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COLLEGE OF BUSINESS

REAL

REGIONAL ECONOMIC ANALYSIS OF LOUISIANA

REPORT

WINTER QUARTER 2026

UNDERWRITTEN BY



Origin Bank.

Dean's Message

I am pleased to share the Winter Quarter 2026 edition of the Regional Economic Analysis of Louisiana (REAL) Report, produced by the Center for Economic Research at Louisiana Tech University in collaboration with undergraduate business students.

This issue brings together a range of analyses that explore both current conditions and long-term trends affecting Louisiana. Included are forecasts of key national and state economic indicators, as well as a demographic assessment examining age structure and immigration patterns across Louisiana's parishes, helping frame broader conversations about workforce sustainability and economic growth.

All articles featured in this report were developed by students enrolled in the Regional Economic Analysis (ECON 4251) course. Through this applied learning experience, students work alongside faculty in the Center for Economic Research to analyze real-world data and produce research that contributes to meaningful economic dialogue across Louisiana.

The REAL Report, including this issue and previous editions, is 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 specific sections should be directed to the respective authors, while media inquiries may be sent to Waldroup@LATech.edu.

We hope this issue serves as a useful resource for understanding the challenges and opportunities facing our state.

Sincerely,



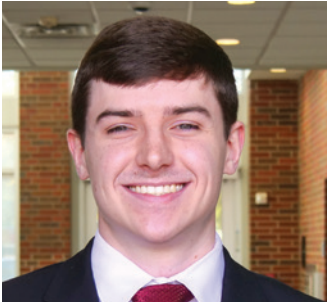
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The views contained herein reflect the analysis of the authors and not necessarily those of Louisiana Tech University.

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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.

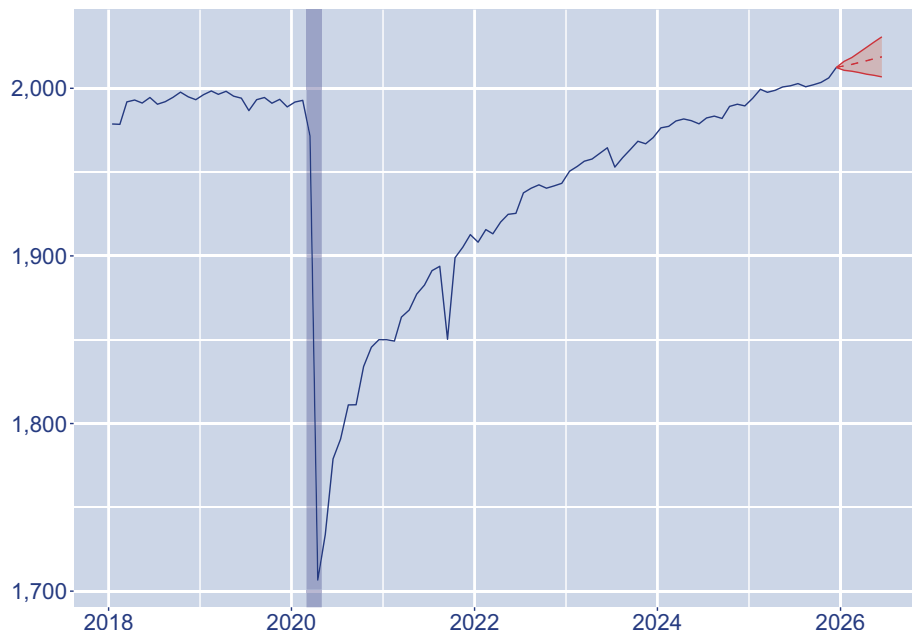
This Fall, the Federal Government shutdown impeded the collection of crucial economic data. The forecasts below reflect the Center for Economic Research's best estimates for September and October data. They are not the actual data for these months.

Louisiana Non-Farm Employment

Recent employment growth has maintained forward momentum in the Pelican State despite national headwinds that point to slowing economic growth. Louisiana is benefiting disproportionately more from white hot investment patterns in artificial intelligence. The broader services sector leads employment growth trends, while manufacturing and goods production is slowing. Most models forecast continued employment growth of about 5,000 new jobs over the next six months.

Punchline: Job growth is robust, given investment levels persist.

Figure 1: Forecasted Non-Farm Employment (Thousands)



Louisiana Unemployment Rate

The unemployment rate for Louisiana appears to be holding steady. The K-shaped economy narrative so beloved by C-Suite America does not withstand confrontation with data. This implies that the labor is indeed a bit more fragile than the current prevailing wisdom. Signs of this fragility can be found in the past three labor market reports. Most models examined here forecast a modest appreciation of the headline unemployment rate for Louisiana to about 4.4% by June 2026.

Punchline: Still waiting to see if Louisiana's tech investment boom will insulate us from hiring shocks.

Figure 2: Forecasted Unemployment Rate (Percent)

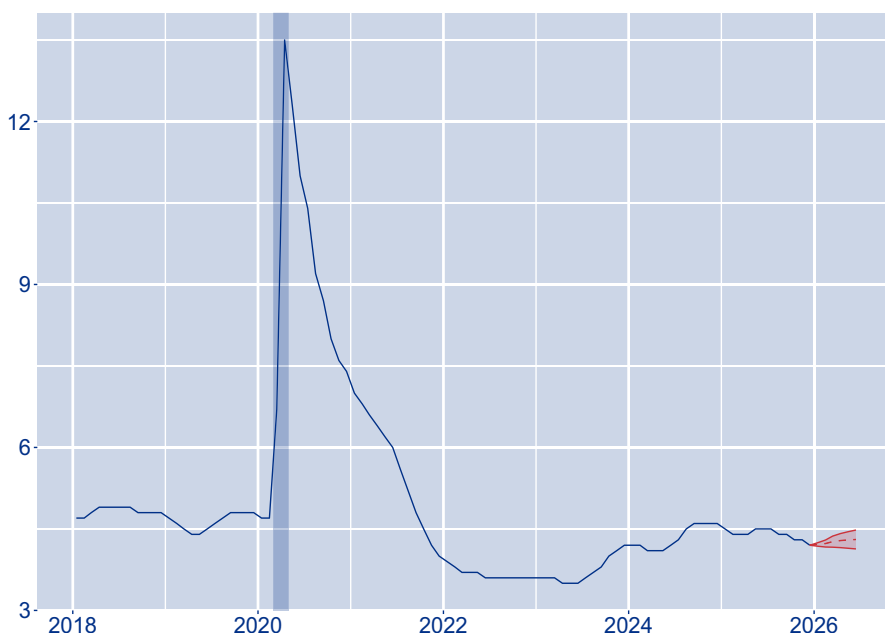
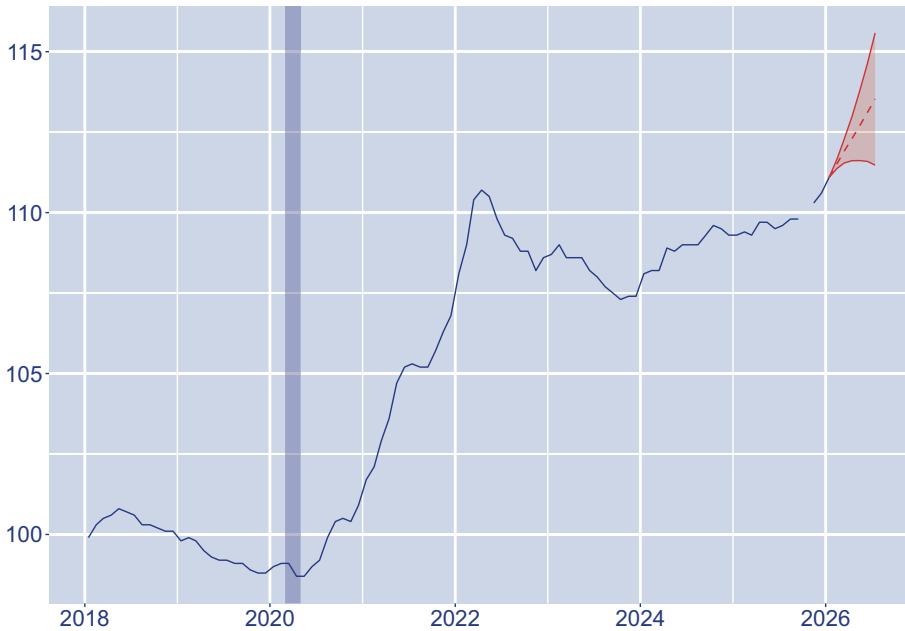


Figure 3: Forecasted Import Price Index (December 2010 = 100)

