

NEW RECORDS FOR EMPLOYMENT, H/M TAX RECEIPTS, & FORECLOSURE NOTICES

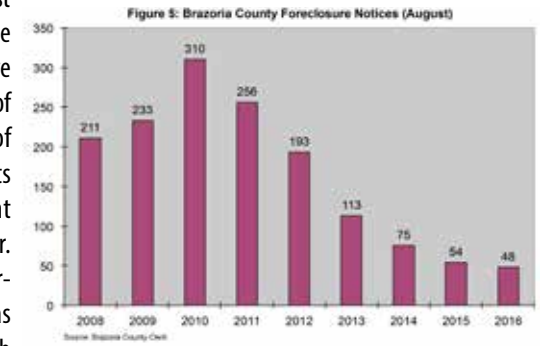
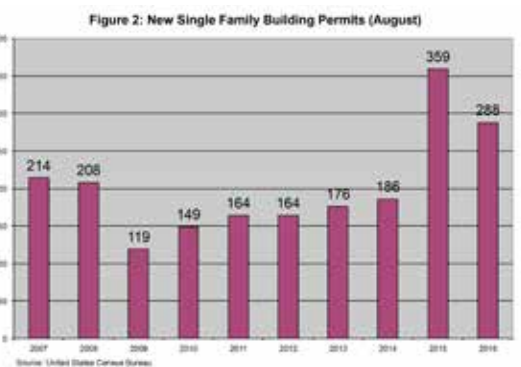
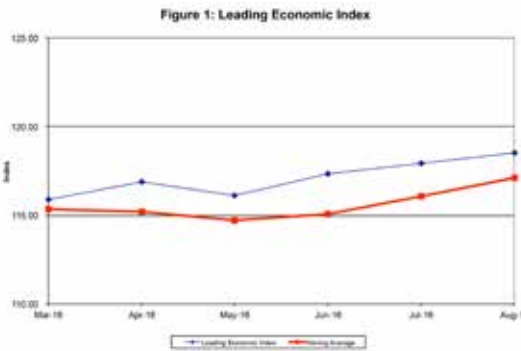
The Brazoria County Index of Leading Economic Indicators increased in August to 118.51, which is 0.49 percent above the previous month's index and 5.73 percent above the previous year. The Leading Economic Index, which is designed to forecast the economic performance of the county over the next three to six months, has been above the six-month moving average for the last six 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).

The largest increase in the index was in the Brazoria County Stock Index. The stock index, which is made up of the eight largest publicly traded companies within the county, increased 12.22 percent over the last year. By comparison the Dow Jones Industrial Average increased 10.94 percent over the same period. Building permits in the county fell to 288 after posting a 10 year high of 359 permits in the month of August last year. The 288 building permits is the second highest number of permits filed in the month of August in the last 10 years (Figure 2). The preliminary figure for Houston-The Woodlands-Sugarland Average Weekly Manufacturing Hours in August is 42.40 hours per week compared to 43.10 hours per week last year, which represents a decrease of 1.62 percent.

The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, increased to 240.98 in July. The index is 0.15 percent lower than the previous month and 3.98 percent higher than

last year. The largest increase was in Hotel/Motel Tax Receipts, which were 4.03 percent higher than last year. The \$6,948,664 in Hotel/Motel Tax Receipts is the highest ever reported in Brazoria County. The county also recorded the largest number of individuals ever employed in the month of July at 160,103, which is 0.52 percent higher than last year (Figure 3). Sales Tax Receipts in the county decreased by 8.48 percent over the last year, however many of the July sales seemed to have moved into the month of August. In the month of August, Sales Tax Receipts were up 28.88 percent over the previous year. The Brazoria County Current Economic Index has been above the six-month

moving average for the last six 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 4).

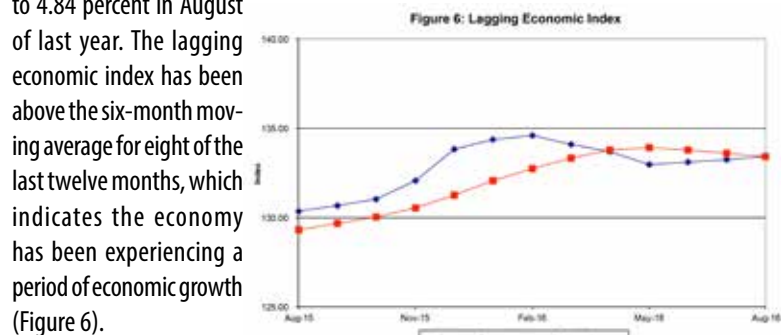
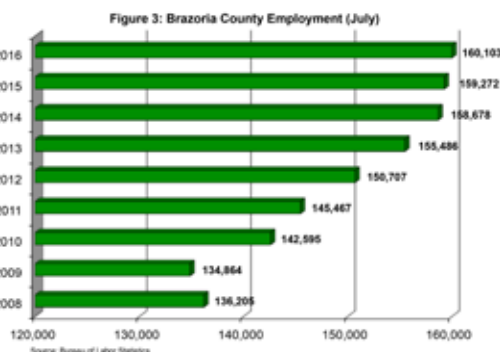


