



## HIGHLIGHTS

- After rising somewhat in the second half of July, initial unemployment claims in the U.S. have resumed a steady decline, dropping below one million for the week ending on August 8, the lowest level recorded since the week ending on March 14.
- Initial claims in Texas and in the College Station-Bryan MSA have declined since the first week of July.
- The local June unemployment rate of 5.9% was the second lowest among Texas metro areas.
- For the first half of 2020, hotel receipts in Brazos County were 50% of the receipts for the same period in 2019.
- Inflation adjusted taxable sales in the College Station-Bryan MSA for the first half of 2020 were down 4.1% compared to the first half of 2019.
- Air travel nationally and locally has increased since April. The number of travelers out of Easterwood Airport in July 2020 were 35% of the number in July 2019.
- The Business-Cycle Index increased 5.8% from May to June.

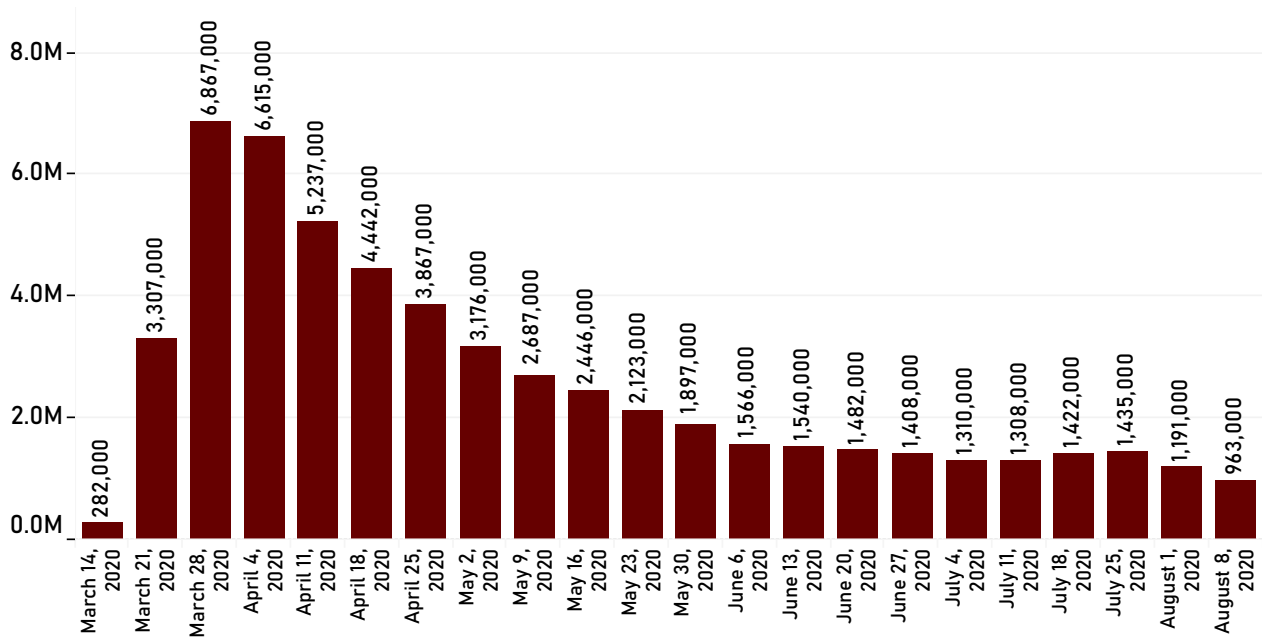
## FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

We begin with a set of labor market indicators reflecting national, state and local trends. Next, we turn to local hotel receipts and taxable sales, comparing this year's values to the same months from 2019. Recent trends in national and local air travel, as well as in state and local traffic data, are also identified. We present our index and business-cycle at the end of this document. The business-cycle index has begun to catch up with current events and it is starting to provide better insight into the current state of the economy in the College Station-Bryan MSA.

## UNEMPLOYMENT INSURANCE CLAIMS

Figure 1 depicts initial weekly unemployment insurance (UI) claims in the United States and shows the seasonally adjusted series beginning with the week ending on March 14, 2020. Since March 14, 57 million initial claims have been filed. For the week that ended on August 8, 2020, 936,000 workers filed UI claims. This represents the first week that claims were less than one million workers since the middle of March.

