

# Economic Trends

## **EMPLOYMENT**

For most of 2013, total Parish employment growth stayed below 1 percent for each quarter. 1Q14 Parish employment growth was 2.2 percent greater than for 1Q13 – a growth more than twice that growth for all of 2013. Employment is defined as the number of employed Parish residents. As part of the labor force, Parish unemployment rate for 1Q14 was 3.8 percent compared with the rate of 5.3 percent for 1Q13, for a drop of 27.6 percent. The number of unemployed dropped 27.2 percent compared from 1Q13, which is the reason for a labor force increase of 0.6 percent. Also, the 1Q14 Parish unemployment rate is considerably lower than the state rate (4.6 percent) and the national rate (6.9 percent). Too, the number of initial unemployment insurance claims for 1Q14 in the Parish fell from 258 in 1Q13 to 239 in 1Q14, a drop of 7.4 percent.

## **BUILDING PERMITS/REAL ESTATE/APARTMENT RENTS**

After finishing 2013 on a high note, construction of single-family building permits continued with 1Q14 single-family building permits increasing by 13.6 percent over 1Q13, an increase of 29 new single family permits, from 214 to 243. The 1Q14 number is a slight increase over the average per quarter for all of 2013, indicating a slight growth increase in 2014. 1Q14 commercial building permits were down 23.8 percent from 1Q13, and were down 29.4 percent from 4Q13 .

1Q14 existing home sales in the Parish showed a decline from 1Q13 of 6 percent. January was the only month in the quarter showing an increase (4.1 percent). February was down 3.1 percent while March came in at a 1Q14/1Q13 comparison of -15.6 percent. The number of Proposed/Sold Single Family Homes in 1Q14 was 855 units (single-family permits (243) and housing units sold (612)) compared to 865 proposed/sold single family homes in 1Q13, for a drop of 1.2 percent, a difference of 10 units. Housing inventory (for sale listings) reversed the declining trend as 1Q14 inventory, 7.1 months, increased from 4Q13 inventory of 6.1 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. Once a date has passed, one cannot retrieve previous period to re-compute an inventory for that time. 1Q14 sales volume of sold homes was 5.7 percent higher than for 1Q13. Also on the rise was average sales price, which climbed 12.4 percent over 1Q13. Note: Average apartment rent in 1Q14 moved up slightly (0.1 percent) from 1Q13. 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**

1Q14 total sales tax collections which are used to determine total sales were up 1.4 percent compared with 1Q13 sales tax collections/total sales for St. Tammany Parish. The positive 1Q14 performance was largely as a result of the March 2014 over March 2013 comparison of 4.8 percent. The January comparison was -1.6 percent and the February comparison was 0.4 percent.

Parish 1Q14 DMV Sales Tax collections continued a downward trend of -2.8 percent compared with the same period last year. This performance followed a 4Q13 over 4Q12 drop of 1.2 percent. Most of the quarter-over-quarter negative comparison was in January, where the difference was -11.5 percent. February and March followed with 3.8 percent and 1.4 percent gains, respectively, over corresponding months last year. 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. Any computation of vehicle sales using vehicle sales tax data is likely to be overstated as it would include sales occurring outside the Parish.

## **NEW BUSINESS INCORPORATIONS**

Parish new business incorporation expansion showed steady decreases for all of 2013. 1Q14 also shows a continued drop in the number of new incorporations but at a lesser level of decline of 4.1 percent, or 27 incorporations, in the period. The current level of new incorporations remains at a relatively high level. There does not appear to be any clear

evidence as to why the new incorporations remain at the high level. Consumer confidence as reported by the Conference Board indicates consumers are not all that happy about job and income growth in the national economy and could be spreading to the local economy as well, thus fostering thoughts of hedging bets against any job or income declines in the Parish as well by augmenting household income.

