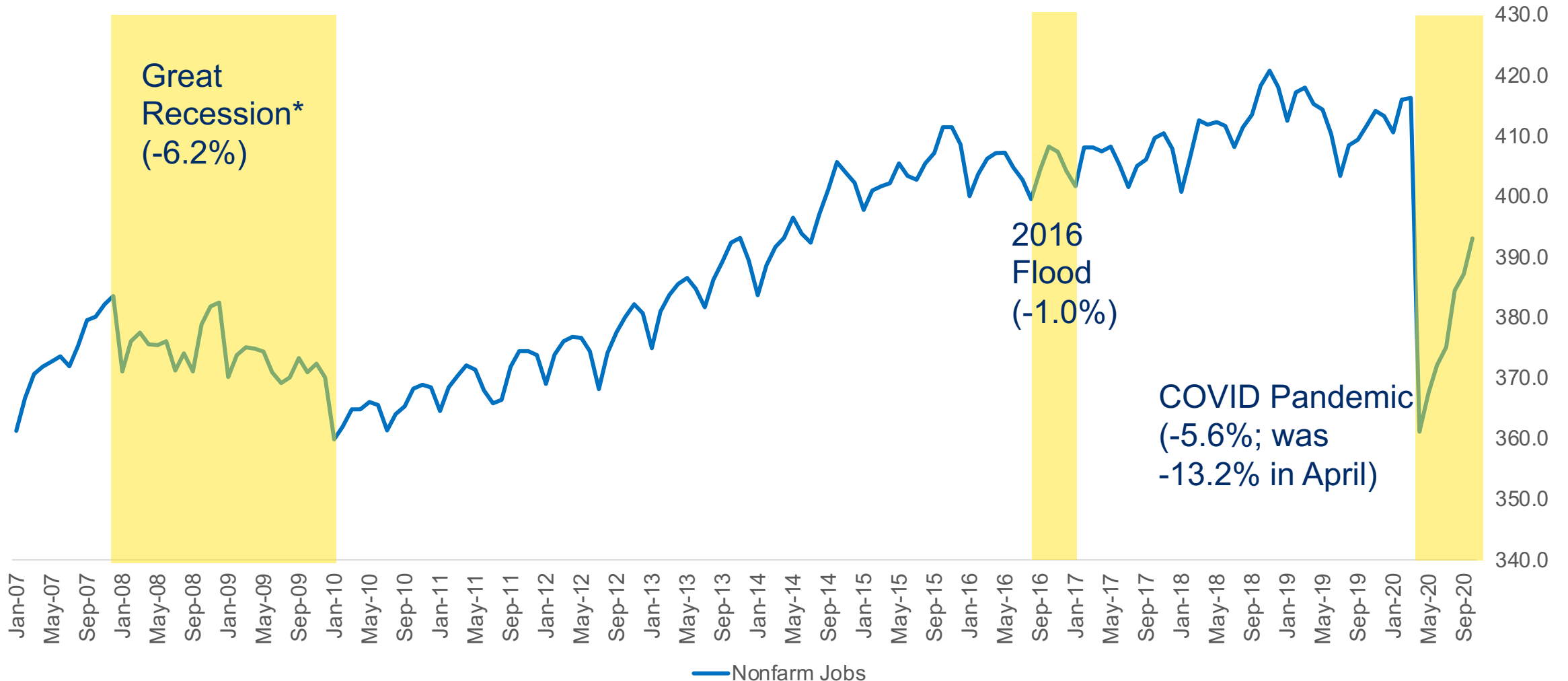




# **BRAC'S 2021 ECONOMIC OUTLOOK**

# Capital Region Job Losses in COVID Pandemic

The region is down almost 23,000 jobs since March, but we are experiencing a rapid recovery of 5,000 new jobs per month on average



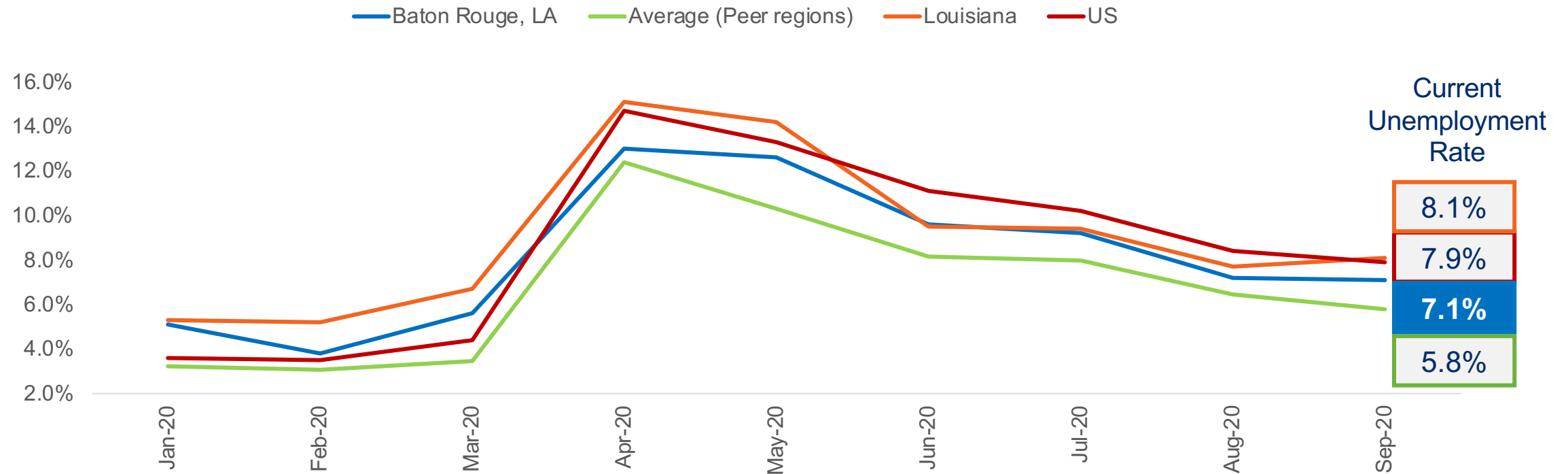
Source: BLS, LWC, BRAC Analysis.

