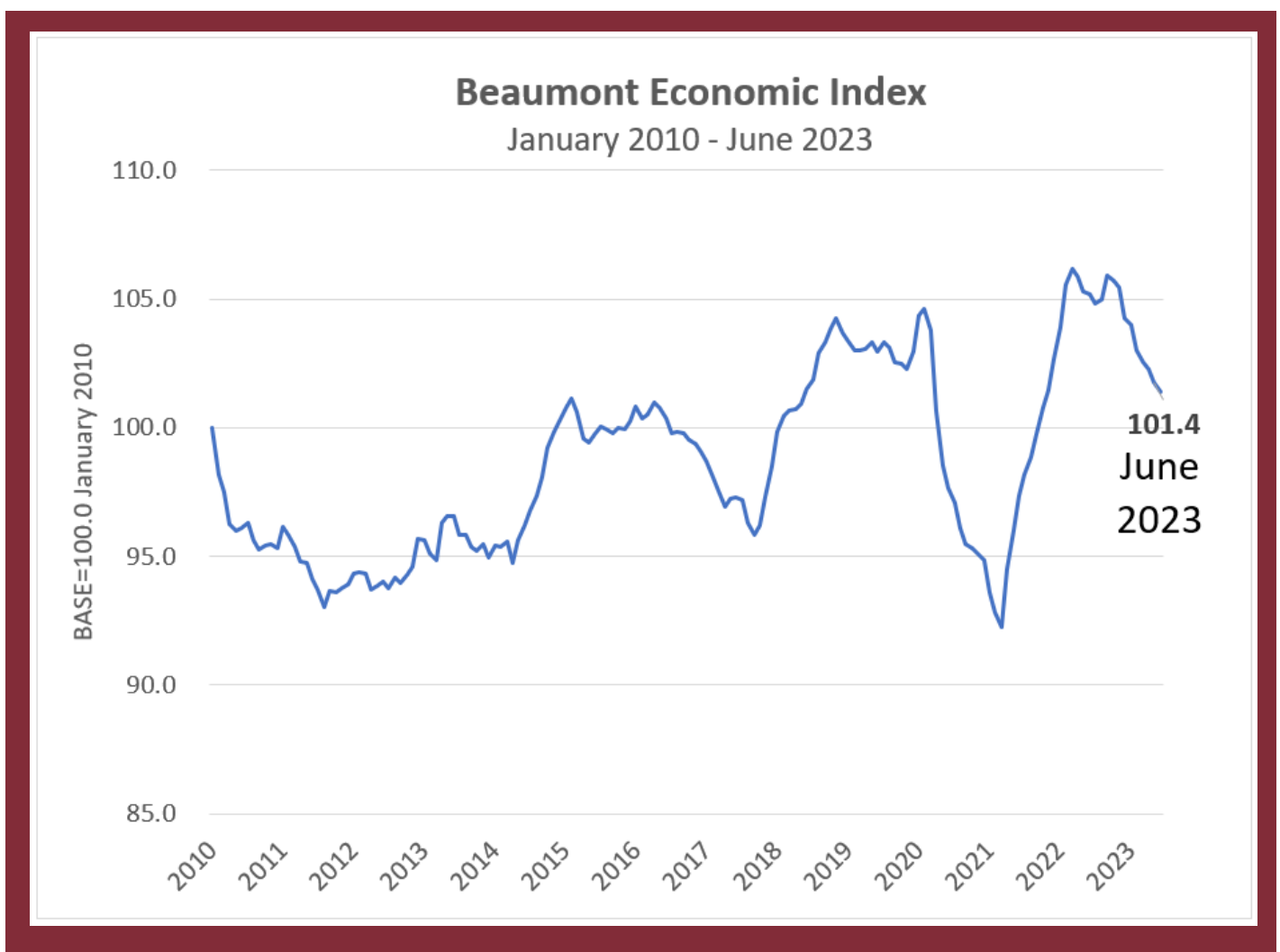


The Beaumont Chamber of Commerce Economic Index

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
JUNE 2010

LAST YEAR
JUNE 2022

THIS YEAR
JUNE 2023

% CHANGE
22-23

Retail Spending - Month <small>(Taxable-Per Sales Tax Rebates)</small>	\$ 233,109,317	\$261,420,077	\$239,588,269	-8.4%
Retail Spending - 2nd Quarter <small>(Taxable-Per Sales Tax Rebates)</small>	\$749,294,681	\$853,022,347	\$825,751,380	-3.2%
Retail Spending - Year-To-Date <small>(Taxable-Per Sales Tax Rebates)</small>	\$1,485,155,381	\$1,890,392,289	\$1,714,539,295	-9.3%
New Businesses (Brick & Mortar) - Month	-	-	34	108
Automobile Spending - Month	\$ 50,035,640	\$66,480,958	\$64,686,318	-2.7%
Automobile Spending-2nd Quarter	\$149,820,025	\$194,553,623	\$188,130,719	-3.3%
Automobile Spending - YTD	\$ 287,218,459	\$382,688,351	\$382,274,511	-0.1%
Hotel Motel Revenue - Month	\$3,767,324	\$4,333,520	\$3,688,869	-14.9%
Hotel Motel Revenue-2nd Quarter	\$11,701,748	\$12,236,689	\$13,220,471	8.0%
Hotel Motel Revenue - YTD	\$22,522,076	\$22,910,473	\$22,615,680	-1.3%
Building Permits Issued - Dollar Valuation - Month	\$33,821,437	\$8,095,625	\$8,667,213	7.1%
Building Permits Issued- Dollar Valuation-2nd Quarter	\$60,296,730	\$38,137,271	\$28,096,283	-26.3%
Building Permits Issued - Dollar Valuation - YTD	\$199,530,239	88,303,785	\$94,231,173	6.7%
Single-Family Residence Permits - Month	84	28	31	10.7%
Single-Family Residence Permits- 2nd Quarter	136	81	89	9.9%
