

**U.S., LOUISIANA AND NEW ORLEANS MSA MONTHLY ECONOMIC OVERVIEW**  
**New Orleans Regional Council of Business Economics ([www.norcbe.org](http://www.norcbe.org))**  
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**April 2019**

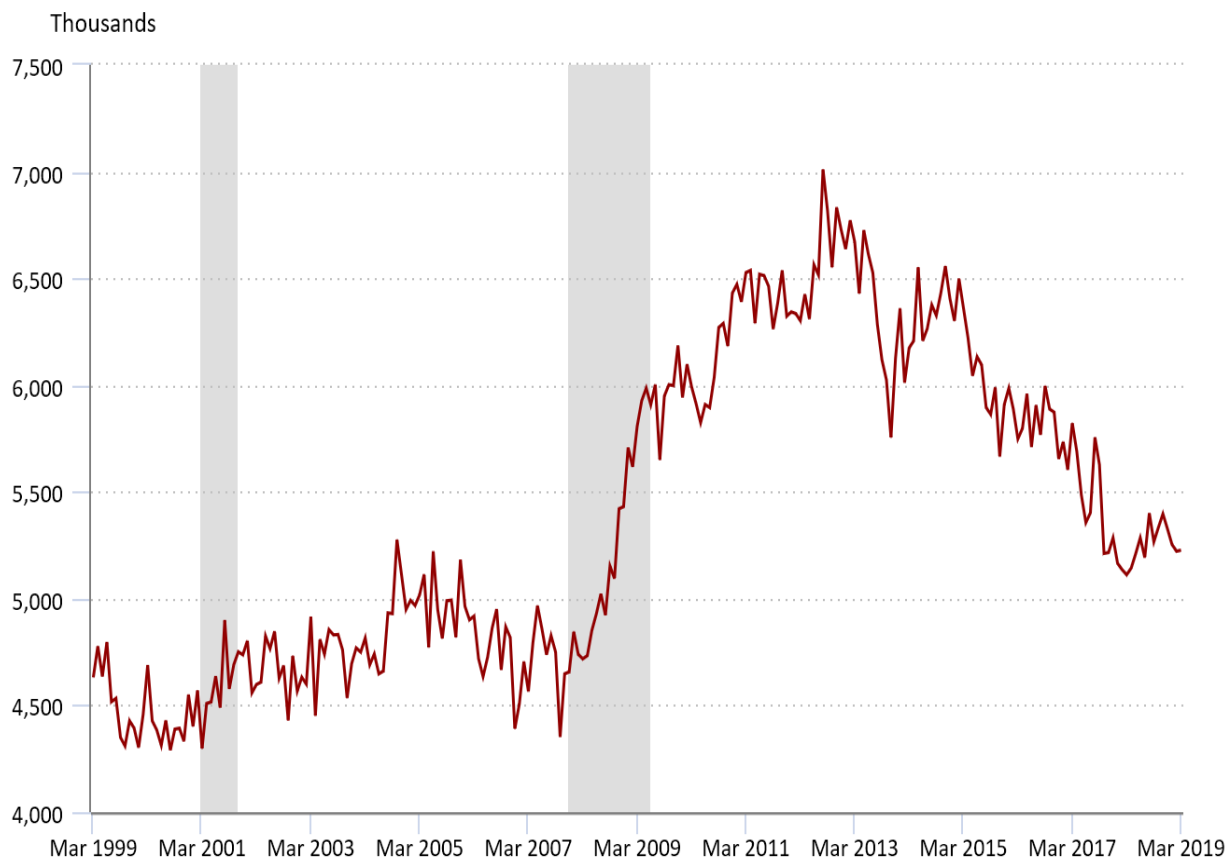
## U.S. Economy and Labor Force:

- The U.S. Economy added 196,000 jobs between February and March.
- The February estimate was revised up from 20,000 to 33,000.
- The jobs addition average for the first quarter was 183,000 jobs.
- The average for the 1<sup>st</sup> quarter 2018 was 223,000.
- Initial jobless claims for the week of March 30 was the lowest in 50 years.
- 

## Did The 2009 Recession affect labor force behavior?

### Persons not in the labor force who want a job, seasonally adjusted

Click and drag within the chart to zoom in on time periods



Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.



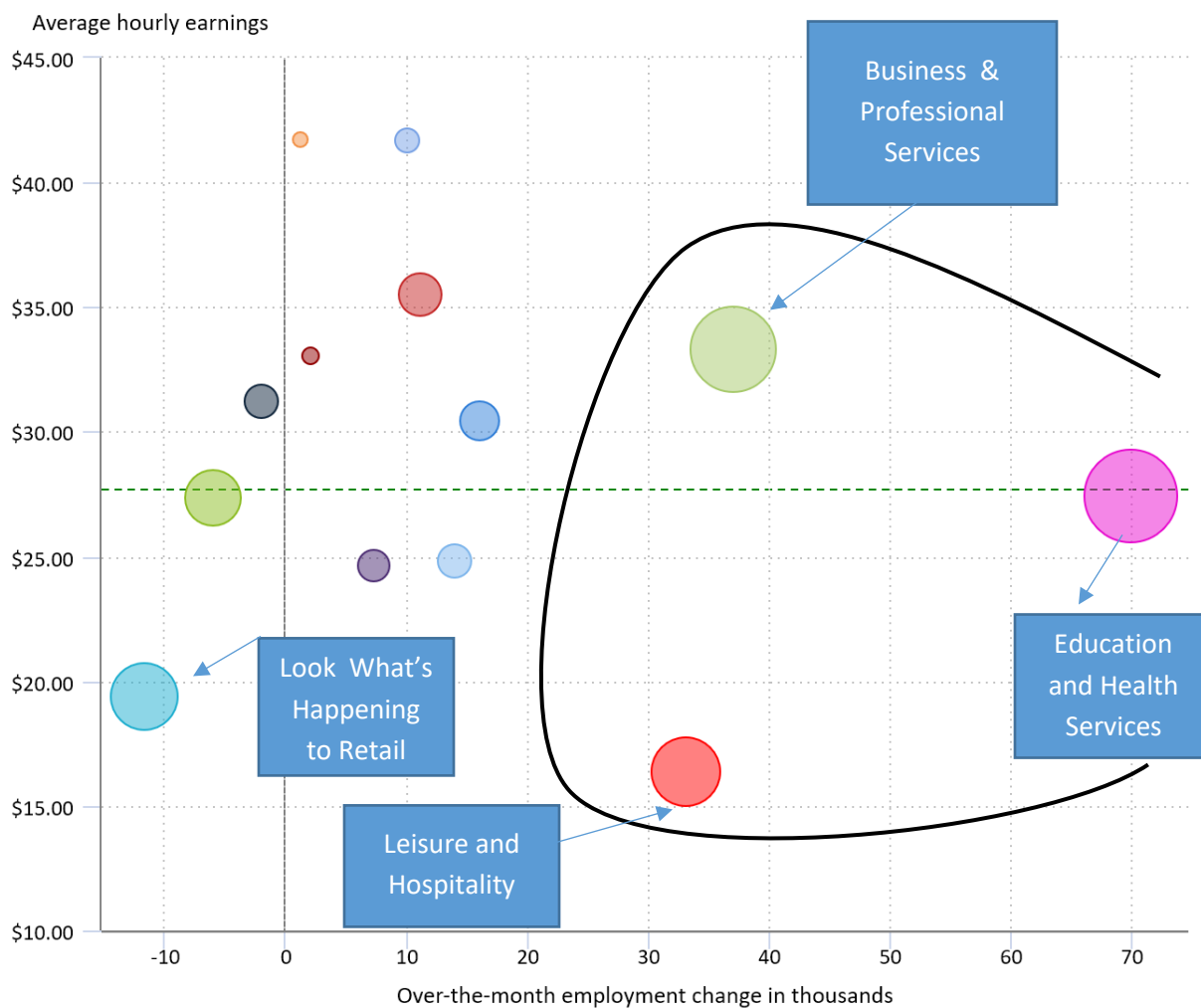
## What Sectors are Adding the Most Jobs in the National Economy?