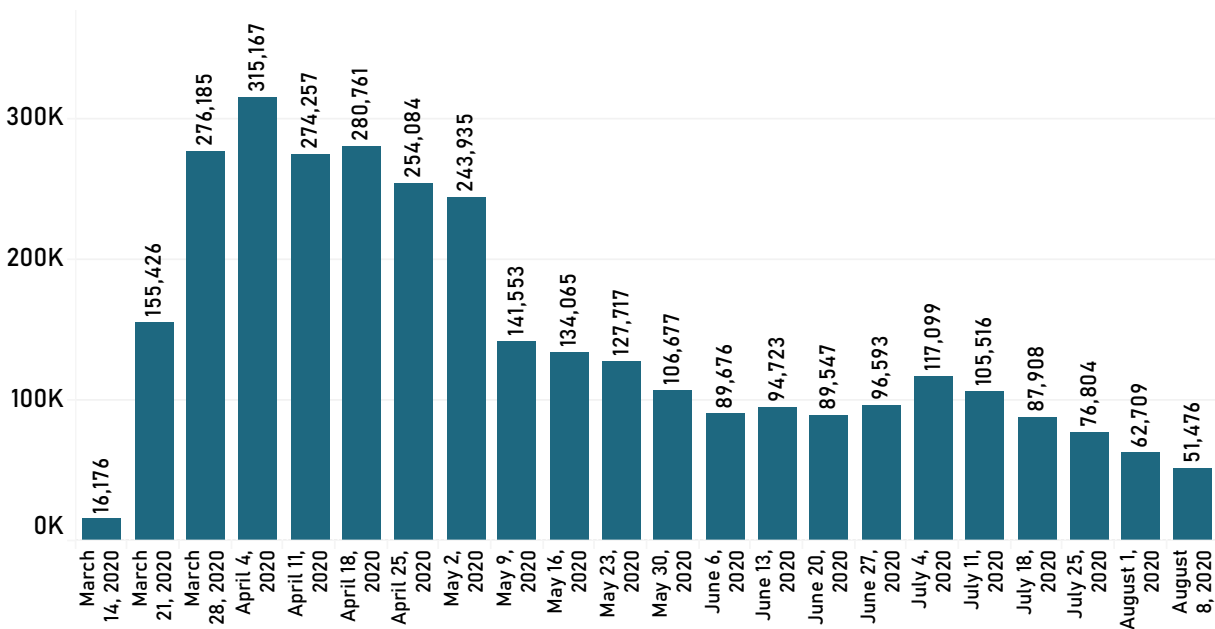
**FIGURE 1. UNEMPLOYMENT INSURANCE CLAIMS IN THE UNITED STATES BY WEEK**



Source: U.S. Department of Labor.

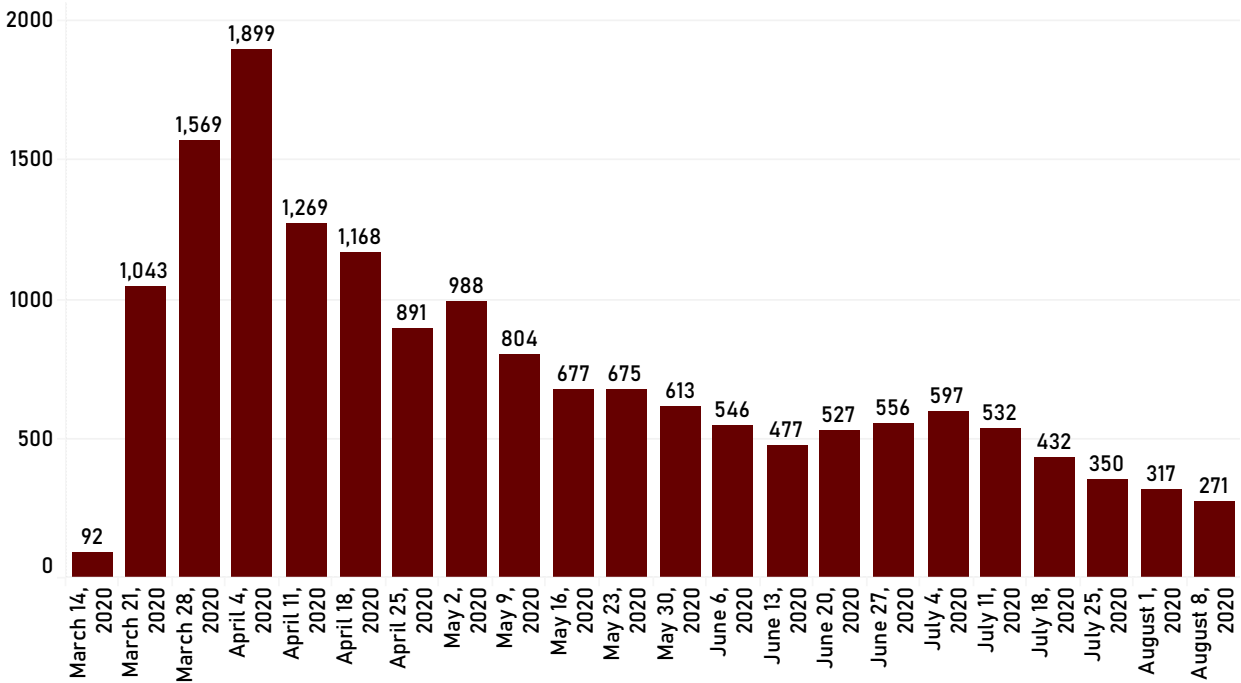
Initial weekly UI claims in Texas are shown in Figure 2. The Texas series is not seasonally adjusted and is therefore more volatile. Almost 3.2 million initial claims were filed between March 14 and August 8. Relative to June, initial claims in Texas increased during the first two weeks of July and have since declined. Initial claims over the last four weeks have been the lowest since the outset of the restrictions due to the coronavirus. The week ending on August 8 saw 51,476 new claims filed, the lowest since the week ending on March 14. The number of workers in Texas receiving unemployment benefits for the week ending on August 1 was 1,237,387.

