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BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



LOCAL ECONOMY SLOWS ACCORDING TO LEADING AND CURRENT INDEXES

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators decreased to 117.76 in February, which is 0.72 percent lower than last month and 9.21 percent lower than last year. The Leading Economic Index, which is designed to forecast the economic performance of the county over the next three to six months, has been below the six-month moving average for the last nine months (Figure 1). This is significant because if the leading economic index is consistently below the six-month moving average, then the county is likely entering into a period of slow economic growth.

The largest decrease in the leading economic index occurred in New Single Family Building Permits within the county, which decreased by 59.89 percent over the last year. A record number of building permits were filed last year in February at 546 permits, which beat the previous high for the month of February set back in 2005 (Figure 2). The second largest decrease occurred in Average Weekly Manufacturing Hours. Manufacturing workers in the region worked 1.50 hours less per week in February of 2023 compared to last year. Both New Retail Auto Sales and the Brazoria County Stock Index increased in the month of February. New Retail Auto Sales improved from 1,668 to 1,714 over the last year but have not returned to pre-pandemic levels (Figure 3). The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers in the county, is up 9.43 percent over the last year. Schlumberger made up the largest increase in the stock index at 34.34 percent, while BASF was the largest decrease at 14.76 percent. Comparatively, the Dow Jones Industrial Average decreased by 3.42 percent over the same period.

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 January by 3.92 percent and decreased by 6.89 percent over the last year. Three of the four of the current economic indicators increased over the last year. The largest increase in the index was in Brazoria

FIGURE 1 : Leading Economic Index

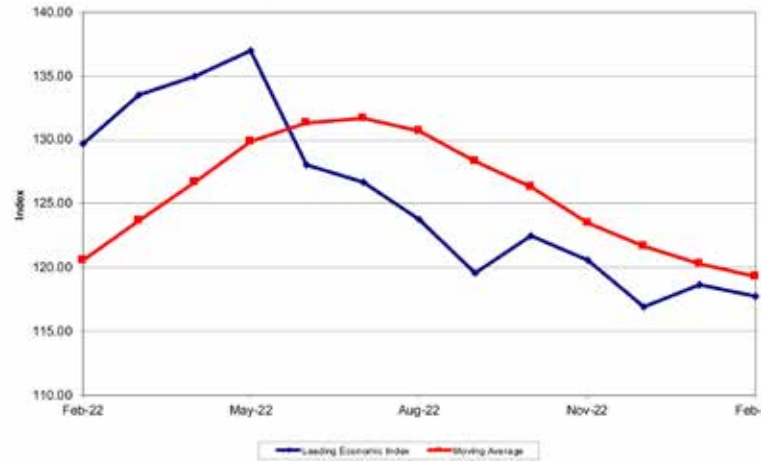


FIGURE 2 : New Single Family Building Permits (February)

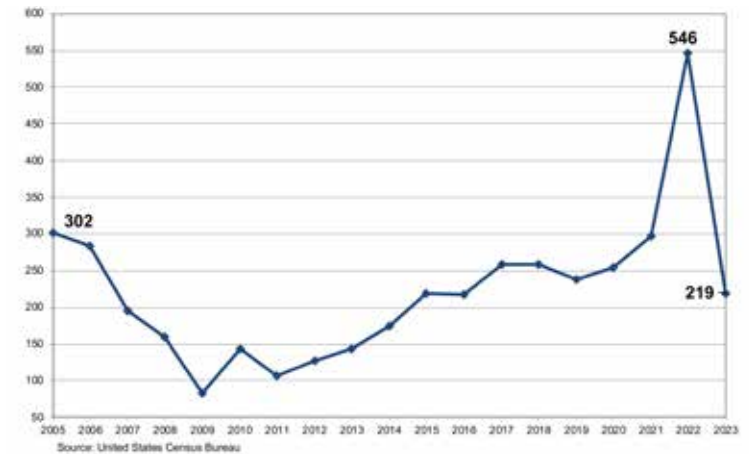
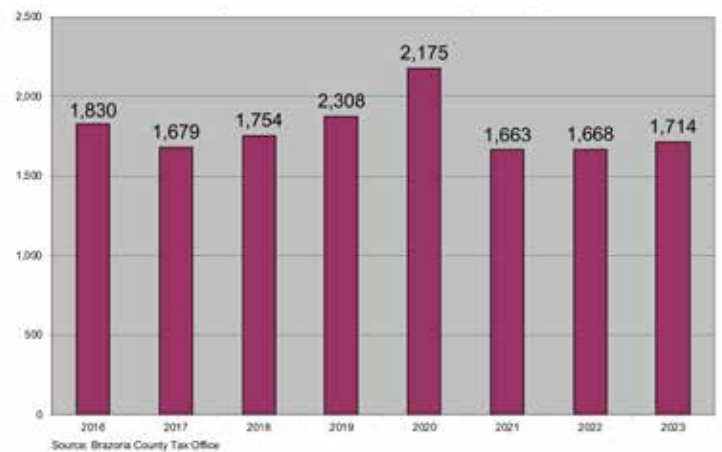


