

The Analyst

ST. TAMMANY ECONOMIC DEVELOPMENT CORPORATION'S
ECONOMIC RESEARCH PUBLICATION

*Q1 2025 Economic
Trends Report*

Introduction

Welcome to St. Tammany Economic Development Corporation's (St. Tammany EDC)'s 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. This publication is a product of *The AnalyST*, St. Tammany EDC's economic research publication suite. Tracking and understanding economic trends are important exercises for economic developers, public officials, business professionals, and the general citizenry that empowers us to make informed decisions to help our community prosper.

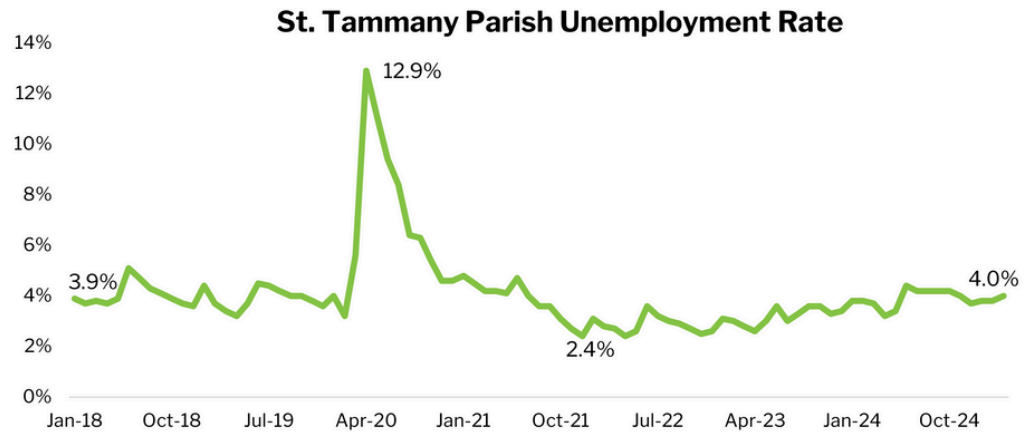
This report covers data made available by the first quarter of 2025. Data for St. Tammany Parish is compared with the Greater New Orleans region, the state of Louisiana, and the nation. Throughout this report, the Greater New Orleans region is measured using the New Orleans-Metairie-Hammond, LA-MS combined statistical area. This includes the newly created Slidell-Mandeville-Covington, LA metropolitan statistical area (MSA), New Orleans MSA, and Bogalusa micropolitan statistical area. Previous versions of this report used the former New Orleans MSA that included St. Tammany Parish. St. Tammany Parish was removed from this MSA in 2023 to create the Slidell-Mandeville-Covington MSA by the Office of Management and Budget.

Through our publication of this and future quarterly economic trends reports, and other products of *The AnalyST*, St. Tammany EDC 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.



Unemployment

The graph to the right shows the historical unemployment rate in St. Tammany Parish from January 2018 to March 2025. In the recovery from the COVID-19 pandemic, the parish experienced historic lows of 2.4 percent unemployment in December 2021. Unemployment has slowly risen back on par with pre-pandemic levels. **In June of 2024, unemployment rose to 4.4 percent, but the rate has leveled off around 4 percent in recent months.**

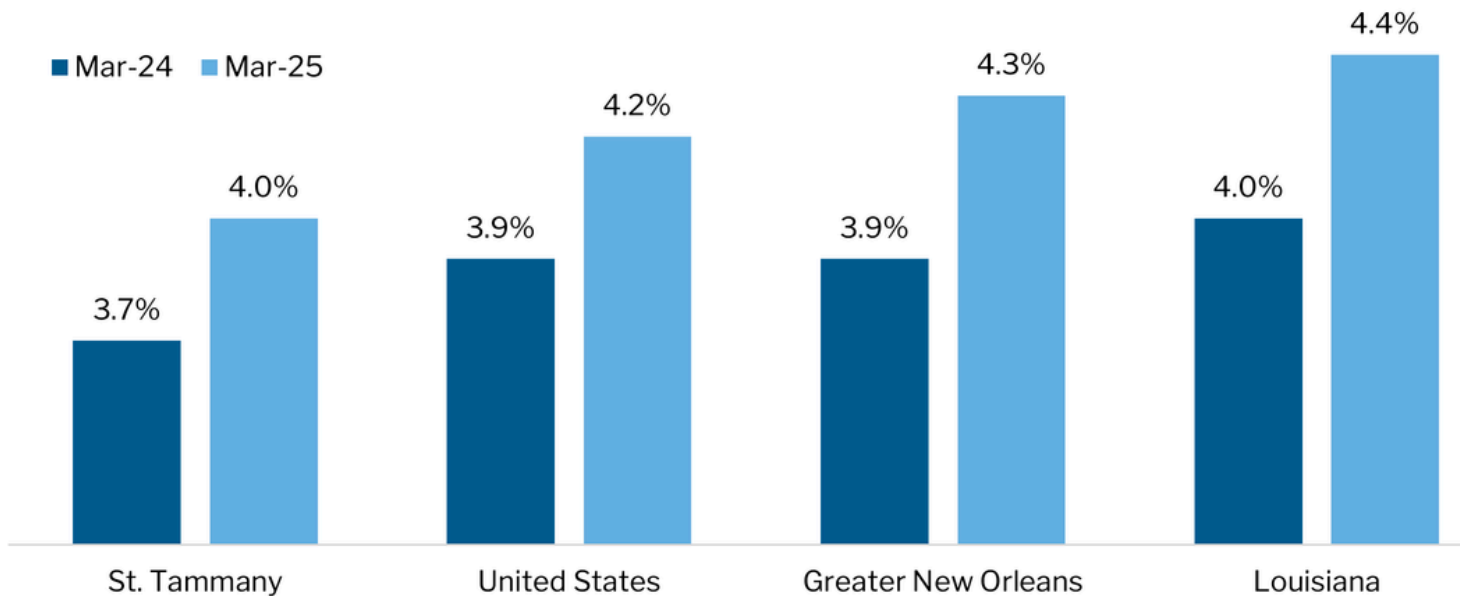


The parish's March 2025 unemployment rate was 0.3 percentage points higher than the previous year.

St. Tammany Parish continues to have lower rates of unemployment than the Greater New Orleans metro, state, and national averages **indicating a tighter labor market** in St. Tammany Parish.

