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Market Forces Are Best at Setting Oil and Gas Prices

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Earlier this spring crude oil prices peaked at about \$58 per barrel, the highest nominal price recorded. Since crude oil is the principal resource from which gasoline is produced, gasoline prices in the US soared to well over \$2.00 per gallon, igniting a blaze of concerns and complaints. A recent poll, reported on NBC News, stated that our satisfaction

with President Bush had declined to its lowest level and that gasoline prices were the third most significant factor for that decline. Crude oil and gasoline markets have strong effects on our local economy, are more and more driven by international factors, and are less influenced by our national policy choices. Given the impact of oil and gasoline prices, it is important to better understand the forces and policies driving these markets and the tradeoffs that we may face.

INTERNATIONAL

International Oil and Gas Issues

Internationally, three key issues are critical to the current nature of the crude oil market. They include rising demand, OPEC oil production, and further exploration and production in other regions of the world. Each of these factors is playing a role in today's oil prices. Demand for crude oil on the world market has been rising steadily for many years now, and a new factor contributing to the rising demand in the last decade or so has been tremendous economic growth in China, India, and other parts of Southeast Asia. The US has enjoyed some of the lowest average gasoline prices in the world, especially compared to the developed economies of Western Europe and Japan. Despite this fact, we as consumers still complain about rising gasoline prices, and breaking the \$2.00 per gallon barrier was particularly significant.

However, we are going to have to get used to the fact that we will face stiffer competition for oil and gasoline products as developing nations, mostly in Southeast Asia, grow richer. China's economy continues to grow and its huge population is now beginning to trade in bicycles for motor vehicles to enjoy a higher standard of living.

The OPEC (Organization of the Petroleum Exporting Countries) Cartel continues to have a significant influence on world oil prices. These eleven countries produce approximately 40% of the world's supply of crude oil. The dynamics of their influence has changed considerably over the years since the energy "crises" of the 1970s. Now the Cartel's resolve to restrict output and hold oil prices higher is harder to maintain. Cartel members often cheat on production quotas to increase their nation's revenue for their own domestic projects. These countries are now quite dependent on the large stream of revenue

from the sale of their petroleum and are more willing to accommodate their largest customers such as the US. President Bush's recent pleas for Saudi Arabia to lead the way by increasing production to ease supply concerns is evidence of this consumer influence. If the US and Western Europe were to fall into recession because of rising energy costs, OPEC members' revenues would be reduced considerably causing their own domestic problems.

A key factor that has reduced OPEC's market power in world oil prices has been the increase in oil reserves discovered and developed in other parts of the world. Higher prices for crude oil have been the key for increased investment in exploration, production and technology. In the 1970s when oil prices were rising to new heights, increases in investment helped develop reserves in the North Sea and many other offshore areas including the US Gulf Coast. Today new reserve potential exists in Brazil, Chile, and many states of the former Soviet Union. Higher prices will trigger this new investment, and the new production will help to alleviate further increases in prices.

Every decade or so, rising prices also renew a debate as to whether we have hit "peak" oil production (the maximum sustainable amount of oil.) Oil is a finite resource and we obviously cannot continue to produce and consume larger quantities of oil indefinitely. Much of this debate revolves around whether current prices accurately reflect the real scarcity of petroleum in the world. Many forecast oil prices could rapidly increase to as high as \$100 per barrel. Clearly such prices would have significantly adverse effects on the world and US economy. Scientists, engineers, and resource planners who make such predictions primarily base their forecasts on geological factors indicative of the

likelihood of discovering more petroleum through continued exploration. But market prices for crude oil are not based solely on the actual quantity of petroleum on the Earth, but political and economic factors such as political stability and the availability of new production technologies. Those who understand market forces should recognize that the participants in international market transactions are not ignorant of these facts. Their profitability and success depend on making better predictions and decisions rather than just scientific data alone.

There may be many ups and downs in oil prices over the next few decades, but basically we should expect a smooth transition to higher average prices as oil truly does become harder to find and extract. As a result, the higher prices will promote investment in alternative energy sources and technology as well, and we will gradually phase out of the Oil Age into some new future, just as we phased out of the horse and buggy era for the automobile 100 years ago. It is important to note that even at \$50 per barrel oil is still a cheaper energy source to drive civilization than currently available technologies in solar energy, fuel cells, etc. However, with human ingenuity new technologies will cause one of the possible alternative energy sources to eventually win out and replace oil. It cannot be overemphasized that rising prices and cost of petroleum will be a key to the incentives to develop our alternative energy future.

NATIONAL

U.S. Gas and Oil Policies

The US now imports over 55% of its petroleum products and is the largest consumer per capita of oil in the world. Many analysts continue to call for a national energy policy to manage our economy and national security. However, there is no single policy that can achieve the outcomes that we would most like to obtain. The reason no single policy can work is because that many of the preferred outcomes expressed are mutually exclusive. One policy improves one outcome but makes another worse. For example, Americans as

consumers are unhappy with President Bush because of high gasoline prices, but policies that artificially lower gasoline prices only increase the US quantity demanded, hence generating more US imports which we say we wish to reduce.

Basically, the US government has adopted policies which have created a situation much more likely to lead to higher prices or price spikes and more economic dependence on petroleum and its import. These policies have had both supply and demand consequences.

A key policy that has led to increased US demand has been the restriction of alternative energy sources that are sufficiently technologically developed to compete with petroleum. These alternatives primarily include nuclear power and coal, which have been restricted due to environmental concerns resulting in higher demand for petroleum for the generation of electricity. The increase in demand has little effect on gasoline prices but is critical to the overall growth of US demand for petroleum products.

The US has at the same time adopted policies to restrict its own domestic supply. Two areas have been widely discussed with regard to increased US production: the Arctic National Wildlife Refuge (ANWR) and US offshore. Most of the potential for increased US reserves lie in these areas, yet there has been a prohibition on developing ANWR, and many possible federal leases for offshore exploration have not been let.

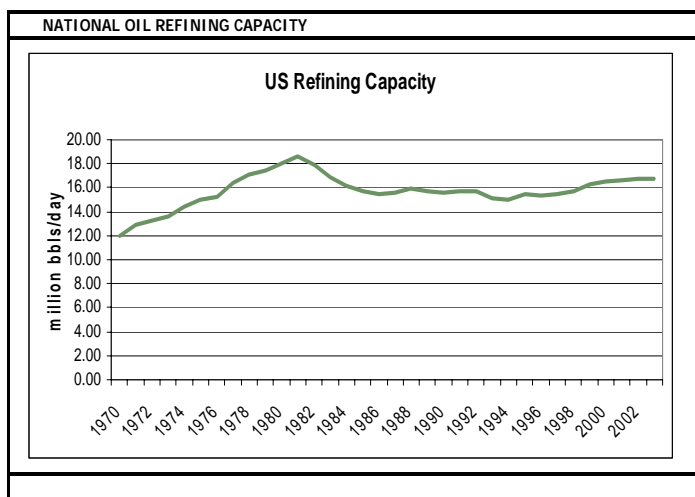
At current prices for petroleum, the increases in demand combined with restrictions in supply have led to greater quantities of imports, making us more vulnerable to international issues discussed earlier. Technologies do exist to develop these areas with little risk to the environment. However, environmentalists distrust the oil producing companies and political bureaucracies, which caused them to continue to lobby successfully against development.

Only recently have some of these policies begun to be reexamined. Political pressure with regard to gasoline prices has caused Congress to reconsider development of ANWR. Even environmentalists are reconsidering their position on nuclear power given their concern about global warming, which is allegedly worsened by greater petroleum and fossil fuel consumption.

