

EMPLOYMENT

First quarter 2008 employment amounted to 113,662 persons and was up 1.0% over employment in the 1Q07 period. For clarification, employment numbers reported by the state Department of Labor for St. Tammany Parish are employment of persons who live and work in the Parish. A truer picture of overall employment in the Parish is jobs but since St. Tammany job numbers are couched with other parishes in the New Orleans labor market, separate job numbers for the Parish are unavailable from the state Department of Labor. Clearly, many people work in the Parish but live outside the Parish, and there are more jobs than people employed in the Parish. Reason: Some people hold more than one job. First quarter labor force numbered 117,361 persons or 1.3% higher than for labor force in 1Q07. Parish unemployment rate is extraordinarily low at 2.9% and is far below state (4.5%) and U.S. (5.1%) rates. Parish employers employing Parish residents have dipped below the level of marginal employable persons to fill open positions.

BUILDING PERMITS/REAL ESTATE

First quarter building permits for single family homes in the Parish continue to point downward 32.3% compared to permits issued in 1Q07. Single-family building permits in the first quarter compared to single-family permits issued the first quarter last year were down for all three months in the quarter-over-quarter comparison, while the month of March saw a decline of 20 permits compared with last March (125 versus 145). New commercial building permits issued in the Parish for the first quarter were down 24.8% compared with the permits issued in first quarter 2007. 2008 February permits issued equaled last February at 36 permits.

First quarter Parish home sales remain below last year's sales, both in sales volume and number of houses sold. This drop was 25.5% for sales volume and 28.1% for number of houses sold. The quarter-over-quarter negative gap comparison is closing as the 2007 year over 2006 year comparison was in the high 40% to 55% range. Average sale price, on the other hand, is not following the same pattern. First quarter average sale price was \$243,182, compared with 1Q07 average sales price of \$234,925 or an increase of 3.5%. In order for the average price to increase, the number of houses sold above the \$234,925 level either numbered more or had higher price tags than the houses sold under the \$234,925 price level. The higher average price has been going on for several past quarters.

RETAIL TRADE/SALES

First quarter St. Tammany Parish estimated sales were 3.2% short of 1Q07 sales. In the first quarter numbers, February sales exceeded last February sales while January and March sales fell behind corresponding month sales last year. First quarter retail sales drop off from 1Q07 sales is likely being affected by upswings in gas prices which are having an effect on prices of goods delivered to stores. Goods consumers were buying in the past are costing more, currently causing many consumers to search for lower-priced goods or refrain from some purchases altogether. In other words, consumers have to adjust their spending habits as the same dollars are stretched over more expensive necessary items (food, gas, health care and homeowner's insurance). The new Summit Fremaux 750,000 retail center is expected to give the Parish sales volume a boost (when finished) as this center will have far-reaching drawing tentacles beyond St. Tammany Parish in all directions.

NEW BUSINESSES

Establishment of new business startups is keeping pace with last year's new businesses in the Parish. First quarter new business starts were but 1.8%, or seven starts, short of 1Q07 starts. February new startups exceeded February 2007 starts by 14 new businesses, while January 2008 over January 2007 new businesses fell short by one new business. It appears the pace of new business startups is keeping a nearly even pace with last year's new business.

ANNOUNCED PROJECTS, INVESTMENT AND JOBS

Fourth quarter announced projects was underreported and had to be adjusted upward by \$374,317,800 investment. Included in the adjustment was \$330,000,000 including Nord Du Lac and St. Tammany Holding projects. The added investment was caught in February after the fourth quarter ended and the Trends Report went to print. First quarter 2008 announced projects include \$1 billion entitled Slidell Development Company (Fremaux Summit). This project is the 400-acre development between Fremaux Drive and Old Spanish Trail along I-10 and will include a retail center, office buildings, houses, condominiums and the University of New Orleans Technology Park. First quarter announced project investment ballooned to 1798.6% higher than 1Q07 announced investment. 1Q08 announced investment is expected to generate 540 permanent jobs over the next several months. The open-air retail center part of the overall project will encompass 750,000 square feet and will begin construction this year. The center will be anchored by Dillard's and Belk's department stores as well as Barnes and Noble book sellers.

