

Current Economic Situation, COVID-19

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Rebekka Dudensing, PhD

*Associate Professor and Extension Economist –
Community Economic Development*

Dept. of Agricultural Economics, Texas A&M AgriLife Extension Service, College Station, TX

Among the masks, social distancing, and uncertainty that have become part of the “new normal” attributed to COVID-19, mixed economic signs also seem to be the norm. The Bureau of Labor Statistics reports employment claims that have fallen substantially from Spring 2020 levels. Unemployment has dropped to [8.6 percent](#) as of September 24, from 10.2 percent as of [August 20](#), just over half the May high of [17.1 percent](#). On the other hand, that is still almost double the 2009 unemployment rate and more than double the rate during the Great Recession. Roughly 12.58 million Americans remain out of work as of the September 24 report. The BLS state report from September 12 showed Texas with a [7.9 percent](#) unemployment, slightly below the U.S. average and ranked the 17th highest among the U.S. states.

The Texas Comptroller reported a 5.6 percent drop in sales tax collections statewide in August, according to the [Texas Tribune](#). That drop was not distributed equally across industries, with oil and gas-related industries and bars experiencing a stronger contraction while sectors like home improvement and sporting goods retailers posted higher sales and thus higher taxes.

[Texas Comptroller](#) data show steeper relative declines for counties than for cities, although of course, cities’ collections are much larger than county sales tax receipts and the issue seems to be one of the denominators’ sizes. I don’t observe strong or systematic differences in year-over-year changes in August county tax collections based on rurality. Some cities and counties are maintaining growth in sales tax collections as others see contractions. You can view information about sales tax collections in your region at the Comptroller link. Keep in mind that many cities and counties do not levy a sales tax.

A [second COVID-19 stimulus bill is being discussed](#) in Washington, but its fate is unknown. While COVID and the recession remain frequent news headlines, the news increasingly focuses on politics and the November 2020 elections. Barring a data release of significant interest, there won’t be another update in this series until after the elections.