



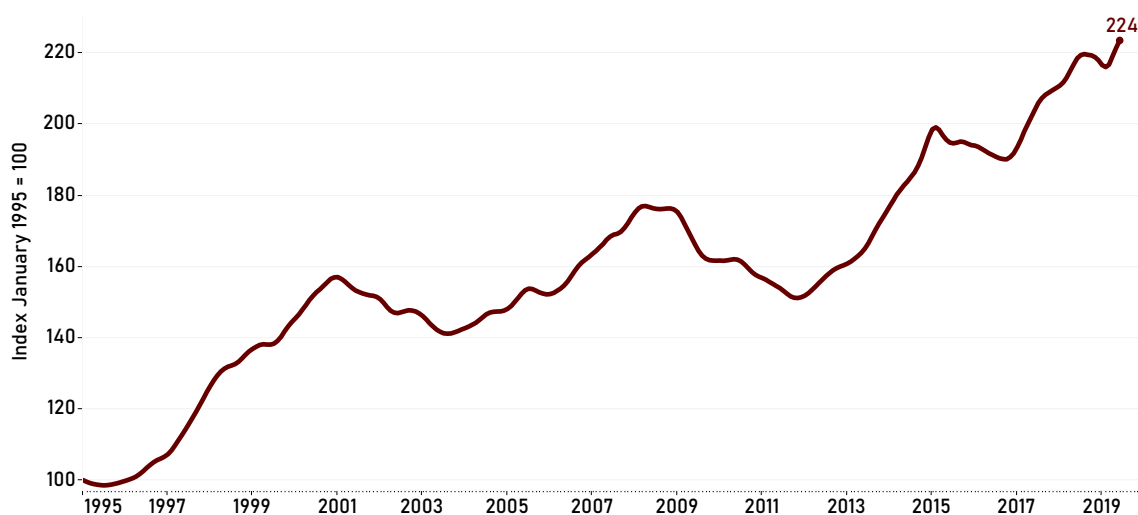
## HIGHLIGHTS

- The Business-Cycle Index rose almost 1% between May and June of 2019. The local economy is in good shape and has had positive growth for the last four months.
- The seasonally adjusted unemployment rate decreased to 2.7%, a new historical low for the College Station-Bryan metropolitan statistical area.
- Nonfarm employment dropped marginally by 0.1% from May to June. On a year-to-year basis, nonfarm employment has grown 1.5%.
- Real taxable sales increased by 2.1% in June and is up 3.5% from its level in June 2018.
- This month, the focus section compares employment and earnings in the healthcare sector and Medicare spending per enrollee in the local area to other MSAs in the state of Texas.

## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

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

**FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX**

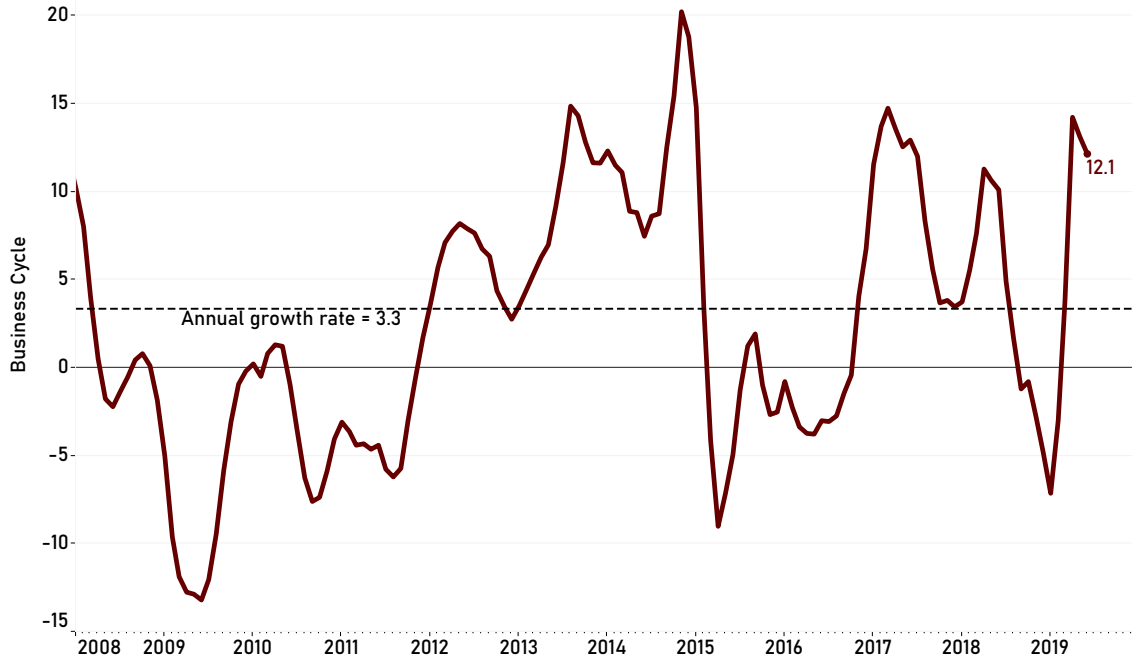


Last reported data point: June 2019 (monthly). Source: Private Enterprise Research Center.

## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle Index grew by 0.96% between May and June, a robust annualized rate of 12.1%. The increase in the Business-Cycle Index is due primarily to the third consecutive month of decline in the already-low seasonally adjusted unemployment rate. Taxable sales increased from the previous month, while nonfarm employment decreased slightly. The final metric used in estimating the business-cycle, real total wages, is released on a quarterly basis and will be updated next month.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

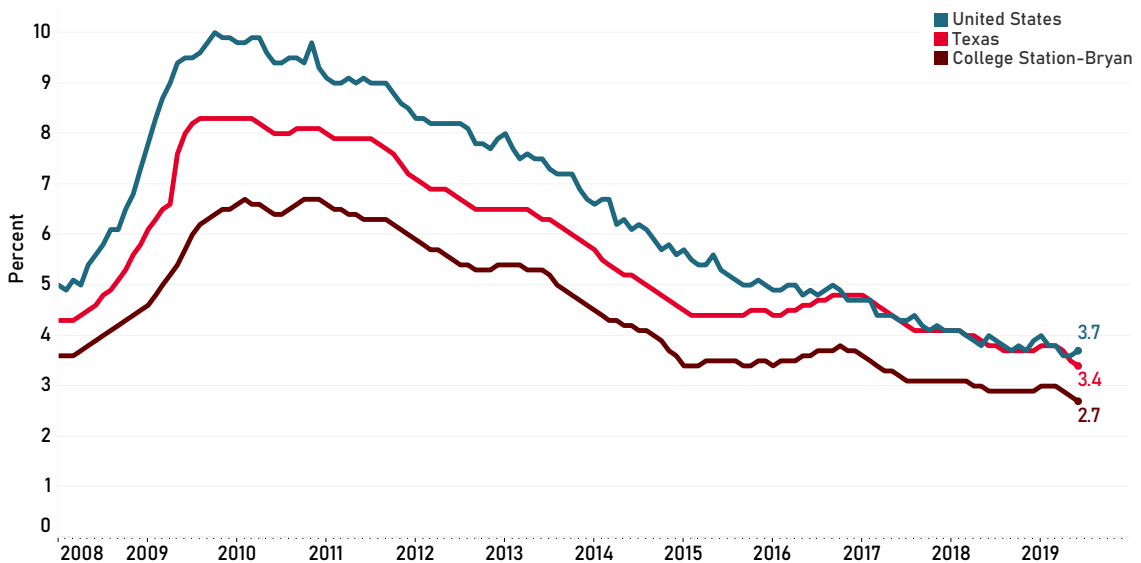


Annualized month-to-month growth rates. Last reported data point: June 2019 (monthly). Source: Private Enterprise Research Center.