- Is the Picture the same in Louisiana and the New Orleans MSA ?
  - Yes and No

### Employment and average hourly earnings by industry for all employees, March 2019, seasonally adjusted

Bubble size represents employment level in thousands

- Mining and logging
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Utilities
- Information
- Financial activities
- Professional and business services
- Education and health services
- Leisure and hospitality
- Other services

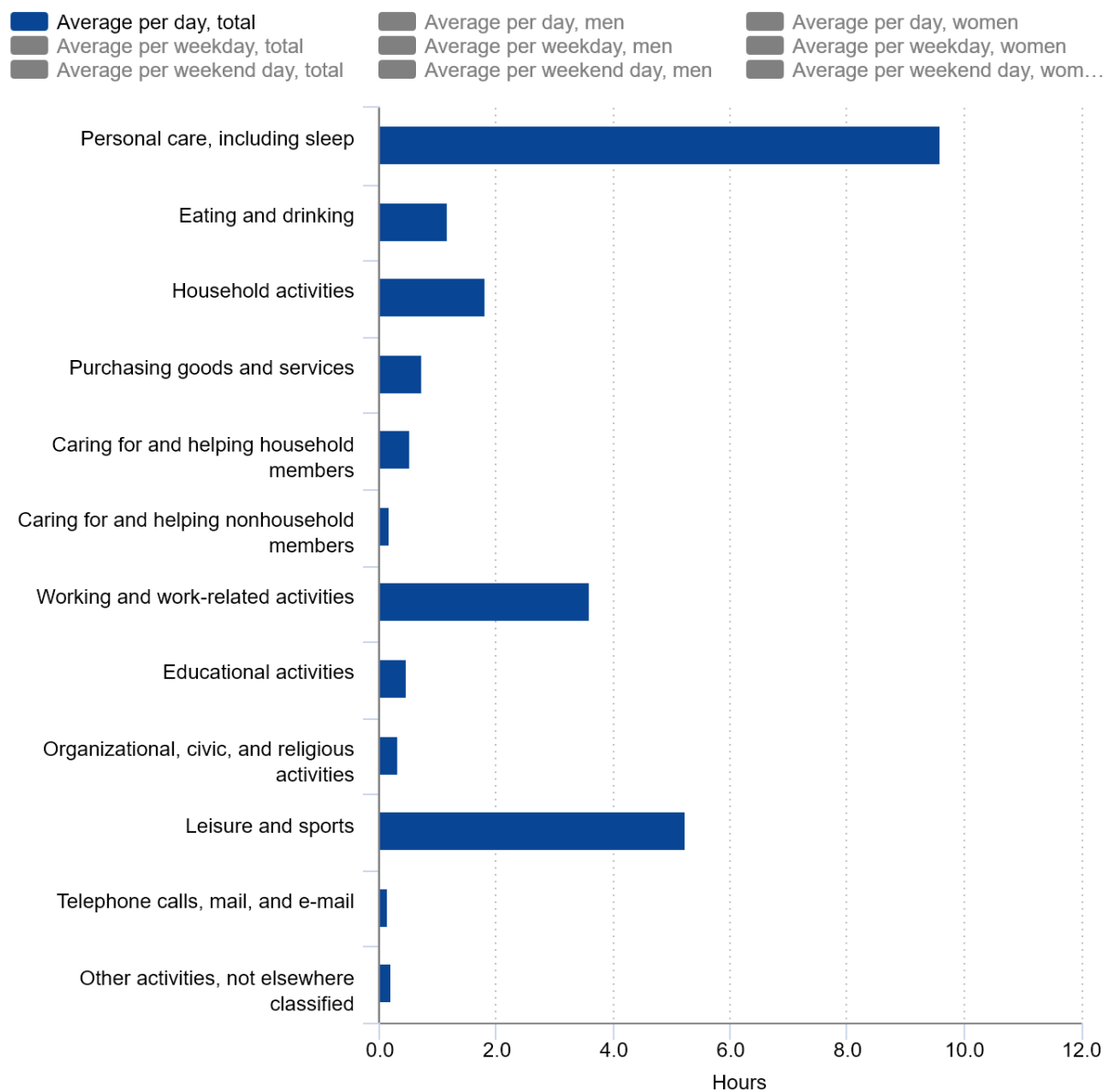


Hover over chart to view data.  
Source: U.S. Bureau of Labor Statistics.



