

The Analyst

ST. TAMMANY ECONOMIC DEVELOPMENT CORPORATION'S
ECONOMIC RESEARCH PUBLICATION

*Q4 2024 Economic
Trends Report*

Introduction

Welcome to St. Tammany Economic Development Corporation's (St. Tammany EDC's) publication of our Quarterly Economic Trends Report, a curated collection of economic indicators that help us make sense of our local, regional, and national economies and their interconnectivity. This publication is a product of **The AnalyST**, St. Tammany EDC's economic research publication suite. Tracking and understanding economic trends is an important exercise for economic developers, public officials, business professionals, and the general citizenry that empowers us to make the best possible decisions to help our community prosper.

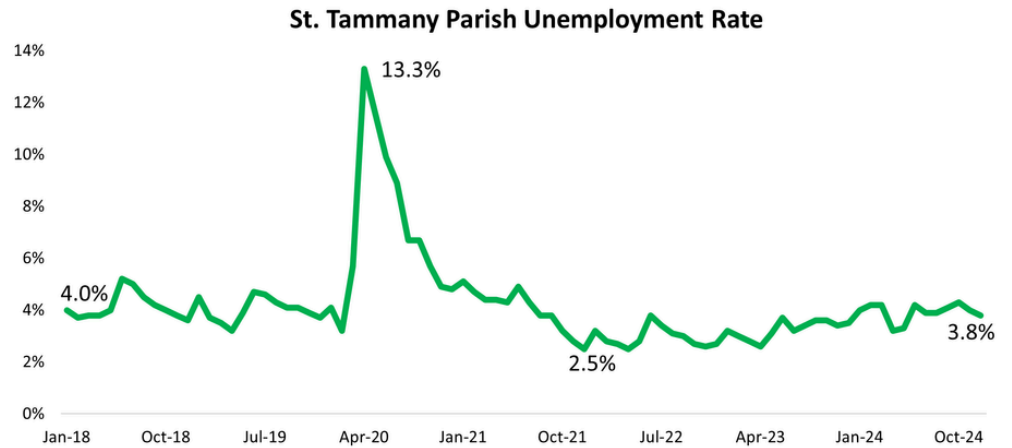
This report covers data made available by the fourth quarter of 2024. Data for St. Tammany Parish is compared with the Greater New Orleans region, the state of Louisiana, and the nation. Throughout this report the Greater New Orleans region is measured using the New Orleans-Metairie-Hammond, LA-MS combined statistical area. This includes the newly created Slidell-Mandeville-Covington, LA metropolitan statistical area (MSA), New Orleans MSA, and Bogalusa micropolitan statistical area. Previous versions of this report used the former New Orleans MSA that included St. Tammany Parish. St. Tammany Parish was removed from this MSA in 2023 to create the Slidell-Mandeville-Covington MSA by the Office of Management and Budget.

Through our publication of this and future quarterly economic trends reports, and other products of **The AnalyST**, St. Tammany EDC strives to fulfill our mission of being economic truth-tellers and providing meaningful, thoughtful analysis that lays the groundwork for transformational, results-driven economic development.



Unemployment

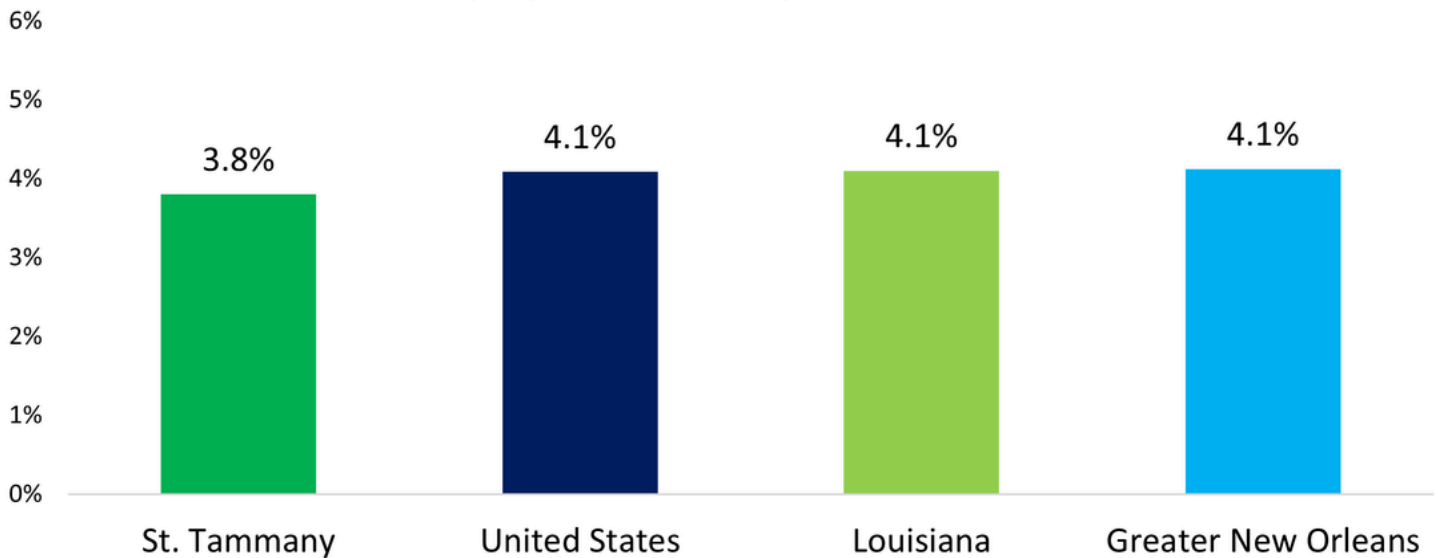
The graph to the right shows the historical unemployment rate in St. Tammany Parish from January 2018 to December 2024. In the recovery from the COVID-19 pandemic, the Parish experienced historic lows of 2.5 percent unemployment in December 2021. Unemployment has slowly risen back on par with pre-pandemic levels. In October of 2024, unemployment rose to 4.3 percent but by December the rate fell to 3.8 percent. This was 0.3 percentage points higher than the previous year in December 2023.



This 3.8 percent unemployment rate was lower than the Greater New Orleans metro, state, and national averages indicating a tighter labor market in St. Tammany Parish.

While the unemployment rate has slowly been trending upward in the last two years, **the parish's unemployment rate falls well within the natural rate of unemployment** (between 3.5 and 4.5 percent) **and has been stable and consistent with pre-pandemic levels.**

