

Local economic recovery uncertain

By **JOHN TOMPKINS** | Posted: Friday, October 7, 2011 2:00 am

CLUTE — More Brazoria County residents are employed, more home-building permits are being issued and hotel tax revenue is growing.

But it's still not certain what the future holds for the county's economy, said Donald Payne, Brazosport College economics professor.

"There's just not enough information right now to make a prediction," Payne told an audience during the Economic Development Alliance of Brazoria County's annual membership meeting Thursday at the college's Dow Academic Center.

State Rep. Dennis Bonnen, R-Angleton, also spoke at the meeting and told members that while Texas had a tough legislative session this year, the state still is doing well economically compared to other states.

The state has added 253,200 jobs to the economy since August 2010, he said.

"Investment is coming back," he said. "That's where you see that job growth coming from."

Payne said there are 138,000 people employed in Brazoria County, the most the county's ever seen. But unemployment has changed little from 9.4 percent this time last year to 9.3 percent today, he said.

The number of people filing unemployment claims dropped to 20,853 in August compared to the 23,007 that filed for unemployment in August 2010.

The unemployment rate hasn't changed because people who have long been without a job, but not looking for work, now are looking again, Payne said.

"As they start looking for a job, they're considered unemployed," he said.

That means many workers now are being classified as unemployed that previously were not counted in employment statistics, he said.

One surprising statistic was the increase in hotel/motel tax revenue, which rose 35 percent to \$3.77 million in Brazoria County in July, according to Payne's statistics. It was \$2.7 million in July 2010, he said.

Payne said he is not certain how the spike originated, but he believes it might have something to do with construction workers staying in local hotels.

Building permits for single-family homes in August increased to 165 compared to the 149 permits issued in August 2010, Payne said.

“That’s the largest number of permits since 2008,” he said.

The positive news still is not enough to determine whether the trend will continue into the next six months, Payne said.

Bonnen said state legislators cut more than \$27 billion from the budget in the last session and the 2013 session could be just as bad.

Texas government spending, including education funding, has been reduced deeply in the past several sessions, and it will be harder to find more areas to trim next session, he said.

The state’s tax system needs to be adjusted to prevent a loophole in the franchise tax, which cost the state \$5 billion in revenue this past session, Bonnen said.

“The reality is you have an unfair tax system in Texas,” he said.

There are several positives in the state, including that Texas now is the country’s second-largest economy, surpassing New York, Bonnen said. Texas also is the country’s top exporting state, he said.

The population has increased by 4.3 million people in the past 10 years, which is a sign Texas is attracting workers, Bonnen said.

“They’re moving here because we have jobs,” he said.