## The Future? Time Spent on Different Activities

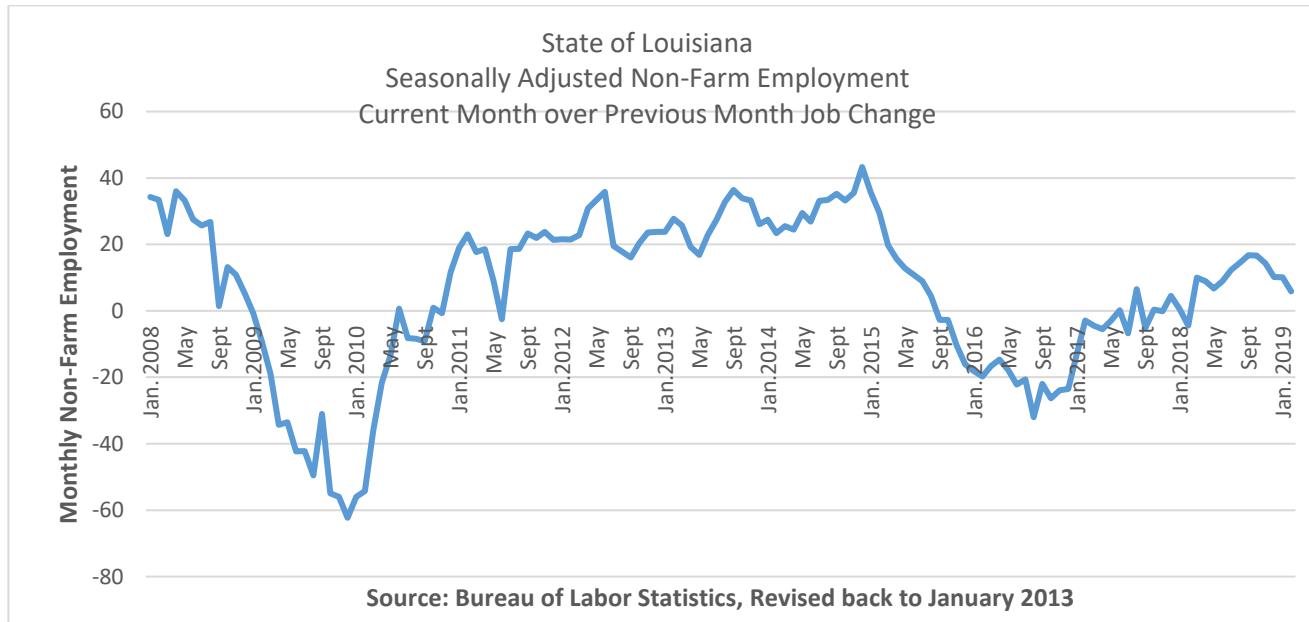
Average hours per day spent in selected activities by sex and day, 2017 annual averages



Hover over chart to view data.  
Source: U.S. Bureau of Labor Statistics.



## Louisiana: Strong Start.. Then Weakness



STATE OF LOUISIANA		Total Non-Farm Employment
Non-Seasonally Adjusted Job Growth February 2018 to February 2019		February 2019
Health Care and Social Assistance	6,100	272,100
All Others	4,400	124,600
Manufacturing	1,900	135,800
Leisure and Hospitality	1,400	232,600
Educational Services	1,400	48,900
Government	1,000	329,700
Financial Activities	200	90,900
Wholesale Trade	-200	69,100
Retail Trade	-400	225,400
Truck Transportation	-400	16,500
Mining	-500	34,800
Support Activities in Transportation	-500	17,900
Professional and Business Services	-1,800	209,000
Information	-2,000	21,700
Construction	-5,000	142,100
<b>Total Change</b>	<b>5,600</b>	<b>1,971,100</b>

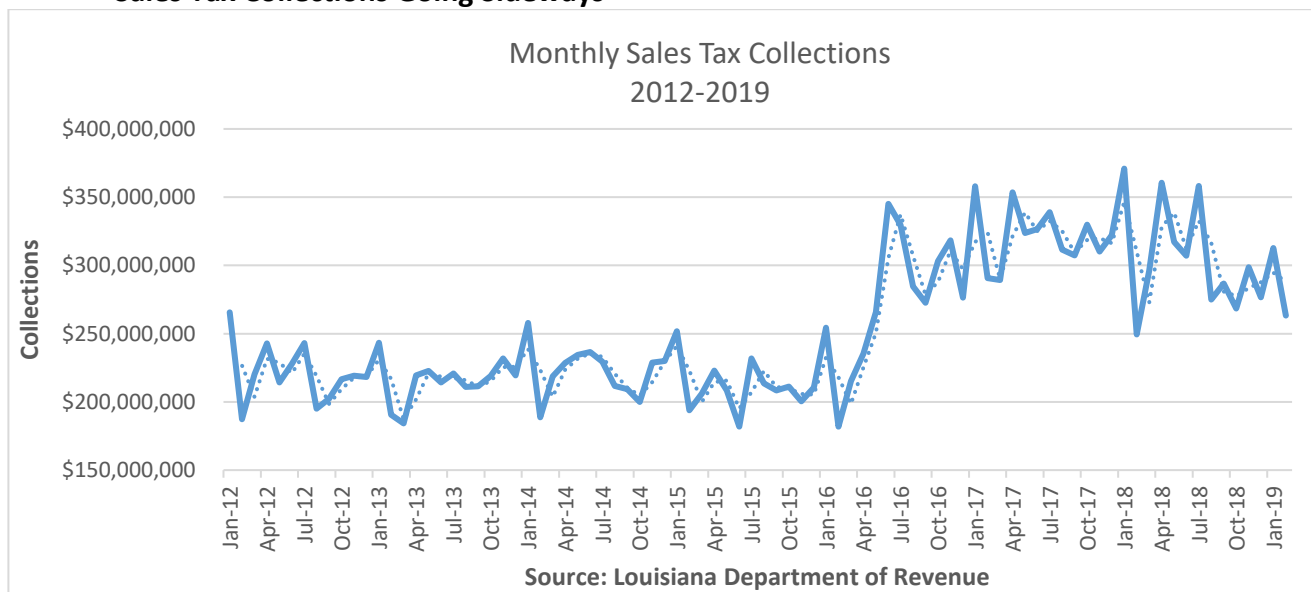
### Some Interesting Statistics

Federal Aid as a Percentage of State  
General Revenue  
Fiscal Year 2016

State	Fed. Aid as Percentage of General Revenue	Rank	
		U.S Rank	South
U.S.	22.9%		
Miss.	43.3%	1	1
<b>La.</b>	<b>42.7%</b>	<b>2</b>	<b>2</b>
Ky.	40.9%	5	3
Tenn.	38.6%	7	4
Ala.	37.1%	11	5
W.Va.	37.1%	12	6
Ark.	36.3%	13	7
Ga.	34.3%	18	8
Fla.	33.7%	24	10
Tex.	33.5%	25	11
S.C.	30.9%	33	12
N.C.	30.7%	34	13
Va.	21.1%	50	15