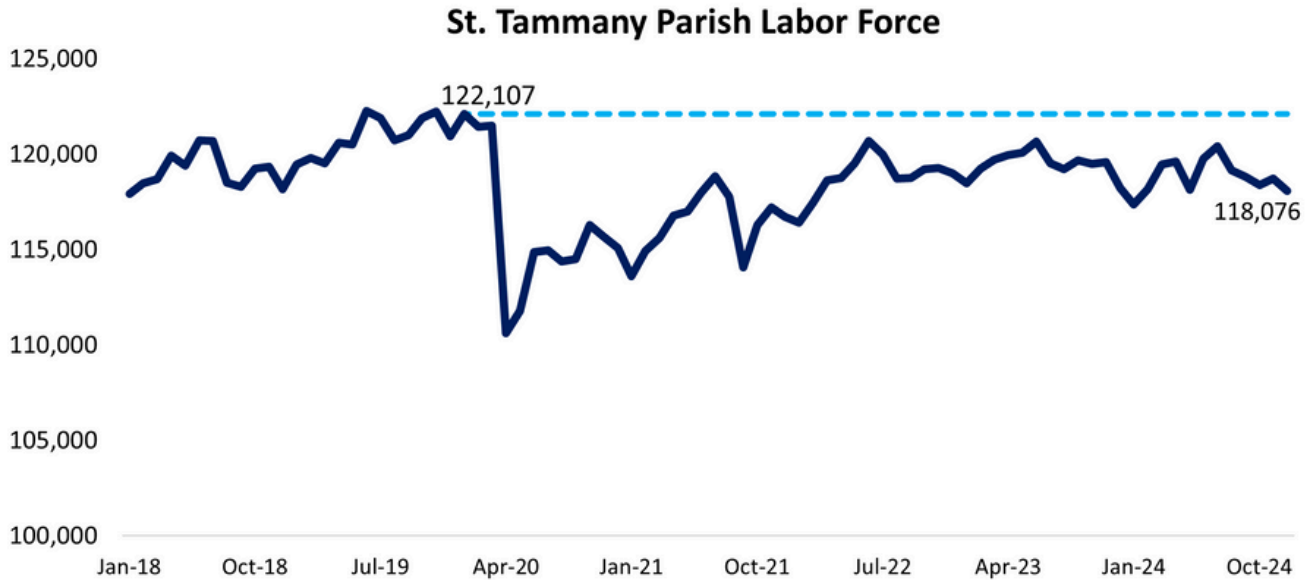
Unemployment Rates by Area, Dec 2024



Labor Force

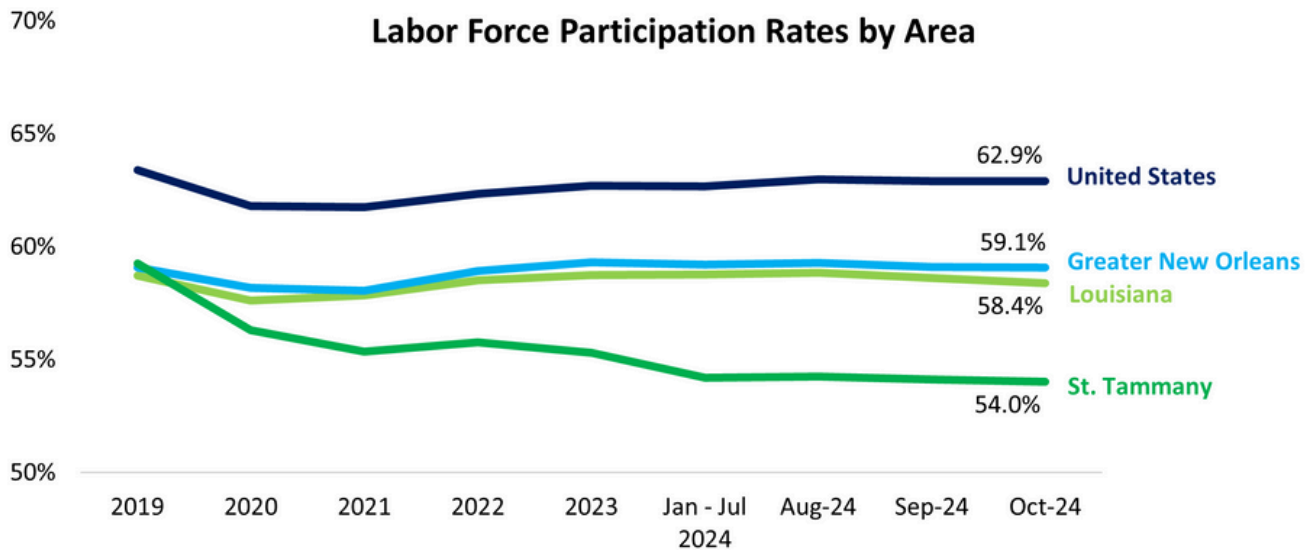
The labor force is defined as the number of working-age people who are either employed or unemployed and actively seeking employment. In **December 2024**, the Bureau of Labor Statistics measured **118,076 St. Tammany residents participating in the labor force**.

This most recent data point of labor force size for the Parish was **4,031 residents lower than the level of 122,107 in January 2020** before the start of the COVID-19 pandemic. The recent data for the labor force in the second half of 2024 is trending downward for the parish.



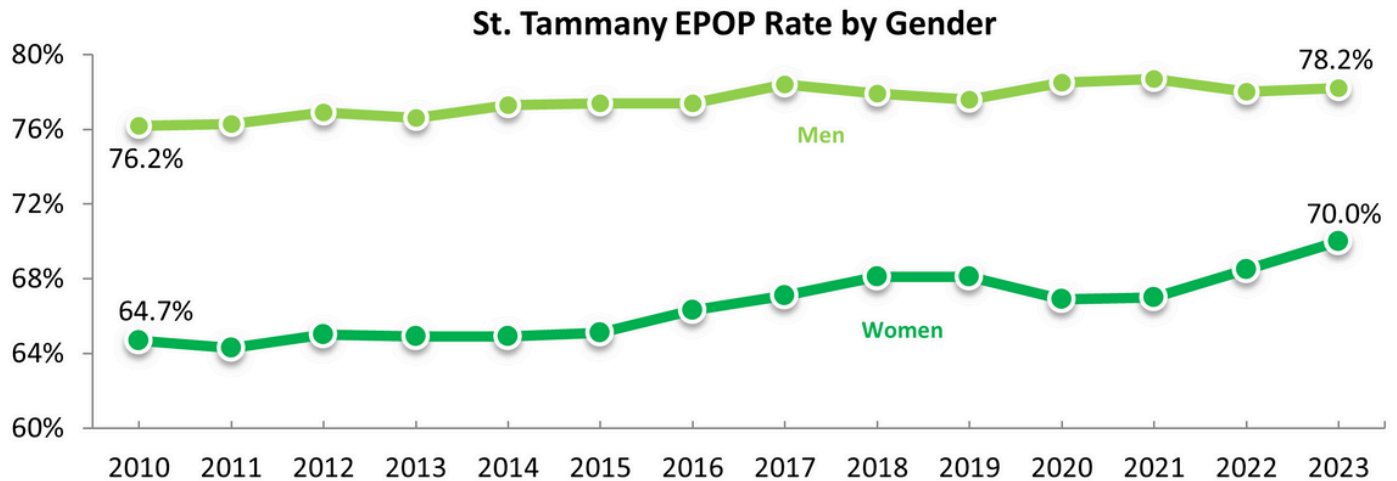
The decline in St. Tammany's labor force is a result of less residents participating. **The working-age population in the labor force** (labor force participation rate) **for the Parish was 54.0 percent in October 2024**. This shows a drop of over five percentage points since 2019.

Back in 2019, St. Tammany Parish had a similar labor force participation rate as the state and the Greater New Orleans area but has dropped below these other areas in recent years. The region has lower rates compared to the national average with no signs of returning to those levels.



