



CENTER FOR
**ECONOMIC
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LOUISIANA TECH UNIVERSITY®
COLLEGE OF BUSINESS

REAL

REGIONAL ECONOMIC ANALYSIS OF LOUISIANA

REPORT

SPRING QUARTER 2026

UNDERWRITTEN BY



Origin Bank.

Dean’s Message

I am pleased to present the Spring Quarter 2026 edition of the Regional Economic Analysis of Louisiana (REAL) Report, produced by the Center for Economic Research in the College of Business at Louisiana Tech University. This publication reflects our commitment to combining rigorous economic analysis with meaningful experiential learning while providing timely insights into issues shaping Louisiana’s economy.

This edition examines a broad range of topics affecting our state, including forecasts of key national and Louisiana economic indicators, housing affordability, the regional impacts of Louisiana Tech’s transition to the Sun Belt Conference, artificial intelligence and employment, the economic contribution of the film industry, and other issues influencing Louisiana’s economic future. Together, these analyses offer data-driven perspectives intended to inform business leaders, policymakers, and citizens alike.

One of the greatest strengths of the REAL Report is that every article is researched and written by students enrolled in our Regional Economic Analysis course under the guidance of Dr. Patrick Scott, Director of the Center for Economic Research. By working with real-world data and addressing current economic challenges, our students gain practical analytical skills while producing research that contributes to informed public discussion across the state.

The REAL Report, including this issue and previous editions, is available online at LATech.edu/Real-Report.

We are grateful to Origin Bank for its continued support of this publication and to Dr Scott for his leadership of our Center and his mentorship of our student researchers. Their efforts make this publication possible.

We hope you find the REAL Report to be a valuable resource as you navigate the opportunities and challenges facing Louisiana’s economy.

Sincerely,



CHRISTOPHER L. MARTIN, PH.D.
Dean and Chase Endowed Professor
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.

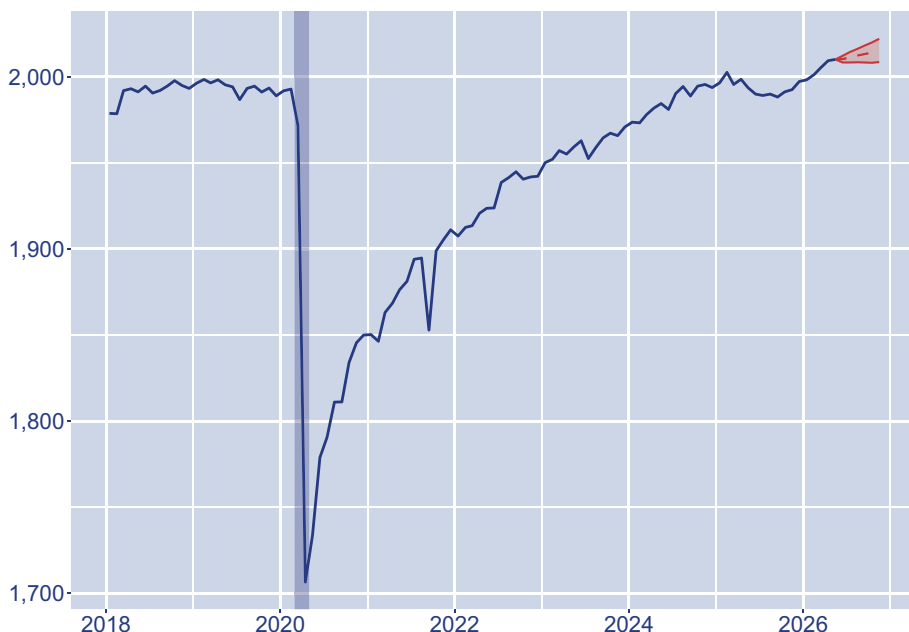
This Fall the Federal Government shutdown impeded the collection of crucial economic data. The forecasts below reflect the Center for Economic Research's best estimates for October data. They are not the actual data for these months.

Louisiana Non-Farm Employment

Since our last report, Louisiana has added about 9,000 non-farm jobs to payrolls across the state. Employment is now higher than it has ever been since the Bureau of Labor Statistics started tracking job growth at the state level. The previous peak was December 2014. Employment is expected to continue its robust growth. The average forecasting model indicates an additional 5,000 jobs over the next six months.

Punchline: Job growth is blowing past milestones, and growth is expected to continue.

Figure 1: Forecasted Non-Farm Employment (Thousands)



Louisiana Unemployment Rate

The unemployment rate is expected to hold steady for the remainder of the year despite numerous pressures that might otherwise drive further dynamics. Layoffs are down nationwide, and as discussed in this issue, AI is the dominant reason for corporate layoffs. Given Louisiana's relatively low exposure statewide, this is not a driver of joblessness. Inflationary pressure is likely to slow drop growth modestly, but that will also slow voluntary turnover as well. Headline unemployment is expected to modestly appreciate about 0.35% over the next six months.

Punchline: Unemployment dynamics have been relatively stable for the past 18 months, and that is expected to continue.

Figure 2: Forecasted Unemployment Rate (Percent)

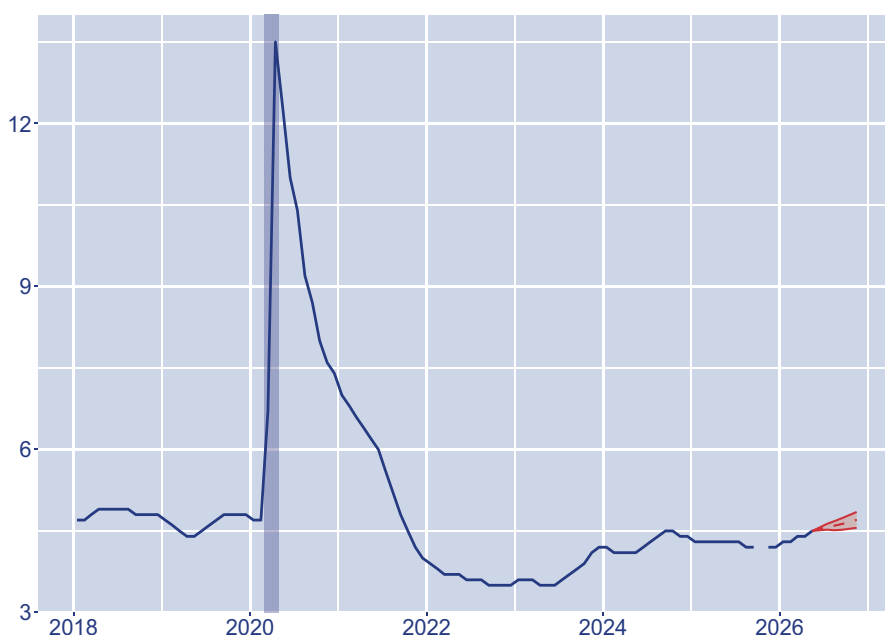
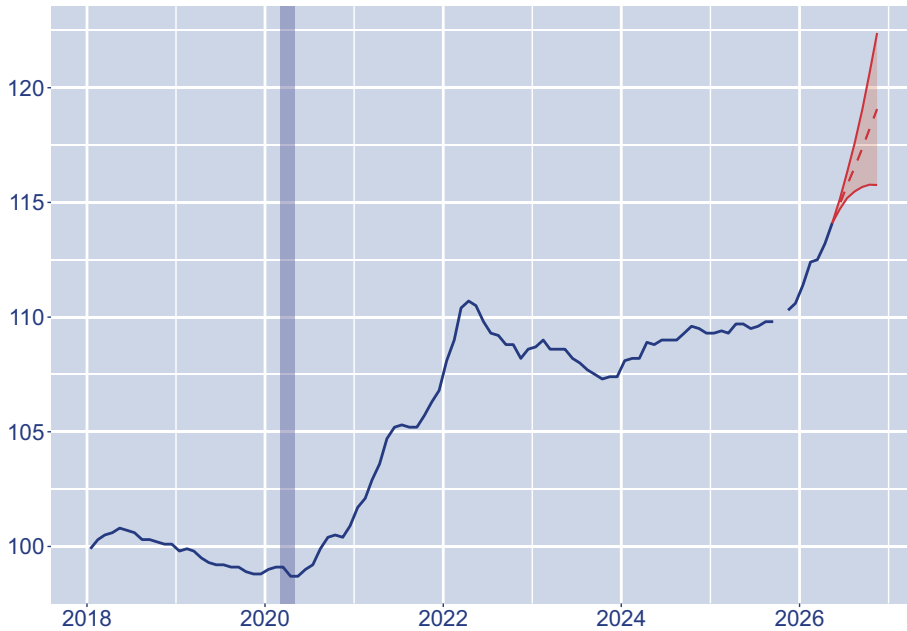


Figure 3: Forecasted Import Price Index (December 2010 = 100)