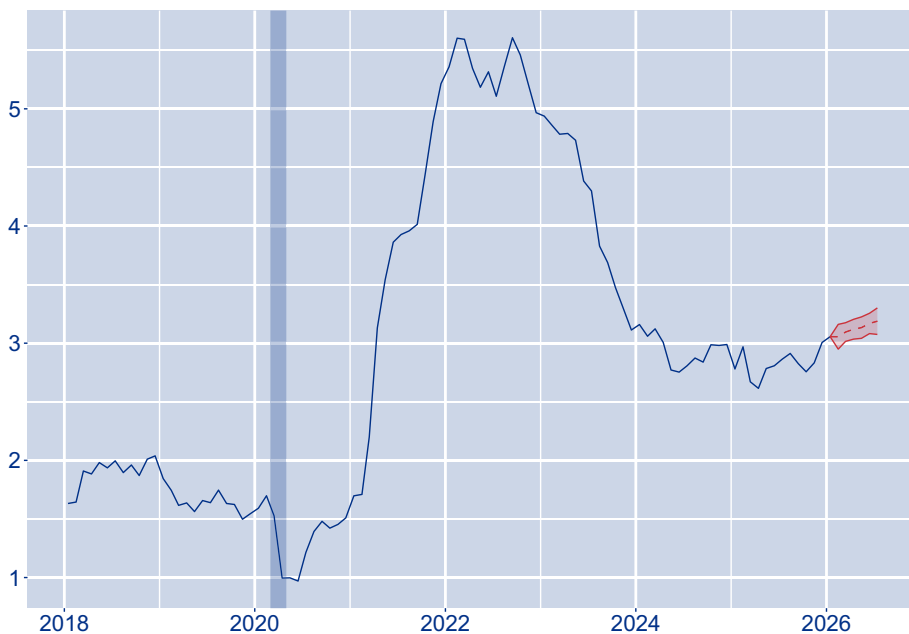


Import Price Index – Less Food and Fuels

Import prices (less more volatile food and fuels) are expected to rise sharply over the next few months. Tariff policy still is creating a miasma of uncertainty for businesses. Ten percent global tariffs were announced in March 2026, but the implementation of these is not certain at the time of publication. Nonetheless, the effects of rising fuel costs on other imported goods means that conflict in the Gulf countries has a more pervasive effect on import prices. As inflation pressures heat up, the employment picture above looks murkier.

Punchline: Import price forecasts point to higher prices soon, for more reasons than one.

Figure 4: Forecasted Personal Consumption Expenditure Inflation (Percent)



National PCE Inflation – Less Food and Energy

All eyes are on inflation right now given both tariff policy uncertainty and conflict in Southwest Asia and North Africa. Oil prices have ballooned at the time of publication to well over \$100 per barrel. Given the softness of labor markets and potential for pricing pressure, most forecasted models indicate a projected trend reversal for inflation since late 2022. This will put additional pressure on the Fed, which exacerbate its divine coincidence problems. What this means in the short-term for Louisiana is still not quite clear.

Punchline: Prices appear to be on the rise given all the shocks we are weathering.

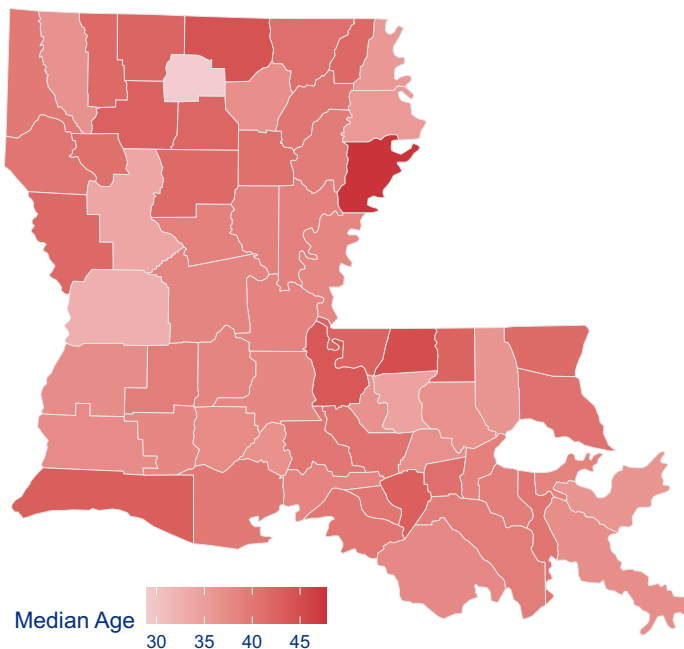
Monthly employment, unemployment rates for this section extend to December 2025. Inflation and import price data extend to January 2026. All variables include the most current releases at the time of publication.

Age Structure and Immigration in Louisiana's Parishes: A Demographic Assessment

BY WALKER GRAY

Louisiana's economic future depends heavily on its ability to retain and attract prime working-age adults. These individuals form the core of the state's labor force, support local institutions, and contribute to long-term economic growth. Concerns about talent retention, including the pattern of students using TOPS to earn degrees and leaving the state after graduation, highlight the importance of understanding where working-age residents choose to live. Because migration is overwhelmingly a working-age phenomenon, examining how age structure and recent immigration varies across Louisiana's parishes provides insight into which communities are positioned for renewal, and which are at the risk of demographic and economic stagnation. The relationship between age and migration is therefore not simply a demographic curiosity, but a window into the economic momentum of Louisiana.

Figure 5: Median Age by Parish (Years)



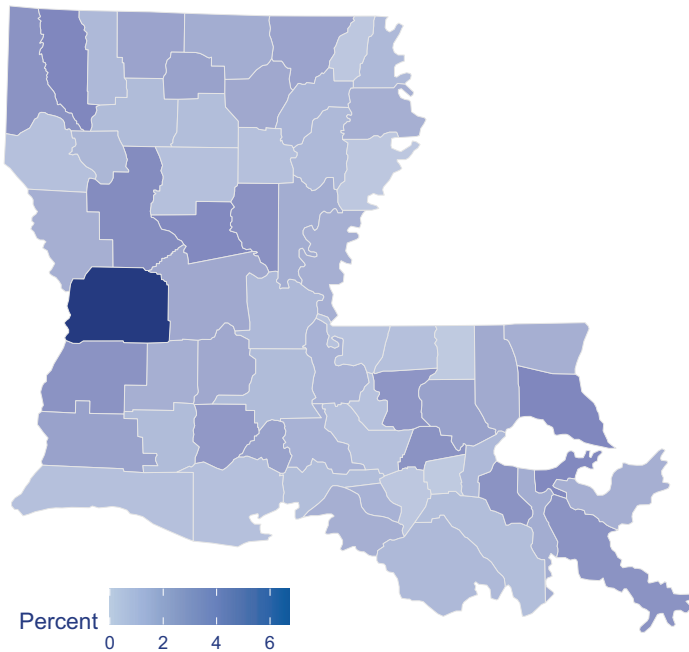
Median age offers a straightforward way to summarize the age structure in each parish. A younger median age typically reflects a larger share of residents in their 20s, 30s, and early 40s—the groups most likely to move for education, employment, or family formation. An older median age, by contrast, often signals years of limited inflow of younger residents and, in many cases, emigration of local youth. When paired with measures of recent immigration from out of state, median age helps to reveal the demographic forces shaping Louisiana's parishes and the extent to which they are attracting or

losing working-age adults. This provides a clear picture of how demographic renewal or inertia is unfolding across the state.

Figure 5 shows substantial variation in median age across Louisiana. The youngest parishes appear in areas containing strong institutional anchors, like a college or military installation, or with labor market pull, such as a metropolitan area. These places naturally draw younger adults who move for school, early career opportunities, or military service. In contrast, the oldest parishes such as Tensas, East Feliciana, and Union are concentrated across northern and central Louisiana, along with several suburban and exurban parishes surrounding metropolitan areas. These age structures reflect long-run demographic patterns in which younger adults have not moved in at a sufficient enough rate to offset aging populations. This results in a set of parishes with shrinking working-age cohorts and limited demographic renewal. The geographic distribution of age structure also shows that aging is not confined to remote rural areas. Several older parishes sit adjacent to younger metropolitan cores, suggesting that proximity alone is not enough to attract working-age residents.

