

BRAZORIA COUNTY ECONOMIC INDICATORS

February 2011 • Volume 5 • Number 1

BRAZOSPORT COLLEGE ECONOMIC FORECASTING CENTER

THE COUNTY'S LEADING & CURRENT INDICATORS SHOW IMPROVEMENT

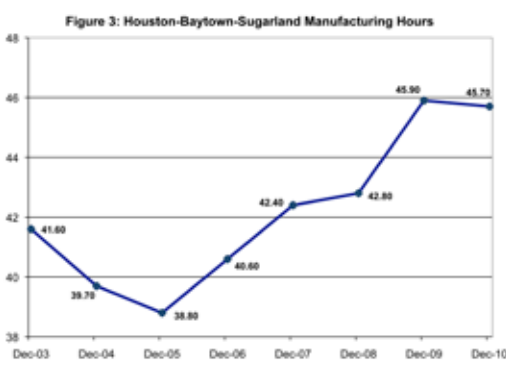
The Brazoria County Index of Leading Economic Indicators increased in December to 100.75, which is 2.40 percent above the previous month's index and 10.57 percent above December 2009. The Leading Economic Index, which is designed to forecast the economic performance of the county over the next three to six-months, has been above the six month moving average for the last four months. This is significant because if the leading economic index is consistently above the six-month moving average the county is likely entering into or currently experiencing a period of economic growth (Figure 1).



Three of the four seasonally adjusted leading economic indicators increased over the last year (Figure 2). The largest increase in the index was due to an increase in the Brazoria County Stock Index. The Brazoria County stock index increased by 6.78 percent in the month of December and increased 19.98 percent during the last year. There were 19,879 individuals filing initial unemployment claims in December 2010 compared with 22,283 in December 2009, which is a decrease of 10.79 percent. Houston-Baytown-Sugarland average weekly manufacturing hours were at 45.70 hours per week in December 2010 (Figure 3). Manufacturing hours eclipsed 45 hours per week for the first time since the inception of the index in November 2009. Manufacturing hours have remained above 45 hours per week in every month since eclipsing the 45 hour mark. There were 107 new single-family building permits filed in December 2010 compared to 133 permits in December 2009, which represents an annual decrease of 19.55 percent.

Figure 2: Leading Index Components

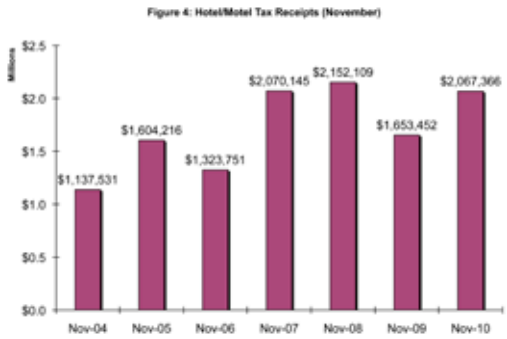
Index of BC Stocks	▲	19.98%
Initial Unemployment Claims Index - Gulf Coast WDA	▲	-10.79%
Single Family Building Permits Index	▼	-3.99%
Houston-Baytown-Sugarland Avg. Weekly Mfg. Hrs.	▲	4.45%
Leading Indicators Index	▲	10.57%



CURRENT ECONOMIC INDICATORS

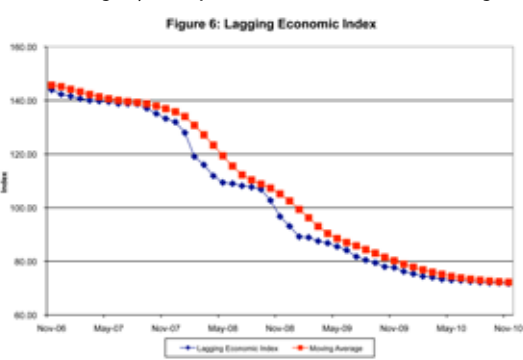
The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, increased to 121.92 in November, which is 1.28 percent higher than the previous month and 1.50 percent higher than

November 2009. The largest increase in the index over last year was in the unadjusted Brazoria County hotel/motel tax receipts, which were 25.03 percent higher than November 2009 (Figure 4). The unadjusted sales tax receipts for the county increased 10.48 percent and household employment increased by 2.30 percent over the last year. Consumer confidence increased in November by 4.13 percent, while the annual increase in consumer confidence was at 0.82 percent. The Brazoria County Current Economic Index has been above the six-month moving average for the last four 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).



