

# March 2015 WIC Update: Employment Forecasts by Industry, 2016 & 2022

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# Process Overview: Occupational Forecast & Star-Rating System

- Occupational projections
  - Updated annually upon receipt of new employment data
  - Two-step process:
    - ✓ **Projections by Industry**
    - ☐ Projections by Occupation
- Star-Rating system
  - Updated annually based on new demand projections, wage data, and openings data
    - ☐ Ratings by Occupation

# Methodology: Industry Projections

- 94 distinct industries in each RLMA (statewide + 8 regions → 846 total)
  - 2 forecasts per industry-region: short-term (2016) & long-term (2022)
- Produce baseline statistical model projections, using historical data and MicroMatrix software
- Review and refine MicroMatrix projections:
  - Analyze prevailing economic trends: develop and evaluate several alternative candidate models
  - Contact Louisiana driver firms and incorporate their comments (additional input from industry associations and regional economic development organizations)
  - Incorporate economic development initiatives and major announcements including expansions and layoffs

# Major Economic Factors

- Early phases of industrial boom
- Drop in the price of oil
  - Cash flow constraints for sellers
  - Changes to drilling-related activity in oil-rich shale
  - Moderated outlook for Gulf of Mexico
  - Potential upside for gas-rich shale
- Demographic influences and Health Reform impacting the demand for health care services

# Major Changes This Year

- Houma and Lafayette growth restrained due to low oil prices, largely a short-run effect
- Timing of industrial expansions in Baton Rouge area shows less growth between 2013 and 2016
- Growth picking up in Alexandria with help from recent economic development news
- Transportation equipment manufacturing weighing on New Orleans

# Forecast Summary

- Louisiana 2013 baseline employment (excluding self-employed): 1,905,782
- 2016 projected employment: 1,984,658
  - 4.1% total growth
  - 1.4% average annual growth
- 2022 projected employment: 2,136,944
  - 12.1% total growth
  - 1.4% average annual growth

# Regional Forecasts

<u>RLMA</u>	<u>Region</u>	<u>2013</u>	<u>2016 Forecast</u>	<u>ST Annual Growth*</u>	<u>2022 Forecast</u>	<u>LT Annual Growth*</u>
0	Statewide	1,905,782	1,984,658	1.4%	2,136,944	1.4%
1	New Orleans	535,552	554,892	1.2%	584,385	1.0%
2	Baton Rouge	425,999	441,972	1.2%	483,449	1.5%
3	Houma	102,815	109,189	2.1%	119,416	1.8%
4	Lafayette	278,552	284,541	0.7%	312,554	1.4%
5	Lake Charles	115,661	132,982	5.0%	133,802	1.7%
6	Alexandria	106,553	110,864	1.3%	119,781	1.4%
7	Shreveport	229,625	235,148	0.8%	260,870	1.5%
8	Monroe	111,025	115,070	1.2%	122,867	1.2%

\*Base year 2013

# Growth Rate in Top Industries to 2016

NAICS	Industry	Hist 2013	Proj 2016	Annual Growth (Average)
237	Heavy and Civil Engineering Construction	40,919	53,234	10.0%
238	Specialty Trade Contractors	65,532	79,520	7.1%
483	Water Transportation	11,584	12,978	4.0%
562	Waste Management and Remediation Services	8,882	9,824	3.5%
333	Machinery Manufacturing	16,654	18,284	3.3%
493	Warehousing and Storage	7,204	7,852	3.0%
541	Professional, Scientific, and Technical Services	86,613	94,200	2.9%
488	Support Activities for Transportation	20,135	21,717	2.6%
721	Accommodation	28,954	31,026	2.4%
621	Ambulatory Health Care Services	92,055	98,405	2.3%



# Growth Rate in Top Industries to 2022

NAICS	Industry	Hist 2013	Proj 2022	Annual Growth (Average)
483	Water Transportation	11,584	14,506	2.8%
624	Social Assistance (Child Care)	42,664	52,882	2.7%
493	Warehousing and Storage	7,204	8,887	2.6%
541	Professional, Scientific, and Technical Services	86,613	106,227	2.5%
621	Ambulatory Health Care Services	92,055	112,068	2.4%
325	Chemical Manufacturing	23,322	27,937	2.2%
551	Management of Companies and Enterprises	25,253	30,223	2.2%
331	Primary Metal Manufacturing	3,187	3,814	2.2%
488	Support Activities for Transportation	20,135	23,734	2.0%
511	Publishing Industries	3,551	4,180	2.0%

# Next Steps

- ✓ Projections by Industry
- Projections by Occupation
- Star-Ratings by Occupation