

Economic Trends

EMPLOYMENT

Parish 4Q13 total employment was nearly flat (-0.1%) compared with 4Q12. Total employment for all of 2013 showed marginal growth, at 0.5% higher than employment for all of 2012. Employment is defined as the number of employed Parish residents. One might suggest the flatness of employment change was due to higher unemployment in the current period but the unemployment rate for 4Q13 was only 0.2% higher compared to the rate for 4Q12. Too, the number of initial unemployment insurance claims for 4Q13 in the Parish fell from 257 in 4Q12 to 242 in 4Q13, a drop of 5.8%. This was followed by a drop of 24.7% comparing 2013 with 2012 claims. The employment chart for 2013 and 2012 shows how closely 2013 total employment tracks with 2012 total employment. It should also be pointed out that Parish unemployment rate (4.5%) was well below both the State (5.5%) and the nation (6.7%).

BUILDING PERMITS/REAL ESTATE/APARTMENT RENTS

Residential construction of single family homes finished 2013 with a 28.7% gain in 4Q13 compared with 4Q12. All three months in the quarter achieved gains with corresponding months in 2012, led by November with a 50% gain, followed by October with 24.3% and December with 15.4%. For all of 2013, single family building permits were 29.2% higher than permits for 2012. Commercial building permits had a good fourth quarter, coming in with a 9.7% gain over commercial permits in 4Q12 and reversing the negative performance in 3Q13. For the entire year 2013, commercial building permits maintained its positive performance, with a 17.5% gain over all of 2012.

Sales of existing homes in the Parish continues to grow as 4Q13 unit housing sales exceeded 4Q12 sales by 7.5% while sales for all of 2013 outperformed 2012 sales by 8.7%. With the exception of June, all other months showed a month-over-month gain in 2013. Total housing sales volume for 4Q13 was higher than for 4Q12 by 9.1%, pushing annual sales volume 14.1% higher than 2012 data. For all of 2013, 10 of 12 months showed higher sales volume than corresponding months in 2012. June and December sales volumes were lower than comparative months in 2012. Housing inventory (listings) reversed the declining trend for the first three quarters with an increase from 5.4 months in 3Q13 to 6.1 months in 4Q13. With the help of declining housing inventory in the first nine months of 2013, housing inventory for the entire year was lower than housing inventory for all 2012, at 6.1 months versus 6.7 months. Housing inventory tracking could be somewhat tentative in that inventory changes are recorded at the end of each month of the quarter, and then an average is computed using the average inventory for each month of the quarter. Note: Once a date has passed, one cannot retrieve previous period to re-compute an inventory for that time. Average apartment rent in 4Q13 was 0.6% higher than in 4Q12, with an increase of \$7. For all of 2013, average rent was 0.4% higher than for all of 2012. These surveyed apartment units are located in 10 different complexes throughout the Parish, and meet housing needs (2 bedrooms, 1.5 or 2 baths) of professional or managerial households.

TOTAL SALES AND VEHICLE SALES

As reported in the 3Q13 Trends Report, The Conference Board's Consumer Confidence Index said consumers "spending plans remain largely on hold until better and more consistent job and income increases are in evidence. Well, that spending hold apparently came true in 4Q13 as Parish consumers slightly reduced their spending in the quarter. 4Q13 sales tax collections/sales were 1.2% behind 4Q12 numbers. 4Q13 monthly contributors to this downturn were October, -1.5%; November 1.1% ahead; and December, down 2.7% compared to corresponding months in 2012. For all of 2013, total sales tax collections/sales were ahead 4.6% over 2012. Prior to 4Q13, every month recorded positive comparisons to matching months in 2012. Parish vehicle sales in 4Q13 followed the same path as total sales tax/sales, with a reduced showing during 4Q13 as DMV sales tax collections were down 1.2% compared with 4Q12 collections. A look at three months making up 4Q13 sales shows why the quarter did poorly. October was down 6.7%, November was down 13.5% and December, surprisingly, was up 20.9% -- not high enough to pull the entire quarter into a positive position. High month-over-month vehicle sales tax collections in the first three quarters of 2013 were largely responsible for the year-over-year gain of 11%. Parish vehicle sales tax revenue is derived from all vehicle sales, whether they occurred in or outside St. Tammany Parish, by residents living in the Parish and registered in the Parish. At present, there is no method for separating sales tax on vehicles bought outside St. Tammany Parish and registered in the Parish. Total vehicle sales tax is derived by recording vehicles purchased, titled and licensed in the Parish. It includes vehicles purchased outside St. Tammany Parish by Parish residents and titled and licensed in St. Tammany Parish, and is reported by the Parish Sheriff's Office.

