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BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



FORECASTING GROWTH IN FOGGY CONDITIONS

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators increased 4.30 percent over the last month but posted a decrease of 0.45 percent over the last year. The Leading Economic Index, a key indicator forecasting the county's economic performance over the next three to six months, has been above the six-month moving average for the past two months. This marks a shift from the previous eight months, during which the index remained below the moving average (Figure 1). Typically, a sustained increase in the six-month moving average signals the future economic growth. However, recent policy changes introduced by the new administration since February have added an element of uncertainty to the outlook.

In February, all four of Brazoria County's leading economic indicators showed positive movement, signaling potential economic momentum in the months ahead. Notably, three of these indicators also demonstrated growth compared to the same time last year. One of the strongest gains came from the housing sector, where 400 new single family building permits were issued, representing a 19.4 percent increase from the 335 permits filed in February 2024. This is the second highest February total on record, surpassed only by February 2022 when homebuyers accelerated purchases in anticipation of rising mortgage rates (Figure 2). The local auto market also showed continued strength, with new retail auto sales increasing 15.48 percent year over year, rising from 1,647 vehicles sold in February 2024 to 1,902 in February 2025 (Figure 3). In the manufacturing sector, the average number of hours worked per week rose to 44.50, up from 43.20 hours the previous year, marking a 3.01 percent increase and suggesting a boost in production activity. The Brazoria County Stock Index saw a 6.41 percent gain during February, although it remains down 18.16 percent over the past year. Among the five companies in the index, four experienced declines in stock prices since last year. Olin Corporation saw the largest decrease at 51.95 percent (Figure 4). In comparison, the Dow Jones Industrial Average posted a modest decline of 0.83 percent in February but recorded a 12.60 percent increase over the past twelve months.

CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators rose by 5.95 percent over the past year, reflecting a modest improvement in local economic activity. Notably, three of the index's key components posted year-over-year increases, with

FIGURE 1: Leading Economic Index

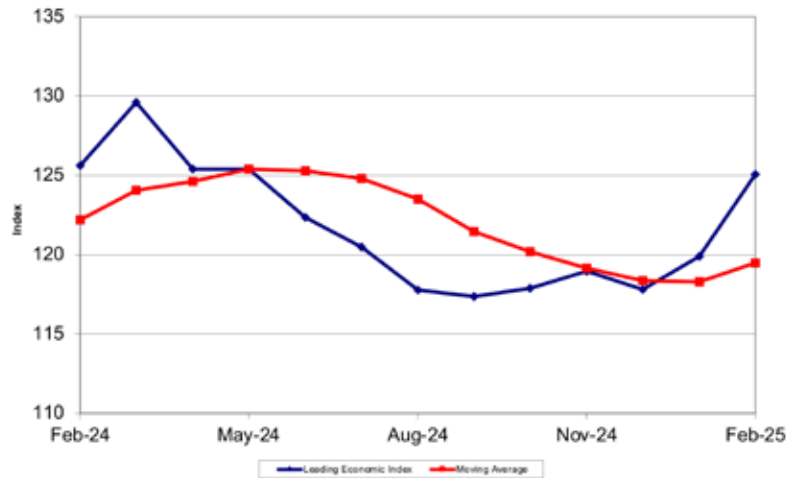


FIGURE 2: New Single-Family Building Permits (February)

