

The Analyst

ST. TAMMANY ECONOMIC DEVELOPMENT CORPORATION'S
ECONOMIC RESEARCH PUBLICATION

Q2 2025 Economic Trends Report

Introduction

Welcome to St. Tammany Economic Development Corporation'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 Economic Development Corporation's economic research publication suite. 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 data made available by the second 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. This change allows for more precise tracking of St. Tammany-specific economic activity, which was previously blended into the larger New Orleans MSA.

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



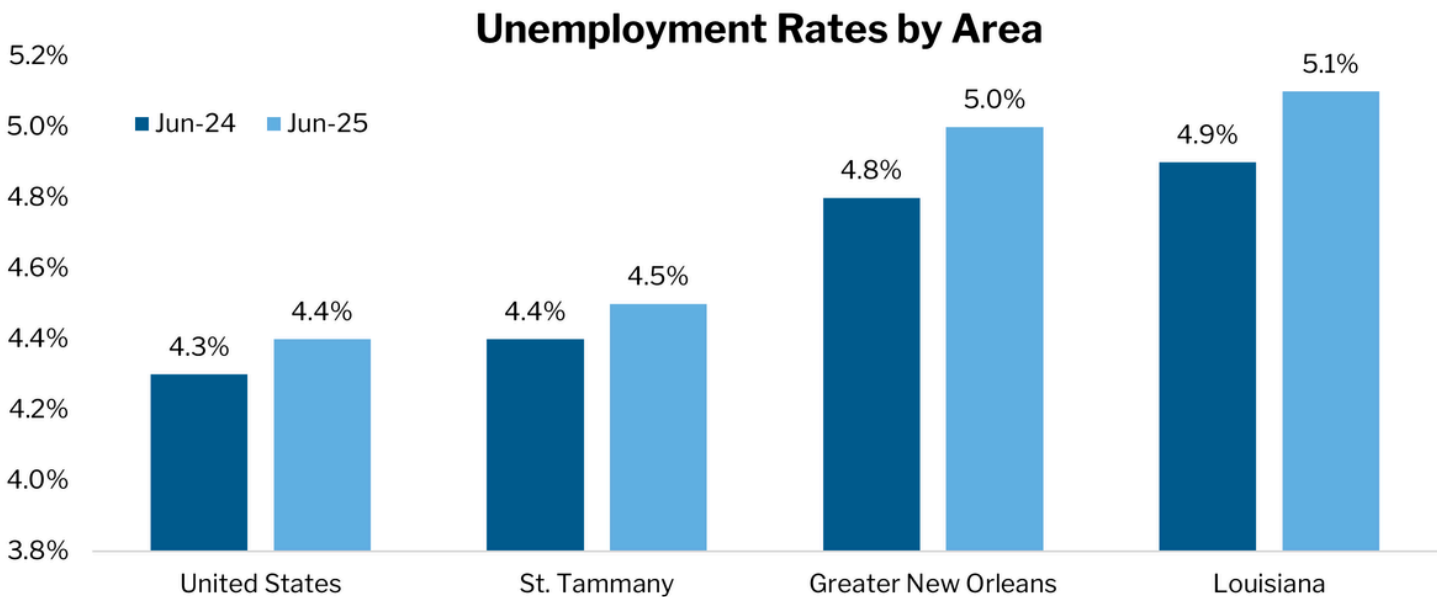
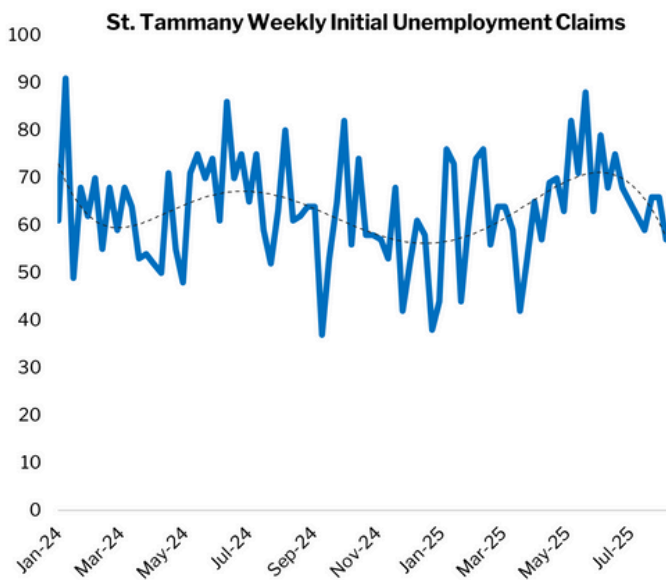
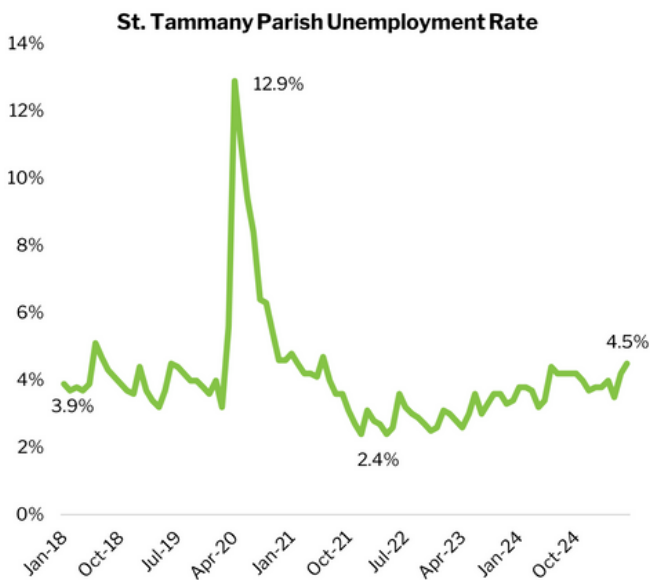
Unemployment

In June 2025, the unemployment rate rose to 4.5 percent. **This is the highest rate experienced in St. Tammany Parish in the post-pandemic era.**

The parish’s June 2025 unemployment rate was only 0.1 percentage points higher than the previous June. The unemployment data for parishes is not seasonally adjusted, and **June tends to have higher rates compared to other months historically.**