\*Technical dates of the recession are 12/2007 to 6/2009, but greatest negative job effects felt in Baton Rouge metro area in 1/2010

# Regional Unemployment

Baton Rouge has a lower unemployment rate than Louisiana and the US, but is above its peer cities on average

Unemployment rate (percent)

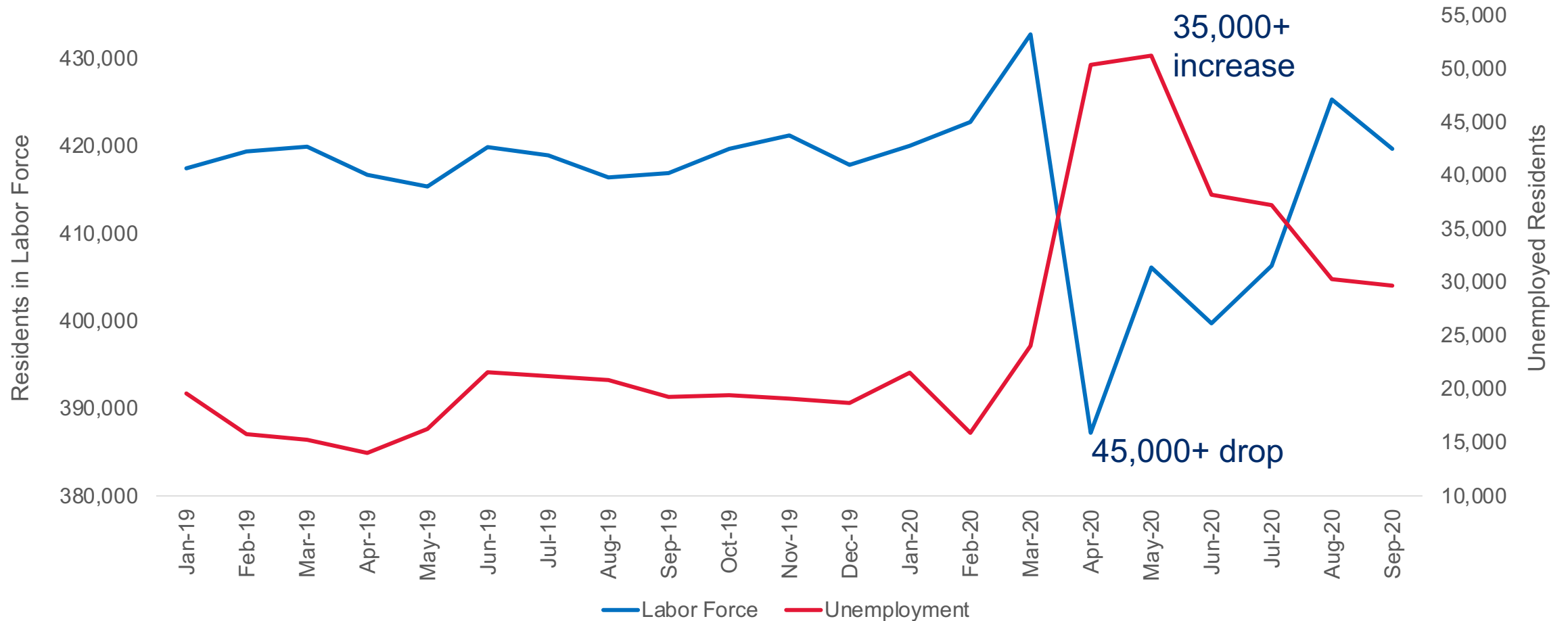


Peer Regions include: Birmingham, Columbia, Greenville, Little Rock, Louisville, Mobile, Oklahoma City, Omaha, and Richmond

Source: Bureau of Labor Statistics; BRAC analysis

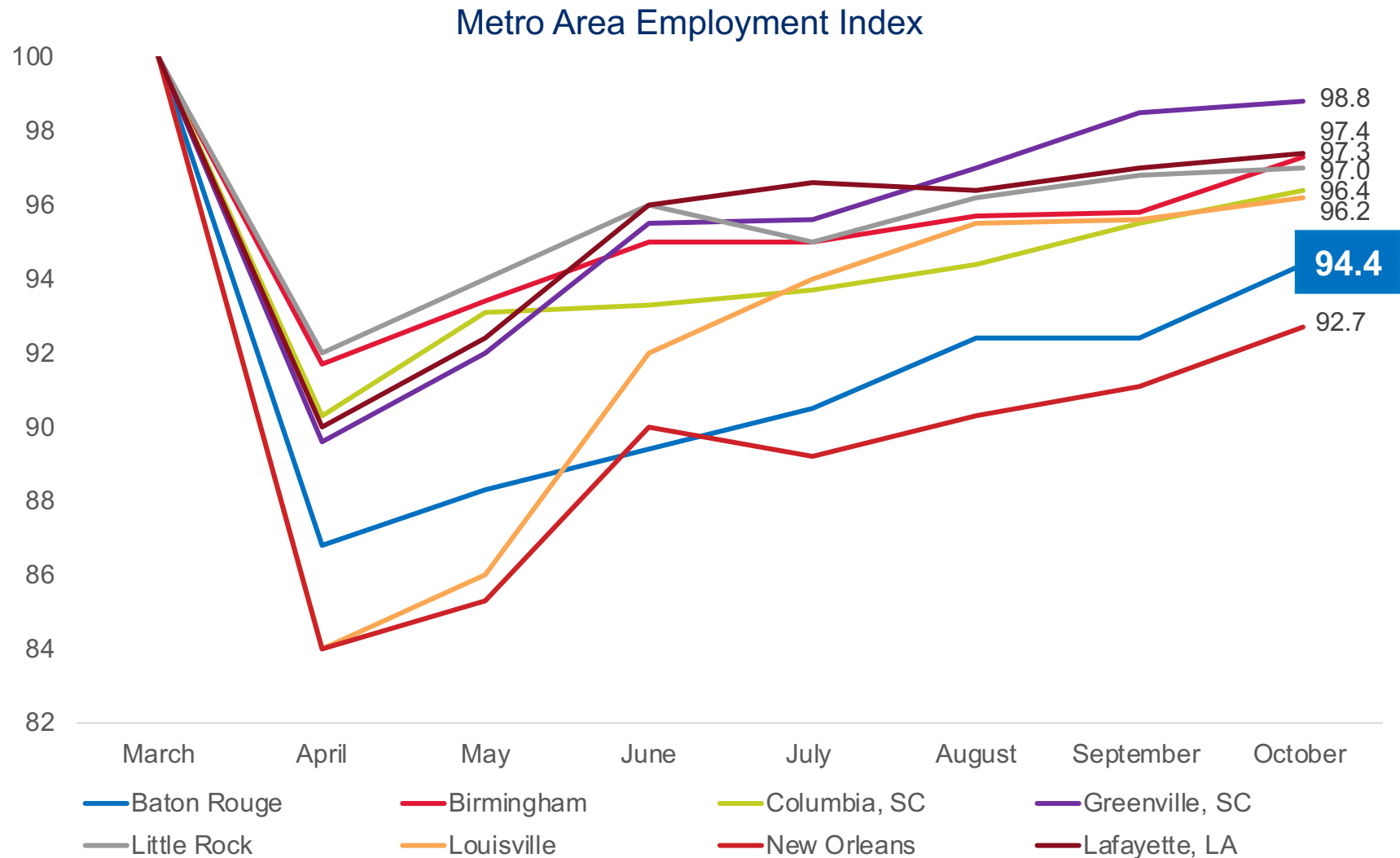
# Labor Force and Unemployment

While the labor force took a huge hit at the outset of the pandemic, it has since returned to 2019 levels



# Job Recovery in the Capital Region and Peer Cities

The Capital Region has higher job loss in Leisure & Hospitality and Construction than its peers



Job recovery in **Baton Rouge** and New Orleans has lagged that of out-of-state peers and Lafayette.

