



Baton Rouge Area Chamber®



BRAC'S 2024 ECONOMIC OUTLOOK



2023 Project Wins and What's Next

8 WINS

136 NEW JOBS

\$413.9M CAPITAL INVESTMENTS

Notable Projects:



Placid Refining Co. LLC

HQ relocation to downtown Baton Rouge w/ \$66M CAPX + 20 new jobs



Gutsy

Baton Rouge selected as the Silicon Valley startup's first HQ



Shell Catalysts & Technologies

Shell Catalysts & Technologies LP

\$74.3M CAPX investment to expand West Baton Rouge facility to increase production of high-performance catalysts

What's In the Pipeline?

10 PROJECTS

1,383 NEW JOBS

\$17.8B CAPITAL INVESTMENTS

2023 Policy Wins and 2024 Goals

2023 Wins



Ankle Monitoring Law – Established operational standards, licensing, and oversight requirements for Offender Tracking Systems (OTS), electronic monitoring devices that track accused offenders typically employed as a condition of bail



Concerts and Festivals Act – BRAC, Visit Baton Rouge, and the City of Baton Rouge supported the successful passage of HB 450 by Rep. Freiberg to attract more large shows and festivals



Internship Program – Hosted a program in collaboration with EBR public schools to provide internship opportunities to high school students to better prepare them for the workforce upon graduation

2024 Goals



Launch a national talent campaign aimed at recruiting young professional talent (ages 25-44) to the Capital Region



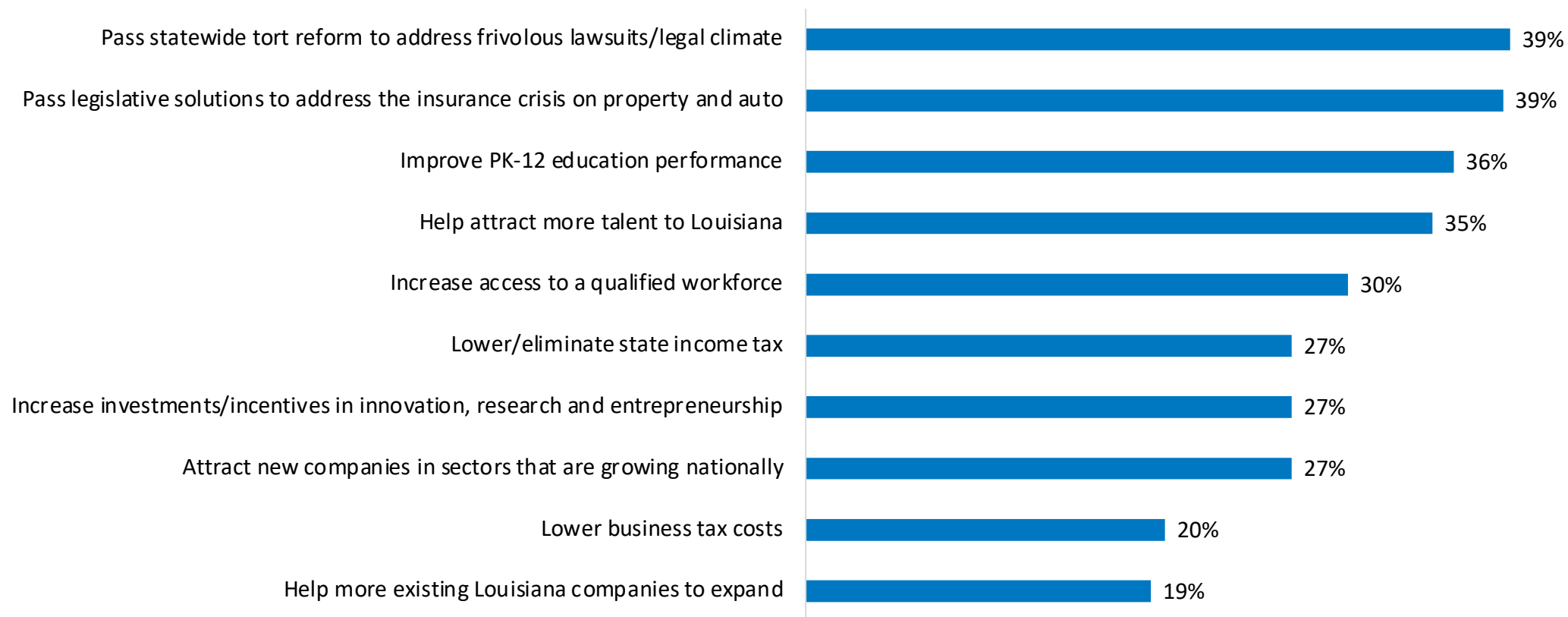
Advocate for legislative solutions that lower the cost of personal and commercial property and auto insurance



Design and launch a for-profit redevelopment fund to draw investment into disinvested areas, helping to turn the neighborhoods around

BRAC's 2024 goals align with what regional business leaders see as key statewide priorities

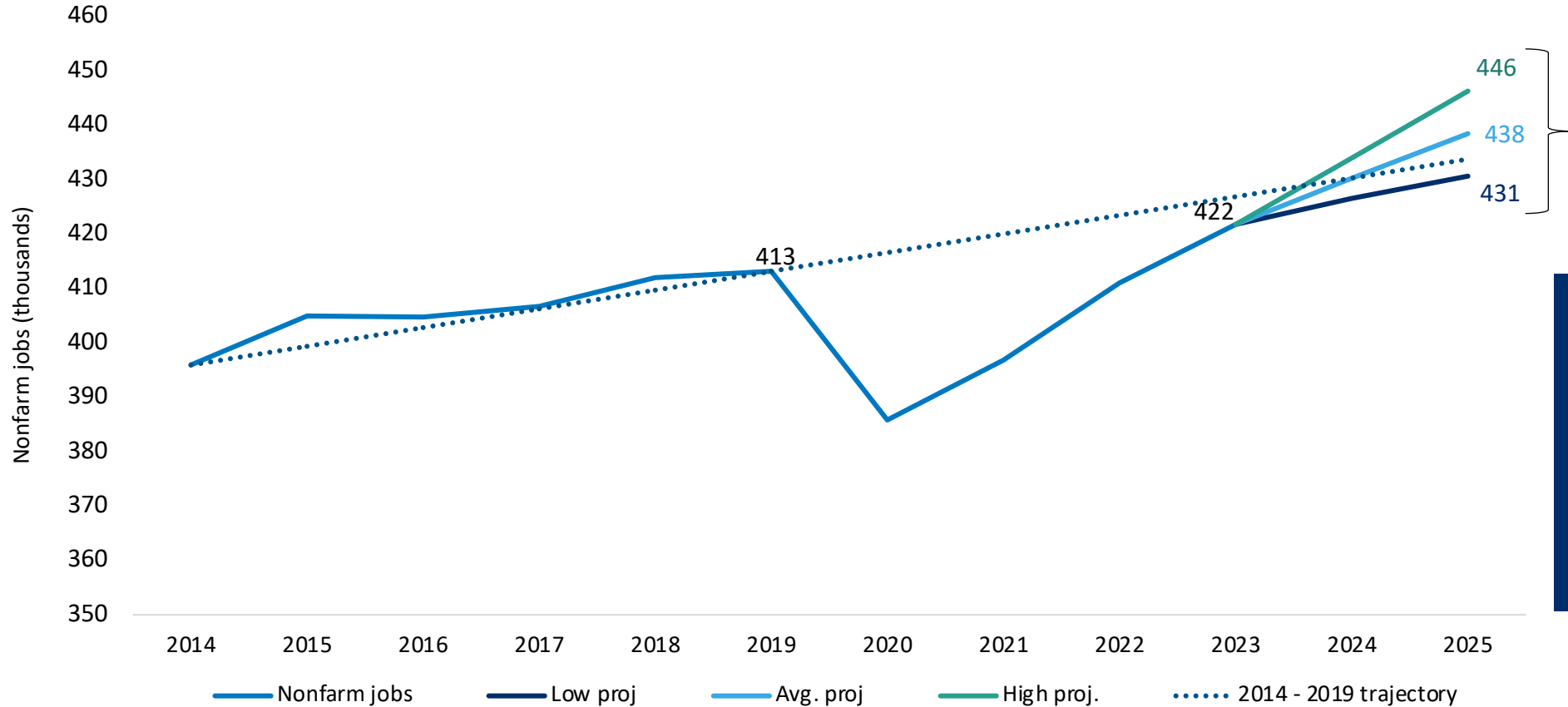
Responses to the question, *“What are the three most important things that the state should do to improve economic growth? (select up to 3)”*



Percentage of respondents in a survey of regional business leaders

The Capital Region is consistently setting all-time records for jobs, and is projected to add nearly 17,000 more by 2025