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

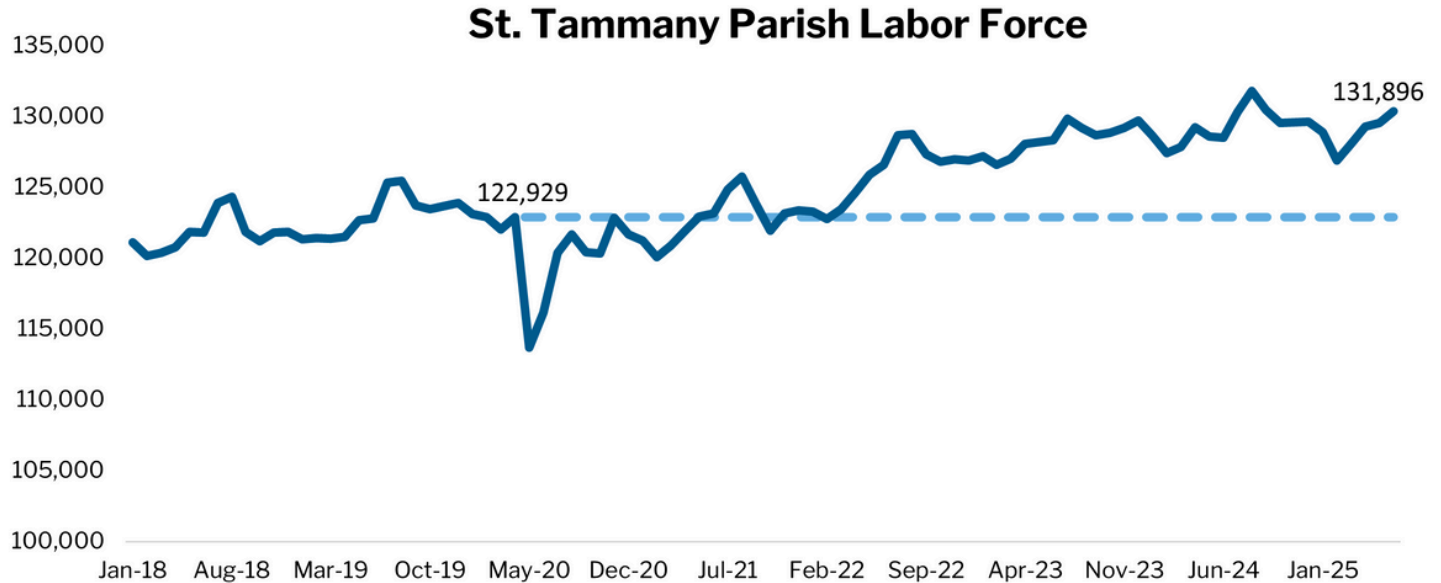
The data for weekly new unemployment insurance claims for the Parish indicate there was a small uptick in job losses in May and June. Data for July and August are coming in at lower levels. **This indicates the unemployment rate should trend down in future monthly reports, consistent with historical seasonality.**



Labor Force

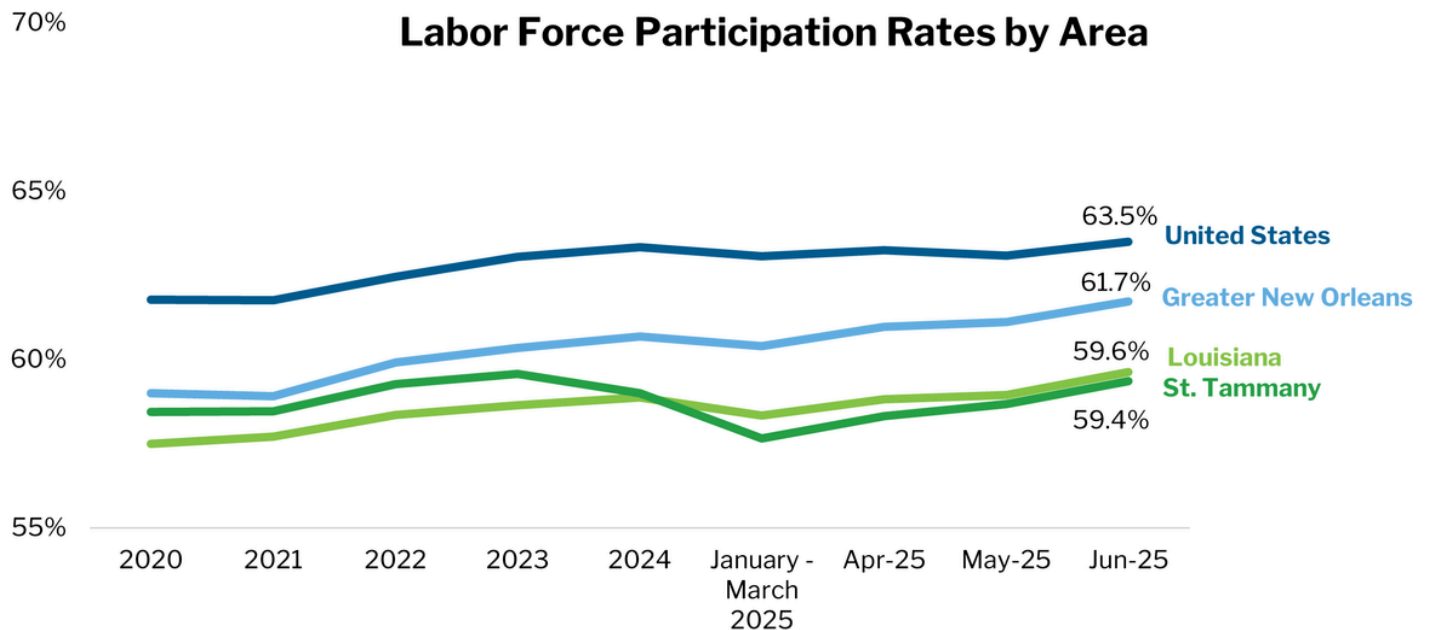
The labor force is defined as the number of working-age people who are either employed or actively seeking employment. **In June 2025, the Bureau of Labor Statistics measured 131,896 St. Tammany residents participating in the labor force.**

Compared to the previous June, **there are about 1,530 more people in St. Tammany's labor force.**



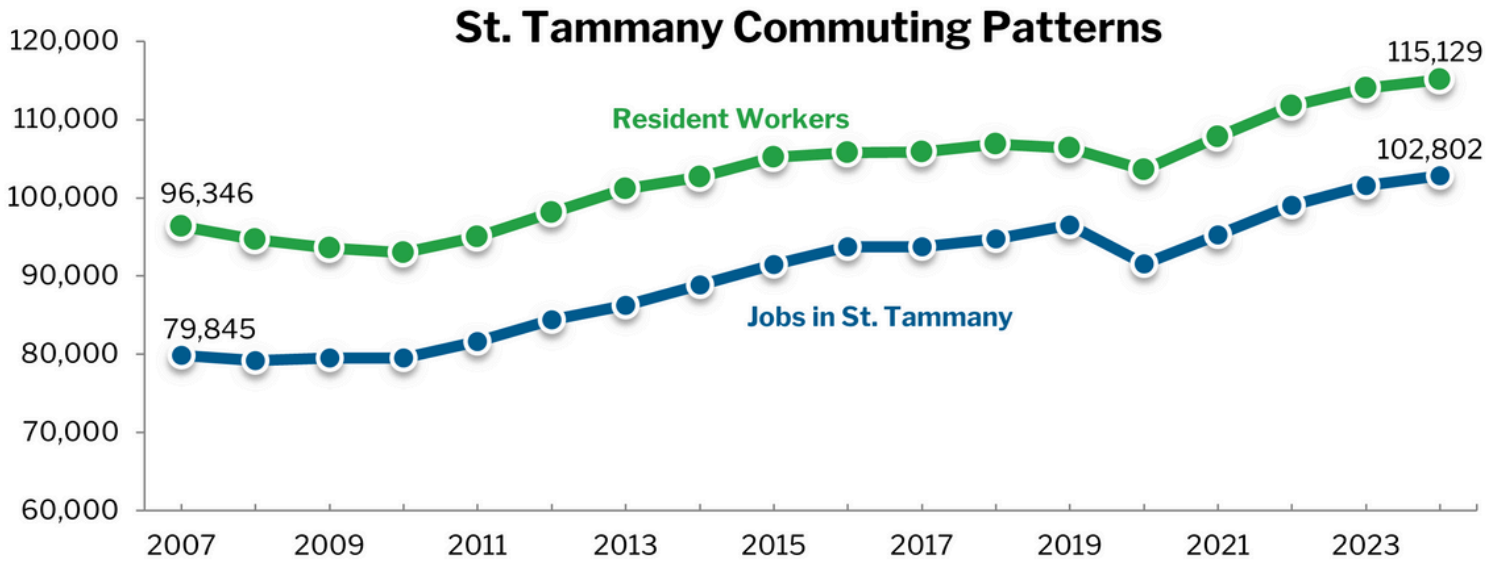
Gains in the parish's labor force have been modest in the last two years as the economy slowed down after increased inflation and higher interest rates.