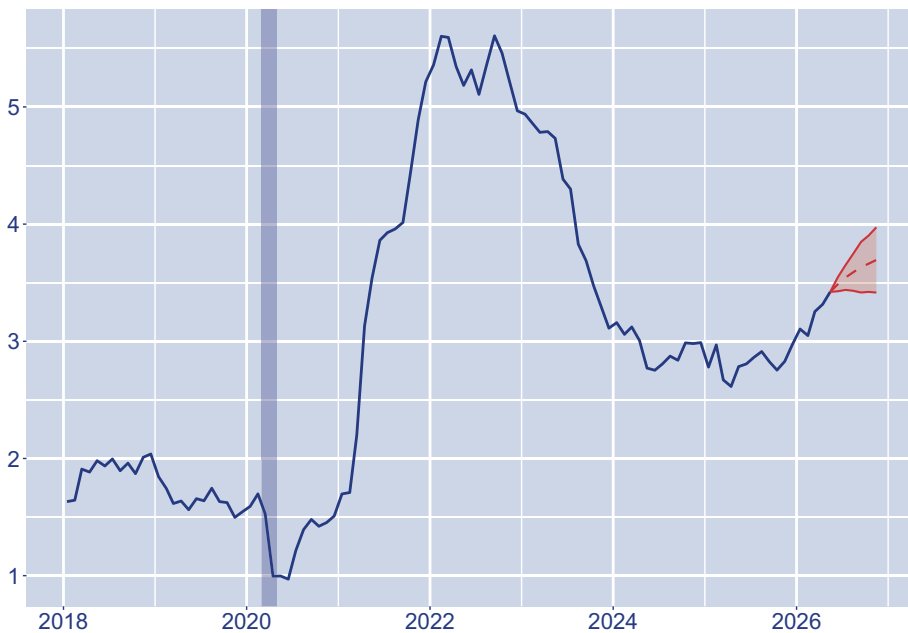


Import Price Index – Less Food and Fuels

Import prices (less more volatile food and fuels) are expected to rise even more sharply than they have for the past 8 months. It turns out that tariff policy is of secondary importance since our trading partners are not inclined to retaliate for our declaration of economic war against them. The rise in import prices is largely due to increased energy costs faced by our trading partners globally. The Iran conflict is pushing import prices upward, which are then increased even more by our own tariff policy.

Punchline: Fuel costs are driving up transportation costs across all sectors globally.

Figure 4: Forecasted Personal Consumption Expenditure Inflation (Percent)



National PCE Inflation – Less Food and Energy

Inflationary pressure is here to stay as transportation costs bleed into pricing equations across all sectors of the economy. On average, inflation is forecasted to hit 3.7% by October. Even our most optimistic models for inflation show it remaining well above the Fed's preferred target of two percent. This is likely to bind the central bank from lowering rates since inflation is one of the primary components to interest rate decision rules. This will lead to labor market consequences nationwide.

Punchline: Prices are rising with no reprieve in sight without a shock for consumers.

Monthly employment, unemployment rate, inflation, and import price data for this section extend to May 2026. All variables include the most current releases at the time of publication.

Behind Bars Payroll: The Economic Impacts of Prison Employment

BY ABIGAIL MCCOLLISTER

The state of Louisiana has an incarceration rate of 1,067 people per 100,000 people. Louisiana alone has a higher percentage of people incarcerated than any other democratic nation on Earth. The extremity of such a high incarceration rate can inspire a wide variety of opinions regarding crime or prison operations. However, the regional employment that prisons support provides insights into the incentive structure of this largely for-profit enterprise. The goal of this report is to examine how prison employment spreads beyond government employment to the private sector. The results of the economic impact and multiplier calculations demonstrate how prison employment contributes significantly to regional economic growth, thus providing an incentive to maintain a persistently high incarceration rate. Economic impacts are generally comprised of direct, indirect, and induced effects. The direct effects include correctional officers, maintenance and healthcare employees, administration, and any other role directly required by prison operations. The indirect effects are comprised of the services and supplies the prisons need to continue their operations. The induced effects are created by the household spending of prison employees' wages.

The significant ripple effects that prison employment stimulates through the economy are conveyed by Tables 1 and 2. Prison operations directly employ a total of 4,906 full-time equivalent jobs. This level of direct employment places this industry in the 77th percentile of all industries in the state. This direct employment also supports 993 jobs in related supply chain employment, as well as an additional 1,197 jobs from consumer spending with labor income. Overall, total prison industry and prison industry-related employment supports just over 7,000 full-time equivalent jobs.

Total labor income is estimated to exceed \$367 million. This includes both prison operations and their supporting activities across 78% of industries in Louisiana. Direct employment alone generates over \$236 million in labor income, roughly \$230 million in value added, and approximately \$477 million in output. When indirect and induced effects are accounted for, total economic output is about \$918 million annually. The economic effects summarized by Table 1 demonstrate the substantial economic footprint of prison employment across the state.

Table 2 is composed of the tax impacts of prison employment in Louisiana. The total tax multiplier of about 2.00 indicates that prison employment's fiscal impact doubles once indirect and induced effects are added. For every dollar of tax revenue generated by direct prison employment, another dollar is generated in secondary economic activity. Tax benefits of prison employment are not limited to prison payroll. Direct prison employment generates around \$51 million, while indirect employment results in \$22 million, and induced employment results in \$28 million. This totals roughly \$102 million annually.

Figure 5 enumerates the supported indirect and induced employment in adjacent industries from direct prison employment. Maintenance and repair construction (both residential and nonresidential) consist of some of the largest indirect impacts, which indicates that correctional facilities require large amounts of ongoing operational and infrastructure support. Noticeable indirect employment gains are reaped by insurance agencies and employment services as well. Correctional operations demonstrate immense need for professional services. Consumer facing businesses like retail stores and restaurants experience

Table 1: Economic Impacts of Prison Industry Statewide (Real 2025 Dollars)

Impact	Employment	Labor Income	Value Added	Output
Direct	4,906.34	\$236,355,729	\$229,957,642	\$477,359,874
Indirect	993.21	\$67,361,333	\$110,218,678	\$222,323,514
Induced	1,197.32	\$63,618,693	\$128,186,340	\$219,115,127
Total	7,096.86	\$367,335,755	\$468,362,660	\$918,798,516
Multipliers	1.446	1.554	2.037	1.925

Table 2: Tax Impacts of Prison Industry Statewide (Real 2025 Dollars)

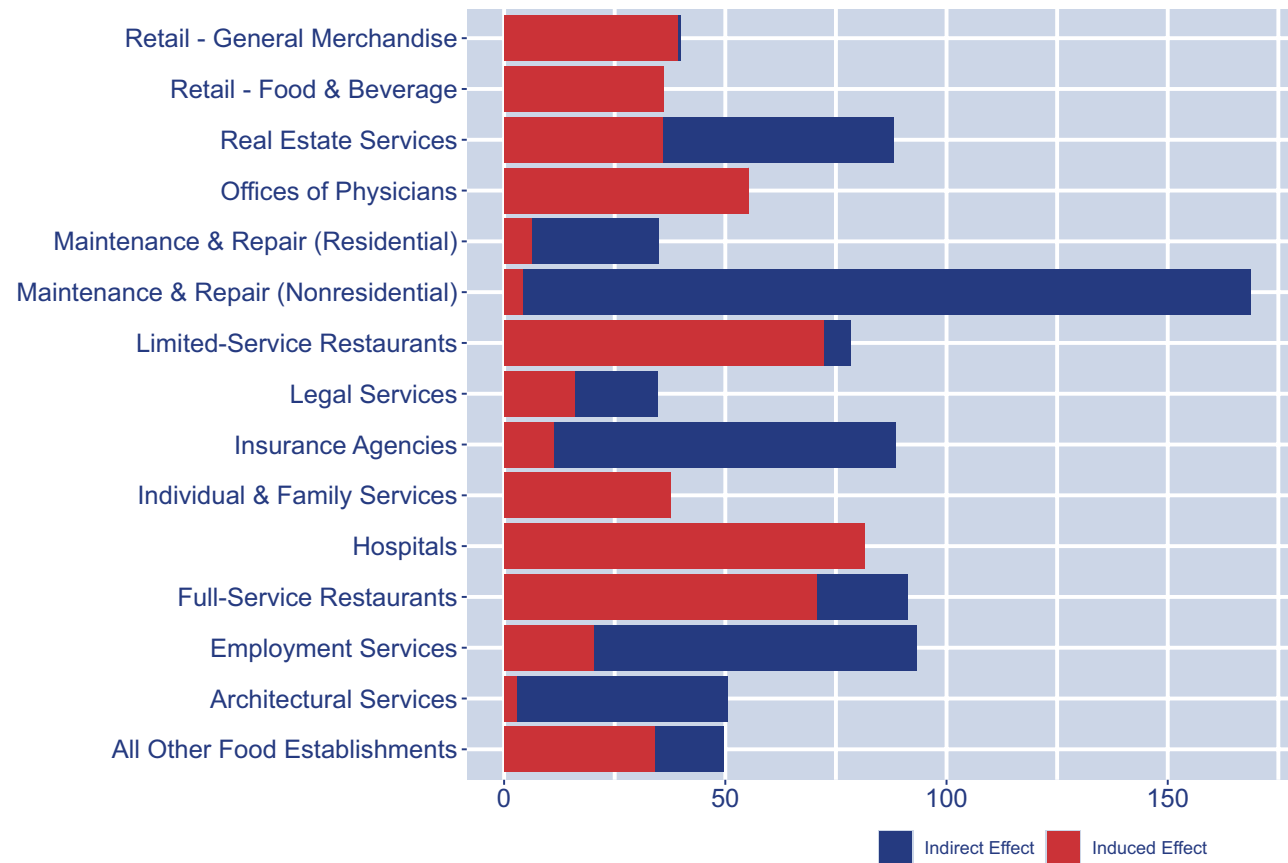
Impact	Municipal	County	State	Federal	Total
Direct	\$903,011	\$343,224	\$5,581,512	\$44,422,530	\$51,250,277
Indirect	\$2,578,210	\$980,598	\$4,470,121	\$14,540,508	\$22,569,438
Induced	\$4,907,213	\$1,866,482	\$7,098,260	\$14,874,331	\$28,746,285
Total	\$8,388,434	\$3,190,304	\$17,149,893	\$73,837,370	\$102,566,001
Multipliers	9.289	9.295	3.073	1.662	2.001

relatively strong induced impacts from prison employee spending throughout local communities. These large induced and indirect impacts throughout the chart indicate that prison employment bolsters supporting industries whilst their paychecks are heavily circulated throughout the economy.