FIGURE 3 : New Retail Auto Sales (February)



BRAZORIA COUNTY ECONOMIC INDICATORS APRIL 2023



County Sales Tax Receipts, which increased 23.94 percent over the last year. The \$4,235,575 of Sales Tax Receipts in January 2023 is second only to the pre-pandemic amount of receipts collected in January 2020 (Figure 4). Employment within the county increased from 171,363 last January to 177,813, which is an increase of 6,450 jobs added in the last year. In addition, employment within the county has increased by 30,436 since April 2020 when employment hit a low due to the COVID-19 pandemic (Figure 5). The local inflation rate as measured by Houston-The Woodlands-Sugar Land CPI posted an increase of 5.31 percent over the last year. The local inflation rate peaked in June at 10.24 percent and has been slowly decreasing over the last few months. Brazoria County Hotel/Motel Tax Receipts, which decreased 1.08 percent over the last year. The Brazoria County Current Economic Index has been below the six-month moving average for the five of the last six months (Figure 6). This is significant because if the current economic index is consistently below the six-month moving average, then the county is currently experiencing a slowdown in economic activity.

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 increased 28.12 percent over the last year. The two indicators driving the increase in the index are the unemployment rate and prime rate. The unemployment rate in the county is currently 4.80 percent, which is down from last year's figure of 6.09 percent. The unemployment rate in the county peaked at 12.50 percent in April 2020 due to the COVID-19 pandemic. The Federal Reserve began raising interest rates in March of this year to combat inflation, which has caused the prime rate to increase from 3.25 percent to 7.50 percent. Brazoria County Foreclosure Notices increased from 36 to 61 over the last year, which is an increase of 69.44 percent. Foreclosure notices had been historically low the last couple of years due to the forbearance and foreclosure protections for homeowners during the COVID-19 pandemic. These protections expired on September 30th, 2021, which has caused the increase in foreclosure notices. The lagging economic index has been above the six-month moving average for over twelve months, which indicates that the county has been experiencing a period of economic growth.

FIGURE 4: Sales Tax Receipts (January)