### Louisiana’s Sales Tax and Income Tax Collections:

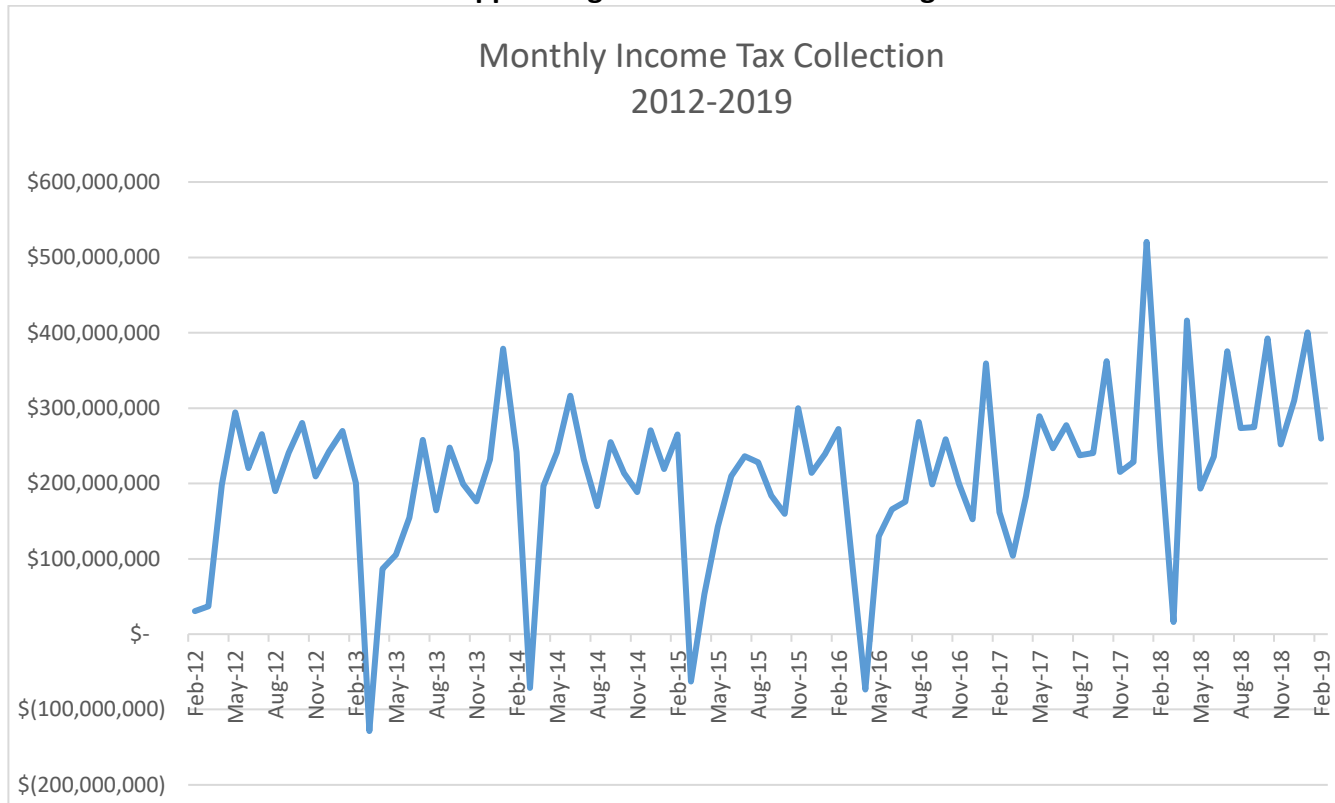
- Sales Tax Collections Going Sideways



## Sales Tax Collections

	2019	2018	2017	2016	2015
Feb.	\$263,246,860	\$249,416,109	\$290,728,297	\$181,837,852	\$193,893,341
Jan.	\$312,822,953	\$370,929,157	\$357,883,825	\$254,384,665	\$251,849,973
Total	<b>\$576,069,813</b>	<b>\$620,345,266</b>	<b>\$648,612,122</b>	<b>\$436,222,517</b>	<b>\$445,743,314</b>

- Income Tax Collections Disappointing Given Federal Tax Changes



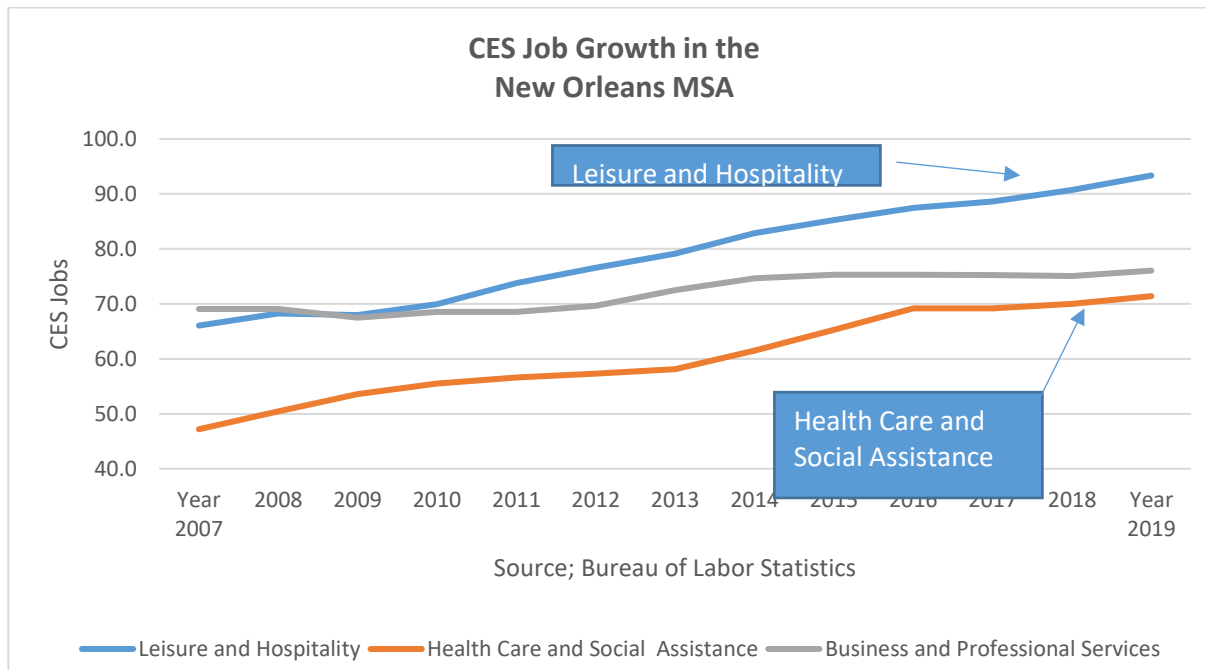
## Income Tax Collections

	2019	2018	2017	2016	2015
Feb.	\$259,645,256	\$249,416,109	\$161,982,995	\$272,363,052	\$265,184,732
Jan.	\$400,478,161	\$520,580,020	\$359,325,218	\$238,934,071	\$218,971,984
Total	<b>\$660,123,417</b>	<b>\$769,996,129</b>	<b>\$521,308,213</b>	<b>\$511,297,123</b>	<b>\$484,156,716</b>

