

BRAZORIA COUNTY ECONOMIC INDICATORS

ECONOMIC INDEXES SIGNAL ECONOMY IMPROVING

The Brazoria County Index of Leading Economic Indicators increased to 122.41 in May, which is 1.85 percent above the previous month and 17.07 percent above last year. The

Leading Economic Index is designed to forecast the economic performance of the county over the next three to six months. The index had been below the six-month moving average from February 2020 to September 2020 related to decreased economic activity due to COVID-19. The index has since recovered, beating the six-month moving average for the last eight months (Figure 1). This is significant because if the leading economic index is consistently above the six-month moving average, the county is likely entering into or currently experiencing a period of economic growth.

Three of the four leading economic indicators increased over the last month. The largest increase was in New Single Family Building Permits, which increased 14.37 percent over the last month and 94.15 percent over the last year. The 398 permits recorded in the month of May is the most permits filed since 2005 (Figure 2). The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers in the county, increased 6.86 percent in the month of May and 53.67 percent over the last year (Figure 3).

Brazoria County New Retail Auto Sales had recorded annual increases for seven of the last eight months but posted a decrease of 7.38 percent in May. The preliminary figure for average weekly manufacturing hours is 38.00 hours per week, which represents an increase of 1.88 percent compared to last month and a decrease of 6.86 percent over the last 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, increased in May by 1.33 percent. All four of the current economic indicators increased over the last year. The largest

increase in the index was in Hotel/Motel Tax Receipts within the county, which increased by 48.22 percent over the last year. Employment has increased by 16,467 since last May bringing total employment within the county up to 165,796. Employment has improved since the low of 142,698 recorded in April 2020, but still not back to pre-pandemic levels (Figure 4). Brazoria County Sales Tax Receipts increased 2.88 percent compared to last year and Houston-The Woodlands-Sugar Land CPI posted an increase of 4.55 percent over the last year. The Brazoria County Current Economic Index beat the six-month moving average in March for the first time since the pandemic and remained above the six-month moving average in April and May (Figure 5). This is significant because if the current economic index is consistently above the six-month moving average then the county is currently experiencing a period of economic growth.

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 increased 0.69 in the month of May and 2.10 percent over the last year. Brazoria County Foreclosure Notices remain historically low due in large part to the extension of COVID-19 forbearance and foreclosure protections for homeowners through at least June 30, 2021. The unemployment rate in the county was 7.01 percent in May compared to 13.30 percent last year (Figure 6). The lagging economic index has been above the six-month moving average for the last eight months, which confirms that economic activity within the county is improving.

Figure 1: Leading Economic Index

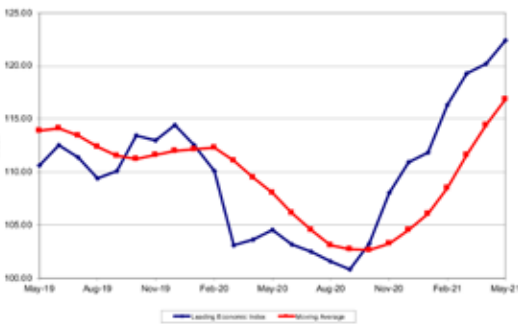


Figure 2: New Single Family Building Permits (May)