LAGGING ECONOMIC INDICATORS

The Brazoria County Index of Lagging Economic Indicators is used to confirm the growth or slowdown in the economy. The Lagging Economic Index decreased to 71.70, which is 0.32 percent below last month and 7.68 percent below November 2009. The largest decrease in the index was caused by an increase in foreclosure notices. There were 9.03 percent more foreclosure notices filed in November 2010 compared to November 2009. The seasonally adjusted unemployment rate for Brazoria County was 8.83 percent in November. This is the highest unemployment rate for the month of November since the inception of the index. The county's unemployment rate has been increasing since November 2007; however the rate has changed very little over the last few months. The unemployment rate decreased slightly in September and remained unchanged in October before increasing from 8.80 to 8.83 in November. The lagging economic index remains below the six-month moving average, which indicates the economy has been experiencing a period of slow economic growth (Figure 6).



BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

FEBRUARY 2011

Brazoria County Economic Indices:	Dec 2010	Nov 2010	Oct 2010	Sep 2010	Aug 2010
Leading Economic Index (2003 = 100)	100.75	98.39	96.18	94.25	90.66
Current Economic Index (2003=100)	-	121.92	120.38	119.49	119.07
Lagging Economic Index (2003 = 100)	-	71.70	71.94	71.97	72.17

Brazoria County Leading Economic Index*	Dec 2010	Nov 2010	Dec 2009	Nov-2010 to Dec-2010	Dec-2009 to Dec-2010
Leading Economic Index (2003 = 100)	100.75	98.39	91.12	2.40%	10.57%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	145.13	135.92	120.97	6.78%	19.98%
Gulf Coast Initial Unemployment Claims (Seasonally Adjusted)	22,165	22,861	24,845	-3.04%	-10.79%
<i>Gulf Coast Initial Unemployment Claims (Unadjusted)</i>	<i>19,879</i>	<i>20,479</i>	<i>22,283</i>	<i>-2.93%</i>	<i>-10.79%</i>
New Single Family Building Permits (Seasonally Adjusted)	141	140	147	0.61%	-3.99%
<i>New Single Family Building Permits (Unadjusted)</i>	<i>107</i>	<i>156</i>	<i>133</i>	<i>-31.41%</i>	<i>-19.55%</i>
Houston-Baytown-Sugarland Avg. Weekly Manufacturing Hrs. (Seasonally Adjusted)	45.95	45.99	43.99	-0.10%	4.45%
<i>Houston-Baytown-Sugarland Avg. Weekly Manufacturing Hrs. (Unadjusted)</i>	<i>45.70^P</i>	<i>46.50</i>	<i>45.90</i>	<i>-1.72%</i>	<i>-0.44%</i>
*(Data for the Leading Index is one month behind due to the lag in getting the building permits)					
^P - Preliminary Data					

Brazoria County Current Economic Index**	Nov 2010	Oct 2010	Nov 2009	Oct-2010 to Nov-2010	Nov-2009 to Nov-2010
Current Economic Index (2003 = 100)	121.92	120.38	120.12	1.28%	1.50%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	639,432	637,670	633,950	0.28%	0.86%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	<i>1,205,314</i>	<i>1,144,488</i>	<i>1,090,970</i>	<i>5.31%</i>	<i>10.48%</i>
Household Employment (Seasonally Adjusted)	134,733	134,588	132,654	0.11%	1.57%
<i>Household Employment (Unadjusted)</i>	<i>135,520</i>	<i>135,054</i>	<i>132,478</i>	<i>0.35%</i>	<i>2.30%</i>
West South Central Consumer Confidence (Present Situation)	84.26	80.91	83.57	4.13%	0.82%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,173,545	1,157,138	1,147,349	1.42%	2.28%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	<i>2,067,366</i>	<i>2,790,618</i>	<i>1,653,452</i>	<i>-25.92%</i>	<i>25.03%</i>
**(Data for the Current Index is 2 months behind due to the lag in getting the hotel/motel tax receipts)					

Brazoria County Lagging Economic Index***	Nov 2010	Oct 2010	Nov 2009	Oct-2010 to Nov-2010	Nov-2009 to Nov-2010
Lagging Economic Index (2003 = 100)	71.70	71.94	77.67	-0.32%	-7.68%
Components:					
Brazoria County Foreclosure Notices (Seasonally Adjusted)	283	281	244	0.77%	16.27%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	<i>314</i>	<i>308</i>	<i>288</i>	<i>1.95%</i>	<i>9.03%</i>
Prime Rate Charged By Banks	3.25	3.25	3.25	0.00%	0.00%
Unemployment Rate (Adjusted)	8.83%	8.80%	7.88%	0.35%	11.99%
<i>Unemployment Rate (Unadjusted)</i>	<i>9.00%</i>	<i>8.60%</i>	<i>8.60%</i>	<i>4.65%</i>	<i>4.65%</i>
*** (Data is two months behind due to lag in obtaining unemployment data)					