



RESTORE
THE MISSISSIPPI RIVER DELTA

Growth in Water Management
Sector in Coastal Louisiana –
February 2016



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Rapidly Growing Water Management Industry Brings Huge Boost to Louisiana Economy

In their recent report, *The New Orleans Index at Ten*, The Data Center found that from 2001 to 2014, the New Orleans metro area saw significant job growth in new economic drivers such as water management;ⁱ while at the same time “continued and steady job losses in water transportation, oil and gas, and petrochemical – legacy industries that have been declining since the oil bust in the early 1980s.”ⁱⁱ

Updated information released by the Restore the Mississippi River Delta Restoration Coalition confirms that the water management industry – which includes coastal restoration, coastal protection and urban water management – will be a critical driver of prosperity for Louisiana's future, not only by creating high-paying jobs for Louisianians but also by protecting communities and industries from the adverse effects of land loss and sea level rise.

Economic drivers are industries that drive regional growth and development. Other types of industries, including local businesses like retail or health services, have many jobs but are local-serving and population-dependent. Analyzing industry drivers, such as water management, narrows the field of compared industries for the purpose of analyzing economic development.



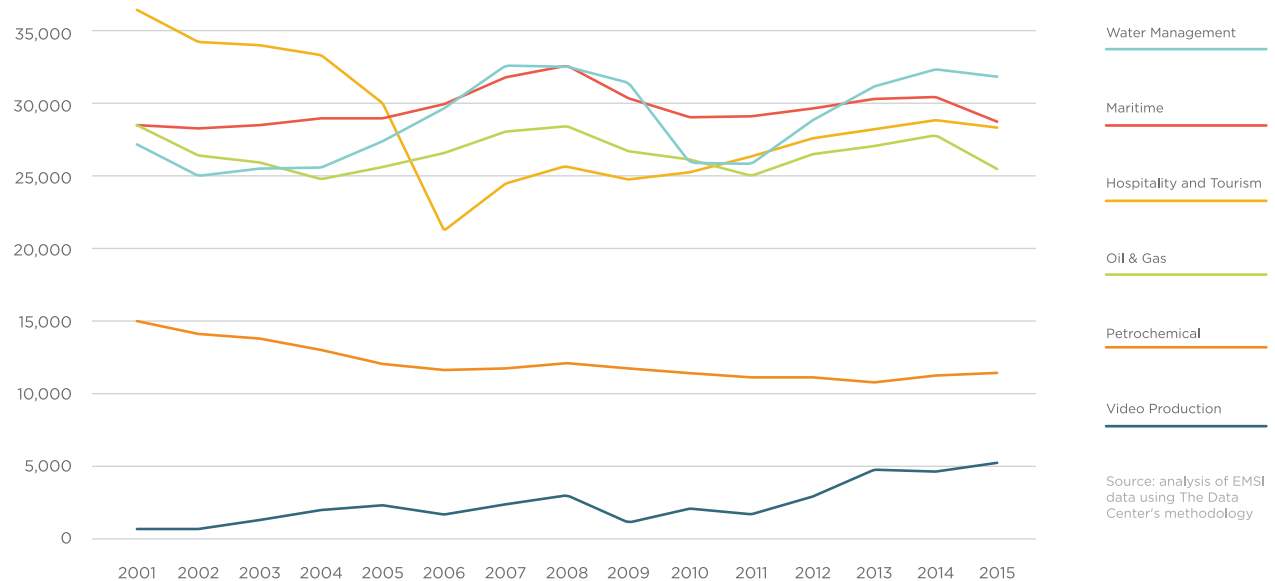
Water Management Sector Job Growth in Southeast Louisiana

Using The Data Center's methodology, and examining not just the New Orleans metro, but the larger Southeast Louisiana Super Region (pictured below), we find that **water management now represents the largest industry driver in southeast Louisiana, with nearly 32,000 jobs as of 2015** – more than each of the maritime, hospitality, or oil and gas industries.



Moreover, while jobs in oil and gas have slipped to less than 26,000 in the Super Region – down from nearly 28,000 in 2014 – jobs in water management have held steady. And although video production jobs have grown substantially in recent years, that industry is still small, with a mere 5,000 jobs.