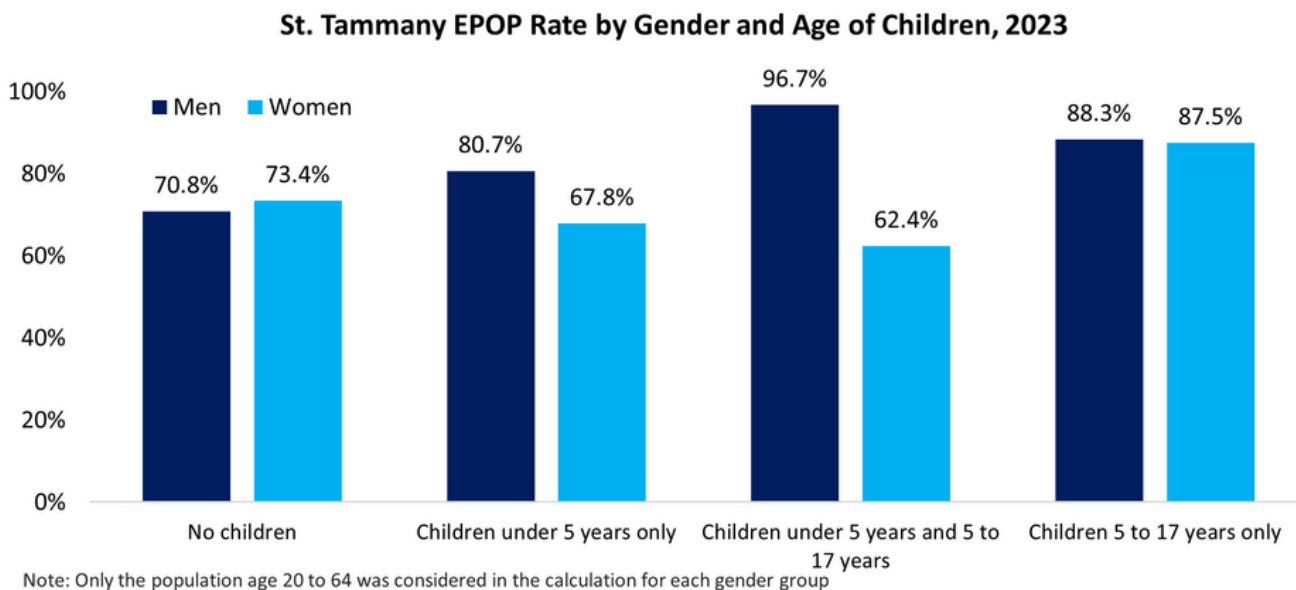
Employment to Population Ratio

The employment-to-population ratio (EPOP) is a useful measurement for evaluating economic participation of demographic groups. EPOP is a comprehensive assessment of the population that is actively employed. If labor force participation rates are high and unemployment rates are low, then the EPOP value will be high.



EPOP data for smaller geographic regions is only available through the US Census Bureau, which is updated annually. To better understand the decline in the labor force in St. Tammany Parish the EPOP by gender was evaluated. The data for people between the ages 20 to 64 shows that employment has been rising for both men and women since 2010. **The gains in EPOP have been strongest by women particularly in the last few years. The EPOP for men was still eight percentage points higher than women in 2023.**

When the EPOP is broken out by gender and the age of children at home, there is a clear divergence. **When there is a child under five years old in the household, women are less likely to be employed while men are more likely to be employed. When the children become school aged, the employment rate of women rises indicating that childcare availability or cost may be a preventive factor.**

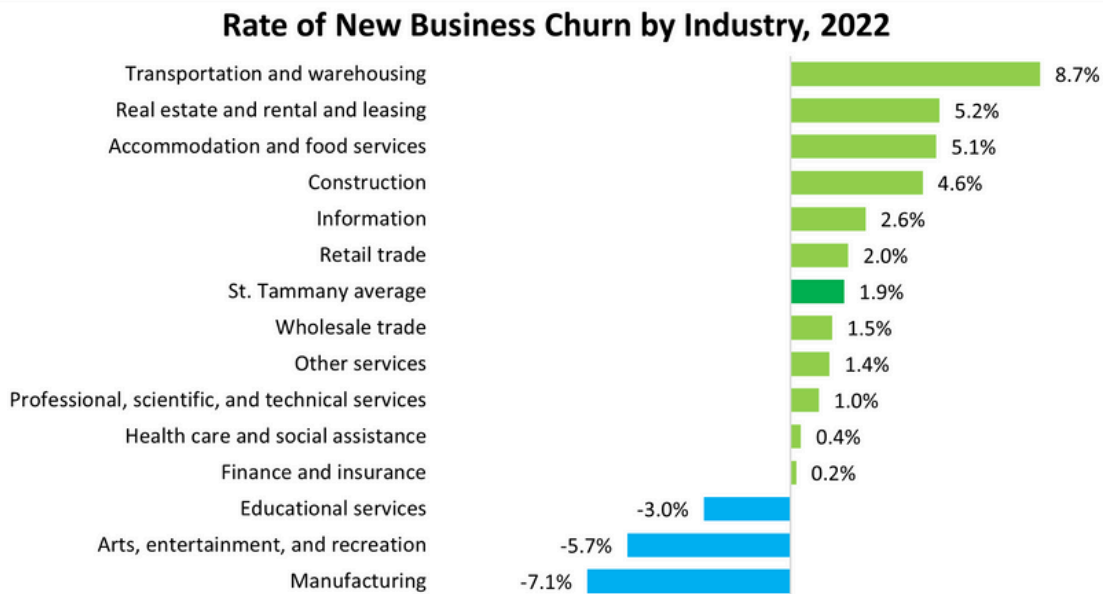
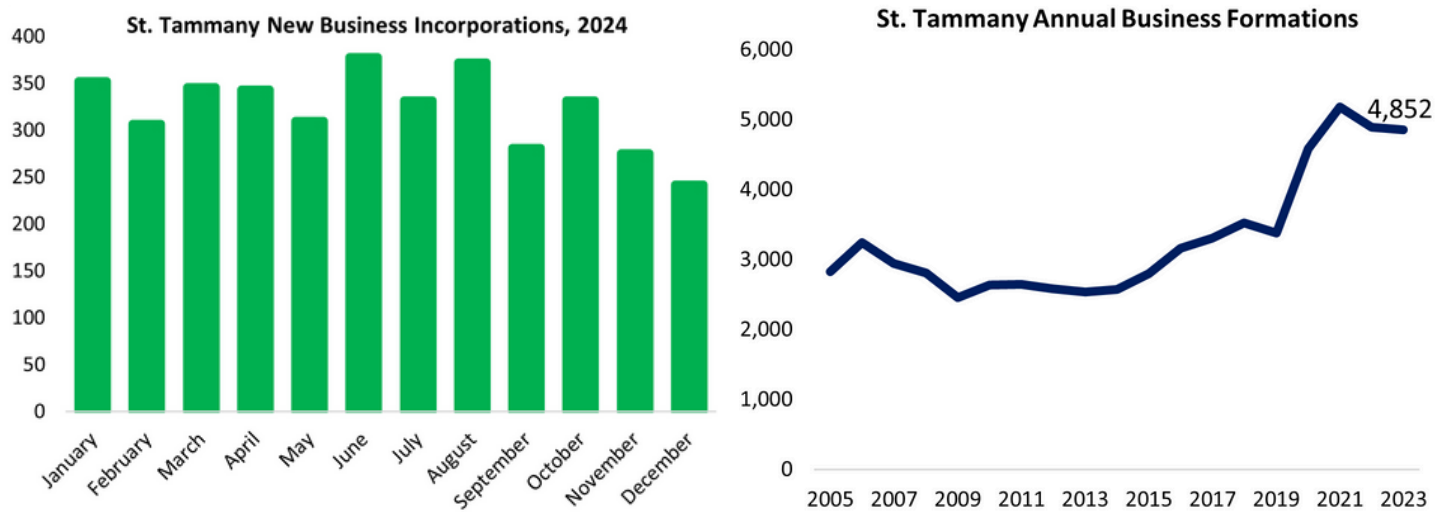


New Business Incorporations

Available data shows there was an **average of 65 new business incorporation filings per week in St. Tammany in 2024**. There were 849 total new business incorporations in Q4; this level was slightly lower than previous quarters in 2024, however, this may be due to seasonal fluctuations with the holidays.

The US Census Bureau collects annual data on the number of applications for Employer Identification Number (EIN). This helps track new companies that are likely to have a payroll. **In 2023, St. Tammany Parish had 4,852 new employer business formations**. This is slightly lower than the two preceding years, but new business formations remain elevated above pre-pandemic levels.

