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BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



ALL FOUR CURRENT INDICATORS INCREASE IN MAY

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators decreased to 114.94 in May, which is 1.83 percent lower than last month and 16.18 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 since June of last year (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. There were 361 permits filed in May of this year compared to 475 permits in May of 2022, which is a decrease of 24.00 percent. It is important to note that the 361 permits filed this year is the third highest in the last ten years (Figure 2). The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers in the county, is down 17.53 percent over the last year. None of the companies that make up the stock index were up over the last year. Manufacturing workers in the region worked 0.40 hours less per week in May of 2023 compared to last year. New Retail Auto Sales was the lone leading economic indicator to increase over the last year, but still has not returned to pre-pandemic levels (Figure 3). There were 1,846 new vehicles sold in Brazoria County in May 2023 compared to 1,707 in May of last year, which represents an increase of 8.14 percent.

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 3.95 percent in the month of May and increased 10.12 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 6.94 percent over the last year. This year's May receipts of \$7,418,358 is the

FIGURE 1 : Leading Economic Index

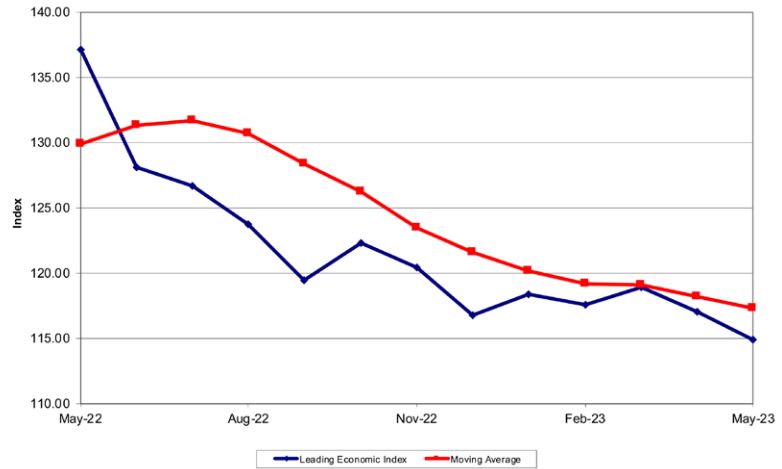


FIGURE 2 : New Single Family Building Permits (May)

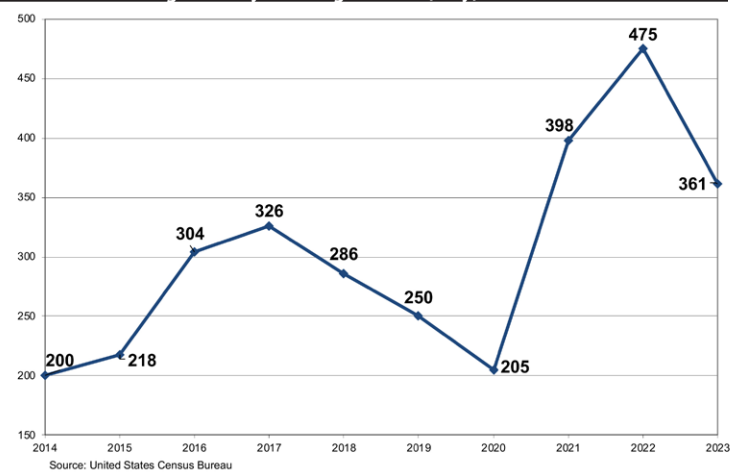
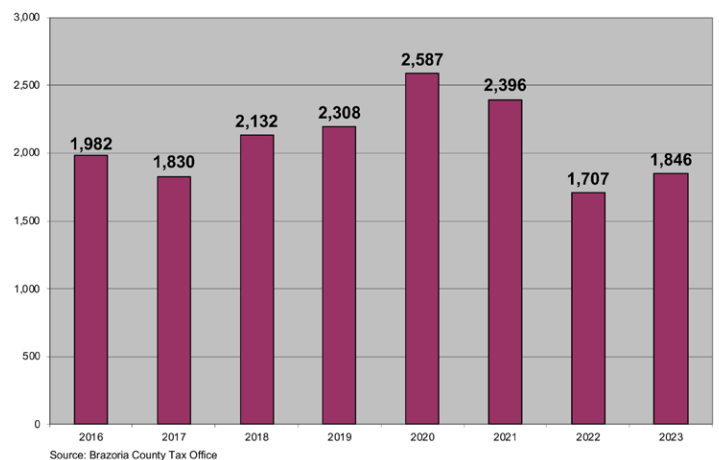


FIGURE 3 : New Retail Auto Sales (May)



BRAZORIA COUNTY ECONOMIC INDICATORS JULY 2023



second highest amount ever recorded for the month of May (Figure 4). Sales Tax Receipts within the county increased by 2.33 percent over the last year, which is second only to 2020 for the highest amount of sales tax receipts collected during the month of May. Employment within the county increased from 176,224 to 179,834 over the last year, which is 3,610 jobs added in the last year. In addition, employment within the county has increased by 30,987 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 2.85 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 above the six-month moving average for the last three months (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 25.63 percent over the last year. The unemployment rate in the county is currently 4.60 percent, which is below the average unemployment rate for the county of 6.01 percent. The Federal Reserve began raising interest rates in March of last year to combat inflation, which has caused the prime rate to increase from 3.94 percent to 8.23 percent over the last year. Brazoria County Foreclosure Notices increased from 45 to 72 over the last year, which is an increase of 60.00 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 (May)