## New Orleans MSA

- Snap Shot of CES Job Growth

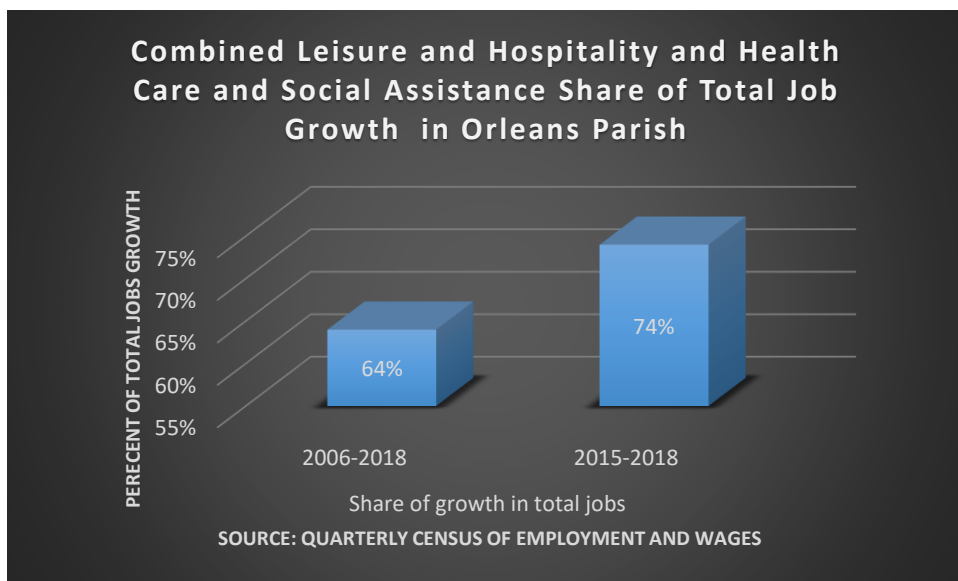
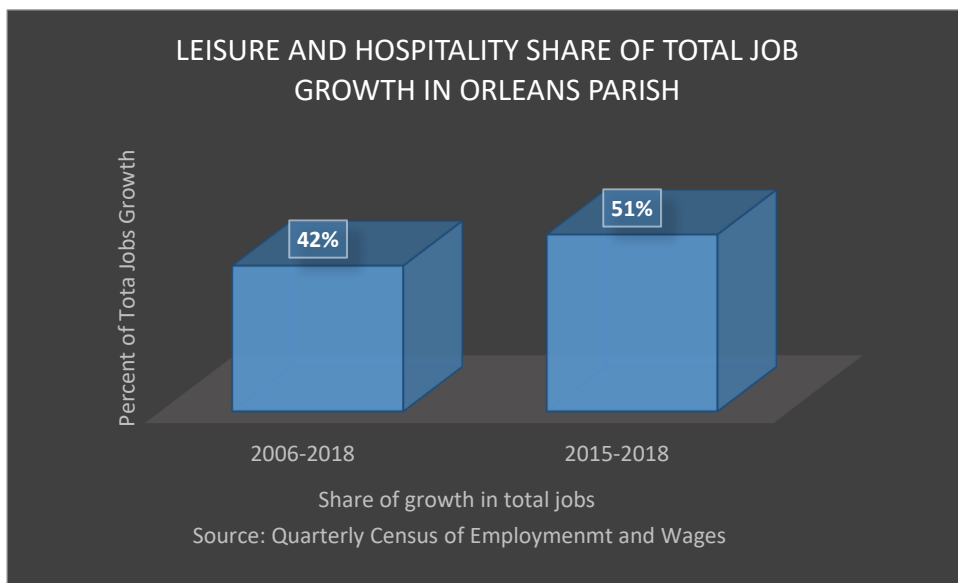
New Orleans Metropolitan Statistical Area Non-Farm Non-Seasonally Adjusted Jobs February 2018-February 2019		Total Non-Farm Jobs February 2019	Total Non-Farm Employment August 2005
Leisure and Hospitality	3,900	92,700	86,000
Health Care and Social Assistance	3,200	71,500	62,200
Professional and Business Services	1,400	76,100	74,300
Construction	600	30,400	30,100
Educational Services	600	30,800	18,800
Transportation, Warehousing & Utilities	400	29,200	28,000
All Others	200	24,700	23,600
Mining	-100	4,300	8,500
Manufacturing	-300	29,600	41,500
Wholesale Trade	-300	22,400	26,300
All Government	-800	72,200	103,900
Financial Activities	-1,000	28,100	33,300
Information	-1,100	6,900	10,500
Retail Trade	-1,100	60,000	67,500
<b>Total Change</b>	<b>5,600</b>	<b>578,900</b>	<b>614,500</b>



- These three sectors account for 47% of the jobs in the MSA. In Orleans Parish, they account for 53% of the non-farm jobs.

**WHERE IS JOB GROWTH OCCURRING IN ORLEANS PARISH? A FOCUS ON THE LEISURE AND HOSPITALITY INDUSTRY**

- Parish economy is increasingly lopsided
  - Let’s look at some facts.
  - **Between 2015 and 2018, 51% of the parish job growth was in Leisure and Hospitality.**
  - **Add Health Care and Social Assistance to that job growth change and 74% of the jobs added were in those two sectors.**
  - From a job opportunity perspective, the opportunities are limited most to these broad sectors.





