

An aerial photograph showing a river with four parallel white structures extending from the right bank into the water. The structures are rectangular and appear to be part of a sediment diversion project. The river is dark, and the surrounding land is green with some brown patches. The sky is not visible.

THE ECONOMIC IMPACT OF CONSTRUCTING THE MID-BARATARIA AND MID-BRETON SEDIMENT DIVERSION PROJECTS

Loren C. Scott & Associates, Inc. | October 2019

TABLE OF CONTENTS

	EXECUTIVE SUMMARY	ii
I.	INTRODUCTION	1
	Two Sediment Diversion Projects	1
	Mid-Barataria Diversion Project Location	2
	A Division Structure	2
	Project Costs and Timing	2
	Purpose of Report	3
II.	METHODOLOGY	4
	The Multiplier Effect	4
	Measuring the Multiplier Effect	4
III.	MID-BARATARIA IMPACTS	5
	Impacts of Mid-Barataria on Plaquemines Parish Economy	5
	Impacts of Mid-Barataria on the Region Economy	6
IV.	MID-BRETON IMPACTS	8
	Impacts of Mid-Breton on Plaquemines Parish	8
	Impacts of Mid-Breton on the Region Economy	9
V.	COMBINED IMPACT OF MID-BARATARIA AND MID-BRETON	10
	Impacts of Both Projects on Plaquemines Parish	10
	Impacts of Both Projects on the Region Economy	11
VI.	BENEFITS ACROSS INDUSTRIES	13

EXECUTIVE SUMMARY

In an effort to arrest the loss of coastlands and wetlands in south Louisiana, two sediment diversion projects on the Mississippi River in Plaquemines Parish are planned for construction over 2021-27. The Mid-Barataria Sediment Diversion project would begin restoring land in the Barataria Bay, and the Mid-Breton Sediment Diversion project would provide land-building sediment to the Breton Bay. The schedule and amount to be spent building each structure is illustrated in Table EX-1. A total of \$1.85 billion dollars will be spent over seven years.

TABLE EX-1
 Construction Spending by Year on Mid-Barataria
 and Mid-Breton Sediment Diversion Projects
 (Dollar Amounts in Millions)

YEAR	MID-BARATARIA	MID-BRETON	TOTAL
2021	\$225.0	—	\$225.0
2022	\$325.0	—	\$325.0
2023	\$325.0	\$136.9	\$461.9
2024	\$200.0	\$197.8	\$397.8
2025	\$75.0	\$197.8	\$272.8
2026	—	\$121.7	\$121.7
2027	—	\$45.7	\$45.7
Total	\$1,150.0	\$700.0	\$1,850.0

This report examines the impact of this construction spending on two geographic areas: (1) Plaquemines Parish and (2) the “Region,” defined as Plaquemines, St. Bernard, Orleans and Jefferson Parishes. Over 2021-27, the impact on **Plaquemines Parish** is summarized as follows:

- **Sales** at businesses in the Parish will jump by nearly \$2.3 billion;
- Residents of the parish will enjoy a \$157.6 million increase in **household earnings** over seven years — a figure approximately equivalent to earnings of all fabricated metals and machinery manufacturing firms over seven years in the Parish;
- An average of 391 **jobs** a year will be supported by the spending — a number only slightly less than total employment in healthcare and social services (427) in the Parish. In the year of greatest expenditures (2023) a total of 687 jobs will be created; and

- Over the seven-year period, \$7.2 million will be added to the **treasury of local government in Plaquemines Parish** — an amount approximately equal to how much the Parish would collect from its Library Fund over that period.

The impact of this spending on the 4-parish **Region's** economy is as follows over 2021-27:

- **Business sales** at firms in the Region will increase by just over \$3.1 billion;
- **Household earnings** of citizens of the 4-parish Region will bump up by more than 4/5th of a billion dollars (\$809.2 million);
- An average of 2,255 **jobs** per year will be supported by the construction spending, with a peak of 3,962 jobs in 2023;
- A total of \$36.7 million will be added to the **coffers of local governments** in the Region; and
- Louisiana will collect an extra **\$56.6 million in state revenues** over the seven-year construction period (\$8.1 million annually), approximately equal to the amount the State collects from its transportation and communications utility tax.

It should be no surprise that the **industry segment** that will benefit the most from this spending will be construction firms, garnering about 82% of total sales created. However, in 2023 (the year of the largest amount of spending) over \$10 million in new spending will be enjoyed by firms in durable goods manufacturing, wholesale trade, nondurable goods manufacturing and firms in the professional/technical/scientific sector.

