



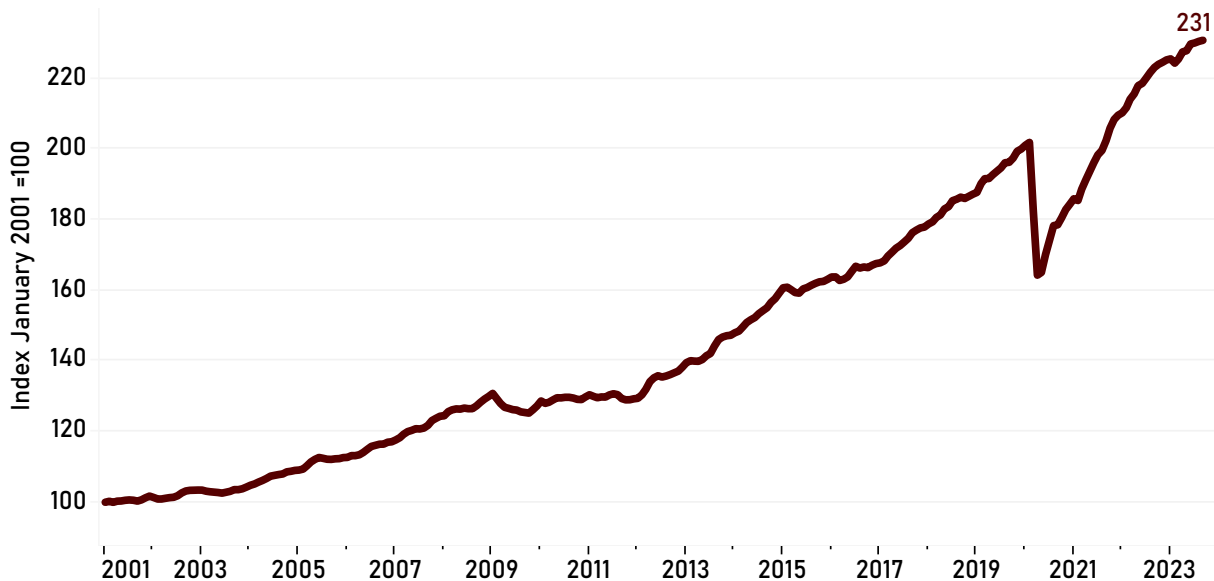
HIGHLIGHTS

- The Business-Cycle Index increased by a few decimal points in September and remained stable at 231 compared to the previous month.
- The local unemployment rate remained unchanged at 3.3% in September 2023 compared to August.
- Local nonfarm employment decreased by 0.05% from August to September.
- September’s inflation-adjusted taxable sales were down by 2.3% from August.
- Cumulative Texas state tax revenues for fiscal year 2023 were \$0.9 billion higher than in fiscal year 2022 at \$83.7 billion.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

The latest Business-Cycle Index value for September 2023 rose by a few decimal points to 231, a 0.13% increase from August. Despite a decrease in inflation-adjusted taxable sales, the increase results mainly from an unchanged unemployment rate, and a minimal decrease in nonfarm employment. The inflation-adjusted quarterly wage payments data series, the fourth variable used in the economic indicator, will be released next month in December.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