**FIGURE 2. UNEMPLOYMENT INSURANCE CLAIMS IN TEXAS BY WEEK**



Source: U.S. Department of Labor.

**FIGURE 3. WEEKLY UI CLAIMS IN COLLEGE STATION-BRYAN**



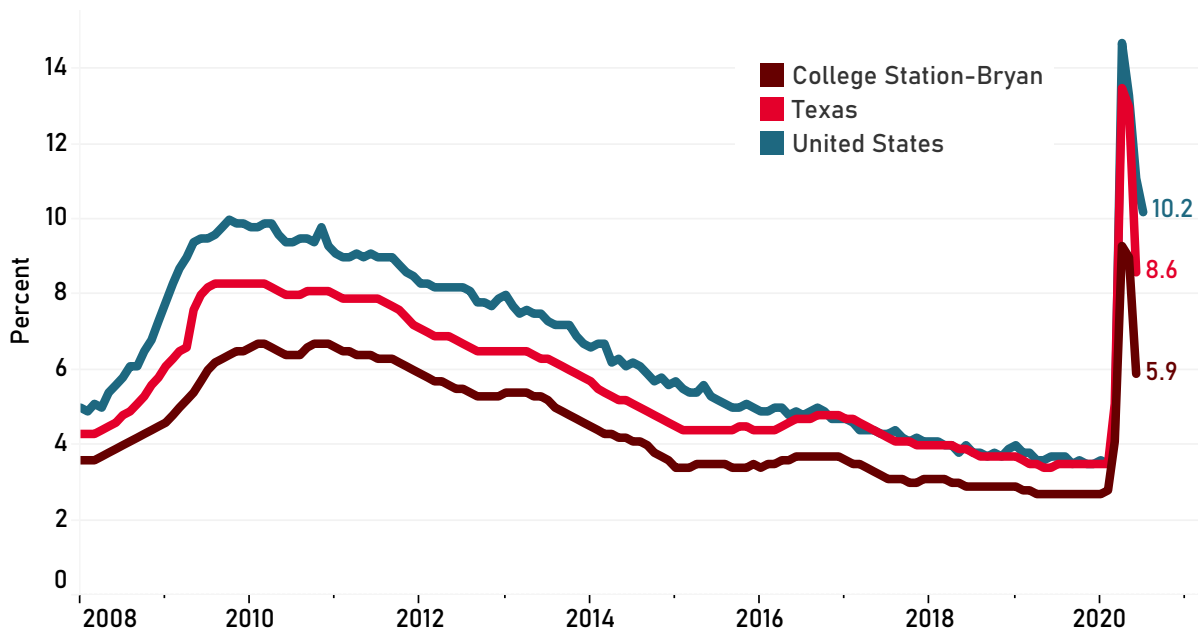
Source: Texas Workforce Commission.

Figure 3 depicts the weekly unemployment claims in College Station-Bryan for the same period shown in the previous two figures. The data are from the Texas Workforce Commission (TWC). As was the case statewide, local UI claims rose at the beginning of July. Since the week ending on July 4, initial claims have fallen each successive week with 271 claims filed during the week ending on August 8. This is the lowest number of claims since the week ending on March 14, but these claims are almost three times the number of claims that were filed during that week. Over the 22 weeks depicted in the figure, 16,293 initial claims have been made in the local area.

### UNEMPLOYMENT RATE

The unemployment rate in College Station-Bryan, along with the rates for Texas and the U.S. are shown in Figure 4. The local unemployment rate fell to 5.9% in June 2020, a 3.1 percentage point drop from the revised May rate of 9.0%. The statewide unemployment rate for June declined to 8.6% from a revised May rate of 13%. The national rate in June was 11.1% and declined to 10.2% in July. The state and metropolitan area unemployment rates for July will be released on August 21 and September 2, respectively.