The Census Bureau also tracks the dynamism in an economy, the rate of firm births minus the rate of firm deaths. This highlights whether the churn of businesses in a region is positive or negative. Data for 2022 shows that St. Tammany Parish had positive levels of business churn. **Dynamism was strongest in the transportation and warehousing, real estate, construction, and accommodation and food services industries.**

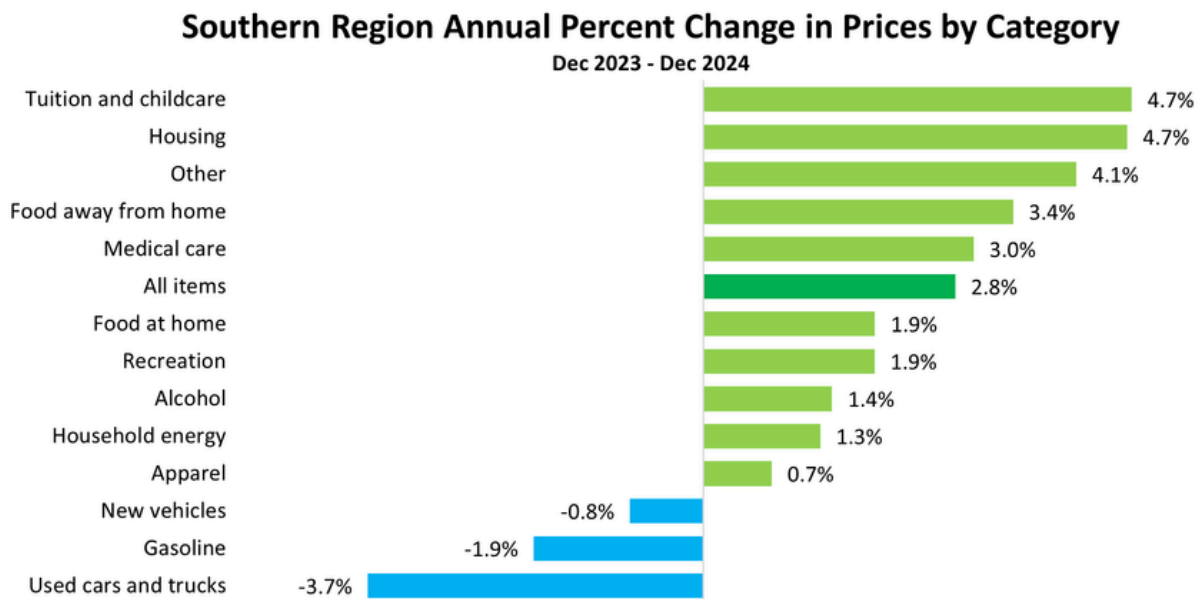
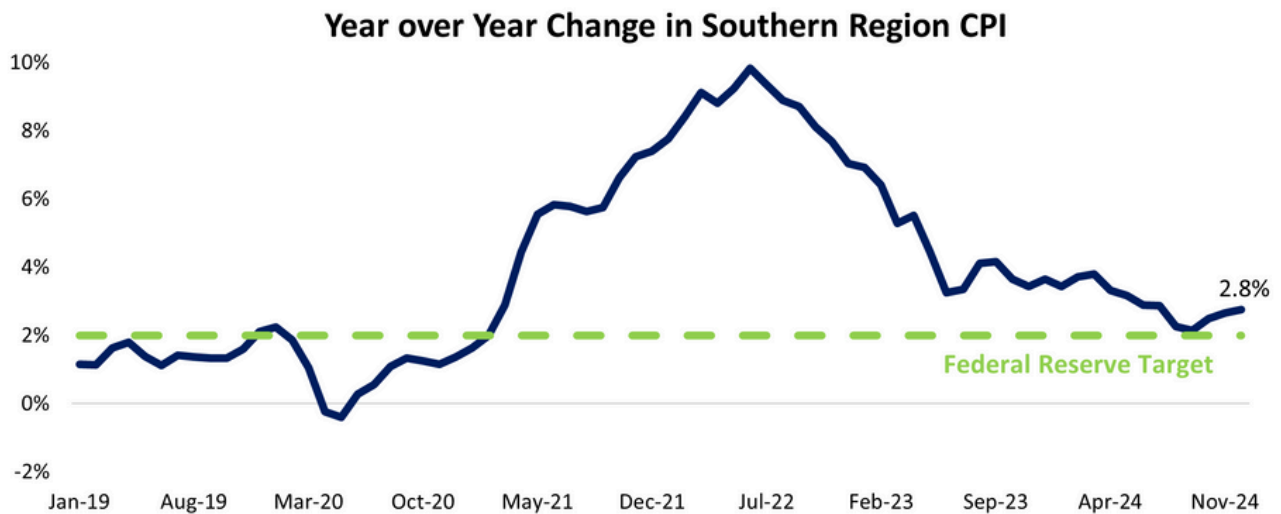


Inflation

Inflation continues to be a strain on the American consumer. The Consumer Price Index (CPI) is calculated by the Bureau of Labor Statistics and measures inflation by averaging prices of a basket of consumer goods and services. CPI is measured regionally, and Louisiana is part of the Southern region. **The Southern CPI year-over-year change rate, like the rest of the US, came close to returning the Federal Reserve’s target rate of 2 percent in September 2024. However, by December 2024, the rate had increased back to 2.8 percent.**

The Federal Reserve, believing it had controlled inflation close enough to its target, dropped interest rates twice the third quarter to help stimulate the economy. **Further cuts to the interest rate are not expected in 2025 as inflation began trending upward in Q4 of 2024.**

In the last year many goods and services have decreased their prices or sustained moderate price growth. However, **a few categories continue to experience higher rates of inflation.** These include products such as **housing, childcare, and medical care.** These prices are still suffering from a deficit in supply that is keeping prices high.



