

# BATON ROUGE AREA CHAMBER'S **2020 ECONOMIC OUTLOOK**

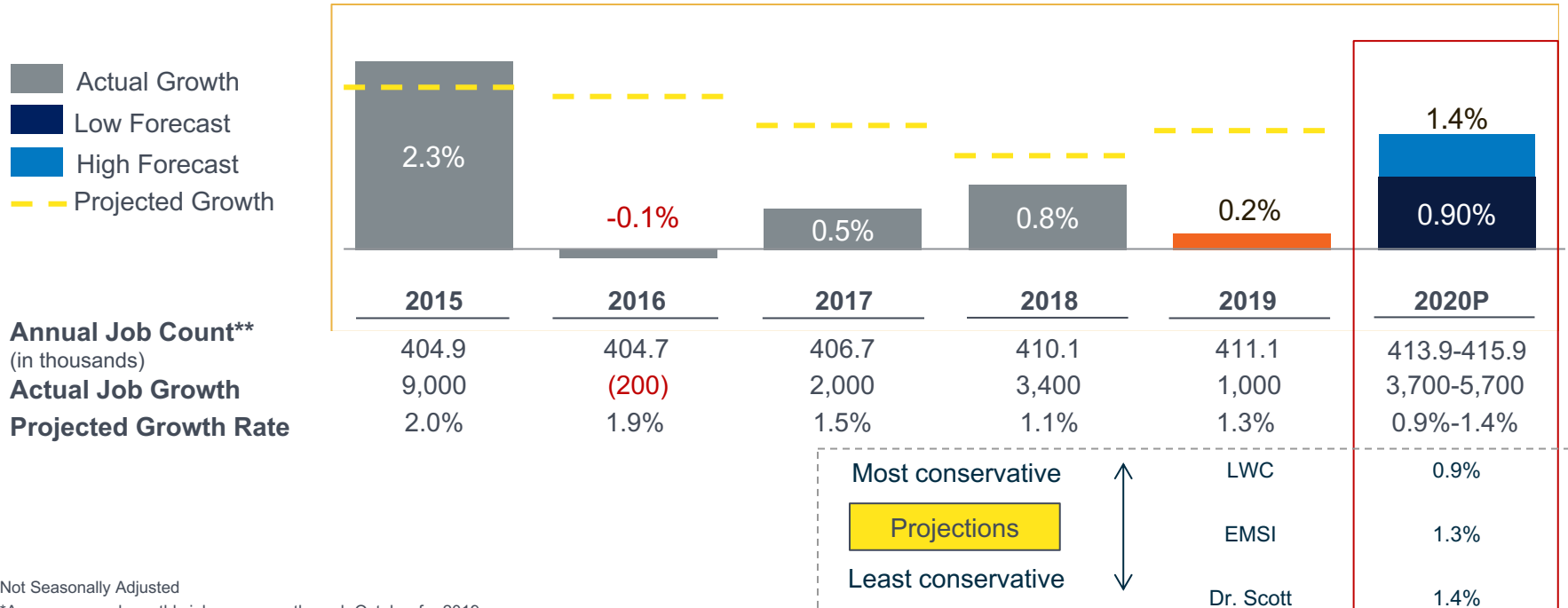
The most comprehensive snapshot of regional economic indicators and business survey data available



# Projected Job Growth

Composites of forecasts show the Baton Rouge Area is projected to increase employment by 1.2% in 2020, which translates into approximately 4,900 new jobs

Percentage change in nonfarm jobs\*



\*Not Seasonally Adjusted

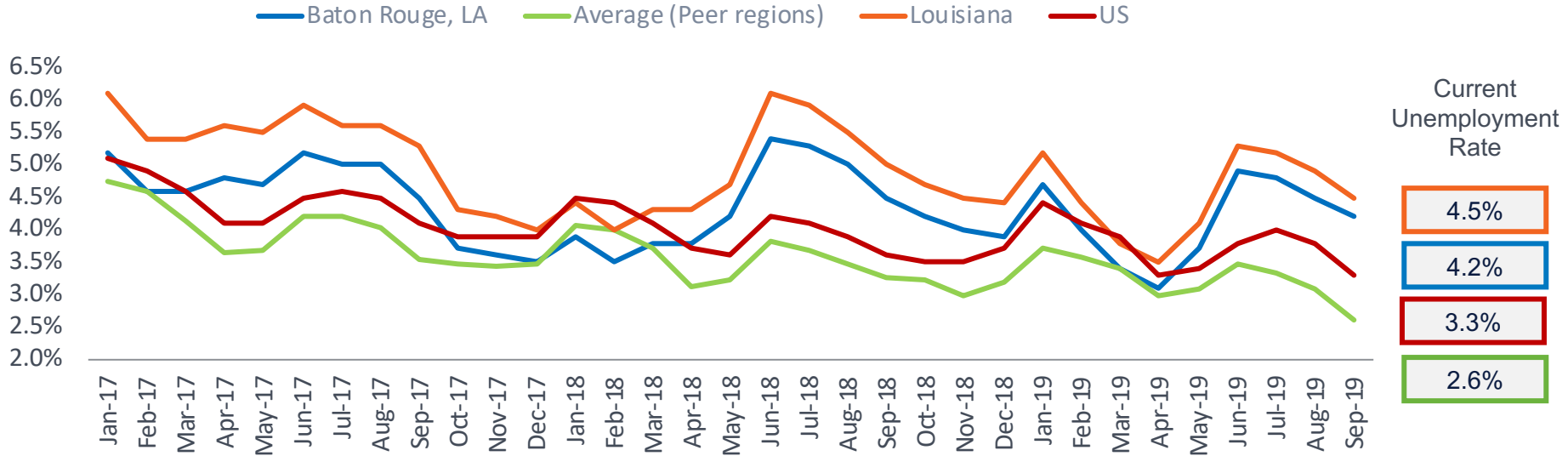
\*\*Average annual monthly jobs; average through October for 2019

