

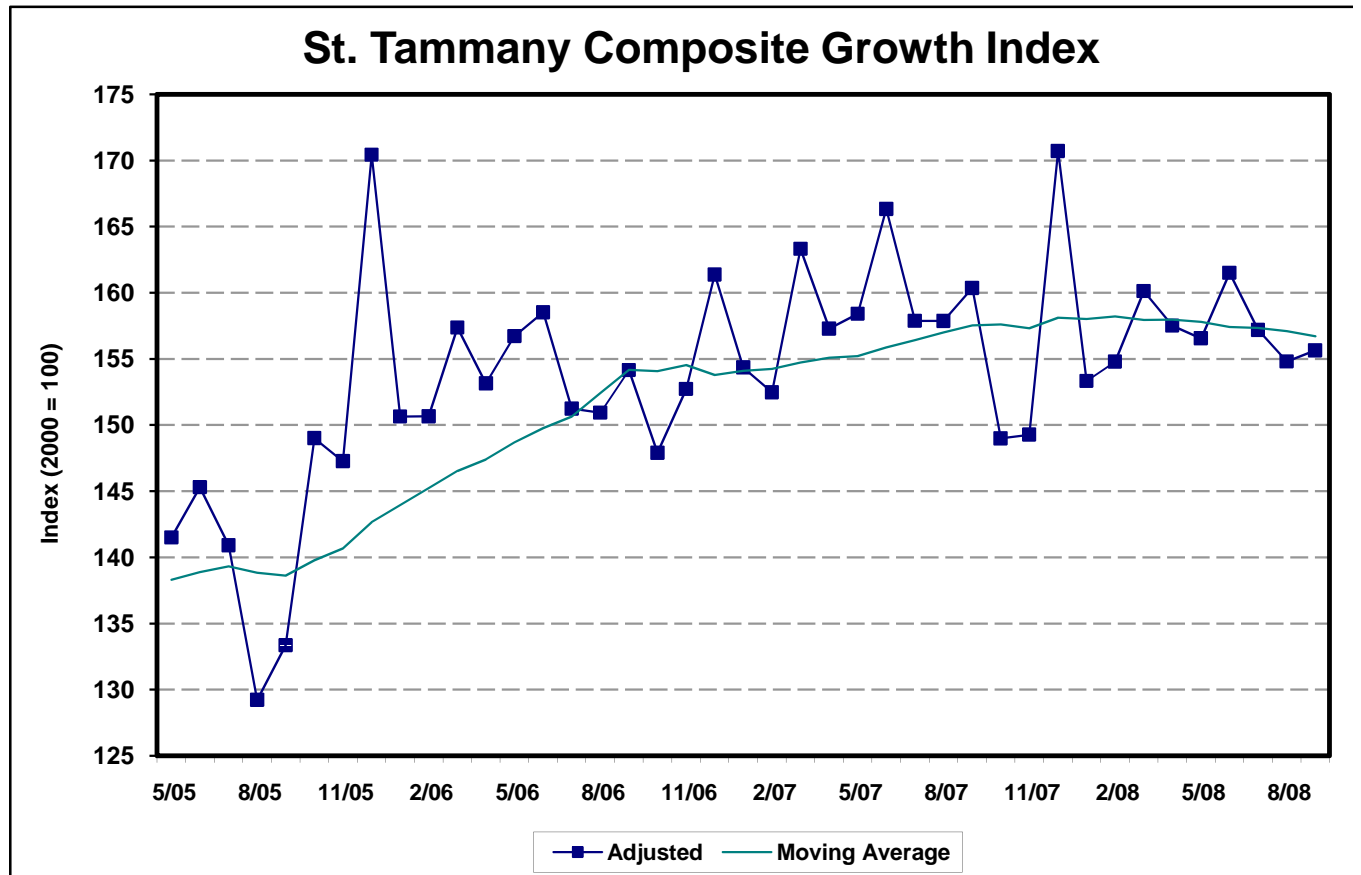
St. Tammany Economic Growth Index

St. Tammany Economic Development Foundation

21489 Koop Drive, Suite 7

Mandeville. LA 70471

(985) 809-7874