Capital Region is projected to grow seventeen thousand new jobs by 2025



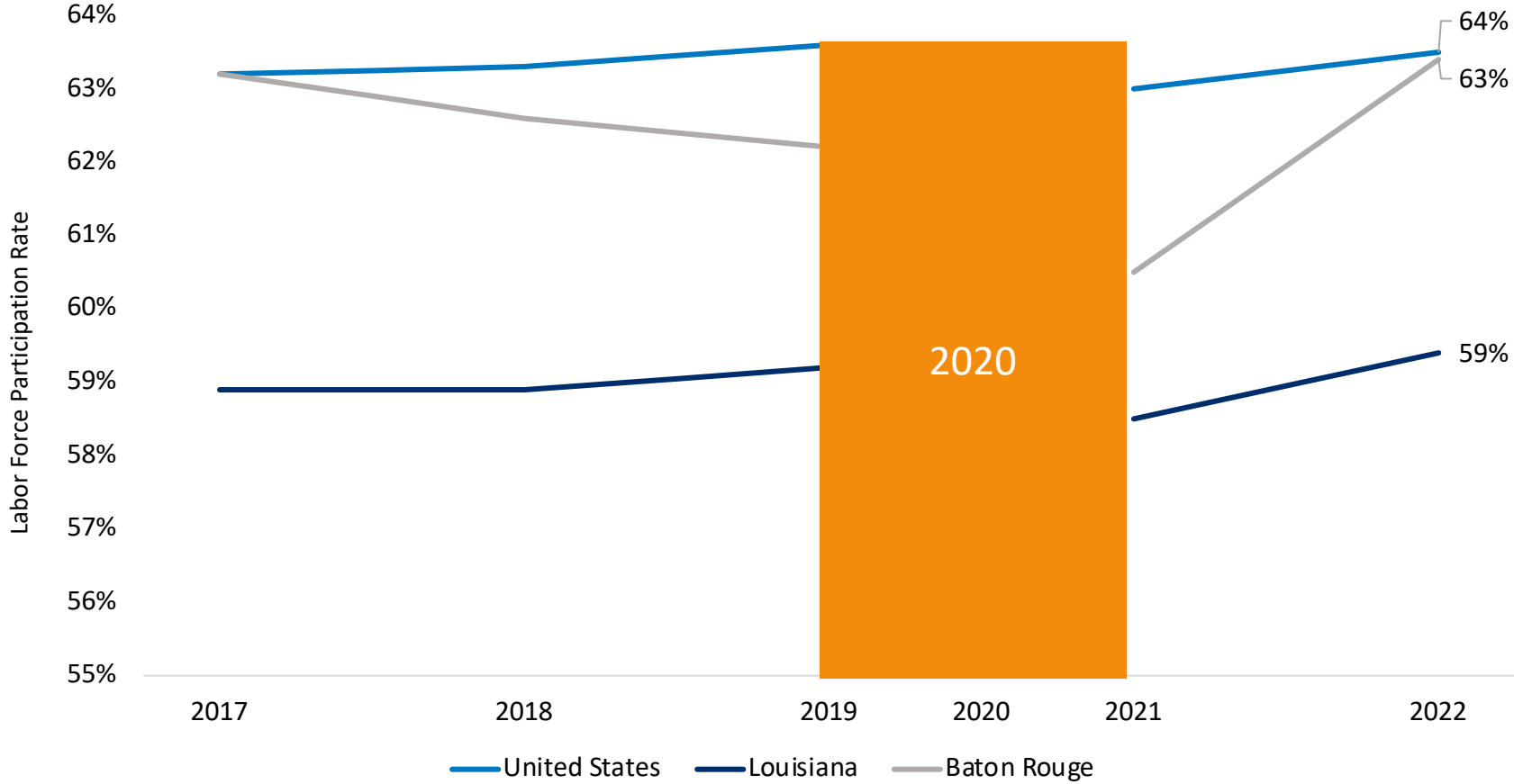
Average projected job growth, by year

Year	Proj. Change
2024	+ 8.5k jobs
2025	+ 8.2k jobs

Source: Bureau of Labor Statistics; Lightcast Economic Modeling; Loren Scott's Louisiana Economic Forecast; BRAC Analysis

The region's labor force participation rate has risen, providing a deeper pool of talent for local businesses

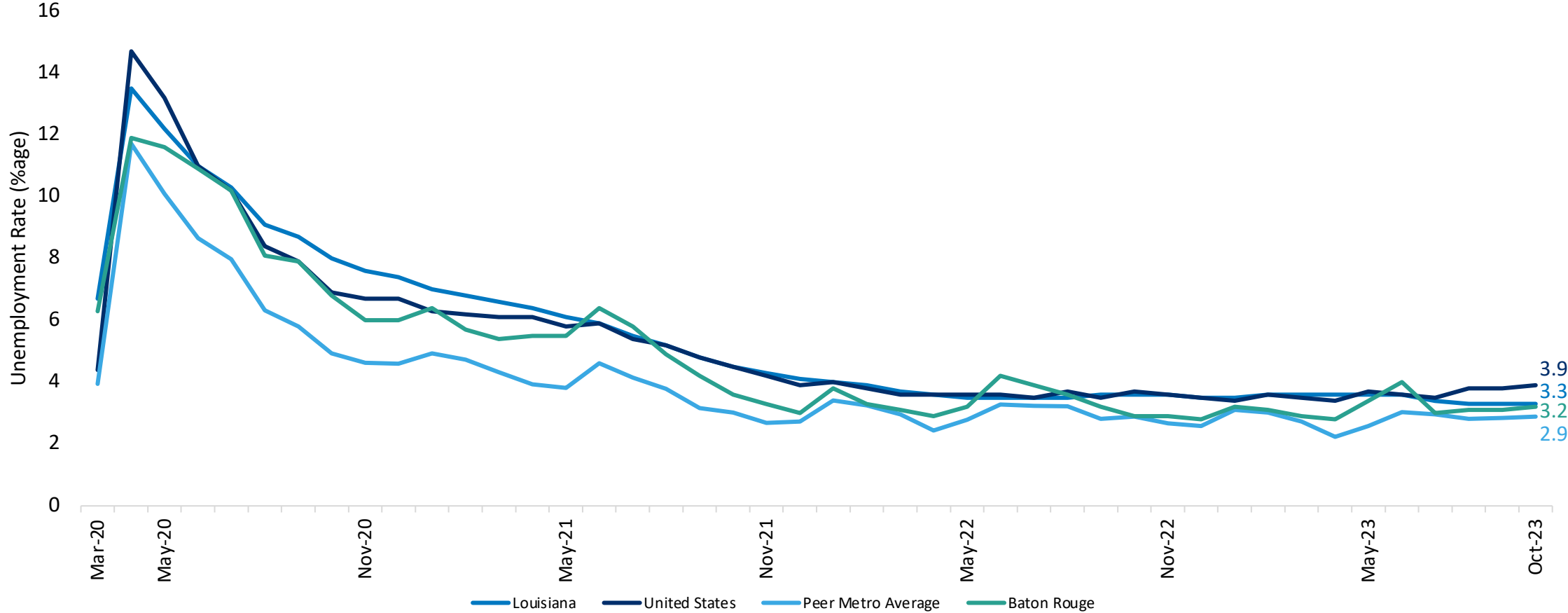
Baton Rouge Area's labor force participation rate is higher than Louisiana, comparable to United States



Source: American Community Survey 1-year estimates; BRAC Analysis

The unemployment rate is lower than the state and national average, and in-line with our peers

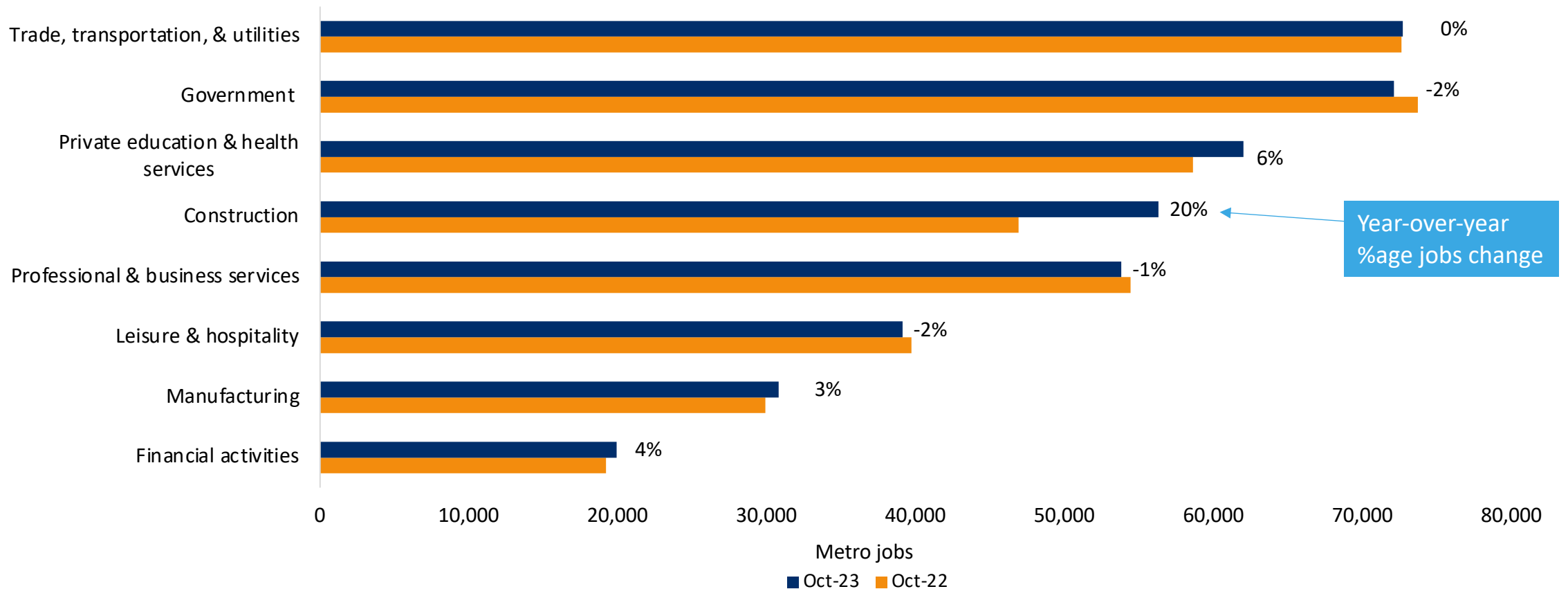
The Capital Region's unemployment rate remains historically low, is better than Louisiana's and the nation's



