

# Economic Trends

## **EMPLOYMENT**

The St. Tammany 4Q10 total employment was 107,023 persons or an increase of 1.7% over 4Q09 employment. 2010 monthly employment comparisons with same months in 2009 maintained a lead every month starting with February. The improvement in total employment numbers shows in the number of initial unemployment claims. 4Q10 initial claims dropped 13.6% compared with initial claims in 4Q09. Five of the first nine months to date had claims lower than same months in 2009. The Parish 4Q10 unemployment rate (5.9%) moved up slightly compared with 4Q09 unemployment rate of 5.3%, which is still on the low side especially compared to the 4Q10 state (7.7%) and national (9.1%) rates. Parish employment is defined as the number of employed Parish residents. A more significant figure with regard to employment is jobs. The number of jobs would record persons holding the jobs regardless of where the employee resides. The state Labor Department does not report jobs for each parish within the New Orleans metropolitan area.

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

Parish single-family building permits issued in 4Q10 numbered 115 units, which was 25 lower than was recorded in 4Q09 for a 17.9% decrease. Single-family building permits for all of 2010 were 14 units higher than for all of 2009, an increase of 2.6%. Commercial building permits issued in 4Q10 were 26.1% higher than were issued in 4Q09, for an increase of 24 units. For all of 2010, commercial building permits issued were down 6.7%, a decrease of 29 units.

Sales of existing homes in the Parish during 4Q10 dropped 4.6%, or 25 units. For all of 2010 there were 2,227 homes sold which was a drop of five homes compared to unit sales for all of 2009. 4Q10 total dollar sales volume was down 2.6% compared with dollar sales volume in 4Q09. For all of 2010, dollar sales volume was down a mere 0.8%. Average sales price took a slightly different path to end the year. The 4Q10 average sales price was up 2.1% over average sales price in 4Q09. Dollar sales volume for 2010 was within 0.6% of equaling 2009 dollar sales volume. Housing sales in 2010 has taken a bumpy path to end the year nearly even with housing sales in 2009. Since recent housing sales activity seems to be headed in the right direction, it might be a sign that steady upward growth won't be too far in the future.

Parish apartment rates appear to be somewhat steady, with a slight increase in 4Q10 of 2.9% over 4Q09. Average rents for all of 2010 were down 1.8% compared with rents for all of 2009. In that the rents in the fourth quarter were rising, there could be a squeeze on demand for available apartments. Future months will tell more as to what the rent picture looks like going forward. The average rent is derived from rents of 10 apartments in 10 different complexes that have two bedrooms with 1.5 or 2 baths and are between 900 and 1,100 square feet in floor area. These defined apartments are deemed to meet the needs of professional or managerial households.

## **RETAIL TRADE/SALES**

St. Tammany Parish 4Q10 retail sales jumped 5.2% over 4Q09 sales, due in large part to sales during November and December 2010. Retail sales for all of 2010 were down 1.4% from 2009. Sales for all of 2010 would have been higher compared with all of 2009 sales were it not for the negative comparisons in the first seven months of the year-over-year comparisons. It appears that St. Tammany residents and non-Parish residents shopping in St. Tammany opened their purses a little wider during the 2010 Christmas shopping season than in the two previous seasons (2008 & 2009). Whether this good performance will carry on into early months of 2011 is yet to be seen. On the national scene, consumers are still uncomfortable with regard to the national economy. Looking at sales comparisons in the last five months of 2010, all five months had positive sales comparisons with similar months in 2009.

## **NEW BUSINESSES**

There were 46 more new business starts in 4Q10 than there were in 4Q09, an increase of 10.3%. For all of 2010, there were 226 or 10.3% more new business starts than there were for all of 2009. The anemic national jobs picture (high unemployment rate and job losses) has a psychological effect on peoples' minds across the nation and to some degree in St. Tammany Parish. Some Parish residents may have opted to start a business as a hedge against any adverse job circumstance in the Parish. Another reason to start a business in the Parish is not only to replace a possible job loss but also to augment a current job-related income.

## **UTILITIES (Electric)**

As building permit issuance activity in the Parish is slowly expanding, so is the total electric count for the Parish. 4Q10 total electric count in the Parish came in at 113,624 customers for an increase of 1.1% over the electric customer count for 4Q09. The 12-month average electric customer gain was 1,217 new customers for both residential and commercial usage.

