



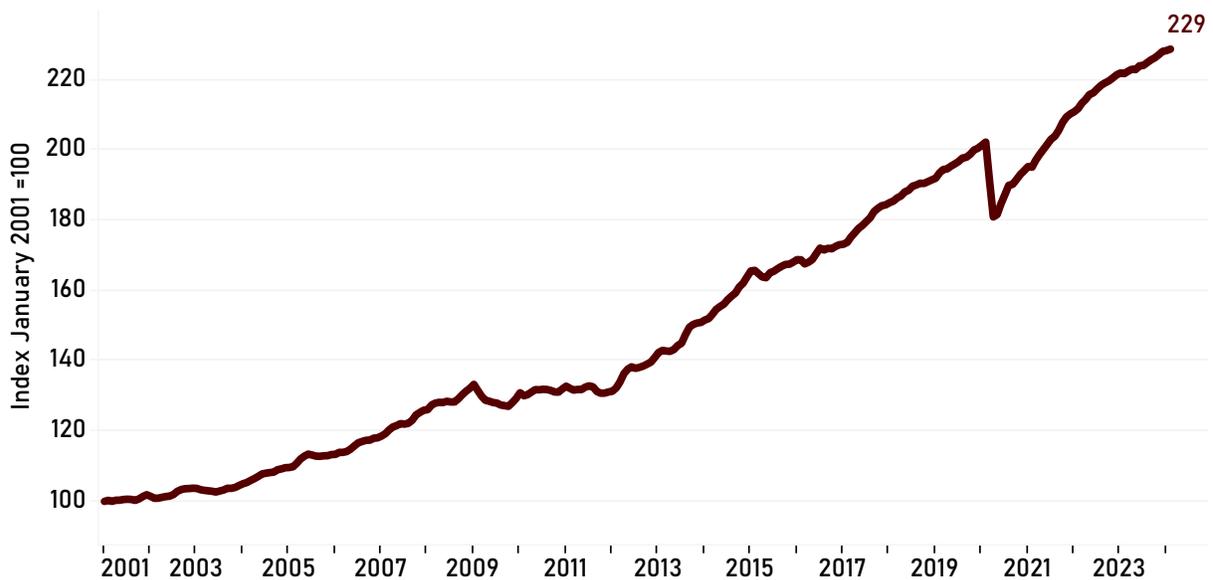
HIGHLIGHTS

- The Business-Cycle Index increased 0.2% from January to February 2024.
- The local unemployment rate for February 2024 was 3.1%, unchanged from the previous month.
- February's local nonfarm employment increased by 0.2% from January 2024.
- Inflation-adjusted taxable sales were down by almost 1% from January 2024 to February 2024.
- Inflation-adjusted quarterly wage payments were down by 1.6% in the third quarter of 2023 compared to the previous quarter.
- College Station - Bryan ranks ninthth-lowest in overall Regional Price Parity and in Regional Housing Price Parity among eleven selected college towns.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

The Business-Cycle Index increased to 229 in February 2024, an increase of 0.2% from its January 2024 value. This small increase, a continuation of the experience in recent months, is the result of an unchanged unemployment rate, an increase in nonfarm employment, and despite a decrease in inflation-adjusted taxable sales.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