Throughout this report peer regions include: Birmingham; Greenville, SC; Columbia, SC; Little Rock; Louisville; Mobile; Oklahoma City; Omaha; Richmond, VA
Source: Bureau of Labor Statistics; BRAC Analysis

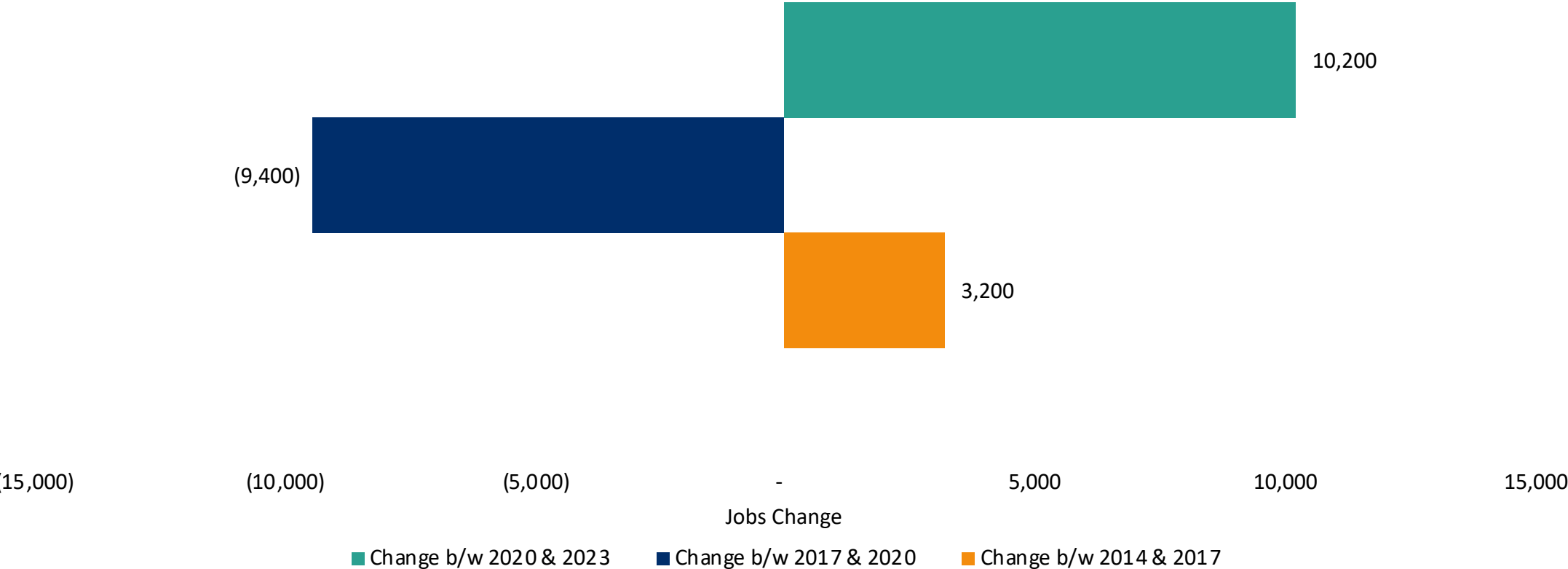
Healthcare, financial services, and manufacturing all saw notable growth over the year, but construction saw the largest job increase in the nation

The Baton Rouge Metro's construction sector led the nation with 20% job growth over the last year



The construction industry is usually cyclical, with waves and troughs in employment – will transitional energy change that?

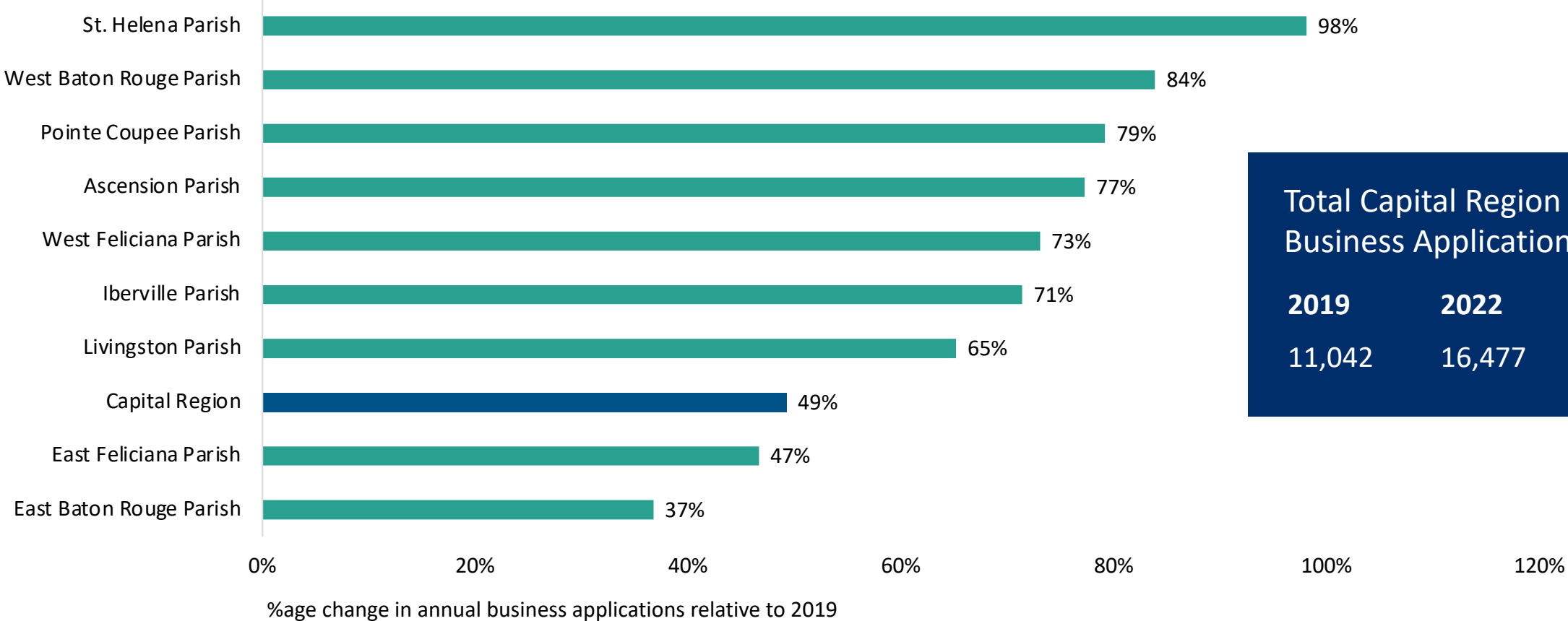
Construction jobs are up by more than 10,000 since 2020