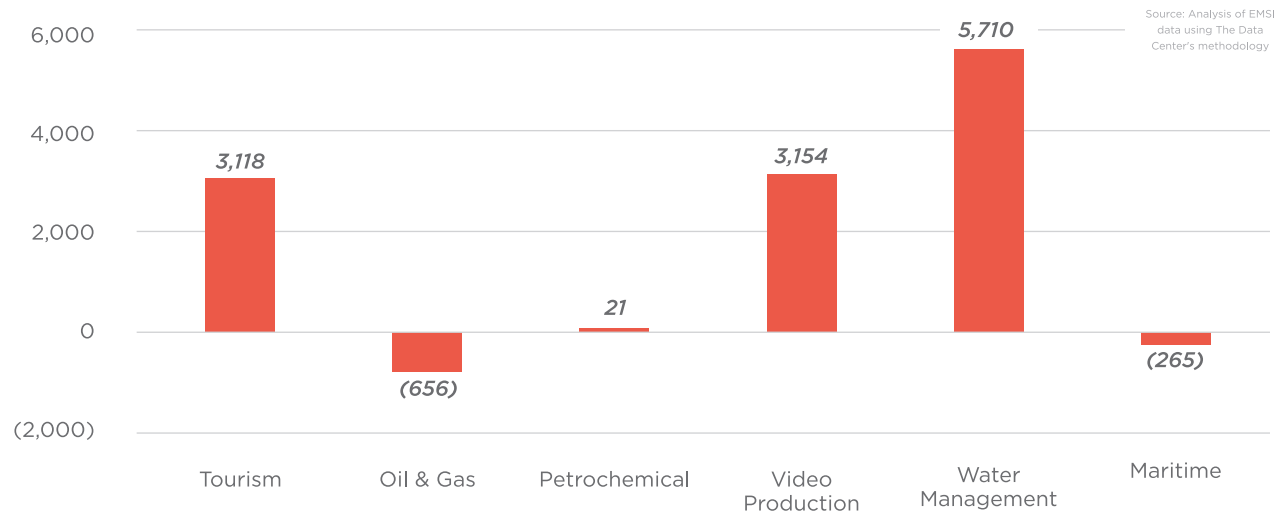
Major Industries, Southeast Louisiana Super Region



As Louisiana emerged from the depths of the recession in 2010, **the growth in the water management industry demonstrates that this sector will be a critical driver of prosperity for the state's future.** Since 2010, while oil and gas has lost a net 656 jobs and maritime has lost a net 265 jobs in the Southeast Louisiana Super Region, water management has gained 5,710 jobs – eclipsing job growth in video production, tourism, and petrochemical, as depicted below.

The BP oil spill settlement, Gulf of Mexico Energy Security Act (GOMESA) and other funding streams will fuel coastal restoration at a rate of hundreds of millions of dollars per year over the next 16 years. Since these investments will finance water management efforts for at least a decade, the job numbers in this sector are expected to sustain and grow. Additionally, job growth in the Southeast Louisiana Super Region is critically important to the entire state's economy, as this area represents 58 percent of all of Louisiana's jobs.

Job Growth by Major Industries, Southeast Louisiana Super Region (2010-2015)



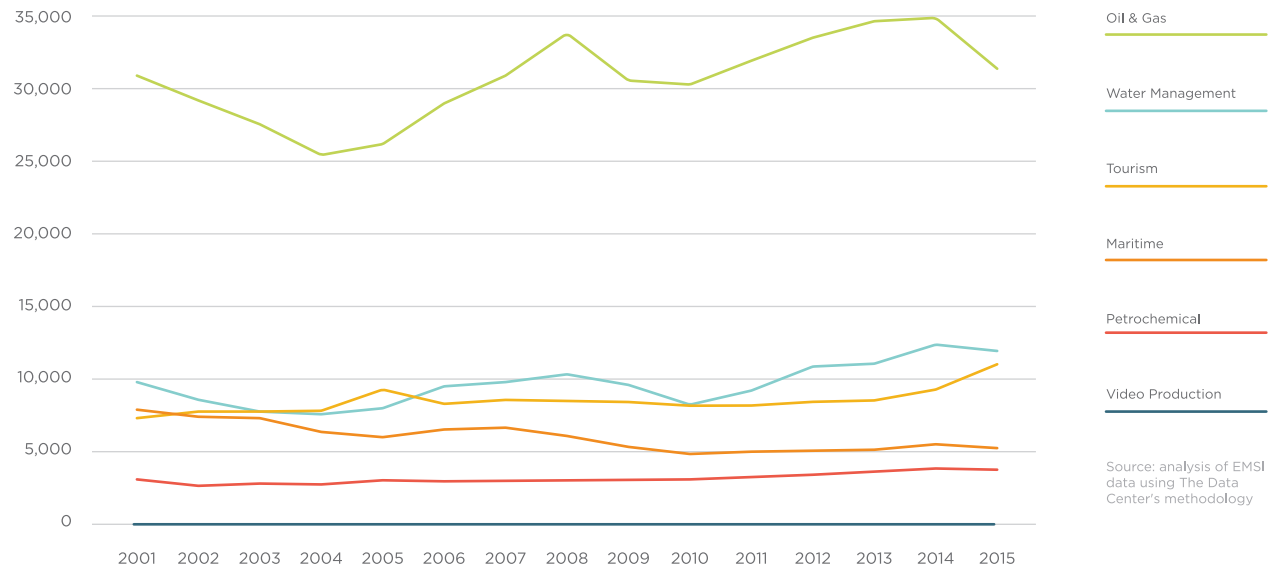
Water Management Sector Job Growth in Southwest Louisiana

