

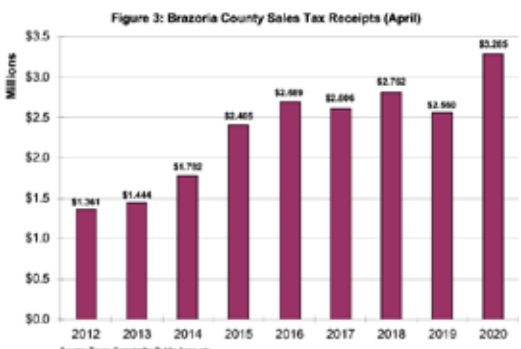
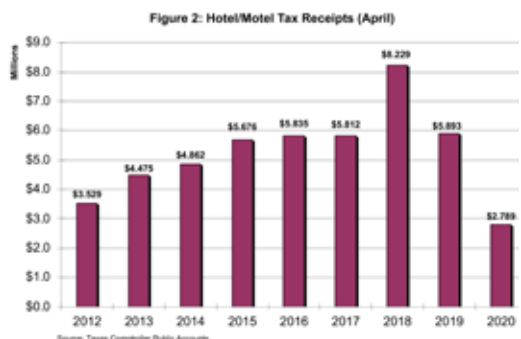
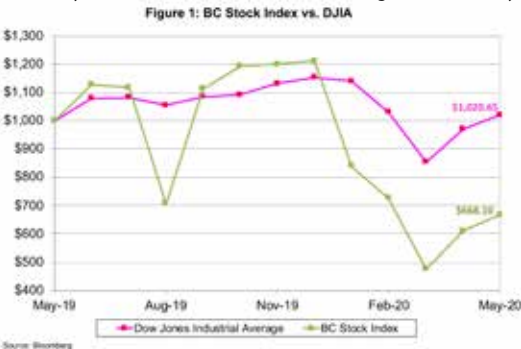
COVID-19'S ECONOMIC IMPACT

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 has recovered some by posting increases of 9.44 percent in April and 5.54 percent in May. The increases in April and May are an indication of future economic growth under normal conditions; however, COVID-19 adds a great deal of uncertainty to economic forecasting. The government currently enacts economic restrictions based on positive COVID-19 cases. So while the leading economic indicators forecasts future economic activity; the number of positive COVID-19 cases can alter this prediction making the leading indicators inaccurate. Therefore, the indicators are being 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 performed better in May than in April. The only leading indicator posting gains was New Retail Auto Sales, which increased 32.12 percent in May and 17.91 percent over the last year. New Single Family Building Permits posted an increase of 47.14 in May, but were down by 17.60 percent over the last year. The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers in the county, increased by 9.41 percent in May and was down 33.19 percent for the year. Comparatively, the Dow Jones Industrial Average increased by 5.07 percent in May and 2.07 percent for the year (Figure 1). Houston-The Woodlands-Sugarland Average Weekly Manufacturing Hours were 40.80 hours per week in May compared to 42.00 hours per week in April and 45.30 hours last year. This is a decrease in hours of 2.86 percent for the month and 9.93 percent for the year.

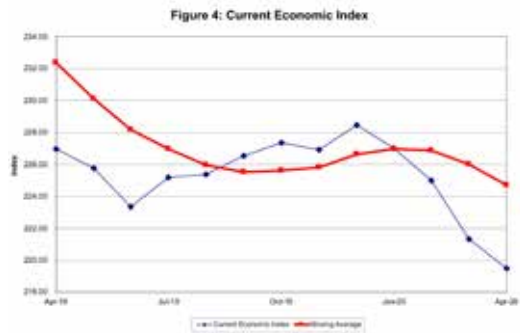
CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, decreased in April by 0.84 percent and 3.31 percent over the last year. Three of the four current economic indicators posted monthly and yearly decreases. Hotel/motel tax receipts decreased 37.65 percent for the month and 52.67 percent for the year (Figure 2). County employment fell from 169,216 in March to 142,698, which indicates 26,518 fewer



