

# SOUTHWEST LOUISIANA ECONOMIC INDICATORS

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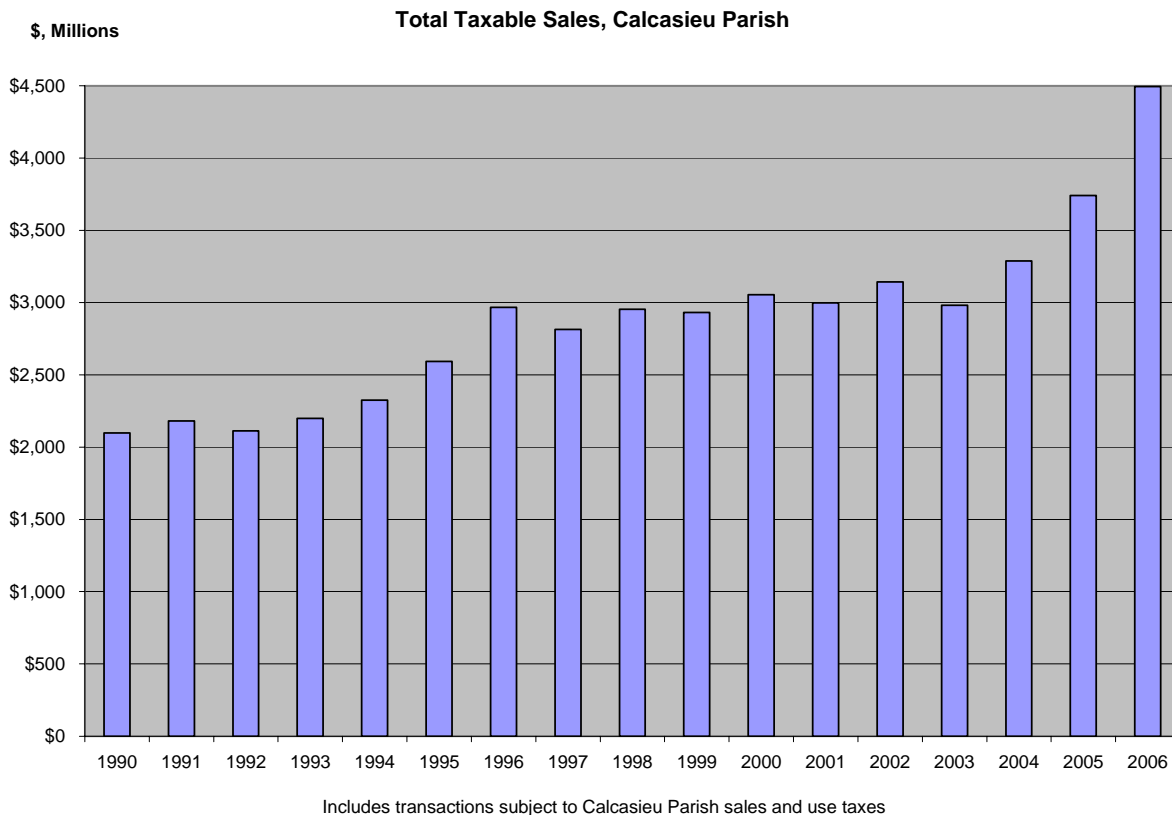
H.C. Drew Center for Economic  
Development Information Services  
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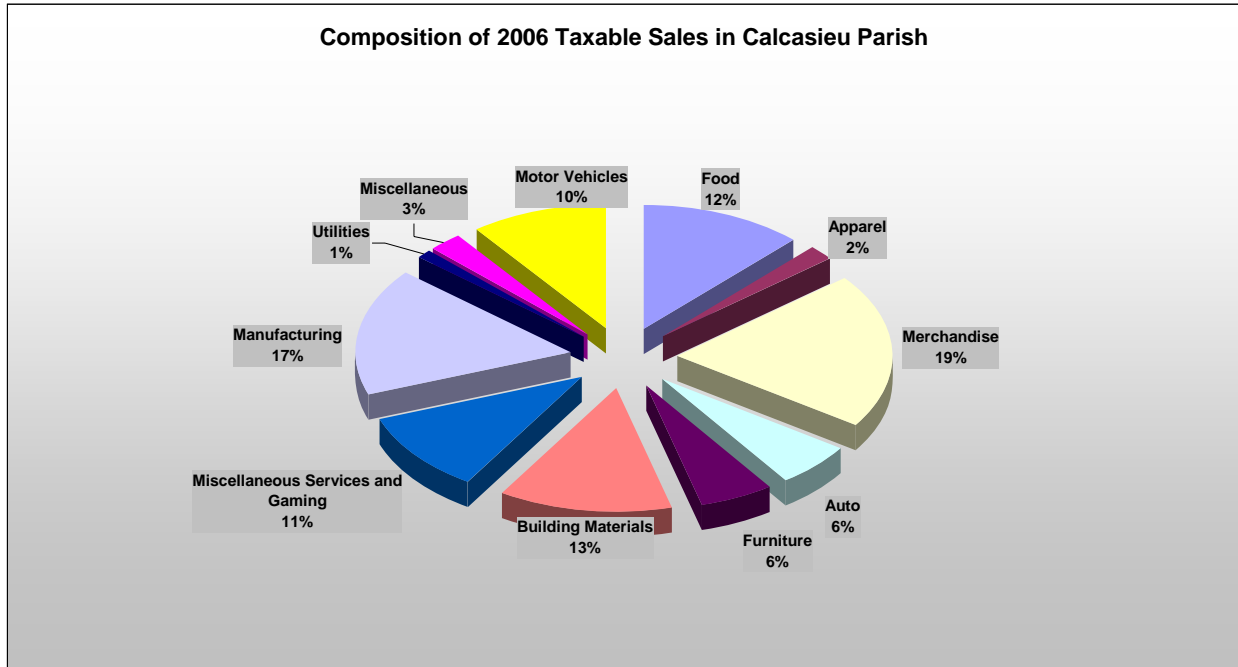
## Taxable Sales Trends: Slowdown from 2006 Record Spending