Beyond southeast Louisiana, water management is becoming increasingly important in southwest Louisiana as well. In southwest Louisiana, oil and gas remains the largest driver industry, but it has seen significant job losses – from nearly 35,000 in 2014 to less than 32,000 jobs in 2015.



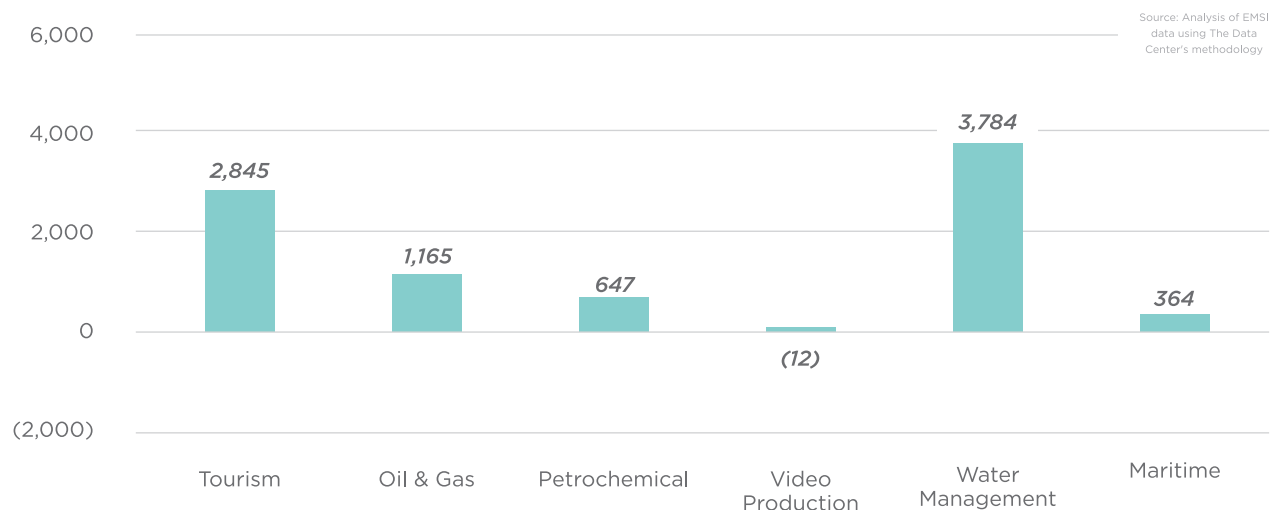
Water management is the **second largest** economic driver in southwest Louisiana, and it has remained relatively stable at 12,000 jobs since 2014. The video production industry is essentially a non-entity in southwest Louisiana, with only 18 jobs.