Source: Bureau of Labor Statistics; Loren Scott's Louisiana Economic Outlook; Louisiana Workforce Commission; Economic Modeling Systems Incorporated; BRAC analysis

# Regional Unemployment

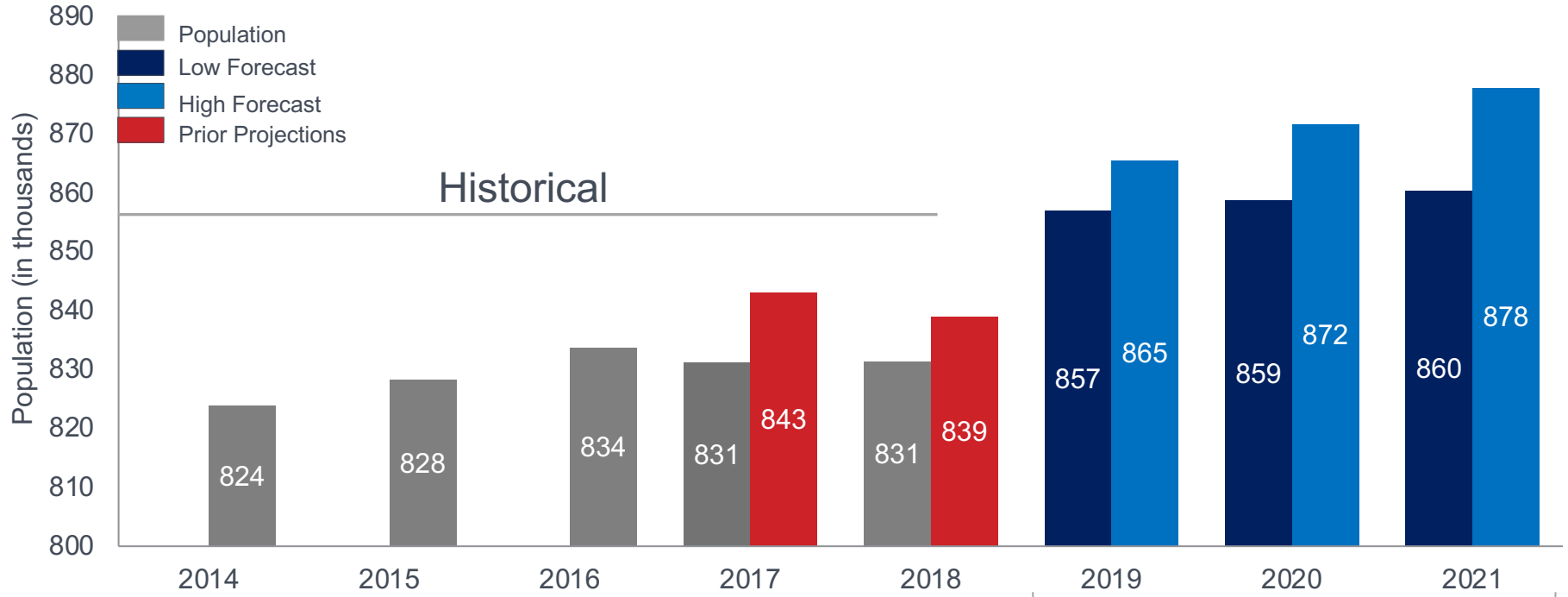
Unemployment is down over the year, and very low by historical comparisons, though peer regions are much lower on average

Unemployment rate (percent)



# Population Growth

Metro Baton Rouge ranks as the 65<sup>th</sup> largest region in the US  
Population projection for the Baton Rouge Area (thousands of people)



# Metro Migration

Negative net migration is a significant factor in population stagnation

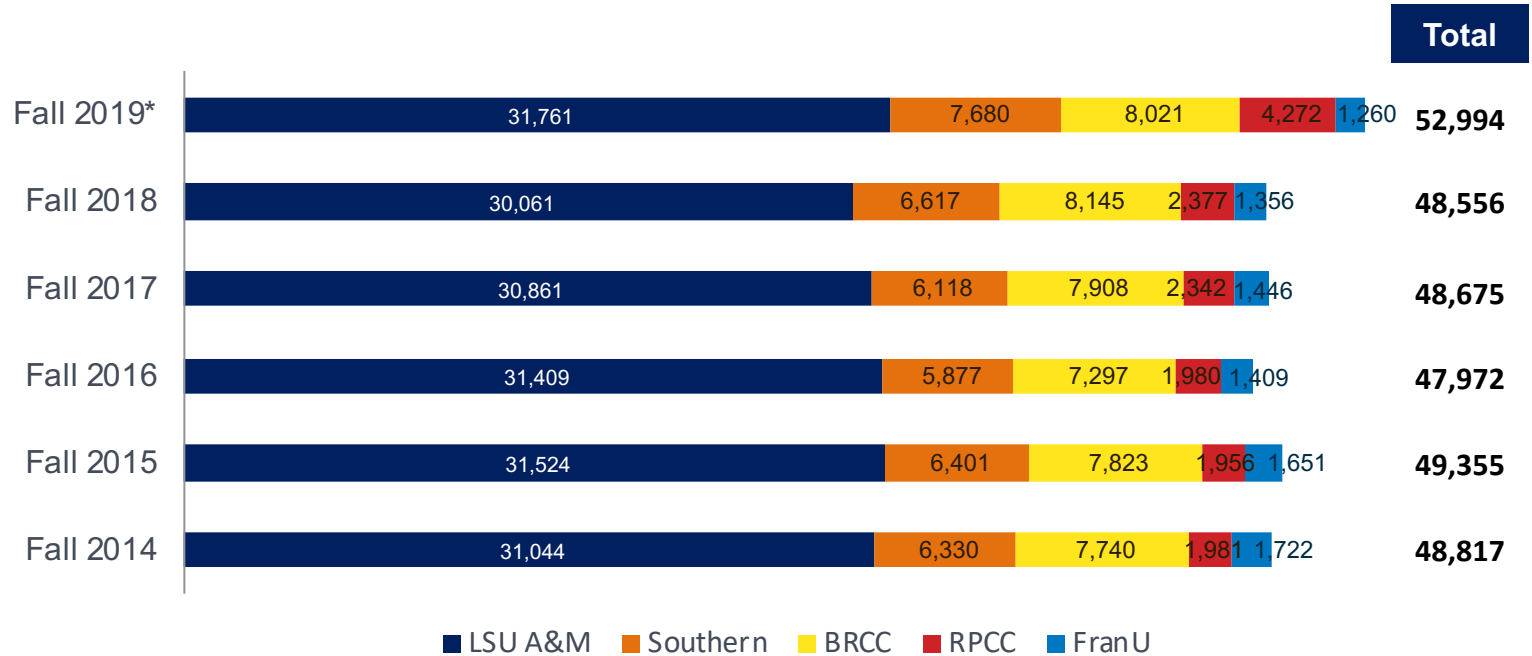
Metro Region	Net Migration
Richmond, VA	9,610
Greenville, SC	9,229
Oklahoma City, OK	6,648
Columbia, SC	5,494
Omaha, NE	3,643
Louisville, KY	1,412
Little Rock, AR	665
Birmingham, AL	517
Mobile, AL	-1,584
Baton Rouge, LA	-3,430

