REAL REPORT

REGIONAL ECONOMIC ANALYSIS OF LOUISIANA

SPRING QUARTER 2025

CENTER FOR ECONOMIC RESEARCH
LOUISIANA TECH UNIVERSITY®
COLLEGE OF BUSINESS

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Dean's Message

Each quarter, the Regional Economic Analysis of Louisiana (REAL) Report offers valuable perspectives on the economic trends shaping Louisiana. Published by the Center for Economic Research in collaboration with business students at Louisiana Tech University, issues are developed in the Regional Economic Analysis (ECON 425) course, an applied learning experience. Under the guidance of faculty in the Center for Economic Research, students conduct in-depth analysis of economic data and trends impacting regions across the state.

The Center for Economic Research plays an important role in connecting Louisiana Tech with economic development efforts throughout Louisiana. In addition to producing the REAL Report, the Center conducts economic impact studies, partners with local governments and businesses, and serves as a resource for media seeking expert insight on economic issues.

For more information about the REAL Report, the Center for Economic Research, or the ECON 425 course, contact Dr. Patrick Scott at PScott@LATech.edu. Questions regarding specific sections of the report should be directed to the respective authors, and media inquiries may be sent to Waldroup@LATech.edu. Current and past issues of the REAL Report are available online at **Business.LATech.edu/RealReport**.

We hope this issue provides you with useful insights into Louisiana's evolving economy and serves as a valuable resource for understanding regional economic developments.

Sincerely,

CHRISTOPHER L. MARTIN, PH.D.
Dean and Chase Endowed Professor
College of Business
Louisiana Tech University

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The views contained herein reflect the analysis of the authors and not necessarily those of Louisiana Tech University.

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National and Louisiana Economic Indicator Forecasts

BY C. PATRICK SCOTT, PH.D.

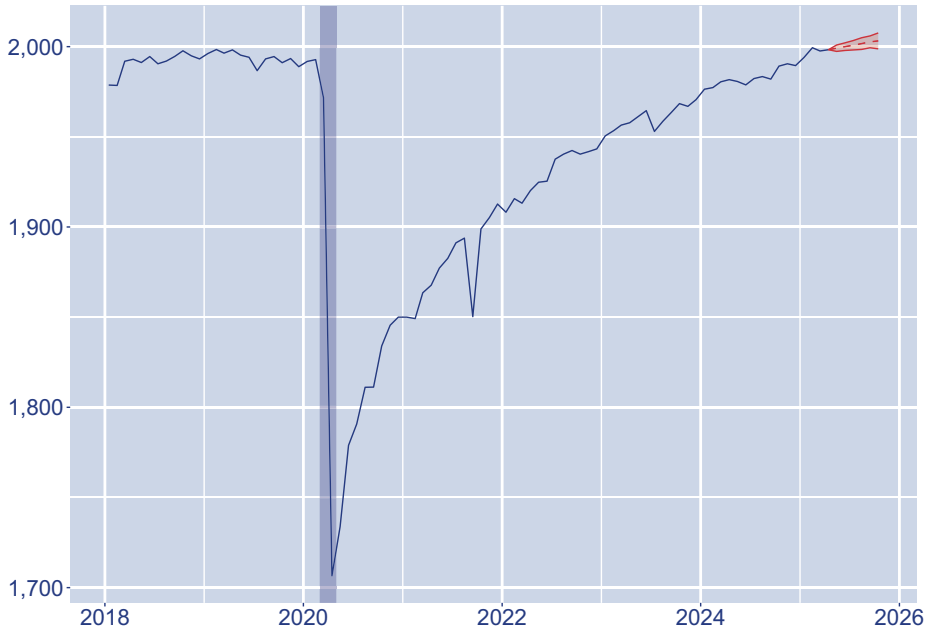
Forecasts are provided using a Bayesian model averaging approach from hundreds of statistical models. This method is utilized to capture the relative uncertainty that any one individual model is not properly specified and thus accounting for that uncertainty in our analysis.

Louisiana Non-Farm Employment

Louisiana's peak employment occurred in December 2014 at just over two million workers. Latest employment estimates show labor market growth just shy of 9,000 workers from that all-time high. Optimistic estimates of employment growth rival that all-time high six months from now, while more realistic forecasts point to employment growth of about 4,000 workers. Tariff policy uncertainty might derail this. Businesses that are more exposed to tariffs (mostly small businesses) are investment averse when national policy makers move too quickly.

Punchline: State policy makers should continue to focus on pro-business initiatives to blunt the national effects of tariff uncertainty.

Figure 1: Forecasted Non-Farm Employment (Thousands)



Louisiana Unemployment Rate

The headline unemployment rate for Louisiana has not changed much this past quarter. It has dropped only modestly, but so too has the labor force participation rate (dropping 0.4% over the same time). This indicates that some have lost jobs and subsequently left the labor force. Since these are not large magnitude changes and certainly in the normal range of variation for these data, this is likely not a cause for concern yet. Most models realistically predict only marginal increases in unemployment given no large domestic policy disruptions, which so far have not bled into Louisiana's labor market.

Punchline: The unemployment rate holds steady, but we wait and see if national policy rains on our parade.

Figure 2: Forecasted Unemployment Rate (Percent)

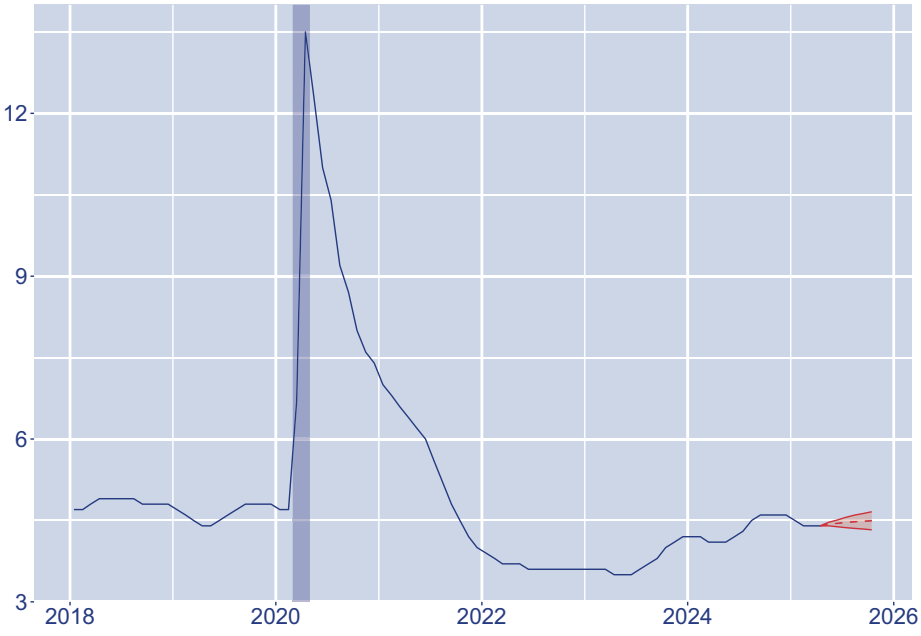
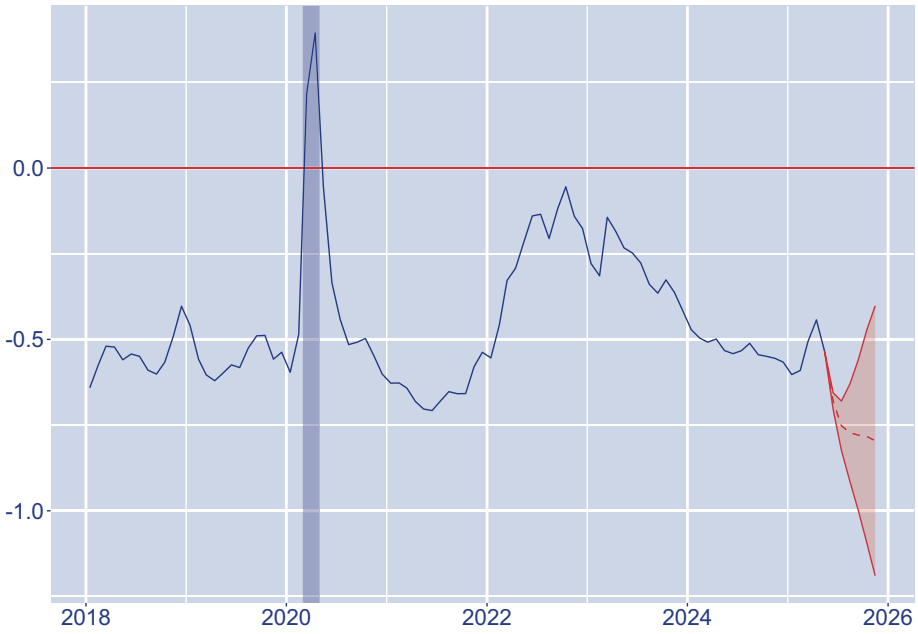


Figure 3: Forecasted Financial Conditions Index (0 = Neutral)

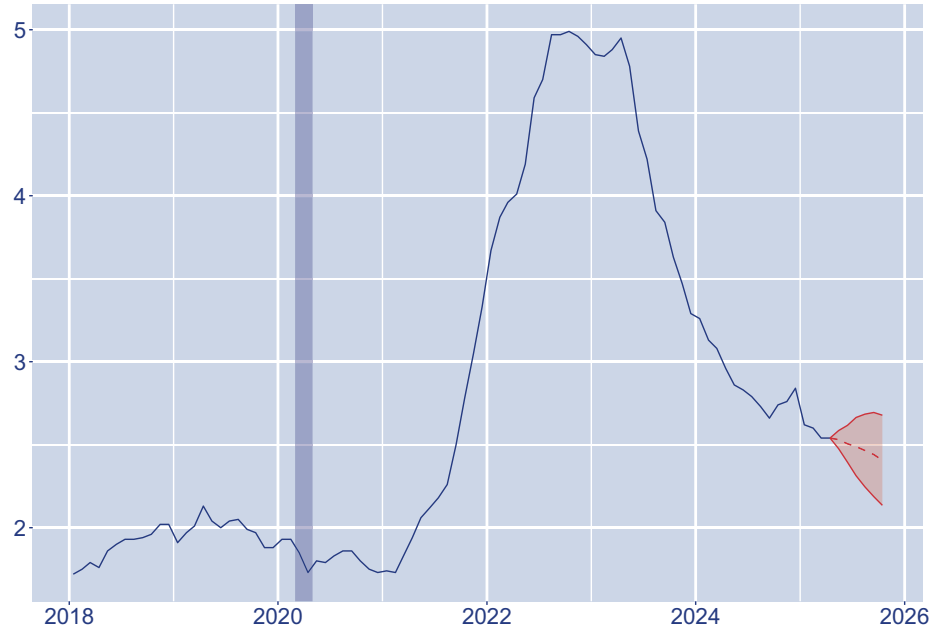


National Financial Conditions Index

The financial conditions index measures overall banking risk in both traditional and shadow banking systems. The index centers around zero with loose conditions producing negative values. For most of 2024, policy uncertainty declined (this is also reflected in the index above), but it has seen a nearly 300% increase so far in 2025. This uncertainty is not reflected above yet. Given policy movements of late, the forecast range for the next six months in financial conditions is wide. Most models indicate relatively loose conditions compared to a year ago.

