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BRAZORIA COUNTY  
**ECONOMIC  
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE  
**ECONOMIC FORECASTING CENTER**



## CURRENT INDEX AT RECORD HIGHS; LEADING INDEX SLOWS

### LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators decreased to 116.78 in December, which is 3.12 percent lower than last month and 2.45 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 seven 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 56.00 percent over the last year. Building permits had been at record setting levels over the last couple of years beating the previous record highs set back in 2005 (Figure 2). The second largest decrease occurred in New Retail Auto Sales, which fell from 1,956 to 1,812 over the last year, which represents a decrease of 7.36 percent. Average Weekly Manufacturing Hours for workers in the region decreased over the last year from 42.50 hours to 41.20 hours per week, which is a decrease of 3.06 percent. The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers in the county, increased 9.66 percent in 2022. Schlumberger made up the largest increase in the stock index at 75.79 percent, while BASF was the largest decrease at 24.59 percent. Comparatively, the Dow Jones Industrial Average decreased by 8.74 percent over the same period (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 in November by 1.14 percent and increased by 2.12 percent over the last year. All four of the current economic indicators increased over the last year. The largest increase in the index was in Brazoria County Hotel/Motel Tax Receipts, which increased 41.18 percent over the last year. The \$6,847,565 in hotel/motel tax receipts recorded

FIGURE 1 : Leading Economic Index

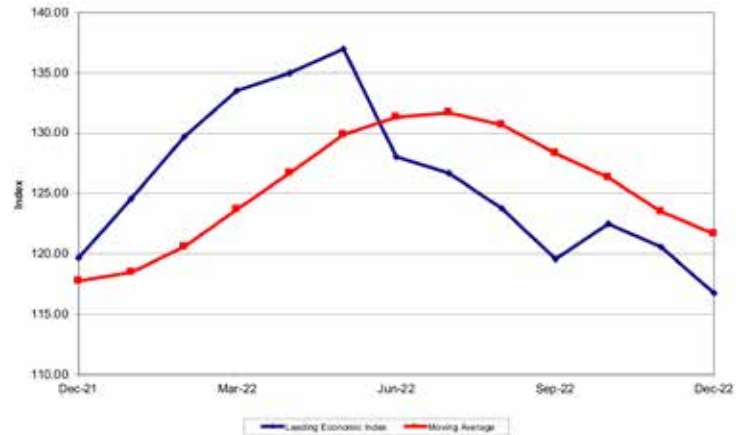


FIGURE 2 : New Single Family Building Permits (December)

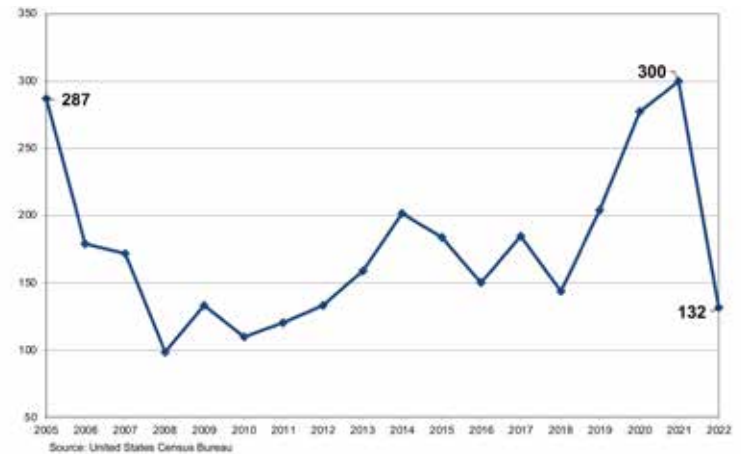
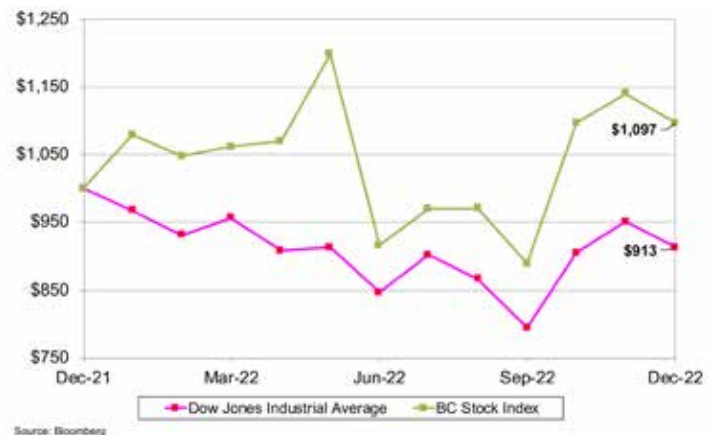