I. INTRODUCTION

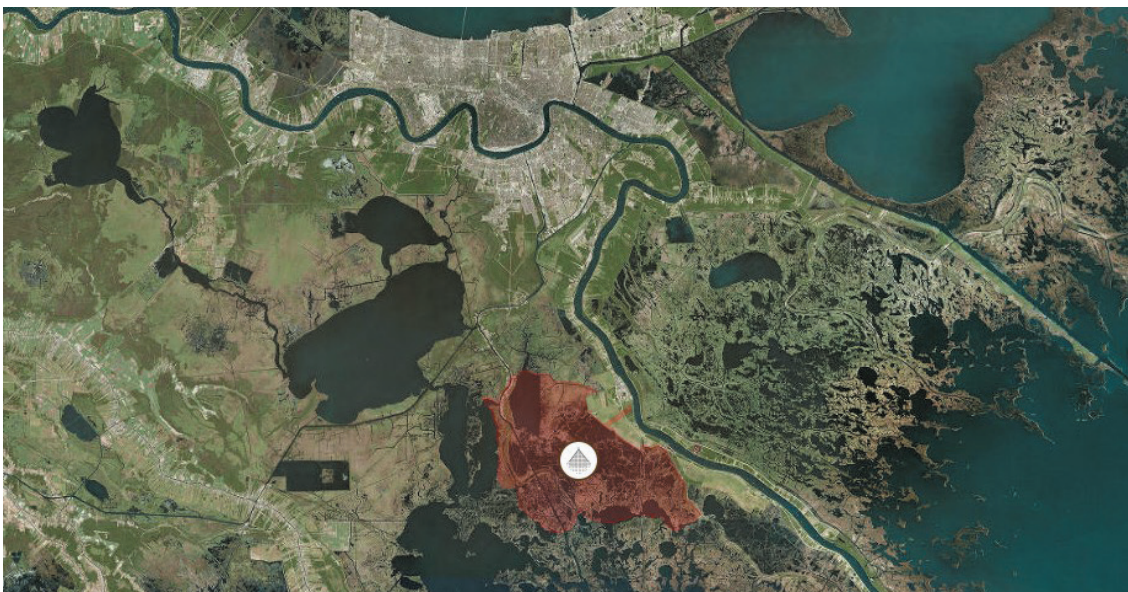
While putting levees on the Mississippi River dramatically reduced flooding along its path, there was at least one unintended consequence; sediments that once would have been dispersed across the central-eastern coast of Louisiana were instead moved directly out through the mouth of the river.

This sediment deprivation, along with sea level rise and saltwater intrusion has led to massive land loss along Louisiana's coast. Louisiana has lost about 1.2 million acres of land since the 1930's and is losing about a football field of land every 100 minutes. On either side of the river in Plaquemines Parish there are two basins: the Barataria Basin to the west, and the Breton Basin to the east. These two basins have lost an estimated 700 square miles (447,000 acres) of land, a loss representing one of the largest land loss rates in the world.¹

Two Sediment Diversion Projects

Scientists have been working for 30 years on a solution to this sediment loss, and a technique about to be implemented is two **sediment diversion projects**. The idea would be to strategically reestablish hydraulic flows so that land-building, marsh-nourishing freshwater and sediments can be injected into areas experiencing land loss. The two projects are known as the **Mid-Barataria and Mid-Breton Sediment Diversion Projects**. Figure 1 provides a handy visual of the location of the Mid-Barataria project and the Barataria Bay it is designed to help rebuild. It would be located near the town of Ironton, Louisiana, and about eight miles east of Lafitte, Louisiana. The Mid-Barataria project is expected to build and nourish 10,000-30,000 acres of wetlands over a 50-year period.

FIGURE 1
Mid-Barataria Diversion Project Location



1 "Mid-Barataria and Mid-Breton Sediment Diversions," Coastal Protection and Restoration Authority, http://coastal.la.gov/wp-content/uploads/2017/09/FAQs_MidBarataria-and-MidBreton-Sediment-Diversions-FINAL-web.pdf

Mid-Barataria Diversion Project Location

The Mid-Breton project would be located on the east side of the river, a few miles above the Mid-Barataria project and would be near the town of Wills Point, Louisiana. It would feed sediments into the Breton Bay area on the east side of the river in Figure 1. The Mid-Breton project is projected to build and maintain 16,000 acres of new lands in the basin in its first 50 years of operation.

