

The Analyst

ST. TAMMANY CORPORATION'S ECONOMIC RESEARCH PUBLICATION

**Q1 & Q2 2020
Economic Trends Report**

Combined Analysis with COVID-19 Snapshot

ST. TAMMANY
STATS

The logo for St. Tammany Stats features the text "ST. TAMMANY" in a blue, sans-serif font at the top. Below it, the word "STATS" is written in a large, bold, sans-serif font. The letters "S", "T", and "S" are green, while "A" and "I" are blue. A network diagram with white circular nodes and blue lines connects the letters: one node is at the bottom of the first "S", another is at the top of the "A", a third is at the bottom of the "I", and a fourth is at the top of the second "S".

www.sttammanystats.com

Welcome to St. Tammany Corporation’s inaugural 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.

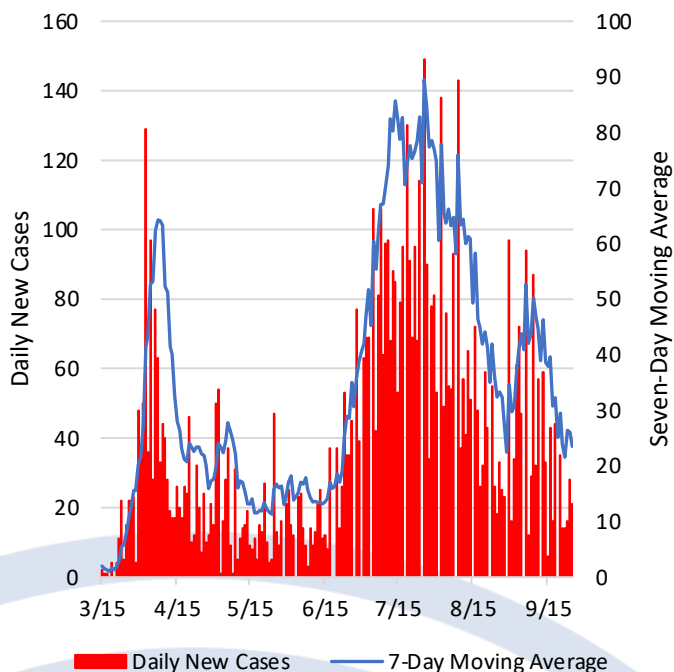
This report covers the first half of 2020, a time when our economy has been turned upside down by a global pandemic and economic recession, which is why we found it important to open our economic analysis with our continued assessment of the pandemic. This monthly release, “Snapshot: Impacts of COVID-19 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.

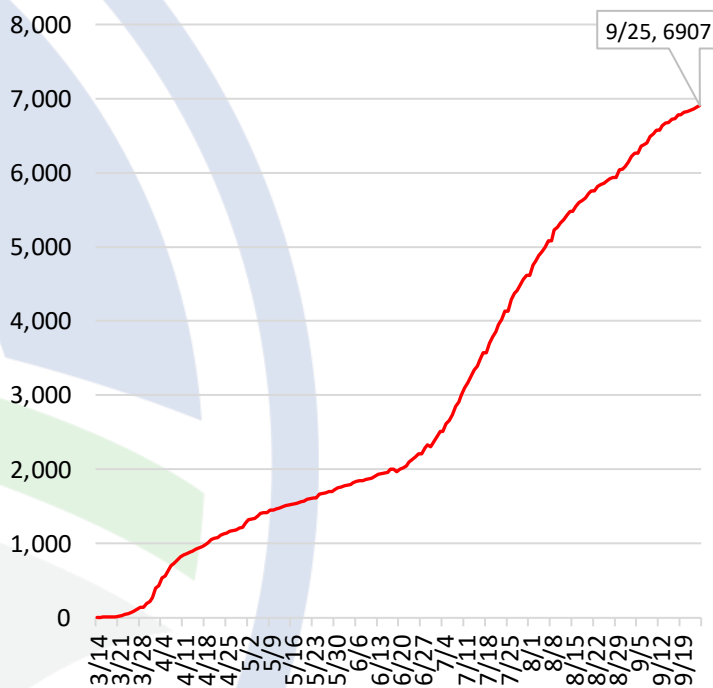
COVID-19 in St. Tammany

Cases

Daily New Cases with Seven-Day Moving Average



St. Tammany Total Confirmed COVID-19 Cases



- **2,656** cases per 100,000
- **7th highest** number of positive cases in Louisiana
- The **seven-day moving average** is simply the average number of new cases per day for the previous seven days, used to indicate short-term trends.



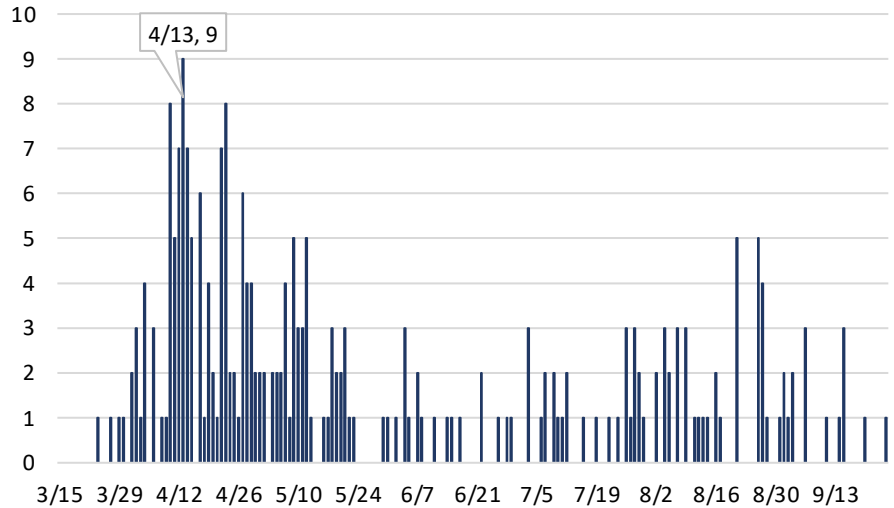
COVID-19 in St. Tammany

Mortality

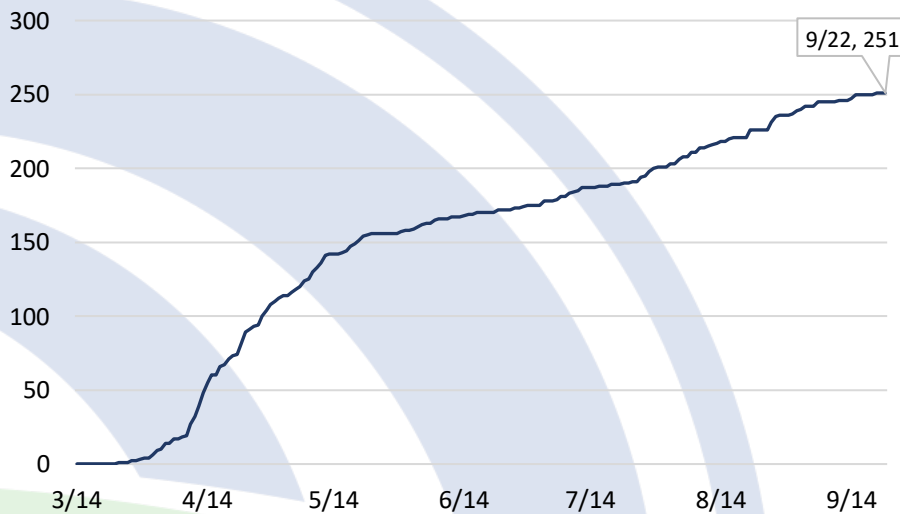
As of September 25, 2020:

- **252** deaths
- **3.6%** mortality rate (deaths as a proportion of cases)
- **5th highest** number of COVID-19 deaths in Louisiana

St. Tammany Daily Increase in COVID-19 Deaths



St. Tammany Total COVID-19 Deaths



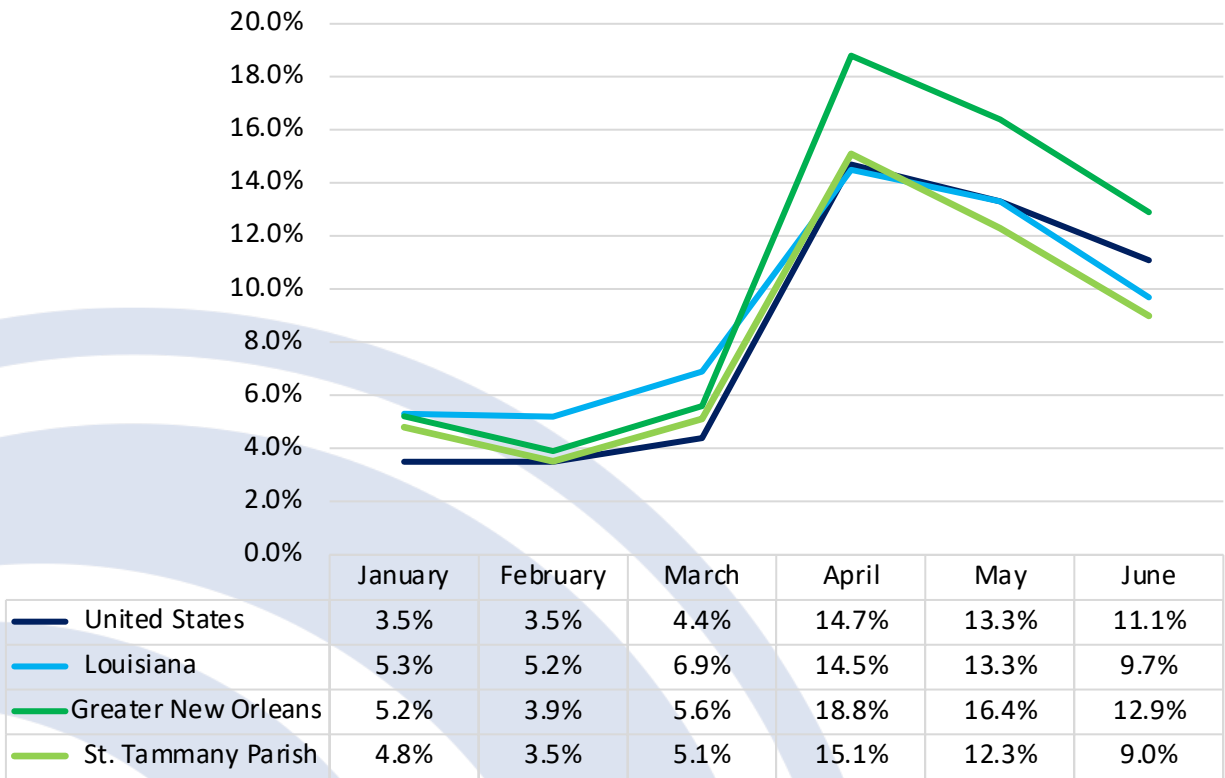
Demographic Breakdown

Race	Deaths	Cases	Population (2018)	Cases per 1,000
Black	33	1,134	32,238	35.2
White	217	4,909	215,496	22.8
Other	1	456	10,377	43.9
Unknown	1	315	N/A	N/A