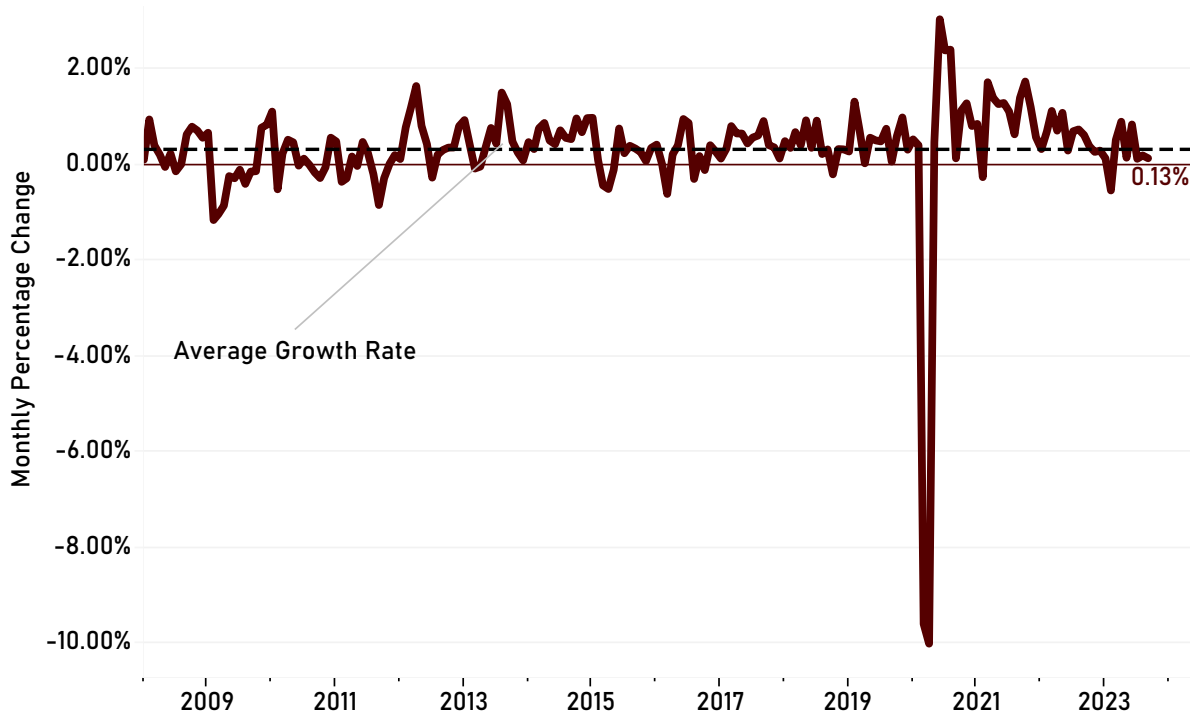


Last reported data point: September 2023 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The 0.13% increase in the CSB Business-Cycle from August 2023 to September 2023 is shown in Figure 2. The increase was driven by the unchanged unemployment rate, and despite decreases in inflation-adjusted taxable sales by 2.3% and a 0.05% decrease in nonfarm employment. Nonfarm employment decreased by 65 workers from 139,495 in August 2023 to 139,430 in September.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

