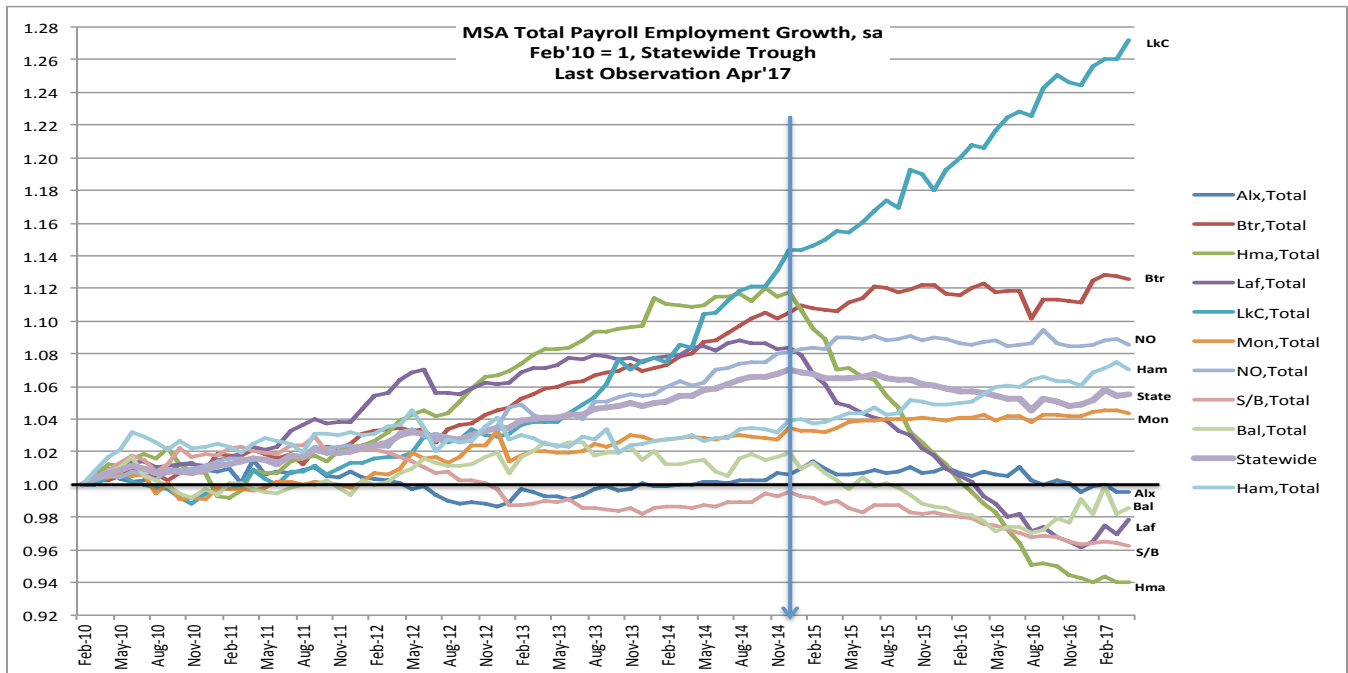


Metro Area Employment Growth, April 2017



A convenient metric to compare economic performance across metro areas is total payroll employment; the headline employment measure reported for the national economy, and all state and metro areas on a monthly basis. The graph above depicts this employment concept for each of the state's nine metro areas¹, the balance of the state, and the state as a whole. In this graph, monthly seasonally adjusted² total payroll employment for each area is indexed to the month of February 2010, when the state's payroll employment total was at its low point in the 2008-09 national recession. The months subsequent to that trough month reflect the economic recovery/expansion phase of the national business cycle. The value of each line at any month reflects the percent change of that area's total payroll employment from the month of February 2010. For example, by April 2017 total employment in the Lake Charles area (LkC) was 27.2% higher than in February 2010, while in the Houma area total employment was 6.0% lower.

In the context of the national expansion, the Lake Charles, Baton Rouge, New Orleans, and Hammond areas have led the state in employment growth relative to February 2010. However, the Baton Rouge and Orleans areas flattened in late-2014 to early-2015 and have not grown much since then. The oil service areas of Lafayette and Houma have fallen off significantly since late-2014 reflecting the dramatic drop in oil prices that began in mid-2014. The Monroe area exhibited some modest upward trending over this period, but has stabilized since early-2015. The Hammond area appears to continue to exhibit modest growth, while the Alexandria area is essentially unchanged from its 2010 level. The Shreveport-Bossier City metro area is some 4% below its 2010 level, and has been since early 2013. The balance of the state's parishes outside the defined metro-areas have trended down since mid-2013, dropping off in late-2015 but struggling to get back to their 2010 levels since mid-2016.

