



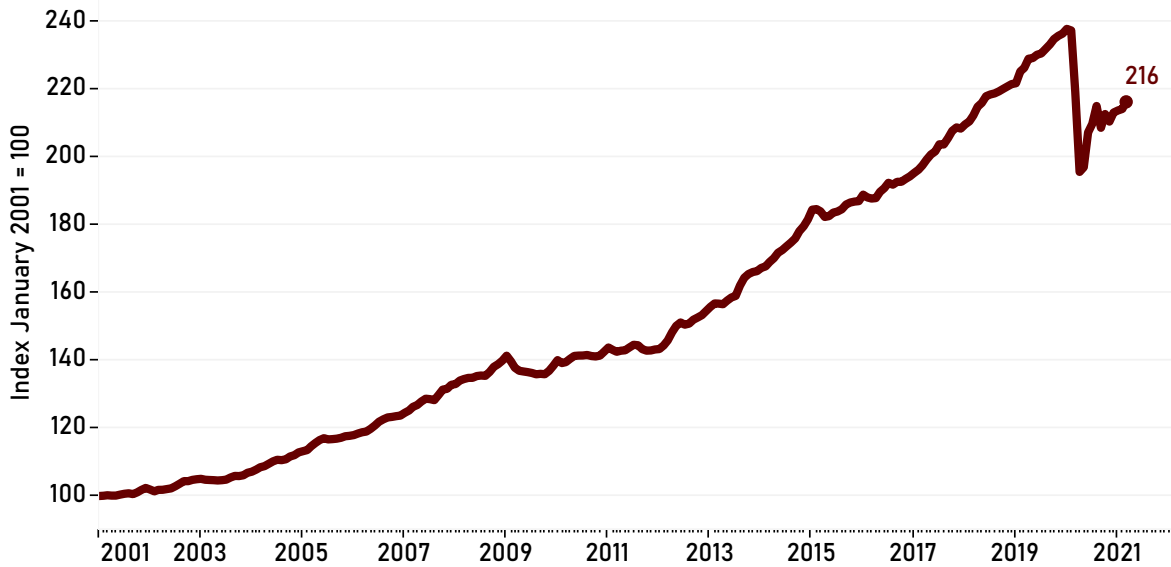
## HIGHLIGHTS

- The Business-Cycle Index increased by 1% from February 2021 to March 2021.
- The revised local unemployment rate decreased from 5.6% to 5.5% in March.
- Local nonfarm employment increased slightly by 0.3% in March and is 4.1% lower than it was in March 2020.
- Real taxable sales increased 17.4% from February to March, recovering from February's sharp decrease due to the winter storm.
- State of Texas revenues from oil and gas production taxes were higher in April than their pre-pandemic levels.
- The number of travelers out of Easterwood Airport in April was two-thirds of the number in April of 2019.

## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

For the fourth month in a row, the College Station-Bryan Business-Cycle Index continued to increase, rising 1% in March to stand at 216, as seen in Figure 1. The increase resulted from a rise in taxable sales, increasing nonfarm employment and a decrease in the unemployment rate.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