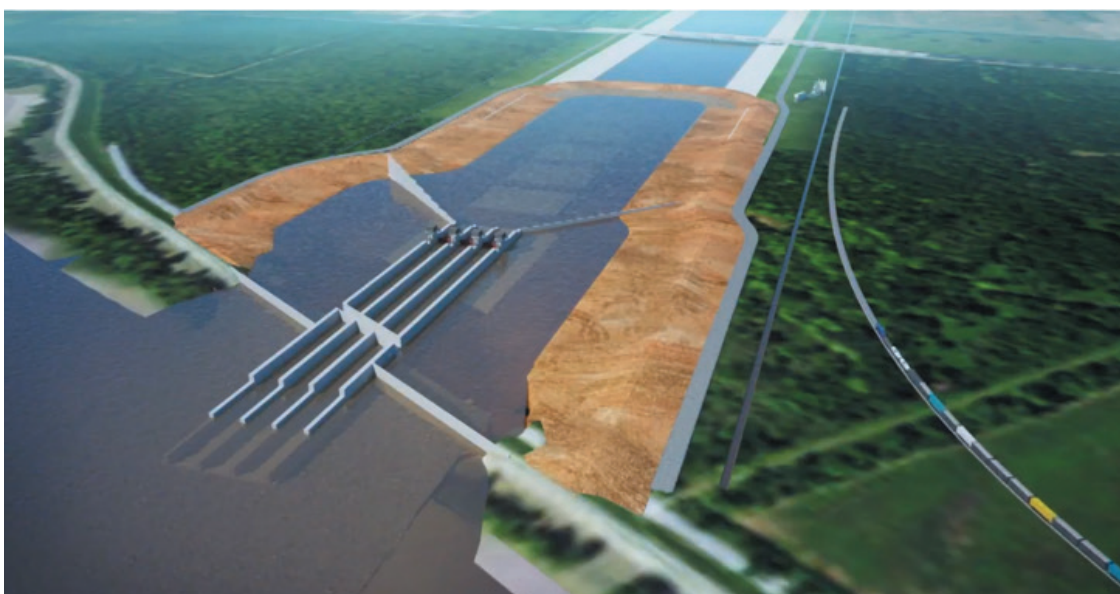
A Diversion Structure

Structures to manage the Mississippi River are not new to Louisiana. The general public is keenly aware of the Morganza and Bonnet Carré Spillways that were built to provide flood relief from the river. Indeed, the Bonnet Carré Spillway was opened twice in the spring of 2019 to provide just such relief. However, sediment diversion projects look much different (as seen in Figure 2), carry significantly less water and have a fundamentally different purpose than the spillways. Sediment diversions are designed specifically to capture sediments from the river and distribute them in areas suffering land loss.²

Project Costs and Timing

Currently, the Mid-Barataria project is scheduled for construction to start in 2021, and the Mid-Breton start date is 2023. Each project will take about five years to complete. The amount to be spent on each project by year is tabulated in Table 1.

FIGURE 2
A Sediment Diversion Project



2 <http://coastal.la.gov/our-work/key-initiatives/diversion-program/about-sediment-diversions/>

Note that construction of these two projects will inject a significant amount of new monies into Plaquemines Parish and the surrounding area. A total of **\$1,850,000,000** will be spent on both projects with the year of largest expenditures being 2023. In 2023 both projects will be underway, and a projected \$461.9 million will be spent in that year. Notably, the Mid-Barataria project will cost about 65% more (\$1.15 billion versus \$700 million) than the Mid-Breton Diversion project.

Purpose of Report

What will be the economic impacts of building these structures on (1) Plaquemines Parish and (2) the nearby “Region,” defined as Plaquemines, St. Bernard, Orleans and Jefferson Parishes? The focus of this report is strictly limited to that issue, i.e., the impact on these two geographic areas of the construction monies being injected into these two economies. We do not attempt to estimate the myriad of benefits accruing to these economies after the structures become operational.

In Section II we will address the methodology used to measure these benefits. Section III will be devoted to measuring the benefits of just the Mid-Barataria project on the two areas, while Section IV will address the impacts of constructing the Mid-Breton structure. Section V will provide a summary of the combined impacts of constructing both structures, and in Section VI data will be provided on which industries in Plaquemines Parish will benefit the most from construction of these two projects in the year of the highest construction expenditures: 2023.

