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BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



INDEXES POINT TO STRONG LOCAL ECONOMY

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators increased to 126.69 in February, which is 1.78 percent above the previous month and 7.71 percent above the 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 above the six-month moving average for the last nine months (Figure 1). This is significant because if the leading economic index is consistently above the six-month moving average, then the county is likely entering into or currently experiencing a period of economic growth.

The largest increase in the leading economic index was in New Single Family Building Permits within the county, which increased by 54.13 percent in February 2024 when compared to February 2023. The 336 permits filed in February is the second highest number of building permits filed in the county during the month of February. The highest number of permits for the month of February was set in 2022 (Figure 2). The average selling price of a home in the county increased from \$331,286 to \$352,039 over the last year, which represents an increase of 6.26%. The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers, increased 1.26 in February and 8.99 percent over the last year. Comparatively, the Dow Jones Industrial Average increased 2.13 percent in the month of February and 19.39 percent over the last year. Phillips 66 made up the largest increase in the stock index at 39.06 percent over the last year, while Schlumberger was the largest decrease at 7.98 percent. Manufacturing workers in the region worked on average one more hour per week than last year, which represented an increase of 2.40 percent. New Retail Auto Sales was the only leading indicator to decrease over the last year. High interest rates and high new vehicle prices have negatively impacted auto sales causing a decrease from 1,714 to 1,647 over the last year (Figure 3).

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 1.18 percent in the month of February and 7.59 percent over the last year. Three of the four current economic indicators increased over the last year. The

FIGURE 1 : Leading Economic Index

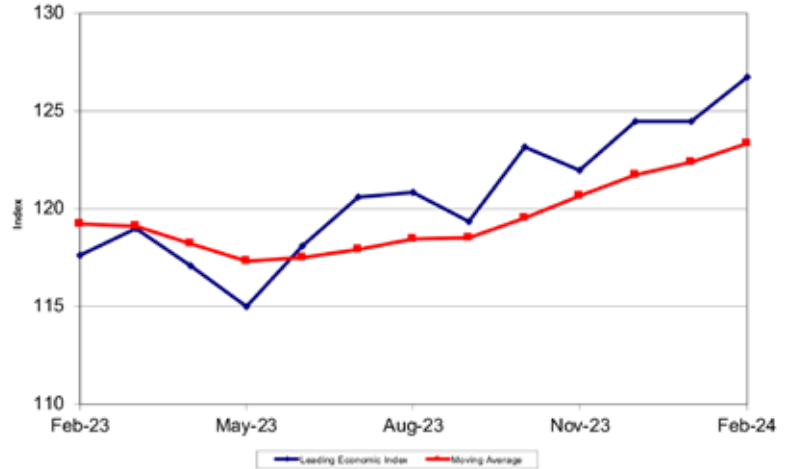


FIGURE 2 : New Single Family Building Permits (February)

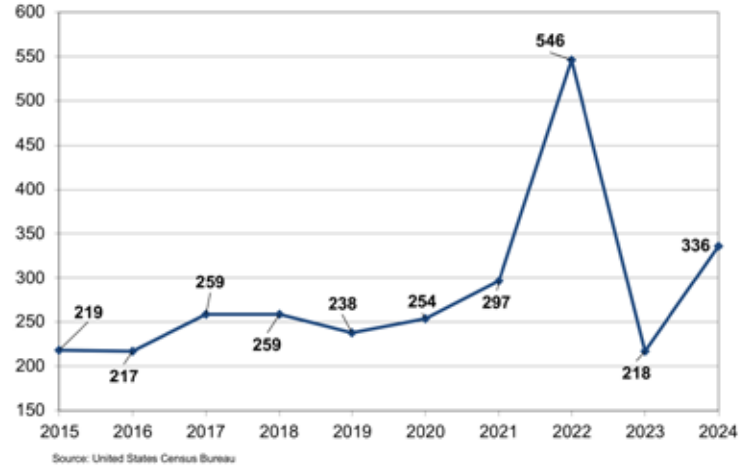
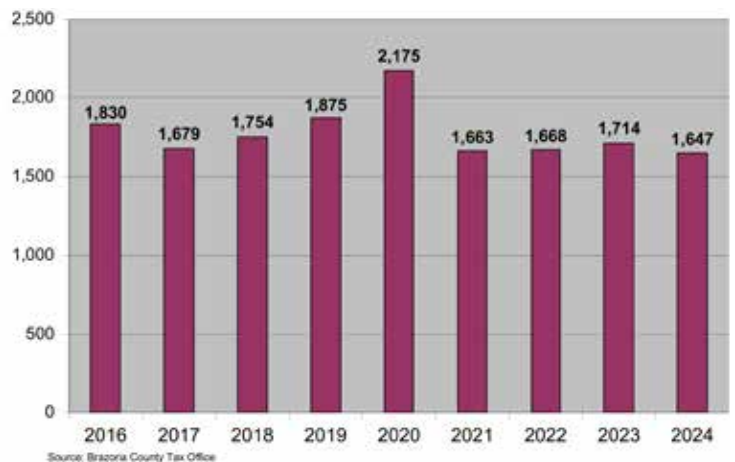


