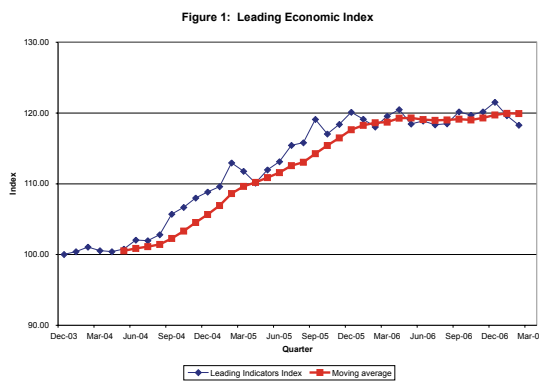
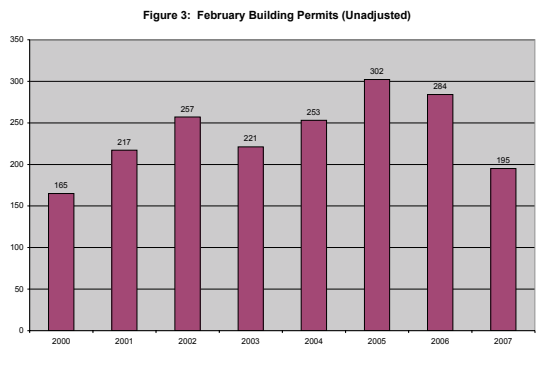


The Brazoria County Index of Leading Economic Indicators decreased in February to 118.26, which is 1.15 percent below the previous month's index and 0.20 percent above February 2006. The Leading Economic Index, which is designed to forecast the economic performance of the county over the next three to six months, has been slightly below the twelve month moving average for the last two months. This is significant because if the leading economic index is consistently below the six month moving average the county is likely entering into or currently experiencing a period of slow economic growth (Figure 1).



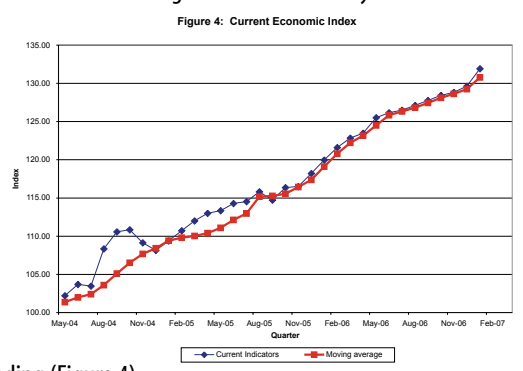
Two of the four leading economic indicators increased during the month of November (Figure 2). The largest increase in the index was due to the increase in the Gulf Coast Initial Unemployment Claims. The Gulf Coast Initial Unemployment Claims, which includes individuals filing for unemployment insurance who have recently become unemployed or anticipate becoming unemployed, fell to 10,257 (unadjusted) and 12,422 (seasonally adjusted). This is the lowest level reported since the inception of the index. The two economic indicators that decreased during the month of February were the New Single Family Building Permits and Brazoria County Stock Index. The number of new single family building permits (seasonally adjusted) filed in February is 4.46 percent below the filings from one month ago, while the number of permits filed over the last year decreased by 20.79 percent. This decrease in building permits accounts for the least number of permits filed since February of 2000 (Figure 3). The Brazoria County Stock Index, which is made up of the eight largest publicly traded employers in Brazoria County, decreased 1.27 percent during the month of February, while increasing by 13.74 percent over the past year.

Component	Change	Percentage
Index of BC Stocks	Down	-1.27%
Initial Unemployment Claims Index - Gulf Coast WDA	Up	-0.92%
Single Family Building Permits Index	Down	-4.46%
Weekly Manufacturing Hours Index	Up	0.43%
Leading Indicators Index	Down	-1.15%



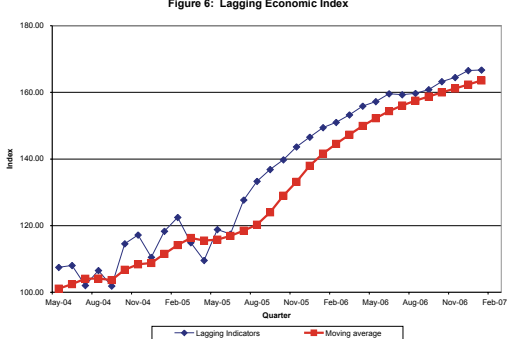
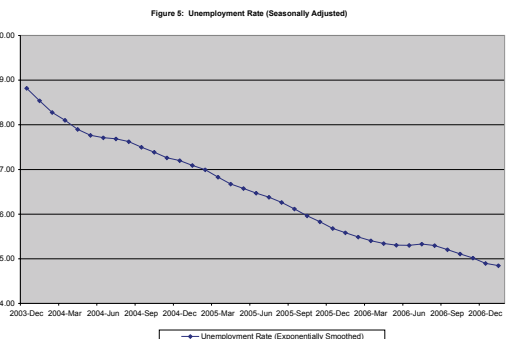
CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, increased to 131.90 in January 2007, which is a 1.75 percent increase over December 2006 and 9.95 percent above January 2006. In January, three of the four current economic indicators showed gains. Household employment, seasonally adjusted, remains at its highest levels since the inception of the index. Sales tax receipts, adjusted for inflation and season, increased by 7.12 percent over December 2006 and increased 20.47 percent over the last year. The current economic indicator that decreased during the month of January was hotel/motel tax receipts. Hotel/motel tax receipts, adjusted for inflation and season, decreased 0.74 percent from last month, but have increased 4.39 percent in the last year. The index remains above the six month moving average strengthening the probability the economy is currently expanding (Figure 4).