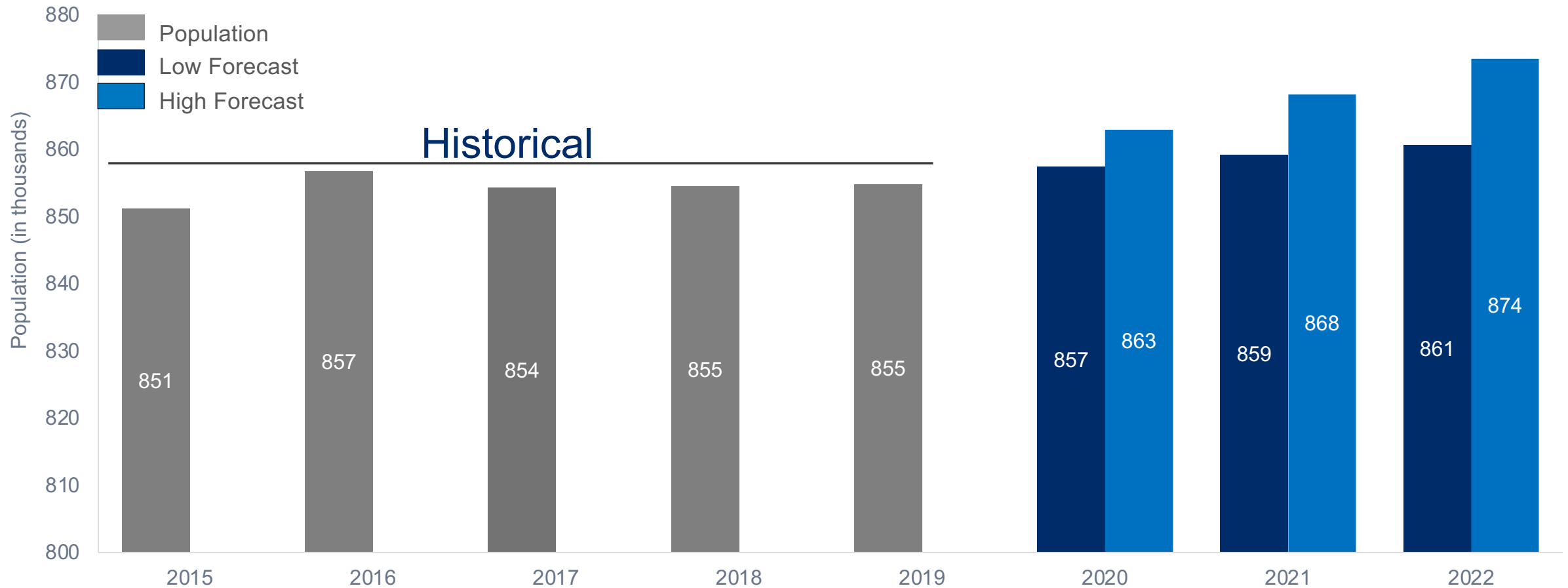
However, among the 100 largest metro areas, **BR was ranked #13** in year-over-year employment change.

Source: BLS, BRAC Analysis.

# Population Growth

Metro Baton Rouge ranks as the 66<sup>th</sup> largest region in the U.S., down one spot from last year

Population projection for the Baton Rouge Area (thousands of people)



Source: ACS FactFinder; EMSI; ESRI

13,000

# Metro Migration

Baton Rouge is middle of the pack among peers for metro migration, but jumped into positive net-migration

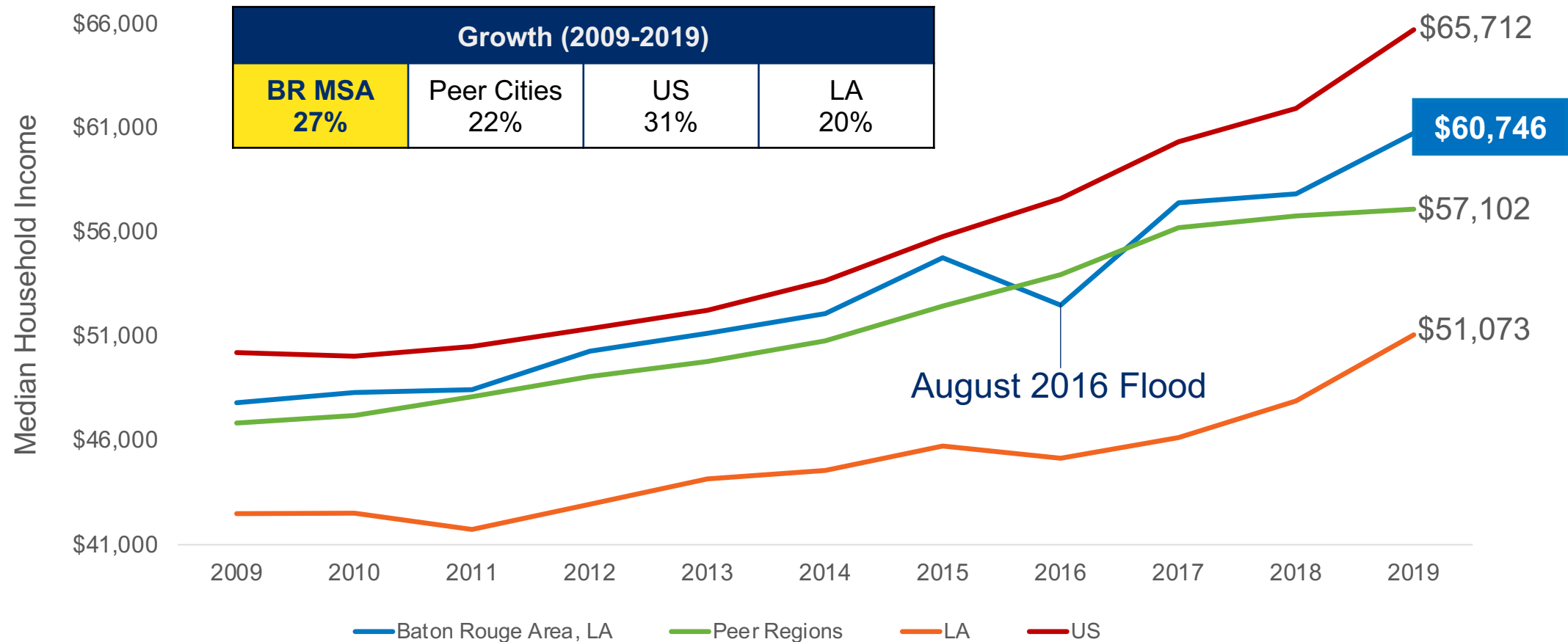
Metro Region	Net Migration
Columbia, SC	23,765
Oklahoma City, OK	15,035
Richmond, VA	12,694
Greenville, SC	12,643
Birmingham, AL	3,965
<b>Baton Rouge, LA</b>	<b>3,838</b>
Omaha, NE	1,891
Louisville, KY	-1,228
Little Rock, AR	-2,533
Mobile, AL	-2,709