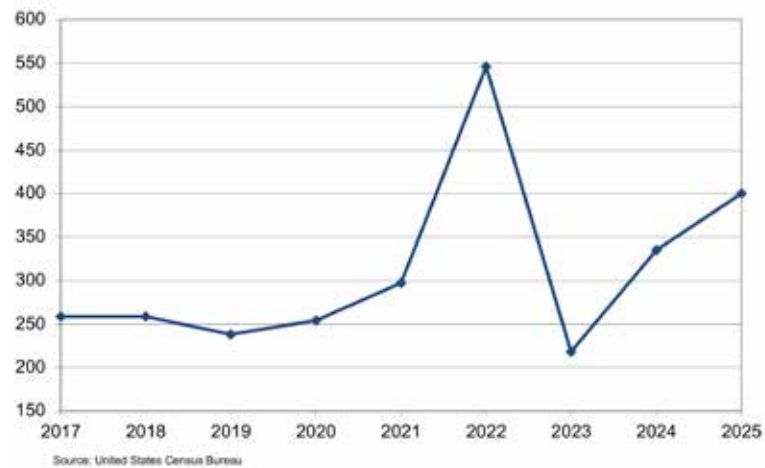
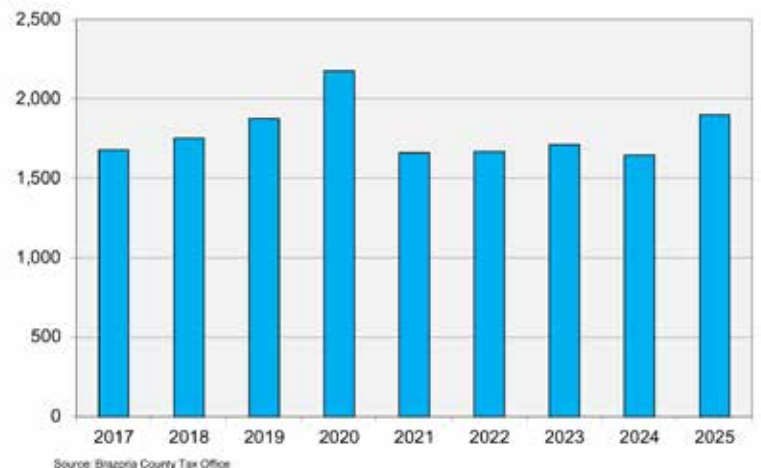
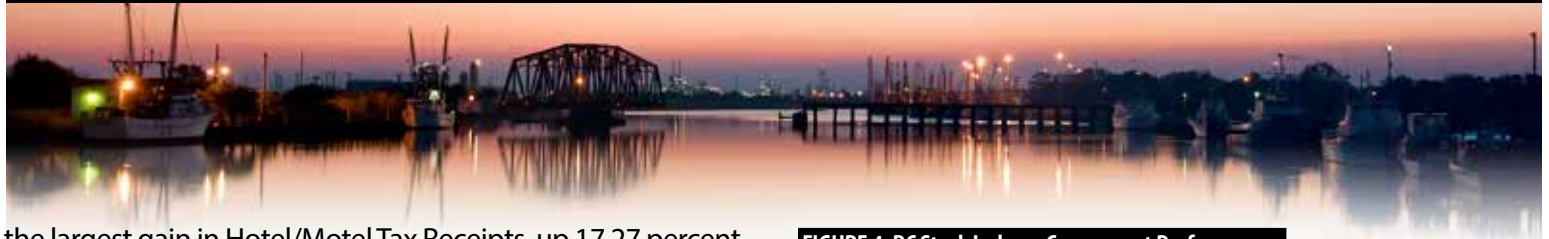


FIGURE 3: New Retail Auto Sales (February)



BRAZORIA COUNTY ECONOMIC INDICATORS APRIL 2025



the largest gain in Hotel/Motel Tax Receipts, up 17.27 percent. This surge is largely attributed to Hurricane Beryl, which struck in July 2024, leading to an influx of emergency and recovery workers as well as displaced residents seeking temporary housing. The local inflation rate, as measured by the Houston-The Woodlands-Sugar Land Consumer Price Index, increased 1.04 percent over the same period. This marks a significant cooling from its peak of 10.24 percent in July 2022. In response to earlier high inflation, the Federal Reserve began raising interest rates in March 2022. While rate cuts have now begun gradually, recent tariffs are expected to exert upward pressure on prices, potentially limiting further reductions in interest rates this year. Sales Tax Receipts in Brazoria County decreased by 5.47 percent compared to the previous year; however, after adjusting for inflation, the real reduction in the volume of goods and services sold is greater, which is an important consideration when interpreting economic data. On a positive note, county employment hit a new record, rising from 185,807 to 191,631 over the past year, an increase of 5,824 jobs, according to the Bureau of Labor Statistics (Figure 5). Although Hurricane Beryl provided a short-term lift to the local economy, pushing the economic index above its six-month moving average, recent trends are less encouraging. The index has now fallen below the moving average for four consecutive months indicating that Brazoria County is likely currently experiencing a period of slow or negative economic growth (Figure 6).