While the unemployment rate has slowly been trending upward in the last two years, the parish's unemployment rate still falls within the natural rate of unemployment, between 3.5 and 4.5 percent. **The uptick in unemployment levels over the last year is part of a larger trend in the national economy.**

Unemployment Rates by Area



Labor Force

The labor force is defined as the number of working-age people who are either employed or actively seeking employment. **In March 2025, the Bureau of Labor Statistics measured 129,580 St. Tammany residents participating in the labor force.**

On April 18, 2025, the BLS released revised labor force data for January 2016 to December 2024. Previous reports had shown the parish's labor force had not recovered to pre-pandemic levels. **However, with the revised data, the parish's labor force is about 6,650 larger than it was in March 2020.**

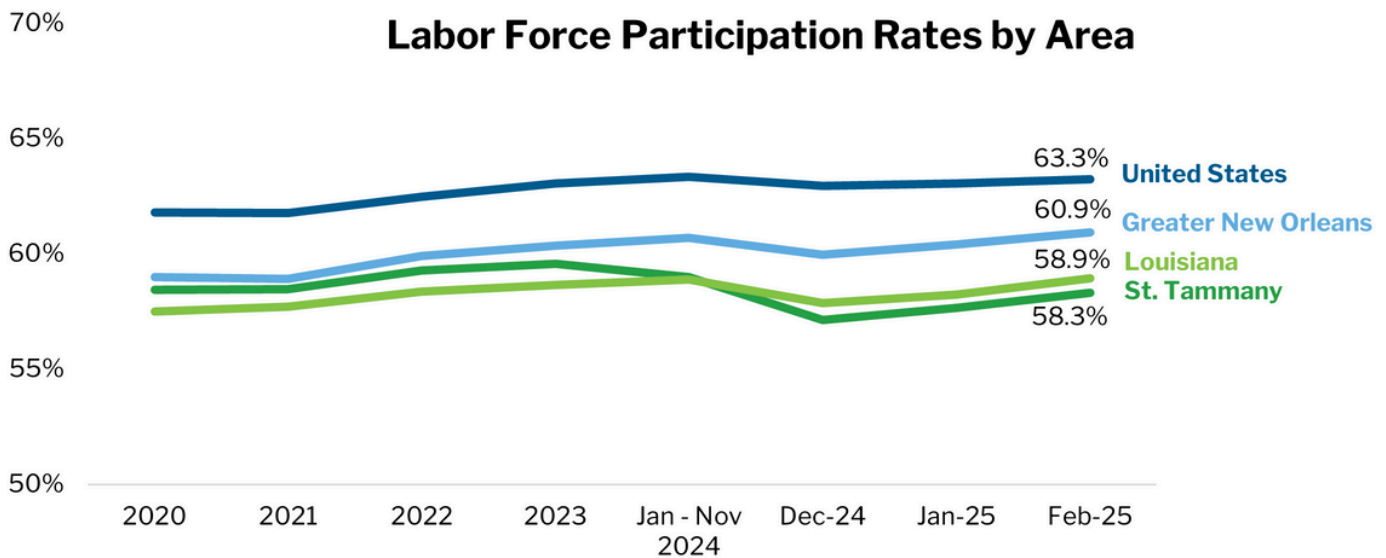
St. Tammany Parish Labor Force



Gains in the parish's labor force have been modest in the last two years as the economy slowed down after increased inflation and higher interest rates.

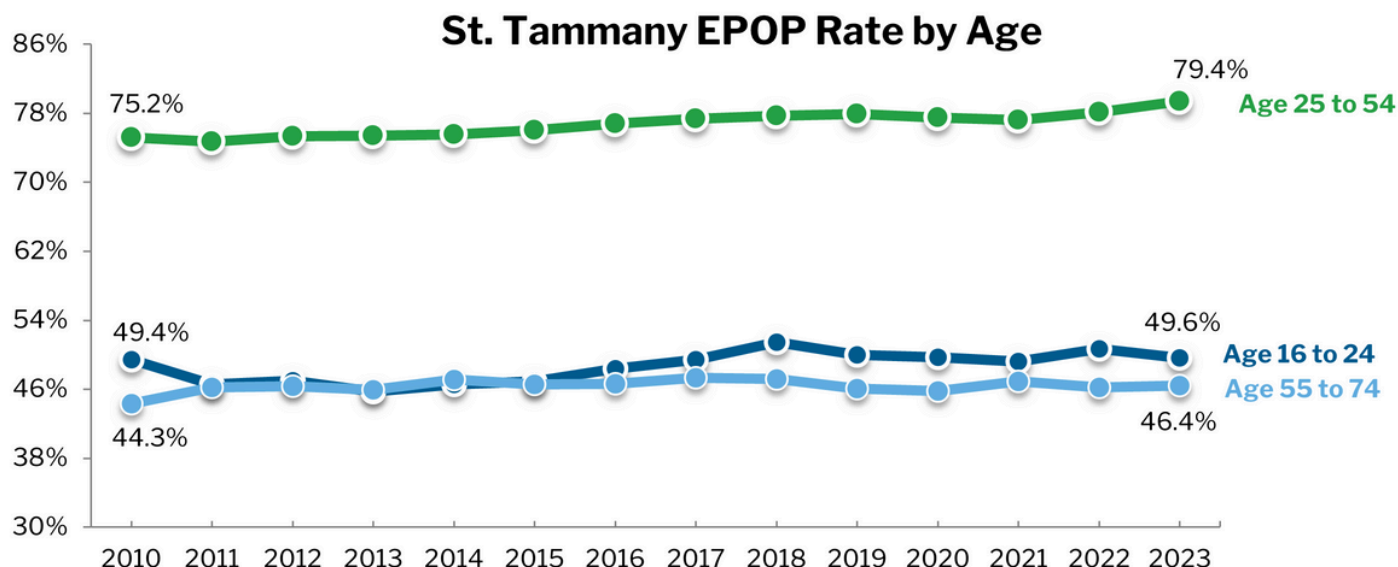
The stagnation of St. Tammany's labor force growth could be a result of less residents participating. The working-age population in the labor force (labor force participation rate) for the parish was 58.3 percent in Feb 2025. This value was lower than the regional, state, and national averages. **Encouragingly, labor force participation rates increased across each of these areas in January and February of 2025.**

Labor Force Participation Rates by Area



Employment to Population Ratio

The employment-to-population ratio (EPOP) is a useful measurement for evaluating economic participation of demographic groups. EPOP is a comprehensive assessment of the population that is actively employed. If labor force participation rates are high and unemployment rates are low, then the EPOP value will be high.