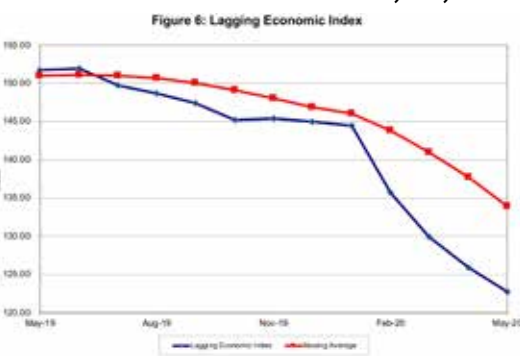
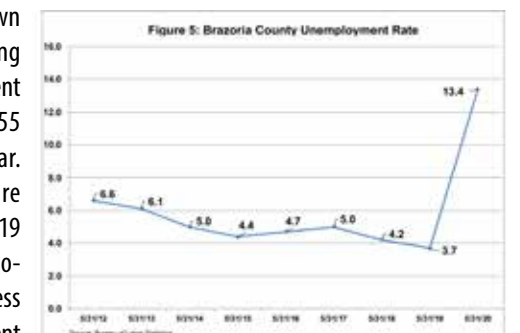
individuals were employed in the county in April when compared to March. The Houston-Galveston-Brazoria CPI posted a decrease of 0.82 for the month and 1.25 percent over the last year. The largest decreases in the CPI (Consumer Price Index) were gas, auto insurance, and apparel.

Sales Tax Receipts within the county increased 3.78 percent for the month and 28.36 percent over the last year. The \$3,285,410 in sales tax receipts in April is the largest ever recorded in the month of April (Figure 3). The Brazoria County Current Economic Index is below the six-month moving average, which indicates the county is experiencing an economic slowdown (Figure 4).



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 2.53 percent below last month and 5.55 percent below the last year. Brazoria County Foreclosure Notices decreased from 53 to 19 over the last year. 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 May last year of 3.70 percent to the highest level for the month of May of 13.40 percent (Figure 5). The lagging economic index remains below the six-month moving average, which indicates that economic activity within the county has slowed (Figure 6).



BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

JULY 2020

Brazoria County Economic Indices:	May 2020	Apr 2020	Mar 2020	Feb 2020	Jan 2020
Leading Economic Index (2003 = 100)	99.31	94.10	85.99	102.04	102.37
Current Economic Index (2003=100)	-	219.48	221.35	224.98	227.01
Lagging Economic Index (2003 = 100)	122.73	125.91	129.94	135.70	144.44

Brazoria County Leading Economic Index	May 2020	Apr 2020	May 2019	Apr-2020 to May-2020	May-2019 to May-2020
Leading Economic Index (2003 = 100)	99.31	94.10	105.99	5.54%	-6.30%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	86.04	78.65	128.79	9.41%	-33.19%
New Single Family Building Permits (Seasonally Adjusted)	221	229	234	-3.40%	-5.49%
<i>New Single Family Building Permits (Unadjusted)</i>	206	140	250	47.14%	-17.60%
Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	44.26	44.88	46.05	-1.40%	-3.89%
<i>Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	40.80	42.00	45.30	-2.86%	-9.93%
New Retail Auto Sales (Seasonally Adjusted)	2,306	2,057	2,101	12.10%	9.78%
<i>New Retail Auto Sales (Unadjusted)</i>	2,587	1,958	2,194	32.12%	17.91%

Brazoria County Current Economic Index	Apr 2020	Mar 2020	Apr 2019	Mar-2020 to Apr-2020	Apr-2019 to Apr-2020
Current Economic Index (2003 = 100)	219.48	221.35	226.99	-0.84%	-3.31%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,370,764	1,302,105	1,244,415	5.27%	10.15%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	3,285,410	3,165,793	2,559,583	3.78%	28.36%
Household Employment (Seasonally Adjusted)	167,597	172,161	169,762	-2.65%	-1.28%
<i>Household Employment (Unadjusted)</i>	142,698	169,216	171,377	-15.67%	-16.73%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,349,597	2,461,135	2,708,624	-4.53%	-13.25%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	2,789,246	4,473,568	5,893,225	-37.65%	-52.67%
Houston-Galveston-Brazoria County CPI	226.39	228.27	229.26	-0.82%	-1.25%

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

Brazoria County Lagging Economic Index	May 2020	Apr 2020	May 2019	Apr-2019 to May-2019	May-2019 to May-2020
Lagging Economic Index (2003 = 100)	122.73	125.91	129.94	-2.53%	-5.55%
Components:					
Brazoria County Foreclosure Notices (Seasonally Adjusted)	65	73	74	-10.76%	-12.47%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	19	20	53	-5.00%	-64.15%
Prime Rate Charged By Banks	3.25	3.25	5.50	0.00%	-40.91%
Unemployment Rate (Adjusted)	13.67%	14.06%	4.14%	-2.77%	230.15%
<i>Unemployment Rate (Unadjusted)</i>	13.40%	13.50%	3.70%	-0.74%	262.16%

***(Data for the Lagging Index is two months behind due to lag in obtaining unemployment data.)*