Another factor that directly bears on gasoline prices is the amount of refining capacity in the US to produce sufficient quantities of gasoline from the crude oil we do produce and import. No new refineries have been built in the US in 30 years. Political support and environmental permitting have been such that the only way to increase capacity is to expand current refineries. The limitation on expanding refinery capacity and oil and gasoline storage facilities combined with increase in demand; and many varieties of gasoline blends make meeting gasoline demand, especially at certain times of the year, more susceptible to short falls and therefore price increases. These short falls are most likely to occur in the spring as we transition from winter heating oil demand to the summer driving season in which gasoline demand rapidly increases. Price spikes have occurred in each of the last few springs with this spring seeing the highest spike ever in nominal terms. The many different gasoline blends that have exacerbated the supply problem exist for environmental reasons, in this case, to meet clean air standards.

Despite these many policies which have led to more consumption and less US production, improvements in technologies and more investments by oil producing and gasoline refining companies both here and abroad have resulted in the average real (adjusted for inflation) price of gasoline to be virtually unchanged for many decades. The real price of gasoline in the US occurred in the summer of 1980 reaching the equivalent of \$2.56 per gallon in 2003 dollars. This spring's prices never reached that level. It is also important to note that we are economically much better off than we were 25 years ago. Therefore, the higher prices we are paying have less than half the impact on our budgets than at that time. Higher prices, of course, are inconvenient for us as consumers, but the prices we are facing now are not sufficiently high to cause serious harm to the US economy.

These issues serve to illustrate the difficulty of deciding policies to meet all of our many goals. Key goals include maintaining low energy and fuel costs and, at the same time, protect our environment in the way we see fit. Until we solve some very difficult scientific and technological issues, we will face some tough choices which entail some important tradeoffs. However, we do not have to make the problem more serious than necessary, and there is no reason to fear that oil and gasoline prices will skyrocket either. We should though, be prepared to adjust to higher prices than we have recently seen.



U.S. Economy

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Professor of Management

The U.S. real gross domestic product (GDP) grew at an annual rate of 3.5 percent during the first quarter of 2005 and rose 3.7 percent during the past twelve months. The total employment for the first quarter of 2005 grew 1.4 percent compared with that for the

same period of the previous year. The National association for Business Economics projects the U.S. economy to grow 3.4 percent in 2005 and the following year.

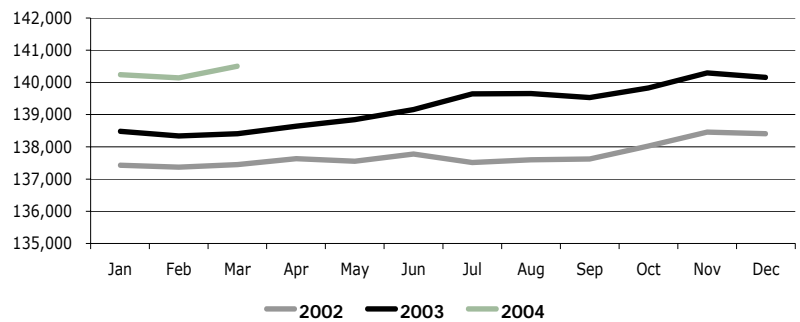
EMPLOYMENT

UNITED STATES (Numbers in Thousands)

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05*	Feb-05*	Mar-05*
Labor Force	146,788	147,018	147,386	147,823	147,676	147,531	147,893	148,313	148,203	147,979	148,132	148,157
% Change Last Year	0.2%	0.4%	0.3%	0.9%	0.8%	0.6%	0.8%	0.8%	1.0%	0.8%	1.1%	1.0%
Total Employment	138,645	138,846	139,158	139,639	139,658	139,527	139,827	140,293	140,156	140,241	140,144	140,501
% Change Last Year	0.7%	0.9%	1.0%	1.5%	1.5%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.5%
Total Nonfarm	131,123	131,373	131,479	131,562	131,750	131,880	132,162	132,294	132,449	132,573	132,816	132,926
% Change Last Year	1.0%	1.2%	1.3%	1.3%	1.5%	1.5%	1.6%	1.6%	1.7%	1.7%	1.8%	1.6%
Unemployed	8,172	8,228	8,184	8,014	8,005	8,066	8,020	8,047	8,047	7,737	7,988	7,656
% Change Last Year	-7.4%	-7.8%	-11.3%	-11.2%	-10.2%	-10.0%	-8.4%	-7.0%	-4.2%	-6.8%	-2.5%	-6.0%
Unemployment rate	5.5%	5.6%	5.6%	5.5%	5.4%	5.4%	5.5%	5.4%	5.4%	5.2%	5.4%	5.2%
Change Last Year	-0.5%	-0.5%	-0.7%	-0.7%	-0.7%	-0.7%	-0.5%	-0.5%	-0.3%	-0.5%	-0.2%	-0.5%

	2QT-04	3QT-04	4QT-04	1QT-05
Labor Force	147,064	147,677	148,136	148,089
% Change Last Year	0.3%	0.7%	0.8%	1.0%
Total Employment	138,883	139,608	140,092	140,295
% Change Last Year	0.9%	1.4%	1.3%	1.4%
Total Nonfarm	131,325	131,731	132,302	132,772
% Change Last Year	1.1%	1.4%	1.6%	1.7%
Unemployed	8,195	8,028	8,038	7,794
% Change Last Year	-8.9%	-11.3%	-6.6%	-5.1%
Unemployment rate	5.6%	5.4%	5.4%	5.3%
Change Last Year	-0.6%	-0.8%	-0.4%	-0.4%

Total Employment United States



Source: Louisiana Department of Labor ; * Preliminary Data

STATE

Oil and the State Economy

Louisiana, as a state that includes producers and consumers of petroleum products, both benefits and suffers from higher crude oil and gasoline prices. Benefits to producers include not just higher profits for companies, but also increased employment opportunities for citizens and higher tax revenues for local governments. These benefits are countered by

losses to consumers from higher prices for gasoline and for other products that use petroleum as an input.

The oil and gas industry is an important part of the state economy. Louisiana is the nation's third largest producer of petroleum and the third leading state in petroleum refining. The petroleum industry in Louisiana includes activities in all phases of production: exploration and drilling, refining, transportation, and retail sales. Direct employment in the petroleum

industry accounts for nearly 100,000 jobs, and other businesses that support the oil industry generate even more jobs in the state. Increases in the price of crude oil promote expansion of this significant part of the Louisiana economy.

While higher oil and gas prices benefit the state's oil industry, consumers in Louisiana suffer from the higher prices. Relatively low gasoline prices over the years have influenced the choices of area residents regarding residence and commuting behavior. For example, rapid growth in North Shore communities in St. Tammany Parish has resulted from low transportation costs that allow people who work in New Orleans and Baton Rouge to purchase larger houses further from the central city.

However, as gas prices rise, the longer commutes become more expensive and make these residential location choices less attractive.

Given current commuting patterns, many people in the New Orleans and Baton Rouge areas are harmed by higher gasoline prices. In the New Orleans Metropolitan Area, 87 percent of commuters drive alone to work, and in Baton Rouge solo drivers account for 93 percent of commuters. Between the two cities that's over 750,000 vehicles! While higher gas prices will encourage some use of alternative transportation methods such as car-pooling, the vast majority of commuters will likely continue to choose to drive alone and must incur a higher cost to do so.

Louisiana Employment Situation

The total state employment for the first quarter of 2005 grew 2 percent compared with the corresponding months for the previous year. The unemployment rate for the first quarter of 2005 was 5.7 percent,

unchanged since the same period during the previous year. In general, the Louisiana Economy should follow the national trend and experience moderate growth during the next two years.