St. Tammany Parish has had lower labor force participation rates than the Greater New Orleans area and the national average. **Encouragingly, the labor force participation rate in the parish has increased from a low of 57.7 percent in January-March 2025 to 59.4 percent.** Increasing the participation rate of existing residents can help expand the labor pool for local employers.



Commuting Patterns

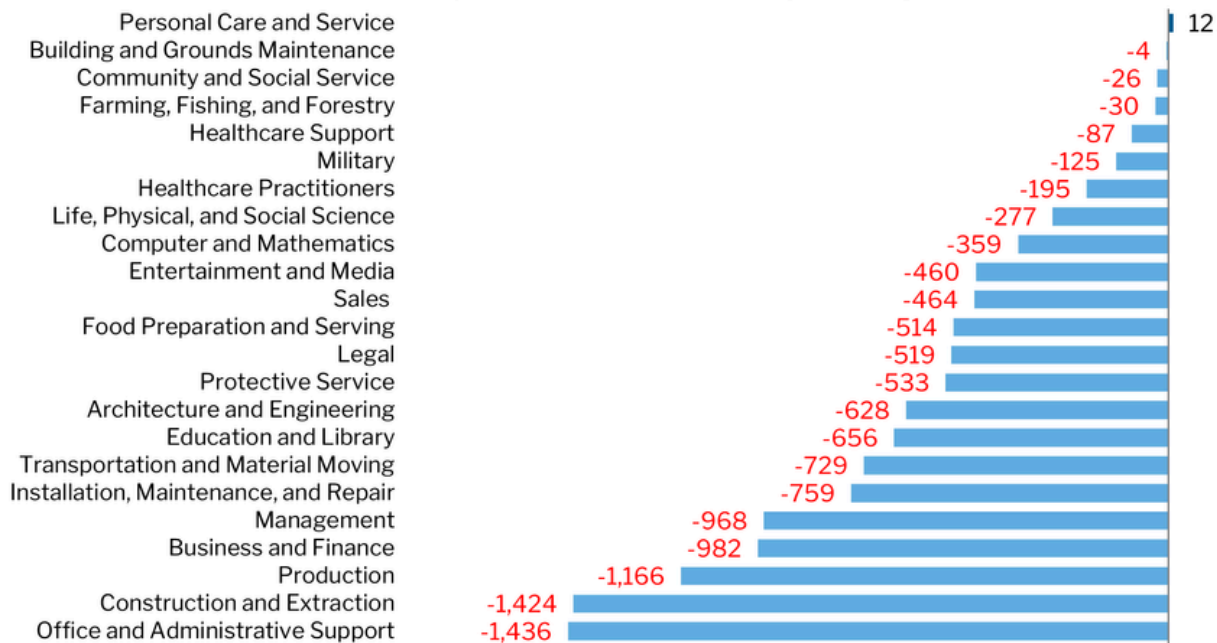
St. Tammany Parish has traditionally had a large number of residents who commute to other areas, particularly the New Orleans metro, for their jobs. Looking at the difference between the number of workers who reside in the parish compared to the number of jobs located within St. Tammany can provide context on commuting patterns.



Over time the gap between resident workers and St. Tammany jobs has shrunk. As the number of jobs in the parish expanded, the data suggests some local residents took advantage of the opportunity to have a shorter commute.

The number of net commuters varies by occupation type. For personal care and service jobs, there are more jobs in the parish than resident workers. **This means St. Tammany is importing talent to meet workforce demands.** The other occupations show an outflow of talent. The biggest outflows of talent are in office administration, production, and construction workers.

