



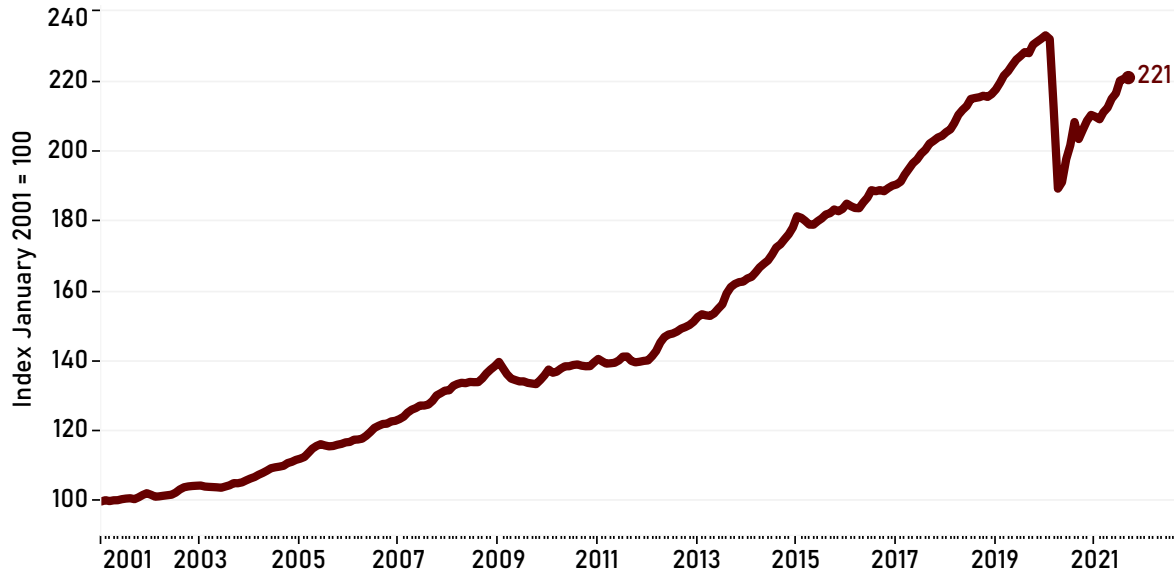
HIGHLIGHTS

- The Business-Cycle Index increased by 0.1% from August to September 2021.
- The revised local unemployment rate decreased from 4.2 to 4.1% in September.
- Local nonfarm employment decreased slightly by 0.8% in September and was 4.0% below its February 2020 pre-pandemic level.
- Real taxable sales increased by 2.1% from August to September and were 3.8% higher than in February 2020.
- Air travel out of Easterwood Airport was 4% higher in October 2021 than in October 2019.
- United Airlines will end operations at eleven regional airports in coming months, including its operations out of Easterwood Airport. United Airlines has accounted for one-third of local air travel thus far in 2021.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

The September College Station-Bryan Business-Cycle Index stands at 221, as seen in Figure 1. Between August and September, the unemployment rate and nonfarm employment decreased, while taxable sales increased.