The result of this economic analysis shows that prison employment has a significant economic footprint in Louisiana. Direct employment fosters thousands of workers and wages. The tax multiplier shows that prison payroll circulates through state communities,

strengthening industries that initially may not seem related. This demonstrates strong financial ties between local communities and prison employment. However, while incarceration-related employment does provide economic benefits on a large scale, it is important for Louisiana to not rely too heavily on correctional jobs. Much of the funding tied to correctional facilities is provided by the federal government, which causes a clash of economic incentives at the local level. The impacts of prison-related employment are crucial in understanding how prisons affect the economy and whether communities should depend on them as a source of economic stability.

Figure 5: Prison-Supported Employment Statewide (Full-Time Workers)



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 2024. 2025 estimates are expected in December 2026.

Housing Supply in Louisiana: What Parish-Level Trends Reveal About Long-Run Affordability

BY TOBIAS ROTHMAN

To understand the quantitative side of the housing market, one must look beyond statewide averages and examine how individual parishes contribute to overall supply. Utilizing U.S. Census housing data, the visualizations below reveal a pattern that is both uneven and structurally important to residential housing markets across the state. Although Louisiana's total housing stock has expanded over the past five years, the distribution is concentrated heavily in a small number of parishes. As a result, much of the state is left with either slow-moving or stagnant housing supply. This imbalance is significant because housing affordability depends on several factors beyond just how many units exist—including where they are built and whether supply can keep up with local demand.

Figure 6 reports the growth rate in housing units between 2020 and 2024, showing which parishes have experienced the fastest expansion. Several suburban parishes around Baton Rouge and New Orleans—such as Ascension, Livingston, and St. Tammany—stand out with growth rates well above the statewide average. These areas continue to absorb population overflow from the major metro areas, and their rapid expansion reflects strong demand for new construction. In contrast, many rural parishes show minimal or no growth at all. These slower-growing areas are failing to keep pace with statewide trends, suggesting that both population and economic activity remain concentrated in a limited number of parishes. Because growth rates demonstrate

proportional change rather than scale, Figure 6 highlights which parishes are expanding quickly relative to their existing housing base, even if their total stock remains moderate.

Figure 7 displays the net change in housing units over the same period, showing the raw number of units added or lost. The pattern observed in growth rates becomes even more clear when looking at absolute changes. Once again, a small group of parishes account for a disproportionate number of total units added statewide. Ascension, Livingston, and St. Tammany end up near the top once more, with each adding thousands of units between 2020 and 2024. Simultaneously, many rural parishes have added little to no units at all, even potentially experiencing net losses due to demolitions, storm damage, or overall population decline. This widening gap in cumulative additions shows that Louisiana's housing supply is not uniformly expanding. The parishes that experience the strongest demand are also those that are most capable of adding new units. Unlike Figure 6, which focuses on percentage change, Figure 7 makes it more obvious where the bulk of new construction is taking place, emphasizing how concentrated Louisiana's housing growth is.

Figure 6: Growth Rate of Housing Units 2020 to 2024 (Percent)

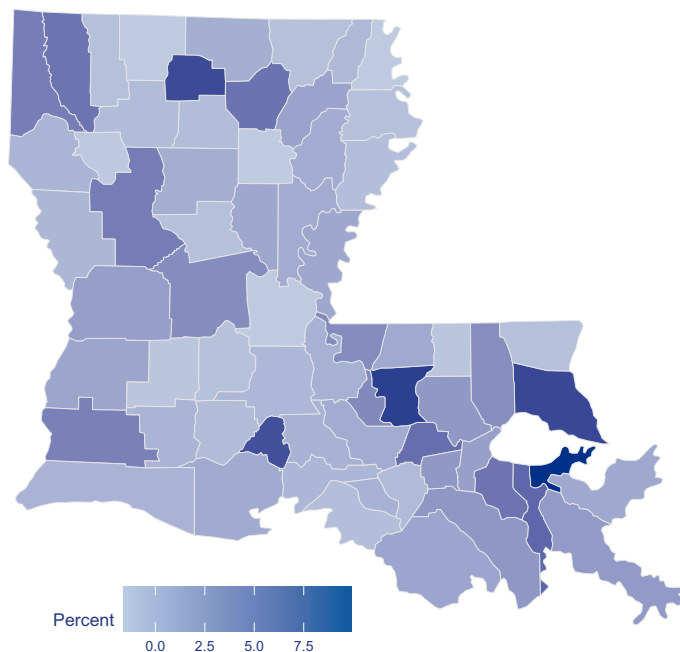
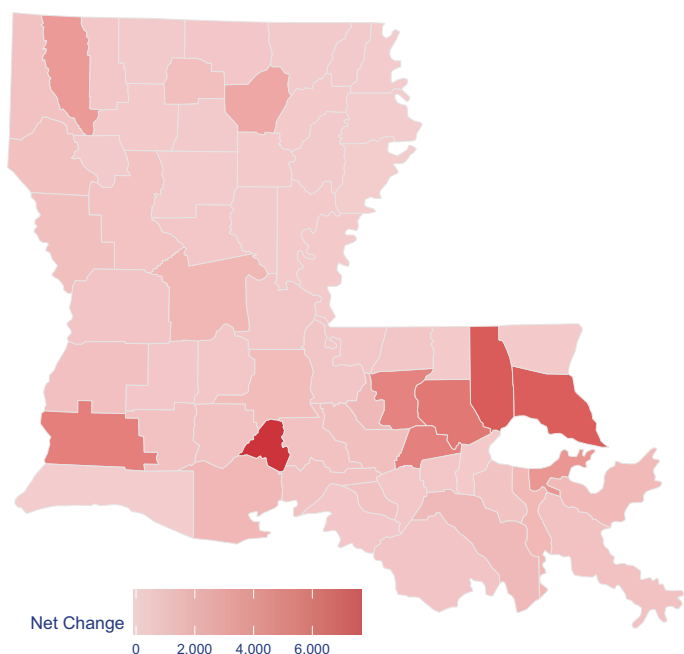


Figure 8 provides further context by showing a choropleth of total housing units in 2024. This highlights the vast differences in scale across parishes over the last full year of parish-level data available at the time of press. East Baton Rouge, Jefferson, and Orleans sit atop the distribution, each maintaining housing stocks much larger than the statewide median. Given the population of these areas, this is expected. However, it is noteworthy how steep the drop-off is outside of these

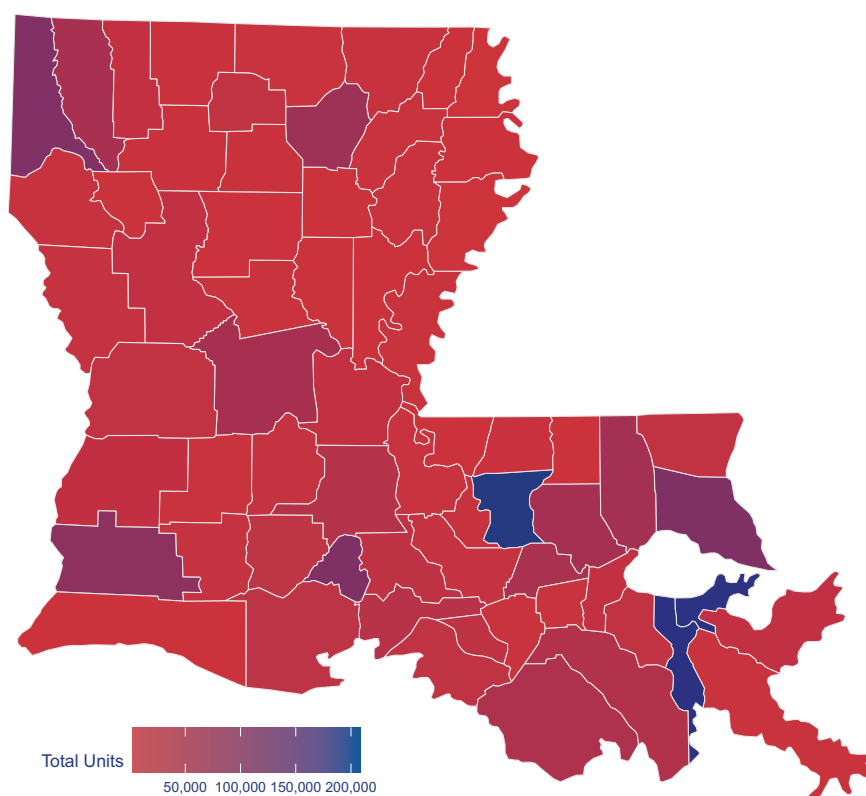
Figure 7: Housing Unit Growth 2020 to 2024 (Units)



