

# The Analyst

ST. TAMMANY CORPORATION'S ECONOMIC RESEARCH PUBLICATION

## Q3 2020 Economic Trends Report

Combined Analysis with December COVID-19 Snapshot

ST. TAMMANY  
STATS

The logo for St. Tammany Stats consists of two lines of text. The top line reads "ST. TAMMANY" in a blue, sans-serif font. The bottom line reads "STATS" in a larger, bold font with a green-to-blue gradient. The letters "A" and "I" in "STATS" are stylized with white circular nodes connected by thin blue lines, forming a network diagram.

[www.sttammanystats.com](http://www.sttammanystats.com)

# Introduction

Welcome to St. Tammany Corporation's second 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. 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 the third quarter of 2020, half a year into an inextricably linked global recession and public health crisis, which is why we found it important to open our economic analysis with our continued assessment of the pandemic. This monthly release, "Snapshot: Impacts of COVID-19 on St. Tammany," shows how the pandemic has impacted the economic landscape in St. Tammany through timely, relevant, easy-to-understand data.

Through our publication of this and future quarterly economic trends reports, monthly COVID-19 updates, and other products of *The AnalyST*, St. Tammany Corporation 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.





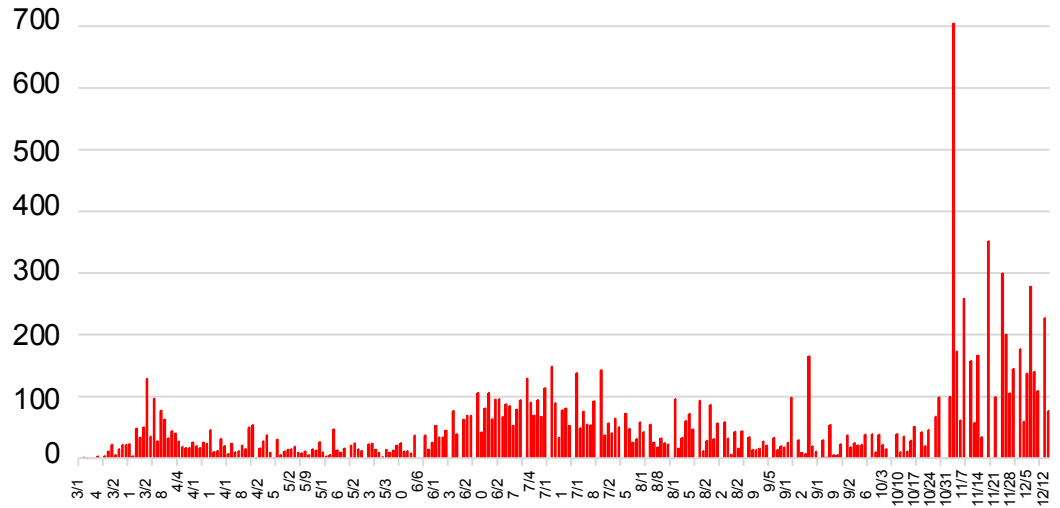
# COVID-19 in St. Tammany

## Cases

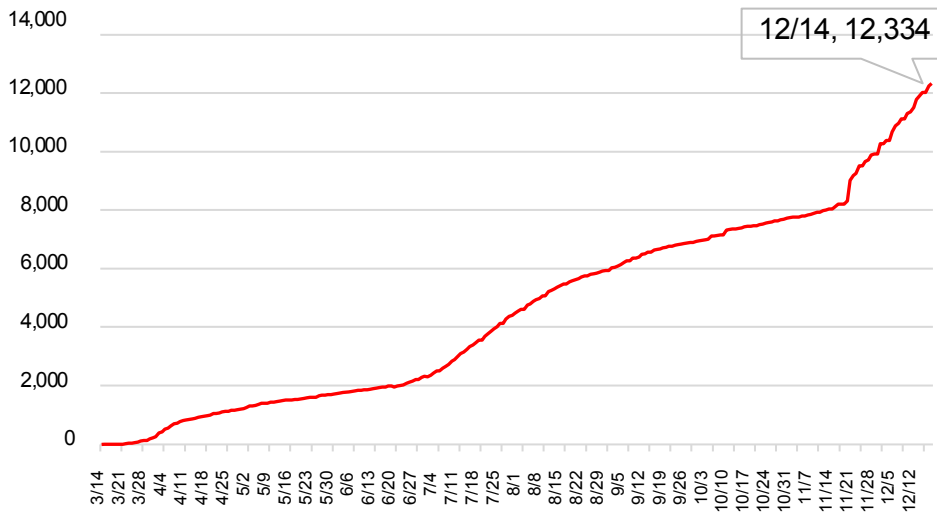
As of December 14<sup>th</sup>, 2020:

- **11,180** confirmed positive cases
- **193,380** tests administered
- **5.8%** positive test rate (March-December)

St. Tammany Daily Increases in COVID-19 Cases



St. Tammany Total Probable & Confirmed COVID-19 Cases



- **4,300** confirmed cases per 100,000
- **7<sup>th</sup> highest** number of positive cases in Louisiana
- Note: Due to a two-month statewide backlog that was reported in mid-November, total cases were drastically higher from November 17<sup>th</sup> onward. Additionally, total cases going forward include both probable cases and confirmed cases.

Source: Louisiana Department of Health



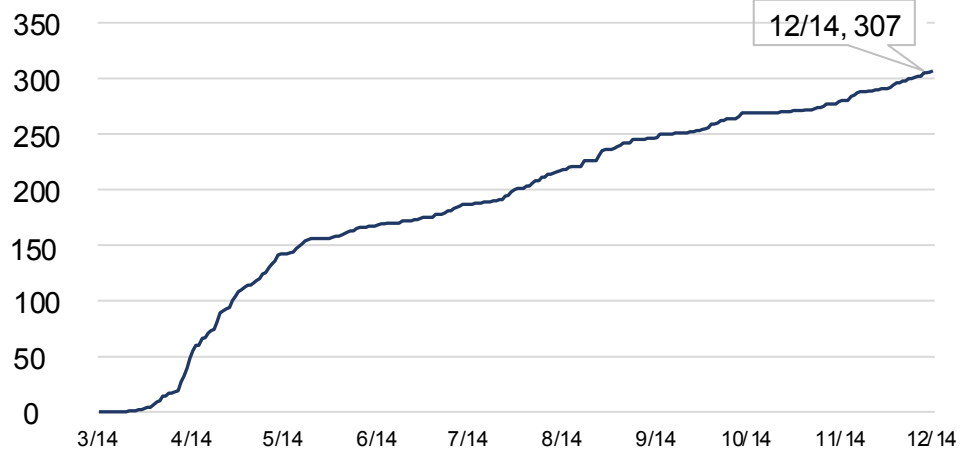
# COVID-19 in St. Tammany

## Mortality

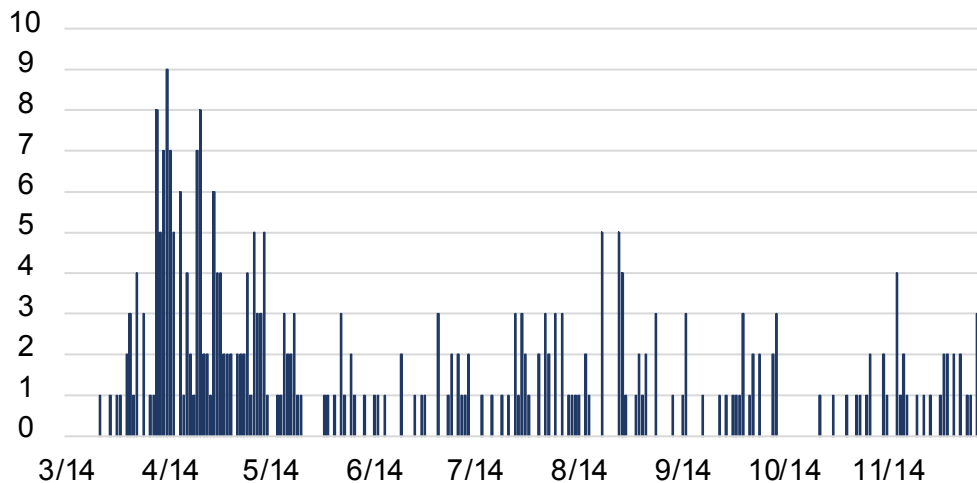
As of December 14<sup>th</sup>, 2020:

- **302 confirmed** deaths
- **2.7%** mortality rate (deaths as a proportion of cases)
- **5<sup>th</sup> highest** number of COVID-19 deaths in Louisiana