Figure 6 maps recent immigration from out of state and shows a pattern that aligns closely with the distribution of median age. The highest inflow appears in Vernon Parish, which reports an immigration rate of 6.7%, far above the statewide distribution. This reflects the presence of Fort Polk and the steady movement of working-age adults tied to military service and

Figure 6: Out of State Migration as Percent of Population



related employment. Many parishes containing and surrounding metropolitan centers also show moderate but consistent immigration, reflecting continued demand for the opportunities and amenities these areas offer. At the other end of the distribution, several parishes report immigration rates below 1%. The lowest of these inflows are found in Assumption, Tensas, and West Carroll, each with an immigration rate of just 0.1%. These extremely low inflows indicate that very few new residents, especially working-age adults, are choosing to move into these communities.

The two figures reveal a clear relationship: parishes with younger populations tend to exhibit higher immigration rates, while many of the older parishes receive relatively few new residents. The pattern is not simply reduced to an urban-rural divide. Instead, it reflects differences in perceived opportunity, institutional presence, and the ability of local labor markets to attract working-age adults. Younger parishes tend to have clearer signs of economic momentum, while older parishes struggle to sustain activity with

shrinking working-age populations. The combination of low inflows and older age structures suggests that many of these parishes are not attracting the working-age adults needed to sustain economic momentum.

Statistical analysis reinforces this relationship. Median age has a statistically significant negative association with immigration: each additional year of median age is associated with a 0.18% decrease in the share of residents who moved in from out of state within the last year. This relationship is economically intuitive. Parishes that attract working-age adults will, over time, maintain younger age structures because new arrivals are disproportionately in their prime working years. Parishes that fail to attract newcomers gradually age as existing residents grow older and younger adults either leave or choose not to move in. Median age thus captures the long-run balance between inflows of working-age residents and the aging of the existing population. The negative relationship between age and migration also suggests that migration decisions are responding to local signals of opportunity and vitality rather than simply to geographic location or parish size.

Louisiana's age structure challenges are closely related to the state's investment in human capital through TOPS. Because TOPS effectively functions as a publicly funded subsidy for developing young talent, the state relies on graduates remaining in Louisiana long enough to contribute to local labor markets, tax bases, and community institutions. When younger adults—especially recent graduates—either leave the state, return to their home state, or concentrate in a handful of parishes, the return on investment erodes. In this sense, age and migration patterns indicate whether Louisiana is retaining the workforce it has paid to educate. Strengthening the economic and institutional anchors that keep TOPS recipients in a wider range of parishes is therefore essential to ensuring that the state's investment in younger residents translates into broad, sustainable growth.

Regional Concentration and Output Performance of Louisiana's Hospitality Industry

BY JUSTIN STOKES

Parishes across Louisiana exhibit substantial income disparities, with some areas reporting much higher median household incomes than others. This research examines whether differences in educational attainment are associated with those income variations. Economic theory suggests that education increases skills and productivity, and that more productive workers typically earn higher wages. If this relationship holds at the regional level, parishes with a larger share of college educated residents may also have higher median incomes.

According to the U.S. Census Bureau's American Community Survey (ACS), there are significant differences in both educational attainment and income levels across Louisiana's 64 parishes. This study uses data from the 2023 ACS five-year estimates. Income is measured as median household income in 2023 dollars, and education is measured as the percentage of adults age 25 and older who hold a bachelor's degree.

By mapping both measures, this analysis provides a descriptive comparison of how income and educational attainment are distributed geographically. Comparing these

patterns may help to understand why parishes with higher shares of college graduates tend to fall into higher income categories—while recognizing that visual patterns alone do not establish causation.

Figure 7 displays median household income across Louisiana parishes in 2023 dollars. Income levels vary substantially across the state, with clear geographic differences in earning power. Parishes surrounding major urban centers, such as East Baton Rouge and Jefferson, fall into higher income categories on the map. In contrast, several rural parishes in northern and central Louisiana

Figure 7: Median Household by Parish (2023 Dollars)

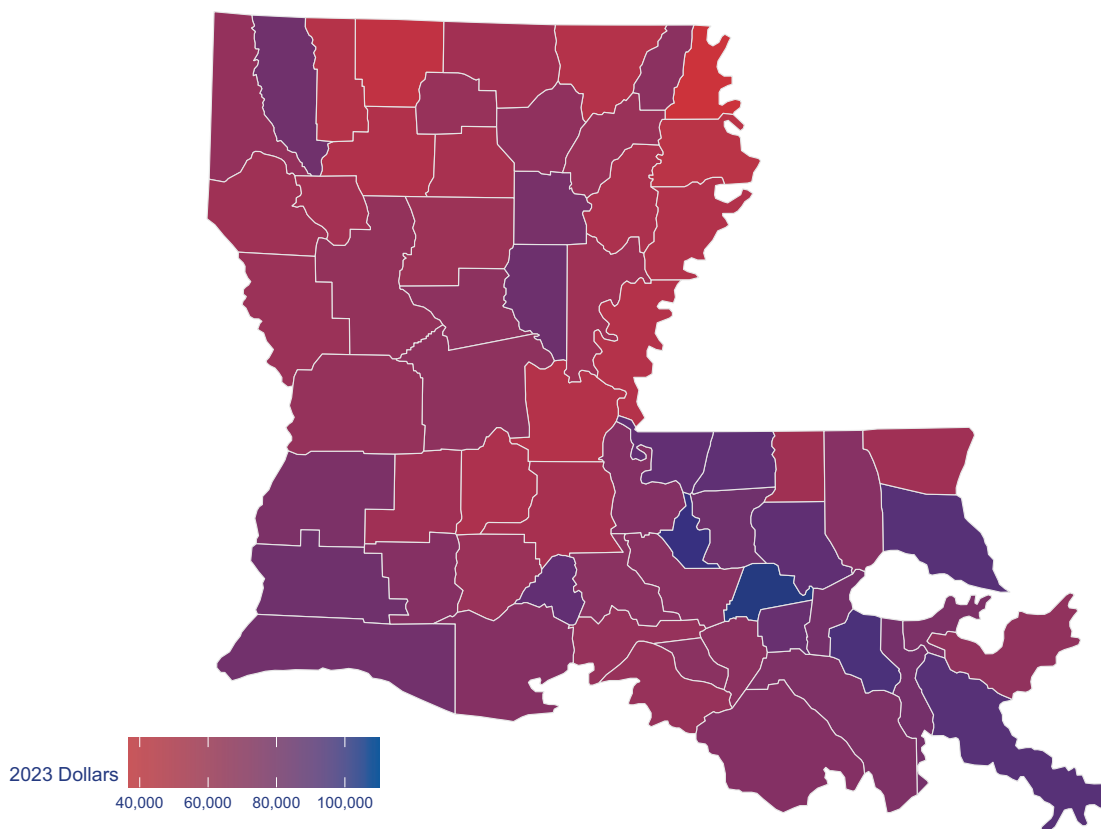
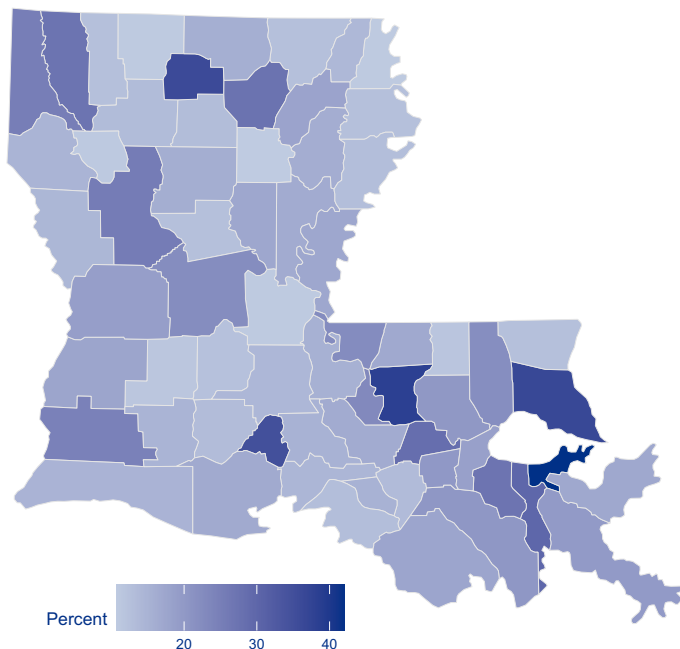


Figure 8: Percent of Adults Age 25 and Older with a Bachelor's Degree or Higher by Parish



appear in lower income ranges. Based on the map scale, the gap between some of the highest and lowest income parishes approaches \$60,000, indicating a considerable disparity in parish economic outcomes.

This spatial pattern suggests that income is concentrated in and around metropolitan areas, while many rural areas experience lower median household earnings. Urban parishes typically have larger and more diversified labor markets, which may include employment opportunities in higher-paying sectors such as healthcare, education, professional services, finance, and government. These industries often offer higher wages and more stable employment compared to sectors that dominate in some rural areas.