FIGURE 3 : New Retail Auto Sales (February)



BRAZORIA COUNTY ECONOMIC INDICATORS APRIL 2024



largest increase in the index was in Brazoria County Hotel/Motel Tax Receipts, which increased by 14.90 percent over the last year. The \$5,894,019 matched the second highest amount ever reported in the county for the month of February (Figure 4). *Note: The February 2024 Hotel/Motel Tax Receipts may increase slightly as taxes paid after the due date are added to the monthly total.* The local inflation rate, as measured by Houston-The Woodlands-Sugar Land CPI, has slowed since 2022 when annual price increases topped 10 percent at times. Prices increased during the month of February at a rate of 0.49 percent and at an annual rate of 3.50 percent. Employment within the county increased from 179,466 to 184,425 over the last year (Figure 5). This represents an increase in employment of 4,959, which is a larger increase when compared to last year's 4,680 employment increase over the same period. The only current indicator to decrease over the last year was Brazoria County Sales Tax Receipts, which decreased by 0.66 percent. The Current Economic Index fell below the six-month moving average for the final five months of 2023, however the index has started 2024 with two consecutive months of strong growth (Figure 6). 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.

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 2.67 percent over the last year. The February unemployment rate in the county was 4.60 percent, which is lower than February of last year's figure of 4.92 percent. The Federal Reserve began raising interest rates in March of 2022 to combat inflation, which has caused the prime rate to increase from 3.25 percent to 8.50 percent. The prime rate has remained at 8.50 percent since July 2023 as price level increases have slowed to a level considered acceptable by The Federal Reserve. The Federal Reserve is cautious to cut interest rates too soon as it could fuel more rampant inflation. Brazoria County Foreclosure Notices increased from 58 to 93 over the last year, which is an increase of 60.34 percent. Foreclosure notices have been increasing over the last year to pre-pandemic levels as forbearance and foreclosure protections for homeowners implemented during COVID have expired. 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: Brazoria County Hotel/Motel Tax Receipts (February)

