TEXAS A&M UNIVERSITY
Private Enterprise
Research Center

ECONOMIC INDICATORS
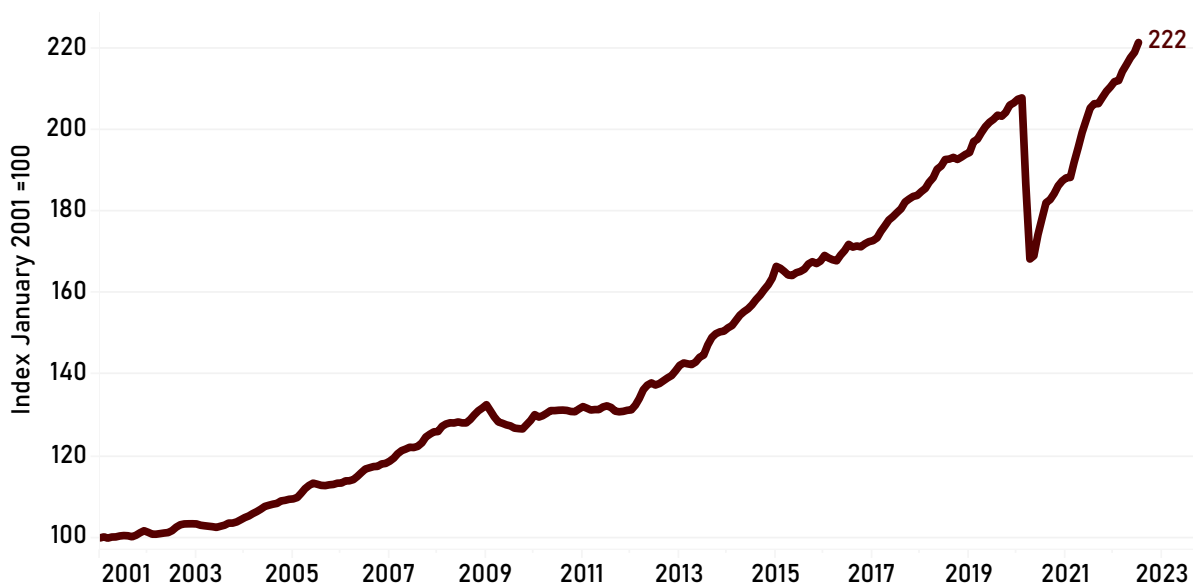OF THE COLLEGE STATION-BRYAN MSA

SEPTEMBER 2022

HIGHLIGHTS

- The Business-Cycle Index increased 1.1% from June 2022 to July 2022.
- The local unemployment rate declined to 3.1% in July 2022.
- July's local nonfarm employment increased by 0.3% from June and was 3.4% higher than its pre-pandemic high in February 2020.
- Local seasonally adjusted real (inflation adjusted) taxable sales increased by 1.2% from June to July 2022.
- Local total quarterly real wages from quarter 1, 2022 were 4.1% lower than in the previous quarter due to a 2% increase in prices and a 2% decline in total wages paid, but were 10% higher than quarter 1, 2021.
- Hotel revenues in Brazos County over the first six months of 2022 were 97% of the revenues during the first six months of 2019.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