FIGURE 1. COLLEGE STATION-BRYAN BUSINESS-CYCLE INDEX

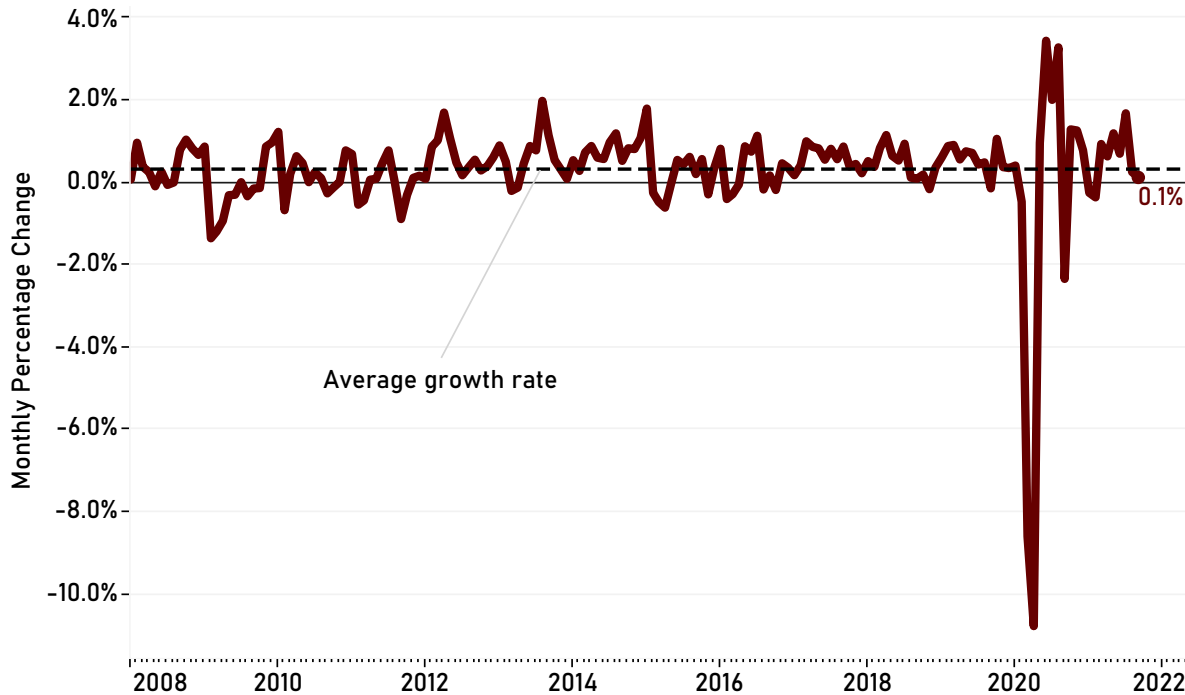


Last reported data point: September 2021 (monthly). Source: Private Enterprise Research Center.

THE COLLEGE STATION-BRYAN BUSINESS-CYCLE

The CSB Business-Cycle rose 0.1% between August and September. The local unemployment rate decreased to 4.1% in September. Nonfarm employment showed a decrease of 0.8% from its revised August value of 120,600 workers to September's value of 119,600. Inflation adjusted taxable sales, the third monthly indicator used in the model, increased by 2.1%. The fourth input in our model, quarterly real wages, will be updated in December 2021.