St. Tammany Total Probable & Confirmed COVID-19 Deaths



St. Tammany Daily Increase in COVID-19 Deaths



### Demographic Breakdown

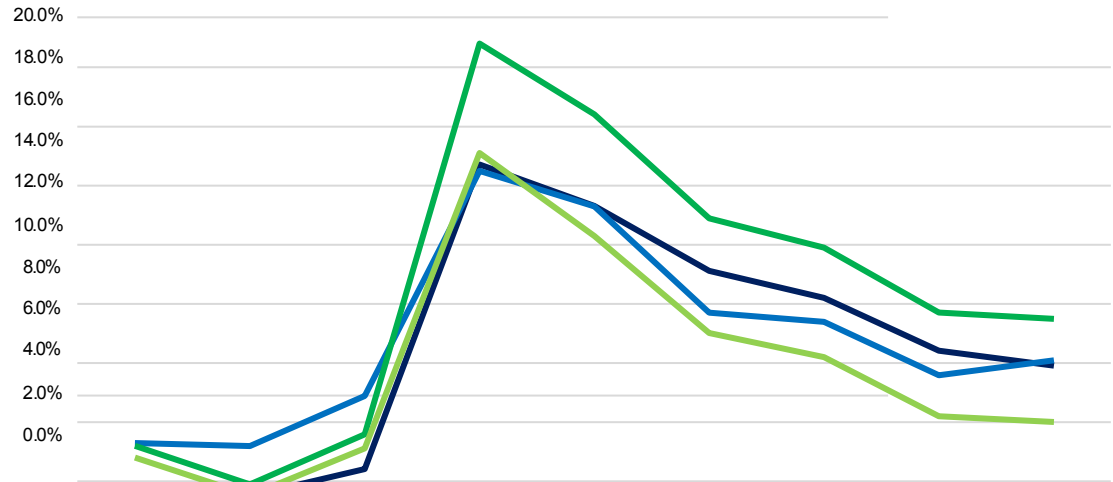
Race	Deaths	Cases	Population (2018)	Cases per 1,000
Black	36	1,705	32,238	52.9
White	264	8,374	215,496	38.9
Other	1	774	10,377	74.6
Unknown	0	273	N/A	N/A

Source: Louisiana Department of Health



# Unemployment

- The Federal Reserve says that the natural rate of unemployment is between 3.5-4.5% for a healthy, competitive economy.
- Historically, St. Tammany has consistently had lower unemployment rates than the state and metro. After the second quarter of this year saw the unemployment rate spike to unprecedented levels, St. Tammany continued to have lower rate than the state, region and nation as it navigates the economic recovery in Q3 2020.



	January	February	March	April	May	June	July	August	Sept.
United States	3.5%	3.5%	4.4%	14.7%	13.3%	11.1%	10.2%	8.4%	7.9%
Louisiana	5.3%	5.2%	6.9%	14.5%	13.3%	9.7%	9.4%	7.6%	8.1%
Greater New Orleans	5.2%	3.9%	5.6%	18.8%	16.4%	12.9%	11.9%	9.7%	9.5%
St. Tammany Parish	4.8%	3.5%	5.1%	15.1%	12.3%	9.0%	8.2%	6.2%	6.0%

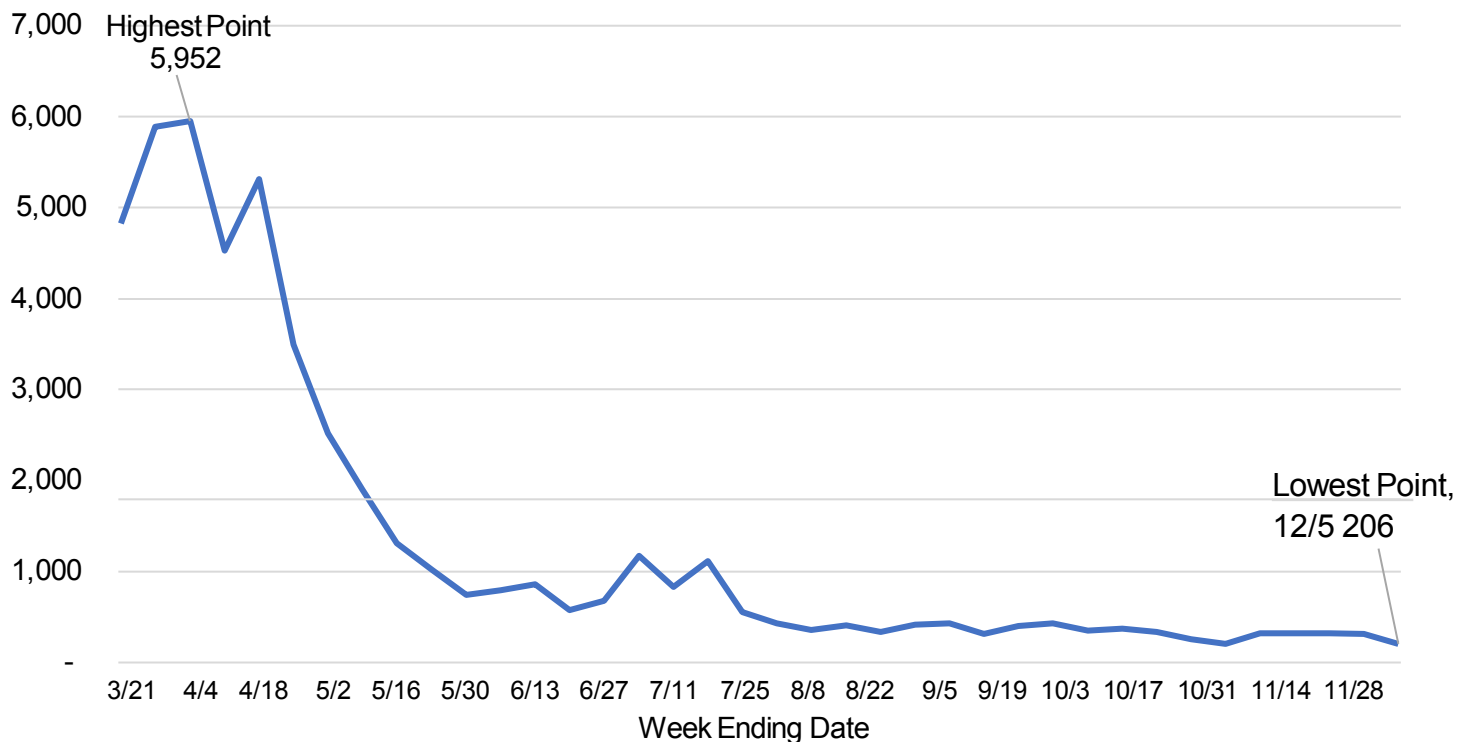
Source: Louisiana Workforce Commission



# Unemployment

- Weekly initial UI claims continue to level off over the past six weeks, with the number of claims during the week ending 12/5 totaling **206**.
- According to the most recent data from the Louisiana Workforce Commission, St. Tammany's labor force contracted from 120,101 in October 2019 to 115,045 in October 2020, a difference of **5,056**.
- St. Tammany's labor force **added back 765 workers** from September to October 2020. During the previous month, from August to September 2020, the labor force had lost 500 workers.
- From March 15 to December 5, more than 50,000 initial claims for unemployment insurance have been filed in St. Tammany, the **7<sup>th</sup> highest** number in the state.

