

LOUISIANA ECONOMIC REPORT

WINTER 2026



PELICANPOLICY.ORG

THE PELICAN INSTITUTE HIGHLIGHTS LOUISIANA'S ECONOMIC SITUATION

The latest data reveal how the economy, labor market, and public policy impact the lives of Louisianans. While there are several positive signs, other indicators show that too many Louisianans are still struggling. ***Louisiana must continue to enact bold, pro-growth policies that foster job creation, encourage business investment, and make the state a thriving place to live, work, and raise a family.***

JOBS



As of the third quarter of 2025, Louisiana's seasonally adjusted unemployment rate was **4.4%**, higher than the U.S. average but worse than most Southern peers.

THE STATE'S JOB GROWTH OVER THE PAST YEAR HAS REMAINED SLUGGISH

and has not kept pace with more competitive states in the region.

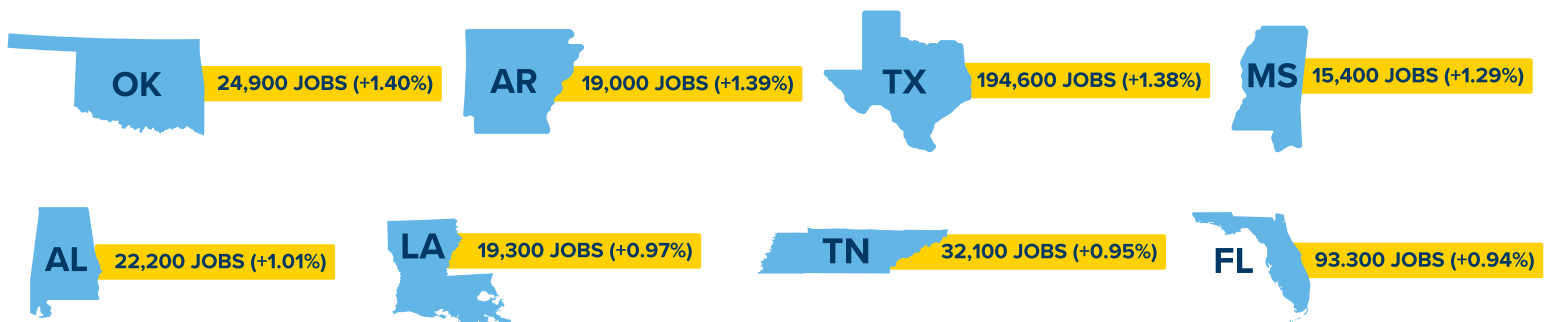


Louisiana GAINED ONLY 1,600 NET NONFARM JOBS in the third quarter of 2025 compared with the year prior, for a MONTHLY AVERAGE OF 533 NEW JOBS.

Source: Federal Reserve Economic Data, All Employees: Total Nonfarm in Louisiana <https://fred.stlouisfed.org/graph/?g=1nSyx>

LOUISIANA COMPARED TO OUR NEIGHBORS:

Compared with neighboring states in Q3 2024, Louisiana had the third slowest annual growth rate in nonfarm jobs added in Q3 2025:



Source: Federal Reserve Economic Data, All Employees: Total Nonfarm in Each State: <https://fred.stlouisfed.org/graph/?g=1s69f>



GROSS DOMESTIC PRODUCT

Louisiana's inflation-adjusted GDP increased by **+4.0%** on an annual basis in the second quarter of 2025, ranking among the top 40% of states and outpacing the U.S. economy



RANKED WORST IN THE UNITED STATES AT 50TH

-1.1%

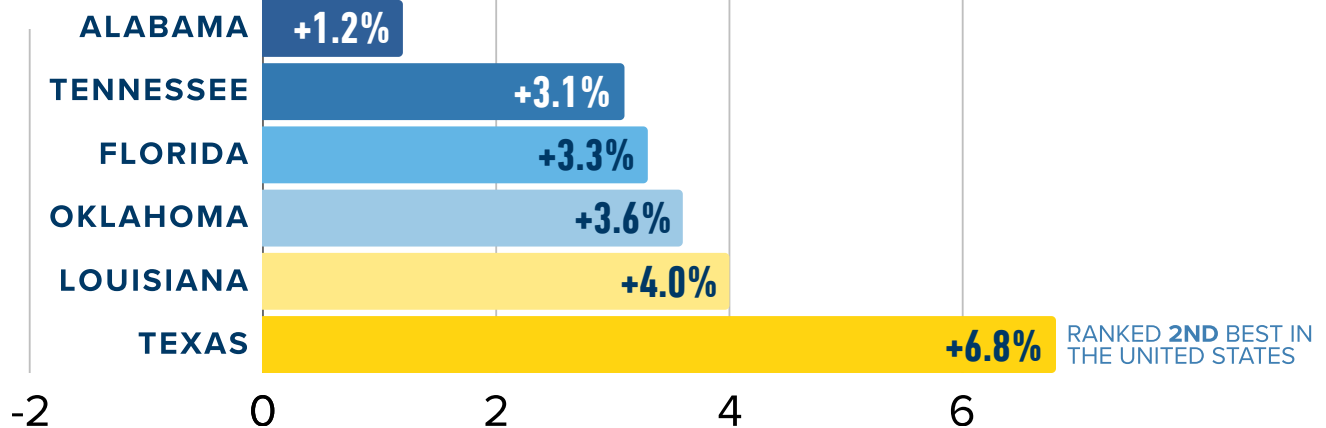
ARKANSAS

RANKED 49TH IN THE UNITED STATES

-0.9%

MISSISSIPPI

COMPARED WITH NEIGHBORING STATES, LOUISIANA HAD ONE OF THE STRONGEST GDP GROWTH RATES IN Q2 2025:



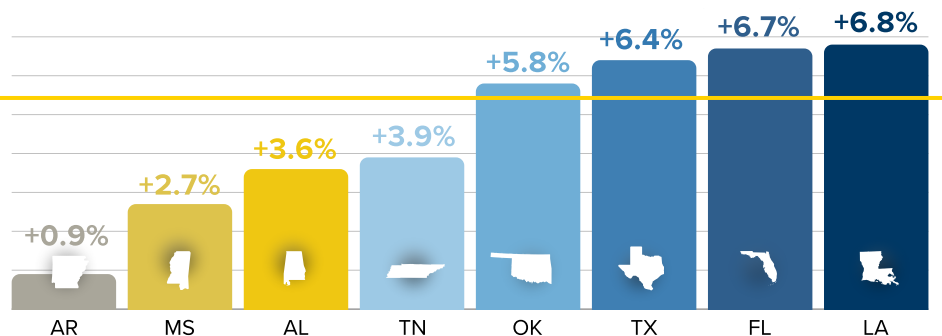
Source: Gross Domestic Product by State and Personal Income by State, 2nd Quarter 2025. <https://www.bea.gov/sites/default/files/2025-09/stgdppipce2q25.pdf>

PERSONAL INCOME

LA OUTPACES THE U.S. AVERAGE INCOME GROWTH OF +5.5%.

Louisiana's personal income rose by **+6.8%** at an annualized rate in Q2 2025, ranking near the top nationally, and 1st out of its 8 regional peers.

COMPARED WITH NEIGHBORING STATES, LOUISIANA'S INCOME GROWTH LED THE WAY:

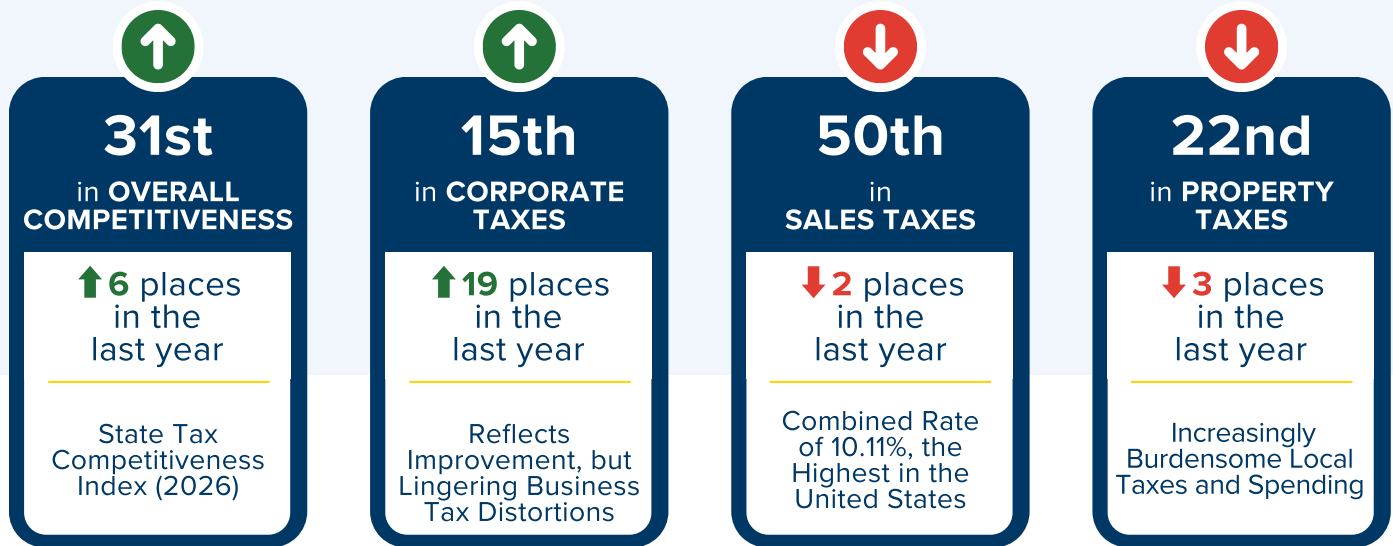


Source: U.S. Bureau of Economic Analysis, Personal Income by State, Q2 2025. <https://www.bea.gov/news/2025/gross-domestic-product-state-and-personal-income-state-2nd-quarter-2025-and-personal>



STATE TAX COMPETITIVENESS

The state climbed to **31st overall**, with significant gains in **corporate tax competitiveness**. However, Louisiana continues to rank last nationally in combined state and local sales taxes, and rising local tax burdens have weakened its property tax position. *Louisiana's tax system has improved thanks to recent reforms, but lingering policies remain a drag on growth.*



Source: 2026 State Business Tax Climate Index – Tax Foundation. <https://taxfoundation.org/statetaxindex/states/louisiana/>

OTHER NATIONAL RANKINGS FOR LA



50th

in economic performance (from 2013 to 2023) per the American Legislative Exchange Council's (ALEC) annual Rich States, Poor States report—a backwards-looking measure

18th

in current economic outlook in 2026 per ALEC

31st

overall on the Tax Foundations 2026 Tax Competitiveness Index

**LOUISIANA'S FREE MARKET REFORMS
ARE BEGINNING TO WORK!**