### **UTILITIES (Electric)**

Parish electric customer count growth continued to accelerate, with 1Q14 growth over 1Q13 at 1.2 percent. Each month in the first quarter had increased growth rates of 1.2 percent, 1.3 percent and 1.2 percent, respectively for January, February and March over corresponding months last year. Continued expansion of single-family building permits are likely fueling expanding electric customer counts in the Parish. Primary electric count comes from CLECO and Washington/St. Tammany Electric Coop.

### **ACCOMMODATIONS (Hotel Receipts and Net Occupancy Tax)**

St. Tammany Parish hotel receipts during 1Q14 were 2.4 percent below 1Q13 receipts. The only month in the quarter reporting positive receipts with the corresponding month in 2013 was March, with an 8.3 percent comparative gain. January and February recorded comparative losses with corresponding months in 2013 of -5.6 percent and -11.6 percent, respectively. 1Q14 net occupancy tax collections (bed tax) continued its slide with a -7.6 percent performance against 1Q13 collections following a 4Q13 comparison drop of -10.2 percent. During 1Q14, February was the only month with a positive showing, 3.4 percent, collection comparison with February last year. January and March came in with -9.0 percent and -13.4 percent, respectively

### **SOUTHERN CONSUMER PRICE INDEX/INFLATION RATE**

The inflation rate for the southern region of the United States was 1.37 percent in 1Q14, down slightly from an inflation rate of 1.55 percent in 1Q13. Constant fluctuations in gas prices, a large player in computing inflation, and other price points over the months have achieved higher price levels; thus, any bouncing in the inflation rate keeps the prices at higher levels. High fuel costs are adding to the cost of delivering goods to stores. Prices may fluctuate, but they are fluctuating at high price levels.

### **U. S. CONSUMER AND CEO CONFIDENCE**

U. S. consumer confidence increased in March after falling in February. The Conference Board Consumer Confidence now stands at 82.3, up from 78.3 in February. The Present Situation Index was marginally down in March while the Expectations Index increased in March. Lynn Franco, Director of Economic Indicators at the Conference Board said, "While consumers were moderately more upbeat about future job prospects and the overall economy, they were less optimistic about income growth. The Present Situation Index, which had been on an upward trend for the past four months, was relatively unchanged in March. Overall, consumers expect the economy to continue improving and believe it may even pick up a little steam in the months ahead."

The Conference Board Measure of CEO Confidence, which showed an increase in the fourth quarter 2013, further improved in the first quarter 2014. "CEO confidence rose to a two-year high, with both current conditions and expectations improving," Franco said. "CEOs were more positive about short-term growth prospects in the U.S. and Europe, but less positive about prospects for Japan and emerging markets. Looking ahead, short-term expectations for the U.S. and Europe, and to a lesser extent China and Japan, are positive. Expectations for Brazil and India remain moderately pessimistic."

