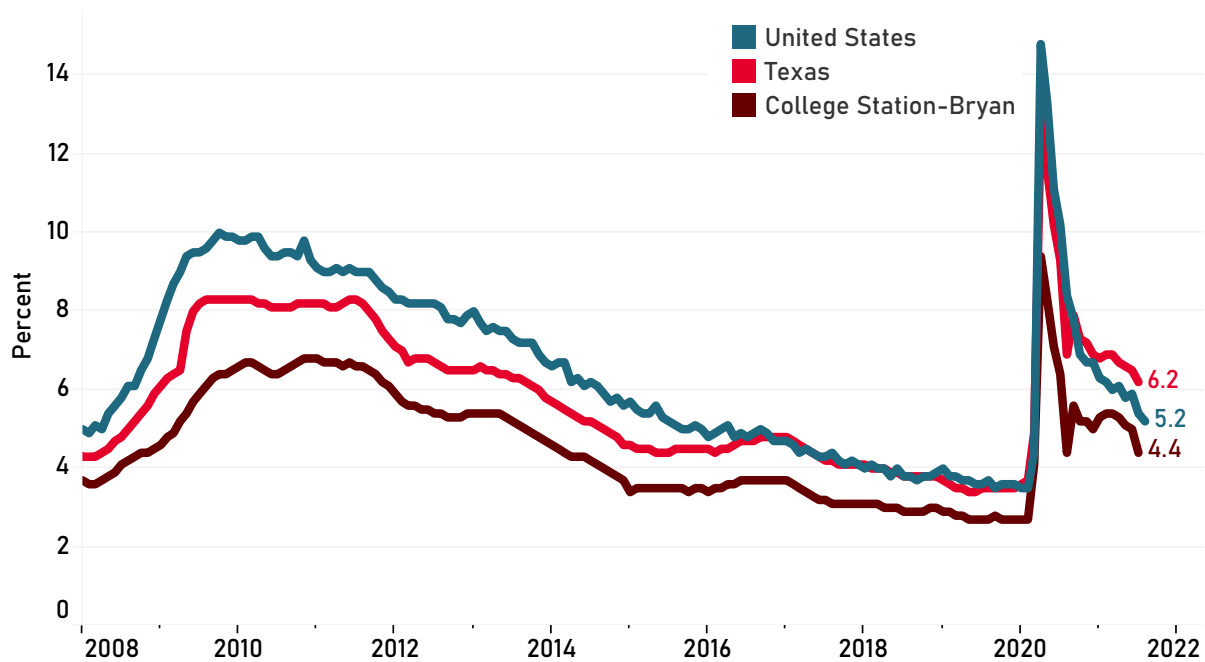


Month-to-month growth rates. Last reported data point: July 2021 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan, the state of Texas, and the U.S. beginning in January 2008 through July for Texas and College Station and through August for the nation. The revised unemployment rate in College Station-Bryan decreased by 0.6 percentage points to 4.4% in July from the previous month. The statewide rate for Texas decreased from 6.5% in June to 6.2% in July. The national rate is available through August 2021 and decreased to 5.2% from 5.4% in July.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: July 2021 for Texas and College Station-Bryan, August 2021 for the national unemployment rate (monthly). Source: Bureau of Labor Statistics.