By contrast, many rural parishes rely more heavily on a smaller number of industries, such as agriculture, resource-based sectors, or lower-wage service occupations. With fewer high paying job opportunities and less economic diversification, median household income in these areas tends to be lower. Figure 7 highlights substantial regional variation in median household income and illustrates that economic prosperity is unevenly distributed across Louisiana's 64 parishes.

Figure 8 shows the percentage of adults age 25 and older who hold a bachelor's degree or higher across Louisiana parishes. Educational attainment varies considerably across the state. Bachelor's degree attainment ranges from roughly 15–20% in several rural parishes to over 40% in higher-attainment parishes such as East Baton Rouge. This represents a difference of more than 20 percentage points between some of the lowest and highest educated areas, indicating substantial variation in human capital across Louisiana.

The spatial distribution of educational attainment closely resembles the income distribution shown in Figure 7. Parishes with higher median household incomes tend to fall into darker shading categories on the education map as well, indicating higher shares of college educated adults. In contrast, many rural parishes in northern and central Louisiana appear in lighter shading on both maps, reflecting both lower income levels and lower bachelor's degree attainment.

While visual patterns alone cannot establish causation, the overlap between Figures 7 and 8 suggests a positive association between education and income at the parish level. Areas with a larger concentration of college educated residents often correspond to higher income categories, whereas areas with lower educational attainment tend to align with lower median household incomes.

This observed relationship is consistent with basic economic theory and longstanding research in labor economics. The research around the determinant of economic growth suggest that education enhances skills, productivity, and earning potential. Individuals with higher levels of education typically have access to a broader range of employment opportunities and higher-paying occupations. They also tend to find themselves more insulated from the labor market and business cycle shocks. When a parish has a larger concentration of college educated residents, the overall income level in that parish reflects that.

At the same time, education is only one of many factors that influence economic outcomes. Differences in industry composition, labor market conditions, urbanization, and population size can also shape income levels across parishes. However, the descriptive evidence presented here suggests that educational attainment still plays an important role in understanding income differences across Louisiana.

A Matter of Location: Healthcare Access and Economic Impacts in Louisiana

BY CULLEN HRONEK

Access to healthcare plays a major role in economic performance and long-term regional stability. Adequate healthcare supports labor force participation, reduces productivity losses from illness, and lowers costs of emergency care by enabling preventive and timely treatment. In Louisiana, access to medical care varies widely across parishes, reflecting differences in population size, healthcare infrastructure, and the distribution of healthcare employment. These disparities can contribute to unequal health outcomes, higher medical costs, and reduced economic efficiency in underserved areas.

Figure 9: Number of Hospitals per Parish

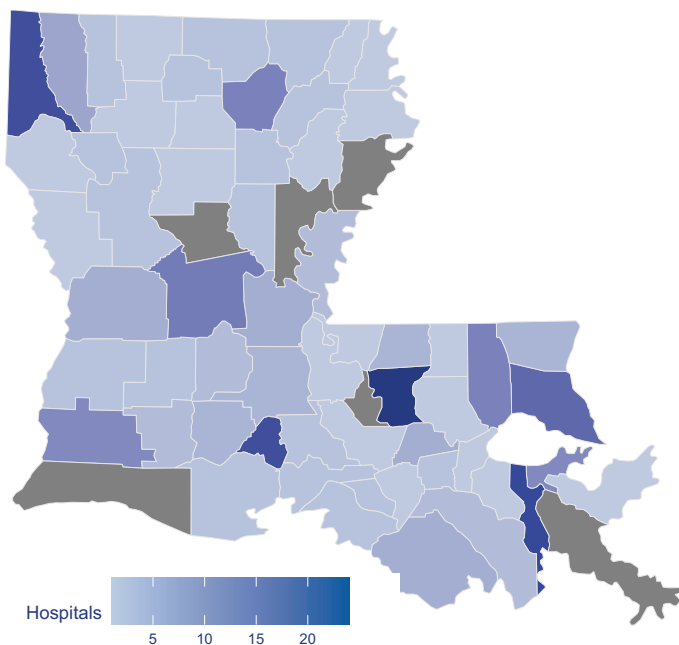


Figure 9 depicts the number of healthcare access points across the state. Hospitals are primarily located in urban areas or parishes containing major cities. These areas benefit from economies of scale, larger patient bases, and stronger financial incentives for hospital investment, which encourages the clustering of healthcare facilities in metropolitan regions. Many rural parishes appear lighter on the map, reflecting fewer hospitals in absolute terms. Limited population size and lower expected patient volume reduce the profitability of hospitals in these areas, often resulting in minimal infrastructure or complete reliance on neighboring parishes for advanced medical services. From an economic perspective, this spatial concentration can increase travel costs, delay treatment, and raise opportunity costs for rural residents who must spend additional time and resources accessing care.

Importantly, a greater number of hospitals does not necessarily imply better access to healthcare. Urban parishes with many hospitals may still experience congestion, longer wait times, and strained capacity due to higher population density. This underscores the importance of complementing absolute hospital counts with population-adjusted measures, as relying solely on the total number of facilities can overstate true accessibility and mask inefficiencies in healthcare distribution.

Figure 10 shows the distribution of hospitals as a proportion of the population. Several rural parishes exhibit comparatively high ratios despite having small populations.

Figure 10: Population-Adjusted Hospital Distribution per Parish (Hospitals per 1,000 residents)

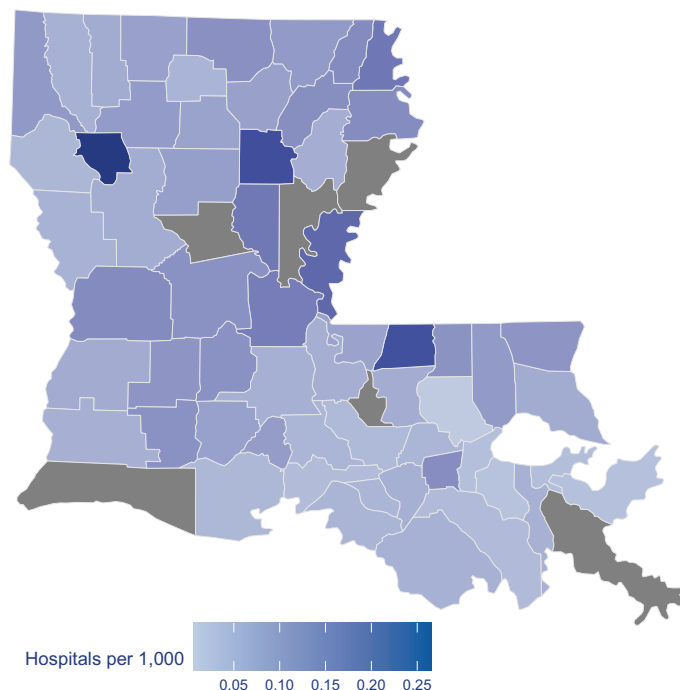
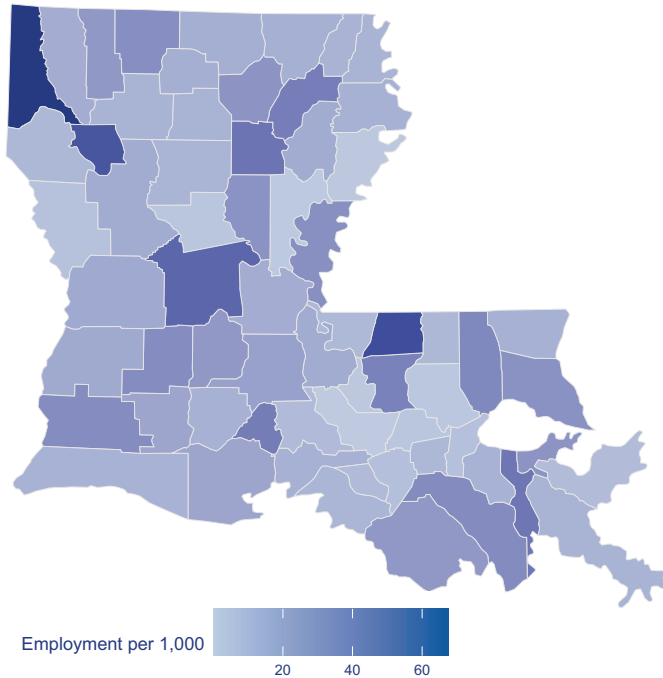


Figure 11: Population-Adjusted Hospitals Employment Distribution per Parish (Employment per 1,000 residents)



This pattern suggests that these parishes function as regional medical hubs, where hospitals serve not only residents but also individuals from neighboring parishes with limited or no hospital infrastructure. As a result, the hospital-to-population ratio may appear high even though absolute access—such as specialty availability or bed capacity—may remain constrained. In contrast, densely populated parishes exhibit lower per-capita availability, leading to congestion, longer wait times, and higher marginal costs of care. These supply-demand mismatches reduce system efficiency, raise healthcare costs, and negatively affect labor productivity through delayed treatment and lost work time. The true economic issue is not the total number of hospitals, but how well hospital supply matches population demand.

