

# Regional Impacts of Coastal Land Loss: New Orleans Region



Louisiana is facing a coastal land loss crisis — nearly two thousand square miles of land has been lost over the last 100 years, and an equal amount could potentially be lost over the next 50 years. Businesses, homes, infrastructure and whole communities could be lost or suffer severe economic damages in a ‘future without action’ — a term used by state planners that means a future in which no coastal restoration projects or protection are completed. If nothing is done to address Louisiana’s land loss problem, significant economic losses will be experienced at the national, state and regional levels through flooding and destruction of buildings, roads and railways, as well as the impact to jobs and disruption of the flow of commerce connected to Louisiana’s coast.

The accompanying report *Regional Impacts of Coastal Land Loss and Louisiana’s Opportunity for Growth* released in March 2017 by LSU’s Economics & Policy Research Group and Environmental Defense Fund looks in detail at the five southern regions of the state to quantify the economic impact of land loss in Louisiana as well as the economic opportunity of pursuing the state’s Coastal Master Plan. This fact sheet highlights results from the New Orleans region.

## New Orleans Overview

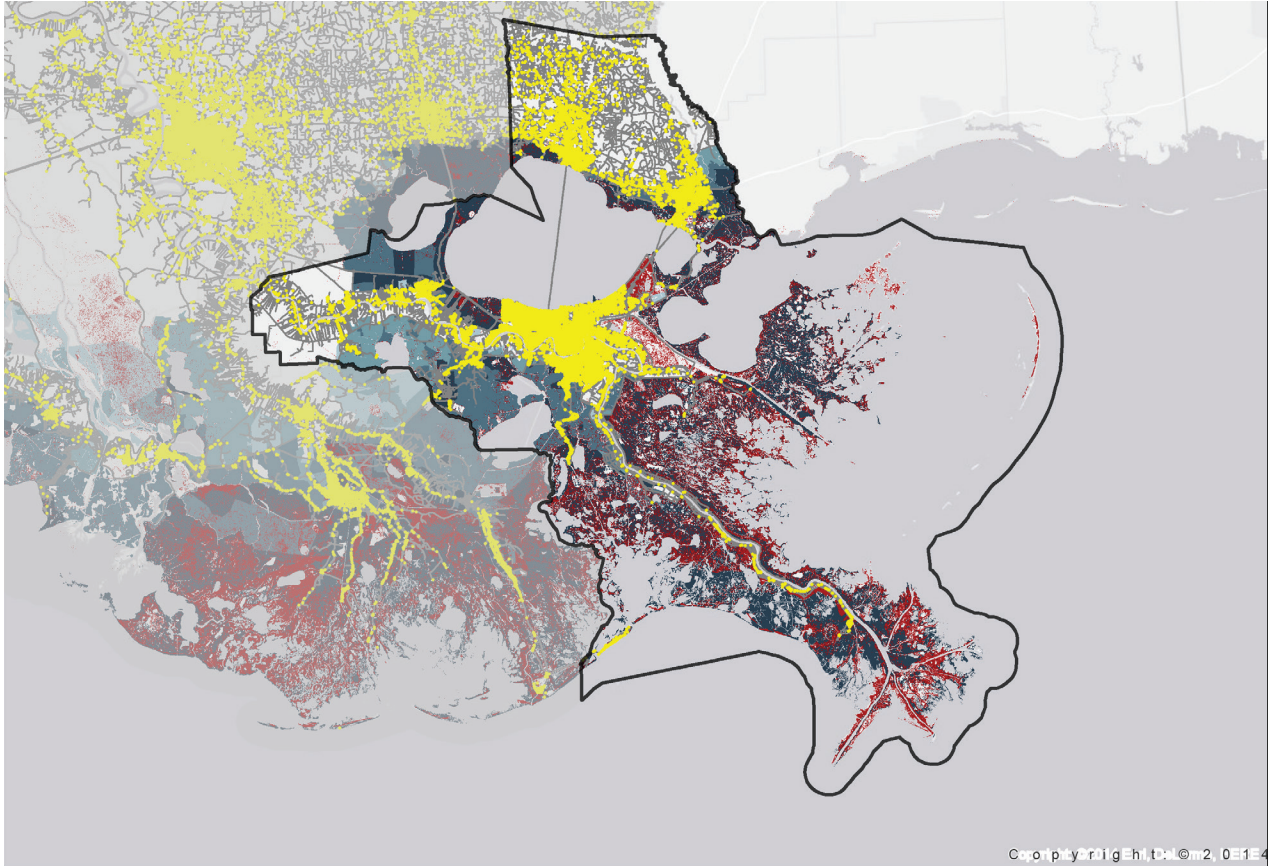
- ▶ New Orleans Region includes:
  - ▶ Parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany
  - ▶ Cities: New Orleans, Slidell, Covington, LaPlace
  - ▶ 36,000 businesses and 537,000 jobs
- ▶ New Orleans supports 25% more jobs than Baton Rouge and more than 5 times as many jobs as Houma
- ▶ Tourism an important industry — 60% of statewide tourism spending in New Orleans

