



February 2009, the Beaumont MSA lost 9000 positions or 5.5%. The primary loss over the 12-month period has been in three sectors: construction, manufacturing, and professional and business service. Construction jobs decreased by 19.5% since a year ago.

Port Arthur continues to bear the brunt of the disappointing news with a 14.9% unemployment rate; Orange's rate is 10.7% and Beaumont's is 9.6%. (Source: Texas Workforce Commission)

Sitel call center in Port Arthur closed costing the area 250 jobs. Negotiations are underway with another call center considering moving to the area which could bring 500 to 700 jobs.

## **PURCHASING MANAGERS INDEX (PMI)**

The Houston Purchasing Managers Index, a short-term leading indicator for regional production, continued its 10-month rise to 53.2 in January. The record low was 39.0 in March 2009. The Beaumont area does not have such an index; therefore Houston's is the closest approximation for Beaumont. (Note that both area's economies are closely tied to energy.) January's PMI paints the healthiest picture of Houston's economic prospects in more than a year. (Source: National Association for Purchasing Management-Houston and Greater Houston Partnership)

## **SALES TAX**

Sales tax results continued to deteriorate. Beaumont, typically the largest tax-collecting city in the service area, showed a 45% decrease comparing January 2010 to 2009. The decrease for December was 39%. For all taxing entities tallied in the Entergy Texas service area, including many smaller towns, the overall decrease was 28%. The November decrease was 20%. Every entity except Port Neches experienced a decrease for January. The large variance for many communities, including Beaumont, is attributed to the fact that they were recovering from Hurricane Ike in January 2009 and experiencing somewhat of a bubble at that time.

## **REAL ESTATE**

The number of new homes sold in January 2010 reached the same low as September 2008 when Hurricane Ike struck the area. February shows a slight improvement, but less than any month since Ike. The months of inventory reached a 19-year peak at 10 months. Now for the good news: The average and median home prices reached an all time high in January. February numbers were not quite as good, however, still better than most months in 2009. More good news: The number of single family building permits for the year of 2009 for the three-county region was more than double each of the last three years (individually). The number of permits for February 2010 reached a peak since recording began in 1994 and was more than four times the number of permits in February 2009. Port Arthur accounted for 127 of the 178 February permits, amounting to over \$9 million in construction costs. Beaumont accounted for 36 permits with \$3.3 million estimated construction costs.

## **CONSUMER CONFIDENCE**

The Conference Board produces the Consumer Confidence Index monthly for the US and nine regions. The West South Central region which includes Texas, Louisiana, Arkansas, and Oklahoma is by far the shining star with the highest measurements in all three components of consumer confidence – the overall index, the present situation index, and the expectations index.

## **TEXAS**

The Texas oil and gas economy took a noticeable turn for the better during January, as the Texas Petro Index (TPI) increased to 189.4, registering the first month-to-month gain in 16 months.

Dr. Bill Gilmer, Senior Economist and VP of Federal Reserve Bank of Dallas, spoke in Beaumont recently and made the point that economic rebounds in developing nations such as India and China accompanied by increased imports from our Gulf Coast area could help the recovery in our area, as well as the rest of the Gulf Coast.

Forbes writer Francesca Levy, in an article titled "Cities Where the Recession is Easing" describes Texas as the "poster child for economic recovery." Houston is tied for fourth in the list of cities feeling the easing.

The Adversity Index developed by Moody's Economy.com and msnbc.com show the state of Texas as well as the Houston MSA and Beaumont MSA as having begun the economic recovery by the end of 2009. Approximately half of the metro areas in the US have made it to the recovery stage. No metro area has earned the most positive rating of the index, "expansion." Most of the recovering areas are far from that level.

Ray Perryman, highly respected Texas economist, recently spoke in Liberty and noted that a key reason Texas is emerging quickly from the recession is because of its energy sector.

*Most of the information in this report was prepared from publicly available sources.*

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