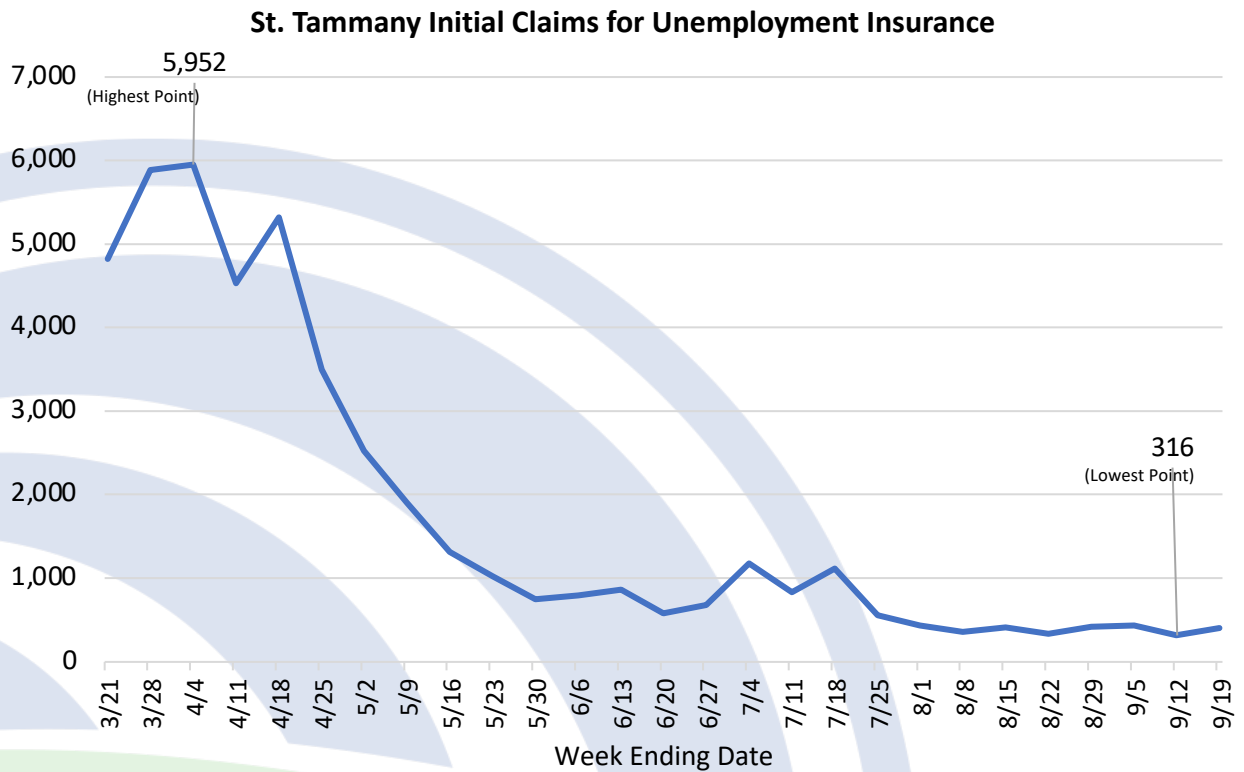
Unemployment

- Historically, St. Tammany has consistently had lower unemployment rates than the state and metro.
- The Federal Reserve says that the natural rate of unemployment is between 3.5-4.5% for a healthy, competitive economy.
- The second quarter of this year saw St. Tammany’s unemployment rate spike to unprecedented levels, in line with regional, state, and national trends, which have shown signs of slow but steady improvement.



Unemployment

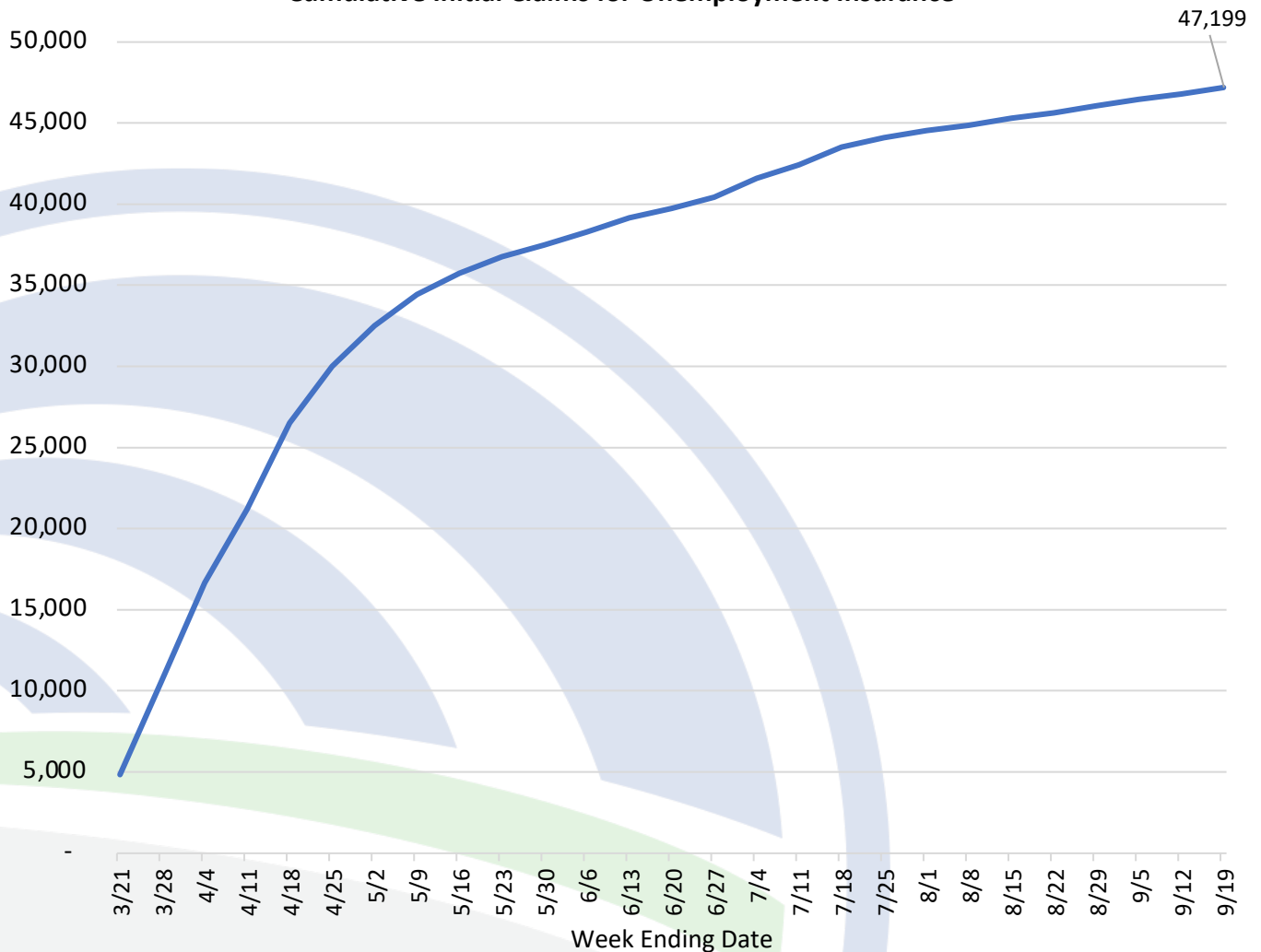
- Weekly initial UI claims continue to trend downward over the past six weeks, with the number of claims during the week ending 9/12 totaling **316**, the lowest number since early March.
- According to the most recent data from the Louisiana Workforce Commission, St. Tammany's labor force contracted from 119,241 in August 2019 to 113,915 in August 2020, a difference of **5,326**.
- This could be because many workers who lost their jobs during the pandemic-induced economic downturn are not actively looking for employment and are therefore no longer counted as "unemployed;" they have left the labor force.
- St. Tammany's labor force significantly increased from July to August 2020, adding back **2,855** workers. During the previous month, from June to July 2020, the labor force had increased by only 87.



