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BRAZORIA COUNTY

ECONOMIC INDICATORS

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE

ECONOMIC FORECASTING CENTER

BRAZORIA COUNTY **ECONOMIC INDICATORS** OCTOBER 2026



STRONG LEADING INDICATORS, SLOWER JOB GROWTH

LEADING ECONOMIC INDICATORS

The Brazoria County Index of Leading Economic Indicators decreased 1.88 percent over the past month, while increasing 11.27 percent over the past year. Designed to forecast the county's economic performance over the next three to six months, the index has outperformed the moving average for all but one 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 Brazoria County is likely entering into or currently experiencing a period of economic growth.

Strong gains in the BC Stock Index and fewer initial unemployment claims within the county accounted for the increase in the leading economic index. The largest increase was due to the BC Stock Index, which is up 53.26 percent over the last year. The substantial increase in stock prices suggests renewed investor confidence and growing optimism regarding the future earnings and outlook of the largest locally based manufacturers. The best performing stocks were Phillips 66 and Schlumberger, which increased 87.11 and 41.35 percent over the last year (Figure 2). Average initial unemployment claims declined 43.80 percent compared to the same period last year. The decrease suggests that fewer workers are filing for unemployment benefits, indicating that the local labor market is in the process of stabilizing. The local auto market remained relatively steady in September, with new vehicle purchases increasing slightly to 2,016 compared to 2,003 in September 2025. This increase of 13 vehicles represents a 0.65 percent gain compared to the same month last year. New single-family building permits declined 25.77 percent in September compared to the same month last year, signaling a slowdown in local residential construction. Housing activity remains strong across the area, although it has moderated from last year's levels. Over the past year, housing activity has slowed in Alvin, Angleton, and Iowa Colony while continuing to increase in Manvel and Pearland (Figure 3).

CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators increased 0.82 percent in August and 2.96 percent over the past year, reflecting an increase in overall economic activity. County hotel/motel tax receipts reached record levels during the summer of 2026, increasing 17.74 percent in June, 29.39 percent in July, and 8.30 percent in August compared to the same months in 2025. In contrast, sales tax receipts within the county declined

