

College of Business Administration University of Louisiana—Monroe



PRODUCED BY THE ULM COLLEGE OF BUSINESS ADMINISTRATION
CENTER FOR BUSINESS AND ECONOMIC RESEARCH

Business and Economic Climate of Monroe, Louisiana, and the Surrounding Area: 2007

The Economy and Demography of Northeast Louisiana

Northeast Louisiana is a 12-parish area bordered to the north by Arkansas and to the east by Mississippi. The twelve parishes of Northeast Louisiana, for the purposes of this publication, are Caldwell, East Carroll, Franklin, Jackson, Lincoln*, Madison, Morehouse, Ouachita, Richland, Tensas, Union, and West Carroll. The Monroe metropolitan statistical area (Ouachita and Union Parishes: MSA rank by population=209/280) is the population and business center for the greater area.

The data contained herein is compiled from many sources and is as current as availability permits.

* The State of Louisiana does not typically include Lincoln Parish in the Northeast Louisiana statistical area.



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2007 Factbook, Section III: Business Climate Data

Material in this publication was researched and compiled by Robert C. Eisenstadt, PhD, of the Economics Department, Center for Business and Economic Research, College of Business Administration, at the University of Louisiana Monroe. All information presented here is the responsibility of the author and not that of the University of Louisiana Monroe or its affiliates.

These 11 companies employ more than 10% of the wage and salary workers in NE LA. One conspicuous absence in this year's edition is Guide Corporation, which closed its headlight manufacturing plant in Monroe in early 2007. The closure resulted in the loss of 800 manufacturing jobs in the region.

Commercial/industrial utility prices in Louisiana have retreated somewhat from last year's highs that generally exceeded National rates. The reductions are especially noticeable for non-wintertime natural gas.

Strong gains in building permits portend strong employment in construction for 2007-2008.

Major Area (private/non-retail) Businesses

Company	Product/Service	Employees
Chase Manhattan Mortgage/J.P. Morgan Chase	Mortgage/Financial Services Center	1,800
St. Francis Medical Center	Medical Services	1,600
Graphics Packaging	Pulp & paper processing	1,500
CenturyTel	Telecommunications Services	1,470
Glenwood Regional Medical Center	Medical Services	950
International Paper (Morehouse Parish)	Paper Manufacturing	600
Entergy	Electrical Utility	470
Bancroft Bag	Bags, Paper Containers	450
Tyco	Plastics	420
ANGUS Chemical Company	Specialty Chemicals	150
Pilgrim's Pride (Union Parish)	Chicken Processing	1,900

Commercial/Industrial Utility Rates for Louisiana and the United States, Feb. 2006-Feb. 2007

	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07
Electricity cents/kwh:													
U.S. Commercial	9.04	8.97	9.08	9.15	9.74	9.86	9.96	9.78	9.4	9.11	8.97	9.11	9.28
Louisiana Commercial	9.84	8.88	8.69	8.31	8.80	8.76	8.86	9.24	9.75	8.77	8.46	9.00	9.36
U.S. Industrial	5.87	5.82	5.85	5.91	6.35	6.5	6.56	6.27	6.12	5.97	5.96	6.12	6.2
Louisiana Industrial	7.99	7.22	6.50	6.36	6.49	6.74	6.74	7.03	7.56	6.65	5.94	6.58	6.99
Natural Gas \$/mcf:													
U.S. Commercial	\$13.00	\$12.01	\$11.53	\$11.54	\$11.03	\$10.91	\$11.18	\$11.15	\$10.13	\$11.05	\$11.57	\$11.12	\$11.23
Louisiana Commercial	\$12.04	\$12.25	\$11.36	\$11.79	n/a	\$10.69	\$10.35	\$9.32	\$9.96	\$11.96	\$12.73	\$11.87	\$11.95
U.S. Industrial	\$9.29	\$8.23	\$7.95	\$7.65	\$6.92	\$6.79	\$7.38	\$7.23	\$5.62	\$7.79	\$8.26	\$7.36	\$8.27
Louisiana Industrial	\$8.83	\$7.37	\$7.45	\$7.26	\$7.07	\$7.14	\$7.82	\$7.19	\$5.23	\$7.53	\$7.57	\$6.56	\$7.93

Source: U.S. Dept. of Energy, Energy Information Agency

Business Climate Data (continued)

