



# BRAZORIA COUNTY ECONOMIC INDICATORS

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## BRAZOSPORT COLLEGE ECONOMIC FORECASTING CENTER

### RECORD SETTING EMPLOYMENT/NEW RETAIL AUTO SALES ADDED TO INDEX

The Brazoria County Index of Leading Economic Indicators decreased over the last year from 123.13 to 114.33, which is 2.77 percent below the previous month and 7.14 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 below the six-month moving average since September. This is significant because if the leading economic index is consistently below the six-month moving average the county is possibly entering into or currently experiencing a period of slow or negative economic growth (Figure 1). However this is likely not the case as the drop in stock market at the end of 2018 accounted for the decreases in the leading economic index (Figure 2).

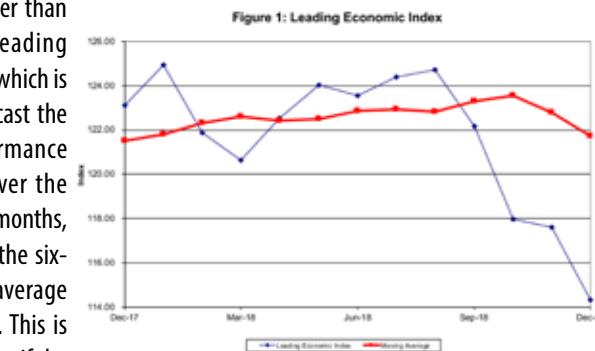
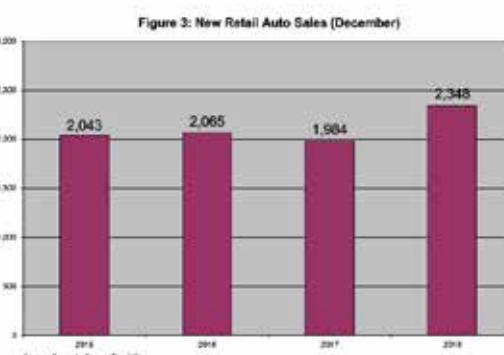


Figure 2: Annual Change in Leading Indicators

| Leading Indicator                  | Oct    | Nov    | Dec    |
|------------------------------------|--------|--------|--------|
| Brazoria County Stock Index        | -17.4% | -20.7% | -31.4% |
| New Retail Auto Sales              | 5.8%   | 20.4%  | 18.3%  |
| Average Weekly Manufacturing Hours | 1.5%   | 6.2%   | 3.9%   |

\* Building Permits unavailable due to Federal government shutdown.

The largest increase in the index was due to New Retail Auto Sales, which increased 18.35 percent over the last year. There were 2,348 new vehicles sold in December 2018 compared to 1,984 in December 2017 (Figure 3). The Woodlands-Sugarland Average Weekly Manufacturing Hours increased to 48.10 hours per week compared to 46.30 hours per week last year, which represents an increase of 3.89 percent. The BC Stock Index, which is made up of the six largest publicly traded employers within the county, decreased 12.21 percent in the month of December and decreased 31.38 percent for the year. New Single Family Building Permits are not available due to the Federal government shutdown.

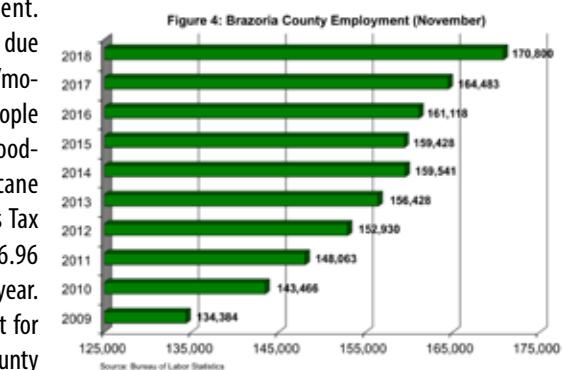


### CURRENT ECONOMIC INDICATORS

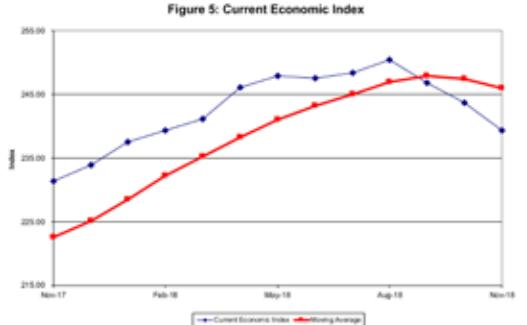
The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, decreased over the last year to