Major Industries, Southwest Louisiana



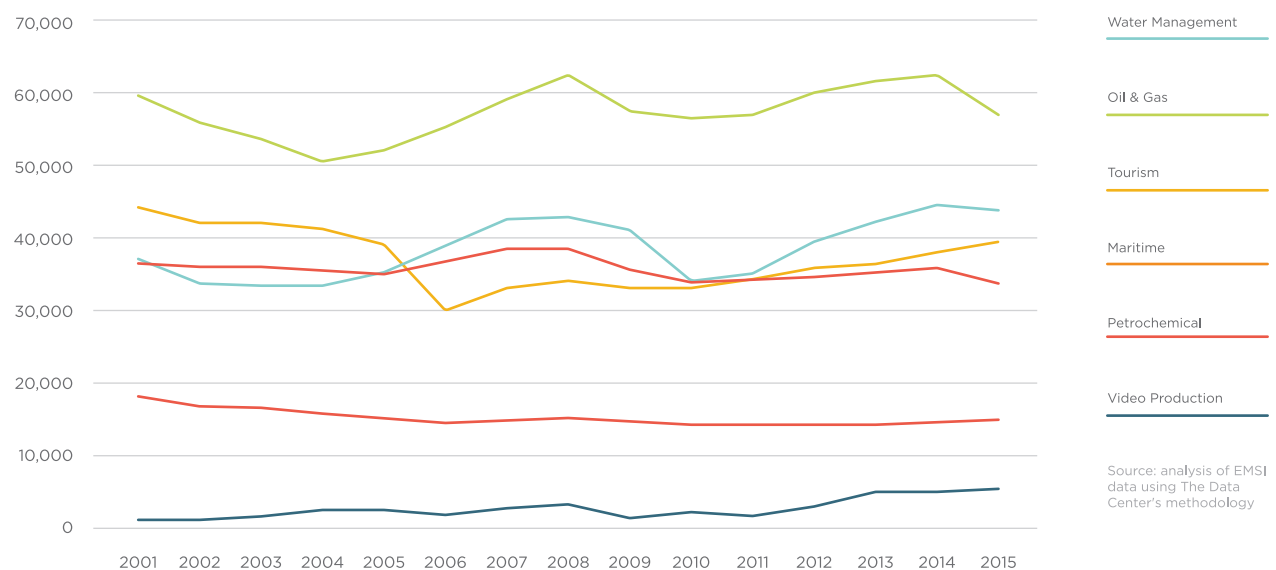
As in southeast Louisiana, in southwest Louisiana, job growth in the water management sector has significantly outpaced other industries. Since 2010, water management has seen a net gain of 3,784 jobs, while oil and gas has seen a net gain of only 1,165 jobs and petrochemical has seen a net gain of only 647 jobs. Although southwest Louisiana is not as large a part of the total Louisiana economy as southeast Louisiana is, it still represents 18 percent of all Louisiana jobs.

Job Growth by Major Industries, Southwest Louisiana (2010-2015)



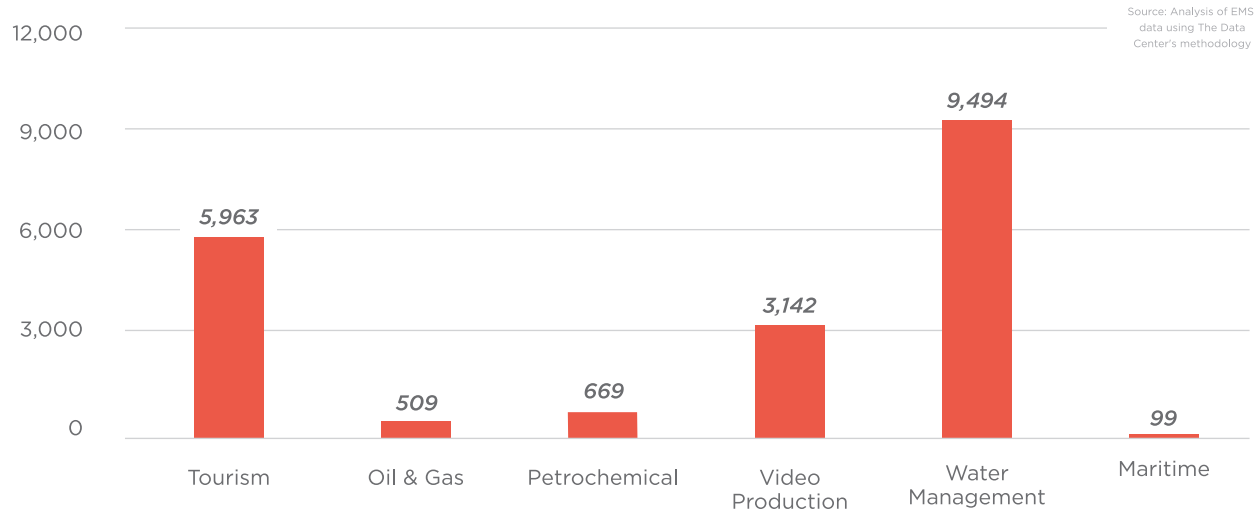
Combined, southeast and southwest Louisiana (or the Louisiana Coastal Zone)ⁱⁱⁱ represent 76 percent of the state's economy as measured by number of jobs. With nearly 44,000 jobs, water management is the second largest industry driver in coastal Louisiana. Oil and gas is currently the largest industry with 57,000 jobs – but is declining quickly from over 62,000 jobs only one year ago.