Source: Bureau of Labor Statistics; BRAC Analysis

Residents continue to show strong interest in starting their own business

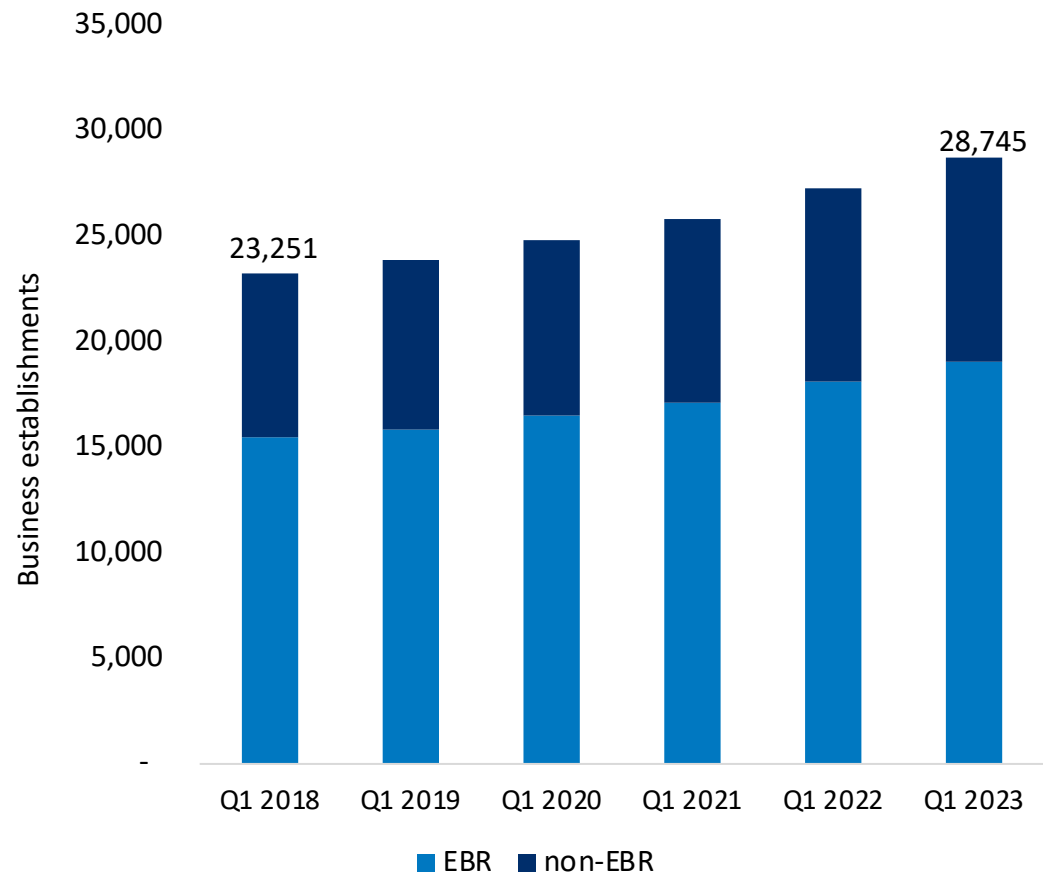
Every Capital Region parish had more business applications last year than in 2019



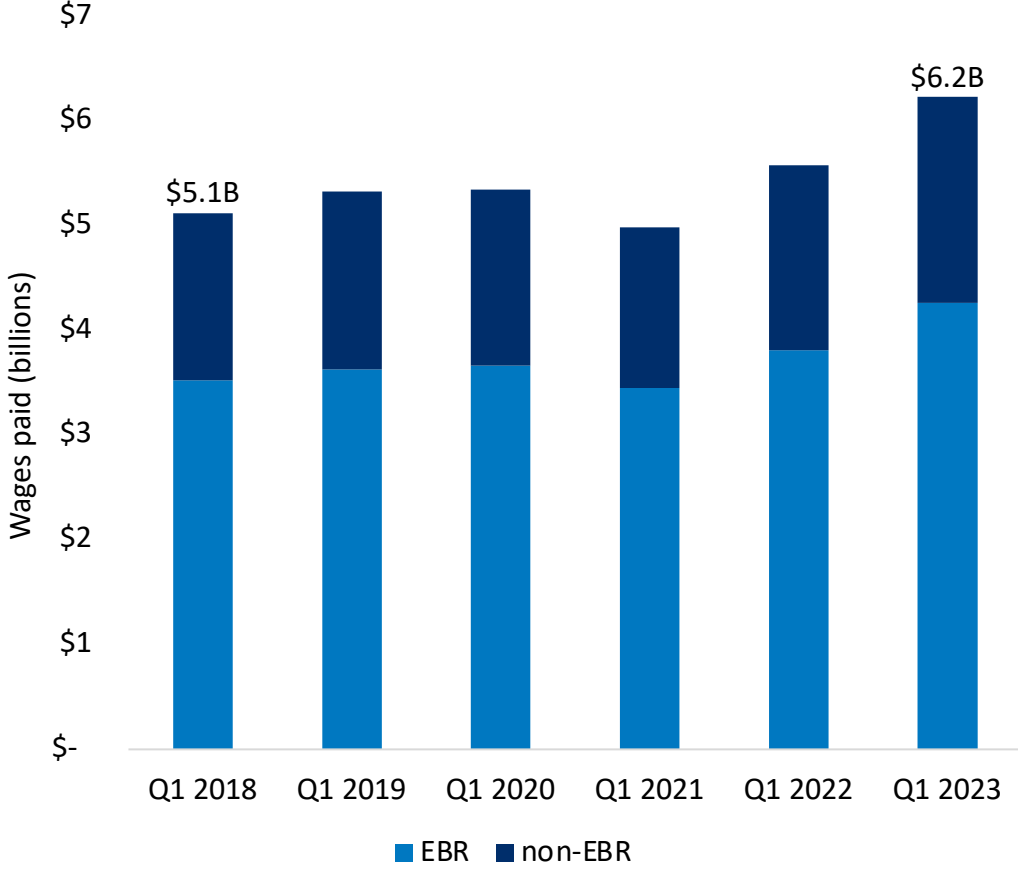
Source: US Census Bureau Business Formation Statistics; BRAC Analysis

The Capital Region has more businesses and total wages than ever, by a wide margin

Establishments are up 5.4% from this time last year



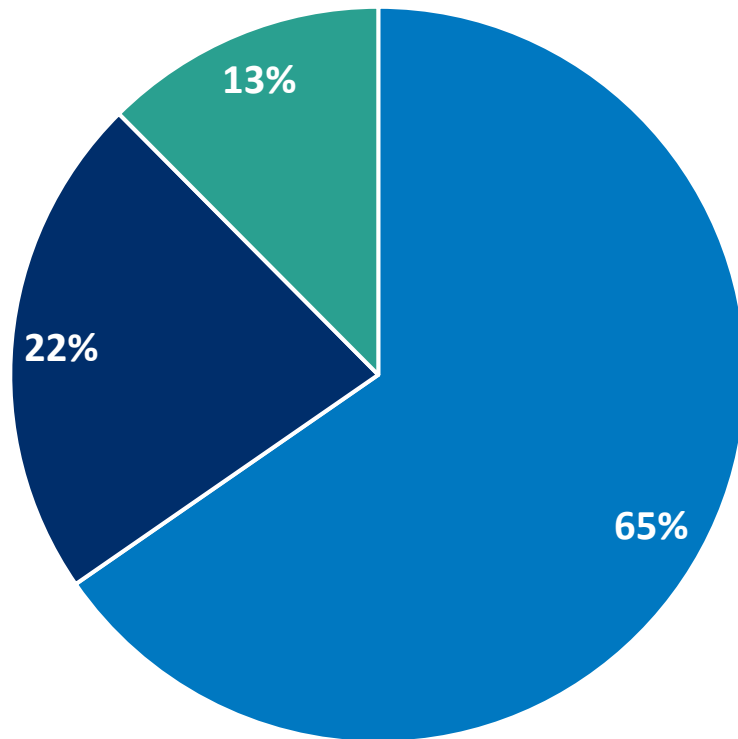
Total wages paid are up 11.8% from this time last year



Source: Bureau of Labor Statistics Quarterly Census of Employment & Wages; BRAC Analysis

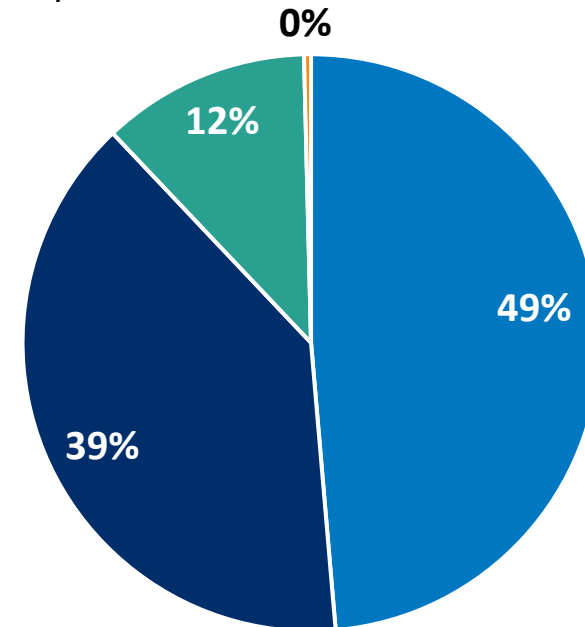
Regional businesses are notably more optimistic about 2024 than they were of 2023

In terms of your business' revenues in 2024, what are your expectations?