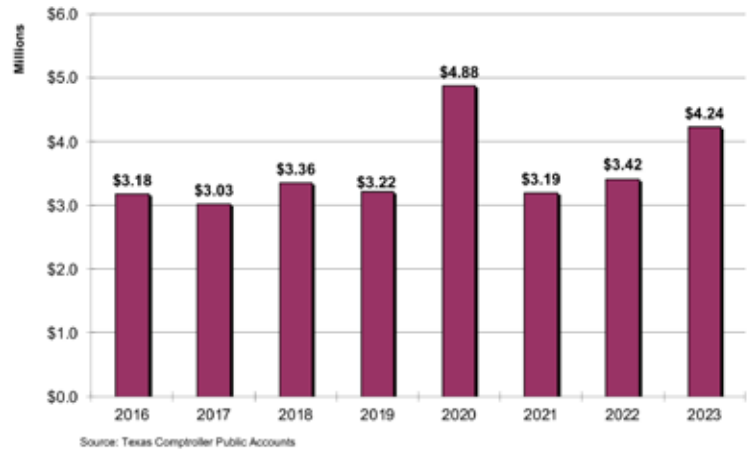


FIGURE 5: Brazoria County Employment

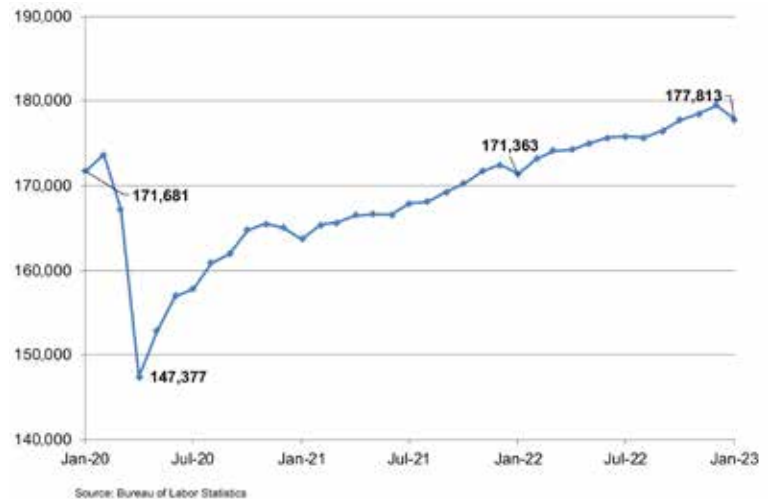
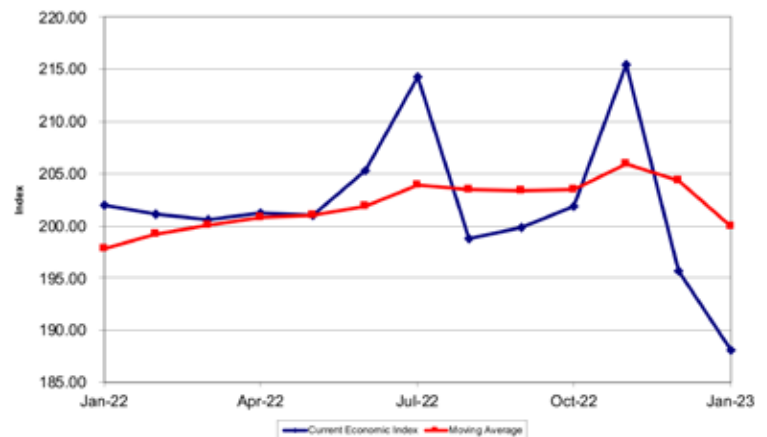


FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS APRIL 2023

Brazoria County Economic Indices:	Feb 2023	Jan 2023	Dec 2022	Nov 2022	Oct 2022
Leading Economic Index (2003 = 100)	117.76	118.62	116.95	120.59	122.48
Current Economic Index (2003=100)	-	188.06	195.73	215.49	201.87
Lagging Economic Index (2003 = 100)	-	168.27	166.44	163.86	157.86

Brazoria County Leading Economic Index	Feb 2023	Jan 2023	Feb 2022	Jan-2023 to Feb-2023	Feb-2022 to Feb-2023
Leading Economic Index (2003 = 100)	117.76	118.62	129.70	-0.72%	-9.21%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	210.54	218.43	192.41	-3.61%	9.43%
New Single Family Building Permits (Seasonally Adjusted)	277	278	393	-0.32%	-29.66%
<i>New Single Family Building Permits (Unadjusted)</i>	219	191	546	14.66%	-59.89%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	41.93	42.03	40.77	-0.25%	2.85%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	41.10	41.00	42.60	0.24%	-3.52%
New Retail Auto Sales (Seasonally Adjusted)	2,047	1,738	1,934	17.77%	5.86%
<i>New Retail Auto Sales (Unadjusted)</i>	1,714	1,597	1,668	7.33%	2.76%

*(Data for the Leading Index is one month behind due to the lag in obtaining the data for building permits at the county level.)

Brazoria County Current Economic Index	Jan 2023	Dec 2022	Jan 2022	Dec-2022 to Jan-2023	Jan-2022 to Jan-2023
Current Economic Index (2003 = 100)	188.06	195.73	201.98	-3.92%	-6.89%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,232,032	1,239,258	1,185,390	-0.58%	3.93%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	4,235,575	3,187,114	3,417,308	32.90%	23.94%
Household Employment (Seasonally Adjusted)	176,003	175,543	168,906	0.26%	4.20%
<i>Household Employment (Unadjusted)</i>	177,813	179,452	171,363	-0.91%	3.76%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,972,045	2,276,499	2,682,064	-13.37%	-26.47%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	4,523,780	4,390,248	4,573,281	3.04%	-1.08%
Houston-The Woodlands-Sugar Land CPI	261.21	258.89	248.04	0.90%	5.31%

***(Data for the Current Index is two months behind due to the lag in obtaining the data for county employment.)

Brazoria County Lagging Economic Index	Jan 2023	Dec 2022	Jan 2022	Dec-2022 to Jan-2023	Jan-2022 to Jan-2023
Lagging Economic Index (2003 = 100)	168.27	166.44	131.34	1.10%	28.12%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	56	54	28	3.11%	96.87%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	61	71	36	-14.08%	69.44%
Prime Rate Charged By Banks	7.50	7.27	3.25	3.16%	130.77%
Unemployment Rate (Adjusted)	4.66%	4.54%	6.49%	2.74%	-28.24%
<i>Unemployment Rate (Unadjusted)</i>	4.80%	4.40%	6.09%	9.09%	-21.18%

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