NEW BUSINESS INCORPORATIONS

New business incorporation expansion declined throughout the year. 4Q13 new business licenses were down 20.2% from 4Q12. For all of 2013, new incorporations were down 11.7% after three straight years of annual increases in new incorporations. This is not necessarily a negative indicator, as prior reports have suggested that new business starts were partially a result of home-based businesses launching to offset employment insecurity. That new incorporations have declined may, in fact, indicate at least a subtle increase in feelings of job security among Parish residents.

UTILITIES (Electric)

The 4Q13 Parish electric customer count, which had been growing at 0.9% month-over-month, turned upward in 4Q13 at 1%. Three months in the last quarter showed increases of 0.9%, 1%, and 1.1%, respectively. The expanding electric customer counts in the Parish over the entire year (2013) can possibly be attributed to increases in residential and commercial construction. Primary electric count comes from Cleco and Washington-St. Tammany Electric Coop.

ACCOMMODATIONS (Hotel Receipts and Net Occupancy Tax)

4Q13 hotel receipts improved over 3Q13 but remained 6.2% behind 4Q12 receipts. The 4Q13 performance shows month-over-month gains for November (9.4%) and December (6%). October was responsible for keeping receipt performance in negative territory with a -23.9% change compared with October 2012. Year-to-date receipts were nearly even with last year. Net occupancy tax collections (bed tax) has struggled in achieving a positive stance and 4Q13 was 10.2% lower than collections for 4Q12. All three months in the quarter recorded negative comparisons with similar months in 2012. Seven of 12 months in 2013 had lower comparisons with their corresponding months in 2012 which help keep the year-over-year comparison behind 2012 by 9.7%.

SOUTHERN CONSUMER PRICE INDEX/INFLATION RATE

Inflation rate for the southern region of the United States was 1.5% in 4Q13, compared with an inflation rate of 1.8% for 4Q12, a slight decrease in the 12-month period. Constant fluctuations in gas prices, a large player in computing inflation, and other price points over the months, remain the causes of swings in the inflation rate.

