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BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECASTING CENTER



HURRICANE BERYL SPURS SURGE IN CURRENT INDEX

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators decreased 2.22 percent over the last month and 5.15 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 the past four 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 or currently experiencing an economic slowdown.

The largest decrease in the leading economic index was in New Single-Family Building Permits. Mortgage interest rates began increasing in 2022, which negatively impacted home sales and increased the months of inventory of homes in the county. The lower home sales and increase in inventory has caused the slowdown in new construction leading to less building permits. There were 207 building permits filed in August 2024 compared with 368 filed in August 2023, which is a decrease of 43.75 percent (Figure 2). Brazoria County cities with the most growth in housing in 2024 include Iowa Colony, Manvel, Alvin, Angleton, and Pearland. The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers within the county, decreased in August by 4.24 percent and is down 2.36 percent over the last year. Comparatively, the Dow Jones Industrial Average posted no increase in the month of August, but recorded gains of 17.19 percent over the last year. Schlumberger accounted for the largest decrease in the BC Stock Index over the last year at 27.89 percent, while Philips 66 posted the largest increase at 18.89 percent. New Retail Auto Sales starting to return to pre-Covid levels within the county. There were 2,145 permits filed this year in August compared to 1,764 last year, which represents an increase of 21.60 percent (Figure 3). Manufacturing workers in the region are working 45.70 hours per week on average compared to 42.20 hours per week last year. The 3.50 additional hours per week represents an increase of 8.29 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 11.37 percent in the month of August

FIGURE 1 : Leading Economic Index

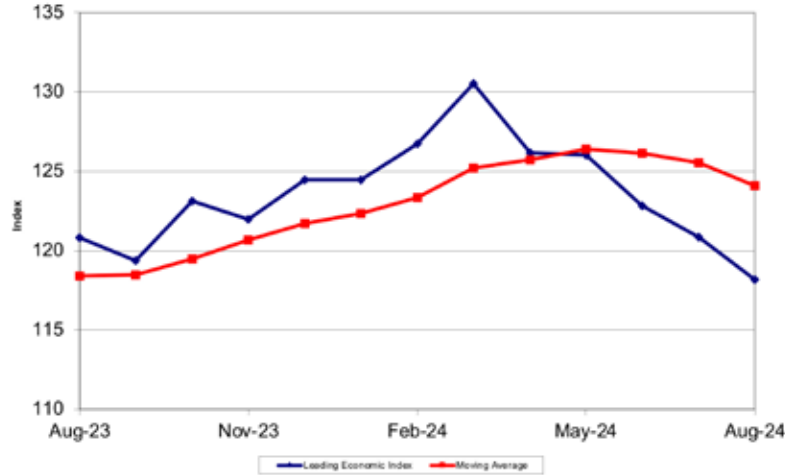


FIGURE 2 : New Single-Family Building Permits (August)

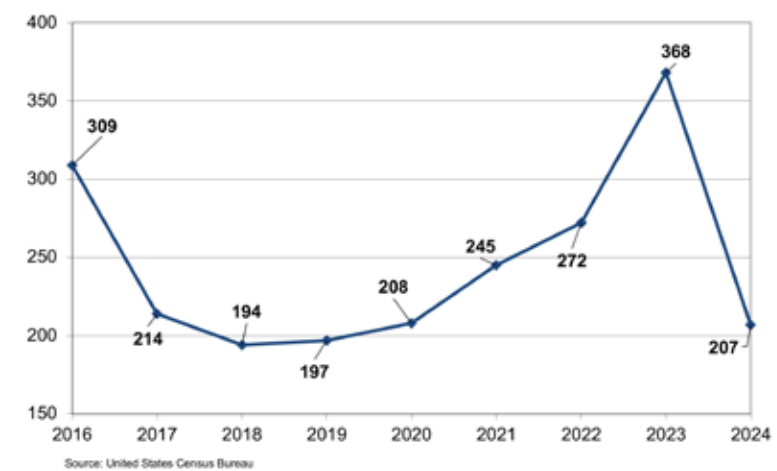
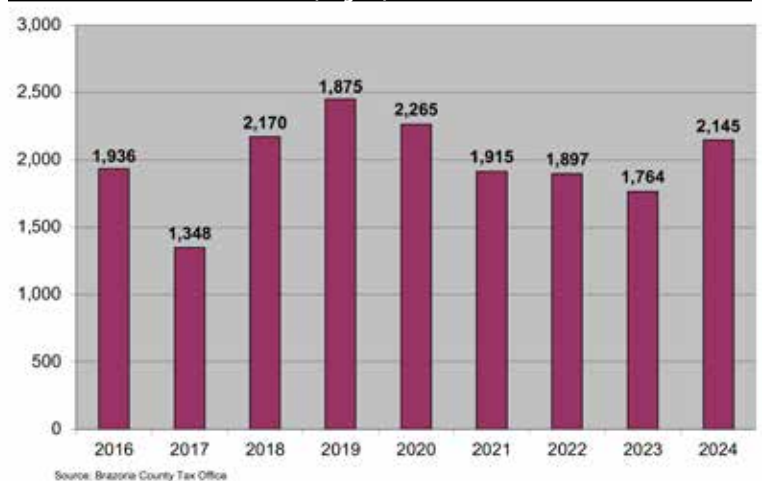