LAGGING ECONOMIC INDICATORS

The Brazoria County Index of Lagging Economic Indicators is used to confirm the growth or slowdown in the economy. The index increased to 166.67 in January 2007, which is a 0.07 percent increase over December 2006 and 11.57 percent above January 2006. Average duration of unemployment, seasonally adjusted, increased during January by 1.89 percent, but has decreased over the last year by 3.57 percent. The unemployment rate (seasonally adjusted) fell to 4.85 percent. This is the lowest level of unemployment since the inception of the index (Figure 5). The index continues to beat the six month moving average, confirming that the economy has been experiencing a period of recovery or expansion (Figure 6).



BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

FEBRUARY, 2007

<u>Brazoria County Economic Indices:</u>	<u>Feb</u> <u>2007</u>	<u>Jan</u> <u>2007</u>	<u>Dec</u> <u>2006</u>	<u>Nov</u> <u>2006</u>	<u>Oct</u> <u>2006</u>
Leading Economic Index (2003 = 100)	118.26	119.63	121.51	120.15	119.70
Current Economic Index (2003=100)	-	131.90	129.63	128.82	128.43
Lagging Economic Index (2003 = 100)	-	166.67	166.55	159.65	163.20

<u>Brazoria County Leading Economic Index</u>	<u>Feb</u> <u>2007</u>	<u>Jan</u> <u>2007</u>	<u>Feb</u> <u>2006</u>	<u>Jan-2007</u> <u>to</u> <u>Feb-2007</u>	<u>Feb-2006</u> <u>to</u> <u>Feb-2007</u>
Leading Economic Index (2003 = 100)	118.26	119.63	118.02	-1.15%	0.20%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	138.40	140.18	121.68	-1.27%	13.74%
Gulf Coast Initial Unemployment Claims (Seasonally Adjusted)	12,422	12,536	14,878	-0.92%	-16.51%
Gulf Coast Initial Unemployment Claims (Unadjusted)	10,257	13,604	10,753	-24.60%	-4.61%
New Single Family Building Permits (Seasonally Adjusted)	250	261	315	-4.46%	-20.79%
New Single Family Building Permits (Unadjusted)	195	155	284	25.81%	-31.34%
Houston-Baytown-Sugarland Manufacturing Avg. Weekly Hrs. (Seasonally Adjusted)	39.95	39.78	40.53	0.43%	-1.43%
Houston-Baytown-Sugarland Manufacturing Avg. Weekly Hrs. (Unadjusted)	40.90	39.70	39.10	3.02%	4.60%

<u>Brazoria County Current Economic Index*</u>	<u>Jan</u> <u>2007</u>	<u>Dec</u> <u>2006</u>	<u>Jan</u> <u>2006</u>	<u>Dec-2006</u> <u>to</u> <u>Jan-2007</u>	<u>Jan-2006</u> <u>to</u> <u>Jan-2007</u>
Current Economic Index (2003 = 100)	131.90	129.63	119.96	1.75%	9.95%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	700,232	653,716	581,264	7.12%	20.47%
Sales Tax Receipts (Current \$'s, Unadjusted)	1,524,649	1,727,752	1,058,743	-11.76%	44.01%
Household Employment (Seasonally Adjusted)	128,835	128,409	124,903	0.33%	3.15%
Household Employment (Unadjusted)	133,082	133,915	127,684	-0.62%	4.23%
West South Central Consumer Confidence (Present Situation)	141.99	141.26	126.61	0.52%	12.15%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,013,350	1,020,927	970,724	-0.74%	4.39%
Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)	1,578,167	1,481,771	1,711,038	6.51%	-7.77%

*(Data for the Current Index is 2 months behind due to the lag in getting the sales tax)

<u>Brazoria County Lagging Economic Index**</u>	<u>Jan</u> <u>2007</u>	<u>Dec</u> <u>2006</u>	<u>Jan</u> <u>2006</u>	<u>Dec-2006</u> <u>to</u> <u>Jan-2007</u>	<u>Jan-2006</u> <u>to</u> <u>Jan-2007</u>
Lagging Economic Index (2003 = 100)	166.67	166.55	149.39	0.07%	11.57%
Components:					
Texas Average Duration of Unemployment Benefits (Weeks, Seasonally Adjusted)	16.20	15.90	16.80	1.89%	-3.57%
Texas Average Duration of Unemployment Benefits (Weeks, Unadjusted)	-	15.90	16.00	-	-
Prime Rate Charged By Banks	8.25	8.25	7.26	0.00%	13.64%
Unemployment Rate (Seasonally Adjusted)	4.85%	4.90%	5.58%	-1.05%	-13.20%
Unemployment Rate (Unadjusted)	4.70%	4.10%	5.20%	14.63%	-9.62%

** (Data is two months behind due to lag in obtaining unemployment data)