UTILITIES (Electric)

Electric customer count for St. Tammany Parish in the first quarter 2008 was up 1.3% compared with the first quarter 2007 count. It appears there were still some FEMA trailers in the Parish that were removed out of the Parish in the first quarter. As was discussed in a previous report, electric customer count was somewhat inflated as those who were restoring their home had two electric hookups (FEMA trailer and a home under repair). When the remaining trailers are removed, the electric customer count will be adjusted. Eventually, the customer count will reflect only one hookup per user. A slow-down in building permits compared with last year can also be a cause for slower growth in electric customer counts.

ACCOMMODATIONS (Hotel Receipts and Net Occupancy Tax)

First quarter hotel receipts were up 1.2% compared with 1Q07 hotel receipts. In 1Q08 January and February receipts exceeded same months last year by quite a wide margin, while March receipts lagged last March receipts. January and February receipts each were the second highest receipts recording (2006 was the highest) going back to 1999 when receipts were first tracked. First quarter net occupancy tax collections (bed tax) increased over 1Q07 bed tax collections by 18.7%. In this increase January and February collections exceeded corresponding months last year enough to pull the 1Q08 collections higher than last year.

COST OF LIVING INDEX AND INFLATION RATE

First quarter cost of living for the Parish was 96.9. What this means is that on a 100 scale, the Parish composite cost of living for executive management households was 3.1% below the national average. The Cost of Living index is produced by the Council for Community and Economic Research (C2ER) and is based on carefully chosen standardized specified items across a spectrum of different categories for professional and executive households in the top income quintile. All items are priced in each community at four specified times of a given year. St. Tammany Parish first quarter composite cost of living ranked ninth among a group of 11 other selected metropolitan areas nearest, geographically, to St. Tammany Parish. First quarter 2008 annual cost of living measurement of composite indices ranged from 89.4 for Baton Rouge to 107.9 for Panama City. Other metropolitan area indices were Beaumont, 90.2; Birmingham, 90.7; Tuscaloosa, 90.8; Hattiesburg, 91.9; Mobile, 93.6; Gulfport/Biloxi, 94.4; Jackson, 95.0; Montgomery, 97.8; and Lafayette, 99.2.

St. Tammany Parish first quarter inflation rate was 5.0% up from 4.7% in 4Q07. The St. Tammany inflation rate is derived from the cost of living index report for the parish. Data used to compute St. Tammany inflation rate was taken from the quarterly ACCRA Cost of Living Survey items. The Southern U.S. first quarter consumer price inflation rate was 4.6% up from 4.4% in 4Q07. It should be noted that the Southern Region survey of goods basket contains over 250 items whereas the ACCRA Cost of Living basket contains 56 items. Some sectors of the St. Tammany survey contain only three components. As a result, the inflation rate computed for the Parish is subject to wider rate swings. Wide swings in the Parish rate are caused by significant price changes in low-item sectors of the Parish index. First quarter Parish inflation rate increase over 4Q07 rate continues to see increases in health care, transportation (includes gasoline), and food costs which were up 24.1%, 14.0% and 11.1%, respectively, in the 1Q08 quarter over 1Q07 quarter comparison. Increases in food costs are due, in large part, to a rise in transportation/fuel cost.

U. S. CONSUMER AND CEO CONFIDENCE

U.S. consumer confidence dropped almost 12 points in March after a sharp drop in April, as recorded by The Conference Board. "Consumers' confidence in the state of the (national) economy continues to fade and the index remains at a five-year low," says Lynn Franco, Director of The Conference Board Consumer Research Center. "Decline in the Present Situation Index implies the pace of growth in recent months has weakened even further. Looking ahead, consumers' outlook for business conditions, the job market and their income prospects is quite pessimistic and suggests further weakening may be on the horizon. Short-term expectations also deteriorated further in March. Outlook for the labor market was also more pessimistic as consumers expecting fewer jobs in the months ahead increased."

CEO Confidence Index fell again in the first quarter of 2008 after a sharp drop in the final quarter 2007 as reported by The Conference Board. "CEOs' assessment of current conditions suggests we're still mired in a period of extremely slow growth, and while their short-term outlook moderately improved, they remain quite cautious," Franco said. In this light, hiring plans have been cut back where only one in four anticipates an increase in employment levels in their industry. This compares to four in ten who expected increased employment last year. CEOs' assessment of the next six months improved moderately whereas expectations for their own industries are also less pessimistic. Health care costs remain the major obstacle to hiring new workers and regulation and litigation costs were second on the list of hiring obstacles.