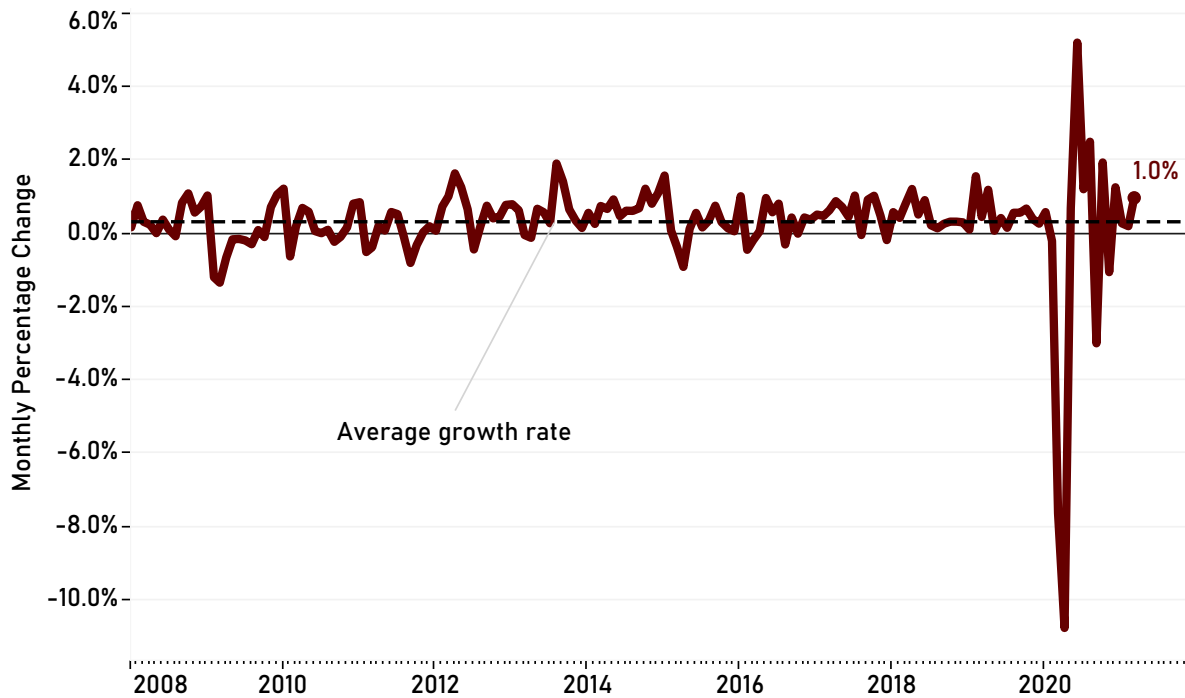


Last reported data point: March 2021 (monthly). Source: Private Enterprise Research Center.

## THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle rose 1% between February and March. The revised local unemployment rate decreased to 5.5% in March. Nonfarm employment showed an increase of 0.3% from its revised February value of 117,900 workers to 118,200 in March. The third monthly indicator used in estimating the business-cycle, inflation adjusted taxable sales, increased by 17.4% between February and March. This substantial one-month increase follows the severe decline in February's sales due to the winter storm. Total quarterly wages will be updated with data for the fourth quarter of 2020 on June 2, 2021.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

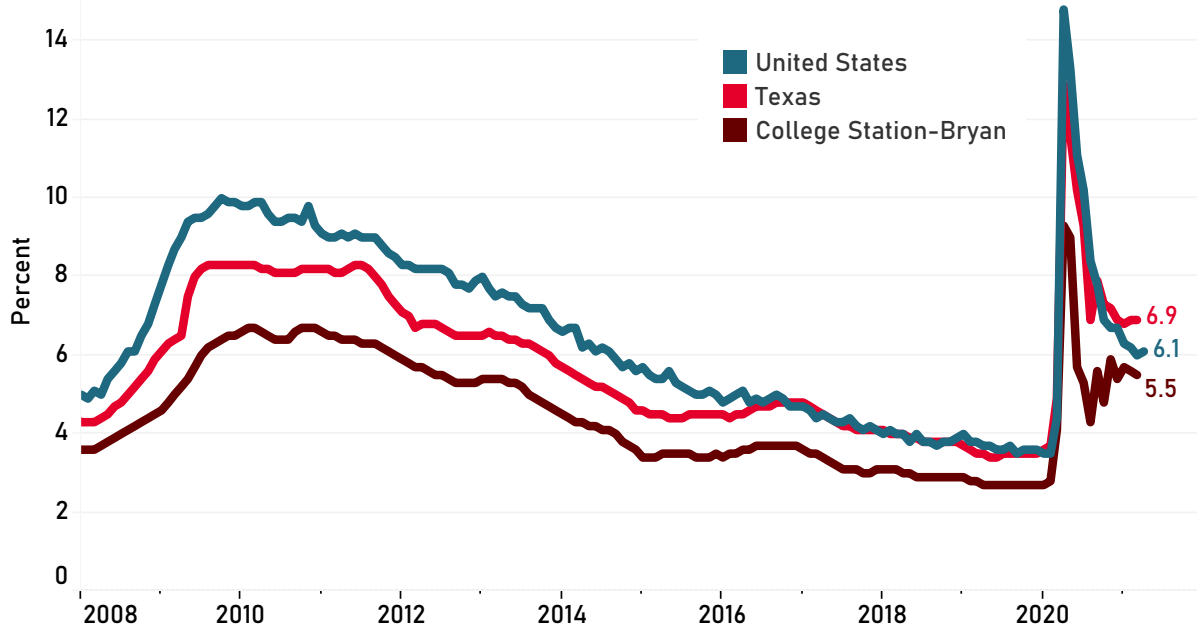


Month-to-month growth rates. Last reported data point: March 2021 (monthly). Source: Private Enterprise Research Center.

## UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan, the state of Texas, and the U.S. from January 2008 to March 2021. As mentioned, the revised unemployment rate in College Station-Bryan decreased slightly to 5.5% in March. The statewide rate for Texas remained at its February level of 6.9% in March. The national rate is available up to April 2021 and rose to 6.1% from 6.0% in March. The state and metropolitan area unemployment rates for April 2021 will be released by the Bureau of Labor Statistics on May 21 and June 2, respectively.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: March 2021 for College Station-Bryan and Texas, April 2021 for the U.S. Source: Bureau of Labor Statistics.

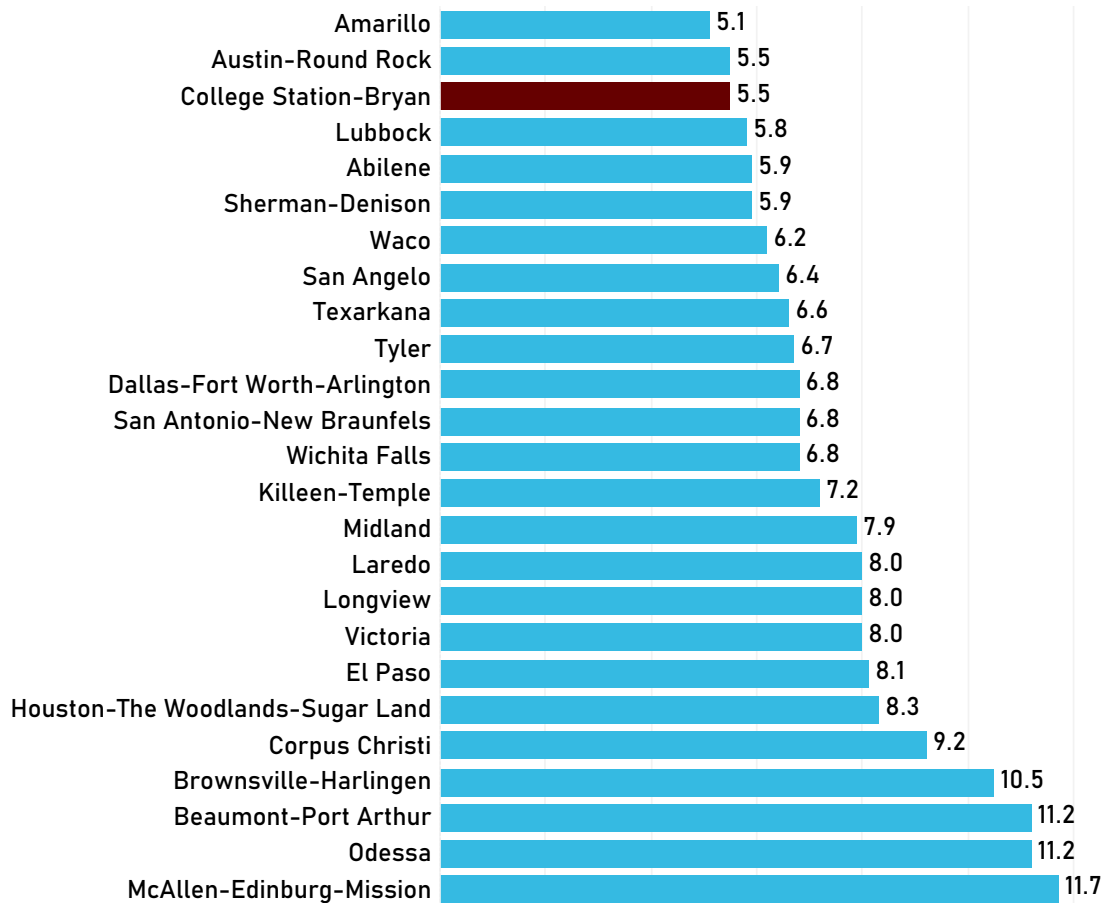
### FOCUS ON THE COLLEGE STATION-BRYAN MSA AND RECENT ECONOMIC DATA

This month we present the March unemployment rates in the Texas MSAs, Texas oil and gas tax revenues, production, and prices. Air travel out of Easterwood Airport is also reported.

### TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts all Texas MSA unemployment rates for March 2021. The College Station-Bryan MSA's rate of 5.5% in March was the second-lowest in the state and tied with the Austin-Round Rock MSA. Amarillo had the lowest March unemployment rate at 5.1%. McAllen-Edinburg-Mission, Beaumont-Port Arthur, and Odessa had the three highest January rates at 11.7%, 11.2%, and 11.2%, respectively. As noted, Austin-Round Rock had the lowest unemployment rate among the four largest MSAs at 5.5%. Dallas-Fort Worth-Arlington and San Antonio-New Braunfels followed at 6.8% and Houston-The Woodlands-Sugar Land again had the highest rate in this group at 8.3%.

**FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, MARCH 2021**

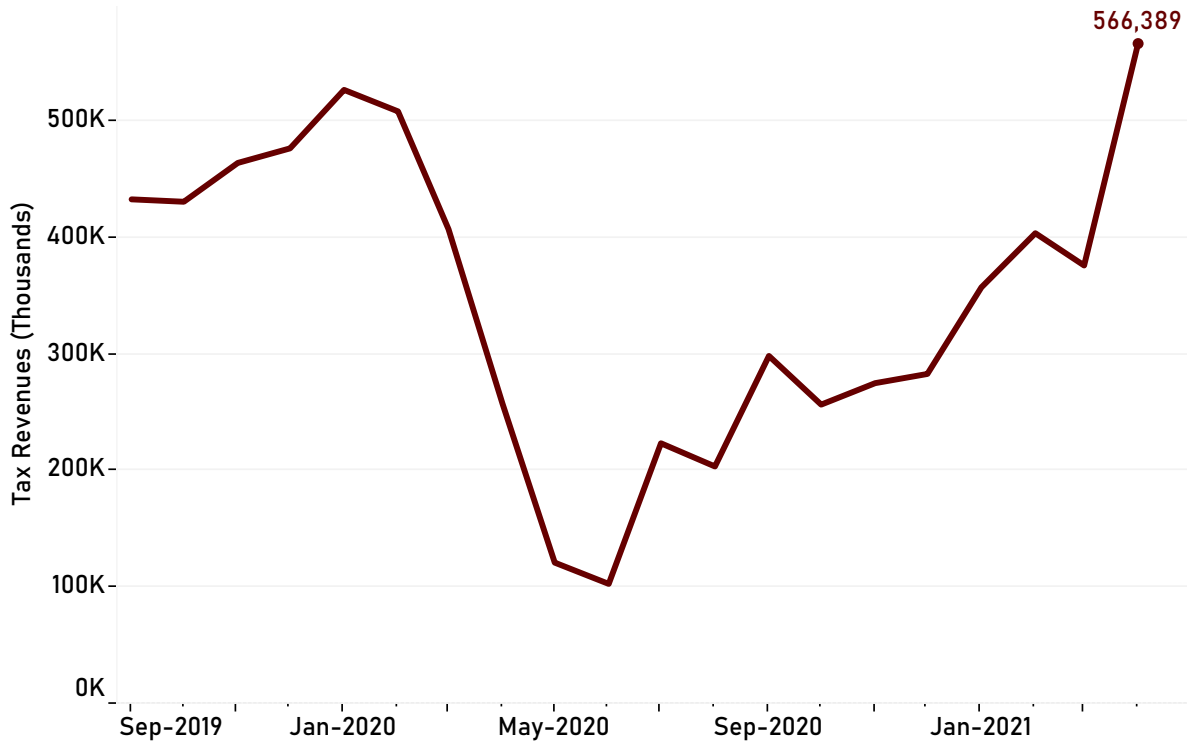


Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, March 2021.