FIGURE 3 : BC Stock Index vs. DJIA



# BRAZORIA COUNTY ECONOMIC INDICATORS JANUARY 2023

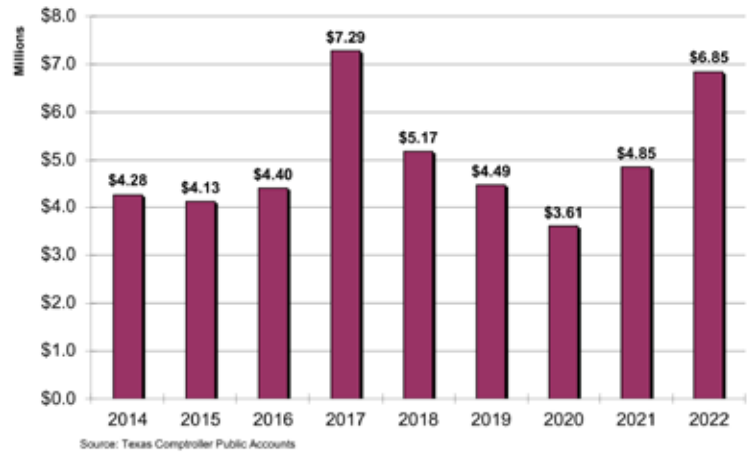


in November is second only to November 2017 when many residents of the county were displaced by Hurricane Harvey (Figure 4). Brazoria County Sales Tax Receipts increased by 9.08 percent over the last year. The \$2,918,977 of Sales Tax Receipts is the highest amount ever recorded in the month of November. Employment within the county increased from 171,714 last November to a new record high of 178,363, which is an increase of 6,649 jobs added in the last year. In addition, employment within the county has increased by 30,377 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 6.47 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. The Brazoria County Current Economic Index has been below the six-month moving average for the last three 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.

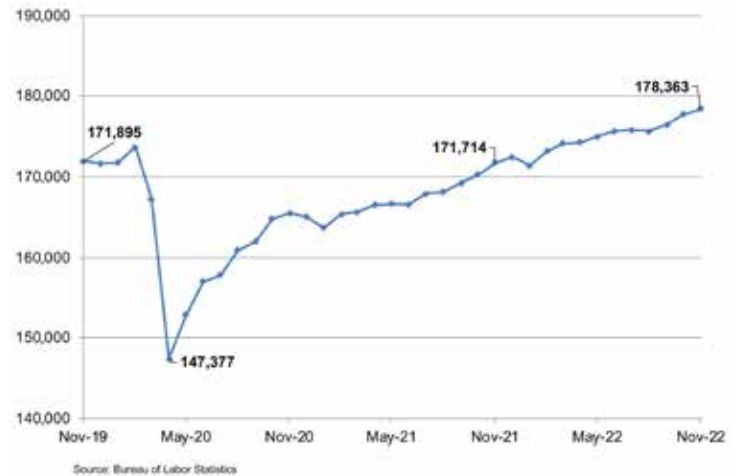
## LAGGING ECONOMIC INDICATORS

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 27.56 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 4.35 percent, which is down from last year's figure of 5.60 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 6.95 percent. Brazoria County Foreclosure Notices increased from 35 to 65 over the last year, which is an increase of 85.71 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.