■ Increase over 2023 ■ Same as 2023 ■ Somewhat lower than 2023

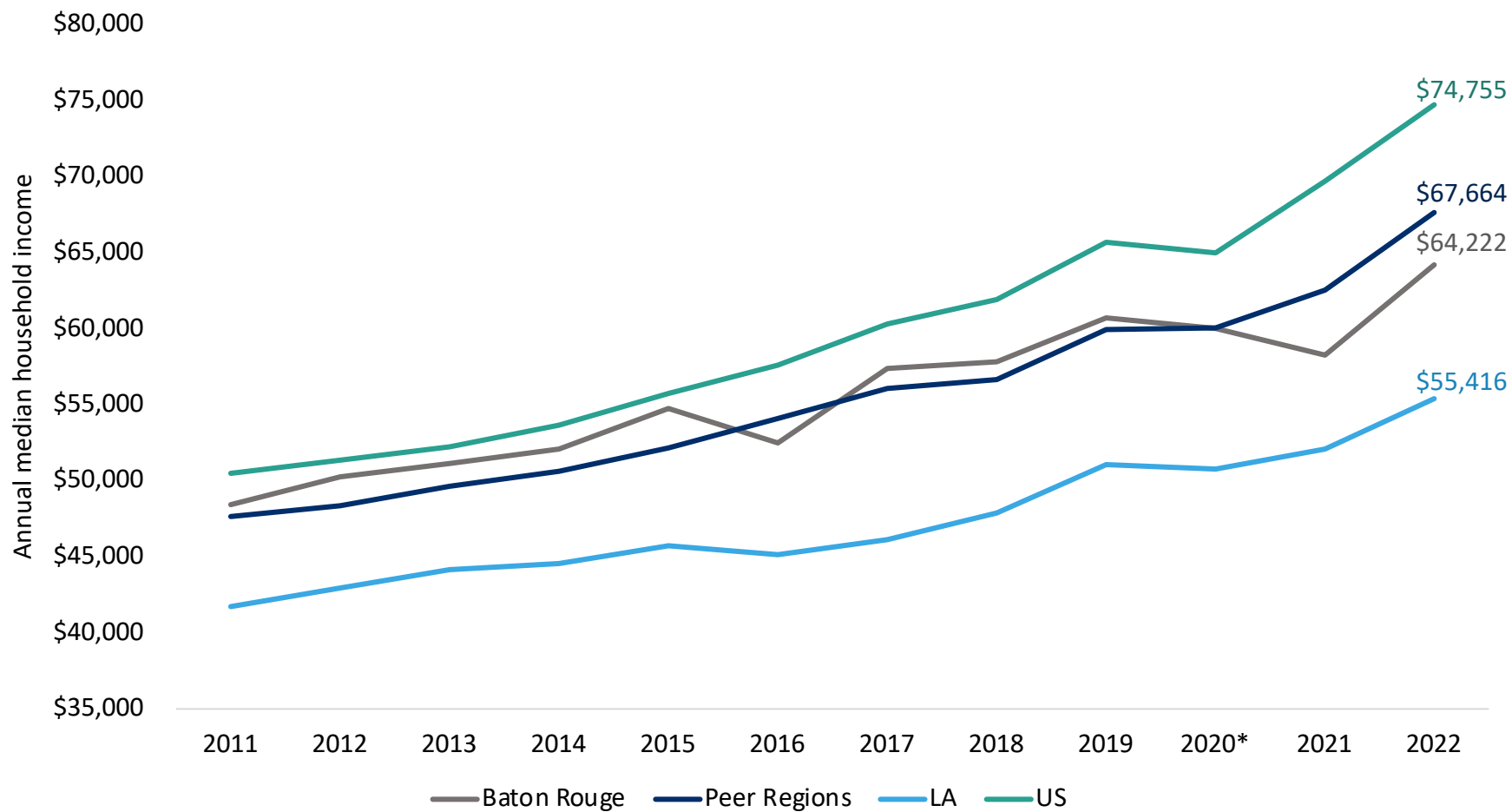
In terms of your businesses' employees/headcounts in 2024, what are your expectations?



■ Increase over 2023
■ Same as 2023
■ Somewhat fewer employees than 2023
■ Many fewer employees than 2023

More businesses and wages have translated into higher household incomes

Income growth in the Baton Rouge Area outpaced peer metros



Year-over-year growth

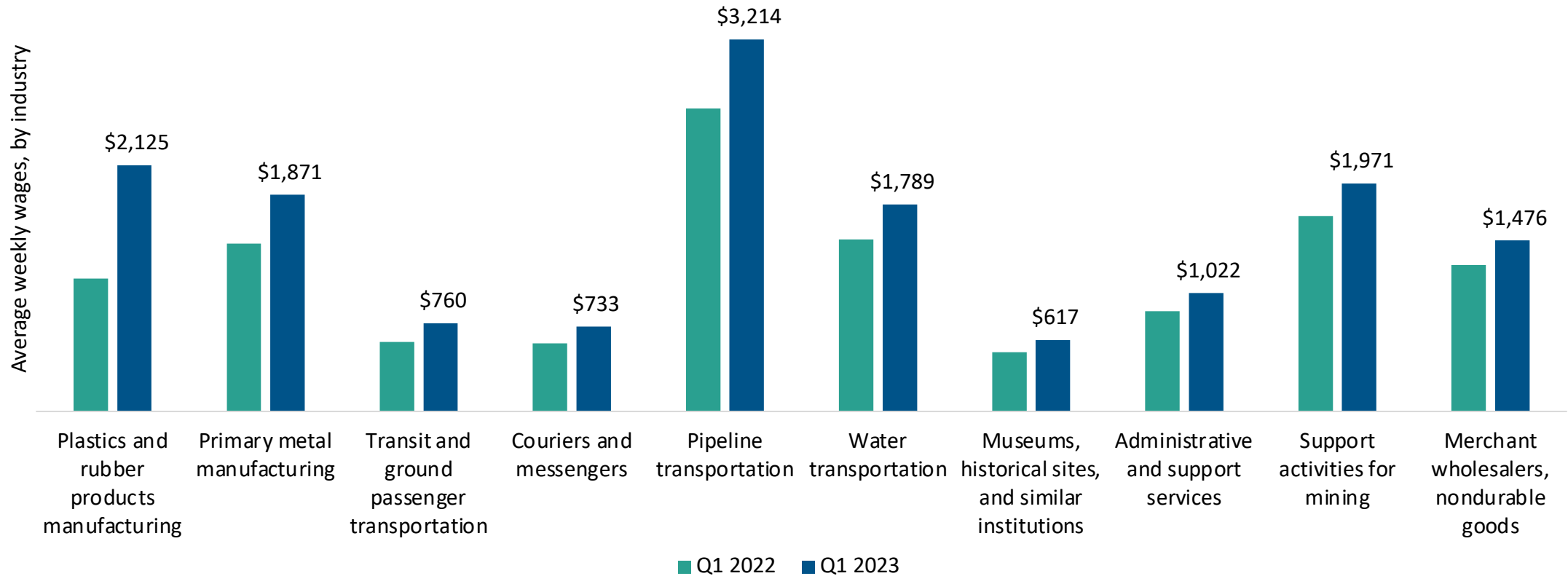
BR Metro	10.2%
Peer Regions	8.2%
LA	6.4%
US	7.2%

Source: American Community Survey 2022 1-year estimates; BRAC Analysis

*2020 uses 5-year estimates because 1-year estimates are not available

A number of industries have seen large wage gains in 2023, meaning household income may grow again in next year's data

Top industries for average weekly wage growth (2022 - 2023)