FIGURE 2. COLLEGE STATION-BRYAN BUSINESS-CYCLE

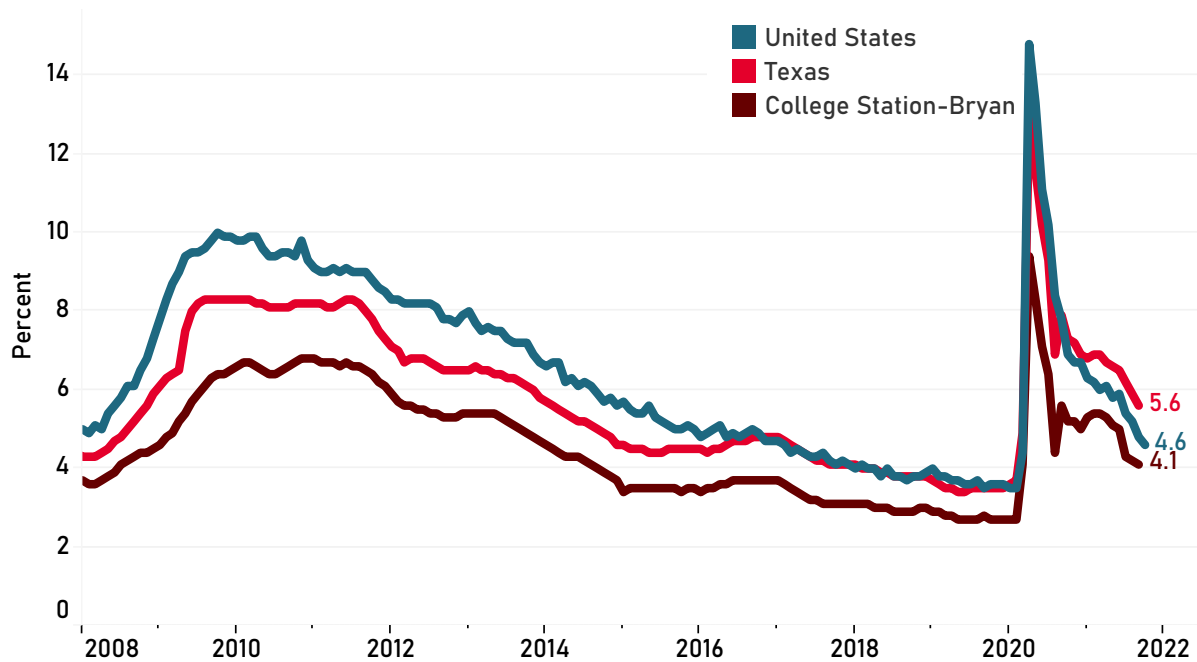


Month-to-month growth rates. Last reported data point: September 2021 (monthly). Source: Private Enterprise Research Center.

UNEMPLOYMENT RATE

Figure 3 shows the unemployment rates for College Station-Bryan, the state of Texas, and the U.S. beginning in January 2008. The revised unemployment rate in College Station-Bryan decreased to 4.1% in September from 4.2% in August. The statewide rate for Texas decreased from 5.9% in August to 5.6% in September. The national rate was 4.8% in September. The national unemployment rate, already available for October 2021, decreased for the fourth consecutive month to 4.6%.

FIGURE 3. UNEMPLOYMENT RATE



Seasonally adjusted. Last reported data point: September 2021 for Texas and College Station-Bryan, October 2021 for the national unemployment rate (monthly). Source: Bureau of Labor Statistics.

