



October 2023 • Volume 17 • Number 4

BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



LOCAL ECONOMY CONTINUES GROWING, BUT MORE SLOWLY

The Brazoria County Index of Leading Economic Indicators increased to 120.93 in August. The leading index is 0.12 percent higher than last month, but 2.28 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 above the six-month moving average for three months. Prior to the last three months the index had been below the six-month moving average for a full 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 increase in the leading economic index was in New Single Family Building Permits within the county, which increased by 35.66 percent over the last year. The 369 permits represent the highest number of building permits ever filed in the month of August beating the previous record of 359 permits set back in 2015 (Figure 2). The second largest increase was a 21.80 percent increase in the Brazoria County Stock Index. The Brazoria County Stock Index is made up of the five largest publicly traded manufacturers in the county. Schlumberger made up the largest increase in the stock index at 59.39 percent over the last year, while Olin was the largest decrease at 2.29 percent. Comparatively, the Dow Jones Industrial Average increased by 10.88 percent over the same period. Manufacturing workers in the region worked on average 1.10 hours more per week in August of 2023 compared to last year. The only leading economic indicator to decrease over the last year is New Retail Auto Sales, which declined 7.01 percent as there were 133 fewer new vehicles sold in the county when compared to last year (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, decreased in July by 0.69 percent and increased by 0.46 percent over the last year. The current economic indicator posting the largest increase over the last year was Brazoria County Sales Tax Receipts, which increased 35.01

FIGURE 1 : Leading Economic Index

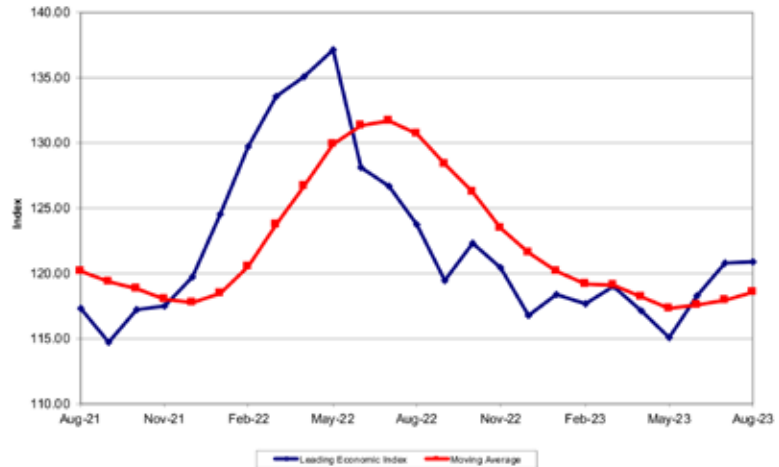


FIGURE 2 : New Single Family Building Permits (August)

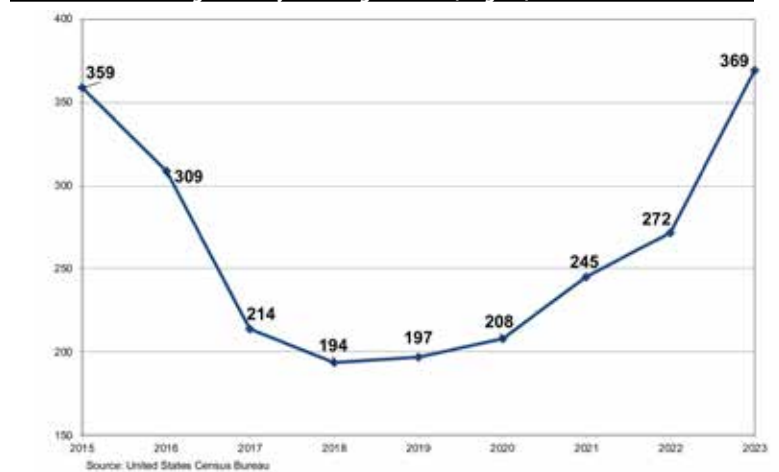
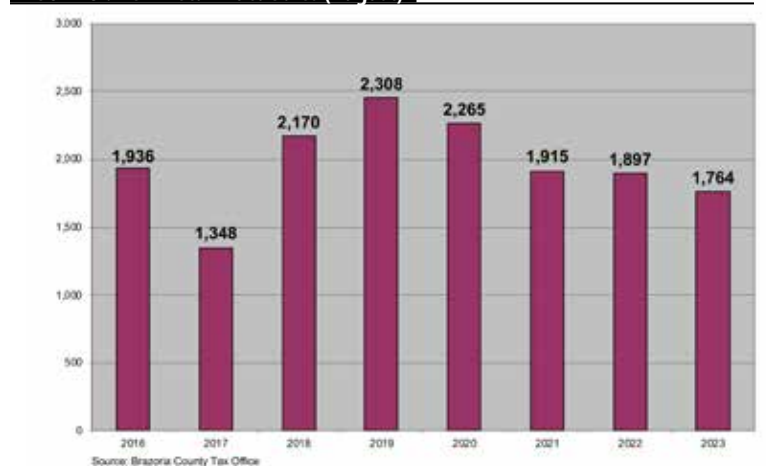