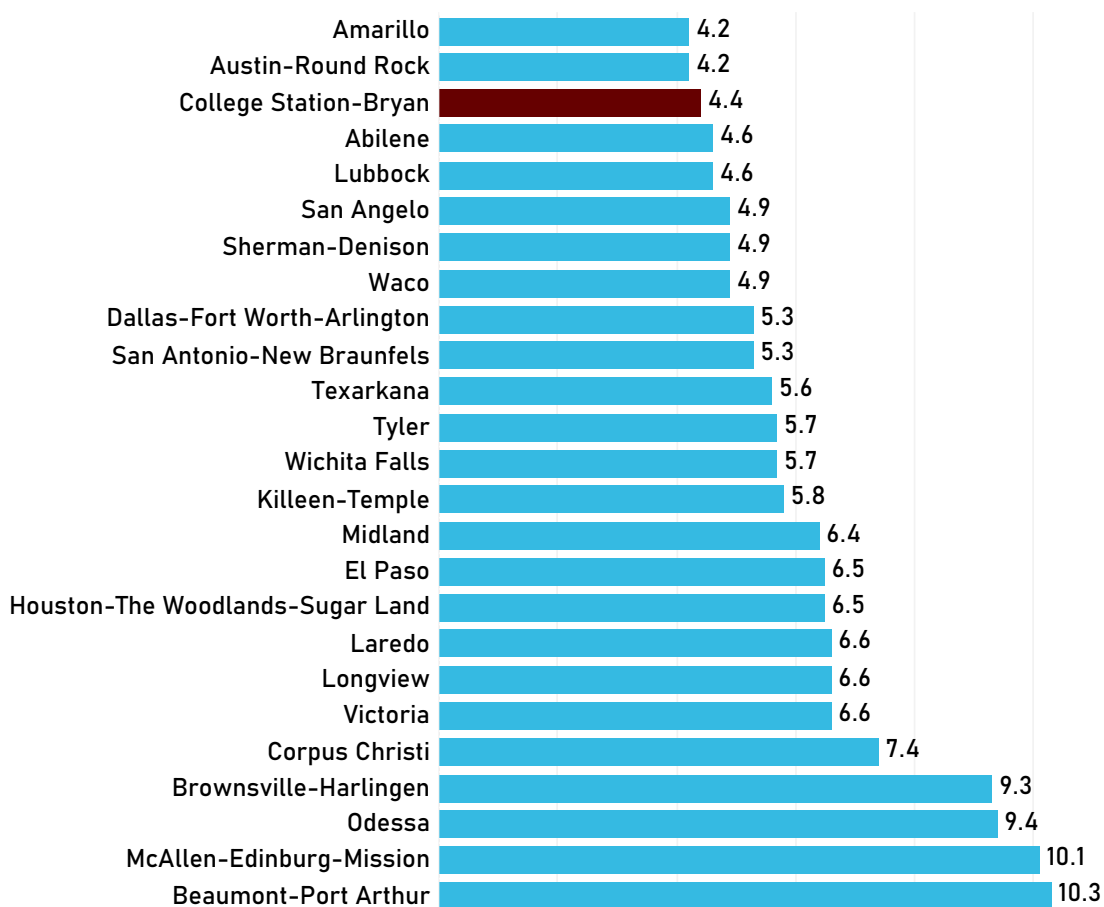
FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

This month we present unemployment rates in Texas metropolitan statistical areas (MSA)s, statewide retail sales, Texas state tax revenues, and air travel out of Easterwood Airport.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts all Texas MSA unemployment rates for July 2021. At 4.2%, Amarillo and Austin-Round Rock held the lowest unemployment rates in Texas. At 4.4%, College Station-Bryan MSA's rate was the third lowest in the state. Beaumont-Port Arthur had the highest unemployment rate at 10.3% and Odessa had the third highest rate at 9.4% - metropolitan areas that rely heavily on the oil and gas industry. McAllen-Edinburg-Mission's unemployment rate of 10.1% was the second highest. As noted, Austin-Round Rock had the lowest unemployment rate among the four largest MSAs at 4.2%. Dallas-Fort Worth-Arlington and San Antonio-New Braunfels followed at 5.3%. Houston-The Woodlands-Sugar Land again had the highest rate in this group at 6.5%.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, JULY 2021

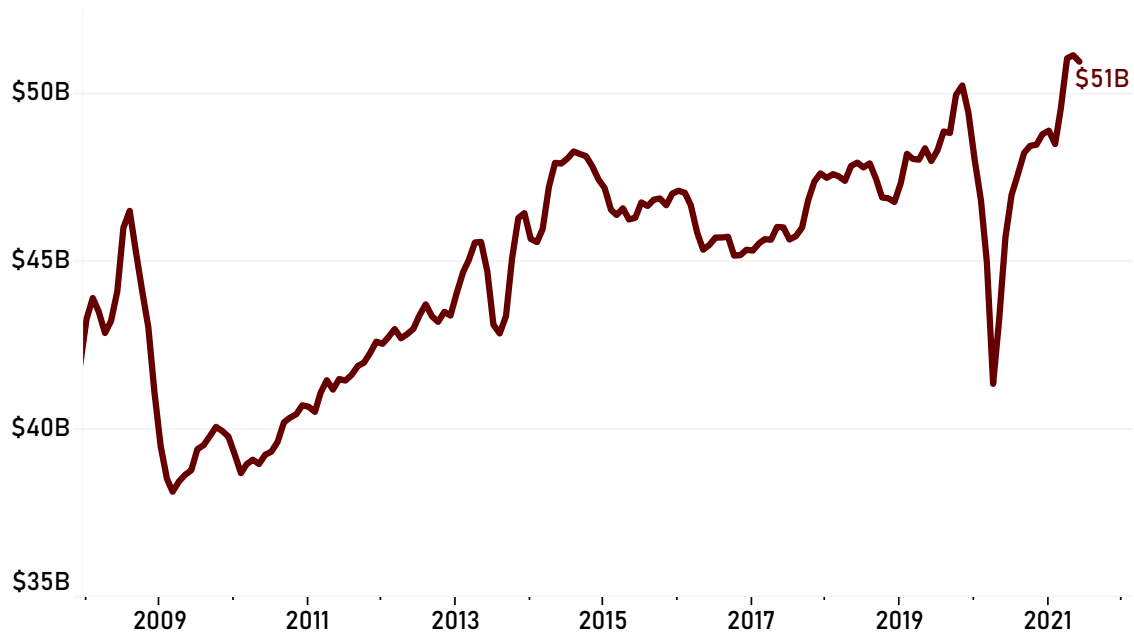


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, July 2021.

