

Economic Trends

EMPLOYMENT

For 1Q10, St. Tammany residential employment was 0.7% higher than employment in 1Q09. Parish employment was slightly lower in January, while February and March figures were higher compared with corresponding months last year. Parish employment is defined as the number of persons who live in the Parish and work in and beyond the Parish. A more significant figure with regard to employment is jobs. The jobs number records the number of jobs without regard to where the person holding the job resides. The state labor department does not breakout jobs for each parish within a metropolitan area. Attempts to obtain this data for St. Tammany were not successful. Although 1Q10 employment numbers were good compared to same period last year, unemployed numbers showed a 1Q10 level increase compared with the same period last year. This caused the unemployment rate to move slightly higher to 5.3% from a 4Q09 rate of 4.9% in 1Q09. 1Q10 unemployment rate remains lower than the State (6.9%) and national (10.4%) rates for the first quarter. The number of initial unemployment claims filed in the first quarter was down 10% compared with the number of initial claims filed in 1Q09.

BUILDING PERMITS/REAL ESTATE/APARTMENT RENTS

Single family building permits issued in 1Q10 were ahead of 1Q09 issued permits by 7.7%. February permits were considerably up compared with February permits, while January and March permits were somewhat lower compared with corresponding months last year. 1Q10 commercial permits showed a significant decrease from 1Q09, dropping 30%. January was the only month in the quarter showing an increase over last year. Both February and March permits were significantly down compared with like months last year. The preference here may indicate an increased demand for new housing in deference to existing housing.

1Q10 number of houses sold in the Parish was 30 fewer units sold in 1Q09 or a decrease of 6.9%. Although January and February unit sales lagged similar months last year, March 2010 sales exceeded March 2009 sales. An overall drop in 1Q10 unit sales resulted in a decrease of 12.4% in 1Q10 sales volume compared with 1Q09 data. Coupled with unit sales decrease, 1Q10 average sales price dropped 5.9% compared with 1Q09 average sales price.

As reported in the fourth quarter, apartment average rent continues to slide. 1Q10 average rent fell 11% compared with average rent in 1Q09. This indicator appears to be following the trend in housing sales, which may indicate a decrease in demand for existing housing. Average monthly rent is derived from 12 apartment units which have two bedrooms with 1.5 or 2 bathrooms and are between 900 and 1,100 square feet in size. These defined apartments are suitable for professional or managerial household.

RETAIL TRADE/SALES

Sales in the fourth quarter slipped lower as 1Q10 sales were 7.4% below 1Q09 sales. Of the three months in the first quarter, March turned in the best performance as its sales were down only 3.8% compared to March 2009 sales. Although consumers' confidence increased in March, their pessimism continues to hold down the largest component (70%) of the national economy. Although the consumer component is not the largest part of the Parish economy; it still looms as a heavy weight keeping the local economy from operating in completely positive territory. Until these conditions improve consumer spending could remain low. Again, consumer confidence will have to show a much larger and more consistent gain over several months for any likely improvement in spending.

NEW BUSINESSES

The Parish saw 83 fewer new business starts, 550 for 1Q10 compared to 633 for 1Q09, a drop of 3.1%. Although the number of new businesses formed in 1Q10 it remains at a high level. Individuals still opt to start a new business as a hedge against a job loss in the labor market. Starting a new business may provide additional or replacement income to a family in a climate of rising prices and fear of job loss.

ANNOUNCED PROJECTS, INVESTMENT AND JOBS

There were three announced projects in 1Q10 for an investment of \$4,080,000, a decrease of 42.8% compared with 1Q09. The 1Q10 announced investment is expected to produce 1,099 permanent jobs. This job creation was 433.5% more than expected job creation (206) in 1Q09. Although the expected job creation from 1Q10 was significantly higher than created in 1Q09, the expected permanent payroll was quite another story as 1Q10 expected payroll was down 82.3% compared with expected payroll in 1Q09. The number of 1Q10 total projects are even with 1Q09 projects at three.

