



CENTER FOR
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LOUISIANA TECH UNIVERSITY®
COLLEGE OF BUSINESS

REAL

REGIONAL ECONOMIC ANALYSIS OF LOUISIANA

REPORT

FALL QUARTER 2025

UNDERWRITTEN BY



Origin Bank.

Dean's Message

This Fall Quarter 2025 issue of the Regional Economic Analysis of Louisiana (REAL) Report examines the diverse and interconnected forces shaping Louisiana's economy. Produced by the Center for Economic Research at Louisiana Tech University in collaboration with undergraduate business students, this publication reflects the Center's continued focus on applied economic analysis and student-driven research.

Readers will find forecasts of national and Louisiana economic indicators, examinations of workforce participation and unemployment across age groups, and insights into post-COVID employment trends. Several articles explore how economic activity translates into broader impact, including job multipliers and output performance in Louisiana's hospitality industry.

This issue also takes a closer look at access, opportunity, and regional development across the state. Notably, one article focuses on the anticipated economic impact of establishing a microchip manufacturing facility in Ruston.

Compiled by undergraduate students in the College of Business as part of the Regional Economic Analysis (ECON 425) course, this report offers students a unique hands-on learning experience. Working alongside faculty in the Center for Economic Research, these students gain practical skills while contributing meaningful analysis to our understanding of Louisiana's economy.

The Center for Economic Research at Louisiana Tech serves as a vital link between the University and economic development efforts throughout the state. The Center provides in-depth economic impact analysis of both private sector initiatives and public policy decisions, consults with local and regional governments, and offers expert commentary to media outlets.

Current and past issues of the REAL Report are available online at LATech.edu/Real-Report. For more information about the report, the Center for Economic Research, or the Regional Economic Analysis course, please contact Dr. Patrick Scott at PScott@LATech.edu. Questions regarding individual sections should be directed to the respective authors, while media inquiries may be sent to Waldroup@LATech.edu.

We hope this issue provides valuable perspective on Louisiana's evolving economy and serves as a useful resource for policymakers, business, and the broader public.

Sincerely,



CHRISTOPHER L. MARTIN, PH.D.
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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.

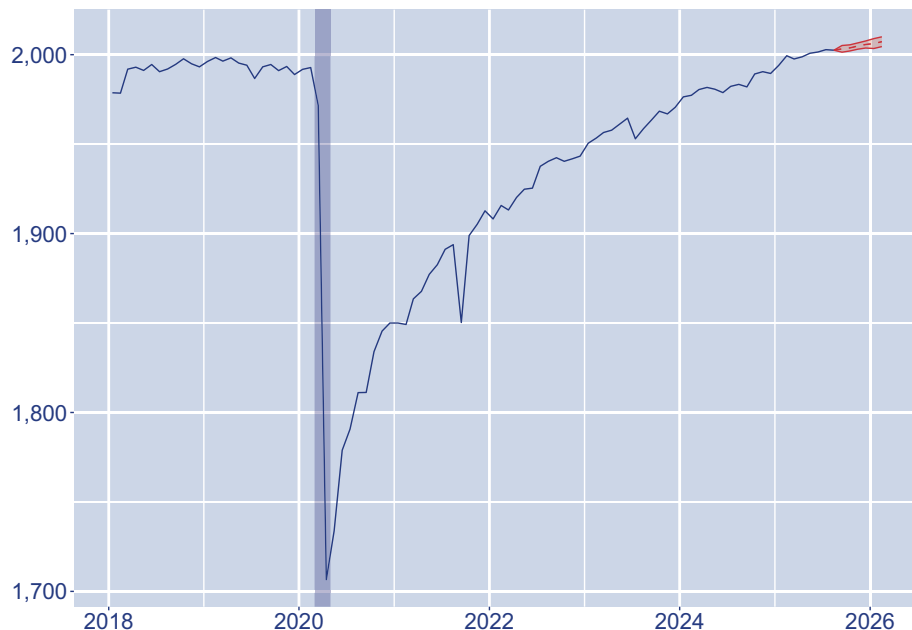
This Fall the Federal Government shutdown impeded the collection of crucial economic data. The forecasts below reflect the Center for Economic Research's best estimates for September and October data. They are not the actual data for these months.

Louisiana Non-Farm Employment

The past six months have shown Louisiana benefitting from economic growth at the federal level. Even our most pessimistic forecast models indicate modest growth. Concerns of how tariffs might impact consumer spending have tempered, but at the cost of inflation, which has not cooled measurable for the average resident. More realistic models predict future job growth of around 5,400 workers over the next quarter.

Punchline: With jobs numbers like these, Laissez les bons temps rouler.

Figure 1: Forecasted Non-Farm Employment (Thousands)



Louisiana Unemployment Rate

The unemployment rate for Louisiana is holding steady, reflecting the broader national trend dubbed, “the no hire, no fire economy.” There has been no appreciable change in initial jobless claims and a modest decline of continuing jobless claims for the Pelican State. Most models predict a slight increase in the unemployment rate as tariff policy (via inflation) cools consumer demand in the coming months. 68% of all models tested indicate some rise in unemployment for the six-month horizon.

Punchline: The unemployment picture has been largely unchanged for the past year. And we are not complaining.

Figure 2: Forecasted Unemployment Rate (Percent)

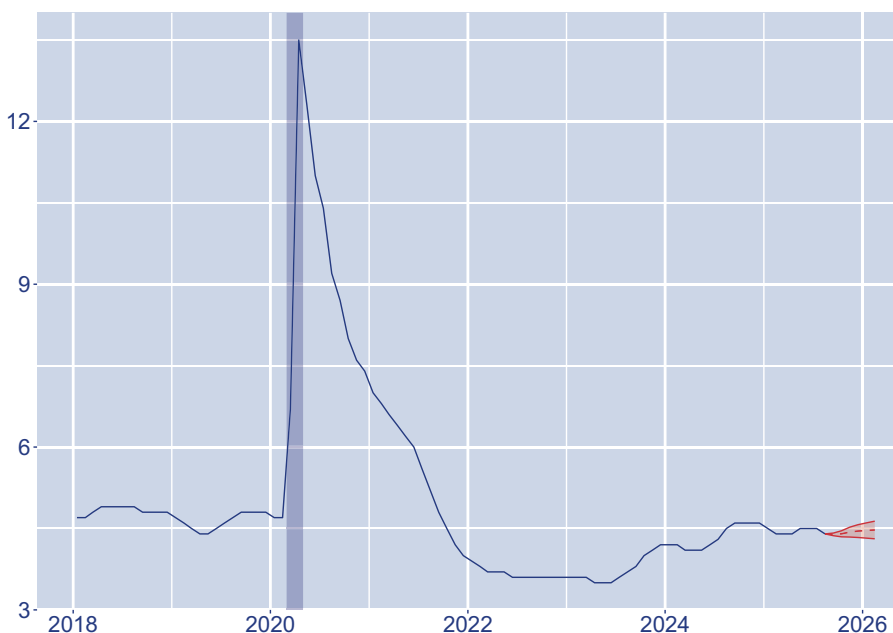
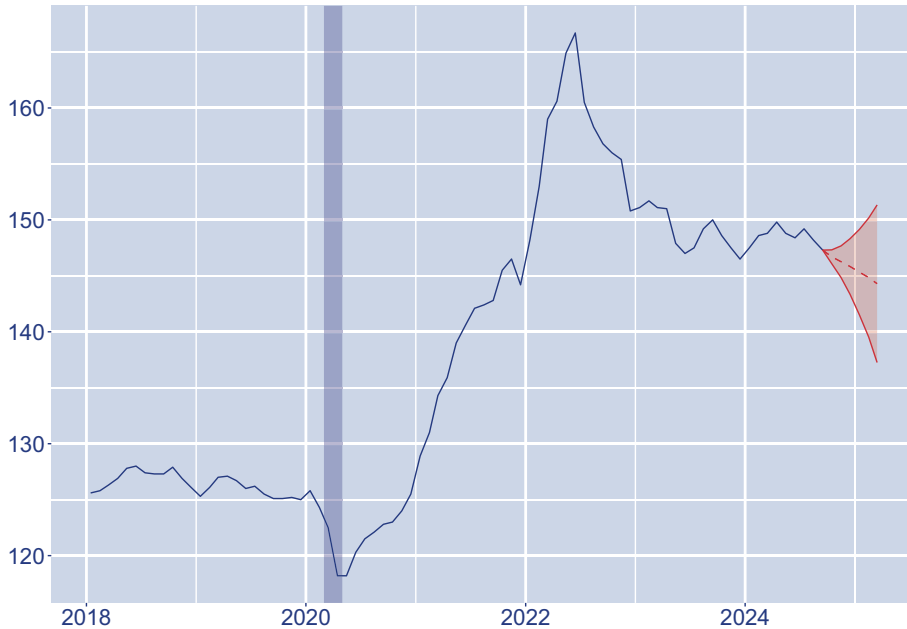


Figure 3: Forecasted Export Price Index (2000 = 100)