Top 3 Regions	Net In-Migration
New Orleans	2,612
Shreveport	536
Mobile	418

Top 3 Regions	Net Out-Migration
Houston	-942
Hammond	-837
Nashville	-394

# Income Growth

The Baton Rouge Area household income grew faster than state household income and remained ahead of its peer metro areas

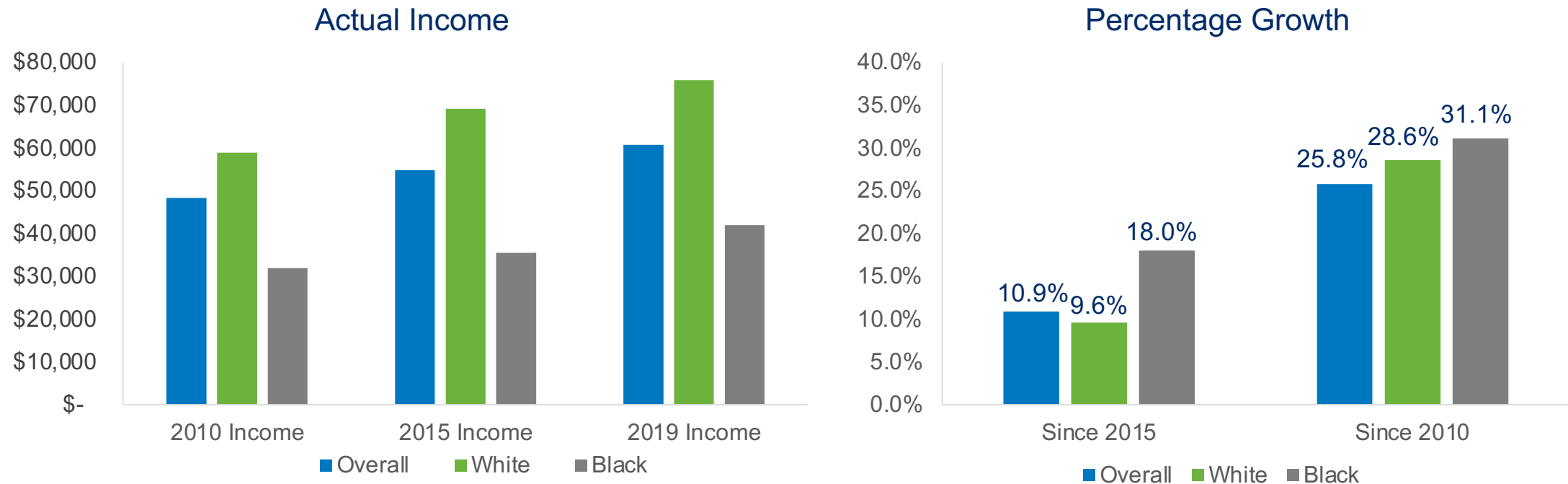




# Income Growth by Race – BR Area

Over the last 10 years, Black household income rose faster than white households, but they still earn only 55% of white household income

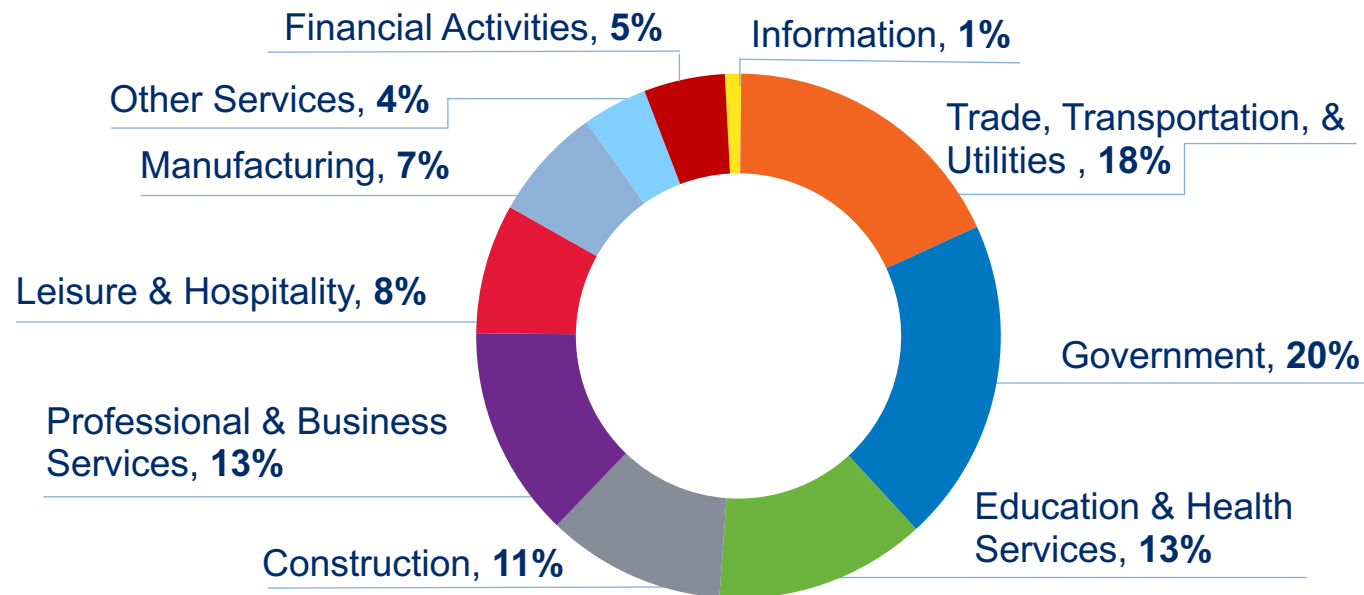
## Median Household Income



# Diversification of the Regional Economy

The industry diversity present in Baton Rouge helped weather the pandemic-induced recessions, as Professional & Business Services and Trade, Transportation, & Utilities grew as a percentage this year