U. S. CONSUMER AND CEO CONFIDENCE

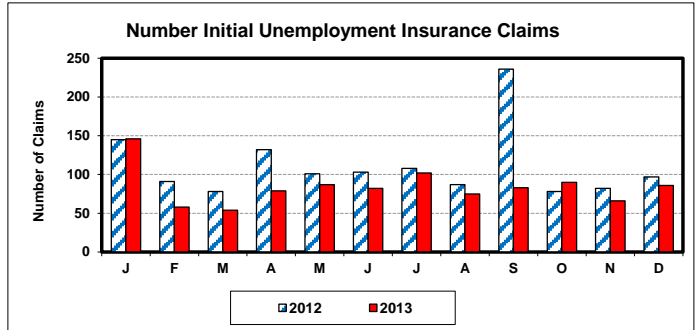
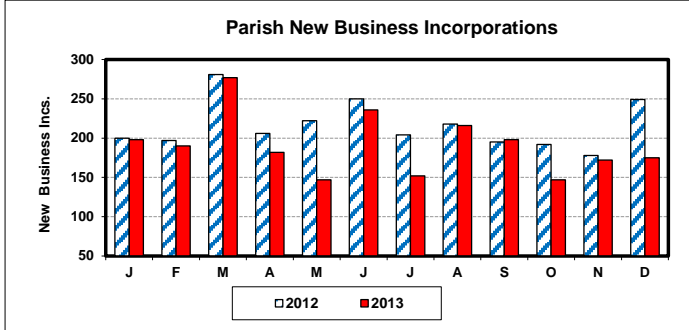
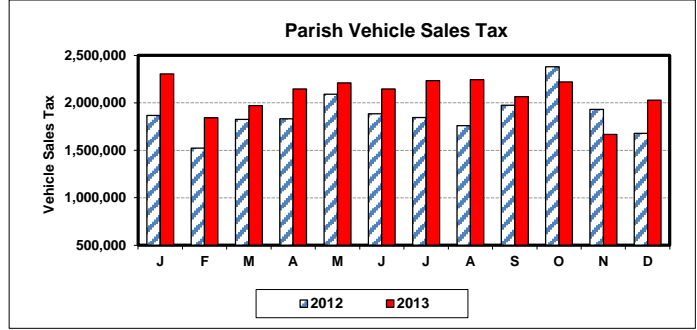
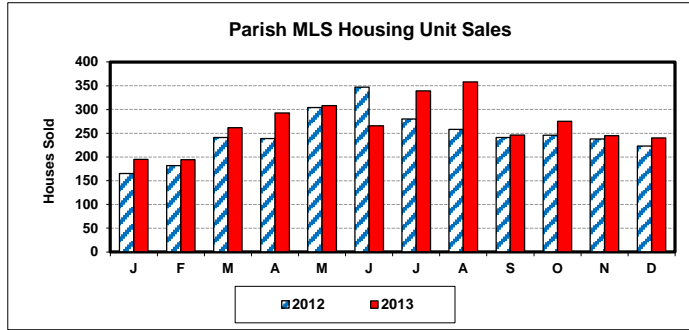
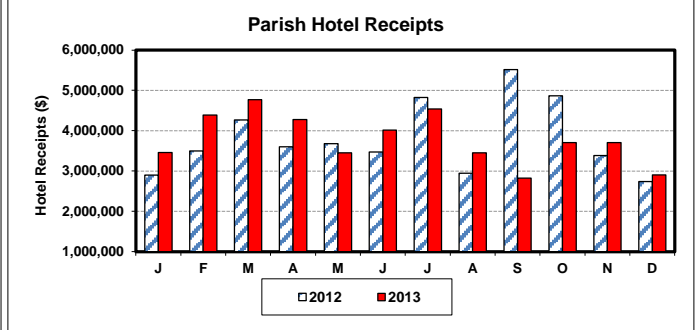
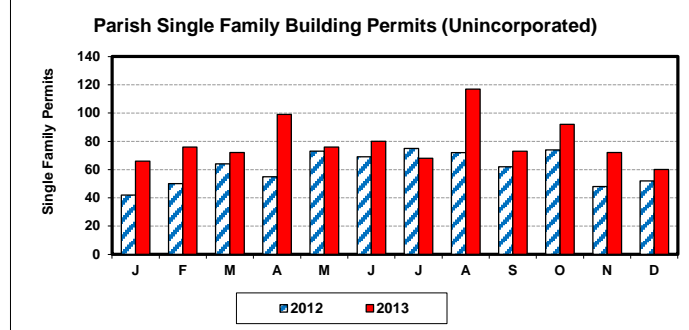
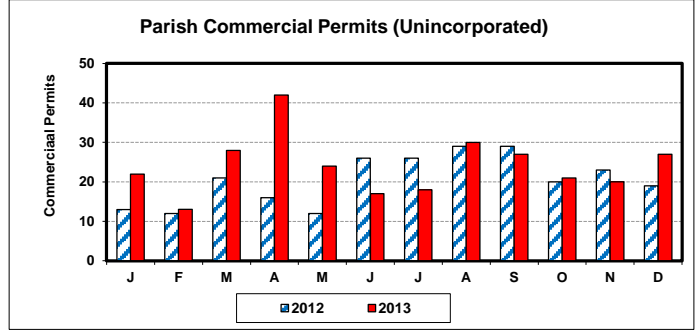
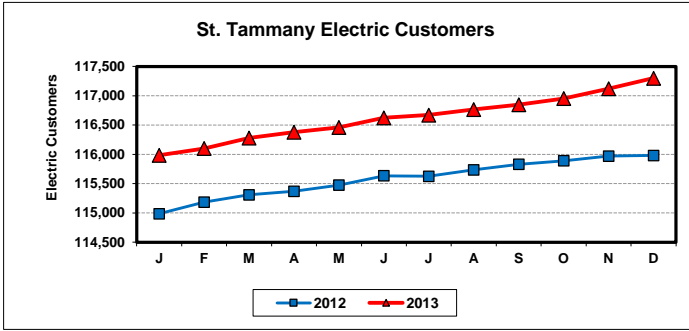
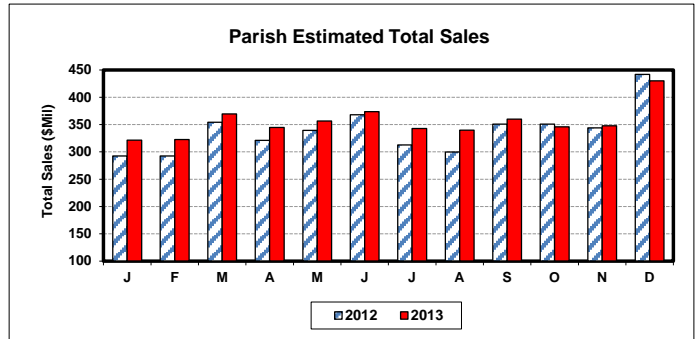
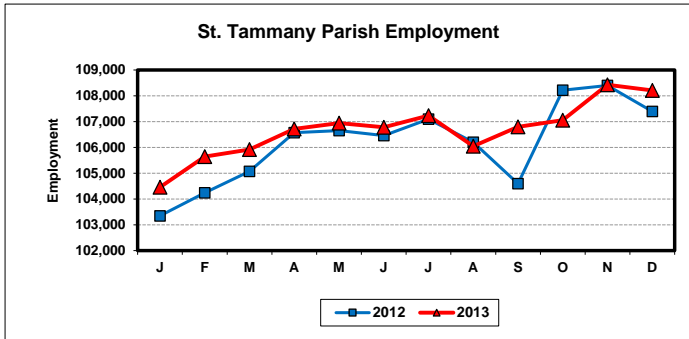
December consumer confidence rebounded and closed the month to pre-government shutdown levels in September 2013. This is from Lynn Franco, Director of Economic Indicators at The Conference Board's Consumer Confidence Index: "Consumer sentiment regarding current conditions increased to a 5 ½ year high with consumers attributing to the improvement to more favorable economic and labor market conditions. Consumers expressed a greater degree of confidence in future economic and job prospects, but were moderately more pessimistic about their earnings prospects. Despite many challenges throughout 2013, consumers (were) in better spirits in December than when year began. Additionally, consumers' expectations, which had decreased in November, improved in December. Consumers' outlook for the labor market was considerably more optimistic and their appraisal of overall conditions improved." The measure of CEO Confidence, as presented by The Conference Board and PwC, which had pulled back in 3Q13, increased in 4Q13, said Franco. "CEOs' expectations for growth in the U.S., Europe, Japan and China remain upbeat; but sentiment is still negative regarding India and Brazil's short-term prospects. CEOs' assessment of current economic conditions increased significantly, saying conditions are better compared to six months ago. Business leaders are also more positive about conditions in their own industries. Short-term outlook has also improved."