Construction Permits for Monroe MSA by Parish: 2005-2006									
	Number of Projects		Dwelling Units		Square Feet (000's)		Value (millions \$)		
	2006	2005	2006	2005	2006	2005	2006	2005	%Change
Total Non-Residential	28	32	n/a	n/a	412	279	\$44.8	\$37.9	18.2%
Ouachita	25	30	n/a	n/a	301	276	\$37.0	\$37.4	-1.1%
Union	3	2	n/a	n/a	112	4	\$7.8	\$0.5	*
Total Residential	761	541	763	546	1,603	1,142	\$122.7	\$83.8	46.4%
Ouachita	514	397	516	402	1,082	838	\$89.9	\$65.5	37.3%
Union	247	144	247	144	522	304	\$32.7	\$18.3	78.7%
Total Non-Building	26	23	n/a	n/a	n/a	n/a	\$85.1	\$85.0	0.1%
Ouachita	18	19	n/a	n/a	n/a	n/a	\$26.2	\$82.2	-68.1%
Union	8	4	n/a	n/a	n/a	n/a	\$58.9	\$2.8	*
Total all projects	815	596	763	546	1,603	1,142	\$252.6	\$206.7	22.2%

In the % Change Column, increases of 100% or more are indicated by *.

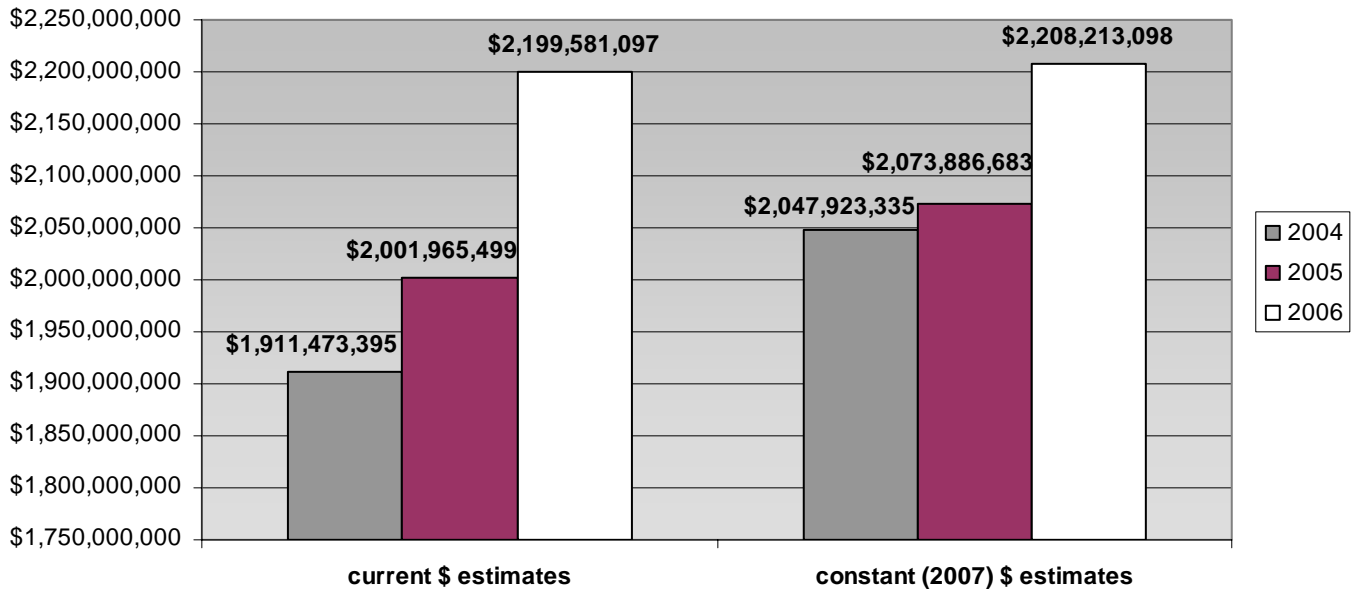
Source: Dodge MarkeTrack (McGraw Hill Construction Research and Analysis)

Hotel Motel Occupancy Rates 2005-06								
	% Occupancy				Average Room Rate			# of rooms
	2005	2006	% change		2005	2006	% change	
Monroe MSA	70.9%	68.8%	-3.0%		\$60.64	\$62.13	2.5%	2,073
*Louisiana North Area	69.4%	66.3%	-4.5%		\$58.93	\$60.15	2.1%	7,858
State of Louisiana	70.2%	67.3%	-4.1%		\$86.72	\$88.94	2.6%	72,253

*LA North Area excludes Monroe and Shreveport MSAs.