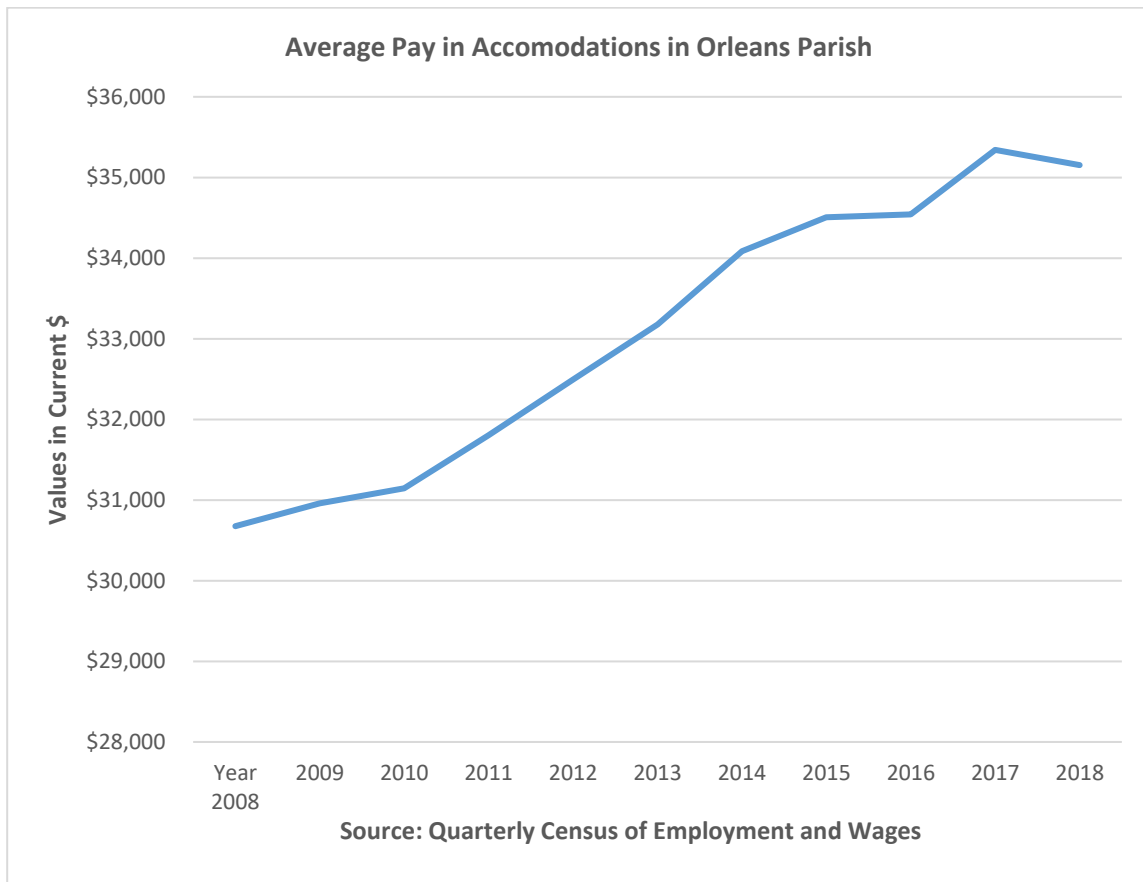
## WHAT IS THE IMPACT OF THE CONCENTRATION OF JOB GROWTH IN LEISURE AND HOSPITALITY HAVING ON THE CALCULATED AVERAGE PAY IN ORLEANS PARISH?

- **Some background on averages**

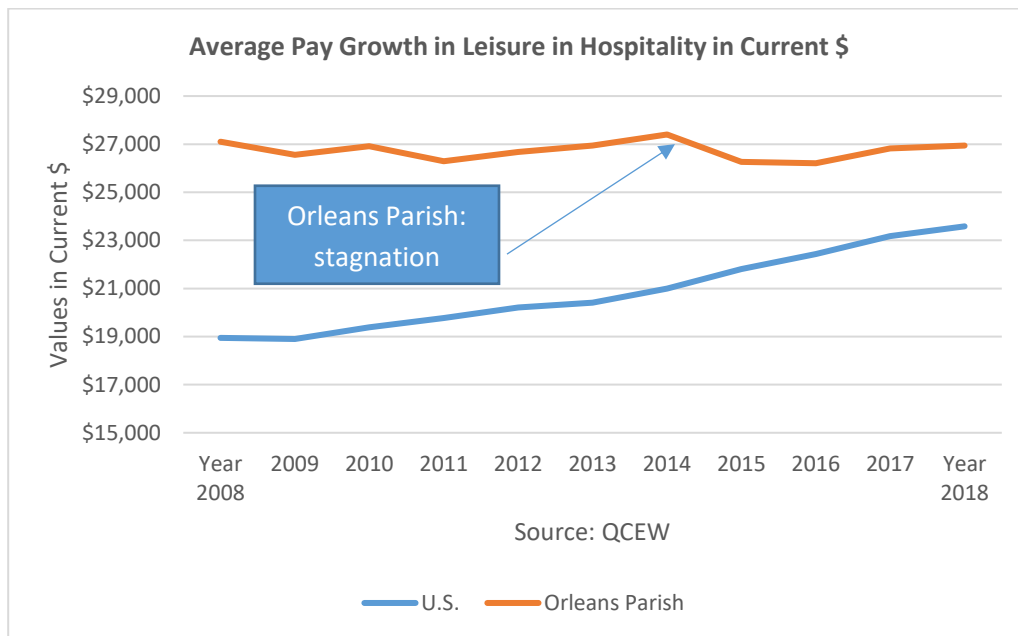
- Remember, an average merely reflects the distribution of data within the average.
- Therefore, if the predominance of industries that are growing pay less than the current average, a recalculation of the current average will lower the growth in the average or pull the average down or both.
- The data presented from the source, Quarterly Census of Employment and Wages, contains all reported tips, benefits and wages.

Let's focus on the Accommodations sector since it pays one of the highest average pay of the sectors within Leisure and Hospitality.

- In Orleans Parish and in 2018, average pay in Accommodations was \$ 35,152. Average pay in Leisure and Hospitality was \$26,926. The average for all industries in Orleans Parish was an estimated \$51,200.
- The problem, as the below graph shows, is that average pay in Accommodation has begun to stagnate. Looks like the post-Katrina bump has passed.



