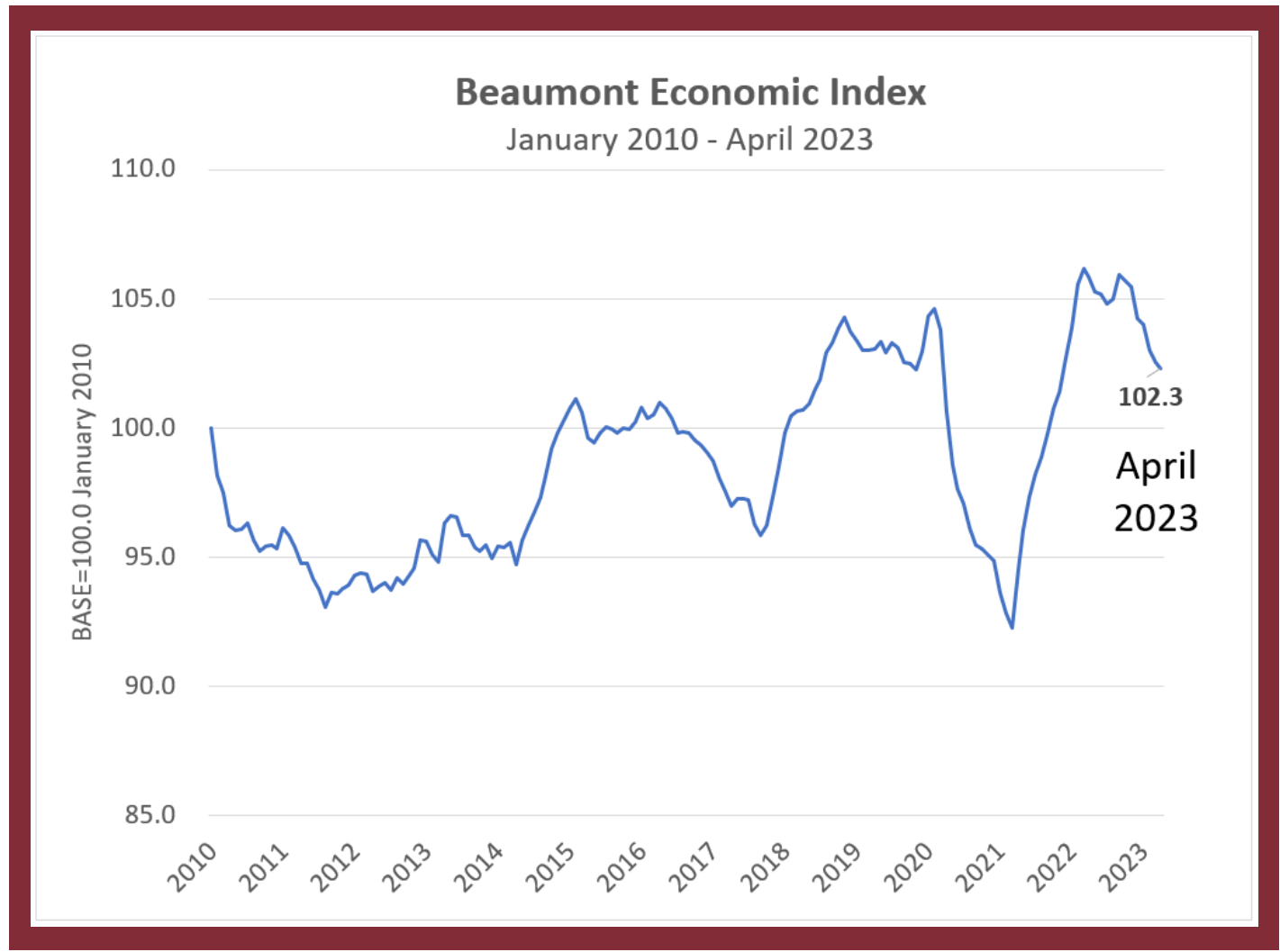


## The Beaumont Chamber of Commerce Economic Index

Welcome to the Beaumont Economic Index, the centerpiece of the Beaumont Economic Pulse. The index serves as tool for tracking growth rates and business cycles, and in general the overall performance of the Beaumont economy. It is fully adjusted for inflation, seasonality, and volatility, though local economies have some natural volatility that is difficult to scrub in its entirety without lowering its sensitivity to movements in the economy and/or its various indicators.



THE ECONOMIC INDICATORS ON PAGE 2 ARE USED TO FORMULATE THE OVERALL ECONOMIC PULSE.

