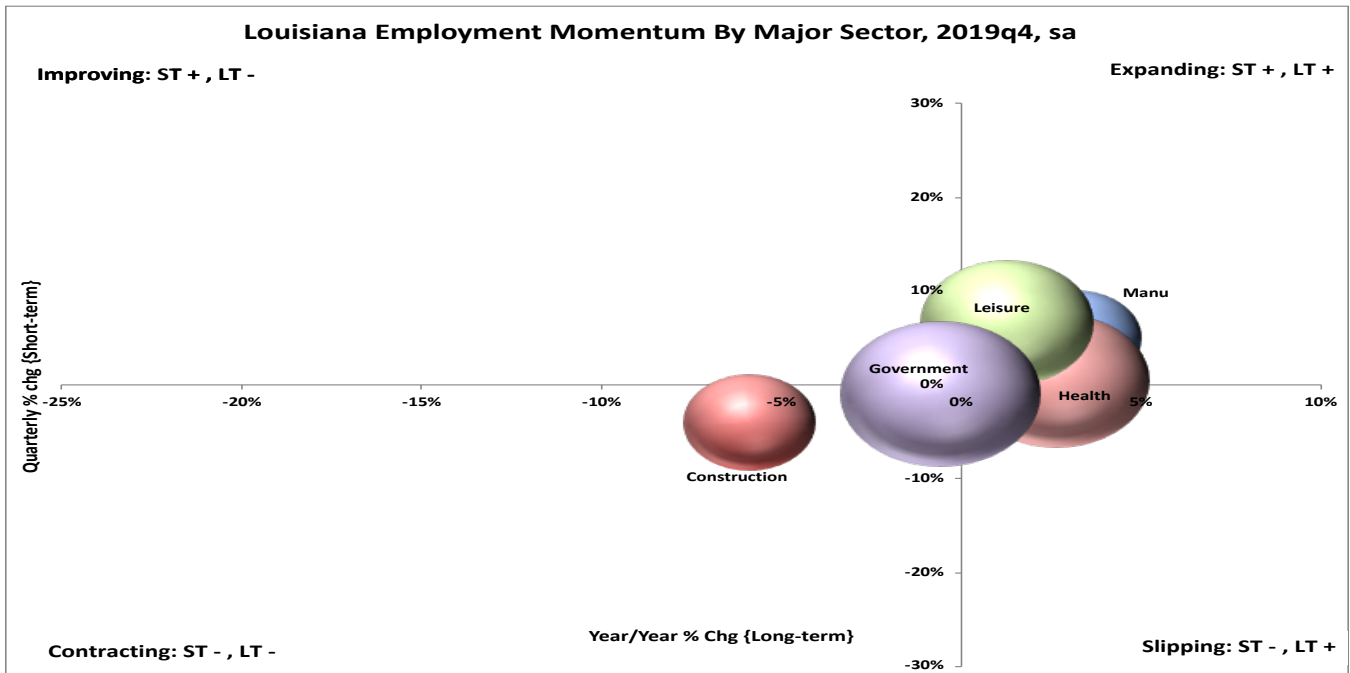


Employment Growth Momentum

2019, October – December Fourth Quarter



The graph above is called a momentum graph, an interesting way to depict the short-term (3-month annualized growth rate) relative to the long-term (year-over-year growth rate) of ten major employment sectors (bubbles); here, for the fourth quarter of 2019. 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 construction sector has exhibited a 5.9% decline over the latest annual period and a 4% decline in the latest quarter, placing it distinctly in the contracting quadrant with a long-term decline and short-term negative momentum. Fortunately, six of the ten sectors are centered within the expanding quadrant, exhibiting both positive annual growth and positive quarterly momentum.

Employment sectors that lie in the expanding quadrant (upper right), exhibit the conditions of both positive long-term and short-term growth, and include manufacturing, mining, retail, professional business, health, and leisure. As of the current data for this latest quarter, only the education sector lies in the improving quadrant (upper left), exhibiting negative year-over-year growth but low positive growth in the latest quarter. No sectors lie in the slipping quadrant (lower right), with still positive annual growth but negative latest-quarter growth. Finally, two additional sectors (transportation and government) join construction in the contracting quadrant (lower left) with both negative annual growth and latest-quarter growth.

Another feature of the graph is that the sizes of the bubbles reflect each sector's share of total employment. Thus, sectors in the expanding quadrant comprise 68.3% of employment, while sectors in the contracting and slipping quadrants combined comprise 31.7% of employment. This is an overall positive position for the employment outlook, with the economy, on net, exhibiting positive momentum. However, most sectors are clustering closely around the graph's origin, indicating that only small positive or negative values are being exhibited for at least one of the growth coordinates of most sectors. This can suggest an economy poised for more robust growth, but also indicates heightened vulnerability to adverse shocks to the economy. The calculation results underlying the graph above are displayed in the table below.

Louisiana Employment Momentum By Major Sector, 2019q4, sa				
Quadrant	Sector	Year/Year % Chg {Long-term}	Quarterly % chg {Short-term}	Relative Sector Size
EXPANDING	Manufacturing	3.2%	5.0%	8.0%
CONTRACTING	Construction	-5.9%	-4.0%	8.1%
EXPANDING	Mining	1.8%	9.4%	2.1%
EXPANDING	Retail	0.6%	0.1%	13.0%
EXPANDING	Prof & Busi Svcs	1.2%	0.7%	12.4%
CONTRACTING	Transp & Utilities	-0.3%	-3.4%	4.9%
IMPROVING	Education	-0.9%	0.6%	2.7%
EXPANDING	Health	2.6%	0.5%	16.1%
EXPANDING	Leisure	1.3%	6.6%	13.9%
CONTRACTING	Government	-0.6%	-0.9%	18.8%