LAGGING ECONOMIC INDICATORS

The Brazoria County Index of Lagging Economic Indicators is used to confirm the growth or slowdown in the economy. The lagging economic index is 2.36 percent above August 2015. Brazoria County Foreclosure Notices decreased from 54 to 48 over the last year. The 48 notices is the lowest number of foreclosures notices ever reported in the month of August (Figure 5). The unemployment rate in the county was 5.66 percent compared to 4.84 percent in August of last year. The lagging economic index has been above the six-month moving average for eight of the last twelve months, which indicates the economy has been experiencing a period of economic growth (Figure 6).

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 240.98 in July. The index is 0.15 percent lower than the previous month and 3.98 percent higher than



BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

OCTOBER 2016

| Brazoria County Economic Indices: | Aug 2016 | Jul 2016 | Jun 2016 | May 2016 | Apr 2016 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Leading Economic Index (2003 = 100) | 118.51 | 117.93 | 117.35 | 116.11 | 116.90 |
| Current Economic Index (2003=100) | - | 240.98 | 241.34 | 241.00 | 240.01 |
| Lagging Economic Index (2003 = 100) | 133.43 | 133.24 | 133.08 | 132.96 | 133.69 |

| Brazoria County Leading Economic Index* | Aug 2016 | Jul 2016 | Aug 2015 | Jul-2016 to Aug-2016 | Aug-2015 to Aug-2016 |
|--|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Leading Economic Index (2003 = 100) | 118.51 | 117.93 | 112.09 | 0.49% | 5.73% |
| Components: | | | | | |
| Brazoria County Stock Index (12/31/2003 = 100) | 153.85 | 152.59 | 137.10 | 0.82% | 12.22% |
| New Single Family Building Permits (Seasonally Adjusted) | 248 | 246 | 234 | 0.74% | 5.96% |
| <i>New Single Family Building Permits (Unadjusted)</i> | 288 | 316 | 359 | -8.86% | -19.78% |
| Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted) | 43.00 | 43.10 | 44.30 | -0.25% | -2.95% |
| <i>Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Unadjusted)</i> | 42.40 | 43.10 | 43.10 | -1.62% | -1.62% |

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

| Brazoria County Current Economic Index** | Jul 2016 | Jun 2016 | Jul 2015 | Jun-2016 to Jul-2016 | Jul-2015 to Jul-2016 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Current Economic Index (2003 = 100) | 240.98 | 241.34 | 231.75 | -0.15% | 3.98% |
| Components: | | | | | |
| Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted) | 1,200,560 | 1,211,673 | 1,096,358 | -0.92% | 9.50% |
| <i>Sales Tax Receipts (Current \$'s, Unadjusted)</i> | 2,200,027 | 3,015,791 | 2,403,913 | -27.05% | -8.48% |
| Household Employment (Seasonally Adjusted) | 159,558 | 159,476 | 159,103 | 0.05% | 0.29% |
| <i>Household Employment (Unadjusted)</i> | 160,103 | 159,328 | 159,272 | 0.49% | 0.52% |
| Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted) | 2,509,574 | 2,502,432 | 2,459,726 | 0.29% | 2.03% |
| <i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i> | 6,948,664 | 6,848,839 | 6,679,523 | 1.46% | 4.03% |

** (Data for the Current Index is two months behind due to the lag in obtaining the data for hotel/motel tax receipts)

| Brazoria County Lagging Economic Index*** | Aug 2016 | Jul 2016 | Aug 2015 | Jul-2016 to Aug-2016 | Aug-2015 to Aug-2016 |
|---|---------------------|---------------------|---------------------|-------------------------------------|-------------------------------------|
| Lagging Economic Index (2003 = 100) | 133.43 | 133.24 | 130.36 | 0.14% | 2.36% |
| Components: | | | | | |
| Brazoria County Foreclosure Notices (Seasonally Adjusted) | 65 | 68 | 78 | -5.18% | -16.85% |
| <i>Brazoria County Foreclosure Notices (Unadjusted)</i> | 48 | 46 | 54 | 4.35% | -11.11% |
| Prime Rate Charged By Banks | 3.50 | 3.50 | 3.25 | 0.00% | 7.69% |
| Unemployment Rate (Adjusted) | 5.50% | 5.33% | 4.75% | 3.09% | 15.81% |
| <i>Unemployment Rate (Unadjusted)</i> | 5.66% | 5.65% | 4.84% | 0.18% | 16.94% |

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