Top 3 Regions	In-Migration
New Orleans	6,939
Lafayette	1,784
Hammond	1,764

Top 3 Regions	Out-Migration
New Orleans	4,126
Hammond	2,386
Houston	2,262

# College Enrollment

College enrollment in the Capital Region surpasses 50,000 for the first time since Fall 2013  
Fall Enrollment by Year

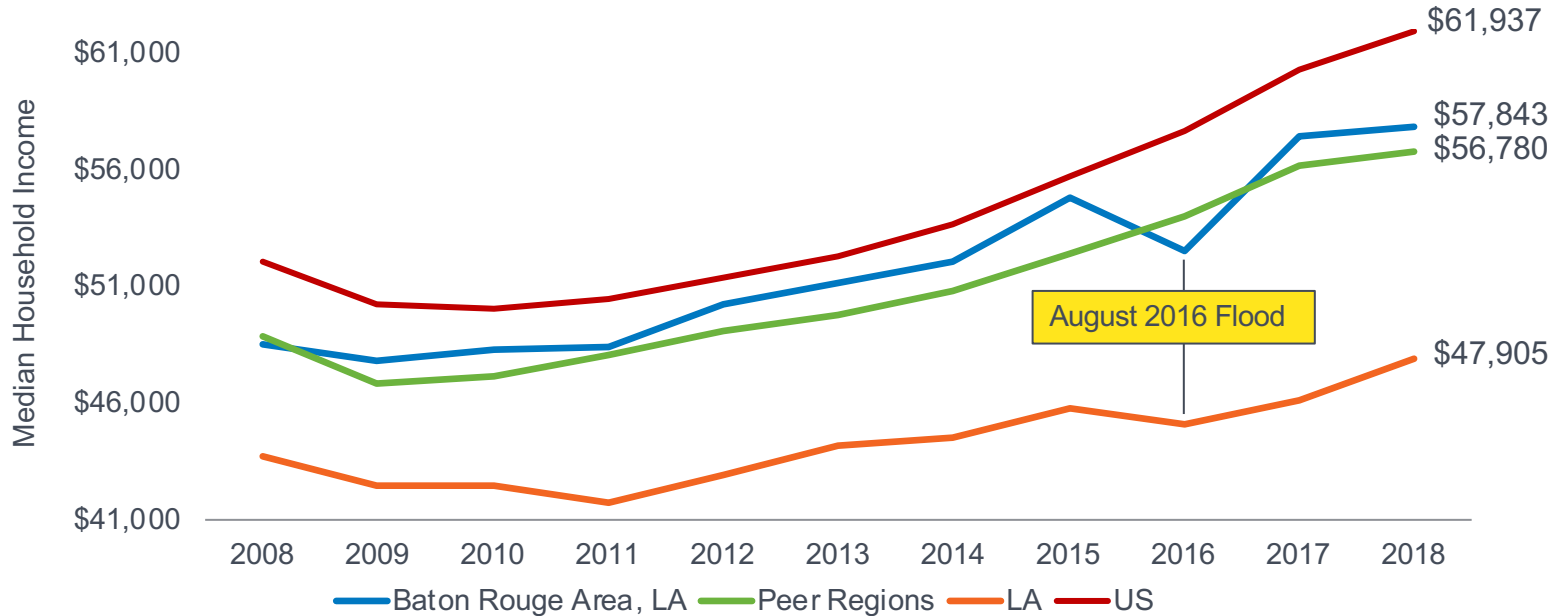


\*Non-finalized numbers  
Source: National Center for Education Statistics; BRAC analysis