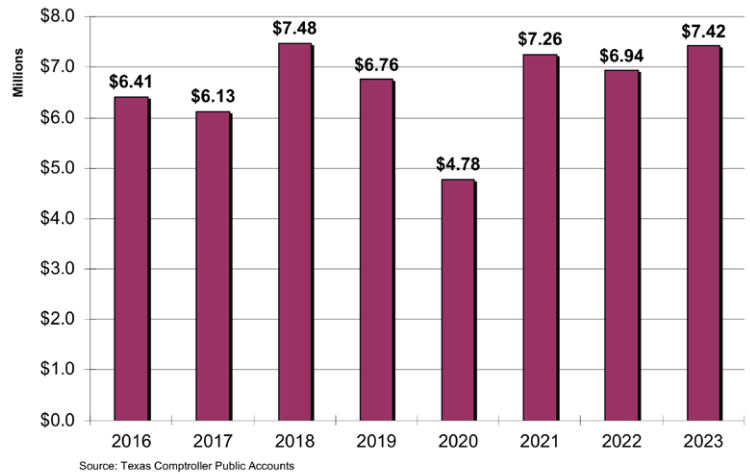
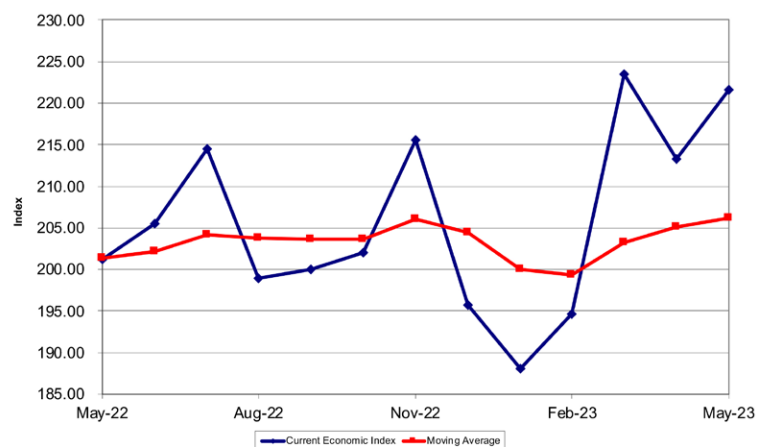


FIGURE 5: Brazoria County Employment



FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS JULY 2023

Brazoria County Economic Indices:	May 2023	Apr 2023	Mar 2023	Feb 2023	Jan 2023
Leading Economic Index (2003 = 100)	114.94	117.08	118.97	117.57	118.43
Current Economic Index (2003=100)	221.67	213.25	223.42	194.61	188.09
Lagging Economic Index (2003 = 100)	173.87	172.49	170.69	170.96	169.40

Brazoria County Leading Economic Index	May 2023	Apr 2023	May 2022	Apr-2023 to May-2023	May-2022 to May-2023
Leading Economic Index (2003 = 100)	114.94	117.08	137.14	-1.83%	-16.18%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	181.56	198.48	220.15	-8.52%	-17.53%
New Single Family Building Permits (Seasonally Adjusted)	293	291	429	0.79%	-31.77%
<i>New Single Family Building Permits (Unadjusted)</i>	361	313	475	15.34%	-24.00%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	42.42	42.49	41.43	-0.15%	2.38%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	41.80	43.90	42.20	-4.78%	-0.95%
New Retail Auto Sales (Seasonally Adjusted)	1,843	1,662	1,613	10.90%	14.29%
<i>New Retail Auto Sales (Unadjusted)</i>	1,846	1,764	1,707	4.65%	8.14%

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

Brazoria County Current Economic Index	May 2023	Apr 2023	May 2022	Apr-2023 to May-2023	May-2022 to May-2023
Current Economic Index (2003 = 100)	221.67	213.25	201.30	3.95%	10.12%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,271,840	1,257,200	1,217,490	1.16%	4.46%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	3,004,854	3,784,669	2,936,560	-20.60%	2.33%
Household Employment (Seasonally Adjusted)	178,201	177,842	172,869	0.20%	3.08%
<i>Household Employment (Unadjusted)</i>	179,834	180,910	176,224	-0.59%	2.05%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	3,155,616	2,842,614	2,608,924	11.01%	20.95%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	7,418,358	6,665,350	6,937,243	11.30%	6.94%
Houston-The Woodlands-Sugar Land CPI	267.69	267.00	260.27	0.26%	2.85%

** (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	May 2023	Apr 2022	May 2022	Apr-2023 to May-2023	May-2022 to May-2023
Lagging Economic Index (2003 = 100)	173.87	172.49	138.40	0.80%	25.63%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	66	63	46	4.72%	44.85%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	72	55	45	30.91%	60.00%
Prime Rate Charged By Banks	8.23	8.00	3.94	2.88%	108.88%
Unemployment Rate (Adjusted)	4.69%	4.27%	4.29%	9.91%	9.52%
<i>Unemployment Rate (Unadjusted)</i>	4.60%	4.10%	4.20%	12.20%	9.52%

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