The Business-Cycle Index rose by one index point to reach 222 in July 2022, as shown in Figure 1. This was an increase of 1.1% from its June value and resulted from a lower unemployment rate, an increase in nonfarm employment, an increase in inflation adjusted taxable sales and despite a decline in inflation adjusted quarterly total wages paid.
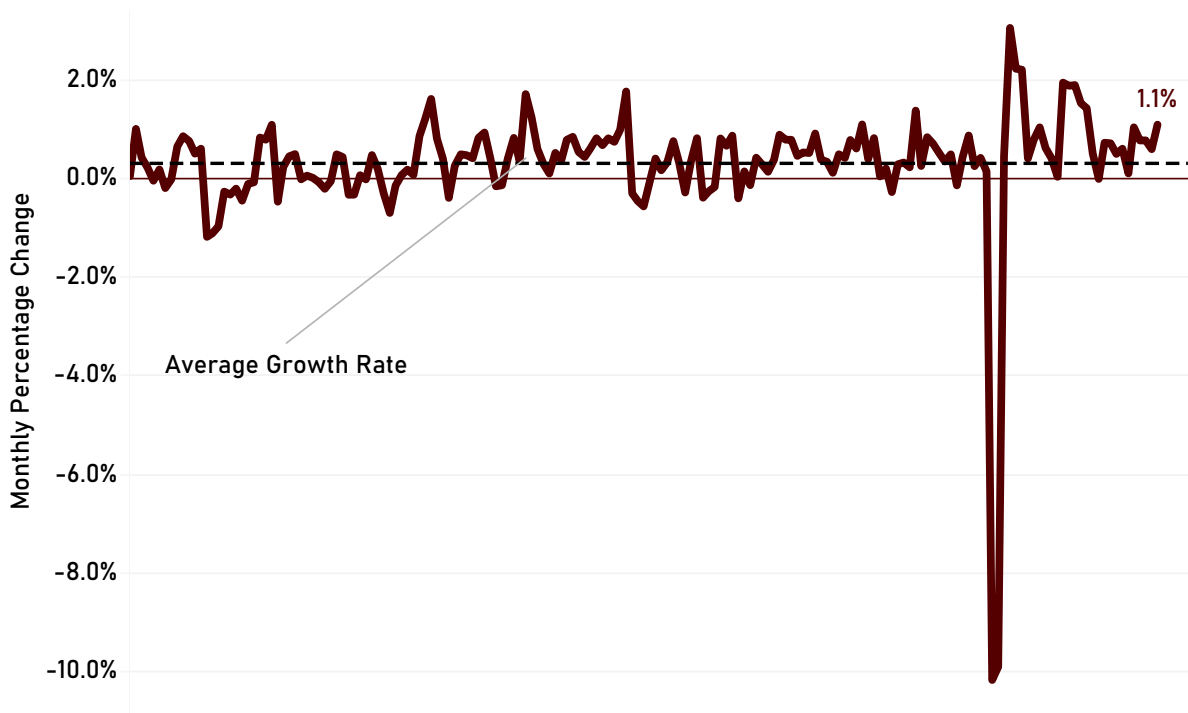
FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

Last reported data point: July 2022 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The 1.1% increase in the CSB Business-Cycle from June 2022 to July 2022 is