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 decreased 1.20 percent over the last month and 4.11 percent over the last year. The largest decrease in the index was due to an increase in foreclosure notices, which increased 30.30 percent over the last year. The prime rate charged by banks decreased from 8.50 percent to 7.50 percent over the last year. The lowering of interest rates by The Fed had occurred due to lower levels of inflation and a higher concern with stimulating the economy to prevent higher levels of unemployment. The unemployment rate in the county decreased to 4.40 percent, down from 4.50 percent at the same time last year. After consistently beating the six-month moving average for just over four years, the lagging economic index has fallen below the six-month moving average the last four months, which indicates that the county has been experiencing a period of slow or negative economic growth.

FIGURE 4: BC Stock Index – Component Performance

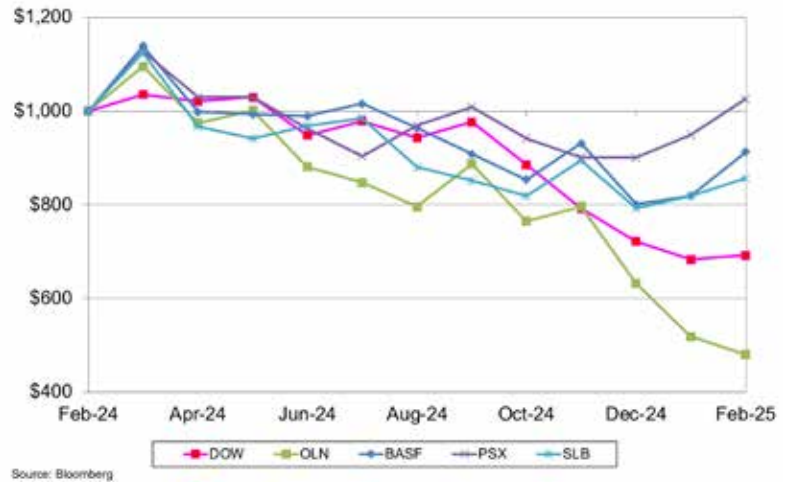


FIGURE 5: Brazoria County Employment

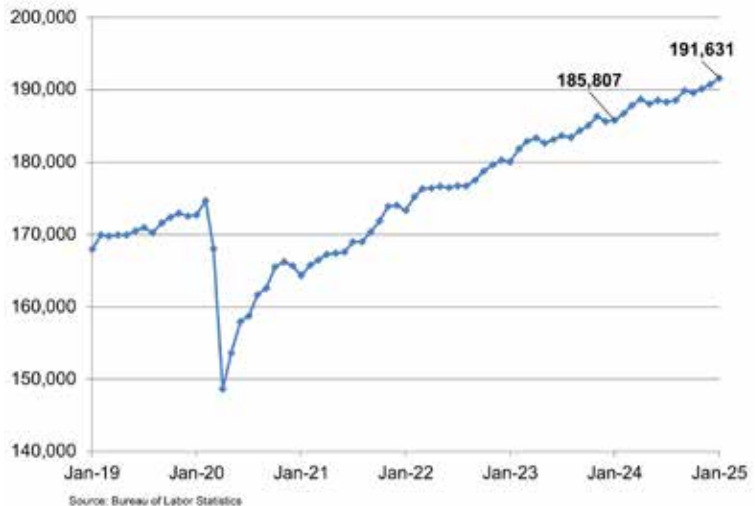
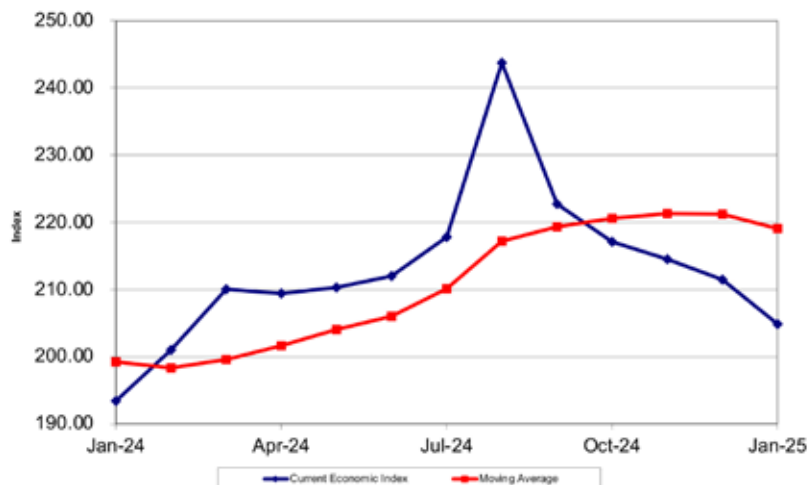


FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS APRIL 2025

Brazoria County Economic Indices:	Feb 2025	Jan 2025	Dec 2024	Nov 2024	Oct 2024
Leading Economic Index (2003 = 100)	125.05	119.89	117.81	118.96	117.89
Current Economic Index (2003=100)	-	204.88	211.48	214.50	217.10
Lagging Economic Index (2003 = 100)	-	169.44	171.49	172.93	174.48

Brazoria County Leading Economic Index	Feb 2025	Jan 2025	Feb 2024	Jan-2025 to Feb-2025	Feb-2024 to Feb-2025
Leading Economic Index (2003 = 100)	125.05	119.89	125.61	4.30%	-0.45%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	187.81	176.49	229.48	6.41%	-18.16%
New Single Family Building Permits (Seasonally Adjusted)	345	317	331	8.68%	4.24%
<i>New Single Family Building Permits (Unadjusted)</i>	400	318	335	25.79%	19.40%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	44.50	44.45	42.86	0.11%	3.82%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	44.50	43.90	43.20	1.37%	3.01%
New Retail Auto Sales (Seasonally Adjusted)	2,076	1,885	1,797	10.09%	15.48%
<i>New Retail Auto Sales (Unadjusted)</i>	1,902	1,714	1,647	10.97%	15.48%

*(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 2025	Dec 2024	Jan 2024	Dec-2024 to Jan-2025	Jan-2024 to Jan-2025
Current Economic Index (2003 = 100)	204.88	211.48	193.38	-3.12%	5.95%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,292,129	1,304,437	1,251,666	-0.94%	3.23%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	3,154,249	4,567,501	3,336,617	-30.94%	-5.47%
Household Employment (Seasonally Adjusted)	188,992	188,371	183,761	0.33%	2.85%
<i>Household Employment (Unadjusted)</i>	191,631	190,791	185,807	0.44%	3.13%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,307,780	2,549,733	1,988,521	-9.49%	16.06%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	5,558,887	5,184,306	4,740,397	7.23%	17.27%
Houston-The Woodlands-Sugar Land CPI	274.29	272.95	271.45	0.49%	1.04%

** (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 2025	Dec 2024	Jan 2024	Dec-2024 to Jan-2025	Jan-2024 to Jan-2025
Lagging Economic Index (2003 = 100)	169.44	171.49	176.70	-1.20%	-4.11%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	62	56	68	9.74%	-9.38%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	86	67	66	28.36%	30.30%
Prime Rate Charged By Banks	7.50	7.65	8.50	-1.96%	-11.76%
Unemployment Rate (Adjusted)	4.38%	4.40%	4.39%	-0.43%	-0.32%
<i>Unemployment Rate (Unadjusted)</i>	4.40%	4.10%	4.50%	7.32%	-2.22%

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