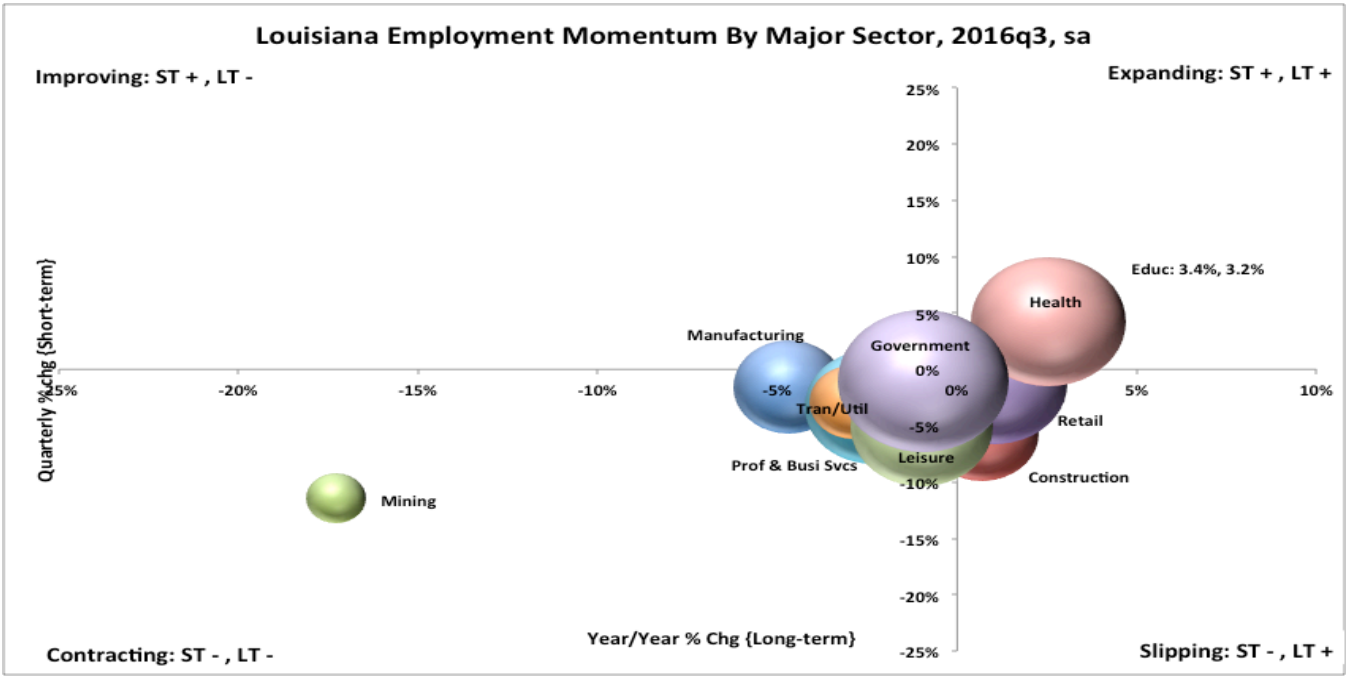
Employment Growth Momentum
2016, July – Sept Third Quarter



The graph above is called a momentum graph, depicting the short-term (3-month annualized growth rate) relative to the long-term (year-over-year growth rate) of ten major employment sectors (bubbles) for the third quarter of 2016. Each sector's location in the graph is centered on coordinates of its short-term and long-term growth rates. For example, and most obvious above, the mining sector has exhibited a 17% decline over the latest year and a 12% decline in the latest quarter, placing it well into the contracting quadrant with a long-term decline and short-term negative momentum. Other contracting sectors are manufacturing, professional & business services, transportation & utilities, government, and even leisure & hospitality.

Employment sectors that lie in the expanding quadrant, exhibit the conditions of both positive long-term and short-term growth, and include only the education and the health sectors (the education sector bubble is hidden beneath that of the health sector). Two sectors lie in the slipping quadrant: the retail sector, with only a modest positive annual growth and a slightly larger negative quarterly growth, and even the construction sector with a very modest positive annual growth and a significantly larger negative quarterly growth As of this latest quarter, none of the major employment sectors lie in the improving sector.

Another feature of the graph is that the sizes of the bubbles reflect each sector's share of total employment. Thus, sectors in the contracting and slipping quadrants combined comprise 82% of total employment, while sectors in the expanding and improving quadrants combined comprise only 18% of total employment. This is a worsening of the situation as of the second quarter of 2016 when the expanding/improving summary was 68% and the contracting/slipping summary was 32%. The calculations underlying the graph above are displayed in the table below.

Louisiana Employment Momentum By Major Sector, 2016q3, sa

Quadrant	Sector	Year/Year % Chg {Long-term}	Quarterly % chg {Short-term}	Relative Sector Size
CONTRACTING	Manufacturing	-4.7%	-1.5%	8.0%
SLIPPING	Construction	0.7%	-5.7%	8.3%
CONTRACTING	Mining	-17.3%	-11.5%	2.3%
SLIPPING	Retail	1.0%	-1.3%	13.8%
CONTRACTING	Prof & Busi Svcs	-2.3%	-3.3%	12.2%
CONTRACTING	Transp & Utilities	-2.9%	-2.9%	5.0%
EXPANDING	Education	3.2%	3.4%	2.8%
EXPANDING	Health	2.5%	4.3%	15.5%
CONTRACTING	Leisure	-1.0%	-5.1%	13.3%
CONTRACTING	Government	-1.0%	-1.0%	18.9%