FIGURE 1: Leading Economic Index

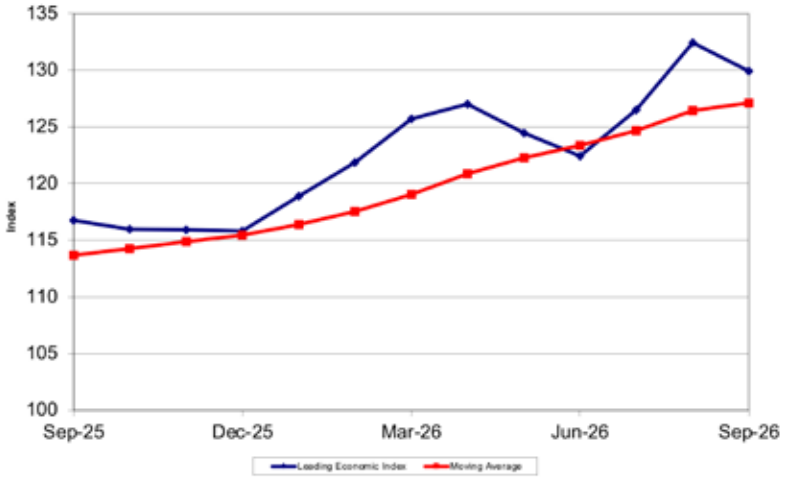
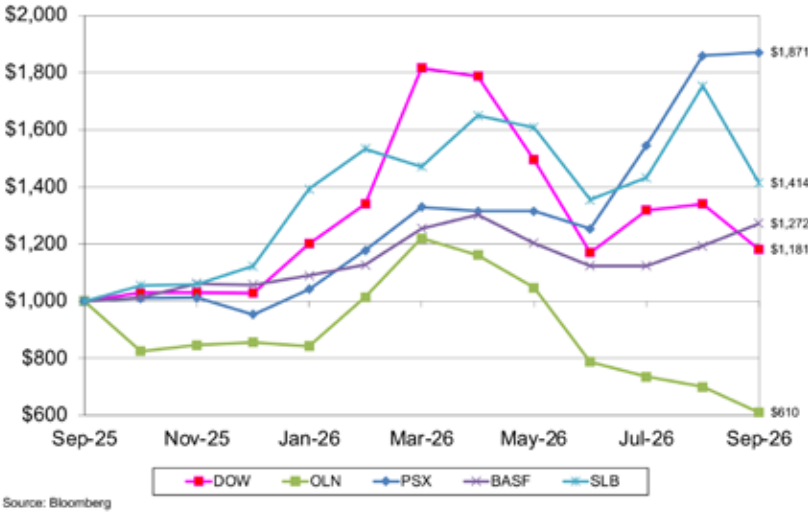
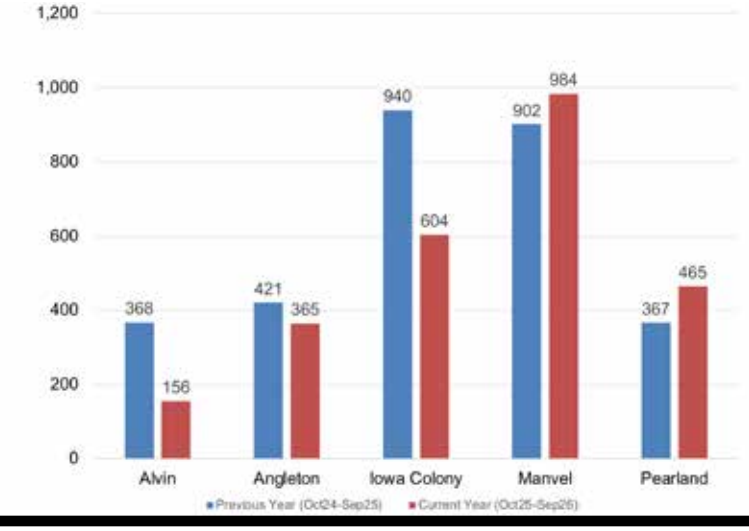


FIGURE 2: BC Stock Index – Company Performance



Source: Bloomberg

FIGURE 3: Building Permits - Top 5 Cities





0.77 percent in June, 17.46 percent in July, and 15.43 percent in August. This divergence is unusual, as hotel/motel tax receipts and sales tax receipts typically move in the same direction. The Houston–The Woodlands–Sugar Land Consumer Price Index (representing overall regional price changes) increased 0.19 percent in August and 1.82 percent over the past 12 months. While the rate of price increases remained relatively modest, the CPI measures changes in prices rather than the overall cost of living. Individual households and businesses may continue to experience higher costs for necessities such as food, housing, insurance, and energy. Total employment in Brazoria County increased from 191,249 to 192,554 over the past year. However, employment growth has been slowing over the last several years (Figure 4). Annual job gains declined from a peak of 8,526 during September 2020 through August 2021 period to 4,822 in 2024 and 2,296 in 2025. During the most recent 12-month period, September 2025 through August 2026, employment growth slowed further to 1,305 jobs added. Although total employment continues to increase, the steady decline in annual job gains suggests that the local labor market is cooling, with employment expanding at a considerably slower pace than in previous years. The current economic index has been above the six-month moving average for the last six months, indicating the county is currently experiencing a period of economic growth (Figure 5).

LAGGING ECONOMIC INDICATORS

The Brazoria County Index of Lagging Economic Indicators confirms growth or slowdown in the local economy. The index increased 0.01 percent in August but decreased 5.10 percent over the past year, signaling continued economic softness. The largest negative contributor was the sharp rise in foreclosure notices, which increased 29.82 percent year over year. In ten of the last twelve months, foreclosure notices exceeded year-earlier levels, reflecting growing financial strain among local households. The Federal Reserve raised its benchmark interest rate by 0.25 percentage points at its September meeting, which increased the prime rate. The prime rate increase reflects inflation concerns, and additional rate increases are anticipated in the coming months. Higher rates could increase borrowing costs, potentially slowing consumer spending and business investment. The county's unemployment rate remained unchanged from last year at 5.14 percent (Figure 6). However, declining initial unemployment claims suggest the labor market may be stabilizing, potentially leading to lower unemployment in coming months. The lagging index has remained below its six-month moving average since late 2024, confirming a period of slow economic growth.