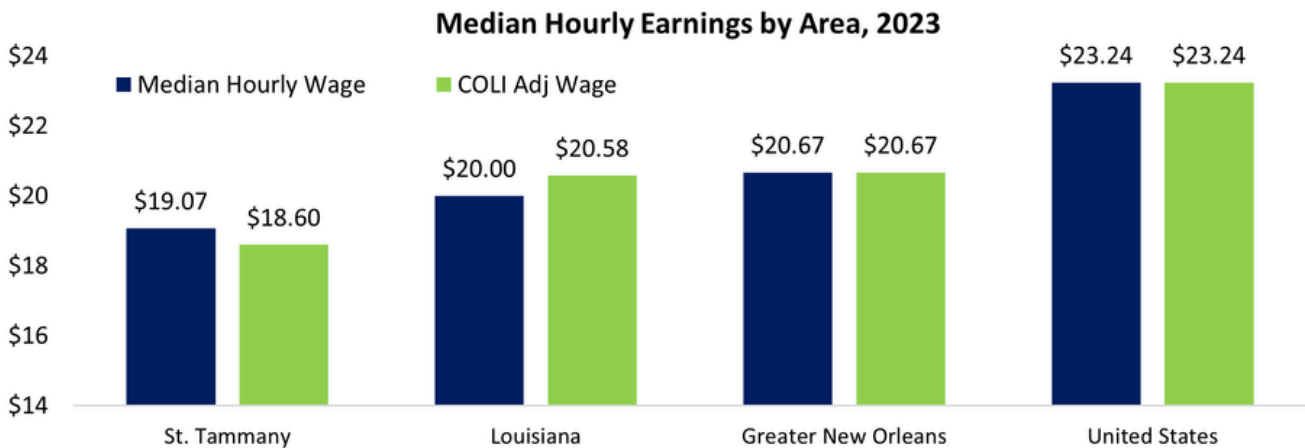
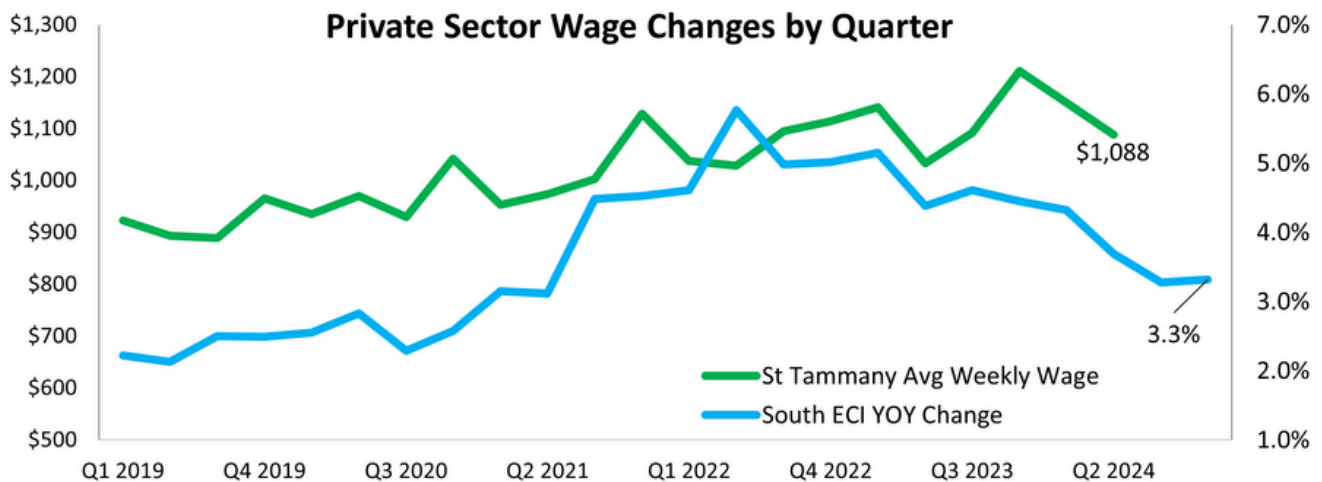
Wages

One of the many causes of persistent inflation has been the upward pressure on wages from high demand and low supply of labor in many industries particularly during the reopening of the economy after COVID-19 lockdowns. The Bureau of Labor Statistics measures the change in hourly labor cost to employers over time that accounts for differences in occupation types and hours worked. This Employer Cost Index (ECI) helps examine changes in compensation over time.

The ECI for private sector workers in the Southern Region continued to renormalize. From Q4 of 2023 to Q4 2024 the year-over-year change rate was 3.3 percent. This rate is slowing down from the peak of 5.8 percent in Q2 of 2022. The Southern ECI change rate appears to have stabilized but at a rate slightly higher than the pre-pandemic levels, this could make achieving inflation goals more difficult.

Increases in wages can be difficult for business with thinner margins but helpful to workers in a region who now have more money to spend. The average weekly wage for St. Tammany's workers has seen gains in recent years. **The most recent data from Q2 of 2024 found that private sector workers in St. Tammany Parish were averaging about \$1,088 weekly in wages. Small decreases in Q1 and Q2 are typical from the 4th quarter of the previous year.** Data at the parish level is not seasonally adjusted.

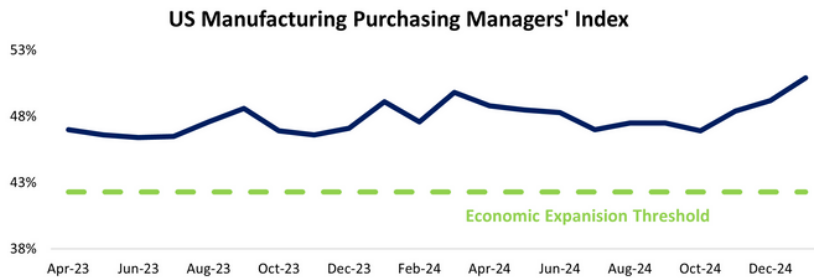
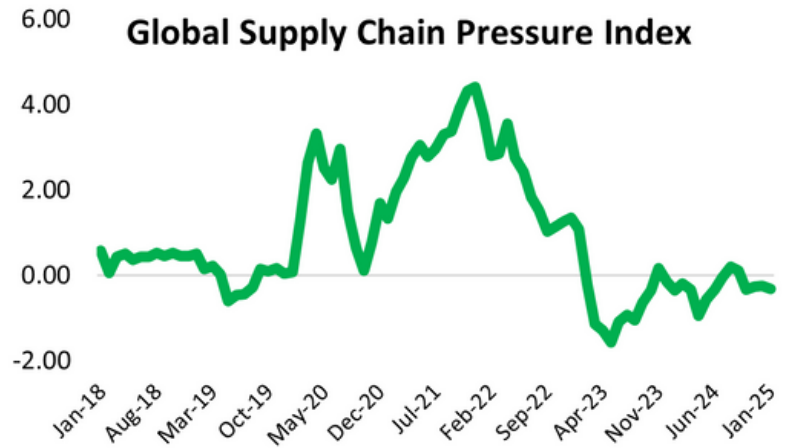
Earnings in St. Tammany are typically lower than median earnings in the greater metro, state, and national average. A key contributor to regional earnings differences is the industry and occupational makeup of the regional economy. When the earnings are adjusted by cost-of-living the earnings for St. Tammany are less competitive.



Manufacturing Industry

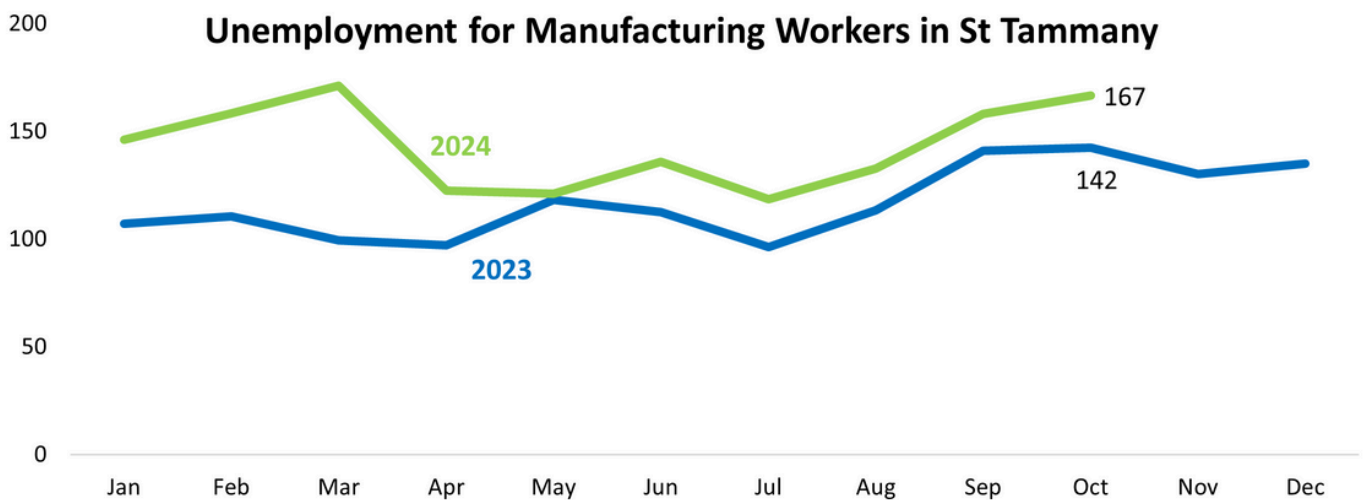
The Institute for Supply Management (ISM) produces an index of manufacturing activity based on a monthly survey of purchasing managers from more than 300 manufacturing firms across the country. The Manufacturing Purchasing Managers' Index (PMI) includes factors like business activity, new orders, employment, inventory, backlogs, international trade, and prices.