Major Industries, Louisiana Coastal Zone

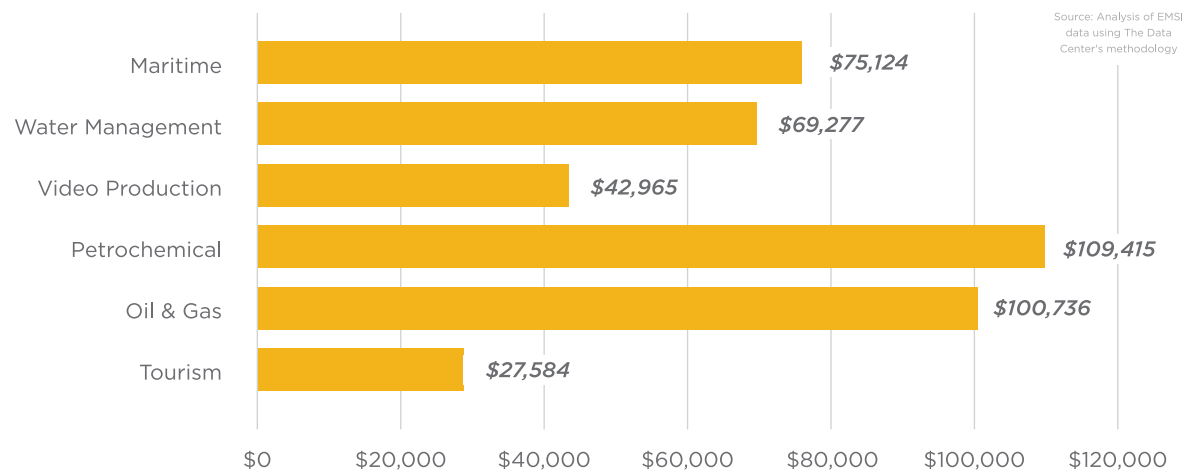


Since 2010, job growth in the water management sector has greatly outpaced all other major driver industries across the Louisiana Coastal Zone, as seen in the graphic below. And with an average wage of \$69,277 within coastal Louisiana, water management represents a significant workforce opportunity for moving Louisianians into the middle class. This average wage is significantly higher than video production and hospitality, which have average wages of \$42,965 and \$27,584 respectively.

Job Growth by Major Industries, Louisiana Coastal Zone (2010-2015)



Average Wages, Louisiana Coastal Zone (2014)



In Conclusion

Water management is a leading economic driver in coastal Louisiana, and it will likely continue to be for years to come. Funds dedicated to coastal restoration and related sectors will create jobs, contribute to the export economy and help protect communities. Investments in water management will also help protect Louisiana's other important industries, including oil and gas, petrochemical, maritime and tourism. Continued investment in water management will benefit not just coastal Louisiana, but the entire state – and the nation – that depends on the region.

About This Report

This analysis was conducted by the Restore the Mississippi River Delta Restoration Coalition, using methodology from The Data Center.

About the Restore the Mississippi River Delta Coalition

The Restore the Mississippi River Delta Coalition is working to protect people, wildlife and jobs by reconnecting the river with its wetlands. As our region faces the crisis of threatening land loss, we offer science-based solutions through a comprehensive approach to restoration. Composed of conservation, policy, science and outreach experts from Environmental Defense Fund, National Audubon Society, National Wildlife Federation, Coalition to Restore Coastal Louisiana and Lake Pontchartrain Basin Foundation, we are located in New Orleans and Baton Rouge, Louisiana; Washington, D.C.; and around the United States. Learn more at MississippiRiverDelta.org.

ⁱ The Data Center carefully defines industries that represent "drivers of the economy" or regional specializations with this explanation: "The trading, or 'export,' of products and services to other regions is the chief driver of regional growth and development. The sale of goods and services for local consumption is, on the other hand, more a consequence of the region's overall development than a driver of it. Economists generally agree that an increase (or decrease) in the number of traded jobs actually causes an increase (or decrease) in the number of local-serving jobs. Every regional economy has a number of traded jobs. However, the degree to which regional economies specialize in different traded industries varies greatly. We define specializations as traded clusters (defined by the U.S. Cluster Mapping Project) with a high concentration of total jobs relative to the United States. Quantifying and tracking these clusters over time requires a more sophisticated analysis than is typically available in regional economic reports, but doing so allows for a clearer understanding of the strengths and vulnerabilities of the New Orleans area economy."

ⁱⁱ https://s3.amazonaws.com/gnocdc/reports/TheDataCenter_TheNewOrleansIndexatTen.pdf

ⁱⁱⁱ The Louisiana Coastal Zone covers these metros: New Orleans-Metairie, LA; Morgan City, LA; Lake Charles, LA; Lafayette, LA; Houma-Thibodaux, LA; Hammond, LA; Bogalusa, LA; and Baton Rouge, LA.