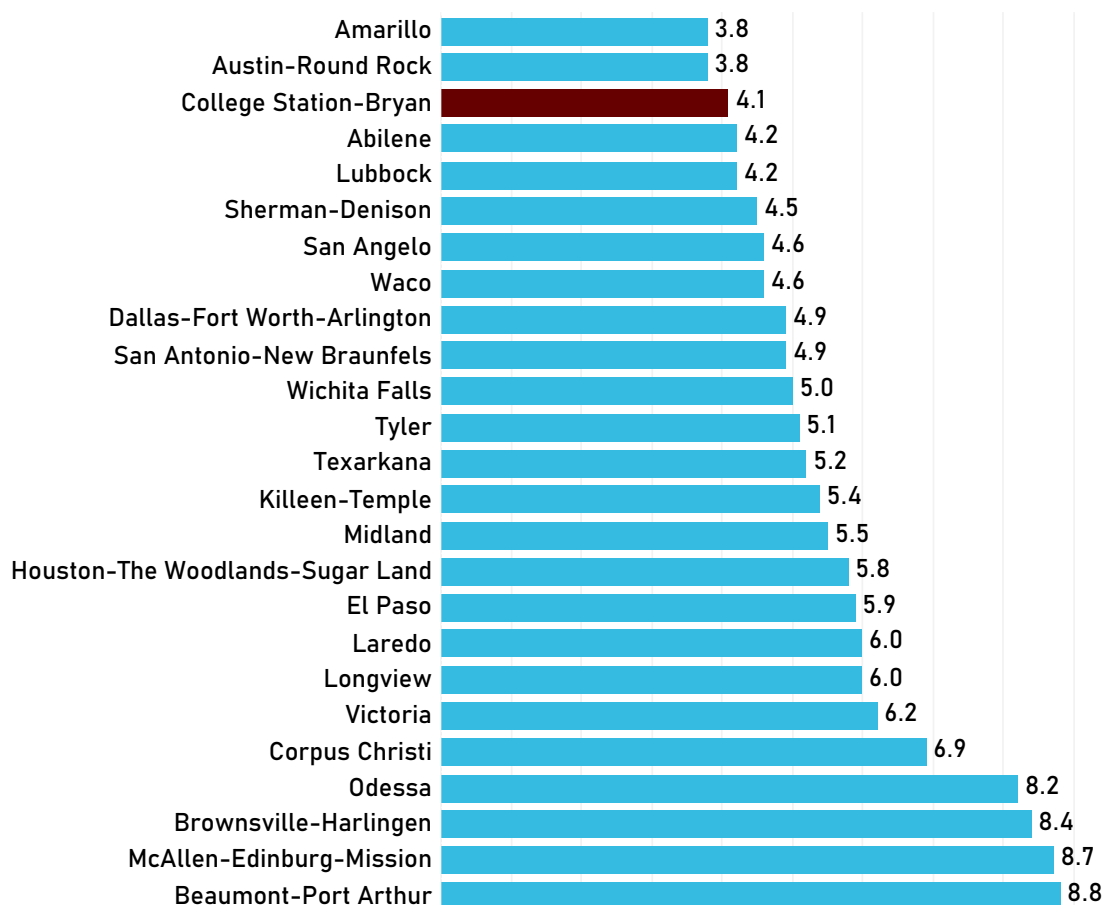
FOCUS ON THE COLLEGE STATION-BRYAN MSA

This month we present unemployment rates in Texas MSAs. We also discuss United Airlines' decision to end operations at Easterwood Airport and report total local air travel and air travel by carrier from January 2019 to October 2021.

TEXAS MSA UNEMPLOYMENT RATES

Figure 4 depicts all Texas MSA unemployment rates for September 2021. At 3.8%, Amarillo and Austin-Round Rock held the lowest unemployment rates in Texas. College Station-Bryan MSA's rate was the third lowest, at 4.1%. Two MSAs that reported high unemployment rates also rely heavily on the oil and gas industry for employment. Beaumont-Port Arthur had the highest unemployment rate at 8.8%, and Odessa had the fourth highest rate at 8.2%. McAllen-Edinburg-Mission and Brownsville-Harlingen's unemployment rates of 8.7% and 8.2% were the second and third highest, respectively. As noted, Austin-Round Rock had the lowest unemployment rate among the four largest MSAs at 3.8%. Dallas-Fort Worth-Arlington and San Antonio-New Braunfels followed, both at 4.9%. Houston-The Woodlands-Sugar Land again had the highest rate in this group at 5.8%.

FIGURE 4. UNEMPLOYMENT RATES IN TEXAS MSAs, SEPTEMBER 2021



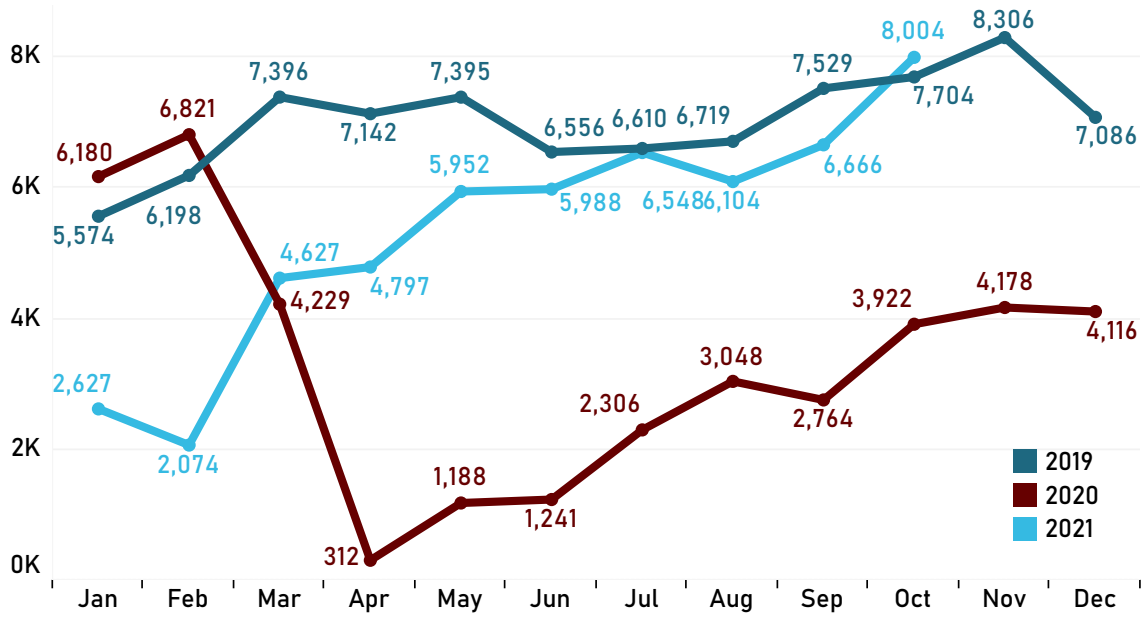
Source: Bureau of Labor Statistics, Local Area Unemployment Statistics, seasonally adjusted, September 2021.