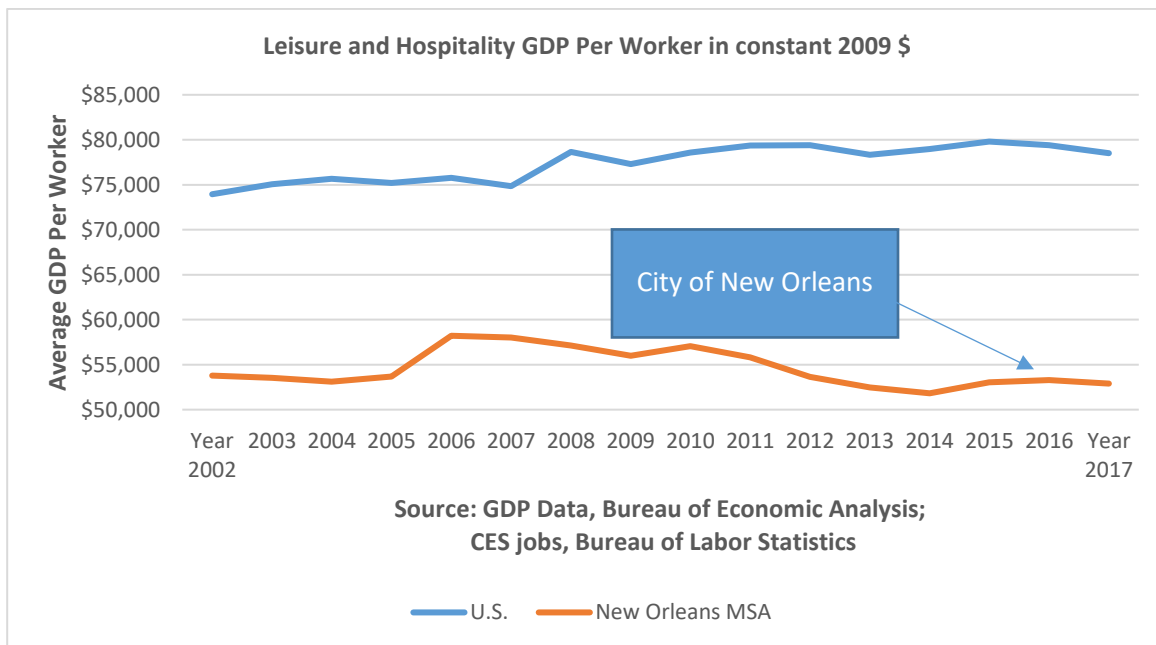
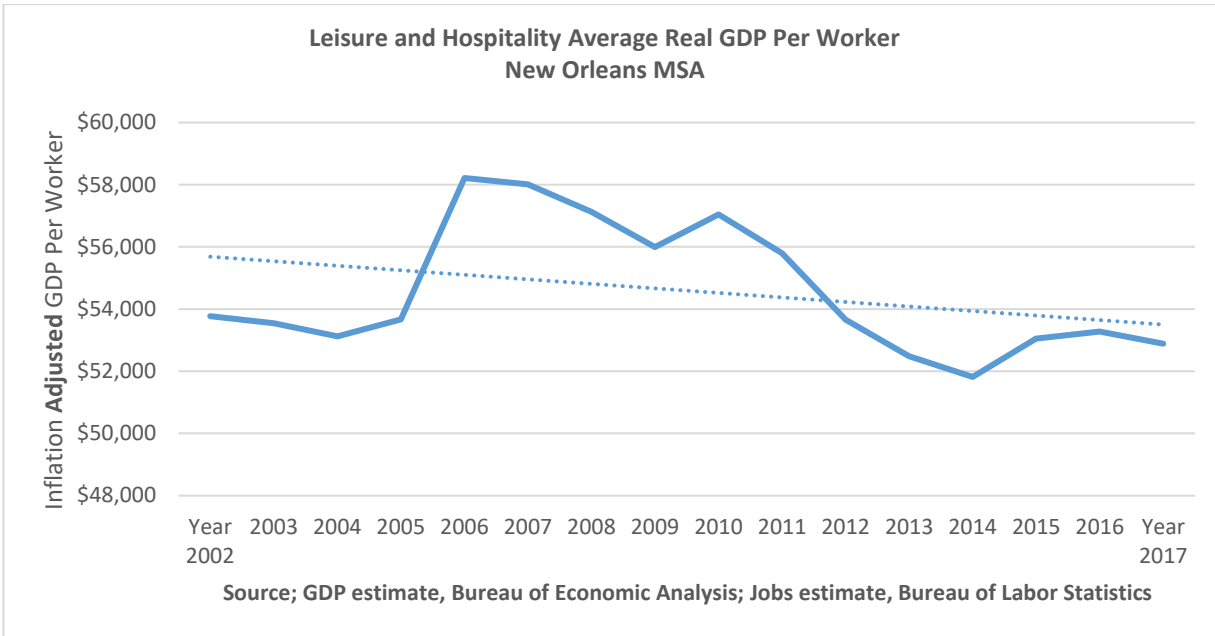
- While there was some growth in average pay in the Accommodations sector of Leisure and Hospitality , average pay in the overall sector of Leisure and Hospitality in New Orleans has stagnated relative to the U.S.
  - Why?



- **Has average pay in Leisure and Hospitality stagnated due to the lack of inflation adjusted growth in the GDP of the sector?**
  - Apparently not... GDP growth for Orleans Parish on the average looks good.



- What might be one of the underlying cause for wage stagnation in the Leisure and Hospitality industry in Orleans Parish?
- It appears from the data that it is productivity growth per worker.
  - Is low productivity per worker the “new normal” for Leisure and Hospitality?
  - What are the workforce implications in a city with a high cost of living?

