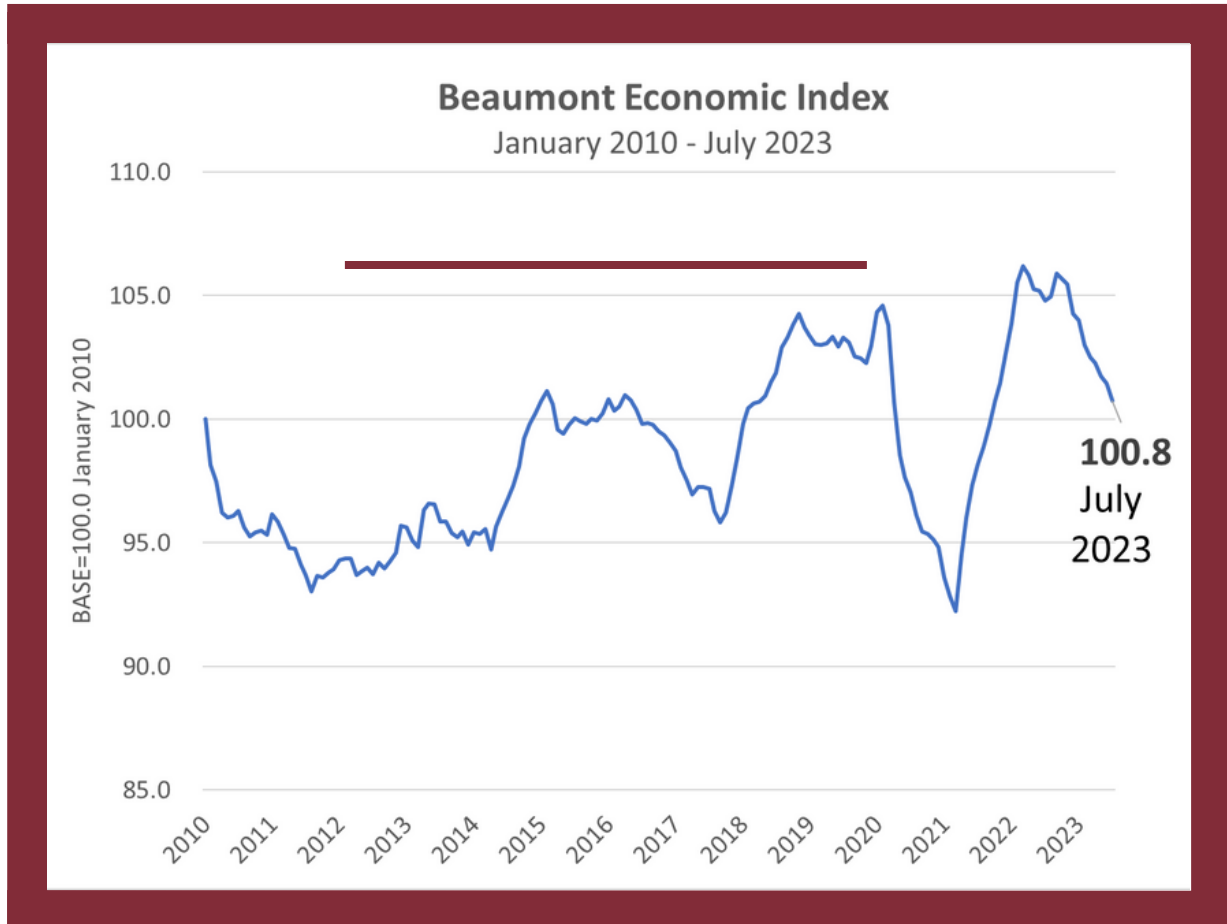


The Beaumont Chamber of Commerce Economic Index

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.