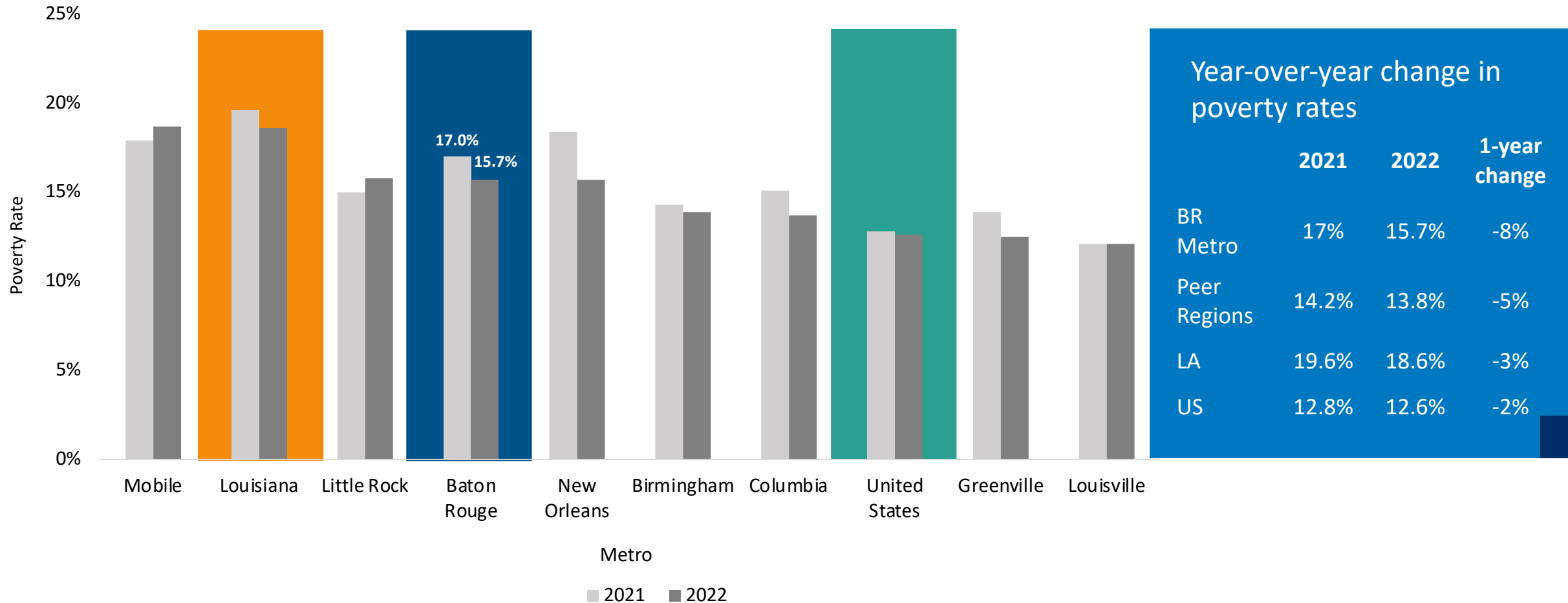


Avg. weekly wage growth



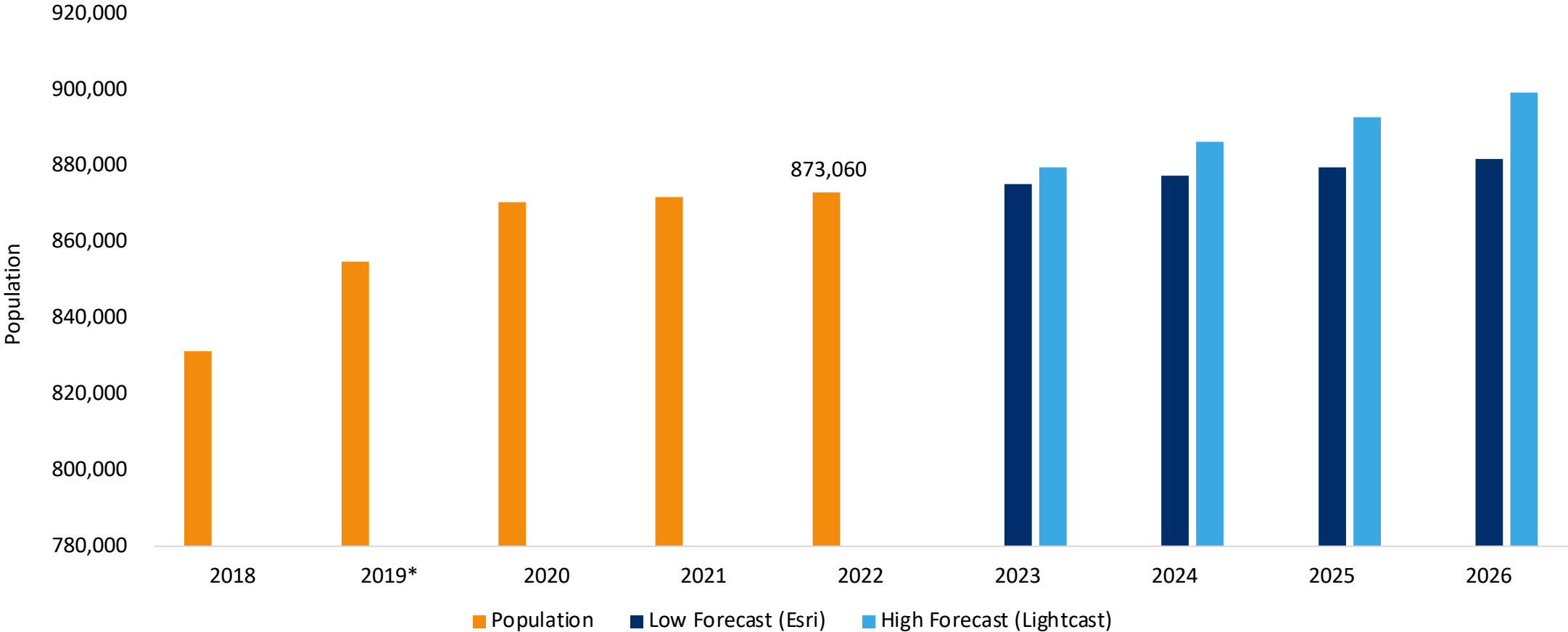
Nearly 12,000 fewer Capital Region residents were living in poverty in 2022

Poverty in the Baton Rouge Metro fell more than in peer metros



While population growth has been relatively flat, some national economists predict a future spike

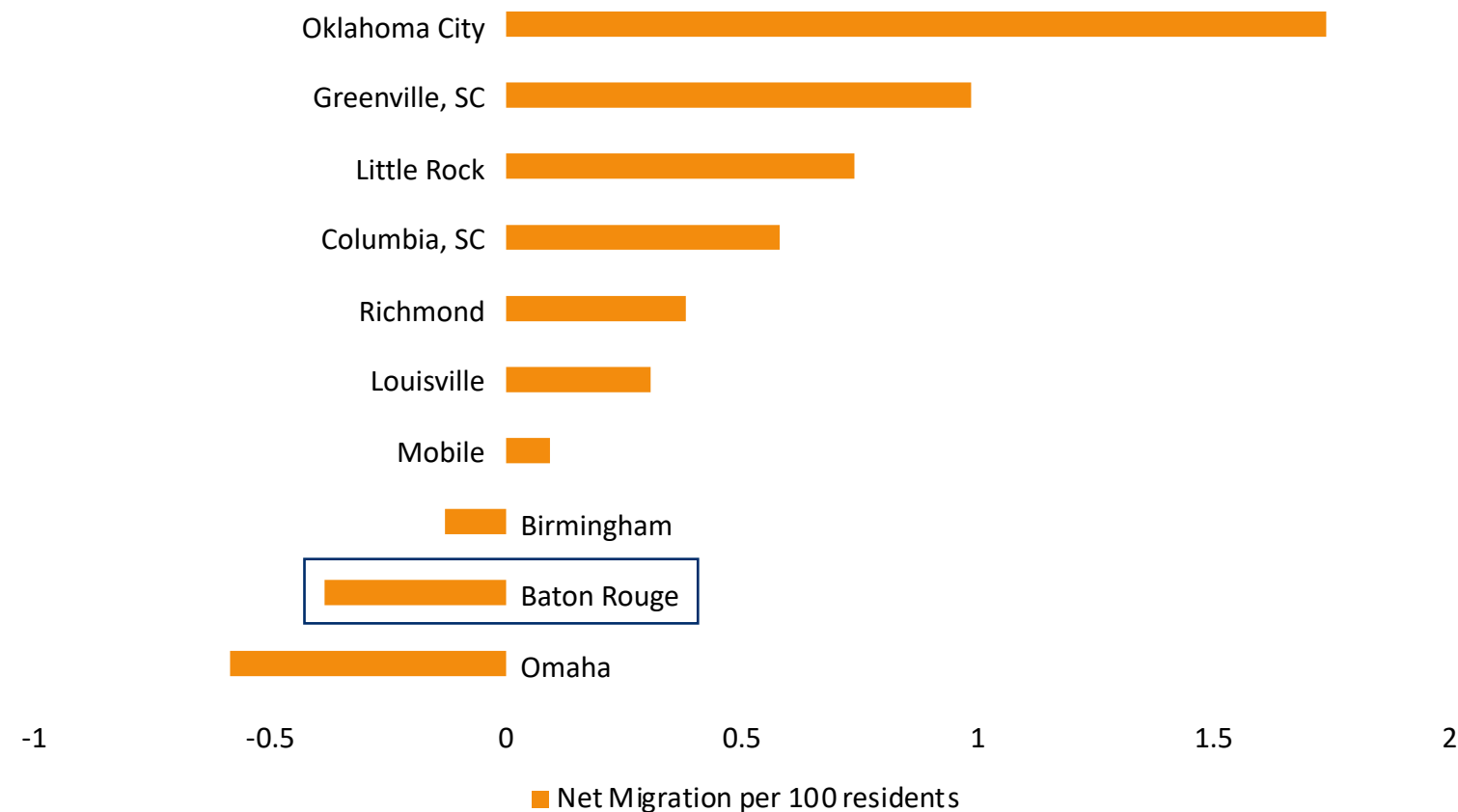
Baton Rouge Metro could reach 900,000 residents by 2026



*2019 marks the first year in which Assumption Parish, which was added to the Baton Rouge MSA in late 2018, had its population included in Baton Rouge MSA population estimates
Source: US Census; American Community Survey; ESRI Site To Do Business; Lightcast Economic Modeling; BRAC Analysis

For the first time since 2018, more people left the Capital Region than moved to it