### Job Distribution



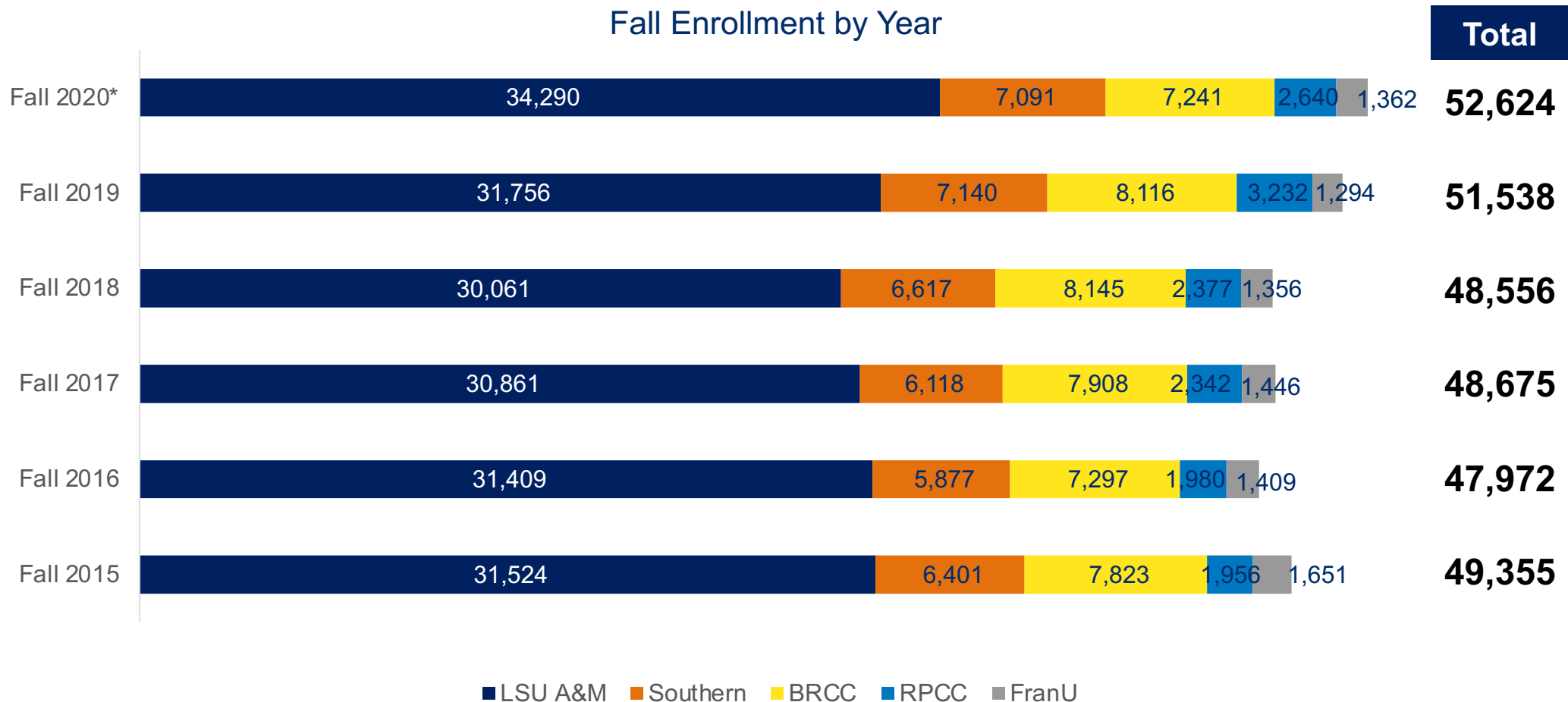
### Job Growth by Industry



\*Measured September 2019 to September 2020  
Source: Louisiana Workforce Commission; BRAC analysis

# College Enrollment

College enrollment in the Capital Region is the highest that BRAC has on record, and again surpassed 50,000 for the second consecutive year