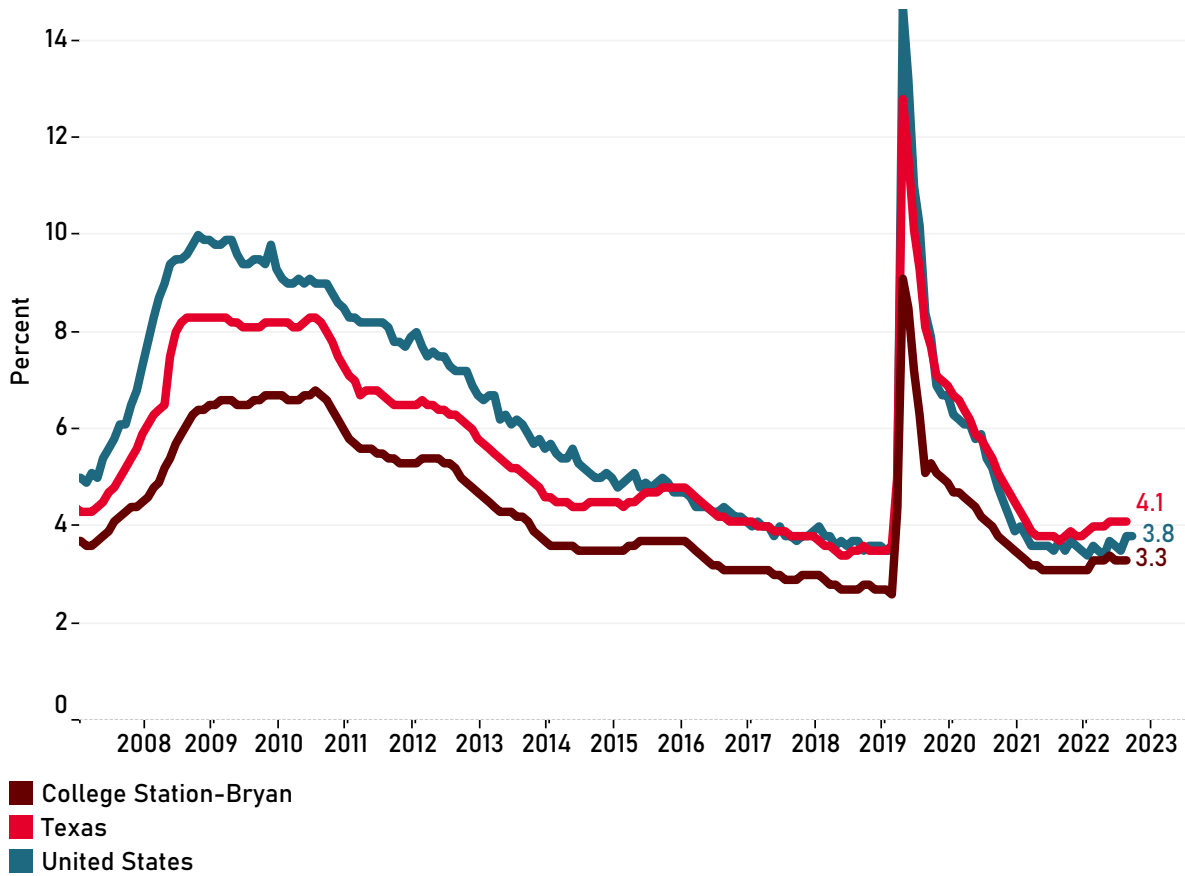


Month-to-month growth rates. Last reported data point: September 2023 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan and Texas from January 2008 to September 2023, and the nation as a whole through October 2023. The unemployment rates in College Station-Bryan remained unchanged at 3.3%. For Texas, the unemployment rate in August and in September was 4.1%. At the national level, the unemployment rate in September was 3.8% and rose to 3.9% in October. The state and metropolitan area unemployment rates for October will be available from the Bureau of Labor Statistics on November 17 and November 30, 2023 respectively.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally Adjusted. Last reported data point: September 2023 for College Station - Bryan and Texas, October 2023 for the United States. Source: Bureau of Labor Statistics.