UTILITIES (Electric)

First quarter electric customer count moved up 1.2% over 1Q09 count. Heretofore, electric customer count for the Parish was increasing at a rate below 1.0%. With an increase in single family building permits, it follows; there would be an increase in the pace of electric customer additions.

ACCOMMODATIONS (Hotel Receipts and Net Occupancy Tax)

Hotel receipts from Parish hotels in 1Q10 were 1.4% higher than they were in 1Q09. In the first quarter, hotel receipts crept into positive comparative territory thanks to March receipts which were 15.2% higher than for March 2009. January and February receipts lagged their counterpart months in 2009. Net occupancy tax collections (bed tax) from local hotels were 9% higher than collections in 1Q09. As in hotel receipts, there was one month, March, that saved 1Q10 bed tax collections from becoming negative compared with same period last year. March 2010 bed tax collections were 27.8% higher than bed tax collections in March 2009. January and February were not in tune with March gains as January over January comparison was 0.7% and February over February comparison was -2.2%. Both indices were up considerably over 4Q09 figures as receipts were 22.9% higher and bed tax collections were up 19.5%.

CONSUMER PRICE INDEX/INFLATION RATE

The Southern U.S. 1Q10 consumer price inflation index stood at 210.4, which produced a 1Q10 inflation rate of 2.5%. This rate is an increase from 1.5% in 4Q09 (1.5%) and 1Q09 (-0.1%). Continued increases in health care, groceries and gas prices push the inflation rate upwards.

U. S. CONSUMER AND CEO CONFIDENCE

Lynn Franco, Director of The Conference Board Consumer Research Center says "Consumer confidence, which had declined sharply in February, managed to recoup most of the loss in March. However, despite the March increase, consumers continue to express concern about current business and labor market conditions. Their outlook for the next six months is still rather pessimistic. Overall consumer confidence levels have not changed significantly since last spring (2009)." The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households and is conducted for The Conference Board by TNS, the world's largest custom research company. Cautious consumer keeps U.S. recovery dampened according to The Conference Board Economic Forecast for the U.S. Economy. "Consumer attitudes remain weak. This reflects pessimistic expectations, not only about job growth but more importantly about a return to more robust income growth. Absent strong gains on jobs and incomes, consumer spending growth will remain low, ensuring the recovery does not gain momentum this spring or summer." To sum it up, the consumer is the lynchpin to economic recovery both in the national and local situations. Until the consumer becomes more comfortable with overall economic conditions, including jobs/employment and income, economic growth will continue to be a sluggish stage.

Whereas CEO confidence rose in the fourth quarter of 2009, it decreased slightly in the first quarter 2010. The measure now stands at 62, down from 64 in 4Q09. A reading of more than 50 points reflects more positive than negative responses from about 100 business leaders in a wide range of industries across the nation. Lynn Franco, Director of The Conference Board Consumer Research Center indicates "CEOs continue to rate current economic and industry conditions favorably, expect the pace of growth will not pick up in the months ahead. Hiring plans are improved from last year, but less than a third expect employment levels to increase this year. CEOs are slightly less optimistic when looking ahead six months where 52% of business leaders expect economic conditions to improve in the next six months, down from 58% in 4Q09. Expectations for their own industries are also less optimistic."

U.S. AND ST. TAMMANY ECONOMIC GROWTH

The Conference Board U.S. Leading Economic Index (LEI) for the U.S. increased 0.1 percent in February after increases of 0.3 percent in January and 1.2 percent in December. Ataman Ozyildirim, Economist at The Conference Board says: "The LEI for the U.S. has risen rapidly for almost a year and it has reached its highest level and the sharp pick up in the LEI appears to be stabilizing. As the economy moves from recovery into early phases of an expansion, the leading economic index points to moderately improving economic conditions in the near term. Correspondingly, the coincident economic index has been rising since July 2009, albeit slightly because of continued weakness in employment." Ken Goldstein, Economist at The Conference Board adds, "The indicators point to a slow recovery this summer. Going forward, the big question remains the strength of demand. Without increased consumer demand, job growth will likely be minimal over the next few months."