\*Non-finalized numbers

Source: National Center for Education Statistics; BRAC analysis



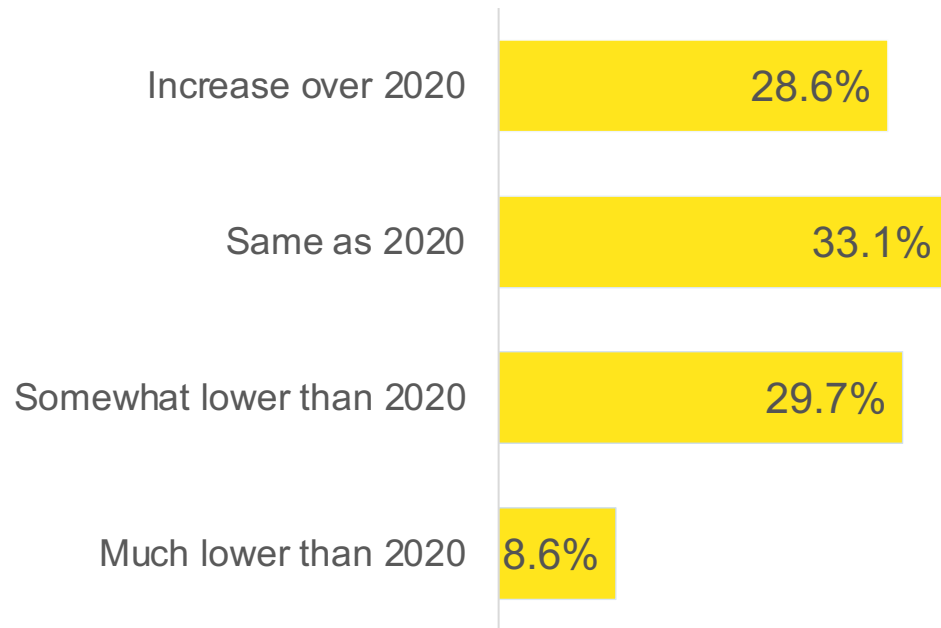
# **SURVEY SLIDES**

# Business Revenue and Jobs Forecasts for 2021

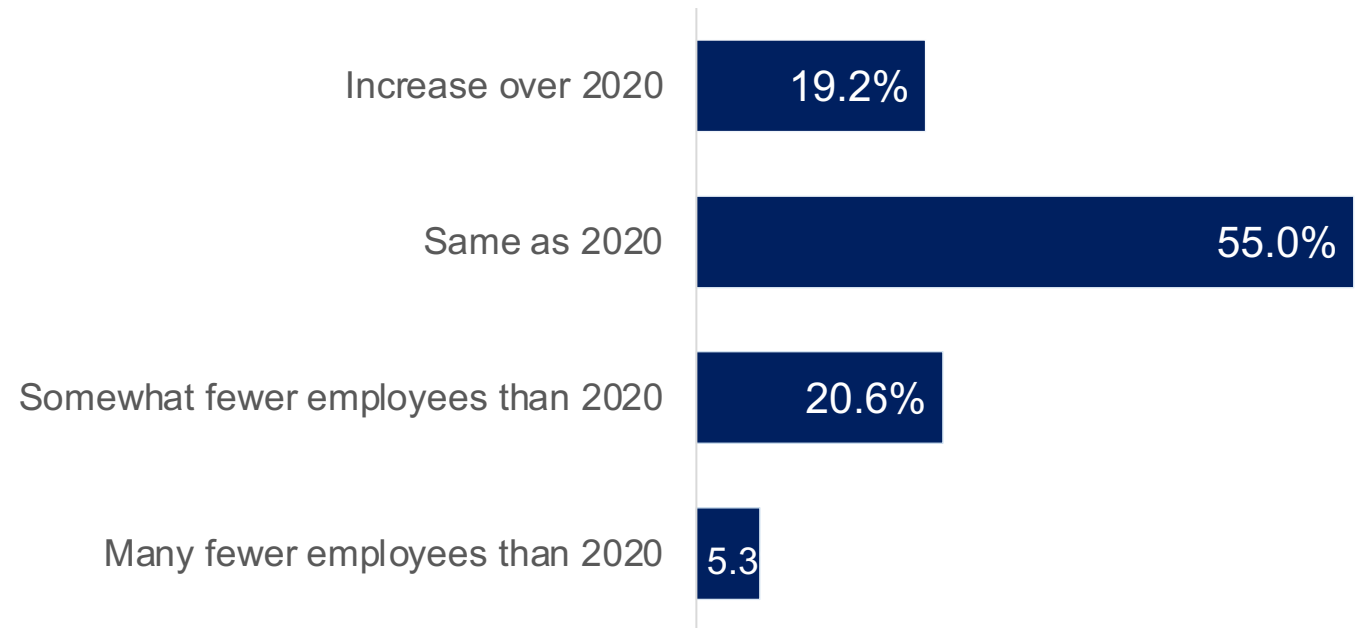
Revenue is anticipated to **increase or remain the same** for 2021, and employment is predicted to **remain the same** for 2021

Percentage of respondents in a survey of regional business leaders

Impacts on 2021 Revenue



Impacts on 2021 Employment

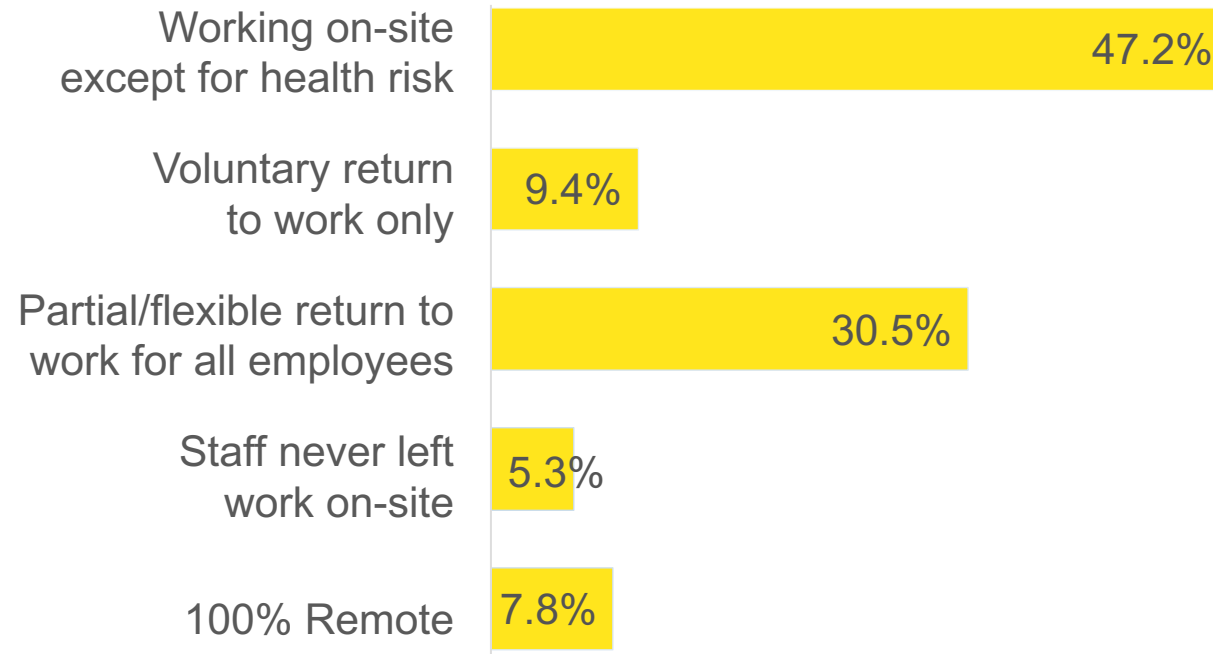


# Rate of Return to Work, Mid-COVID-19

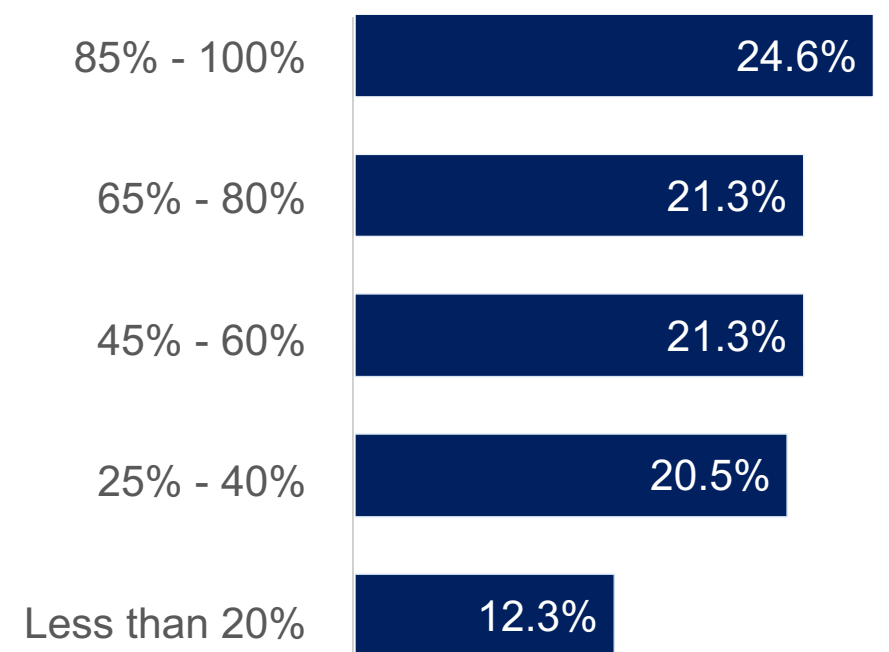
Over 75% of respondents say that staff is back in the office at least part-time, while only a third have less than 40% of their workforce coming into the office at all