EPOP data for smaller geographic regions is only available through the US Census Bureau, which is updated annually. To better understand lack of growth in the labor force in St. Tammany Parish the EPOP by age group was evaluated. **The EPOP data for prime age workers, those age 25 to 54, has risen about 4 percentage points from 2010 to 2023. However, employment levels for younger and older workers have not experienced significant growth during the same timeframe and remain under 50 percent.**

When the EPOP is broken out by educational attainment there is also a clear trend. **St. Tammany residents with higher education levels are more likely to be employed. In 2023, there was a 14.5 percentage point difference in EPOP between those with a bachelor's degree or higher and those that had only finished high school.**

St. Tammany EPOP Rate by Educational Attainment, 2023



Note: Only the population age 25 to 64 was considered in the calculation for each gender group

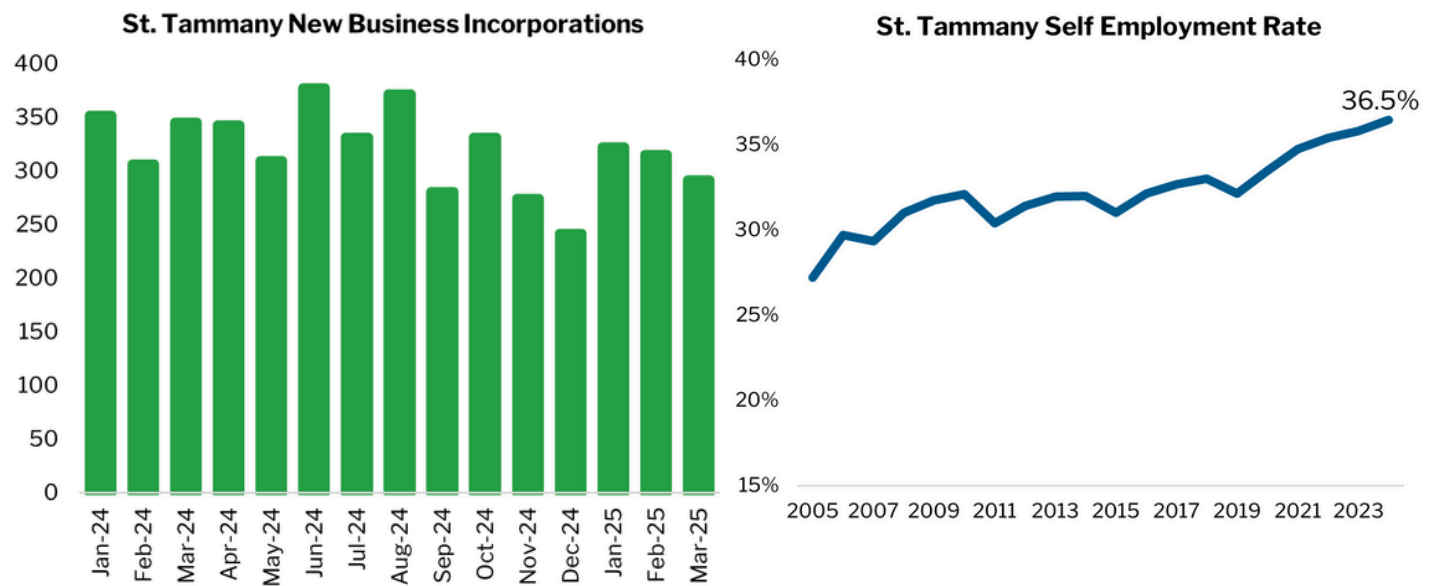


New Business Incorporations

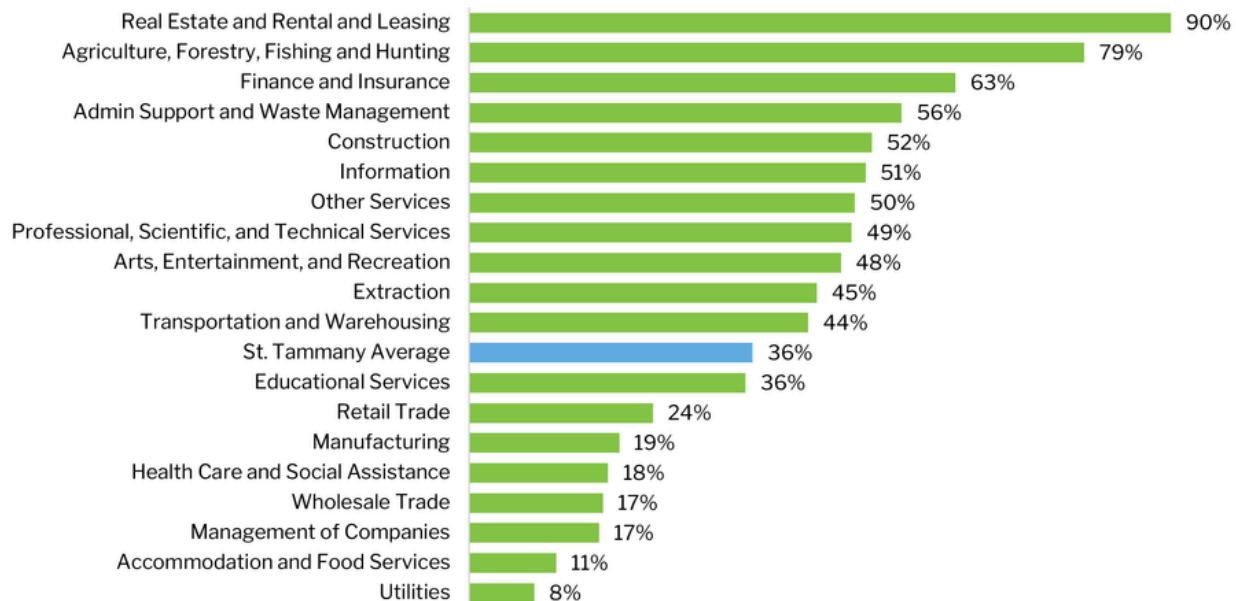
Available data shows there was an average of **62 new business incorporation filings per week in St. Tammany in the first quarter of 2025**. There were 931 total new business incorporations in Q1. This was 74 filings below the first quarter of last year.

Lightcast collects data on the number of people who filed self-employment income each year. This helps track how many people are starting their own companies or have side businesses. **In 2024, St. Tammany Parish had about 59,910 self-employed jobs. This is accounted for about 36 percent of all jobs in the parish. Self-employment in the parish has been on the rise in recent years.**

The self-employment data can also be evaluated by the associated industry. The industries with the highest levels of self-employment are real estate and agriculture. St. Tammany Parish also has high self-employment rates in finance, information, and professional services.