U.S. AND ST. TAMMANY ECONOMIC GROWTH

The Conference Board Leading Economic Index (LEI) for the U.S. increased 0.1% in December following a 1% increase in November and a 0.1% increase in October, as reported by The Conference Board. "This latest report suggests steady growth this spring (2014), but some uncertainties remain," said Ken Goldstein, economist at The Conference Board. "Business caution and concern about unresolved federal budget battles persist, but the better-than-expected holiday season might point to sustained stronger demand and could put the U.S. on a faster growth track for 2014." "Despite month-to-month volatility in 4Q13, the U.S. LEI continues to point to gradually strengthening economic conditions through early 2014," said Ataman Ozyildirim, economist at The Conference Board.

The St. Tammany Parish economy slowed in the fourth quarter as weakness was evident in three of the five indicators making up the composite average. Nonetheless, 4Q13 resulted in a 0.4% gain. Based on strength in the first three quarters of 2013, the 12-month gain was 3.4%. For a closer look at the Parish growth, please refer to the St. Tammany Economic Growth Index.

ST. TAMMANY PARISH ECONOMY AT A GLANCE



ST. TAMMANY PARISH ECONOMIC INDICATORS

Economic Indicators	Units	4Q13	3Q13	% Change	4Q12	% Change	YTD 2013	YTD 2012	% Change
Retail Sales (a)									
St. Tammany Parish Est.Total Sales	\$Mil.	1,123.6	1,042.4	7.8%	1,136.9	-1.2%	4,254.5	4,068.9	4.6%
St. Tammany Parish Total Sales Tax	\$	53,595,320	49,722,594	7.8%	54,227,893	-1.2%	202,940,949	194,084,402	4.6%
St. Tammany Parish DMV Sales Tax	\$	5,918,393	6,542,056	-9.5%	5,989,139	-1.2%	25,083,938	22,592,439	11.0%
DMV Sales Tax % of Total Sales Tax		11.0%	13.2%		11.0%		12.4%	11.6%	
New Business Incorporations (h)									
Total New Licenses	No.	494	566	-12.7%	619	-20.2%	2,290	2,592	-11.7%
Non-Agricultural Employment (Revised)(b)									
Total Employment	* No.	107,895	106,692	1.1%	108,004	-0.1%	106,685	106,186	0.5%
Unemployed	* No.	5,122	6,371	-19.6%	4,829	6.1%	5,995	5,899	1.6%
Labor Force	* No.	113,018	113,063	0.0%	112,833	0.2%	112,680	112,085	0.5%
Unemployment Rate (Revised)(b)									
St. Tammany Parish	*	4.5%	5.6%	-19.6%	4.3%	5.9%	5.6%	5.3%	6.0%
Louisiana	*	5.5%	6.9%	-20.8%	5.5%	0.0%	6.4%	6.8%	-5.4%
United States	*	6.7%	7.2%	-7.4%	7.5%	-10.7%	7.4%	8.1%	-9.1%
Unemployment Insurance Claims by St. Tammany Resident (b)									
Number of Initial Claims	No.	242	260	-6.9%	257	-5.8%	1,008	1,338	-24.7%
Construction: New Building Permits (Uncorporated Area) (c)									
New Single Family Units	No.	224	258	-13.2%	174	28.7%	951	736	29.2%
New Commercial Units	No.	68	75	-9.3%	62	9.7%	289	246	17.5%
Utilities -- Total Electric Accounts (d)	* No.	117,125	116,763	0.3%	115,948	1.0%	116,624	115,583	0.9%
Real Estate (St. Tammany Parish)(e)									
Residential									
Total Sales Volume	\$000	164,752.0	220,689.6	-25.3%	151,075.0	9.1%	719,806.7	631,116.5	14.1%
Number of Houses Sold	No.	760	943	-19.4%	707	7.5%	3,221	2,964	8.7%
Average Sales Price	* \$	216,779	234,029	-7.4%	213,685	1.4%	225,540	212,927	5.9%
Apartment Rent (2 bedrooms, 1.5 or 2 baths)(professional/managerial household)(i)									
Average Apartment Rent	* \$	1,167	1,164	0.3%	1,160	0.6%	1,165	1,161	0.4%
Hotel Receipts (g)	\$	10,309,129	10,814,576	-4.7%	10,986,687	-6.2%	45,490,380	45,697,964	-0.5%
Net Occupancy Tax Collections for St. Tammany Events Center (a)									
Net Occupancy Tax Collections	\$	61,619	50,843	21.2%	68,583	-10.2%	276,823	306,515	-9.7%
Inflation Rate									
Southern Region of United States (j)									
Consumer Price Index	* No.	225.0	226.0		221.7		224.8	221.5	
Inflation Rate	*	1.5%	1.7%		1.8%		1.5%	2.2%	

* Year-to-date data is an average. N.A. = not applicable; n.a. = not available

Sources: (a) St. Tammany Sheriff's Office; (b) Louisiana Department of Labor; (c) St. Tammany Parish Building Permit Office; (d) Washington-St. Tammany Electric Co-op, Cleco Power; (e) Latter & Blum, Inc. Realtors through the Gulf South Real Estate Information Network, Inc. and may not represent all single family real estate transaction in St. Tammany Parish for reported periods; (f); (g) St. Tammany Parish Tourist and Convention Commission; (h) LA Secretary of State; (i) www.forrent.com, www.apartments.com; (j) U.S. Bureau of Labor Statistics

St. Tammany Economic Development Foundation Economic Trends Report 4th Quarter 2013