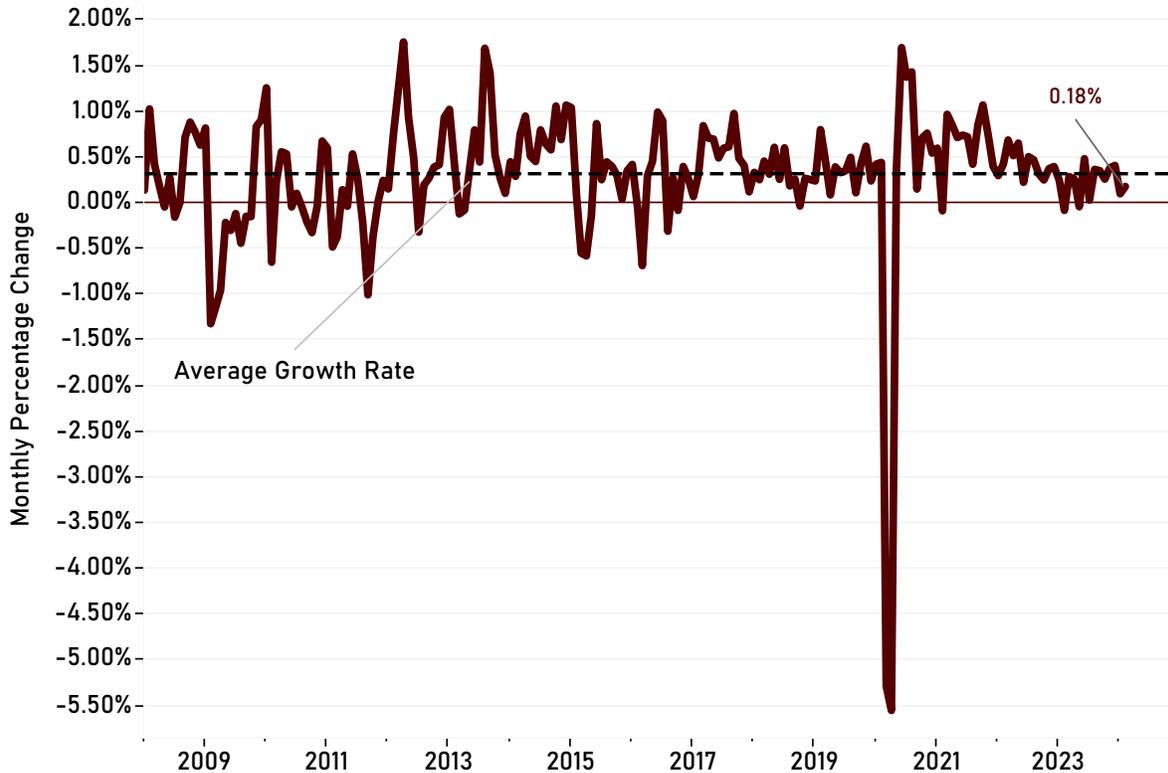


Last reported data point: February 2024 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The 0.2% increase in the CSB Business-Cycle from January 2024 to February 2024 is shown in Figure 2. The local unemployment rate remained unchanged at 3.1% in February from January 2024. The nonfarm employment series increased by 236 workers from 140,464 in January 2024 to 140,700 in February 2024. The third monthly variable, inflation-adjusted taxable sales, decreased by 1% between January and February. The fourth variable used to estimate in the business cycle, quarterly inflation-adjusted total wage payments, was updated using the newly released quarterly CPI this month. Third quarter 2023 wage payments showed a 1.6% decrease in inflation-adjusted quarterly wages from the previous quarter, and a decrease of 1.7% from the previous year.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE



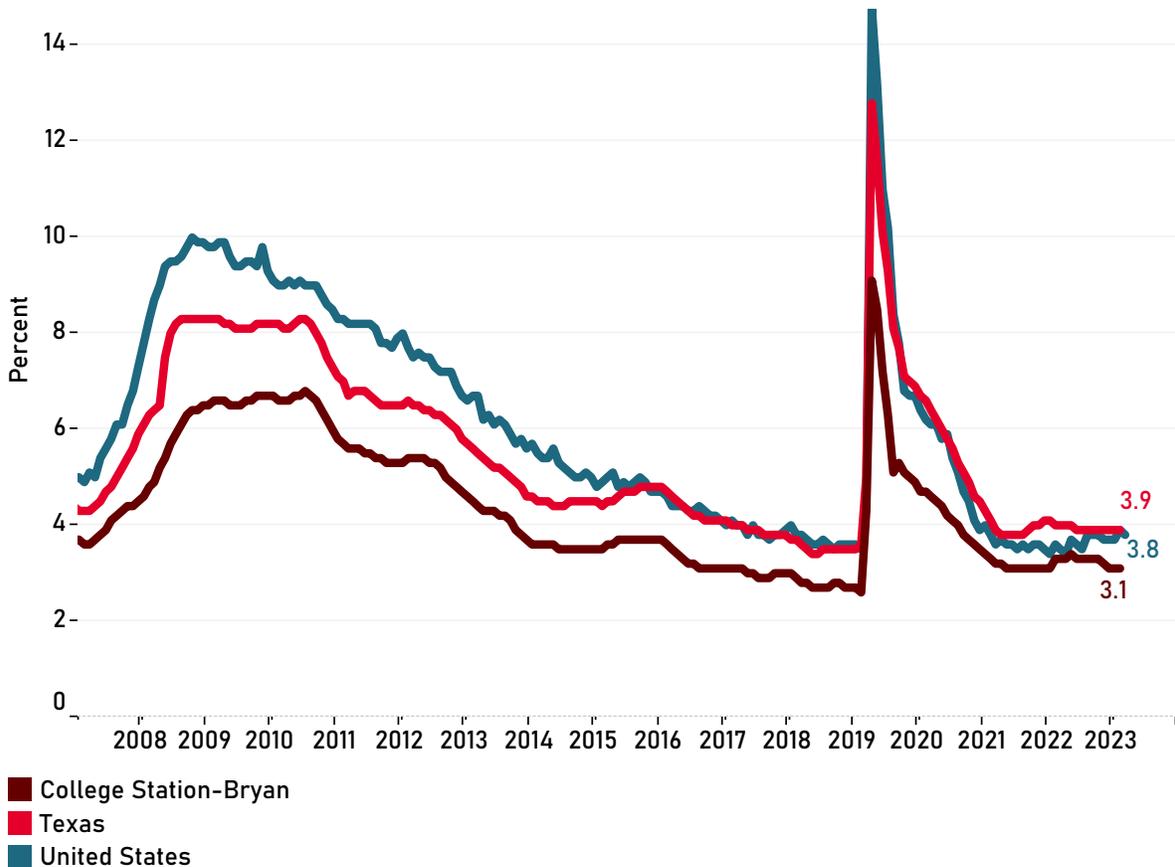
Month-to-month growth rates. Last reported data point: February 2024 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan and for Texas from January 2008 to February 2024, and for the nation as a whole through March 2024. The unemployment rate in College Station-Bryan was 3.1% in February, the same as in January. The Texas rate was 3.9% in February, also unchanged since January. At the national level, the unemployment rate was 3.9% in February, but decreased to 3.8% in March. The state and metropolitan area unemployment rates for March will be released by the Bureau of Labor Statistics on April 19 and May 1, 2024, respectively.

As noted in our previous edition, it is important to keep in mind that a national unemployment rate of 3.8% is considered to be low, both historically and by estimates of what rate is consistent with a non-recessionary economy. For instance, the U.S. Congressional Budget Office's (CBO) 'Non-Cyclical Rate of Unemployment' for 2023 and 2024 is 4.4%. The Federal Reserve System's Summary of Economic Projections has the unemployment rate at 4.1% by the end of 2024 and has the long-run (beyond 2026) unemployment rate also at 4.1%. Using either the CBO or the Federal Reserve numbers as a benchmark, the current 3.8% national rate of unemployment is still indicating a labor market in the expansionary phase of the business cycle.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally Adjusted. Last reported data point: February 2024 for College Station - Bryan and Texas, March 2024 for the United States. Source: Bureau of Labor Statistics.

