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BRAZORIA COUNTY
**ECONOMIC
INDICATORS**

A QUARTERLY NEWSLETTER OF THE



BRAZOSPORT COLLEGE
ECONOMIC FORECAST CENTER



CURRENT INDEX CONTINUES TO SHOW GROWTH; LEADING INDEX DECREASES

The Brazoria County Index of Leading Economic Indicators decreased to 118.00 in August, which is 2.15 percent below the previous month. 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 for the last three 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 a period of slow economic growth.

The largest decrease occurred in New Single Family Building Permits within the county. New Single Family Building Permits decreased by 17.75 percent over the last month and 7.35 percent when compared to last year. Building permits have been at record high levels over the last couple of years (Figure 2). The 472 permits filed in April and 511 permits filed in May of this year were the most permits ever filed in the county. Building permits returned back to the historical average for Brazoria County in July and August. The Brazoria County Stock Index, which is made up of the five largest publicly traded manufacturers in the county, posted a decrease of 2.48 percent for the fiscal year ended August 2022. Schlumberger made up the largest increase in the stock index at 33.77 percent, while BASF was the largest decrease at 36.54 percent. Comparatively, the Dow Jones Industrial Average decreased by 11.11 percent over the same period (Figure 3). New Retail Auto Sales in the county fell from 1,915 to 1,897 over the last year, which represents a decrease of 0.94 percent. The only leading indicator to increase was manufacturing hours. Manufacturing workers in the region are working 41.00 hours per week, which is slightly greater than the 40.60 hours recorded last year.

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 August by 0.89 percent. However, the index has increased over the last year by 17.17 percent. Three of the four current economic

FIGURE 1 : Leading economic index

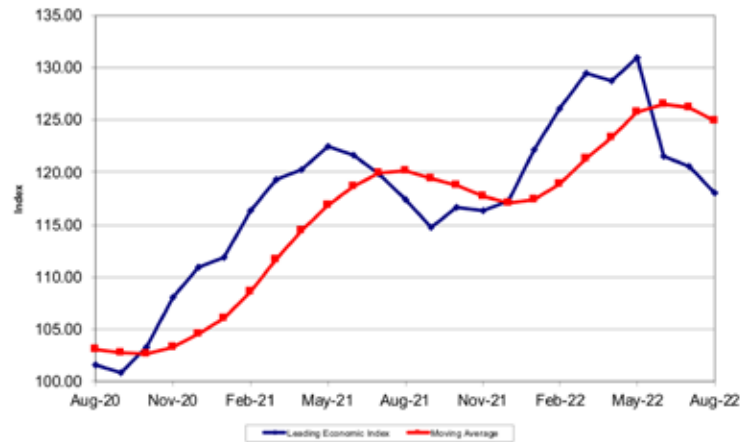


FIGURE 2 : New Single Family Building Permits

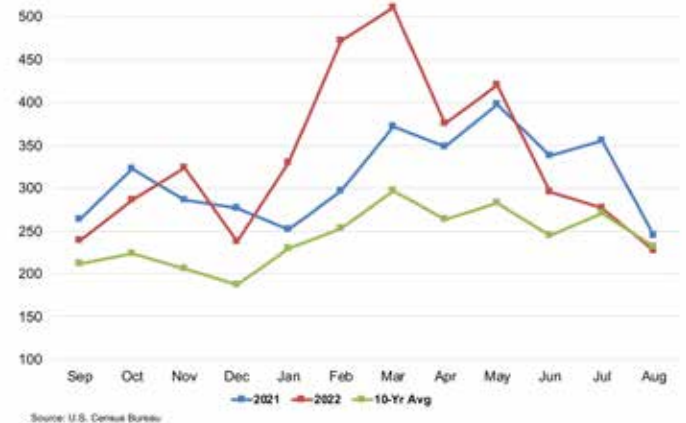
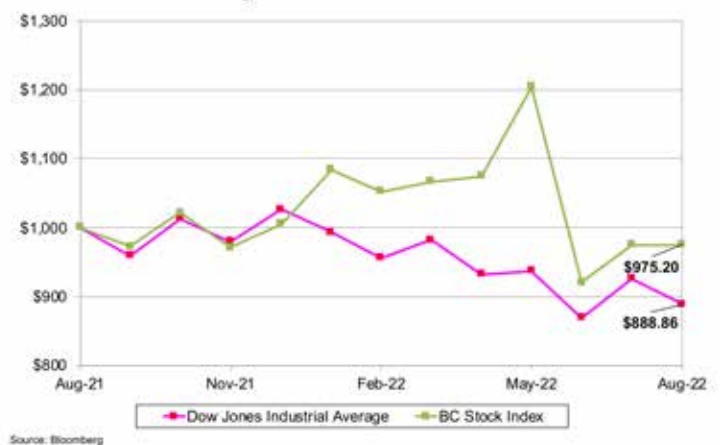


