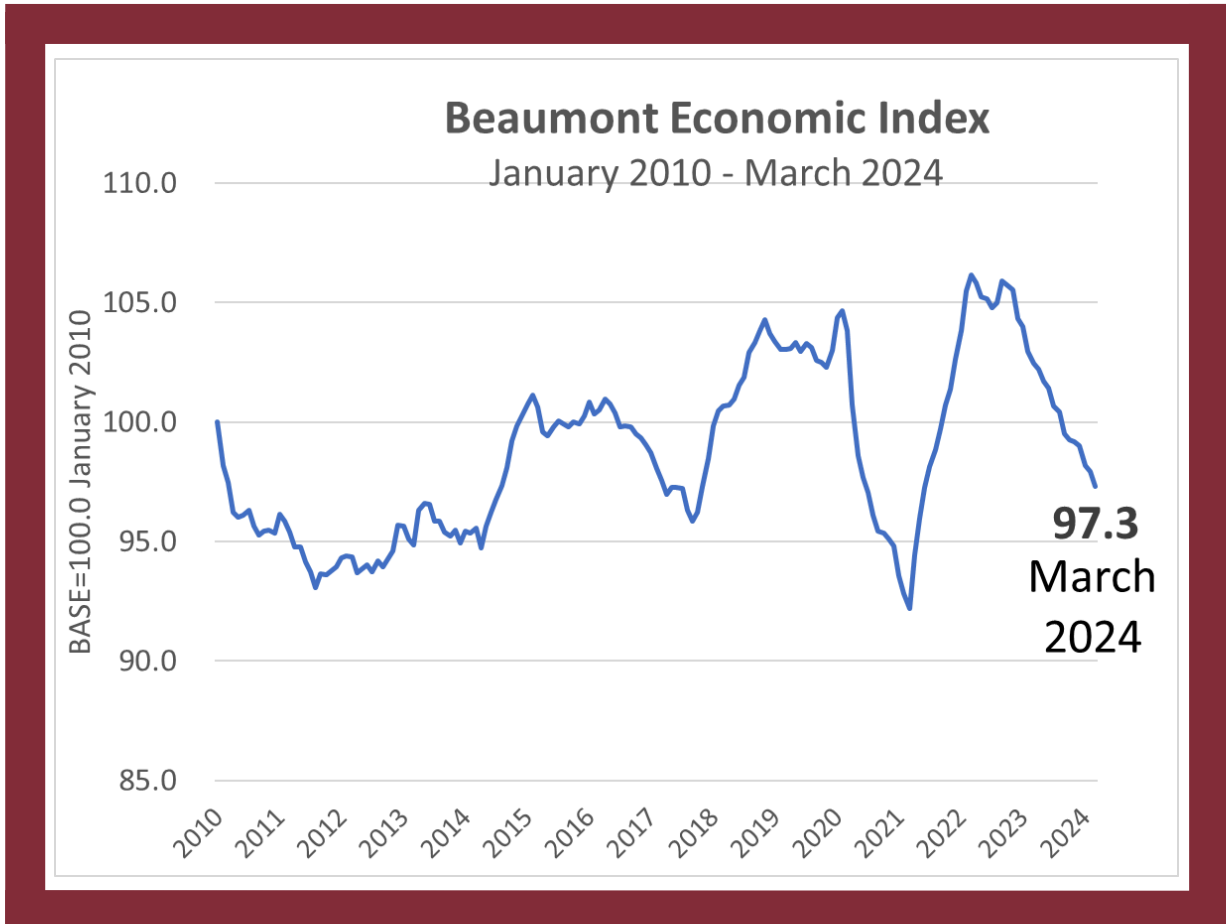


Beaumont Economic Pulse

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 MAR 2010	LAST YEAR MAR 2023	THIS YEAR MAR 2024	% CHANGE 2023-2024
Retail Spending - Month (Taxable-Per Sales Tax Rebates)	\$212,235,629	\$265,495,598	\$247,003,795	-6.9%
Retail Spending - Year-To-Date (Taxable-Per Sales Tax Rebates)	\$765,489,239	\$924,573,882	\$828,307,798	-10.4%
New Businesses (Brick & Mortar) - Month	-	-	17	33 (YTD)
Automobile Spending - Month	\$53,642,161	\$67,822,894	\$65,497,272	-3.4%
Automobile Spending - YTD	\$136,104,746	\$192,315,813	\$191,498,552	-0.4%
Hotel Motel Revenue - Month	\$4,332,180	\$2,126,448	\$4,498,186	111.5%
Hotel Motel Revenue - YTD	\$11,027,928	\$9,576,351	\$10,903,628	13.9%
Building Permits Issued - Dollar Valuation - Month	\$78,482,788	\$13,149,654	\$11,096,128	-15.6%
Building Permits Issued - Dollar Valuation - YTD	\$139,133,661	\$66,087,509	\$38,878,257	-41.2%
Single-Family Residence Permits - Month	33	31	14	-54.8%
Single-Family Residence Permits - YTD	87	64	38	-40.6%
Existing Home Sales - Month	75	101	80	-20.8%
Existing Home Sales - YTD	165	242	217	-10.3%
Average Home Sale Price - Month	\$159,779	\$214,259	\$229,673	7.2%
Average Home Sale Price - YTD	\$165,213	\$220,277	\$220,916	0.3%
Dollar Volume Home Sales Activity - Month	\$18,047,467	\$23,046,766	\$18,373,846	-20.3%
Dollar Volume Home Sales Activity - YTD	\$41,023,506	\$57,162,259	\$48,127,791	-15.8%
EMPLOYMENT				
Employment (LAUS) - Month	48,545	46,715	47,380	1.4%
Employment (LAUS) - YTD Average	48,395	46,420	47,265	1.8%
Unemployment Rate - Month	10.1	5.6	5.4	-3.6%
Unemployment Rate - YTD Average	10.1	5.7	5.5	-3.5%
Beaumont Economic Index (Base = 100.0 January 2010)	97.5	102.4	97.3	-5.0%

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 remained on its downward trajectory through the first quarter of the year with the 18th straight monthly decline in the index. The index fell to 97.3 in March down from 97.9 in February, and down 5.0% from the March 2023 BEI of 102.4. The Beaumont Economic Index is based at 100.0 in January 2010, and reached its apex two years ago in March 2022 at 106.1.

Once again, with a couple of exceptions, most components on the monthly table of economic indicators are down compared to year-ago levels, including general spending and auto spending, construction, including new home construction, and existing home sales. Hotel/motel activity was sharply higher, but compared to an unusually low number from a year ago, and the average home sale price was higher. Employment continues to register modest gains and the Beaumont unemployment rate is lower compared to year-ago levels.

