

5-1-1989

Metropolitan Report - May 1989

Division of Business and Economic Research, College of Business Administration, University of New Orleans

Follow this and additional works at: https://scholarworks.uno.edu/metro_rpt



Part of the [Business Commons](#), and the [Economics Commons](#)

Recommended Citation

Division of Business and Economic Research, College of Business Administration, University of New Orleans, "Metropolitan Report - May 1989" (1989). *UNO Metropolitan Report*. Paper 32.
https://scholarworks.uno.edu/metro_rpt/32

This Report is brought to you for free and open access by the Division of Business and Economic Research at ScholarWorks@UNO. It has been accepted for inclusion in UNO Metropolitan Report by an authorized administrator of ScholarWorks@UNO. For more information, please contact scholarworks@uno.edu.



University of New Orleans

Lakefront • New Orleans • Louisiana 70148 • (504) 288-6248

DIVISION OF BUSINESS AND
ECONOMIC RESEARCH

Nov 1989

QUARTERLY ECONOMIC INDICATORS -- SUMMARY

LEADING INDICATORS



CONTINUED SLUGGISHNESS EXPECTED: The general indicator was down in January, up in February, and back down again in March.

TOURISM REMAINS ONE OF THE FEW GROWTH SECTORS: The tourism indicator has increased for 7 consecutive quarters. Until the addition to the Convention Center is completed, significant growth will occur only if the city can attract more discretionary pleasure travelers through increased promotional and advertising efforts.

PETROLEUM PICTURE STILL CLOUDY: The petroleum indicator has increased for four consecutive months, after six straight months of decline. Oil prices have now been on the rise for five months, while the number of operating rigs has fallen. The time lag before price stability results in increased drilling and production may be lengthening. The decision by Amoco to relocate or lay off some 800 highly paid workers in the New Orleans area will surely cause a downward ripple in the economy, which, if not offset by some positive phenomenon, will be felt throughout the entire metro area.

LONG-TERM PORT PROSPECTS REMAIN POSITIVE DESPITE INDICATOR DECLINE: The port indicator showed four months of successive declines, reflecting the rising value of the U.S. dollar. But, in the short term, it is expected to have little impact since contracts for shipping of goods are usually negotiated well in advance of the shipping date. The dollar is expected to continue its gradual fall for several years, making New Orleans' long term port outlook optimistic. The ability to capitalize on its future opportunities depends heavily upon the Port's capital investment plan currently under consideration by the State.

CONSTRUCTION CAN EXPECT CONTINUED TOUGH TIMES AHEAD: The construction indicator fell steadily throughout the first quarter. Mortgage rates are on the rise and the office market in New Orleans is in a glut state. High vacancy rates are widespread and much of the new occupancy is comprised of tenants drawn away from other properties. No new large projects on the horizon.

CONCURRENT INDICATORS

FOURTH QUARTER PERFORMANCE FLAT: Few changes occurred from the previous quarter.

VIRTUALLY NO CHANGE IN WAGE AND SALARY EMPLOYMENT: Total wage and salary employment grew by only 120 jobs in the first quarter. In general, very little change occurred in the employment composition of the New Orleans economy.

FIRST QUARTER UNEMPLOYMENT RATE STABLE, CIVILIAN LABOR FORCE DOWN, INDICATING CONTINUED OUTMIGRATION: The unemployment rate of 9.2% was the same in the previous quarter but was 0.7% below the first quarter of 1988 figure (9.7%). The number of unemployed persons fell and the number employed rose somewhat. But the major factor behind the unemployment rate decline is the drop of roughly 5,400 in the civilian labor force, pointing to continued net outmigration of persons from the New Orleans area. Indications are that the labor force drop, and corresponding outmigration, is largely attributable to a reduction in the number of self-employed workers.

PERSONAL INCOME UP: Fourth quarter, 1989 personal income was the highest ever, eclipsing the previous high set in the third quarter. Real purchasing power of New Orleans area residents increased nearly 1% in 1988.

INCREASES IN TAXABLE SALES DON'T COVER INFLATION: The 1988 Christmas buying season proved to be less than sparkling. Taxable sales in the fourth quarter were up 3.2% from 1987, but represented a decline by some 1.2% after adjusting for inflation.