U.S. AND ST. TAMMANY ECONOMIC GROWTH

The Conference Board reported the U.S. leading index increased 0.1 percent in March. The coincident index increased 0.1 percent while the lagging index increased 0.3 percent in March as well. The leading index increase was due largely to large positive increases in money supply, index of supplier deliveries, and interest rate spread, reported by The Conference Board. The leading index gain in March followed five consecutive monthly declines. After a decline in February, the coincident index slight increase in March was bolstered by increase in industrial production which more than offset the decline in employment. The lagging index increase was helped by having five of the seven components advancing including the biggest contributor, average duration of unemployment, followed by change in CPI for services, change in labor cost per unit of output, commercial and industrial loans outstanding, and the ratio of consumer installment credit to personal income.

The St. Tammany economy appears to continue on an upward trend albeit a flatter trend compared to previous quarters. 1Q08 over 1Q07 expansion was 1.6%. The largest contributors to the overall growth were commercial building permits and single family building permits. Employment and electric customer count followed but at a slower pace. 1Q08 retail sales lagged behind 1Q07 sales, which may be caused by the local economy with continuing escalation of fuel and health care costs being the main culprits causing consumers to adjust their spending habits and priorities.

ECONOMIC INDICATORS

Economic Indicators	Units	1Q08	4Q07	% Change	1Q07	% Change	YTD 2008	YTD 2007	% Change
Retail Sales									
St. Tammany Parish Retail Sales (a)	\$Mil.	1,007.7	1,134.1	-11.1%	1,041.5	-3.2%	1,007.7	1,041.5	-3.2%
St. Tammany Parish Total Sales Tax (a)	\$	48,066,975	54,098,226	-11.1%	49,678,759	-3.2%	48,066,975	49,678,759	-3.2%
New Businesses (h)									
Total New Licenses	No.	379	317	19.6%	386	-1.8%	379	386	-1.8%
Non-Agricultural Employment (Revised)(b) (no report for September through March 2006)									
Total Employment	* No.	113,662	95,735	18.7%	112,574	1.0%	113,662	112,574	1.0%
Unemployed	* No.	3,698	2,871	28.8%	3,323	11.3%	3,698	3,323	11.3%
Labor Force	* No.	117,361	98,606	19.0%	115,897	1.3%	117,361	115,897	1.3%
Unemployment Rate (Revised)(b) (no report for September through March 2006)									
St. Tammany Parish	*	3.2%	2.9%	8.2%	2.9%	9.9%	3.2%	2.9%	9.8%
Louisiana	*	3.9%	3.3%	18.0%	3.8%	3.1%	3.9%	3.7%	6.3%
United States	*	5.1%	4.8%	6.2%	4.6%	10.9%	5.1%	4.5%	12.5%
Unemployment Insurance Claims by St. Tammany Resident (b)									
Number of Initial Claims	No.	273	231	18.2%	197	38.6%	273	197	38.6%
Construction: New Building Permits (Uncorporated Area) (c)									
New Single Family Units	No.	273	256	6.6%	403	-32.3%	273	403	-32.3%
New Commercial Units	No.	85	116	-26.7%	113	-24.8%	85	113	-24.8%
Utilities -- Total Electric Accounts (d)	* No.	110,482	110,355	0.1%	109,015	1.3%	110,482	109,015	1.3%
Real Estate (St. Tammany Parish)(e)									
Residential									
Total Sales Volume	\$000	130,345.4	145,842.0	-10.6%	175,019.4	-25.5%	130,345.4	175,019.4	-25.5%
Number of Houses Sold	No.	536	610	-12.1%	745	-28.1%	536	745	-28.1%
Average Sales Price	* \$	243,182	239,085	1.7%	234,925	3.5%	243,182	234,925	3.5%
Announced Projects (f)									
Total Investment	\$	1,134,630.9	394,475.7	187.6%	59,761.9	1798.6%	1,134,630.9	59,761.9	1798.6%
Estimated Permanent Jobs	No.	179	316	-43.4%	540	-66.9%	179	540	-66.9%
Estimated Permanent Annual Payroll	\$	6,140,000	6,226,432	-1.4%	21,685,000	-71.7%	6,140,000	21,685,000	-71.7%
Estimated Construction Jobs	No.	2,720	1,034	163.1%	275	889.1%	2,720	275	889.1%
New Projects	No.	8	10	-20.0%	10	-20.0%	8	10	-20.0%
Expansion Projects	No.	3	3	0.0%	5	-40.0%	3	5	-40.0%
Total Projects	No.	11	13	-15.4%	15	-26.7%	11	15	-26.7%
Hotel Receipts (g)	\$	8,545,864	7,637,829	11.9%	8,442,827	1.2%	8,545,864	8,442,827	1.2%
Net Occupancy Tax Collections for St. Tammany Events Center (a)									
Net Occupancy Tax Collections	\$	60,599	55,929	8.3%	51,042	18.7%	60,599	51,042	18.7%
Inflation Rate									
Southern Region of United States (k)									
Composite Index	* No.	205.4	203.5		196.3		205.4	196.3	
Inflation Rate	*	4.6%	4.4%		2.2%		4.6%	0.8%	
St. Tammany Parish (l)									
Composite Index	* No.	128.3	120.4		122.1		128.3	122.1	
Inflation Rate	*	5.0%	4.7%		13.5%		5.0%	7.2%	