# Income Growth

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

Median Household Income 2008-2018



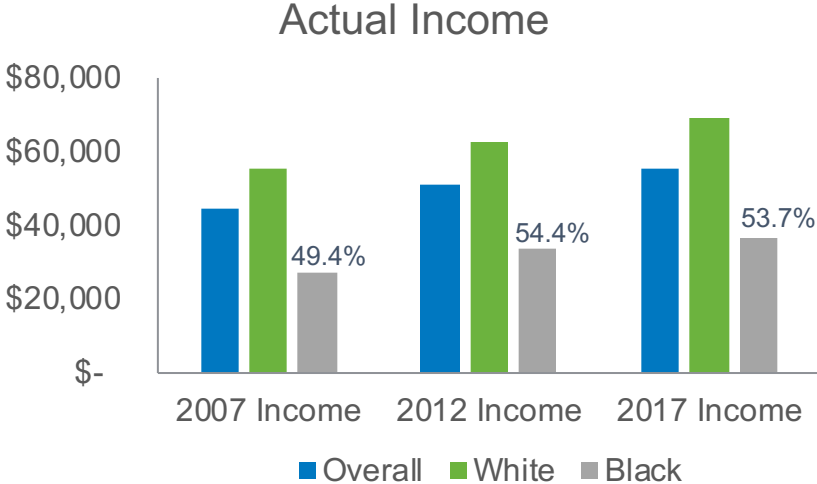
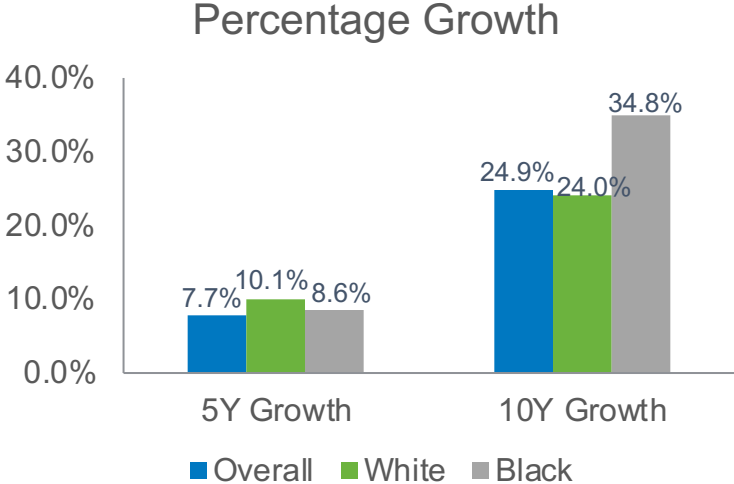
Growth (2008-2018)	
BR MSA	19%
Peer Cities	16%
US	19%
LA	10%

Source: Note all numbers adjusted for inflation, U.S. Census Bureau; BRAC analysis

# Income Growth by Race – BR Area

Over the last ten years, black household income rose faster than white households, but the growth has slowed and black households earn 54% of white household income

Median Household Income 2007-2017



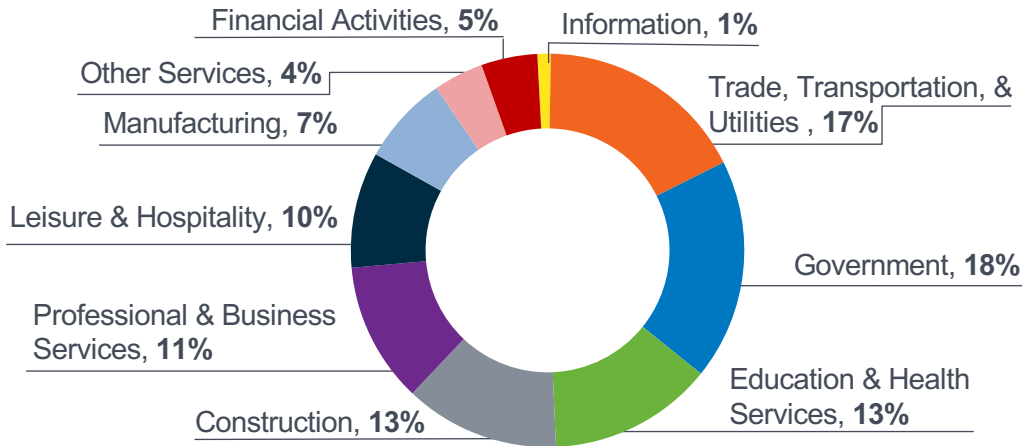


# Regional Economy

Local economists project that an increase in industrial project starts will offset the major job losses in construction in 2019

Distribution and Over-the-Year Growth

## Job Distribution



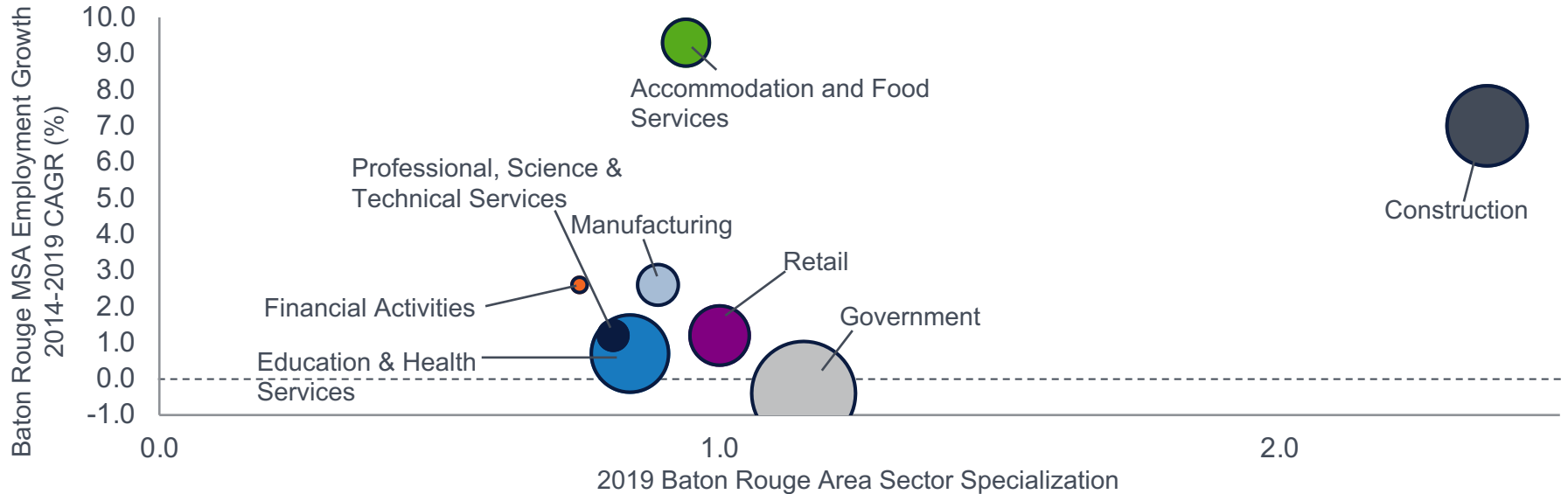
## Job Growth by Industry

Construction	-4.4%
Education & Health Services	4.0%
Other Services	1.2%
Financial Services	1.1%
Professional & Business Services	1.1%
Manufacturing	1.0%