Unemployment

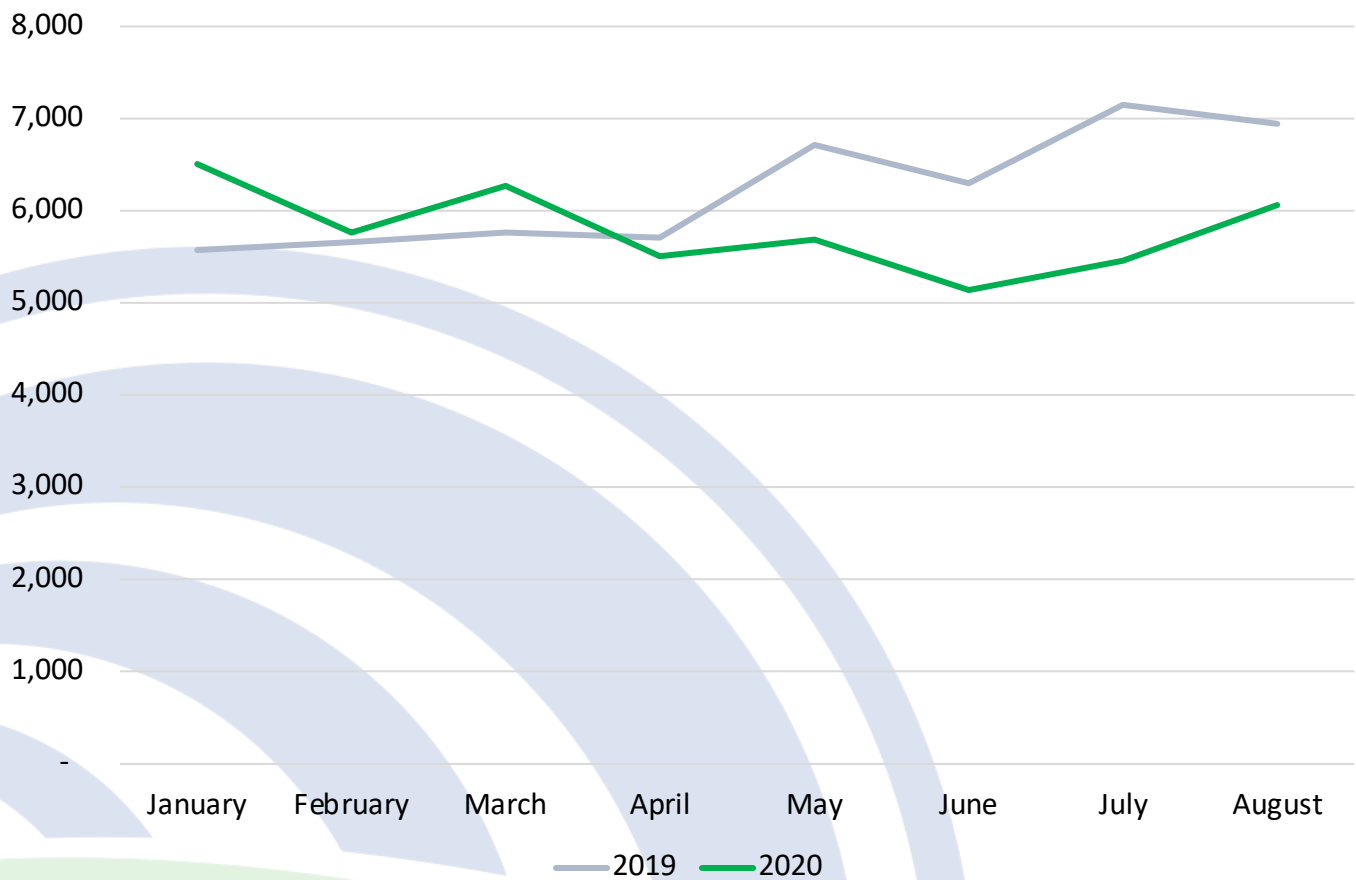
- The graph to the right shows the total number of initial unemployment claims since the beginning of the pandemic. This graph does not reflect the current number of unemployed workers in our economy but serves as a visual representation of the cumulative number of initial claims filed.
- As demonstrated on the previous page, the number of weekly initial claims has mostly continued to decline, which has led to a flatter curve for the number of total claims filed in St. Tammany.
- **47,199** total initial unemployment insurance claims means that **more than 40%** of the workforce has been unemployed at some point since the stay-at-home order began.
- St. Tammany's total number of initial claims is now the **7th highest** in the state.

Cumulative Initial Claims for Unemployment Insurance



Job Postings

- Compared to 2019, job postings in 2020 have been significantly lower from April to August.
- In August, there were **6,065** jobs posted in St. Tammany, the highest number since March, an encouraging sign for economic recovery.
- During the week ending with September 12th, there were a total of 8,792 unemployment claims filed, meaning that there are about **1.5 unemployed people for every job posted**.
- Simply put, there are still **more job seekers than jobs**.



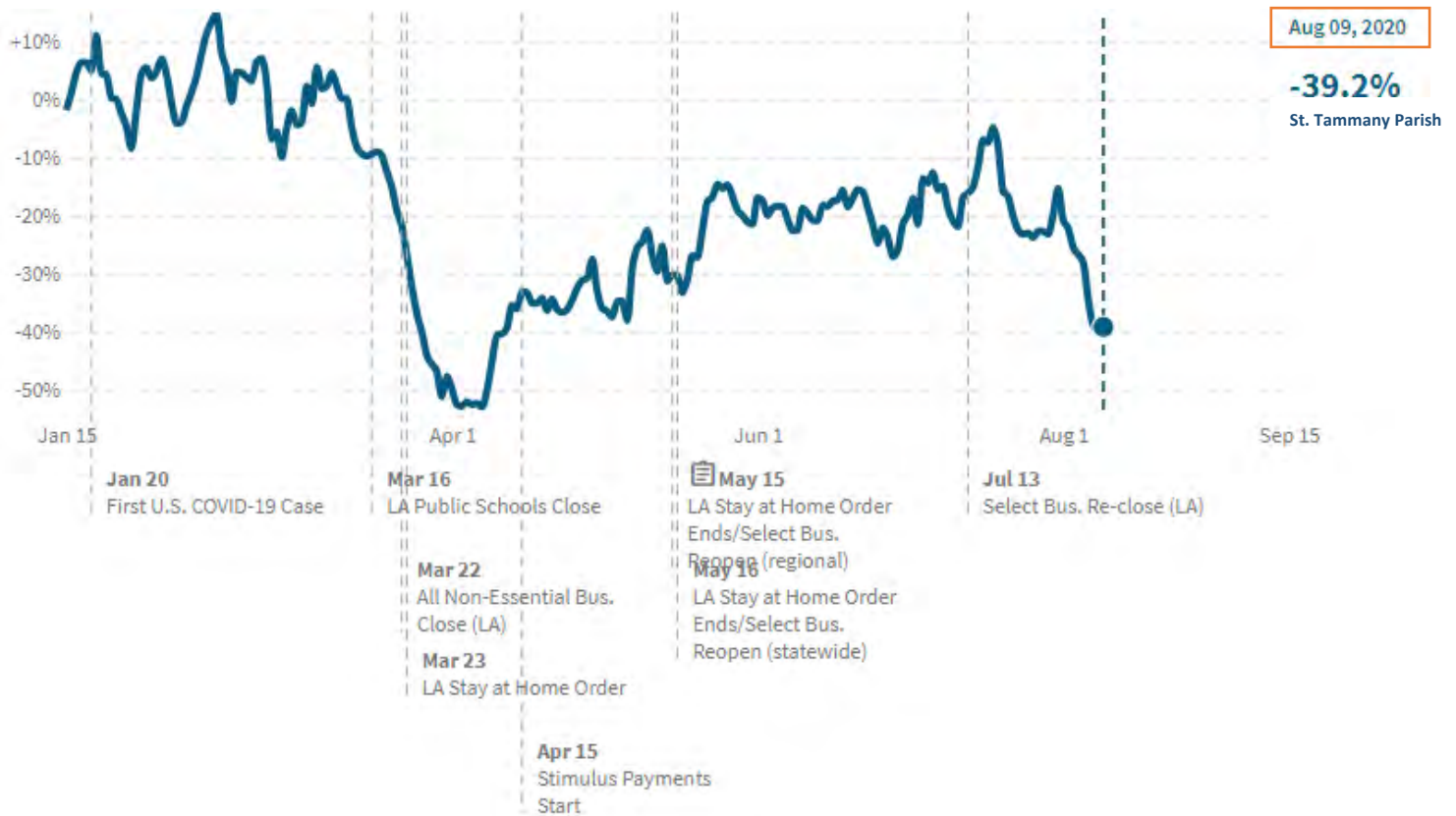
Changes in Consumer Spending

- As of September 13, 2020, total consumer spending in St. Tammany **increased by 2.2%** compared to January 2020 after dropping to -11.4% two weeks before, presumably an impact of Hurricanes Laura and Marco which made landfall on August 25 and 27.
- 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%**.
- Prior to September, 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.



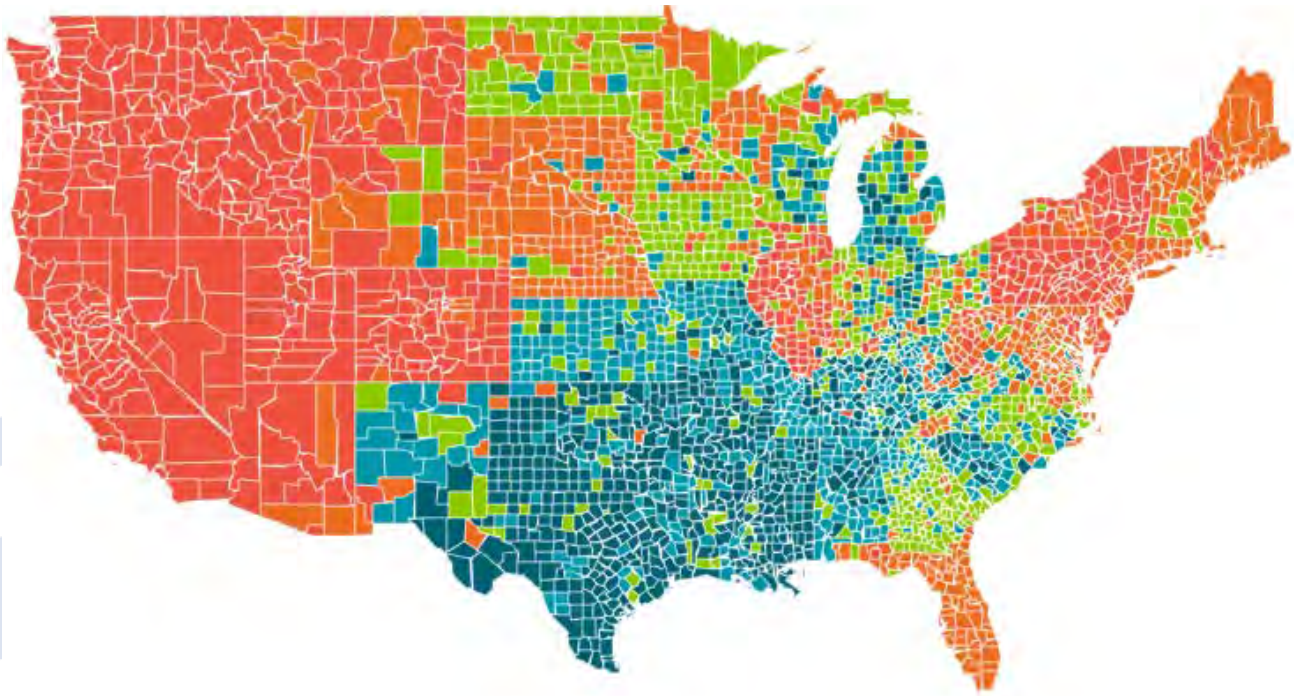
Changes in Small Business Revenue

- As of August 9, 2020, total small business revenue in St. Tammany **decreased by 39.2%** compared to January 2020. On July 31, 10 days before, small business revenues were down 15.3% from January 2020.
- Small business revenue began to take a dive around the time of the stay-at-home order, and while making a slow recovery, has not yet returned to pre-COVID-19 levels.
- The lowest point was April 8, when revenue was at **-51.1%**.
- The steepest increase in small business revenue can be seen following the end of the statewide stay-at-home order.



Gas Prices

- In September 2020, St. Tammany's average fuel price was **\$1.799**, one of the lowest prices in the metro, state, and nation.
- In August, prices averaged \$1.779.