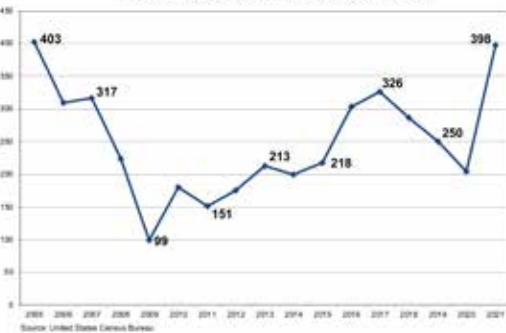


Figure 3: BC Stock Index vs. DJIA

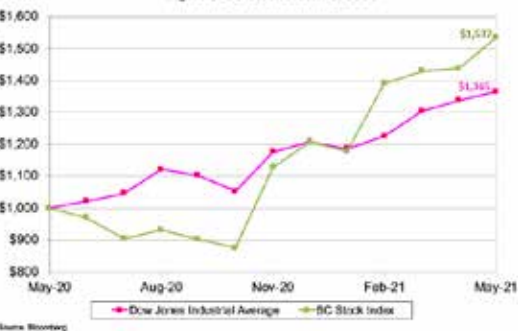


Figure 4: Brazoria County Employment

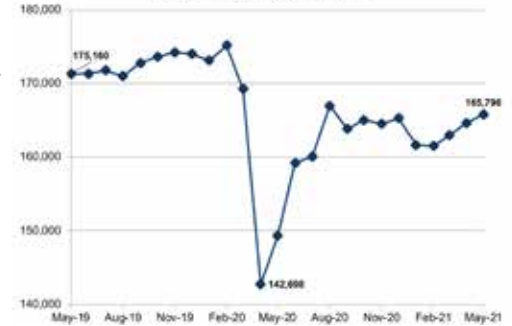


Figure 5: Current Economic Index

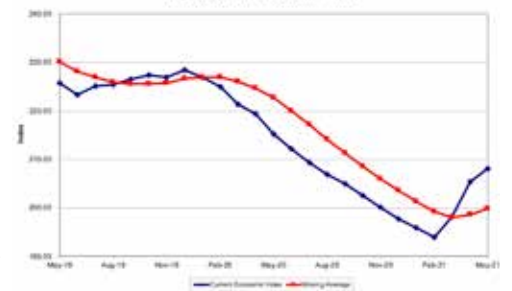


Figure 6: Brazoria County Unemployment Rate



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATOR

JULY 2021

| Brazoria County Economic Indices: | May 2021 | Apr 2021 | Mar 2021 | Feb 2021 | Jan 2021 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Leading Economic Index (2003 = 100) | 122.41 | 120.20 | 119.31 | 116.36 | 111.83 |
| Current Economic Index (2003=100) | 208.11 | 205.37 | 198.21 | 193.93 | 195.82 |
| Lagging Economic Index (2003 = 100) | 125.37 | 124.51 | 124.05 | 123.74 | 123.79 |

| Brazoria County Leading Economic Index | May 2021 | Apr 2021 | May 2020 | Apr-2021 to May-2021 | May-2020 to May-2021 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Leading Economic Index (2003 = 100) | 122.41 | 120.20 | 104.57 | 1.85% | 17.07% |
| Components: | | | | | |
| Brazoria County Stock Index (12/31/2003 = 100) | 199.59 | 186.78 | 129.89 | 6.86% | 53.67% |
| New Single Family Building Permits (Seasonally Adjusted) | 313 | 308 | 221 | 1.41% | 41.74% |
| <i>New Single Family Building Permits (Unadjusted)</i> | 398 | 348 | 205 | 14.37% | 94.15% |
| Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted) | 37.58 | 37.50 | 44.23 | 0.20% | -15.04% |
| <i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i> | 38.00 | 37.30 | 40.80 | 1.88% | -6.86% |
| New Retail Auto Sales (Seasonally Adjusted) | 2,164 | 2,541 | 2,306 | -14.87% | -6.17% |
| <i>New Retail Auto Sales (Unadjusted)</i> | 2,396 | 2,582 | 2,587 | -7.20% | -7.38% |

*(Data for the Leading Index is one month behind due to the lag in obtaining the data for building permit and weekly manufacturing hours.)

| Brazoria County Current Economic Index | May 2021 | Apr 2021 | May 2020 | Apr-2021 to May-2021 | May-2020 to May-2021 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Current Economic Index (2003 = 100) | 208.11 | 205.37 | 215.26 | 1.33% | -3.32% |
| Components: | | | | | |
| Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted) | 1,191,816 | 1,194,853 | 1,343,584 | -0.25% | -11.30% |
| <i>Sales Tax Receipts (Current \$'s, Unadjusted)</i> | 2,722,243 | 2,830,660 | 2,645,958 | -3.83% | 2.88% |
| Household Employment (Seasonally Adjusted) | 163,979 | 163,592 | 164,830 | 0.24% | -0.52% |
| <i>Household Employment (Unadjusted)</i> | 165,796 | 164,649 | 149,329 | 0.70% | 11.03% |
| Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted) | 2,245,517 | 2,172,424 | 2,278,773 | 3.36% | -1.46% |
| <i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i> | 7,083,765 | 6,622,361 | 4,779,094 | 6.97% | 48.22% |
| Houston-The Woodlands-Sugar Land CPI | 237.99 | 236.60 | 227.64 | 0.59% | 4.55% |

** (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 2021 | Apr 2021 | May 2020 | Apr-2021 to May-2021 | May-2020 to May-2021 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Lagging Economic Index (2003 = 100) | 125.37 | 124.51 | 122.79 | 0.69% | 2.10% |
| Components: | | | | | |
| Brazoria County Foreclosure Notices (Seasonally Adjusted) | 26 | 27 | 65 | -3.63% | -59.77% |
| <i>Brazoria County Foreclosure Notices (Unadjusted)</i> | 18 | 17 | 19 | 5.88% | -5.26% |
| Prime Rate Charged By Banks | 3.25 | 3.25 | 3.25 | 0.00% | 0.00% |
| Unemployment Rate (Adjusted) | 7.15% | 8.03% | 7.21% | -10.93% | -0.83% |
| <i>Unemployment Rate (Unadjusted)</i> | 7.01% | 7.71% | 13.30% | -9.08% | -47.29% |

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