# Scale and Growth By Industry

Over the last five years, Accommodation and Food Services, Manufacturing, and Construction experienced the most job growth in the region

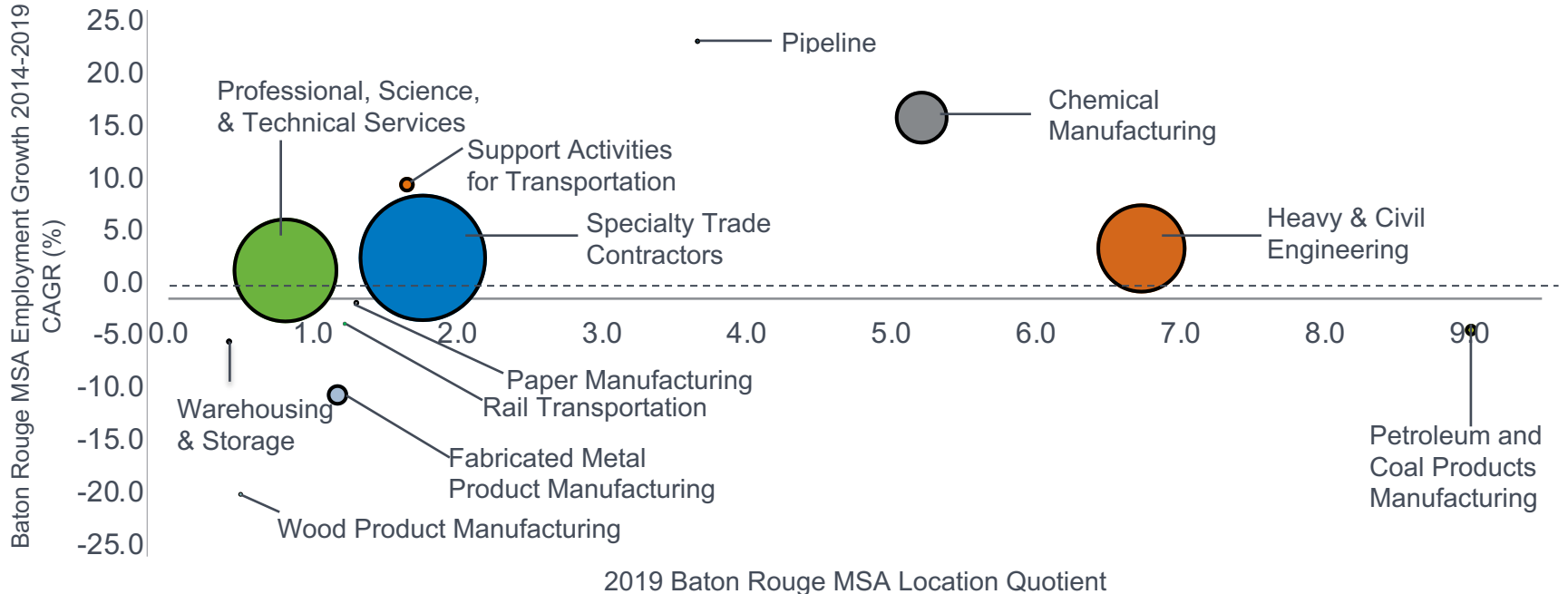
Bubble diameter is proportional to number of employees in 2019



**Employment Growth Sectors:** Manufacturing, Construction, Professional, Science and Technical Services

# Baton Rouge Industry Clusters

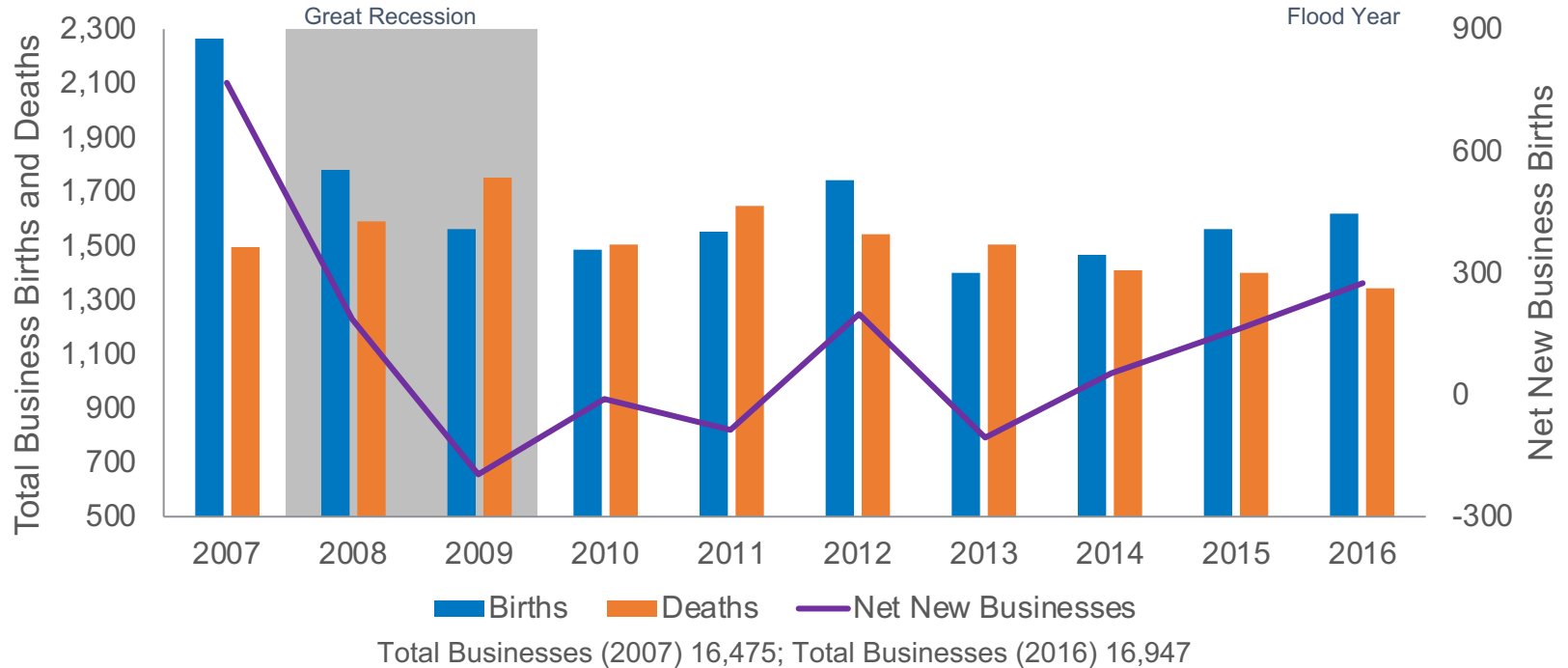
Industrial-related sectors continue to drive growth in the Baton Rouge Area  
Bubble diameter is proportional to number of employees in 2019