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

Hotel receipts in the Parish for 4Q10 were \$8,395,425, up 25.4% over 4Q09 receipts. For all of 2010, receipts were up 24.0% from all of 2009 receipts. The net occupancy tax (bed tax) collections for 4Q10 were \$57,430, an increase of 11.8% compared with bed tax collections in 4Q09. For all of 2010, bed tax collections of \$276,876 rose 14.5% over collections for all of 2009.

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

The Southern U.S. 4Q10 consumer price index stood at 212.2 for an inflation rate of 1.3% over same period in 2009. Average inflation rate for 4Q09 was 1.5%.

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

The U.S. Consumer Confidence Index, as reported by The Conference Board decreased slightly in December after an improvement in November 2010. The Index in December stood at 52.5, down from 54.3 in November. "Despite December's modest decline, consumer confidence is no worse off today than it was a year ago. Consumers' assessment of the current state of the economy and labor market remains tepid, and their outlook remains cautious. Thus, all signs continue to suggest that economic expansion will continue well into 2011, but that the pace of growth will remain moderate, says Lynn Franco, Director of the Consumers Research Center at The Conference Board. Consumers' appraisal of present-day conditions was slightly more pessimistic than in November while consumers' expectations were slightly less optimistic than in November. Consumers' assessment of the labor market was less favorable than in November. Consumers remained mixed about future job prospects. Those consumers who say jobs are "plentiful" decreased while those stating jobs are "hard to get" edged up. Those anticipating fewer jobs in the coming months increased while those expecting more jobs declined. Also, the proportion of consumers expecting an increase in their incomes decreased.

CEO Confidence bounced back in the fourth quarter 2010 from 50 in the third quarter last year. The measure now stands at 62 (a reading of more than 50 points reflects more positive than negative responses). "Rebound in CEO confidence signals that the cloud that prevailed in the third quarter has lifted and CEOs are once again optimistic," says Lynn Franco, Director of The Conference Board Consumer Research Center. "Improvement in both current and future conditions suggests a strong finish to 2010 and continued growth in the first half of 2011. CEOs' assessment of current economic conditions was more favorable than in the third quarter. CEOs' short-term outlook is also much more optimistic with 56% of business leaders anticipate an improvement in economic conditions over the next six months, up from 22% in 3Q10."

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

The Conference Board U.S. Leading Economic Index (LEI) for the U.S. increased 1% in December following a 1.1% increase in November and a 0.4% increase in October. Ataman Ozyildirim, economist at The Conference Board says "while the LEI points to an economic expansion that is gaining further traction, its components still suggest the expansion path may be uneven. December's gain was led by housing permits, the interest rate spread, initial claims for unemployment insurance and consumer expectations. The large increases in December and November show that, after a brief pause in the second quarter 2010, the LEI is resuming the upward trend that began in March 2009." Ken Goldstein, also an economist at The Conference Board, says "The four-month rise suggests the economy now has some wind in its sails; however, it still faces some strong headwinds in the medium-term going forward. Overall economic activity is likely to continue to gain momentum in 2011." The Conference Board Coincident Economic Index (CEI) for the U.S. increased 0.2% in December following 0.1% increase in November and 0.2% increase in October. The Lagging Index (LAG) increased 0.3% in December following 0.1% decline in November and no change in October.

It appears that the St. Tammany Parish economy has picked up some added steam in 4Q10. Expansion in 4Q10 was 2.9% and for the 12-month period expansion was 1.3%. All indices making up the composite index showed expansion for both the quarter and the 12-month period except total sales. Reason? The first seven months of 2010 saw total sales lagging same period last year (2009). The last five months of 2010 saw total sales move ahead of same month comparison in 2009 but not enough to bring total sales for all of 2010 to eclipse 2009 total sales. For a detailed look at the overall growth and components making up the composite index, please refer to the St. Tammany Growth Index.