St. Tammany Net Commuters by Occupation, 2024



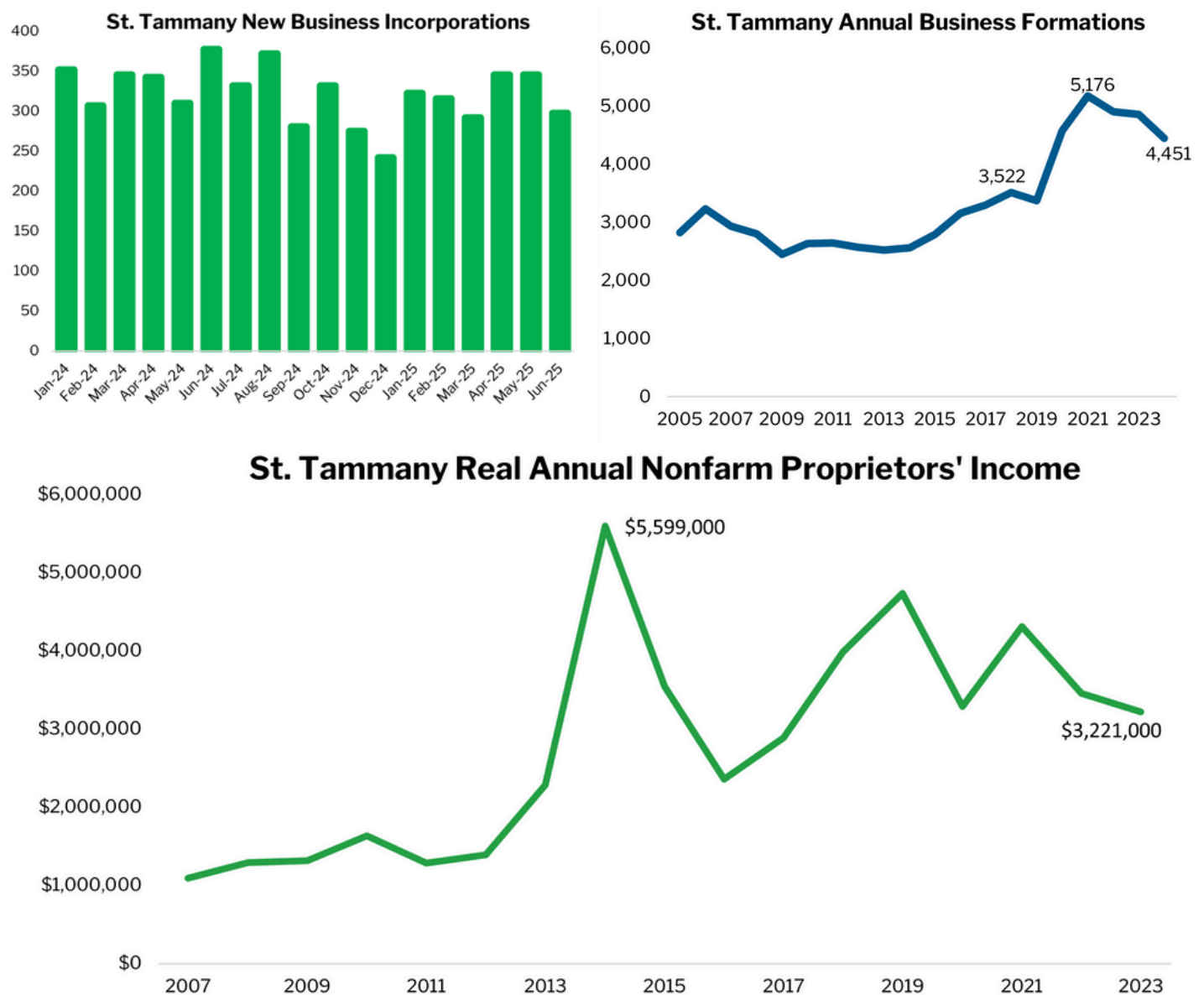
New Business Incorporations

Available data shows there was an average of 66 new business incorporation filings per week in St. Tammany in the second quarter of 2025. There were 990 total new business incorporations in Q2. This was 41 filings below the first quarter of last year.

The US Census Bureau collects annual data on the number of applications for Employer Identification Number (EIN). This helps track new companies that are likely to have a payroll. **New business formations peaked at 5,176 in 2021, in the three years since the number of annual formations has declined slightly but remains above pre-pandemic levels.**

Formations fell by over 400 from 2023 to 2024, the biggest annual decline in the available data. This data might be signaling a shift back to lower levels of entrepreneurship.

While the total number of new companies is rising in the parish, the total income earned by proprietors has not experienced a significant bump. This suggests that many of the new businesses are lower revenue firms.



Inflation

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. Inflation held steady at 2 percent for April and May. The most recent data for June and July shows a small uptick to 2.3 percent.

The change in the year-over-year rate has been buoyed by lower gasoline prices. However, **many categories continue to experience rates of inflation above 2 percent. These include products such as housing and food away from home.** These products are still suffering from a deficit in supply and labor shortages that are keeping prices high. The inflation rate for tuition and childcare has come down in recent months. **The jump in household energy prices is theorized to be rising due to increased demand from data centers.**

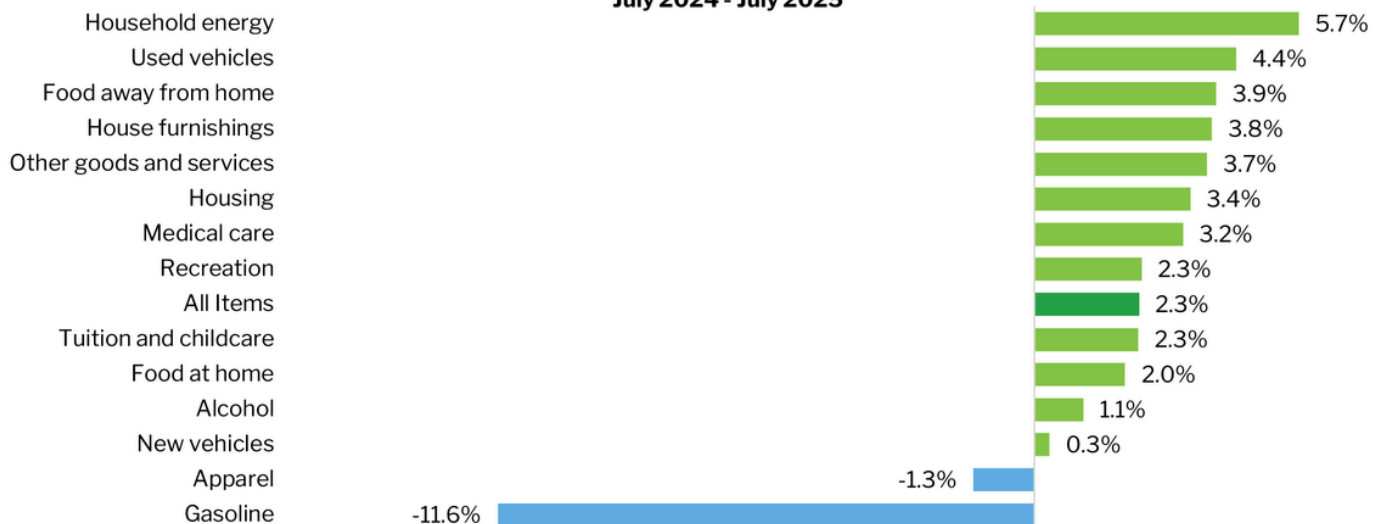
The federal administration has placed tariffs on several US trading partners in recent months. Increased tariffs for imported goods could drive up costs for consumers. Many of these tariffs only just took effect at the writing of this report. The initial tariffs levied on products from China, Canada, and Mexico that were implemented in March may be playing a role in the increase in house furnishings.