These three figures show that Louisiana’s housing supply obstacles are rooted in where housing and people are located. The parishes seeing the strongest demand are the ones building the most units, while large portions of the state remain stagnant. This uneven pattern has important implications for affordability and population growth. Areas where rapid growth is present may face unsustainable pressure if supply fails to keep up with increasing demand. On the other side of things, areas with little growth may struggle to attract new residents and housing investment. A fundamental understanding of these differences is essential for interpreting statewide housing trends and for curating policies that address the differing needs of Louisiana’s diverse local markets. Ultimately, the quantitative side of the housing market is shaped not only by how much Louisiana builds, but by where that building takes place—and these patterns are anything but uniform.

major metro areas. Many rural parishes operate with housing stocks that are only a fraction of those in urban areas. Figure 8 also helps contextualize the earlier data by showing the baseline from which this growth occurs. This, when viewed along with the growth rate and net change observed in Figure 6 and Figure 7, makes it clear that Louisiana’s housing market is not a single integrated system. Rather, it is a collection of distinct local markets with great variance in supply conditions, growth trajectories, and capacity to accommodate new residents. Additionally, these supply numbers illustrate why housing prices tend to remain relatively high around the state. The rural areas are bound by supply constraints, while the metro areas are dominated by demand conditions.

Figure 8: Total Housing Units 2024 (Units)



Beyond Athletics: The Regional Economic Effects of Louisiana Tech’s Sun Belt Transition

BY CULLEN HRONEK

Conference realignment has emerged as one of the most financially transformative developments in collegiate athletics over the past two decades, reshaping the competitive, economic, and institutional landscape of universities across the country. Athletic conferences now play a critical role not only in determining competition schedules, but also in influencing media exposure, travel expenditures, fan engagement, alumni involvement, sponsorship opportunities, recruiting visibility, and overall institutional branding. As universities increasingly seek conferences that better align with their geographic footprint and long-term strategic goals, conference affiliation has become closely tied to both athletic success and regional economic impact. Louisiana Tech University’s transition from the Conference USA to the Sun Belt Conference represents a significant shift with

implications that extend far beyond athletics alone. The move is expected to generate both direct financial savings and broader economic development opportunities for the university and the surrounding North Louisiana region. This report evaluates the estimated annual economic impact associated with Louisiana Tech’s move to the Sun Belt Conference by analyzing several key factors, including reduced athletic travel expenditures, increased ticket sales and game-day spending, expanded visitor activity, additional labor income, and secondary multiplier effects throughout the regional economy. Collectively, these impacts would strengthen Louisiana Tech’s financial position while also contributing to increased economic activity, employment growth, and regional visibility across the Gulf South.

One of the most immediate economic benefits expected from Louisiana Tech University joining the Sun Belt Conference is the reduction in athletic travel costs and the resulting increase in regional economic activity. Conference USA’s geographic footprint has historically required Louisiana Tech athletic programs to travel long distances across multiple states, creating substantial transportation, lodging, meal, and operational expenses for both football and Olympic sports. By transitioning to the more geographically compact Sun Belt Conference, the university is expected to significantly reduce annual travel expenditures while simultaneously improving logistical efficiency for student-athletes and athletic staff. In addition to direct travel savings, Louisiana Tech anticipates

an estimated 15–20% increase in ticket sales for Louisiana-hosted athletic events due to stronger regional rivalries, greater familiarity with opponents, improved accessibility for visiting fanbases, increased alumni engagement, and reduced travel barriers for both home and away supporters. More recognizable regional matchups often generate stronger fan interest and higher attendance levels, which can increase spending throughout the local economy on hotels, restaurants, retail purchases, fuel, parking, and entertainment during athletic weekends. The economic impact of this spending extends beyond the initial transactions through multiplier effects that circulate money throughout the regional economy. As visitors spend money locally, businesses will purchase additional goods and services, employees will earn higher wages, and those wages will subsequently be re-spent within the community, creating secondary rounds of economic activity.

Table 3 summarizes the annual economic impact of the transition. The move is expected to support an additional 33 full-time equivalent jobs and to save approximately \$750,000 to \$1 million annually in travel related expenditures. The total annual economic impact exceeds just \$6 million with no additional investment needed from university budgets. Additionally, this economic impact estimate does not include so-called “angel effects,” additional economic impacts associated with increased fundraising and donations due to enhanced prestige and regional rivalries being renewed.

Table 3: Annualized Economic Impact for Louisiana (2025 Dollars)

Impact	Employment	Labor Income	Value Added	Output
Direct	19.69	\$1,090,604.82	\$2,663,913.36	\$3,801,504.10
Indirect	7.52	\$370,779.31	\$623,859.88	\$1,160,313.62
Induced	5.74	\$304,685.35	\$612,327.73	\$1,046,876.41
Total	32.95	\$1,766,069.49	\$3,900,100.97	\$6,008,694.14

Table 4: Annualized Tax Revenues (2025 Dollars)

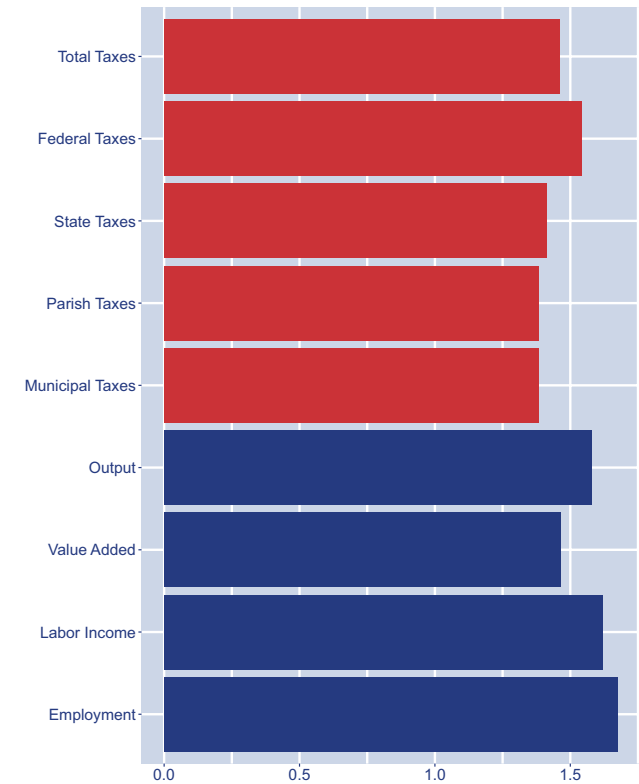
Impact	Municipal	Parish	State	Federal	Total
Direct	\$128,341.53	\$48,815.93	\$173,364.27	\$279,589.05	\$630,110.78
Indirect	\$25,824.62	\$9,822.47	\$37,565.68	\$80,531.84	\$153,744.61
Induced	\$23,391.52	\$8,897.07	\$33,862.98	\$71,164.85	\$137,316.42
Total	\$177,557.67	\$67,535.48	\$244,792.93	\$431,285.73	\$921,171.81

Louisiana Tech University’s move to the Sun Belt Conference is also expected to create meaningful long-term financial and institutional benefits that extend beyond direct athletic revenues. As economic activity surrounding athletic events increases through higher attendance, expanded tourism spending, greater local business traffic, and stronger game-day engagement, both local and state governments are likely to experience increases in tax revenues generated from sales taxes, hospitality spending, restaurant activity, lodging, and related consumer expenditures. Annual estimates of expected tax revenue generation are presented in Table 4. The Sun Belt transition is estimated to generate an additional \$177,000 in municipal taxes and \$244,000 in state taxes. These secondary economic effects can provide additional fiscal support for the surrounding region while reinforcing the

university’s role as an economic driver within North Louisiana.

Regional sports tourism and collegiate athletics studies commonly estimate economic output multipliers between 1.5 and 1.8 for local economies. Figure 9 shows specific multiplier numbers for this transition that are comparable to other studies. These multiplier effects largely benefit Louisiana at the expense of other regions that are no longer generating economic benefit from Louisiana Tech athletics. The increased economic activity will support employment growth and labor income across multiple sectors tied to athletics and tourism, including hospitality, food services, event operations, transportation, security, and retail trade within the region. As game-day traffic and visitor activity expand, local businesses may require additional staffing and operational support, further increasing the broader economic benefits associated with Louisiana Tech’s move to the Sun Belt Conference.

