

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: 2008*

The Economy and Demography of Northeast Louisiana: 2008 Edition

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: 2006 MSA rank by population=228/364) 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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2008 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.

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 |

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 electric utility prices in Louisiana have fallen relative to National rates. Relative natural gas prices for commercial use, however, remain high.

Building permits for 2007 are below their 2006 levels suggesting a slowing of construction activity. We expect markedly slower growth for 2008.

Commercial/Industrial Utility Rates for Louisiana and the United States, 2007-2008

| | Jan-07 | Feb-07 | Mar-07 | Apr-07 | May-07 | Jun-07 | Jul-07 | Aug-07 | Sep-07 | Oct-07 | Nov-07 | Dec-07 | Jan-08 |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Electricity cents/kwh: | | | | | | | | | | | | | |
| U.S. Commercial | 9.13 | 9.31 | 9.37 | 9.37 | 9.55 | 10.02 | 10.2 | 10.05 | 9.88 | 9.79 | 9.6 | 9.41 | 9.53 |
| Louisiana Commercial | 8.97 | 9.33 | 9.18 | 9.54 | 9.51 | 9.10 | 9.20 | 9.13 | 8.75 | 9.32 | 8.86 | 9.27 | 8.93 |
| U.S. Industrial | 6.09 | 6.18 | 6.16 | 6.19 | 6.2 | 6.51 | 6.61 | 6.84 | 6.55 | 6.44 | 6.22 | 6.25 | 6.27 |
| Louisiana Industrial | 6.56 | 6.98 | 6.91 | 7.00 | 7.18 | 6.57 | 6.94 | 6.89 | 6.47 | 6.79 | 6.12 | 6.77 | 6.70 |
| Natural Gas \$/mcf: | | | | | | | | | | | | | |
| U.S. Commercial | 11.81 | 11.51 | 11.50 | 11.87 | 11.63 | 11.18 | 10.9 | 10.8 | 11.04 | 11.02 | 11.07 | 11.37 | 11.76 |
| Louisiana Commercial | 12.28 | 12.15 | 12.25 | 12.02 | 11.37 | 10.51 | 10.04 | 11.04 | 11.95 | 12.31 | 12.41 | 12.69 | 12.93 |
| U.S. Industrial | 8.40 | 8.13 | 8.10 | 7.98 | 7.54 | 6.57 | 6.11 | 6.85 | 7.63 | 7.97 | 8.24 | 8.94 | 9.64 |
| Louisiana Industrial | 8.28 | 8.29 | 8.25 | 7.40 | 7.72 | n/a | 5.58 | 6.27 | 6.78 | 7.23 | 7.69 | n/a | 9.82 |

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

Business Climate Data (continued)

| Construction Permits for Monroe MSA by Parish: 2006-2007 | | | | | | | | | |
|--|--------------------|------------|----------------|------------|---------------------|--------------|---------------------|----------------|---------------|
| | Number of Projects | | Dwelling Units | | Square Feet (000's) | | Value (millions \$) | | |
| | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 | 2007 | %Change |
| Total Non-Residential | 31 | 36 | n/a | n/a | 425 | 264 | \$45.8 | \$37.8 | -18% |
| Ouachita | 28 | 35 | n/a | n/a | 313 | 264 | \$38.0 | \$37.5 | -1% |
| Union | 3 | 1 | n/a | n/a | 112 | 0 | \$7.8 | \$0.3 | -96.% |
| Total Residential | 761 | 719 | 763 | 769 | 1,603 | 1,553 | \$122.7 | \$116.8 | -5% |
| Ouachita | 514 | 489 | 516 | 539 | 1,082 | 1,067 | \$89.9 | \$82.2 | -9% |
| Union | 247 | 230 | 247 | 230 | 522 | 486 | \$32.7 | \$34.6 | 6% |
| Total Non-Building | 27 | 30 | n/a | n/a | n/a | n/a | \$141.4 | \$140.0 | -1% |
| Ouachita | 19 | 24 | n/a | n/a | n/a | n/a | \$82.4 | \$130.3 | 58% |
| Union | 8 | 6 | n/a | n/a | n/a | n/a | \$58.9 | 9.7\$ | -84% |
| Total all projects | 819 | 785 | 763 | 769 | 2,028 | 1,817 | \$309.9 | \$294.6 | -0.04% |

