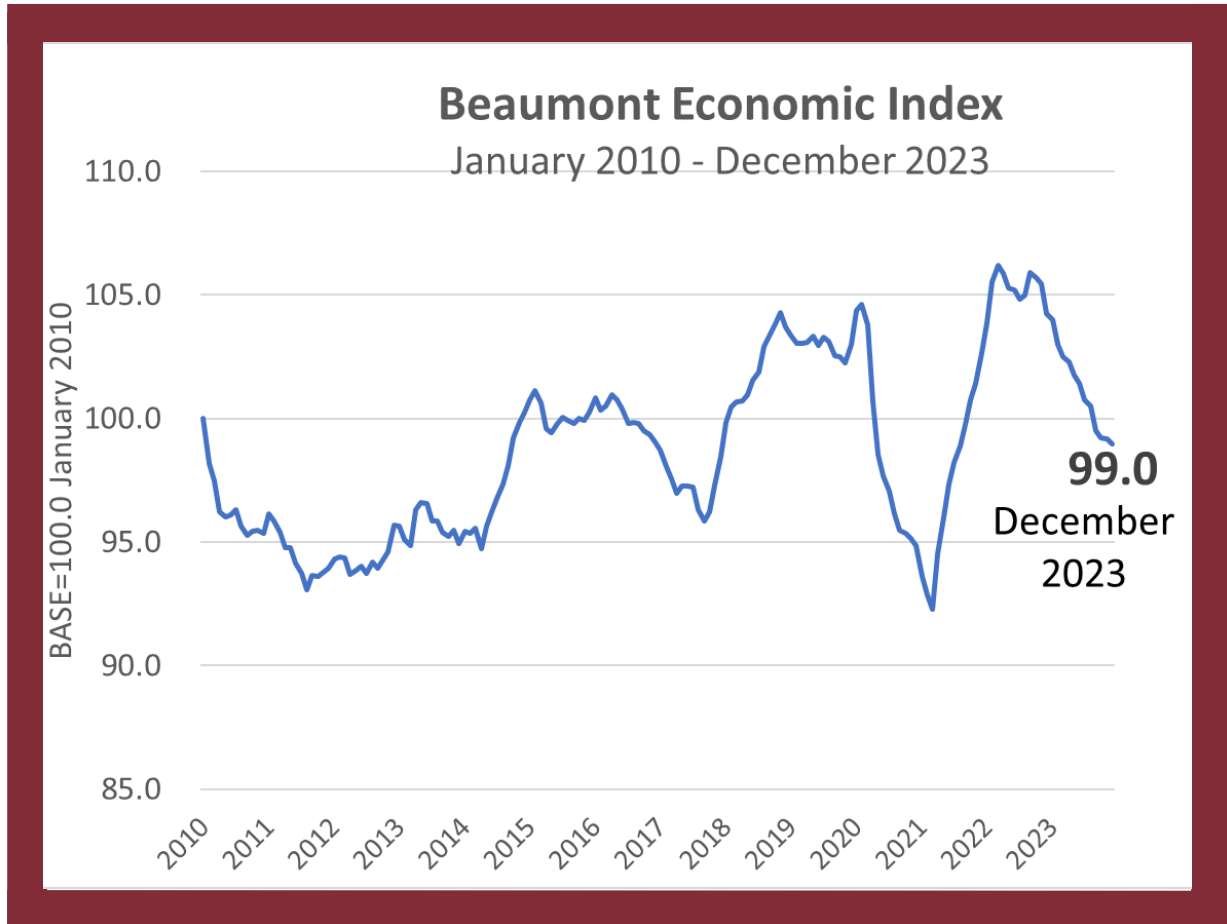


The Beaumont Chamber of Commerce Economic Index

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 DEC 2010	LAST YEAR DEC 2022	THIS YEAR DEC 2023	% CHANGE 2022-2023
Retail Spending - Month (Taxable-Per Sales Tax Rebates)	\$251,763,624	\$259,862,796	\$257,213,801	-1.0%
Retail Spending - 4th Quarter (Taxable-Per Sales Tax Rebates)	\$808,171,906	\$936,913,503	\$833,448,734	-11.0%
Retail Spending - Year-To-Date (Taxable-Per Sales Tax Rebates)	\$3,143,664,604	\$3,753,743,489	\$3,437,442,627	-8.4%
New Businesses (Brick & Mortar) - Month	-	-	9	78
Automobile Spending - Month	\$46,218,483	\$52,952,888	\$52,418,592	-1.0%
Automobile Spending - 4th Quarter	\$130,347,515	\$163,551,110	\$173,995,232	6.4%
Automobile Spending - YTD	\$562,173,885	\$729,068,247	\$739,129,995	1.4%
Hotel Motel Revenue - Month	\$3,360,876	\$3,345,910	\$3,265,903	-2.4%
Hotel Motel Revenue - 4th Quarter	\$11,328,619	\$10,753,430	\$10,994,518	2.2%
Hotel Motel Revenue - YTD	\$47,451,478	\$46,315,973	\$45,288,325	-2.2%
Building Permits Issued - Dollar Valuation - Month	\$20,385,680	\$5,581,617	\$4,338,944	-22.3%
Building Permits Issued - Dollar Valuation - 4th Quarter	\$76,504,171	\$29,816,065	\$33,440,983	12.2%
Building Permits Issued - Dollar Valuation - YTD	\$473,668,850	\$155,784,775	\$142,533,919	-8.5%
Single-Family Residence Permits - Month	11	15	17	13.3%
Single-Family Residence Permits - 4th Quarter	39	64	39	-39.1%
Single-Family Residence Permits - YTD	354	350	230	-34.3%
Existing Home Sales - Month	63	85	68	-20.0%
Existing Home Sales - 4th Quarter	191	226	214	-19.5%
Existing Home Sales - YTD	790	1,281	1,034	-19.3%
Average Home Sale Price - Month	\$148,050	\$230,460	\$214,774	-6.8%
Average Home Sale Price - 4th Quarter	\$145,556	\$216,017	\$212,626	-1.6%
Average Home Sale Price - YTD	\$149,704	\$227,909	\$217,229	-4.7%
Dollar Volume Home Sales Activity - Month	\$13,924,031	\$21,067,412	\$14,604,634	-30.7%
Dollar Volume Home Sales Activity - 4th Quarter	\$41,502,421	\$62,273,652	\$45,703,739	-26.6%
Dollar Volume Home Sales Activity - YTD	\$176,204,001	\$327,500,690	\$231,579,725	-29.3%
EMPLOYMENT				
Employment (LAUS) - Month	49,010	46,225	47,240	2.2%
Employment (LAUS) - 4th Quarter	49,080	46,195	47,290	2.4%
Employment (LAUS) - YTD	48,795	45,760	46,855	2.4%
Unemployment Rate - Month	10.1	4.8	4.8	0.0%
Unemployment Rate - 4th Quarter	10.1	4.9	5.1	2.7%
Unemployment Rate - YTD	10.2	5.4	5.6	4.0%
Beaumont Economic Index	95.3	104.3	99.0	-5.1%