FIGURE 3 : BC Stock Index vs. DJIA



BRAZORIA COUNTY ECONOMIC INDICATORS OCTOBER 2022



indicators increased over the last year. Brazoria County Sales Tax Receipts increased by 8.41 percent over the last year. The \$2,968,517 of Sales Tax Receipts is the highest amount ever recorded in the month of August (Figure 4). Brazoria County has added 28,327 jobs since April 2020 when employment hit a low due to the COVID-19 pandemic. In the last year, employment has increased by 7,628 to 175,704 (Figure 5). The local inflation rate as measured by Houston-The Woodlands-Sugar Land CPI posted an increase of 9.53 percent over the last year. Comparatively the inflation rate for the entire U.S. was 8.26 percent during this same period. Brazoria County Hotel/Motel Tax Receipts decreased 7.87 percent over the last year. The Brazoria County Current Economic Index has been above the six-month moving average for over twelve 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 22.26 percent over the last year. The two indicators driving the increase in the index are the unemployment rate and prime rate. The unemployment rate in the county is currently 5.13 percent, which is down from last year's figure of 6.80 percent. The unemployment rate in the county peaked at 12.50 percent in April 2020 due to the COVID-19 pandemic. The Federal Reserve began raising interest rates in March of this year to combat inflation, which has caused the prime rate to increase from 3.25 percent to 5.50 percent. Brazoria County Foreclosure Notices increased from 34 to 53 over the last year, which is an increase of 55.88 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 confirms that the county has been experiencing a period of economic growth.

FIGURE 4: Sales Tax Receipts (August)

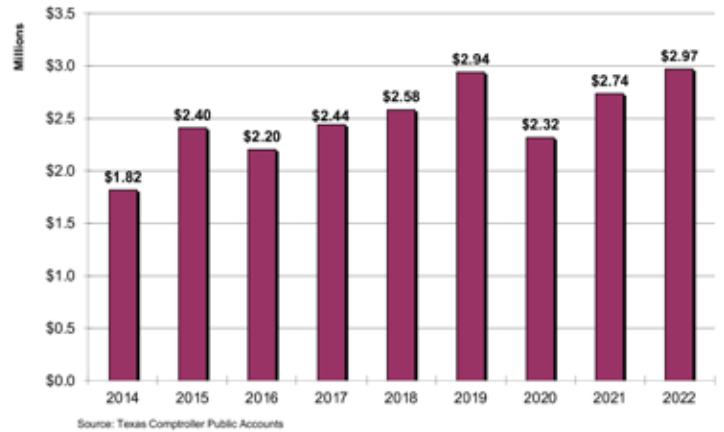


FIGURE 5: Brazoria County Employment

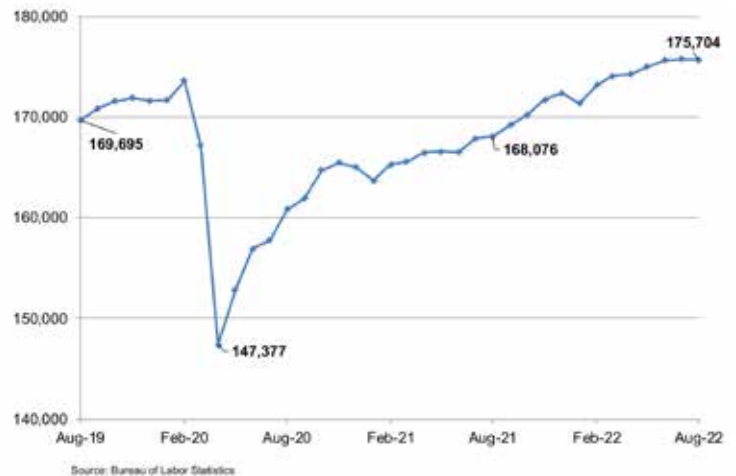
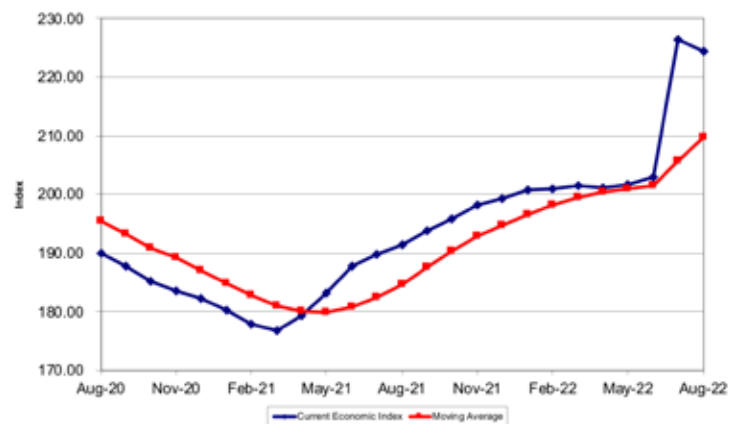