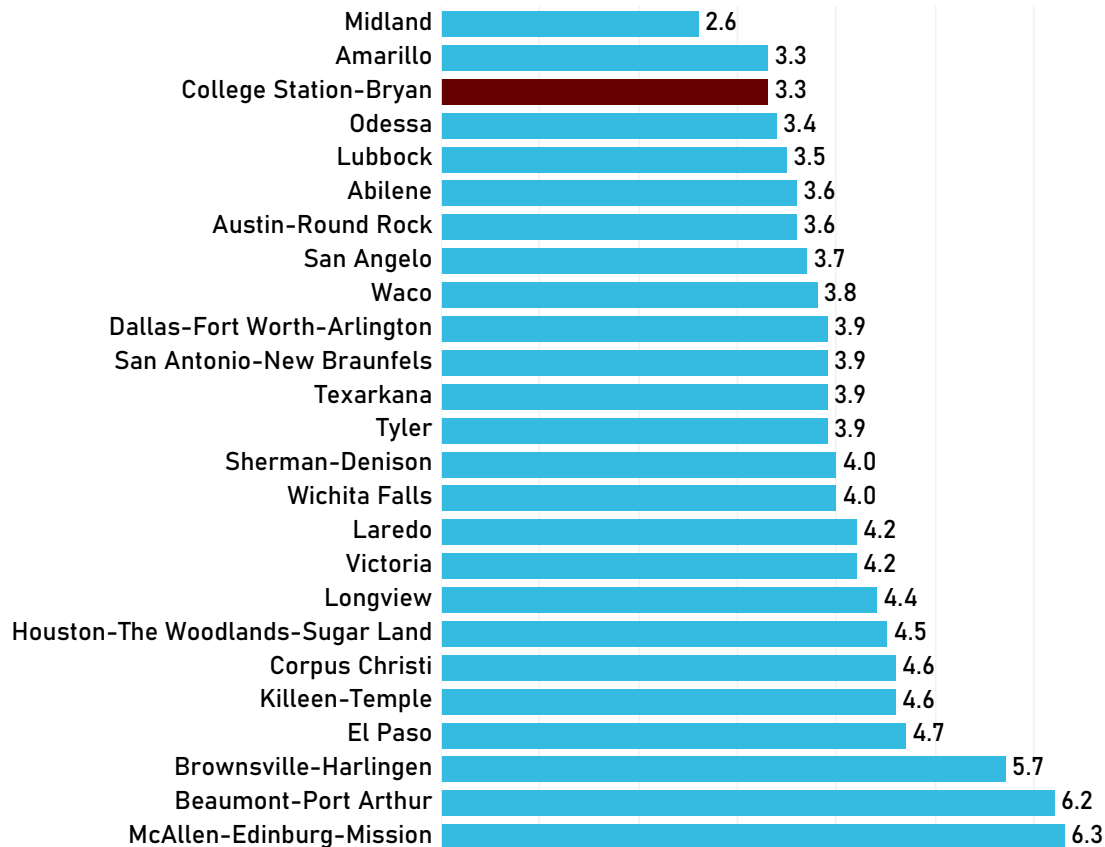
FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month, we present the unemployment rates in Texas Metropolitan Statistical Areas (MSAs) for the month of September. We also discuss the state tax collections in Texas for fiscal years 2019-2024 and break down the major revenue sources for fiscal year 2023. Local and national air travel are also analyzed.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts the local unemployment rates for all Texas MSAs for September 2023. College Station-Bryan's rate of 3.3% is tied with Amarillo at second lowest in the state, behind the 2.6% rate for Midland. McAllen-Edinburg-Mission, Beaumont-Port Arthur, and Brownsville-Harlingen again had the three highest unemployment rates at 6.3%, 6.2%, and 5.7%, respectively. Austin-Round Rock had the lowest unemployment rate among the four largest MSAs at 3.6%, while the rate in Dallas-Fort Worth-Arlington and San Antonio-New Braunfels was 3.9%. Houston-The Woodlands-Sugar Land again had the highest unemployment rate in this group at 4.5%. Of the 25 MSAs reported here, 19 have unchanged unemployment rates and the remaining 6 have lower rates from the previous month.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, SEPTEMBER 2023