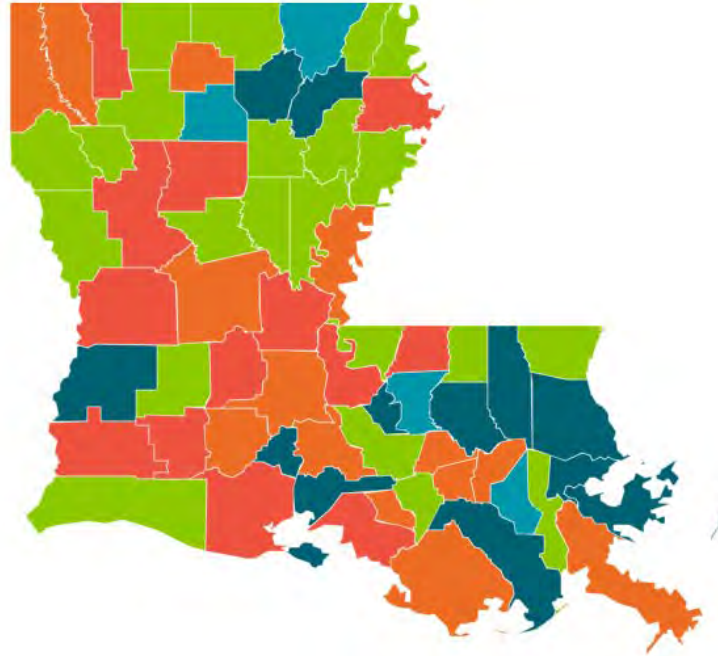


Retail Fuel Prices



Gas Prices

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Retail Fuel Prices

1.744 to 1.840 1.842 to 1.857 1.857 1.859 to 1.909 1.913 to 2.065



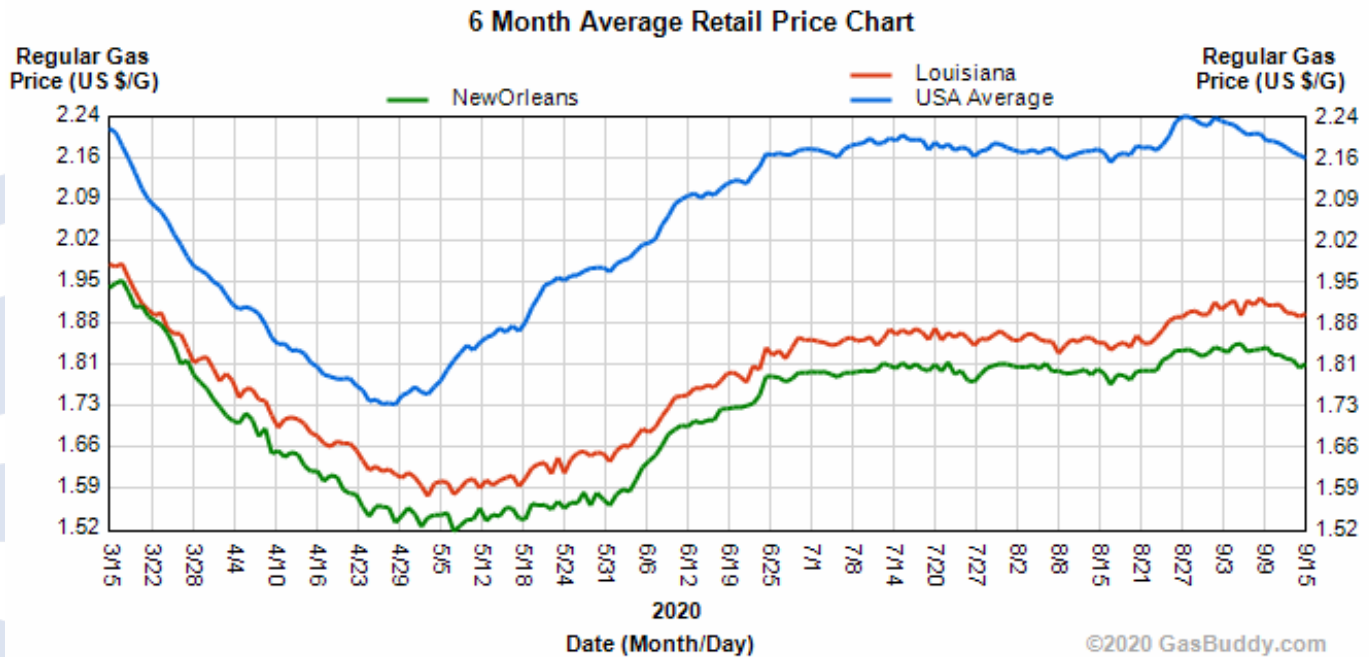
Retail Fuel Prices

1.787 1.799 to 1.808 1.856 to 1.857 1.864 to 1.866 1.879



Gas Prices

- The graph to the right shows the average gas prices in the New Orleans metro, state, and nation from March 15, when we felt the initial effects of the pandemic on our economy, through the six months that followed.
- Gas prices in the New Orleans metro are consistently lower than the state and nation.
- In the New Orleans metro:
 - The highest average this year was **01/06/20, at \$2.299**
 - Before the pandemic
 - The lowest average this year was **05/08/20, at \$1.516**
 - In the midst of the stay-at-home order and economic disruption



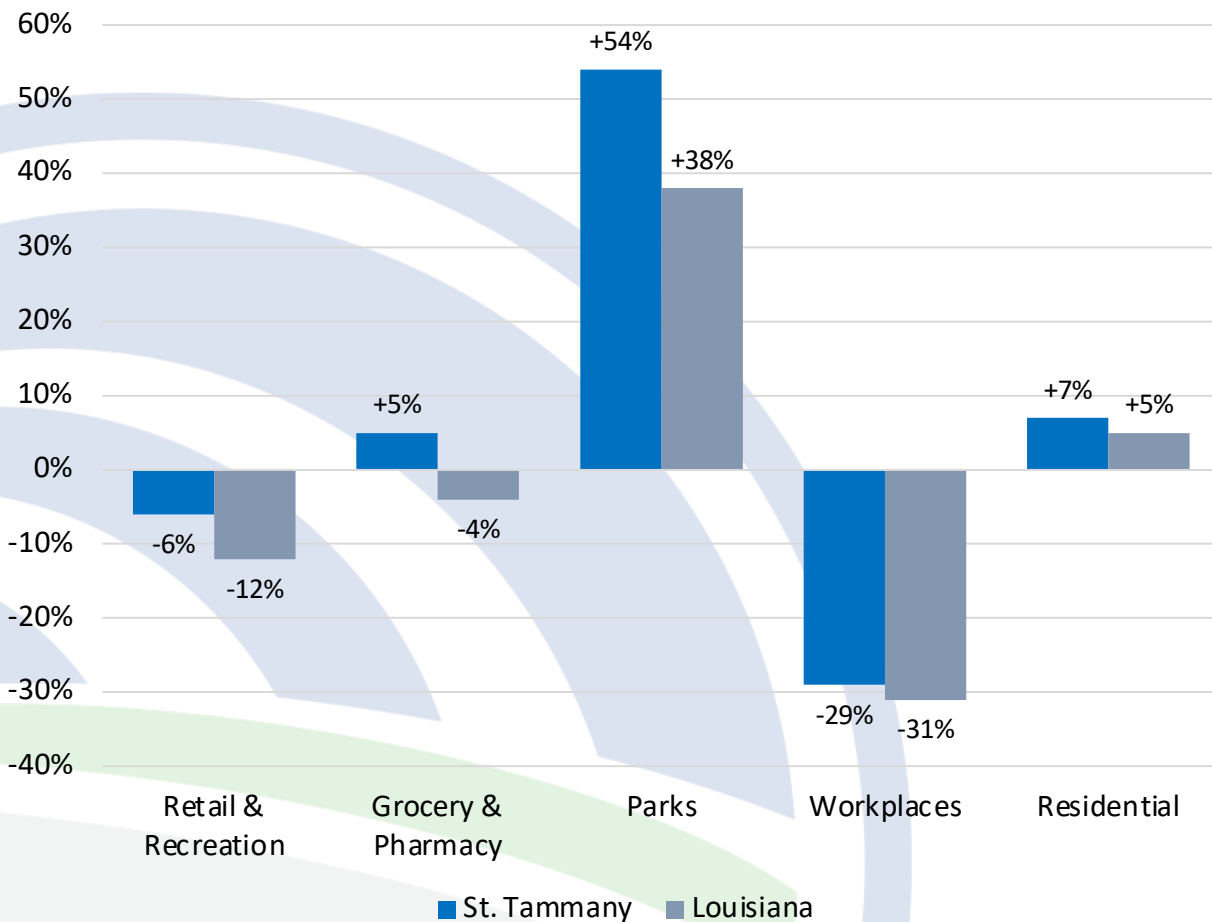
Residential Travel Since Stay-at-Home Order

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:

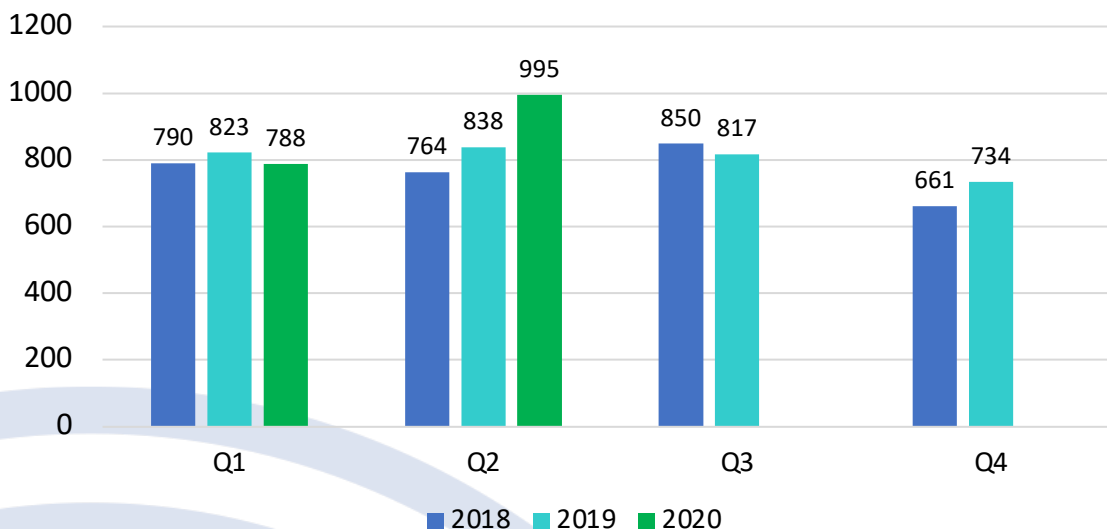
- **Retail & Recreation:** places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters
- **Grocery & Pharmacy:** places like grocery markets, food warehouses, farmers markets, specialty food shops, drug stores, and pharmacies
- **Parks:** places like national 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