UNITED AIRLINES TO END SERVICE TO COLLEGE STATION-BRYAN

United Airlines will end services to and from Easterwood Airport on January 3, 2022. United will also soon end services to ten other regional airports. The ten include two cities besides College Station that connect through the Houston hub: Killeen-Fort Hood, Texas and Monroe, Louisiana. Five cities that connect through the Chicago hub are losing service including Columbia, Missouri; Evansville, Indiana; Kalamazoo, Michigan; Lansing, Michigan, and Mosinee, Wisconsin. Three cities connecting through the Denver hub: Pierre, South Dakota; Twin Falls, Idaho; and Watertown, South Dakota are the remaining routes to be cut by United. Of these eleven routes United will eliminate, the College Station-to-Houston route is the shortest. These cuts follow earlier cuts by United and other airlines.¹

The combined enplanements for United and American Airlines out of Easterwood Airport from January 2019 to October 2021 are shown in Figure 5. The pandemic severely reduced air travel locally and nationally. Local air travel during 2020 was 48% of travel in 2019. Nationally, the number of travelers through TSA checkpoints during 2020 was 38% of the number of travelers during 2019. The number of travelers out of Easterwood Airport from January to October of 2021 was 78% of the count for the same months of 2019. Local travel in recent months has been much closer to 2019 levels and in October 2021 it was 4% higher than in October of 2019. During the first ten months of this year, the national traveler count was 66% percent of the count for the first ten months of 2019. Due to restrictions on international travel, the local counts have rebounded to their pre-pandemic levels more than the national counts.

FIGURE 5. EASTERWOOD AIRPORT ENPLANEMENTS BY MONTH, 2019 - 2021

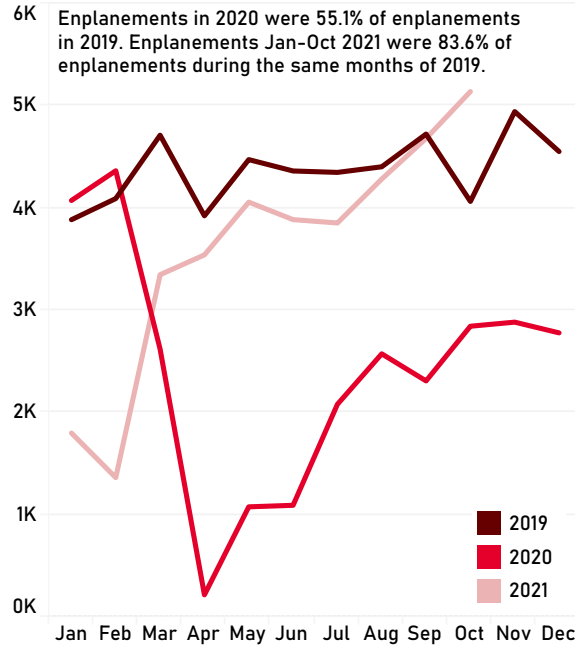


Source: Texas A&M University System.

