

Surging BCS economy defies expectations of 2008 slowdown

The Bryan-College Station market's year-over-year job growth as of July bucked an eight-year trend for the area, Amarillo economist Karr Ingham said.

The jump - reflecting the area's addition of some 3,100 workers - represents the first time job growth in Bryan-College Station has surpassed 3 percent since 2000, said the economist, who studies the local market.

"That's a stout employment growth number," Ingham said. "In a good year that would be solid growth, but this year, when we're in the midst of this turmoil, it's a very pleasant surprise, at least to me."

The Bryan-College Station market had an employment base of 89,100 as of July, and an unemployment rate of 4.4 percent.

Inflation-adjusted general retail spending in the metro area as also up - over 4 percent for July and 5.5 percent year-to-date.

"This marks the fifth consecutive year of solid growth in the retail sector, suggesting that local and area households are faring well and that consumer confidence is largely being maintained," Ingham said.

Retail sales in the area grew to \$143.1 million. Hotel-motel tax receipts also grew at a healthy clip in July - some 8 percent over the previous year - to \$188.8 million.

"The general economy just continues to post growth numbers month in and month out and has thus far defied my expectations of a 2008 slow-down," Ingham said. "In fact the rate of month-to-month growth has begun to increase in the last few months."

Ingham said he had expected the slowdown in the national economy would filter down to the local level, but so far the local economy is performing well moving into the second half of the year.

The housing market also seemed to improve in July, as existing home sales climbed 18 percent year over year - closing 1,676 sales. Ingham said current year sales numbers had previously been lagging a bit behind last year's record numbers.

"Most importantly... in the face of flagging home values in many parts of the country, home values in B-CS as reflected by prices are being well maintained," Ingham said. "But the year-ago average through July was over 12 percent higher than the prior year."

The average home sale price in July was \$172,830 - a 4.1 percent increase over last year. Single family housing permits also grew 13.6 percent over July of last year.

Ingham upped Bryan-College Station's economic index for July to 125.2 - up from 124.6 in June.

"Bryan-College Station is kind of back to having month-to-month growth in the index with some pretty solid momentum," Ingham said. "It goes against what my expectations were earlier on in the year."

The index, which Ingham started in 2000 with a baseline of 100, serves to measure the area's economic performance against the baseline period.

By Hollie L. Estridge (The Eagle, Oct. 2,2008)