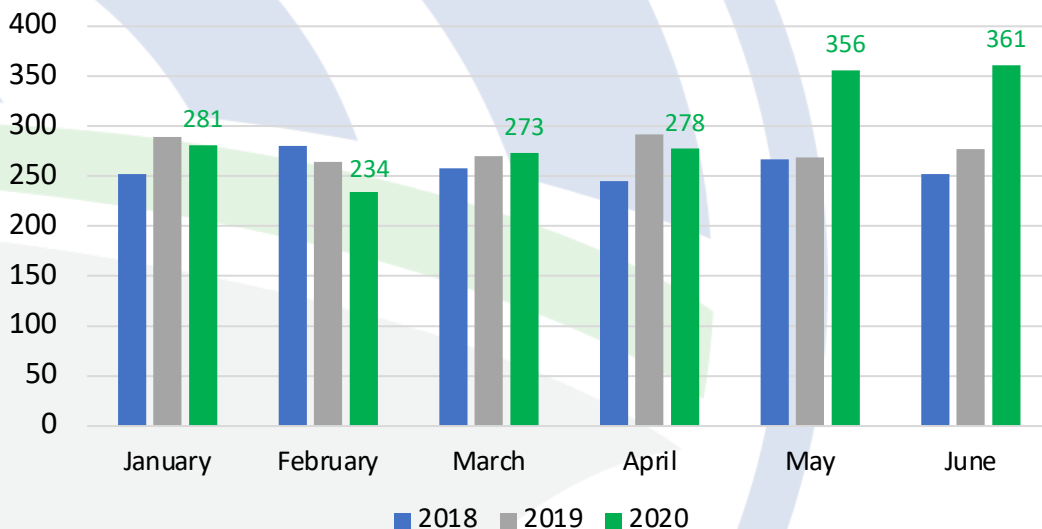
- According to data from the Louisiana Secretary of State, **1,783** new business incorporations were filed in St. Tammany during the first half of 2020.
- During this time period, there were an average of **53** new filings per week.

Quarterly Comparison



- From month to month, new business filings in St. Tammany were **roughly the same** as the same month in recent years during Q1, but **significantly increased** during May and June relative to the same months in previous years.

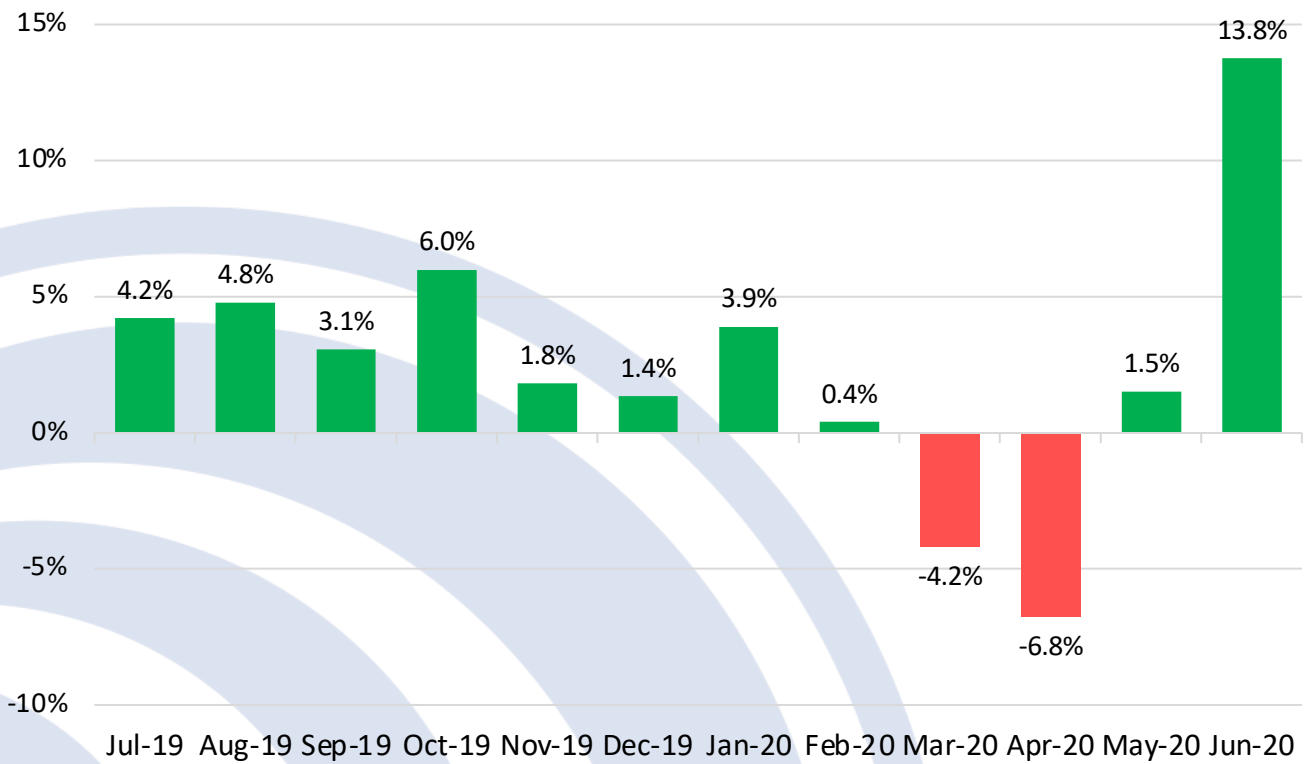
Monthly Comparison



Sales Tax Collections

- Following eight months of consecutive year-over-year sales tax growth in St. Tammany during the most recent fiscal year, March and April saw sharp decreases in sales taxes compared to the same months in 2019.
- These two months were during the height of the pandemic-induced shutdown when only essential businesses were permitted to remain open.
- However, once the stay-at-home order expired on May 15, sales taxes rose slightly during May and more sharply during June.

Total Sales Tax Collection Year/Year Change



Building Permits

- Tracking 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

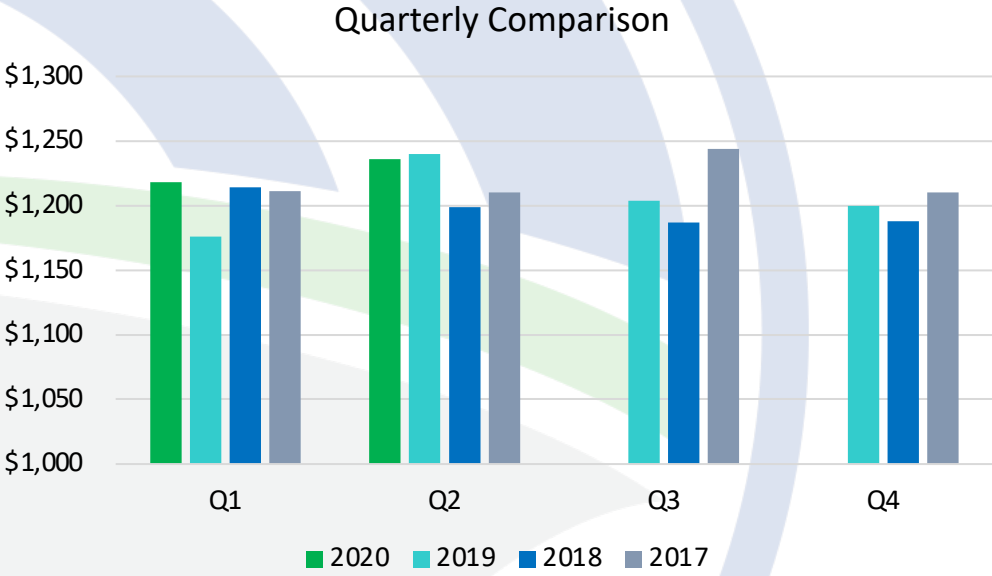
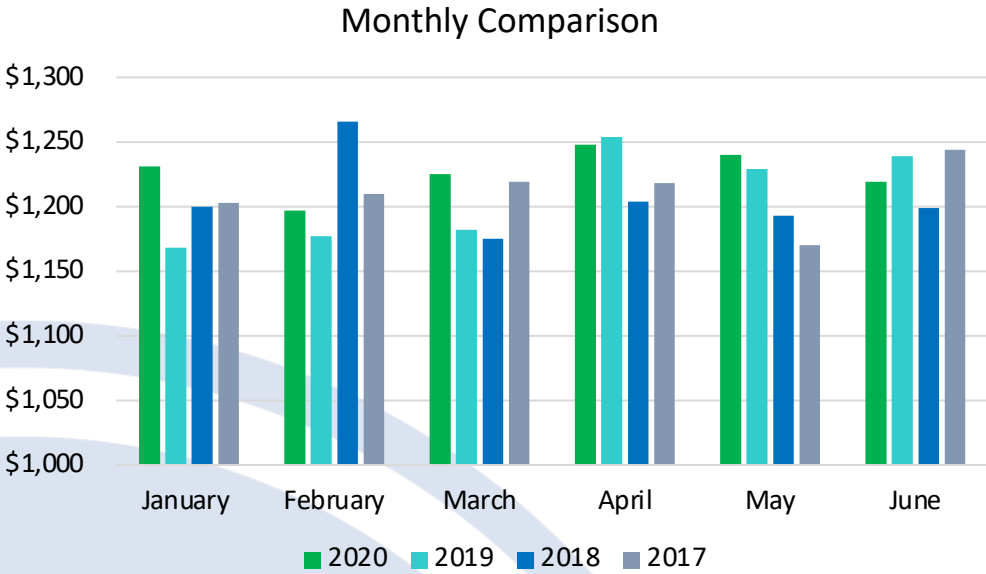
Month	Value	Units	Average
January	\$300,000	1	\$300,000
February	\$21,030,000	6	\$3,047,143
March	\$3,490,000	4	\$2,256,364
Total	\$24,820,00	11	\$1,867,835

Residential Building Permits

Month	Value	Units	Average
January	\$5,010,000	20	\$250,500
February	\$44,870,000	211	\$215,931
March	\$23,470,000	102	\$220,270
Total	\$73,350,000	333	\$228,900

Housing Apartment Rent

- The graphs below show the changes in apartment rent in St. Tammany over time.
- The average rent in Q1 and Q2 2020 was nearly equivalent with rent in previous years.
- Data is averaged from rates for comparable two-bed, two-bath apartment units across the parish.