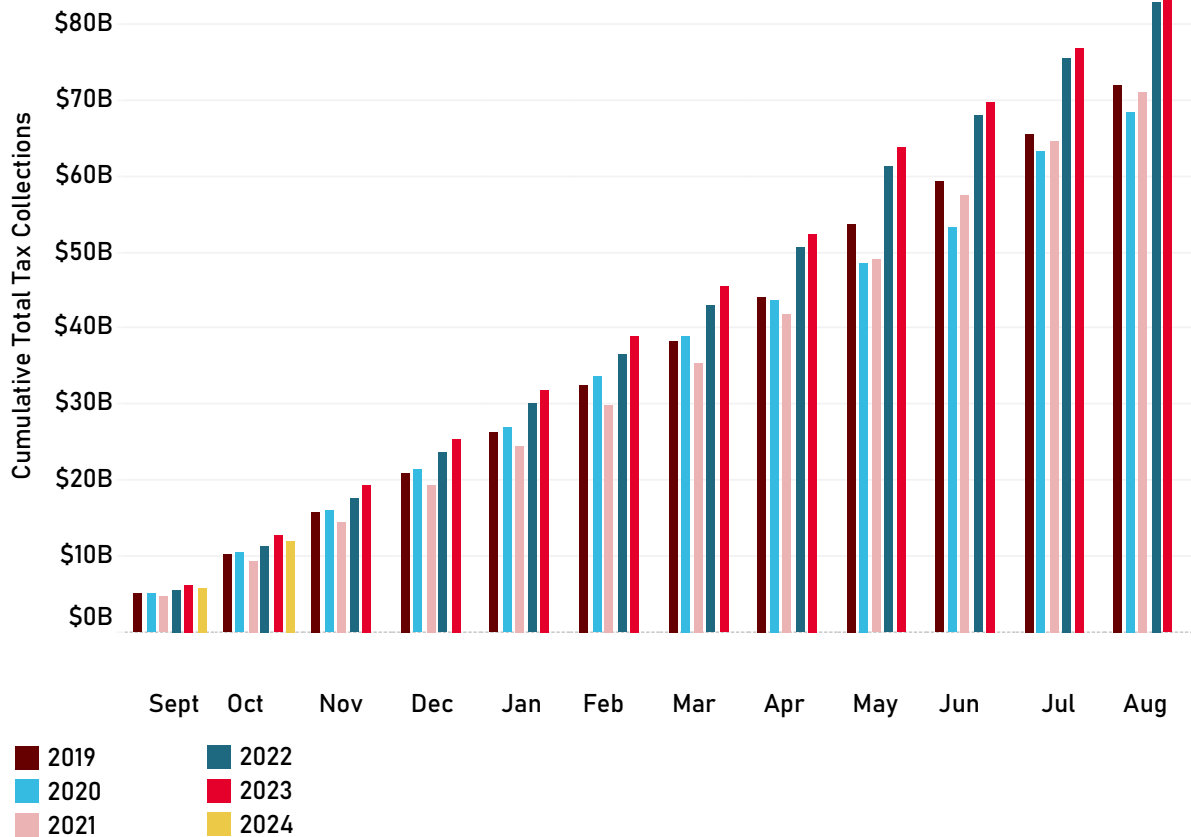


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, September 2023.

TEXAS STATE TAX REVENUES

Inflation adjusted, cumulative Texas state tax revenues by month for fiscal years 2019 to 2024 are shown in Figure 5. In Texas, the fiscal year runs from September to August. These tax revenues are based on the data from the Texas Comptroller. The tax revenues in previous years have been adjusted for inflation for comparability across years. Thus far in the current fiscal year, 2024, tax revenues are available through October. Comparing the series for fiscal years 2019-2023, cumulative tax revenues up to August 2023 were much higher than during previous fiscal years. Cumulative tax revenues through August 2023 were \$83.7 billion, compared to \$82.8 billion through August 2022, \$71 billion in August 2021, \$68.4 billion through August 2020, and \$71.8 billion through August 2019. However, the current fiscal year 2024 cumulative tax revenues for September and October were down compared to the same months in fiscal year 2023 but higher compared to other fiscal years.