**St. Tammany Initial Claims for Unemployment Insurance**



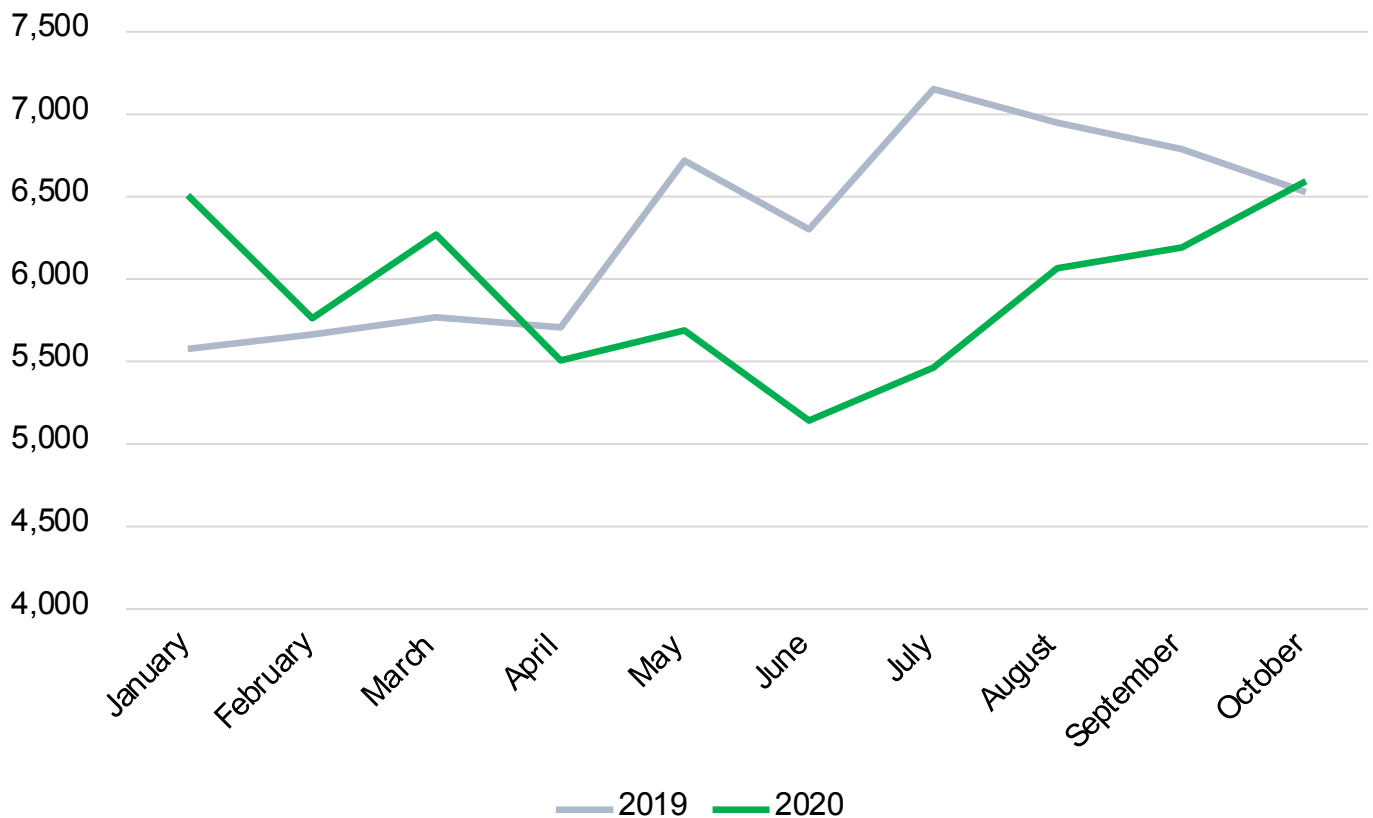
Source: Louisiana Workforce Commission



# Job Postings

## Year-over-Year Comparison

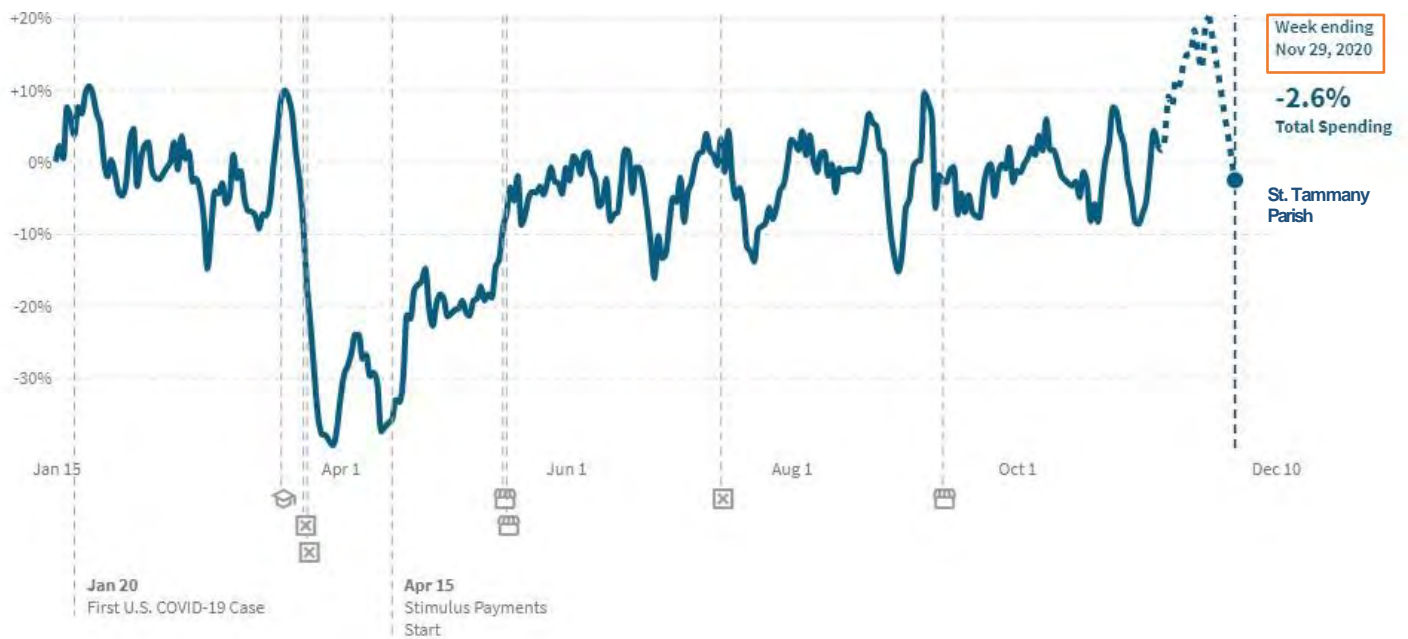
- Compared to 2019, job postings in 2020 were significantly lower from April to September.
- In October 2020, there were **6,593** jobs posted in St. Tammany, higher than October 2019's 6,527 postings and the highest monthly number since March.
- During the week ending with November 7<sup>th</sup>, there were a total of 3,341 unemployment claims filed, meaning that there now could be more jobs posted than job seekers.





# Changes in Consumer Spending

- As of November 29, 2020, total consumer spending in St. Tammany had declined to **2.6% below** January 2020 levels after meeting and exceeding them periodically since June.
- Consumer spending began to take a dive following school closures in Louisiana, and while making a rocky path to recovery, has returned to pre-COVID-19 levels.
- The lowest point was April 1, when consumer spending was at **-42.7%**.
- The steepest increases in spending can be seen immediately following the distribution of direct stimulus payments and the end of the stay-at-home order/beginning of Phase I.



# Small Business Pulse

According to a nationwide survey of small businesses conducted by the Census Bureau during the week of November 30<sup>th</sup> to December 6<sup>th</sup>.

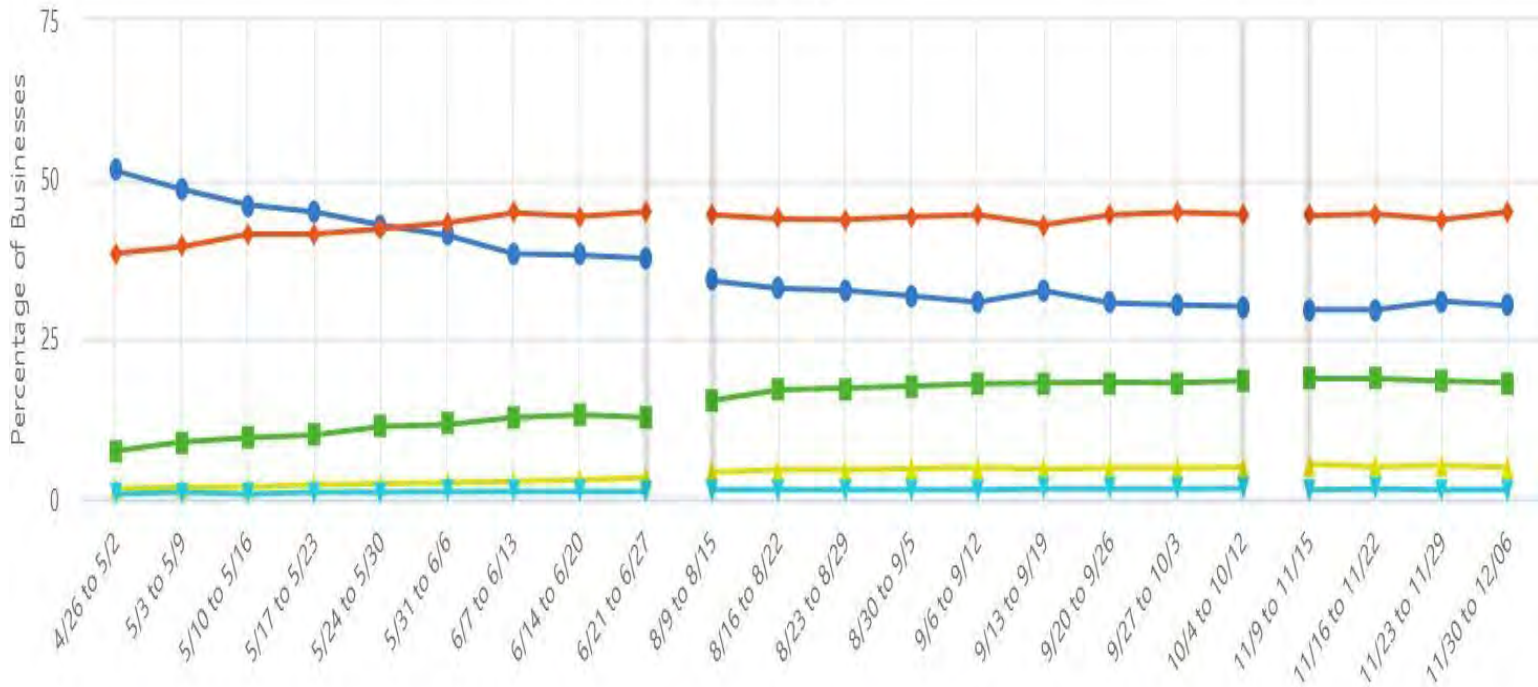
- **89.9%** of small businesses in the New Orleans-Metairie, LA metro area have requested financial assistance from the Paycheck Protection Program since March 13<sup>th</sup>
- **47.1%** of U.S. retail trade businesses experienced domestic supplier delays in the last week
- **45.4%** of U.S. small businesses believe more than 6 months will pass before their business returns to normal operations
- **22.4%** of small businesses experienced a decrease in the total number of hours worked in the last week by paid employees, an increase from the prior week
- **12.1%** of small businesses experienced a decrease in the number of paid employees in the last week
- **38.7%** of U.S. small businesses have experienced a decrease in operating revenue in the last week. From responses collected 11/9-11/15, this statistic was 33.4%
- **26.5%** of U.S. small businesses believe they will need to obtain financial assistance or additional capital in the next 6 months



# Small Business Pulse

Overall, how has this business been affected by the Coronavirus pandemic?