Source: LA Department of Tourism.

Estimated Non-Auto Retail Sales for Ouachita Parish



Estimated Inflation-Adjusted (2007) per Capita Non-Automotive Retail Sales*

	2004	2005	2006	% chg 05-06
Ouachita Parish	\$13,815	\$13,990	\$14,742	5.4%
Lincoln Parish	\$20,243	\$22,639	\$24,867	9.8%
United States	n/a	\$8,516	n/a	n/a

*Estimates of Parish retail sales are calculated from local sales tax collections.

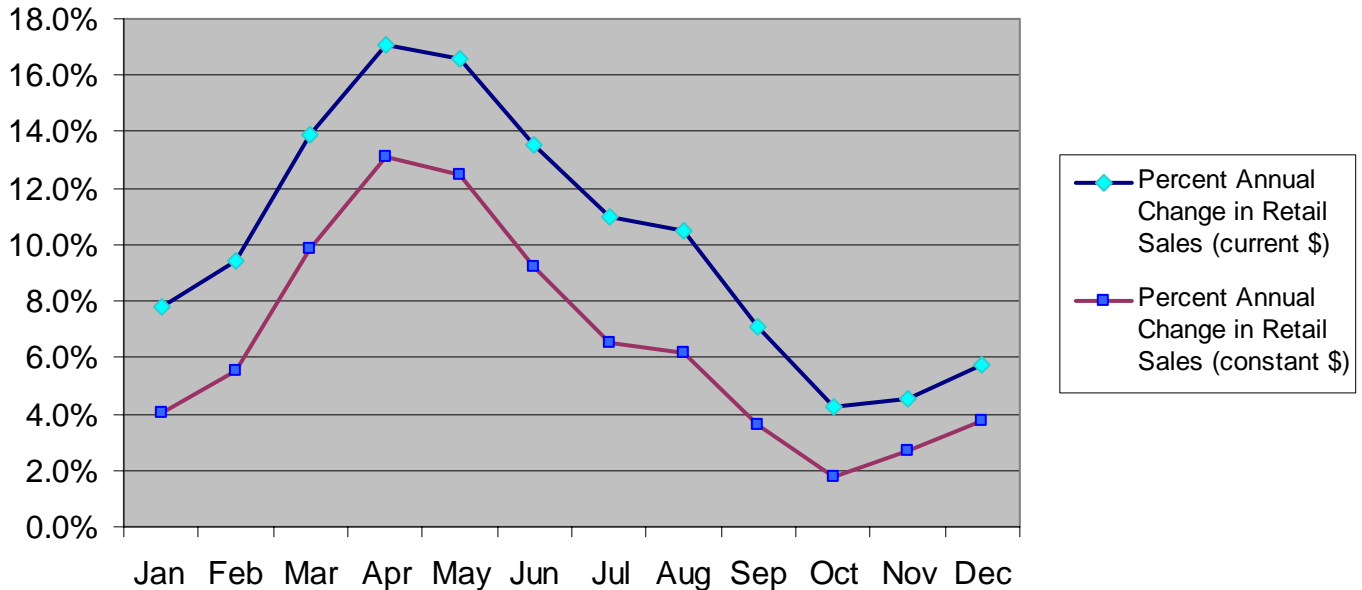
Ouachita Parish is the retail center for the Northeast Louisiana region. Estimated retail sales in the Parish (and, by extension, in Northeast Louisiana) increased dramatically in 2006. The growth paralleled that of the State in the aftermath of Hurricanes Katrina and Rita. Strong increases in non-automotive retail sales likely resulted from hurricane-related insurance settlement dollars, federal assistance dollars, and income from relocated population that flowed into the Monroe MSA from elsewhere in the State. The increases are considerable even after inflation adjustments. Current dollar estimates for 2006 are nearly 9.9% ahead of 2005. Constant dollar estimates are up nearly 6.5%. (Although not illustrated in this document, non-automotive retail sales in Lincoln Parish are also well ahead of 2005: 18.8% increase in current dollar sales, 15.0% increase in constant dollars.) Retail sales in Ouachita Parish are estimated from monthly sales tax revenues.