Percentage of respondents in a survey of regional business leaders

Percentage of Staff Working on Site



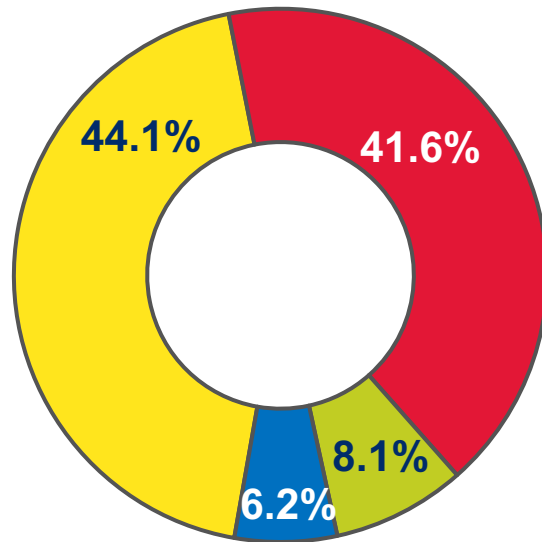
Percentage of Employees Coming into Work



# Changes in Remote Work and Travel Policies

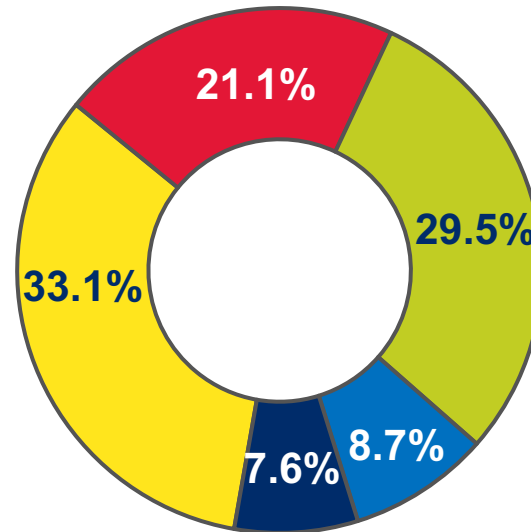
Percentage of respondents in a survey of regional business leaders

Has your company adopted a new remote working policy?



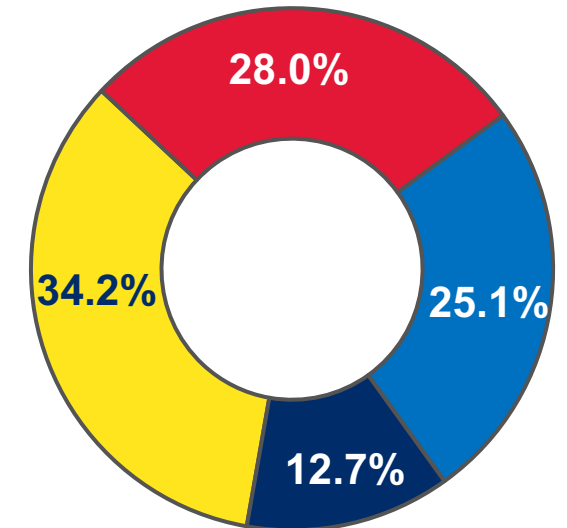
- Yes
- No
- Plan to, but have not yet
- Other

When do you expect to allow employees to travel (flights) for work?



- Already Allowed
- No set date/far in the future
- Partially allowed travel for urgent business needs
- Starting in the near future/2021
- When a vaccine is available

When do you expect to allow employees to attend large local events in-person for work purposes?

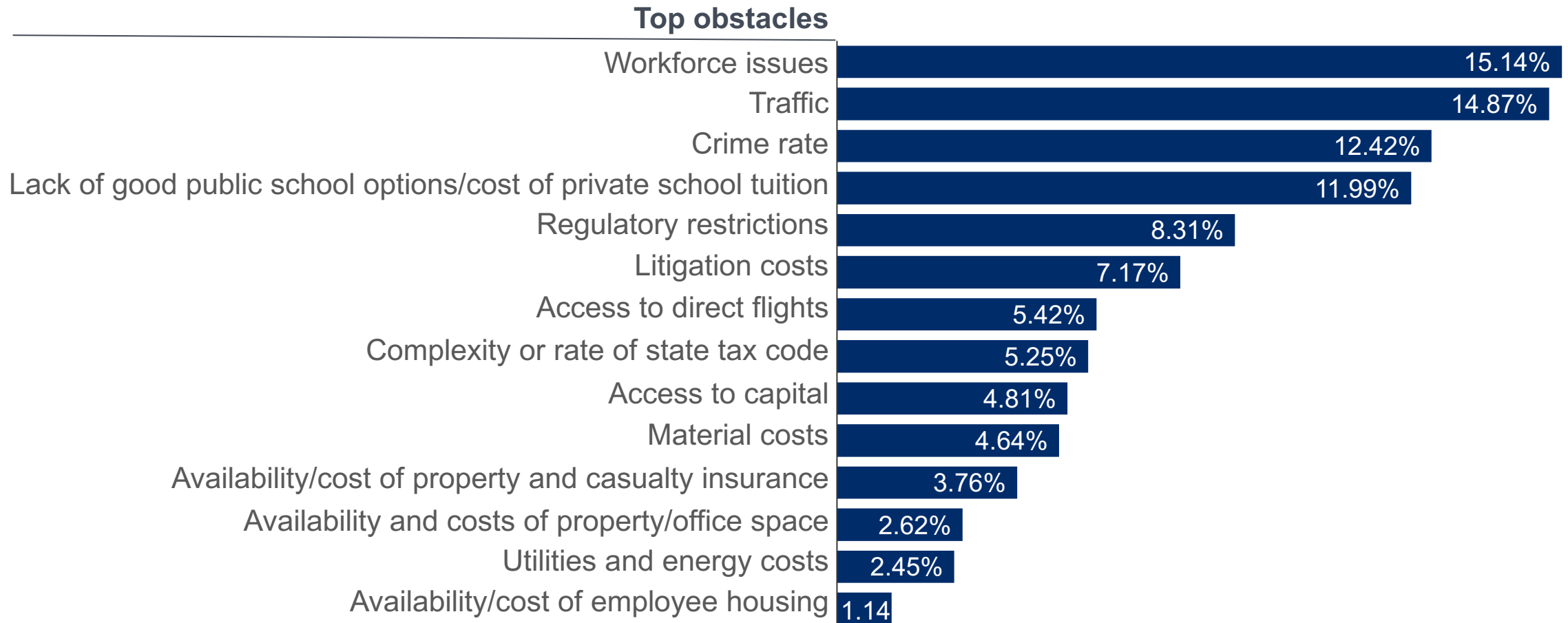


- Already allowed
- No set date/far in the future
- Starting in the future/2021
- When a vaccine is available

