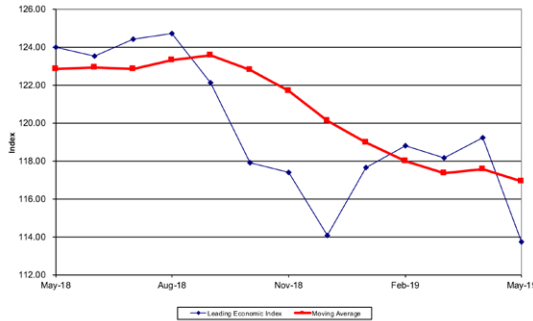


UNEMPLOYMENT RATE AT ALL-TIME LOW

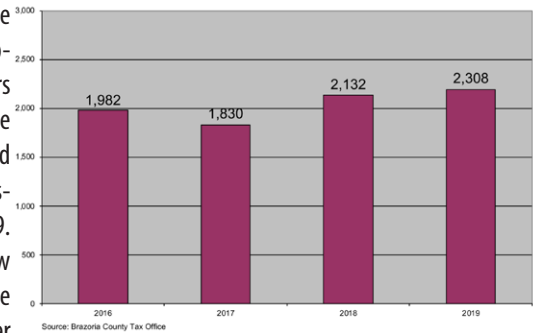
The Brazoria County Index of Leading Economic Indicators decreased over the last year to 113.75, which is 8.27 percent below the previous year. The Leading Economic Index, which is designed to forecast the economic performance of the county over the next three to six months, has been below the six-month moving average for six of the last nine months. This is significant because if the leading economic index is consistently below the six-month moving average the county is likely currently experiencing or entering into a period of decreased economic activity (Figure 1).

Figure 1: Leading Economic Index



Three of the four leading economic indicators decreased over the last year. The lone indicator posting an increase over the last year was New Retail Auto Sales, which increased 2.91 percent over the last year (Figure 2). The largest decrease in the index was in the Brazoria County

Figure 2: New Retail Auto Sales (May)

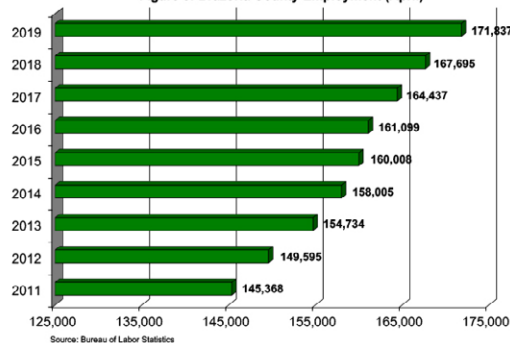


Stock Index, which is made up of the six largest publicly traded manufacturers within the county. The BC Stock Index decreased 33.56 percent for the fiscal year ending May 2019. Comparatively the Dow Jones Industrial Average increased 1.18 percent over this same time period. Brazoria County New Single Family Building Permits decreased 15.73 percent and Houston-The Woodlands-Sugarland Average Weekly Manufacturing Hours fell by 1.52 percent over the last year.

CURRENT ECONOMIC INDICATORS

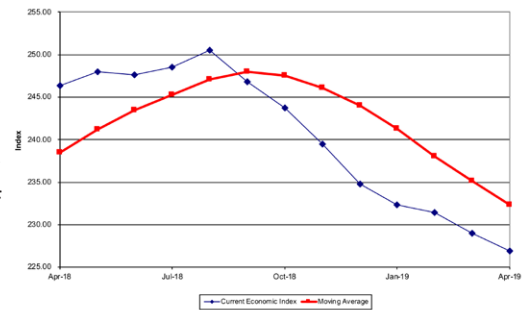
The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, increased to 226.93. The index is 0.90 percent below the previous month and 4.01 per-

Figure 3: Brazoria County Employment (April)



cent higher than 2017. Note: Hurricane Harvey caused inflated 2018 data points so 2017 was substituted for all current indicators except CPI to make data more comparable. Three of the four current economic indicators posted increases with Brazoria County Household Employment posting the largest increase in the index. Employment within the county hit a new all-time high in the month of April with 171,837 individuals employed (Figure 3). Brazoria County Hotel/Motel Tax Receipts increased 1.40 percent and Houston-Galveston-Brazoria CPI posted an increase of 0.69 percent. The only indicator to decrease was Sales Tax Receipts in the county, which fell by 1.81 percent. The Brazoria County Current Economic Index has been below the six-month moving average for the last eight months. This is significant because if the current economic index is consistently below the six-month moving average then the county is likely experiencing a period of decreasing economic activity (Figure 4).