National Average

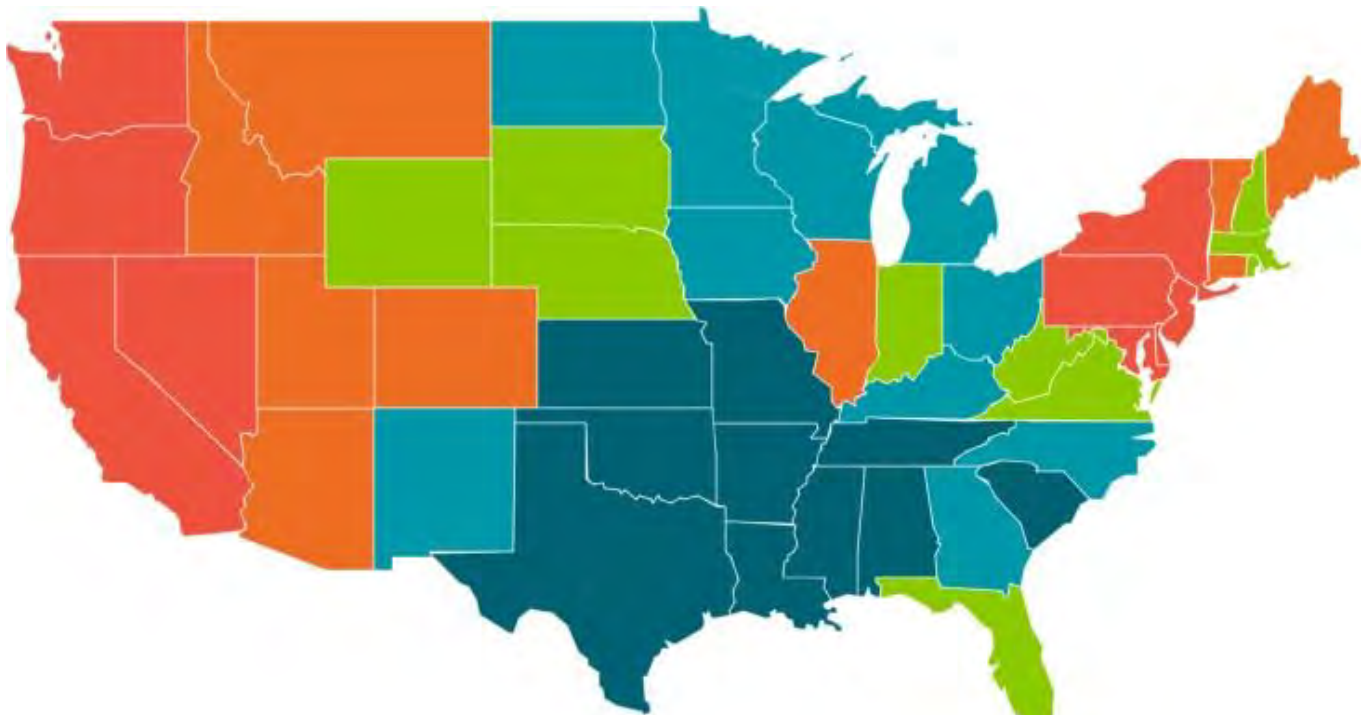


Note: No data collected between 6/27 and 8/9. No data collected between 10/12 and 11/9.

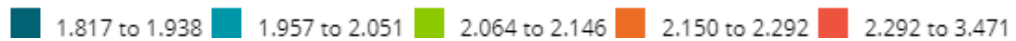
◆ Large negative effect  
 ◆ Moderate negative effect  
 ◆ Little or no effect  
 ◆ Moderate positive effect  
 ◆ Large positive effect

# Gas Prices

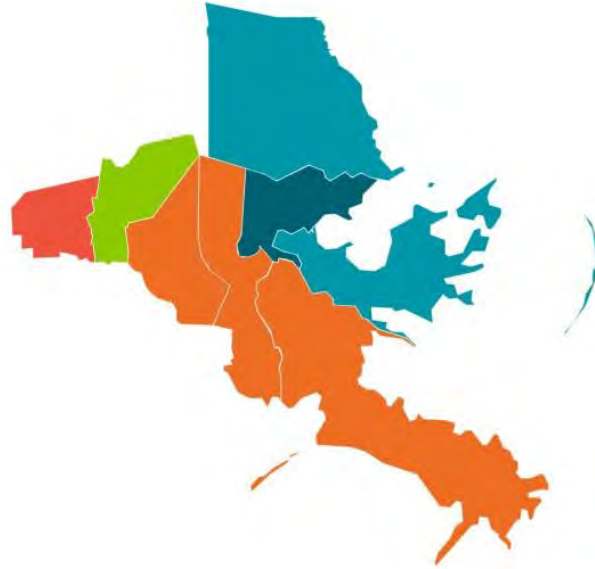
- In December 2020, the average fuel price in the U.S. was **\$2.165** per gallon.
- In November, national prices averaged **\$2.115**.
- Nationally, December's prices are **down 42.4¢** from the same time in 2019, when they were \$2.589.



Retail Fuel Prices



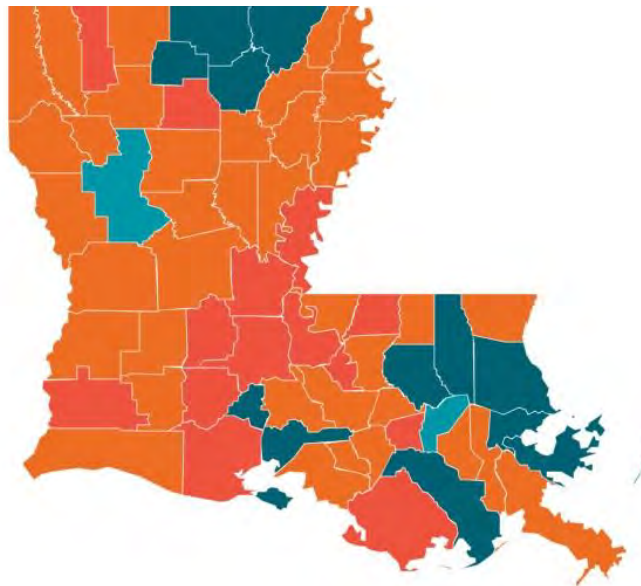
# Gas Prices



Retail Fuel Prices



- In December 2020, St. Tammany's average fuel price was **\$1.811**, one of the lowest prices in the metro, state, and nation.
- In the New Orleans Metro, average price is \$1.801 in December 2020.
- In November, prices in the New Orleans metro had averaged \$1.769.
- November's prices in the New Orleans Metro are down 40.4¢ from the same time in 2019, when they were \$2.205.



Retail Fuel Prices

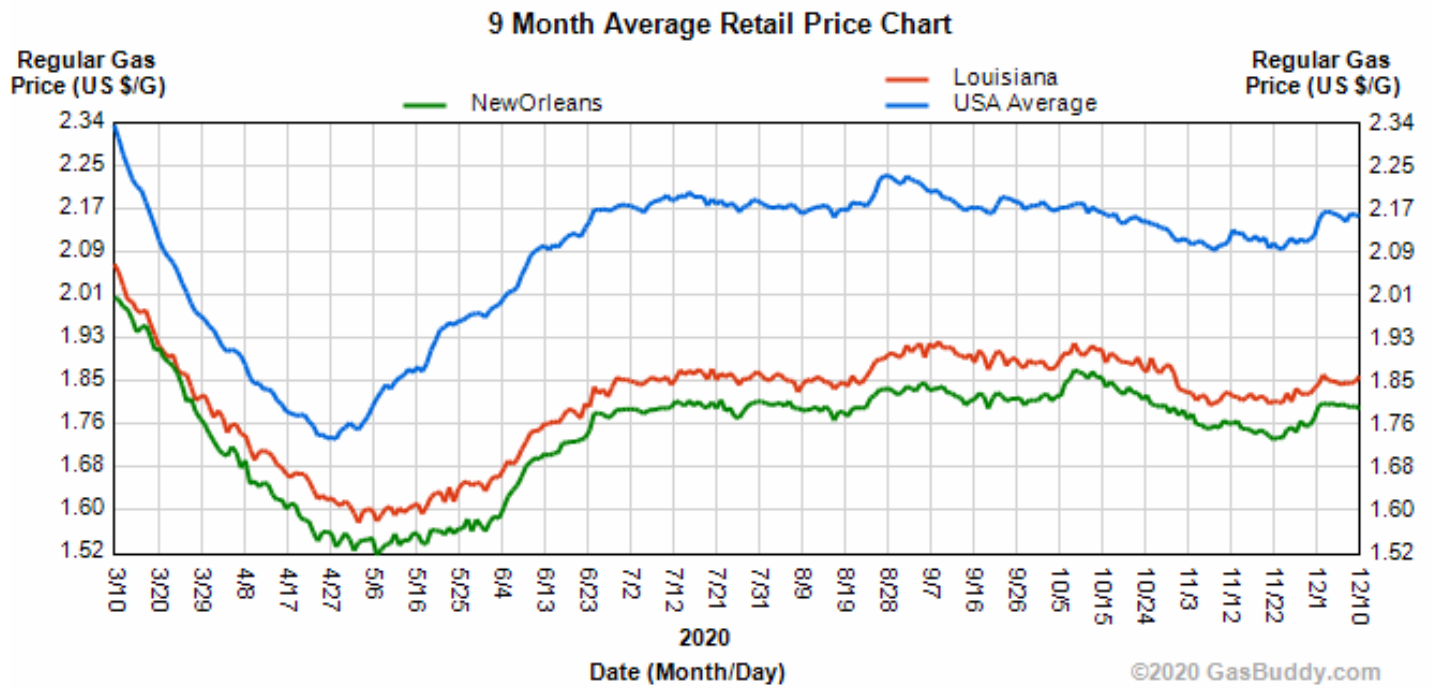


Source: GasBuddy.com



# Gas Prices

- The graph to the right shows the average gas prices in the New Orleans metro, state, and nation from mid-March, as we began to feel the initial effects of the pandemic on our economy, through the nine months that followed.
- Gas prices in the New Orleans metro are consistently lower than the state and nation.