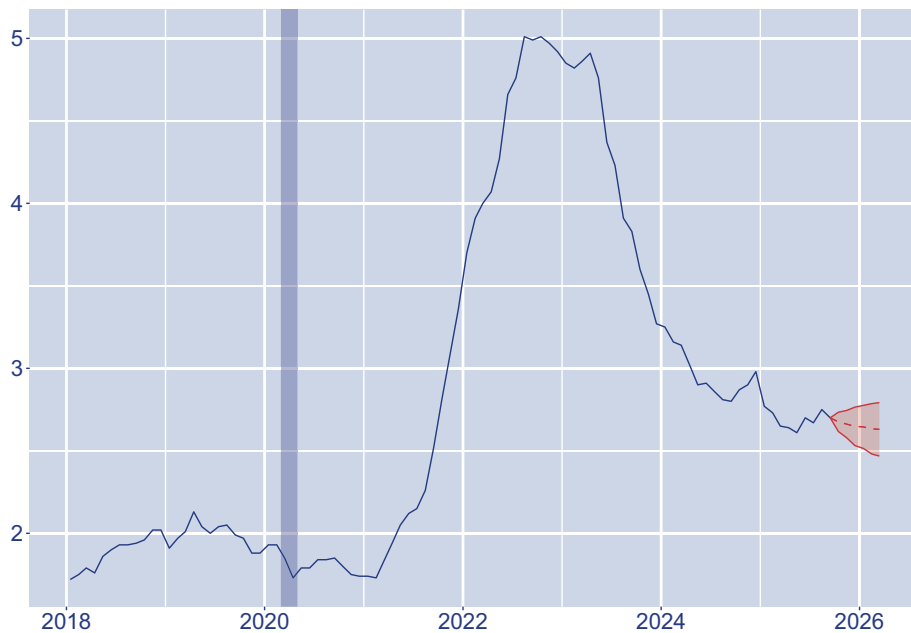


Export Price Index

The export price index measures the changing price of U.S. exports (nonmilitary goods) worldwide. In a world with high tariffs, this index indicates the extent to which other countries might retaliate against the U.S. and impose retaliatory tariffs. Despite heightened tensions and hostile rhetoric, our largest trading partners appear to be treating us kinder than we are treating them. Additionally, as domestic price indices rose sharply in 2022, so did this index. This indicates that inflation at home was a symptom of a much larger inflation problem worldwide.

Punchline: Export prices are expected to cool modestly, but still remain higher than pre-COVID levels.

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) has also not been updated due to the Federal government shutdown. Some of the calculation relies on BEA data that was never recorded. Inflation appears to be holding steady which is not helpful since it has been elevated above the Fed's 2% target range for almost four years. Most models predict little change. This indicates that most consumers are closing wallets instead of paying higher prices. This leads to decrease in demand and downward price pressure.

Punchline: The Fed will have to choose between its two mandates again, defend inflation or encourage job growth as demand starts to fall.

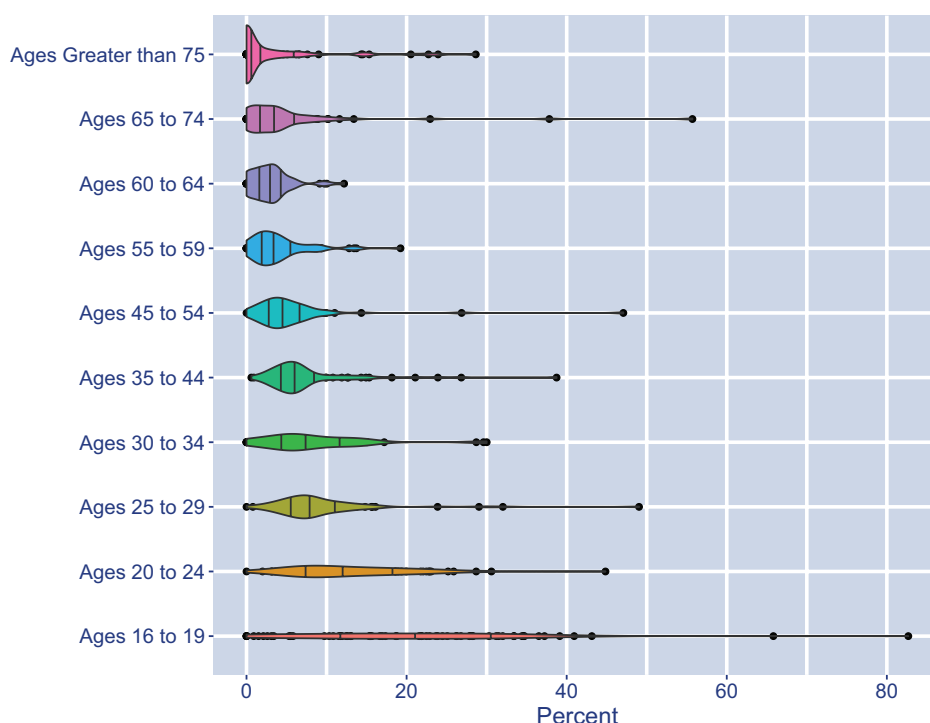
Monthly employment, unemployment rate, and export data for this section extend to August 2025. Inflation data extend to September 2025. All variables include the most current releases at the time of publication.

Mapping Workforce Involvement: Unemployment and Participation by Age Across Louisiana

BY WALKER GRAY

Louisiana's diverse labor market has wide disparities of employment outcomes and overall labor force engagement, especially when comparing urban parishes surrounding metro centers to rural parishes with limited industry diversity. Examining labor market trends by age allows for a greater understanding of which population segments face employment challenges. The unemployment rate and labor force participation rate are both primary indicators of economic performance. The unemployment rate measures the percentage of the labor force that are not employed but are actively seeking employment, and the labor force participation rate reflects the proportion of the population that is actively participating in labor markets. When considered together, these measures offer a more complete understanding of labor market conditions. This is especially true for different age groups.

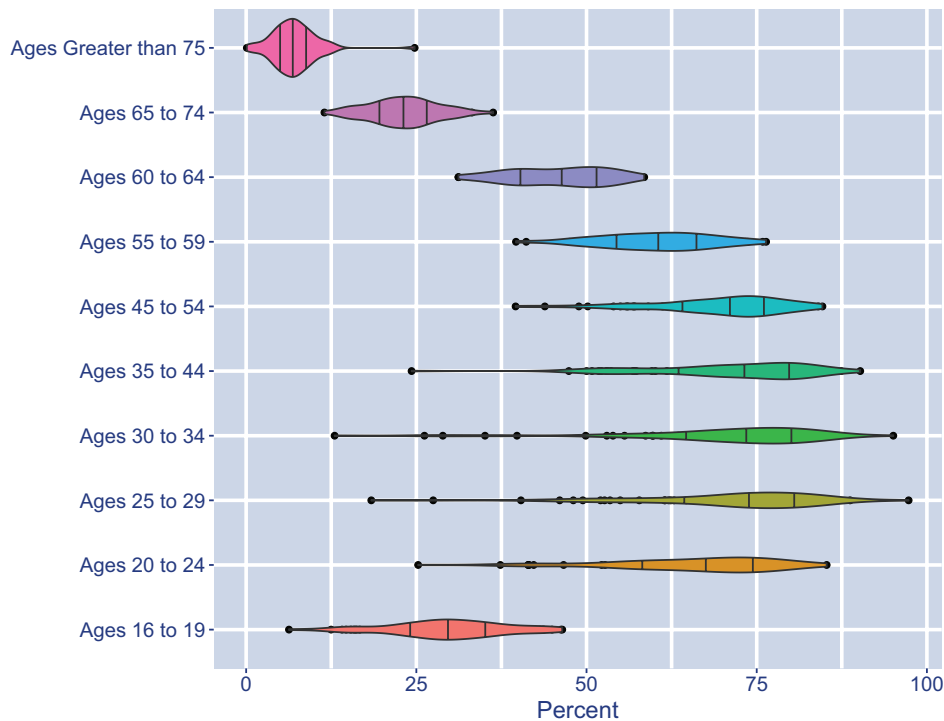
Figure 5: Industry Employment by Parish



Underutilization can be obscured by unemployment alone, and workforce participation with no context may lead to incorrect conclusions. For example, a parish with a low unemployment rate and low participation rate may be experiencing a slowdown employment growth. Likewise, a parish with high unemployment and a high participation rate may be experiencing a disconnect between employer needs and worker skills. Generally, urban parishes show higher participation and lower unemployment among younger workers. This is due to a higher diversity of industries and better education and transit access. Rural parishes often report both higher unemployment and lower participation among youth and prime-age adults, reflecting limited opportunities outside the state's urban centers.

Figure 5 depicts the distribution of parish-level unemployment rates by age group. The visualization shows a wide range of labor market activity as individuals reach typical working age and then transition to retirement. To quantify the unemployment differences between the ten age groups, a difference in means test is conducted. The results show that younger ages are more likely to find themselves unemployed with the 16-19 group consistently experiencing the highest rates. When compared to all other age groups, unemployment for 16-19 year olds was on average 14.2% higher. This number highlights the many challenges facing the youngest group of workers like lack of transportation, education, and overall job experience, as well as lack of entry-level positions open to them.