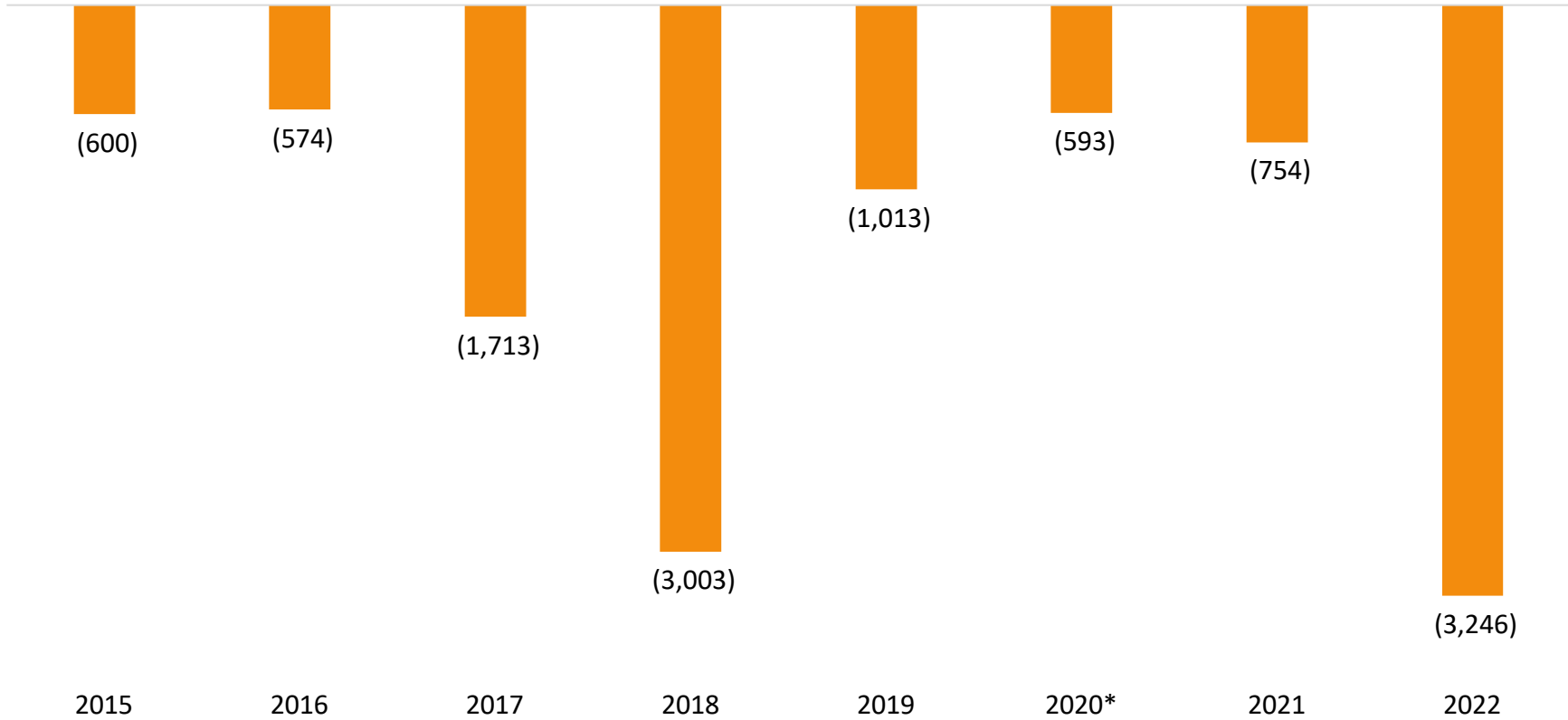
Net migration per 100 residents



Year	Total moving in	Total moving out	Net
2022	53,826	57,187	-3,361
2021	51,607	42,749	8,858
2020	43,747	42,877	870
2019	40,678	38,560	2,118
2018	35,704	42,320	-6,616
2017	44,716	45,599	-883

Younger talent leaving accounts for nearly all the net-negative migration

Net migration to BR Metro, individuals age 25 - 44

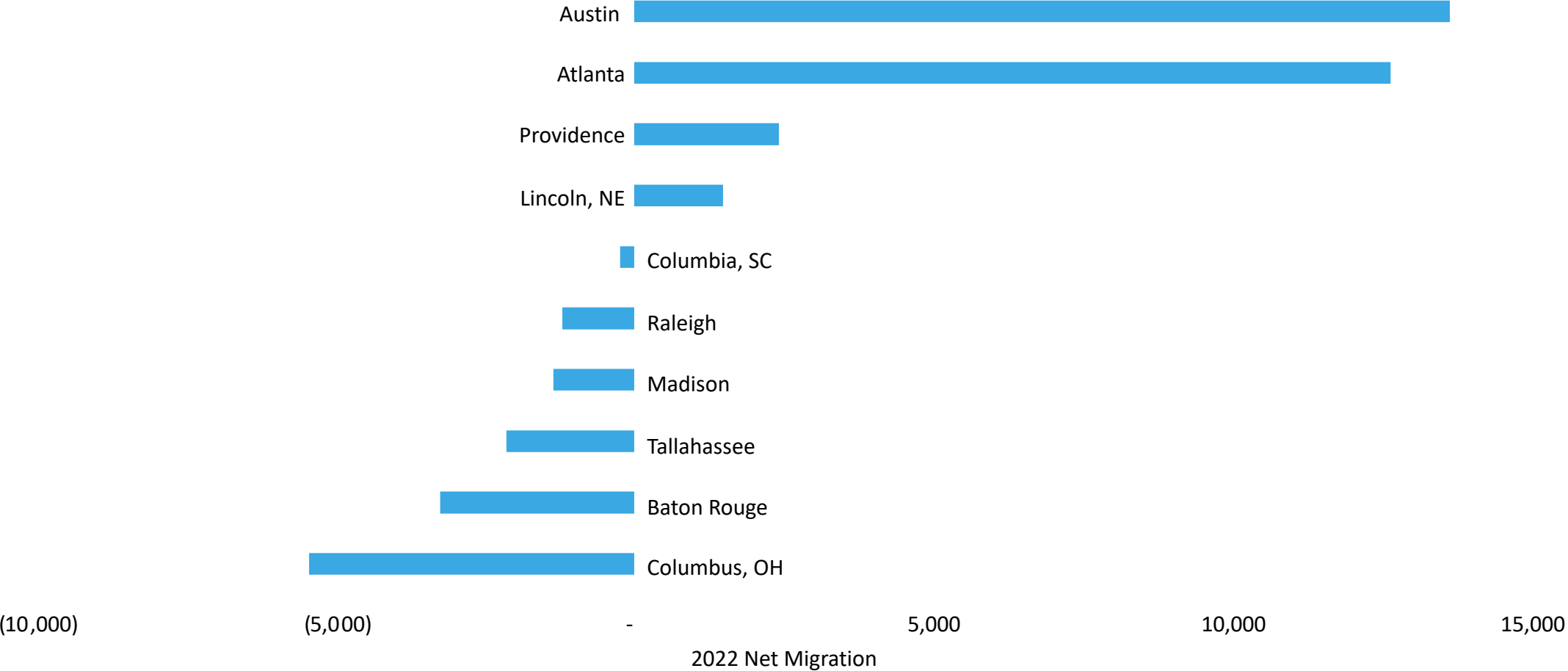


Age	2022 Net Migration
25 to 29	-2,762
30 to 34	-622
35 to 39	629
40 to 44	-491

Source: American Community Survey 1-year estimates; BRAC Analysis
*2020 uses 5-year estimates because 1-year estimates are not available

Places like Baton Rouge in character or geography experience a similar trend, but on a smaller scale

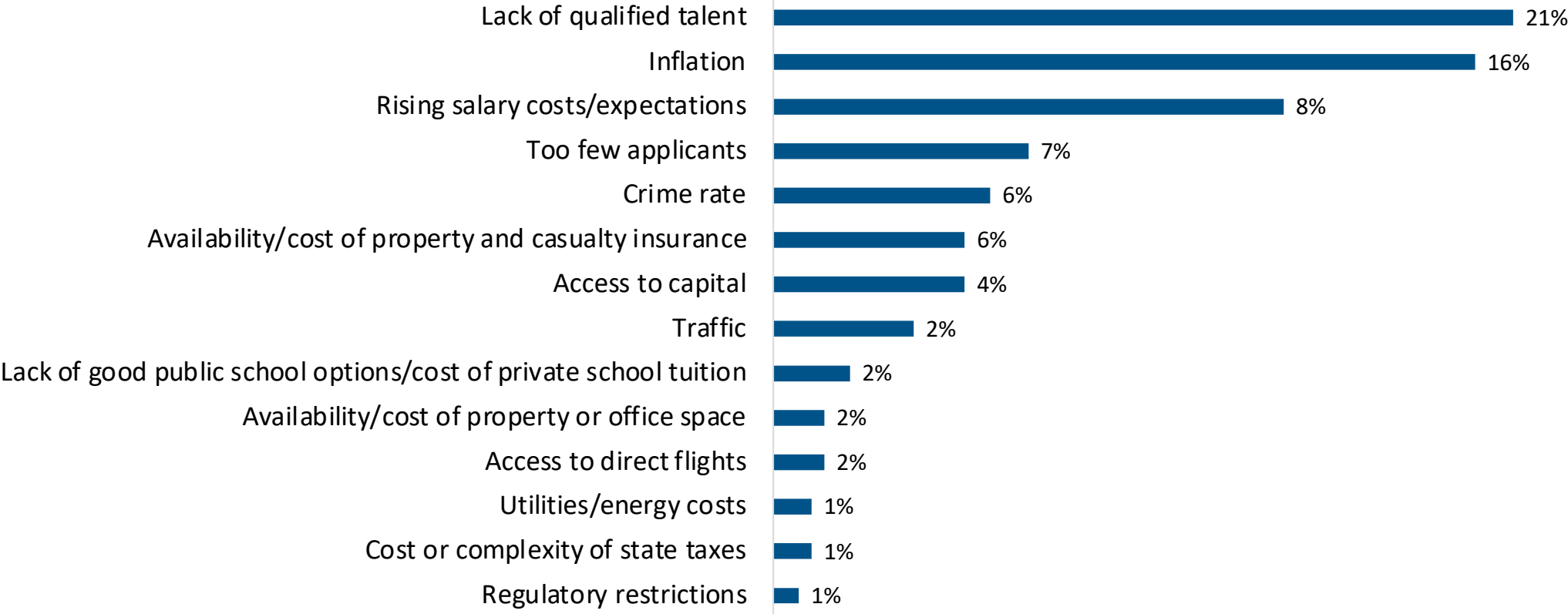
Net migration for individuals age 25 - 44