Figure 11 explores how healthcare supply acts as an economic development driver across the state, with darker shading indicating a higher concentration of medical professional employment relative to the population. This signals greater healthcare service capacity, broader specialization, and stronger institutional support. All of these factors translate to increased demand for highly skilled labor which raises the standard of living across the community. These areas are often better equipped to deliver timely and comprehensive care. In contrast, lighter-shaded parishes reflect limited workforce availability, even when healthcare facilities are present. From an economic perspective, low employment density represents a supply-side constraint that reduces effective healthcare output, leading to longer wait times, lower service quality, increased costs of services, and greater reliance on neighboring markets. This increases both direct costs such as travel expenses, and indirect costs such as delayed treatment and lost productivity. These disparities reinforce rural-urban inequalities, as higher-density areas benefit from agglomeration effects that attract skilled workers, while low-density parishes struggle to retain healthcare labor, limiting access and efficiency. Related to this is the report by Walker Gray (page 6), which discusses worker migration patterns across the state.

Limited access to healthcare can reduce labor productivity, increase emergency care costs, and worsen health outcomes. Parishes with lower hospital-population rates and healthcare employment may experience higher preventable hospitalizations and lower long-term economic growth. Continued and new incentive programs for healthcare development improve access, which generates positive spillover effects for workforce participation and regional development.

Housing Affordability in Louisiana: Does the Measure of Inflation Matter?

BY TOBIAS ROTHMAN

It is no secret that housing affordability has become a growing concern for many. People often look first at nominal house prices when questioning the affordability of a particular housing market. However, quality-adjusted house price indices measure price changes without accounting for inflation. Thus, one can only draw partial conclusions about housing market affordability. Housing affordability in Louisiana varies by location, and these changes are not uniform across the state. By comparing nominal and real house prices across different metropolitan statistical areas (MSAs), it can be evaluated whether observed housing price growth reflects housing market dynamics or if it is largely driven by broader price inflation.

Related to this is the Federal Reserve's impact on housing market movements over time. Adjusting for inflation requires a choice about which inflation data to adjust for. While the Fed may have a preferred inflation metric, no single data series represents the full picture of inflation felt by homebuyers. How much of the recent increases in home prices is the Fed willing to ignore by focusing on its preferred inflation gauge?

Figure 12 shows inflation-adjusted house price indices for many Louisiana MSAs, as well as the state overall. It uses both consumer price index (CPI) and trimmed-mean personal consumption expenditure (PCE) inflation to demonstrate the changes in housing market pricing. Because CPI typically reports higher (and more volatile) inflation than PCE, it results in lower real house price estimates. This gap widens during periods of high inflation. Amidst these periods, real house price growth appears more muted. A large portion of the observed increase in housing prices can be attributed to the erosion of the dollar, rather than a rise in intrinsic housing value itself. Louisiana's house price index (not inflation-adjusted) has grown about 24% since the start of the COVID-19 pandemic. After adjusting for inflation using PCE data, average house prices have increased a more modest 4.3% over the same time. The difference represents housing price dynamics beyond affordability concerns that are frequently misunderstood. This brief snapshot implies that discussions of affordability may be obscured by supply and demand kinks in local housing markets.

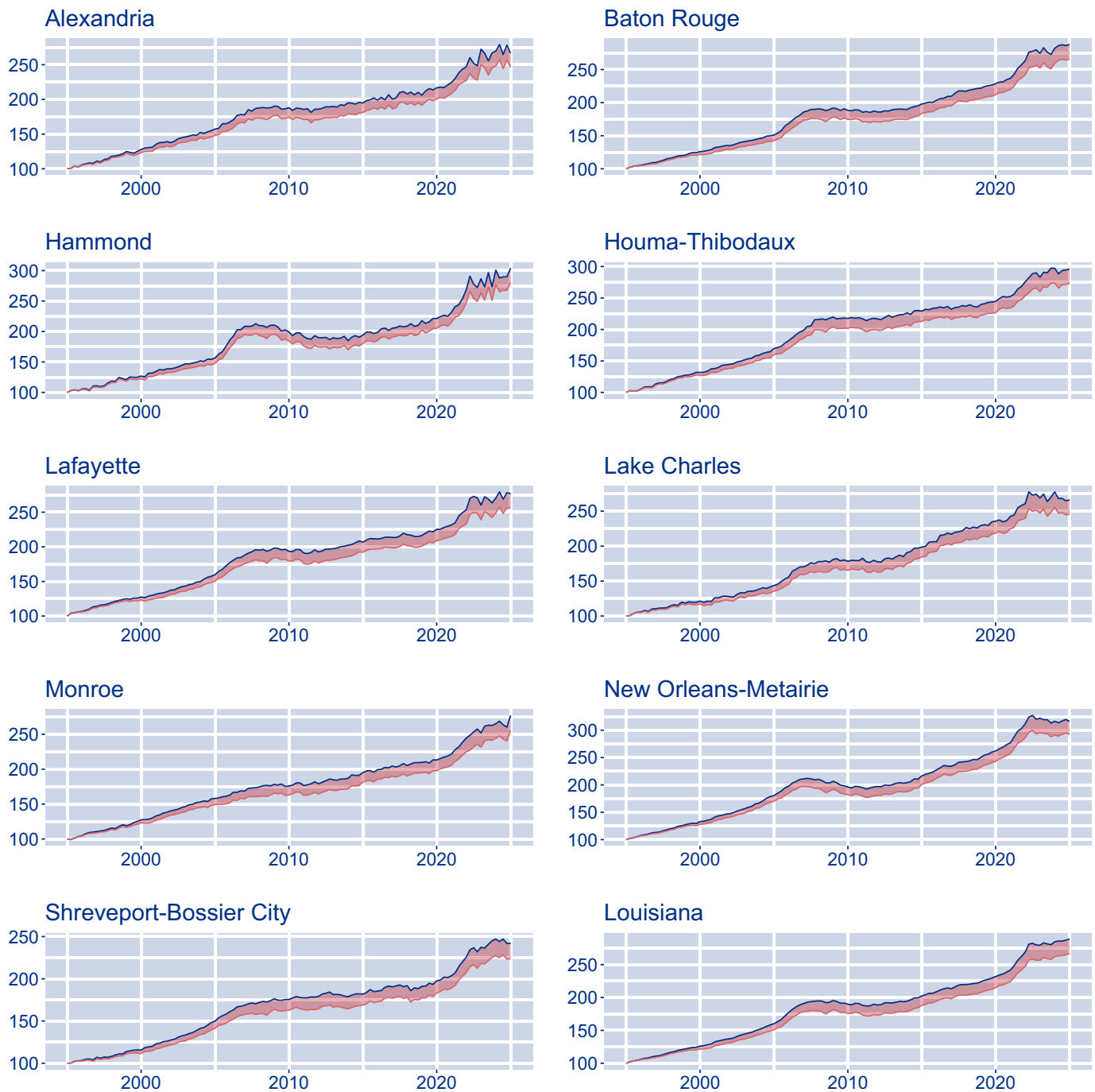
Figure 12 also shows a red wedge, which highlights the gap between these two inflation measures used to adjust house price index (HPI) data. The gap is converted back to a nominal scale to show much of HPI data is masked by the Fed focusing on PCE inflation and ignoring the volatility of CPI price data. CPI is a consumer-focused inflation

measure, while PCE is the Federal Reserve's preferred measure of inflation. The gap between the two measures demonstrates the inflation that consumers and households feel, but policymakers will often discount or fail to place enough emphasis on. It isn't always true that adjusting housing prices using CPI results in lower real house prices than does using PCE inflation. It is the case, though, since the COVID pandemic. On average, since 2020, up to 7.7% of unadjusted house prices can be attributed to the Fed's policy-setting focus on PCE inflation rather than the full volatility of CPI inflation.

