

BRAZORIA COUNTY ECONOMIC INDICATORS

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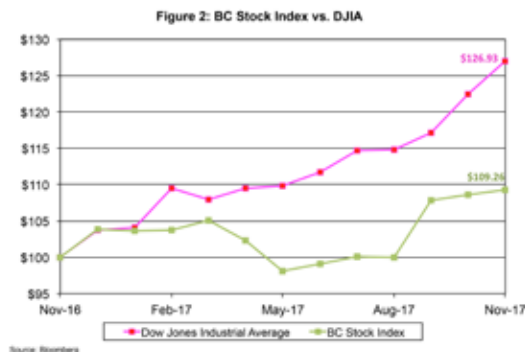
BRAZOSPORT COLLEGE ECONOMIC FORECASTING CENTER

ALL THREE INDEXES INDICATE GROWTH CONTINUES

The Brazoria County Index of Leading Economic Indicators increased in November to 138.86, which is 0.63 percent above the previous month's index and 5.39 percent above the previous 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 above the six-month moving average for nine of the last twelve 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 positive economic growth (Figure 1).



Two of the three leading economic indicators increased in the month of November. The largest annual increase in the index was in the Brazoria County Stock Index. The stock index, which is made up of the six largest publicly traded companies within the county, increased 9.26 percent over the last year. Comparatively the Dow Jones Industrial Average increased 26.93 percent over this same time period (Figure 2). The preliminary figure for Houston-The Woodlands-Sugarland Average Weekly Manufacturing Hours in November is 46.60 hours per week compared to 43.90 hours per week last year, which represents an increase of 6.15 percent. Brazoria County New Single Family Building Permits decreased 6.05 percent over the last year from 215 to 202 permits. There were 290 building permits filed in October 2017. This figure is higher than normal due to Hurricane Harvey in September, which pushed more permits to October.

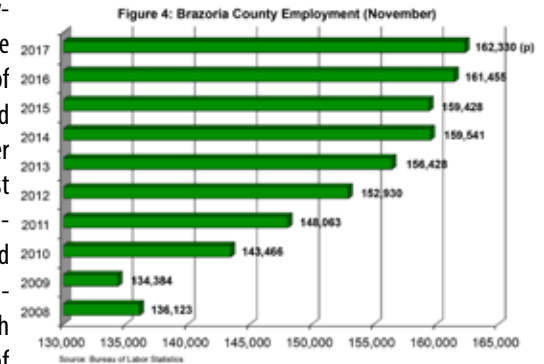


CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, increased to 173.04 in November. The index is 0.35 percent below the previous month



and 1.93 percent higher than last year. Sales Tax Receipts were down over the last year by 7.34 percent. However November 2017 is the second highest amount of sales tax receipts recorded in the month of November as 2016 was the highest amount ever reported (Figure 3). The county recorded 162,330 individuals employed in November, which is the largest number of individuals ever employed in Brazoria County (Figure 4). Houston-Galveston-Brazoria CPI posted a decrease of 0.37 percent over the last month and an increase of 2.02 percent over the last year. 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).



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 is 1.78 percent higher the previous month's index and 6.38 percent higher than the previous year. Brazoria County Foreclosure Notices decreased from 73 to 20 foreclosure notices over the last year. Foreclosure notices have been abnormally low due to the grace period for homeowners in disaster areas. Foreclosure notices are expected to increase in the upcoming months as the grace period expires. The unemployment rate in the county was 4.60 percent compared to 4.92 percent in November of last year. The lagging economic index has been above the six-month moving average for the eleven of the last twelve months, which indicates the economy has been experiencing a period of economic growth (Figure 6).



BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

JANUARY 2018

Brazoria County Economic Indices:	Nov 2017	Oct 2017	Sep 2017	Aug 2017	Jul 2017
Leading Economic Index (2003 = 100)	138.66	137.99	136.16	132.16	133.72
Current Economic Index (2003=100)	173.04	173.65	172.74	171.43	172.67
Lagging Economic Index (2003 = 100)	142.69	140.20	138.96	137.64	137.06

Brazoria County Leading Economic Index	Nov 2017	Oct 2017	Nov 2016	Oct-2017 to Nov-2017	Nov-2016 to Nov-2017
Leading Economic Index (2003 = 100)	138.86	137.99	131.76	0.63%	5.39%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	210.35	209.13	192.53	0.58%	9.26%
New Single Family Building Permits (Seasonally Adjusted)	248	246	248	0.68%	0.00%
<i>New Single Family Building Permits (Unadjusted)</i>	202	290	215	-30.34%	-6.05%
Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	44.92	44.62	43.37	0.68%	3.57%
<i>Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	46.60	46.00	43.90	1.30%	6.15%

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

Brazoria County Current Economic Index	Nov 2017	Oct 2017	Nov 2016	Oct-2017 to Nov-2017	Nov-2016 to Nov-2017
Current Economic Index (2003 = 100)	173.04	173.65	169.76	-0.35%	1.93%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,281,908	1,289,535	1,249,876	-0.59%	2.56%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	2,628,696	2,761,724	2,836,834	-4.82%	-7.34%
Household Employment (Seasonally Adjusted)	161,332	161,148	160,204	0.11%	0.70%
<i>Household Employment (Unadjusted)</i>	162,330	161,810	161,455	0.32%	0.54%
Houston-Galveston-Brazoria County CPI	222.39	223.21	217.98	-0.37%	2.02%

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

*** (Hotel/motel tax receipts are not included in the index due to Senate Bill 1086 passed by the Texas Legislature, which now prohibits this information from being published on the internet.)

Brazoria County Lagging Economic Index	Nov 2017	Oct 2017	Nov 2016	Oct-2017 to Nov-2017	Nov-2016 to Nov-2017
Lagging Economic Index (2003 = 100)	142.69	140.20	134.13	1.78%	6.38%
Components:					
Brazoria County Foreclosure Notices (Seasonally Adjusted)	47	53	65	-9.74%	-27.37%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	20	24	73	-16.67%	-72.60%
Prime Rate Charged By Banks	4.25	4.25	3.50	0.00%	21.43%
Unemployment Rate (Adjusted)	4.60%	4.89%	4.92%	-5.91%	-6.50%
<i>Unemployment Rate (Unadjusted)</i>	4.60%	4.40%	4.92%	4.55%	-6.50%

**** (Data for the Lagging Index is one month behind due to lag in obtaining unemployment data.)