A manufacturing PMI score above 42.3 percent usually corresponds with expansion in the overall national economy. The US economy continues to maintain this threshold in manufacturing. **The PMI score for manufacturing has also increased each of the last three months.**



A measure of global supply chain pressure found that the supply chain index was stressed to about 4 standard deviations from the historical average at the height of the pandemic. **The index for Q4 2024 averaged less than one standard deviation below baseline, indicating less stress on the global supply chain.**

In St. Tammany Parish, manufacturing unemployment risen in recent months. **In September 2024, there were 167 workers with experience in manufacturing that were out of work.** Unemployment numbers in manufacturing have generally been slightly higher than those in 2023 in the parish.



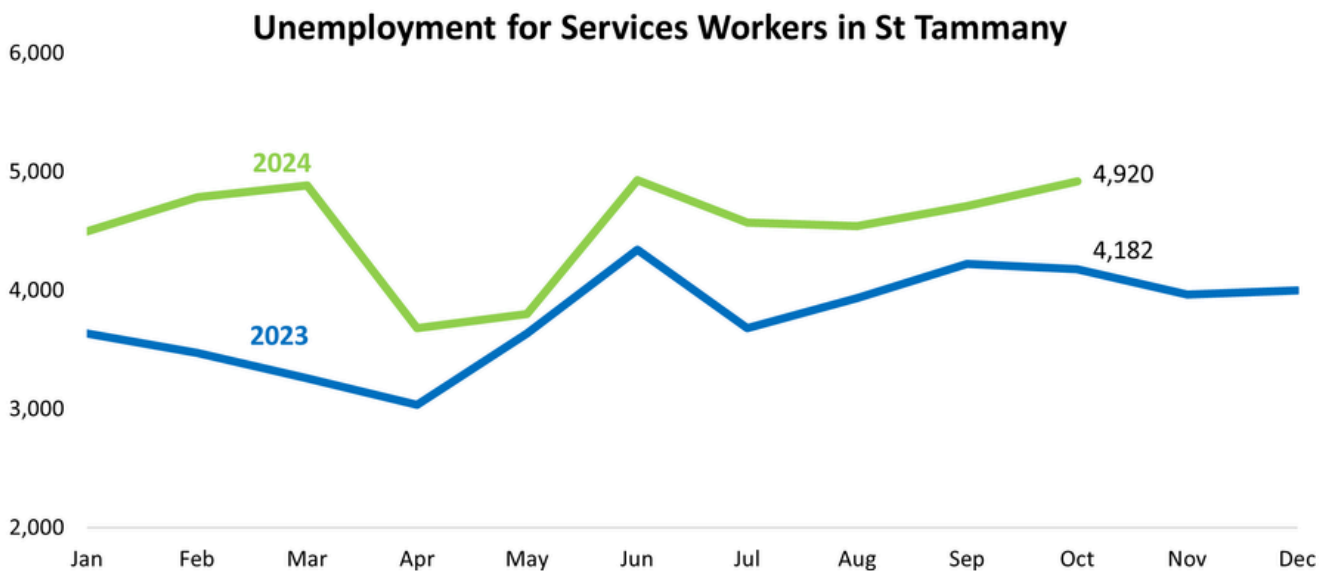
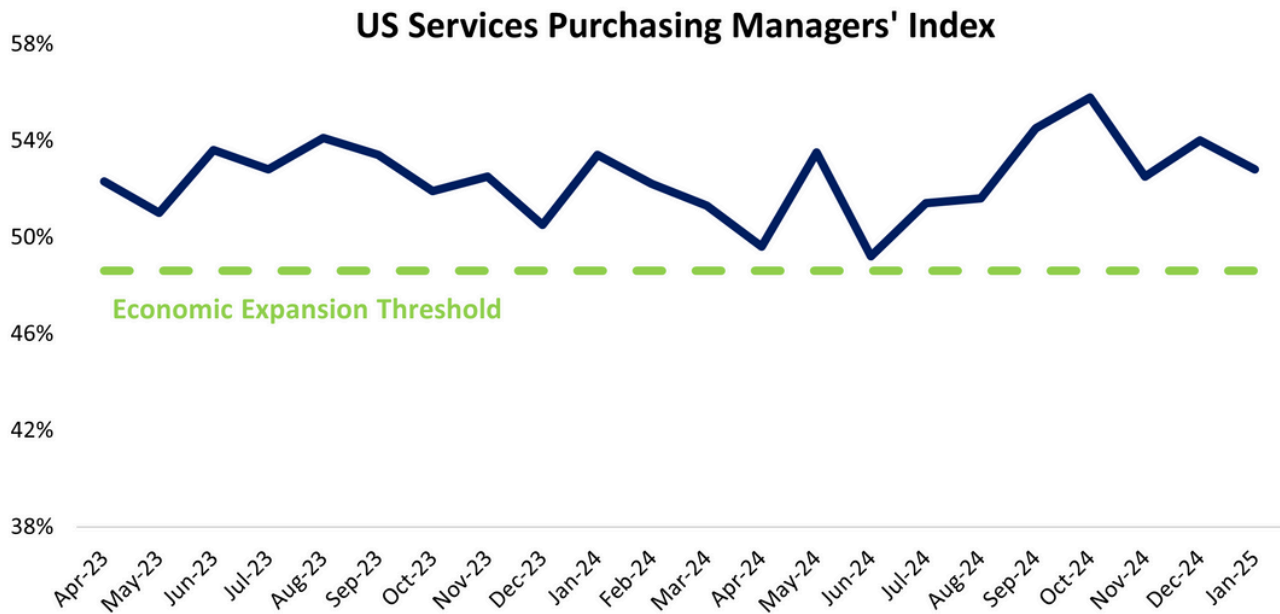
Service Industry

The ISM also produces a similar index of services industries. The ISM defines the service industry as all industries except manufacturing.

For these service industries, a PMI score above 48.6 percent usually corresponds with expansion in the overall national economy. The US economy had been maintaining this threshold despite a fair amount of month-to-month variation.

The year-over-year change rate in Services PMI from January 2024 to January 2025 was a 1.1 percent decrease.

Data also indicates that unemployment is also rising in these sectors in St. Tammany Parish. **Unemployment for workers with experience in service industries has been consistently higher in 2024 compared to 2023 levels.**



Building Permits

Tracking the values and volumes of building permits is helpful in assessing the rate of the community's growth. When the number and value of building permits increases this indicates a competitive market. New building can help offset the rising cost of housing in a region.