Figure 9: Multiplier Values by Economic and Tax Impact



In conclusion, Louisiana Tech University’s move from the Conference USA to the Sun Belt Conference is projected to generate meaningful economic benefits for both the university and the broader North Louisiana regional economy. The most significant measurable impacts are expected to result from reduced athletic travel expenditures and increased game-day economic activity driven by stronger regional rivalries, higher attendance levels, and greater fan participation. Existing academic research on National Collegiate Athletic Association (NCAA) conference realignment supports the expectation that conference transitions often increase athletic revenues, institutional visibility, and local economic activity, particularly among Football Bowl Subdivision (FBS) institutions. Although the precise magnitude of these impacts will depend on factors such as attendance growth, media agreements, athletic performance, sponsorship activity, and broader regional economic conditions, current projections suggest that membership in the Sun Belt Conference will provide Louisiana Tech with sustained long-term economic, operational, and institutional advantages while contributing positively to economic growth throughout North Louisiana.

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 2024. 2025 estimates are expected in December 2026.

Louisiana’s Film Industry: The Good, the Bad, and the Ugly

BY WESLEY WYNN

The Louisiana Legislature has implemented generous tax credits for filmmakers in an attempt to encourage growth of the film industry within the state. While some believe that encouraging a growing Louisiana film industry will ultimately benefit the state’s economy, others believe that the increases in employment and GDP are not worth the lost tax revenue. As a result, the efficacy of these breaks has been largely debated. This report analyzes several aspects of the industry’s economic effects, providing context for both its tax breaks and its contribution to employment.

Table 5: Total Economic Impact of Film and Motion Picture Industry (2025 Dollars)

Impact	Employment	Labor Income	Value Added	Output
Direct	4,859.55	\$253,732,469.21	\$678,418,663.11	\$1,457,379,551.71
Indirect	1,820.72	\$90,162,908.12	\$183,691,241.46	\$356,498,814.12
Induced	1,419.77	\$73,278,915.54	\$147,044,908.82	\$251,157,810.29
Total	8,100.04	\$417,174,292.87	\$1,009,154,813.40	\$2,065,036,176.12
Multipliers	1.667	1.644	1.488	1.417

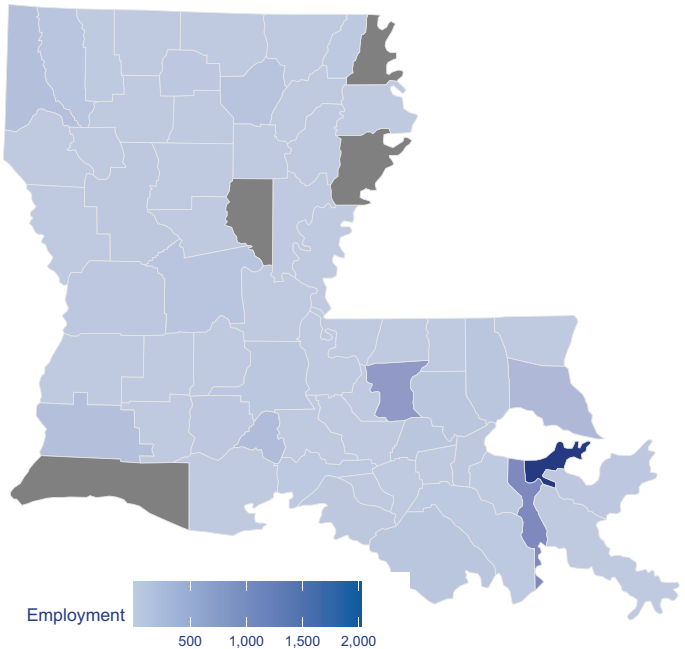
Table 5 shows the estimated economic impact across the state. The film industry supports a total of 8,100 jobs, 4,859 of which are direct employment. 1,820 are indirect employment (supply chain driven), and 1,419 are induced employment (consumer spending driven). This employment generates over \$417 million in labor income, just over \$1 billion in gross state product, and over \$2 billion in total economic output.

Figure 10 displays the film industry’s employment levels across the state with a choropleth map. The levels of employment are relatively low throughout the state, hovering at around 50 jobs created—but there are a few notable parishes. Four parishes (East Carroll, Tensas, La Salle, and Cameron) do not have any film industry employment. Orleans, Jefferson, and East Baton Rouge all have over 500 jobs related to the film industry, with Orleans sustaining over 2,000 jobs. Recently, there has been discussion about rapper Curtis Jackson (known as 50 Cent) investing in the entertainment industry in Northwest Louisiana. Caddo Parish currently supports 145 jobs from the industry. The districting effect of this industry among the three parishes listed above means that large investments in other areas of the state may not be able to fully capitalize on investment.

Figure 11 highlights the top 15 adjacent industries (indirect and induced effects) supported by the film industry in

Louisiana. Overall, the industries receiving the most total impacts were the promoters, full-service restaurants, and hospitals. The industry with the largest induced impact was the hospital industry (96 jobs), while the promotion industry received the largest indirect impact (125 jobs).

Figure 10: Distribution Film & Motion Picture Industry Employment by Parish (Full-Time Workers)



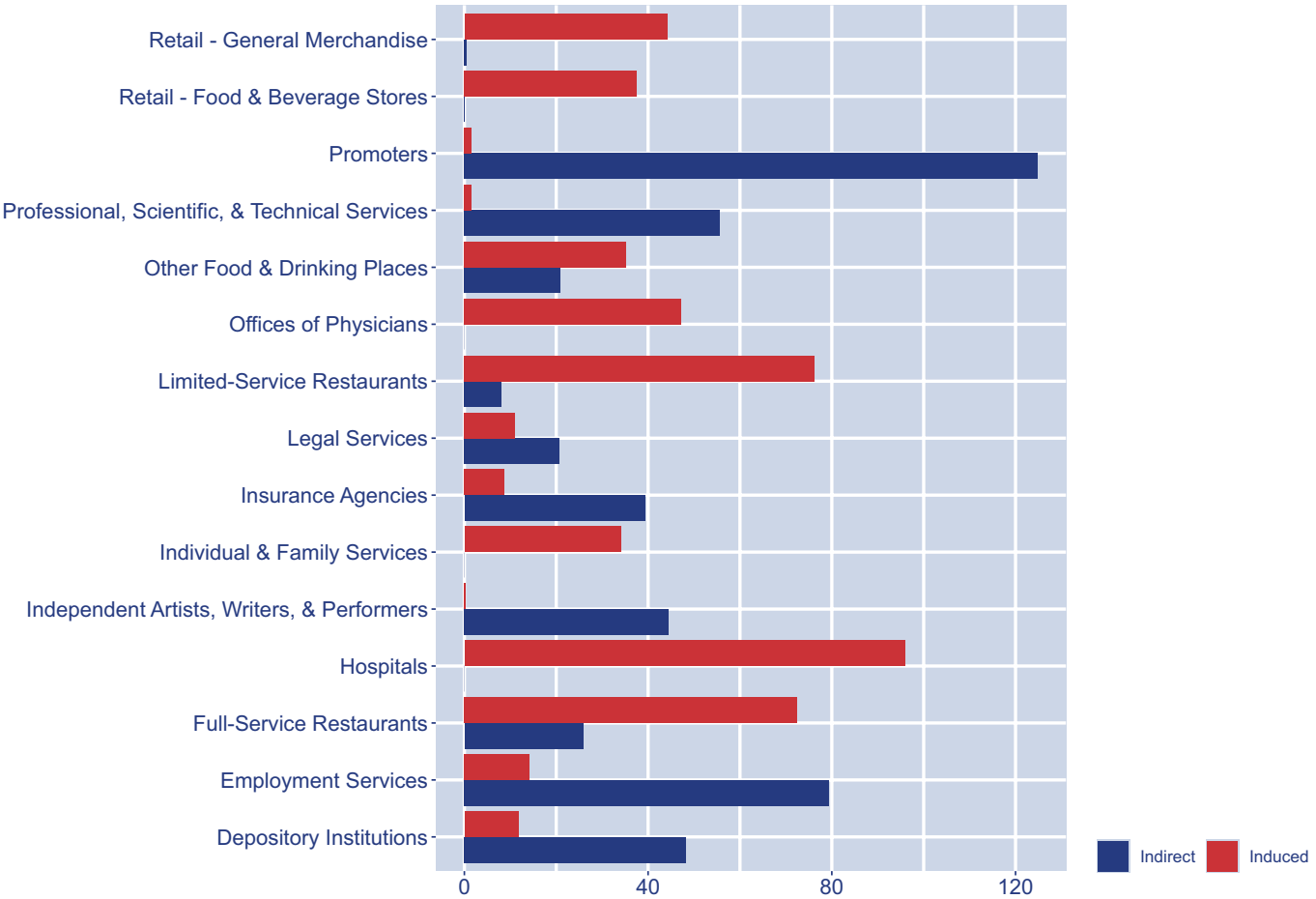
Notably, the promotion industry had a much larger indirect effect than induced (125 jobs compared to two jobs), given the direct use of promoters for the film industry. However, this effect is likely impermanent, as promotion is a temporary service and provides mostly temporary jobs. This contrasts industries like retail, such as General Merchandise (44 induced jobs) and Food & Beverage stores (38 induced jobs), where there is a large induced effect. This economic boost is the result of those employed by the film industry spending their money in retail, rather than the film industry directly making purchases.