Source: Multiple online rent sources

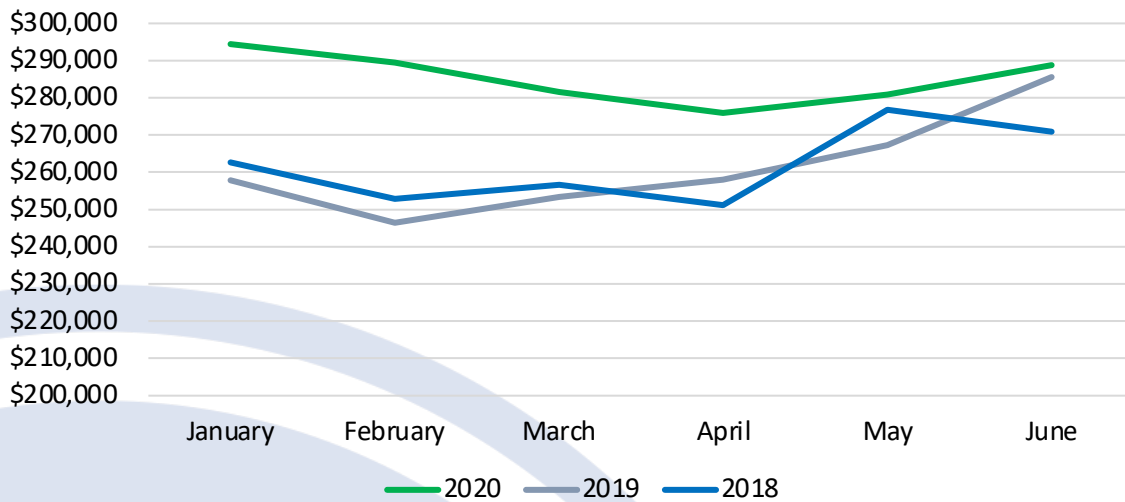


Housing

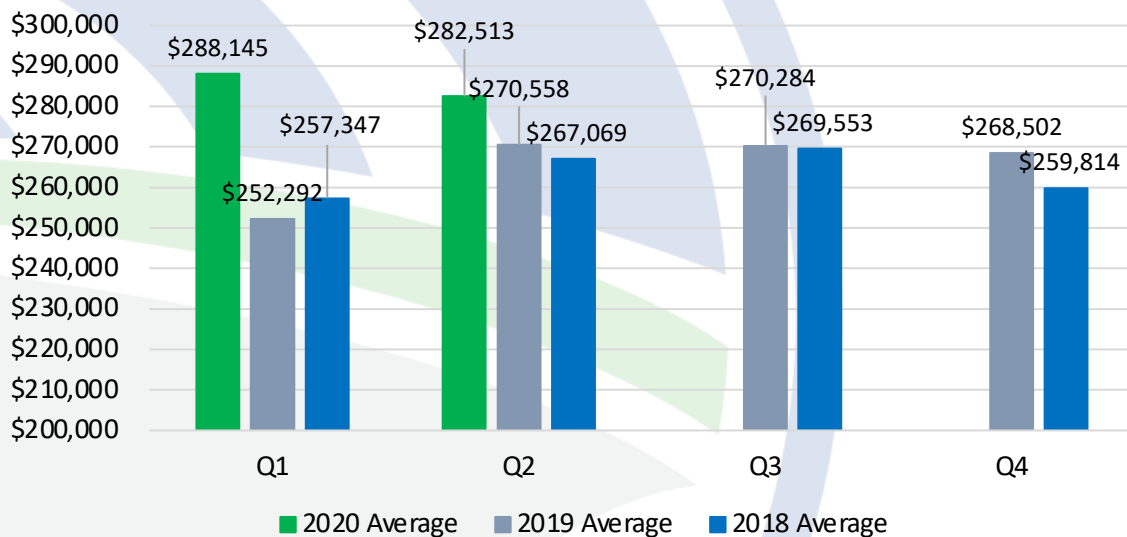
Residential Real Estate

- The graphs below show the changes in average home sale prices over time in St. Tammany.
- In Q1 and Q2 of 2020, the average home sale prices were \$288,145 and \$282,513, respectively, **higher** than the first half of previous years.

Average Sale Prices - Monthly



Average Sale Prices - Quarterly

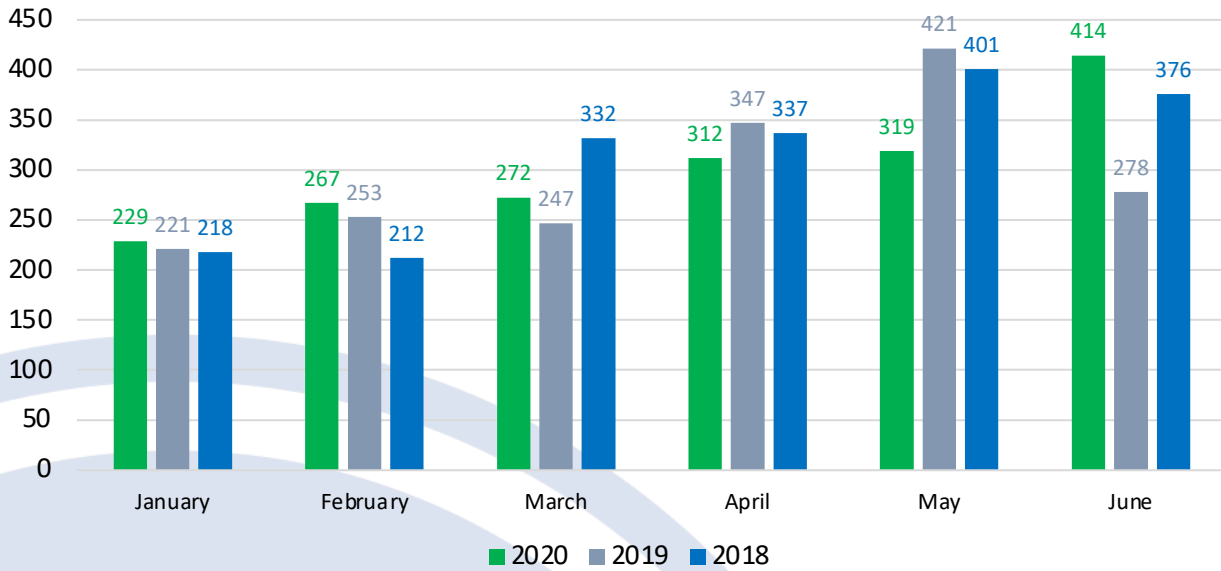


Housing

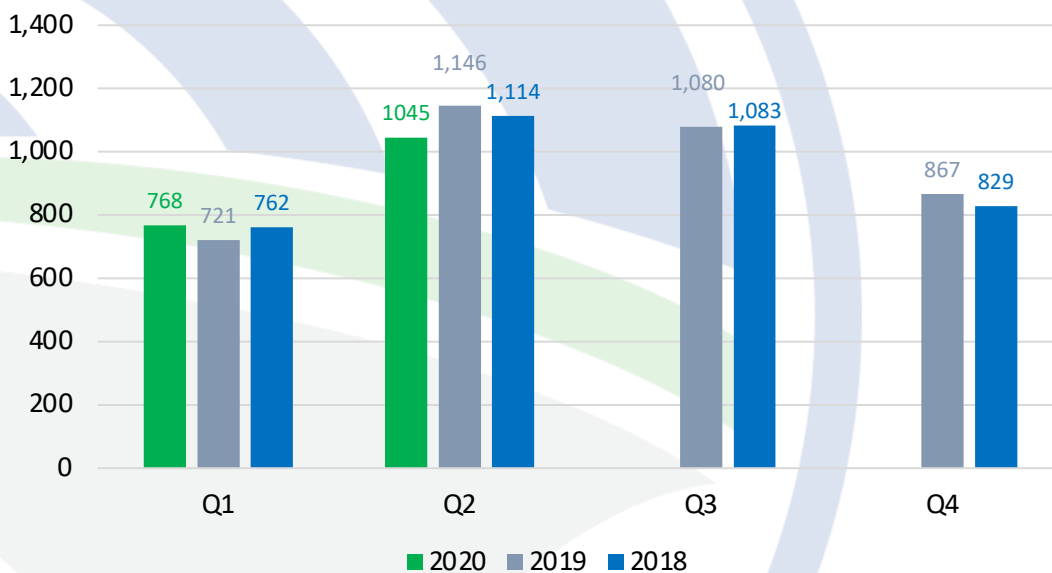
Residential Real Estate

- The graphs below show changes in home sale volumes over time in St. Tammany.
- The number of homes sold in Q1 2020 was not significantly different from the first quarter of previous years, although, as shown on the previous page, sale prices were significantly higher, indicating a sellers' market.

Homes Sold - Monthly



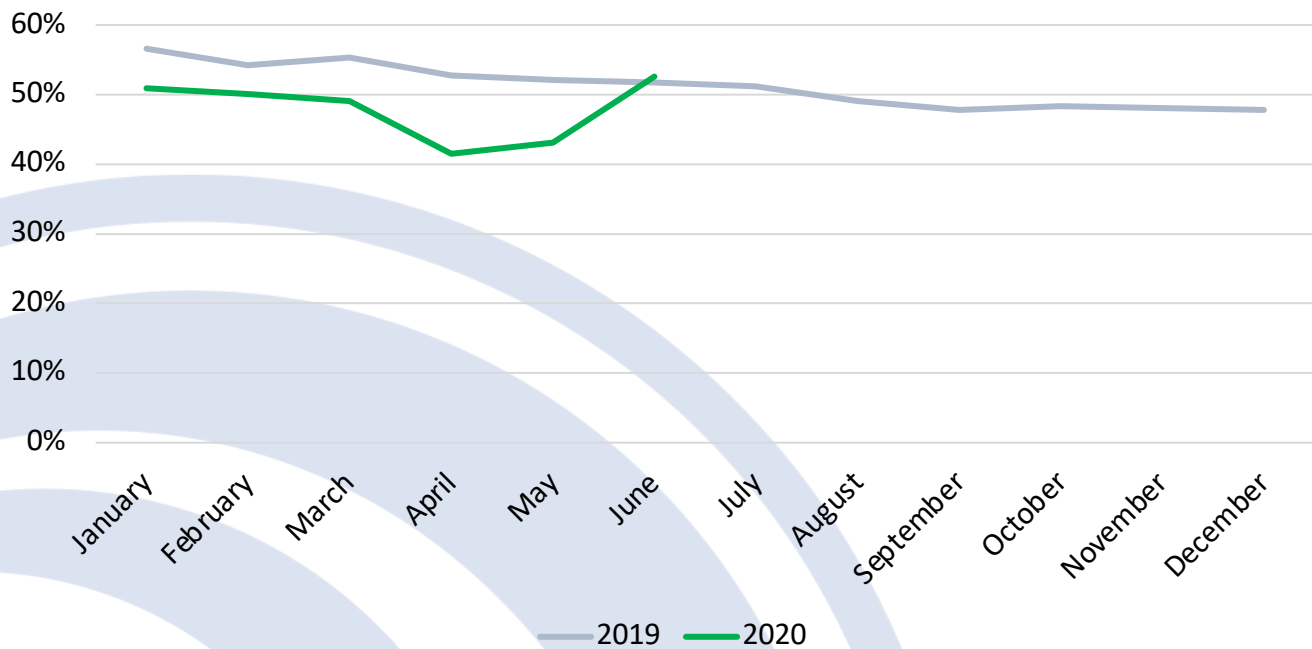
Homes Sold - Quarterly



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.