RETAIL SALES IN TEXAS

Inflation adjusted, or real, retail sales in Texas from January 2008 to June 2021 are depicted in Figure 5. The Federal Reserve Bank of Dallas (FRBD) produces monthly retail sales estimates based on data collected and reported by the Texas Comptroller. Monthly sales tax data are used to distribute quarterly retail sales to each month.¹ The FRBD series is inflation-adjusted to July 2021 dollar values. The series shows the substantial declines in the last two recessions, the Great Recession and the pandemic recession. The first occurred from August 2008 through March 2009, followed by a period of recovery and expansion up to February 2020. Note that real retail sales did not recover to their August 2008 levels until April 2014 or almost six years later. The pandemic recession shows the rapid drop in real retail sales in March and April of 2020. This has been followed by the ongoing recovery shown at the end of the series with real retail sales in June of \$51 billion - surpassing the previous high in February 2020 by \$47 billion.

FIGURE 5. REAL RETAIL SALES IN TEXAS

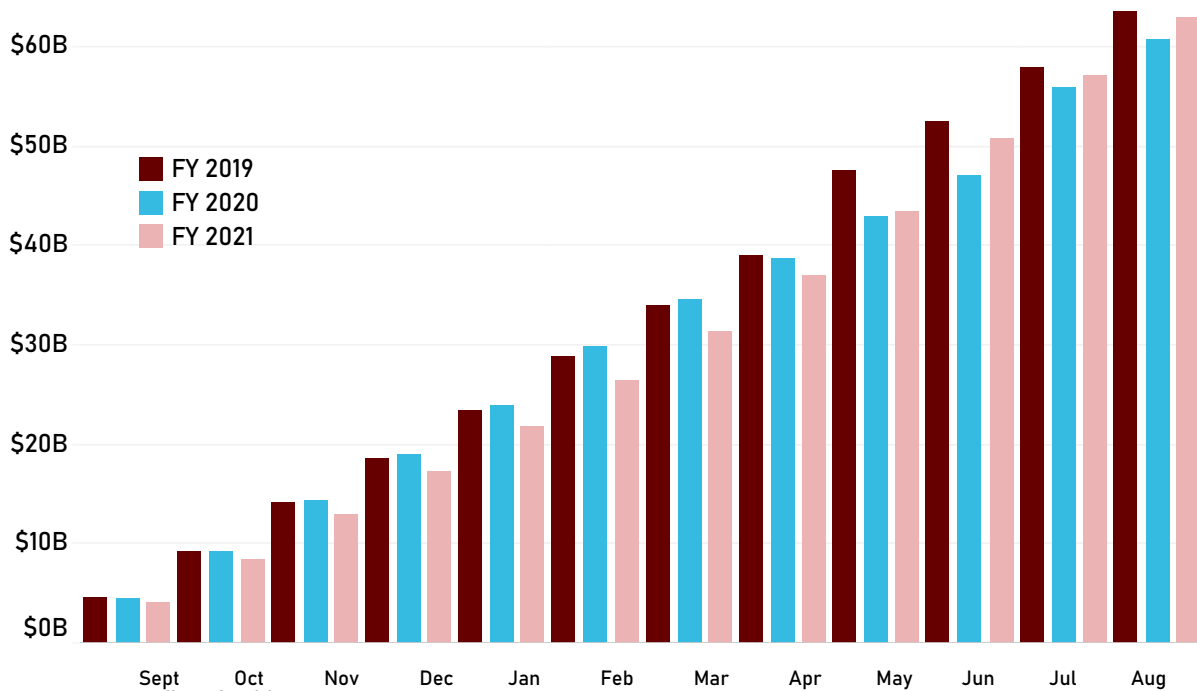


Source: Federal Reserve Bank of Dallas, Texas Comptroller of Public Accounts. Seasonally adjusted. Inflation adjustment by the Private Enterprise Research Center.