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

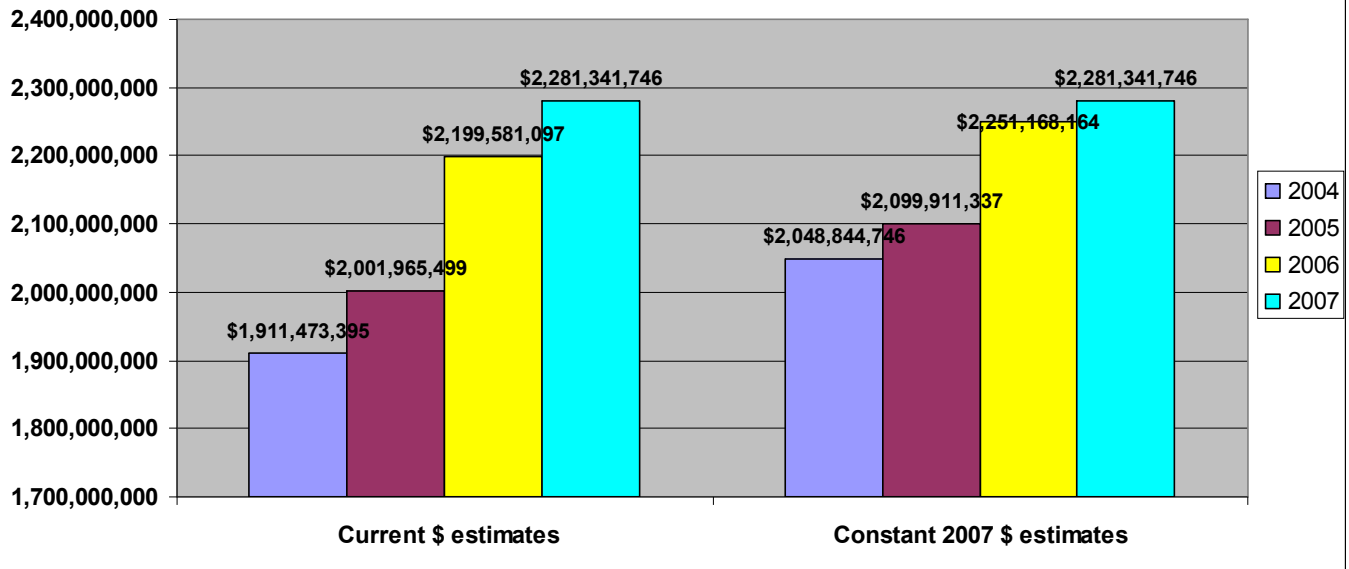
Source: Dodge MarkeTrack (McGraw Hill Construction Research and Analysis)

| Hotel Motel Average Occupancy Rates 2006-07 | | | | | | | | |
|---|-------------|-------|--------------|--|-------------------|---------|-------------|------------|
| | % Occupancy | | | | Average Room Rate | | | # of rooms |
| | 2006 | 2007 | % change | | 2006 | 2007 | % change | |
| Monroe MSA | 68.8% | 69.1% | -4.8% | | \$62.75 | \$63.51 | 3.2% | 1,981 |
| *Louisiana North Area | 66.3% | 62.3% | -6.0% | | \$60.10 | \$63.06 | 4.9% | 8,590 |
| State of Louisiana | 67.3% | 62.2% | -7.6% | | \$88.67 | \$90.04 | 1.5% | 76,418 |

*LA North Area excludes Monroe and Shreveport MSAs.

Source: Smith Travel Reports.

Estimated Non Automotive Retail Sales in Ouachita Parish



Estimated Constant Dollar (2005) per Capita Non-Automotive Retail Sales*

| | 2005 | 2006 | 2007 | % chg 06-07 |
|------------------------|----------|----------|----------|-------------|
| Ouachita Parish | \$13,365 | \$14,478 | \$14,672 | 1.3% |
| Lincoln Parish | \$13,577 | \$14,853 | \$16,163 | 8.8% |
| United States | \$8,516 | n/a | n/a | n/a |

