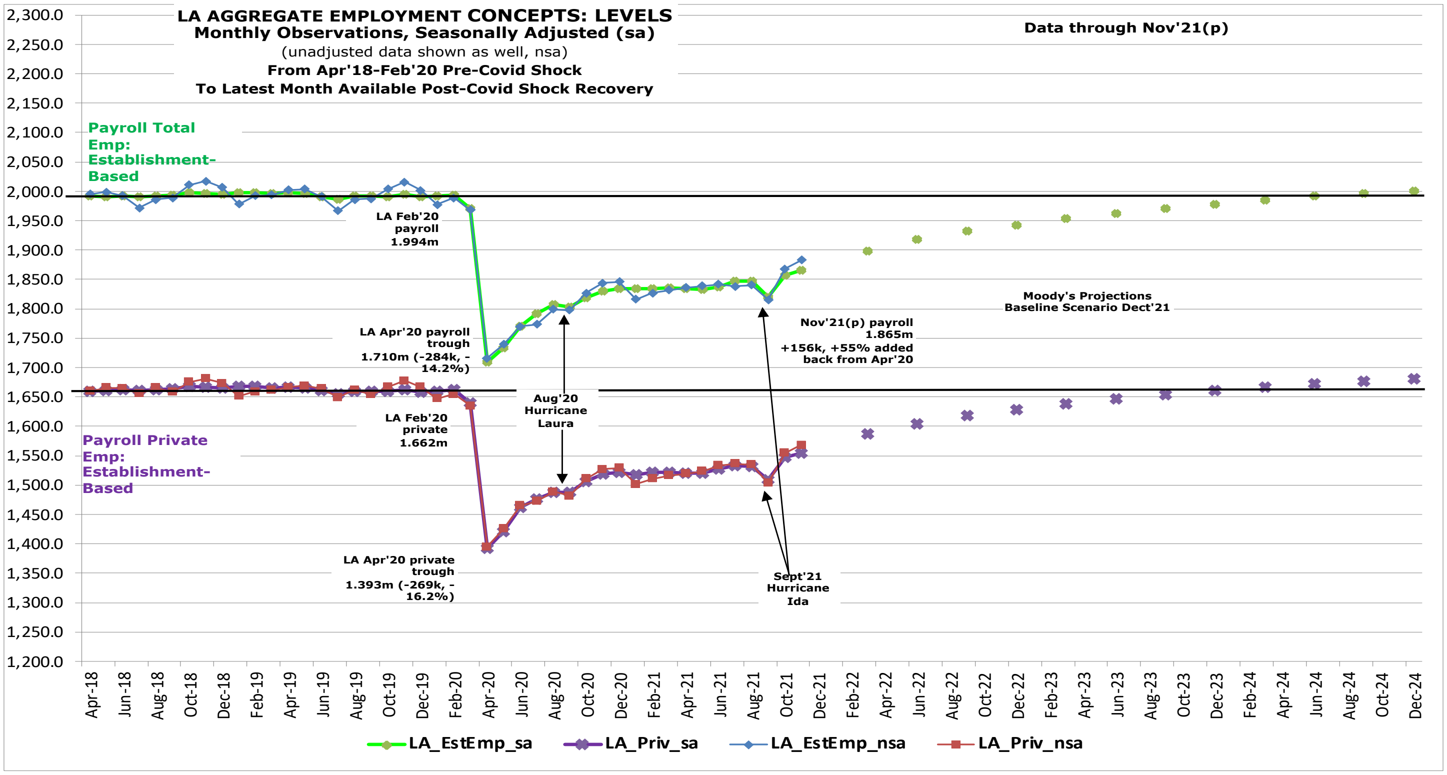
LOUISIANA EMPLOYMENT PERFORMANCE, November 2021



The graph above depicts the level of statewide establishment-based payroll employment estimates for total employment and private sector employment from a period prior to the coronavirus pandemic shock through the latest month of reported data. The most watched aggregates are payroll employment concepts, and here both total employment and private sector employment are displayed. These estimates are based on a survey of establishments reporting payrolls each month and, while subject to revision, are considered the most reliable for assessing the state of the labor market from an employment perspective. The data are monthly observations that have been seasonally adjusted to remove consistently occurring fluctuations in order to better depict the underlying trends in employment. In the graph above both seasonally adjusted (sa) and the not-seasonally adjusted (nsa) data are displayed in order to point out that while the two sets of data may tell somewhat different stories for any given month, they tell essentially the same story over time.

