

**ECONOMIST: SIGNS POINT TO RECOVERY IN COUNTY**

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LAKE JACKSON — The Brazoria County economy is on the way to recovery, but some potential potholes are in the way, economist Donald Payne told a group of business professionals.

For the first time in a year, the four main economic indicators are on the rise, said Payne, Brazosport College assistant professor of economics. But government-pushed “cap and trade” legislation, uncertainty over a national health care plan and interest rates, and the number of jobs available could slow progress, Payne told members of the county’s Economic Development Alliance at the Brazosport College Corporate Learning Center on Tuesday.

Three indicators: stocks of eight of the leading publicly traded companies in Brazoria County, the average number of hours manufacturing employees are working and the number of single-family home building permits all are up. Another: First-time unemployment filings are down from November to December, Payne said.

“That’s pointing toward an economic recovery,” Payne said. “Will it occur? All four numbers are telling us yes.”

Robert Worley, CEO of the Economic Development Alliance for Brazoria County, said cost of living in Brazoria County is “pretty good,” and Payne’s numbers show a positive trend.

The Brazoria County stock index was up .15 percent from November to December 2009, the most recent month from which data is available.

The stocks are up 14 percent from December, 2008, according to information from the Brazosport College Economic Forecasting Center.

The number of building permits climbed 6.18 percent from November and is up 34 percent from 2008, according to the information.

While the housing market is getting better, it’s still difficult to get a mortgage, Payne said.

The number of hours worked by manufacturing employees climbed to an average of 46.10, up 1 percent from November and almost 6 percent from 2008.

Jobs usually are the last part of the economy to recover, and that appears to be holding true this year, Payne said.

Instead of hiring new workers, companies are paying overtime because they’re not sure of

the future, he said.

First-time unemployment claims are down slightly from November, but unemployment overall is higher than 8 percent, which is one of the potholes, Payne said.

“Unemployment is still up, but people becoming unemployed is down,” he said.

The possible government-driven “cap and trade” is an environmental policy in which the government would “cap” greenhouse gas emissions.

Businesses that can't meet the government's “enforceable limit” could buy, or “trade,” permits from those companies that can.

Health care — whether a change is made or not — is another uncertainty, he said. So are federal deficits and the taxes the government must raise to pay them.

Payne compared businesses and consumers to drivers traveling in a thunderstorm.

“The weatherman tells them there are clear skies ahead, but they don't know whether or not to slow down,” because of what he called “potholes.”

An indication of how the government plans to navigate will go a long way in speeding up the recovery, he said.

“Do they slow down? Go around?,” Payne said. “They're keeping an eye out for those potholes.”

Once those are revealed, this economy will grow again, he said.

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