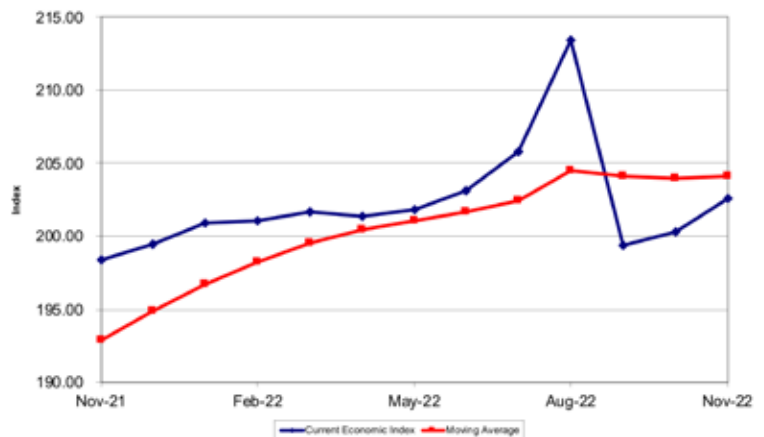
**FIGURE 4: Hotel/Motel Tax Receipts (November)**



**FIGURE 5: Brazoria County Employment**



**FIGURE 6: Current Economic Index**



# BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS

## JANUARY 2023

<b>Brazoria County Economic Indices:</b>	<b>Dec 2022</b>	<b>Nov 2022</b>	<b>Oct 2022</b>	<b>Sep 2022</b>	<b>Aug 2022</b>
Leading Economic Index (2003 = 100)	116.78	120.54	122.47	119.58	123.81
Current Economic Index (2003=100)	-	202.60	200.31	199.38	213.43
Lagging Economic Index (2003 = 100)	-	166.53	163.69	157.33	152.73

<b>Brazoria County Leading Economic Index</b>	<b>Dec 2022</b>	<b>Nov 2022</b>	<b>Dec 2021</b>	<b>Nov-2022 to Dec-2022</b>	<b>Dec-2021 to Dec-2022</b>
Leading Economic Index (2003 = 100)	116.78	120.54	119.71	-3.12%	-2.45%
<b>Components:</b>					
Brazoria County Stock Index (12/31/2003 = 100)	201.39	209.43	183.65	-3.84%	9.66%
New Single Family Building Permits (Seasonally Adjusted)	281	301	318	-6.81%	-11.81%
<i>New Single Family Building Permits (Unadjusted)</i>	132	154	300	-14.29%	-56.00%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	41.91	41.99	39.96	-0.19%	4.89%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	41.20	42.00	42.50	-1.90%	-3.06%
New Retail Auto Sales (Seasonally Adjusted)	1,797	1,870	1,903	-3.90%	-5.54%
<i>New Retail Auto Sales (Unadjusted)</i>	1,812	1,663	1,956	8.96%	-7.36%

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

<b>Brazoria County Current Economic Index</b>	<b>Nov 2022</b>	<b>Oct 2022</b>	<b>Nov 2021</b>	<b>Oct-2022 to Nov-2022</b>	<b>Nov-2021 to Nov-2022</b>
Current Economic Index (2003 = 100)	202.60	200.31	198.39	1.14%	2.12%
<b>Components:</b>					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,229,773	1,231,291	1,208,433	-0.12%	1.77%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	2,918,977	3,277,671	2,675,997	-10.94%	9.08%
Household Employment (Seasonally Adjusted)	174,937	174,311	167,714	0.36%	4.31%
<i>Household Employment (Unadjusted)</i>	178,363	177,744	171,714	0.35%	3.87%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	3,161,343	2,531,202	2,606,871	24.89%	21.27%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	6,847,565	6,481,922	4,850,282	5.64%	41.18%
Houston-The Woodlands-Sugar Land CPI	260.48	262.07	244.66	-0.61%	6.47%

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

<b>Brazoria County Lagging Economic Index</b>	<b>Nov 2022</b>	<b>Oct 2022</b>	<b>Nov 2021</b>	<b>Oct-2022 to Nov-2022</b>	<b>Nov-2021 to Nov-2022</b>
Lagging Economic Index (2003 = 100)	166.53	163.69	130.55	1.73%	27.56%
<b>Components:</b>					
Brazoria County Foreclosure Notices (Adjusted)	52	50	26	4.02%	96.31%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	65	58	35	12.07%	85.71%
Prime Rate Charged By Banks	6.95	6.25	3.25	11.20%	113.85%
Unemployment Rate (Adjusted)	4.35%	4.46%	6.79%	-2.45%	-35.91%
<i>Unemployment Rate (Unadjusted)</i>	4.35%	4.37%	5.60%	-0.46%	-22.32%

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

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