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BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



ECONOMIC SLOWDOWN POTENTIALLY AVOIDED

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators increased 0.94 percent over the last month but posted a decrease of 2.02 percent over the 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 has been below the six-month moving average for the last seven months (Figure 1), which typically indicates that the county is likely entering into or currently experiencing an economic slowdown. The recent gains in the leading economic index of 0.94 percent over the last month along with the positive impact of Hurricane Beryl on local economic activity suggest that a potential slowdown may have been avoided.

Three of the four leading economic indicators increased over the last year. The largest increase was in New Single-Family Building Permits. There were 266 permits filed in November 2024 compared with 175 filed in November 2023, which is an increase of 52.00 percent. The 266 permits are higher than pre-Covid levels, but lower than the number of permits filed in 2020 and 2021 when interest rates were at all-time lows (Figure 2). New Retail Auto Sales have rebounded to pre-Covid levels, rising 21.01 percent from 1,642 in November 2023 to 1,987 in November 2024, likely driven by automaker incentives to clear excess inventory (Figure 3). Manufacturing workers in the region are working 45.80 hours per week on average compared to 43.20 hours per week last year. The 2.60 additional hours per week represents an increase of 6.02 percent. The Brazoria County Stock Index increased in the month of November by 3.16 percent but was down 4.73 percent over the last year. Comparatively, the Dow Jones Industrial Average increased 7.30 percent in the month of November and increased 25.09 percent over the last year. Four of the five companies that make up the BC Stock Index decreased over the last year (Figure 4).

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 over the last year by 9.54 percent. All four of the current economic indicators posted increases during the last year. The largest increase was in Hotel/Motel Tax Receipt, which increased 25.22 percent over the last year and could end up being slightly higher as taxpayers that

FIGURE 1 : Leading Economic Index

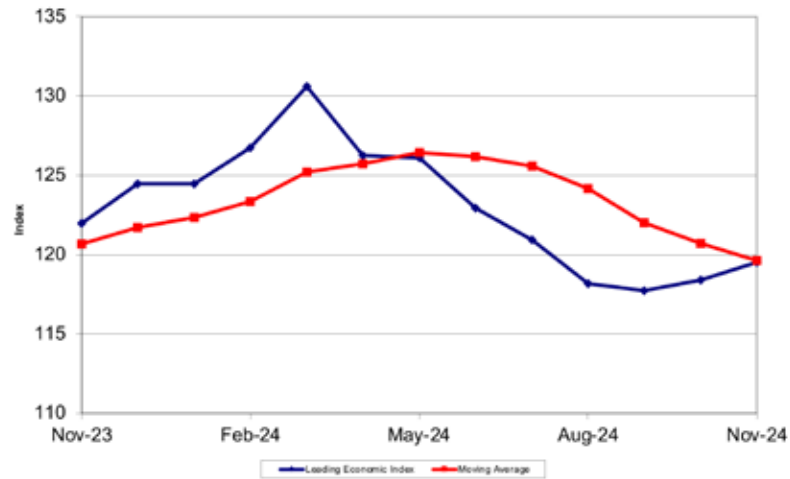


FIGURE 2 : New Single-Family Building Permits (November)

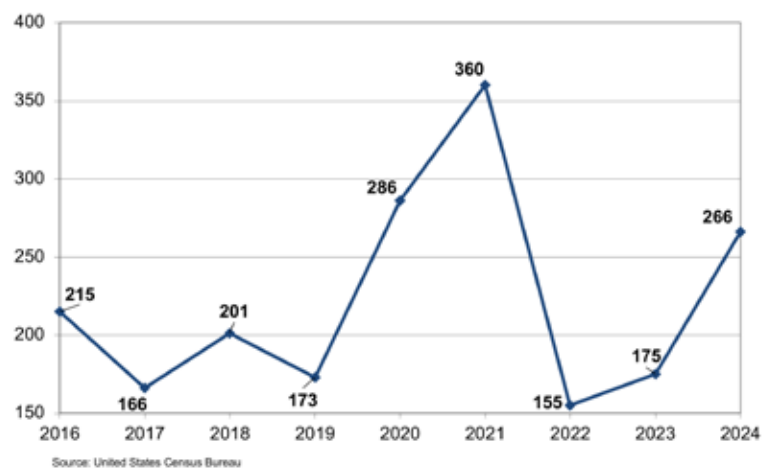
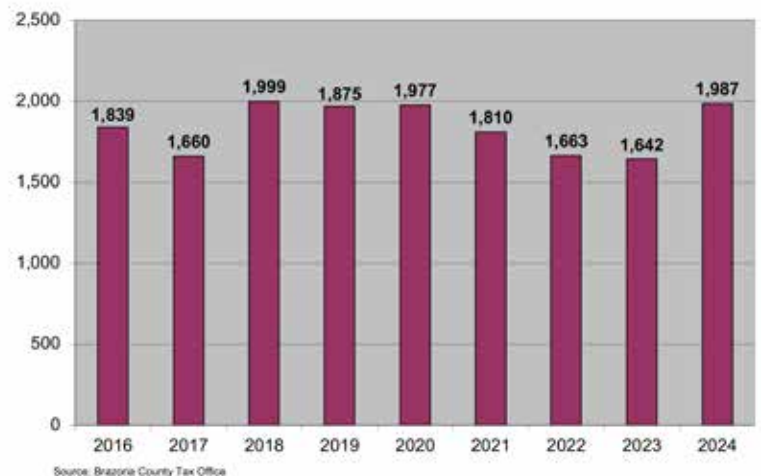