Additionally, the variation across the different MSAs shows that not all housing markets experience inflation the same way. Larger MSAs, like New Orleans-Metairie, show both higher and more persistent real house price levels. This may reflect stronger demand, more constrained housing supply, or a combination of both, even after adjusting for inflation. When compared to smaller MSAs like Monroe, housing has flatter real price trajectories. This may show that a larger share of nominal price growth in these areas reflects general inflation, but it also demonstrates that smaller markets may be better able to expand housing supply and to limit long-term price growth. In those areas, it is seen that price growth is driven primarily by the erosion of the dollar, rather than increased demand for housing.

The Federal Reserve focuses on PCE as its main measure of inflation when making monetary policy decisions. Because of this, policy discussions may rely more heavily on PCE-adjusted measures of real prices rather than CPI-adjusted ones. Interest rate setting policies that reinforce this bias further muddy the affordability issue. Policy discussions may understate how expensive housing feels to households and what that means for the average citizen.

Figure 12: Price Inflation Adjusted House Price Indices by Metropolitan Statistical Area (1995=100)



This analysis of real house price dynamics across Louisiana MSAs provides insight into the factors that shape housing affordability statewide. Adjusting for inflation is not just crucial to truly understanding the housing market statewide, but also significantly alters perceptions of housing affordability. The Fed's choice to focus on PCE inflation means it may be ignoring factors that affect real house price

estimates and how people interpret housing affordability. The variation seen regionally in different MSAs points to a lack of uniformity in inflation and emphasizes that each region must be treated as its own market with its own variables. These findings have implications for how housing costs are presented and interpreted in policy discussions.

Casting a Wide Net: Fishing's Contribution to Louisiana's Economy

BY MELANIE PULJAK

Fishing plays a central role in Louisiana's economy and coastal way of life. Through commercial harvesting, seafood processing, and recreational angling, fishing supports thousands of jobs, generates hundreds of millions in labor income, and produces substantial tax revenue across the state. Fishing is not only culturally important to Louisiana, but also structurally embedded in the state's economy.

Figure 13 shows that employment in fisheries and seafood processing is heavily concentrated in coastal parishes such as Terrebonne (15.88%), Lafourche (14.17%), and Jefferson (15.96%). These areas rely on direct access to Louisiana's waters for shrimping, oyster harvesting, crabbing, and finfish operations. For many of these communities, fishing is not just one industry, but a primary source of income. While employment is concentrated along the coast, the economic reach of fishing extends throughout Louisiana. Businesses across Louisiana—from trucking companies to restaurants—depend on a steady flow of seafood products. This statewide connection highlights how fishing functions as part of a much larger economic system.

According to Table 1, fisheries and seafood processing support 11,909 total jobs in Louisiana. Of those, 9,763 jobs

are direct, meaning they are directly tied to harvesting and processing seafood. Another 1,085 jobs are indirect, supported when fishing businesses purchase goods and services such as fuel, equipment, and packaging materials. Lastly, an additional 1,062 jobs are induced, resulting from household spending by workers employed in the industry.

In total, fishing-related activity generates approximately \$1.62 billion. The output multiplier of 1.370 means that for every \$1 generated directly from fishing, an additional \$0.37 is created in Louisiana's economy. This ripple effect highlights how closely connected fishing is to other industries. Labor income from fishing reaches nearly \$325 million, with over \$192 million coming from direct wages and salaries. The labor income multiplier of 1.686 indicates strong secondary income effects throughout the state. In addition, fishing contributes more than \$766 million in value added, representing its contribution to Louisiana's overall economic production. These numbers demonstrate that fishing is not a small, isolated sector. It supports families, local businesses, and entire communities.

Recreational fishing also makes a significant economic contribution. Anglers spend money on licenses, boats, fuel, bait, lodging, food, and guide services. These expenditures support marinas, restaurants, and hotels across Louisiana. Spending tied to fisheries and wildlife recreation reaches into the billions statewide and attracts out-of-state visitors, strengthening Louisiana's tourism industry. Because recreational fishing occurs throughout the year and across several waterways, it provides economic stability even when commercial harvests fluctuate. In many rural areas, especially those near lakes and marshes, recreational fishing helps small businesses remain open and profitable.

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

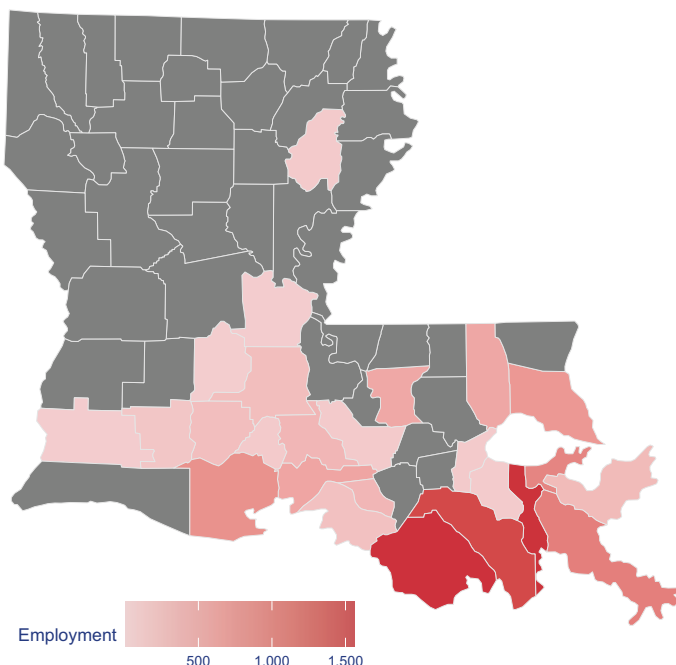


Table 1: Economic Impact of Fisheries and Seafood Processing

Impact	Employment	Labor Income	Value Added	Output
Direct	9,763	192,701,680	523,779,447	1,184,488,648
Indirect	1,085	75,877,564	129,356,325	244,660,241
Induced	1,062	56,312,458	113,152,973	193,430,581
Total	11,909	324,891,702	766,288,745	1,622,579,471
Multiplier	1.220	1.686	1.463	1.370

Fishing-related activity generates over \$149 million in total tax revenue at the municipal, county, state, and federal levels. Direct taxes account for \$99 million, while indirect and induced activity adds about \$50 million more. The state and federal governments receive the largest shares, but local governments also benefit significantly. The total tax multiplier of 1.504 shows that fishing produces additional public revenue beyond direct tax payments from seafood businesses. These funds help support education, public services, and conservation programs, with a portion reinvested in managing fisheries and protecting Louisiana’s waterways to sustain the industry over the long term.

This reinvestment matters significantly, as Louisiana’s fishing industry faces constant challenges from hurricanes, coastal erosion, and environmental change. And even with these pressures, fishing continues to provide steady jobs and income for many communities. Management efforts by the Louisiana Department of Wildlife and Fisheries help keep fish populations healthy and protect aquatic habitats.

Healthy ecosystems directly support economic productivity. Without strong conservation efforts, the economic benefits of fishing would decline.

Beyond its direct and environmental impacts, fishing also diversifies Louisiana’s economy. While the state has historically depended on oil and gas, fisheries represent a renewable and locally rooted industry that supports coastal and rural communities. Commercial harvesting and seafood processing alone support nearly 12,000 jobs and generate more than \$1.6 billion in economic output, and when multiplier effects are considered, the industry’s overall influence becomes even larger.

Overall, the data presented in Figure 13, Table 1, and Table 2 make it clear that fishing’s contributions extend far beyond coastal waters. The industry supports jobs, income, local businesses, and tax revenue across the state, while also sustaining communities whose culture and livelihoods are closely tied to the water.

Table 2: Tax Impacts of Fisheries and Seafood Processing

Impact	Municipal	County	State	Federal	Total
Direct	\$17,553,701	\$6,676,672	\$25,432,973	\$49,476,928	\$99,140,274
Indirect	\$2,504,149	\$952,419	\$4,627,317	\$16,517,603	\$24,601,487
Induced	\$4,320,480	\$1,643,315	\$6,255,407	\$13,152,283	\$25,371,486
Total	\$24,378,330	\$9,272,406	\$36,315,697	\$79,146,815	\$149,113,247
Multiplier	1.389	1.389	1.428	1.600	1.504

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.

Do State Lotteries Function as a Regressive Tax in Louisiana?

BY BILLY KENNEY

In the state of Louisiana, the lottery system represents a significant source of revenue for public programs. The Louisiana Lottery Corporation generates hundreds of millions of dollars each year, with proceeds supporting education and other state initiatives. While this funding provides visible public benefits, it also raises an important economic question: who is paying for these programs via the lottery? More specifically, does the lottery system function as a regressive tax on lower-income communities, or is the burden distributed more evenly across the state? How does parish income impact lottery spending across Louisiana?