FIGURE 4: Brazoria County Job Growth

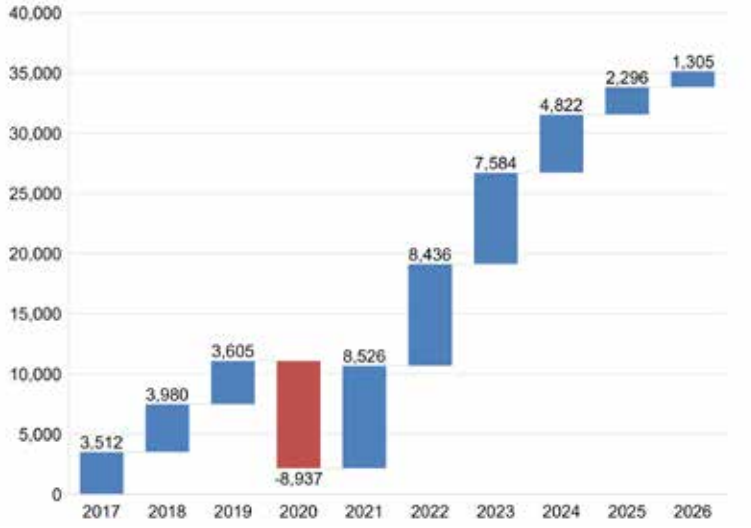


FIGURE 5: Current Economic Index

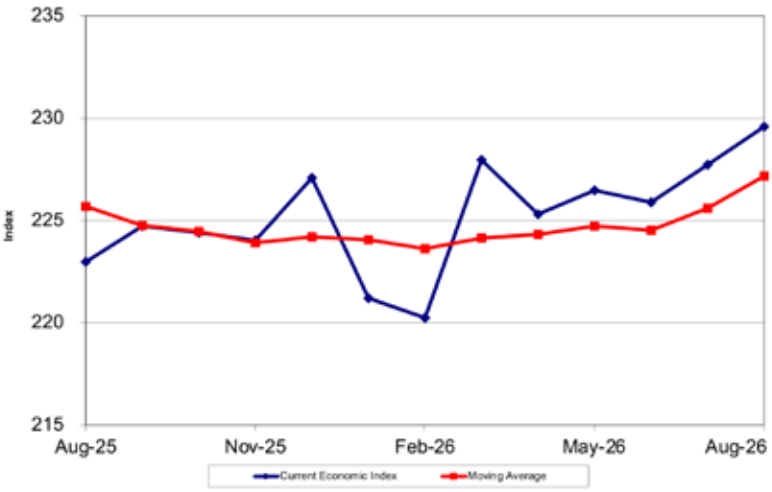
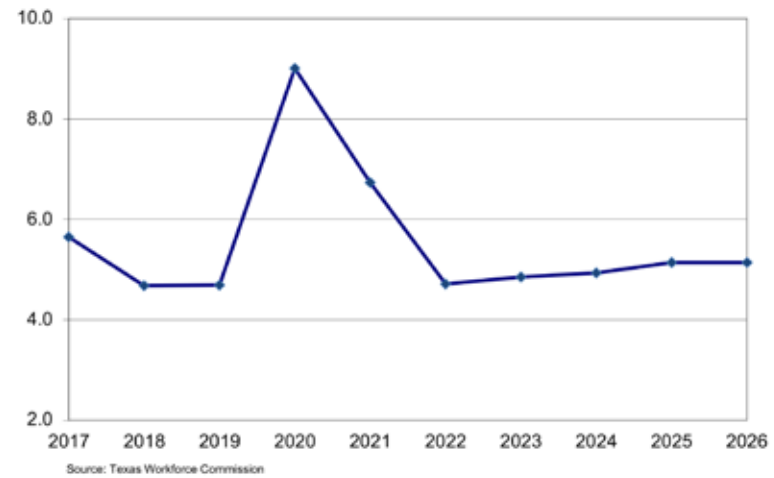