St. Tammany Self Employment Rate by Industry, 2024



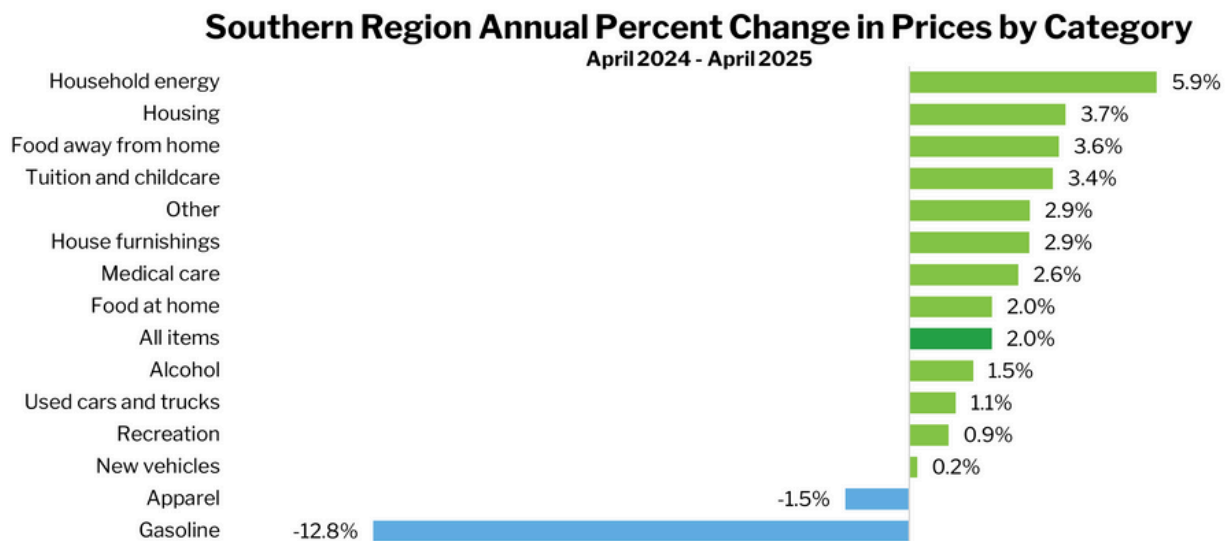
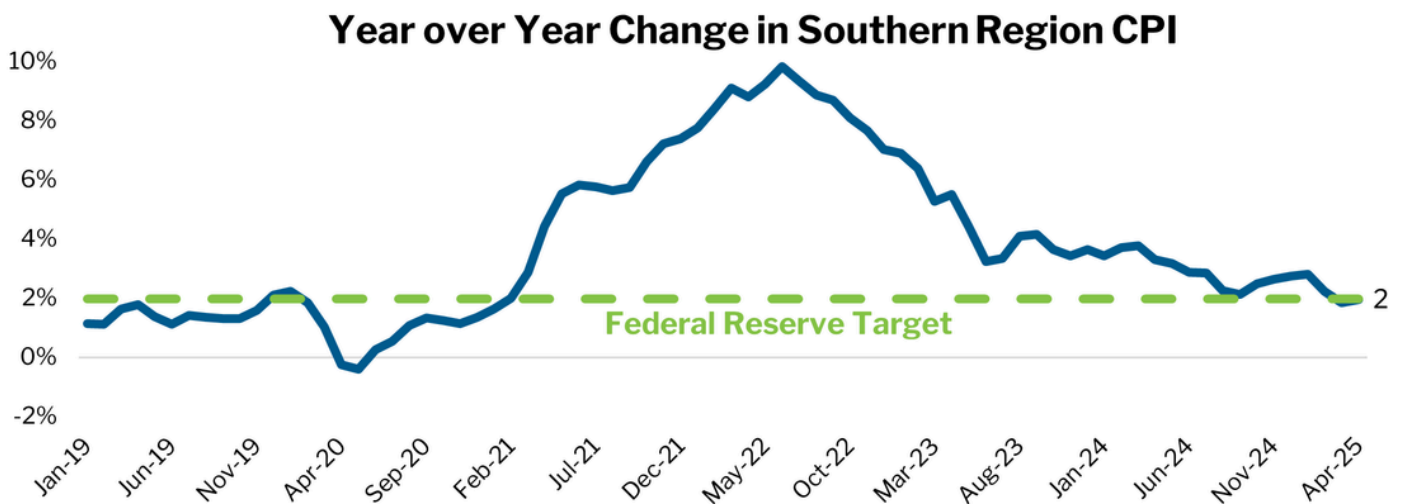
Inflation

Inflation has been a strain on the American consumer and an impediment for further economic growth in the last four years. The Consumer Price Index (CPI) is calculated by the BLS and measures inflation by averaging prices of a basket of consumer goods and services. CPI is measured regionally, and Louisiana is part of the Southern region.

For the first time since February 2021, **the Southern CPI year-over-year change rate returned to the Federal Reserve's target rate of 2 percent in March 2025.**

The change in the year-over-year rate has been buoyed by lower gasoline prices. However, a few categories continue to experience higher rates of inflation. These include products such as housing, childcare, and food away from home. These products are still suffering from a deficit in supply and labor shortages that are keeping prices high. **The jump in household energy prices could be the result of delayed inflation impact as utilities have to approve new prices through a regulatory process.**

The progress on inflation is viewed by economists as tepid in the wake of several international trade policies announcements that are set to take full effect in the summer. **Increased tariffs for imported goods could drive up costs for consumers. In March and April, the prices of new and used vehicles rose after several months of falling prices in these categories. Sales of vehicles increased with the expectation of new tariffs creating a spike in demand.**