Table 3: Income Elasticity of Demand Estimates by Lottery Game Type

Lottery Game	Income Elasticity	Income Elasticity2
Instant	4.371**	-0.116**
FastPlay	1.155	-0.035
Lotto	5.521**	-0.115**
Powerball	5.401**	-0.113**
Pick3	1.400	-0.057
Pick4	1.305	-0.066
Mega Millions	5.315**	-0.109**
Easy 5	4.273*	-0.086
Pick5	1.968	-0.082
Ezmatch	6.589***	-0.147***

Note: *p<0.1; **p<0.05; ***p<0.01

This question is especially relevant in Louisiana because of the economic diversity across its 64 parishes. Some parishes are more urban and economically diversified, while others are rural and have fewer major industries. Understanding how lottery spending varies across parishes can help policymakers determine whether the revenue structure is equitable or whether certain communities are shouldering a disproportionate share of the cost.

To answer these questions, parish-level data are collected on total lottery sales by game type, median income, population size, and religious adherence rates. Income and population data were obtained from the United States Census Bureau, ensuring consistent and reliable economic comparisons across parishes. Lottery sales data are provided directly by the Louisiana Lottery Corporation. Religious adherence data are sourced from the U.S. Religion Census and used to evaluate whether cultural or faith-based factors influence gambling participation.

Table 3 shows income elasticity of demand estimates for all ten game types administered by the Louisiana Lottery Corporation. While all values in the second column are greater than one, the larger values indicate that the lottery is a luxury good. The asterisks indicate significance levels. The smaller values are significantly different from zero. For most of the larger-valued elasticity estimates, the demand falls when incomes rise too high. This shows that while lower income levels tend to play lottery games more frequently, spending habits on these games reflect discretionary consumption patterns.

Figures 14 and 15 attempt to shed some light on the results presented in Table 3. Figure 14 shows lottery sales per capita and divides the parish income levels into four different groups based on income. As you can see, Instant sales are the highest selling ticket per capita for all income levels. However, Instant sales seem to peak at the lower-mid and decline at higher income levels. This pattern continues with most of the lottery games except for Mega Millions and Powerball tickets, which increase as parish income increases.

Figure 15 shows a nonlinear pattern across combined lottery games. Lottery spending increases as parish income rises from low to moderate levels. However, after reaching a peak in middle-income parishes, spending begins to decline in wealthier parishes. This creates what economists describe as an “inverted U-shaped” relationship between income and lottery participation. Population size also plays an important role. Larger parishes naturally generate more total lottery sales due to a greater number of residents. However, even after controlling for parish size, the nonlinear income effect remains statistically significant. This confirms that income level, not just population, is a key driver of lottery spending patterns.

Interestingly (though not shown here), religious adherence does not show a statistically significant impact on lottery sales. One might expect higher levels of religious participation to

Figure 14: Per Capita Lottery Spending by Game Type and by Income Level (2024 Dollars)

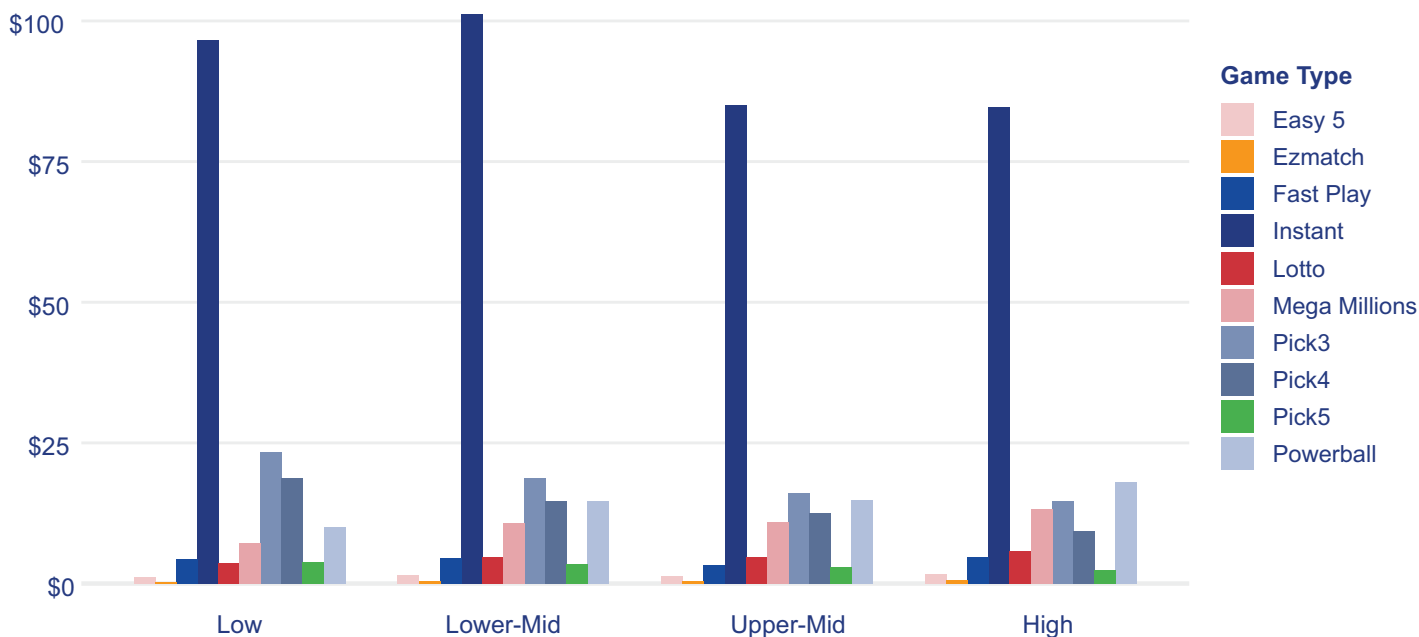
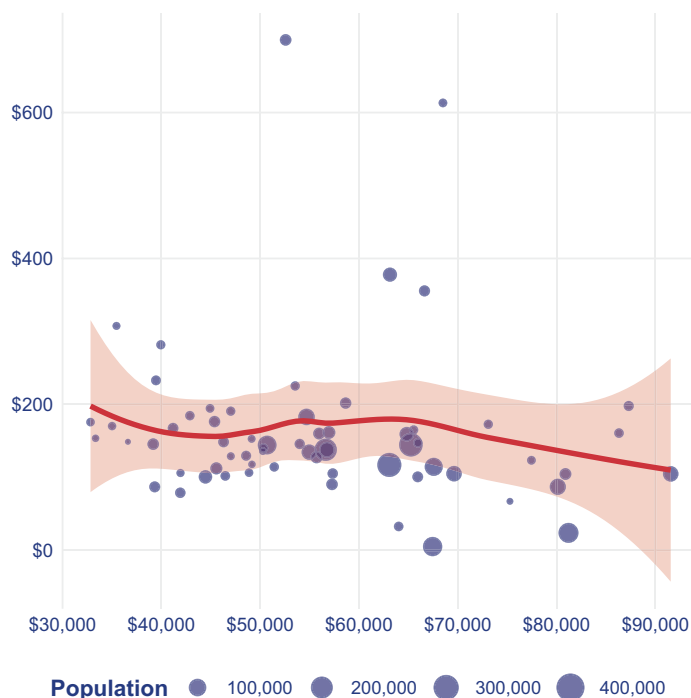


Figure 15: Average Total Lottery Expenditures by Income (2024 Dollars)



reduce gambling behavior; however, the data do not support a measurable parish-level effect. This suggests that economic factors are more influential than cultural or religious affiliation when it comes to lottery participation in Louisiana.

These findings challenge the common assumption that lotteries primarily function as a tax on the poor. Instead, they suggest that the system relies most heavily on moderate-income communities. From a public policy perspective, these results have important implications. Louisiana relies on lottery revenue to fund essential services, including education. However, if a majority of funding comes from middle-income parishes, policymakers must consider whether this structure is equitable. While participation in the lottery is voluntary, the economic burden of funding public services through gambling revenue is not distributed evenly across income levels.

Additionally, because lottery spending represents money that could otherwise circulate through local economies in different ways, high levels of participation may have broader economic implications. When households allocate significant funds to lottery purchases, that money is diverted from other forms of consumption or savings. In middle-income parishes where budgets are already tight, this diversion may have a more noticeable impact.

Overall, the data provide evidence that Louisiana's lottery system operates with regressive characteristics. The relationship between income and lottery spending is not linear. Instead, spending rises with income up to a moderate level, then declines in wealthier areas. As policymakers evaluate the fairness and sustainability of lottery-based funding, understanding who pays, and how much, remains essential for informed decision-making.