Punchline: While most models predict relatively loose financial conditions, this can change quickly in times of shock.

Figure 4: Forecasted Trimmed Mean Personal Consumption Expenditure Inflation (Percent)



National Trimmed Mean PCE Inflation

Trimmed mean PCE inflation (the Federal Reserve's preferred inflation gauge) is still approaching the targeted 2% range but is not expected to reach it this year. Tariff policy uncertainty is impacting prices. While the federal policy on tariff taxes is not consistent, the uncertainty is straining supply chains in a similar way to COVID-19 supply shocks. Realistic models forecast annualized inflation descending from 2.5% to around 2.4% over the next six months. This revised trend indicates that there has been little progress in reducing inflation than what was expected in our last report.

Punchline: Inflation recovery is slowing due to uncertainty of federal plans.

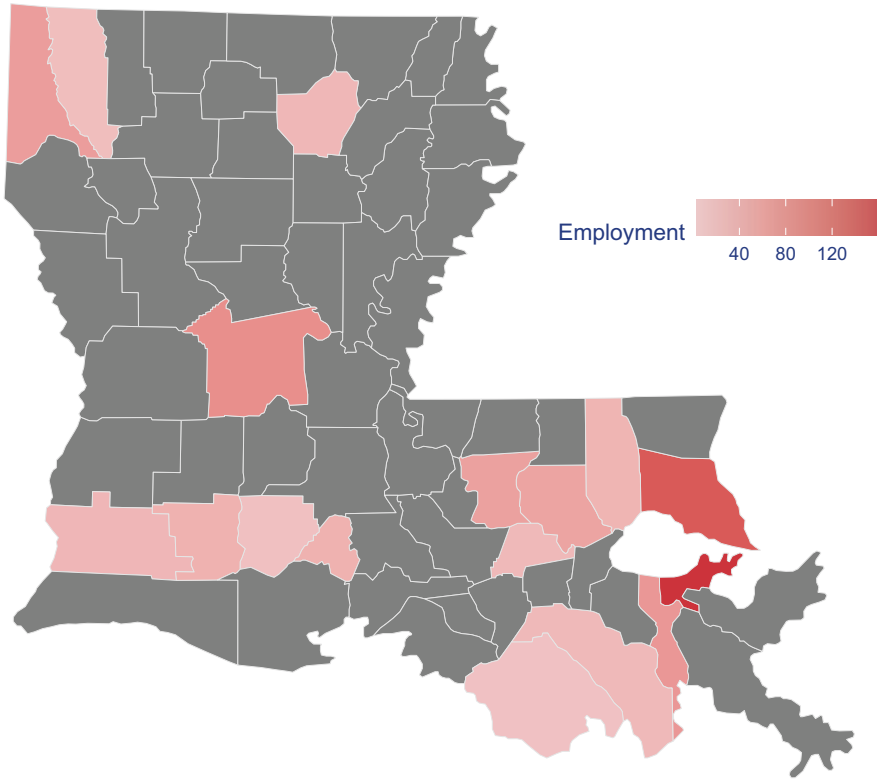
Monthly employment, unemployment rate, and inflation rate data for this section extend to April 2025. Financial conditions data extend to May 2025. All variables include the most current releases at the time of publication.

Brewing Growth in Louisiana

BY JACE HONEYCUTT

Louisiana's craft beverage industry, which encompasses local breweries, distilleries, and wineries, not only represents cultural tradition but is a significant contributor to the state's economy. These locally produced beverages, ranging from beer served at community events to rum distilled from regional sugarcane and wine offered in restaurants throughout the state, are deeply embedded in Louisiana's lifestyle. In addition to enhancing the state's signature celebrations, such as Mardi Gras, the industry supports employment and sustains a variety of local enterprises. While often linked with recreation and tourism, available data indicates that this sector plays a substantial and measurable role in the broader economic landscape of Louisiana.

Figure 5: Industry Employment by Parish



The craft beverage industry in Louisiana supports an estimated 1,381 jobs across the state. This includes 667 direct positions within breweries, distilleries, and wineries, along with 427 indirect jobs in sectors such as distribution, packaging, and supply chain operations. Additionally, 287 induced jobs are generated through household spending by those employed in the industry. As shown in Figure 5, Orleans Parish accounts for the highest level of industry employment, which aligns with vibrant tourism activity and the cultural prominence of New Orleans. Other parishes with notable employment figures include St. Tammany in southeastern Louisiana, Rapides in the central region, and Caddo in the northwest. It is important to note that data for some parishes is limited due to privacy constraints. If there is a lone producer within a parish, the data are deprecated in order to protect identifying markers at the individual producer-level. This suggests that the actual impact may be greater than estimated.

The alcohol/spirit industry generates over $82 million annually. Direct wages amount to nearly $40 million, with the remaining attributed to related supply chain activities and the economic effects of employee spending. These earnings circulate within communities, supporting local businesses and enhancing spending throughout Louisiana.

Figure 6: Industry Multipliers by Economic Impact Type

The total economic contribution of Louisiana's craft beverage industry, measured as value added, amounts to approximately $186.3 million. This metric, which functions as the industry's contribution to the state's gross domestic product (GDP), includes the value of goods produced, business profits, and tax revenues. Of this total, an estimated $105.5 million is generated directly by beverage productions, while the remaining contribution comes from indirect and induced effects that ripple throughout the economy.

Figure 6 highlights key differences in economic performance across the craft beverage sectors. Distilleries account for the highest multipliers among employment and labor income, yet they generate the multiplier for total value added and total economic output. This indicates reduced value added for employee labor hours and possibly a relatively higher amount of industry output allocated to final goods production outside of the state. This may be due to higher input costs or inability to efficiently produce final goods in this sector. In contrast, wineries exhibit the highest average economic multipliers among the three sectors. They may employ fewer people than distilleries, but they generate greater total output and value added, suggesting higher efficiency and stronger returns per dollar of direct production.

Breweries, while not leading in direct economic metrics, hold considerable community importance. Beyond their contributions to employment and output, breweries often function as local gathering spaces, supporting tourism, hosting public events, and contributing to neighborhood character. In cities such as New Orleans and Baton Rouge, they have also been integral to both downtown revitalization and cultural preservation efforts. While their impact may not be fully represented through traditional economic measures relative to their higher-octane counterparts, their presence strengthens community engagement and supports regional development goals.

Louisiana's local breweries, distilleries, and wineries are more than just places to grab a drink. They're creating jobs, putting money into the economy, and helping shape the identity of communities across the state. As Louisiana works to diversify its economy and invest in industries that support both people and place, craft beverage producers offer something especially valuable. By combining tradition, innovation, and entrepreneurship, these businesses offer unique benefits that extend well beyond the beverage itself. Supporting this industry strengthens both local culture and economic sustainability.

Data for this report are provided by the Bureau of Economic Analysis. Parish level data are produced with a year-long lag. Current annual data extend to 2023. 2024 estimates are expected in December 2025.

Winning Big: Regional Trends in Louisiana Lottery Sales

BY BILLY KENNEY

Lottery sales in Louisiana are dominated by instant games, commonly known as scratch-offs. These tickets consistently generate more revenue than any other game type, with the highest sales concentrated in urban regions—especially the New Orleans area (Region 1). This report analyzes the distribution of lottery sales across the state, based on game type and geography, using fiscal year 2023–2024 data from the Louisiana Lottery Corporation. The goal is to understand which regions and products are driving revenue and to provide insight into the economic patterns behind state-run gambling.

Figure 7 shows Louisiana divided into eight official regions, as defined by the Louisiana Association of Planning and Development Districts. These regions are useful for analyzing demographic and economic trends across the state. Region 1 encompasses the New Orleans metro area, the most densely populated region in Louisiana. Other regions, such as Region 5 and Region 6, are more rural, with lower population densities and fewer retail outlets. These population patterns form the backdrop for understanding the variation in lottery ticket sales across the state.

Table 1 breaks down total lottery sales by region and game type, including Instant Games, Powerball, Mega Millions, Lotto, and Easy 5. Across all regions, instant tickets are the top-performing lottery product. Region 1 (New Orleans area) leads the state with $159.7 million in total ticket sales, of which $62.2 million, nearly 39%, comes from instant games. Region 2 (Baton Rouge area) follows with $125.6 million in total sales, including $72.6 million from instant tickets, representing about 58% of its total. In both populous regions, instant ticket sales are significantly higher than other game types.

Statewide, instant ticket sales total $338.6 million out of $625.0 million in total lottery revenue, making up approximately 54% of all sales. This confirms that instant games consistently generate most of the lottery revenue across Louisiana. Given their dominance in high-volume regions such as Region 1 and Region 2, instant tickets appear to be a critical component of the state's lottery strategy.

This trend strengthens the conclusion that instant games are the financial backbone of Louisiana's lottery system. Their popularity is likely driven by convenience, immediate results, and low barriers to entry, which make them ideal for spontaneous, high-frequency purchases. If these games also yield higher profit margins, which is likely given the lack of large jackpot payouts and operational simplicity, targeting high per capita areas with expanded instant ticket offerings could be a highly effective revenue strategy for the Louisiana Lottery.

