

### EMPLOYMENT REBOUNDS WHILE AVERAGE MANUFACTURING HOURS FALL

The Brazoria County Index of Leading Economic Indicators fell to its lowest level since the Great Recession in March of 2020 due to the COVID-19 pandemic. The index recovered some in April and May, but fell in June primarily due to a significant decrease in the preliminary figure for average weekly manufacturing hours. Positive COVID-19 cases are the main driver of government imposed economic restrictions. Leading economic indicators forecasts future economic activity under normal economic conditions, however the number of positive COVID-19 cases can alter this prediction making the leading indicators inaccurate. Therefore, the indicators will be used to look at the economic impact of COVID-19 on the local economy, rather than forecast future economic activity at this time.

Three of the four leading economic indicators decreased in June. The only leading indicator posting gains was New Single Family Building Permits, which increased 15.61 percent in June and 31.67 percent over the last year. The largest monthly decrease in the index was in the preliminary figure for Houston-The Woodlands-Sugarland Average Weekly Manufacturing Hours. There were 36.80 hours per week (preliminary figure) in June compared to 40.80 hours per week in May and 46.40 hours last year. This is a decrease in hours of 9.80 percent for the month and 20.69 percent for the year (Figure 1). New Retail Auto Sales posted a decrease of 18.44 percent in June when compared to May, but were down by only 0.24 percent when compared to June of last year. The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers in the county, decreased by 3.19 percent in June and 42.69 percent for the year. Comparatively, the Dow Jones Industrial Average increased by 2.12 percent in June, but decreased 3.46 percent for the year (Figure 2).

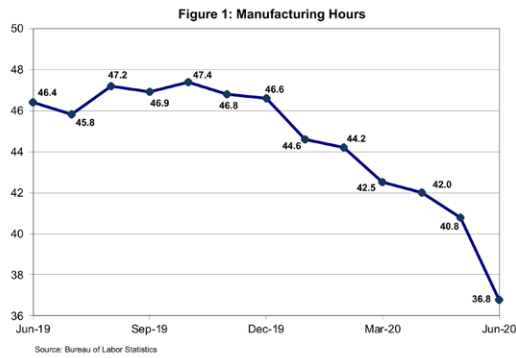
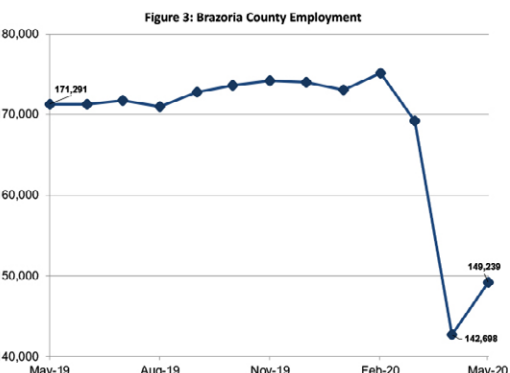


Figure 2: BC Stock Index vs. DJIA. Line chart comparing the Brazoria County Stock Index (BC Stock Index) and the Dow Jones Industrial Average (DJIA) from June 2019 to June 2020. The BC Stock Index shows a sharp decline to \$573.10 in June 2020, while the DJIA ends at \$965.40.

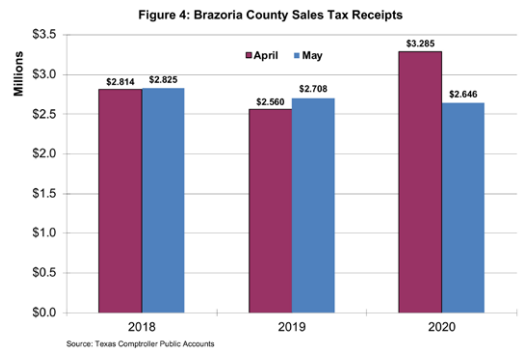
Month	BC Stock Index	Dow Jones Industrial Average
Jun-19	\$1,000	\$1,000
Jul-19	\$700	\$1,000
Aug-19	\$1,000	\$1,000
Sep-19	\$1,000	\$1,000
Oct-19	\$1,000	\$1,000
Nov-19	\$1,000	\$1,000
Dec-19	\$1,000	\$1,000
Jan-20	\$750	\$1,000
Feb-20	\$650	\$1,000
Mar-20	\$400	\$800
Apr-20	\$550	\$850
May-20	\$600	\$900
Jun-20	\$573.10	\$965.40

### CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, decreased in May by 1.92 percent and 4.65 percent over the last year. Brazoria County Hotel/Motel Tax Receipts posted the largest increase in May