# Obstacles for Businesses

Workforce issues are the top **obstacle** for businesses in 2021, marking the first time since 2015 that traffic is not the top obstacle to business

Percentage of respondents in a survey of regional business leaders





# Workforce Perceptions

Candidates with a lack of education and experience is the **top concern** of area business leaders

Ranking by respondents in a survey of regional business leaders

Ranking		2020 Available Workforce Obstacles	2019 Available Workforce Obstacles
1	=	Lack Of Talent With Education/Experience	Lack Of Talent With Education/Experience
2	↑	Candidates Lacking Soft Skills	Employee Health Care Costs/Benefits
	↑	Losing Talented Employees To Other Markets	
3	=	Too Few Applicants	Losing Talented Employees To Other Markets Too Few Applicants Candidates Lacking Soft Skills
	↓	Employee Health Care Costs/Benefits	
4	=	Unrealistic Salary Expectations	Unrealistic Salary Expectations
5	=	Difficult To Recruit From Out Of State	Difficult To Recruit From Out Of State
6	=	Retiring Workforce	Retiring Workforce
7	=	Finding Employees That Can Pass Drug	Finding Employees That Can Pass Drug Screens and/or Remain Drug Free
	=	Screens and/or Remain Drug Free	
8	=	Lack Of Available Management	Lack Of Available Management

Respondents were allowed to choose multiple answers

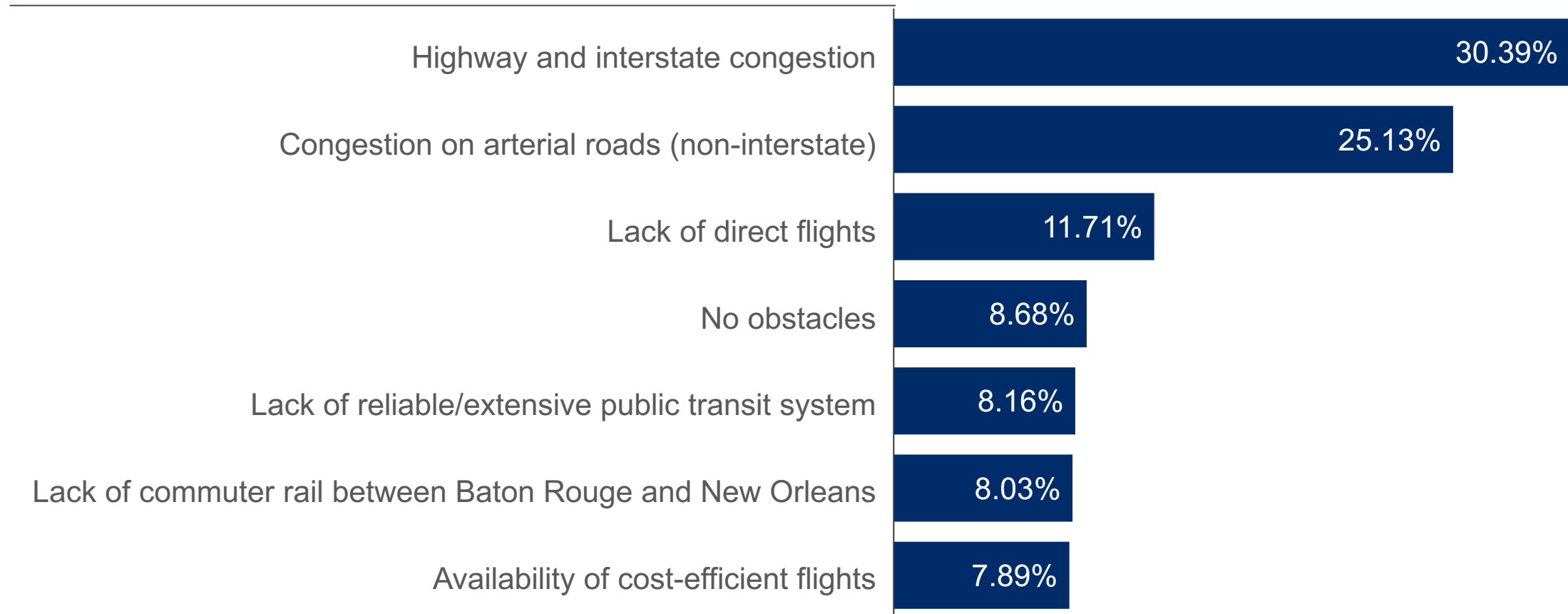
Source: BRAC Survey

# Transportation Obstacles for Businesses

Traffic Congestion is the **top concern** by a large margin

Percentage of respondents in a survey of regional business leaders

## Top obstacles



Respondents were allowed to choose multiple answers

Source: BRAC Survey

# Area Business Concerns on Statewide Issues

Transportation infrastructure is the **top statewide issue** of concern

Ranking by respondents in a survey of regional business leaders

Ranking		2021 Statewide Trends	2020 Statewide Trends
1	=	Transportation Infrastructure	Transportation Infrastructure
2	=	State Economic Development Efforts	State Economic Development Efforts Tax Structure and Tax Code
3	NEW	State Healthcare Issues/Health Insurance	State Legal Climate and Tort Reform
4	↓	Tax Structure and Tax Code	State Government Effectiveness
5	↓	State Legal Climate and Tort Reform	Insurance
6	↓	State Government Effectiveness	K-12 Education Reform and Performance
7	↓	K-12 Education Reform and Performance	State Budget Uncertainty
8	↓	Auto Insurance State Budget Uncertainty	State Higher Education System/TOPS
9	NEW	State Regulatory Environment	State Incentive Uncertainty
10	↓	State Incentive Uncertainty	

Respondents were allowed to choose multiple answers

Source: BRAC Survey

# Key Takeaways

Many sectors have bounced back faster than expected except for Leisure & Hospitality and Construction

Local businesses expect revenues and jobs to be level or slightly grow, with roughly a quarter expecting losses in 2021

Over half of businesses have adopted remote work policies

Positive in-migration may kickstart population growth

Baton Rouge household income is higher than that of peer cities and growing at a faster rate

Black household income growth rate has increased, but isn't significantly closing the gap

Workforce overtook traffic as the top concern locally going into 2021

Record aggregate enrollment at top higher education institutions



Baton Rouge Area Chamber®