FIGURE 6: Current Economic Index



BRAZORIA COUNTY TEXAS BUSINESS CYCLE INDICATOR

OCTOBER 2022

| Brazoria County Economic Indices: | Aug 2022 | Jul 2022 | Jun 2022 | May 2022 | Apr 2022 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Leading Economic Index (2003 = 100) | 118.00 | 120.59 | 121.53 | 130.91 | 128.67 |
| Current Economic Index (2003=100) | 224.38 | 226.39 | 202.98 | 201.71 | 201.23 |
| Lagging Economic Index (2003 = 100) | 157.06 | 150.53 | 144.82 | 140.77 | 136.61 |

| Brazoria County Leading Economic Index | Aug 2022 | Jul 2022 | Aug 2021 | Jul-2022 to Aug-2022 | Aug-2021 to Aug-2022 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Leading Economic Index (2003 = 100) | 118.00 | 120.59 | 117.36 | -2.15% | 0.54% |
| Components: | | | | | |
| Brazoria County Stock Index (12/31/2003 = 100) | 178.27 | 178.19 | 182.80 | 0.04% | -2.48% |
| New Single Family Building Permits (Seasonally Adjusted) | 316 | 339 | 294 | -6.74% | 7.65% |
| <i>New Single Family Building Permits (Unadjusted)</i> | 227 | 276 | 245 | -17.75% | -7.35% |
| Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted) | 41.28 | 41.28 | 38.40 | -0.01% | 7.49% |
| <i>Houston-The Woodlands-Sugar Land Avg. Wkly. Mfg. Hrs. (Unadjusted)</i> | 41.00 | 39.80 | 40.60 | 3.02% | 0.99% |
| New Retail Auto Sales (Seasonally Adjusted) | 1,942 | 1,943 | 1,871 | -0.02% | 3.83% |
| <i>New Retail Auto Sales (Unadjusted)</i> | 1,897 | 1,967 | 1,915 | -3.56% | -0.94% |

*(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 2022 | Jul 2022 | Aug 2021 | Jul-2022 to Aug-2022 | Aug-2021 to Aug-2022 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Current Economic Index (2003 = 100) | 224.38 | 226.39 | 191.50 | -0.89% | 17.17% |
| Components: | | | | | |
| Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted) | 1,204,683 | 1,193,982 | 1,185,487 | 0.90% | 1.62% |
| <i>Sales Tax Receipts (Current \$'s, Unadjusted)</i> | 2,968,517 | 3,441,777 | 2,738,182 | -13.75% | 8.41% |
| Household Employment (Seasonally Adjusted) | 173,208 | 172,672 | 165,895 | 0.31% | 4.41% |
| <i>Household Employment (Unadjusted)</i> | 175,704 | 175,769 | 168,076 | -0.04% | 4.54% |
| Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted) | 2,500,674 | 2,537,883 | 2,474,169 | -1.47% | 1.07% |
| <i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i> | 6,241,772 | 9,137,179 | 6,774,920 | -31.69% | -7.87% |
| Houston-The Woodlands-Sugar Land CPI | 264.07 | 263.97 | 241.09 | 0.04% | 9.53% |

** (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 2022 | Jul 2022 | Aug 2021 | Jul-2022 to Aug-2022 | Aug-2021 to Aug-2022 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Lagging Economic Index (2003 = 100) | 157.06 | 150.53 | 128.47 | 4.34% | 22.26% |
| Components: | | | | | |
| Brazoria County Foreclosure Notices (Adjusted) | 48 | 48 | 25 | 0.62% | 91.41% |
| <i>Brazoria County Foreclosure Notices (Unadjusted)</i> | 53 | 46 | 34 | 15.22% | 55.88% |
| Prime Rate Charged By Banks | 5.50 | 4.85 | 3.25 | 13.40% | 69.23% |
| Unemployment Rate (Adjusted) | 4.98% | 4.97% | 7.38% | 0.18% | -32.54% |
| <i>Unemployment Rate (Unadjusted)</i> | 5.13% | 5.27% | 6.80% | -2.66% | -24.56% |

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