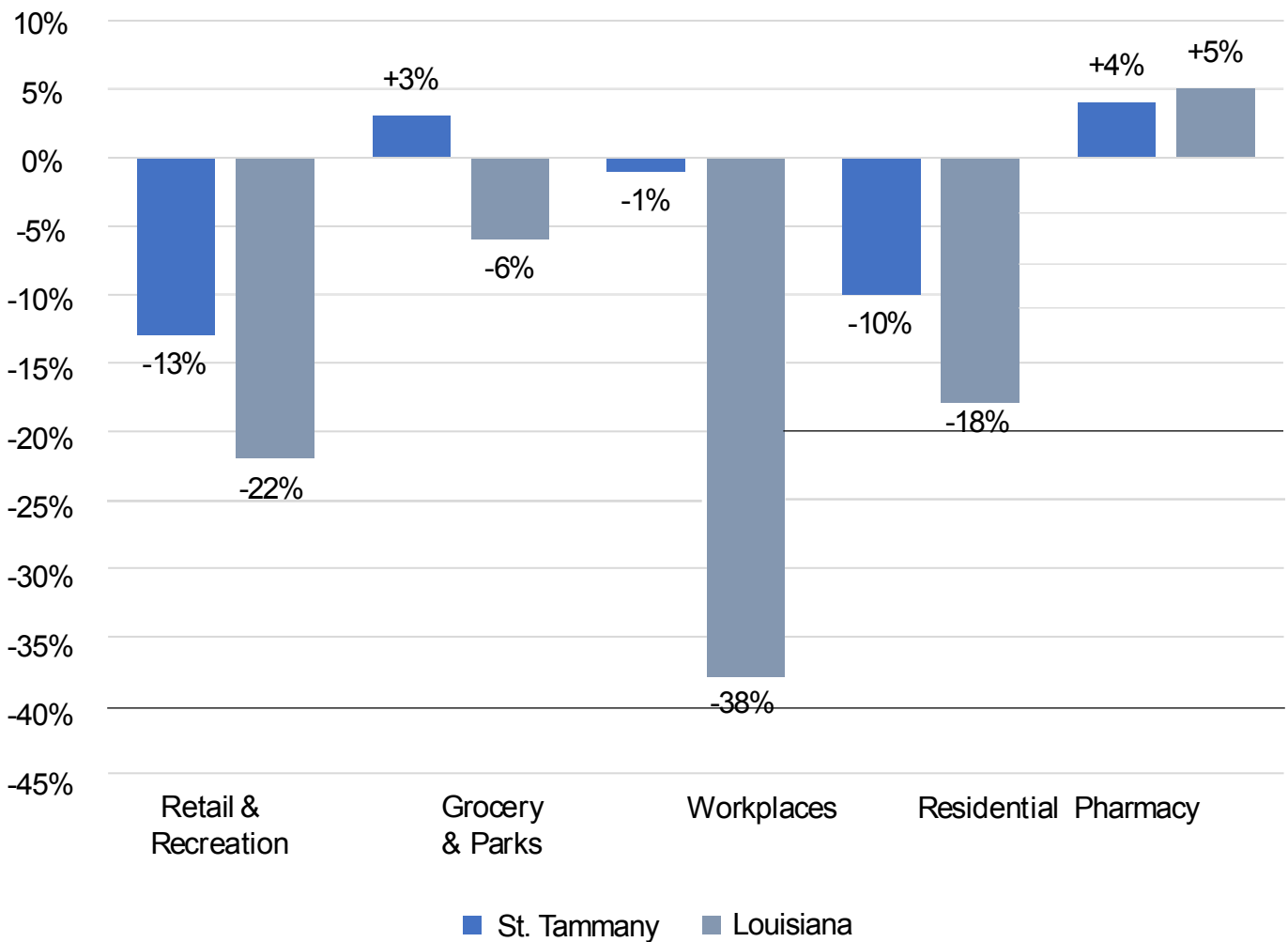
# Residential Travel Since Stay-at-Home Order

Although the stay-at-home order is no longer in effect, people are still encouraged to limit their travel in order to stay safe. The purpose of the community mobility report is to give insight into key questions:

- How have travel and mobility in St. Tammany been impacted by the pandemic?
- How well has St. Tammany adhered to the stay-at-home order?
- Where are people going when they aren't going to work, going shopping, or doing leisure/entertainment activities?

**Definitions:**

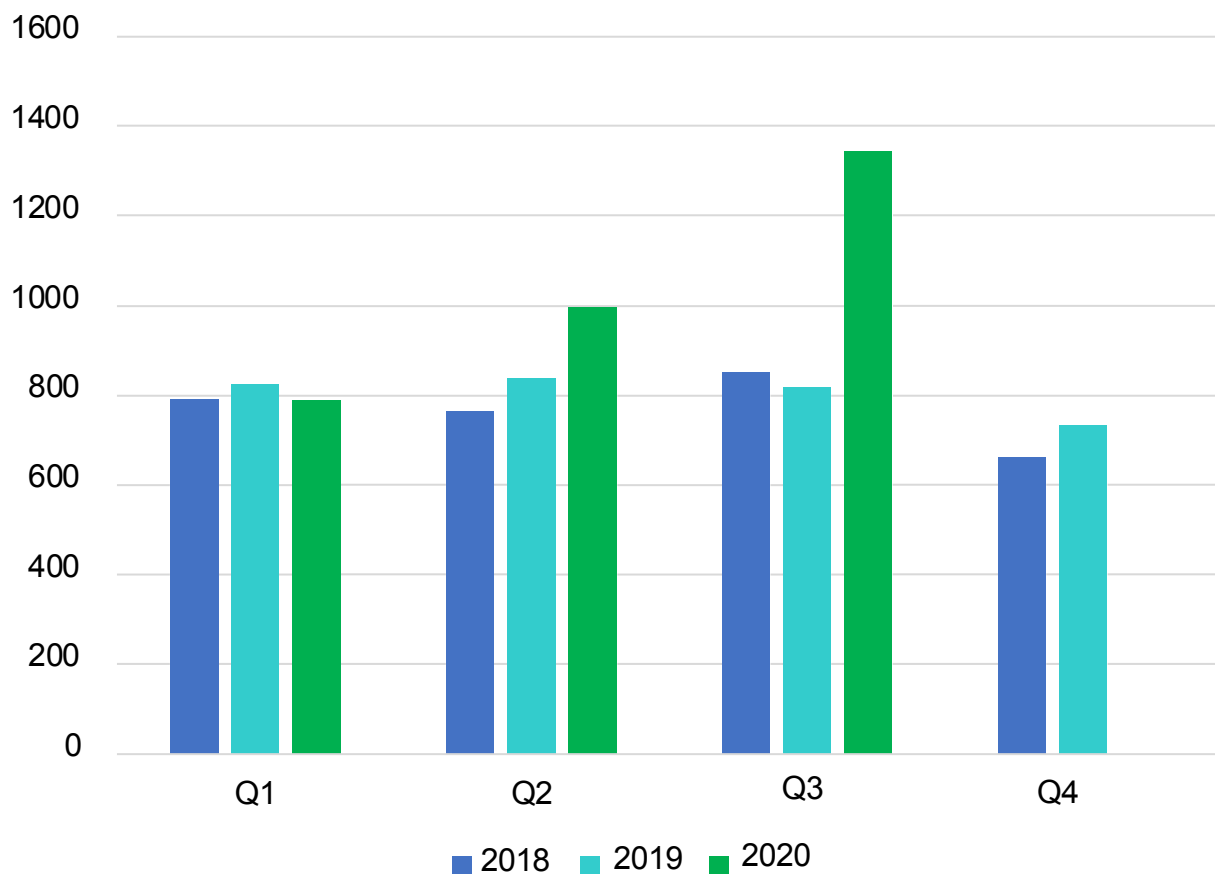
- **Retail & Recreation:** places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters
- **Grocery & Pharmacy:** places like grocery markets, food warehouses, farmers markets, specialty food shops, drug stores, and pharmacies
- **Parks:** places like national parks, public beaches, marinas, dog parks, plazas, and public gardens
- **Workplaces:** places of work
- **Residential:** places of residence
- Negative percentages indicate reduction in travel



# New Business Incorporations

- According to data from the Louisiana Secretary of State, **1,343** new business incorporations were filed in St. Tammany, the highest on record for a single quarter. During the first half of the year, that number was **1,783**.
- During this time period, there were an average of **90** new filings per week.
- New business filings were **64% higher** in Q3 2020 compared to Q3 2019.
- Nationwide, according to the Census Bureau's Business Formation Statistics, new business filings are **up 82%** in the third quarter compared to the same time last year.
- Although a spike in entrepreneurship shows many people's desire to work for themselves, there is usually a lag in job creation as the business owner might wait several months to actually start the business or ultimately remain a one-person shop.