The number of new private sector housing units permitted in St. Tammany Parish was 217 in Q4 of 2024. **This was lower than the other quarters in 2024, but Q4 might be affected by seasonality.**

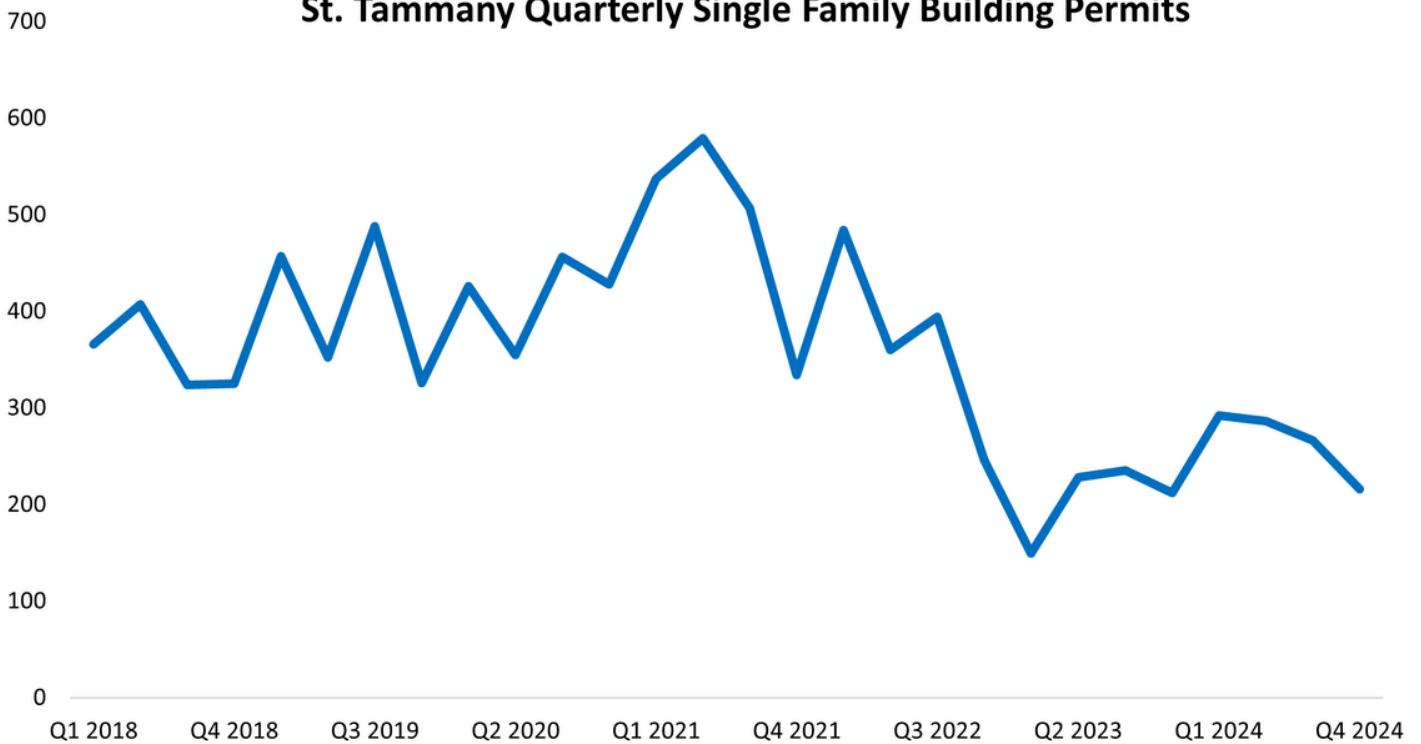
While the number of units slowed in Q4, the average value of these permits increased by over \$27,000 from the previous quarter. Almost all these units were single family permits.

The number of units permitted in the parish fell in the wake of higher interest rates dampening investment in new construction. The data for new permits in 2024 were higher in each quarter than the previous year. This may indicate that the local construction market is improving.

St. Tammany Parish New Private Sector Housing Permits

Month	Value	Units	Average
Oct-24	\$24,928,000	71	\$351,100
Nov-24	\$28,202,000	73	\$386,300
Dec-24	\$30,927,000	73	\$423,700
Q4 2024 Totals	\$84,057,000	217	\$387,400

St. Tammany Quarterly Single Family Building Permits



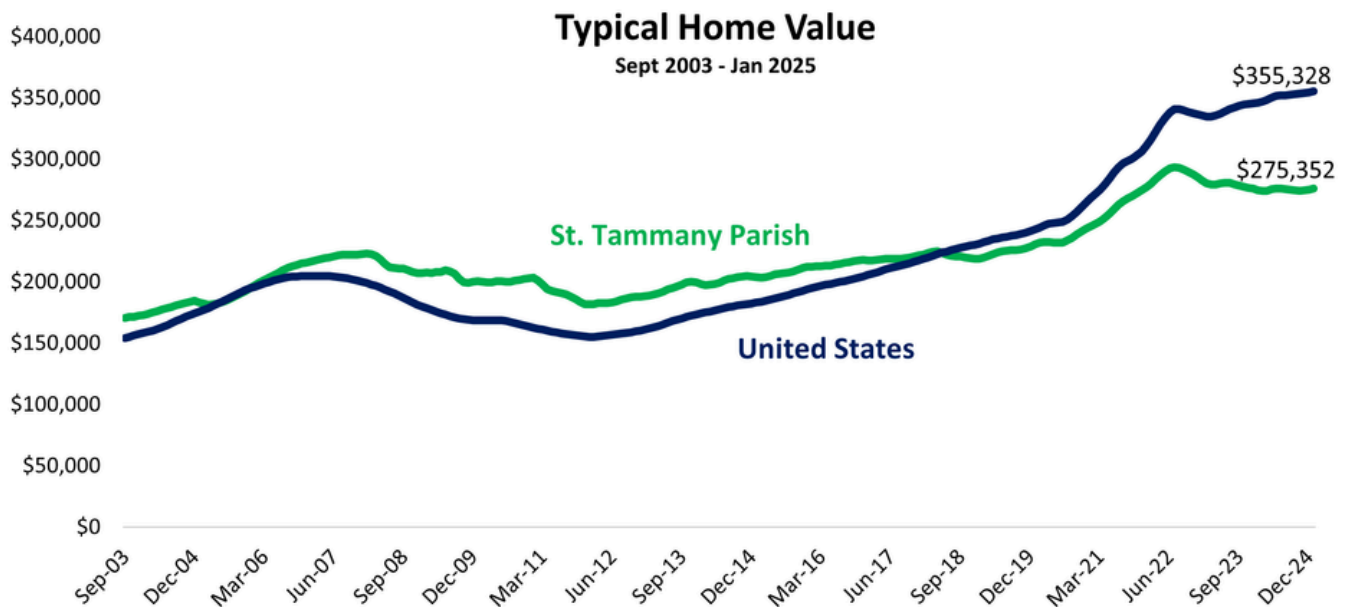
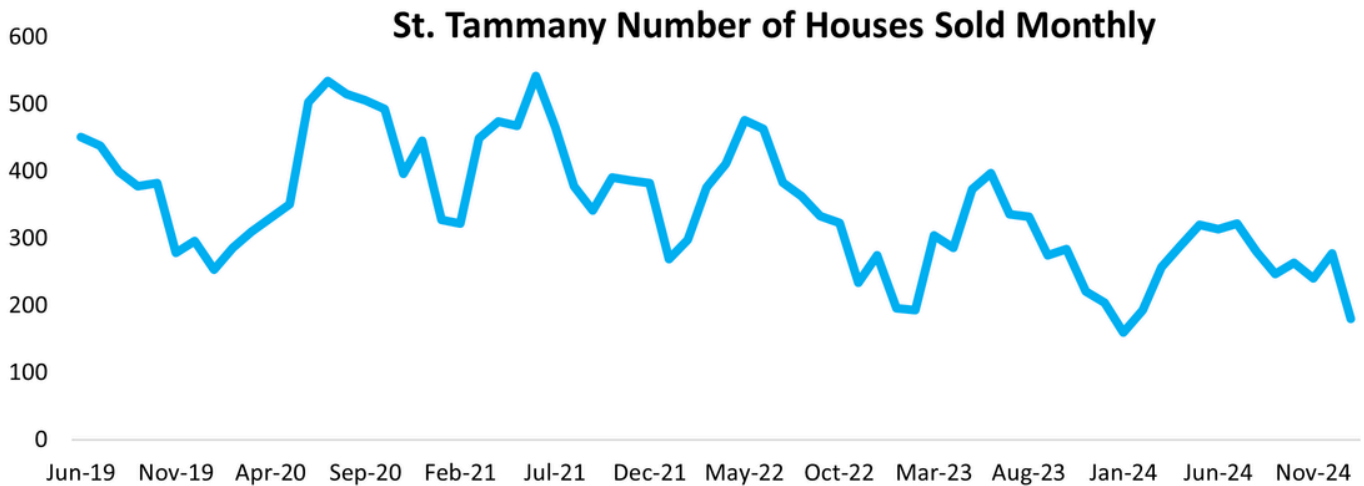
Residential Real Estate Market

In January 2025, 180 sales closed on residential properties in St. Tammany Parish. **This was a 12.5 percent increase from the previous year. The year over year change was also positive for November and December.** The inventory of homes for sale increased in the last year from 1,124 properties to 1,382, a 23 percent increase.

