



July 2024 • Volume 18 • Number 3

BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



LOCAL ECONOMY GROWS, BUT AT SLOWER PACE

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators increased 9.65 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 fell below the six-month moving average in May but has been above the six-month moving average for eleven of the last twelve 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 the Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers within Brazoria County. The stock index did decrease during the month of May by 0.02 percent but posted gains of 25.53 percent over the last year. Comparatively, the Dow Jones Industrial Average increased 2.28 percent in the month of May and an increase of 17.55 percent over the last year. All five companies within the Brazoria County Stock Index posted increases over the last year with Phillips 66 making up the largest increase of 53.12 percent over the last year (Figure 2). New Retail Auto Sales within the county rose from 1,846 in May 2023 to 2,051 in May 2024, which represents an increase of 11.11 percent (Figure 3). High interest rates over the last couple of years has had a negative impact on new auto sales, however some car manufacturers are now offering low-interest rates and other incentives to attract buyers as the supply of cars increases. Manufacturing workers in the region are working 44 hours per week on average compared to 42 hours per week last year. The two additional hours per week represents an increase of 4.76 percent. New Single Family Building Permits was the only indicator to decrease over the last year. There were 340 permits filed in May 2024 compared with 356 filed in May 2023, which is a decrease of 4.49 percent. Permits remain higher than pre-Covid levels despite higher interest rates (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, decreased 0.97 percent in the month

FIGURE 1 : Leading Economic Index

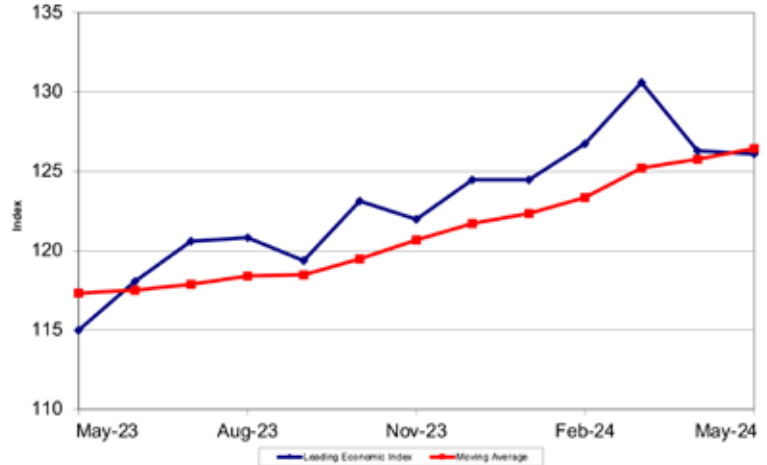


FIGURE 2 : BC Stock Index – Component Performance

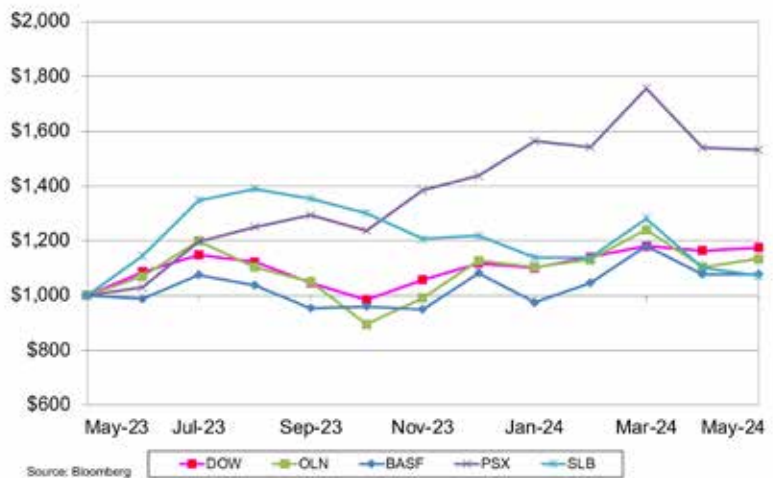
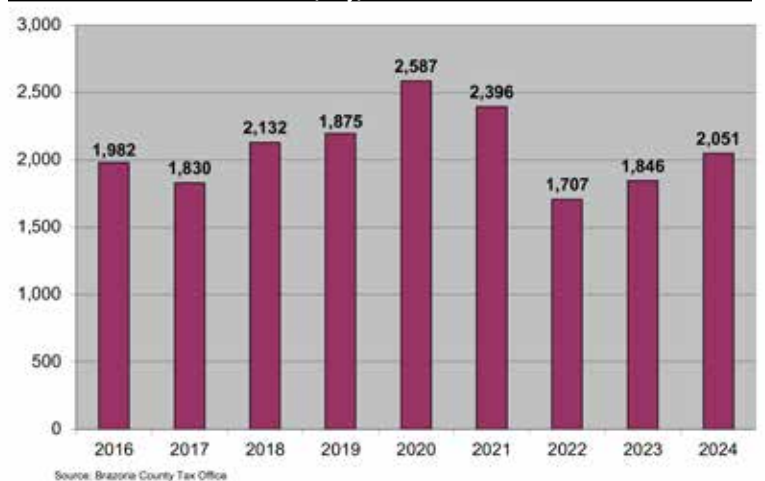