239.42. The index is 1.75 percent below the previous month and 2.99 percent lower than last year. Hotel/Motel Tax Receipts accounted for the largest decrease in the index of 29.03 percent.

The large decrease is due to inflated 2017 hotel/motel tax receipts as people were displaced by flooding caused by Hurricane Harvey. County Sales Tax Receipts decreased 6.96 percent over the last year. A new record was set for employment in the county at 170,800 (Figure 4) and the Houston-Galveston-Brazoria CPI increased by 2.21%. The Brazoria County Current Economic Index has been above the six-month moving average for nine of the last twelve months. This is significant because if the current economic index is consistently above the six-month moving average then the county is likely experiencing a period of economic growth (Figure 5).



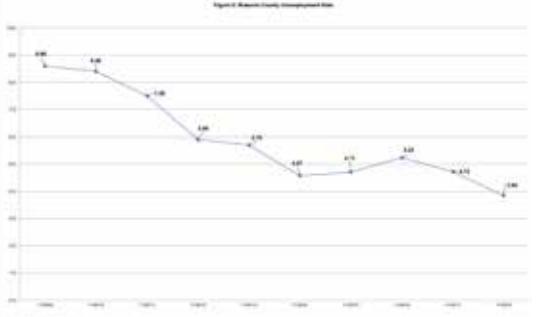
Source: Bureau of Labor Statistics



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### LAGGING ECONOMIC INDICATORS

The Brazoria County Index of Lagging Economic Indicators is used to confirm the growth or slowdown in the economy. The index is 0.83 percent above the previous month and 1.20 percent higher than last year. There were 71 foreclosure notices filed this November compared to 20 filed in November 2017. Foreclosure notices were unusually low last year due to loan forbearance for flood victims. Unemployment within the county decreased to 3.84 percent, which is the lowest unemployment rate since the inception of the index (Figure 6). The lagging economic index has been above the six-month moving average for eleven of the last twelve months, which indicates the economy has been experiencing a period of economic growth.



# BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

## JANUARY 2019

| <b>Brazoria County Economic Indices:</b> | <b>Dec</b>  | <b>Nov</b>  | <b>Oct</b>  | <b>Sep</b>  | <b>Aug</b>  |
|--|-------------|-------------|-------------|-------------|-------------|
|  | <b>2018</b> | <b>2018</b> | <b>2018</b> | <b>2018</b> | <b>2018</b> |
| Leading Economic Index (2003 = 100)      | 114.33      | 117.59      | 117.99      | 122.15      | 124.71      |
| Current Economic Index (2003=100)        | -           | 239.42      | 243.68      | 246.79      | 250.48      |
| Lagging Economic Index (2003 = 100)      | -           | 150.28      | 149.05      | 148.50      | 145.75      |