The tax credits mentioned above provide limited benefits to the state. The current policy is to provide a baseline 25% tax credit on qualifying expenditures (\$300,000 or greater for film productions), which may also qualify for an additional 15% payroll uplift. At current industry averages, this results in an average effective credit rate of 28%. Currently, the effective tax rate for this industry (including indirect and

induced effects) is 7.369% at the state level. This disparity is part of the problem. The policy also allows for a discounted reimbursement of the tax credit if no workers from Louisiana are employed. In this case, taxpayer dollars are redistributed out of state. To mitigate that loss to taxpayers, the size of the threshold should be nearly double what it currently is.

The data above provide a clear picture of the film industry and its substantial impact on the economy, creating new jobs, generating revenue, and increasing production. While this is beneficial for Louisiana, there are concerns about the long-term viability of the film industry in the state that these tax incentives are attempting to address, as many film producers still prefer more typical locations like Hollywood or Atlanta. Providing tax incentives to encourage film production in Louisiana is not a bad strategy for creating economic growth throughout the state, and a data-driven approach to tax incentives is important to ensure that Louisiana gets the most benefit for its tax dollars.

Figure 11: Top 15 Indirect & Induced Industries Supported by Film & Motion Picture Industry (Full-Time Workers)



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 2024. 2025 estimates are expected in December 2026.

Cheaper Rent, Higher Poverty?

Understanding Louisiana's Parish Divide

BY JUSTIN STOKES

Housing is typically the largest expense line in a household's budget, and affordability—especially in times of high inflation—is a relatively important concern across society. Affordability takes on a greater sense of urgency when wage growth does not keep up with price inflation. Additionally, when poverty is high in a particular region, how does the local housing market adjust to account for an inability to pay high rent prices? This project examines the relationship between poverty and median rent across Louisiana parishes, inquiring whether parishes with higher poverty rates tend to have lower rent, and whether parishes with lower poverty rates tend to have higher rent.

Rent prices are closely connected to the local economy. A parish with more jobs, higher incomes, and more people looking for housing may have higher rent. This is consistent with typical centripetal forces of agglomeration theories of economic development. More job opportunities lead to a divine cycle of economic growth—incomes grow, supply for housing is relatively scarce (at least in the short term), so prices are bid up. At the same time, centrifugal forces are pushing lower income households away from population centers. Less opportunities for income growth exist in relatively lower development zones, housing supply is relatively more slack, and the price for homes falls in these areas.

Figure 12: Median Rent Prices by Parish (2024 Dollars)

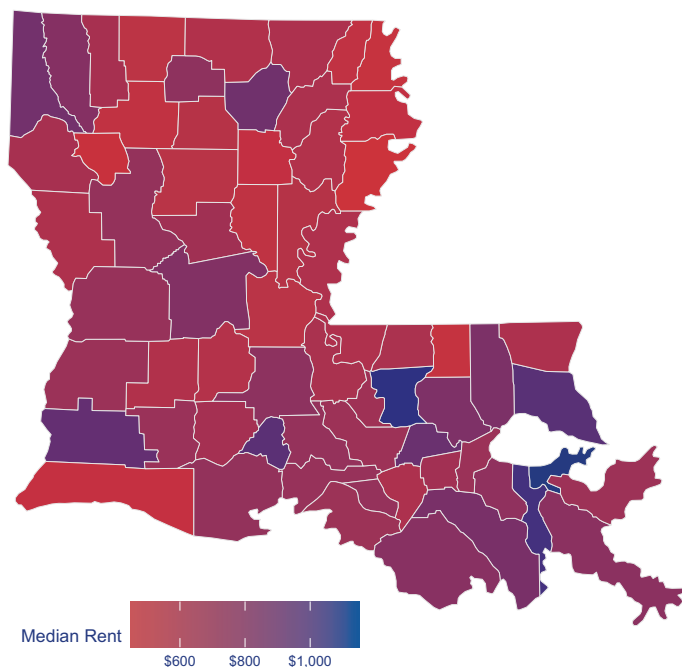


Figure 13: Poverty Rates by Parish (Percent)

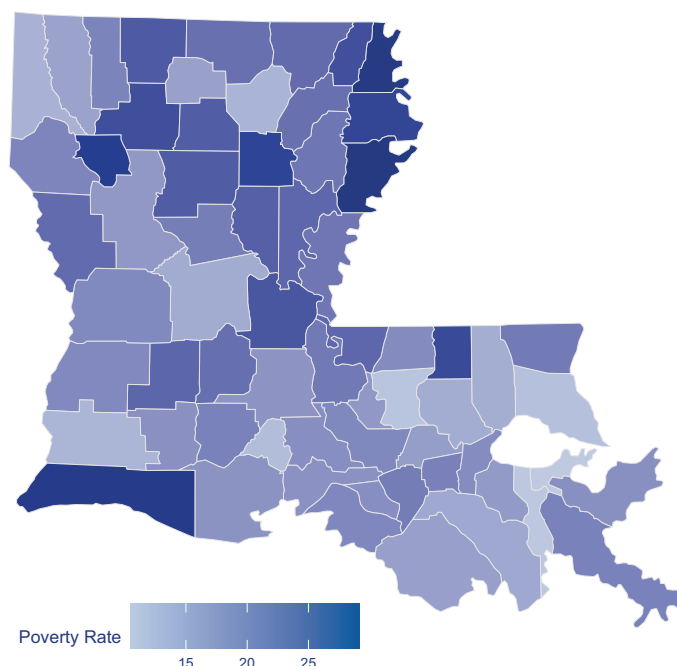


Figure 12 shows median monthly rent prices by parish in real 2024 dollars. Higher median rent parishes are shown in darker blue while lower median rent parishes are shown in red. The highest median rents are found in Orleans Parish (\$1,150 per month), Jefferson Parish (\$1,050 per month), and East Baton Rouge Parish (\$1,100 per month). Both New Orleans and Baton Rouge metropolitan statistical areas account for nearly half of all employment in Louisiana. The lowest median rents are shown in Tensas (\$450 per month), Red River (\$470 per month), and East Carroll (\$480 per month) Parishes. These parishes have been shown in other issues of this report to be suffering from population declines, job losses, and a lack of industrial diversity that limits economic opportunities.

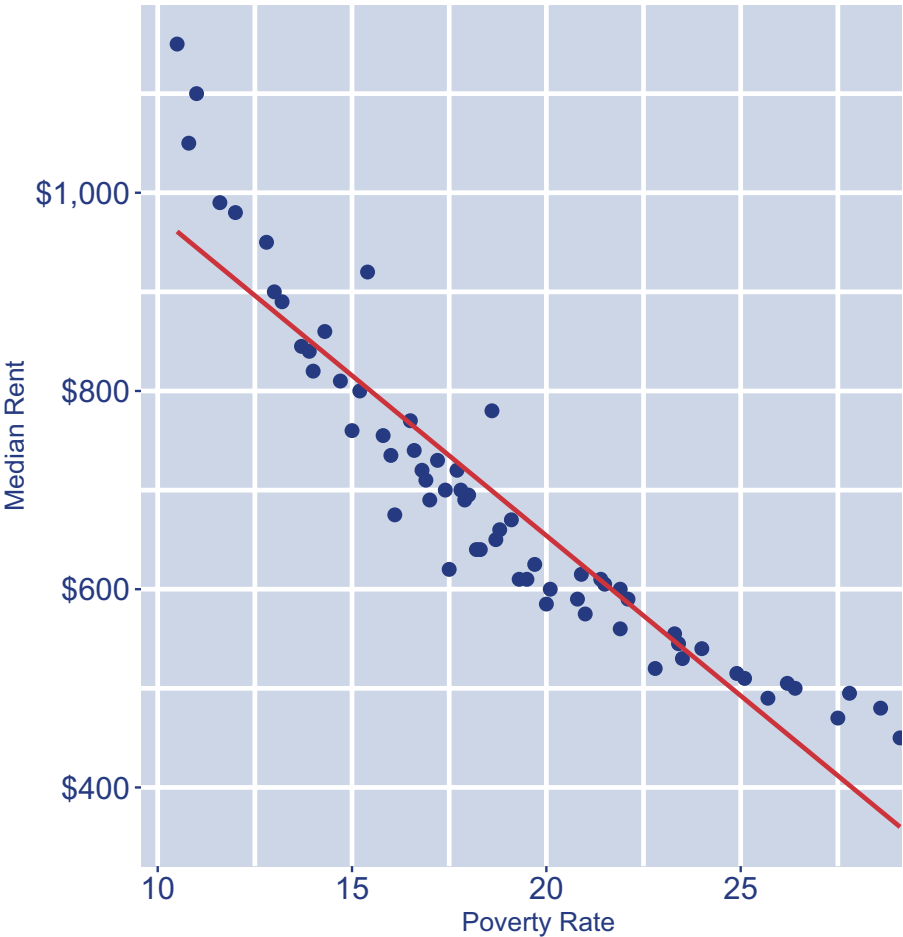
Figure 13 shows percent of households at or below the federal poverty level by parish. Darker blue areas represent parishes with higher poverty rates, while lighter areas represent parishes with lower poverty rates. The poverty map shows that economic hardship is not evenly spread across Louisiana, implying that a one-size-fits-all approach to housing affordability may not be optimal.