The graph highlights a number of aspects of the state labor market. Prior to the covid shock of early 2020, employment in the state was growing only very slowly, at best. The Dec’17 to Dec’18 growth was only 0.8% for total employment and 1% for private sector employment. From Dec’18 to Dec’19, both employment aggregates actually declined; -0.2% and -0.4%, respectively. Thus, returning to a pre-covid employment path after the covid shock is essentially returning to a flat path. The covid shock is obvious in the graph with a steep fall off in employment in March and especially April of 2020; 284,000 jobs lost or 14% from the February 2020 level. The recovery began in May 2020 with quick employment add-backs in the early months of the recovery, but with slower add-backs in virtually all later months, and even some backsliding a few months, especially those associated with hurricanes Laura and Ida. Achieving pre-covid employment levels will take some time. As of November 2021, some 19-months after the April 2020 trough, the state economy has added back only 156,000 jobs or 55% of the loss. Moody’s Analytics current projections for the state put achieving pre-covid private sector employment levels in the third of fourth quarters of 2023, and total employment in the first or second quarters of 2024.

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			As of Nov(p) 2021 BLS Employment Release, **SA**, thousands of jobs					
		COVID EVENT	Share of pre-covid total emp ==>		1.8%	6.9%	6.9%	11.1%
			Total Payroll Emp	Private Emp	Mining	Construction	Manufacturing	Retail
		Pre-Covid Peak, Feb'20	1,993.5	1,662.4	35.2	137.0	138.1	221.6
		Fall-off: Mar'20 & Apr'20	(283.9)	(269.5)	(3.2)	(23.5)	(7.0)	(29.4)
		% Loss	-14.2%	-16.2%	-9.1%	-17.2%	-5.1%	-13.3%
	Incremental							