Figure 7: Louisiana's Eight Planning Regions

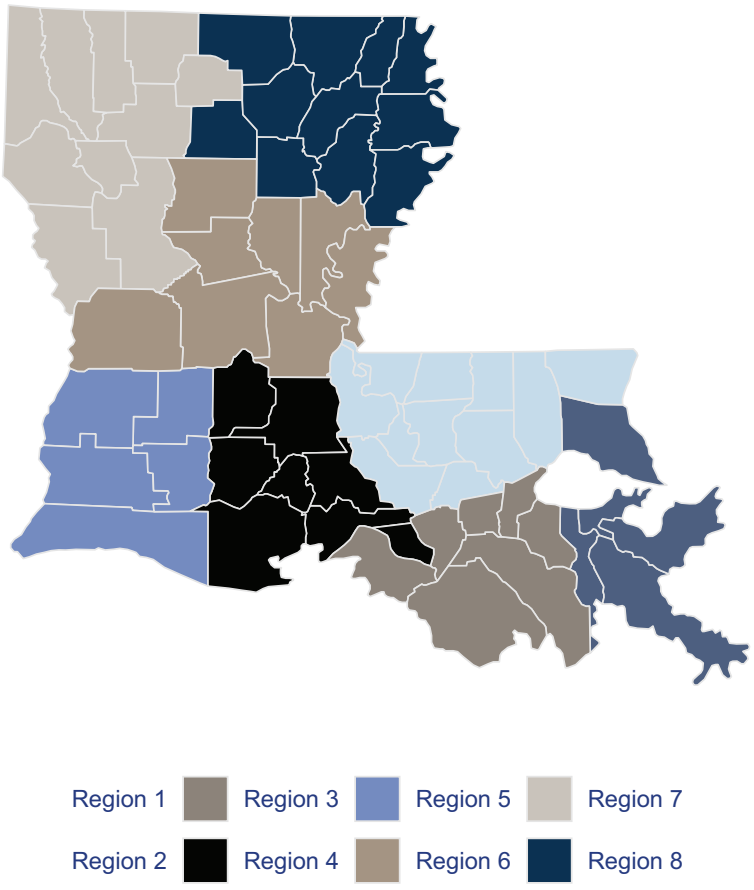


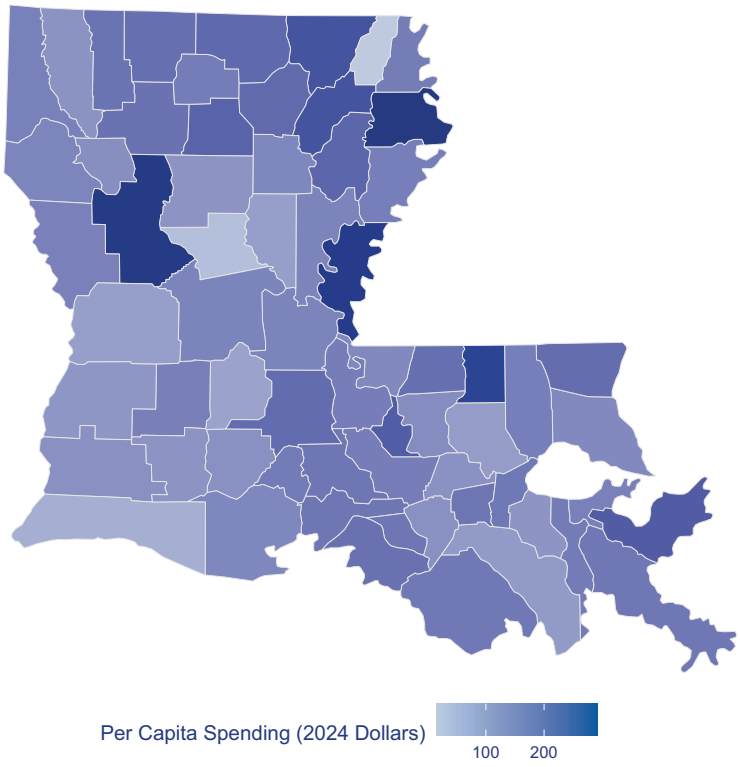
Table 1: Lottery Revenue by by Planning Region and Game Type (2024 Dollars)

Game	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6	Region 7	Region 8
Easy 5	$1,965,158	$1,279,825	$679,834	$599,921	$279,738	$241,087	$464,443	$295,101
Ezmatch	$452,090	$353,101	$253,401	$242,537	$88,883	$80,498	$148,927	$100,356
FastPlay	$3,836,138	$2,749,372	$1,100,598	$1,996,468	$926,889	$862,247	$1,139,940	$1,408,734
Instant	$62,164,802	$72,633,482	$27,199,737	$53,718,942	$20,577,164	$21,222,261	$45,330,528	$35,764,035
Lotto	$6,091,953	$4,049,295	$2,304,940	$2,227,704	$1,122,078	$841,034	$1,499,221	$962,126
Mega Millions	$15,365,361	$9,557,582	$4,315,011	$5,546,548	$3,093,215	$1,955,287	$4,365,045	$2,348,700
Pick3	$25,492,785	$11,983,765	$5,018,888	$7,380,445	$2,011,164	$3,188,808	$9,139,207	$6,223,933
Pick4	$20,549,766	$7,949,967	$3,845,509	$5,693,396	$1,056,308	$2,711,018	$7,696,307	$5,357,018
Pick5	$4,636,406	$2,221,991	$936,945	$1,275,341	$265,261	$589,070	$1,653,595	$1,118,044
Powerball	$19,128,998	$12,798,378	$5,978,586	$7,691,221	$3,951,759	$2,820,953	$5,873,829	$3,285,712
Total	$159,683,457	$125,576,757	$51,633,449	$86,372,523	$33,372,458	$34,512,263	$77,311,041	$56,863,758

Figure 8 contains a choropleth displaying per capita spending on lottery tickets in each parish, with darker colors representing higher sales volumes. The map visually shows that per capita spending is distributed a lot differently than the total spending per parish. The concentration of sales in a few parishes raises important considerations for how lottery revenue is used. Since these funds are directed primarily to support public K–12 education, the difference in parish contribution does not necessarily reflect how the benefits are distributed. This may lead to future questions about equity and the geographic balance of education funding sourced from lottery income.

The fiscal year 2023–2024 data shows that instant tickets are the main driver of Louisiana's lottery revenue. These games consistently outperform others in all regions, with the highest sales concentrated in urban centers like New Orleans. While draw games such as Powerball and Mega Millions receive more publicity, they contribute a much smaller share of overall revenue. This analysis underscores the importance of geographic and product-level data in understanding how state lotterys function—and raises broader questions about access, equity, and regional reliance on gambling as a public funding mechanism.

Figure 8: Per Capita Lottery Sales by Parish (Dollars per Person)



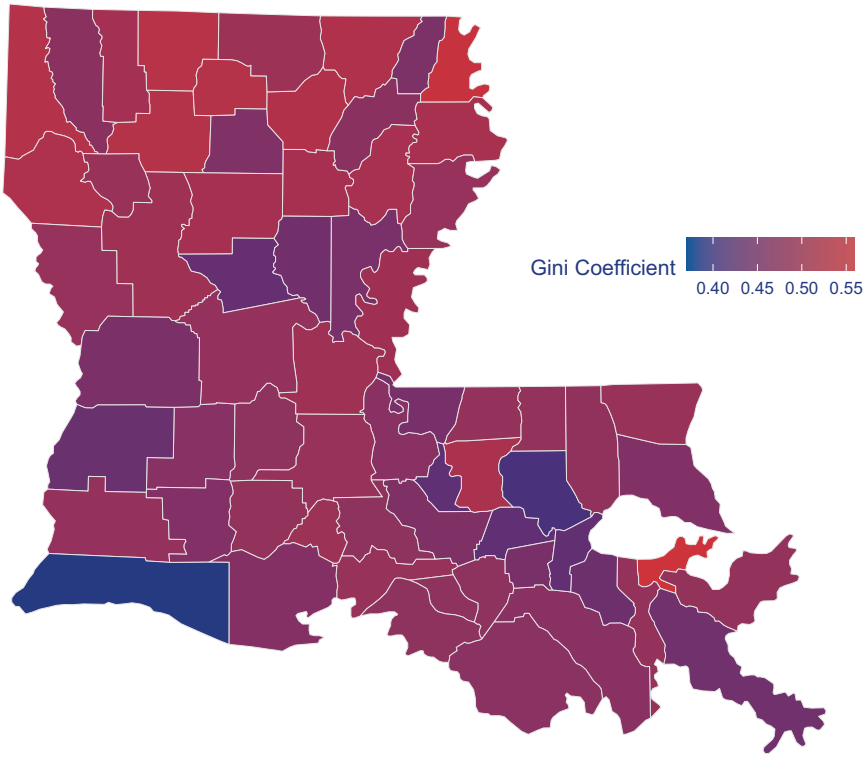
Data for this report are kindly provided by the Louisiana Lottery Corporation.

Poverty and Income Inequality Across Louisiana

BY ZACC LANDRY

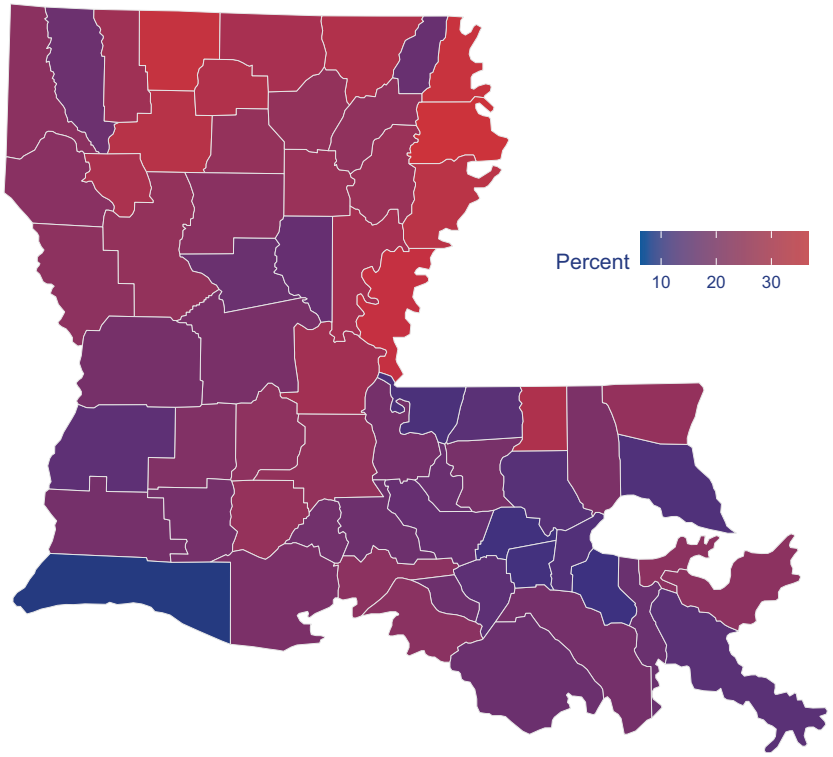
This report examines income inequality and poverty dispersions across the state of Louisiana, with a particular focus on the most recent data related to Gini coefficients and poverty rates. By analyzing these key indicators at both the state and parish levels, the report highlights the extent of economic disparities affecting different communities. Louisiana consistently ranks among the states with the highest levels of income inequality and poverty, underscoring the urgency of addressing structural economic challenges. Through a detailed exploration of trends and regional patterns, this report aims to provide policymakers, researchers, and community leaders with a clearer understanding of the socioeconomic landscape and the factors contributing to persistent inequality across the Pelican State.