Native Perception vs. Statewide Reality: Gambling Tax Revenue in Shreveport-Bossier City and Louisiana

BY ABIGAIL McCOLLISTER

Amongst the streets of the twin cities of Shreveport and Bossier City, there is a common notion that the Shreveport-Bossier City (SBC) casinos dominate the gambling revenue of the state of Louisiana. The booming region houses seven out of the state’s 24 casinos, and with the new Live! Casino replacing the area’s old DiamondJacks Casino in early 2025, the belief of this notion has soared. These casinos also bolster activities such as sports gambling through their sports bars and betting facilities. While casinos’ bright lights and heavy advertising establish them as the image of gambling revenue, it is important to note that Louisiana’s gambling revenue has multiple streams of income: land and riverboat casinos, video poker terminals, sports betting, racetracks, and the Louisiana Lottery. The data in this report examines the total gambling revenue of the SBC region as well as the state. By breaking down total, direct, indirect, and induced gambling tax revenues and comparing the tax multipliers for both the SBC metropolitan statistical area (MSA) and the entirety of Louisiana, this report evaluates SBC’s share of the state’s overall fiscal impact to determine whether it is truly dominant or simply a proportional contributor within Louisiana’s broader gaming industry.

Table 4: Gambling and Gaming Tax Revenue Estimates (2024 Dollars)

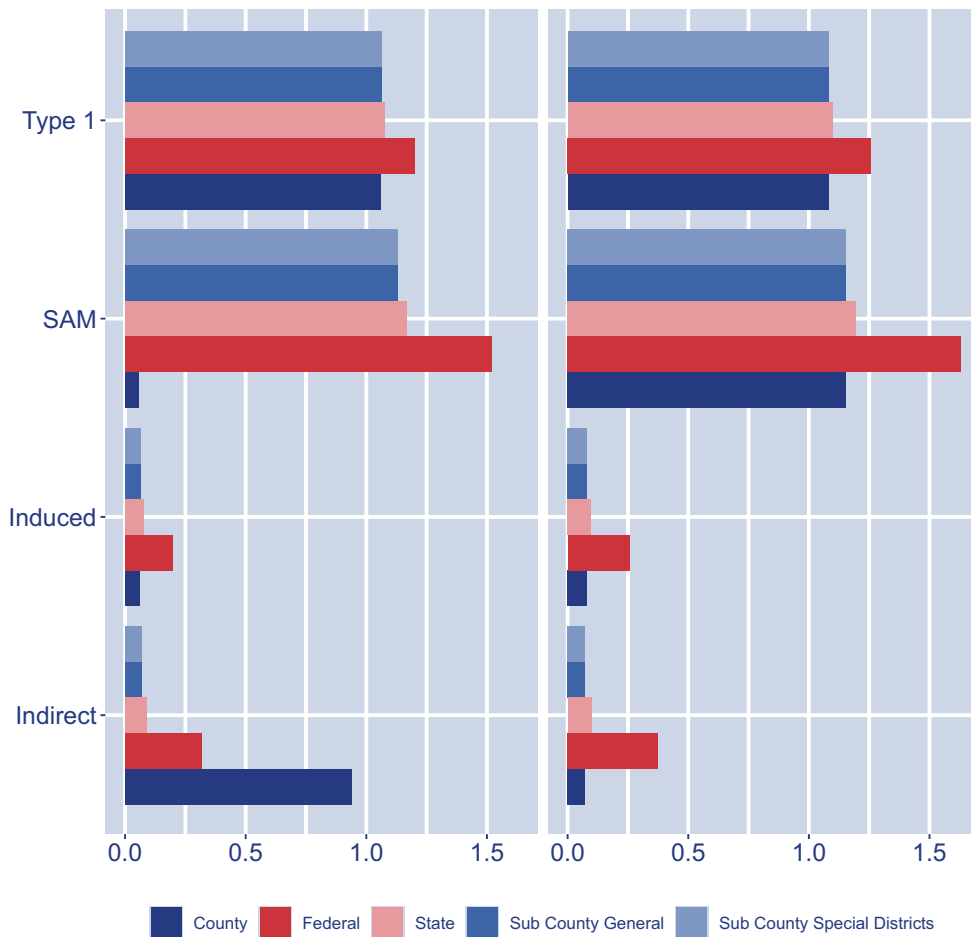
	Impact	Municipal	Parish	State	Federal
Louisiana	Direct	\$295,601,844	\$112,436,534	\$358,282,423	\$290,567,584
	Indirect	\$20,948,434	\$7,967,591	\$35,357,062	\$108,759,372
	Induced	\$24,179,964	\$9,196,957	\$35,126,073	\$74,628,029
	Total	\$340,730,241	\$129,601,083	\$428,765,558	\$473,954,985
SBC MSA	Direct	\$43,045,273	\$14,289,710	\$46,001,793	\$36,377,097
	Indirect	\$2,921,401	\$969,810	\$4,155,044	\$11,598,398
	Induced	\$2,706,955	\$898,623	\$3,453,585	\$7,222,083
	Total	\$48,673,629	\$16,158,144	\$53,610,423	\$55,197,578

Table 4 differentiates gambling tax revenues by total, direct, indirect, and induced effects to display the difference in fiscal scale between the SBC MSA and Louisiana. While SBC generates a meaningful amount of direct gambling revenue, its complete fiscal impact is significantly less than the entire state’s. This dynamic persists among the indirect and induced effects, highlighting a proportional disparity between the two regions. Additionally, it indicates that SBC operates at an impactful yet small fraction of a broader state gambling economy. Total gambling-related tax revenue equals \$173,639,772.92 for SBC, compared to \$1,373,051,866.83 statewide, meaning the region generates just 12.6% of Louisiana’s overall gambling tax impact. These findings indicate that while SBC serves as a visible regional gaming hub, the broader economic spillover from gambling remains small. Indirect and induced effects amount to roughly 15% of the direct effect, suggesting that gambling’s tax impact is largely confined to the industry itself rather

than generating substantial secondary growth. From a fiscal perspective, this contrasts with sectors such as healthcare and education, which typically produce stronger multiplier effects and more expansive economic spillovers.

Given that SBC accounts for approximately 12.6% of Louisiana’s total gambling tax impact, the analysis now shifts from magnitude to mechanism, examining how multiplier effects expand initial gambling revenues within each region. Figure 16 further differentiates gambling tax revenues by presenting the indirect and induced effects generated by direct gambling activity in both Louisiana and the SBC MSA, from which the Type I and Social Accounting Matrix (SAM) multipliers are derived. Economic multipliers demonstrate how initial gambling tax revenue expands beyond its original collection point as it multiplies through the economy. The indirect multiplier represents the additional tax revenue generated when

Figure 16: Gambling and Gaming Industry Multipliers by Region



casinos purchase goods and services from supporting industries like suppliers. The induced multiplier reflects the tax revenue created when employees spend their earned income on everyday household consumption. The Type I multiplier combines direct and indirect effects, while the SAM multiplier captures the most comprehensive expansion, incorporating direct, indirect, and induced impacts. Statewide, the SAM multiplier equals 1.30, meaning that every dollar of direct gambling tax revenue ultimately results in \$1.30 in total fiscal impact. In comparison, SBC's SAM multiplier equals 1.24, indicating a slightly smaller overall expansion within the regional economy. The statewide indirect and induced multipliers also exceed those of SBC, suggesting that gambling related revenue circulates more extensively throughout Louisiana's broader economic structure. It is crucial to note that regional estimates rely only on local industry connections and labor markets, whereas statewide estimates incorporate a broader production base and more extensive interindustry linkages. These findings further highlight this report's theme that while SBC generates noticeable ripple effects

from gambling activity, Louisiana exhibits stronger amplification mechanisms due to its larger and more interconnected economy. Thus, SBC operates as an impactful yet proportionate contributor within the state's gambling tax framework rather than as a dominant fiscal driver.

The data shows a clear difference between how gambling in SBC is perceived and how it truly compares statewide. While SBC has a strong casino presence and produces a noticeable amount of gambling related tax revenue, it makes up only a small portion of Louisiana's total gambling economy. In addition, the multiplier results indicate that gambling dollars spread further across the entire state economy than they do within SBC alone. SBC remains an important regional gaming center, but it does not control nor dominate the state's gambling tax structure. Instead, it operates as one significant part of a much larger statewide system. Overall, the numerical evidence clarifies a difference between regional prominence and fiscal dominance.

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