Quarterly Comparison



# Building Permits

- Tracking the values and volumes of building permits, both commercial and residential, is helpful in assessing the rate of the community's growth.
- More building permits at higher values means a more competitive market.

Commercial Building Permits			
Month	Value	Units	Average
January	\$300,000	1	\$300,000
February	\$21,030,000	6	\$3,505,000
March	\$3,490,000	4	\$872,500
April	\$40,130,000	6	\$6,688,333
May	\$210,000	1	\$210,000
June	\$1,560,000	4	\$390,000
July	\$1,800,000	2	\$900,000
August	\$6,450,000	6	\$1,075,000
September	\$5,660,000	1	\$5,660,000
<b>Total</b>	<b>\$80,630,000</b>	<b>31</b>	<b>\$2,610,000</b>

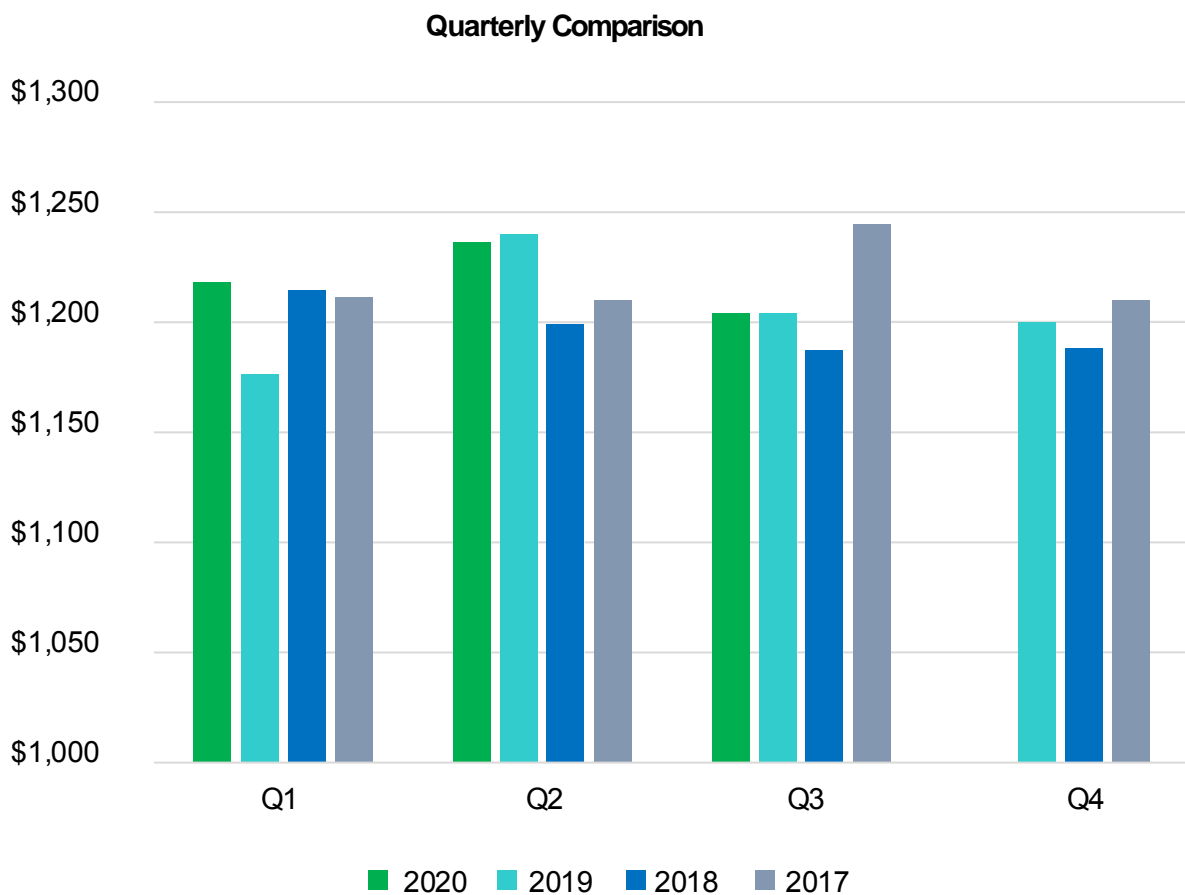
Residential Building Permits			
Month	Value	Units	Average
January	\$5,010,000	20	\$250,500
February	\$44,870,000	211	\$212,654
March	\$23,470,000	102	\$230,098
April	\$38,380,000	183	\$209,727
May	\$11,504,000	71	\$162,028
June	\$14,526,000	81	\$179,333
July	\$10,850,000	60	\$180,833
August	\$43,380,000	195	\$222,462
September	\$24,970,000	122	\$204,672
<b>Total</b>	<b>\$216,960,000</b>	<b>1,045</b>	<b>\$207,614</b>

Source: New Orleans CityBusiness



# Housing Apartment Rent

- The graph to the right shows the changes in apartment rent in St. Tammany overtime.
- The average rent in Q3 2020 was **\$1,204** for a two-bedroom, two-bath apartment, which is equivalent to average rent for the same time period in 2019.
- Data is averaged monthly from rates for comparable units across the parish.



Source: Multiple online rent sources

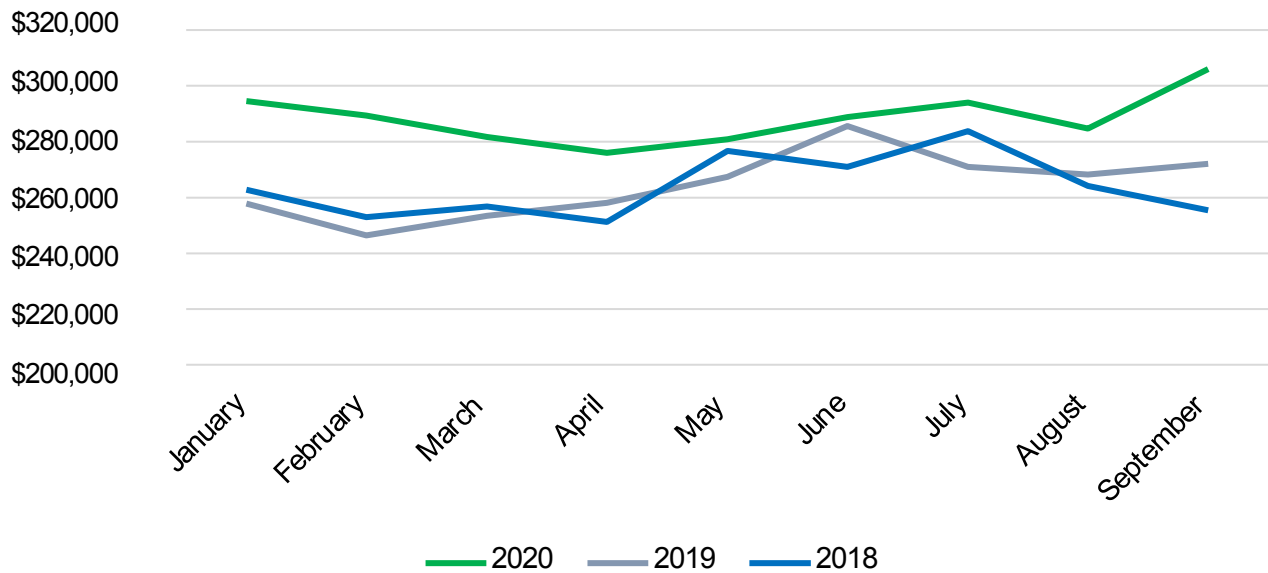


# Housing

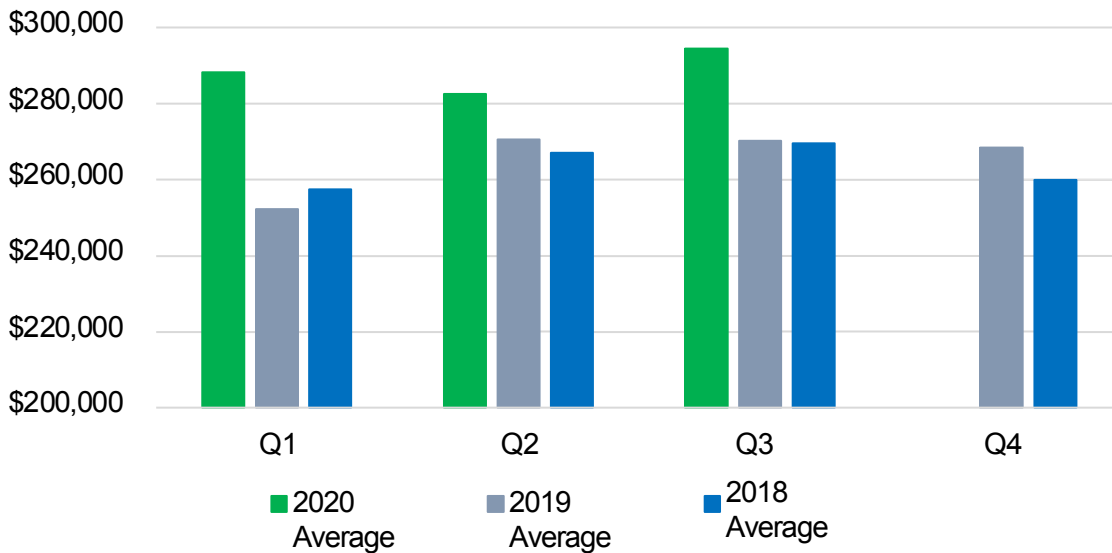
## Residential Real Estate

- The graphs below show the changes in average home sale prices over time in St. Tammany.
- In Q3 2020, the average home sale price was \$294,442, continuing a year-to-date trend of higher average prices than previous years.