Transactions subject to Calcasieu Parish Sales and Use Taxes reached a record \$4.493 billion in 2006—an increase of 20% from the \$3.74 billion total for 2005. As can be seen in the chart below, 2006 was a third successive year of record sales in Calcasieu Parish. If this trend can be sustained through 2007, it would replicate (and perhaps surpass) the longest growth spurt in the parish since the four years of successive record sales that occurred in 1993, 1994, 1995, and 1996. But there is evidence from the first quarter of 2007 to suggest this might not occur.



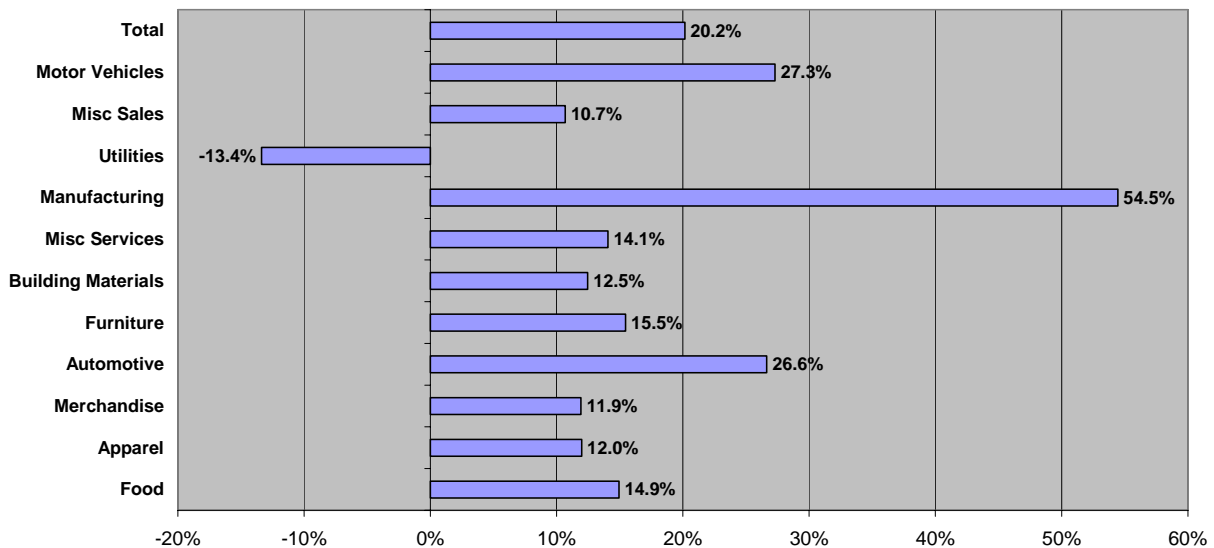
After Hurricane Rita virtually shut down the parish in late September and early October of 2005, businesses that were able to reopen quickly had an opportunity to tap into a huge spending surge fueled by insurance settlements, FEMA recovery spending, and a multitude of assistance from

