

Regional Impacts of Coastal Land Loss: Houma 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 Houma region.

Houma Overview

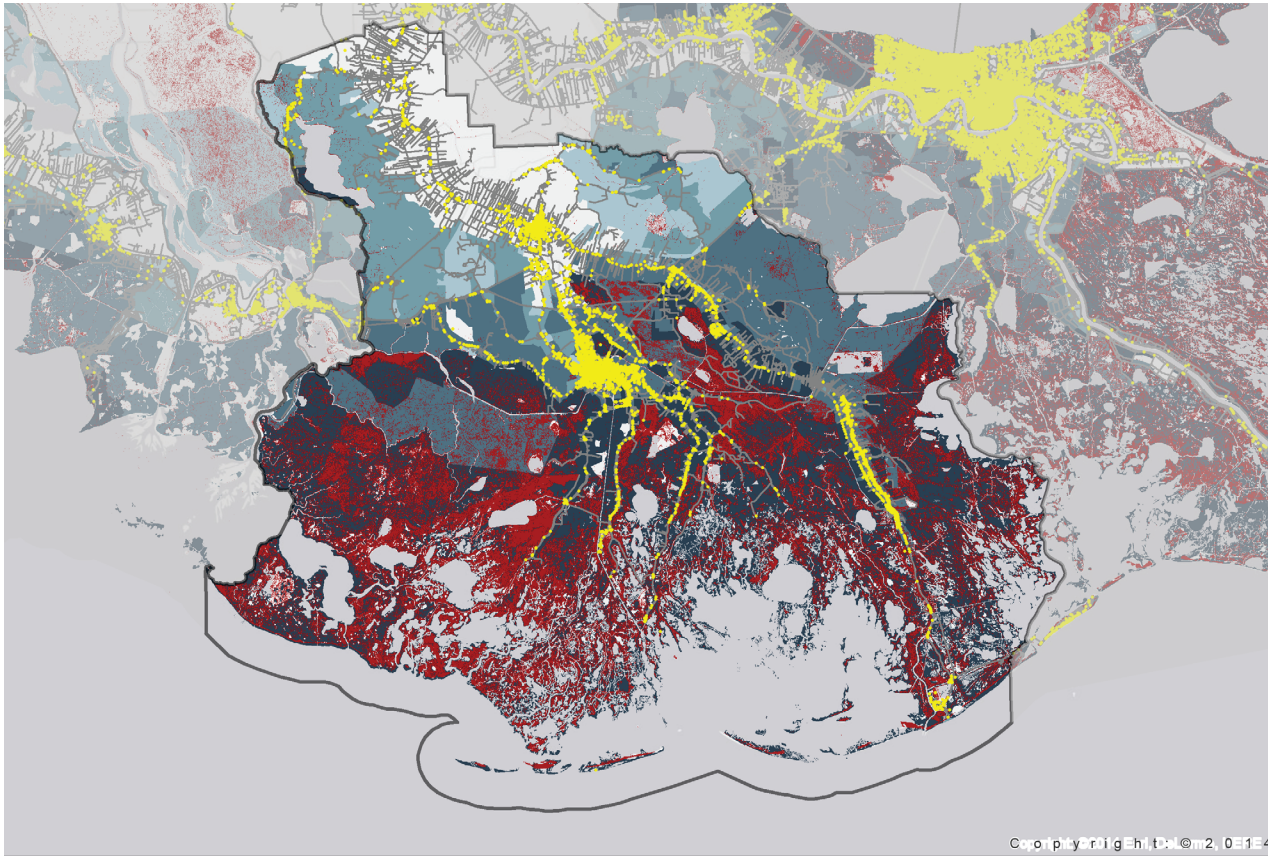
- ▶ Houma Region includes:
 - ▶ Parishes: Assumption, Lafourche, and Terrebonne
 - ▶ Cities: Houma, Thibodeaux, Larose-Golden Meadow
 - ▶ Port Fourchon, which services 90% of deepwater structures in the Gulf
 - ▶ 5,700 businesses and 103,000 jobs
- ▶ Major industries: Transportation and warehousing (including offshore transportation and pipelines), oil and gas extraction, and manufacturing
- ▶ Highly vulnerable area with high-value infrastructure

Land Loss

- ▶ Total replacement costs in 50 years reach \$1.4 billion, mostly from businesses impacted by land loss
 - ▶ 38% of statewide physical damage from land loss comes from the Houma region
- ▶ Land loss would lead to a loss of 6,000 jobs, \$400 million in annual wages, and \$1.4 billion in annual output

Storm Damage

- ▶ Case study storm with the biggest impact: Both Western and 100-Year storm have large impact on Houma, but 100-Year Storm is the worst
- ▶ Total increase in replacement costs due to land loss is \$20 billion in a 100-Year storm and \$19 billion in a Western track storm
 - ▶ In the Western storm, 45% of statewide replacement costs come from Houma
- ▶ Land loss would increase disruptions from a 100-Year storm by \$5.6 billion in output while land loss would increase output losses by \$4.3 billion in a Western track storm
 - ▶ In the 100-Year storm, the impact on labor productivity is equal to approximately 41% of total annual labor productivity in Houma
 - ▶ In the 100-Year storm, 23% of statewide impacts attributable to land loss comes from Houma
 - ▶ In the Western storm, the impact is equal to 33% of annual labor productivity in Houma
 - ▶ In the Western storm, 32% of statewide impacts attributable to land loss comes from Houma



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.

At Port Fourchon, we understand the importance of having natural protective buffers for our communities and critical infrastructure. This report helps to quantify what we've been saying all along about the importance of coastal restoration as a vital component of economic and community resiliency as evidenced by the fact that the Houma region has the second-highest potential economic losses due to storms, despite being the smallest market studied.

— Chett Chiasson
Executive Director, Greater Lafourche Port Commission

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