### OIL AND GAS PRODUCTION TAXES IN TEXAS

Oil and gas production taxes made up 9.4% of Texas state tax collections in fiscal year 2019. Texas taxes the dollar value of oil and gas production, so changes in both production levels and prices result in changes in tax collections. Over the past year, like other tax revenues, these revenues have been quite volatile not only due to the general economic downturn, but also due to the underlying volatility in the prices of oil and natural gas. Figure 5 depicts the total revenue from the total of oil and natural gas production taxes in Texas beginning in September 2019, the start of fiscal year 2020, and continuing through April 2021. These taxes which are levied on the market values of the oil and gas produced in Texas grew from September 2019 to January 2020, fell slightly in February 2020, and fell for four months due to a combination of falling prices and declining production. The timing of tax collections lags the actual changes in production value by roughly one month. By June 2020, total oil and gas tax revenues were only 19.5% of their level in January 2020. Since June 2020, tax revenues have increased in seven out of ten months. As of April 2021, they actually exceeded their January 2020 level by 7.5%.

FIGURE 5. TEXAS STATE OIL AND GAS PRODUCTION TAXES

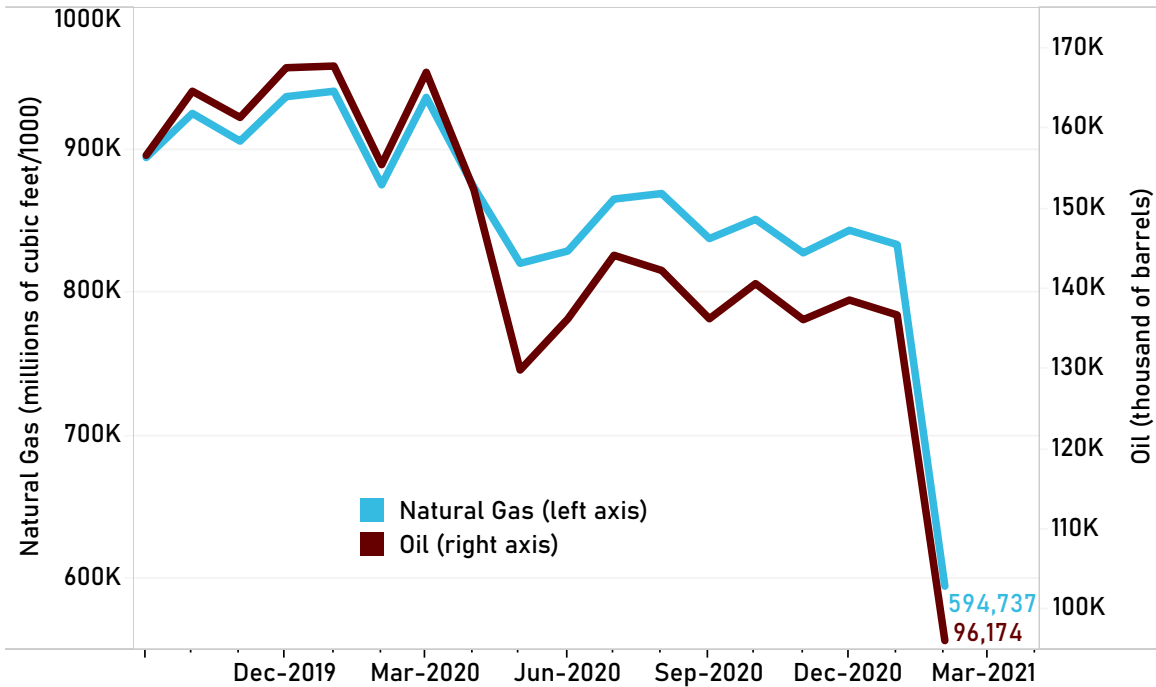


Source: Texas Comptroller, Monthly Revenue Watch.