Single-Family Residence Permits - YTD	223	190	153	-19.5%
Existing Home Sales - Month	77	127	88	-30.7%
Existing Home Sales- 2nd Quarter	239	374	308	-17.6%
Existing Home Sales - YTD	404	703	550	-21.8%
Average Home Sale Price - Month	\$ 148,609	\$233,610	\$229,440	-1.8%
Average Home Sale Price-2nd Quarter	\$ 145,163	\$237,631	\$214,824	-9.6%
Average Home Sale Price - YTD	\$ 153,352	\$235,986	\$217,223	-8.0%
Dollar Volume Home Sales Activity - Month	\$ 16,553,482	\$32,386,404	\$20,190,678	-37.7%
Dollar Volume Home Sales Activity-2nd Quarter	\$ 50,146,978	\$97,610,500	\$66,606,327	-31.8%
Dollar Volume Home Sales Activity - YTD	\$ 89,455,835	\$183,599,469	\$121,379,392	-33.9%
EMPLOYMENT				
Payroll Employment (LAUS)- Month	48,660	45,530	46,595	2.3%
Payroll Employment (LAUS)-2nd Quarter	48,820	45,650	46,665	2.2%
Payroll Employment (LAUS)- YTD Average	48,610	45,625	46,665	2.3%
Unemployment Rate - Month	10.6	5.7	5.8	1.8%
Unemployment Rate- 2nd Quarter	10.1	5.3	5.6	5.0%
Unemployment Rate - YTD Average	10.1	5.6	5.7	2.7%
Beaumont Economic Index	96.1	105.2	101.4	-3.6%

- 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.

- Midway through 2023 the Beaumont general economy remains in a state of overall decline with the ninth straight monthly decline in the Beaumont Economic Index. The index fell to 101.4 in June, down from 101.7 in May (revised slightly downward from the original 101.8), and down 3.4% from the June 2022 BEI of 105.2.