Figure 6: Distribution of Labor Force Participation Rates by Age Across all Parishes



The 20-24 age group also shows elevated unemployment. When compared to the eight older groups, the average difference is 7.35%. One interesting thing to note was the 3.7% difference in unemployment between the 20-24 and 25-29 age groups was determined to not be statistically significant. This suggests that early career instability persists well into the late 20s. Typically, the 25-29 age group is often considered as part of the prime-age workforce. Unemployment rates stabilize beyond age 30 with the differences between all older age groups being minimal and statistically insignificant. Specifically, the upper four age groups show low average unemployment. This suggests that as individuals gain experience and establish themselves in the labor force, their employment outcomes become more consistent. For the 30-34 age group, Tensas, Claiborne, and Catahoula reported unemployment rates of 30%, 29.6%, and 28.7% respectively. Among those aged 35-44, the highest rates were found in Caldwell (38.7%), St. Helena (26.8%), Tensas (23.9%), Evangeline (21.1%), and West Feliciana (18.2%). For the 45-54 age group, St. Helena (47.1%), Tensas (26.9%), and Sabine (14.3%) stood out. These parishes are predominantly rural and suffer from a lack of industrial diversity. High unemployment in these age groups is an indicator of serious structural or cyclical labor market problems.

Figure 6 shows labor force participation data for more context. The 16-19 age group shows relatively persistent

participation across parishes, though it is statistically lower than prime-age groups. Prime working age groups show the greatest variance in participation, which contrasts with national trends. Some parishes fall far below the averages for their respective age groups. For the 25-29 age group, East Carroll, Catahoula, and Winn reported participation rates of 18.3%, 27.5%, and 40.3%, respectively. For individuals aged 30-34, East Carroll (13.0%), Grant (26.2%), Madison (28.9%), Claiborne (35.1%), and East Feliciana (39.8%) were the lowest. For the 35-44 age group, East Carroll again stood out at 24.3%. Among individuals aged 45-54, the lowest reporters were East Carroll (39.6%) and West Feliciana (43.8%). Low labor force participation values among the prime working age group are a sign of deep structural issues within locales. The analysis of labor force participation and unemployment by age across Louisiana's parishes paints a complex picture. High unemployment among young workers and lacking participation among prime age adults highlight the many challenges facing Louisiana's labor market. At the extremes, both metrics show discernable patterns. The youngest group shows high unemployment but more stable participation, while the older groups show low unemployment but have higher variance among participation. This indicates a need for targeted workforce development programs that address young adult skills gaps and increased employment opportunities. By understanding where these gaps exist, policymakers can better work to solve them.

Regional Concentration and Output Performance of Louisiana's Hospitality Industry

BY CADENCE PENNINGTON

Louisiana's hospitality industry is one of the state's most important economic pillars. It includes food services, travel, entertainment, and lodging. Together these activities create jobs, attract visitors, and help define the culture of Louisiana. Yet the industry does not affect every region in the same way. Tourism-dependent areas such as New Orleans, Lake Charles, and Shreveport gain major employment and revenue benefits from hospitality, while central and rural parishes such as Rapides and Avoyelles see smaller impacts and face greater economic vulnerability when tourism slows. This uneven dependence means hospitality can strengthen some local economies while leaving others more exposed to downturns.

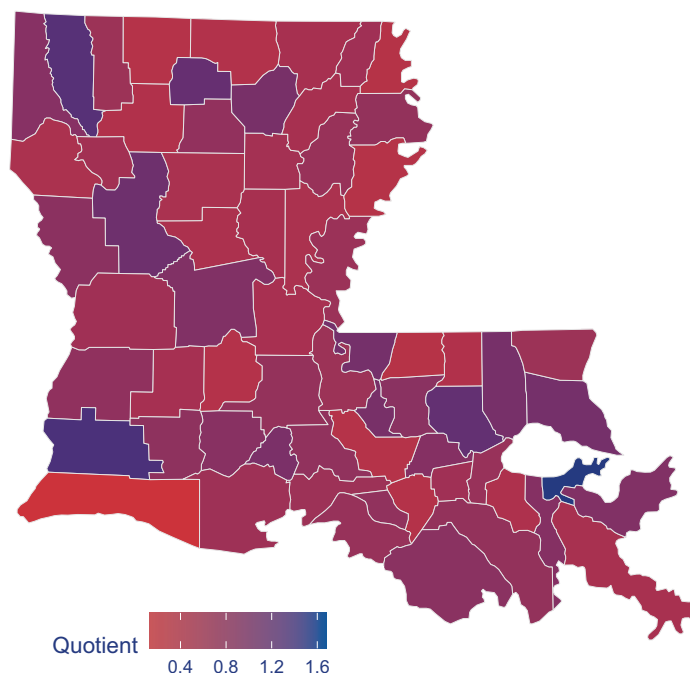
To measure these differences, this report compares employment and output levels across Louisiana's parishes and metropolitan areas using a location quotient (LQ). The LQ shows how concentrated a local industry is compared with a reference area, in this case the state as a whole. A value above 1.0 means hospitality plays a larger role in the local economy than in Louisiana overall, while a value below 1.0 indicates a smaller presence. This method highlights which areas are most specialized in hospitality and where opportunities exist for more balanced growth.

Figure 7 shows the distribution of hospitality employment across Louisiana. Parishes in deep red fall below proportionate levels relative to the state, while those in blue and purple exceed proportionate levels. Orleans Parish (LQ = 2.43) stands out as the state's leading hospitality hub, driven by tourism, festivals, and conventions. Calcasieu Parish (Lake Charles, LQ = 1.78) and Caddo Parish (Shreveport, LQ = 1.52) also show high employment specialization, reflecting casino operations and steady visitor traffic. In contrast, much of central Louisiana, including Rapides (LQ = 0.74) and Avoyelles (LQ = 0.68), appears below average, with local economies that depend more on education, health care, or manufacturing. These differences reveal a concentration pattern in which a few strong hubs carry most of the hospitality activity, while many interior parishes remain lightly involved in tourism-related work.

Figure 8 compares employment LQs (blue) with output LQs (red) for each metro area for the hospitality industry. In every case, employment LQs are higher, showing that hospitality provides a large share of jobs but contributes less to overall economic output. The industry remains labor-intensive, relying more on people than on high productivity per worker.

Across these metro areas, hospitality clearly provides widespread employment but produces lower income per

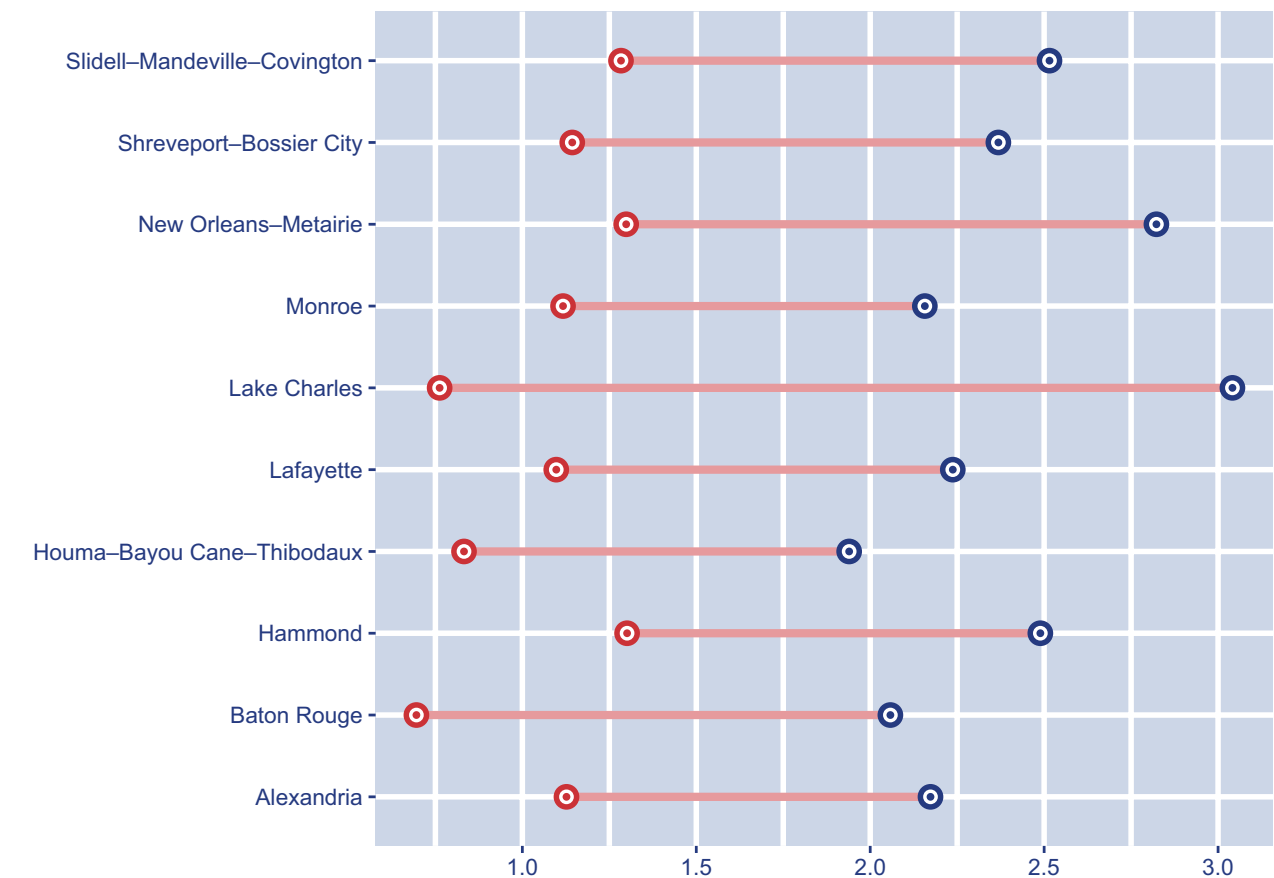
Figure 7: Hospitality Industry Employment Location Quotients (Parity = 1)