FIGURE 3 : New Retail Auto Sales (November)



BRAZORIA COUNTY ECONOMIC INDICATORS JANUARY 2025

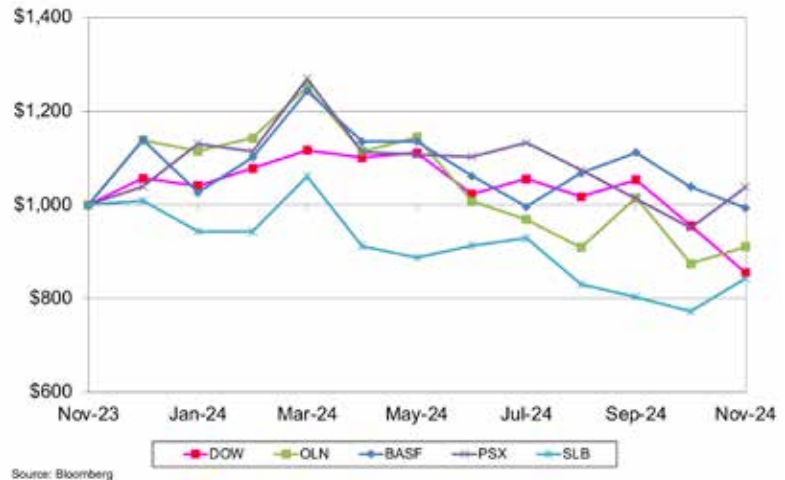


file and pay late get added to the total. The local inflation rate, as measured by Houston-The Woodlands-Sugar Land CPI, increased 1.63 percent over the last year. The local inflation rate peaked at 10.24 percent in July 2022. As part of its ongoing efforts to curb inflation, the Federal Reserve began raising interest rates in March 2022. With inflation showing signs of slowing, the Fed has started to gradually reduce interest rates. Brazoria County Sales Tax Receipts are up by 2.90% compared to last year. However, it's important to adjust for inflation when interpreting this growth and the current local inflation rate is at 1.63%. This means that while sales have indeed increased, part of the growth in sales tax receipts can be attributed to higher prices, not just a rise in the volume of goods and services sold. After factoring in the inflation rate, the actual increase in the quantity of goods sold is approximately 1.27%. Brazoria County Employment reached a new record, rising by 3,998 individuals, or 2.17%, from 184,188 to 188,186 over the past year (Figure 5). The current economic index received a boost from Hurricane Beryl, which helped elevate the six-month moving average for several months; however, it recently dipped below this average in October and November (Figure 6). This is significant because if the current economic index is consistently below the six-month moving average, then the county is likely experiencing a period of slower or negative economic growth.

LAGGING ECONOMIC INDICATORS

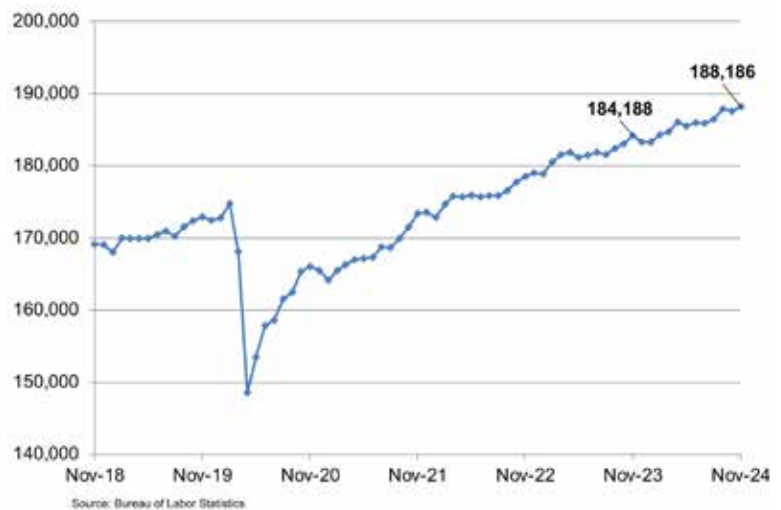
The Brazoria County Index of Lagging Economic Indicators is used to confirm either the growth or the slowdown in the economy. The lagging economic index decreased 2.05 percent over the last year. The index was positively affected by a decrease in foreclosure notices and lower interest rates, while the biggest negative impact came from an increase in the local unemployment rate. Brazoria County Foreclosure Notices decreased 22.22 percent and the prime rate charged by banks decreased from 8.50 percent to 7.81 percent over the last year. The lowering of interest rates by The Fed is an indication that inflation is under control, and they are more concerned with stimulating the economy to prevent higher levels of unemployment. The unemployment rate in the county rose to 4.50% in November, up from 3.90% at the same time last year. This increase in the unemployment rate comes alongside a record-high employment level, reflecting a growing workforce as more individuals enter the local job market. While more people are finding work, the rise in unemployment suggests that the influx of job seekers is outpacing the rate of job creation.