### UNEMPLOYMENT RATE

The local seasonally adjusted unemployment rate decreased from 2.8% to 2.7% for the month of June, a new historic low. The Texas statewide unemployment rate also decreased from May to June from 3.5% to 3.4%, also a new record low since 1976. Meanwhile, the national unemployment rate increased slightly from its May level of 3.6% to 3.7%.

FIGURE 3. UNEMPLOYMENT RATE



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

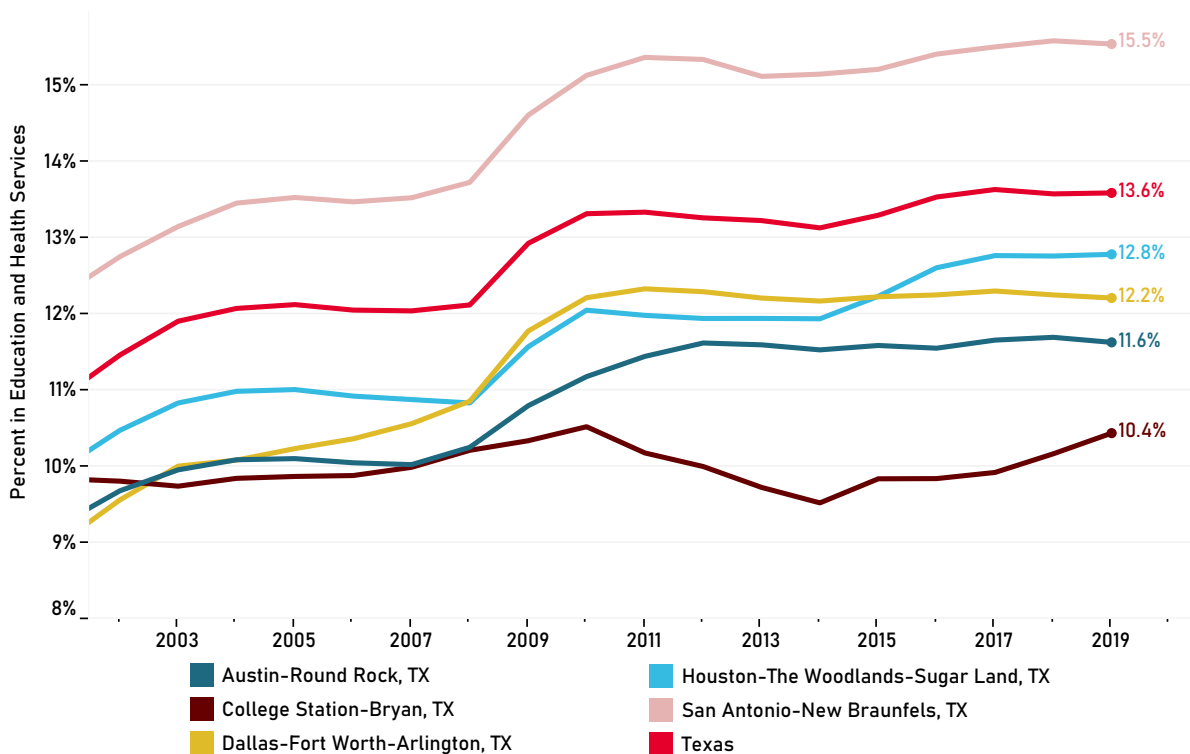
## FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month, the focus section looks at several metrics related to the Health Services industry in the CSB MSA along with comparisons to other MSAs in the state of Texas. The first figure depicts the share of total employment in the Education and Health Services industries in selected metro areas of Texas. The second figure displays the share of all earnings that are paid to workers in Health Care and Social Assistance. Our last figure presents the average Medicare costs for fee-for-service Medicare beneficiaries.