FIGURE 3 : New Retail Auto Sales (May)



Source: Brazoria County Tax Office

BRAZORIA COUNTY ECONOMIC INDICATORS JULY 2024



of May and 0.05 percent over the last year. Three of the four current economic indicators increased over the last year. The largest increase in the index was in Brazoria County Sales Tax Receipts, which increased by 13.90 percent over the last year. The \$3,422,540 is the highest amount ever reported in the county for the month of May (Figure 5). The local inflation rate, as measured by Houston-The Woodlands-Sugar Land CPI, posted a decrease of 0.13 percent in May and increased only 2.53 percent over the last year. The inflation rate has slowed since 2022 when annual price increases topped 10 percent at times. Employment within the county increased from 181,139 to 185,502 over the last year, which is an increase in the number of individuals within the county employed of 4,363 or 2.41 percent. The only current indicator to decrease over the last year was Brazoria County Hotel/Motel Tax Receipts, which decreased by 0.85 percent. *Note: The May 2024 Hotel/Motel Tax Receipts could increase slightly as taxes paid after the due date are added to the monthly total.* After falling below the six-month moving average for several months, the Current Economic Index has beat the six-month moving average for four consecutive 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 1.31 percent over the last year. The unemployment rate in the county was 4.00 percent in May, which is lower than May of last year's figure of 4.40 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, however the average level of prices nationally as measured by the CPI decreased in June. If the average level of prices continues to decrease, then there is a stronger likelihood that The Fed will begin to decrease interest rates. Brazoria County Foreclosure Notices decreased from 72 to 63 over the last year, which is a decrease of 12.50 percent. 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: New Single Family Building Permits (May)

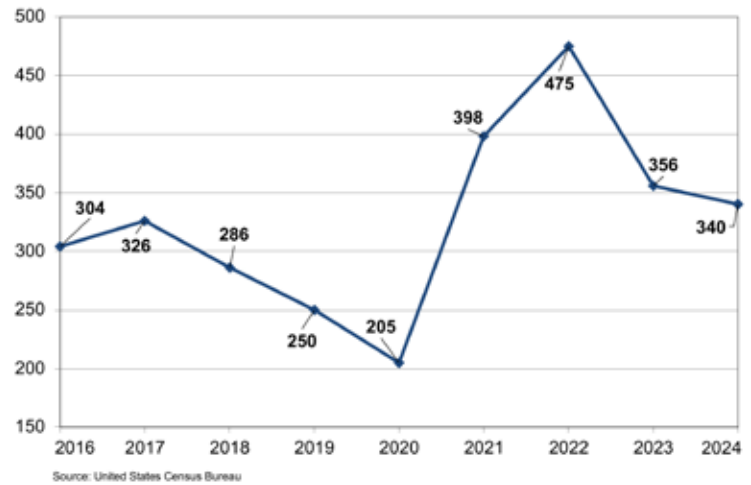


FIGURE 5: Brazoria County Sales Tax Receipts (May)