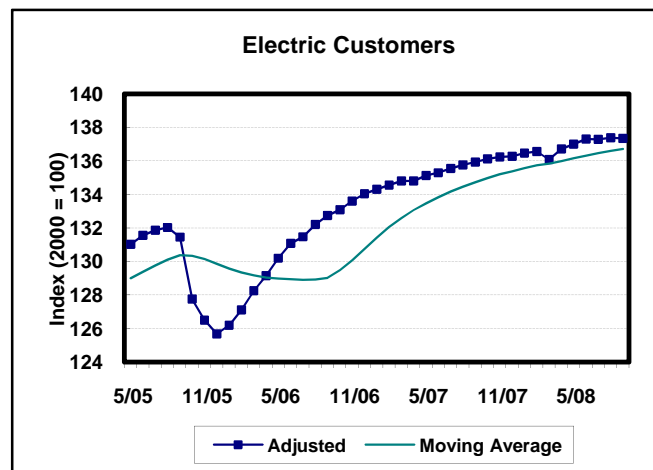
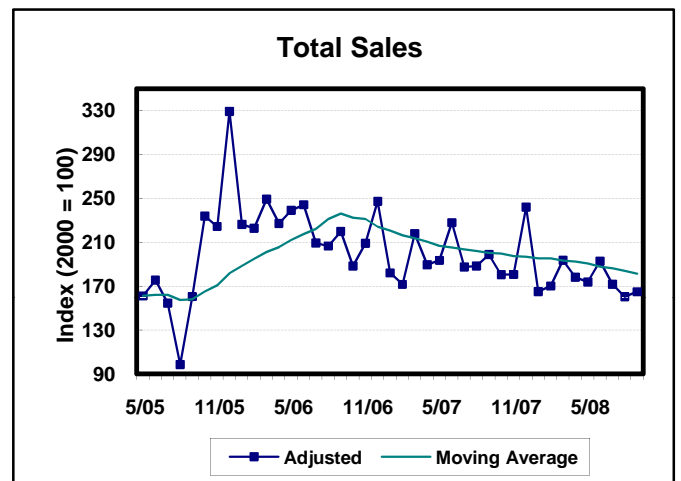
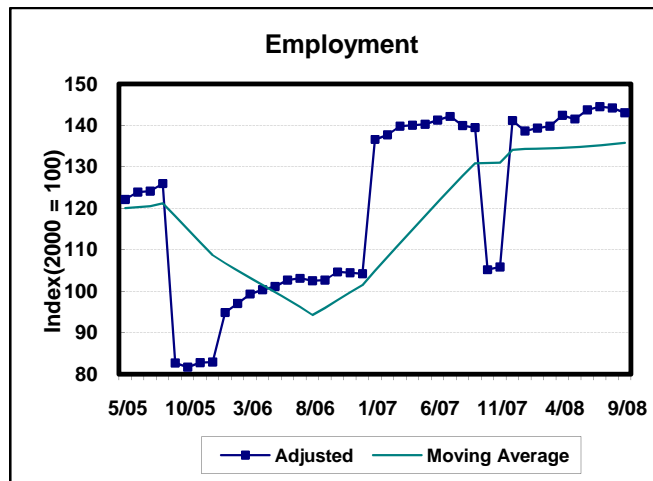
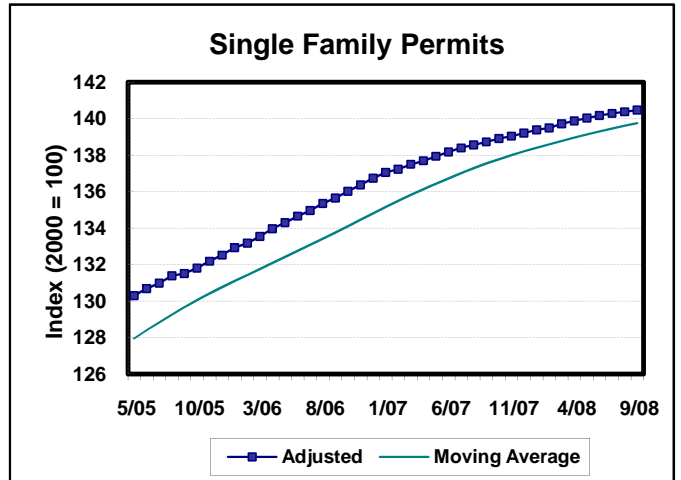
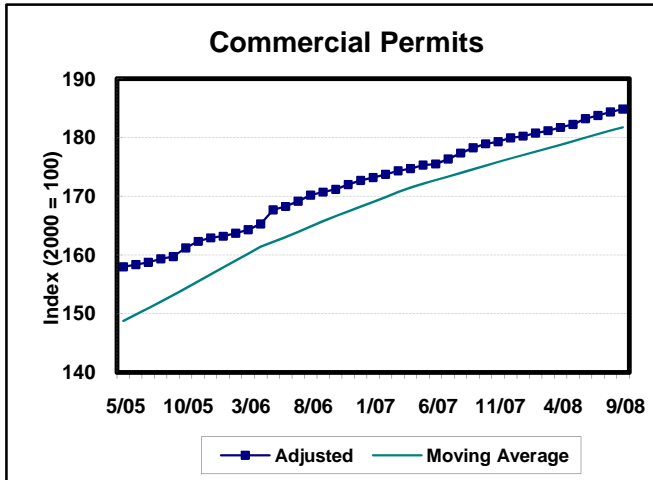
Notes