The average number of days on the market in the Parish has also risen from 64 days to 70 days from January 2024 to January 2025. **The increase in supply combined with the lower demand has helped stabilize housing prices in the parish.**

Zillow develops their data based on all homes in a region, not just recent sales, to determine the typical value for a home in each region. **This value for St. Tammany was \$275,352 for January 2025. This is lower than the national average giving the parish an edge as an affordable place to live.**

The year over year change for typical home value increased in the parish by 0.5 percent. **This was higher than the rate experienced at the metro and state level, but the US average increased by 2.7 percent for this same timeframe.**



Retail Sales Tax

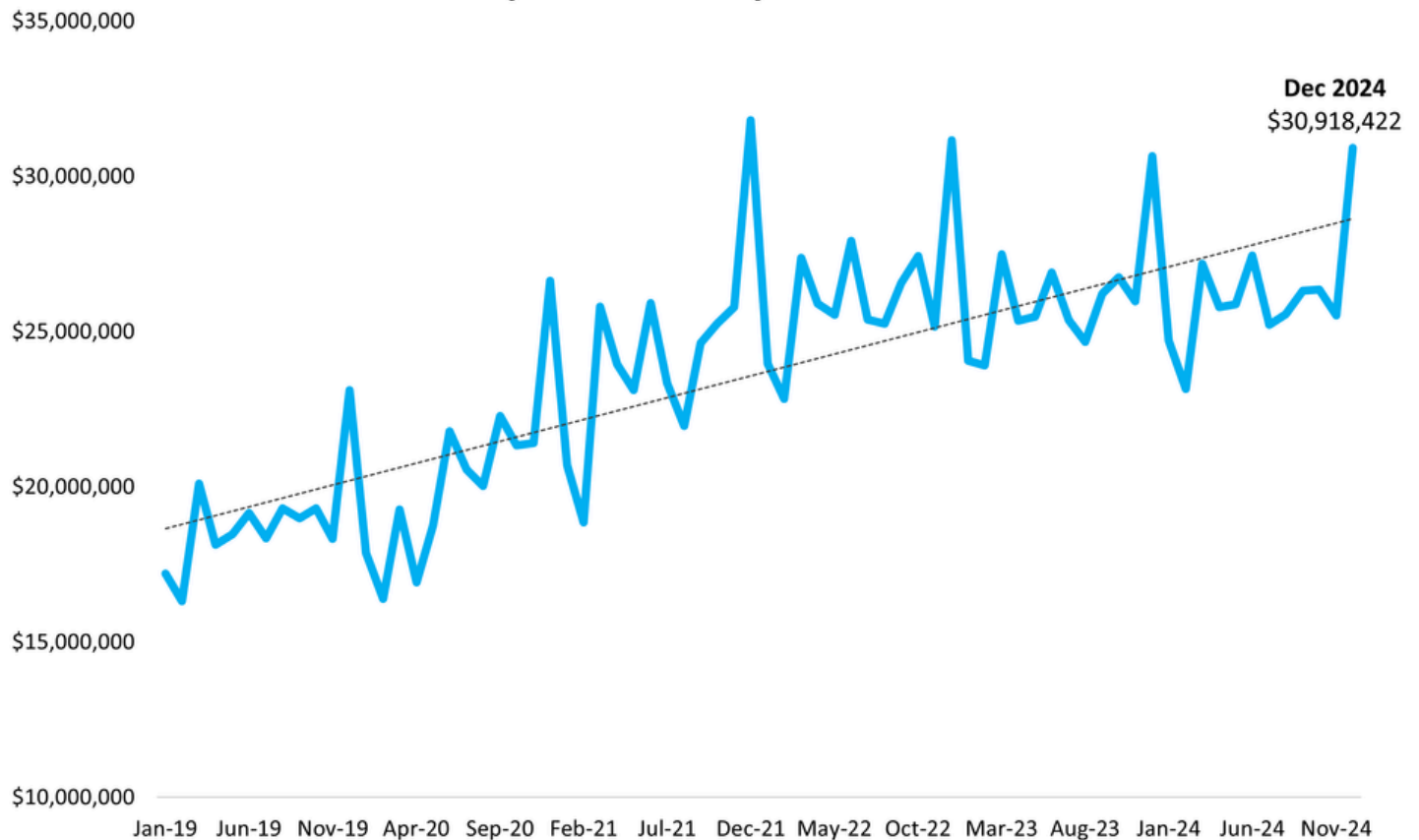
The graph below shows the total amount of sales tax collected within the parish from January 2018 through the end of December 2024. This provides insight into consumer spending in the parish and the amount of sales tax revenue that will be available for the local government. St. Tammany Parish will collect about half of these total amounts while the other half goes to the state and municipalities.

Retail sales tax collections peaked in December 2021 at \$31.8 million as the economy was reopening after COVID-19 and interest rates were still low. The data suggests that as inflation increased, the economy tightened, and that regional spending flattened but did not decline dramatically.

The latest retail sales tax collections from December 2024 were \$30.9 million. This was a 0.9 percent increase from the level in December 2023. December is often a high spending month, and it is encouraging that 2024's December spending was higher than the previous year.

Louisiana lawmakers voted in the fall of 2024 to raise the state sales tax from 4 percent to 5 percent. These changes took effect at the beginning of 2025, the data available for this quarterly report ended in Dec 2024. Future tax collections data will be needed to reveal any impact these changes have on tax collections.

St. Tammany Parish Monthly Retail Sales Tax Collections



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Key Takeaways

- Unemployment in both the services and manufacturing industries increased slightly in the Parish in 2024. **However, overall, the unemployment rate remains below full employment and lower than the metro, state, and national averages.**
- Labor force participation rates in St. Tammany Parish are still below the regional, state, and national averages. The size of the labor force has fallen in recent months and remains below pre-pandemic levels. **Demographic data suggests that participation is stronger among men in the parish compared to women. Women have lower employment rates in the Parish, particularly those with children under the age of five.**
- Tight levels of unemployment combined with a declining labor force in St. Tammany Parish will continue to make addressing workforce shortages a challenge for the region.
- Inflation is still hovering above the two percent year-over-year target and has trended upward in recent months. **This indicates that inflation is not yet under control, and interest rates will not be lowered further in the foreseeable future. Higher interest rates can discourage investments in capital and slow down the real estate market.**
- Wage growth rates in the region are stabilizing but are not yet back to pre-pandemic levels. **This stabilization helps moderate employer's costs but if the rate remains at current growth levels, it may contribute to higher levels of inflation.**
- **While housing prices increased early in the pandemic in St. Tammany Parish, the housing market is much more stable and not experiencing dramatic increases like other parts of the country.** This helps the area remain an affordable option for existing and potential workers. **Home values have been steadied by continued building and manageable demand.** Building permits for each quarter of 2024 were higher than the previous year.
- **Parish retail sales data, and thus tax collections, had a strong December performance that was higher than the previous year.** The average consumer has been wary of inflation, and this has kept local spending relatively flat in the last two years. It is not yet clear what the impact of recent tax changes at the state level will have on local revenue.



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