	Add-Backs	Add-back: May'20 - Nov'21	155.7	162.2	(1.6)	3.7	(3.1)	24.4
May'20	23.2	% of Loss	54.8%	60.2%	-50.0%	15.7%	-44.3%	83.0%
June'20	37.3	Still (short)/over Peak	(128.2)	(107.3)	(4.8)	(19.8)	(10.1)	(5.0)
July'20	20.9	% (short)/over Peak	-6.4%	-6.5%	-13.6%	-14.5%	-7.3%	-2.3%
Aug'20	16.3			Avg Wkly Pay, 2019q4 =>	$1,909	$1,309	$1,514	$567
Sep'20	(4.0)		4.4%	4.7%	1.6%	1.1%	5.3%	10.9%
Oct'20	15.3		TrpsWareUtils	Finance	RealRentLease	MgtComps	AdmnSupp	Prof & Busi Svcs
Nov'20	12.1	Pre-Covid Peak, Feb'20	87.5	94.1	31.0	22.2	106.0	218.2
Dec'20	3.9	Fall-off: Mar'20 & Apr'20	(7.1)	(4.5)	(3.6)	(1.3)	(18.6)	(25.7)
Jan'21	0.3	% Loss	-8.1%	-4.8%	-11.6%	-5.9%	-17.5%	-11.8%
Feb'21	0.0							
Mar'21	0.4	Add-back: May'20 - Nov'21	3.3	0.8	0.0	0.4	13.0	22.1
Apr'21	(1.4)	% of Loss	46.5%	17.8%	0.0%	30.8%	69.9%	86.0%
May'21	(1.7)	Still (short)/over Peak	(3.8)	(3.7)	(3.6)	(0.9)	(5.6)	(3.6)
June'21	4.3	% (short)/over Peak	-4.3%	-3.9%	-11.6%	-4.1%	-5.3%	-1.6%
July'21	10.7		$1,279	$1,439	$978	$1,614	$754	$1,176
Aug'21	0.4		2.4%	14.0%	12.0%	3.7%	16.6%	4.6%
Sep'21	(27.3)		Education Svcs	Health/Social	Leisure	Oth Svcs	Government	State
Oct'21	36.5	Pre-Covid Peak, Feb'20	48.5	278.3	238.6	73.9	331.1	91.2
Nov'21	8.5	Fall-off: Mar'20 & Apr'20	(4.0)	(28.5)	(105.8)	(19.9)	(14.4)	(4.1)
	155.7	% Loss	-8.2%	-10.2%	-44.3%	-26.9%	-4.3%	-4.5%
	19 months							
	54.8%	Add-back: May'20 - Nov'21	2.8	22.3	73.9	14.0	(6.5)	(2.6)
		% of Loss	70.0%	78.2%	69.8%	70.4%	-45.1%	-63.4%
		Still (short)/over Peak	(1.2)	(6.2)	(31.9)	(5.9)	(20.9)	(6.7)
		% (short)/over Peak	-2.5%	-2.2%	-13.4%	-8.0%	-6.3%	-7.3%
			$828	$961	$452	$795	$1,023	$1,024