shown in Figure 2. The local unemployment rate decreased in July and nonfarm employment showed an increase of 398 workers, from 128,849 in June 2022 to 129,247 in July. The third monthly variable, inflation adjusted taxable sales, also increased by 1.2% between June and July. Meanwhile, our fourth series, inflation adjusted quarterly total wages paid, which was updated this month, declined by 4%. The next data release of the quarterly wages for the second quarter of 2022 is scheduled for December 6, 2022.
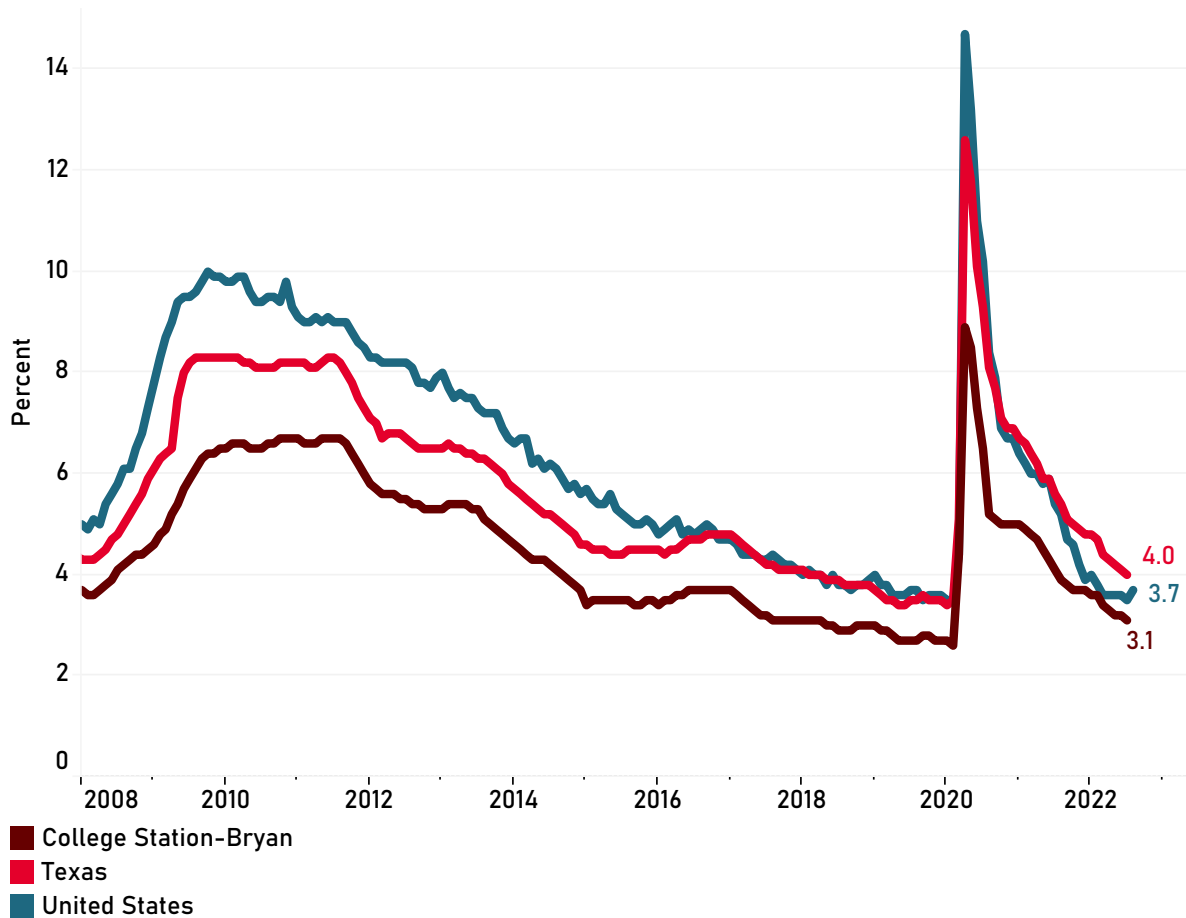
FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