TABLE 1
Construction Spending by Year on Mid-Barataria
and Mid-Breton Sediment Diversion Projects
(Dollar Amounts in Millions)

YEAR	MID-BARATARIA	MID-BRETON	TOTAL
2021	\$225.0	—	\$225.0
2022	\$325.0	—	\$325.0
2023	\$325.0	\$136.9	\$461.9
2024	\$200.0	\$197.8	\$397.8
2025	\$75.0	\$197.8	\$272.8
2026	—	\$121.7	\$121.7
2027	—	\$45.7	\$45.7
Total	\$1,150.0	\$700.0	\$1,850.0

Source: Environmental Defense Fund

II. METHODOLOGY

When the construction spending on these two structures is injected into these two geographic regions there is both a **direct** and a **multiplier effect** on the Parish and the Region. A helpful way of thinking of this methodology is to think of, for example, the Plaquemines Parish economy as a large economic pond. Into this pond, a rock has been dropped, labeled, “New construction monies on the Mid-Barataria and Mid-Breton structures.” This rock will make quite a splash, as we will demonstrate below. This initial splash is what we call the “direct effect” of the construction monies.

The Multiplier Effect

Once this rock hits the pond it will send ripples to the edge of the pond. For example, construction workers will take their new paychecks and spend those new monies in the parish at grocery stores, car dealerships, movie theaters, department stores, etc. This will create new earnings at these establishments, and those workers will spend their new earnings at other establishments in the region. The construction firms will spend money on equipment and supplies at stores in the region, creating new income for their owners and employees, who will take this new money and spend it at car dealerships, grocery stores, etc. This is the “**multiplier**” effect.

Measuring the Multiplier Effect

Fortunately, there is a handy tool available for measuring these multiplier effects: an **input/output (I/O) table**. I/O tables for Plaquemines Parish and the Region have been constructed by the Bureau of Economic Analysis (BEA) within the U.S. Department of Commerce. The BEA is the same governmental agency responsible for measuring the nation’s gross domestic product each quarter.

This I/O table can be used to estimate three separate impacts of the construction monies: the impact on (1) **sales** at firms in each area, (2) **household earnings** of citizens in each area, and (3) **jobs** in each area. We will also be able to estimate the impacts on **local and state tax collections** as a result of the spending.

III. MID-BARATARIA IMPACTS

In Table 2, we restate the pattern of construction spending on the Mid-Barataria Sediment Diversion Project. A total of **\$1,150,000,000** will be required to construct this project, with the years 2022 and 2023 being the years of maximum expenditures (\$325 million each year). The dates of construction are based on information available at this time and may slide forward depending on permitting and funding issues.

Impacts of Mid-Barataria on Plaquemines Parish Economy

The data in Table 2 were plugged into an I/O table for Plaquemines Parish in order to estimate the impact of this spending on the Parish economy. The results are documented in Table 3. The impacts on the Parish economy are certainly non-trivial. Over the five-year construction period, spending on building the Mid-Barataria project will create over **\$1.4 billion in new sales** at firms in the Parish. A portion of these sales dollars will end up as new household incomes for residents of the Parish. The I/O table estimate of this number is **\$98 million in new household earnings**.

Decision makers would be keenly interested in the number of new jobs created by this spending. I/O estimates are shown in Column four of Table 3. Over the five-year construction period, an average of **340 new jobs** will be created. However, the job creation number ranges from a high of 488 in the peak spending year of 2022 to a low of 105 jobs in the final year (and lowest spend year) in 2025. These calculations do not include any jobs that would be created in the final year for the ongoing operation and maintenance of the structures.

TABLE 2
Construction Costs of Mid-Barataria Sediment Diversion Project: 2021-2025
(Dollar Amounts in Millions)

YEAR	MID-BARATARIA
2021	\$225.0
2022	\$325.0
2023	\$325.0
2024	\$200.0
2025	\$75.0
Total	\$1,150.0

Source: Environmental Defense Fund

TABLE 3
Impacts of Constructing the Mid-Barataria Project on the Plaquemines Parish Economy: 2021-2025
(Dollar Amounts in Millions)

YEAR	SALES	EARNINGS	JOBS	LOCAL TAXES
2021	\$276.2	\$19.2	345	\$0.9
2022	\$398.9	\$27.7	488	\$1.3
2023	\$398.9	\$27.7	477	\$1.3
2024	\$245.5	\$17.0	287	\$0.8
2025	\$92.1	\$6.4	105	\$0.3
Total	\$1,411.5	\$98.0	340	\$4.4

Source: Authors' calculations

By dividing the jobs number in column four into the earnings number in column three for each year, one can determine the average wage of all the jobs created by this construction spending.³ For example, the average wage in 2021 is **\$55,555** (\$19.2 million/345). This number will rise slightly each year thereafter due to inflation. By way of comparison, the average annual wage across all workers in Louisiana in 2019 was \$46,488⁴, so the quality of jobs being created by this project is well above average for the state.