The post-hurricane retail gains are undiminished in the first quarter of 2007 (see adjacent page line chart, 2007 not shown). The chart on the adjacent page illustrates the same month year-over-year percentage changes in retail sales for the years 2005 to 2006. (Three-month averages are employed to smooth out some volatility in the data.) While the year-over-year same-month percentage changes have declined, the changes for all months are still positive for both current-dollar and constant-dollar (inflation-adjusted) estimates, suggesting that retailing is still a growth industry in the Parish.

The magnitude of retail sales for Ouachita Parish is illustrated especially by the relative per-capita figures. Non-automotive (constant \$) per-capita retail sales in Ouachita Parish in 2005 are \$13,990 versus \$8,516 in the U.S.

Business Climate Data (continued)

Year over Year (3-Month Running Average) Percentage Change in Estimated* Non-Automotive Retail Sales: 2005 to 2006



* Retail sales are estimated from local sales tax revenue.

Total New Car, Van, and Light Truck Registrations * (includes fleet)

	2004	2005	2006	change 04-06
NE LA	14,925	15,154	15,163	238
Ouachita	6,527	6,862	6,725	198
Lincoln	1,913	1,926	1,978	65
Morehouse	1,185	1,012	1,036	-149
Union	1,033	1,057	978	-55
Louisiana	240,203	260,050	294,253	54,050

Estimated Constant \$ Value of New Vehicle Registrations * : Ouachita Only

Estimated Constant \$ Auto Sales: 2004	\$249,853,005	Annual % Change
Estimated Constant \$ Auto Sales: 2005	\$251,614,036	0.70%
Estimated Constant \$ Auto Sales: 2006	\$238,254,422	-5.30%

* New Car/truck registrations obtained from Cross-Sell Reports: Statewide Dealer Summaries.

	Sales Tax%	Property Tax Millage range* (\$ amount/\$1000)
Louisiana Portion (statewide): 4.00		
Local Sales Tax Rates:		
Caldwell Parish	5.00	112.41-123.29
East Carroll Parish		103.96-120.99
Lake Providence	7.00	
Balance of Parish	5.00	
Franklin Parish		73.65-87.07
Gilbert, Wisner, Winnsboro	5.00	
Balance of Parish	4.00	
Jackson Parish	5.00	101.86-111.61
Lincoln Parish		74.0-155.70
Ruston	4.50	
Grambling	4.75	
Dubach	3.75	
Choudrant	4.00	
Balance of Parish	2.75	
Madison Parish		103.95-137.69
Tallulah, Richmond	5.50	
Delta	4.50	
Balance of Parish	3.50	
Morehouse Parish		71.35-100.91
Bastrop Including District 1	6.00	
Bastrop Excluding District 1	5.50	
Mer Rouge, Bonita, Collinston	5.00	
Rural	3.00	
Ouachita Parish		79.11-136.38
Monroe	5.99	
Richwood, Sterlington, W. Monroe	5.50	
East Ouachita	4.60	
West Ouachita	5.60	
Richland Parish		78.07-118.15
Delhi, Rayville	5.50	
Mangham	5.00	
Balance of Parish	4.00	
Tensas Parish		93.30-118.20
Newellton, Waterproof	6.00	
St. Joseph	6.25	
Balance of Parish	5.25	
Union		56.32-66.32
Bernice	6.00	
Farmerville	5.50	
Marion, Junction City	5.00	
Balance of Parish	4.00	
West Carroll		65.25 - 83.85
Oak Grove	6.00	
Balance of Parish	5.00	

Source for Sales Tax Rates: www.laota.com

Millage rates vary between and within Parishes. Some Parishes have numerous rates that are voting-ward specific. The rates given in the adjacent listing are the range of millage rates within each Parish and can be used to estimate the (range of) expected property tax liability.

Millage rates shown were obtained via telephone interviews with Parish Assessors' offices.

To find rates for specific Parish wards, please contact the author, Robert Eisenstadt, at eisenstadt@ulm.edu.

To calculate the taxes on your primary home, you must take the assessed value, which is a percentage of "fair market value," and multiply it by the appropriate tax or millage rate to arrive at the amount due.