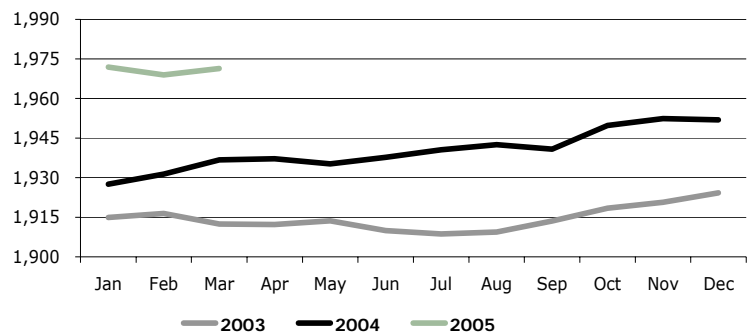
EMPLOYMENT

LOUISIANA (Numbers in Thousands)

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04*	Jan-05*	Feb-05*	Mar-05*
Labor Force	2,054	2,055	5,057	2,058	2,055	2,058	2,069	2,072	2,070	2,091	2,094	2,081
% Change Last Year	0.6%	0.4%	0.6%	0.6%	0.6%	0.9%	1.4%	1.4%	1.1%	2.2%	2.3%	1.6%
Total Employment	1,937	1,935	1,938	1,941	1,943	1,941	1,950	1,952	1,952	1,972	1,969	1,971
% Change Last Year	1.3%	1.1%	1.5%	1.7%	1.7%	1.4%	1.6%	1.7%	1.4%	2.3%	1.9%	1.8%
Total Nonfarm	1,923	1,918	1,920	1,921	1,921	1,914	1,919	1,920	1,917	1,927	1,925	1,930
% Change Last Year	1.0%	0.7%	0.8%	0.9%	0.8%	0.3%	0.2%	0.3%	0.1%	0.5%	0.4%	0.4%
Unemployed	117	119	119	117	112	117	119	119	118	119	125	110
% Change Last Year	-10.2%	-10.3%	-11.8%	-14.7%	-15.7%	-6.7%	-1.6%	-1.9%	-3.8%	0.0%	8.2%	-2.5%
Unemployment rate	5.7%	5.8%	5.8%	5.7%	5.5%	5.7%	5.8%	5.8%	5.7%	5.7%	6.0%	5.3%
Change Last Year	-0.8%	-0.6%	-0.9%	-1.0%	-1.8%	-0.8%	0.1%	0.2%	-0.3%	-0.1%	0.3%	-0.2%

	2QT-04	3QT-04	4QT-04	1QT-05
Labor Force	2,055	2,057	2,070	2,089
% Change Last Year	0.5%	0.7%	1.3%	2.0%
Total Employment	1,937	1,941	1,951	1,971
% Change Last Year	1.3%	1.8%	1.6%	2.0%
Total Nonfarm	1,920	1,919	1,919	1,971
% Change Last Year	0.9%	0.7%	0.2%	0.4%
Unemployed	119	115	119	118
% Change Last Year	-10.8%	-12.5%	-2.4%	1.9%
Unemployment rate	5.8%	5.6%	5.8%	5.7%
Change Last Year	0.0%	-0.8%	-0.2%	0.0%

Total Employment Louisiana (Thousands)



Source: Louisiana Department of Labor ; * Data based on new benchmark - No data available for the previous years.

Louisiana Stock : Update June 05—for the 2 year period Apr. 03—Apr. 05

Filtered Sample: Comparative Stock Returns (those returns exceeding 500% dropped)

LA NYSE (LA AMEX, LA NASD) is the equally-weighted index of the 16 (3, 17) LA stocks traded on the New York Stock Exchange (American Stock Exchange, NASDAQ). **HPR** is the holding period return calculated as beginning price minus ending price divided by the beginning price then annualized. **Stand Devn** (STD) is the standard deviation of the monthly returns. **Coef Varn** is the coefficient of variation equaling the STD divided by the HPR. **Correl w/Index** is the correlation coefficient showing how the LA stock returns move in comparison to its reference index. **No. Obs.** shows

the number of stock price used in the relevant comparison while the **No. Dropped Obs.** shows how many of the returns exceed 500%. **Table 2** below reports the HPRs, STDs and CVs for the unfiltered sample. *Two stocks have an incomplete stock price series.

Table 1 - Filtered Sample: Comparative Stock Returns

2-Year Period	TBILL	S&P 500	LA NYSE	AMEX	LA AMEX	NASD	LA NASD
HPR	1.45%	12.32%	26.34%	29.51%	24.56%	14.60%	20.51%
Stand Devn	0.19%	12.30%	15.10%	17.40%	23.00%	19.90%	13.80%
Coef Varn	0.13	1	0.57	0.59	0.94	1.37	0.67
Correl w/ Index	na		0.649		0.232		0.252
No. Obs.			400		75		413*
No. Dropped Obs.			42		5		47

Table 2 - Unfiltered Sample: Comparative Stock Returns (regardless of return magnitude)

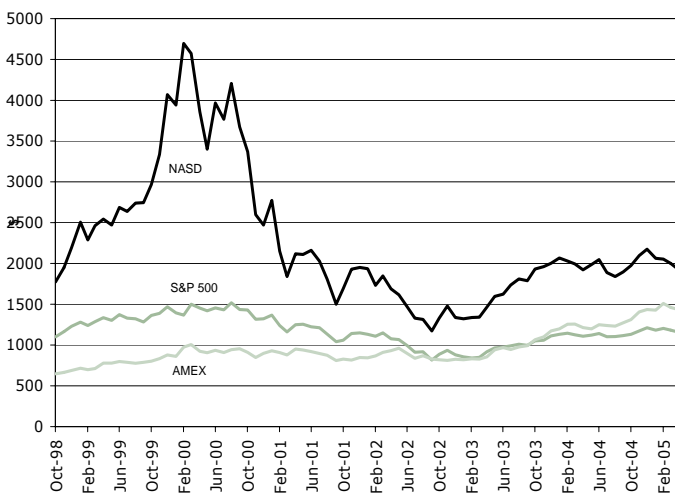
2-Year Period	LA NYSE	LA AMEX	LA NASD
Mean	26.34%	24.56%	20.51%
Stand Devn	675.00%	97.10%	1939.50%
Coef Varn	25.63	3.95	94.58
Correl w/ Index	0.329	0.123	-0.00226

data, they are technically biased. It is interesting to note, however that more than 10% (6.7%) of both the LA NYSE and NASDAQ (AMEX) stocks had annualized monthly returns that exceed $\pm 500\%$. The difference between the filtered and unfiltered standard deviations is striking.

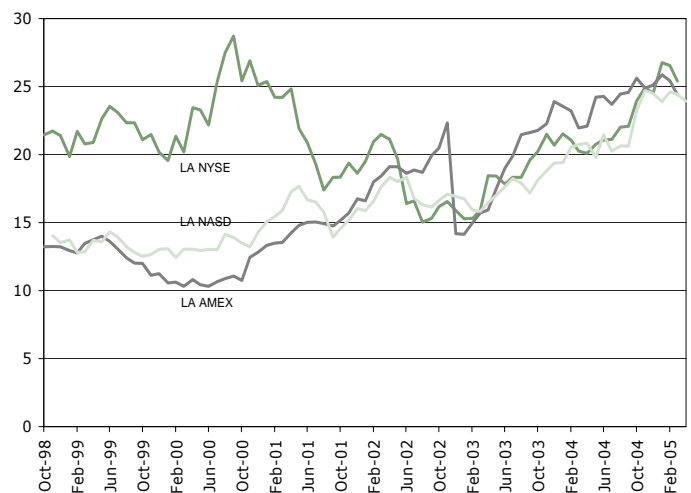
Discussion: The HPR results in Table 1 show that on average, both LA NYSE and NASDAQ stocks had a higher return than the relevant index, whereas the LA AMEX stocks had a lower average return. As the risk (standard deviation) and risk-return (coefficient of variation) measures in Table 1 are based on filtered

The correlation coefficient between the LA NYSE and the S&P 500 Index shows that these stocks track the index much more closely than do the LA AMEX or NASDAQ stocks. Indeed the nearly zero correlation for the unfiltered LA NASD portfolio indicates that on average, these stocks have essentially no systematic relation to the NASD index's movements.