Year over Year Change in Southern Region CPI



Southern Region Annual Percent Change in Prices by Category

July 2024 - July 2025



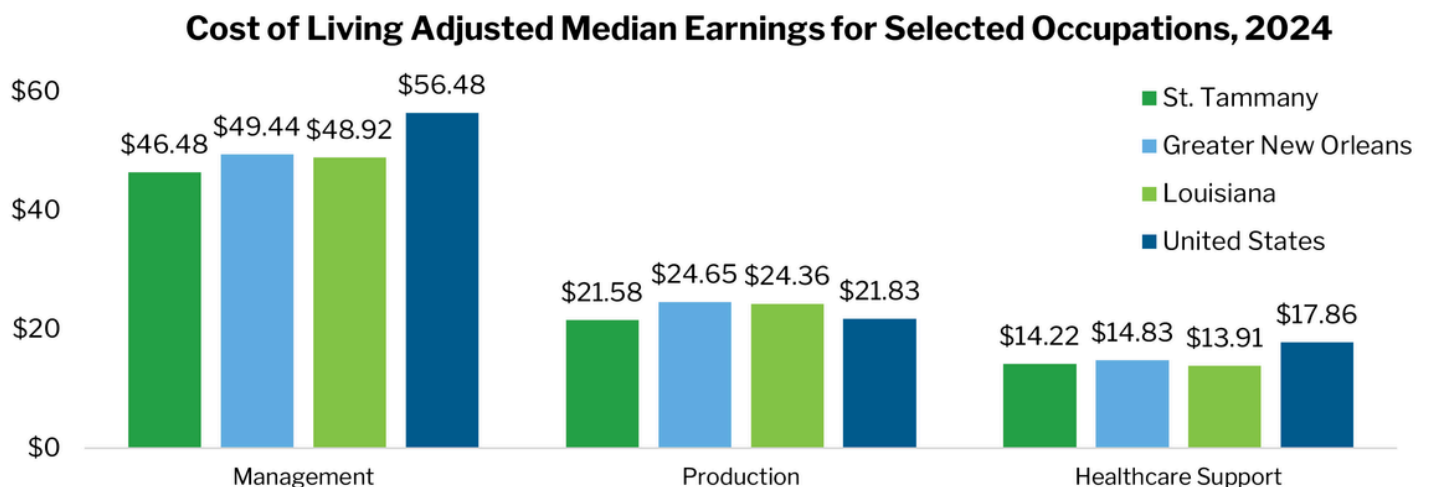
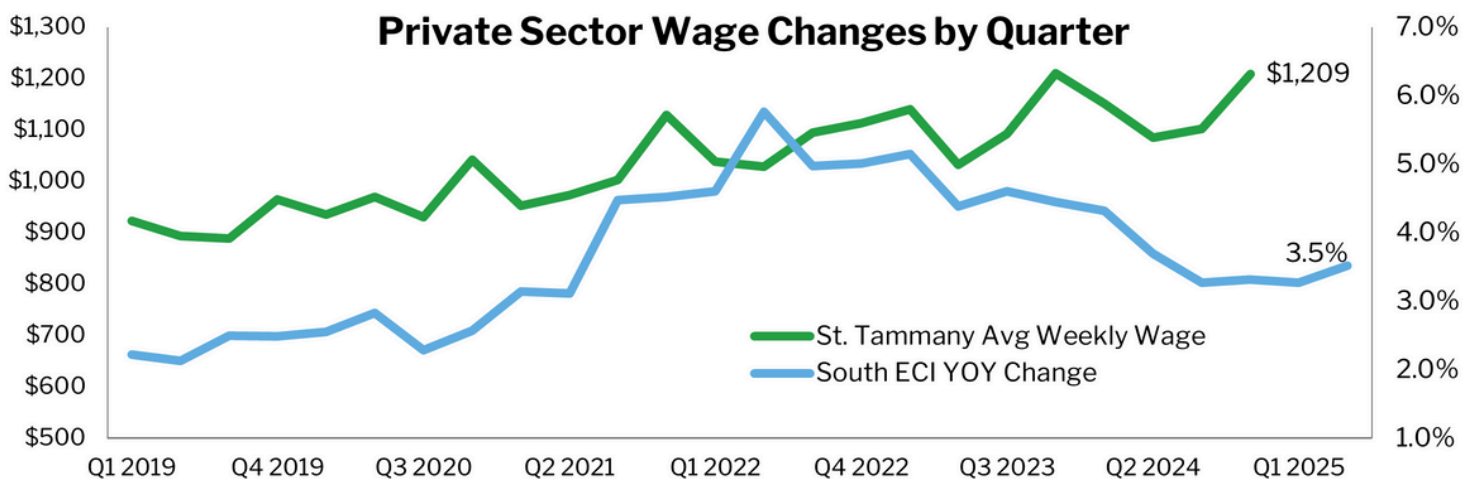
Wages

When wages rise at elevated rates this can contribute to higher rates of inflation. Workers spend more and drive-up demand while employers may have to increase prices to accommodate the rising wages. 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 year-over-year (YOY) change rate in ECI for private sector workers in the South had remained at 3.3 percent from Q3 2024 through Q1 2025. **With the latest data for Q2 2025, the rate increased to 3.5 percent. This small gain is unlikely to create dramatic inflationary effects, but it does signal that wage growth is expected to remain elevated above pre-pandemic levels.**

Increases in wages can be difficult for businesses 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 Q4 of 2024 found that private sector workers in St. Tammany Parish were averaging about \$1,209 weekly in wages.** This was about the same level as Q4 of the previous year. Data at the parish level is not seasonally adjusted and usually peaks in the 4th quarter of the year.

Cost of living adjusted median hourly earnings data for 2024 was collected to see how wages in St. Tammany compare. Specific occupation groups were evaluated to see how wages vary for similar types of jobs. **Wages in St. Tammany for management and production jobs are lower than in the region, state, or nation. Healthcare support jobs in the parish have higher wages than the state average.**

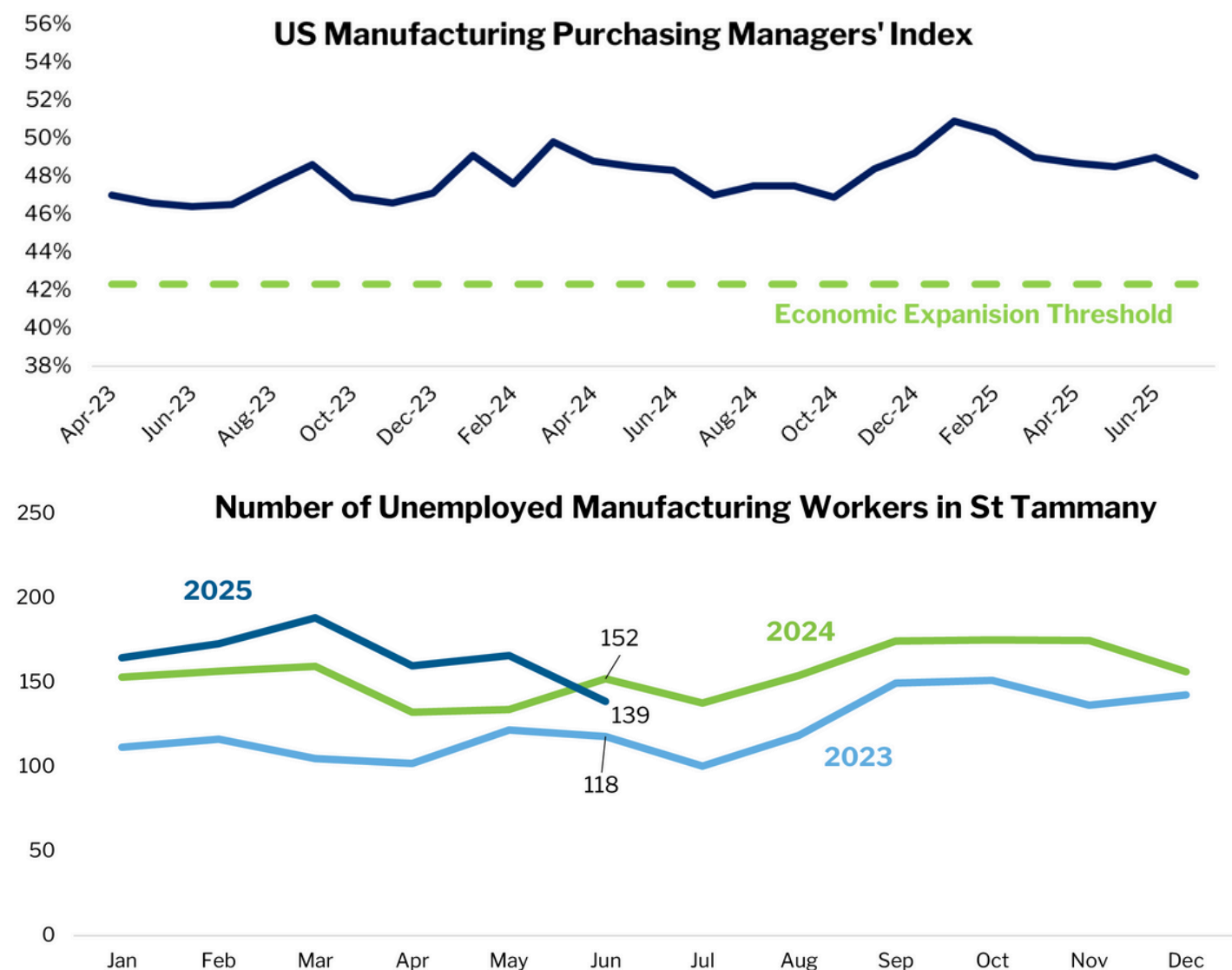


Manufacturing Industry

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 reached highs of 50 in January and February of 2025 but has remained below these levels in the following months. **Many of the managers interviewed cited unpredictable geopolitical risks as a key factor contributing to their dimmer outlook. Scores for some components of the index, such as new orders and production, grew from June to July.**