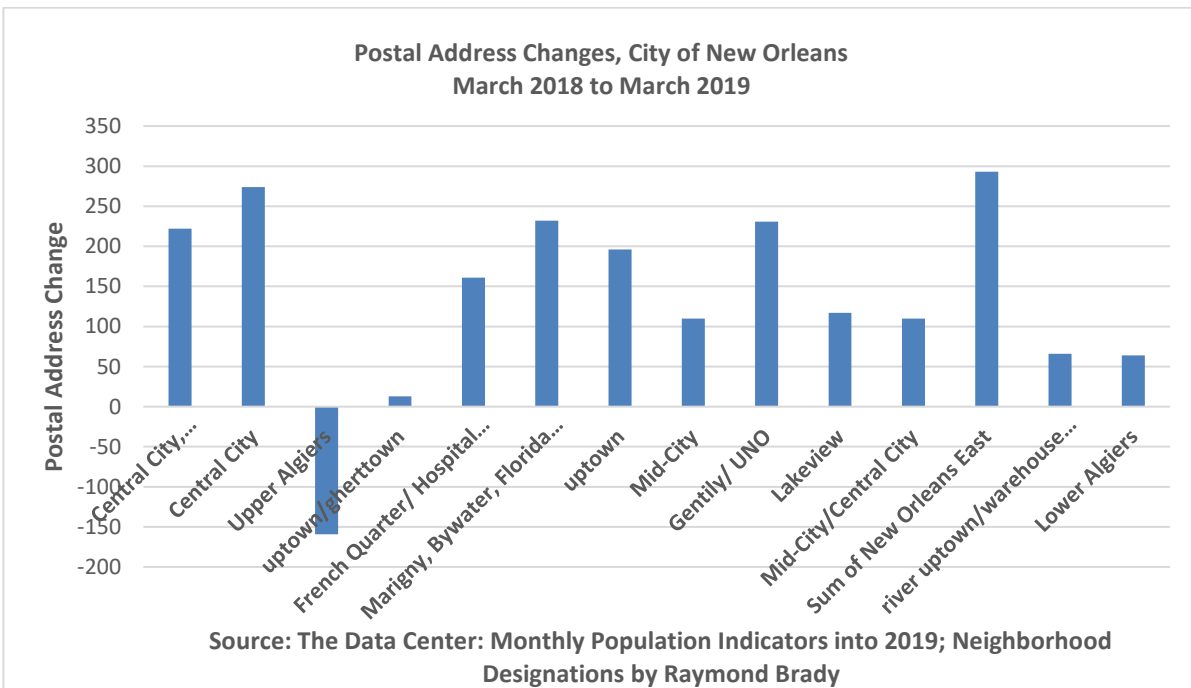
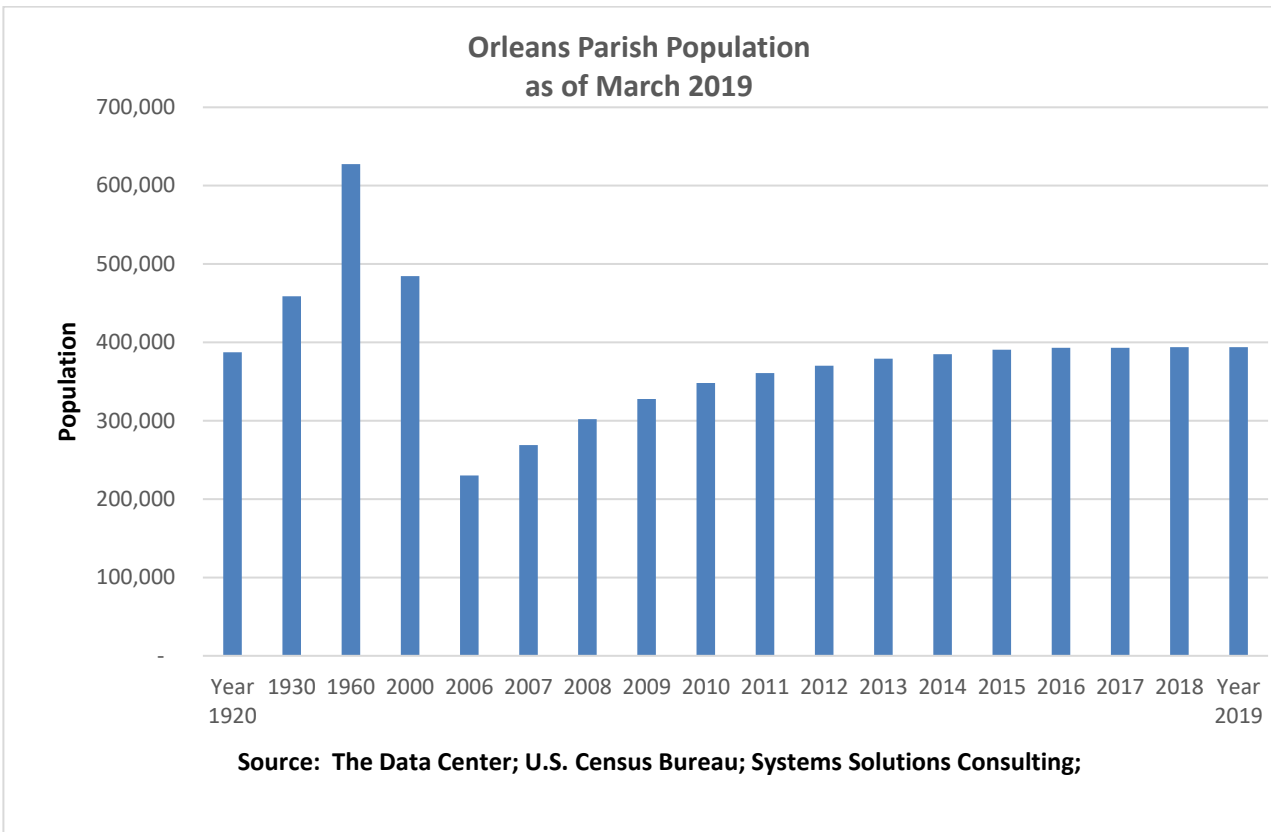


- Low average pay, in an industry that plays an increasingly important role in the economy, translates into having an impact on the reported average pay for the city.
  - The overall city average has been stagnating for years
  - And the \$’s are in current values. Think what they would look like if inflation adjusted?

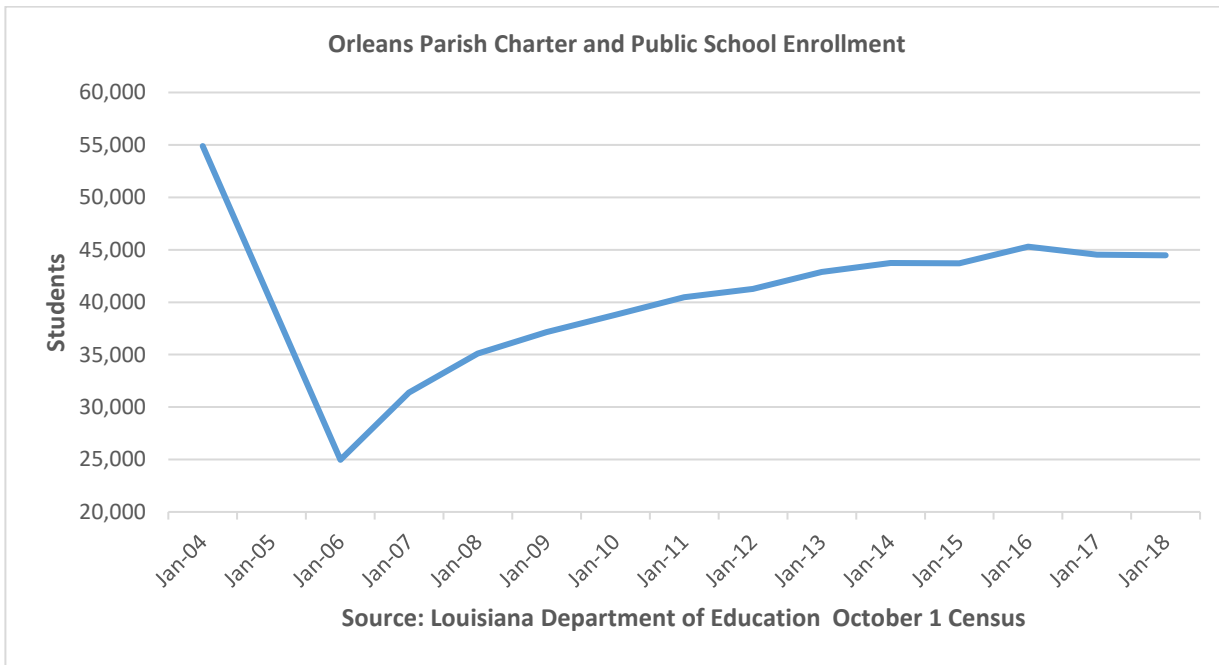
	New Orleans
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Year 2004	\$36,877
2006	\$47,796
2007	\$48,163
2008	\$49,948
2009	\$49,514
2010	\$49,804
2011	\$49,844
2012	\$49,006
2013	\$48,810
2014	\$49,689
2015	\$50,157
2016	\$50,150
2017	\$51,018
Year 2018	\$51,298

- **Estimated Population Growth in Orleans Parish**
- **393,700 in March 2019**
- **Virtually no change since 2016**



**Charter School and Orleans Parish School Enrollment ( October 2018 Census)**



**Possible Reasons:**

- Smaller Household size
- More live alone households
- Little or no net migration

**Any Thoughts?**