EXCHANGE MARKETS



LA STOCKS



REGIONAL

North Shore Employment Situation

Total Employment in the Florida Parishes grew 2 percent during the first quarter of 2005, compared with the corresponding quarter of the prior year. The biggest percentage gains occurred in Tangipahoa Parish (4.5%), Livingston Parish (3.1%) and St. Helena Parish (3.1%). St. Tammany Parish, on the other hand, experienced only slight employment growth (0.2%) over the same period.

The unemployment rate in the region for the first quarter averaged 5.1 percent compared with the 5 percent rate during the same duration a year ago. St. Tammany registered the lowest unemployed rate at 4.2 percent, while St. Helena experienced the highest rate at 8.2%.

EMPLOYMENT												
NORTHSHORE												
	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04*	Jan-05*	Feb-05*	Mar-05*
Labor Force	204,810	206,150	211,540	210,900	207,790	209,030	210,220	210,590	222,793	224,697	222,437	223,029
% Change Last Year	-0.7%	-0.5%	-0.1%	0.8%	1.7%	2.5%	2.8%	2.7%	7.9%	3.0%	1.7%	1.4%
Total Employment	194,230	194,550	196,950	197,050	197,290	198,630	199,180	199,100	211,998	211,960	210,825	213,478
% Change Last Year	-0.2%	-0.2%	0.8%	1.6%	3.9%	3.5%	3.6%	2.7%	9.2%	3.0%	1.3%	1.6%
Unemployed	10,580	11,600	14,590	13,850	10,500	10,400	11,040	11,490	10,795	12,737	11,612	9,551
% Change Last Year	-9.1%	-5.3%	-10.2%	-9.4%	-27.0%	-12.2%	2.8%	2.4%	-11.9%	2.7%	10.1%	-4.0%
Unemployment rate	5.2%	5.6%	6.9%	6.6%	5.1%	5.0%	5.3%	5.5%	4.8%	5.7%	5.2%	4.3%
Change Last Year	-0.5%	-0.3%	-0.8%	-0.7%	-2.0%	-0.8%	0.0%	0.0%	-1.1%	0.0%	0.4%	-0.2%

	2QT-04	3QT-04	4QT-04	1QT-05
Labor Force	207,500	209,257	210,400	223,388
% Change Last Year	-0.4%	1.7%	2.5%	2.0%
Total Employment	195,243	197,683	199,137	212,088
% Change Last Year	0.1%	3.0%	2.7%	2.0%
Unemployed	12,257	11,573	11,263	11,300
% Change Last Year	-8.0%	-16.4%	-1.0%	3.0%
Unemployment rate	5.9%	5.5%	5.4%	5.1%
Change Last Year	-0.5%	-1.2%	-0.2%	0.0%

Employment Northshore

Source: Louisiana Department of Labor ; * Data based on new benchmark - No data available for the previous years.

Sales Tax Collections in North Shore Region

Sales tax collection reflects the level of business activity in the region. It represents an important aspect of the economic activity of the North Shore parishes. Total sales tax collection in the region increased 8.3 percent since the first quarter of 2004. Taxes collected in

Livingston Parish rose 10.5 percent versus a 17.5 percent drop in St. Helena Parish. Sales tax collected in the other parishes of the region ranged between these levels.

SALES TAX												
NORTHSHORE												
	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Sales Tax Collected (Mil.)	\$ 20.01	\$ 19.27	\$ 20.46	\$ 20.16	\$ 19.96	\$ 19.85	\$ 19.46	\$ 19.23	\$ 23.05	\$ 20.69	\$ 18.85	\$ 20.99
% Change Last Year	10.7%	5.8%	7.9%	5.7%	9.2%	4.5%	2.7%	6.2%	5.6%	7.9%	11.8%	5.7%

Source: St. Tammany Parish Sheriff's Office (Sales and Use Tax Division), Tangipahoa Parish Council - School Board, St. Helena Parish Sheriff's Office, Livingston Parish Sales Tax Department, Washington Parish Sheriff's Office - Sales and Use Tax Department

Building Permits in North Shore Region

Construction projects also represent the level of economic vitality in a region. The value of building permits is generally a leading indicator of the construction activity in the near future. The value of building permits in the region for the current quarter dropped 0.1 percent over the same period of last year.

Livingston and Tangipahoa experienced the highest increases with 20.3 percent and 24.4 percent gain respectively. On the other end of the spectrum, St. Helena experienced a 75 percent decline in the value of permits.

RESIDENTIAL BUILDING PERMITS												
NORTHSHORE												
	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Units	534	446	471	500	556	339	575	356	511	674	379	395
% Change Last Year	-53.4%	-19.5%	-32.9%	13.4%	10.8%	-33.3%	12.7%	-22.8%	52.1%	72.4%	-21.9%	-30.0%
Value (\$000s)	69,097	56,561	60,024	66,830	68,518	49,255	68,746	57,792	73,586	94,930	49,407	51,819
% Change Last Year	40.8%	-5.4%	-11.8%	10.6%	-7.5%	-20.3%	-15.2%	11.9%	59.4%	81.9%	-29.1%	-30.4%
Unincorp. Units	484	400	415	448	494	297	529	314	454	619	343	354
% Change Last Year	-54.9%	-12.7%	-35.8%	13.7%	6.5%	-35.9%	25.4%	-25.1%	56.0%	78.9%	-25.4%	-30.9%
Value (\$000s)	63,462	50,867	54,260	57,842	61,539	44,703	62,046	46,767	65,232	86,718	45,977	47,151
% Change Last Year	51.8%	-4.2%	-7.0%	4.5%	1.2%	-21.5%	-11.8%	-0.3%	52.0%	89.8%	-31.3%	-32.6%
Incorp. Units	50	46	56	52	62	42	46	42	57	55	36	41
% Change Last Year	-34.5%	-52.1%	0.0%	10.6%	63.2%	-6.7%	-47.7%	0.0%	26.7%	22.2%	44.0%	-21.2%
Value (\$000s)	5,635	5,776	5,763	8,988	6,978	4,552	6,700	11,025	8,354	8,212	3,431	4,668
% Change Last Year	-22.4%	-14.5%	-40.9%	77.1%	-47.5%	-5.3%	-37.4%	131.7%	156.7%	26.0%	24.8%	3.5%

Source: St Tammany Parish - Economic Development Information Clearing House, Tangipahoa - Building Permit Office, Washington Parish - Building Permit Office, St. Helena Parish - Building Permit Office.

Economic Outlook

The U.S. and the Louisiana economies are projected to experience moderate growth for 2005 and 2006. The North Shore region is expected to track the national and state growth trend and is likely to experience steady economic progress.

LOCAL

St. Tammany Parish

St. Tammany is booming. Textron opened in Slidell-100 jobs; Maritime Pilots Institute in Covington completed Phase 2-river simulator installation; Smoothie King announced corporate office relocation to Covington; Stennis Space Center wins NASA Shared Services Center-500 jobs, with approx. 28% of employees to reside in St. Tammany; Slidell/UNO Technology Park unveils master plan. National consulting firm Lockwood Greene awards STEDF one of the highest scores in region on RFP evaluations.