Source: American Community Survey 2022 1-year estimates; BRAC Analysis

Talent-related issues are three of the four top obstacles for regional businesses

Responses to the question, “Which one of the following obstacles are having a significant negative impact on your business (Capital Region operations only)?”

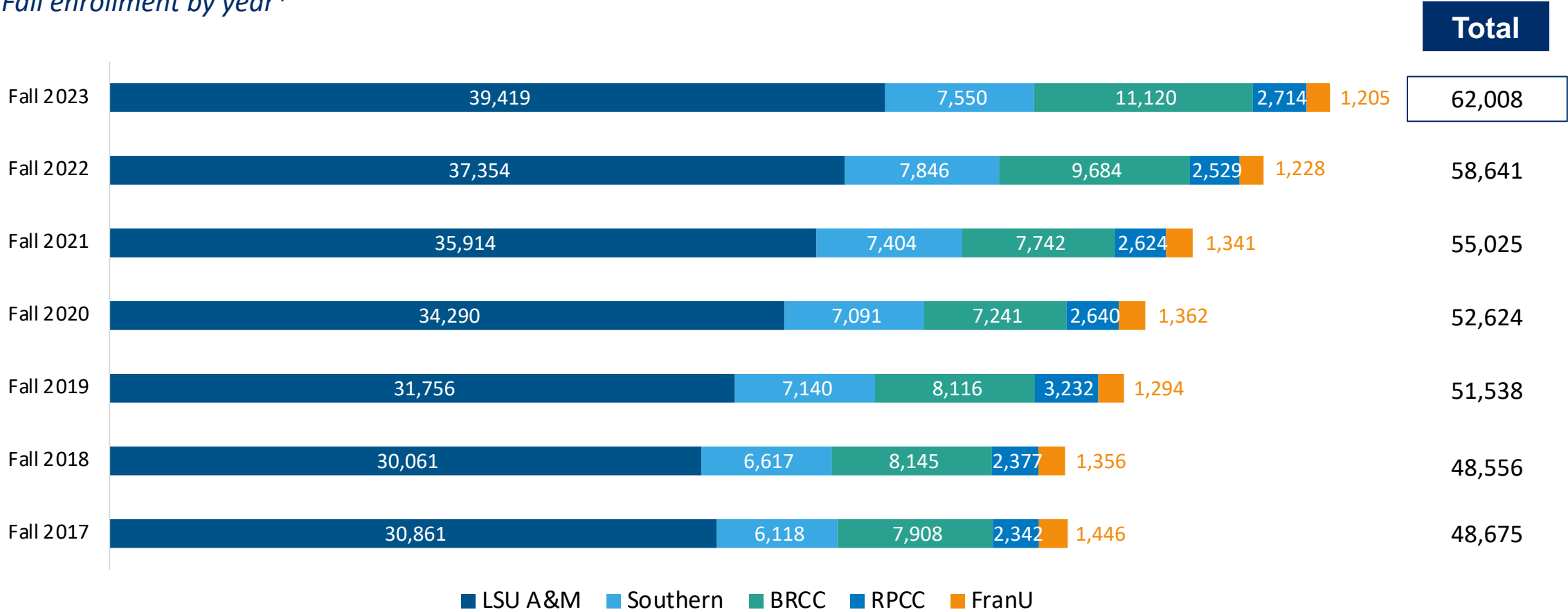


%age of respondents in a survey of regional business leaders

Source: BRAC Economic Outlook Survey, open from October 2 through October 20, 2023

At the same time, we continue to grow the pool of talent we can try to retain

Fall enrollment by year*

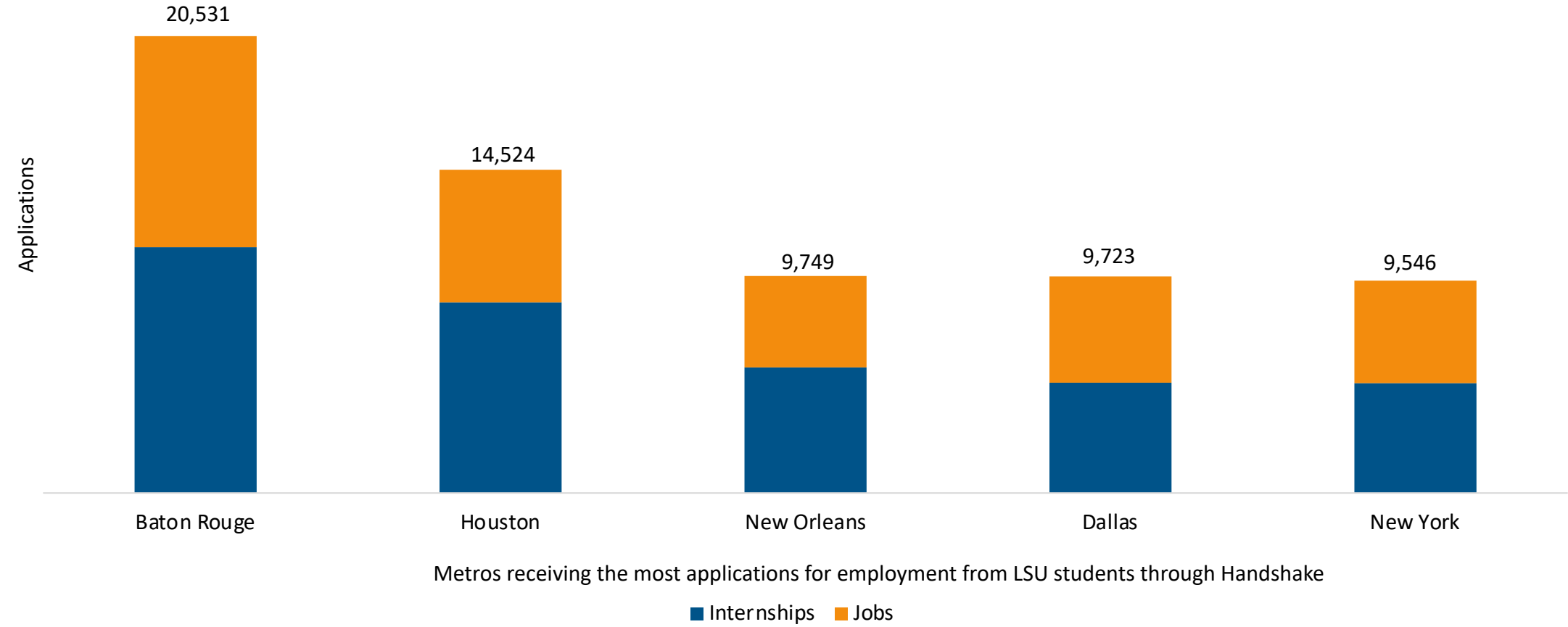


*Non-finalized numbers

Source: Louisiana State University; Southern University; Baton Rouge Community College; River Parishes Community College; Franciscan University

64% of LSU students were active on Handshake this semester, including 75% of upperclassmen (juniors & seniors)

Baton Rouge businesses receive more applications from LSU students than businesses anywhere else



Source: Handshake. Applications were received between 9/1/22 & 9/1/23

Key Takeaways



The Capital Region economy has had a strong post-pandemic run, hitting all-time highs in jobs, number of businesses, and wages

Despite the economy's strong performance, the region had net-negative migration for the first time in years, which was most prevalent among the 25–44-year-old cohort

The strong economy has led to improved financial situations across the community, with the median home earning more, and number of residents in poverty falling drastically

With a lack of quality talent cited as the biggest obstacle for businesses, the community must prioritize creating a place where young professionals want to move to and stay in