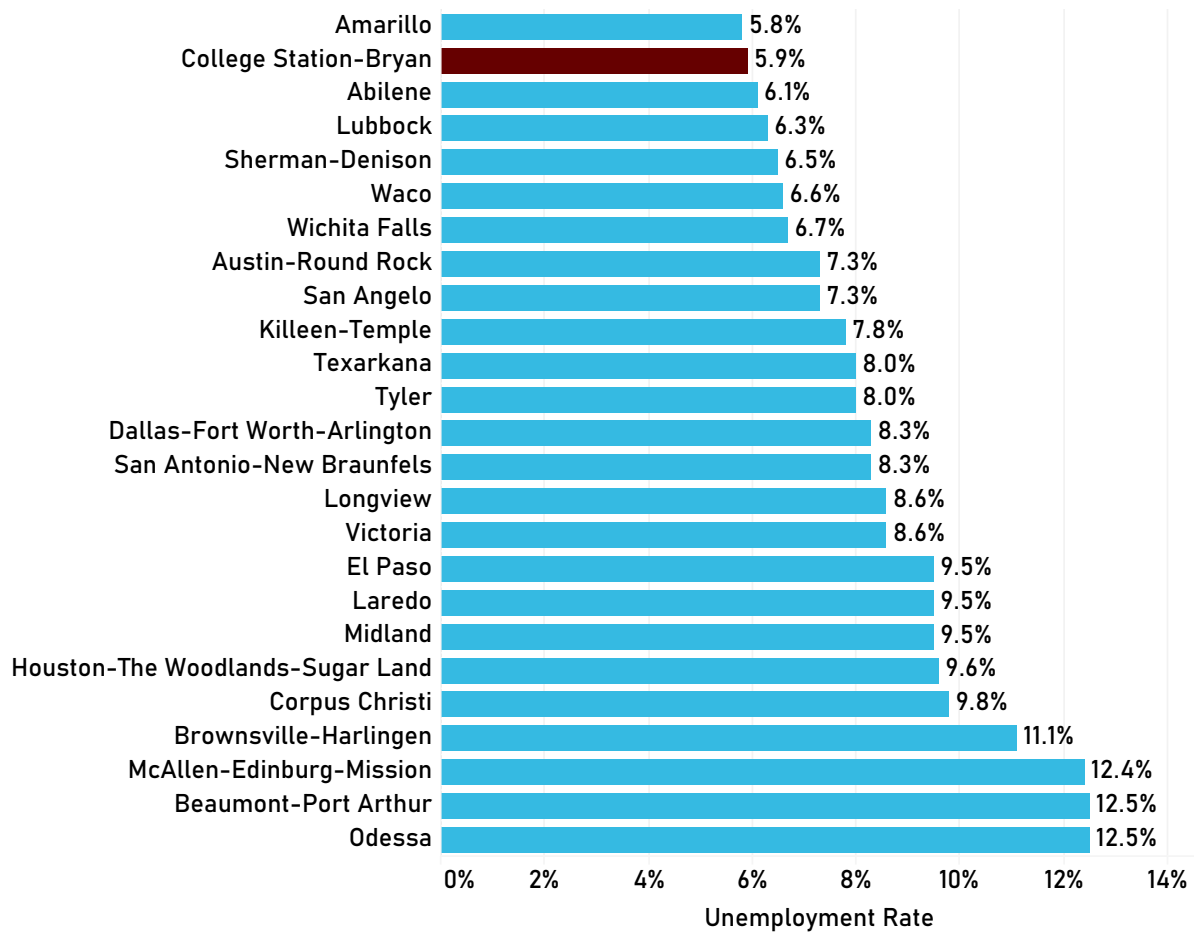
FIGURE 4. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: June 2020 for Texas and College Station-Bryan, July 2020 for national Unemployment rate (monthly). Source: Bureau of Labor Statistics.

The June unemployment rates for all of the Texas metropolitan statistical areas (MSAs) are shown in Figure 5. College Station-Bryan’s rate of 5.9% was second lowest to Amarillo’s rate of 5.8%. Odessa and Beaumont-Port Arthur, both hard-hit by the decline in employment in the oil and gas industry, had the highest unemployment rates at 12.5%. Among the four largest Texas MSAs, Houston-The Woodlands-Sugar Land had the highest June unemployment rate of 9.6%, a position it has held for the last few months. The rate in San Antonio-New Braunfels and in Dallas-Fort Worth-Arlington was 8.3%. Austin again had the lowest unemployment rate among the four largest MSAs at 7.3%.