FIGURE 5. REAL CUMULATIVE TEXAS STATE TAX REVENUES, FISCAL YEARS 2019-2024

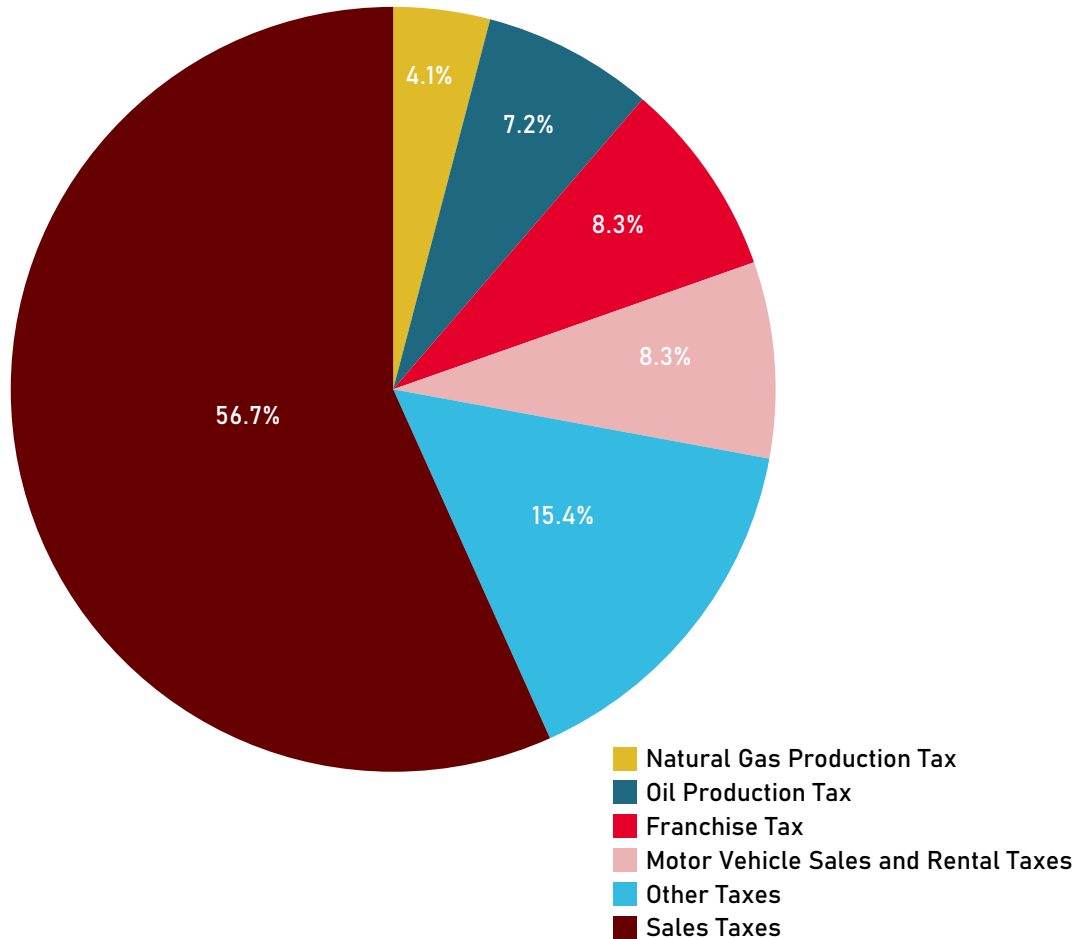


Source: Texas Comptroller of Public Accounts.

COMPOSITION OF TEXAS STATE TAX REVENUES

The state tax revenue collections by major tax revenue source for the fiscal year 2023 are illustrated in Figure 6. For the months between September 2022 and August 2023, sales taxes accounted for 56.7% of state tax revenue. Motor vehicle sales and rental taxes, along with franchise taxes, each represent 8.3% of the total tax collections. Oil production tax and natural gas production tax contributed 7.2%, and 4.1%, respectively. All other major taxes comprise 15.4% of total tax collections. It should be noted that all other major taxes include motor fuel, insurance, cigarette and tobacco, alcoholic beverage, utility, and hotel occupancy taxes.