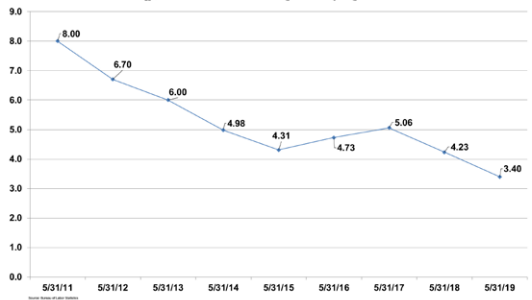
Figure 4: Current Economic Index



LAGGING ECONOMIC INDICATORS

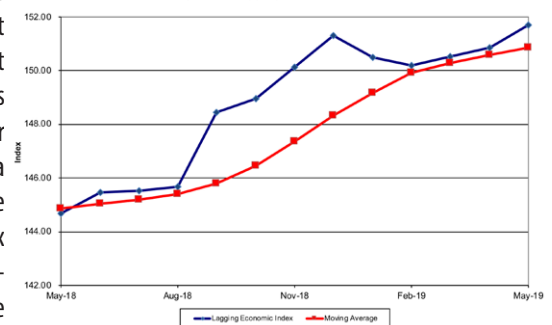
The Brazoria County Index of Lagging Economic Indicators is used to confirm the growth or slow-down in the economy. The lagging economic index is 0.78 percent above the previous year. There were 53 foreclosure notices filed in May compared to 72 filed in May 2017. Note: Foreclosure notices were artificially low in 2018 due to the loan forbearance program for Hurricane Harvey victims therefore 2017 data was used for a more accurate comparison. The most recent unemployment rate of 3.40 percent is the lowest level ever reported in Brazoria County (Figure 5).

Figure 5: Brazoria County Unemployment Rate



The lagging economic index has been above the six-month moving average for the last twelve months, which indicates the economy has been experiencing a period of economic growth (Figure 6).

Figure 6: Lagging Economic Index



BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

JULY 2019

Brazoria County Economic Indices:	May 2019	Apr 2019	Mar 2019	Feb 2019	Jan 2019
Leading Economic Index (2003 = 100)	113.75	119.22	118.18	118.81	117.65
Current Economic Index (2003=100)	-	226.93	228.99	231.39	232.32
Lagging Economic Index (2003 = 100)	151.69	150.84	150.51	150.20	150.48

Brazoria County Leading Economic Index	May 2019	Apr 2019	May 2018	Apr-2019 to May-2019	May-2018 to May-2019
Leading Economic Index (2003 = 100)	113.75	119.22	124.01	-4.59%	-8.27%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	140.56	168.21	211.57	-16.44%	-33.56%
New Single Family Building Permits (Seasonally Adjusted)	232	237	240	-1.85%	-3.06%
<i>New Single Family Building Permits (Unadjusted)</i>	241	266	286	-9.40%	-15.73%
Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	46.05	46.18	45.45	-0.29%	1.31%
<i>Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	45.30	47.10	46.00	-3.82%	-1.52%
New Retail Auto Sales (Seasonally Adjusted)	2,051	2,042	1,959	0.44%	4.70%
<i>New Retail Auto Sales (Unadjusted)</i>	2,194	2,022	2,132	8.51%	2.91%

Brazoria County Current Economic Index	Apr 2019	Mar 2019	Apr 2017	Mar-2019 to Apr-2019	Apr-2017 to Apr-2019
Current Economic Index (2003 = 100)	226.93	228.99	218.19	-0.90%	4.01%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,244,415	1,226,116	1,272,912	1.49%	-2.24%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	2,559,583	3,070,484	2,606,749	-16.64%	-1.81%
Household Employment (Seasonally Adjusted)	169,481	169,097	161,893	0.23%	4.69%
<i>Household Employment (Unadjusted)</i>	171,837	171,306	164,437	0.31%	4.50%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	2,708,624	2,799,015	2,508,165	-3.23%	7.99%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	5,893,225	6,370,988	5,811,743	-7.50%	1.40%
Houston-Galveston-Brazoria County CPI	226.68	227.31	225.12	-0.28%	0.69%

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

** (2017 data substituted for 2018 for all indicators except CPI due to inflated data from Sep2017 to Apr2018 caused by Hurricane Harvey.)

Brazoria County Lagging Economic Index	May 2019	Apr 2019	May 2018	Apr-2019 to May-2019	May-2018 to May-2019
Lagging Economic Index (2003 = 100)	151.69	150.84	150.51	0.56%	0.78%
Components:					
Brazoria County Foreclosure Notices (Seasonally Adjusted)	74	77	74	-3.14%	0.55%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	53	74	72	-28.38%	-26.39%
Prime Rate Charged By Banks	5.50	5.50	4.75	0.00%	15.79%
Unemployment Rate (Adjusted)	3.47%	3.54%	4.19%	-2.04%	-17.20%
<i>Unemployment Rate (Unadjusted)</i>	3.40%	3.40%	4.23%	0.00%	-19.62%

*** (Foreclosure notices were artificially understated in 2018 due to loan forbearance for Hurricane Harvey victims therefore 2017 data used.)