**FIGURE 5. UNEMPLOYMENT RATES IN TEXAS MSAs  
JUNE 2020**

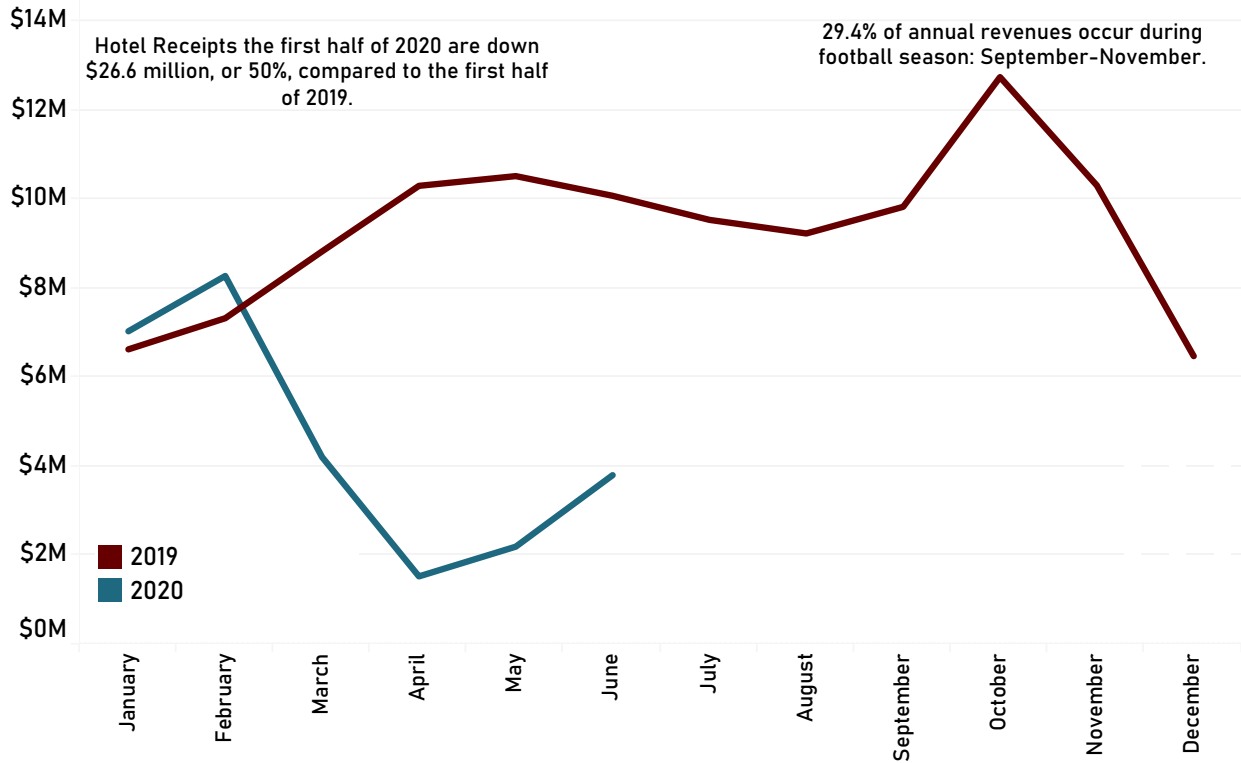


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, June 2020.

## LOCAL HOTEL RECEIPTS

Monthly hotel receipts in College Station-Bryan for 2019 and first half of 2020 are presented in Figure 6. Total monthly receipts are based on hotels in Brazos County. Local hotel receipts in January 2020 were up 6.1% compared to January 2019, and in February 2020 they were up 12.9% from 2019. But as seen in the figure, receipts in March, April, May, and June were down 52.3%, 85.1%, 79.1%, and 62.3% relative to the same months of the previous year. Hotel receipts for the first half of 2020 are down \$26.6 million, or 50%, compared to the first half of 2019. Local hotels earned almost 30% of their annual revenues during football season (September-November) last year.

**FIGURE 6. HOTEL RECEIPTS IN COLLEGE STATION-BRYAN**

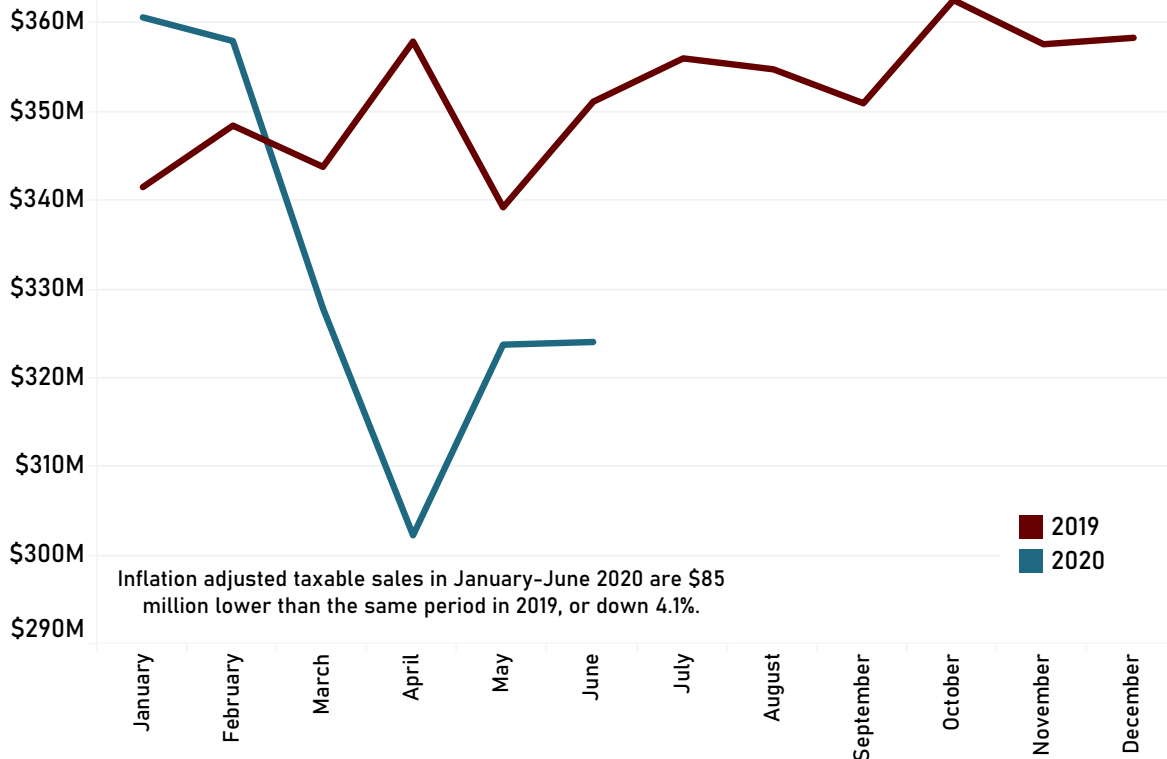


Source: Texas Comptroller; adjustments by Private Enterprise Research Center. Reflects hotels in Brazos County and dollar values are in current dollars.