The table above quantifies the graph and details the covid event by major industry sector. For each sector, the February 2020 pre-covid peak is shown, along with the job count and percentage fall-off in March and April of 2020. Then the employment add-backs beginning in May 2020 through the latest month of available data, in terms of job count and percentage of job loss. Then the job-count still lost and the percentage that remaining loss is of the February 2020 peak is shown. The aggregate monthly incremental employment add-backs is shown, as well, to quantify the early quick add-backs of employment but then the slowing of the recovery over time. The negative effects of Hurricane Laura in September 2020 and of Hurricane Ida in September 2021 is evident, along with the bounce-backs that accompanied those events. The drag of the Delta variant is also evident in the very low and even negative add-backs during the first half of 2021. The relative importance of the various sectors in the economy overall is implied by the share of pre-covid total employment each comprised, as well as by the pre-covid average weekly pay in each sector, both also displayed in the table. The two light blue highlighted rows of the table point are displayed below.

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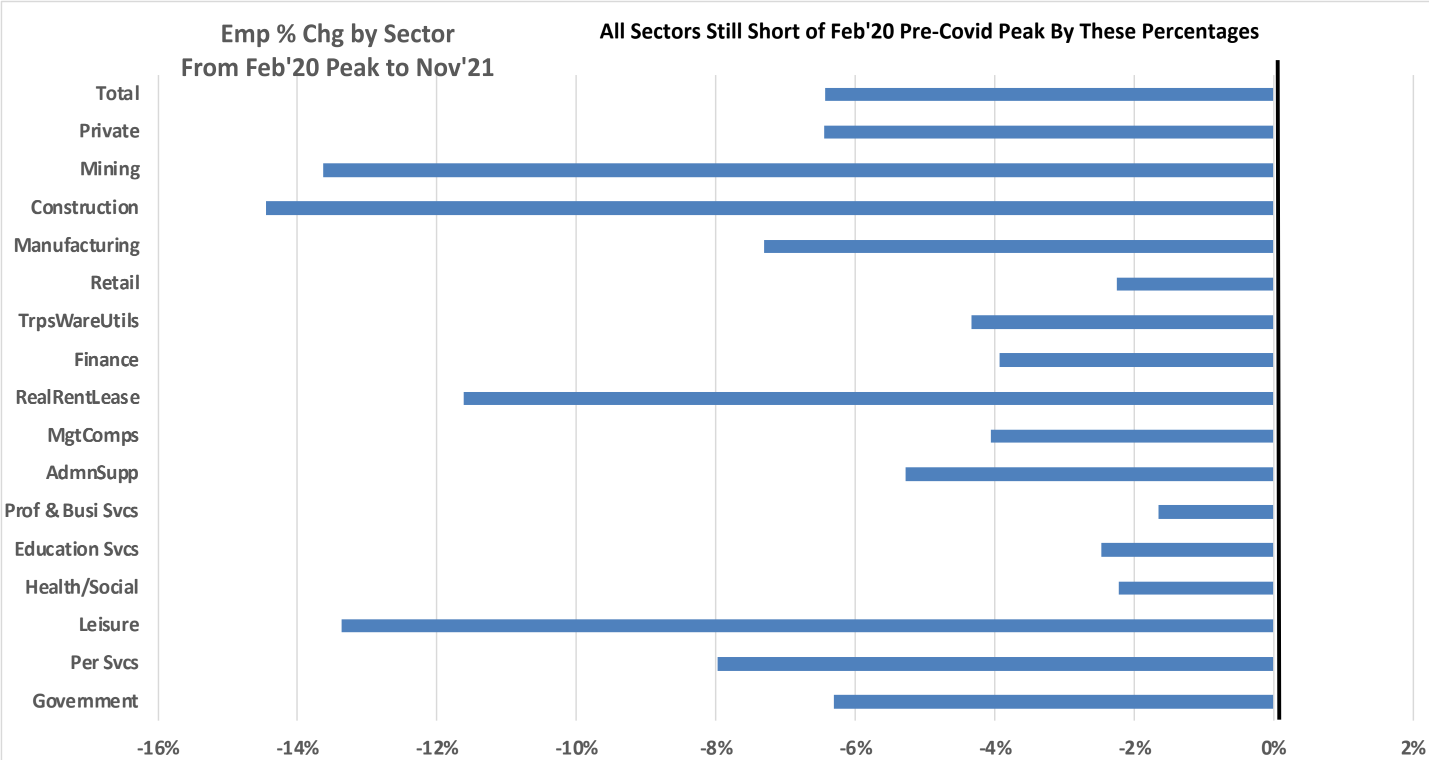
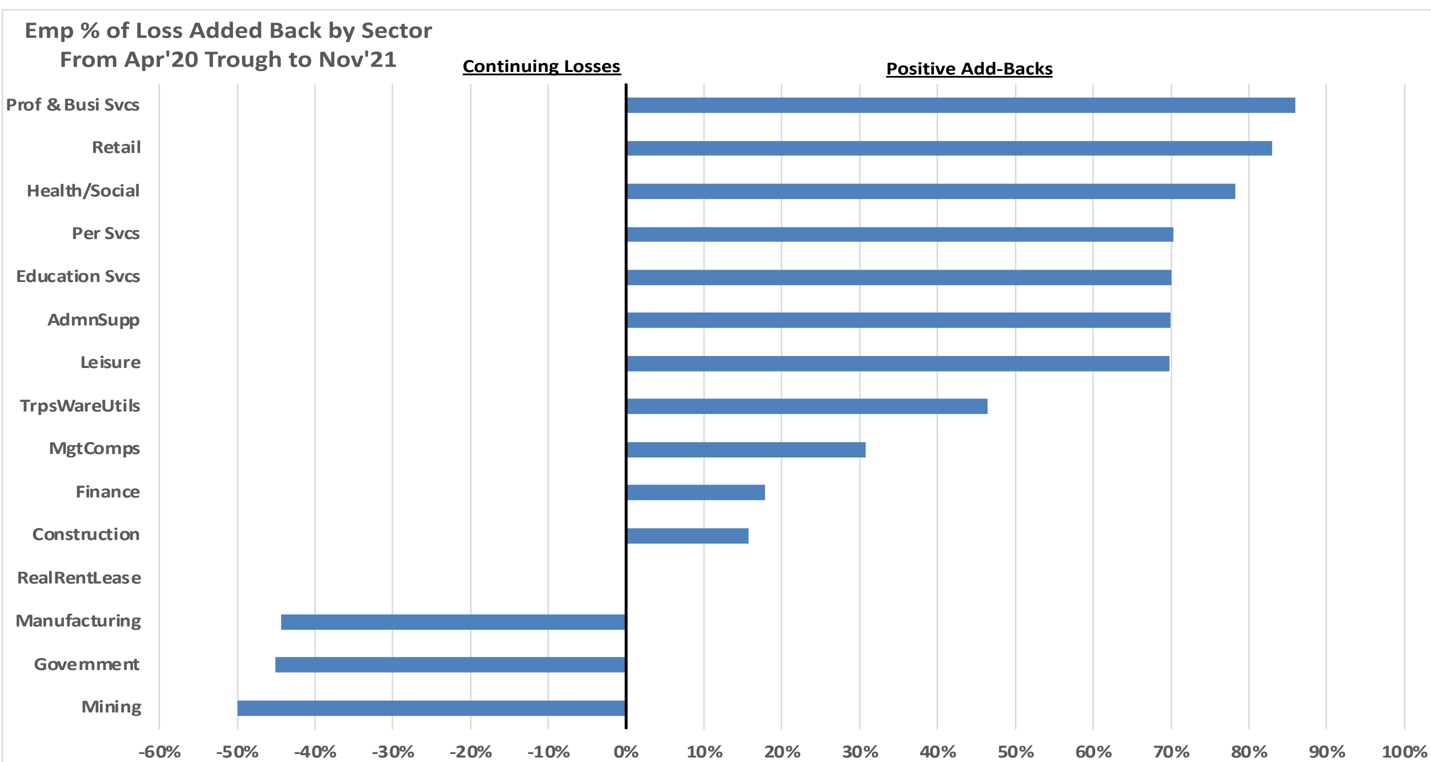


The graph above displays the second light blue highlighted row in the table above, and visually depicts the fact that no major industry sectors have achieved their pre-covid employment levels in the 19 months of recovery since April 2020. Overall, the labor market is still roughly 6% short of pre-covid employment, but the variation among industry sectors is fairly wide, with some within 2% or less and others still well in excess of 10% short.



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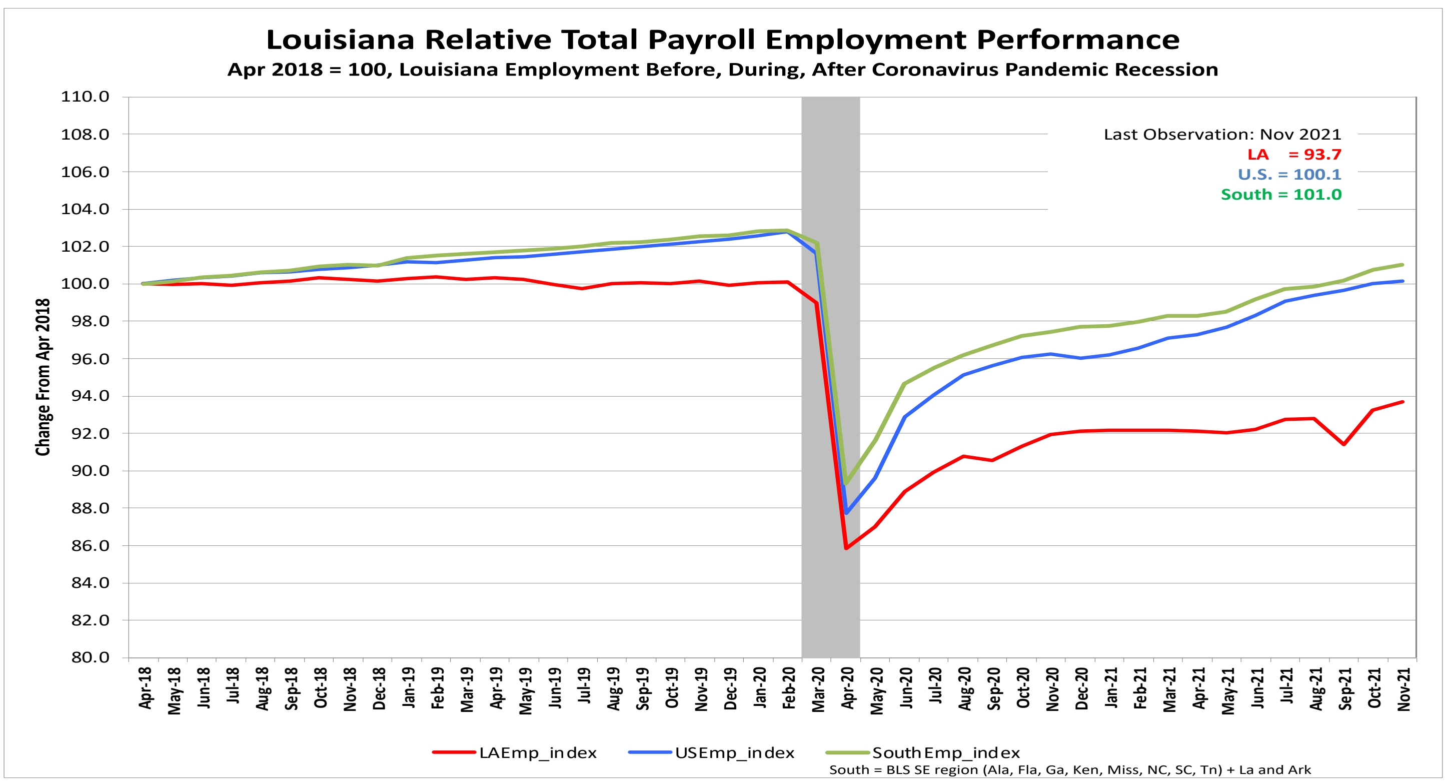