Figure 9: Gini Coefficient by Parish (0 = perfect equality, 1 = perfect inequality)



One of the defining characteristics of Louisiana is the socioeconomic and geographic diversity of its parishes. This diversity contributes to significant variation in income inequality, as reflected in the Gini coefficients reported across the state. As illustrated in Figure 1, Orleans Parish exhibits the highest level of income inequality, with a Gini coefficient of 0.5591. This relatively elevated value indicates statistically higher disparity in income distribution among residents in Orleans Parish than the state average. A contributing factor to this inequality is the structure of the local economy. In particular, the tourism industry, which encompasses a wide range of income levels from minimum wage service workers to high-earning executives, contributes heavily to this result. This broad income spread contributes to the parish's higher coefficient. In contrast, the state average Gini coefficient is 0.4769, which, although still above the ideal threshold of 0.3 that signifies low inequality, reflects a somewhat more balanced income distribution overall. On the opposite end of the spectrum, Cameron Parish reports the lowest Gini coefficient at 0.3703. Several factors may explain this lower figure, including the fact that many individuals employed in the area do not reside there, potentially skewing income data. Additionally, Cameron Parish's small population size means that individual income levels can have a more pronounced impact on the overall distribution, contributing to a lower coefficient. The disparity between Cameron and Orleans Parishes is 0.1888, which underscores the wide range of income inequality present

Figure 10: Overall Poverty Rate by Parish (Percent)



within Louisiana. Additionally, East Carroll, Livingston, and West Baton Rouge Parishes all have Gini coefficients that are statistically different than the state mean.

While Gini coefficients provide valuable insight into income distribution, examining poverty rates offers a complementary perspective on economic well-being across regions. Generally, higher Gini coefficients are associated with increased poverty rates, as greater income inequality often reflects broader economic disparities. However, this correlation does not apply uniformly across all regions. In Louisiana, Orleans Parish has the highest Gini coefficient at 0.5591, yet it does not have the highest poverty rate. As shown in Figure 10, Orleans ranks 26th among the parishes, with a poverty rate of 22.6%. Although this percentage indicates a substantial portion of the population living in poverty, its impact appears less severe when compared to Madison Parish, which has the highest poverty rate in the state at 36.7%. This means that over one-third of Madison Parish residents are living in poverty. In contrast, Cameron Parish reports both the lowest Gini coefficient, at 0.3703, and the lowest poverty rate, at 6.3%. This consistency between low income inequality and low poverty levels suggests a more equitable economic environment in Cameron Parish (although the population in the parish has been declining for the past 18 years).

While some parishes in Louisiana experience high poverty rates alongside low levels of income equity, this pattern is not consistent across the state. In the southeastern region, Cameron Parish demonstrates both a relatively low Gini coefficient of 0.3703, indicating strong income equity, and the lowest overall poverty rate in the state at 6.3%. In contrast, the state average Gini coefficient is 0.4769, suggesting a moderate level of income inequality across Louisiana. When comparing Cameron Parish's poverty rate to the state average of 21.1%, the disparity becomes more evident, with a difference of 30.4 percentage points between the highest and lowest parish-level poverty rates. These indicators suggest that while higher Gini coefficients may be associated with higher poverty rates in some cases, the correlation is not universally applicable. Income inequality and poverty are complex issues that may be influenced by a variety of local economic and demographic factors. Addressing these factors is the key to policy makers delivering results for economic development across Louisiana.

Data for this report are provided by the U.S. Census. Current annual data extend through 2023 from The American Community Survey.

Regional Disparities of Veterinary and Animal Services in Louisiana

BY LANDRY WORSHAM

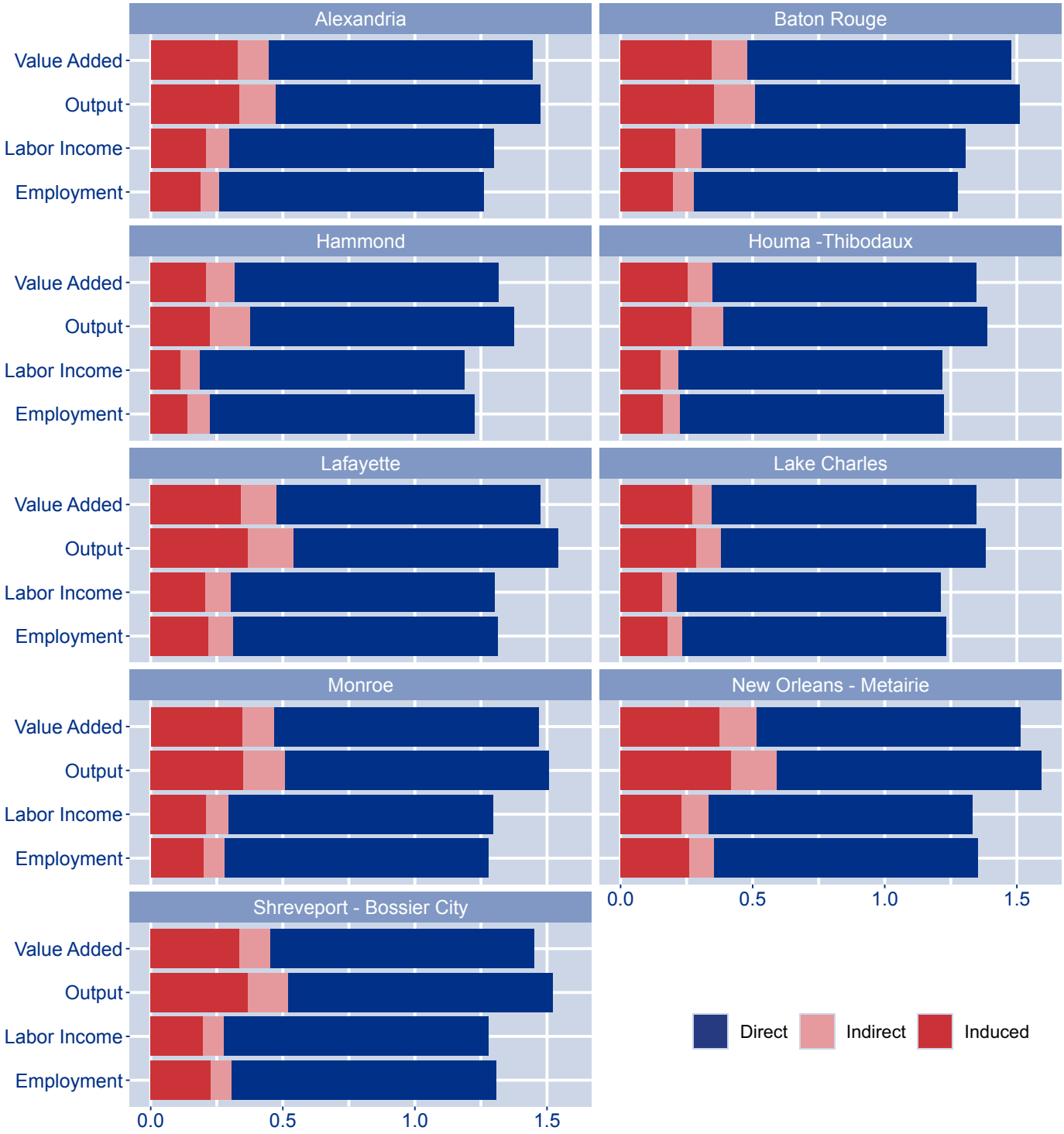
Veterinary services play a vital role in sustaining both public health and regional economies across Louisiana. From companion animal care in urban centers to livestock management in rural parishes, the veterinary sector supports agricultural productivity, enhances quality of life, and contributes to broader community wellbeing. However, access to veterinary and animal services is not distributed evenly across the state. Regional disparities in employment, income generation, and service infrastructure suggest that while some areas benefit significantly from this industry, others remain underserved, posing risks to both economic resilience and animal health.

This report uses input-output analysis to assess the regional economic contribution of the veterinary services sector. Input-output analysis is a quantitative economic technique that traces how spending in one sector ripples through an economy by generating additional income and employment in related industries. The direct impacts reflect employment and output in veterinary services themselves, while the indirect and induced effects capture upstream supplier activity and household spending generated by industry wages. This method helps illuminate not just the scale of economic activity but also the interconnectedness of associated industries across regions. Since this industry, along with its associated supply chain connections, already exists in the area, a contribution analysis is used to measure the full extent of the industry's importance. This analysis is conducted at the MSA-level to show the overall disparity of impact from one metro area to another.

At the state-level, the veterinary and animal services industry supports over 9,400 jobs and contributes approximately $1.13 billion in total economic output. Yet this impact is heavily concentrated in select regions. For example, the Alexandria region directly supports about 223 jobs in this sector, while indirect and induced employment effects bring this number to roughly 281—highlighting a significant reliance on primary service availability. In contrast, larger metropolitan areas command greater shares of employment and income, exacerbating regional imbalances. The Baton Rouge metro area directly hires 1,182 people, which is only 166 employees less than the New Orleans area. These disparities underscore the importance of targeted investment and policy support to strengthen veterinary infrastructure in underserved communities.

Figure 11 displays industry multipliers for employment, labor income, value added (gross regional product), and total economic (gross regional product, plus taxes on production and imports net of subsidies) for each of the nine metropolitan statistical areas (MSAs) in the state. A multiplier is defined as a proportion of the total economic effect divided by the direct (industry specific) effect. Thus, for a one-unit change in any of the economic variables list on the vertical axis, there is a greater total effect to the region. The size of the red and pink shaded regions dictates the total multiplier value since the portion of the multiplier associated with the direct effect is always one. Figure 11 indicates that the employment effects are relatively more uniform across the nine regions, but the value added and output effects are less uniform. This is reflected in the labor income variable as well. Thus, some regions have a higher labor productivity for this industry and would represent a better investment opportunity. The Hammond, Houma-Thibodaux, and Lake Charles MSAs represent areas of relatively low return on investment in terms of labor productivity, value added, and total economic output. That is not to say this industry is not important to these areas. Proportional access to animal services are crucially important to not only businesses but households as well.

Figure 11: Veterinary and Animal Services Multipliers by Metropolitan Areas



Data for this report are provided by the Bureau of Economic Analysis. Parish level data are produced with a year-long lag. Current annual data extend to 2023. 2024 estimates are expected in December 2025.

When Policy Meets the Plow: Federal Funds Rate Impacts on Louisiana Farming

BY HENRY MESSINGER

The Federal Reserve's monetary policy decisions are often tailored to the dynamics of large banking institutions, given their oversized influence on the national economy, yet their localized effects on specific sectors, such as agriculture, often go overlooked. In rural states like Louisiana, where farming remains central to the economy, access to credit is vital for planting, equipment purchases, and seasonal labor. As the federal funds rate rises, borrowing becomes more expensive, thus restricting the flow of capital to agricultural producers. While broad policy discussions typically focus on nationwide trends, a closer examination of how interest rate changes affect specific sectors at the state level can offer more precise insight. The Winter Quarter 2025 REAL Report (pages 6-7) analyzes how changes in the federal funds rate affects small bank lending growth in Louisiana. This report—motivated by those findings—investigates how changes in the federal funds rate specifically influence agricultural lending in Louisiana and quantifies the downstream impact of these lending shocks across seven key industries.