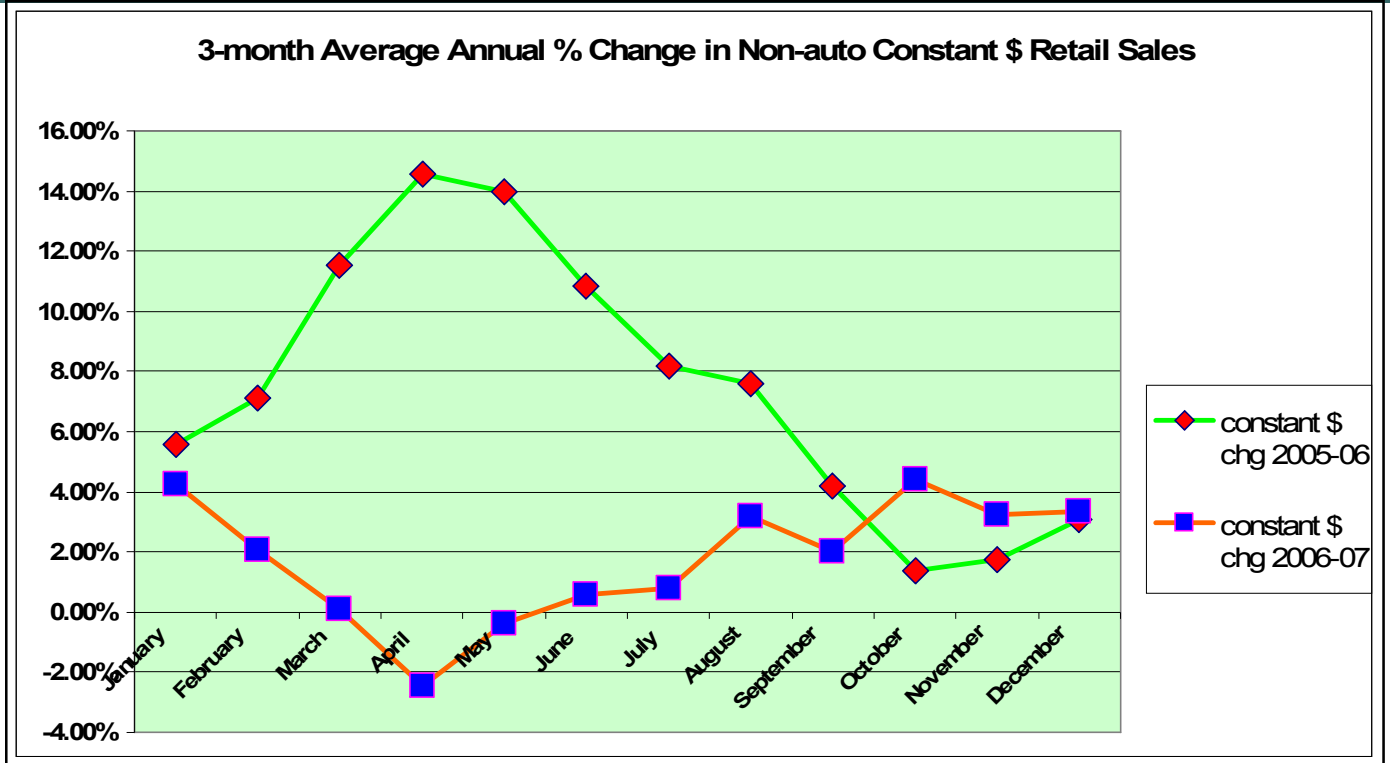
*Estimates of Parish retail sales are calculated from local sales tax collections.

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 and have remained relatively strong through 2007. Inflation-adjusted retail sales showed a 1.2% increase in 2007 over that of 2006. The first 2 quarters of 2008, however, have begun to show some weakness in the retail sector as post-hurricane gains have largely diminished and, especially, as high fuel and food prices have begun to take a larger bite out of household disposable income.

Though not pictured in this document, 2007 inflation-adjusted estimated retail sales in Lincoln Parish grew by more than 11% over that of 2006. The discovery of natural gas fields in and around the parish contributed to the growth as company purchases of drilling equipment and supplies accelerated during 2007.

The magnitude of retail sales for Ouachita Parish and for Lincoln Parish is illustrated especially by the relative per-capita figures. Non-automotive (constant 2005 \$) per-capita retail sales in Ouachita Parish in 2005 were \$13,365 versus \$8,516 in the U.S. Similarly, per-capita retail sales in 2005 in Lincoln Parish were \$13,577. The considerable differences over the national number is attributable to the degree to which Ouachita Parish and Lincoln Parish serve as retail centers for the region (and the fact that Interstate 20 runs through both cities). The trend will likely continue as population continues to consolidate in and around the primary metropolitan (and micropolitan) areas of Monroe/West Monroe and Ruston.

Business Climate Data (continued)



* Retail sales are estimated from local sales tax revenue.

| Total New Car, Van, and Light Truck Registrations * (includes fleet) | | | | |
|---|---------|---------|---------|--------------|
| | 2005 | 2006 | 2007 | change 06-07 |
| NE LA | 15,154 | 15,163 | 15,003 | -160 |
| Ouachita | 6,862 | 6,725 | 6,904 | +179 |
| Lincoln | 1,926 | 1,978 | 1,827 | -151 |
| Morehouse | 1,012 | 1,036 | 966 | -70 |
| Union | 1,057 | 978 | 988 | +10 |
| Louisiana | 260,050 | 294,253 | 255,738 | -38,515 |

| Estimated Constant \$ Value of New Vehicle Registrations * : Ouachita Only | | |
|---|---------------|-----------------|
| Estimated Constant \$ Auto Sales: 2005 | \$251,614,036 | Annual % Change |
| Estimated Constant \$ Auto Sales: 2006 | \$238,254,422 | -5.31% |
| Estimated Constant \$ Auto Sales: 2007 | \$254,674,177 | +6.89 |

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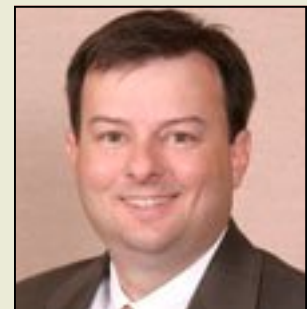
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The College of Business Administration at ULM is pleased to be able to partner with the business community of Northeast Louisiana to provide this third annual compendium of regional demographic and economic data.

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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