Month-to-month growth rates. Last reported data point: July 2022 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan and for Texas from January 2008 to July 2022, and for the nation as a whole through August 2022. As noted, the unemployment rate in College Station-Bryan declined to 3.1% in July compared to 3.2% in June. The July unemployment rate for Texas fell to 4.0% from 4.1% in June. At the national level, the rate in July was 3.6% and increased to 3.7% for August. The state and metropolitan area employment and unemployment rates for the month of August will be released by the Bureau of Labor Statistics on September 16 and September 28, respectively.

FIGURE 3. UNEMPLOYMENT RATE

Source: Bureau of Labor Statistics. Seasonally adjusted. Last reported data point: July 2022 for College Station-Bryan and Texas, August 2022 for the United States (monthly).
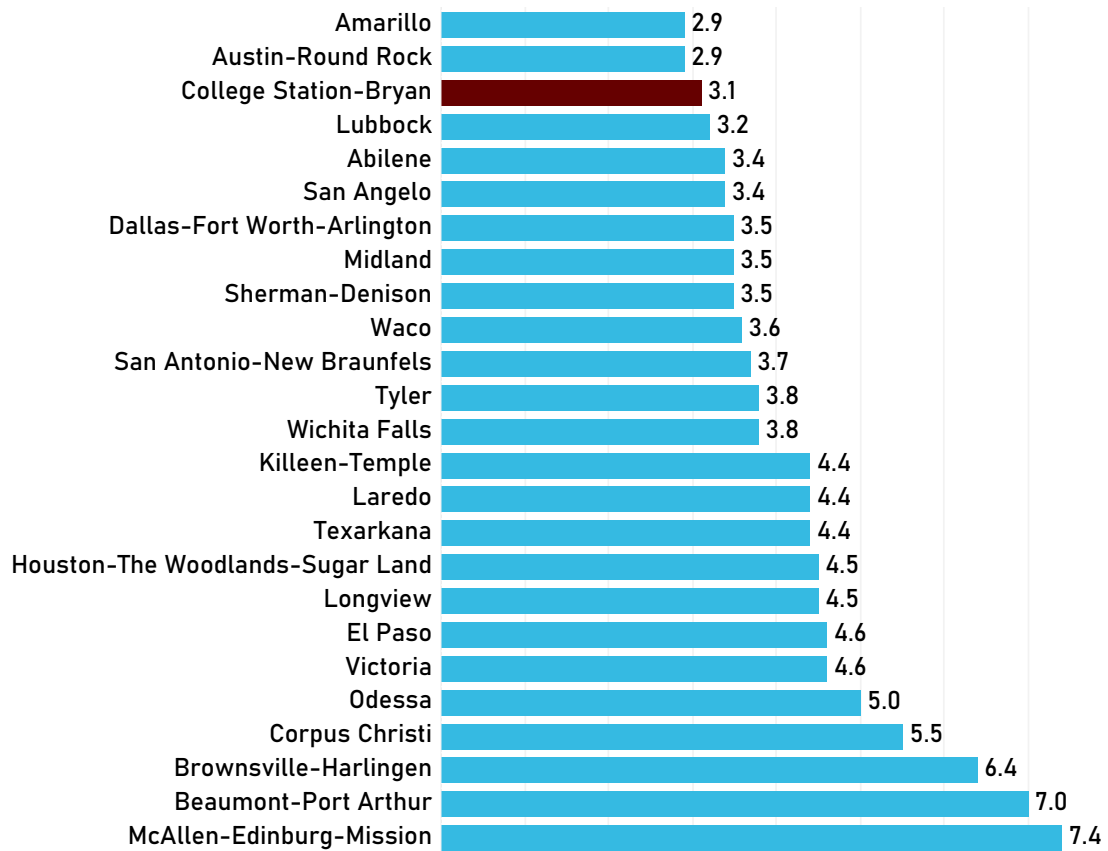
FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month we present the unemployment rates in the Texas Metropolitan Statistical Areas (MSAs) for the month of July, identify local total hotel revenues and revenues per room, and discuss local and national air travel.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts the local unemployment rates for all Texas MSAs for July 2022. College Station-Bryan's rate of 3.1% was second lowest to the 2.9% rate for both Austin-Round Rock and Amarillo. McAllen-Edinburg-Mission, Beaumont-Port Arthur, and Brownsville-Harlingen had the three highest unemployment rates at 7.4%, 7.0%, and 6.4%, respectively. Austin-Round Rock had the lowest unemployment rate among the four largest MSAs, while Dallas-Fort Worth-Arlington's rate was 3.5%, San Antonio-New Braunfels' rate was 3.7%, and Houston-The Woodlands-Sugar Land again had the highest unemployment rate in this group at 4.5%.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, JULY 2022

MSA	Rate
Amarillo	2.9
Austin–Round Rock	2.9
College Station–Bryan	3.1
Lubbock	3.2
Abilene	3.4
San Angelo	3.4
Dallas–Fort Worth–Arlington	3.5
Midland	3.5
Sherman–Denison	3.5
Waco	3.6
San Antonio–New Braunfels	3.7
Tyler	3.8
Wichita Falls	3.8
Killeen–Temple	4.4
Laredo	4.4
Texarkana	4.4
Houston–The Woodlands–Sugar Land	4.5
Longview	4.5
El Paso	4.6
Victoria	4.6
Odessa	5.0
Corpus Christi	5.5
Brownsville–Harlingen	6.4
Beaumont–Port Arthur	7.0
McAllen–Edinburg–Mission	7.4

