

THE COUNTY'S LEADING INDICATORS SHOW IMPROVEMENT

The Brazoria County Index of Leading Economic Indicators increased in July to 94.03, which is 2.83 percent above the previous month's index and 11.68 percent above July 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 thirteen of the last fourteen 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).

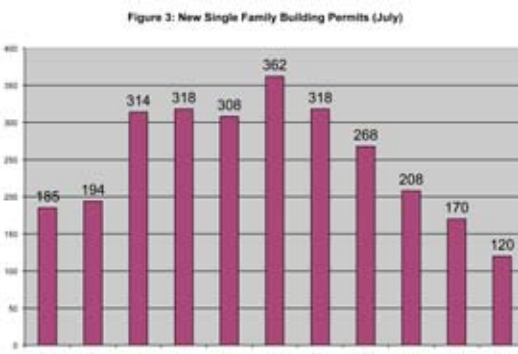


All four of the leading economic indicators increased over the last year (Figure 2). The largest increase in the index was in the Brazoria County Stock Index, which includes the county's eight largest publicly traded employers. The stock index increased by 10.94 percent during the month of July and 16.72 percent over the last year. Houston-Baytown-Sugarland average weekly manufacturing hours increased in July to 46.70 hours (unadjusted) and 45.70 hours (seasonally adjusted). Initial unemployment claims once seasonally adjusted indicated that there were 0.76 percent more individuals filing initial unemployment claims in July compared to June, however, there were 13.90 fewer individuals filing claims in 2010 compared to 2009. New single family building permits (seasonally adjusted) increased 4.39 percent over the last year. The largest decrease was in the unadjusted single family building permits, which fell 29.41 percent over the last year. This decrease in unadjusted building permits makes July 2010 the lowest number of building permits filed during the month of July since the inception of the index (Figure 3).

Figure 2: Leading Index Components

Index of BC Stocks	▲	16.72%
Initial Unemployment Claims Index - Gulf Coast WDA	▲	-13.49%
Houston-Baytown-Sugarland Avg. Weekly Mfg. Hrs.	▲	7.00%
Single Family Building Permits Index	▲	4.39%
Leading Indicators Index	▲	11.68%

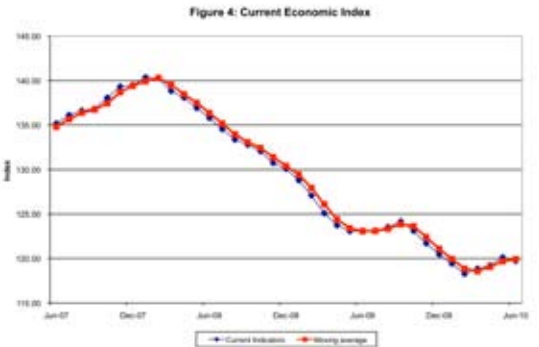
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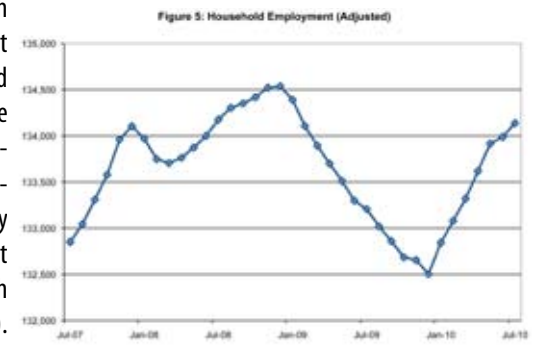
CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators, which is designed to provide

information about the current status of the economy, decreased to 119.72 in June, which is 0.33 percent lower than the previous month and 2.73 percent lower than June 2009. Two out of the four current economic indicators decreased during the month of June. The largest decrease was in consumer confidence, which decreased 1.48 percent for the month and 1.51 percent over the last year. Sales tax receipts also decreased slightly during the month of June. The two current indicators that increased during the month of June were hotel/motel tax receipts and household employment. Brazoria County household employment improved for the seventh straight month (Figure 4).



The Brazoria County Current Economic Index has been above the six month moving average for three of 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 72.49, which is 0.46 percent below last month and 11.31 percent below July 2009. The largest decreases in the index were caused by increases in the county unemployment rate and foreclosure notices. The unemployment rate increased to 9.4 percent in July compared to 9.0 percent in July of last year. Foreclosure notices increased 5.86 over the last year. The 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

SEPTEMBER 2010

Brazoria County Economic Indices:	Jul 2010	Jun 2010	May 2010	Apr 2010	Mar 2010
Leading Economic Index (2003 = 100)	94.03	91.44	92.90	95.31	93.58
Current Economic Index (2003=100)	-	119.72	120.12	119.23	118.85
Lagging Economic Index (2003 = 100)	72.49	72.83	72.99	73.28	73.98

Brazoria County Leading Economic Index*	Jul 2010	Jun 2010	Jul 2009	Jun-2010 to Jul-2010	Jul-2009 to Jul-2010
Leading Economic Index (2003 = 100)	94.03	91.44	84.19	2.83%	11.68%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	125.60	113.22	107.61	10.94%	16.72%
Gulf Coast Initial Unemployment Claims (Seasonally Adjusted)	22,995	22,821	26,707	0.76%	-13.90%
<i>Gulf Coast Initial Unemployment Claims (Unadjusted)</i>	23,437	23,739	27,221	-1.27%	-13.90%
New Single Family Building Permits (Seasonally Adjusted)	139	145	133	-4.73%	4.39%
<i>New Single Family Building Permits (Unadjusted)</i>	120	176	170	-31.82%	-29.41%
Houston-Baytown-Sugarland Avg. Weekly Manufacturing Hrs. (Seasonally Adjusted)	45.70	45.52	42.71	0.40%	7.00%
<i>Houston-Baytown-Sugarland Avg. Weekly Manufacturing Hrs. (Unadjusted)</i>	46.70	46.10	43.10	1.30%	8.35%

*(Data for the Leading Index is one month behind due to the lag in getting the building permits)

Brazoria County Current Economic Index**	Jun 2010	May 2009	Jun 2009	May-2009 to Jun-2010	Jun-2009 to Jun-2010
Current Economic Index (2003 = 100)	119.72	120.12	123.08	-0.33%	-2.73%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	642,156	645,408	684,604	-0.50%	-6.20%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	1,493,273	984,661	1,437,985	51.65%	3.84%
Household Employment (Seasonally Adjusted)	133,987	133,916	133,298	0.05%	0.52%
<i>Household Employment (Unadjusted)</i>	134,457	135,305	132,216	-0.63%	1.69%
West South Central Consumer Confidence (Present Situation)	82.81	84.06	84.09	-1.48%	-1.51%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,131,984	1,130,486	1,163,708	0.13%	-2.73%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	2,726,034	2,762,168	2,657,748	-1.31%	2.57%

** (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***	Jul 2010	Jun 2009	Jul 2009	Jun-2009 to Jul-2010	Jul-2009 to Jul-2010
Lagging Economic Index (2003 = 100)	72.49	72.83	81.74	-0.46%	-11.31%
Components:					
Brazoria County Foreclosure Notices (Seasonally Adjusted)	271	270	222	0.40%	22.08%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	235	358	222	-34.36%	5.86%
Prime Rate Charged By Banks	3.25	3.25	3.25	0.00%	0.00%
Unemployment Rate (Adjusted)	8.75%	8.66%	7.04%	0.98%	24.19%
<i>Unemployment Rate (Unadjusted)</i>	9.40%	9.50%	9.00%	-1.05%	4.44%

*** (Data is one month behind due to lag in obtaining unemployment data)