The St. Tammany Parish Economic Growth Index is a measure of economic expansion comparing changes in five economic components over time thus, collectively, tracking changes and growth of the St. Tammany economy. Components used to develop the composite economic index include employment, single family building permits, Parish total sales (computed from parish sales tax), electric customers, and commercial permits. Weighted ratios of each component are totaled to produce a composite index. For a look at the components comprising the composite index, see the back of this page.

Quarterly Summary

Third quarter economic change shows a 1.8% contraction in the St. Tammany Parish economy. The twelve-month economic change was -0.5%. Four of the five components making up the composite index were ahead including commercial building permits, 3.9%; employment, 2.4%; electric customer count, 1.2% and single family building permits, 1.3%. Retail sales third quarter performance was -13.4% while the twelve month change was -9.5%. The weight of the retail sales drop was heavy enough to pull the composite index into negative territory. Increases in grocery prices, gasoline and medical cost has put a damper on overall consumer spending. As stated in the last report hard decisions are being made as to which products and services are more essential and important to the consumer over other products and services. Another factor rearing its ugly head is the crisis in the mortgage market. Rising adjustable rates is forcing many homeowners with such mortgages to find ways to stay in their homes at the same time make their mortgage payment. Banks are reluctant to refinance mortgages on houses that are valued less than is owed on the existing mortgage. With the glut of existing homes for sale and few buyers searching for homes to buy puts a damper on new home construction. Commercial building is plagued with the shortage or nonsupply of financing through banks that are less than willing to lend to businesses. Electric customer count is following the lessened activity in the residential and commercial building industry. On the brighter side, employment expansion continues. Economic woes might cause slowing in employment in future months.

St. Tammany Economy At A Glance



Sources: St. Tammany Sheriff's Office; St. Tammany Parish Permit Office, Washington-St. Tammany Electric Co-op, CLECO, Louisiana Department of Labor, and St. Tammany Parish Tourist and Convention Commission. The ST. TAMMANY ECONOMIC GROWTH INDEX is developed by John C. Borland, CCR, Director of Borland Econometrics and published quarterly by the St. Tammany Economic Development Foundation. Correspondence should be addressed to: 21489 Koop Drive, Suite 7, Mandeville, LA 70471. Telephone: (985) 809-7874. Web: www.stedf.org. Copyright 2004. All rights reserved.