public and private sources. The chart that follows shows the relative importance of various components of the nearly \$4.5 billion Calcasieu Parish spending pie in 2006. Transactions at general merchandise stores accounted for the biggest slice (19%), followed by manufacturing (17%), building materials (13%), food (12%), miscellaneous services and gaming (11%), and motor vehicles (10%).



The percent change in each of these components from 2005 to 2006 is shown below. Double digit percentage increases prevailed across all spending categories except utilities (which registered a 13.4% decrease but accounted for only 1% of sales).

**Year-to-Date Taxable Sales for January through December in Calcasieu Parish  
Percent Change from 2005 to 2006**



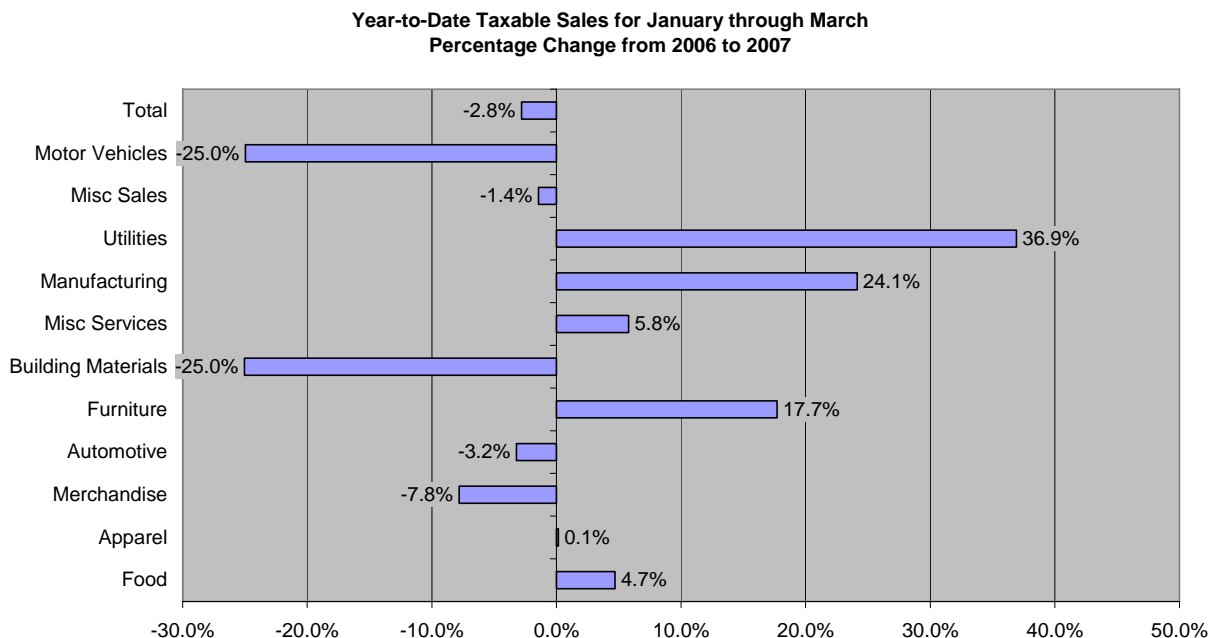
## First Quarter 2007 Slowdown

Can another 20% increase (or any increase) in taxable sales be sustained in 2007? The most recent data indicates total taxable sales for January through March of 2007 fell by 2.8% when compared to the first three months of 2006.

The chart below shows sales of motor vehicles and building materials each fell by 25%. Together these two categories accounted for 23% of the Calcasieu Parish spending pie in 2006.