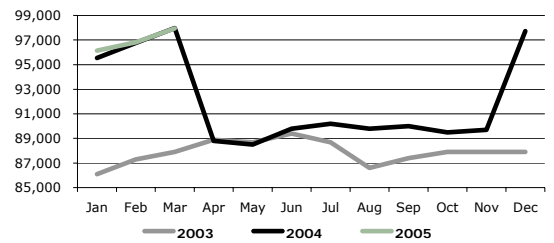
EMPLOYMENT

ST. TAMMANY

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04*	Jan-05*	Feb-05*	Mar-05*
Labor Force	91,900	91,900	94,000	94,300	92,900	93,200	93,100	93,400	101,240	100,924	101,321	101,449
% Change Last Year	-1.0%	-0.9%	-0.6%	0.9%	1.9%	2.2%	1.9%	2.2%	10.4%	1.3%	0.9%	0.2%
Total Employment	88,800	88,500	89,800	90,200	89,800	90,000	89,500	89,700	97,726	96,134	96,814	97,947
% Change Last Year	-0.1%	-0.2%	0.4%	1.7%	3.7%	3.0%	1.8%	2.0%	2.2%	0.6%	0.0%	0.0%
Unemployed	3,100	3,400	4,200	4,100	3,100	3,200	3,600	3,700	3,500	4,790	4,507	3,502
% Change Last Year	-20.5%	-15.0%	-19.2%	-14.6%	-32.6%	-15.8%	2.9%	5.7%	-7.9%	16.5%	22.1%	7.4%
Unemployment rate	3.4%	3.7%	4.5%	4.4%	3.3%	3.4%	3.8%	4.0%	3.8%	4.7%	4.4%	3.5%
Change Last Year	-0.8%	-0.6%	-1.0%	-0.7%	-1.7%	-0.7%	-0.1%	0.2%	-0.3%	0.6%	0.7%	0.3%

	2QT-04	3QT-04	4QT-04	1QT-05
Labor Force	92,600	93,467	93,267	101,231
% Change Last Year	-0.8%	1.6%	1.9%	0.8%
Total Employment	89,033	90,000	89,667	96,965
% Change Last Year	0.0%	2.8%	2.0%	0.2%
Unemployed	3,567	3,467	3,600	4,266
% Change Last Year	-17.1%	-21.2%	0.0%	15.7%
Unemployment rate	3.9%	3.7%	3.9%	4.2%
Change Last Year	-0.8%	-1.0%	-0.1%	0.5%

Employment St Tammany



Source: Louisiana Department of Labor ; * Data based on new benchmark - No data available for the previous years.

SALES TAX

ST. TAMMANY

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Sales (Mil.)	na	na	na	na	na	na	na	na	na	na	na	na
% Change Last Year	na	na	na	na	na	na	na	na	na	na	na	na
Sales Tax Collected (Mil.)	\$ 12.30	\$ 12.12	\$ 13.55	\$ 12.47	\$ 12.37	\$ 12.57	\$ 12.11	\$ 12.53	\$ 16.14	\$ 12.06	\$ 11.91	\$ 14.24
% Change Last Year	10.7%	6.0%	12.8%	4.4%	7.9%	2.9%	2.1%	10.2%	6.8%	8.7%	12.6%	6.4%

Source: St. Tammany Parish Sheriff's Office (Sales and Use Tax Division)

ST. TAMMANY

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Units	351	314	292	310	348	200	333	220	339	530	193	214
% Change Last Year	35.0%	20.8%	-44.4%	29.7%	51.3%	-32.9%	16.0%	-30.2%	51.3%	107.8%	-47.4%	-32.3%
Value (\$000s)	50,491	44,344	42,305	47,055	49,027	34,666	46,990	44,593	56,739	81,108	33,011	32,930
% Change Last Year	67.4%	26.4%	-21.6%	27.7%	40.1%	-19.6%	-6.2%	-15.0%	57.6%	104.8%	-44.3%	-37.9%
Unincorp. Units	323	285	260	280	312	199	308	198	305	493	179	203
% Change Last Year	44.2%	26.7%	-47.3%	30.2%	46.5%	-25.7%	19.4%	-31.5%	52.5%	61.6%	-63.7%	-31.2%
Value (\$000s)	\$ 46,534	\$ 40,742	\$ 38,435	\$ 41,113	\$ 44,098	\$ 35,546	\$ 41,760	\$ 35,426	\$ 50,526	\$ 74,647	\$ 31,132	\$ 31,721
% Change Last Year	79.0%	26.4%	-16.5%	22.7%	31.4%	-11.9%	-3.6%	0.9%	47.3%	113.5%	-46.3%	-37.8%
Incorp. Units	28	29	32	30	36	25	25	22	34	37	14	11
% Change Last Year	-22.2%	-17.1%	0.0%	25.0%	111.8%	-16.7%	-13.8%	-15.4%	41.7%	37.0%	16.7%	-47.6%
Value (\$000s)	\$ 3,957	\$ 3,602	\$ 3,870	\$ 5,943	\$ 4,929	\$ 2,614	\$ 5,230	\$ 9,167	\$ 6,213	\$ 6,461	\$ 1,878	\$ 1,209
% Change Last Year	-4.9%	26.1%	-51.5%	77.8%	243.4%	-7.0%	-22.6%	149.9%	262.4%	39.2%	38.5%	-38.1%

Source: Economic Development Information Clearing House

Tangipahoa Parish

Tangipahoa Parish continues steady economic growth. Parish population increases by a controllable 1% annually due to our high quality of life. New and expanding business investments are creating new jobs due to the positive business environment and quality workforce. New residential and commercial development continues due to a low cost of living. Tangipahoa Parish employment numbers are reaching new highs. Per capita and family household incomes are increasing steadily. Tangipahoa Parish is a great place to live, work, and do business.

EMPLOYMENT													
TANGIPAHOA													
	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04*	Jan-05*	Feb-05*	Mar-05*	
Labor Force	46,630	47,800	49,080	48,940	48,290	48,570	48,960	48,930	46,470	48,770	46,473	46,676	
% Change Last Year	-1.2%	0.4%	0.6%	2.9%	2.6%	4.3%	4.3%	3.9%	-1.8%	6.6%	2.3%	2.7%	
Total Employment	43,560	44,280	44,550	44,660	45,120	45,490	45,810	45,620	43,453	45,542	43,584	44,213	
% Change Last Year	-1.0%	0.2%	1.1%	3.8%	5.3%	5.6%	4.6%	4.3%	-0.7%	7.6%	2.2%	3.6%	
Unemployed	3,070	3,520	4,530	4,280	3,170	3,080	3,150	3,310	3,017	3,228	2,889	2,463	
% Change Last Year	-5.0%	2.9%	-4.0%	-5.5%	-25.1%	-12.0%	-0.3%	-1.5%	-15.3%	-5.4%	2.4%	-10.9%	
Unemployment rate	6.6%	7.4%	9.2%	8.7%	6.6%	6.3%	6.4%	6.8%	6.5%	7.1%	6.2%	5.3%	
Change Last Year	-0.2%	0.2%	-0.5%	-0.8%	-2.4%	-0.8%	-0.3%	-0.3%	-1.0%	-0.4%	0.0%	-0.8%	

	2QT-04	3QT-04	4QT-04	1QT-05
Labor Force	47,837	48,603	48,867	47,306
% Change Last Year	-0.1%	3.3%	3.7%	3.9%
Total Employment	44,130	45,090	45,607	44,446
% Change Last Year	0.1%	4.9%	4.2%	4.5%
Unemployed	3,707	3,513	3,260	2,860
% Change Last Year	-2.1%	-14.0%	-3.0%	-4.6%
Unemployment rate	7.7%	7.2%	6.7%	6.2%
Change Last Year	-0.2%	-1.3%	-0.4%	-0.4%

Source: Louisiana Department of Labor ; * Data based on new benchmark - No data available for the previous years.