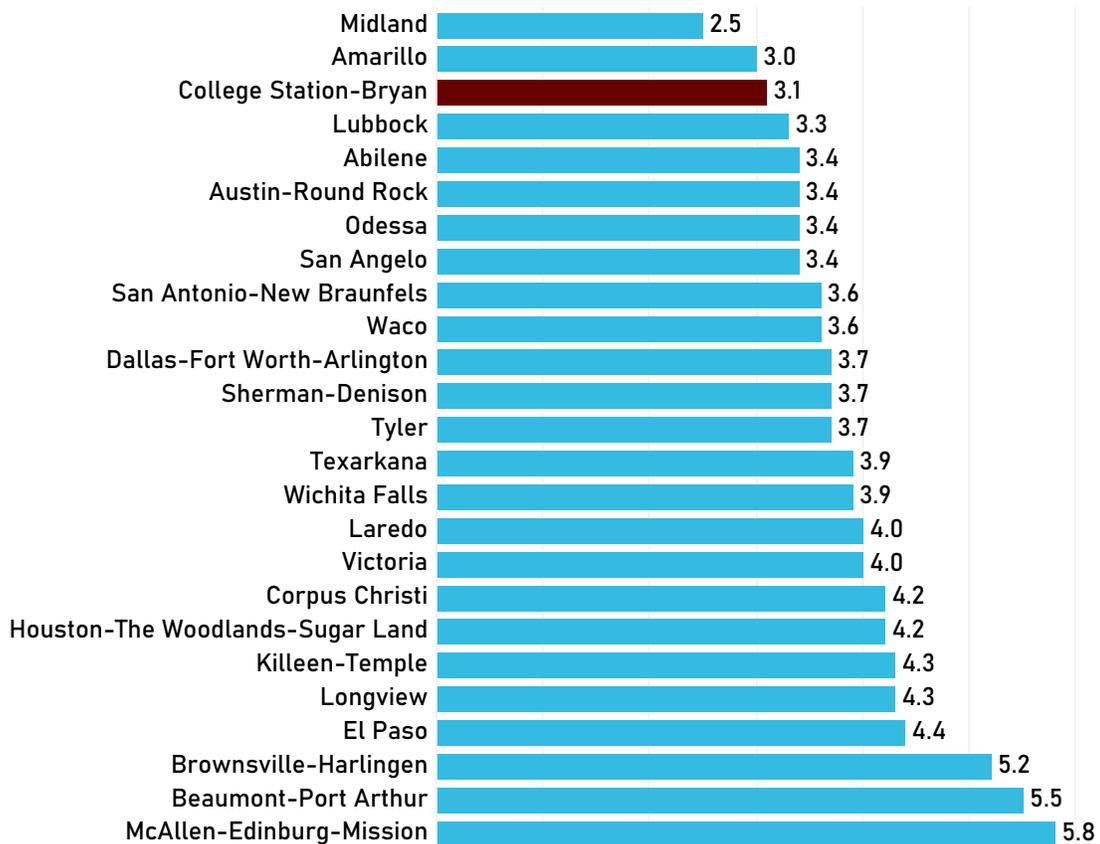
FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month we present the unemployment rates in the Texas Metropolitan Statistical Areas (MSAs) for the month of February. We also delve into the Regional Price Parities (RPP) across Texas MSAs and selected college towns. Regional Price Parities give an approximation of the purchasing power across the selected MSAs. Lastly, we discuss local and national air travel.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts the local unemployment rates for all Texas MSAs for February 2024. College Station-Bryan's rate of 3.1% was the third lowest, behind the 2.5% rate of Midland and 3.0% of Amarillo. At the other extreme, McAllen-Edinburg-Mission, Beaumont-Port Arthur, and Brownsville-Harlingen had the three highest unemployment rates at 5.8%, 5.5%, and 5.2%, respectively. Austin-Round Rock at 3.4% had the lowest unemployment rate among the four largest MSAs, while San Antonio-New Braunfels' rate was 3.6%, Dallas-Fort Worth-Arlington's rate was 3.7%, and Houston-The Woodlands-Sugar Land again had the highest unemployment rate in this group at 4.2%. Of the 25 MSAs in Texas, 17 of them reported unchanged unemployment rates for February compared to the previous month, while 6 of them had increased unemployment rates and 2 of them were lower compared to January.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, FEBRUARY 2024



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, February 2024.