Finally, Table 3 presents estimates of additional local taxes that will be collected in the parish due to constructing the Mid-Barataria project. Greg Albrecht with the State Legislative Fiscal Office has estimated that for every dollar of new earnings created in an economy, approximately 4.54 cents is collected by local governments in sales taxes, property taxes, license fees, etc. Thus, the \$19.2 million in new earnings created in 2021 will result in an additional \$871,680 (rounded to \$0.9 million in Table 3) in new local revenues for Plaquemines Parish government. Over the 5-year construction period, local government in Plaquemines Parish will pick up an additional \$4.4 million in new revenues.

Impacts of Mid-Barataria on the Region Economy

When the “economic pond” is widened to include Plaquemines Parish plus Orleans, St. Bernard, and Jefferson Parishes (the Region), the economic impacts of constructing the Mid-Barataria Sediment Diversion Project will get larger because the ripple effects will spread out over a wider area. This is seen in Table 4, which documents the I/O table estimates of the impact of the new construction spending on the Region.

TABLE 4
Impacts of Constructing the Mid-Barataria Project
on the Region Economy: 2021-2025
(Dollar Amounts in Millions)

YEAR	SALES	EARNINGS	JOBS	LOCAL TAXES	STATE TAXES
2021	\$379.7	\$98.4	1,989	\$4.5	\$6.9
2022	\$548.4	\$142.2	2,812	\$6.5	\$10.0
2023	\$548.4	\$142.2	2,751	\$6.5	\$10.0
2024	\$337.5	\$87.5	1,655	\$4.0	\$6.1
2025	\$126.6	\$32.8	607	\$1.5	\$2.3
Total	\$1,940.6	\$503.0	1,963	\$22.8	\$35.2

Source: Authors' calculations

3 One cannot do this along the “Total” line in the table because the earnings are for all years combined, while the jobs number is the average over the five years.

4 http://www.laworks.net/LaborMarketInfo/LMI_WageDataAnnual2002toPresent.asp?year=2017

Note that all of the numbers in Table 4 are larger than those in Table 3 because the size of the economic pond has been increased. Over this 5-year construction phase (1) firms in the Region will enjoy a **\$1.9 billion increase in sales**, (2) citizens of the region will **find household earnings have risen by \$503 million**, and (3) an average of **1,963 jobs** per year will have been supported. The jobs number will range from a high of 2,812 in 2022 to a low of 607 in 2025. Clearly, this project will be a nice boon to the region over 2021-2025.

There will also be a nice boon for both local and state treasuries. We estimate that **local governments in the region will gather \$22.8 million in new revenues** over the five-year construction period. In the Legislative Fiscal Office, Albrecht has estimated that for every dollar of new earnings created, the State of Louisiana collects seven cents in new (non-mineral) revenues from sales, income, gasoline taxes and other revenues and fees. Thus, the new \$503 million in new earnings (bottom number in the third column) will generate an estimated **\$35.2 million in monies for the state treasury**. Note that this should be considered a lower bound estimate because if the size of the economic pond was extended to the whole state, the earnings numbers in column three would be even larger, and so would state revenue collections.

IV. MID-BRETON IMPACTS

In this section we address the impacts of the construction of the Mid-Breton Sediment Diversion Project on the Plaquemines Parish and Region economies. Table 5 shows the projected expenditures by year for this project. The Mid-Breton project will start later (2023 versus 2021) than the Mid-Barataria project and will cost about 61% of the cost of the structure.

Impacts of Mid-Breton on Plaquemines Parish

What will be the impact of the new spending in Table 5 on the Plaquemines Parish economy? Table 6 provides the answer from the I/O table for the parish.

Even though expenditures are notably smaller on this structure, the impacts on the parish economy are still quite significant. According to the I/O table, over the 5-year construction cycle this spending will create **\$859.2 million in new sales** at firms located in the parish, and of this amount **\$59.6 million will end up as new income** in the pockets of parish citizens.