In St. Tammany Parish, manufacturing unemployment in 2025 had been higher than levels experienced in 2024 and 2023. **From May to June, the number of unemployed workers with manufacturing experience declined. This is a positive sign for the region despite the national and global challenges facing manufacturers.**



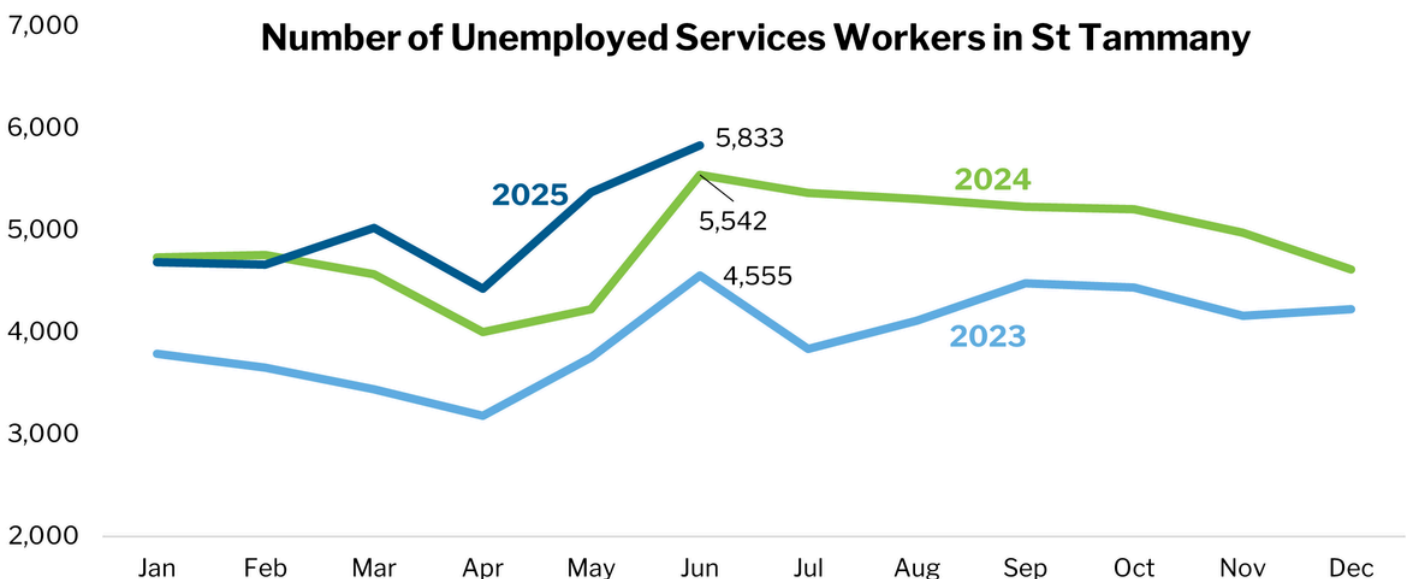
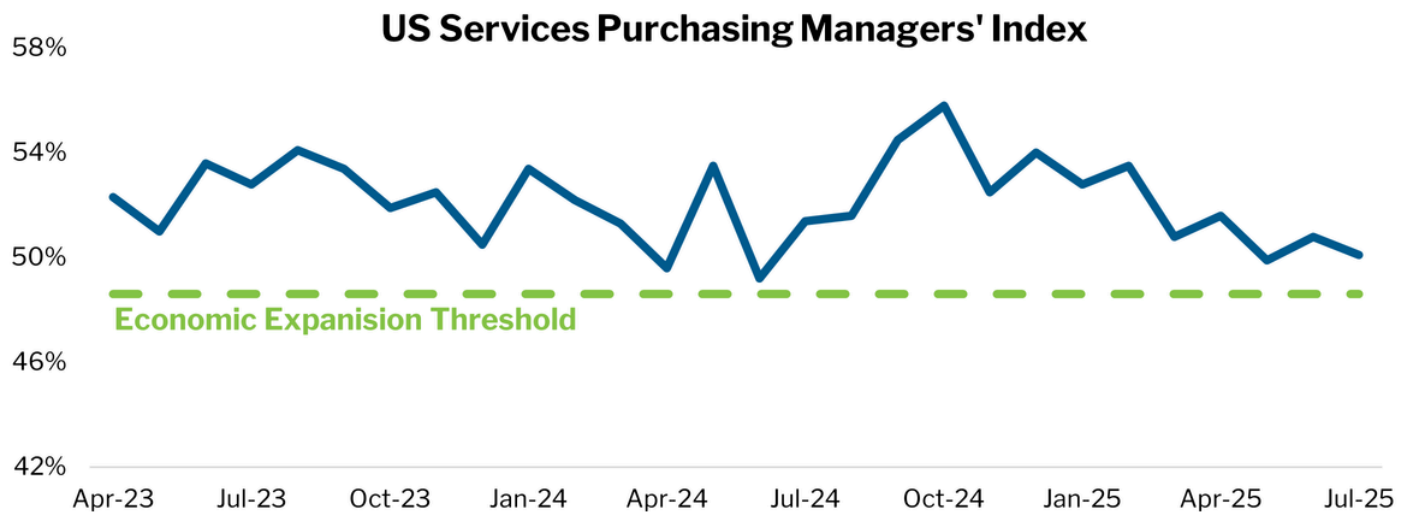
Services Industry

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 50.1 percent in July 2025.

The year-over-year change rate in Services PMI from April 2024 to April 2025 was a 2.5 percent decrease. The monthly index has been declining most months since December 2024. **The services industries should be less directly affected than manufacturing from tariff policies, but many managers interviewed indicate that tariffs are beginning to impact their inputs. For example, one manager cited that medical supplies used at their hospitals had seen price increases and it caused the company to pause other projects.**

Unemployment in the services industries St. Tammany Parish rose again from May 2025 to June 2025. **In recent years, unemployment has typically peaked in June. The levels of unemployment in this year continue to come in higher than those in previous years.**



Building Permits

Housing affordability continues to be a key piece for recruiting workforce to a region as well as retaining talent. New building construction 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 262 in Q2 of 2025. This was 27 units lower than the second quarter of 2024. The average value of the units was more than \$14,000 higher than the previous year.