### EDUCATION AND HEALTH SERVICES EMPLOYMENT

Figure 4 presents the share of total nonfarm workers employed in the Education and Health Services industries.<sup>1</sup> Among our selected metro areas, employment in Education and Health Services in College Station-Bryan accounts for the lowest share of total employment at 10.4% for the first 6 months of 2019. Employment in this industry was highest in San Antonio, at 15.5%; in Houston it accounted for 12.8%; in Dallas, 12.2%; and in Austin, 11.6%.

FIGURE 4. SHARE OF AREA EMPLOYMENT ATTRIBUTED TO EDUCATION AND HEALTH SERVICES

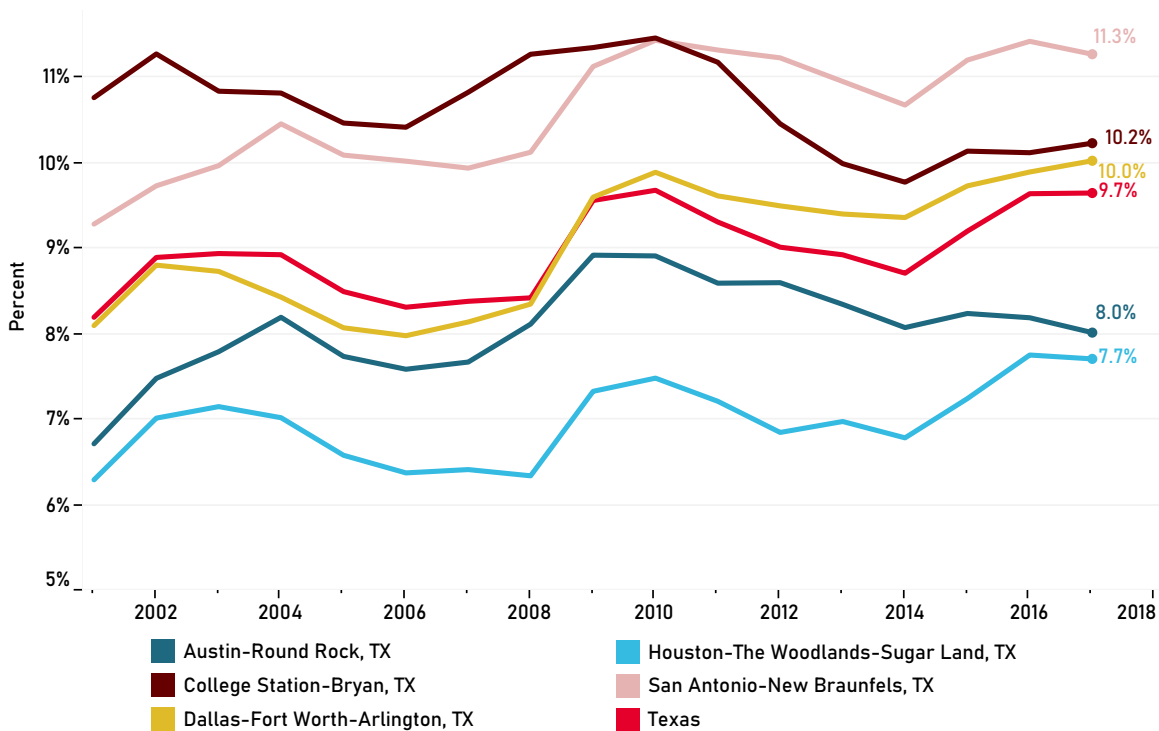


Last reported data point: 2019 (Annual). Source: Bureau of Labor Statistics. Levels for 2019 represent the average of the available months (January to June).