THE BEAUMONT ECONOMY

ECONOMIC INDICATORS	BASE YEAR JULY 2010	LAST YEAR JULY 2022	THIS YEAR JULY 2023	% CHANGE 2022-2023
Retail Spending - Month (Taxable-Per Sales Tax Rebates)	\$229,895,374	\$267,576,804	\$261,439,649	-2.3%
Retail Spending - Year-To-Date (Taxable-Per Sales Tax Rebates)	\$1,722,628,061	\$2,167,613,931	\$1,984,726,574	-8.4%
New Businesses (Brick & Mortar) - Month	-	-	13	47
Automobile Spending - Month	\$48,623,111	\$60,769,362	\$56,097,958	-7.7%
Automobile Spending - YTD	\$335,612,352	\$443,152,305	\$438,067,390	-1.1%
Hotel Motel Revenue - Month	\$4,900,439	\$4,227,703	\$3,935,816	-6.9%
Hotel Motel Revenue - YTD	\$27,520,321	\$27,237,668	\$26,649,708	-2.2%
Building Permits Issued - Dollar Valuation - Month	\$104,489,475	\$8,021,867	\$2,366,758	-70.5%
Building Permits Issued - Dollar Valuation - YTD	\$303,656,826	\$96,165,053	\$96,425,730	0.3%
Single-Family Residence Permits - Month	68	28	6	-78.6%
Single-Family Residence Permits - YTD	291	218	159	-27.1%
Existing Home Sales - Month	68	109	86	-21.1%
Existing Home Sales - YTD	472	812	642	-20.9%
Average Home Sale Price - Month	\$144,385	\$217,943	\$252,203	15.7%
Average Home Sale Price - YTD	\$152,060	\$233,564	\$222,103	-4.9%
Dollar Volume Home Sales Activity - Month	\$14,292,183	\$25,899,559	\$21,689,463	-16.3%
Dollar Volume Home Sales Activity - YTD	\$104,255,819	\$210,541,240	\$145,194,661	-31.0%
EMPLOYMENT				
Employment (LAUS) - Month	48,995	45,310	46,825	3.3%
Employment (LAUS) - YTD	48,665	45,580	46,680	2.4%
Unemployment Rate - Month	10.4	5.6	6.1	8.9%
Unemployment Rate - YTD	10.1	5.6	5.8	3.6%
Beaumont Economic Index	96.3	104.8	100.8	-3.9%

Key Points

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.

The Beaumont Economic Index continued its decline moving into the second half of the year, falling further to 100.8 in July down from 101.4 in June, and down 3.9% from the July 2022 BEI of 104.8. The July retreat marks the 10th straight monthly decline in the Beaumont Economic Index.

With the exception of Beaumont employment (and that is an important exception!), all other components of the Beaumont Economic Index are registering significant weakness and year-over-year decline in 2023, from spending, to hotel/motel activity, to construction, to home building and existing home sales, and the unemployment rate.

General real (inflation-adjusted) spending per the July sales tax rebate to the city of Beaumont was down by 2.3% compared to the July 2022 monthly total. For the year-to-date, general spending is down by 8.4% compared to the first seven months of a year ago.

Auto spending remains on the decline as well with inflation-adjusted spending on new and used motor vehicles off by 7.7% in July, and 1.1% for the year-to-date compared to the year-ago levels. A strong January (10% year-over-year increase) was followed by a flat February and five subsequent year-over-year declines.

On the heels of a nearly 20% decline in 2022, real hotel/motel activity (spending on lodging in the city of Beaumont) continues to register additional weakness in 2023, down by nearly 7% in July compared to July 2022, and down by a modest 2.2 % for the year-to-date.

The construction indicators were sharply lower in July with the real valuation of all building permits down by over 70% for the month compared to July 2022, which in turn was down by nearly 78% compared to July of the prior year. The July decline pulled the year-to-date total downward to largely flat compared to the total through July 2022, but the year-to-date through July 2022 permit valuation total was down by 50% compared to the first seven months of the previous year.

The low building permit valuation grand total was in part due to a very low housing construction number in July. Only 6 permits were issued in the month for new single-family housing construction in July. That happens now and again – there are a few months over the years in which the number of permits issued was in the single digits, and this is likely just a part of that random volatility. Still, the number of permits issued for the year-to-date is off by a sharp 27% compared to the total through July 2022.

Existing home sales have been lower all year long and July is no exception with the number of closed sales down by over 20% for the month. The 86 sales recorded in July is the lowest July monthly total since 2016, and pushed the year-to-date sales total down to about 21% lower than the January-July 2022 number of sales.

Key Points

The average price of those sales spiked upward in July, however, a 15.7% year-over-year increase over the July 2022 monthly average. The average remains lower for the year-to-date, down by about 5% compared to the average through July of a year ago.

The total inflation-adjusted dollar volume of housing sales activity in the Beaumont market was down by over 16% year-over-year thanks to the lower sales total, and is down by 31% for the year-to-date.

The only bright spot on the table of BEI components is the employment figure, which indicates Beaumont employment (the number of employed Beaumont residents, per the Local Area Unemployment Statistics series) is up by a solid 3.3% compared to July of a year ago. Employment remains lower compared to pre-COVID, and in fact for the years through 2019 before the sharp COVID decline of 2020, but the solid gains in 2022 and thus far in 2023 are a step in the right direction.

The Beaumont city unemployment rate is higher compared to year-ago levels, however, meaning the number of employed workers as a share of the total Beaumont labor force has declined (and therefore, that the number of unemployed workers as a share of the total labor force has risen) hence the unemployment rate increase. The July Beaumont unemployment rate of 6.1% is up compared to the July 2022 unemployment rate of 5.6%.