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, July 2022.
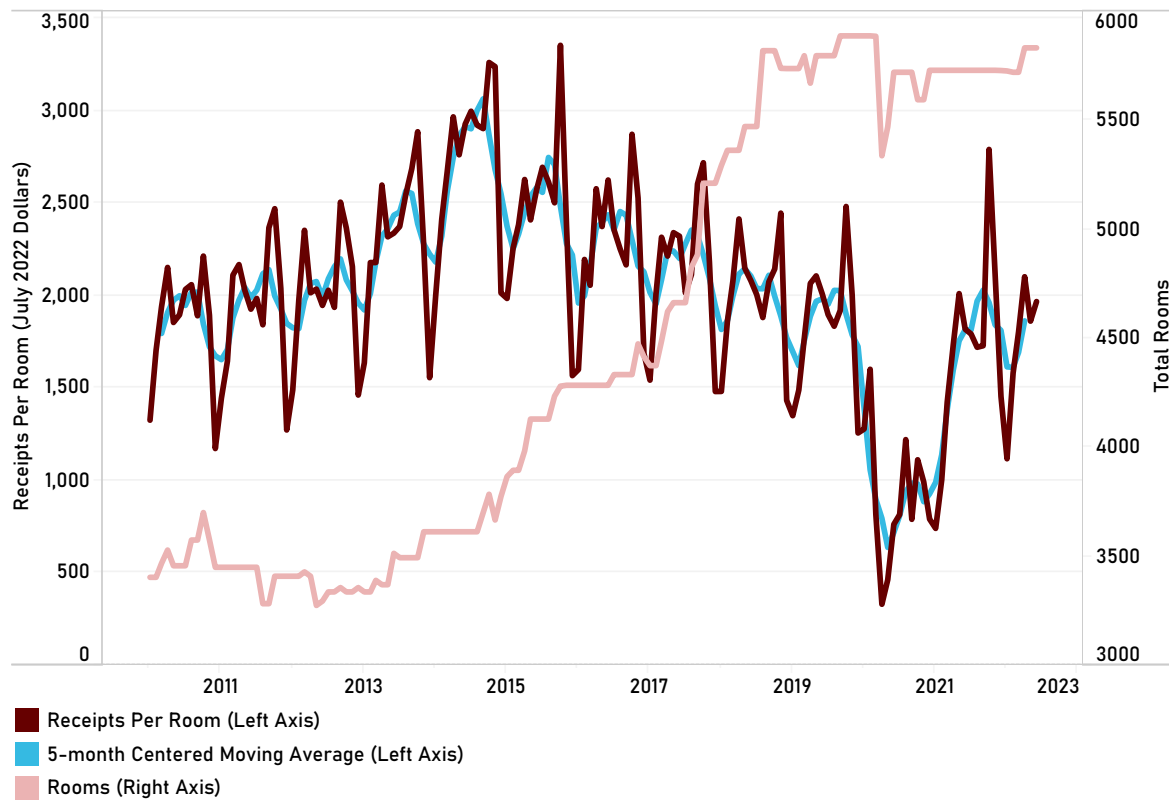
HOTEL RECEIPTS IN BRAZOS COUNTY

Figure 5 presents inflation adjusted hotel receipts per room and the number of hotel rooms available in Brazos County from January 2010 to June 2022. The number of hotel rooms are measured on the right axis and the monthly count is restricted to hotels with at least 15 rooms. Rooms are counted as available in a month if a hotel reports income in that month. The sharp drop in available rooms during 2020 reflects the temporary closure of some hotels at the outset of the pandemic. The number of available rooms grew rapidly between 2014 and 2018 and reached a peak in 2019. The number of rooms available as of June 2022 was 5,833, just short of the 2019 peak.

Two series that track inflation adjusted receipts per room are measured on the left axis. The substantial variation in the average monthly receipts per room and the 5-month centered moving average of the monthly amounts reflects the unique seasonality of local hotel activity. Receipts per room are highest in the fall months, typically October, and are lowest in December and January. The spring months of April and May indicate a secondary high monthly average.

Average monthly room revenues grew from 2010 to 2014 when the number of rooms were relatively stable, but then declined as the number of rooms expanded. In April of 2020, the inflation adjusted average revenue per room was $331 during the pandemic's lockdowns and closures. In October 2021, monthly revenues reached $2,794, their highest level since October 2016.