**Average Sale Prices - Monthly**



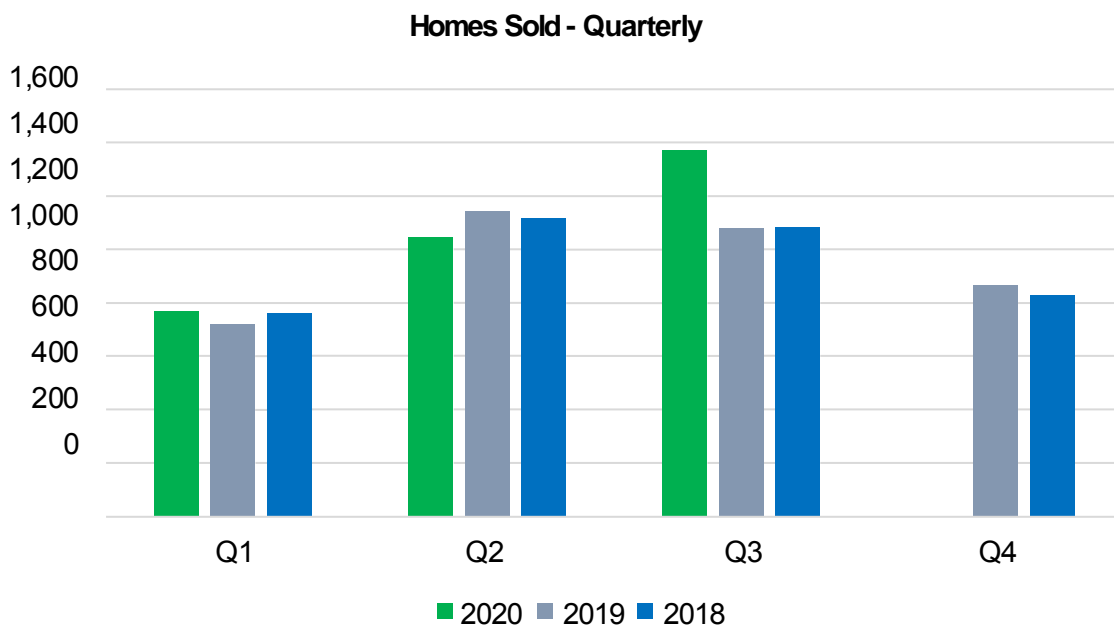
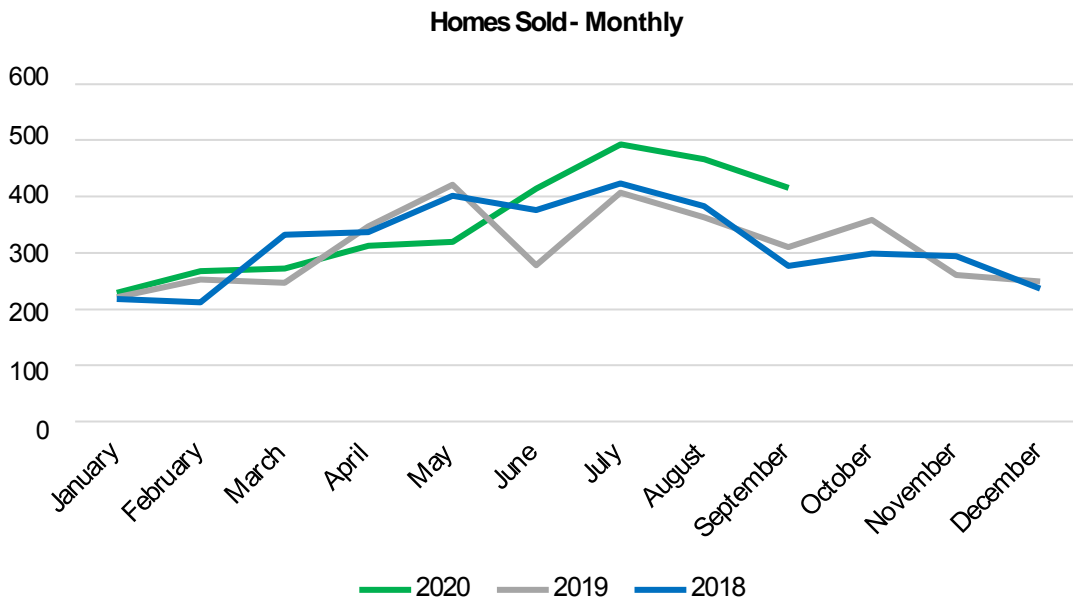
**Average Sale Prices - Quarterly**



# Housing

## Residential Real Estate

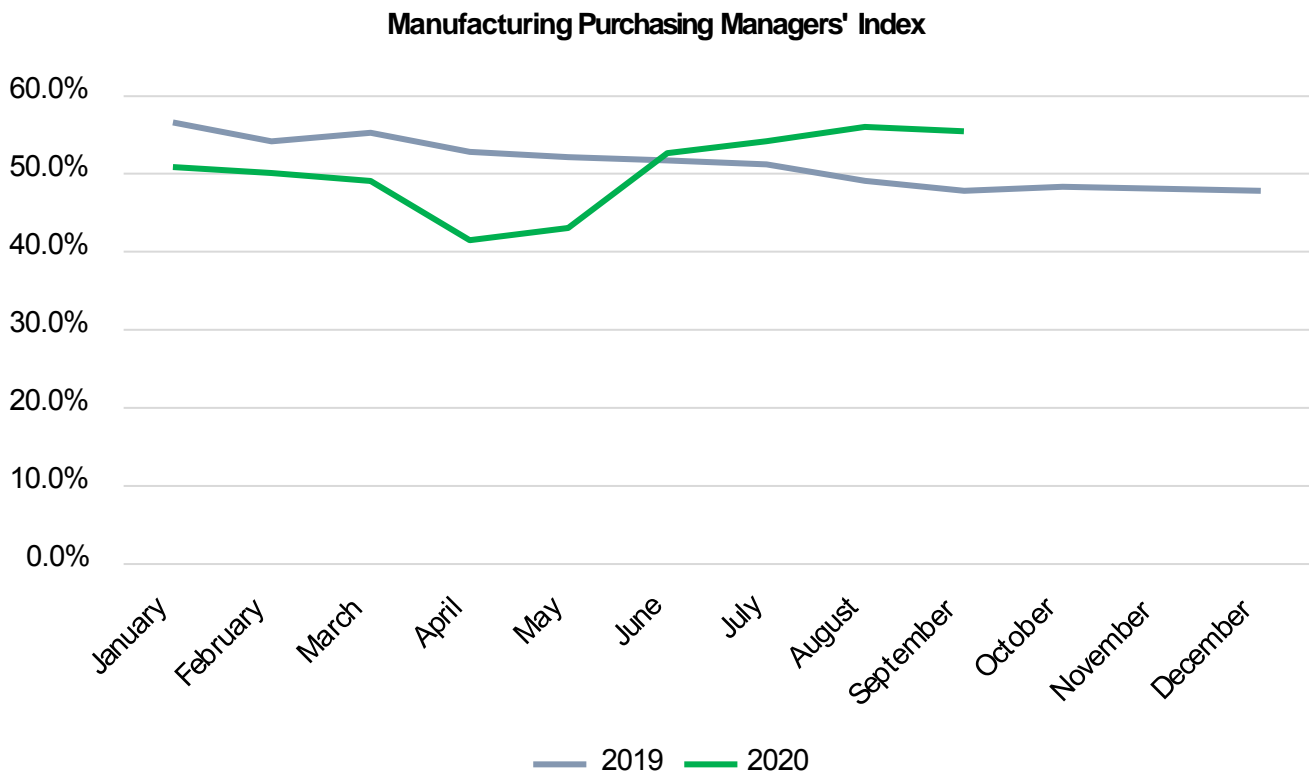
- The graphs below show changes in home sale volumes over time in St. Tammany.
- The number of homes sold in Q3 2020 was 1,373—**27% higher** than 2018's and 2019's numbers (1,080 and 1,083, respectively).