### OIL AND GAS PRODUCTION IN TEXAS

Production of oil and gas and their respective prices underlie the production value taxed by the state. Oil and gas production amounts from the Texas Railroad Commission for September 2019 to February 2021 are shown in Figure 6. (Production amounts for March and April are not yet available from the Railroad Commission.) Production levels of natural gas and oil have followed the same path over this period, with a noticeable pandemic-induced decline in April and May of 2020, as well as the winter storm-induced decline in February 2021. Between March and May of 2020, oil production fell 22%, and gas production fell 12%. February's winter storm resulted in an almost 30% drop in both oil and gas production relative to January's level.

FIGURE 6. OIL AND GAS PRODUCTION IN TEXAS

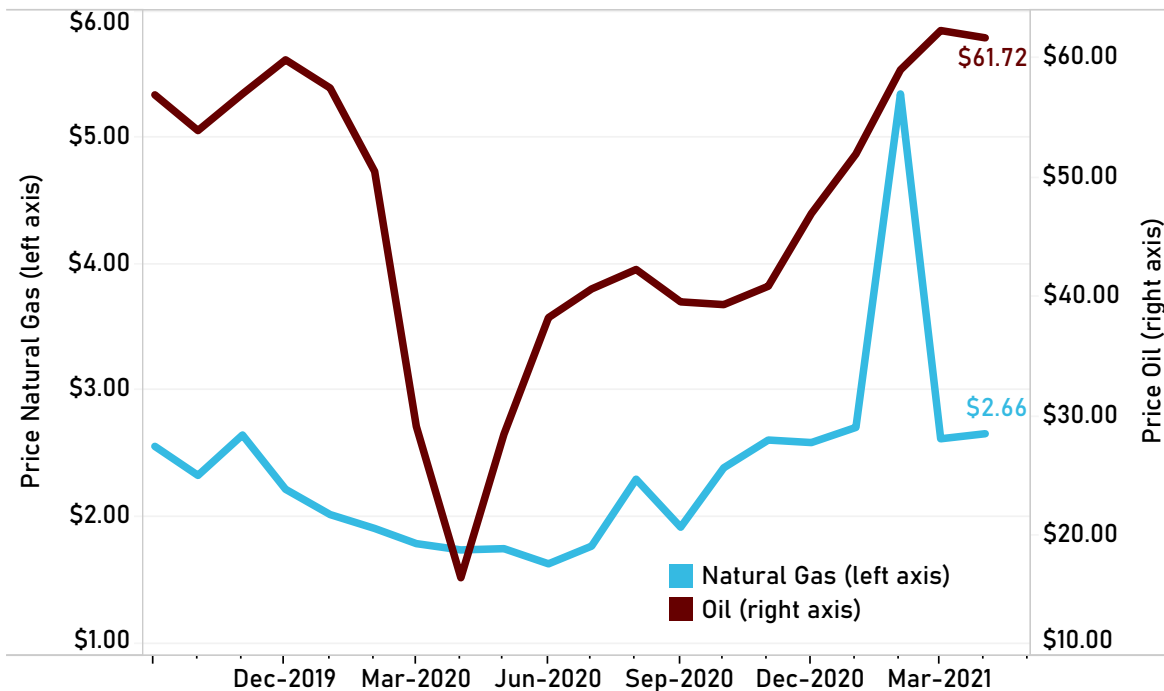


Source: Texas Railroad Commission, Oil and Gas Production, (Oil and Condensate), Natural Gas (GW Gas and Casinghead), retrieved May 14, 2021.

### OIL AND GAS PRICES

The price series for oil and natural gas are shown in Figure 7. Oil prices started declining in January of 2020, and fell substantially in March of 2020, prior to the recession's worst month of April 2020. The March decline in oil prices was due in part to lower prices charged by Saudi Arabia and Russian producers. From December 2019 to April 2020, the price of a barrel of oil fell 72%. Since then, the price has recovered, and by March 2021 it exceeded the December 2019 price. Over the period in the figure, the price of natural gas reached its lowest level of \$1.63 per million Btu. February's winter storm produced a spike in natural gas prices, reaching \$5.35 per million Btu. The price then quickly returned to a more normal level, and the price in April 2021 was \$2.66 per million Btu.