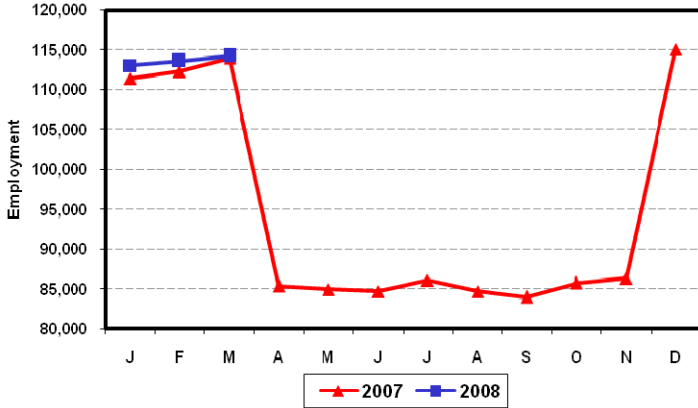
* Year-to-date data is an average. N.A. = not available; n.a. = not applicable

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 and collected by North Shore Report; (i) Mandeville City Building Permit Office; (j) Slidell City Building Permit Office; (k) U.S. Bureau of Labor Statistics (l) ACCRA Cost of Living Survey

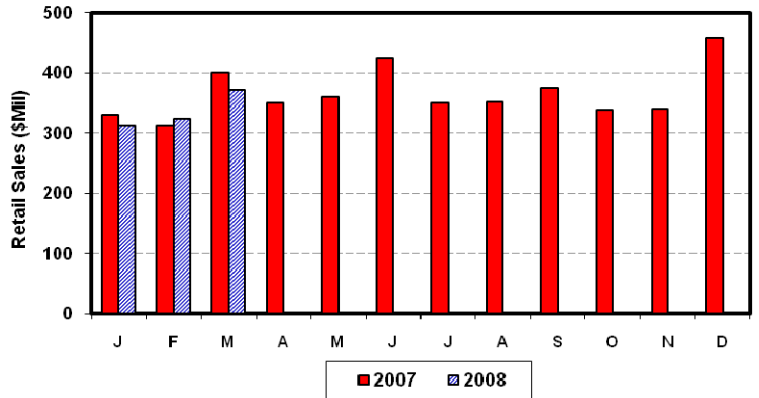
St. Tammany Economic Development Foundation Economic Trends Report, 1st Quarter 2008