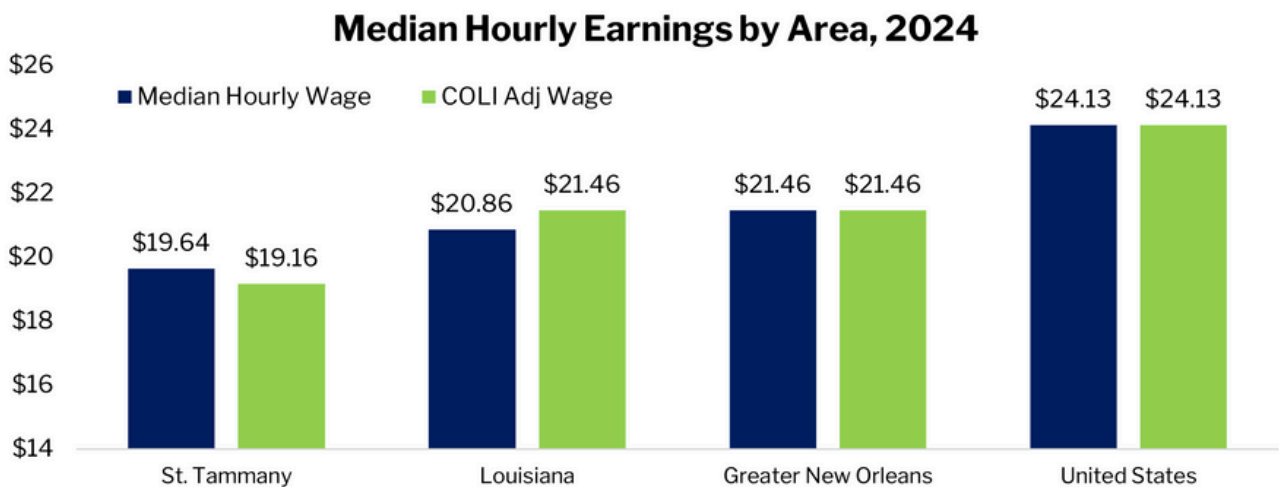
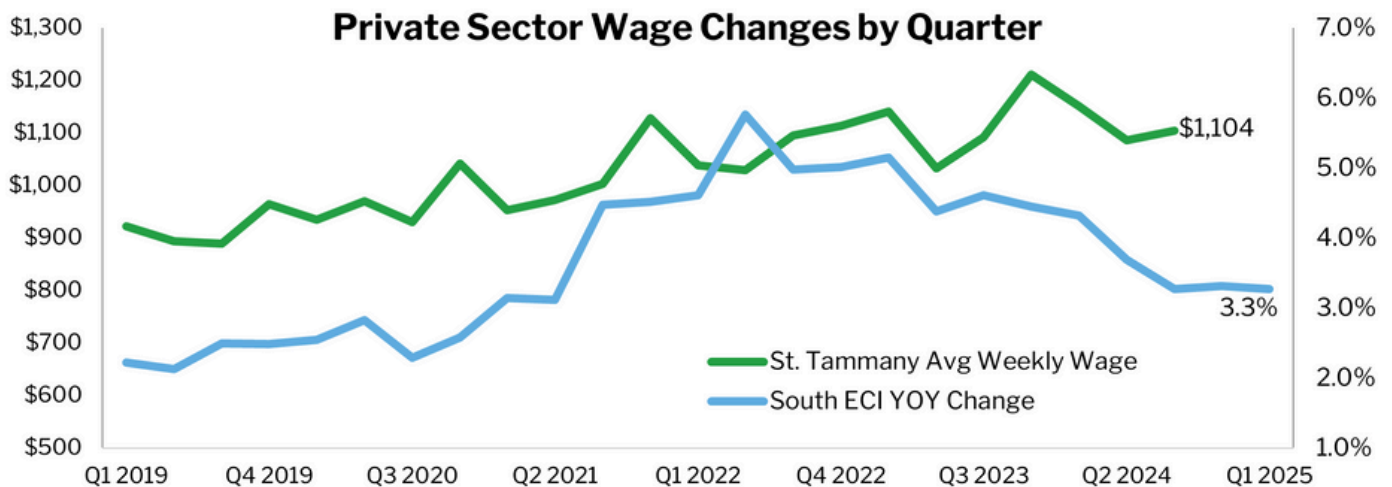
Wages

One of the many causes of persistent inflation has been the upward pressure on wages from high demand and low supply of labor in many industries particularly during the reopening of the economy after COVID-19 lockdowns. The BLS measures the change in hourly labor cost to employers over time that accounts for differences in occupation types and hours worked. This Employer Cost Index (ECI) helps examine changes in compensation over time.

The ECI for private sector workers in the Southern Region continued to renormalize. **The year-over-year (YOY) change rate has remained at 3.3 percent for the last three quarters, indicating that wage growth is not likely to be a large contributing factor to inflation.**

Increases in wages can be difficult for business with thinner margins but helpful to workers in a region who now have more money to spend. **The average weekly wage for St. Tammany's workers has continued to trend upward over time. The most recent data from Q3 of 2024 found that private sector workers in St. Tammany Parish were averaging about \$1,104 weekly in wages.** Data at the parish level is not seasonally adjusted and usually peaks in the 4th quarter of the year.

New annual earnings data for 2024 revealed that St. Tammany workers earned about \$19.64 an hour. This was lower than median earnings in the greater metro, state, and national average. When the earnings are adjusted by cost-of-living the earnings for St. Tammany are less competitive. The wage estimates reflect the industrial and occupational makeup of local jobs. As a community with many out-commuters, the jobs in the parish are more concentrated in service-oriented jobs which tend to have lower median wages.



Manufacturing Industry

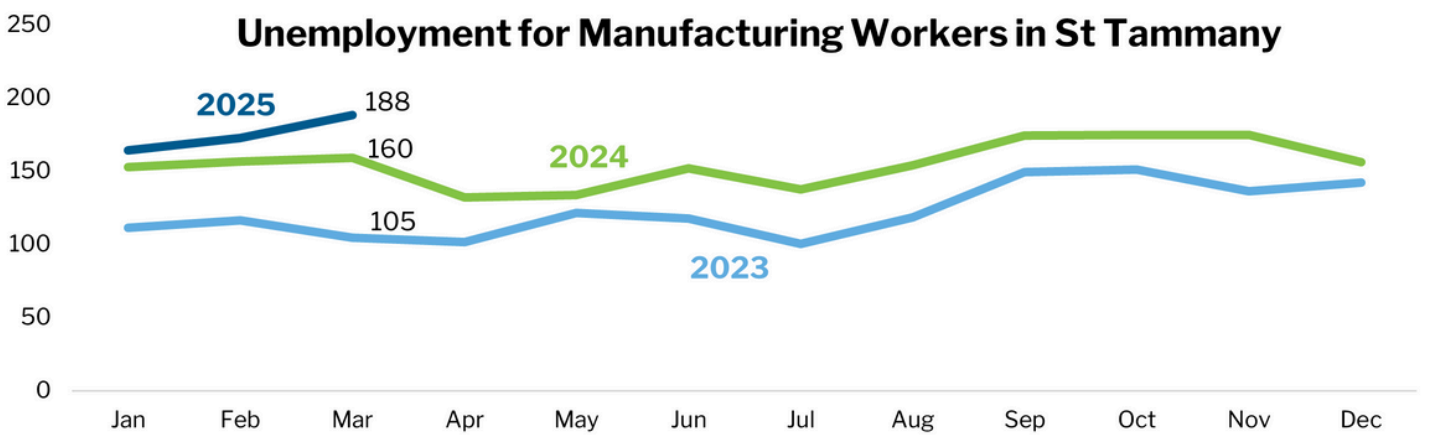
The Institute for Supply Management (ISM) produces an index of manufacturing activity based on a monthly survey of purchasing managers from more than 300 manufacturing firms across the country. The Manufacturing Purchasing Managers' Index (PMI) includes factors like business activity, new orders, employment, inventory, backlogs, international trade, and prices.

A manufacturing PMI score above 42.3 percent usually corresponds with expansion in the overall national economy. The US economy continues to maintain this threshold in manufacturing. The PMI score for manufacturing fell in each of the first four months of 2025. Many of the managers interviewed cited the instability of trade policies as the key factor contributing to a dimmer outlook



A measure of global supply chain pressure found that the supply chain index was stressed to about 4 standard deviations from the historical average at the height of the pandemic. **The index for Q1 2025 averaged less than one standard deviation below baseline, indicating less stress on the global supply chain despite potential trade policy changes.**

In St. Tammany Parish, manufacturing unemployment has risen in the first part of 2025. **In March 2025, there were 188 workers with experience in manufacturing that were out of work.** This is higher than the level in the two previous years.