Over 2023-27, an average of **207 new jobs** will be generated by the spending, with the job creation number ranging from a low of 64 jobs in 2027 to a high of 297 jobs in the peak spending year of 2025. Using the Albrecht rule for estimating local government revenues (4.54 cents for every \$1 of new earnings created), we estimate that local government in Plaquemines Parish will collect an extra **\$2.7 million** over 2023-27 from construction of the Mid-Breton structure.

TABLE 5

Construction Costs of Mid-Breton
Sediment Diversion Project: 2023-2027
(Dollar Amounts in Millions)

YEAR	MID-BRETON
2023	\$136.9
2024	\$197.8
2025	\$197.8
2026	\$121.7
2027	\$45.7
Total	\$700.0

Source: Environmental Defense Fund

TABLE 6

Impacts of Constructing the Mid-Breton Project
on the Plaquemines Parish Economy: 2023-2027
(Dollar Amounts in Millions)

YEAR	SALES	EARNINGS	JOB	LOCAL TAXES
2023	\$168.1	\$11.7	210	\$0.5
2024	\$242.8	\$16.9	297	\$0.8
2025	\$242.8	\$16.9	290	\$0.8
2026	\$149.4	\$10.4	175	\$0.5
2027	\$56.1	\$3.9	64	\$0.2
Total	\$859.2	\$59.6	207	\$2.7

Source: Authors' calculations

Impacts of Mid-Breton on the Region Economy

In this sub-section, we widen the economic pond to see the impact of the Mid-Breton project on the region's economy. I/O table results are illustrated in Table 7.

As expected, the numbers in Table 7 are significantly larger than those in Table 6 because the economic pond is bigger, which means the ripple effects are larger as well. According to the I/O table estimates, the five-year period of constructing the Mid-Breton Sediment Diversion Project will generate nearly **\$1.2 billion in new sales** for firms in the region. Some monies from these new sales will flow into the pocketbooks of residents of the Region, an amount estimated at **\$306.2 million in new earnings**.

There are, of course, new jobs associated with those earnings. We estimate that on average **1,195 jobs** will be produced by this construction spending, a number that will range from a low of 370 jobs in 2027 to a high of 1,712 in 2024 (one of the peak spend years).

Using the Albrecht rule (4.54 cents of local government revenues for every dollar of new earnings) we calculate that over the five-year construction period **local governments in the region will collect an additional \$13.9 million in new revenues**. Using the Albrecht rule for state revenues (seven cents of new state revenues for every dollar of new earnings) we estimate the **state will collect an additional \$21.4 million** in revenues over Mid-Breton's five-year construction cycle. Again, the state revenue estimate should be considered a lower bound figure, as the ripple effects would have created even more earnings statewide had we used a statewide I/O table (a bigger economic pond).

TABLE 7
Impacts of Constructing the Mid-Breton Project
on the Region Economy: 2023-2027
(Dollar Amounts in Millions)

YEAR	SALES	EARNINGS	JOBS	LOCAL TAXES	STATE TAXES
2023	\$231.1	\$59.9	1,210	\$2.7	\$4.2
2024	\$333.8	\$86.5	1,712	\$3.9	\$6.1
2025	\$333.8	\$86.5	1,674	\$3.9	\$6.1
2026	\$205.4	\$53.2	1,008	\$2.4	\$3.7
2027	\$77.1	\$20.0	370	\$0.9	\$1.4
Total	\$1,181.3	\$306.2	1,195	\$13.9	\$21.4

Source: Authors' calculations

V. COMBINED IMPACT OF MID-BARATARIA AND MID-BRETON

Since there is some overlap in the timing of construction of these two projects, readers may be interested in the **total impact** of all the construction spending on the Mid-Barataria and Mid-Breton Sediment Diversion Projects by year. For ease of reference, we recreate the data for Table 1 in Table 8 below. Table 8 shows the pattern of spending on both projects over 2021 to 2027. The highest spending years will be 2023 (\$461.9 million) and 2024 (\$397.8 million). The last two years — 2026 (\$121.7 million) and 2027 (\$45.7 million) — are the lowest expenditure years.