ST. TAMMANY PARISH ECONOMY AT A GLANCE

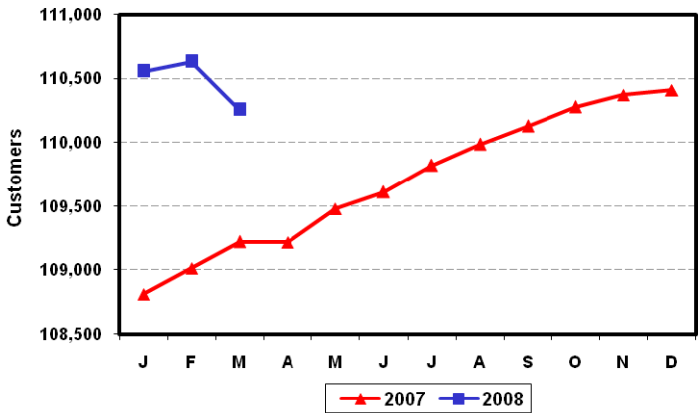
St. Tammany Parish Employment



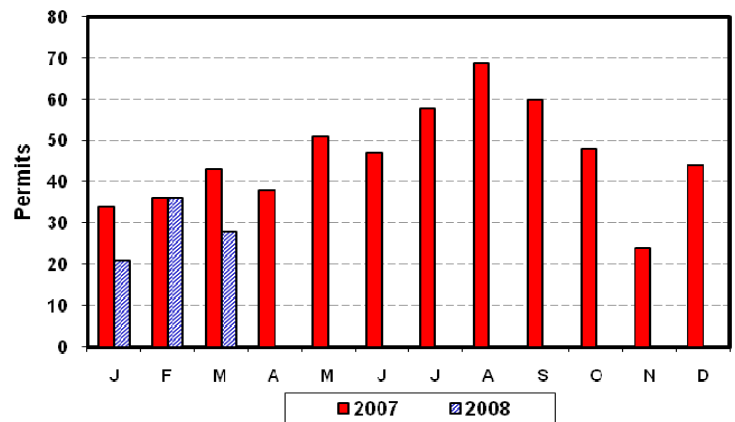
Parish Retail Sales



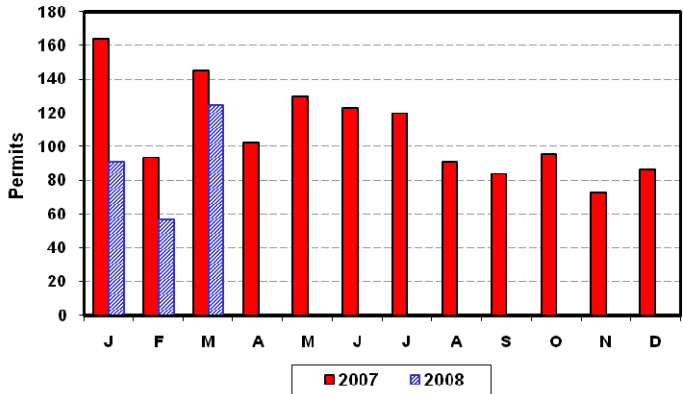
St. Tammany Electric Customers



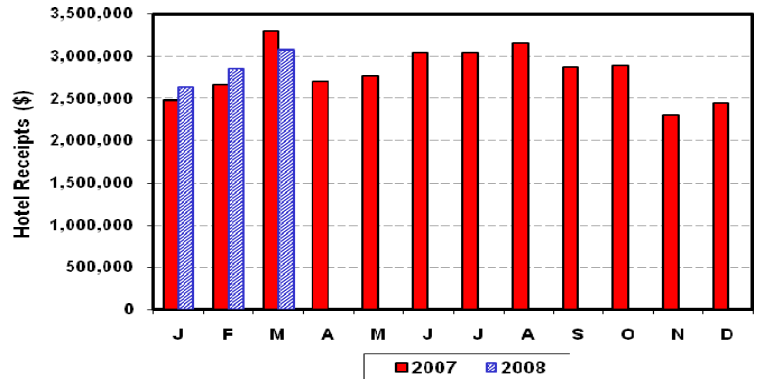
Parish Commercial Permits (Unincorporated)



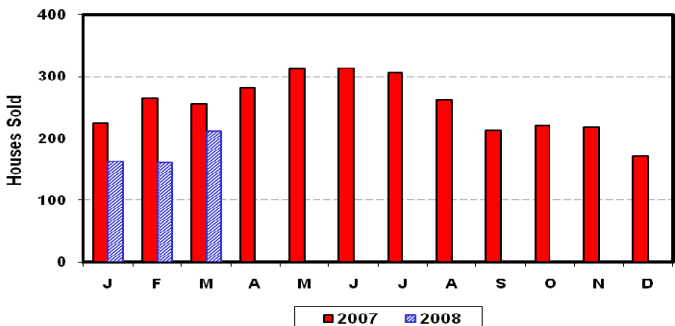
Parish Single Family Building Permits (Unincorporated)



Parish Hotel Receipts



Parish MLS Housing Sales



Parish Net Occupancy Tax Collection