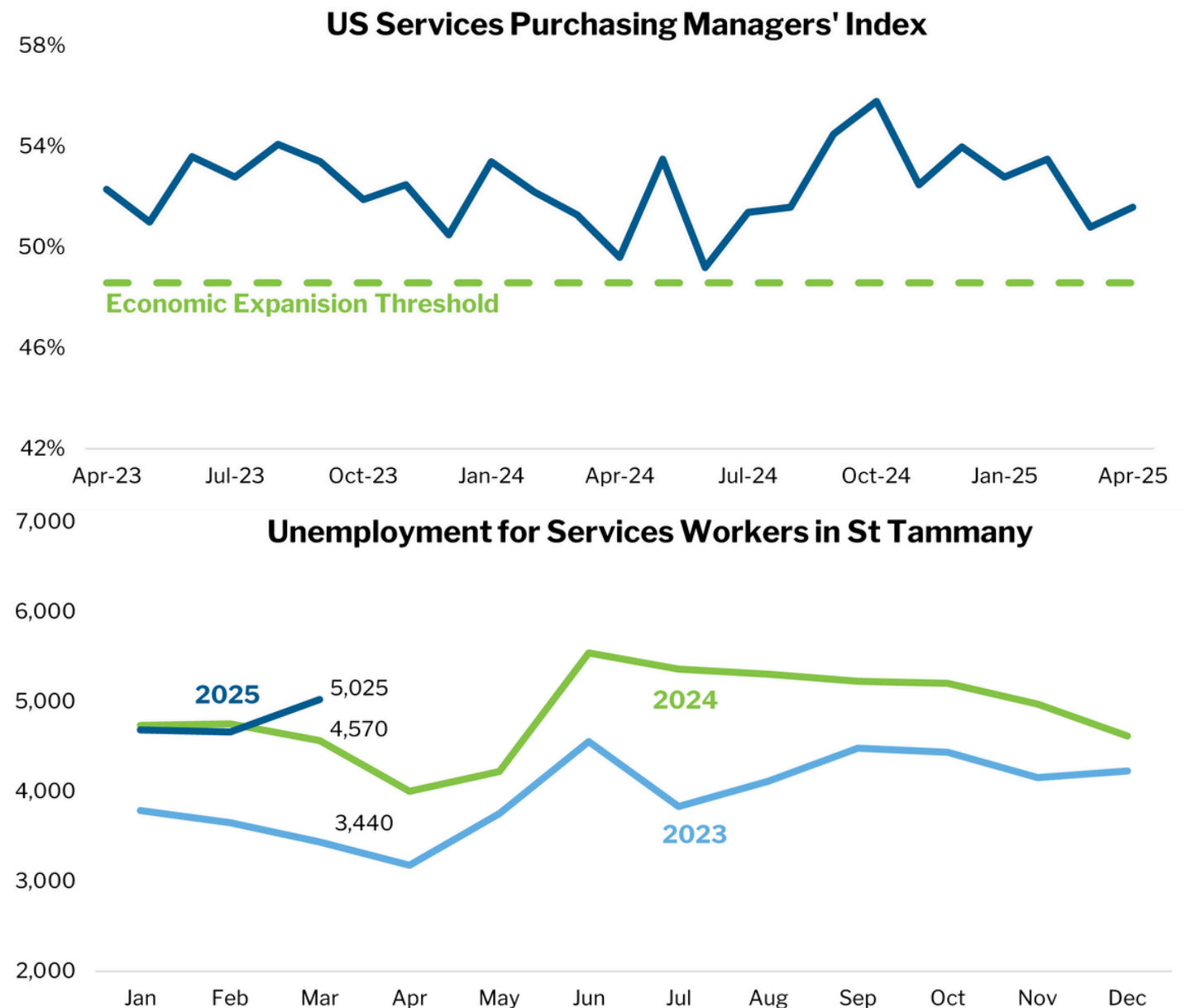
Services Industry

The ISM also produces a similar index of services industries. The ISM defines the service industry as all industries except manufacturing.

For these service industries, a PMI score above 48.6 percent usually corresponds with expansion in the overall national economy. The US economy has been maintaining this threshold despite a fair amount of month-to-month variation. The score was 51.6 percent in April 2025.

The year-over-year change rate in Services PMI from April 2024 to April 2025 was a 4 percent increase. **The services industries should be less directly affected than manufacturing from tariff policies but may be indirectly impacted by uncertainty in the economy overall.**

Unemployment in the services industries St. Tammany Parish rose from February 2025 to March 2025. In recent years, unemployment has typically fallen in March. **This could indicate some stress in the services industries in the parish and future reports will determine if this trend continues.**



Building Permits

Tracking the values and volumes of building permits is helpful in assessing the rate of the community's growth. When the number and value of building permits increases this indicates a competitive market. New building can help offset the rising cost of housing in a region.

The number of new private sector housing units permitted in St. Tammany Parish was 293 in Q1 of 2025. This was just 8 units lower than the first quarter of 2024. The average value of the units was more than \$14,000 lower than the previous year.

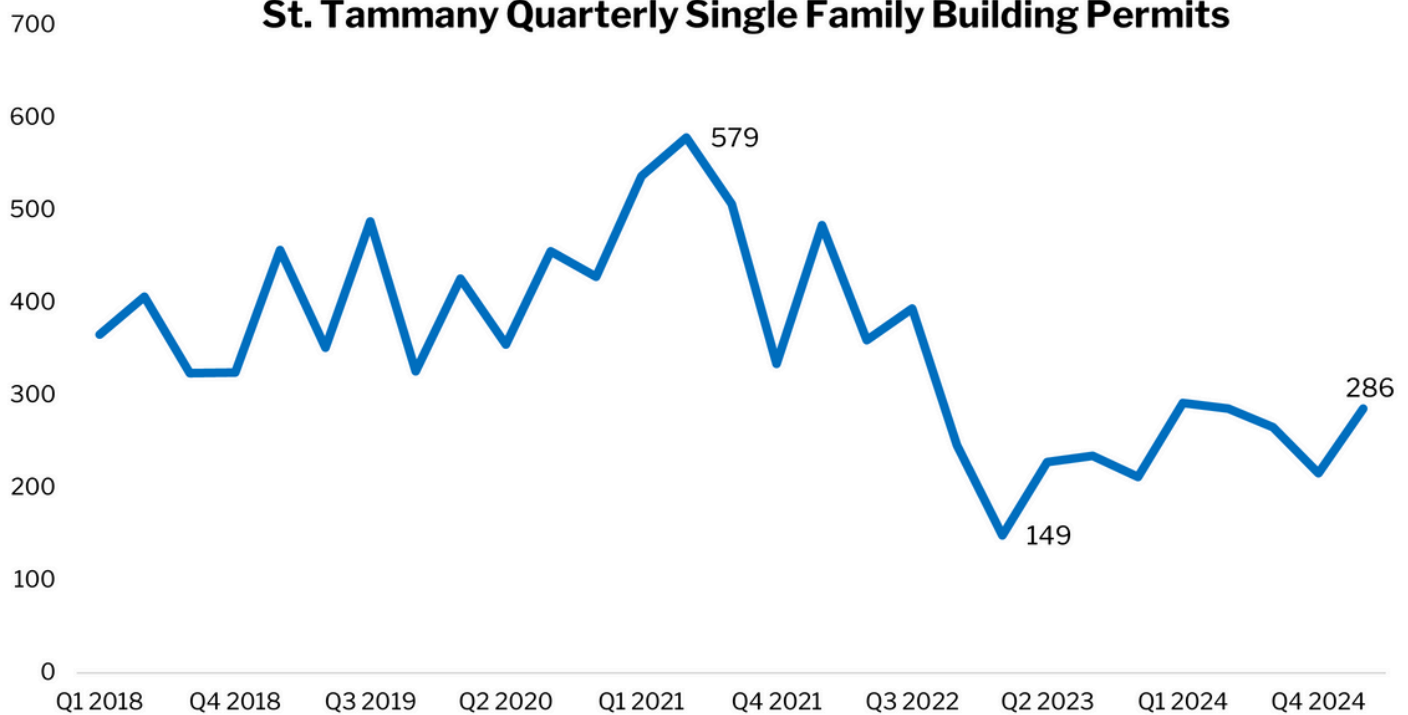
Almost all the new units were single family permits. Only seven of the total units were multifamily.