FIGURE 3 : New Retail Auto Sales (August)



BRAZORIA COUNTY ECONOMIC INDICATORS OCTOBER 2023



percent. The July sales tax receipts of \$4,007,709 is the highest ever reported in the month of July surpassing the previous record set back in 2017 (Figure 4). Employment within the county increased from 175,867 to 180,965 over the last year. This represents an increase in employment of 5,098, which is a little slower than the increase in employment of 6,964 recorded over the same period in 2022. The local inflation rate as measured by Houston-The Woodlands-Sugar Land CPI posted an increase of 0.52 in July and increase of 2.19 percent over the last year. The local inflation rate peaked in June 2022 at 10.24 percent and has been slowly decreasing over the last year. After record setting summers in 2021 and 2022, Hotel/Motel Tax Receipts took a step backwards in 2023 decreasing 2.10 percent over the last year. After falling below the six-month moving average for several months, the Current Economic Index has beat the six-month moving average for five consecutive months (Figure 5). 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 0.13 percent over the last month and 14.79 percent over the last year. The unemployment rate in the county is currently 5.08 percent, which is up from last year's figure of 4.63 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. Brazoria County Foreclosure Notices increased from 53 to 126 over the last year, which is an increase of 137.74 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. The expiration of these protections along with higher interest rates has caused the increase in foreclosure notices (Figure 6). 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 (July)