**LOCAL TAXABLE SALES**

Figure 7 depicts monthly inflation-adjusted taxable sales in the College Station-Bryan MSA for 2019 and 2020. Taxable sales in January 2020 were up 5.6% from January 2019 and in February they were up 2.7%. In March of this year, they were down 4.6% compared to March 2019. They were down 15.5% in April, 4.2% in May, and 7.7% in June 2020 relative to the same months of 2019. Inflation adjusted taxable sales in January through June 2020 were \$85 million lower than the same period in 2019.

**FIGURE 7. INFLATION ADJUSTED REAL TAXABLE SALES IN COLLEGE STATION-BRYAN**

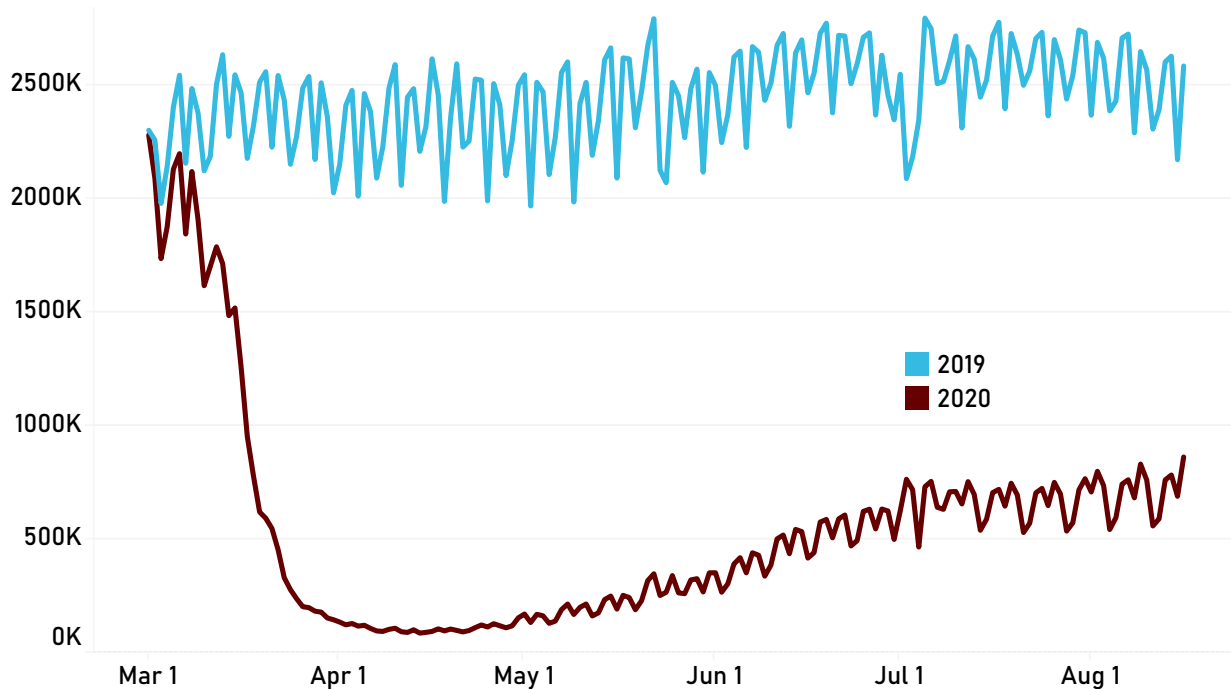


Source: Texas Comptroller; seasonal adjustment by Private Enterprise Research Center.

### AIR TRAVEL

Figure 8 depicts the number of travelers screened by the TSA from March 2, 2020 to August 16, 2020, along with a series from 2019 for the same day of the week. The traveler count for the month of March 2020 was 48.3% of the traveler count for the same month in 2019. The counts in April, May, June, and July of 2020 were 4.7%, 9.6%, 18.9%, and 26.1% respectively, of the same monthly counts from 2019. Air travel continues its slow rise toward 2019 levels. During the first sixteen days of August, the number of travelers was 28.5% of the 2019 numbers.