## Land Loss

- ▶ Total physical damage in the New Orleans region could be as high as \$1.7 billion in 50 years
  - ▶ 40% of statewide business replacement costs from land loss in New Orleans region
  - ▶ 76% of statewide residence replacement costs from land loss in New Orleans region
- ▶ Physical damage leads to annual losses of 9,000 jobs, \$568 million in wages and \$1.7 billion in output
  - ▶ 42% of statewide employment impacts from land loss in New Orleans
  - ▶ Damage in New Orleans contributes to business impacts in other regions

## Storm Damage

- ▶ New Orleans region has a long history of hurricanes inflicting substantial damage because of its proximity to the coast, dense population and infrastructure, and extremely low elevation
- ▶ Even with the recently upgraded levee system and other hurricane protection measures, risk remains and is expected to grow in a future without action
- ▶ Case study storm with the biggest impact: Eastern Storm
  - ▶ City of New Orleans levees predicted to fail
  - ▶ \$130 billion in total replacement costs
    - 92% of statewide replacement costs from New Orleans region
  - ▶ Physical damage leads to \$11.6 billion lost labor productivity, \$26 billion lost output
    - Equivalent to 44% of annual labor productivity in New Orleans



May key: yellow represents current location of businesses, red represents land loss in 50 years from 2012 less optimistic scenario, and blue represents flooding from a 100-year storm after the land loss shown in red.

*While the economic risks our coastal land loss pose to the Greater New Orleans region are undoubtedly the existential threat of our generation, the jobs created through restoring our coast provide significant economic returns for our parishes and communities. However, these jobs represent more than just paychecks: they illustrate an unprecedented opportunity for the workforce, businesses, and universities of Southeast Louisiana to emerge as a hub of water management expertise, and export our lessons learned nationally and internationally.*

— **Michael Hecht**  
President and CEO, Greater New Orleans, Inc.

This fact sheet is one of a series that identifies economic costs, in a future without coastal protection and restoration, to five regions: Baton Rouge, Houma, Lafayette, Lake Charles, and New Orleans. For more details on economic risks facing these regions under different land loss and storm scenarios, please see the full report: *Regional Impacts of Coastal Land Loss and Louisiana's Opportunity for Growth* (available on the websites below). That report also identifies the jobs, wages, and economic growth supported at the state level by investing in coastal restoration. By investing in the coast and implementing the Coastal Master Plan, Louisiana has a compelling opportunity to reduce potential losses, while also boosting the state's economy.

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Based in the **E. J. Ourso College of Business at Louisiana State University**, the **Economics & Policy Research Group** (EPRG) is an applied economics research unit of the Department of Economics focused on advancing the scientific knowledge base on topics relevant to Louisiana's economy. LSU EPRG aims to contribute advances to the general body of economics research, inform public decision making, support economic development, and promote a strong, resilient Louisiana economy accessible to all Louisiana residents.

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Full report can be downloaded at the following site: [edf.org/LSU-report](http://edf.org/LSU-report)