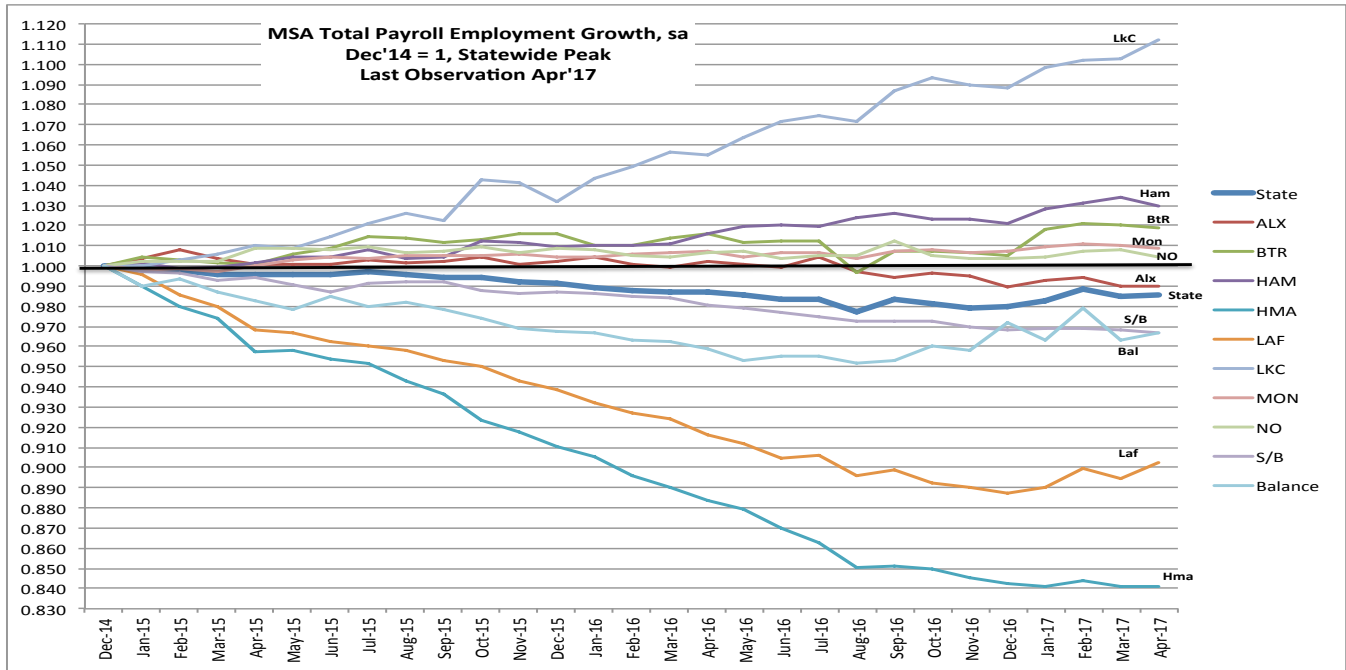
The areas that have experienced above-average growth from February 2010 (Lake Charles, Baton Rouge, New Orleans, and Hammond) comprise 57.8% of the state's current total employment. However, with flattening of the Orleans area, this majority of jobs has not been sufficient to offset the below-average growth occurring in the rest of the state, and especially the sharp drop-off in employment in the oil service areas of Lafayette and Houma, as well as the balance-of-the-state areas. Consequently, statewide employment, while still 5.5% larger than in early 2010, began exhibiting slower growth in the beginning of 2015 and absolutely declining beginning around the second half of 2015, before beginning a slight recovery with the start of 2017.

Statewide, the compound annual average growth rate of total employment over this entire eighty-seven month period has been 0.74%. The above-average tier has exhibited 1.51% annual growth while the below-average tier has exhibited an annual decline rate of -0.28%. At the extremes are Lake Charles with a high growth rate of 3.32%, largely from mid-2013, and Houma with a low rate of -0.85%, largely from early-2015.

¹ Beginning with 2015, changes to official metro area designations have been made that add an additional metro area to the state, designated as the Hammond area encompassing Tangipahoa Parish. In addition, additional parishes have been added to three existing metro areas. The Lafayette area now includes Acadia, Iberia, and Vermillion Parishes. The New Orleans-Metairie-Kenner area now includes St. James Parish. The Shreveport-Bossier City area now includes Webster Parish. These parishes were formerly captured in the balance-of-state area.

² Non-seasonally adjusted data for each metro area and the statewide area are provided by the U.S. Department of Labor, Bureau of Labor Statistics. The non-metro balance-of-the-state area is simply the difference between the statewide area and the sum of the metro areas. Seasonal adjusted is applied by the author utilizing the Census Bureau X-12 process and the Eviews statistical software package.

Metro Area Employment Growth, April 2017



It is interesting to shorten the time perspective to a period that starts with December 2014, the last peak of statewide employment. Metro area employment since then is depicted above, with the declines in the oil service areas of Lafayette and Houma particularly highlighted over this period. As measured by total payroll employment, these two metro areas are 9.8% and 15.9% smaller than in December 2014, respectively. Combined with the 1% decline in Alexandria, the 3.3% decline in the Shreveport/Bossier, and the 3.3% decline in the non-metro balance of the state, these areas together have pulled the entire state's employment down by 1.4% since December 2014, even though as a group they comprised a 40% minority of total statewide employment as of that statewide peak month.

The largest metro area in the state, Orleans, comprising 28.6% of state employment as of December 2014, has been almost neutral over this period, as have been both Monroe and Alexandria. The strongest growth in the state over this period has occurred in the Lake Charles metro area, adding 11.2% to its employment, significantly greater than any other areas of the state, and largely due to industrial expansion in the state's petro-chemical complex. However, this metro area comprised 5.1% of total state employment in December 2014, and only 5.7% as of April 2017. The performance in this area, combined with that of Hammond, Baton Rouge, Monroe, and Orleans has not been sufficient to keep the state as a whole from contracting as measured by payroll employment. Consequently, total statewide payroll employment is still 1.4% lower than in December 2014.