FIGURE 6: Brazoria County Unemployment Rate



BRAZORIA COUNTY **TEXAS BUSINESS CYCLE INDICATORS** OCTOBER 2026

Brazoria County Economic Indices:	Sep 2026	Aug 2026	Jul 2026	Jun 2026	May 2026
Leading Economic Index (2003 = 100)	129.93	132.42	126.48	122.42	124.47
Current Economic Index (2003=100)	-	229.58	227.71	225.89	226.48
Lagging Economic Index (2003 = 100)	-	155.77	155.76	156.64	157.00

Brazoria County Leading Economic Index	Sep 2026	Aug 2026	Sep 2025	Aug-2026 to Sep-2026	Sep-2025 to Sep-2026
Leading Economic Index (2003 = 100)	129.93	132.42	116.77	-1.88%	11.27%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	260.92	269.20	170.25	-3.08%	53.26%
Average Initial Unemployment Claims (Seasonally Adjusted)	241	237	272	1.85%	-11.32%
Average Initial Unemployment Claims (Unadjusted)	193	242	343	-20.22%	-43.80%
New Single Family Building Permits (Seasonally Adjusted)	298	305	332	-2.35%	-10.19%
New Single Family Building Permits (Unadjusted)	*216*	*312*	*291*	-30.77%	-25.77%
New Retail Auto Sales (Seasonally Adjusted)	2,061	2,196	*2,048*	*-6.15%*	*0.65%*
New Retail Auto Sales (Unadjusted)	*2,016*	*2,247*	*2,003*	*-10.28%*	*0.65%*

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

Brazoria County Current Economic Index	Aug 2026	Jul 2026	Aug 2025	Jul-2026 to Aug-2026	Aug-2025 to Aug-2026
Current Economic Index (2003 = 100)	229.58	227.71	222.98	0.82%	2.96%
Components:					
Sales Tax Receipts (Constant 1982-1984 $'s, Seasonally Adjusted)	1,319,718	1,298,284	1,402,971	1.65%	-5.93%
Sales Tax Receipts (Current $'s, Unadjusted)	*3,741,176*	*3,345,675*	*4,424,008*	*11.82%*	*-15.43%*
Household Employment (Seasonally Adjusted)	192,293	192,155	191,362	0.07%	0.49%
Household Employment (Unadjusted)	*192,554*	*192,005*	*191,249*	*0.29%*	*0.68%*
Hotel/Motel Tax Receipts (Constant 1982-1984 $'s, Seasonally Adjusted)	2,387,321	2,852,973	2,228,342	-16.32%	7.13%
Hotel/Motel Tax Receipts (Current $'s, Unadjusted)	*7,077,690*	*10,183,997*	*6,534,993*	*-30.50%*	*8.30%*
Houston-The Woodlands-Sugar Land CPI	282.34	281.82	278.77	0.19%	1.28%

Brazoria County Lagging Economic Index	Aug 2026	Jul 2026	Aug 2025	Jul-2026 to Aug-2026	Aug-2025 to Aug-2026
Lagging Economic Index (2003 = 100)	155.77	155.76	164.14	0.01%	-5.10%
Components:					
Brazoria County Foreclosure Notices (Adjusted)	78	79	69	-1.84%	12.72%
Brazoria County Foreclosure Notices (Unadjusted)	*74*	*88*	57	-15.91%	29.82%
Prime Rate Charged By Banks	6.75	6.75	7.50	0.00%	-10.00%
Unemployment Rate (Adjusted)	4.72%	4.67%	4.56%	1.07%	3.51%
Unemployment Rate (Unadjusted)	*5.14%*	*5.36%*	*5.14%*	*-4.10%*	*0.00%*

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

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