TEXAS STATE TAX REVENUES

Inflation adjusted, cumulative Texas state tax revenues by month for fiscal years 2019 to 2021 are shown in Figure 6.² These tax revenues are based on the 'all funds' data from the Texas Comptroller. Comparing the series for fiscal year 2019 and 2020, we see that tax revenues in 2020 up to March were ahead of 2019 revenues, but dropped below 2019 revenues thereafter. Until May of FY 2021, cumulative taxable sales lagged behind the taxable sales for FY 2020 and closed the year higher by \$2.3 billion. The inflation adjusted state tax revenues for FY 2021 were \$0.7 billion lower than in 2019. However, nominal total tax revenues for FY 2021 were \$2.1 billion higher.

FIGURE 6. REAL CUMULATIVE TEXAS STATE TAX REVENUES, FISCAL YEARS 2019-2021

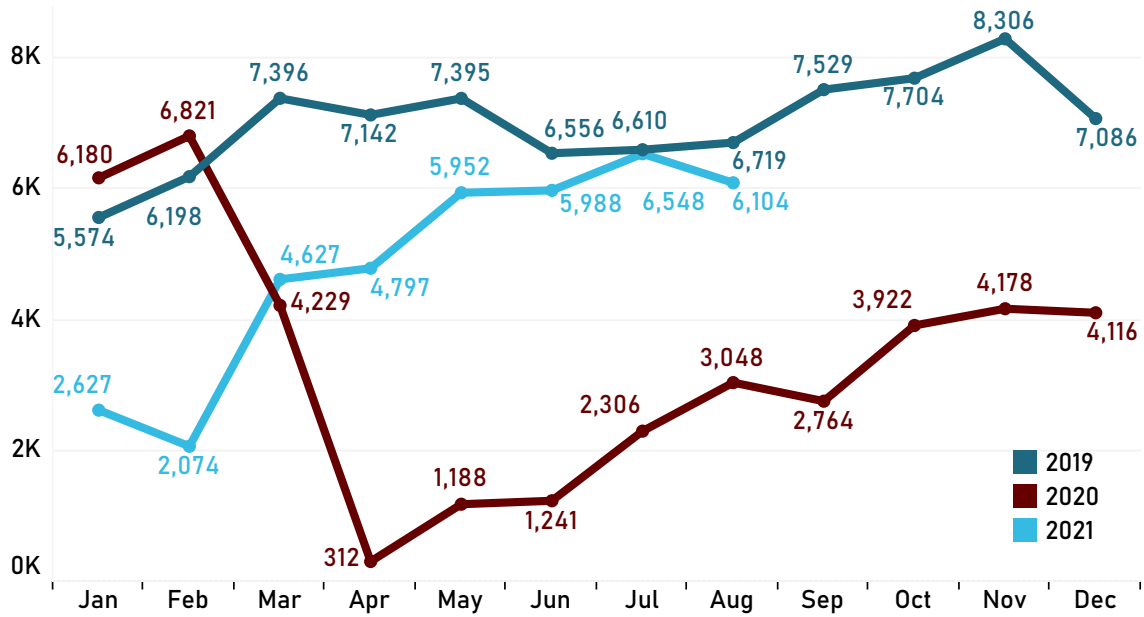


Source: Texas Comptroller of Public Accounts.

AIR TRAVEL OUT OF EASTERWOOD AIRPORT

The number of travelers out of Easterwood Airport from January 2019 to August 2021 is shown in Figure 7. In August, 6,104 travelers departed from Easterwood. This is down 6.8% from the number of travelers in July and was 91% of the count from August 2019. In July, the number of travelers out of Easterwood was 99% of the July 2019 count. Nationally, August’s number of travelers through Transportation Security Administration checkpoints was 77% of the count from August 2019. The national July count was 80% of the July 2019 count. The reversal in air travel’s return to pre-pandemic levels, both locally and nationally, is likely due to travelers’ concerns about the rise in positive COVID-19 cases.

FIGURE 7. EASTERWOOD AIRPORT ENPLANEMENTS BY MONTH, 2019 - 2021



Source: Texas A&M University System.

ENDNOTES

- ¹ See Canas and Phillips, “New Dallas Fed Indicator Tracks Texas Retail Sales,” for a description of the Texas retail sales series. <https://www.dallasfed.org/~media/documents/research/swe/2008/~swe0805b.pdf>
- ² The monthly tax revenues are rebased to July 2021 dollars using the Consumer Price Index.

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 September 14, 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.

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.

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>

Texas Retail Sales Estimate

Federal Reserve Bank of Dallas, Texas Comptroller of Public Accounts, Texas Retail Sales, <https://www.dallasfed.org/research/econdata/txr-sales.aspx>.

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/>

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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