The graph above is more significant in what it displays. While eleven of fourteen industry sectors have exhibited positive employment add-back since April 2020, three significant sectors (mining, manufacturing, and government) have actually declined from the April 2020 trough; they are actually smaller today than after the worst of the covid shock. These three sectors comprise approximately 25% of the state's payroll employment, and are among the sectors with the highest average pay. Of additional note is the fact that prior to the November data, two additional sectors (finance and real estate) also had lower employment than April 2020, and the table above shows that they (along with management companies) have only slight or just even improvement from that rough month over a year and a half ago. The weakness in the mining and manufacturing sectors is likely related in that Louisiana manufactures provide the oil and gas industry, both in and out of state, with equipment and components utilized in oil and gas extraction. The continued losses the government sector are primarily in local and state government jobs. Although state and local fiscal conditions have improved markedly from the early covid period, governments as a whole have not added back their covid job losses, and have continued to reduce public sector employment during the course of the recovery.

How Louisiana's employment performance compares across states is depicted below. Displayed is total payroll employment for the state, the nation as a whole, and the South[1] as a whole. In this graph, monthly seasonally adjusted total payroll employment for all three regions is indexed to the month of April 2018, to provide a substantial period of pre-pandemic baseline for comparison. The value of each line at any month reflects the percent change of that region's total payroll employment from the month of April 2018. Thus, as of November 2021 the state's