The St. Tammany Parish economy appears to be chugging along but does not have enough energy to pull itself into a positive expansion mode. There are two components weighing heavily on economic growth overall. Both quarterly and annual figures show the economy bouncing along the breakeven line. The quarter movement is down 0.3% while the annual movement is down just under 1% (-0.97%). The most important engine in the economy is the consumer. Right now the consumer is not in the mood to enter into a buying spree. The consumer is quite concerned about the economy – local and national. Consumers are worried about jobs and unemployment – whether s/he will be able to keep a job or not. As said above in this report, until the consumer begins to play a larger role than the one being played out now, more of the same can be expected and the local economy will continue to bounce along as it has for the last several months. To see the trend the Parish economy has been on for the last several months and other details, please refer to the St. Tammany Economic Growth Index.

ECONOMIC INDICATORS

Economic Indicators	Units	1Q10	4Q09	% Change	1Q09	% Change	YTD 2010	YTD 2009	% Change
Retail Sales									
St. Tammany Parish Retail Sales (a)	\$Mil.	856.2	942.7	-9.2%	924.8	-7.4%	856.2	924.8	-7.4%
St. Tammany Parish Total Sales Tax (a)	\$	40,842,675	44,966,107	-9.2%	44,111,196	-7.4%	40,842,675	44,111,196	-7.4%
New Businesses (h)									
Total New Licenses	No.	550	446	23.3%	633	-13.1%	550	633	-13.1%
Non-Agricultural Employment (Revised)(b)									
Total Employment	* No.	105,359	110,408	-4.6%	104,595	0.7%	105,359	104,595	0.7%
Unemployed	* No.	5,880	5,695	3.2%	5,294	11.1%	5,880	5,294	11.1%
Labor Force	* No.	111,239	116,103	-4.2%	109,890	1.2%	111,239	109,890	1.2%
Unemployment Rate (Revised)(b)									
St. Tammany Parish	*	5.3%	4.9%	7.8%	4.8%	9.7%	5.3%	4.8%	9.7%
Louisiana	*	7.0%	6.9%	1.9%	6.8%	3.4%	7.0%	6.0%	17.9%
United States	*	10.4%	9.5%	9.1%	9.3%	11.6%	10.4%	8.8%	18.2%
Unemployment Insurance Claims by St. Tammany Resident (b)									
Number of Initial Claims	No.	379	450	-15.8%	421	-10.0%	379	421	-10.0%
Construction: New Building Permits (Uncorporated Area) (c)									
New Single Family Units	No.	140	140	0.0%	130	7.7%	140	130	7.7%
New Commercial Units	No.	84	92	-8.7%	120	-30.0%	84	120	-30.0%
Utilities -- Total Electric Accounts (d)	* No.	112,725	112,407	0.3%	111,422	1.2%	112,725	111,422	1.2%
Real Estate (St. Tammany Parish)(e)									
Residential									
Total Sales Volume	\$000	91,247.6	115,688.9	-21.1%	104,124.0	-12.4%	91,247.6	104,124.0	-12.4%
Number of Houses Sold	No.	407	544	-25.2%	437	-6.9%	407	437	-6.9%
Average Sales Price	* \$	224,196	212,663	5.4%	238,270	-5.9%	224,196	238,270	-5.9%
Apartment Rent (2 bed, 1 ½ or 2 baths) (i)									
Average Rent, 12 complexes	* \$	1,078	1,052	2.5%	1,212	-11.0%	1,078	1,212	-11.0%
Announced Projects (f)									
Total Investment	\$000	4,080.0	4,764.0	-14.4%	7,130.0	-42.8%	4,080.0	7,130.0	-42.8%
Estimated Permanent Jobs	No.	30	1,099	30	3563.3%	206	433.5%	1,099	206
Estimated Permanent Annual Payroll	\$0	2,016,821	1,109,000	81.9%	11,425,600	-82.3%	2,016,821	11,425,600	-82.3%
Estimated Construction Jobs	No.	0	103	0.0%	21	-100.0%	0	21	-100.0%
New Projects	1	4	0.0%	2	-50.0%	1	2	-50.0%	-50.0%
Expansion Projects	2	1	100.0%	1	100.0%	2	1	100.0%	100.0%
Total Projects	3	5	-40.0%	3	0.0%	3	3	0.0%	0.0%
Hotel Receipts (g)	\$	8,226,859	6,694,301	22.9%	8,114,176	1.4%	8,226,859	8,114,176	1.4%
Net Occupancy Tax Collections for St. Tammany Events Center (a)									
Net Occupancy Tax Collections	\$	61,409	51,384	19.5%	56,330	9.0%	61,409	56,330	9.0%
Inflation Rate									
Southern Region of United States (k)									
Consumer Price Index	* No.	210.4	209.5		205.2		210.4	205.2	
Inflation Rate	*	2.5%	1.5%		-0.1%		2.5%	-1.7%	