## ECONOMIC INDICATORS

BASE YEAR  
APR 2010

LAST YEAR  
APR 2022

THIS YEAR  
APR 2023

% CHANGE  
22-23

Retail Spending - Month <small>(Taxable-Per Sales Tax Rebates)</small>	\$ 209,461,947	\$244,843,383	\$246,561,573	0.7%
Retail Spending - Year-To-Date <small>(Taxable-Per Sales Tax Rebates)</small>	\$ 937,832,159	\$1,271,653,708	\$1,126,302,320	-11.4%
New Businesses (Brick & Mortar) - Month	-	-	27	52
Automobile Spending - Month	\$ 56,041,298	\$66,880,690	\$60,474,264	-9.6%
Automobile Spending - YTD	\$ 193,437,807	\$255,012,783	\$254,615,335	-0.2%
Hotel Motel Revenue - Month	\$4,210,315	\$4,054,145	\$5,507,323	35.8%
Hotel Motel Revenue - YTD	\$14,961,993	\$14,661,189	\$14,843,786	1.2%
Building Permits Issued - Dollar Valuation - Month	\$12,609,312	\$7,549,826	\$9,708,348	28.6%
Building Permits Issued - Dollar Valuation - YTD	\$152,395,070	\$57,915,319	\$76,108,440	31.4%
Single-Family Residence Permits - Month	26	28	24	14.3%
Single-Family Residence Permits - YTD	113	137	88	-35.8%
Existing Home Sales - Month	81	111	107	-3.6%
Existing Home Sales - YTD	246	440	350	-7.1%
Average Home Sale Price - Month	\$139,011	\$236,091	\$211,541	-20.8%
Average Home Sale Price - YTD	\$156,586	\$234,614	\$217,973	-32.1%
Dollar Volume Home Sales Activity - Month	\$ 16,050,730	\$28,590,743	\$22,634,866	-2.5%
Dollar Volume Home Sales Activity - YTD	\$54,849,545	\$113,463,982	\$77,048,889	-2.4%
<b>EMPLOYMENT</b>				
Payroll Employment - Month	48,875	45,785	46,925	0.0%
Payroll Employment - YTD Average	48,515	45,645	46,730	0.4%
Unemployment Rate - Month	9.8	5.0	5.0	11.5%
Unemployment Rate - YTD Average	10.0	5.6	5.6	-0.6%
Beaumont Economic Index	96.2	105.8	102.3	-3.3%

With the exception of the monthly average home sale price, all economic indicators expressed in dollar form above, are adjusted for inflation by restating all prior periods in current dollars.

Those indicators are: general spending per Beaumont city sales tax receipts, auto spending per Jefferson County motor vehicle sales tax collections (there is no "Beaumont-only" version of this indicator), hotel/motel activity per Beaumont city hotel/motel tax receipts, the valuation of all building permits issued by the city, for new residential and commercial construction as well as residential and commercial alterations/remodels, the number of new single-family housing permits issued, the number of existing home sales in the Beaumont market area, the average price of those sales, and the total dollar volume of those sales, Local Area Unemployment Statistics (LAUS) data on the number of Beaumont residents who are employed, and the Beaumont city unemployment rate.

All of the above index components that are dollar-denominated are fully adjusted for inflation. There is more than one way to do that, but we do it by adjusting prior periods in current dollars. These inflation comparisons keep the Beaumont Economic Pulse relevant over time, and accurate as to what is really happening in the local economy. “Real” means adjusted for inflation, and “nominal” means not adjusted for inflation. While the analysis itself is fully inflation-adjusted, the monthly table of economic indicators lists the nominal monthly average home sale price, as that is what readers are most likely to relate to.

Of all of these indicators, the most important, and thus the most heavily weighted, are general real spending per Beaumont sales tax receipts (rebates), and employment. These are simply the best indicators of the state of the current economy. An economy with growing general spending and employment is an economy in expansion, and an economy with declining general spending and employment is virtually always an economy in contraction.

The Beaumont Economic Index declined for the seventh straight month in April falling to 102.3 for the month down from 102.5 in March, and down 3.3% from the April 2022 BEI of 105.8. The Beaumont Economic Index peaked at 105.9 in September 2022 and has declined each month since then.

The reasons for the decline in the index are evident on the monthly data table – decline trends in general spending and auto spending, home building and existing home sales, and an uptick in the unemployment rate. On the positive side, building permit activity overall was higher compared to year-ago levels, along with hotel/motel lodging, and Beaumont employment continues to expand.

-We use the Local Area Unemployment Statistics City of Beaumont employment data, which tracks the number of employed Beaumont residents, along with the total labor force and unemployed/unemployment rate. That number (Beaumont residents employed) has been climbing steadily since the second quarter 2021. The rate of growth has slowed a bit in 2023 averaging 2.4% through the first four months of the year (and 2.5% in April), compared to 3.1% through April of a year ago.

The unemployment rate, which had been declining, has now leveled off and was unchanged in April compared to April of a year ago at 5.0%.

General spending remains generally weak compared to the strong totals from a year ago. Real (inflation-adjusted) spending per April sales tax receipts were up by less than a percent compared to April 2022, which in turn was up by 29% year-over-year, but has fallen by over 11% for the year-to-date. Again, though, spending through the first four months of 2022 was up by nearly 30% year-over-year, so in that context the 2023 numbers are a bit more respectable.

-Real auto spending was down by close to 10% in April, which was sufficient to pull the year-to-date total into negative territory for the first time this year.

## KEY POINTS

The 31 new single-family residence construction permits was up by 15% (four additional permits) in March, the first year-over-year increase since December 2021. However, the year-to-date total still reflects that downward trend, down by 41% for the quarter compared to the first quarter 2022..

-Beaumont hotel/motel data exhibits a lot of volatility – following a 59% year-over-year decline in March, April lodging revenue per city hotel/motel tax data was up by over 35%. On balance, however, hotel/motel activity has been falling since 2021 (which was a recovery year from COVID declines), and is now up just slightly through April compared to the first four months of a year ago.

Construction in Beaumont is improving compared to sharply lower numbers in 2022 with the real valuation of all permits issued up by over 31% for the year, including a 29% year-over-year increase in April. New housing construction is weighing on that total, however, with over 35% fewer permits issued through April (and four fewer permits in April).

Existing home sales are also lower compared to record numbers in 2022. Closed sales in April were down by less than 4% year-over-year, but the year-to-date total is off by over 20%. The monthly average price was down by over 10% in April (the April 2022 average price was up by over 15%, however), while the average through the first four months of the year is down by about 7% compared to the average through April 2022, which in turn was up by 15% compared to the previous year.

-In addition to the monthly volatility, Beaumont economic data also exhibits some interesting year-to-year volatility as well. The purpose of the Beaumont Economic Index is to aggregate these trends and properly weight the impact of various local economic indicators, and by this measure, again the city's economy has weakened thus far in 2023 continuing a trend that dates back to the third quarter 2022.