worker than higher value industries. Across Louisiana, employment in the hospitality sector is estimated at over 230,000 workers, with average output per worker around \$55,000, compared to approximately \$93,000 in manufacturing. This reinforces the idea that hospitality supports local economies but is not a major driver of productivity growth. The broader industry strengthens development across Louisiana by employing a large workforce, yet these workers do not drive output gains at the same rate as other sectors.

This concentration pattern also affects public revenue. Louisiana relies heavily on sales taxes as its main revenue source, and tourism and hospitality are often cited as a justification for that structure. When hospitality spending declines during hurricanes, economic downturns, or health

Figure 8: Employment and Output Location Quotients by Louisiana Metropolitan Area



crises, local and state revenues also fall. This dependence highlights the importance of diversifying both the industry base and the state’s revenue system.

Still, the industry’s heavy reliance on labor presents opportunities for improvement. Small investments in technology, digital booking tools, and staff training can raise efficiency without cutting jobs. Developing higher value services such as convention hosting, cultural tourism, and eco travel can also increase income while preserving the personal experience that defines Louisiana hospitality.

Rural and small parishes could share in these gains. Many already have strong local attractions, food traditions, and festivals that could connect with regional tourism routes. Collaboration across parishes linking destinations in St. Landry, Evangeline, or Natchitoches with more visited areas would help distribute visitor spending more evenly while preserving each community’s character. Diversifying local economies remains critical. Areas that depend too heavily on hospitality face slower recovery when tourism weakens. Pairing hospitality with sectors like education,

health care, or technology can make growth more stable. Public programs that fund small business support, tourism marketing, and workforce development can strengthen both hospitality and the industries that surround it.

The LQ analysis makes these patterns visible. High employment but low output marks sectors that keep people working but leave room for growth in efficiency and income. Recognizing these areas allows leaders to direct training, investment, and innovation where they will have the most impact.

Louisiana’s hospitality industry continues to define the state’s image and sustain local economies. New Orleans leads in both scale and productivity, but Lake Charles, Shreveport, and Hammond show strong potential that remains underdeveloped. By investing in workforce skills, digital tools, and coordinated tourism planning, Louisiana can strengthen hospitality as one of its greatest economic assets. Expanding opportunities beyond a few major hubs would create a more balanced and resilient economy built on the state’s welcoming culture.

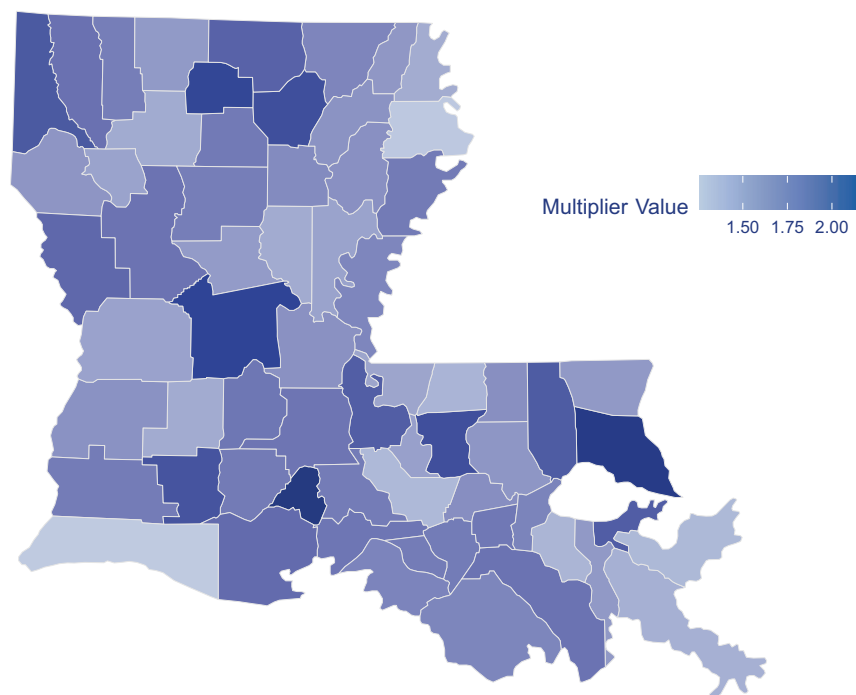
Data for this report are provided by the Bureau of Economic Analysis. Parish level data are produced with a year-long lag. Current annual data extend to 2023. 2024 estimates are expected in December 2025.

Spreading the Wealth: How One Job Becomes Many in Louisiana

BY ABIGAIL MCCOLLISTER

In Louisiana's economy, a single job can spark a chain reaction of opportunity that extends far beyond its initial hire; employment multipliers, measured using the Social Accounting Matrix (SAM) multipliers, are a pivotal measurement of understanding how a new job ripples through the state's economy and causes many more jobs to be created. As a business hires more people or increases production, the impact stretches beyond the company's payroll. An employment multiplier quantifies the number of jobs that will be generated from the creation of one job. An employment multiplier is derived from dividing the total employment change by direct employment change. Understanding how wealth spreads in the most bountiful parishes is crucial to spreading prosperity throughout Louisiana. For example, a parish with an employment multiplier of 3.0 could model a construction company hiring 100 people which would support an additional 200 jobs. The aim of this report is

Figure 9: Average Employment Multiplier across Industries per Parish

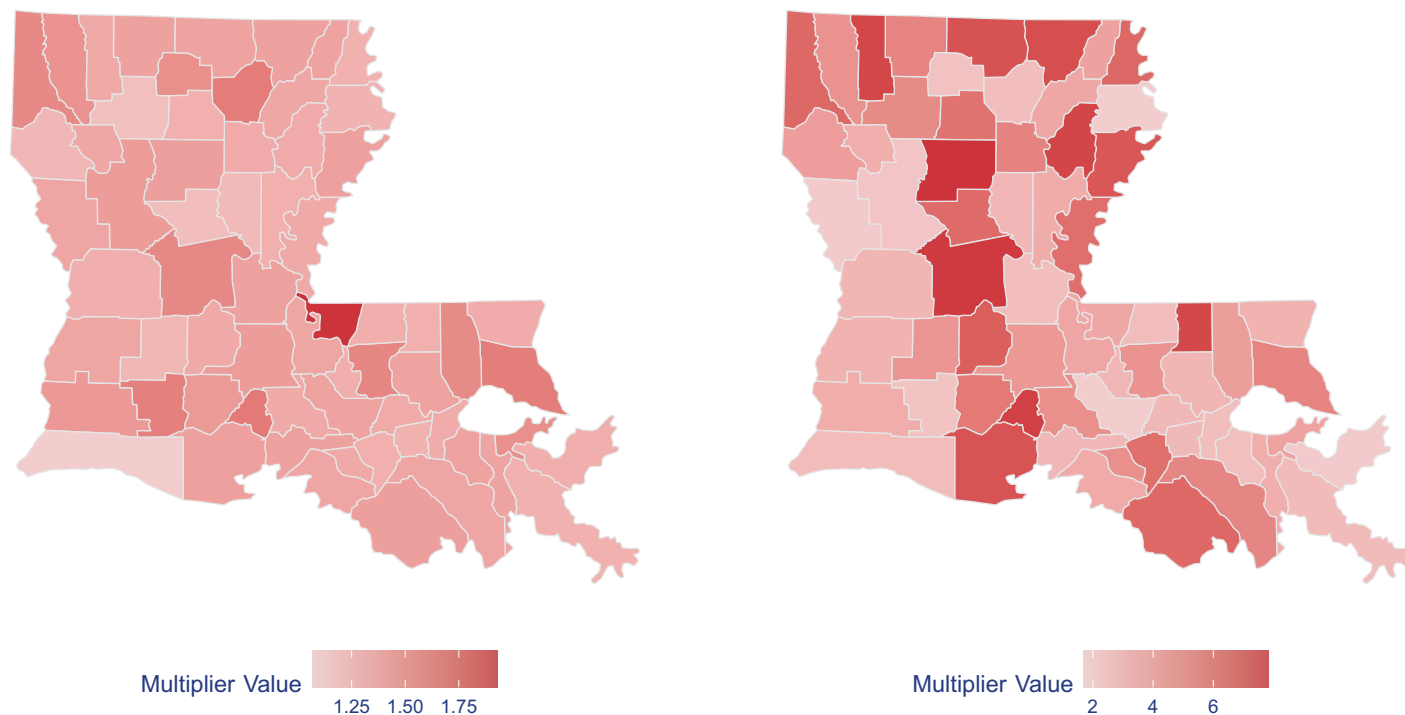


to examine the employment multipliers across the state's parishes and understand how a parish sustains, invests, and fortifies itself. This analysis can contribute to more impactful economic development as well as a firm understanding of how investments in job creation can catapult numerous gains throughout Louisiana.