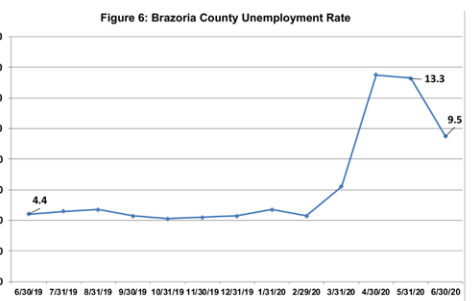
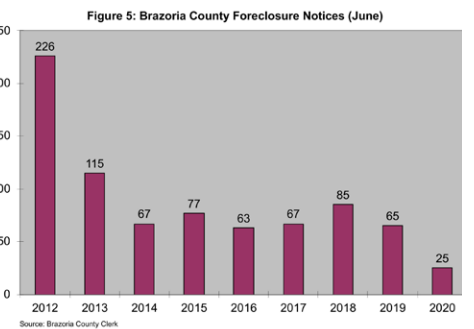


of 71.34 percent, but is still down 29.33 percent compared to last year. County employment increased from 142,698 in April to 149,239, indicating 6,541 more individuals were employed in the county in May when compared to April. County employment is down 22,052 compared to last year (Figure 3). The Houston-Galveston-Brazoria CPI posted an increase of 0.55 percent for the month of May and a decrease of 0.72 percent over the last year. Sales Tax Receipts within the county decreased 19.46 percent compared to April and 2.28 percent compared to May of last year (Figure 4). The \$3,285,410 in sales tax receipts recorded in April was the largest amount ever recorded in the month of April. The Brazoria County Current Economic Index remains below the six-month moving average, which indicates the county is experiencing an economic slowdown.



### LAGGING ECONOMIC INDICATORS

The Brazoria County Index of Lagging Economic Indicators is used to confirm either the growth or the slowdown in the economy. The lagging economic index is 0.01 percent below last month and 19.20 percent below the last year. Brazoria County Foreclosure Notices decreased from 65 to 25 over the last year (Figure 5). The temporary ban imposed by Congress on lenders pursuing delinquent homeowners helped drive down the number of foreclosure notices. The unemployment rate in the county increased from its lowest level in the month of June last year of 4.40 percent to 9.50 percent in June this year (Figure 6). The lagging economic index remains below the six-month moving average, which indicates that economic activity within the county has slowed.



# BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

## AUGUST 2020

<b>Brazoria County Economic Indices:</b>	<b>Jun 2020</b>	<b>May 2020</b>	<b>Apr 2020</b>	<b>Mar 2020</b>	<b>Feb 2020</b>
Leading Economic Index (2003 = 100)	93.84	99.31	94.10	85.99	102.04
Current Economic Index (2003=100)	-	215.26	219.48	221.35	224.98
Lagging Economic Index (2003 = 100)	122.77	122.79	125.91	129.94	135.70

<b>Brazoria County Leading Economic Index</b>	<b>Jun 2020</b>	<b>May 2020</b>	<b>Jun 2019</b>	<b>May-2020 to Jun-2020</b>	<b>Jun-2019 to Jun-2020</b>
Leading Economic Index (2003 = 100)	93.84	99.31	109.64	-5.51%	-14.41%
<b>Components:</b>					
Brazoria County Stock Index (12/31/2003 = 100)	83.30	86.04	145.36	-3.19%	-42.69%
New Single Family Building Permits (Seasonally Adjusted)	220	221	223	-0.38%	-1.35%
<i>New Single Family Building Permits (Unadjusted)</i>	237	205	180	15.61%	31.67%
Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	43.11	44.26	46.10	-2.59%	-6.49%
<i>Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	36.80	40.80	46.40	-9.80%	-20.69%
New Retail Auto Sales (Seasonally Adjusted)	2,085	2,306	2,117	-9.56%	-1.47%
<i>New Retail Auto Sales (Unadjusted)</i>	2,110	2,587	2,115	-18.44%	-0.24%

<b>Brazoria County Current Economic Index</b>	<b>May 2020</b>	<b>Apr 2020</b>	<b>May 2019</b>	<b>Apr-2020 to May-2020</b>	<b>May-2019 to May-2020</b>
Current Economic Index (2003 = 100)	215.26	219.48	225.77	-1.92%	-4.65%
<b>Components:</b>					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,343,584	1,370,764	1,239,608	-1.98%	8.39%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	2,645,958	3,285,410	2,707,673	-19.46%	-2.28%
Household Employment (Seasonally Adjusted)	164,816	167,597	170,047	-1.66%	-3.08%
<i>Household Employment (Unadjusted)</i>	149,239	142,698	171,291	4.58%	-12.87%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,278,773	2,349,597	2,678,836	-3.01%	-14.93%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	4,779,094	2,789,246	6,762,351	71.34%	-29.33%
Houston-Galveston-Brazoria County CPI	227.64	226.39	229.29	0.55%	-0.72%

\*(Data for the Current Index is one month behind due to the lag in obtaining the data for sales tax receipts.)

<b>Brazoria County Lagging Economic Index</b>	<b>Jun 2020</b>	<b>May 2020</b>	<b>Jun 2019</b>	<b>May-2020 to Jun-2020</b>	<b>May-2019 to Jun-2020</b>
Lagging Economic Index (2003 = 100)	122.77	122.79	151.95	-0.01%	-19.20%
<b>Components:</b>					
Brazoria County Foreclosure Notices (Seasonally Adjusted)	59	65	72	-9.68%	-18.99%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	25	19	65	31.58%	-61.54%
Prime Rate Charged By Banks	3.25	3.25	5.50	0.00%	-40.91%
Unemployment Rate (Adjusted)	8.96%	13.57%	4.14%	-33.96%	116.32%
<i>Unemployment Rate (Unadjusted)</i>	9.50%	13.30%	4.40%	-28.57%	115.91%