REGIONAL PRICE PARITIES

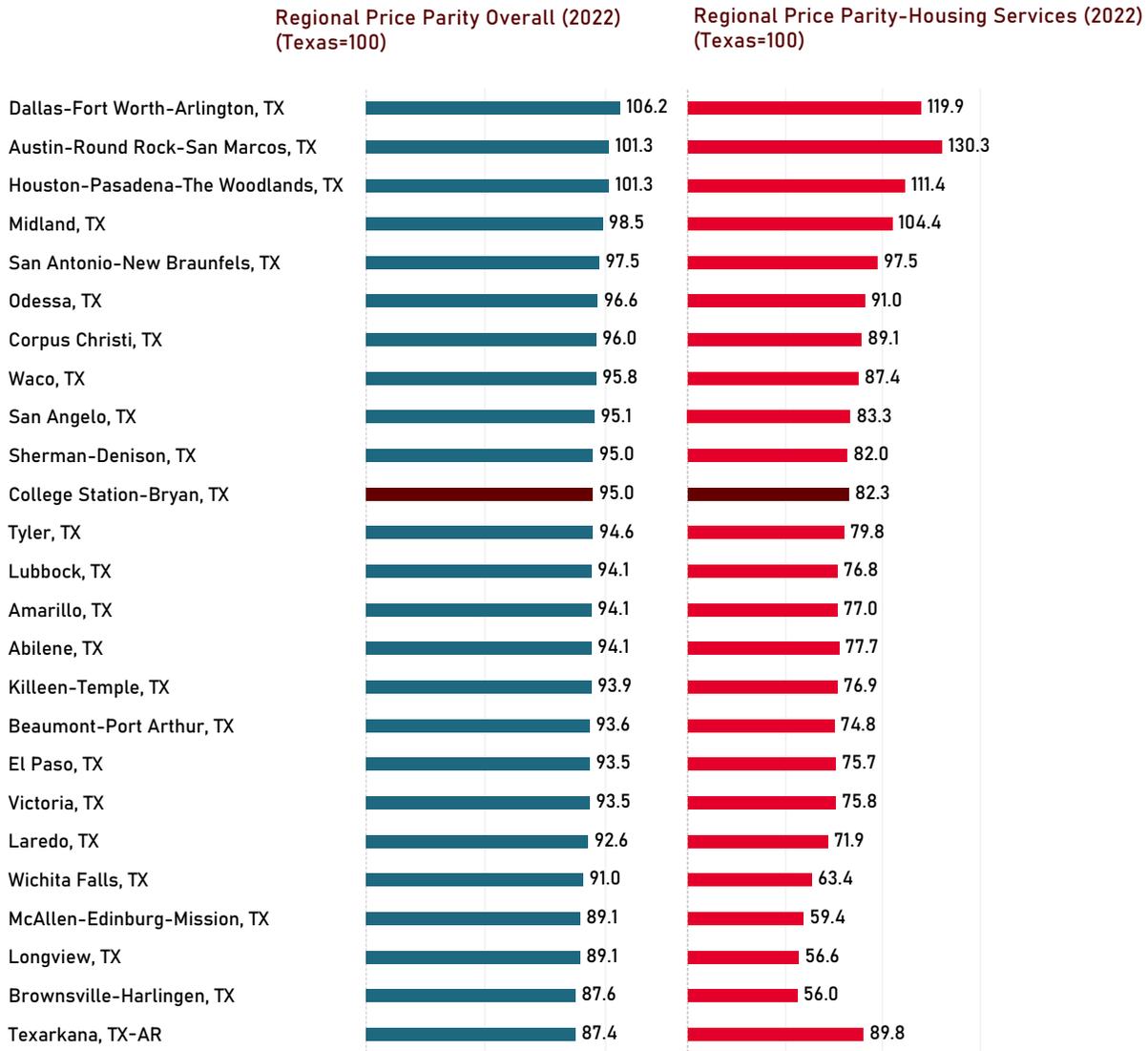
The Bureau of Economic Analysis (BEA) produces data for states and for metropolitan statistical areas on what it calls Regional Price Parities. These are annual data, and for each area express the price level as a fraction of the national price level (with the national price level normalized to 100). The BEA states, “Regional Price Parities measure the differences in price levels across states and metropolitan areas for a given year and are expressed as a percentage of the overall national price level.” The overall RPP is derived using a multilateral price aggregation index that combines the CPI price relatives for goods and services,¹ the American Community Survey’s price relatives for housing rents and utilities,² and expenditure weights from the PCE by-state series.³ In other words, RPP quantifies place-based price differences by using a weighted average of the price levels of goods and services (housing, utilities and others).

