Half of all new jobs in '97 created in BR

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Louisiana did well in 1997 and Baton Rouge did even better, a year-end jobs report released Monday by the state Labor Department shows.

Baton Rouge accounted for half of all new jobs created in the state from December 1996 through December 1997. This should come as no surprise unless you haven't noticed the $300 million Mall of Louisiana near I-10 at Bluebonnet, or the dozens of new restaurants, motels, movie theaters, shops and apartment buildings that have popped up.

"Baton Rouge has done unusually well," said LSU economist Loren Scott.

The flurry of activity helped create 11,100 new nonfarm jobs in the Baton Rouge metro area in 1997, the Labor Department said Monday in its preliminary report, making Baton Rouge home to the most new jobs in the state. Wholesale and retail trade and services created most of the new jobs.

The local work force — covering East and West Baton Rouge, Ascension and Livingston parishes — grew by 3.9 percent in 1997. The growth rate was second only to Houma, which grew by 6.2 percent, thanks to the booming oil and gas industry, the Labor Department said.

The rest of the state grew, but at a slower rate. The state economy added 21,200 jobs from December 1996 to December 1997. Six of the state's eight metro areas shared in the prosperity, while Alexandria and Lake Charles showed modest losses. Wholesale and retail trade and the oil and gas industries produced the majority of the new jobs.

Of the 11,100 new jobs in the Baton Rouge area, wholesale and retail trade created 4,500. Many of those were at the Mall of Louisiana.

The services sector accounted for 2,100 new jobs, while construction jobs grew by 2,000. Government added 1,000 new jobs, mostly on the local level. Finance, insurance and real estate added another 800 jobs, while manufacturing jobs grew by 400 for the 12-month period.

Mining jobs, which have held steady around 800 for many months, leapt to 1,100 in December, a 38 percent growth rate from a year earlier.

The only sector which failed to grow was transportation and utilities, which was unchanged.

Statewide, construction was the only sector failing to grow, probably an oddity in the numbers, Scott said. Two massive construction projects employing thousands of people ended in 1997, Scott said — an expansion by Conoco and Pennzoil in Lake Charles and the Alexandria portion of Interstate 49. As a result, the state reported a loss of 800 construction jobs from December to December.

Another area which was cause for head-scratching was business services, a segment of the larger services sector that lost 1,900 jobs last year, Scott said.

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The services sector still managed to add 1,800 jobs in 1997 despite the business services loss.

"It's a statistic that's a fluke and only temporary," Scott said. "As it turns out, temporary agencies are the reason for this dip. There is a new monthly labor review out in which the forecast is temp agencies are among the hottest industries."

Scott said he looks for the statistic to be corrected and to return to normal over time.

Wholesale and retail trade accounted for 11,400 new jobs. Of those jobs, 5,100, nearly half, were jobs created at eating and drinking places.

The second-fastest-growing sector was mining, which grew by 3,100.

"You can clearly see the very significant importance of the mining sector," Scott said.

The oil and gas industry also created jobs in three other sectors: fabricated metals, 500; machinery, 900; and transportation equipment, 2,100.

"They are all up strongly because of their close association to oil and gas," Scott said.

Another big gainer was transportation and utilities, which added 2,200 jobs in 1997. Also, government added 1,600 jobs; finance, insurance and real estate added 1,500 jobs; and manufacturing added 400 jobs.

Job growth is likely to continue this year thanks to the robust oil and gas economy, as well as expected major expansions at petrochemical plants around the state, Scott said.

"Baton Rouge did so well in 1997 that it probably can't keep up the pace," Scott said.

"It should go down to the 2.2 percent range in Baton Rouge, which is still good solid, sustainable growth," Scott said. "It's kind of rare to go 3.9 percent over long periods."

Baton Rouge's jobless rate was 4.3 percent in December, down from 4.8 percent a year earlier.

The state jobless rate was 5.7 percent in December, down from 6.3 percent a year earlier. The national unemployment rate was 4.7 percent in December, down from 5.3 percent the previous year.

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