**FIGURE 7. OIL AND GAS PRICES**

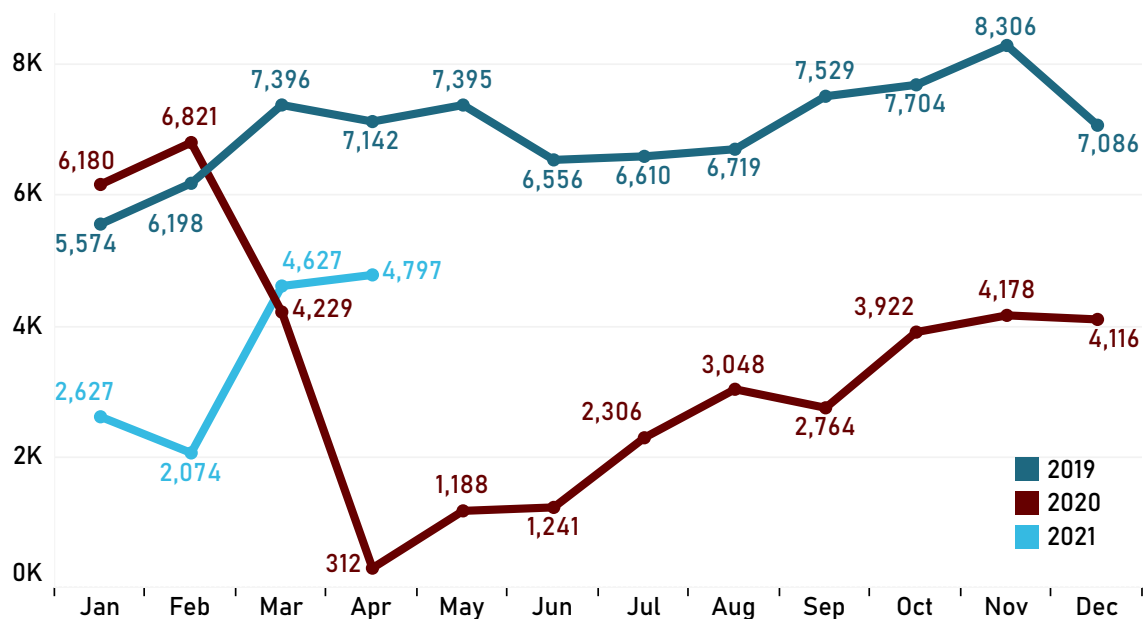


Sources: Gas price - Energy Information Administration, Henry Hub Gas Spot Price (Dollar per Million Btu). Oil price - U.S. Energy Information Administration, Crude Oil Prices: West Texas Intermediate (WTI) - Cushing, Oklahoma, retrieved from FRED, Federal Reserve Bank of St. Louis.

**AIR TRAVEL OUT OF EASTERWOOD AIRPORT**

The number of travelers out of Easterwood Airport from January 2019 to April of 2021 is shown in Figure 8. This past month, 4,797 travelers departed from Easterwood. This was 67% of the count from April 2019 and 170 more than in March. Nationally, April's number of travelers through Transportation Security Administration checkpoints was 59% of the count from April 2019. As was the case last month, local air travel was closer to the pre-pandemic level for the month of April than was air traffic nationally.

**FIGURE 8. ENPLANEMENTS AT EASTERWOOD AIRPORT BY MONTH, 2019 - 2021**



Source: Texas A&M University System.

## 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 May 17, 2021.

### **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>

### **Oil and Gas Taxes**

Texas Comptroller of Public Accounts, Monthly Revenue Watch, <https://comptroller.texas.gov/transparency/revenue/watch/all-funds/>

### **Oil and Gas Prices**

United States Energy Information Administration, Crude Oil Prices: West Texas Intermediate-Cushing, Oklahoma [MCOILWTICO] retrieved from FRED, Federal Reserve Bank of St. Louis.; Henry Hub Gas Spot Price <http://www.eia.gov/dnav/ng/hist/rngwhhdm.htm>

### **Oil and Gas Production**

Texas Railroad Commission, Oil and Gas Production, Oil [Oil and Condensate], Natural Gas [GW Gas and Casinghead], <https://www.rrc.state.tx.us/resource-center/data-visualization/oil-gas-data-visualization/oil-and-gas-production/>, retrieved May 14, 2021.

### **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.

### **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



**BRAZOS VALLEY**  
ECONOMIC DEVELOPMENT  
CORPORATION

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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