FIGURE 4: BC Stock Index – Component Performance



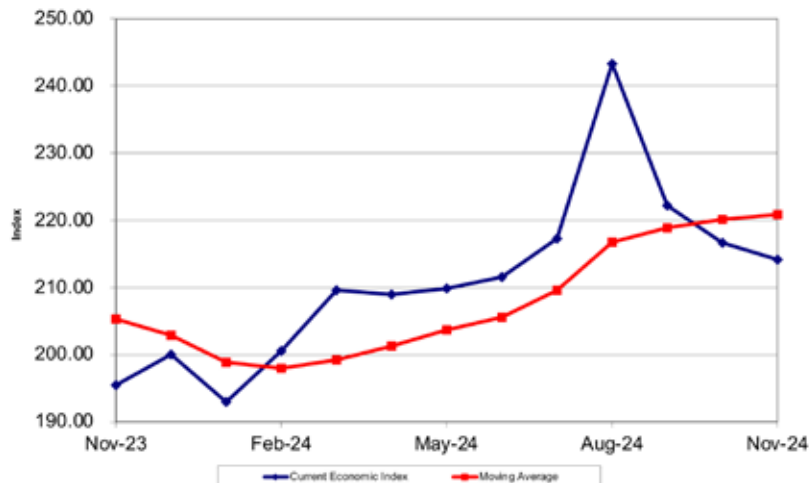
Source: Bloomberg

FIGURE 5: Brazoria County Employment



Source: Bureau of Labor Statistics

FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS JANUARY 2025

Brazoria County Economic Indices:	Nov 2024	Oct 2024	Sep 2024	Aug 2024	Jul 2024
Leading Economic Index (2003 = 100)	119.50	118.39	117.73	118.18	120.94
Current Economic Index (2003=100)	214.12	216.64	222.22	243.29	217.28
Lagging Economic Index (2003 = 100)	172.90	174.51	176.96	177.59	177.04

Brazoria County Leading Economic Index	Nov 2024	Oct 2024	Nov 2023	Oct-2024 to Nov-2024	Nov-2023 to Nov-2024
Leading Economic Index (2003 = 100)	119.50	118.39	121.96	0.94%	-2.02%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	201.78	195.59	211.79	3.16%	-4.73%
New Single Family Building Permits (Seasonally Adjusted)	280	282	314	-0.82%	-10.90%
<i>New Single Family Building Permits (Unadjusted)</i>	266	328	175	-18.90%	52.00%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	44.81	44.58	42.52	0.51%	5.38%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	45.80	46.70	43.20	-1.93%	6.02%
New Retail Auto Sales (Seasonally Adjusted)	2,054	2,013	1,831	2.03%	12.14%
<i>New Retail Auto Sales (Unadjusted)</i>	1,987	1,918	1,642	3.60%	21.01%

*(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	Nov 2024	Oct 2024	Nov 2023	Oct-2024 to Nov-2024	Nov-2023 to Nov-2024
Current Economic Index (2003 = 100)	214.12	216.64	195.47	-1.16%	9.54%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,307,341	1,358,550	1,272,393	-3.77%	2.75%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	3,352,546	2,590,598	3,258,002	29.41%	2.90%
Household Employment (Seasonally Adjusted)	185,894	185,474	181,289	0.23%	2.54%
<i>Household Employment (Unadjusted)</i>	188,186	187,561	184,188	0.33%	2.17%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,566,111	2,713,724	2,081,985	-5.44%	23.25%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	5,858,144	7,321,673	4,678,443	-19.99%	25.22%
Houston-The Woodlands-Sugar Land CPI	274.53	276.12	270.13	-0.57%	1.63%

** (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	Nov 2024	Oct 2024	Nov 2023	Oct-2024 to Nov-2024	Nov-2023 to Nov-2024
Lagging Economic Index (2003 = 100)	172.90	174.51	176.53	-0.92%	-2.05%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	55	55	69	-0.26%	-20.97%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	56	61	72	-8.20%	-22.22%
Prime Rate Charged By Banks	7.81	8.00	8.50	-2.38%	-8.12%
Unemployment Rate (Adjusted)	4.43%	4.42%	4.38%	0.27%	1.17%
<i>Unemployment Rate (Unadjusted)</i>	4.50%	4.40%	3.90%	2.27%	15.38%

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