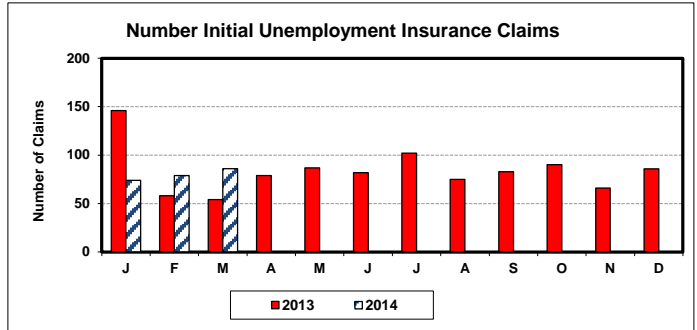
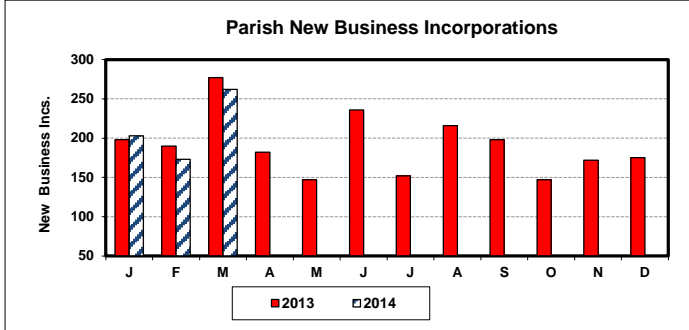
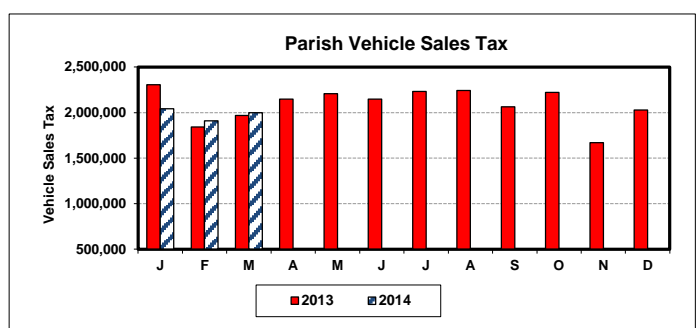
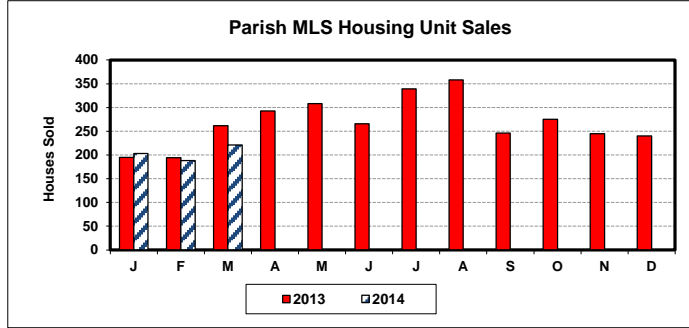
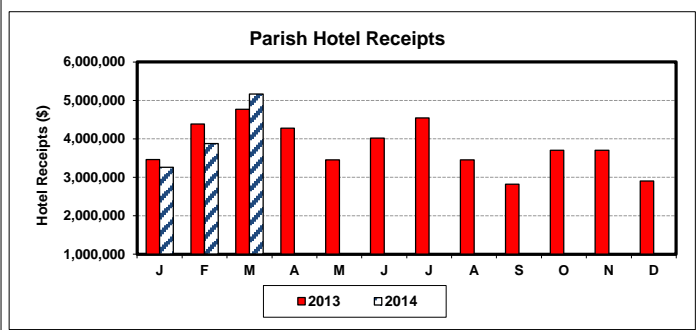
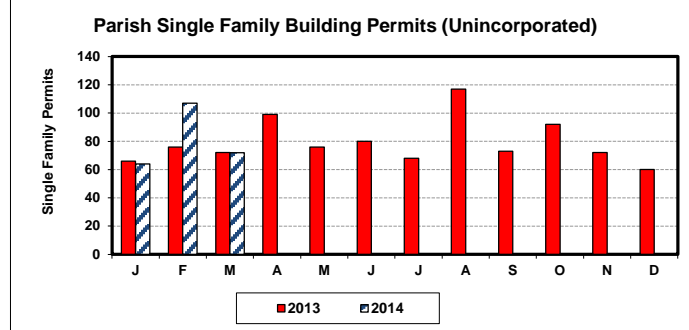
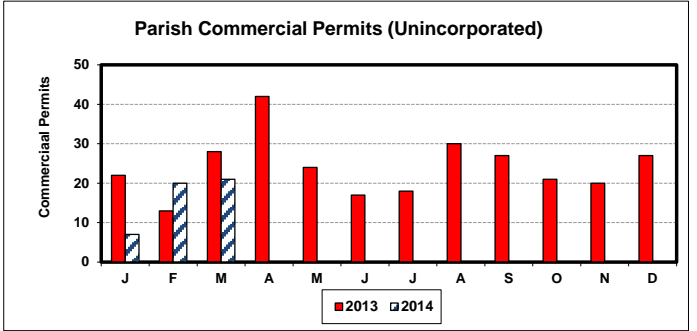
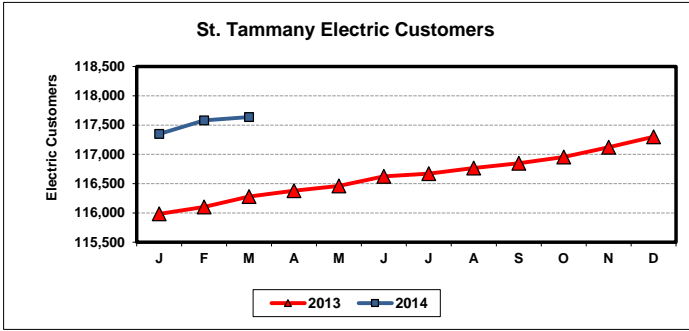
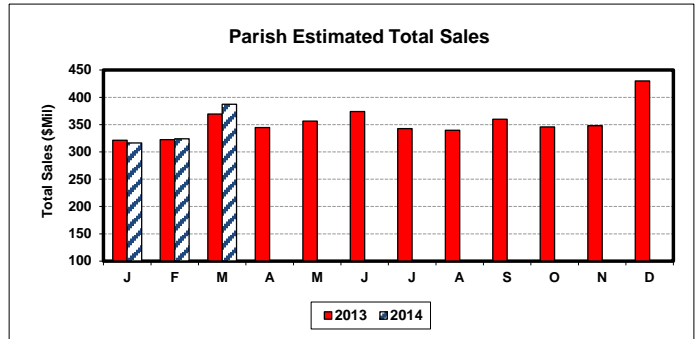
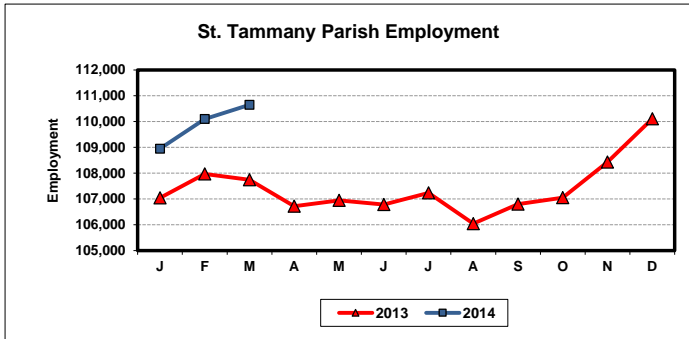
"The economy is rebounding from widespread inclement weather and the strengthening in the labor market is beginning to have a positive impact on growth," said Ken Goldstein, economist at the Conference Board. Overall, this is an optimistic report, but the focus will continue to be whether improvements in the labor market can be sustained, fueling stronger economic performance over the next few months."