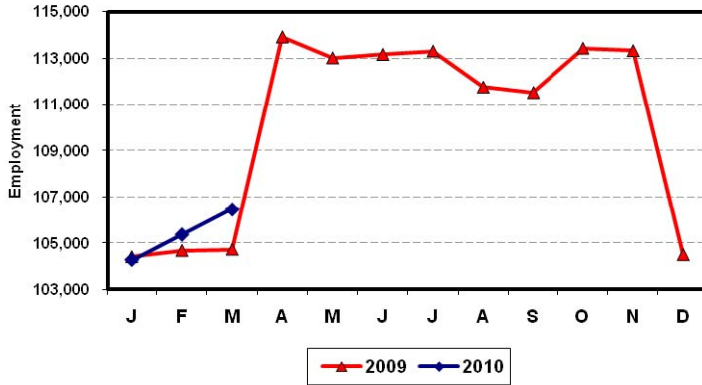
* Year-to-date data is an average. N.A. = not available; n.a. = not applicable

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) Louisiana Department of Economic Development; (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

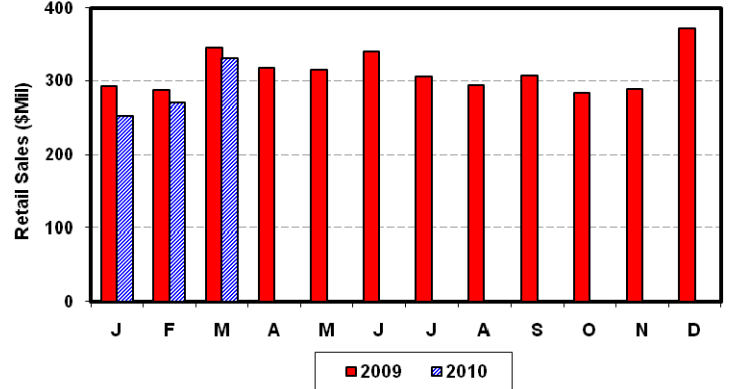
St. Tammany Economic Development Foundation Economic Trends Report, 1st Quarter 2010