FIGURE 8. TRAVELERS THROUGH TSA CHECKPOINTS 2019 VS. 2020

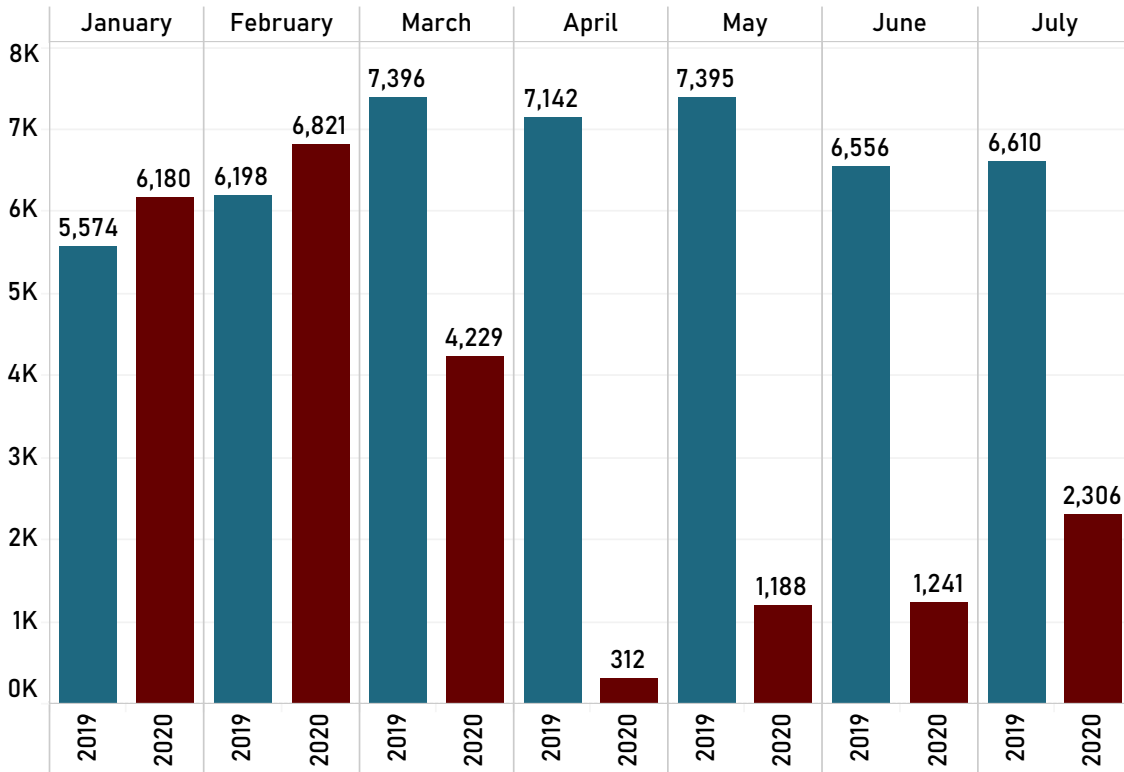


Source: Transportation Security Administration. Data from 2019 is 1 year apart on the same weekday.

The number of passengers traveling out of Easterwood Airport during the first seven months of 2019 and 2020 are shown in Figure 9. During January and February 2020, enplanements were up relative to 2019. Similar to the national pattern, total enplanements out of Easterwood for March 2020 were 57% of enplanements from March 2019. In April, the 312 passengers who flew out of Easterwood were 4.3% of the enplanements during April 2019. May's count of 1,188 passengers was 16.1% of the count from May 2019. June's 1,241 enplanements were 18.9% of the June 2019 enplanements and July's 2,306 were 34.9% of the July 2019 enplanements.



**FIGURE 9. ENPLANEMENTS AT EASTERWOOD AIRPORT, 2019 VS 2020**

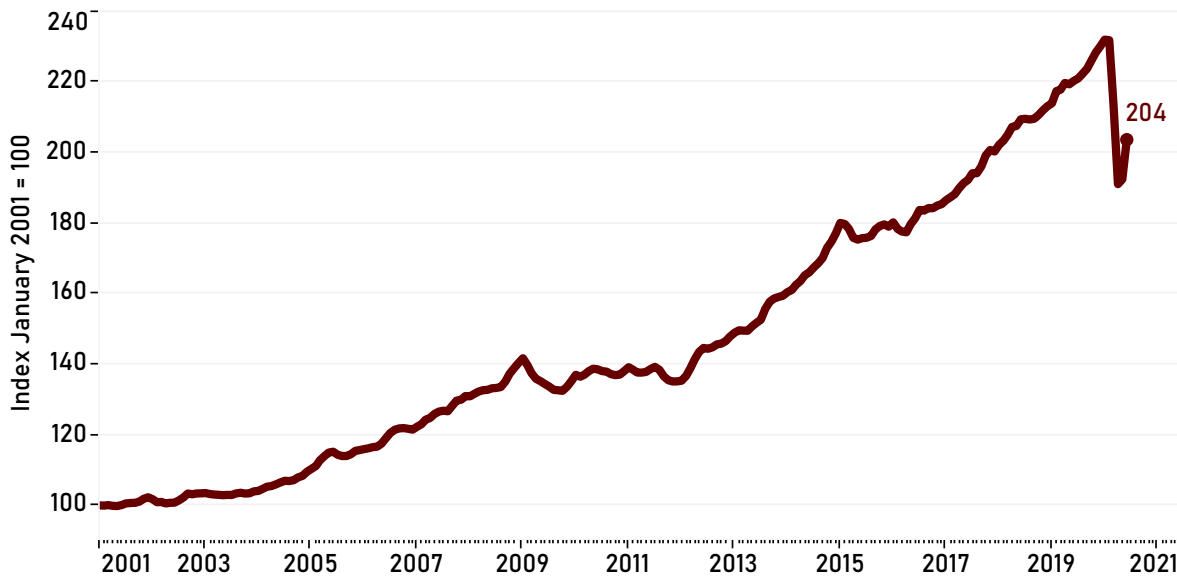


Source: Texas A&M University System.

**THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX**

Figure 10 depicts the College Station-Bryan Business-Cycle Index. The economic variables used in the estimation of our Business-Cycle Index are the monthly values of the local unemployment rate, nonfarm employment, and taxable sales, and quarterly values of aggregate wages. The index depicts the abrupt decline in the local economy that begins in March and reaches a trough in April. In May and June, the index rebounded. Even so, the index has declined 12.2% since February.

**FIGURE 10. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX**



Last reported data point: June 2020 (monthly). Source: Private Enterprise Research Center.

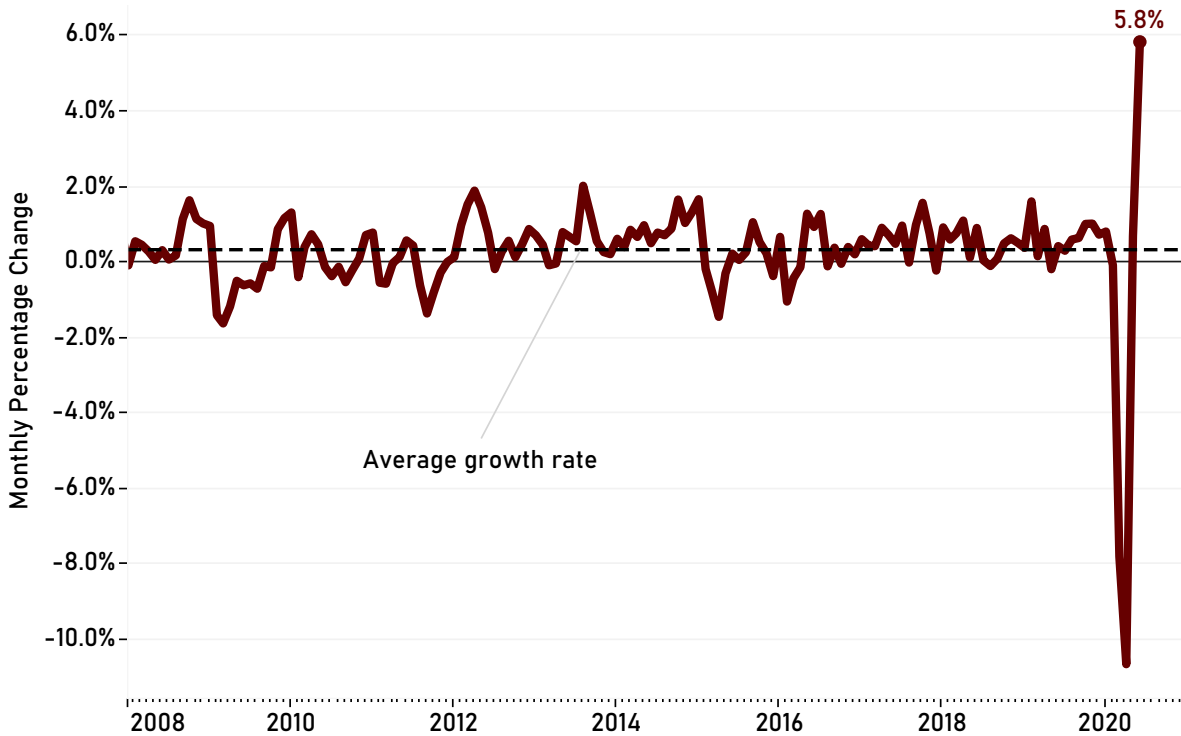
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## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle in Figure 11 shows an increase of 5.8% from May to June. There was a much smaller increase from April to May of 0.7%. This rebound follows the 7.8% decline between February and March and the 10.6% decline between March and April. The turnaround since April results from the reduction in the unemployment rate and the increase in nonfarm employment. The local unemployment rate rose from 4.1% in March to 9.3% in April, was 9.0% in May, and declined to 5.9% in June. The declines in nonfarm employment were greatest in April and May; June's value has rebounded. Inflation adjusted taxable sales fell 8.4% between February and March and fell by 7.8% between March and April. Taxable sales in May and June have rebounded relative to April sales, but were still down 9.1% in June from sales in February. The remaining variable, quarterly aggregate wages, did not change this month.

FIGURE 11. COLLEGE STATION-BRYAN BUSINESS-CYCLE



Month-to-month growth rates. Last reported data point: June 2020 (monthly). Source: Private Enterprise Research Center.

## 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

### **County Level Unemployment Insurance Claims**

Texas Workforce Commission, weekly claims by county, <https://www.twc.texas.gov/news/unemployment-claims-numbers#claimsByCounty>

### **Enplanements at Easterwood Airport**

Texas A&M University System based on email request. Received August 17, 2020.

### **Hotel Receipts**

Data retrieved from Texas Comptroller of Public Accounts through Texas Comptroller's Secure Information and File Transfer System, August 2020. <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.

### **Transportation Security Administration Traveler Throughput**

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>

### **Unemployment Insurance Claims**

United States Department of Labor, Office of Unemployment Insurance, Weekly Claims: [https://oui.doleta.gov/unemploy/claims\\_arch.asp](https://oui.doleta.gov/unemploy/claims_arch.asp)

### **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.

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