Sales at general merchandise establishments (which made up 19% of the 2006 spending pie) fell by 7.8%, automotive sales dropped by 3.2%, and miscellaneous sales declined by 1.4%. This is consistent with nationwide reports of a difficult first quarter for vehicle sales as well as sales at big-box retailers catering to middle and lower income consumers.

On the plus side, during the first quarter of 2007, Calcasieu taxable transactions at utilities rose by 36.9% (but this component accounts for only 1% of total spending), manufacturing sales increased by 24.1%, furniture sales increased by 17.7%, miscellaneous services spending including gaming grew 5.8%, and food sales rose by 4.7%.



Is this an indication that spending in Calcasieu economy will drift downward in 2007 after a 15 month post-hurricane spending surge? The three months of data for 2007 provide too little evidence to confirm a longer term reversal of fortunes in the Calcasieu economic recovery from Hurricane Rita. The first six months of 2006 generated enormous increases in spending that will be difficult to sustain—thus 2007 comparisons with 2006 are likely to be dicey during the next few months. But to put the first quarter 2007 slowdown in perspective, when the comparison base is changed to 2005 (also a record year), spending during the first three months of 2007 was almost 29% higher than spending in the first quarter of 2005.

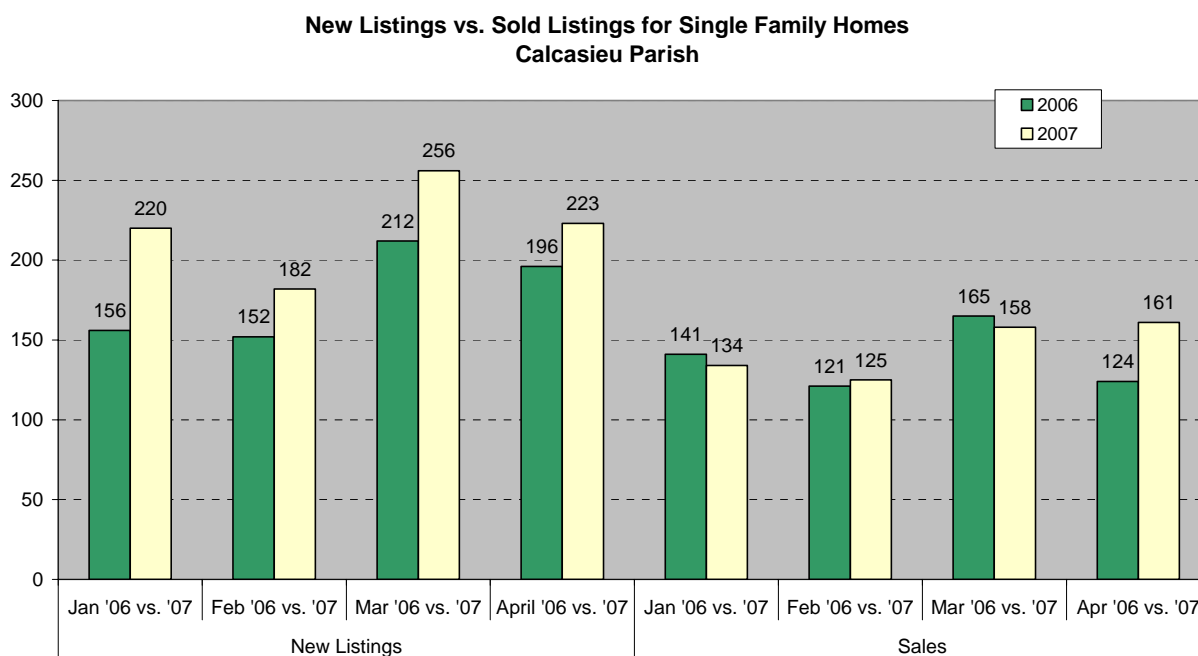
It should also be noted that the year 2007 could still be on track to become another record-breaker for Calcasieu Parish if a “second wave” of spending (fueled by multiplier effects of an anticipated boom in construction spending) materializes in time. Anticipated construction projects include those recently approved by City of Lake Charles voters, the Sugarcane Bay project and other expansions at the L’Auberge du Lac Casino complex, several LGN terminal projects, continuing reconstruction and restoration of hurricane damaged facilities at McNeese and Sowell, an expected ramp-up in Road Home housing assistance, and other projects with a longer time-line such as the new Lake Charles Regional Airport terminal and a proposed billion dollar petroleum-coke-fueled gasification plant to be built by Lake Charles Cogeneration on Port of Lake Charles property.