Visually comparing Figures 12 and 13 motivates the scatterplot in Figure 14. Each point in the plot represents a parish with its corresponding median rent and poverty rate. The red line is produced using linear regression to estimate the relationship holding other factors fixed. On the margin, for every 1% increase in poverty, median housing prices drop by 4.6%. However, it is important to be careful with this conclusion. The maps and regression show a relationship, but they do not prove that poverty directly causes rent to

be lower. Other factors augment this relation in important ways. Demographics, income inequality, proximity to the locations of specific natural resources, and regional cultural differences will all impact this summarized relationship (some in statistically significant ways).

While this relationship appears intuitive (as noted above, it is consistent with our agglomeration theories), it still has some important implications for further consideration. In rural areas, it may be better to pursue certain types of policies to address housing affordability. Research has shown that one of the most effective tools for poverty alleviation in rural areas is increased investment in education (a topic that has been written about in other issues of this report). In contrast, urban areas may need policies that incentivize housing supply investment to aid in housing affordability while maintaining relatively low poverty in these areas.

Figure 14: Estimated Correlation Between Poverty Rates and Median Rent Prices



Data for this report is provided by the U.S. Census Bureau, 5-Year American Community Survey for 2024.

AI Exposure and Employment Change Across Louisiana's Parishes

BY WALKER GRAY

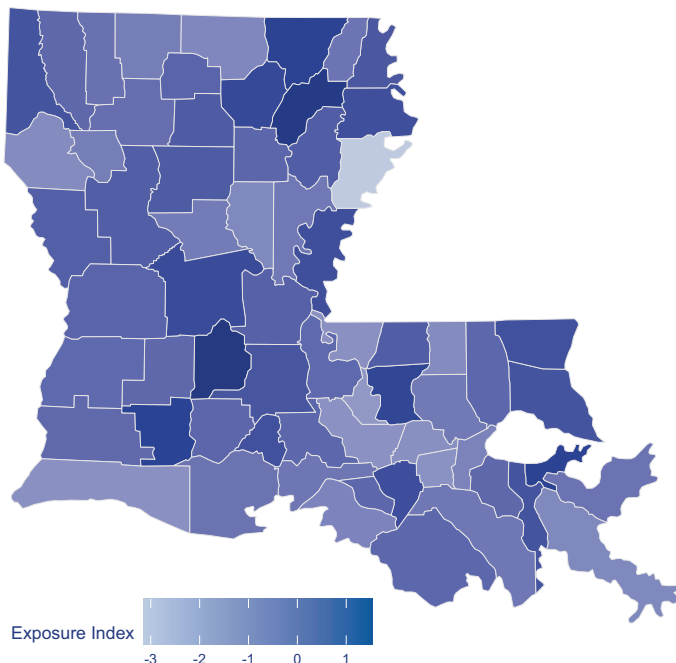
Louisiana's labor market outlook is shaped by two relatively large employment trends: the reshuffling of economic activity from post-COVID employment and the degree to which local occupations are exposed to emerging artificial intelligence (AI) tools. Understanding how these two forces overlap is important for students, workers, and policy makers alike because the combination of technological exposure and employment growth helps reveal which communities are positioned for adaptation—and which may face a more difficult adjustment as AI becomes more embedded in everyday work.

Exposure to AI varies widely across local labor markets. Felton et al. (2021) calculate an occupation-specific AI exposure index in which higher values indicate an increased risk of AI augmenting or replacing certain tasks. Figure 15 is a choropleth of this index for Louisiana's parishes. The Artificial Intelligence Geographic Exposure (AIGE) index captures this by showing how closely a parish's major occupations align with tasks that current AI systems can perform. Several rural parishes show extremely low exposure, including Tensas (-3.142), Cameron (-1.529), Iberville (-1.561), and West Baton Rouge (-1.746). These values indicate that the occupational mix in these areas contains fewer tasks that align with current AI capabilities. In contrast, a few parishes show high exposure, such as Evangeline (1.521), Richland (1.372), Jefferson Davis (0.906), and Orleans (0.933). These parishes tend to have a larger sector of either administrative, professional, or service roles in which AI tools can more easily substitute or augment

routine tasks. The geographic pattern is not strictly urban-rural (especially on the higher end of the index), but higher exposure is more common in parishes with more diversified labor markets while lower exposure is concentrated in areas with narrower industry bases. This result is consistent with the view that higher degrees of economic integration across industries produce more centripetal forces of development.

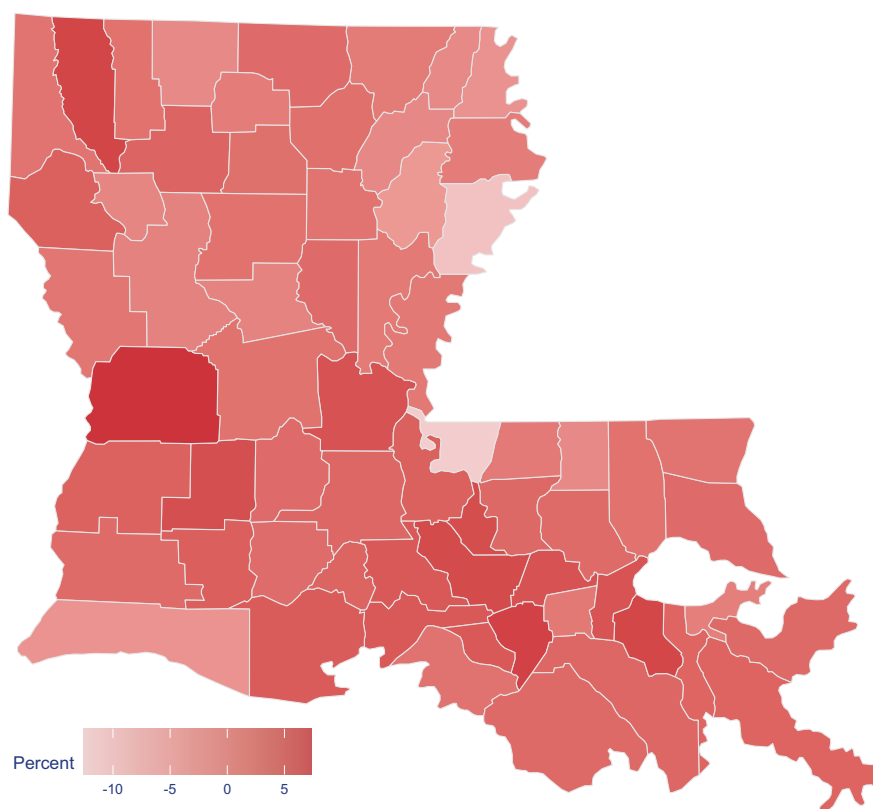
Post-COVID employment growth in Figure 16 shows a different centripetal pattern. While exact values vary by parish, the map reveals the strongest growth is clustered around metropolitan regions and their surrounding parishes. These areas experienced faster rebounds in service activity, population inflows, and industry expansion following the pandemic. In contrast, slower-growing parishes tend to be located in rural regions where long-standing structural challenges have limited the pace of recovery. These parishes often face declining populations, limited industrial diversity, and fewer new employment opportunities. This growth map captures the uneven nature of Louisiana's post-pandemic labor market and highlights where economic momentum has been the strongest.

Figure 15: AI Exposure Index by Parish
(Average Exposure = 0)



When the two measures are taken together, a clearer picture emerges of how technological exposure interacts with local labor market performance. Parishes with high exposure and employment growth, such as Orleans and Jefferson Davis, may be better positioned to adapt to AI-related changes. Expanding labor markets create more opportunities for workers to shift into roles that are less exposed, and employers in these areas may be more capable of integrating new AI technologies without the risk of reducing overall employment. In these parishes, exposure does not imply immediate risk. Instead, it indicates where adjustments may occur first and where capacity for adaptation is strongest. Parishes with high exposure, but weak post-COVID growth, face a more challenging environment. For example, Evangeline (1.521) and Richland (1.372) show some of the

Figure 16: Post-COVID Employment Growth by Parish (Percent)



highest exposure levels in the state, yet their employment growth is noticeably weaker than nearby metropolitan areas. Limited job expansion reduces the number of available pathways for workers to transition to less exposed occupations. In these areas, technological pressure may reinforce existing structural weaknesses, especially where job opportunities are already scarce. The combination of high exposure and slow growth identifies parishes where adjustment to AI-related change may be more difficult and where workers have less options if certain tasks become more automated.