Impacts of Both Projects on Plaquemines Parish

Table 9 essentially sums up the data back in Tables 3 and 6 across the appropriate years. First, note the numbers along the bottom line of the table. Construction will be taking place over seven years on these two large projects and the impacts are impressive. Over these seven years nearly **\$2.3 billion in new sales** will be generated for firms in Plaquemines Parish that otherwise would not have occurred. New sales will translate into new earnings for parish residents. According to the I/O table, citizens of Plaquemines Parish will enjoy a **\$157.6 million bump in their earnings** while the construction is going on, which is approximately the same as the earnings of all fabricated metals and machinery manufacturing employees in the parish.⁵

These two projects will be significant job creators during the construction phase, creating an average of **391 jobs per year** — a number only slightly less than total employment in all of healthcare and social

TABLE 8
Construction Spending by Year on Mid-Barataria
and Mid-Breton Sediment Diversion Projects
(Dollar Amounts in Millions)

YEAR	MID-BARATARIA	MID-BRETON	TOTAL
2021	\$225.0	—	\$225.0
2022	\$325.0	—	\$325.0
2023	\$325.0	\$136.9	\$461.9
2024	\$200.0	\$197.8	\$397.8
2025	\$75.0	\$197.8	\$272.8
2026	—	\$121.7	\$121.7
2027	—	\$45.7	\$45.7
Total	\$1,150.0	\$700.0	\$1,850.0

Source: Louisiana Coastal Protection and Restoration Authority

5 <https://apps.bea.gov/iTable/download.cfm>

services (427) in the parish.⁶ However, employment will peak in 2023 at 687 jobs before dropping to a low of 64 jobs in the final construction year. These calculations do not include jobs that would be created in the final year for the ongoing operation and maintenance of the structures. Readers are reminded that these jobs pay on average **\$55,555 annually**, a figure substantially above the statewide average of \$46,488.⁷

Local government will be another nice beneficiary of constructing of these two diversion projects. As seen in the last column of Table 9, over the seven-year build out, local governments should collect about \$7.2 million in additional sales taxes, property taxes, license fees and other revenues. As a reference point in 2018 the parish collected slightly over \$1 million in revenues for the library fund.⁸ In essence, taxes collected from the construction of these two projects could match that fund every year for seven years.

Impacts of Both Projects on the Region Economy

To determine the combined effects of these two projects on the larger regional economy, we sum together the individual project data (by year) derived back in Tables 4 and 7. The results are shown in Table 10. Again, these numbers are all significantly larger than those for just Plaquemines Parish (Table 9) because the economic pond is much bigger.

TABLE 9
Impacts of Constructing the Mid-Barataria & Mid-Breton Projects
on the Plaquemines Parish Economy: 2021-2027
(Dollar Amounts in Millions)

YEAR	SALES	EARNINGS	JOBS	LOCAL TAXES
2021	\$276.2	\$19.2	345	\$0.9
2022	\$398.9	\$27.7	488	\$1.3
2023	\$567.0	\$39.4	687	\$1.8
2024	\$488.3	\$33.9	584	\$1.5
2025	\$334.9	\$23.2	396	\$1.1
2026	\$149.4	\$10.4	175	\$0.5
2027	\$56.1	\$3.9	64	\$0.2
Total	\$2,270.7	\$157.6	391	\$7.2

Source: Authors' calculations

⁶ http://www.laworks.net/LaborMarketInfo/LMI_WageDataAnnual2002toPresent.asp?year=2017

⁷ See footnote 4.

⁸ <https://plaqueminesparish.com/wp-content/uploads/2019/01/2019OriginalBudgetsecured.pdf>, p.12

Table 10 contains the largest impact numbers we have encountered because (1) impacts of both projects are being summed and (2) the impact area is four parishes, not just one. The business sales impact in these four parishes is particularly impressive: **over \$3.1 billion in new business sales**. Households in the Region should experience a bump in **earnings of over 4/5ths of a billion dollars (\$809.2 million)**.

Job impacts are equally impressive: an average of **2,255 jobs a year**. In the year of greatest spending — 2023, when both projects are underway — almost 4,000 jobs (3,962) will be supported by these two construction projects.