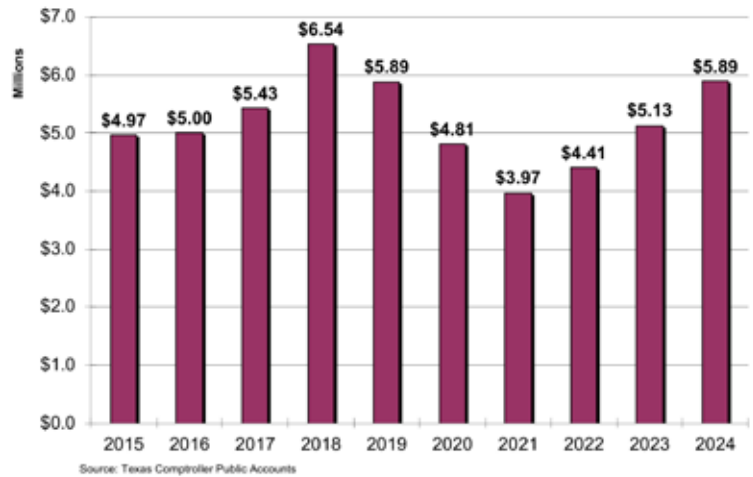


FIGURE 5: Brazoria County Employment

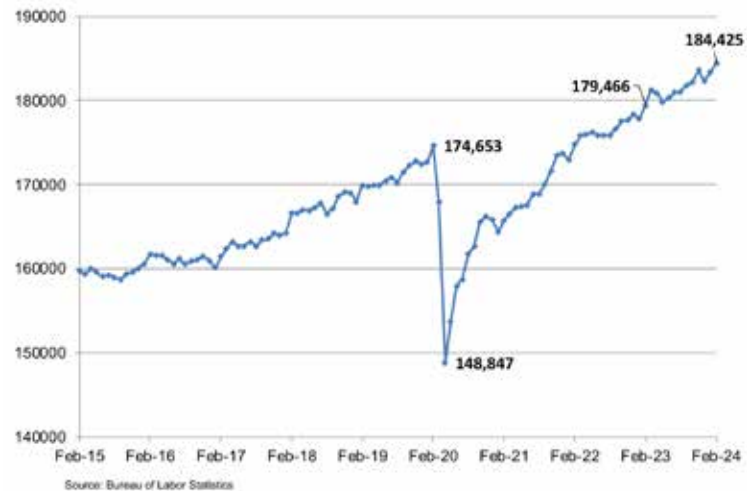
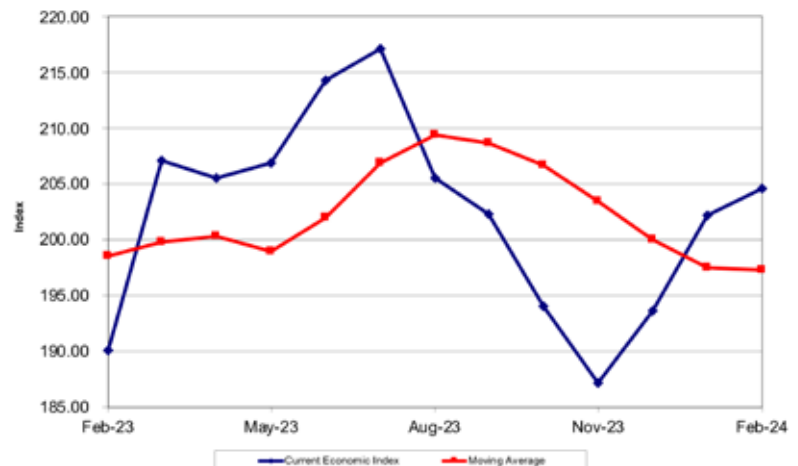


FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS APRIL 2024

Brazoria County Economic Indices:	Feb 2024	Jan 2024	Dec 2023	Nov 2023	Oct 2023
Leading Economic Index (2003 = 100)	126.69	124.47	124.45	121.96	123.12
Current Economic Index (2003=100)	204.58	202.19	193.68	187.19	194.13
Lagging Economic Index (2003 = 100)	175.50	176.62	176.67	176.15	175.76

Brazoria County Leading Economic Index	Feb 2024	Jan 2023	Feb 2023	Jan-2024 to Feb-2024	Feb-2023 to Feb-2024
Leading Economic Index (2003 = 100)	126.69	124.47	117.61	1.78%	7.71%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	229.48	226.61	210.54	1.26%	8.99%
New Single Family Building Permits (Seasonally Adjusted)	331	315	275	4.95%	20.43%
<i>New Single Family Building Permits (Unadjusted)</i>	336	230	218	46.09%	54.13%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	42.77	42.76	42.00	0.04%	1.83%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	42.60	42.90	41.60	-0.70%	2.40%
New Retail Auto Sales (Seasonally Adjusted)	1,841	1,793	2,047	2.67%	-10.09%
<i>New Retail Auto Sales (Unadjusted)</i>	1,647	1,591	1,714	3.52%	-3.91%

*(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	Feb 2024	Jan 2023	Feb 2023	Jan-2023 to Feb-2024	Feb-2023 to Feb-2024
Current Economic Index (2003 = 100)	204.58	202.19	190.15	1.18%	7.59%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,272,952	1,251,666	1,265,304	1.70%	0.60%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	3,336,617	4,222,460	3,358,801	-20.98%	-0.66%
Household Employment (Seasonally Adjusted)	181,726	181,252	176,650	0.26%	2.87%
<i>Household Employment (Unadjusted)</i>	184,425	183,293	179,466	0.62%	2.76%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,460,487	2,344,289	2,046,607	4.96%	20.22%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	5,894,019	4,740,397	5,129,499	24.34%	14.90%
Houston-The Woodlands-Sugar Land CPI	272.77	271.45	263.54	0.49%	3.50%

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

Brazoria County Lagging Economic Index	Feb 2024	Jan 2024	Feb 2023	Jan-2024 to Feb-2024	Feb-2023 to Feb-2024
Lagging Economic Index (2003 = 100)	175.50	176.62	170.93	-0.64%	2.67%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	75	68	58	9.56%	28.90%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	93	66	58	40.91%	60.34%
Prime Rate Charged By Banks	8.50	8.50	7.74	0.00%	9.82%
Unemployment Rate (Adjusted)	4.43%	4.41%	4.67%	0.50%	-5.12%
<i>Unemployment Rate (Unadjusted)</i>	4.60%	4.51%	4.92%	2.00%	-6.50%

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