The number of units permitted in the parish fell in the wake of higher interest rates dampening investment in new construction. **The data indicates that the local construction market has rebounded past the low point in Q1 2023 and is stabilizing at levels below pre-pandemic levels.** A lack of new supply has been a significant contributor to the rise in housing prices in recent years.

St. Tammany Parish New Private Sector Housing Permits

| Month | Value | Units | Average |
|----------------|--------------|-------|-----------|
| Jan-25 | \$27,922,000 | 91 | \$306,800 |
| Feb-25 | \$31,628,000 | 114 | \$277,400 |
| Mar-25 | \$27,378,000 | 88 | \$311,100 |
| Q1 2025 Totals | \$86,928,000 | 293 | \$296,700 |

St. Tammany Quarterly Single Family Building Permits



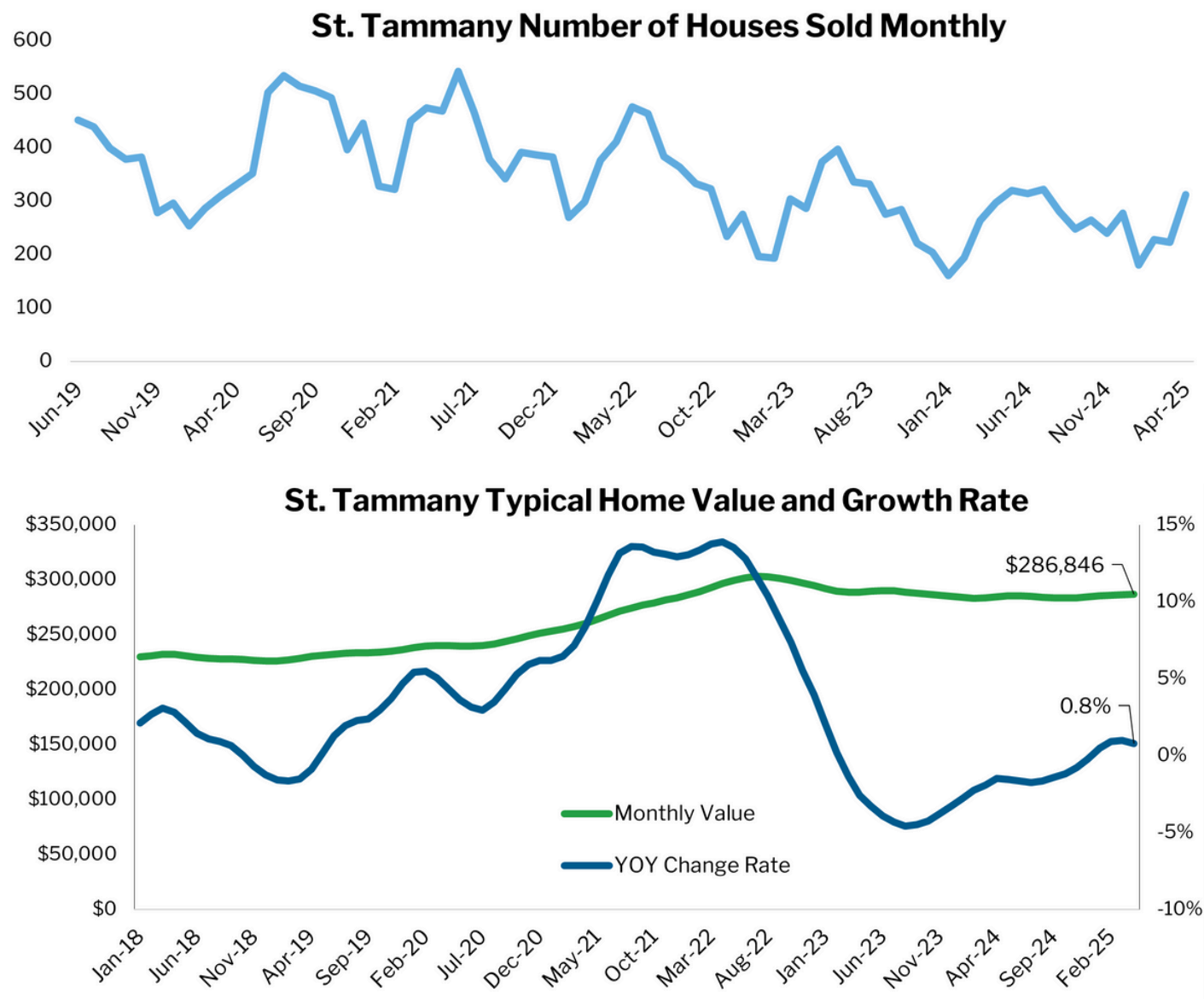
Residential Real Estate Market

In April 2025, 312 sales closed on residential properties in St. Tammany Parish. This was a 5.1 percent increase from the previous year. The year over year change was also positive for January and February but dipped in March. **The inventory of homes for sale increased in the last year from 1,352 properties to 1,552, a 15 percent increase.**

The **average number of days on the market** in the parish has also **risen from 62 days to 68 days** from April 2024 to April 2025.

Zillow develops their typical home value data based on all homes in a region, not just recent sales, to determine the value for a home within the 65th and 95th percentile range in each region. **This value for St. Tammany was \$286,850 for April 2025. This is more than \$80,000 lower than the national average giving the parish an edge as an affordable place to live.**

The year over year change for typical home value increased in the parish by 0.8 percent. After the large jump in prices in 2021 there was a recalibration period. Now, it appears home values are starting to increase their value at a more sustainable pace.