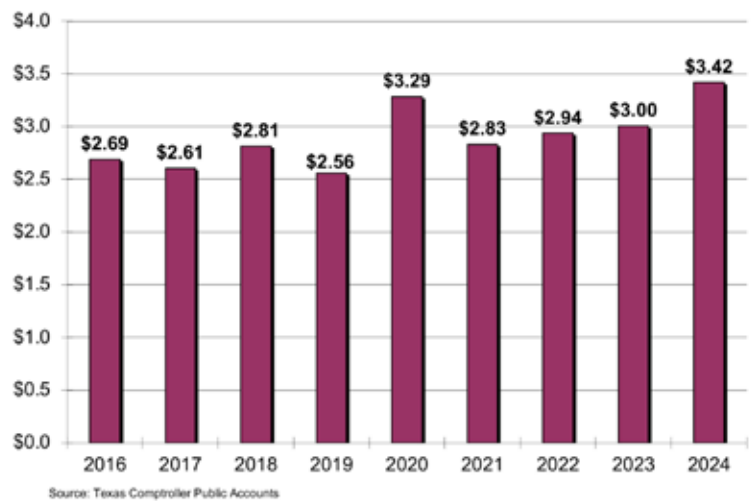
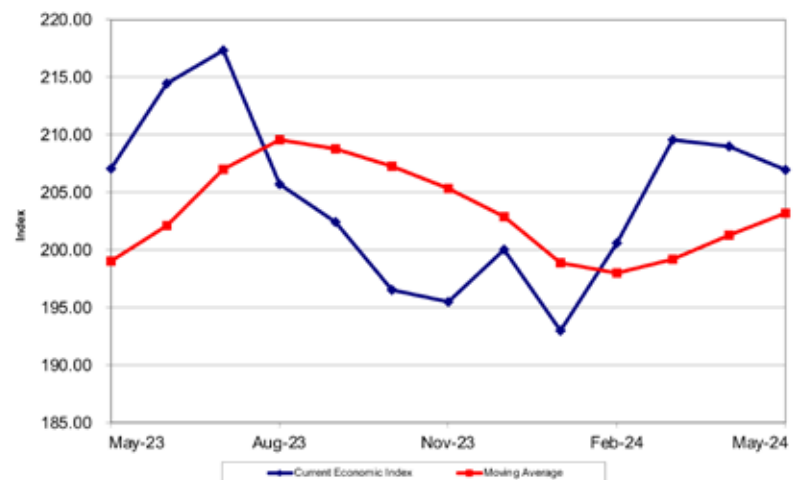


FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS JULY 2024

<u>Brazoria County Economic Indices:</u>	<u>May 2024</u>	<u>Apr 2024</u>	<u>Mar 2024</u>	<u>Feb 2024</u>	<u>Jan 2024</u>
Leading Economic Index (2003 = 100)	126.09	126.28	130.59	126.73	124.47
Current Economic Index (2003=100)	206.96	208.99	209.55	200.58	192.99
Lagging Economic Index (2003 = 100)	176.38	176.23	176.10	175.75	176.92

<u>Brazoria County Leading Economic Index</u>	<u>May 2024</u>	<u>Apr 2024</u>	<u>May 2023</u>	<u>Apr-2024 to May-2024</u>	<u>May-2023 to May-2024</u>
Leading Economic Index (2003 = 100)	126.09	126.28	115.00	-0.15%	9.65%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	229.09	229.13	182.50	-0.02%	25.53%
New Single Family Building Permits (Seasonally Adjusted)	318	324	292	-1.72%	9.02%
<i>New Single Family Building Permits (Unadjusted)</i>	340	335	356	1.49%	-4.49%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	43.38	43.22	42.45	0.37%	2.19%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	44.00	44.10	42.00	-0.23%	4.76%
New Retail Auto Sales (Seasonally Adjusted)	2,005	1,812	1,843	10.67%	8.80%
<i>New Retail Auto Sales (Unadjusted)</i>	2,051	1,857	1,846	10.45%	11.11%

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

<u>Brazoria County Current Economic Index</u>	<u>May 2024</u>	<u>Apr 2024</u>	<u>May 2023</u>	<u>Apr-2023 to May-2024</u>	<u>May-2023 to May-2024</u>
Current Economic Index (2003 = 100)	206.96	208.99	207.06	-0.97%	-0.05%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,294,421	1,256,623	1,271,840	3.01%	1.78%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	3,422,540	3,699,623	3,004,854	-7.49%	13.90%
Household Employment (Seasonally Adjusted)	183,520	183,096	178,821	0.23%	2.63%
<i>Household Employment (Unadjusted)</i>	185,502	186,064	181,139	-0.30%	2.41%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,508,178	2,568,973	2,593,764	-2.37%	-3.30%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	7,440,714	6,919,455	7,504,634	7.53%	-0.85%
Houston-The Woodlands-Sugar Land CPI	274.47	274.83	267.69	-0.13%	2.53%

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

<u>Brazoria County Lagging Economic Index</u>	<u>May 2024</u>	<u>Apr 2024</u>	<u>May 2023</u>	<u>Apr-2024 to May-2024</u>	<u>May-2023 to May-2024</u>
Lagging Economic Index (2003 = 100)	176.38	176.23	174.09	0.08%	1.31%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	73	73	66	-0.14%	10.06%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	63	69	72	-8.70%	-12.50%
Prime Rate Charged By Banks	8.50	8.50	8.23	0.00%	3.28%
Unemployment Rate (Adjusted)	4.27%	4.30%	4.56%	-0.79%	-6.39%
<i>Unemployment Rate (Unadjusted)</i>	4.00%	3.80%	4.40%	5.26%	-9.09%

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