Figure 12 shows agricultural lending growth in Louisiana against changes in federal funds rates. Graphically, agricultural lending growth in Louisiana is shown to be highly volatile. Lending patterns do not follow a consistent trend and are sensitive to broader economic and policy shifts. A notable example occurs during the COVID-19 pandemic, when agricultural lending experienced a sharp increase. This rise was driven in large part by a significant injection of liquidity into the farming sector nationwide. Through the Coronavirus Food Assistance Programs, the federal government distributed approximately $23.5 billion in direct payments to farmers and ranchers nationwide. These funds improved cash flow and financial stability across the agricultural industry. The added liquidity helped stabilize a typically volatile market and increased lender confidence. With stronger farm balance sheets and reduced credit risk, banks were more willing to extend loans, contributing to the observed surge in agricultural lending in 2020.

To estimate the effects of tighter monetary policy on Louisiana's agricultural economy, this report models a negative lending shock equivalent to a 1.02% decrease in agricultural lending, which is the average response to a 1% increase in the federal funds rate. Figure 13 shows

Figure 12: Louisiana Agriculture Lending Growth and Effective Federal Funds Rate (Percent)

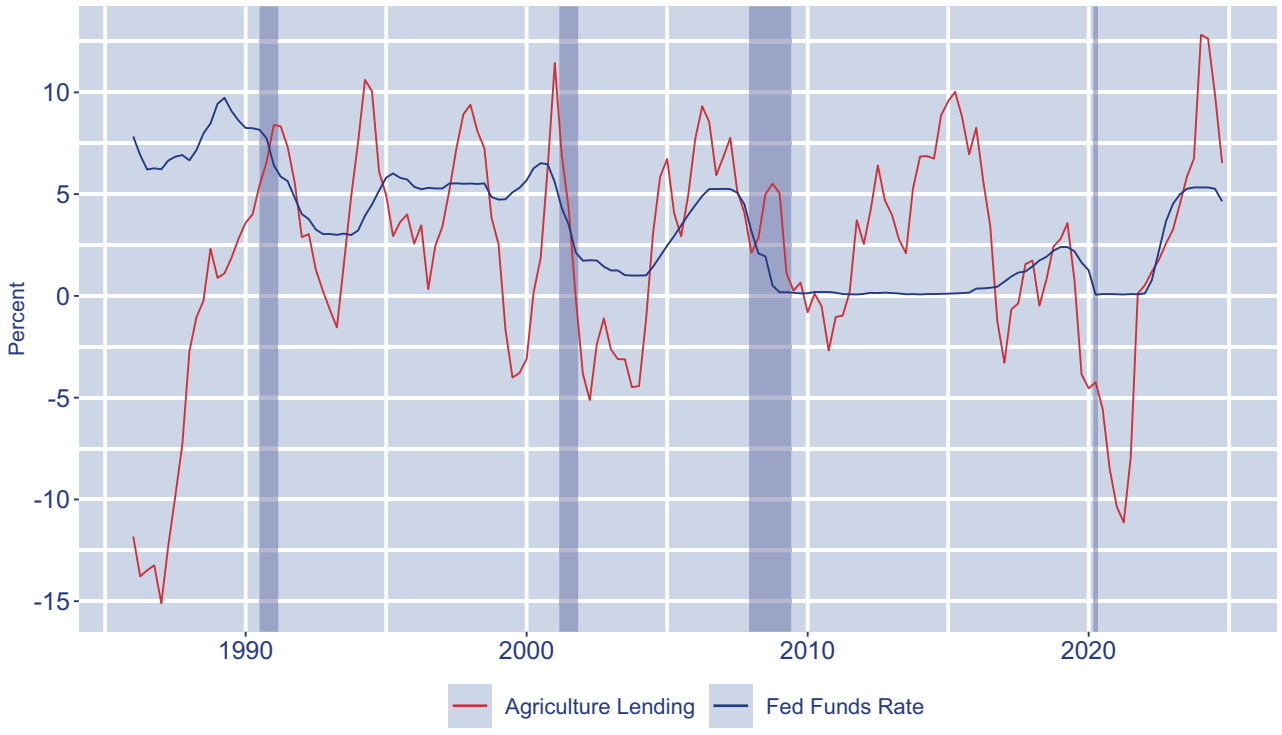
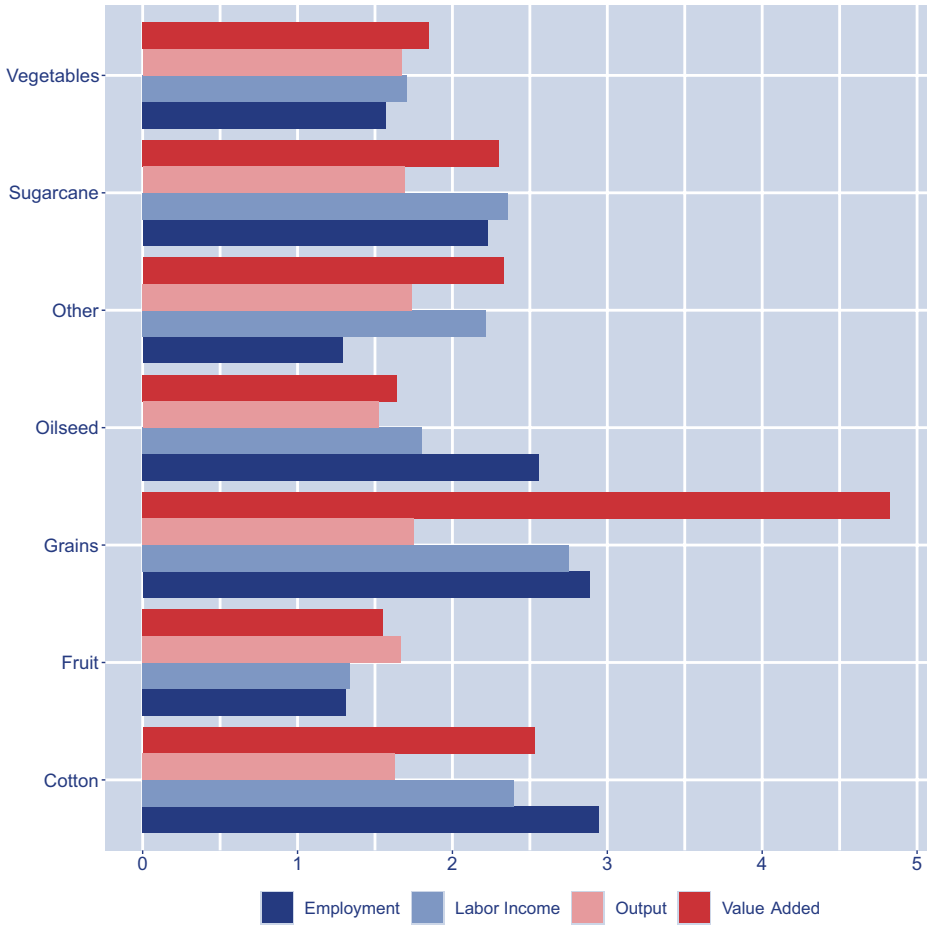


Figure 13: Multiplier Values per Industry by Economic Effect



the impacts to employment, labor income, changes in output levels, and overall changes to each sector's GDP contributions across Louisiana's economy given a 1% increase in the federal funds rate. The figure reports the results from a positive credit shock in reverse, allowing us to approximate the economic contraction associated with rising interest rates. As shown, the effects are not uniform; they disproportionately harm large-scale row crops and mechanized production, while smaller-scale sectors face relatively muted but still relevant consequences.

The findings reveal that capital-intensive sectors such as sugarcane and grain farming are the most vulnerable. A contraction in lending consistent with a 1% rate hike would result in a loss of up to $19.5 million in total output in sugarcane, along with a reduction of over 70 jobs and $3.6 million in labor income. Grain farming, similarly impacted, could see $22.1 million in lost output and over 73 jobs affected. These industries rely heavily on seasonal credit to finance equipment, labor, and inputs, making them especially sensitive to interest rate fluctuations. Oilseed and cotton production also exhibit notable sensitivity, with estimated output losses of $8.34 million and $1.57 million, respectively. In contrast, fruit and vegetable sectors experience smaller contractions—less than $1 million in total output each—reflecting their smaller scale in terms of contribution to Louisiana's agricultural economy. The "Other" agriculture category, which includes a broad mix of small-scale row crop operations, is impacted most in terms of employment, with over 250 jobs supported by lending activity. A contraction in financing would threaten up to $27 million in output, alongside substantial reductions in labor income and value added.

Taken together, these results highlight the localized risks of national monetary policy. Even modest increases in the federal funds rate can create meaningful drag on rural economies by reducing the flow of credit to Louisiana's agricultural sector.

Data for this report are provided by the Bureau of Economic Analysis. Parish level data are produced with a year-long lag. Current annual data extend to 2023. 2024 estimates are expected in December 2025.

Sources for CFAP U.S. Agriculture Sector Received an Estimated $35 Billion in COVID-19-Related Assistance in 2020 | Economic Research Service

Sweet Contribution: The Importance of Louisiana's Sugarcane Industry

BY KENNEDY STEVENS

Louisiana sugarcane has been a popular commodity since the 1750s. This crop has been a top contributor in Louisiana's economy for centuries, though the state has a checkered past with this commodity, as it was one of many crops cultivated among the plantations of South Louisiana. Post emancipation, this crop helped rebuild Louisiana to the benefit of all. In 2023, the sugarcane industry produced over $4.3 billion, making this "sweet" contributor a vital key to Louisiana's economy.

The research presented in this report exploits an input/output (I-O) table estimation method to analyze the overall contribution of the sugarcane industry in Louisiana. This method expresses all output that is produced from one industry that feeds or is allocated to all other industries. It allows for the estimation of contribution that a particular industry has to all others in a given region.

Table 2 shows the headline economic impact across major indicators. The sugarcane industry employs over 5,300 people in the state. The total direct economic output is $3.78 billion. The total indirect output, which measures the output created in supplier industries including profits earned and salaries paid to employees, is $1.22 billion. Total economic output for sugarcane production, with all rounds of indirect and induced activity, adds up to $5.6 billion contributed to Louisiana's economy. The multipliers for both employment and labor income indicate an industry that not only is labor intensive but also generates additional value beyond the direct industry employment. The lower values of multipliers for valued added and total output reflect an industry that is primarily an intermediate good for final production. Most of the value that the industry generates will leave the state as sugarcane products are shipped elsewhere. The Bureau of Economic Analysis reports that only three states produce sugarcane (beyond the reporting threshold): Texas, Louisiana, and Florida.