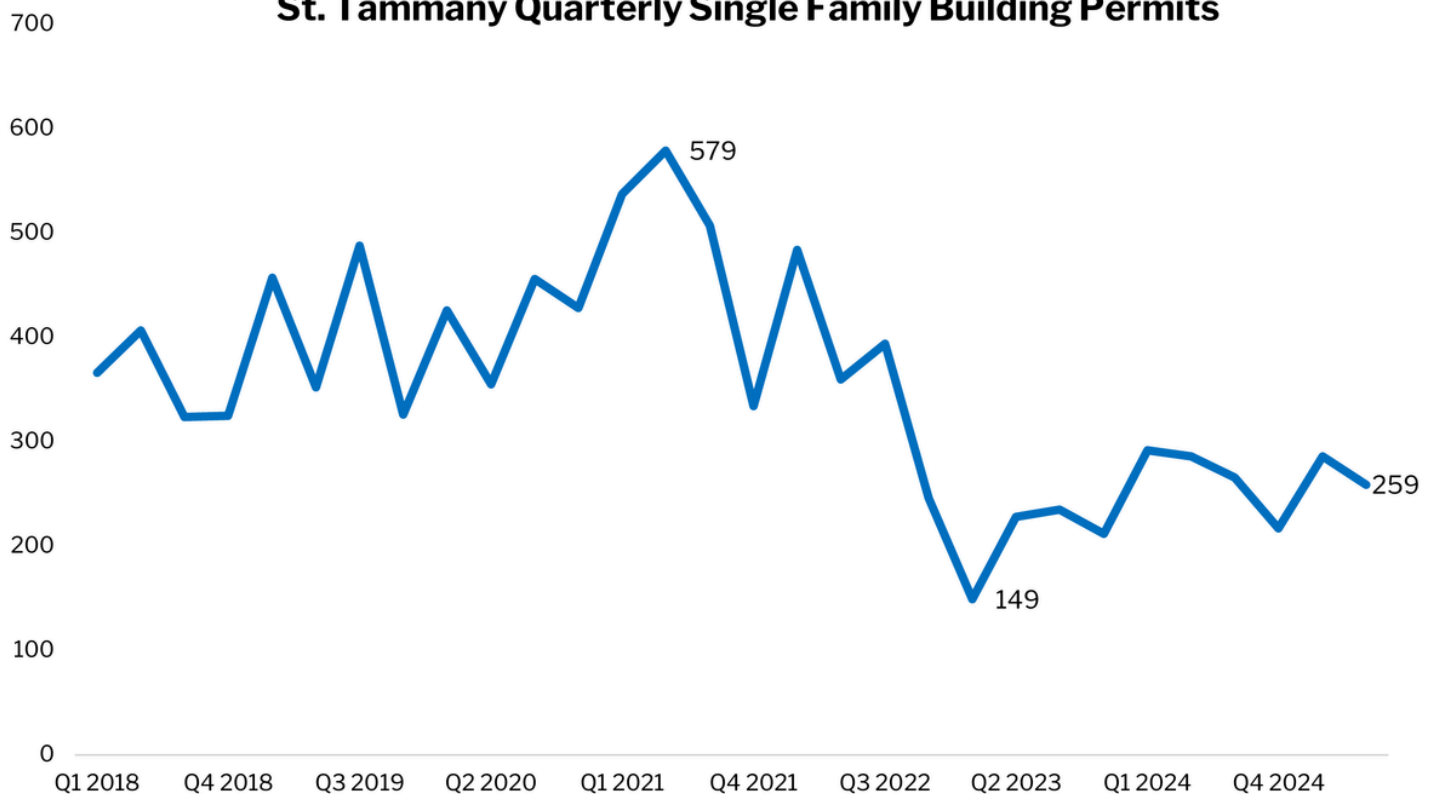
All of the new units in Q2 were single family permits. Multifamily housing unit permits remain a very small piece of new housing in St. Tammany Parish.

The data indicates that the local construction market continues to move slowly as interest rates remain high. **Permit levels have rebounded past the low point in Q1 2023 but remain below pre-pandemic levels. A lack of new supply can be a significant contributor to rising housing prices.**

St. Tammany Parish New Private Sector Housing Permits

Month	Value	Units	Average
Apr-25	\$24,897,000	68	\$366,130
May-25	\$25,779,000	100	\$257,790
Jun-25	\$34,267,000	94	\$364,540
Q2 2025 Totals	\$84,943,000	262	\$324,210

St. Tammany Quarterly Single Family Building Permits



Residential Real Estate Market

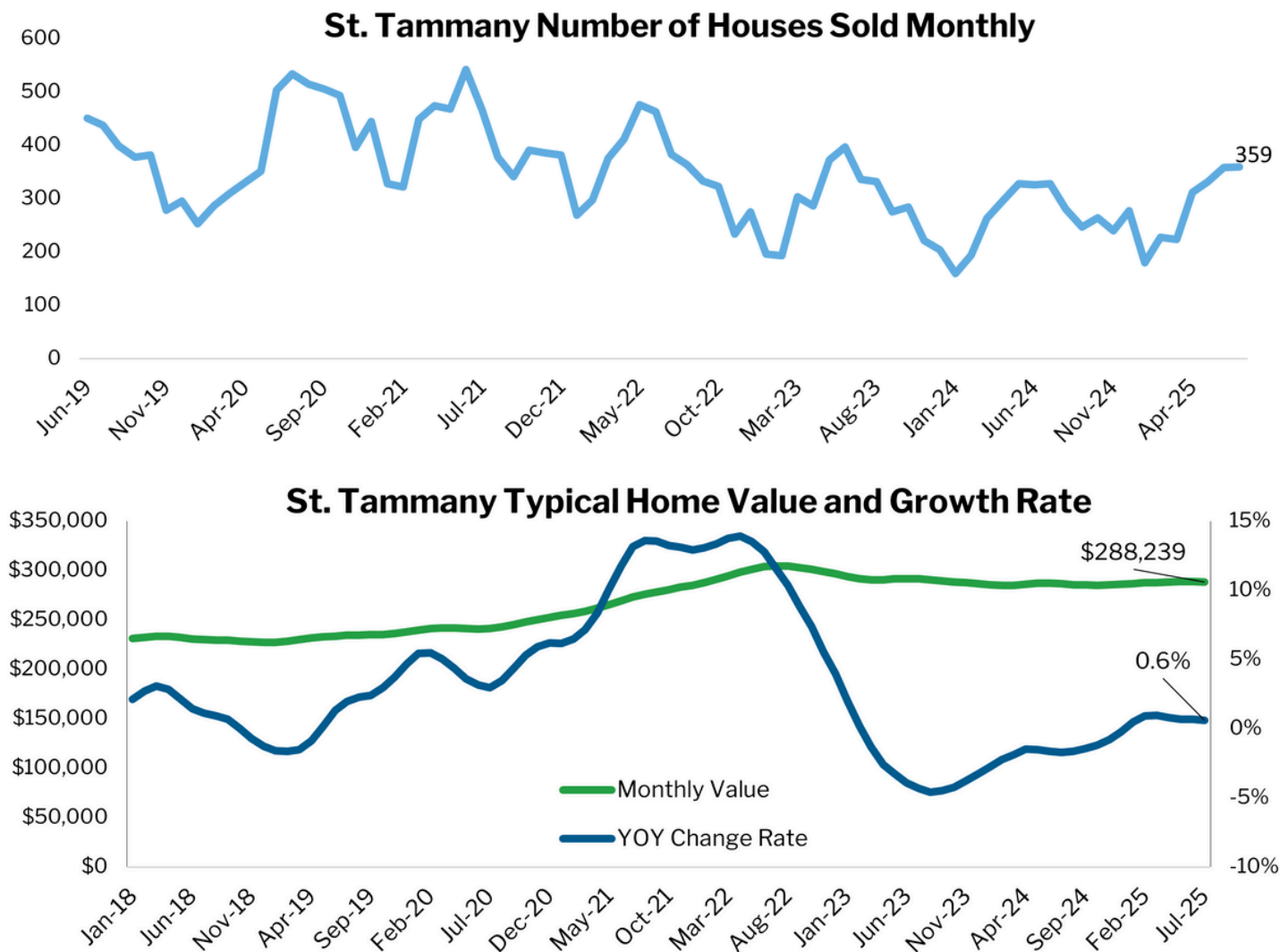
Meanwhile in the existing home market, home sales are on the rise in St. Tammany Parish. **In July 2025, 359 sales closed on residential properties in the parish. This was a 9.5 percent increase from the previous year. The year over year change rate has been positive for every month in 2025, except for March.**

The inventory of homes for sale decreased slightly in the last year from 1,613 properties to 1,578, a 2 percent decrease.