REGIONAL PRICE PARITIES FOR 25 TEXAS MSAs

Figure 5 lists the RPPs Overall and RPPs-Housing Services for the 25 MSAs in Texas. RPP-Housing Services are relative price levels of housing rents for each housing unit that is tenant-occupied within the MSA. The MSA with the overall highest prices in 2022 was Dallas-Fort Worth-Arlington with an RPP Overall of 106.2, indicating its prices were 6.2% higher than the statewide price level. Austin-Round Rock-San Marcos ranked second at 101.3, and Houston-Pasadena-The Woodlands placed third at 101.3. The fourth of the largest Texas cities, San Antonio-New Braunfels, was fifth on the list at 97.5, indicating prices that were 2.5% lower than the statewide level. College Station-Bryan ranked eleventh on the list at 95.0, indicating prices were 5.0% lower than the statewide level. At the bottom of the ranking was Texarkana with a RPP of 87.4, indicating prices 12.6% lower than the statewide average. Brownsville-Harlingen ranked second-to-last at 87.6, indicating prices 12.4% lower than the statewide average.

The MSA with the highest prices for housing services was Austin-Round Rock-San Marcos with a RPP Housing at 130.3, or 30.3% higher than the state average for housing services. They were followed by Dallas-Fort Worth-Arlington at 119.9, and Houston-Pasadena-The Woodlands at 111.4. The RPP Housing for the next biggest city, San Antonio-New Braunfels, was again fifth in this list at 97.5, or 2.5% lower than the state average in housing. The price levels for housing in College Station Bryan were 17.7% lower than the state housing average.

FIGURE 5. REGIONAL PRICE PARITIES, OVERALL , HOUSING, (2022) FOR TEXAS MSAs



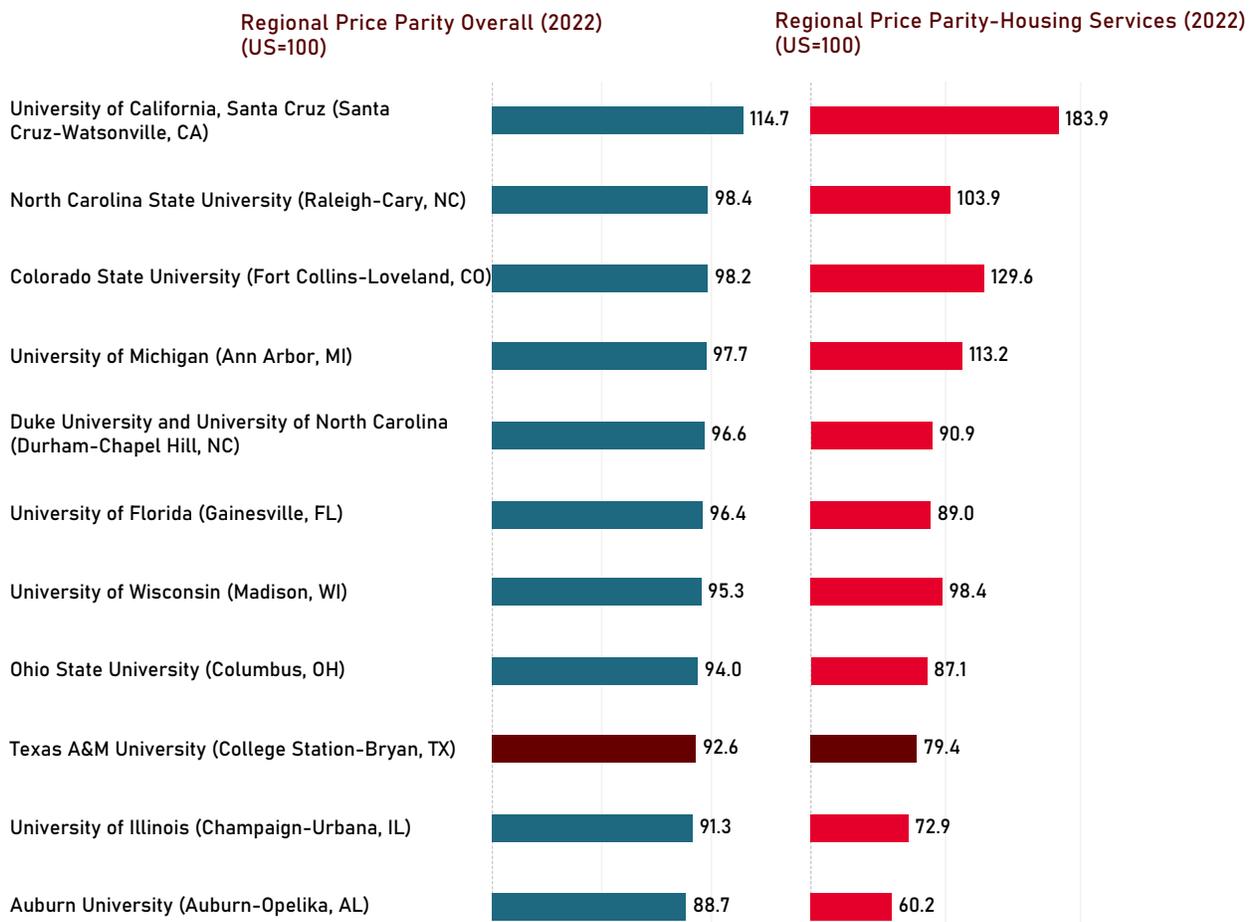
Source: Bureau of Economic Analysis.