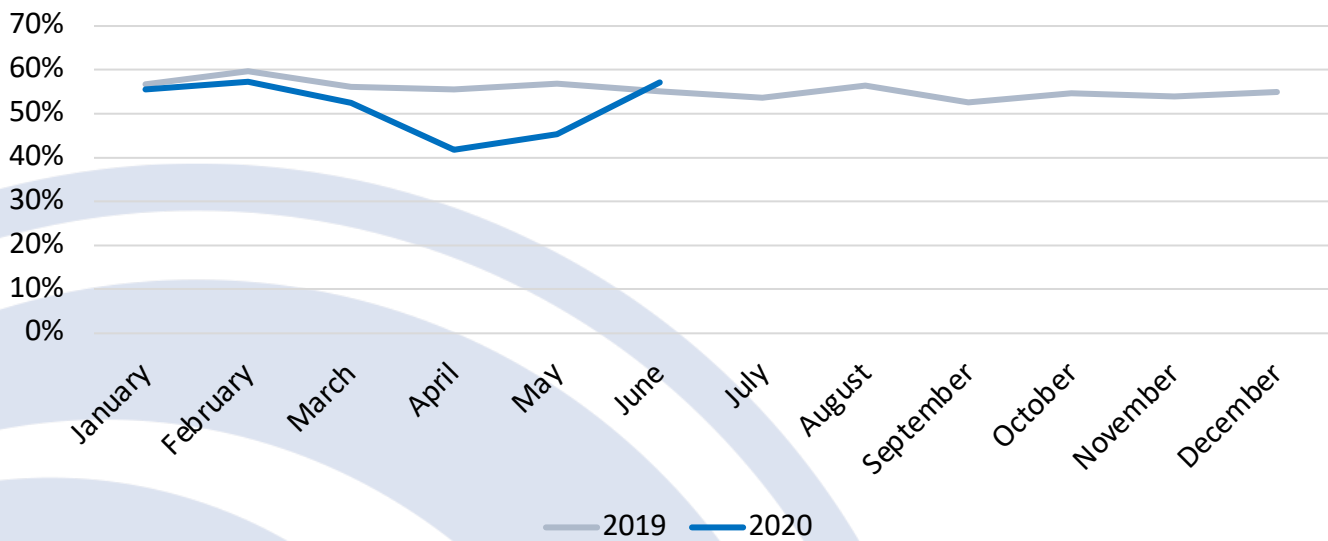
Manufacturing Purchasing Managers' Index



- During the first half of 2020, the PMI Index fell short of 2019 numbers for nearly every corresponding month.
- After the lowest point in April, the manufacturing industry showed signs of recovery in May and June, ticking up slightly higher than 2019 numbers in June.

- 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, during the first half of 2020, the Services PMI Index fell short of 2019 numbers for nearly every corresponding month other than June.

Services Purchasing Managers' Index

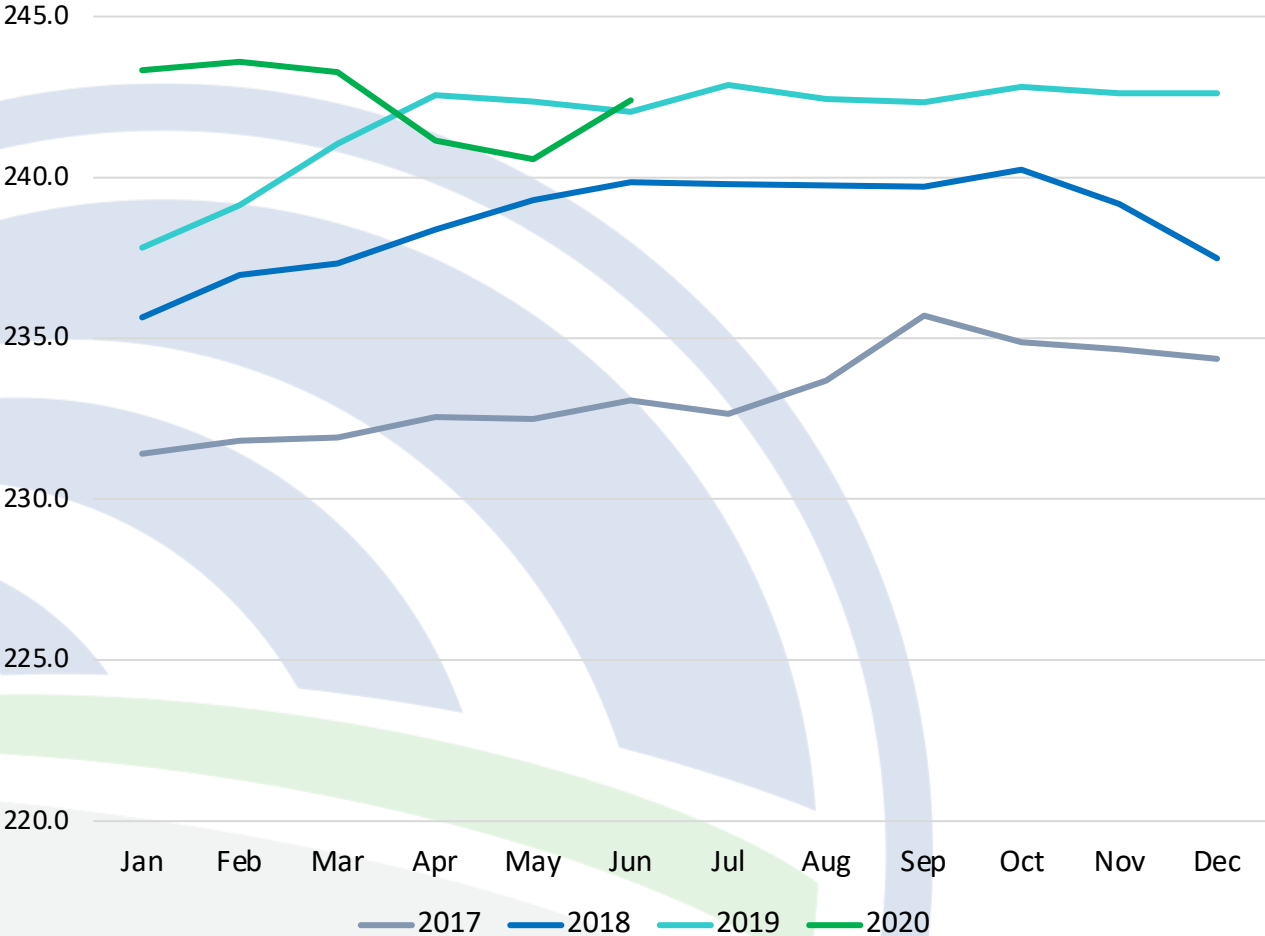


- During the first half of 2020, survey respondents reported that commodities up in price included cleaning supplies, personal protective equipment (PPE), lumber products, and medical supplies.
- Commodities in short supply included hand sanitizer, disinfectant wipes, PPE, and construction labor.

Consumer Price Index

Southern Region

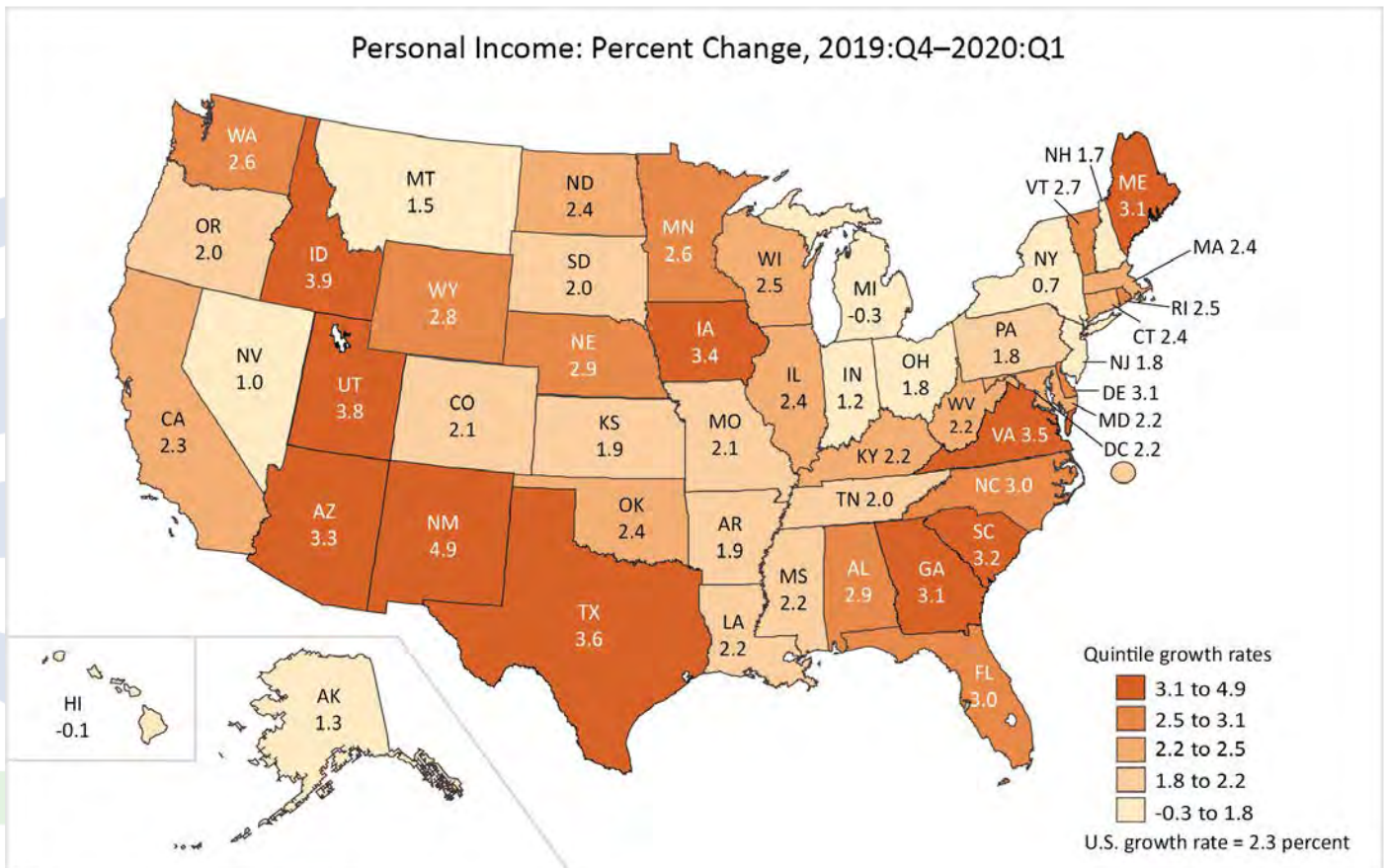
- The Consumer Price Index (CPI) measures **inflation** by averaging prices of a basket of consumer goods and services, such as transportation, food, and medical care.
- Tracking CPI is important because it helps measure how the economy as a whole is faring.
- The graph to the right shows that year after 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.