Table 3 displays tax revenues that sugarcane production generates. In Louisiana, the sugarcane industry has a total impact of $323 million in tax revenues. The direct impact for state tax revenues is $22.7 million while the federal taxes is $98 million. The direct impact for tax revenues includes payroll, sales, property, income, and corporate tax. The indirect impact for federal tax revenues is $74.3 million while state revenues are $25.6 million. Indirect tax revenues are composed of sales tax, customs tax, and value added tax. The induced tax revenues for the state are $18.4 million with federal taxes generating $36 million. The induced taxes include sales, income, and corporate taxes, and move with economic activity (the higher the income, the higher the tax). The multiplier at the parish-level is 4.39, so for every $1 change in direct taxes, an additional $3.39 is generated on average. This same principle applies to the other tax multipliers.

Figure 14 shows the total industry employment by parish. There are multiple factors that explain why the parishes with the highest employment are primarily in the southern region of Louisiana. Sugarcane thrives in humid, warm climates with rich soil making these southern parishes more ideal for cultivating sugarcane. This, in turn, means there are more sugar mills in the area thus leading to higher demand of workers.

Table 2: Economic Impact by Indicators (2024 Dollars)

Impact	Employment	Labor Income	Value Added	Output
Direct	5353.962	$398,242,819	$1,008,673,384	$3,873,500,331
Indirect	5298.648	$324,542,620	$606,899,518	$1,219,472,881
Induced	3046.787	$156,038,229	$307,167,255	$516,559,727
Total	13699.4	$878,823,669	$1,922,740,158	$5,609,532,940
Multiplier	2.559	2.207	1.906	1.448

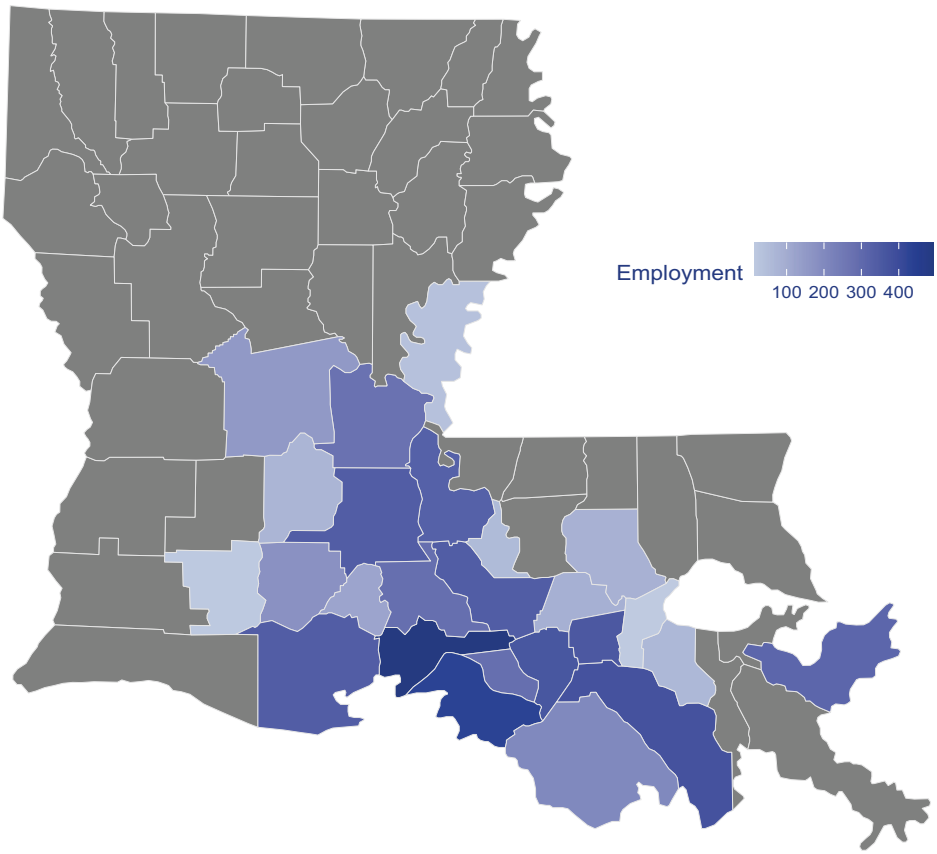
Table 3: Tax Revenues for Each Impact by Taxing Authority (2024 Dollars)

Impact	Sub-Parish General	Parish	State	Federal	Total
Direct	$3,085,969	$3,198,434	$22,779,477	$98,139,120	$127,203,000
Indirect	$5,651,560	$5,859,602	$25,563,117	$74,358,928	$111,433,207
Induced	$4,790,416	$4,967,396	$18,411,111	$36,173,448	$64,342,372
Total	$13,527,945	$14,025,432	$66,753,705	$208,671,497	$302,978,579
Multiplier	4.384	4.385	2.930	2.126	2.382

The Parish with the highest employment is Iberia Parish with 492 employees and over $37 million in labor income. As said before, this is likely due to the climate in the area and the number of mills. Other high employment parishes are Saint Mary with 430 workers and labor income of $32 million and Lafourche with 374 workers and labor income of $25 million. Parishes with lower employment include Saint John the Baptist with 15 employees and Jefferson Davis with 17.

Sugarcane is an important piece to Louisiana's economic growth and overall economy. It is especially important in parishes that have a high proportion of industry employment and rely on sugarcane as a source of income, but the additional rounds of economic growth that are supported by it are greater than any one region. With over $4 billion in contribution, Louisiana thrives with a vibrant sugarcane industry.

Figure 14: Sugarcane Industry Employment by Parish (Workers)



Data for this report are provided by the Bureau of Economic Analysis. Parish level data are produced with a year-long lag. Current annual data extend to 2023. 2024 estimates are expected in December 2025.

Driving Louisiana's Economy III: An Analysis of Employment, Inventory, and Environmental Impact of the Trucking Industry

BY LAUREN NITEN

The trucking industry plays a crucial role in the broader economy, serving as a hub for business activity and a key link in supply chain logistics. In a state known for its strategic transportation corridors and proximity to major ports, shifts in business inventory levels and trucking employment carry significant economic implications. This analysis explores how employment in Louisiana's trucking sector responds to changes in business inventory growth, uncovering a consistent lagged relationship. It also delves into the economic multiplier effects across Louisiana's nine Metropolitan Statistical Areas (MSAs), and a comparative analysis of Global Warming Potential (GWP) emissions across MSAs. Regional differences in both economic impact and environmental outcomes are highlighted.

The dynamic between business inventory and trucking employment is especially important in Louisiana due to the state's dependence on freight-intensive industries such as oil and gas, agriculture, and port-related trade. The lag between these two variables shows the importance of how supply chain rhythms shape labor fluctuations. Figure 15 illustrates a persistent and cyclical relationship between inventory growth and trucking employment, marked by a lagged response. When businesses accumulate inventory (represented by the blue line), trucking employment (represented by the red line) typically follows with a delay of several months as logistics operations adjust to changing shipping demands. The most noticeable declines in employment and inventory happened during the recession of 2008-2009, a Louisiana-specific mini recession in 2015, and the 2020 pandemic as the world temporarily slowed down.

Another noticeable decrease in trucking employment and business inventory in the early 2000s was triggered by several factors including the dot-com bubble bust in 2000, the recession of 2001, and corporate accounting scandals like Enron and WorldCom. Although these are not Louisiana-specific events, the state was still impacted. Consumer confidence decreased; reduced capital investment nationwide led Louisiana businesses to adopt more conservative inventory management. Decreased demand for consumer goods resulted in lower shipping volumes through Louisiana's major ports.

Figure 15: Growth Trends in Inventory and Trucking Employment (Percent)

