New jobs seen — later

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The Baton Rouge area economy will start receiving boosts from announced expansions and startups at chemical plants by year's end and early 1989 while near-term activity should remain stable or decline, depending on the level of state government cutbacks, said LSU economist Loren Scott.

Scott said an expected decline in enrollment at the Jimmy Swaggart Bible College probably won't noticeably affect the economy in coming months because gains realized by a booming petrochemical industry will counterbalance the school's negative effect.

"I don't expect anything significant to happen to unemployment," Scott said. Without the drop related to Swaggart's Bible College, unemployment "would probably be lower," he said.

"You have Swaggart pulling you down, but you have chemical plants bumping you up," he said.

Enrollment at the Jimmy Swaggart Bible College is down by 72 percent to 400 students compared to more than 1,400 in fall 1987, a ministry spokesman said last week.

Using a 2.70 multiplier for education-related spending with an estimated $3 million that 1,400 students pumped into the economy during the fall of 1987, Scott said the decline of 1,000 students will translate roughly into a drop of $8.1 million in spending in the economy. The drop in spending in turn will result in a $2.6 million reduction in earnings in the metropolitan area.

These figures, which include food, rent, gasoline and miscellaneous spending by the student, do not factor in the tuition or the amount spent by visitors of Bible College students. About 90 percent of the Bible College students come from out of state, the JSM has said.

Through May 1988, 213,300 people were employed in Baton Rouge, a slight drop from the 213,800 reported working in April, but a net gain of 100 workers from the May 1987 level of 213,200, according to figures compiled by the Louisiana Department of Labor.

June employment figures will be released Monday by the Labor Department.

Manufacturing employment held steady at the 18,600 jobs reported in April and registered a 300-job rise since May 1987. The year-to-year boost came from more activity in iron and steel foundries and in other machinery manufacturing except electrical machinery, the Labor Department said.

The manufacturing sector will continue benefiting from the "nice shot in the arm" from the planned expansions and startups at the chemical plants, Scott said. That additional manufacturing activity will enhance the economy overall because of the "good spillover effect" of 2.7 to 4.1 jobs added for every manufacturing job.

Although construction employment related to plant additions won't show up until later in the year or early 1989, "down the river there is still a demand for skilled craftsmen," said Susan Williams, manager of the Baton Rouge Job Service office.

"A lot of people are working out of state and will come back, but the pay levels are depressed," Williams said. As a result, skilled labor is in short supply, she said.

Employment within the service sector stood at 43,900 employees, down 100 from the April level, but reflecting a continued upward march. Service-related employment rose 1,110 from May 1987 and up 2,600 from May 1986, the Labor Department said.

Wholesale and retail trade employment gained 700 jobs since May 1987 and 400 jobs since April, according to Labor Department figures.

Retail trade is expected to show more gains through the rest of the year, as department stores and retail outlets gear up for the Christmas buying season, Scott said.

Because the economy has "made the turn," the retail trade sector will strengthen even more, Scott predicted.

Retail trade jobs in Baton Rouge jumped during the past year partly because of the additions in the fast-food and other restaurant industry which will continue, Williams said.

"This is going to be a growth area," she said.

Finance, insurance and real estate (FIRE) gained 200 jobs since April, although that industry lost 200 jobs since May of 1987.

FIRE gained because employment among real estate operators rose, not because of any additional banking employment, the Labor Department reported. Banking-related employment in Baton Rouge has fallen by 1,900 jobs during the past two years.

State government employment fell primarily because of declines in educational employment, but general unemployment in this sector will widen as layoffs occur and jobs lost through attrition are not replaced, Scott said.

Already unemployment claims rose to 2,490 in June from 2,117 in May, reflecting some state workers who have been laid off and are filing for benefits, Williams said.

The repeal of a 2-cent sales tax exemption on food, motor fuel utilities and a few other items and the extension of a similar 1-cent repeal in 1987 won't drag down employment, Scott said.

The tax money "is going to be turned around and operate in state government," Scott said.

In addition, while the Baton Rouge labor market won't register job gains from the Republican Party convention in New Orleans in August, the extra $5.7 million in state taxes expected to be generated by the convention will trickle back to Baton Rouge, Scott said.