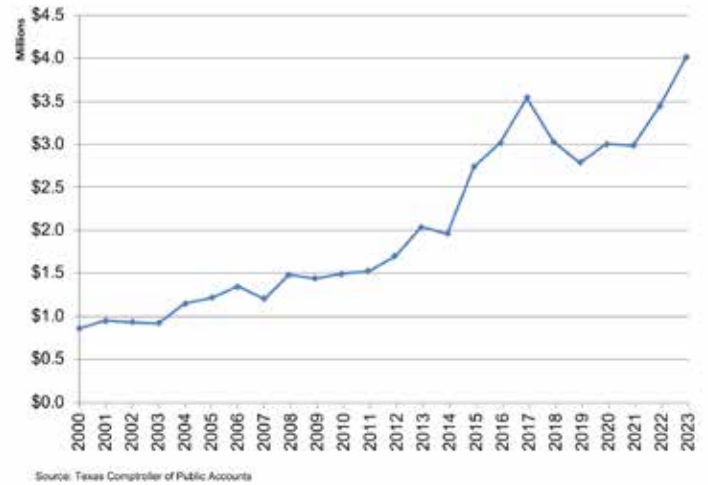


FIGURE 5: Current Economic Index

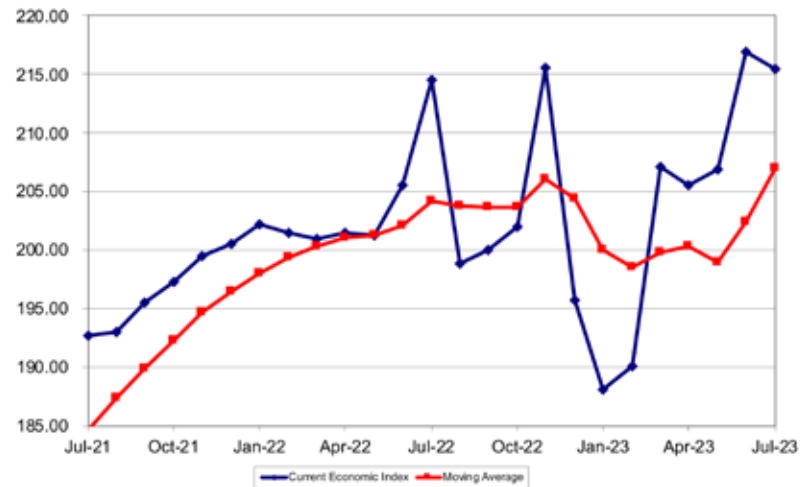
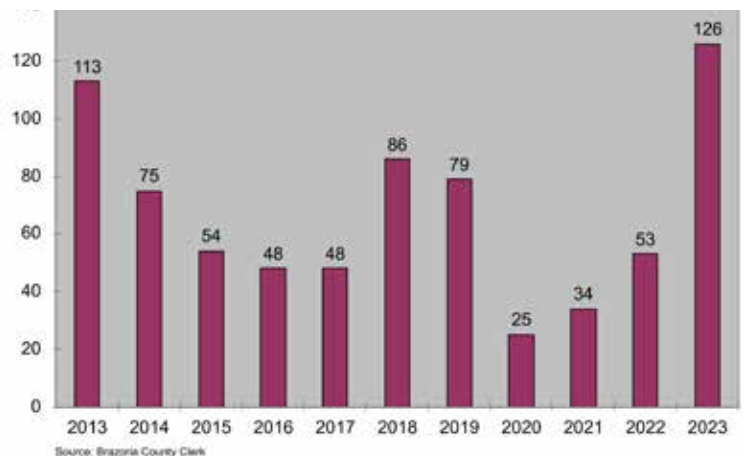


FIGURE 6: Brazoria County Foreclosure Notices (August)



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS OCTOBER 2023

Brazoria County Economic Indices:	Aug 2023	Jul 2023	Jun 2023	May 2023	Apr 2023
Leading Economic Index (2003 = 100)	120.93	120.78	118.26	115.11	117.10
Current Economic Index (2003=100)	-	215.46	216.96	206.93	205.50
Lagging Economic Index (2003 = 100)	174.88	174.65	174.37	173.87	172.49

Brazoria County Leading Economic Index	Aug 2023	Jul 2023	Aug 2022	Jul-2023 to Aug-2023	Aug-2022 to Aug-2023
Leading Economic Index (2003 = 100)	120.93	120.78	123.75	0.12%	-2.28%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	217.12	217.57	178.27	-0.21%	21.80%
New Single Family Building Permits (Seasonally Adjusted)	299	297	367	0.64%	-18.41%
<i>New Single Family Building Permits (Unadjusted)</i>	369	302	272	22.19%	35.66%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	42.23	42.28	41.21	-0.12%	2.47%
<i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	41.70	41.50	40.60	0.48%	2.71%
New Retail Auto Sales (Seasonally Adjusted)	1,854	1,841	1,942	0.70%	-4.54%
<i>New Retail Auto Sales (Unadjusted)</i>	1,764	1,915	1,897	-7.89%	-7.01%

*(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	Jul 2023	Jun 2023	Jul 2022	Jun-2023 to Jul-2023	Jul-2022 to Jul-2023
Current Economic Index (2003 = 100)	215.46	216.96	214.47	-0.69%	0.46%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,261,698	1,266,003	1,193,982	-0.34%	5.67%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	4,007,709	3,223,452	2,968,517	24.33%	35.01%
Household Employment (Seasonally Adjusted)	178,868	178,507	173,695	0.20%	2.98%
<i>Household Employment (Unadjusted)</i>	180,965	180,294	175,867	0.37%	2.90%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,889,088	2,942,485	3,015,947	-1.81%	-4.21%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	8,944,909	9,687,521	9,137,179	-7.67%	-2.10%
Houston-The Woodlands-Sugar Land CPI	269.77	268.38	263.97	0.52%	2.19%

** (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	Aug 2023	Jul 2023	Aug 2022	Jul-2023 to Aug-2023	Aug-2022 to Aug-2023
Lagging Economic Index (2003 = 100)	174.88	174.65	152.36	0.13%	14.79%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	73	65	48	12.97%	50.62%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	126	56	53	125.00%	137.74%
Prime Rate Charged By Banks	8.50	8.29	5.50	2.53%	54.55%
Unemployment Rate (Adjusted)	4.93%	4.76%	4.50%	3.52%	9.72%
<i>Unemployment Rate (Unadjusted)</i>	5.08%	5.05%	4.63%	0.59%	9.72%

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