## ECONOMIC INDICATORS

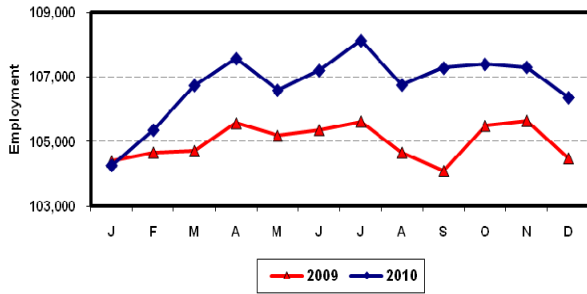
Economic Indicators	Units	4Q10	3Q10	% Change	4Q09	% Change	YTD 2010	YTD 2009	% Change
<b>Retail Sales</b>									
St. Tammany Parish Retail Sales (a)	\$Mil.	991.5	907.3	9.3%	942.7	5.2%	3,694.8	3,746.8	-1.4%
St. Tammany Parish Total Sales Tax (a)	\$	47,296,354	43,277,436	9.3%	44,966,107	5.2%	176,242,170	178,722,930	-1.4%
<b>New Incorporations (h)</b>									
Total New Licenses	No.	492	734	-33.0%	446	10.3%	2,424	2,198	10.3%
<b>Non-Agricultural Employment (Revised)(b)</b>									
Total Employment	* No.	107,023	107,388	-0.3%	105,212	1.7%	106,748	104,995	1.7%
Unemployed	* No.	6,609	6,724	-1.7%	5,843	13.1%	6,386	5,875	8.7%
Labor Force	* No.	113,632	114,113	-0.4%	111,055	2.3%	113,134	110,870	2.0%
<b>Unemployment Rate (Revised)(b)</b>									
St. Tammany Parish	*	5.8%	5.9%	-1.3%	5.3%	10.5%	5.6%	5.3%	6.5%
Louisiana	*	7.7%	7.8%	-2.1%	6.9%	11.7%	7.4%	6.8%	9.2%
United States	*	9.1%	9.5%	-3.5%	9.5%	-4.2%	9.6%	9.3%	3.8%
<b>Unemployment Insurance Claims by St. Tammany Resident (b)</b>									
Number of Initial Claims	No.	389	391	-0.5%	450	-13.6%	1,582	1,702	-7.1%
<b>Construction: New Building Permits (Uncorporated Area) (c)</b>									
New Single Family Units	No.	115	150	-23.3%	140	-17.9%	549	535	2.6%
New Commercial Units	No.	116	111	4.5%	92	26.1%	407	436	-6.7%
Utilities -- Total Electric Accounts (d)	* No.	113,624	113,464	0.1%	112,407	1.1%	113,249	111,969	1.1%
<b>Real Estate (St. Tammany Parish)(e)</b>									
<b>Residential</b>									
Total Sales Volume	\$000	112,690.9	125,682.7	-10.3%	115,688.9	-2.6%	498,073.7	502,115.2	-0.8%
Number of Houses Sold	No.	519	553	-6.1%	544	-4.6%	2,227	2,232	-0.2%
Average Sales Price	* \$	217,131	227,274	-4.5%	212,663	2.1%	223,652	224,962	-0.6%
<b>Apartment Rent (2 bed, 1 ½ or 2 baths) (i)</b>									
Average Apartment Rent	* \$	1,083	1,083	0.0%	1,052	2.9%	1,082	1,101	-1.8%
<b>Hotel Receipts (g)</b>									
	\$	8,395,425	11,705,708	-28.3%	6,694,301	25.4%	38,666,106	31,179,272	24.0%
<b>Net Occupancy Tax Collections for St. Tammany Events Center (a)</b>									
Net Occupancy Tax Collections	\$	57,430	79,325	-27.6%	51,384	11.8%	276,876	241,881	14.5%
<b>Inflation Rate</b>									
<b>Southern Region of United States (k)</b>									
Consumer Price Index	* No.	212.2	211.4		209.5		211.3	207.9	
Inflation Rate	*	1.3%	1.2%		1.5%		1.7%	-0.4%	

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

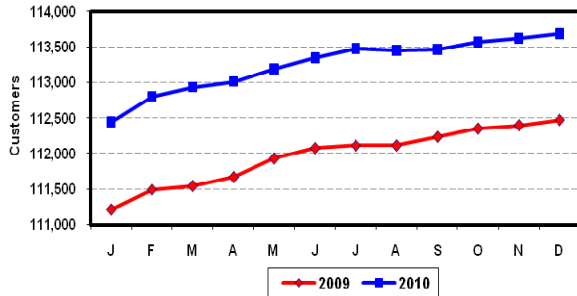
Sources: (a) St. Tammany Sheriff's Office; (b) Louisiana Department of Labor; (c) St. Tammany Parish Building Permit Office; (d) Washington-St. Tammany Electric Co-op, CLECO; (e) Latter & Blum, Inc. Realtors through the Gulf South Real Estate Information Network, Inc. and may not represent all single family real estate transaction in St. Tammany Parish for reported periods; (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 PARISH ECONOMY AT A GLANCE