### Real Estate Trends: Single Family Home Listings and Sales

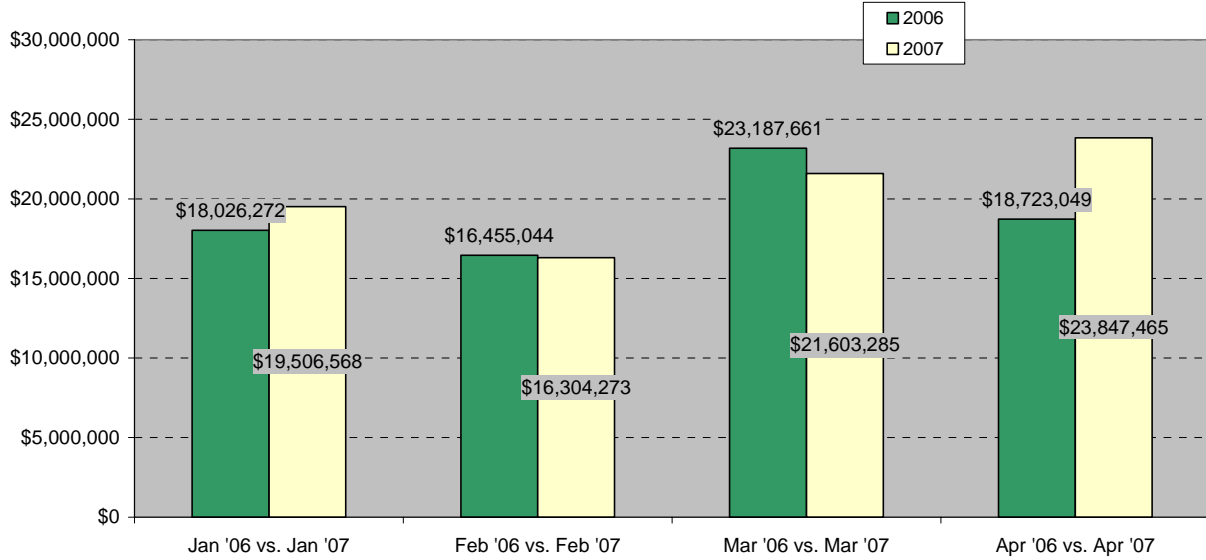
Data provided by the Southwest Louisiana Association of Realtors indicate that in comparison to the January through April period in 2006, **during the first four months of 2007:**

- New listings of single family homes rose by 23%, from 716 in 2006 to 881 in 2007.
- The number of sales of single family homes rose by 6%, from 547 in 2006 to 580 in 2007.
- The dollar volume of single family home sales was up by 14.3%, from \$76.4 million in 2006 to \$87.3 million in 2007.
- The average sales price for single family homes rose by 7.8%, from \$139,656 in 2006 to \$150,594 in 2007.