FIGURE 3 : New Retail Auto Sales (August)



BRAZORIA COUNTY ECONOMIC INDICATORS OCTOBER 2024



and 17.63 percent over the last year. All four current economic indicators posted increases during the month of August and over the last year. Hurricane Beryl contributed to large increases in Hotel/Motel Tax Receipts and Sales Tax Receipts in July and August. Hotel/Motel Tax Receipts increased by 53.99 percent over the last year to \$10,200,935. This is the highest amount of Hotel/Motel Tax Receipts ever reported in the county (Figure 4). There is also a chance that Hotel/Motel Tax Receipts could increase slightly as taxes paid after the due date could add to the August total. Sales tax receipts increased 26.65 percent in July and 4.83 percent in August when compared to the previous year. The local inflation rate, as measured by Houston-The Woodlands-Sugar Land CPI, increased of 0.28 percent in August and 1.66 percent over the last year. The inflation rate has slowed significantly since 2022 when annual price increases topped 10 percent at times. Employment within the county increased from 181,563 to 186,455 over the last year, which is an increase in the number of individuals within the county employed of 4,892 or 2.69 percent. After falling below the six-month moving average for several months, the Current Economic Index has surpassed the six-month moving average for seven 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 1.35 percent over the last year. The largest increase in the index was due to a decrease in the number of Brazoria County Foreclosure Notices, which decreased 66.67 percent over the last year. The unemployment rate in the county decreased in August to 4.70 percent compared to 4.80 percent at the same time last year. The prime remained at 8.50 percent in August, however The Fed did lower rates in September by 0.50 percent. 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. Strong economic data in the national economy will make any further rate cuts unlikely in 2024 as inflation is still a concern. 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: Brazoria County Hotel/Motel Tax Receipts (August)