Employment continues to climb slowly but steadily in Beaumont with a 1.4% year-over-year increase in the number of employed city residents. These are the highest post-COVID numbers, but remain lower compared for the history of the Beaumont Economic Index dating from its base year of 2010 through 2019 in advance of the COVID declines in 2020. The Beaumont unemployment rate is lower than most of that history, however, and in fact the 5.4% in March 2024 is the second lowest March monthly unemployment rate, behind only the 5.2% recorded in March 2022.

Spending remains on the decline with first quarter general real (inflation-adjusted) spending per monthly sales tax rebates down by 10.4% compared to the first quarter 2023, including a 6.9% decline in March. The numbers recovered in 2021 and 2022 but have fallen off since then, and remain lower compared to pre-COVID spending in 2018 and 2019 as well.

First quarter real auto spending (a county-wide number) is essentially flat compared to the first quarter 2023, which in turn was up by 3.2% compared to the first three months of the previous year. March auto spending was down by 3.4% year-over-year, however.

Hotel/motel spending per monthly lodging tax receipts was more than double the total from a year ago, which means discrepancies in when the tax is remitted. Last year's March monthly total was abnormally low, meaning the taxes were collected and/or applied in a different month. But the hope and assumption is that all activity is ultimately captured and accounted for in the longer term totals.

Construction activity was the lowest in terms of real building permit valuations with the lowest March monthly total since 2017, and a 41% decline compared to year-ago levels. March permit valuations were down by over 15%.

New single-family housing construction permits fell by more than 50% in March, and the first quarter total is down by some 40% year-over-year. These are the lowest numbers since 2018.

Key Points

Housing sales continue to fall for the second straight year with the number of closed sales down by over 20% in March and 10% in the first quarter compared to year-ago levels. The average price of those sales is higher, however, with a 7.2% year-over-year increase in March, pulling the year-to-date average virtually even compared to year-ago levels.

With the inflation adjustment and the lower sales numbers, however, the real total dollar volume of housing sales was still down by 20% in March, and nearly 16% in the first quarter.

The Beaumont economy remains in search of the bottom of this cycle of contraction, but clearly it hasn't yet been found. And frankly the reasons for such a sustained contraction are a little confounding, but the indications from the data are clear – through the first quarter 2024 the Beaumont general economy is in a funk that is now 18 months in the making.