Individuals will not be the only ones benefitting from this huge injection of construction dollars into the region; governments will benefit as well. **Local government revenues should rise by \$36.7 million** over the seven-year construction cycle. At the state level, state government should experience an injection of an estimated **\$56.6 million into the treasury**, or about \$8.1 million per year. As a reference point, that is approximately what the State of Louisiana collects from its transportation and communications utilities tax.⁹

TABLE 10
Impacts of Constructing the Mid-Barataria & Mid-Breton Projects
on the Region Economy: 2021-2027
(Dollar Amounts in Millions)

YEAR	SALES	EARNINGS	JOBS	LOCAL TAXES	STATE TAXES
2021	\$379.7	\$98.4	1,989	\$4.5	\$6.9
2022	\$548.4	\$142.2	2,812	\$6.5	\$10.0
2023	\$779.5	\$202.0	3,962	\$9.2	\$14.1
2024	\$671.3	\$174.0	3,367	\$7.9	\$12.2
2025	\$460.4	\$119.3	2,281	\$5.4	\$8.4
2026	\$205.4	\$53.2	1,008	\$2.4	\$3.7
2027	\$77.1	\$20.0	370	\$0.9	\$1.4
Total	\$3,121.9	\$809.2	2,255	\$36.7	\$56.6

Source: Authors' calculations

9 [http://revenue.louisiana.gov/Publications/LDR_Annual_Report\(2017-2018\)D32.pdf](http://revenue.louisiana.gov/Publications/LDR_Annual_Report(2017-2018)D32.pdf), p.8

VI. BENEFITS ACROSS INDUSTRIES

Back in Table 8 we documented that 2023 would be the year of the largest amount of spending on the Mid-Barataria and Mid-Breton Sediment Diversion projects combined. The amount scheduled to be spent that year is \$461.9 million. Readers may be interested to learn which industries in Plaquemines Parish should gain the most from construction spending in that year.

The I/O table answer to that question is shown in Table 11 (shown on next page). Here, the gains in business sales, household earning and jobs are allocated across industries. Note that the bottom line numbers in this table match the 2023 numbers for sales, earnings and jobs back in Table 9.¹⁰

Unsurprisingly, the industry that gains the most from construction spending on these two projects in 2023 is the construction sector. Firms in that sector should pick up \$462.5 million in new sales (82% of all sales created), and workers in the construction sector should pick up an additional \$28.7 million in new earnings. It is also the sector that dominates in terms of jobs supported at 447 — about 69% of total jobs created.

While the construction sector is the big winner, over \$10 million in new sales will be picked up in four sectors: (1) durable goods manufacturing (\$23 million), (2) wholesale trade (\$21.5 million), (3) nondurable goods manufacturing (\$15.4 million), and (4) professional/technical/scientific (\$10.6 million). After the construction sector, the top sectors in earnings gained should be: (1) wholesale trade (\$2.3 million), (2) professional/technical/scientific (\$2.1 million), (3) retail trade (\$1.7 million), and (4) durable goods manufacturing (\$1.2 million). Clearly, there are some big winners across several sectors in the Plaquemines Parish economy from building these two structures.

¹⁰ The jobs numbers do not match exactly due to rounding.

TABLE 11
Impacts on Individual Industries in Plaquemines Parish
of Constructing the Mid-Barataria & Mid-Breton Projects: 2023
(Dollar Amounts in Millions)

INDUSTRY	SALES	EARNINGS	JOBS
Agriculture, Forestry, Fishing, and Hunting	\$0.2	\$0.0	1
Mining	\$4.2	\$0.3	2
Utilities	\$1.9	\$0.2	2
Construction	\$462.5	\$28.7	447
Durable Goods Manufacturing	\$23.0	\$1.2	20
Nondurable Goods Manufacturing	\$15.4	\$0.9	7
Wholesale Trade	\$21.5	\$2.3	32
Retail Trade	\$5.9	\$1.7	57
Transportation and Warehousing	\$7.9	\$0.4	7
Information	\$0.0	\$0.0	0
Finance and Insurance	\$1.0	\$0.1	2
Real Estate and Rental and Leasing	\$6.8	\$0.5	11
Professional, Scientific, and Technical Services	\$10.6	\$2.1	30
Management of Companies and Enterprises	\$0.1	\$0.0	0
Administrative and Waste Management Services	\$1.9	\$0.2	6
Educational Services	\$0.3	\$0.0	2
Health Care and Social Assistance	\$0.7	\$0.2	5
Arts, Entertainment, and Recreation	\$0.2	\$0.0	1
Accommodation	\$0.3	\$0.0	1
Food Services and Drinking Places	\$0.7	\$0.1	4
Other Services	\$1.6	\$0.3	9
Households	\$0.0	\$0.0	1
Total	\$567.0	\$39.4	648

Source: Authors' calculations

THE ECONOMIC IMPACT OF CONSTRUCTING THE MID-BARATARIA AND MID-BRETON SEDIMENT DIVERSION PROJECTS

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