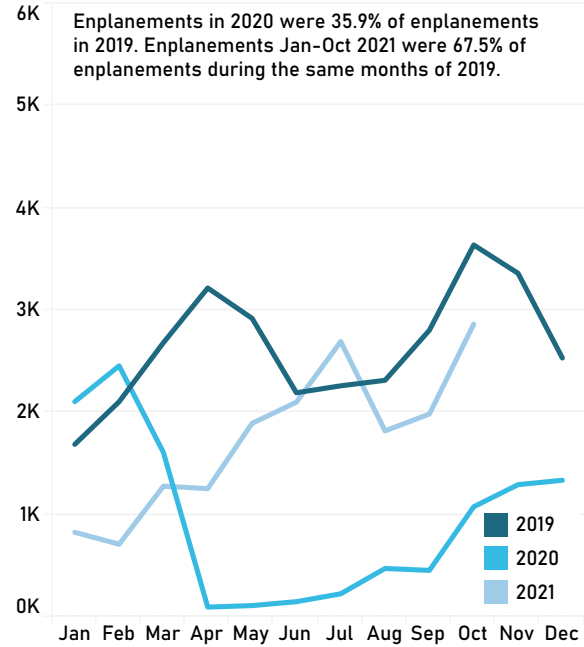
Figure 6 depicts air travel out of Easterwood Airport by carrier from January 2019 to October 2021. American Airlines’ enplanements in 2020 were 55% of its enplanements in 2019 and from January to October of this year, enplanements were 84% of its enplanements for the same months of 2019. American Airlines’ October 2021 enplanements were 26% higher than its October 2019 enplanements. Meanwhile, travel out of Easterwood Airport on United Airlines’ flights in 2020 fell to 36% of its enplanements in 2019. This year they have rebounded with United Airline enplanements through October equal to 67% of the enplanements for the first ten months of 2019. As these numbers indicate, travel on American Airlines out of Easterwood did not fall as much during 2020 as did travel on United Airlines, and thus far in 2021, American’s travel counts have rebounded more than United’s counts, though United did have a higher traveler count in July 2021 than it did in July 2019.

FIGURE 6. ENPLANEMENTS AT EASTERWOOD AIRPORT BY AIRLINE, 2019 - 2021

American Airlines



United Airlines



Source: Texas A&M University System.

The table below summarizes the shares of travel out of Easterwood Airport by carrier for 2019, 2020, and thus far in 2021. From January 2019 to October 2021, American Airlines accounted for 66% of the air travel out of Easterwood Airport and United Airlines accounted for the remaining 34%. United's share was highest in 2019 when it was 37.7%, and during the low air travel year of 2020, United's share fell to 28.3%. Thus far in 2021, its share is 32.7%.

TABLE 1. PERCENT OF TOTAL ENPLANEMENTS BY CARRIER OUT OF EASTERWOOD AIRPORT

	2019	2020	2021*
American Airlines	62.3%	71.7%	67.3%
United Airlines	37.7%	28.3%	32.7%

* January to October.
Source: Texas A&M University System

Travel restrictions and traveler hesitancy during the pandemic resulted in substantially lower air travel. The challenges presented by the pandemic have affected airlines' profitability and have had reverberations throughout the industry. United's recent decision to pull out of eleven regional markets is evidence of the challenges facing the industry. The loss of United Airlines' service to and from Easterwood Airport will adversely affect travelers who are better served through the United Airline's network and will reduce local competition at least in the short run. Other carriers may, however, see United's decision to end service to College Station as an opportunity to begin service to the local area.

ENDNOTES

¹ "United Airlines is dropping 8 more cities from its route map," Zach Griff, November 8, 2021, <https://thepointsguy.com/news/united-airlines-cuts-us-cities/>.

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 10, 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>

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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