REGIONAL PRICE PARITIES FOR SELECT COLLEGE TOWN MSAS

Figure 6 lists the RPPs Overall and RPPs for Housing Services for a selected group of “college town MSAs” comparable to the situation of Texas A&M University in College Station-Bryan. These are Santa Cruz-Watsonville, CA, home of University of California, Santa Cruz; Raleigh-Cary, NC, home of North Carolina State University; Durham Chapel Hill, NC where University of North Carolina and Duke University both reside; Fort Collins-Loveland, CO, where Colorado State University is located; Ann Arbor, MI, home to University of Michigan; Gainesville, FL, where University of Florida resides; Madison WI, home to University of Wisconsin; Columbus, OH, the location of Ohio State University; Champaign-Urbana, IL home to University of Illinois; and Auburn-Opelika, AL, the location of Auburn University. For each of these MSAs, the RPP value is reported and scaled so that the RPP value for the USA, nationwide, is 100⁴

All the selected college towns have lower price levels overall compared to the national average, except Santa Cruz-Watsonville, CA.⁵ This MSA also leads in the RPP for housing services among these eleven MSAs. Santa Cruz-Watsonville’s RPP for housing indicates its prices were 83.9% higher than the nationwide level, and its overall RPP was 14.7% higher than the nationwide level. Among the remaining MSAs, Raleigh-Cary, NC had the highest Overall RPP at 98.4, while Auburn-Opelika, AL had the lowest at 88.7. College Station-Bryan ranked ninth in both the Overall RPP, at 92.6, and the RPP-Housing Services, at 79.4 among these selected college towns.