| <b>Brazoria County Leading Economic Index</b>                              | <b>Dec</b>  | <b>Nov</b>  | <b>Dec</b>  | <b>Nov-2018 to Dec-2018</b> | <b>Dec-2017 to Dec-2018</b> |
|--|-------------|-------------|-------------|-----------------------------|-----------------------------|
|  | <b>2018</b> | <b>2018</b> | <b>2017</b> |                             |                             |
| Leading Economic Index (2003 = 100)  | 114.33      | 117.59      | 123.13      | -2.77%                      | -7.14%                      |
| <b>Components:</b>   |             |             |             |                             |                             |
| Brazoria County Stock Index (12/31/2003 = 100)                             | 146.46      | 166.82      | 213.43      | -12.21%                     | -31.38%                     |
| New Single Family Building Permits (Seasonally Adjusted)                   | -           | -           | 235         | -                           | -                           |
| <i>New Single Family Building Permits (Unadjusted)</i>                     | -           | -           | 185         | -                           | -                           |
| Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted) | 46.32       | 46.00       | 44.85       | 0.70%                       | 3.29%                       |
| <i>Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>   | 48.10       | 47.70       | 46.30       | 0.84%                       | 3.89%                       |
| New Retail Auto Sales (Seasonally Adjusted)                                | 2,009       | 1,984       | 1,813       | 1.25%                       | 10.82%                      |
| <i>New Retail Auto Sales (Unadjusted)</i>                                  | 2,348       | 1,999       | 1,984       | 17.46%                      | 18.35%                      |

\*(Data for New Single Family Building Permits is unavailable due to Federal government shutdown.)

| <b>Brazoria County Current Economic Index</b>                           | <b>Nov</b>  | <b>Oct</b>  | <b>Nov</b>  | <b>Oct-2018 to Nov-2018</b> | <b>Nov-2017 to Nov-2018</b> |
|---|-------------|-------------|-------------|-----------------------------|-----------------------------|
|   | <b>2018</b> | <b>2018</b> | <b>2017</b> |                             |                             |
| Current Economic Index (2003 = 100)                                     | 239.42      | 243.68      | 246.79      | -1.75%                      | -2.99%                      |
| <b>Components:</b>  |             |             |             |                             |                             |
| Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)       | 1,275,971   | 1,302,748   | 1,281,908   | -2.06%                      | -0.46%                      |
| <i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>                    | 2,445,797   | 2,688,403   | 2,628,696   | -9.02%                      | -6.96%                      |
| Household Employment (Seasonally Adjusted)                              | 167,664     | 167,091     | 162,828     | 0.34%                       | 2.97%                       |
| <i>Household Employment (Unadjusted)</i>                                | 170,800     | 169,852     | 164,483     | 0.56%                       | 3.84%                       |
| Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted) | 3,036,061   | 3,119,555   | 2,852,728   | -2.68%                      | 6.43%                       |
| <i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>              | 5,172,399   | 5,935,929   | 7,288,586   | -12.86%                     | -29.03%                     |
| Houston-Galveston-Brazoria County CPI                                   | 227.31      | 228.07      | 222.39      | -0.33%                      | 2.21%                       |

\*\*(Data for the Current Index is one month behind due to the lag in obtaining the data for employment and sales tax receipts.)

| <b>Brazoria County Lagging Economic Index</b>             | <b>Nov</b>  | <b>Oct</b>  | <b>Nov</b>  | <b>Oct-2018 to Nov-2018</b> | <b>Nov-2017 to Nov-2018</b> |
|---|-------------|-------------|-------------|-----------------------------|-----------------------------|
|   | <b>2018</b> | <b>2018</b> | <b>2017</b> |                             |                             |
| Lagging Economic Index (2003 = 100)                       | 150.28      | 149.05      | 148.50      | 0.83%                       | 1.20%                       |
| <b>Components:</b>  |             |             |             |                             |                             |
| Brazoria County Foreclosure Notices (Seasonally Adjusted) | 68          | 67          | 47          | 0.26%                       | 42.23%                      |
| <i>Brazoria County Foreclosure Notices (Unadjusted)</i>   | 71          | 73          | 20          | -2.74%                      | 255.00%                     |
| Prime Rate Charged By Banks                               | 5.25        | 5.25        | 4.25        | 0.00%                       | 23.53%                      |
| Unemployment Rate (Adjusted)                              | 3.84%       | 4.01%       | 4.72%       | -4.24%                      | -18.64%                     |
| <i>Unemployment Rate (Unadjusted)</i>                     | 3.84%       | 3.93%       | 4.72%       | -2.29%                      | -18.64%                     |