Figure 9 shows that the average employment multiplier per parish varies significantly. The highest is Lafayette Parish with a 2.2 multiplier value, and the lowest is Cameron Parish with a 1.26 value. The polarity between these parishes can be attributed to several factors. With a real gross domestic product of \$19.45 billion, Lafayette is among Louisiana's economically strong parishes with export-oriented and

labor-intensive industries like healthcare, oil and gas services, manufacturing, and education. These industries pay high wages, establish a regional supply chain by purchasing inputs locally, and provide wages that stimulate induced spending. A caveat to be addressed is the oil and gas industry can cause volatility in the employment multiplier because an industry like the oilfield experiences short term swings in total employment. Overall, Lafayette has a workforce of 196,000 persons; the high amount of employment in these industries increases the employment multiplier value. Meanwhile, the number of employed persons in Cameron Parish has decreased significantly from 2,584 in 2016 to 1,832 in 2023. Cameron Parish's economy relies on oil, gas, and liquified natural gas (LNG) export

Figure 10: Average Employment Multipliers for Top Five Industries in Louisiana by Total Employment (Left) and Total Output (Right)



terminals; these industries require expensive equipment and heavy machinery rather than local labor. The contractors for these companies are often sourced from outside of the parish. Industries like the LNG export terminals also inflate the output multiplier while bearing little effect on the employment multiplier. With less than 5,000 residents, the limited labor force and service sector drive the average employment multiplier down. Efforts to diversify the local economy beyond energy could potentially strengthen the parish's multiplier over time, though the exact outcomes are uncertain and depend on a range of factors.

Figure 10 paints a different picture by mapping the average of the top five employment multipliers along two dimensions: total employment and total output. For the state, the top five employment industries are real estate, hospitals, full-service restaurants, limited-service restaurants, and local government (including education). The top five output industries are oil and gas extraction, petroleum refineries, petrochemical manufacturing, real estate, and owner-occupied housing. The multipliers for each parish are averaged and plotted. This shows us which parishes contribute most to the state's top industries.

While the specifics of each parish are interesting, the broader trend that these choropleths depict is more valuable from an economic development perspective. The choice of employment multipliers in this case is not without reason. Employment is the primary gauge of success in economic development. Of the top ten average multipliers for output, nine are relatively rural parishes. This implies that areas in need of development efforts promise an oversized return on those investment dollars. The magnitude of the multipliers for output, relative to employment, is noteworthy as well. The top five industries for output listed above provide a roadmap for maximizing development return in rural areas of the state.

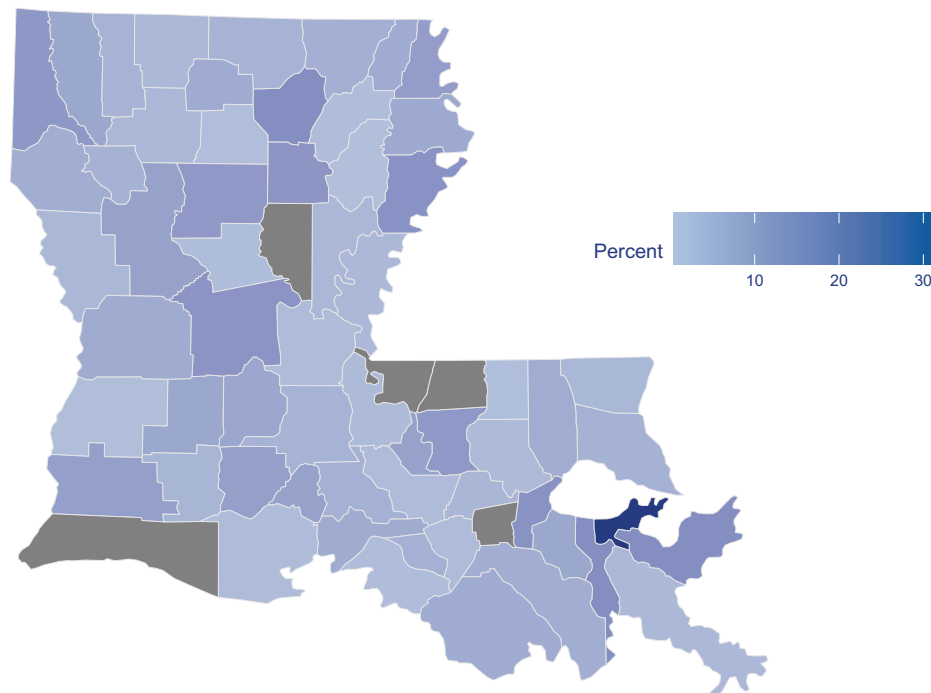
The top ten multipliers for total employment show a different facet of this problem. Of these parishes, eight of the ten are contained within metropolitan statistical areas. Since these averages are based on total employment, this makes intuitive sense. It implies though, that high employment (populus) parishes benefit relatively more from nonlinear growth effects from employment. These regions sustain their own growth and need less attention from economic development efforts.

When Eligibility Isn't Enough

BY JUSTIN STOKES

Even though thousands of Louisiana families qualify for housing vouchers based off their income, many never receive help. This matters because the voucher program exists to ensure low-income families have safe and affordable housing. If a large number of eligible families are not receiving assistance, the program may not be effective. It could be because people are unaware of voucher program, maybe the application process is too difficult, or perhaps some landlords refuse to accept vouchers. Whatever the reason, the success of this program has consequences beyond traditional political boundaries. By comparing how many households should qualify to how many actually use the program, we can clearly see how well the system is working, and how many families are being left behind.

Figure 11: Percent of People who are Already Enrolled



Louisiana faces persistent and widespread poverty, making access to safe and affordable housing a daily struggle for many families. Across the state, a significant share of households live on incomes well below the U.S. median. For these families, the Housing Choice Voucher Program is meant to be a crucial safety net, helping them secure decent housing while keeping rent affordable. Measuring the gap between households who meet the income requirements and those enrolled, provides a simple way to gauge the program's effectiveness. Using parish-level data on household incomes, we can identify how many families fall below the income limit used to qualify for vouchers (typically 50% of the median income in each area). Then, by comparing that number to the households currently

enrolled, we can calculate an effectiveness gap. This gap represents the share of families who meet the criteria for help but are not currently receiving it.

This approach gives policymakers and community leaders a clearer, data-driven understanding of how well the voucher system is functioning across Louisiana. It shifts the conversation from broad assumptions to measurable results, showing not just how many families are being served, but also how many are still waiting for a chance at stable housing. With this information, leaders can make more informed decisions about where to focus outreach, funding, and policy changes to ensure that housing assistance reaches the families who need it most.