ST. TAMMANY PARISH ECONOMY AT A GLANCE

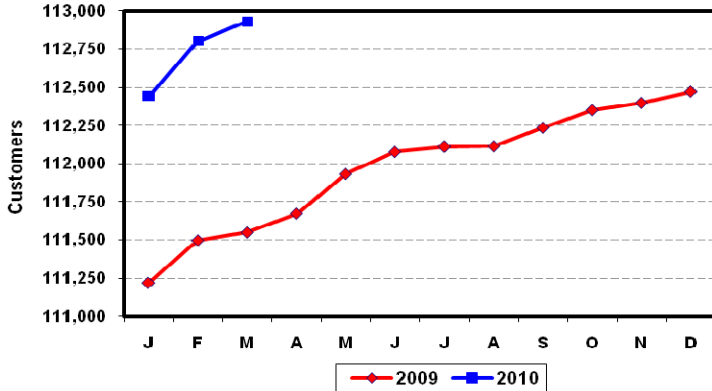
St. Tammany Parish Employment



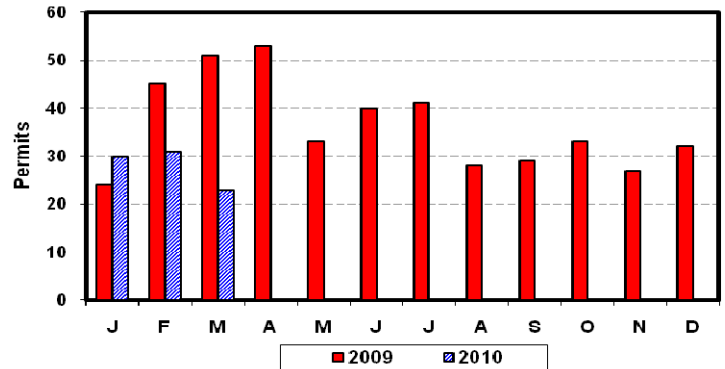
Parish Retail Sales



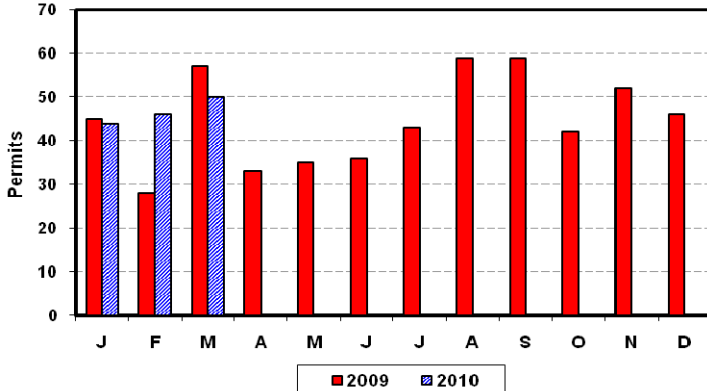
St. Tammany Electric Customers



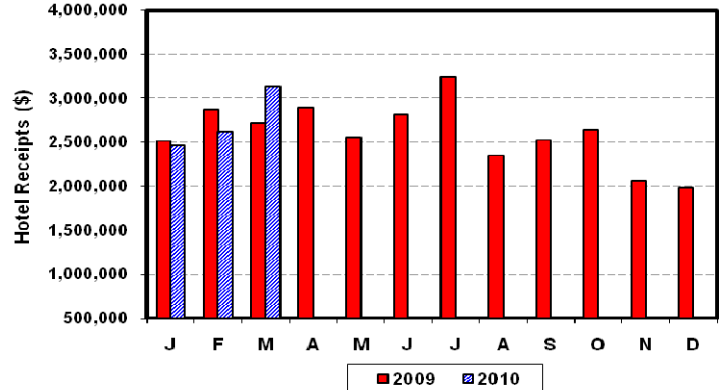
Parish Commercial Permits (Unincorporated)



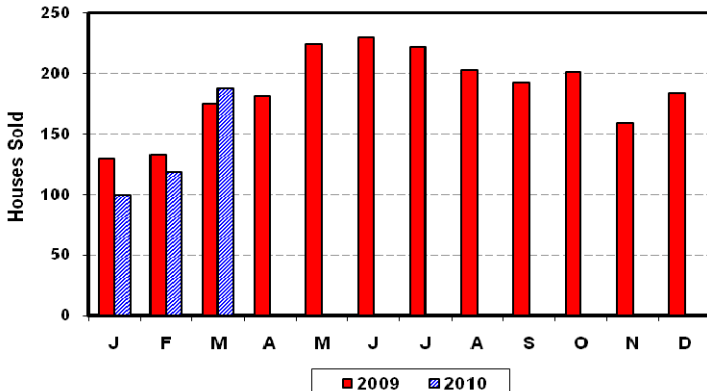
Parish Single Family Building Permits (Unincorporated)



Parish Hotel Receipts



Parish MLS Housing Sales



Parish Net Occupancy Tax Collection