### **U.S. AND ST. TAMMANY ECONOMIC GROWTH**

The Conference Board Leading Economic Index (LEI) for the U.S increased 0.8 percent in March following a 0.5 percent increase in February and a 0.2 percent increase in January. "The LEI rose sharply again, the third consecutive monthly increase," said Ataman Ozyidirim, an economist at the Conference Board. "After a winter pause, the leading indicators are gaining momentum and economic growth is gaining traction. While improvements were broad-based, labor market indicators and the interest rate spread largely drove the March increase, offsetting the negative contribution from building permits. And, for the first time in many months, the consumer outlook is much less negative."

The Parish economy continued to move slowly through the 1Q14, with a 0.18 gain. Three of the five indicators making up the composite index reported positive gains during the first quarter. All five of the indicators in the composite index had 12-month gains, for an overall gain of 2.33 percent. For a more detailed look at 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	1Q14	4Q13	% Change	1Q13	% Change	YTD 2014	YTD 2013	% Change
<b>Retail Sales (a)</b>									
St. Tammany Parish Est.Total Sales	\$Mil.	1,027.6	1,123.6	-8.5%	1,013.5	1.4%	1,027.6	1,013.5	1.4%
St. Tammany Parish Total Sales Tax	\$	49,018,681	53,595,320	-8.5%	48,345,398	1.4%	49,018,681	48,345,398	1.4%
St. Tammany Parish DMV Sales Tax	\$	5,949,645	5,918,393	0.5%	6,120,382	-2.8%	5,949,645	6,120,382	-2.8%
DMV Sales Tax % of Total Sales Tax		12.1%	11.0%		12.7%		12.1%	12.7%	
<b>New Business Incorporations (h)</b>									
Total New Licenses	No.	638	494	29.1%	665	-4.1%	638	665	-4.1%
<b>Non-Agricultural Employment (Revised)(b)</b>									
Total Employment	* No.	109,901	108,530	1.3%	107,585	2.2%	109,901	107,585	2.2%
Unemployed	* No.	4,364	5,140	-15.1%	5,994	-27.2%	4,364	5,994	-27.2%
Labor Force	* No.	114,265	113,669	0.5%	113,579	0.6%	114,265	113,579	0.6%
<b>Unemployment Rate (Revised)(b)</b>									
St. Tammany Parish	*	3.8%	4.5%	-15.5%	5.3%	-27.6%	3.8%	5.3%	-27.6%
Louisiana	*	4.6%	5.5%	-15.9%	6.4%	-27.7%	4.6%	6.4%	-27.7%
United States	*	6.9%	6.7%	3.5%	8.1%	-14.0%	6.9%	8.1%	-14.0%
<b>Unemployment Insurance Claims by St. Tammany Resident (b)</b>									
Number of Initial Claims	No.	239	242	-1.2%	258	-7.4%	239	258	-7.4%
			0						
<b>Construction: New Building Permits (Uncorporated Areas)</b>									
New Single Family Units	No.	243	224	8.5%	214	13.6%	243	214	13.6%
New Commercial Units	No.	48	68	-29.4%	63	-23.8%	48	63	-23.8%
Utilities -- Total Electric Accounts (d)	* No.	117,522	117,125	0.3%	116,121	1.2%	117,522	116,121	1.2%
<b>Real Estate (St. Tammany Parish)(e)</b>									
<b>Residential</b>									
Total Sales Volume	\$000	134,642.8	164,752.0	-18.3%	127,423.7	5.7%	134,642.8	127,423.7	5.7%
Number of Houses Sold	No.	612	760	-19.5%	651	-6.0%	612	651	-6.0%
Average Sales Price	* \$	\$220,005	\$216,779	1.5%	\$195,735	12.4%	\$220,005	\$195,735	12.4%
Housing Inventory/Listings	No.	1,452	1,539	-5.7%	1,482	-2.1%	1,452	1,482	-2.1%
Housing Inventory Months	No.	7.1	6.1		7.0		7.1	7.0	
Proposed/ Sold Single Family Homes	No.	855	1,122	-23.8%	865	-1.2%	855	865	-1.2%
<b>Apartment Rent (2 bedrooms, 1.5 or 2 baths)(professional/managerial household)(i)</b>									
Average Apartment Rent	* \$	1,167.3	1,167.0	0.0%	1,166.3	0.1%	1,167.3	1,166.3	0.1%
Hotel Receipts (g)	\$	12,306,308	10,309,129	19.4%	12,614,323	-2.4%	12,306,308	12,614,323	-2.4%
<b>Net Occupancy Tax Collections for St. Tammany Events Center (a)</b>									
Net Occupancy Tax Collections	\$	80,762	61,619	31.1%	87,443	-7.6%	80,762	87,443	-7.6%
<b>Inflation Rate</b>									
<b>Southern Region of United States (j)</b>									
Consumer Price Index	* No.	226.6	225.0		223.6		226.6	223.6	
Inflation Rate	*	1.37%	1.50%		1.55%		1.37%	0.95%	

\* 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; (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 1st Quarter 2014