**Area Clusters Showing Most Growth:** Pipeline Transportation, Chemical Manufacturing, Support Activities For Transportation

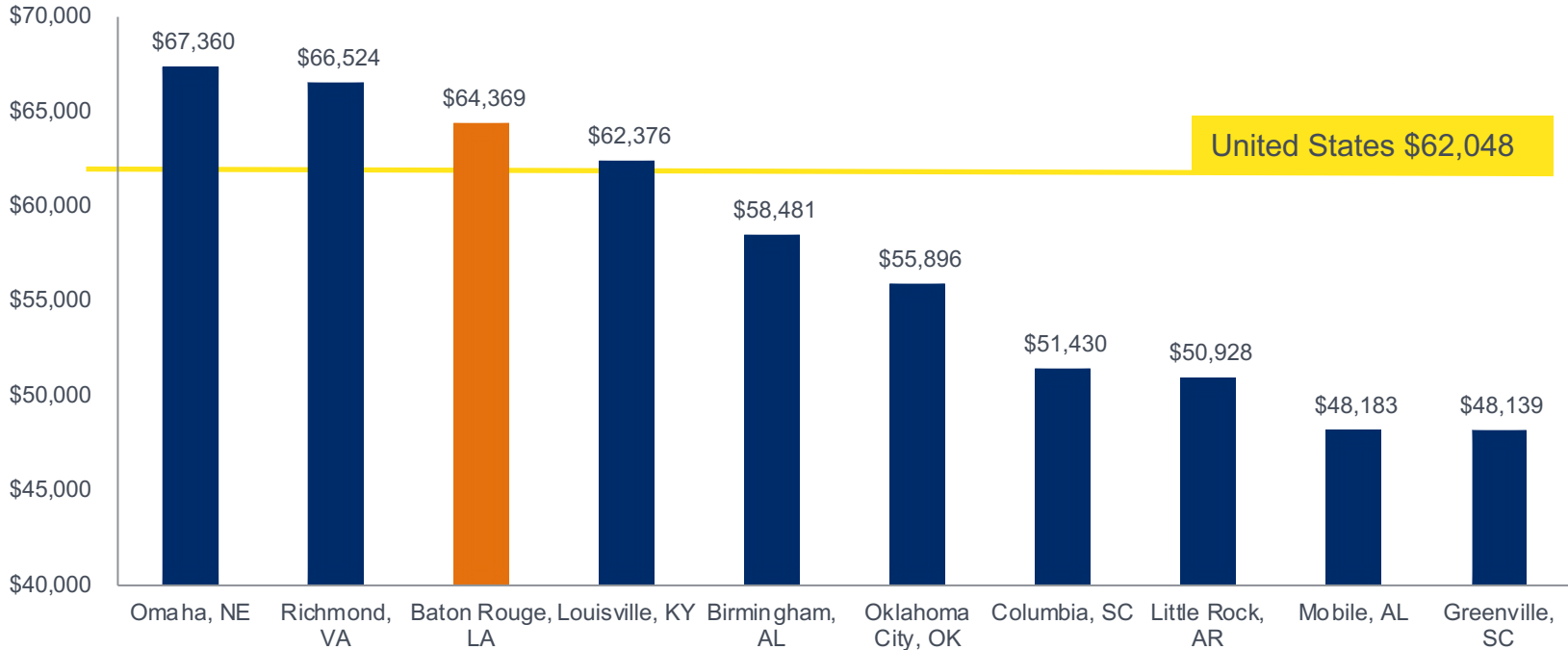
# New Business Creation

The Baton Rouge Area saw increased number of businesses three years in a row



# Regional Gross Domestic Product

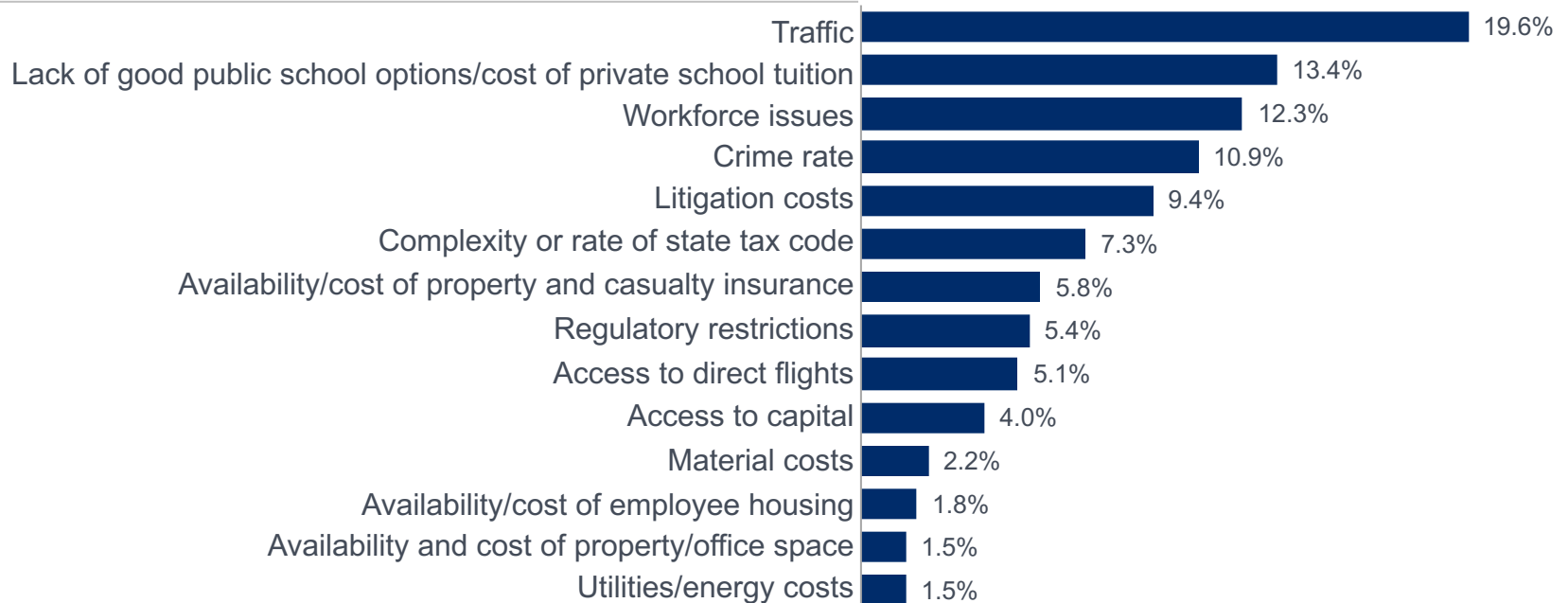
The Baton Rouge Area's gross regional product per capita outperforms most peer cities  