The average number of days on the market in the Parish rose from 56 days in July 2024 to 58 days in July 2025.

Zillow creates their own typical home value data based on all homes in a region, not just recent sales. Their metric provides the typical value for a home within the 65th and 95th percentile range in each region. **This value for St. Tammany was \$288,240 in July 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 0.6 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 2019 through the end of June 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, interest rates were low, and consumer spending was on the rise. **The data suggests that as inflation increased, the economy tightened, and regional spending flattened. Fortunately for the parish, retail sales did not decline dramatically.**

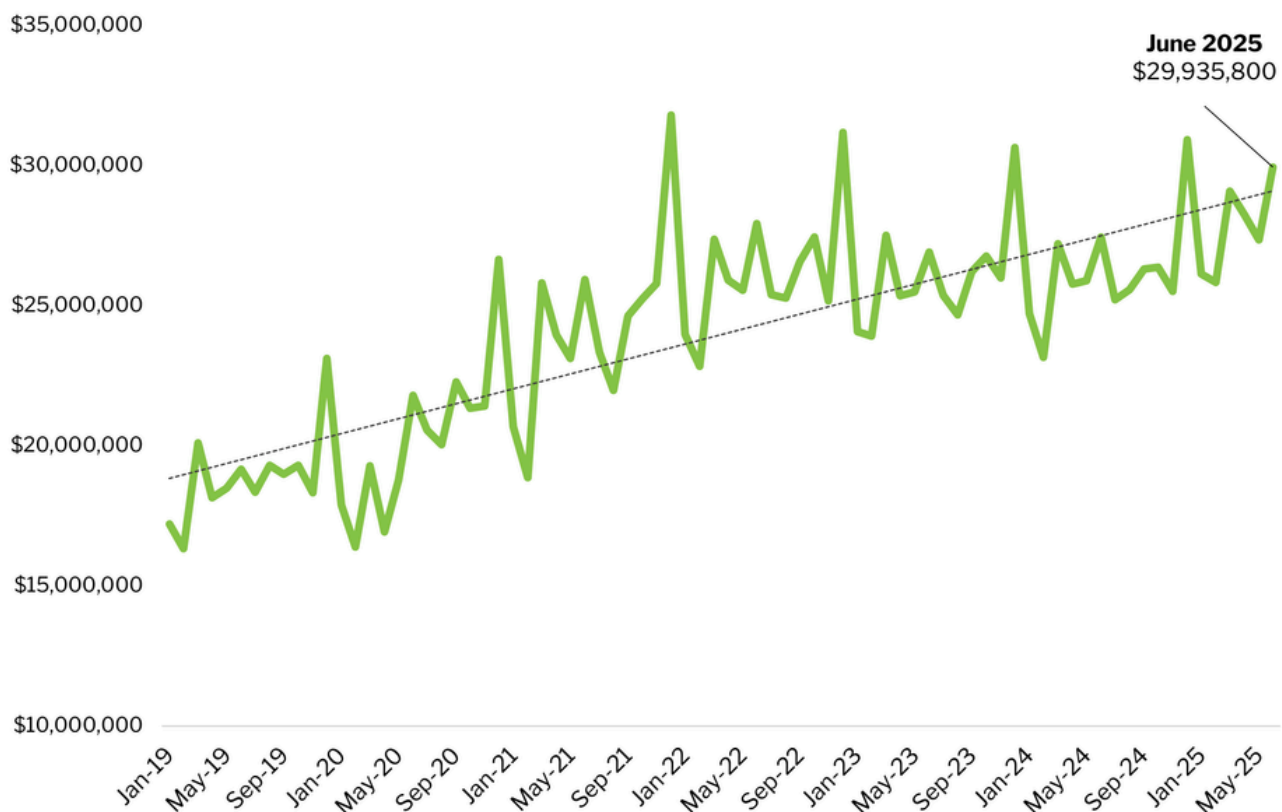
Research at the national level suggests that higher income groups continue to spend while lower income groups have started to cut back on their spending in recent months.

The latest retail sales tax collections from June 2025 were \$29.9 million. This was a 9.1 percent increase from the level in June 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 half 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 half of 2025 may be affected by 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 second quarter were positive for St. Tammany Parish. The parish's labor force participation rate has climbed from 57.7 percent earlier in the year to 59.4 percent by mid-2025. While still below state and national averages, this improvement indicates that more residents are seeking work, which may help employers fill positions in a tight labor market. **The increase in participation is also helping expand the total size of the labor force in the parish.**
- Although many residents still commute to the New Orleans or Baton Rouge metros, St. Tammany's growing job base has reduced the gap between local employment and resident workers. **Certain industries, such as personal care services, now draw in outside workers.**
- **Retail sales tax collections grew by over 9 percent in June 2025 compared to the previous year. Upcoming tariff impacts could influence buying patterns going forward.** Research at the national level indicates that lower income groups already have become more cautious spenders.
- New businesses continue to start at reliable rates in St. Tammany Parish with 990 new applications filed in the 2nd quarter of 2025. **Annual data suggests a potential cooling in the post-pandemic entrepreneurial boom. Proprietors' income data also suggests a shift toward ventures that generate lower revenues.**
- **The local housing market is showing strength in 2025 compared to 2024 with higher sales volumes and modest price appreciation.** St. Tammany remains an affordable option when compared to the national average.
- In this issue of *The AnalyST*, there were also a few indicators trending in the opposite direction than would normally be desired. In June 2025, the unemployment rate rose to 4.5 percent. **This was the highest level since the economy recovered from the pandemic. However, weekly unemployment insurance claims began to ease in July and August, suggesting the rise may be temporary and tied to seasonal changes.**
- The annual inflation rate in the Southern region edged up to 2.3 percent in July. Cost pressures remain high in housing, food, and energy. **Despite easing in gasoline and tuition and childcare prices, the future remains uncertain given the new reciprocal tariffs that were implemented on August 7th. Another component of inflation, wage growth, ticked up 0.2 percentage points in the Southern region during the 2nd quarter.** This reverses a trend of the rate declining from its peak in Q1 of 2022.
- These inflationary pressures and lingering unknowns will make it more challenging for the Federal Reserve to reduce interest rates in the short-term. **Higher interest rates continue to impact the construction industry and the deployment of new housing. New housing permits were lower in Q2 2025 than in the previous year and remain below historical averages.**



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