Figure 12: Percent of Population that Meet Qualifications

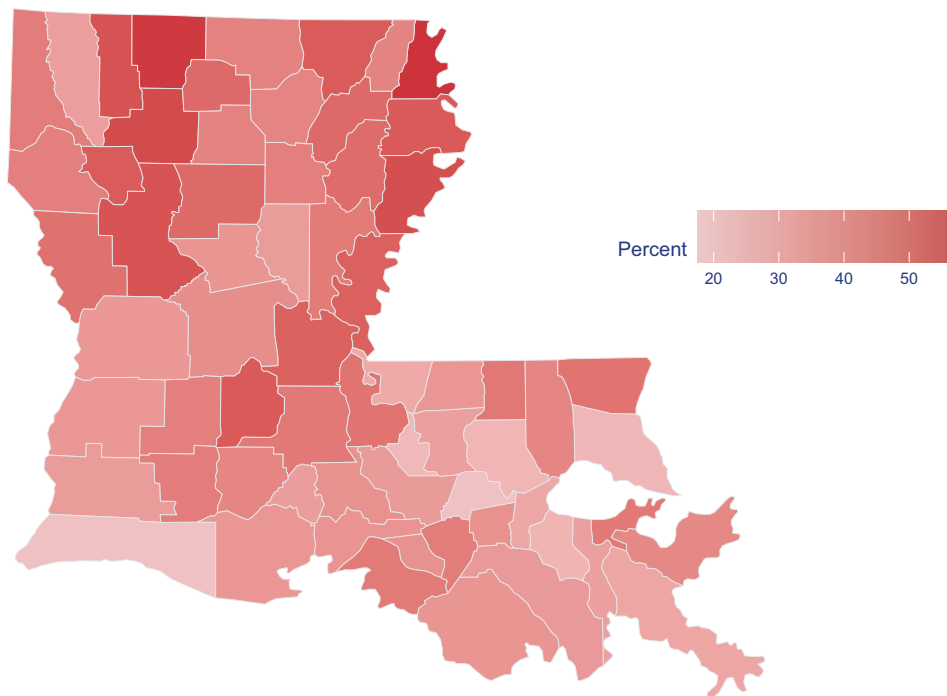


Figure 11 displays Housing and Urban Development (HUD) utilization data of the Housing Voucher Program. Each parish has a share of households currently enrolled, and while the exact percentages vary from place to place, the overall pattern is consistent: the program provides housing support to a clear, measurable portion of Louisiana families. In some parishes, vouchers represent a noticeable share of all households, while others have fewer families participating. The data show that 59 parishes report active participation, ranging from only a few dozen enrolled households in rural areas to over 19,000 in Orleans Parish. Enrollment tends to be highest in larger urban centers like East Baton Rouge, Jefferson, and Orleans, but many rural parishes, including Allen, Evangeline, and Bienville, also show steady participation. When viewed as a share of qualifying households, the percentage of families using vouchers varies widely, from less than 1% in some smaller parishes to around 20%–25% in the highest-participating areas. Families in both rural and urban communities depend on housing vouchers as a vital tool for maintaining stable and affordable housing. The data illustrate that while the scale differs by parish, the need for and reliance on housing assistance reaches across every corner of the state.

The Housing Choice Voucher Program currently serves around 47,000 Louisiana families. Bureau of Economic

Analysis data show that this is only about 8% of those who meet the income requirements. For every family receiving assistance, many more qualify but are not enrolled. Figure 12 shows the distribution of that population across Louisiana. In most parishes, the majority of income eligible households are not participating in the program, showing that the reach of housing assistance remains limited despite widespread need.

There are several reasons for this gap. Long waiting lists can delay or prevent families from receiving vouchers, and the application process can be complex or difficult to complete. In some areas, landlords refuse to accept vouchers, leaving families with limited housing options even after qualifying. Others may not apply at all because they are unaware of the program, assume they will be denied, or have faced past barriers in trying to access assistance. The unenrolled population represents a crucial piece of Louisiana's housing challenges. Measuring their share parish by parish helps reveal where the system is falling short and why. A large gap suggests that improvements are needed whether through expanded funding, simplified application procedures, greater landlord participation, or more community outreach.

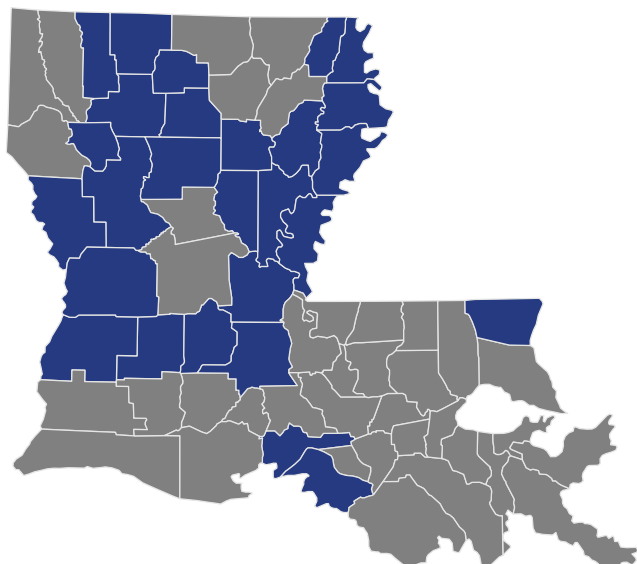
Healthcare and Education Spending's Impact on Rural Parishes

BY BILLY KENNEY

In 2018 our state faced a tough choice with a nearly \$1 billion fiscal cliff resulting from an expiring sales tax. What should the state government cut in order to balance the budget? Numerous programs were cut, federal dollars helped somewhat, and state revenues were scrambled to close the gap. From the 2018 budget, there was a net reduction of \$60.3M for healthcare and a \$20.8M net decrease for education (the latter was offset with some Department of Education funding). This represents 2.412% and 0.248% decrease respectively from FY17. But in rural parishes it can have a much larger impact on the margin. The impact on rural parishes is more acutely felt due generally to having less diverse economies, where healthcare facilities and educational institutions often make up a disproportionately large share of total economic activity compared to their presence in more urbanized areas. Frequently, these two industries are the largest employers, thus cuts to them ricochet around local areas and create impediments to economic growth. This dependency underscores the critical role these sectors play, not just in delivering public services, but in maintaining economic stability across Louisiana's less densely populated regions.

To quantify this impact, we simulate the budget cuts described above and model this loss in an economic impact study for rural parishes. The parishes identified as rural were Webster, Claiborne, Lincoln, Bienville, Jackson, Red River, Sabine, Natchitoches, Veron, East Carroll, West Carrol, Madson, Tensas, Franklin, Caldwell, Winn, La Salle, Catahoula, Concordia, Avoyelles, Beauregard, Allem, Evangeline, St. Landry, Iberia, St. Mary, and Washington. These parishes are shown in Figure 13. Collectively, they contribute 9.34% of Louisiana's total healthcare industry and 13.35% of the state's education industry.

Figure 13: Non-Metropolitan Parishes (in blue) as Designated by The Office of Management and Budget



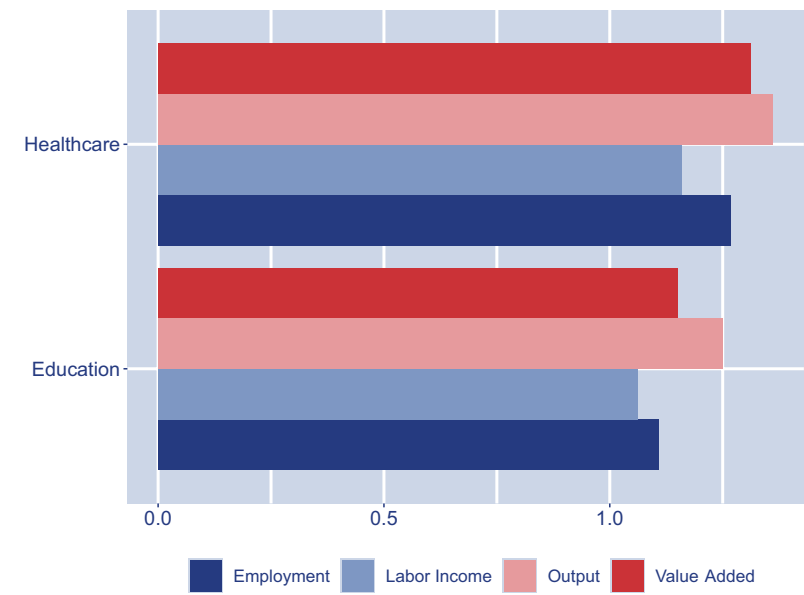
A summary of this estimation is contained in Table 1. The estimated direct labor income lost is just below \$53 million, and gross regional product decreases by nearly \$59 million. This shows that even though there is a negative shock of about \$81 million state-wide, most of which goes to the urban parishes, the direct loss of this funding is greater than the initial shock. The economic impact to total output sums to \$126.8 million. While this number does not seem very large in the grand scheme of the whole state, it represents a significant impact for many rural communities that heavily depend on these industries to fuel their local economies. A budget shock like this has major implications for the rural parishes on this list. This type of budget shock not only affects the direct employment of these industries but also the many small businesses that depend on the wages of healthcare and education employees spending to stimulate their community's growth.

Figure 14 displays the multiplier effect of the impact on these two industries. All multipliers are relatively low, compared to typical statewide multipliers. This is a result of the oversized direct effects mentioned above. As a result, the multipliers are smaller than what is typically observed at the state level, where values often range from two to five. This limitation means the figures may underestimate the true economic importance of these sectors in rural parishes. This is likely because education and healthcare are often the main employers for many of the state's rural parishes. This pattern suggests that these two sectors play an outsized role in driving local economic activity, providing stable and relatively high-paying jobs that sustain a significant portion of the local workforce. The wages

Table 1: Combined Economic Impact on Rural Parishes (2024 Dollars)

Impact	Employment	Labor Income	Value Added	Output
Direct	861.98	\$52,748,891.12	\$58,607,856.68	\$93,572,795.07
Indirect	116.52	\$4,461,593.10	\$7,126,439.09	\$16,005,291.32
Induced	103.89	\$3,528,327.78	\$10,348,022.80	\$17,309,257.33
Total	1,082.39	\$60,738,812.00	\$76,082,318.57	\$126,887,343.72

Figure 14: Rural Economic Multipliers by Healthcare and Education Industries



earned by employees in these sectors tend to remain within the community, supporting local commerce and contributing to additional rounds of spending. Furthermore, the demand for healthcare and education services tends to be consistent over time, creating a steady flow of economic activity even when other sectors may fluctuate. As a result, these industries act as economic anchors, helping to stabilize and stimulate rural parish economies through their strong multiplier effects.