Retail Sales Tax

The graph below shows the total amount of sales tax collected within the parish from January 2018 through the end of March 2025. This provides insight into consumer spending in the parish and the amount of sales tax revenue that will be available for the local government. St. Tammany Parish will collect about half of these total amounts while the other half goes to the state and municipalities.

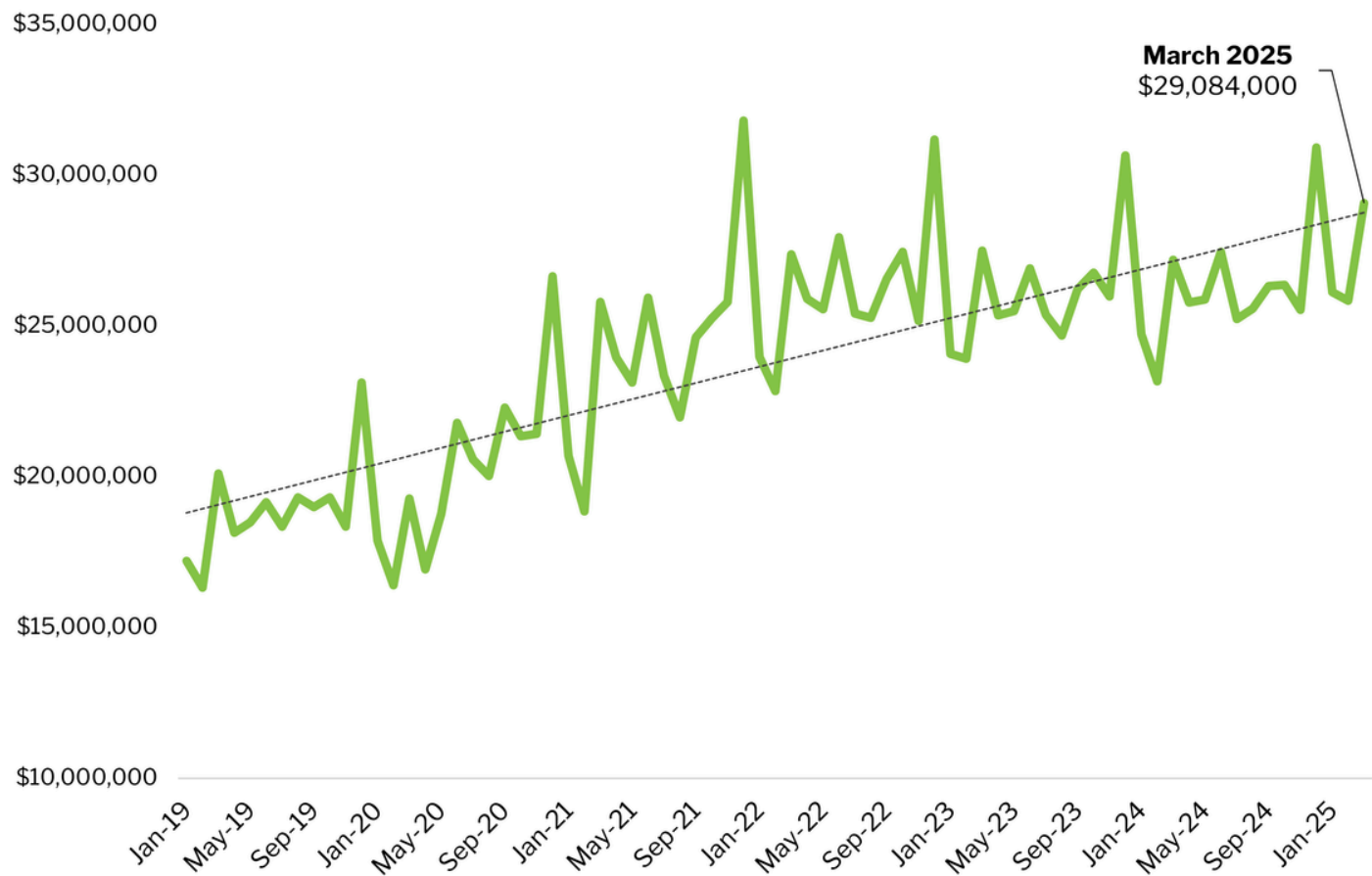
Retail sales tax collections peaked in December 2021 at \$31.8 million as the economy was reopening after COVID-19 and interest rates were still low. **The data suggests that as inflation increased, the economy tightened, and that regional spending flattened but did not decline dramatically.**

The latest retail sales tax collections from March 2025 were \$29.1 million. **This was a 6.9 percent increase from the level in March 2024. The totals from the first quarter of 2025 were almost \$6 million higher than the previous year.**

The increase in revenue in the first quarter of 2025 is likely because of an increase in the state sales tax level from 4 to 5 percent that took effect at the beginning of the year. Future tax collections data will continue to reveal any impact these changes have on tax collections.

Retail sales in the first quarter may also be higher from consumers purchasing more imported goods before tariffs were expected to go into effect.

St. Tammany Parish Monthly Retail Sales Tax Collections



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Key Takeaways

- Many of the economic indicators of the first quarter were positive for St. Tammany Parish and the national economy. **However, measures that polled managers revealed insecurity about the future, particularly over the impact of international trade policy changes.**
- **Revised data from the BLS revealed the labor force of St. Tammany Parish had increased to higher levels than previous estimates.** A robust labor force helps existing and potential employers find staff for their operations.
- Unemployment in both the services and manufacturing industries increased slightly in the parish in 2025. However, overall, **the unemployment rate remains below full employment and lower than the metro, state, and national averages.**
- Labor force participation rates in St. Tammany Parish are still below the regional, state, and national averages. **Demographic data suggests that participation is lower among younger and older workers. Those without a bachelor's degree or higher are also less likely to be employed.**
- Inflation finally reached the two percent year-over-year target in the Southern region after multiple years. The Federal Reserve is waiting to make any changes to interest rates as the impact of tariffs on pricing is not yet known. **The data suggests prices already rising on new and used vehicles. The capital and the real estate markets will likely continue to lag until interest rates are lowered further.**
- Wage growth rates in the region are stabilizing at a year-over-year rate of 3.3 percent. **This new normal is still higher than pre-pandemic levels and likely a reflection of the difficulties in finding labor.** The wage contribution to inflation is unlikely to be a major factor in the coming months.
- The housing market in St. Tammany Parish is stable and homes are increasing value at sustainable rates. Building permits are slowly increasing but remain lower compared to historical levels. **Continuing to build housing supply can help the area remain an affordable option for existing and potential workers.**
- Parish retail sales tax collections had a strong first quarter performance, about \$6 million higher than the previous year. **The increase could be due in part to an increase sales tax rate or consumers purchasing imported goods before tariffs were implemented.**



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