SALES TAX

TANGIPAHOA

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Sales (Mil.)	\$ 104.14	\$ 96.73	\$ 95.49	\$ 110.02	\$ 103.07	\$ 100.60	\$ 99.25	\$ 96.73	\$ 90.55	\$ 117.90	\$ 92.68	\$ 92.46
% Change Last Year	3.6%	5.2%	0.4%	14.1%	7.9%	0.6%	0.6%	4.7%	-2.0%	12.0%	4.2%	6.4%
Sales Tax Collected (Mil.)	\$ 2.08	\$ 1.93	\$ 1.91	\$ 2.20	\$ 2.06	\$ 2.01	\$ 1.99	\$ 1.93	\$ 1.81	\$ 2.36	\$ 1.85	\$ 1.85
% Change Last Year	3.6%	5.2%	0.4%	14.1%	7.9%	0.6%	0.6%	4.7%	-2.0%	12.0%	4.2%	6.4%

Source: Tangipahoa Parish Council - School Board

Residential Building Permits

TANGIPAHOA

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Units	62	52	61	65	70	60	154	38	56	72	69	69
% Change Last Year	0.0%	-53.6%	-1.6%	4.8%	-44.9%	13.2%	58.8%	-19.1%	60.0%	75.6%	35.3%	-36.1%
Value (\$000s)	7,106	5,313	7,307	8,581	6,641	7,585	13,874	5,103	7,308	8,403	6,637	8,719
% Change Last Year	6.9%	-47.5%	34.0%	20.4%	-68.6%	42.2%	42.7%	-3.2%	54.5%	79.8%	66.6%	-16.4%
Unincorp. Units	50	43	50	51	55	52	140	30	45	60	61	56
% Change Last Year	16.3%	-34.8%	8.7%	-1.9%	-52.2%	15.6%	159.3%	-25.0%	50.0%	76.5%	45.2%	-41.1%
Value (\$000s)	\$ 5,732	\$ 3,649	\$ 6,247	\$ 6,345	\$ 5,254	\$ 6,460	\$ 12,543	\$ 3,947	\$ 6,060	\$ 6,824	\$ 5,546	\$ 7,036
% Change Last Year	23.9%	-49.1%	49.0%	7.0%	-46.0%	43.3%	85.9%	-11.5%	67.7%	96.8%	66.3%	-23.1%
Incorp. Units	12	9	11	14	15	8	14	8	11	12	8	13
% Change Last Year	-36.8%	-80.4%	-31.3%	40.0%	25.0%	0.0%	-67.4%	14.3%	120.0%	71.4%	-11.1%	0.0%
Value (\$000s)	\$ 1,374	\$ 1,665	\$ 1,060	\$ 2,235	\$ 1,387	\$ 1,125	\$ 1,331	\$ 1,156	\$ 1,248	\$ 1,579	\$ 1,091	\$ 1,682
% Change Last Year	-32.0%	-43.6%	-15.9%	86.3%	-87.8%	36.2%	-55.3%	42.9%	11.8%	30.8%	68.1%	30.5%

Source: Tangipahoa - Building Permit Office

Livingston Parish

Livingston Parish is rapidly becoming the retirement parish of choice for many people looking for upscale executive housing while preparing for retirement. Two high quality golf club communities are offering individuals quality home sites: Carter Plantation in Springfield and the Greystone Golf and Country Club in Denham Springs. These championship golf developments carve their way through natural wetland and vegetation settings that make Louisiana a beautiful place to live and play.

EMPLOYMENT												
LIVINGSTON												
	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04*	Jan-05*	Feb-05*	Mar-05*
Labor Force	47,300	47,200	48,700	48,500	47,200	47,700	47,900	48,000	52,790	53,022	52,790	52,836
% Change Last Year	1.5%	0.2%	1.7%	1.5%	3.1%	3.7%	4.1%	3.4%	11.6%	3.4%	2.5%	1.8%
Total Employment	44,100	43,800	44,500	44,600	44,200	44,800	44,900	44,900	49,952	49,977	50,111	50,567
% Change Last Year	1.4%	0.2%	2.1%	2.1%	5.5%	4.7%	3.9%	3.7%	14.0%	4.2%	2.7%	2.6%
Unemployed	3,200	3,400	4,200	3,900	3,000	2,900	3,000	3,100	2,838	3,045	2,679	2,269
% Change Last Year	3.2%	0.0%	-2.3%	-4.9%	-23.1%	-9.4%	7.1%	0.0%	-18.9%	-7.3%	-0.3%	-12.7%
Unemployment rate	6.7%	7.3%	8.7%	8.0%	6.4%	6.1%	6.3%	6.5%	5.4%	5.7%	5.1%	4.3%
Change Last Year	0.1%	0.2%	-0.3%	-0.6%	-2.0%	-0.8%	0.3%	-0.2%	-2.0%	-0.7%	-0.1%	-0.7%

	2Q-04	3Q-04	4Q-04	1Q-05
Labor Force	47,733	47,767	47,933	52,883
% Change Last Year	1.1%	2.7%	2.9%	2.6%
Total Employment	44,133	44,500	44,867	50,218
% Change Last Year	1.2%	4.0%	3.3%	3.1%
Unemployed	3,600	3,267	3,067	2,664
% Change Last Year	0.0%	-12.5%	-2.1%	-6.8%
Unemployment rate	7.6%	6.8%	6.4%	5.0%
Change Last Year	0.0%	-1.1%	-0.3%	-0.5%

Source: Louisiana Department of Labor ; * Data based on new benchmark - No data available for the previous years.

SALES TAX

LIVINGSTON

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Sales (Mil.)	\$ 80.54	\$ 76.63	\$ 72.48	\$ 77.77	\$ 79.28	\$ 75.44	\$ 75.45	\$ 71.04	\$ 69.81	\$ 85.97	\$ 73.61	\$ 68.41
% Change Last Year	14.8%	8.8%	1.2%	8.5%	12.3%	9.4%	4.5%	-0.8%	0.8%	8.8%	10.0%	9.9%
Sales Tax Collected (Mil.)	\$ 4.01	\$ 3.81	\$ 3.61	\$ 3.88	\$ 4.09	\$ 3.81	\$ 3.80	\$ 3.58	\$ 3.52	\$ 4.38	\$ 3.94	\$ 3.46
% Change Last Year	14.8%	8.3%	1.3%	8.9%	16.3%	10.6%	6.1%	-0.9%	1.2%	10.2%	10.7%	10.8%

Source: Livingston Parish Sales Tax Department

Residential Building Permits

LIVINGSTON

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Units	92	66	99	108	117	68	67	85	97	62	94	94
% Change Last Year	-88.3%	-52.5%	11.2%	9.1%	4.5%	-46.9%	-34.3%	10.4%	67.2%	-13.9%	100.0%	-6.9%
Value (\$000s)	9,024	5,742	9,204	9,466	11,019	6,061	5,882	6,740	8,309	4,978	7,672	8,807
% Change Last Year	-20.1%	-55.6%	19.7%	-35.1%	-31.4%	-49.8%	-70.2%	-1.2%	92.4%	-18.6%	89.2%	14.9%
Unincorp. Units	90	63	95	102	114	62	67	76	94	60	90	82
% Change Last Year	-88.4%	-51.9%	11.8%	7.4%	6.5%	-50.8%	-26.4%	1.3%	88.0%	-10.4%	91.5%	-16.3%
Value (\$000s)	\$ 8,794	\$ 5,387	\$ 8,701	\$ 8,756	\$ 10,694	\$ 5,392	\$ 5,882	\$ 6,190	\$ 7,729	\$ 4,855	\$ 7,360	\$ 7,296
% Change Last Year	-16.1%	-56.2%	19.2%	-38.9%	-31.5%	-51.4%	-69.0%	-6.9%	91.3%	-13.7%	81.5%	-1.0%
Incorp. Units	2	3	4	6	3	6	0	9	3	2	4	12
% Change Last Year	-80.0%	-62.5%	0.0%	50.0%	-40.0%	200.0%	-100.0%	350.0%	-62.5%	60.0%	n.a.	300.0%
Value (\$000s)	\$ 230	\$ 355	\$ 503	\$ 709	\$ 325	\$ 669	0	\$ 550	\$ 580	\$ 123	\$ 312	\$ 1,511
% Change Last Year	-71.6%	-44.2%	29.7%	164.7%	-28.7%	-32.8%	-100.0%	219.8%	107.1%	-74.6%	n.a.	415.7%

Source: Livingston Parish - Building Permit Office

Washington Parish

The master plan for the Bogue Chitto state park has been finalized. The State Park, which will be located south of Franklinton on the Bogue Chitto River, will encompass over 1,800 acres. The park will have areas for camping and cabins for overnight rental. Recreational opportunities include: fishing, canoeing, horseback riding, biking, and nature trails. This project will have significant economic impact in the region.