Low exposure parishes with strong growth represent labor markets driven by industries less affected by AI-aligned tasks. This includes mostly suburban parishes like St. Tammany, Tangipahoa, Livingston, and Ascension where growth is more closely tied to population movement and local service demand rather than technological change. Conversely, low exposure parishes with weak growth such as Tensas, Claiborne, and West Carroll highlight regions where labor market stagnation is unrelated to AI exposure. These areas

face challenges rooted in demographic decline, limited industrial diversity, or geographic isolation, issues that persist regardless of technological trends.

Taken together, the patterns in exposure and post-COVID employment growth show that Louisiana's labor markets are not equally prepared for the next wave of technological change. Some parishes pair high exposure with strong recovery, suggesting a capacity to absorb new tools and reorganize work without major disruption. Others combine high exposure with weak growth, leaving fewer pathways for workers to shift into less exposed roles. For students preparing to enter the workforce and for communities working to retain talent, these differences matter. They highlight where economic momentum can help cushion technological adjustment, and where long-standing structural challenges may be amplified as AI adoption accelerates. Understanding this landscape provides a clearer sense of where Louisiana's labor market is most resilient, and where targeted support may be needed to ensure technological change does not widen the already existing gaps across the state.

The Economic Impact of January's Severe Winter Storm

BY C. PATRICK SCOTT, PH.D.

The report is an excerpt from a larger study commissioned by Louisiana Economic Development. The full report is available upon request.

A severe winter storm began on January 23, 2026, and continued over the following days, prompting FEMA to announce federal disaster assistance for the state of Louisiana across all 64 parishes. Ahead of the storm, Governor Jeff Landry issued a state of emergency and warned residents to take precautions. State Climatologist Jay Grymes noted the storm would have its heaviest impacts on central and north Louisiana, with ice accumulations of half an inch or more potentially reaching as far south as Alexandria. The storm caused widespread and prolonged power failures. By Sunday, January 25, roughly 146,879 Louisiana customers were without power, making it one of the hardest-hit states in the South, behind Tennessee and Mississippi. In northeast Louisiana, Ouachita Parish was the hardest hit in the state, with over 48,000 customers without power. About 90% of the storm's damage occurred in north Louisiana.

The Louisiana Department of Health confirmed a total of nine storm-related deaths. The causes included hypothermia, loss of oxygen due to power failure, and crashes on icy roads. The Louisiana National Guard had 118 generators, over 140,000 MREs, and 600,000 bottles of water available. The state expanded warming center operations at the request of local parishes, with the American Red Cross and FEMA supporting over 20 warming centers and shelters statewide. President Trump approved a major disaster declaration for the State of Louisiana (DR-4900-LA) on February 18, 2026, after issuing an emergency declaration (EM-3638-LA) on January 24, 2026 with support funding of \$3,787,500.

Figure 17 includes two choropleths. The left hand map shows the number of outages per parish, and the right hand map shows the percent of parish customers that were without power at the peak for that area. It is important to note that each parish may have experienced peak outage at different times/days. The analysis focuses on parishes that had a significant number of customers with widespread and prolonged power outages. Each parish included in the analysis had at least three percent of total power customers without power. Parishes that did not meet this threshold may still have experienced significant economic disruption due to the storm. Figure 17 highlights a few important features about the impacts of this storm. In some rural

Figure 17: Power Outages Associated with Winter Storm Impact (Source: <https://poweroutage.us/area/state/louisiana>)

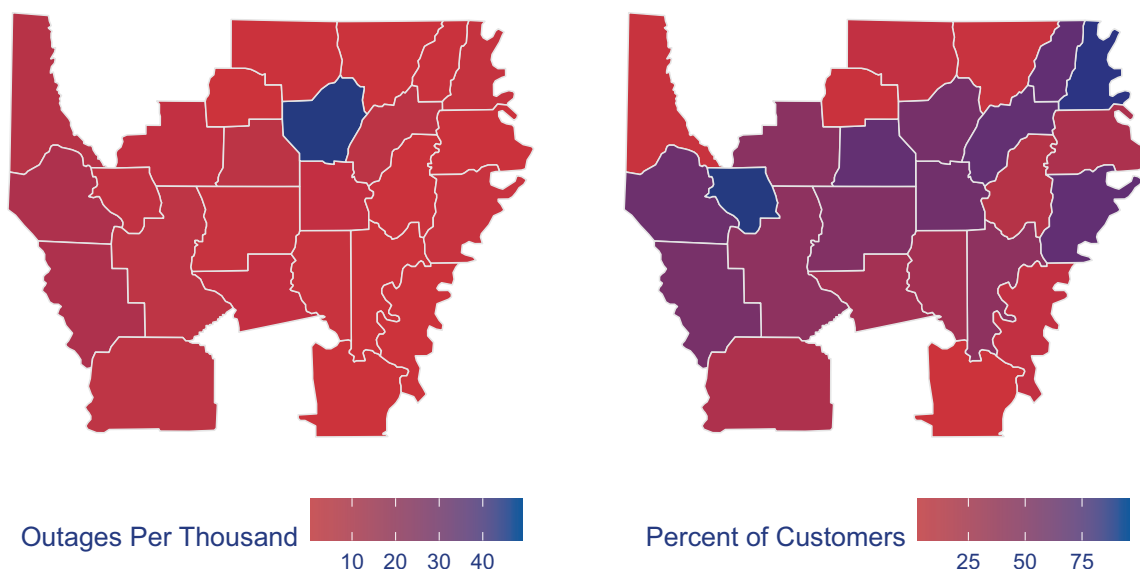


Table 6: Economic Impact Estimates (Real 2025 Dollars)

Impact	Productive Hours	Labor Income	Gross Regional Product	Output
Direct	5,766,644	\$133,938,578	\$230,167,122	\$420,867,585
Indirect	945,828	\$23,706,661	\$44,858,042	\$87,741,483
Induced	505,336	\$11,793,409	\$30,732,562	\$47,665,866
Total	7,220,044	\$169,438,648	\$305,757,725	\$556,274,933
Multipliers	1.252	1.265	1.328	1.322

parishes, the majority of power customers were without power. The rural nature of these parishes hindered power restoration efforts. Red River and East Carroll Parishes, while low populations relative to the metro areas, both experienced outage rates exceeding 90%. At the same time, the overwhelming majority of power outages occurred in Ouachita Parish. Thus, the epicenter of the economic impact for this storm centers around Monroe, Louisiana. The estimation below accounts for that feature.

Detailed occupational data are used to identify industries that are predominantly comprised of hourly employees. These industries represent the epicenter of the economic shock. The magnitude is governed by the lost productivity in these sectors as defined by the power outage. This method internalizes the modeling assumption that families fully comprised of salaried workers may not experience economic loss at the level of hourly workers who miss work and are not compensated for their lost productivity.

Although annual labor productivity estimates are used in this modeling, the results presented here are not annualized per se. The direct effect of this economic impact occurs during the nine days of power outage. The indirect and induced effects occur with a time delay and are expected to be fully realized in the next four to six months. Table 6 displays the economic impact based on state-region estimates of the winter storm. The storm lowers total economic output in the state by \$556.3 million. About 76% of the total economic effect occurs in the nine days of the power outage. The remaining 24% of the total impact on economic output occurs over the subsequent months. Real gross state product (GSP) is reduced by \$305.8 million. Total value added, which is real GSP minus taxes on production and imports is \$279.4 million. The storm directly cost hourly employees \$133.9 million in lost labor income. These cost both hourly and

salary employees a further \$35.5 million in labor income. An estimated 7.2 million hours of productive labor are lost from approximately 138,371 individuals. It is important to stress, that not all of these workers experienced a full nine days of lost wages. The lost 7.2 million productive hours represents the equivalent of 3,229 full-time equivalent jobs at an annualized rate. The winter storm economically affected approximately 75.9% of industries operating in north Louisiana.

Multipliers are usually calculated in economic impact studies to more succinctly state the rate or change in a region. In this case, a multiplier can be used to provide a magnitude of loss if the point estimates on this report prove either too high or too low. The productive hours and labor income multipliers are approximately 1.252 and 1.265 respectively. For every hour of productivity lost and for every dollar of labor income lost, an additional 0.252 hours and \$0.27 are lost from indirect and induced effects respectively. This occurs because of supply chain connections (indirect effects) and various rounds of consumer spending (induced effects). In this particular case, the economic loss is relatively lower due to the lack of supply chain connections and spending preferences. As mentioned above about 76% of industries in north Louisiana were impacted meaningfully by the winter storm. Among these, construction from residential, commercial, and infrastructure industries lost approximately \$87.8 million. General merchandise retailing, healthcare and personal care retailing, food retailing, construction and garden material retailing, and gasoline store retailing experienced a combined \$75.2 million dollars in economic losses. \$79.1 million in economic losses were absorbed by healthcare and its adjacent sub-industries. Food services, both full-service and limited-service, lost around \$40.2 million in economic output.



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