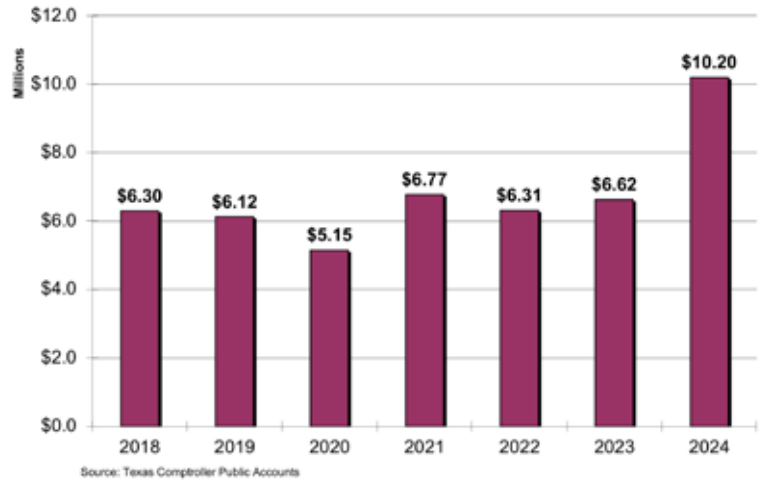


FIGURE 5: Brazoria County Employment

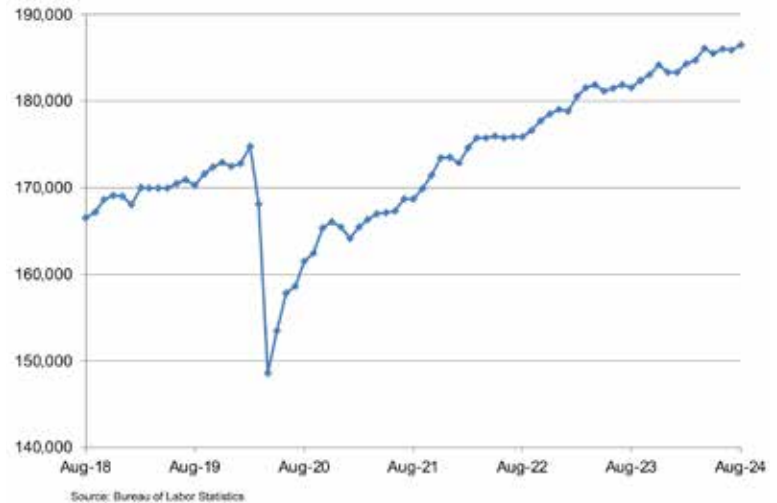
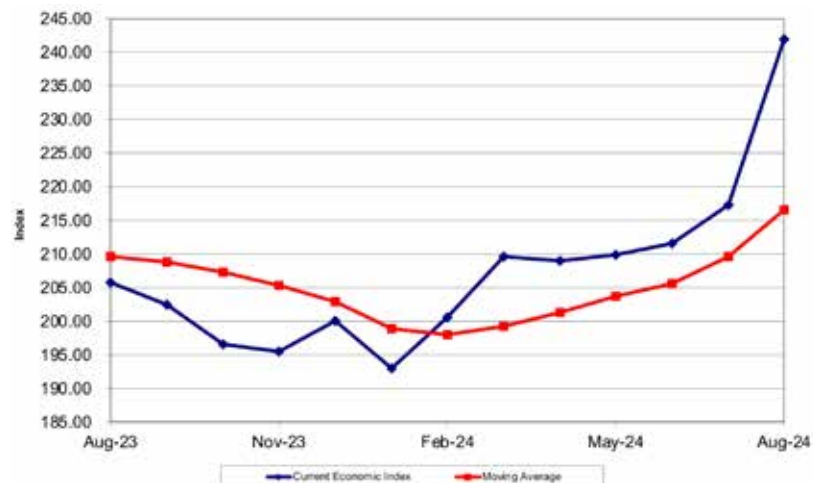


FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATORS OCTOBER 2024

Brazoria County Economic Indices:	Aug 2024	Jul 2024	Jun 2024	May 2024	Apr 2024
Leading Economic Index (2003 = 100)	118.18	120.87	122.82	126.01	126.18
Current Economic Index (2003=100)	241.99	217.28	211.52	209.82	208.99
Lagging Economic Index (2003 = 100)	177.72	177.19	176.90	175.93	175.57

Brazoria County Leading Economic Index	Aug 2024	Jul 2024	Aug 2023	Jul-2024 to Aug-2024	Aug-2023 to Aug-2024
Leading Economic Index (2003 = 100)	118.18	120.87	124.60	-2.22%	-5.15%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	212.00	221.38	217.12	-4.24%	-2.36%
New Single Family Building Permits (Seasonally Adjusted)	267	284	298	-5.98%	-10.21%
New Single Family Building Permits (Unadjusted)	207	239	368	-13.39%	-43.75%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	44.06	43.72	42.32	0.79%	4.11%
Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)	45.70	43.20	42.20	5.79%	8.29%
New Retail Auto Sales (Seasonally Adjusted)	2,012	1,723	1,854	16.77%	8.50%
New Retail Auto Sales (Unadjusted)	2,145	1,806	1,764	18.77%	21.60%

*(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	Aug 2024	Jul 2024	Aug 2023	Jul-2024 to Aug-2024	Aug-2023 to Aug-2024
Current Economic Index (2003 = 100)	241.99	217.28	205.72	11.37%	17.63%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,332,917	1,275,067	1,271,471	4.54%	4.83%
Sales Tax Receipts (Current \$'s, Unadjusted)	3,393,447	4,050,506	3,237,062	-16.22%	4.83%
Household Employment (Seasonally Adjusted)	184,600	184,176	179,980	0.23%	2.57%
Household Employment (Unadjusted)	186,455	185,893	181,563	0.30%	2.69%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	3,800,544	2,840,035	2,508,850	33.82%	51.49%
Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)	10,200,935	8,959,452	6,624,246	13.86%	53.99%
Houston-The Woodlands-Sugar Land CPI	275.64	274.87	271.15	0.28%	1.66%

***(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	Aug 2024	Jul 2024	Aug 2023	Jul-2024 to Aug-2024	Aug-2023 to Aug-2024
Lagging Economic Index (2003 = 100)	177.72	177.19	175.35	0.29%	1.35%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	62	66	73	-6.16%	-14.90%
Brazoria County Foreclosure Notices (Unadjusted)	42	44	126	-4.55%	-66.67%
Prime Rate Charged By Banks	8.50	8.50	8.50	0.00%	0.00%
Unemployment Rate (Adjusted)	4.38%	4.34%	4.54%	0.78%	-3.70%
Unemployment Rate (Unadjusted)	4.70%	4.90%	4.80%	-4.08%	-2.08%

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