Value of area products made in 2018, divided by the population



# Obstacles for Businesses

Traffic has been the top obstacle for businesses since 2015  
Percentage of respondents in a survey of regional business leaders\*

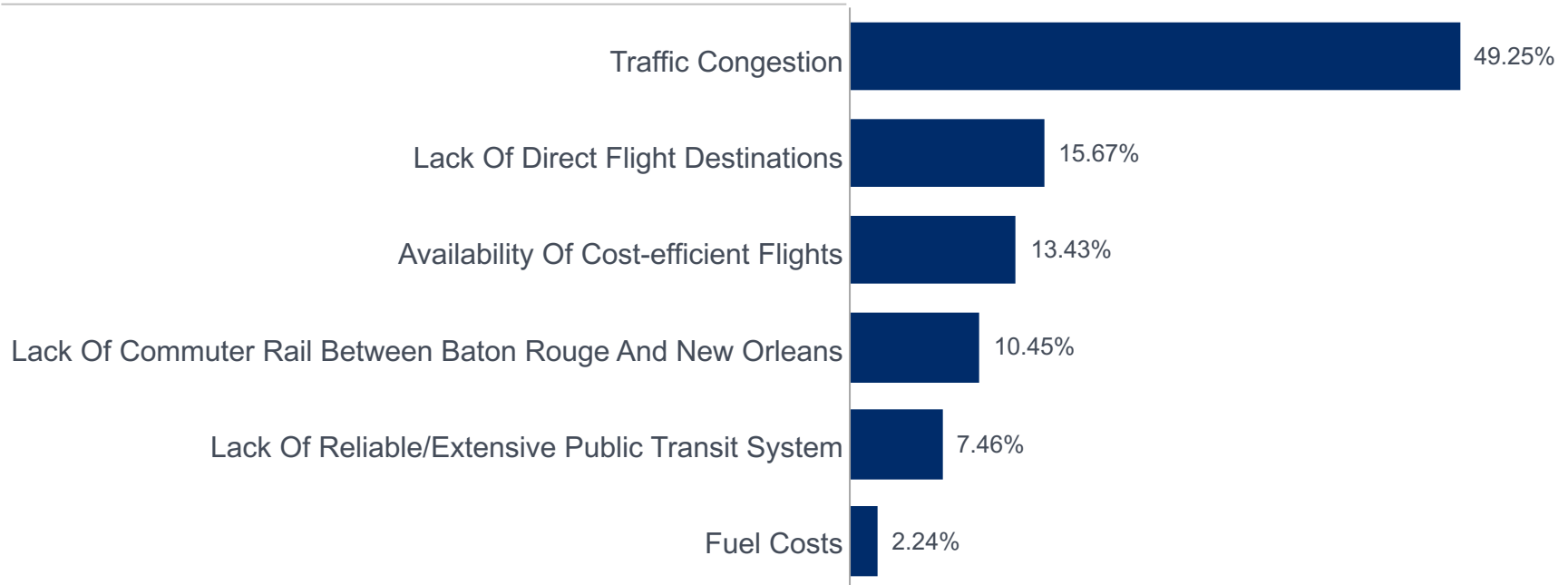
## Top obstacles



# Transportation Obstacles for Businesses

Traffic Congestion is the top concern, access to direct flights is second  
Percentage of respondents in a survey of regional business leaders\*