## EARNINGS IN THE HEALTH CARE SECTOR

The share of total earnings across all industries that originate in Health Care and Social Assistance is shown in Figure 5.<sup>2</sup> Among the depicted MSAs, College Station-Bryan had the second highest share of earnings in Health Care and Social Assistance at 10.2%. San Antonio had the highest share of earnings in this category at 11.3% and Houston had the lowest at 7.7%. The trends over time in the earnings' shares are similar to the employment shares depicted in Figure 4. The changes in the MSAs' relative rankings when compared to Figure 4 are due to the relative earnings in the other industry sectors within an MSA. For example, earnings per employee in the health care sector in CSB are relatively high in comparison to earnings per employee in the other local sectors.

**FIGURE 5. THE HEALTH CARE AND SOCIAL ASSISTANCE INDUSTRIES' SHARE OF EARNINGS**

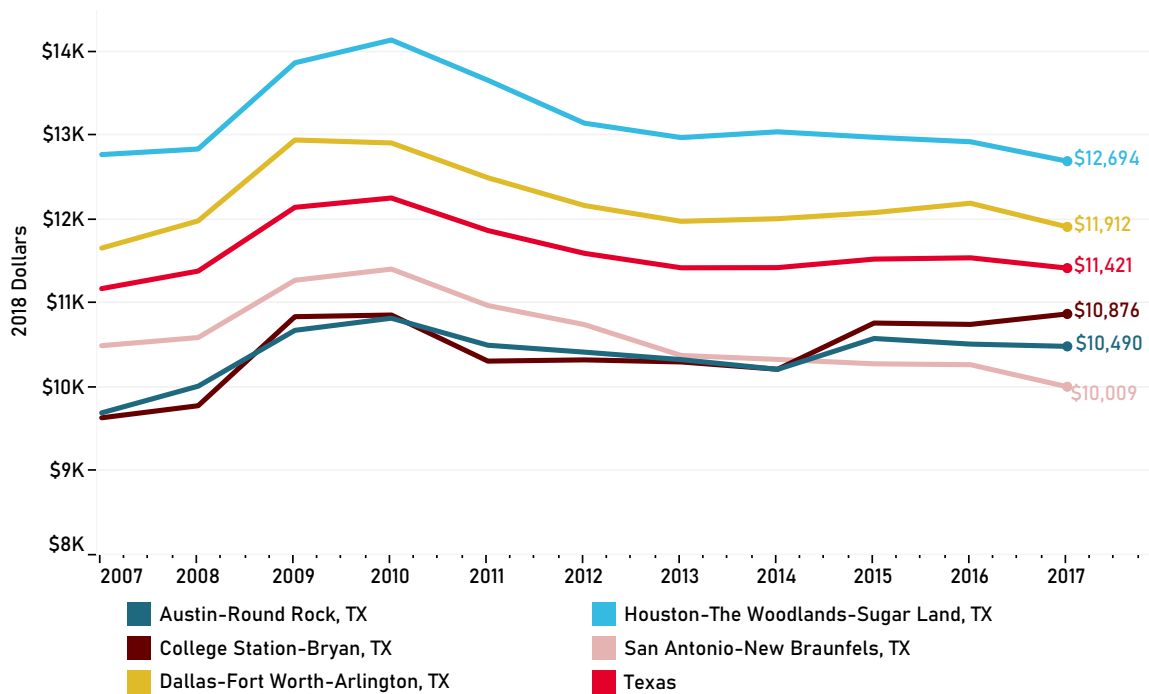


Last reported data point: 2017 (annual). Source: Bureau of Economic Analysis; Earnings by place of work.

## INFLATION ADJUSTED MEDICARE SPENDING PER ENROLLEE

Figure 6 presents the average inflation-adjusted Medicare spending per enrollee for the same MSAs depicted in Figures 4 and 5.<sup>3</sup> The averages represent Medicare spending on hospital and physician services (Medicare Parts A and B), but they do not include spending on pharmaceuticals (Part D). As of 2017, average Medicare spending in College Station-Bryan was in the middle position among the five MSAs depicted. Average spending per enrollee in Houston and Dallas was higher than in CSB, while spending in Austin and San Antonio was lower. Nationally, inflation-adjusted per capita Medicare spending declined between 2010 and 2014. This pattern is also seen among the MSAs in Figure 6. The decline is attributable, in part, to the decline in the average age of Medicare enrollees as the Baby Boomers join the retirement ranks.