FIGURE 5. INFLATION ADJUSTED HOTEL RECEIPTS PER ROOM & AVAILABLE ROOM COUNT BRAZOS COUNTY

- **Receipts Per Room (Left Axis)**
- **5-month Centered Moving Average (Left Axis)**
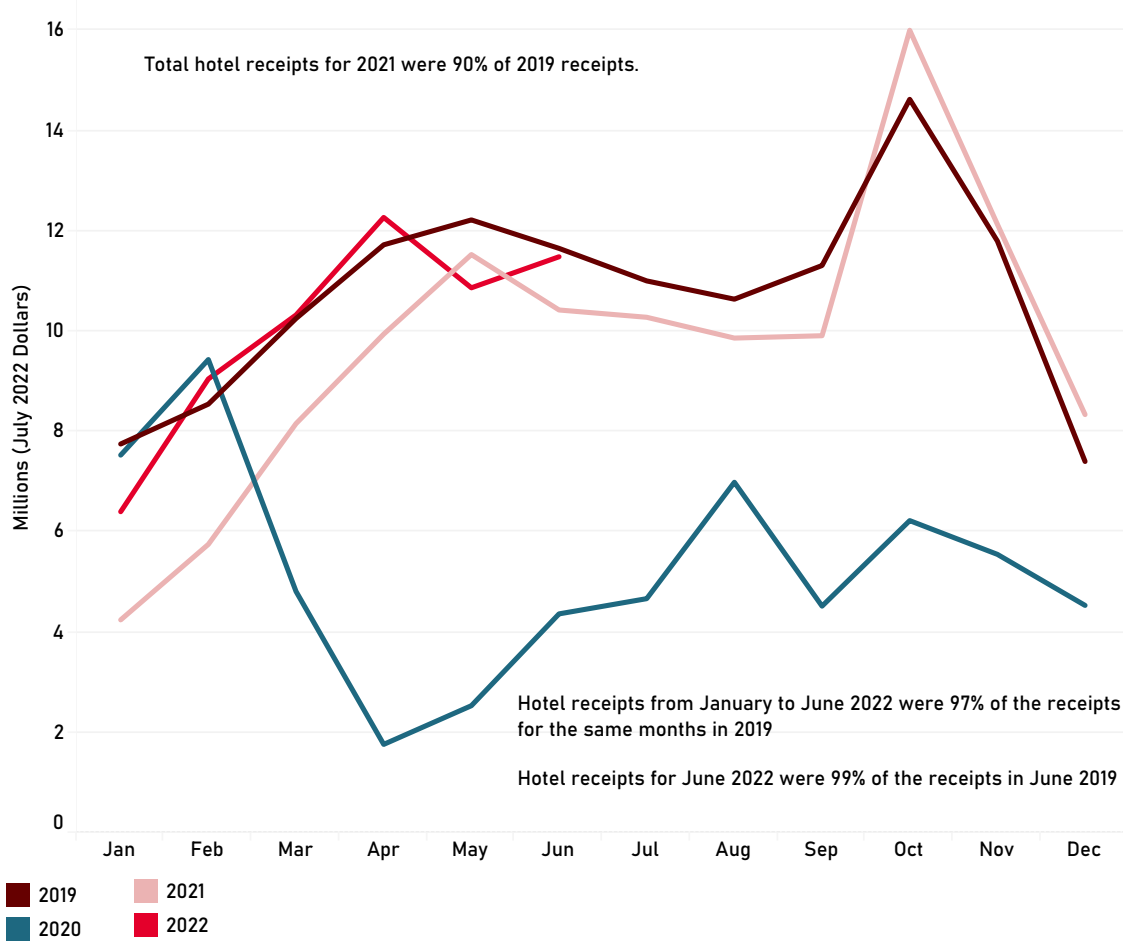- **Rooms (Right Axis)**

Source: Texas Comptroller of Public Accounts; adjustments by the Private Enterprise Research Center. Reflects hotels in Brazos County and dollar values have been adjusted for inflation (July 2022=100). Last reported data point: June 2022.

MONTHLY COMPARISON OF HOTEL RECEIPTS IN BRAZOS COUNTY

Total monthly inflation adjusted hotel receipts in 2019, 2020, 2021, and the first six months of 2022 are graphed in Figure 6. Using the monthly totals for 2019 as reference points, the within-year seasonal cycle is evident with higher revenues in the spring and fall, lower summer revenues, and the lowest revenues in winter. The Covid-19 shutdowns are evident in 2020, as is the partial recovery in 2021. Revenues for the last three months of 2021 exceeded revenues for the same months in 2019. This year, revenues for the first six months were 97% of the revenues during the first six months of 2019. In our most recent month of data, revenues in June 2022 were 98% of the revenues in June 2019.