## Top obstacles among transportation issues



# Statewide Concerns

Transportation infrastructure is the top statewide issue of future concern

Ranking by respondents in a survey of regional business leaders\*




Ranking		2020 Statewide Trends	2019 Statewide Trends
1	=	Transportation Infrastructure	Transportation Infrastructure
2	↑	State Economic Development Efforts Tax Structure and Tax Code	State Budget Uncertainty
3	=	State Legal Climate and Tort Reform	State Legal Climate and Tort Reform Tax Structure and Tax Code
4	↑	State Government Effectiveness	Insurance
5	↓	Insurance	State Government Effectiveness
6	↑	K-12 Education Reform and Performance	State Economic Development Efforts
7	↓	State Budget Uncertainty	K-12 Education Reform and Performance State Health Care Issues
8	=	State Higher Education System/TOPS	State Higher Education System
9	↑	State Incentive Uncertainty	State Regulatory Environment

\*Respondents were allowed to choose multiple answers, BRAC Survey



# Workforce Perceptions

Candidates with a lack of education and experience is the top workforce concern in the region  
 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	Unrealistic Salary Expectations
2 <b>New</b>	Employee Health Care Costs/Benefits	Candidates Lacking "Soft" Skills
3 	Losing Talented Employees To Other Markets Too Few Applicants Candidates Lacking Soft Skills	Losing Talented Employees To Other Markets
4 	Unrealistic Salary Expectations	Lack Of Talent With Education/Experience
5 <b>New</b>	Difficult To Recruit From Out Of State	Too Few Applicants
6 =	Retiring Workforce	Retiring Workforce
7 =	Finding Employees That Can Pass Drug Screens And/Or Remain Drug Free	Finding Employees Who Can Pass Drug Screening Tests And/Or Remain Drug Free
8 =	Lack Of Available Management	Lack Of Available Management High Turnover

\*Respondents were allowed to choose multiple answers, BRAC Survey

# Projected Growth By Sector

2020 job growth forecasts for Baton Rouge Regional Labor Market\* by select industry sectors

	Net New Jobs		Job Growth	Comments
	Low	High		
 <b>Construction</b>	109	1,727	0.2–3.0%	Specialty Trade Contractors are expected to gain the most net new jobs
 <b>Arts, Entertainment, and Recreation</b>	56	76	0.9–1.2%	Museums and historical sites are projected to acquire 175 new jobs
 <b>Finance and Insurance</b>	42	125	0.3–1.0%	Insurance sales agents are projected to gain the most net new jobs
 <b>Manufacturing</b>	147	381	0.5–1.2%	Furniture & related product manufacturing is anticipated to grow by 1.72% while Electrical Equipment Manu. is expected to fall by 3%
 <b>Professional &amp; Business Services</b>	349	444	1.5–2.0%	Gains spurred by growth in computer systems design and specialized design services
 <b>Retail Trade</b>	91	603	0.2–1.2%	Retail salespersons are projected to gain the most net new jobs
 <b>Health Care and Social Assistance</b>	819	987	1.4–2.0%	Ambulatory Health care services and social assistance are the health care positions with the highest projected growth
<b>Total</b>	<b>1,613</b>	<b>4,343</b>		

\*The Baton Rouge Regional Labor Market consists of the nine-parish Capital Region plus Tangipahoa Parish and Washington Parish  
Source: EMSI Projections; Louisiana Workforce Commission Long-Term Projections; Baton Rouge Region; BRAC analysis

# Projected Growth

All parishes are expected to experience job growth, led by Ascension and East Baton Rouge

	Net New Jobs	Job Growth	Pop. Growth	Comments
<b>Ascension</b>	1,472	2.9%	1.4%	Construction is projected to grow by almost three times the amount of the next industry (524 versus 193)
<b>East Baton Rouge</b>	2,405	1.9%	-0.2%	Construction and Health Care & Social Assistance are both projected to grow significantly in 2020
<b>East Feliciana</b>	88	1.5%	-0.5%	No industry is projected to grow or decrease by more than 20 jobs
<b>Iberville</b>	464	2.6%	-0.2%	Construction projected to account for over half of total job growth
<b>Livingston</b>	909	2.7%	0.7%	Four different industries are projected to grow by more than 100 jobs
<b>Pointe Coupee</b>	128	2.1%	-0.3%	Utilities lead the way in both job growth and earnings per worker
<b>St. Helena</b>	38	1.9%	-0.6%	No industry is projected to grow by more than 6 jobs
<b>West Baton Rouge</b>	165	1.2%	0.9%	Retail, Manufacturing, Accommodation & Food Services will account for 62% of job growth
<b>West Feliciana</b>	114	1.9%	0.1%	Utilities will grow by more than 40 jobs while Government will decrease by roughly the same number

# Louisiana MSA Scorecard

The Baton Rouge Area has the best median household income across the state and is a top performer for other economic indicators

	Baton Rouge	New Orleans – Metairie	Hammond	Lafayette	Shreveport – Bossier City	Monroe	Lake Charles	Houma – Thibodaux	Alexandria
<b>Median Household Income (2017)</b>	\$55,329	\$50,154	\$45,901	\$49,514	\$42,572	\$39,904	\$48,481	\$50,013	\$42,275
Rank	1	2	6	4	7	9	5	3	8
<b>2013-2017 Pop. Growth %</b>	2.46%	4.20%	5.04%	3.52%	0.14%	0.99%	2.62%	1.23%	0.15%
Rank	5	2	1	3	9	7	4	6	8
<b>Ed. Attainment % (some college+) (2017)</b>	55.50%	56.80%	47.10%	47.30%	52.20%	50.20%	51.40%	38.10%	45.80%
Rank	2	1	7	6	3	5	4	9	8
<b>Number of Net New Establishments (2016)</b>	274	475	53	-178	-41	42	97	-70	-29
Rank	2	1	4	9	7	5	3	8	6
<b>% age of Pop. Below Poverty Level (2017)</b>	16.90%	18.00%	21.90%	18.10%	21.70%	24.20%	16.50%	18.20%	19.60%
Rank	2	3	8	4	7	9	1	5	6