FIGURE 6. COMPOSITION OF TEXAS STATE TAX COLLECTIONS FOR FISCAL YEAR 2023

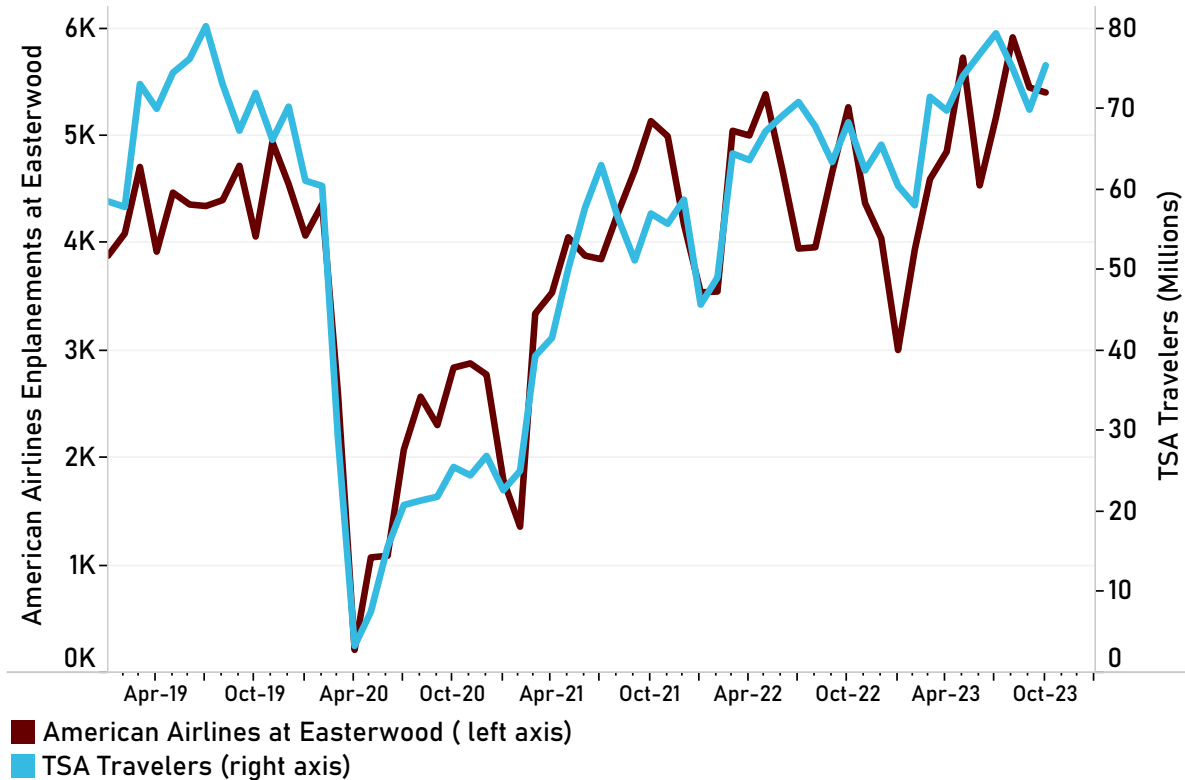


Source: Texas Comptroller of Public Accounts.

AIR TRAVEL

Figure 7 depicts the enplanements at Easterwood Airport on American Airlines (left axis) and the number of travelers nationwide passing through Transportation Security Administration (TSA) checkpoints (right axis) from January 2019 to October 2023. As seen in the figure, the national and local passenger counts have followed similar patterns from the beginning of 2019 to the present. National air travel was up 10% in the twelve months from October 2022 to October 2023. Locally, air travel out of Easterwood Airport on American Airlines in October 2023 was 3% higher compared to the previous year in the same month. However, comparing the previous month September 2023 with October 2023, the local air travel passenger count was down 1% and national air travel passenger count was up by 8%.

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



Last reported data point: October 2023 (monthly). Sources: Texas A&M University System and Transportation Security Administration.

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 November 6, 2023.

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

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.

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>

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.

979.260.1755 | brazosvalleyedc.org



TEXAS A&M UNIVERSITY

Private Enterprise
Research Center

Founded in 1977 through the generosity of former students, corporations and foundations, the Private Enterprise Research Center pursues a dual mission of supporting academic research at Texas A&M University and developing market-oriented solutions to public policy problems.

979.845.7559 | perc.tamu.edu