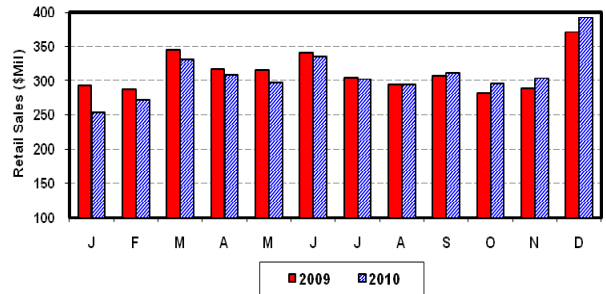
### St. Tammany Parish Employment



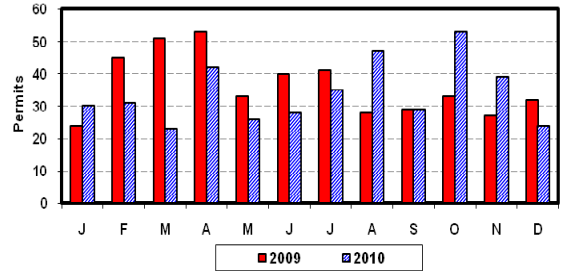
### St. Tammany Electric Customers



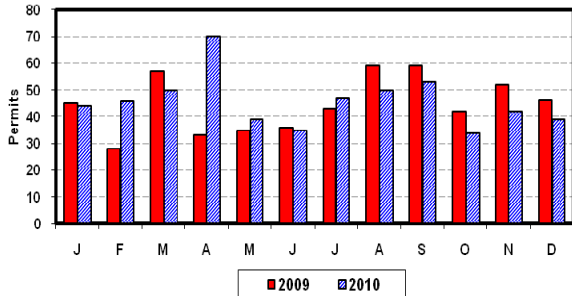
### Parish Retail Sales



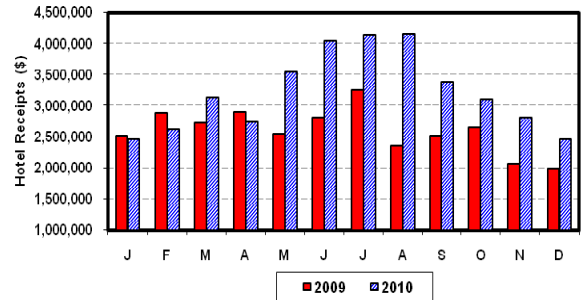
### Parish Commercial Permits (Unincorporated)



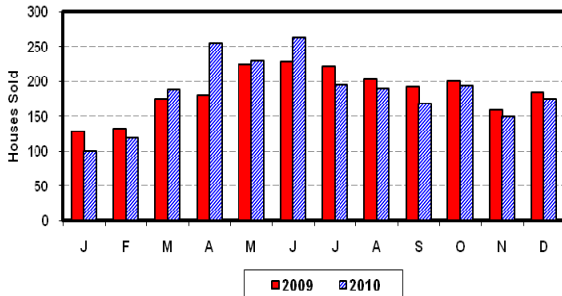
### Parish Single Family Building Permits (Unincorporated)



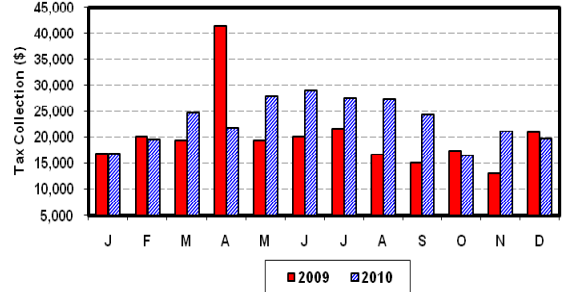
### Parish Hotel Receipts



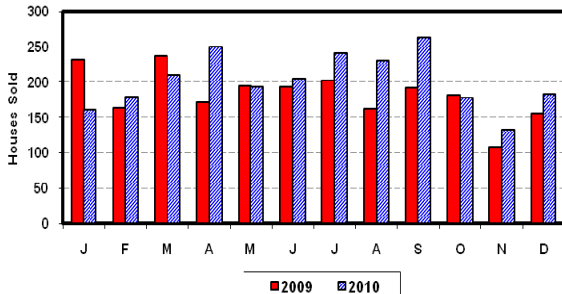
### Parish MLS Housing Sales



### Parish Net Occupancy Tax Collection



### Parish New Incorporations



### Number Initial Unemployment Insurance Claims