If, as an example, you had \$1000 of taxable assessed value and the tax rate was 120 mills, you would pay \$1000 X .120 = \$120 in taxes.

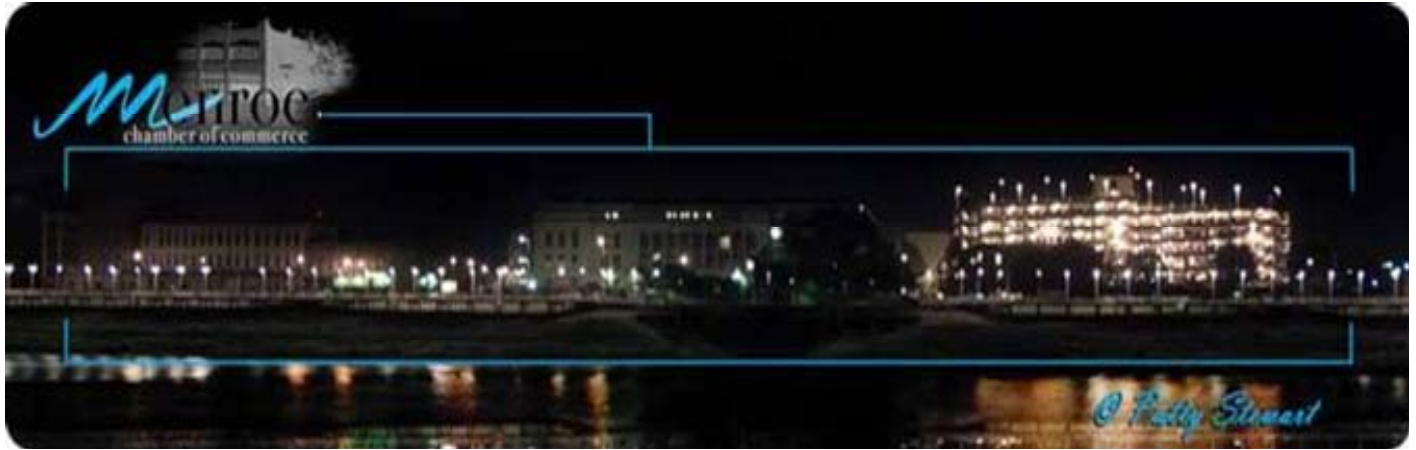
If your home was valued at \$100,000, and you were eligible and had signed for homestead exemption, you would calculate your taxes as follows:

$$\begin{array}{r}
 \$100,000 \text{ (Fair Market Value)} \\
 \times 10\% \text{ (Level of Assessment)} \\
 \hline
 \$10,000 \text{ (Assessed Value)} \\
 -\$7,500 \text{ (Maximum Homestead Exemption)} \\
 \hline
 \$2,500 \text{ (Taxable Value)} \\
 \times 0.120 \text{ (Tax Rate)} \\
 \hline
 \$300 \text{ (Total Parish Taxes Due)}
 \end{array}$$

Note: Homestead exemption does not apply to millages assessed specifically for Monroe City.

To calculate the taxes on your business: Property taxes (millage rates) are levied on 15% of the assessed value of the business. For example, if the millage rate is 120 you would pay \$120 per \$1000 increment of 15% of the market value. An example is provided below for a representative business valued at \$100,000 and a millage rate of 120.

$$\begin{array}{r}
 \$100,000 \text{ (Fair Market Value)} \\
 \times 15\% \text{ (Level of Assessment)} \\
 \hline
 \$15,000 \text{ (Assessed Value)} \\
 \times 0.120 \text{ (Tax Rate)} \\
 \hline
 \$1,800 \text{ (Taxes Due)}
 \end{array}$$



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The College of Business Administration at ULM is pleased to be able to partner with the business community of Northeast Louisiana to provide this second annual compendium of regional demographic and economic data.

Last year, we redefined the mission of our Center for Business and Economic Research (CBER) to become the provider of independent, reliable, and valuable information for use by economic development entities in our region. The Factbook is a direct output of that change in mission. Our plan is to publish an updated version each year, with intra-year updates available through the online edition at cba.ulm.edu/cba/factbook.

We look forward to continuing our role as a partner in economic and community development in Northeast Louisiana.



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