Figure 15: Rural Tax Multipliers by Healthcare and Education Industries

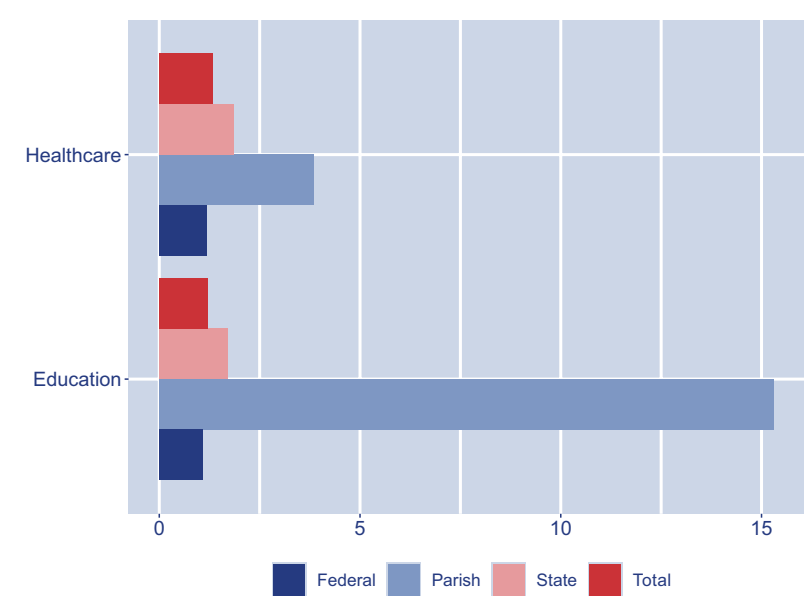


Figure 15 shows the impact of healthcare and education spending on tax revenues. As we can see, state spending on healthcare and education seem to have relatively high impacts on parish tax revenues for every dollar spent. This is likely due to much of that spending at the parish level reinvested into the local economy. Local taxes are then reassessed, and a divine economic cycle is reinforced. This phenomenon occurs because much of the spending at the parish level, such as salaries for teachers, healthcare workers, and administrative staff, directly benefits local residents. These individuals, in turn, spend their earnings within the parish, supporting local businesses and services. Additionally, the resulting economic activity contributes to higher local tax revenues, which can then be reinvested into further community improvements. Consequently, parish-level spending on healthcare and education not only enhances social outcomes but also reinforces economic resilience and self-sufficiency within the local area.

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.

Microchipping Northern Louisiana

BY JACE R. HONEYCUTT

Louisiana is entering a new age of technological growth and innovation, marked by the establishment of advanced technology businesses across the state. One of the most recent developments is the investment by Radiance Technologies, a cutting-edge defense contractor, in Ruston, home to Louisiana Tech University. Radiance plans to build a microchip packaging facility in Lincoln Parish, a decision that will support national security, innovation, and drive local economic growth.

The new 40,000-square-foot facility will be built in Ruston (south of I-20) and will house research and development, design, and microchip packaging operations. The startup of the facility is a part of an endeavor agreement between Louisiana Tech University, Louisiana Economic Development

(LED), and Radiance, with total funding budgeted at \$88 million. To facilitate the project, the Louisiana Tech Foundation, the University’s fundraising arm, has created Bulldog Microchips, LLC, which will own and lease the building. The City of Ruston donated the land for the site,

Figure 16: Economic Indicator Multipliers by Economic Region for Radiance Technologies Investment

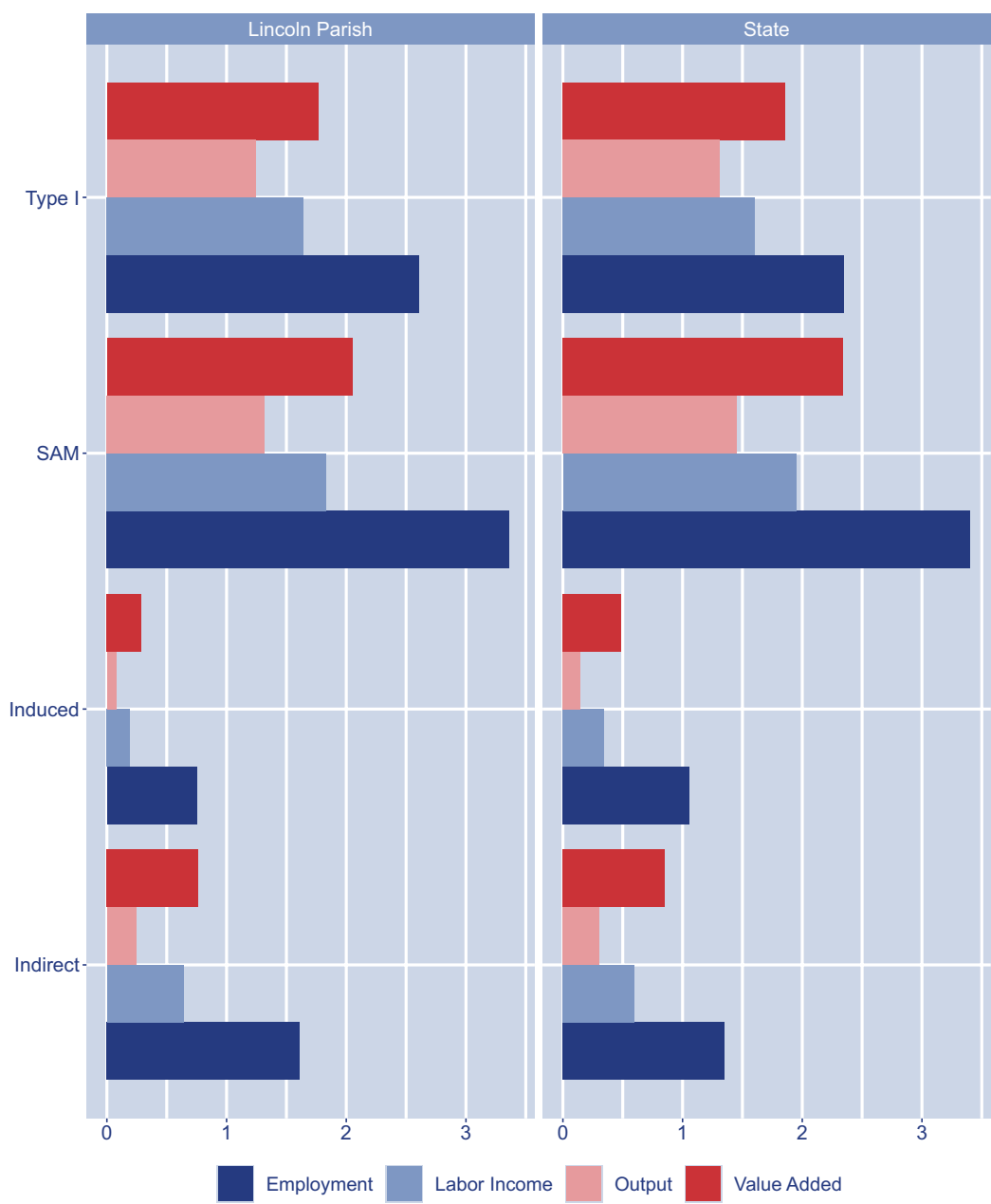


Table 2: Tax Revenue Estimates from the Lincoln Parish Estimation (2025 Dollars)

Impact	Parish	State	Federal	Total
Direct Effect	\$816,746.28	\$1,546,994.39	\$5,310,874.01	\$8,549,393.75
Indirect Effect	\$493,096.42	\$1,024,414.59	\$3,589,274.48	\$5,634,918.20
Induced Effect	\$365,671.85	\$597,811.33	\$1,159,067.52	\$2,514,204.86
Total	\$1,675,514.55	\$3,169,220.31	\$10,059,216.01	\$16,698,516.80

and Radiance will lease the facility from Bulldog Microchips under a 15-year renewable lease. Radiance will also maintain its existing office space at Tech Pointe located on Louisiana Tech's campus. The total cost is slated at approximately \$30 million for construction and \$56 million for equipment.

At the local level, total economic output of the project is estimated to exceed \$314 million and contribute approximately \$47 million in labor income. At the state level, estimates are \$284 million and \$49 million respectively. The disparity between these estimates is due to differences in labor productivity that originate in the direct hiring of workers. There is a greater economic effect for the state by having Radiance locate in Ruston over other locations.