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.

It was clearly a year of contraction in the Beaumont economy in 2023 with the Beaumont Economic Index falling in each month of the year. In fact, the December monthly decline was the 15th straight monthly decrease with the index falling to 99.0 for the month down from (a slightly revised upward) 99.2 in November, and down 5.1% from the December 2022 BEI of 104.3.

The Beaumont Economic Index peaked at 105.9 in September 2022 just in advance of this 15-month contraction and has lost 6.6% of its value since then. The BEI reached its all-time high of 106.2 in March 2022 following the deep declines of COVID in 2020-2021.

The rate of decline seems to be slowing, however; the Beaumont Economic Index declined at an annualized rate of 2.2% in the fourth quarter 2023.

General spending finished the year lower compared to 2022, along with hotel/motel activity, total construction, new single-family housing construction, and existing home sales and the average price of those sales.

Employment increased in Beaumont throughout the year, but the unemployment rate was higher on average in 2023.

General real (inflation-adjusted) spending per monthly sales tax rebates to the city was down by 8.4% in 2023 compared to the record total established in 2022, including an 11.0% decline in the fourth quarter 2023. The December monthly spending total was down by a percent compared to the December 2022 total.

Auto sales activity – a county-wide number – was slightly higher for the year with inflation-adjusted spending on new and used motor vehicles up by 1.4% in 2023, including a 6.4% year-over-year increase in the fourth quarter. The record for real auto spending was set in 2018; the 2023 total, while higher compared to 2022, is still below the annual totals 2014-2021.

Real spending on lodging was down only slightly in 2023, on the heels of a sharper decline 2022. The 2023 annual total was down by 2.2% compared to 2022, which in turn was down by nearly 20% compared to the prior year. And in fact, hotel/motel activity in 2023, when adjusted for inflation, registered its lowest annual total over the entire history of the Beaumont Economic Index, which is based at 100.0 in January 2010.

Construction activity was also down for the second straight year following an impressive number in 2021, which was the third highest on record. The real valuation of all projects permitted was down by 8.5% in 2023 compared to 2022, which in turn was down by a sharp 56% compared to the high total in 2021. The fourth quarter total was up by 12.2%, though compared to a low total in the fourth quarter 2022 which was down by 77% year-over-year.

Key Points

New single-family housing construction was sharply lower in 2023 with the number of new home building permits down by 34% for the year, on the heels of a 38% decline in 2022. The annual record was set in 2021 with a whopping 572 permits issued for the year, followed by very respectable 350 permits in 2022.

Existing home sales were down in 2023 as well with the number of closed sales off by over 19% for the year, including a 20% year-over-year decline in December and a nearly 20% decline in the fourth quarter. Home sales peaked in 2021 with 1,287 closed sales. The nominal (unadjusted for inflation) average price of those sales was lower across the board as well, including a 6.8% decline in December and a 4.7% decline in the annual average price.

The real total dollar volume of residential real estate sales activity – the result of the sales and price data, adjusted for inflation – was sharply lower for the month, quarter, and year, registering year-over-year declines of 31%, 26.6%, and 29%, respectively. That is due mostly to lower sales, but also the lower average price, and a stubbornly high housing inflation number which remains above 7%.

The number of employed Beaumont residents has been steadily improving all year long with growth rates above 2% all year long, and as high as 2.9% in August. Employment growth by this measure (the Local Area Unemployment Statistics, or LAUS data) averaged 2.4% for the year, a solid outcome given the general downward trends in other sectors of the economy, spending most notably. The unemployment rate was slightly elevated for the year, however, averaging 5.6% for the year compared to 5.4% in 2022. In December, however, the unemployment rate had closed the gap and finished the year at 4.8%, unchanged from the December 2022 Beaumont city unemployment rate.

The book is not yet closed on 2023 – the Texas Workforce Commission will issue revised employment data in early March, in which monthly estimates for 2023, and perhaps prior years, will be updated as a part of their annual process for setting the new benchmarks for the balance of the year. As the revised data is released, the Beaumont Economic Index will be revised accordingly.

That is the only candidate for revision going forward, however, and any change in employment will not undo the declines in other areas of the Beaumont general economy. The hope is – and it is certainly possible – that the areas of decline will stabilize and level off in 2024. More on that when the 2023 economy is finalized with the updated employment information.