Personal Income

Q2 2020

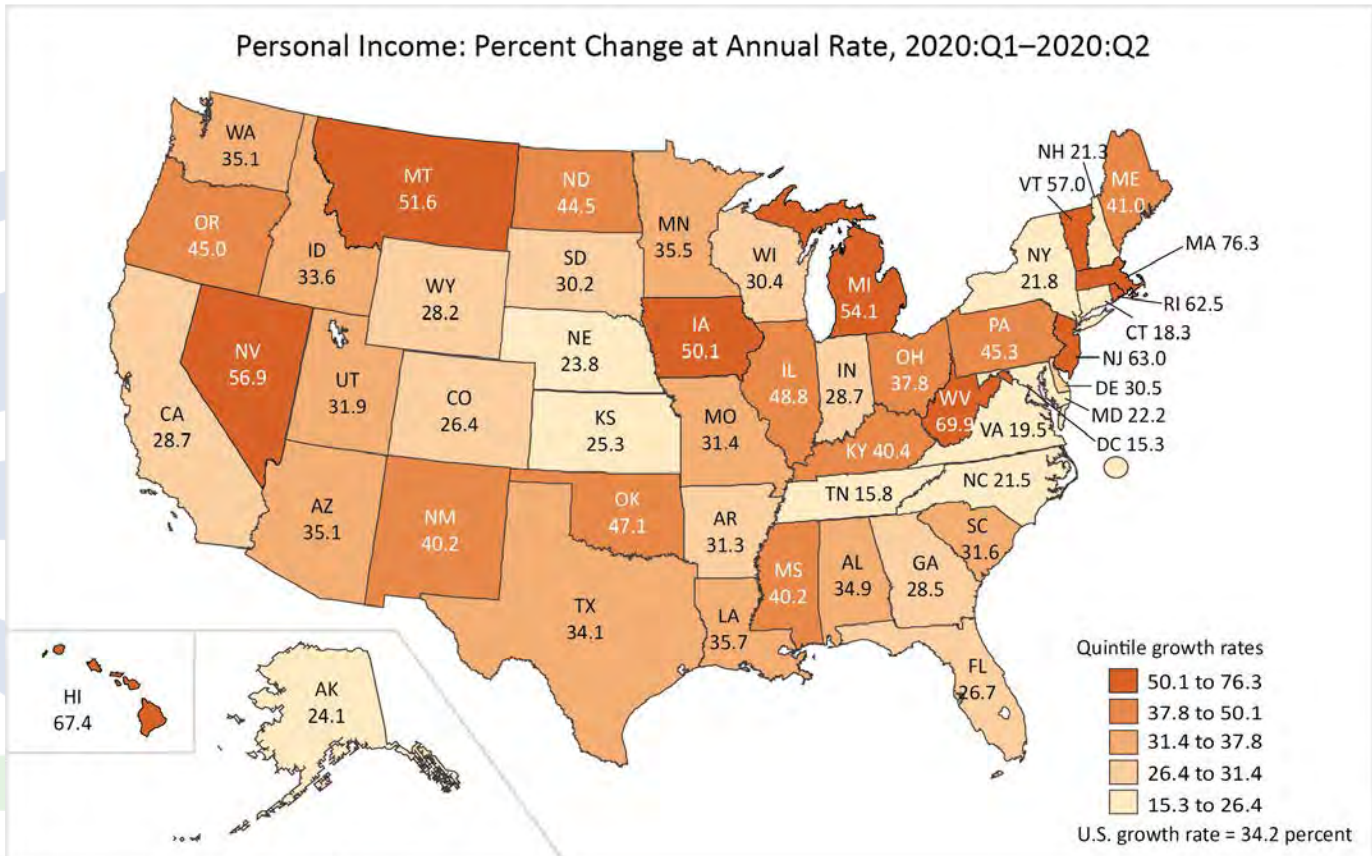
- Personal Income is a measure of the income people living in each state get from wages, proprietors' income, dividends, interest, rents, and government benefits. These statistics help assess and compare the economic well-being of state residents.
- Nationally, personal income increased 2.3% at an annual rate in the first quarter of 2020, down from the 3.6% increase in the fourth quarter of 2019.
- Personal income in Louisiana increased 2.2%, slightly below the national average.



Personal Income

Q2 2020

- Nationally, personal income **increased 34.2%** at an annual rate in the second quarter of 2020, up from the 2.3% increase in the fourth quarter of 2019. Every state and the District of Columbia saw an increase in personal income of at least 15.3%.
- Personal income in Louisiana **increased 35.7%**, above the national average.
- In 10 states, personal income increased more than 50%.
- The drastic increase in personal income during Q2 can be attributed to two major factors, both designated by the \$2 trillion CARES Act economic stimulus passed by Congress in March:
 1. \$1200 direct payments to most individuals in the U.S.
 2. \$600-per-week increases in state unemployment insurance compensation for unemployed individuals, known as the Pandemic Unemployment Assistance, which ended in July.



Source: U.S. Bureau of Economic Analysis



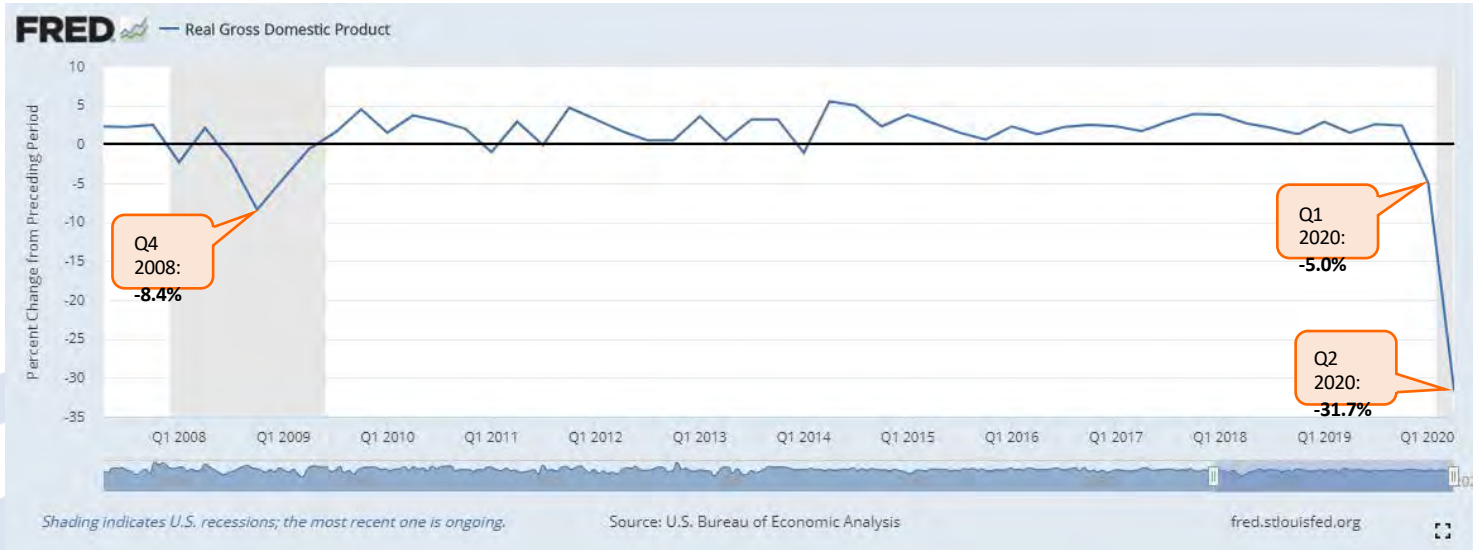
Gross Domestic Product

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

In Q2 2020, United States real GDP fell **31.7%** from the previous quarter, the **greatest drop in productivity in U.S. history**.

This decline reflects the response to the spread of COVID-19, as governments issued "stay-at-home" orders in March. This led to **rapid changes in demand**, as businesses and schools switched to remote work or canceled operations, and consumers canceled, restricted, or redirected their spending.

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

COVID-19 Snapshot: September 2020

- Six months into the ongoing public health crisis, St. Tammany's cases approach 7,000, although the average number of new cases per day in September (38) is just over half that of July and early August (69), an encouraging sign for suppressing the spread of infection.
- Weekly initial claims for unemployment insurance continue to taper off, and the unemployment rate is gradually decreasing.
- However, the labor force is much more sluggish in adding back jobs to the economy; there are still more job-seekers than jobs.
- Consumer spending and small business revenues are both significantly down from the baseline in January, indicating continued consumer caution and conservative spending habits due to uncertainty.
- Gas prices in St. Tammany are consistently among the lowest in the region, state, and nation.



Key Takeaways

Q1 & Q2 2020 Economic Trends Report

- After the sharpest effects of the pandemic on the economy were felt in April and May, most indicators have already shown signs of bouncing back.
- Going forward, the path to economic recovery will not be linear, but will ultimately trend upward, with slow and steady improvements. This is true both nationally and locally.
- The number of homes sold during the first half of this year was not significantly different from the first quarter of previous years, although sale prices were significantly higher, indicating a sellers' market.

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