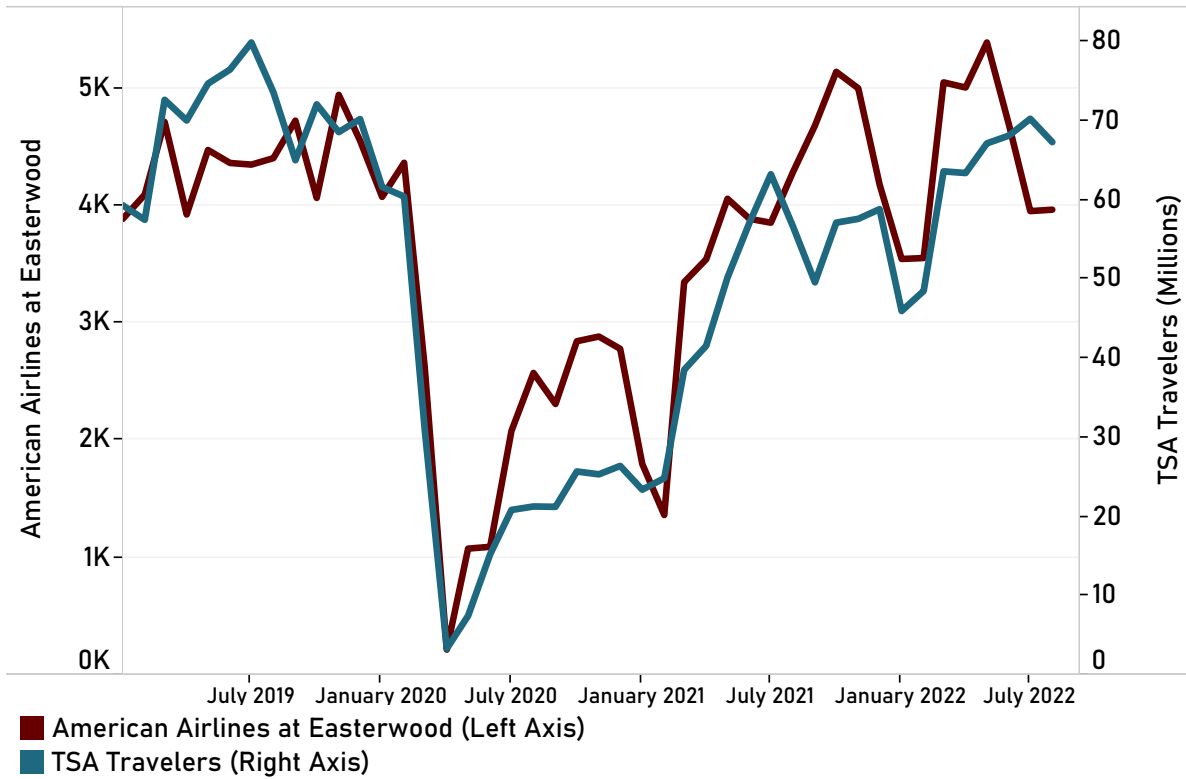## FIGURE 6. INFLATION ADJUSTED HOTEL RECEIPTS, BRAZOS COUNTY

Source: Texas Comptroller of Public Accounts; adjustments by the Private Enterprise Research Center. Reflects hotels in Brazos County and dollar values have been adjusted for inflation (July 2022=100).

AIR TRAVEL

Figure 7 depicts the enplanements at Easterwood Airport on American Airlines (left axis) and the number of travelers passing through Transportation Security Administration (TSA) checkpoints (right axis) from January 2019 to August 2022. As seen in the figure, the national and local passenger counts have followed similar patterns from the beginning of 2019 to the present. Both show substantial declines in 2020 during the first months of the pandemic. Nationally, August's air travel was much higher than travel in August 2020 and 2021, but remains 9% lower than the number of travelers in August 2019. The decline in summer 2022 air travel has been attributed to higher prices, uncertainty about delays brought on by labor and equipment shortages, and to business travel that has yet to rebound to its pre-pandemic level. As with national air travel, the number of travelers out of Easterwood Airport on American Airlines in August 2022 was lower than in August 2021 by 7%, and was lower than August 2019 by 10%. It is, however, 54% higher than the value observed in August 2020, a substantial increase.

FIGURE 7. AMERICAN AIRLINES ENPLANEMENTS AT EASTERWOOD AIRPORT & TOTAL TRAVELERS THROUGH TSA CHECKPOINTS

■ American Airlines at Easterwood (Left Axis)
■ TSA Travelers (Right Axis)

Sources: Texas A&M University System and Transportation Security Administration. Last reported data point September 2022 (monthly).

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

Enplanements at Easterwood Airport
Texas A&M University System based on email request. Received September 7, 2022.

Hotel Receipts
Data retrieved from Texas Comptroller of Public Accounts through Texas Comptroller's Secure Information and File Transfer System, September 2022. https://comptroller.texas.gov/transparency/open-data/hotel-receipts/

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 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.

Travelers through TSA Checkpoints
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

Wages
U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis, Total Quarterly Wages in College Station-Bryan, TX (MSA) [ENUC177830010SA], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/ENUC177830010SA.

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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