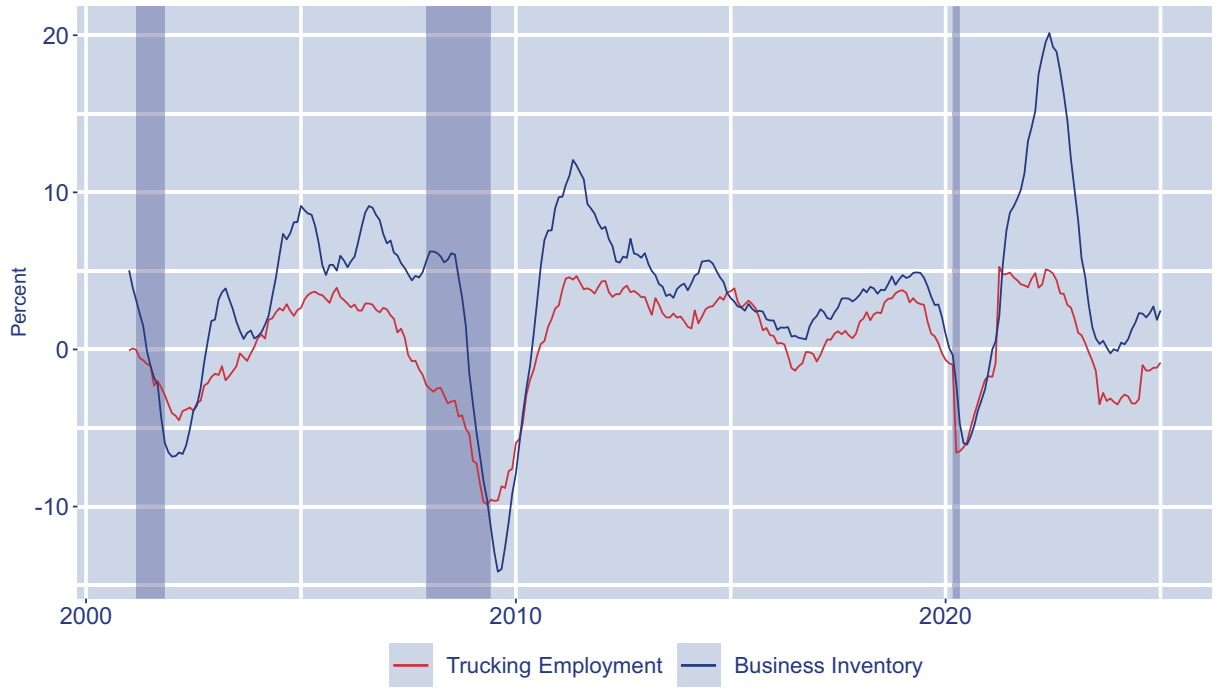
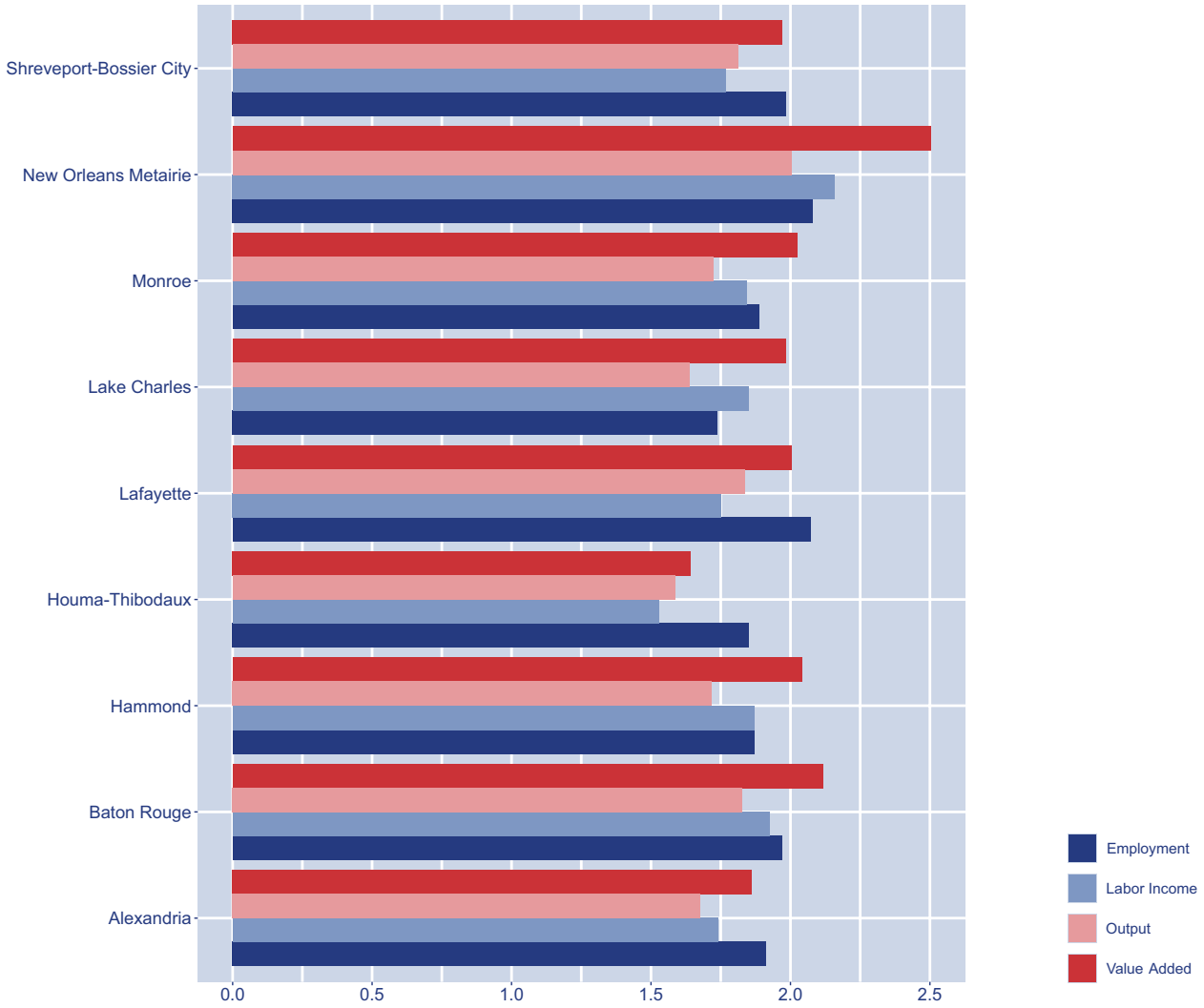


Figure 16: Regional Multipliers by Economic Indicators Across Louisiana MSAs

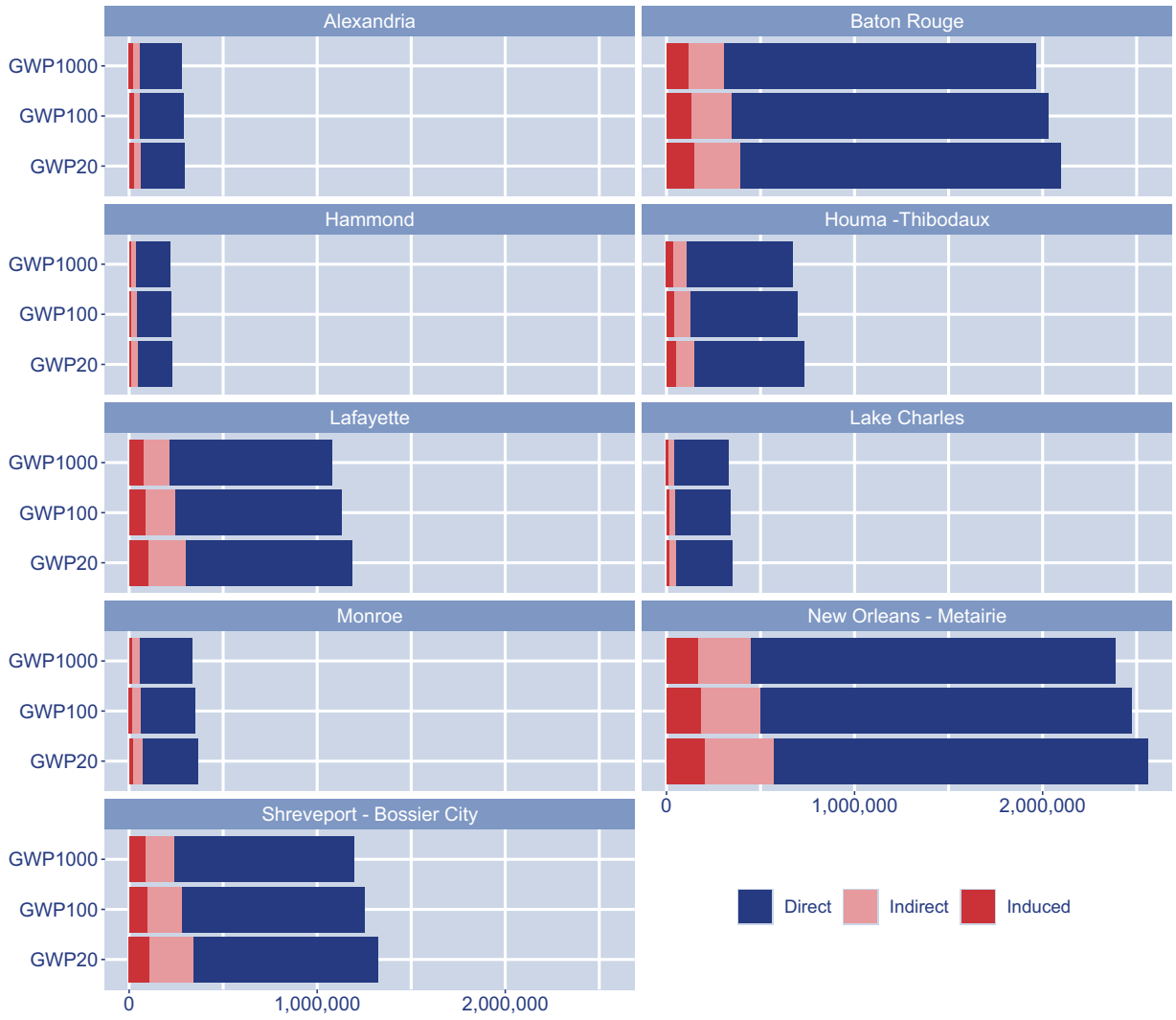


This lagged relationship reveals the trucking industry's role as a responsive economic indicator rather than a leading one. There is approximately a three-to-four-month delay between inventory shifts and corresponding employment adjustments, highlighting how trucking companies manage their workforce capacity based on established inventory trends rather than short-term fluctuations.

Employment, labor income, output, and value added are key economic indicators that collectively offer a comprehensive assessment of the trucking industry's impact across Louisiana's Metropolitan Statistical Areas (MSAs). Figure 16 presents a regional comparison of these indicators, where the values shown represent the full-time equivalent (FTE) impacts resulting from a 1% increase in inventory growth, a positive economic shock that drives demand for trucking services with a lag of approximately six months, reflecting the trucking industry's delayed response to industry changes. This shock leads to increased trucking employment, which in turn stimulates growth throughout the various regional economies, indicated by economic multipliers. Increased multiplier values indicate how the trucking industry stimulates broader economic activity, both indirectly and through induced effects.

New Orleans-Metairie stands as Louisiana's trucking powerhouse, where the industry creates ripple effects throughout the broader region. With the state's highest multipliers (employment: 2.08, value added: 2.50), each trucking job supports more than one additional position elsewhere, resulting in 48.12 total jobs supported and a significant $8.68 million in output. This performance reflects the region's strategic position as a freight hub connecting Gulf shipping with inland distribution networks. Baton Rouge and Lafayette represent different trucking success models with Baton Rouge leveraging its industrial base to support 35.85 total jobs and generate $6.77 million in output, while Lafayette achieves remarkable efficiency with

Figure 17: Global Warming Potential Emissions by Louisiana MSA (Kilograms of Greenhouse Gases)



a 2.07 employment multiplier that supports 18.64 jobs and $3.55 million in output despite serving a smaller market. The Shreveport-Bossier MSA's trucking sector demonstrates strong integration with local supply chains (employment multiplier: 1.98), supporting approximately 20 jobs and producing $3.86 million in output. Monroe and Lake Charles maintain steady operations with more modest impacts: 6.36 jobs and $1.09 million and 6.14 jobs and $1.07 million in output, respectively. Among smaller markets, Hammond's trucking operations achieve an impressive value-added multiplier (2.04) while supporting 4.22 jobs and generating $688,005 in output, suggesting specialized freight services tied to specific industries. Alexandria's impact remains limited (4.59 jobs and $850,843 in output), while Houma-Thibodaux's consistently lower multipliers (below 1.65) indicate its trucking activities operate more independently from other local businesses, despite generating over $2 million in output.

This pattern reflects the concentration of trucking-related economic activity in Louisiana's major urban hubs, where access to major roadways, and proximity to major shipping routes provide competitive advantages. While New Orleans-Metairie leads in value added, other regions like Shreveport-Bossier City and Lafayette maintain strong employment levels, indicating differing operational structures across the state. Overall, Figure 16 illustrates spatial disparities in economic contributions, with larger MSAs capturing a disproportionate share of the trucking industry's economic impact.

While the disparity remains between larger and smaller MSAs, Louisiana faces another challenge—driver shortages. According to an article published in 2024 by the Louisiana Motor Transport Association (LMTA), Louisiana experienced a shortage of approximately 80,000 drivers. This gap continues to place a strain on supply chain efficiency and economic growth, in turn placing a strain on Louisiana's freight-intensive industries and strategic role in Gulf Coast

logistics. Several factors contribute to this workforce issue, such as an aging driver population which has led to increased retirements with fewer younger individuals entering the industry at a comparable rate. There is a notable lack of gender diversity, with female drivers comprising only a small percentage of the total workforce. The federal age restriction prohibiting drivers under 21 from crossing state lines creates another barrier to workforce growth, limiting younger drivers to enter long-haul trucking roles immediately after high school, creating a bottleneck at the entry level. These workforce constraints are especially problematic in MSAs with increased output such as New Orleans-Metairie and Baton Rouge where freight demand is highest.