total payroll employment was 6.3% lower than in April 2018; a month two years prior to the state's pandemic employment trough month of April 2020. By comparison, total payroll employment for the south was 1% greater, and for the nation as a whole 0.1% greater. This depiction serves to underscore two significant aspects of the state's economy. First, prior to the onslaught of the pandemic, the size of the state's payroll employment base was essentially stagnant. Second, the state's employment recovery from the pandemic has lagged the southern region and the nation as a whole. The performance gap exists, in part, because the state's employment fell farther than the South and the nation due to the heavy reliance on tourism related industries as well as industries associated with oil and gas production; both sectors significantly negatively affected by the pandemic.



[1] Here the South constitutes the U.S. Department of Labor, Bureau of Labor Statistics southeast region of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, plus the states of Arkansas and Louisiana.

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However, over the last year and a half of recovery, the state's employment performance gap has actually worsened, in that the gap between the state's index values and those of the South and the nation have widened. This negative performance gap has ameliorated somewhat since September 2021, but reliance on the tourism and oil and gas sectors is likely also to be a root of the state's lagging employment performance. The rebound in oil prices has not yet resulted in a rebound in oil and gas production employment in the state, and the return of tourists to the state at pre-pandemic levels suffers from repeated waves of infection and the fear of contagion associated with those waves.s