

# METROPOLITAN REPORT

Economic Indicators for the New Orleans Area



Division of Business and Economic Research, University of New Orleans

Volume 20, No. 2      Forecasts for the 2<sup>nd</sup> Quarter 2009 through the 1<sup>st</sup> Quarter 2011

June 2009

## HIGHLIGHTS

- In the first quarter of 2009, real GDP fell by 5.5%. This is the fifth quarter of recession. Total U.S. non-farm payroll employment was down 4.2 million jobs from year-earlier levels, and unemployment had risen to 8.1%. The end of the recession is not expected to occur until second quarter of 2010. Even then, national employment is not likely to rise until months after the turnaround occurs.
  - 1,100 jobs were added to the New Orleans metropolitan area when comparing the first quarters of 2009 and 2008. This small gain of 0.2% is a welcome sign of stability when compared to the national loss of 3% during the same time period.
  - Locally, the biggest employment gains over the year were state government (2,700 jobs), construction (1,700 jobs), and local government (1,200 jobs). Many of the new government jobs are concerned with education and health care. Significant job losses were in employment and temporary agencies (1,900 jobs) and in financial services concentrated in leasing of equipment and real estate (600 jobs).
  - Showing regional contrast, construction jobs in the U.S. lost 12% while New Orleans gained 5%. Durable good manufacturing lost 2% locally but 11% nationwide.
  - Unemployment is rising locally with an increase from 3.4% to 5.4% over the last year. The national rate moved from 4.9% to 8.1% during the same time.
  - Estimates of retail sales in 2008 exceeded those of 2007 by 3.6%. This keeps retail sales 23% over pre-Katrina levels. However, the first quarter of 2009 shows a drop of 3.8% from the same quarter the previous year.
  - New population figures released by the U.S. Census put the total New Orleans metropolitan population at 1.13 million as of July 2008. Orleans parish gained 24,000 over the year while the other 6 parishes gained just under 1,000 people altogether. These gains leave Orleans parish at 69% of pre-Katrina levels and the MSA as a whole at 87% of its old population.
  - Due to national recessionary pressures, a loss in local employment of 2,200 is expected in the first year of the forecast. As the nation starts to pull out of the recession in 2010, the job trend is expected to reverse with an addition of 5,500 in the second year of the forecast.
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