Figure 17 offers insights into global warming potential (GWP) emissions displaying the direct, indirect, and induced environmental impact of trucking activity across Louisiana's MSAs offering critical insights into the environmental impact of trucking transportation. New Orleans-Metairie records the highest total GWP emissions, aligning with its position as a key logistics hub with high trucking volume. Similarly, Baton Rouge, Lafayette, and Shreveport-Bossier also report total elevated emissions across all categories reflecting significant industrial and freight movement in these regions. While MSAs such as Monroe, Hammond, Alexandria, and Lake Charles display decreased total GWP emissions.

When considered alongside Figure 16's economic indicators, a clear pattern is revealed. Metropolitan areas such as New Orleans-Metairie, Baton Rouge, Lafayette, and Shreveport-Bossier exhibit both elevated emissions and high levels of trucking activity, indicating a strong positive correlation between industrial transportation demand and trucking output. This suggests that as logistics, trade, and freight-intensive operations expand, increases in trucking emissions are likely to follow. Conversely, Alexandria demonstrates both lower emissions and more modest economic performance. However, Houma-Thibodaux stands out by exhibiting moderately high emissions despite lower values across three of the four economic indicators shown in Figure 16, suggesting a less efficient emissions to economic output ratio.

According to an Axios article written by Ben Berkowitz, the recent national developments in trade policy and their effects on port activity have significant implications for Louisiana's transportation sector. With major ports in and around New Orleans serving as critical gateways for international commerce, Louisiana's trucking industry faces unique vulnerabilities to tariff-driven disruptions. The reported "plummeting cargo volumes" at major U.S. ports will likely extend to Louisiana's maritime facilities, potentially triggering a cascade of effects through the trucking industry. This comes at a particularly challenging time, as the sector has already endured "three years of a freight recession" according to industry sources.

As highlighted in Figure 16, regions with strong trucking employment and output such as New Orleans-Metairie and Baton Rouge could face disproportionate impacts from this freight downturn. Harbor Trucking Association CEO Matt Schrap's warning of potential "casualties" (Berkowitz, Axios) specifically threatens Louisiana-based carriers that are unable to diversify their operations beyond port-dependent freight. In Louisiana, this concern is particularly acute, as smaller carriers and regional operators often lack the financial flexibility to adapt to prolonged freight volatility. Without strategic efforts to broaden logistics services or shift toward inland distribution models, many Louisiana-based firms may face financial strain or consolidation pressures.

As Louisiana's trucking industry faces ongoing challenges such as significant driver shortages and shifting trade policies, recognizing the complex interplay between business inventory, employment, and environmental impacts is essential. The lagged relationship between inventory changes and trucking employment highlights how the industry adapts to evolving supply chain demands, with workforce adjustments following inventory trends rather than immediate fluctuations. Regional disparities across Louisiana's MSAs demonstrate how economic output, employment multipliers, and emissions vary depending on industrial composition and transportation infrastructure. Major hubs like New Orleans-Metairie lead in economic contributions but also face greater environmental pressures. Meanwhile, smaller regions show differing patterns of trucking activity and emissions efficiency. As the Louisiana trucking industry navigates these challenges, understanding the intricate relationships between inventory, employment, and environmental impacts is crucial for sustaining economic growth within the trucking industry in Louisiana.

Data for this report are provided by the Bureau of Economic Analysis. Parish level data are produced with a year-long lag. Current annual data extend to 2023. 2024 estimates are expected in December 2025.

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Investing in Our Futures: The Economic Impact of the Ouachita Parish School Board

BY NEAL LOPEZ

Ouachita Parish School Board (OPSB) is the largest employer in Ouachita Parish and the largest school district in northeast Louisiana. It is reasonable to conclude that the OPSB generates significant economic impacts within Ouachita Parish and across the broader region of Louisiana. A substantial proportion of this total impact comes from induced rounds of consumer spending from the direct labor employment. The purpose of this report is inspired by the recent construction of a new middle school in Sterlington—significantly increasing OPSB's usual total economic impacts. All numbers in this report pertain to OPSB's economic contributions to Ouachita Parish in 2024, and an input-output (I-O) model is used to measure the economic effects.

Table 4 depicts the economic impacts of both the middle school's recent construction, along with OPSB's regular yearly operations and maintenance, for the year 2024. The school board's regular operating budget is reflected in the $237 million direct output. While there are no indirect costs in this category (due to OPSB operating as a transfer payment of taxpayer dollars), there is still an additional $116 million in induced output, making total operations and maintenance output $353 million. OPSB's recent middle school construction has added an additional $47.1 million in total economic impact—a large $10 million of that being induced impacts, indicating the degree of interconnectedness of the regional economy. Indirect impacts have increased output in industries such as manufacturing, services (engineering), wholesale trade, and transportation. Induced impacts are more general in affected industries, ranging from retail and real estate to healthcare.

Figure 18 graphically displays operations and construction—employment, labor income, output, and value added—in terms of type SAM multipliers. The X axis value is total impact (direct, indirect, and induced) divided by the direct impact. It measures the total economic impact in the region that results from a unit of direct production. The bigger a bar in the horizontal bar chart, the more indirect and induced economic impacts that category has in relation to total impacts. Operations have a larger multiplier in every category compared to construction, with labor income consistently having the highest proportion of direct impacts. Output has the lowest proportion of direct economic impacts overall, meaning it does a large proportion—around 50%—of its total impact coming from mostly induced effects.

Table 4: Economic Impacts by Indicators and Events

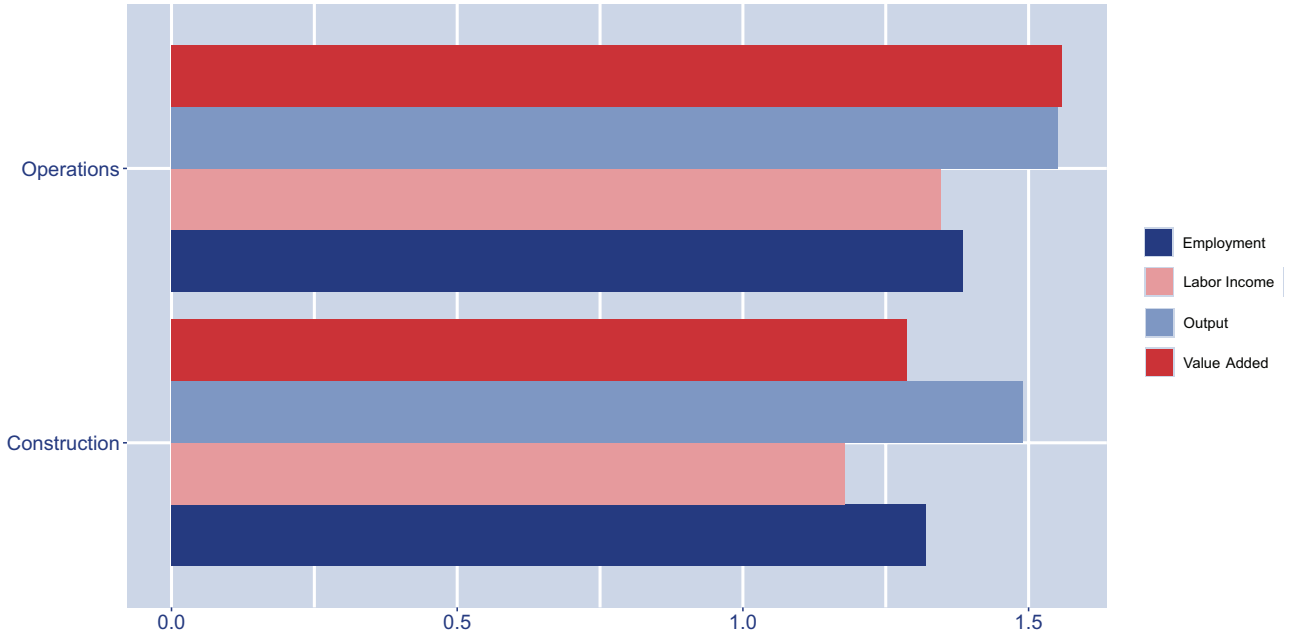
New Construction

Impact	Employment	Labor Income	Value Added	Output
Direct	240.52	$13,833,181	$16,534,214	$30,396,000
Indirect	28.73	$1,792,328	$3,399,701	$6,719,644
Induced	63.85	$3,009,321	$5,848,642	$10,013,664
Total	333.10	$18,634,830	$25,782,557	$47,129,308
Multiplier	2.012	1.529	1.413	1.473

Operations and Maintenance

Impact	Employment	Labor Income	Value Added	Output
Direct	2316.00	$196,000,000	$236,990,725	$36,990,725
Indirect	-	-	-	-
Induced	741.87	$34,992,157	$68,015,032	$116,430,266
Total	3057.87	$230,992,157	$305,005,756	$353,420,990
Multiplier	3.493	2.294	1.439	1.266

Figure 18: Operations and Construction Multipliers by Economic Indicator



Total taxes are predominantly comprised of state and federal taxes, as shown in Table 5. A relatively small proportion of indirect taxes are gained from construction suppliers and their earned income, while induced taxes stem from direct and indirect employees (construction workers, teachers, etc.) spending their income. New construction has added nearly $5 million to OPSB's regular operations tax revenue of $56.5 million. The lack of direct taxes at the municipal and parish for regular operations reflects the tax-exempt status of the school, and the lack of indirect tax revenues is because school operations are derived from tax revenues.

Table 5: Tax Revenues by Impacts and Events

New Construction

Impact	Sub-Parish	Parish	State	Federal	Total
Direct	$14,772	$10,685	$329,266	$2,645,474	$3,000,197
Indirect	$63,432	$45,881	$226,742	$405,054	$741,109
Induced	$106,750	$77,214	$383,015	$679,142	$1,246,122
Total	$184,954	$133,781	$939,023	$3,729,670	$4,987,428
Multiplier	2.012	1.529	1.413	1.413	1.473

Operations and Maintenance

Impact	Sub-Parish	Parish	State	Federal	Total
Direct	-	-	$3,697,075	$38,313,488	$42,010,563
Indirect	-	-	-	-	-
Induced	$1,242,419	$898,663	$4,457,003	$7,897,430	$14,495,516
Total	$1,242,419	$898,663	$8,154,078	$46,210,918	$56,506,079
Multiplier	2.012	1.529	1.413	1.413	1.473

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