EMPLOYMENT												
WASHINGTON												
	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04*	Jan-05*	Feb-05*	Mar-05*
Labor Force	14,670	14,870	15,270	14,910	14,930	15,060	15,760	15,760	18,000	17,548	17,444	17,701
% Change Last Year	-4.2%	-3.8%	-3.9%	-7.3%	-6.5%	-4.5%	-0.1%	-0.4%	14.4%	1.1%	1.5%	2.8%
Total Employment	13,690	13,830	13,930	13,660	13,950	14,080	14,680	14,610	16,846	16,284	16,283	16,681
% Change Last Year	-3.0%	-3.2%	-2.3%	-6.4%	-4.6%	-4.1%	-0.7%	-1.2%	15.2%	1.6%	1.4%	3.6%
Unemployed	980	1,040	1,340	1,250	980	980	1,080	1,150	1,154	1,264	1,161	1,020
% Change Last Year	-18.3%	-11.9%	-17.8%	-15.5%	-26.3%	-10.1%	9.1%	11.7%	3.0%	-4.9%	3.1%	-8.1%
Unemployment rate	6.7%	7.0%	8.8%	8.4%	6.6%	6.5%	6.8%	7.3%	6.4%	7.2%	6.7%	5.8%
Change Last Year	-1.1%	-0.6%	-1.4%	-0.8%	-1.7%	-0.4%	0.5%	0.8%	-0.7%	-0.5%	0.1%	-0.6%

	2Q-04	3Q-04	4Q-04	1Q-05
Labor Force	14,937	14,967	15,827	17,564
% Change Last Year	-4.0%	-6.1%	0.3%	1.8%
Total Employment	13,817	13,897	14,727	16,416
% Change Last Year	-2.8%	-5.1%	0.0%	2.2%
Unemployed	1,120	1,070	1,100	1,148
% Change Last Year	-12.1%	-17.7%	5.1%	-3.4%
Unemployment rate	7.5%	7.1%	6.9%	6.6%
Change Last Year	-1.0%	-1.0%	0.3%	-0.3%

Source: Louisiana Department of Labor ; * Data based on new benchmark - No data available for the previous years.

SALES TAX

WASHINGTON

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Sales (Mil.)	na	na	na	na	na	na	na	na	na	na	na	na
% Change Last Year	na	na	na	na	na	na	na	na	na	na	na	na
Sales Tax Collected (Mil.)	\$ 1.38	\$ 1.25	\$ 1.24	\$ 1.36	\$ 1.29	\$ 1.31	\$ 1.34	\$ 1.04	\$ 1.40	\$ 1.67	\$ 1.15	\$ 1.29
% Change Last Year	6.8%	-3.8%	-6.5%	0.5%	4.1%	3.7%	1.8%	-5.8%	13.1%	-0.2%	21.7%	-11.3%

Source: Washington Parish Sheriff's Office - Sales and Use Tax Department

Residential Building Permits

WASHINGTON

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Units	20	14	18	14	19	9	19	11	17	10	22	16
% Change Last Year	-4.8%	-36.4%	28.6%	-39.1%	0.0%	-43.8%	0.0%	-21.4%	13.3%	-47.4%	37.5%	-51.5%
Value (\$000s)	1,319	1,242	1,130	1,188	1,389	653	1,698	855	890	441	2,019	1,033
% Change Last Year	60.6%	-21.7%	42.2%	-16.1%	-16.7%	-40.7%	16.8%	31.9%	-8.7%	-71.5%	16.3%	-59.6%
Unincorp. Units	12	9	9	12	11	6	12	8	8	6	12	11
% Change Last Year	-7.7%	-40.0%	-10.0%	-14.3%	-26.7%	-45.5%	-14.3%	14.3%	14.3%	-53.8%	0.0%	-38.9%
Value (\$000s)	\$ 1,245	\$ 1,089	\$ 800	\$ 1,088	\$ 1,052	\$ 509	\$ 1,559	\$ 703	\$ 577	\$ 392	\$ 1,869	\$ 767
% Change Last Year	126.5%	-14.8%	17.9%	-5.4%	-36.0%	-45.1%	27.0%	30.5%	-30.5%	-71.2%	88.6%	-51.5%
Incorp. Units	8	5	9	2	8	3	7	3	9	4	10	5
% Change Last Year	0.0%	-28.6%	125.0%	-77.8%	100.0%	-40.0%	40.0%	-57.1%	12.5%	-33.3%	150.0%	-66.7%
Value (\$000s)	\$ 75	\$ 153	\$ 330	\$ 100	\$ 337	\$ 145	\$ 139	\$ 152	\$ 314	\$ 49	\$ 150	\$ 266
% Change Last Year	-72.6%	-50.3%	184.4%	-62.4%	1305.9%	-18.0%	-38.5%	38.9%	116.7%	-73.7%	-79.9%	-72.7%

Source: Washington Parish - Building Permit Office

St. Helena Parish

Approximately 123 new jobs were created in St. Helena Parish during the first quarter of 2005 in comparison with the same period of the previous year.

Sales tax collected during the first quarter of 2005 was 17.5 percent less than that of the corresponding period a year ago.

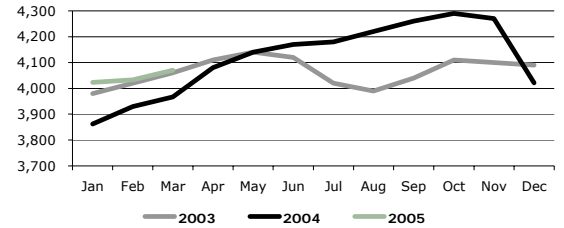
EMPLOYMENT

ST. HELENA

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04*	Jan-05*	Feb-05*	Mar-05*
Labor Force	4,310	4,380	4,490	4,480	4,470	4,500	4,500	4,500	4,293	4,433	4,409	4,367
% Change Last Year	-0.2%	-0.2%	-0.7%	2.1%	3.5%	4.9%	4.2%	3.9%	-1.8%	7.3%	6.2%	4.4%
Total Employment	4,080	4,140	4,170	4,180	4,220	4,260	4,290	4,270	4,021	4,023	4,033	4,070
% Change Last Year	-0.7%	0.0%	1.2%	4.0%	5.8%	5.4%	4.4%	4.1%	-1.7%	4.2%	2.6%	2.6%
Unemployed	230	240	320	300	250	240	210	230	272	410	376	297
% Change Last Year	9.5%	-4.0%	-20.0%	-18.9%	-24.2%	-4.0%	0.0%	0.0%	-2.9%	52.4%	67.9%	37.5%
Unemployment rate	5.3%	5.5%	7.2%	6.7%	5.5%	5.4%	4.6%	5.2%	6.3%	9.2%	8.5%	6.8%
Change Last Year	0.6%	-0.3%	-1.6%	-1.6%	-2.0%	-0.5%	-0.3%	-0.1%	0.0%	2.7%	3.1%	1.6%

	2QT-04	3QT-04	4QT-04	1QT-05
Labor Force	4,393	4,480	4,507	4,403
% Change Last Year	-0.4%	3.4%	3.8%	6.0%
Total Employment	4,130	4,420	4,270	4,042
% Change Last Year	0.2%	5.1%	4.1%	3.1%
Unemployed	263	260	237	361
% Change Last Year	-6.7%	-17.9%	-1.4%	52.8%
Unemployment rate	6.0%	5.8%	5.3%	8.2%
Change Last Year	-0.4%	-1.4%	-0.2%	2.5%

Employment St Helena



Source: Louisiana Department of Labor ; * Data based on new benchmark - No data available for the previous years.