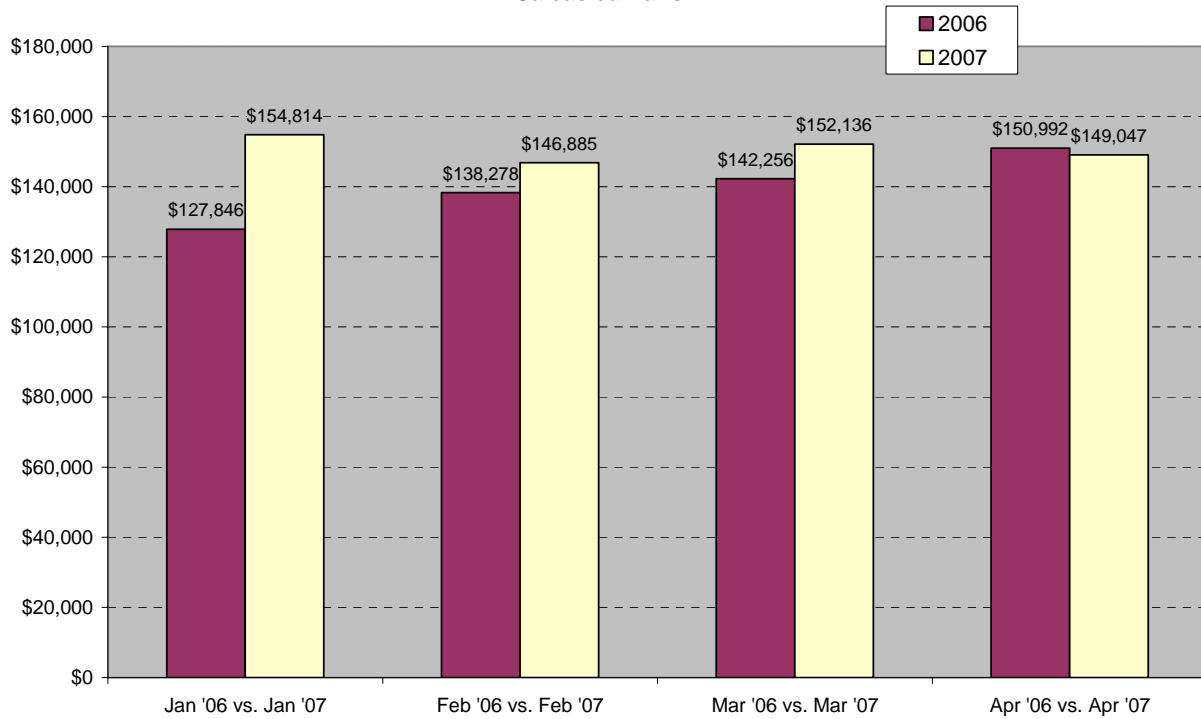
Month-to-month comparisons of real estate activities for January, February, March, and April of 2007 versus 2006 are shown in the charts below.

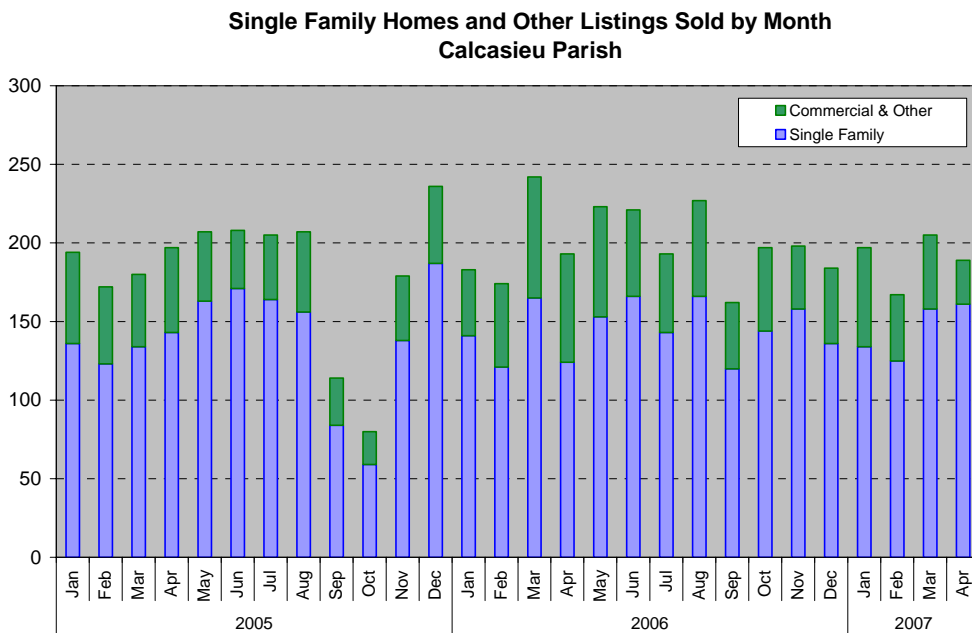


**Dollar Volume of Sales for Single Family Homes  
Calcasieu Parish**



**Average Price for Single Family Homes Sold  
Calcasieu Parish**





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Visit our webpage for more detailed information depicting recent economic trends in Southwest Louisiana—including Calcasieu, Cameron, Allen, Beauregard, and Jefferson Davis Parishes.

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