FIGURE 6. REGIONAL PRICE PARITIES, OVERALL & HOUSING, FOR SELECT COLLEGE TOWN MSAs, 2022

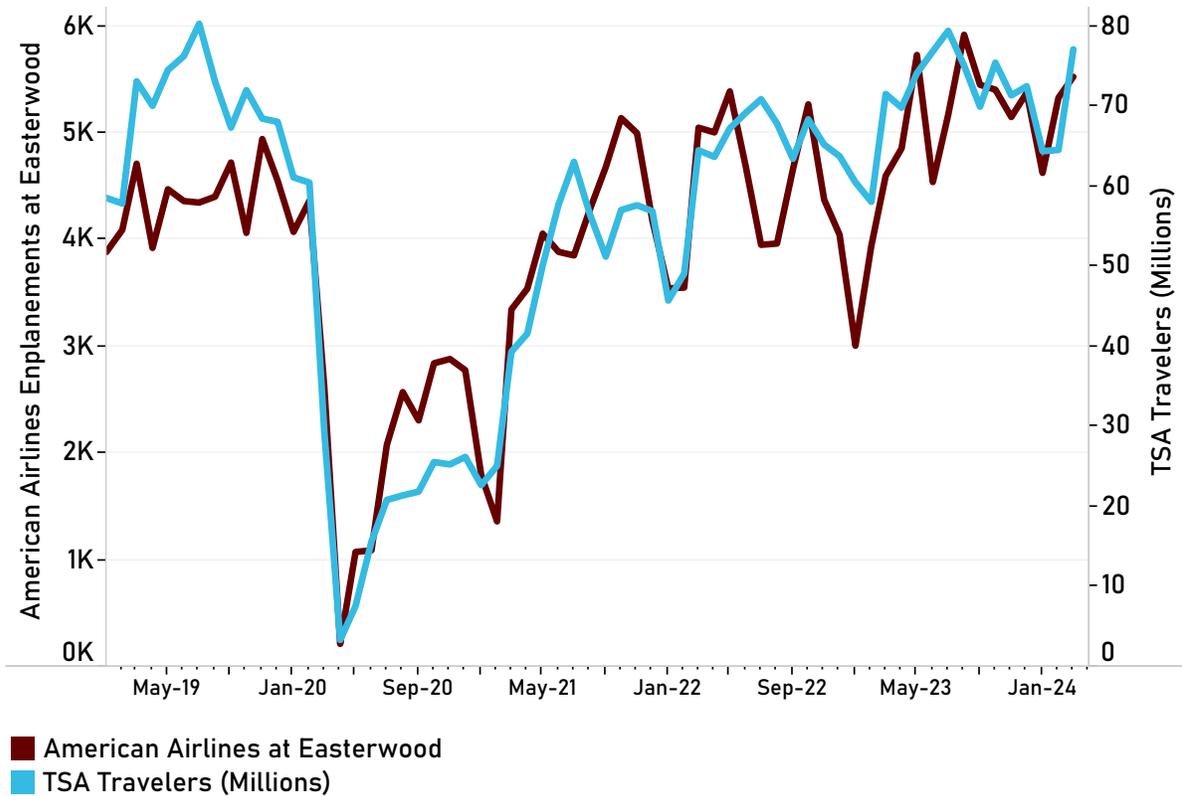


Source: Bureau of Economic Analysis.

AIR TRAVEL

Figure 7 depicts 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 through March 2024. The national and local passenger counts have followed similar patterns from the beginning of 2019 to the present. National air travel was up 8% in March 2024 compared to March 2023. Locally, air travel out of Easterwood Airport on American Airlines during the twelve months from March 2023 to March 2024 was 14.3% higher than during the twelve months from March 2022 to March 2023. Just comparing March 2024 to the preceding month, local and national air travel passenger counts were up by 3.6% and 19.4%, respectively.

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



Source: Last reported data point: March 2024 (monthly). Sources: Texas A&M University System and Transportation Security Administration.

ENDNOTES

- ¹ CPI-Consumer Price Index , published by Bureau Of Labor Statistics.
- ² ACS PUMS-American Community Survey, Public Use Microdata Sample published by U.S. Census Bureau.
- ³ PCE- Personal Consumption Expenditure published by Bureau of Economic Analysis.
- ⁴ RPP Overall and RPP Housing of College Station- Bryan in Figure 5 is different from RPP Overall and RPP Housing in Figure 6. Figure 5 values are based on Texas=100.
- ⁵ Santa Cruz-Watsonville MSA which hosts the University of California System, UC Santa Cruz is selected because of its comparable population estimates (source: US. Census Bureau) with College Station Bryan MSA.

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 April 4, 2024.

Federal Reserve Median Unemployment Rate Projection for 2024

Summary of Economic Projections, December 13, 2023 (federalreserve.gov)

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

Noncyclical Rate of Unemployment

U.S. Congressional Budget Office, Economic Projections for Feb 2024: Budget and Economic Data | Congressional Budget Office (cbo.gov)

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>

Regional Price Parities

Bureau of Economic Analysis (BEA), GDP and Personal Income, accessed on April 11, 2024.

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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