



September 23, 2015

The Bryan-College Station Economic Index July 2015

The Bryan-College Station Economic Index extended its gains in July rising to 148.6 up from 148.0 in June, and up 4.9% from the July 2014 index of 141.7. The cycle of expansion in the B-CS economy has lasted 50 months through July and is certainly poised to continue in the second half of 2015. Home building and housing sales activity helped to push the index upward in July, along with continued steady increases in general spending and employment.

The 4.9% rate of year-over-year growth in the B-CS Economic Index in July is certainly respectable, but it has narrowed in recent months (it was as high as 7.4% in March) and is the lowest of 2015 thus far.

The *concurrent* trends in two important sectors of the local economy best represent its current condition, and these are general consumer spending (as represented by inflation-adjusted retail spending), and the metro area employment situation as represented by payroll employment and the unemployment rate.

- After a bit of a slowdown in the second quarter (compared to strong numbers from a year ago), inflation-adjusted taxable spending in the B-CS metro area per July sales tax receipts was up by a solid 3.4% compared to July of a year ago. For the year-to-date through July, general real spending is now up by 4.5% compared to the first seven months of 2014, which in turn was up by 6.5% compared to the same period the prior year.
- The pace of job growth improved a bit in July rising above 1% for the first time since January at 1.1%, reflecting the addition of an estimated 1,100 jobs over the 12-month period July 2014 to July 2015. The unemployment rate remains firmly on the decline as well, dipping to 4.0% in July compared to 4.8% in July of a year ago.

Auto sales retreated in July on the heels of some very strong numbers in July of the last two years. Inflation-adjusted spending on new and used motor vehicles in July 2014 was up by nearly 12% compared to July 2013, which in turn was up by over 30% compared to the prior year. In that context the 8% decline in July 2015 is not particularly troublesome, though the year-to-date total has flattened compared to year-ago levels.

Construction activity per building permit valuations also dropped off compared to July of a year ago, down by 13% for the month. However, the sector remains generally strong – and in fact in record territory – for the year-to-date through July up by 3.1% compared to the January-July 2014 total, which in turn was up by 30% compared to the first seven months of the prior year.

The 83 new single-family residence permits issued in July is the highest July monthly total since 2009, and is up by nearly 60% compared to July of a year ago. The 704 permits issued through July is the highest ever for the first seven months of the year, and is a stout 16% improved compared to the year-to-date through July 2014 total.

The number of existing home sales in July was up by only about 2.7% compared to July of a year ago, but that was sufficient to set a new July record for closed home sales at 414 for the month. The year-to-date

sales total remains in record territory, of course, and the monthly average price in July was up by over 5% compared to July of a year ago, which in turn was up by 9.5% compared to July of the prior year.

June 2015 marked the four-year anniversary of the beginning of the current cycle of expansion. The B-CS Economic Index began to increase in June 2011 and has only posted three random month-to-month declines since then. Through July the sustained post-recession expansion in the Bryan-College Station general economy is 49 months in the making and counting.

ECONOMIC INDICATORS	BASE YEAR	LAST YEAR	THIS YEAR	% Change
July 2015	2000	2014	2015	2014 - 2015
Retail Sales (Per Sales Tax Rebates - July, Adjusted for Inflation)	\$ 112,741,351	\$ 151,753,410	\$ 156,902,887	3.4%
Retail Sales (Year-To-Date)	\$ 850,580,041	\$ 1,177,492,462	\$ 1,230,764,121	4.5%
Automobile Sales (Dollars Spent on Auto Purchases - July, Adjusted for Inflation)	\$ 18,671,757	\$ 40,695,351	\$ 37,441,926	-8.0%
Automobile Sales (YTD)	\$ 133,912,697	\$ 239,333,145	\$ 242,284,123	1.2%
Hotel/Motel Tax Receipts (YTD)	\$ 1,059,174	\$ 3,321,295	\$ 3,553,862	7.0%
Value All Construction (July)	\$ 41,613,924	\$ 35,365,404	\$ 30,628,216	-13.4%
Value All Construction (YTD)	\$ 144,152,815	\$ 293,842,446	\$ 303,074,119	3.1%
Single-Family Housing Permits (July)	50	52	83	59.6%
Single-Family Housing Permits (YTD)	465	606	704	16.2%
Number of Home Sales (July)	160	403	414	2.7%
Number of Home Sales (YTD)	856	2,034	2,185	7.4%
Average Home Sale Price (July)	\$ 129,200	\$ 207,312	\$ 218,436	5.4%
Average Home Sale Price (YTD)	\$ 113,643	\$ 199,979	\$ 213,503	6.8%
Dollar Volume of Residential Home Sales Activity (July - Adjusted for Inflation)	\$ 20,081,158	\$ 58,781,760	\$ 62,117,744	5.7%
Dollar Volume of Residential Home Sales Activity (YTD)	\$ 96,787,744	\$ 287,642,027	\$ 321,737,004	11.9%
EMPLOYMENT				
Wage & Salary Employment (July)	79,500	100,800	102,000	1.2%
Wage & Salary Employment (YTD Avg)	81,600	103,770	104,745	0.9%
Unemployment Rate (July)	4.3	4.8	4.0	-16.7%
Unemployment Rate (YTD Avg)	4.0	4.3	3.5	-17.9%
BRYAN-COLLEGE STATION ECONOMIC INDEX - JULY	101.6	141.7	148.6	4.9%
(Base = 100.0 January 1996)				

The Bryan-College Station Economy

The B-CS Economic Index January 2000 - July 2015