# Manufacturing Industry

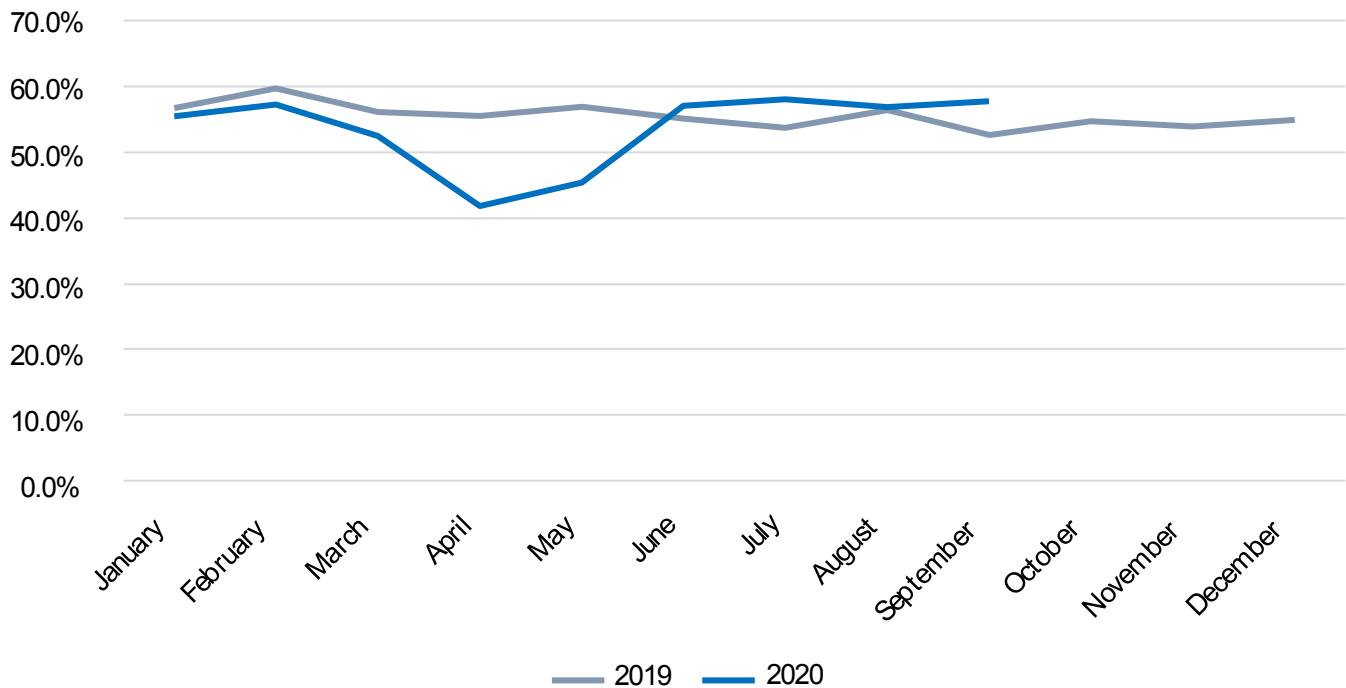
- The Institute for Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI) measures manufacturing activity based on a monthly survey, conducted by the ISM, of purchasing managers at more than 300 manufacturing firms across the nation.
- Indicators factored into the index include business activity, new orders, employment, inventory and backlogs, exports and imports, and prices.
- A PMI Index score above 50 indicates overall growth of the manufacturing economy, while a score below 50 indicates a contraction in manufacturing industry activities.
- After the lowest point in April, the manufacturing industry showed signs of recovery in May and rose above 2019 levels through Q3.



# Service Industry

- The ISM also measures non-manufacturing industries with the Services Industry Purchasing Managers' Index. Nearly all industry sectors other than manufacturing are included in this index.
- Like the Manufacturing Index, a Services PMI score above 50 indicates overall growth of the services economy, while a score below 50 indicates a contraction in service industry activities.
- In line with the 2020 Manufacturing PMI report, the Services PMI Index improvement then steadiness after the slowdown during the first half of the year.
- During the third quarter of 2020, survey respondents reported that commodities up in price included copper, corn, cleaning supplies, personal protective equipment (PPE), lumber products, gasoline, shingles, and steel.
- Commodities in short supply included hand sanitizer, disinfectant wipes, PPE, paper products, and construction labor.

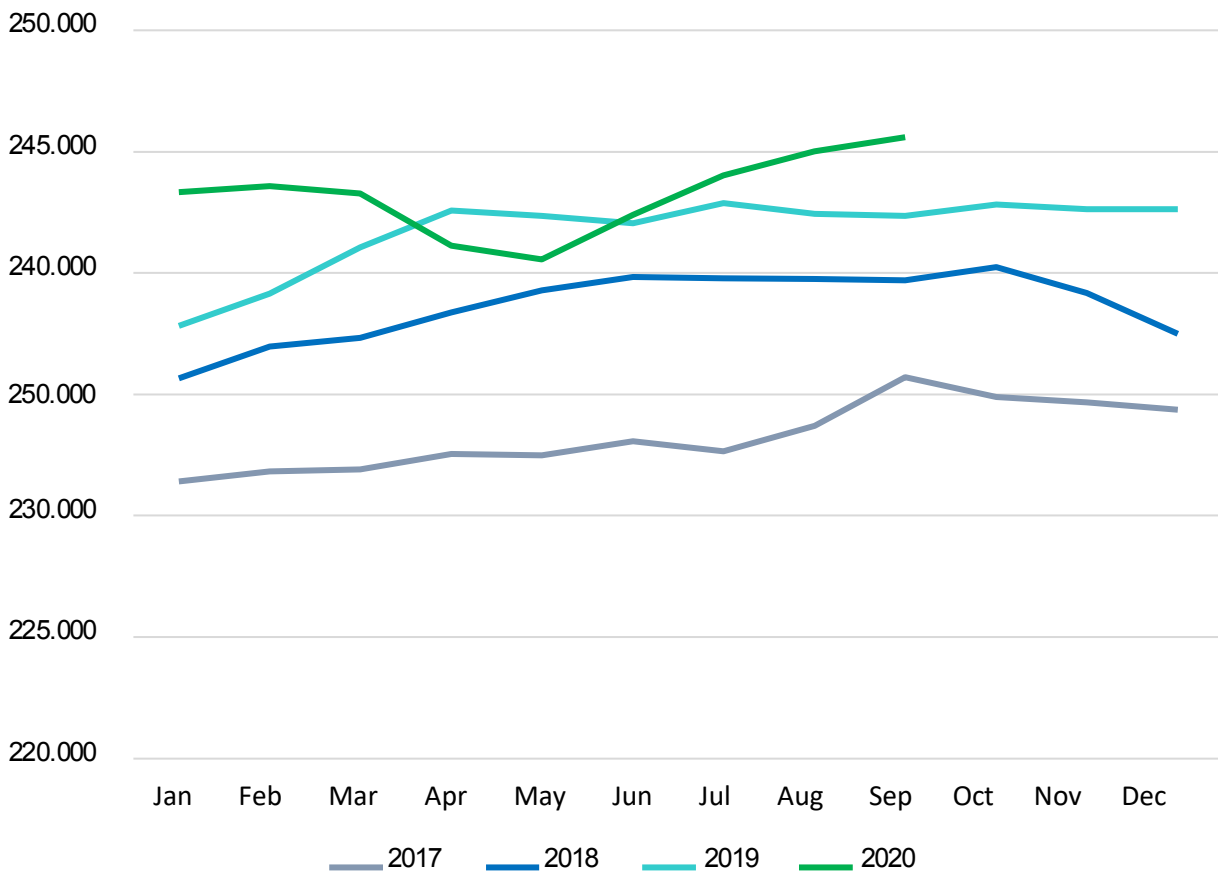
Services Purchasing Managers' Index



# Consumer Price Index

## Southern Region

- The Consumer Price Index (CPI) measures **inflation** by averaging prices of a basket of consumer goods and services, such as transportation, food, and medical care.
- Tracking CPI is important because it helps measure how the economy as a whole is faring.
- The graph to the right shows that year after year since 2017, prices have continued to inflate at varying rates; 2017's line is the bottom-most of the four years, and each subsequent year is higher than the last. The first quarter of 2020 showed the highest CPIs each month so far.
- The exceptions are April and May 2020, during which the pandemic-induced recession caused a temporary decrease in the overall price of consumer goods.



# Gross Domestic Product

On June 8, 2020, the National Bureau of Economic Research officially declared that the United States economy is in a recession.

In Q3 2020, United States real GDP rose 33.1% from the previous quarter.

This unprecedented quarterly expansion follows a historic decline in Q2, which occurred due to "stay-at-home" orders issued in March. As state and local officials allowed economies to reopen, demand and consumer spending have scaled back up.

GDP is a measure of all goods and services produced in an economy, helpful in showing the size of a nation's economy and whether it is growing or contracting.



# Key Takeaways

- The public health landscape is a concern for the economy going forward as state, national, and parish level rates COVID-19 cases continue to escalate. The increase in numbers prompted Louisiana Governor John Bel Edwards to move the state back to Phase 2 on November 24<sup>th</sup>, tightening safety measures including restricting business capacities. In order to keep businesses open and people going to work, the spread of disease must be contained.
- Key indicators such as unemployment rate, weekly unemployment claims, national GDP, and job postings show that the damage due to the pandemic has waned, but recovery continues to be a process as jobs are slow to return to the economy: only 765 people returned to work from September to October, while the labor force is still down more than 5,000 people from the same time last year.
- A 64% increase in new business formations in line with the nationwide spike, signals that as many people drift away from traditional work patterns, they see the economic disruption as an opportunity to work for themselves.

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