In Figure 16, the multiplier effects on Lincoln Parish and the State of Louisiana are presented, categorized by employment, labor income, output, and value added. The multiplier types shown include Type I, which measures direct and indirect effects, and the Social Accounting Matrix (SAM), which expands to include induced and institutional linkages, as well as induced and indirect effects separately. The data reveal several important trends. The overall patterns for Lincoln Parish and the state are remarkably similar, although the magnitude of the effects differs due to the vastly different scales of their economies. The Type I and SAM multipliers are notably higher than the induced and indirect multipliers, which can be attributed to the fact that Type I includes both direct and indirect effects, encompassing the most significant contributors to overall economic activity. The SAM multiplier builds upon this by incorporating household and institutional linkages, capturing a wider range of feedback effects within the economy. From these patterns, it is clear that the largest driver of the total multiplier effect is the direct economic activity generated by Radiance Technologies' investment.

Employment represents one of the most significant and tangible outcomes of the new facility. Based on the SAM model, the employment multiplier is approximately 3.4,

indicating that for every job created directly by Radiance Technologies, an additional 2.4 jobs are supported elsewhere in the economy. Simply put, each direct job results in a total of 3.4 jobs once the full economic cycle is accounted for. This same reasoning applies to other categories such as labor income, output, and value added.

Moving from multiplier effects to fiscal impacts, Table 2 presents the projected tax revenue effects across the federal, state, and parish levels. The trends across these levels are similar, yet the magnitude of impact scales significantly upward as we move from the parish to the federal level. The total tax revenue generated at the parish level is estimated at approximately \$1.7 million, roughly doubling at the state level to \$3.2 million, and more than tripling at the federal level to \$10 million. These figures illustrate the substantial scaling of fiscal impacts across different levels of government. As discussed earlier, more than half of the total economic effect at each level is driven by direct impacts alone, reaffirming that the primary source of growth originates from Radiance Technologies' own investment and operations.

In summary, the collaboration between Radiance Technologies, Louisiana Tech University, Louisiana Economic Development, and the City of Ruston represents a transformative investment for both Lincoln Parish and the State of Louisiana. The establishment of the microchip packaging facility is expected to produce far-reaching economic benefits that extend from the local to the national level. The multiplier results in Figure 16, particularly in the categories of employment and value added, demonstrate the substantial role the project will play in enhancing regional prosperity, while the tax revenue estimates in Table 2 highlight the fiscal gains that will follow. Radiance Technologies' investment will serve as a foundation for technological innovation, job creation, and sustainable economic growth, and reinforces Louisiana as an emerging hub for high-technology manufacturing and research.

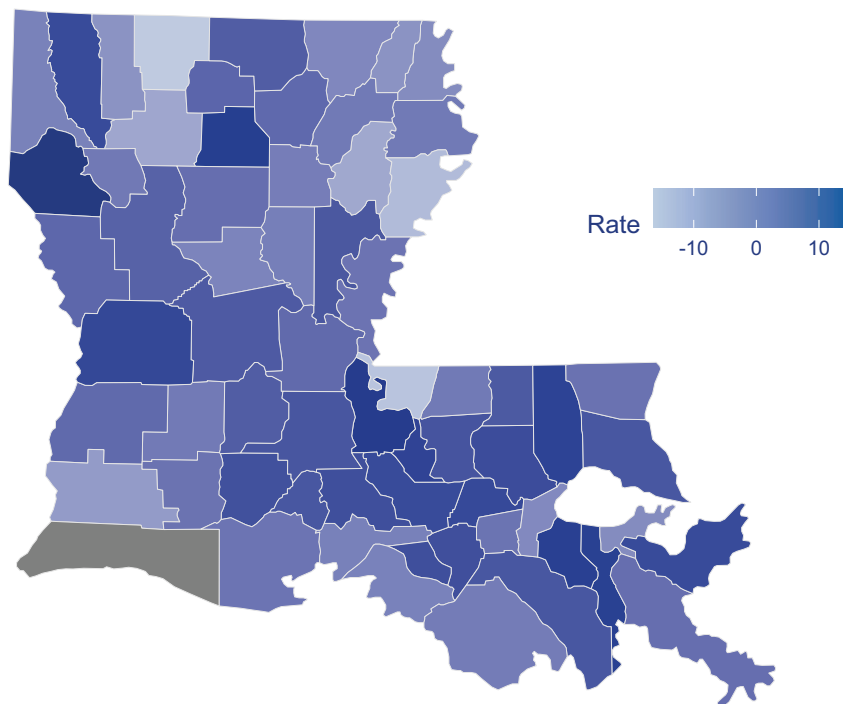
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Post-COVID Employment Trends Across Louisiana

BY C. PATRICK SCOTT, PH.D.

Economic development largely occurs from employment. Investments in infrastructure, buildings, and equipment also have long-run returns, but eventually, these returns will run out (and in some cases turn negative). However, even these investments are predicated on additional employment during construction phases. To achieve lasting economic growth, we need jobs. In many ways, this is why the uncertainty surrounding AI innovation is so alarming. AI threatens to undo some of the long-held associations between the returns on education investment, on-the-job training, and worker experience to job market outcomes (such as income growth and job stability). For the past five years, I have tracked employment trends across the state as COVID-19 turned some of our hard-fought gains in the 2010s into liabilities. As we exit 2025, I think it is important to examine the ways that COVID-19 has changed how we do business across Louisiana.

Figure 17: Employment Growth Rates from 2020 to 2024 by Parish (Percent)



The government shutdown in the Fall disrupted much of the federal government's data gathering apparatus. Fortunately, this has had little effect on county/parish employment and income estimates. Much of this work was already done before the shutdown, so the data was released on time (early December). Figure 17 displays parish-level employment growth in percent terms relative to the initial outbreak of COVID-19 in Louisiana. These data extend through 2024 annual estimates. Cameron Parish is excluded, since it remains an outlier for the state. This parish lost over half of its 12,287 full-time equivalent (FTE) workers. It currently

has an estimated 5,004 FTEs. This data does not include the reopening of some gas-to-liquids facilities in that parish which are already in progress. The map indicates a widening trend across rural parishes that are not recovering from the employment losses of the past five years. Last year, the Slidell-Mandeville-Covington area was designated as its own metro area. Currently, there are ten metropolitan statistical areas (MSAs) in Louisiana, comprised of 37 of the state's 64 parishes. These 37 parishes employ 87.76% of total workers in Louisiana. The remaining 42% of parishes in the state only employ about 344,000 FTE workers. The

Table 3: Total Nonfarm Employment Changes by MSA (Thousands of Employees)

Region	Pre-COVID Employment	Post-COVID Employment	Difference	Percent Change
Alexandria	61.9	62.5	0.6	0.42%
Baton Rouge	413.7	432.1	18.4	1.89%
Hammond	46.9	51.1	4.2	3.72
Houma-Thibodaux	87.1	85.7	-1.4	-0.70%
Lafayette	178.3	186.9	8.6	2.05%
Lake Charles	120	104.6	-15.4	-5.96%
Monroe	90.7	92.3	1.6	0.76%
New Orleans-Metairie	496	479.4	-16.6	-1.48%
Shreveport-Bossier City	167.7	169.9	2.2	0.57%
Slidell-Mandeville-Covington	94.5	103.3	8.8	3.87%
Louisiana	1991.9	2002.1	10.2	0.22%

dispersion of these workers across the state produces multiple challenges for economic development efforts. On average, rural parishes experienced 4.82% slower employment growth than the urban or metro areas. In 14 of the 27 rural parishes, total employment shrank over the five years examined. In contrast, seven of the 37 parishes contained within MSAs shrank.

When we examine these results at the broader MSA level, we get a different picture. Table 3 displays total nonfarm employment before the first case of COVID-19 alongside current employment estimates for each of the ten MSAs. These results contrast Figure 17. We can see that the largest MSA, New Orleans-Metairie, has experienced the largest job losses of the metro areas. Currently, it still needs to recover about 16,600 jobs, 1.48% of its pre-COVID labor force. Lake Charles and Houma-Thibodaux have also not recovered fully, with each having lost about 15,400 and 1,400 FTEs respectively. While Houma-Thibodaux has statistically recovered, the other two MSAs are major employment drivers for the state and underscore a broader reshuffling of the economic deck since the first stay-at-home order was issued. Baton Rouge, Lafayette, and the newly christened Slidell-Mandeville-Covington MSAs have all grown and offset the losses from the

three mentioned above. While the rural parishes clearly lose more than the urban parishes, among the urban centers, it is harder to identify why some grow faster than others.

This simple analysis still points to some actionable policy recommendations for statewide economic development efforts. New Orleans-Metairie is our largest metro area and has not fully recovered from the two major exogenous shocks of the past 20 years: Hurricane Katrina and COVID-19. Louisiana ignores NOLA at its own risk. Before Katrina, NOLA employed another 100,000 people. While about 40,000 of these workers have left the area, the remaining 60,000 or so remain either marginally attached, or have left the labor force.

A dual-pronged approach may be helpful to address this problem. The most recent economic development efforts of the past year or so have been exactly what Louisiana needed. However, a cohesive strategy for re-educating, re-training, and re-engaging our first and fourth largest MSAs is needed to ensure long-run economic growth objectives and social stability across the whole of the state.

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