**FIGURE 6. SPENDING PER FEE-FOR SERVICE MEDICARE BENEFICIARY (INFLATION-ADJUSTED)**



Source: Centers for Medicare & Medicaid Services. Converted to 2018 dollars using the PCE 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*.

## ENDNOTES

<sup>1</sup> The industry titled “Education and Health Services” by the Bureau of Labor Statistics refers to education and health services employment among *private* employers. It does not include education employment by state and local governments; therefore, this category does not include employment at Texas A&M or in the local school districts. Given that the focus here is on health services employment, we would ideally restrict to employment in “health services” rather than the combined category of “education and health services.” However, across all of the MSAs, continuous data series were only available for the combined category. As a point of reference, in 2017, 12% of employment in the “education and health services” sector in the state of Texas was in the “education” category and 88% was in the “health services” category.

<sup>2</sup> Data from the Bureau of Economic Analysis (BEA) on earnings in Health Care and Social Assistance at the county level was omitted or missing for a few small counties to avoid disclosure of confidential information. The MSAs presented in Figure 5 were compiled using data for counties with available data throughout the time period shown. Missing counties are Bastrop and Caldwell counties in Austin-Round Rock MSA; Burleson and Robertson counties in College Station-Bryan MSA; Wise County in Dallas-Fort Worth-Arlington MSA; Chambers, Liberty and Waller counties in Houston-The Woodlands-Sugar Land MSA; and Atascosa, Bandera, Guadalupe, Medina and Wilson counties in San Antonio-New Braunfels MSA. Figure 5 depicts the ratio of earnings in Health Care and Social Services to Earnings by Place of Work. In 2017, Social Assistance accounted for 5.3% of Health Care and Social Assistance earnings in Brazos County.

<sup>3</sup> The data are from the Centers for Medicare and Medicaid Services and reflect Medicare spending on behalf of fee-for-service beneficiaries in Parts A (primarily hospital services) and B (primarily physician services). Pharmaceutical spending in Medicare Part D is not included in the averages. Medicare beneficiaries can select to participate in traditional Medicare, known as fee-for-service, or can participate in a Medicare Advantage (Part C). Traditional fee-for-service Medicare allows enrollees to select their provider while Medicare Advantage restricts choice to a provider network.

## **DATA SOURCES**

### **Employment in Education and Health Services**

Bureau of Labor Statistics, Education and Health Services, All Employees, Not Seasonally Adjusted, <https://www.bls.gov/data/#employment>

### **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. Bureau of Economic Analysis, Price Index for Personal Consumption Expenditures (PCE) price deflator, <https://apps.bea.gov/iTable/iTable.cfm?reqid=19&step=2#reqid=19&step=2&isuri=1&1921=survey>. Medicare benefits are converted to real dollars using PCE price deflator.

### **Nonfarm Employment**

Federal Reserve Bank of Dallas, Texas Workforce Commission, and 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>

### **Personal Income - Health Care and Social Assistance**

Bureau of Economic Analysis, Regional and Personal Income, Local Area Personal Income and Employment, Personal Income by Major Component and Earnings by Industry (CAINC5). [https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=24&isuri=1&tableid=32&category=732&area\\_type=4](https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=24&isuri=1&tableid=32&category=732&area_type=4)

### **Spending per Fee-for-Service Medicare Beneficiary**

Centers for Medicare & Medicaid Services, Public Use File, State/County Table - All Beneficiaries. [https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Medicare-Geographic-Variation/GV\\_PUF.html](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Medicare-Geographic-Variation/GV_PUF.html)

### **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.

### **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**

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



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](http://brazosvalleyedc.org)



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