KEY POINTS

- The Beaumont Economic Index declined by an annualized rate of 4.3% in the second quarter 2023; the index reached its most recent cyclical peak of 105.9 in September 2022 and has fallen by 4.2% since then.

- Importantly, the employment numbers are improved compared to year-ago levels, and there are a few scattered positives elsewhere on the monthly table of economic indicators. For the most part, however, most components of the Beaumont Economic Index are in decline in 2023. General spending is down across the board along with auto spending, while hotel/motel activity is down slightly for the year thus far and is down in June but higher for the quarter. Existing home sales are sharply lower in 2023 along with the average price of those sales. Construction is higher for the year-to-date but was down in June and the second quarter, while new housing construction is the opposite – higher in June and the second quarter compared to year-ago levels but lower for the first half of the year.

- Beaumont employment (the number of employed Beaumont residents remains steadily higher midway through the year, up by 2.3% both in the month of June and on average through the first six months of the year. The unemployment rate, however, after sharp post-COVID declines through the end of 2022 has now inched higher compared to year-ago levels at 5.8% in June compared to 5.7% in June of a year ago. The average unemployment rate midway through the year is 2.7% higher than the first six months of a year ago.

- General real (inflation-adjusted) spending is down halfway through 2023 compared to sharply higher numbers in 2022. Through June, real spending per monthly sales tax rebates is down by 9.3 compared to the first six months of a year ago, which in turn was up by over 16% compared to the first six months of the prior year. Second quarter spending was down by 3.2% compared to a year ago while spending per the June monthly sales tax rebate was down by 8.4% year-over-year.

- Real auto spending on the other hand was lower in 2022, and continues to trend lower in 2023 down slightly at the midpoint. June real auto sales activity was down by 2.7% year-over-year, and second quarter auto spending was off by 3.3%.

- Hotel/motel activity in Beaumont was higher in the second quarter compared to year-ago levels with real spending on lodging up by 8.0% year-over-year. However, June hotel/motel spending was off by nearly 15% compared to year-ago levels pulling the year-to-date total into negative year-over-year territory by 1.3%.

- Construction in June per the inflation-adjusted valuation of all building permits issued posted a 7.1% year-over-year increase, though permit valuations in the second quarter were still down by over 26% year-over-year. Halfway through the year, however, construction activity remains up by 6.7% compared to the first six months of a year ago.

- New housing construction is down by nearly 20% through June, compared to the first six months of 2022, which in turn was down by nearly 40% compared to the total through June of the prior year. The June and second quarter permit totals were higher by 10.7% and 9.9%, respectively, compared to year-ago levels which were sharply lower compared to the previous year.

KEY POINTS

- Existing home sales are down sharply for the month, quarter, and year-to-date compared to solid increases in 2022. Closed sales in June were off by over 30% compared to June of a year ago, and the second quarter sales total was down by nearly 18% year-over-year. Halfway through the year the number of homes sold in the Beaumont market is down by 17.4% compared to the first six months of a year ago.
- The average price of those sales is lower in 2023 compared to sizable increases last year; the average home sale price is down by 8% through June compared to the midpoint 2022 average, which in turn was up by nearly 12% year-over-year. The second quarter average was down by 9.6% year-over-year, while the June monthly average was off by a modest 1.8%.
- The lower sales and prices pushed the total inflation-adjusted dollar volume of residential real estate sales sharply lower in 2023, down by well over 30% for the month, quarter, and year-to-date compared to a solid market with higher numbers in 2022.
- The Beaumont economy is clearly in a state of contraction in 2023 with aggregate declines in economic activity that are spread across most sectors of the economy and components of the Beaumont Economic Index. It is encouraging that the employment situation remains relatively stable and improving (and the Beaumont-Port Arthur metro area payroll employment data suggest generally strong job growth as well), but most other components of the Beaumont Economic Index are experiencing significant declines in 2023, including the all-important general spending numbers.