SALES TAX

ST. HELENA

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Sales (Mil.)	na	na	na	na	na	na	na	na	na	na	na	na
% Change Last Year	na	na	na	na	na	na	na	na	na	na	na	na
Sales Tax Collected (Mil.)	\$ 0.24	\$ 0.16	\$ 0.14	\$ 0.25	\$ 0.15	\$ 0.15	\$ 0.23	\$ 0.14	\$ 0.18	\$ 0.22	\$ 0.14	\$ 0.15
% Change Last Year	36.6%	19.8%	-2.9%	-11.3%	-4.7%	-0.4%	8.8%	-18.6%	28.9%	-32.8%	-0.6%	-0.5%

Source: St. Helena Parish Sheriff's Office

Residential Building Permits

ST. HELENA

	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05
Total Units	9	0	1	3	2	2	2	2	2	0	1	2
% Change Last Year	na	na	na	na	na	na	na	na	na	-100.0%	-75.0%	-66.7%
Value (\$000s)	\$ 1,157.00	0	\$ 78.00	\$ 540.00	\$ 442.00	\$ 290.00	\$ 302.00	\$ 500.00	\$ 340.00	\$ -	\$ 70.00	\$ 330.00
% Change Last Year	na	na	na	na	na	na	na	na	na	-100.0%	-87.2%	-59.6%

Source: St Helena Parish - Building Permit Office

Economic Impact of the Louisiana Renaissance Festival 2005

Introduction

The Louisiana Renaissance Festival is a six week festival that occurs annually during the months of November and December. The event takes place a few miles east of Hammond on Highway 190. The festival is in its 5th year of operation and reports over 30,000 attendees. The Renaissance Festival celebrates the 16th century by recreating a dwelling with hundreds of villagers, merchants, entertainers, and craftsmen.

For many, the Louisiana Renaissance Festival provides an educational experience. Attendees learn about history, way of life, and the social structure of the 16th century European Renaissance. The live demonstrations include: creating swords, weaving fabric, pottery, blown glass, and are acted out by craftsmen dressed in 16th clothing using tools and techniques of the time period.

Input-Output Method

According to the Input-Output method each product or service is comprised of inputs from other industries, which provides the goods and services needed to produce the item. The product or service of each industry also serves as inputs to other industries. As a result of this intertwined relationship, each economic activity produces a ripple effect throughout the entire economy. The U. S. Department of Commerce has developed tables that estimate the impact of the expenditure of each dollar on a product or service, which incorporate all direct and indirect economic activities that ensue from the initial purchase. These data are available at the national, state and regional level. This analysis uses the Input-Output table for the North Shore parishes, which include Tangipahoa Parish, to estimate economic impact of the Renaissance Festival.

The Analysis

Visitors spend most of their money on food/drinks, souvenirs, transportation, etc. In order to estimate the total expenditures at the festival we sought an estimate of the total number of those who attended the festival and the average amount spent by each individual.

The organizers of the Renaissance Festival report approximately 33,654 attendees (19,617 visitors and 14,037 elementary through high school students). A survey of 1,444 individuals depicted that each person spent an average of \$19.44 at the festival. An additional survey showed that approximately 9.6% of the visitors spent an average of \$144.59 on lodging. Survey data also showed that 35.5% of the visitors each spent an additional \$12.51 in the local area during their trip to the festival. The organizers collected a total of \$167,619 on tickets to the event. They also estimated that the students spent a total of \$60,000 at the festival in addition to paying for admission tickets. The economic impact of these expenditures is summarized in Table 1.

It is estimated that the visitors spent a total of \$799,561 during the festival. According to the Input Output method, each dollar of direct expenditure generates additional expenditures throughout the economy. Based on the expenditure assumed among food, lodging, gifts, gasoline and other categories a multiplier is estimated to be approximately 1.7. In other words each dollar spent at the festival produced a 1.7-dollar of economic activity in the region. This resulted in a total economic impact of \$1,361,273 from the first round of expenditures. Another measure of the impact of an economic activity is the amount of income generated in the community as a consequence of the initial expenditure. We estimated the earnings impact to be \$424,634.

Conclusion

Our analysis shows that the six week long Renaissance Festival in Hammond produced a significant impact on the area economy. The number of those who will attend is likely to grow each year. Consequently, the economic impact of this festival will become more prominent.

A. Total Expenditures by Visitors	\$799,561
B. Total Economic Impact based on Direct and Indirect Expenditures	\$1,361,273
C. Total Earnings Impact	\$424,634

Southeast Louisiana Business Center

The Southeast Louisiana Business Center is a relatively new model for university facilitated economic development. Created in 2003 under the direction of Bill Joubert, the center has diligently worked to assist economic development throughout the North Shore region. No other university has taken such bold steps to assist with regional economic and business development.

The center has successfully leveraged the university's resources to create quantifiable economic impact by facilitating the efforts of business, industry, economic development organizations, the Small Business Development Center, and local governments.

This novel approach has produced these impressive results in the past 12 months of operation:

- 591 jobs created
- 187 jobs retained
- 35 business start-ups and expansions
- \$97.4 million dollars capital formation
- 61 training events
- 887 training attendees
- 3,822 training hours
- 986 visitors to center
- 22 prospect visits
- 65 business retention visits
- Assisted with 217

Approximately 40% of these projects were in St. Tammany Parish, 41% in Tangipahoa Parish, 11% in Livingston Parish, 8% in Washington Parish and 1% in St. Helena Parish.

SLU College of Business—Faculty Highlight

Michael A. Jones (mijones@selu.edu) is Director of the Supply Management -Transportation Initiative for the College of Business at Southeastern, and Associate Professor of Marketing. Dr. Jones joined the College of Business three years ago with the goal of developing an education program in the areas of supply management and transportation.

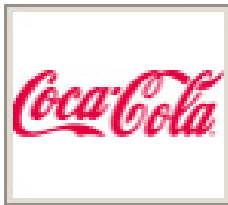
Dr. Jones teaches, conducts research and works with area organizations in order to develop this program for Southeastern. A Concentration in Supply Management and Transportation has been established under Dr. Jones' leadership and is now offered to students which includes two new courses; Purchasing and Supply Management and Transportation and Logistics Management. To support students in this curriculum, Dr. Jones worked with the Transportation Club of Baton Rouge, which has provided \$6,000 in scholarship

money. Dr. Jones serves on the Board of Directors of the National Association of Purchasing Managers Baton Rouge affiliate, but has spoken to a number of area groups to promote Southeastern students. Several internships are now available to students interested in careers in this area, and Dr. Jones works with area employers to hire students. Dr. Jones organized a conference entitled the "Southeastern Louisiana Logistics Forum" to explore educational needs of firms in this area, and conducted a statewide study for the Louisiana Department of Economic Development to assess specific educational needs of transportation providers in the state. Dr. Jones is an active researcher and writer, who has published numerous articles and presented a number of papers at conferences since coming to Southeastern. Dr. Jones worked at Mississippi State, Southern Mississippi and Auburn Montgomery before coming to Southeastern.



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St. Tammany Building Permit and Sales Tax Collection Offices

St. Tammany Economic Development Foundation

Tangipahoa Building Permit Office and School Board

Tangipahoa Economic Development Foundation

Livingston Building Permit and Sales Tax Collection Offices

Livingston Economic Development Council

Washington Building Permit and Sales Tax Collection Offices

Washington Economic Development Foundation