THE ECONOMIC IMPACT OF CONSTRUCTING THE MID-BARATARIA SEDIMENT DIVERSION PROJECT

May 2024
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EXECUTIVE SUMMARY

Planning is in the final stage to construct the Mid-Barataria Sediment Diversion (MBSD) project on the Mississippi River, with an eye to using the diverted sediment to start rebuilding parts of the Louisiana coast lost when the river was diked. Over a 5-year period, more than $1.6 billion is projected to be spent in Louisiana on constructing the structure and funding fisheries and community mitigation efforts. This will be one of the largest capital projects in the history of Plaquemines Parish (exceeded only by the Venture Global LNG export terminal).

In this study, input-output (I/O) tables have been used to estimate the impact of this spending on two geographic areas: the Plaquemines Parish economy, and (2) the Region economy. The latter is defined as Plaquemines, St. Bernard, Orleans, Jefferson, and St. Tammany Parishes. Our findings are summarized below.

Impacts on Plaquemines Parish Economy:

The data in Table EX-1 illustrate the I/O estimates of the impacts of this spending on the Plaquemines Parish economy.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES</th>
<th>EARNINGS</th>
<th>JOBS</th>
<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$421.2</td>
<td>$62.1</td>
<td>627</td>
<td>$11.6</td>
</tr>
<tr>
<td>Year 2</td>
<td>$414.6</td>
<td>$61.5</td>
<td>604</td>
<td>$13.1</td>
</tr>
<tr>
<td>Year 3</td>
<td>$449.9</td>
<td>$64.6</td>
<td>641</td>
<td>$14.7</td>
</tr>
<tr>
<td>Year 4</td>
<td>$396.9</td>
<td>$76.6</td>
<td>559</td>
<td>$16.3</td>
</tr>
<tr>
<td>Year 5</td>
<td>$196.4</td>
<td>$43.3</td>
<td>272</td>
<td>$9.7</td>
</tr>
<tr>
<td>Total</td>
<td>$1,879.0</td>
<td>$308.2</td>
<td>540*</td>
<td>$65.4</td>
</tr>
</tbody>
</table>

*Jobs total represents an average over the 5-year period. | Source: Authors’ calculations

Note along the bottom line of this table that all this spending is projected to create:

- A whopping **$1.9 billion in new sales** at firms in the Parish;
- **$308.2 million in new earnings** — an average of **$61.6 million a year** — for Parish residents;
  - As a reference point, this $61.6 million figure is almost equal to the of earnings of all workers in the Parish’s entire construction sector ($64.7 million in 2022).
- An average of **540 new jobs** for Parish residents, with a peak of 641 jobs in Year 3, and;
  - This is slightly more than the total number of people working in the Parish’s entire healthcare and social services sector (535 jobs in 2023-IV).
• This implies an average \textbf{annual wage of $114,148} (($308.2 \text{ million}/5)/540). This is nearly 50% higher than the average annual wage in the Parish of $76,648, reflecting that these are particularly high-wage jobs.

• \textbf{65.4 million in revenues for local governments} or just over $13 million per year.

  • As a reference point, over FY19-FY21 — before construction began on the huge Venture Global LNG export facility — the Parish was averaging $16.9 million a year in sales tax collections. \textbf{The diversion project will generate almost a year’s worth of sales tax collections every year for 5 years.}

\textbf{Impacts on Region Economy:}

The data in Table EX-2 illustrate the I/O estimates of the impacts of this spending on the 5-parish Region economy.

\begin{table}[h]
\centering
\begin{tabular}{|c|c|c|c|c|}
\hline
\textbf{YEAR} & \textbf{SALES} & \textbf{EARNINGS} & \textbf{JOBS} & \textbf{TAXES} \\
\hline
Year 1 & $628.4 & $219.9 & 3,575 & $20.2 \\
Year 2 & $618.4 & $216.5 & 3,441 & $21.4 \\
Year 3 & $670.0 & $232.8 & 3,647 & $23.8 \\
Year 4 & $603.9 & $228.1 & 3,229 & $24.5 \\
Year 5 & $302.5 & $119.3 & 1,585 & $16.8 \\
\hline
Total & $2,823.3 & $1,016.6 & 3,095* & $103.6 \\
\hline
\end{tabular}
\caption{Total Impacts on the Plaquemines Port Region: Year 1 through Year 5 (Dollar Amounts in Millions)}
\end{table}

*Jobs total represents an average over the 5-year period. | Source: Authors’ calculations

Note along the bottom line of this table that all this spending is projected to create:

• Over \textbf{$2.8 \text{ billion in new sales}}$ at businesses in the Region;

• Over \textbf{$1 \text{ billion in new earnings}}$ ($1,016.6 \text{ million}) for households in the Region, or an average of $203.3 \text{ million a year};

  • Total earnings of all residents of Plaquemines Parish in 2022 (latest data available) was $778.8 million. Over this project’s 5-year cycle, its earnings generating power exceeded annual earnings of all Plaquemines Parish citizens by 30%.

  • On an annual basis, the $203.3 million generated by the project almost equals the total earnings of all Plaquemines Parish citizens in the transportation/ warehousing sector ($225.4 million).

• An average of \textbf{3,095 jobs} a year in the Region, with a peak of 3,647 jobs in Year 3. And;
In April, 2024 total employment in Plaquemines Parish was 9,423. Effectively, this project will create a number of jobs across these 5 parishes that exceeds Plaquemines Parish employment by 30%.

This number is approximately equal to total employment in West Carroll Parish (3,181).

This implies an **average annual wage for these jobs of $65,687**, a figure 14% higher than the average wage in Louisiana ($57,564) meaning these are higher wage jobs.

$103.6 million for local governments in the 5-parish Region, or an average of $20.7 million a year

From FY19 to FY21 (before construction start of the Venture Global project), Plaquemines Parish sales tax collections averaged $16.9 million a year. The annual local government revenues across these 5 parishes ($20.7 million) exceeds that figure by 23%.

These estimates demonstrate that the land-gain benefits are not the only benefits associated with this project. It will also provide a major stimulus to the economies of Plaquemines Parish and the 5-parish Region.

**FIGURE A**

*Construction underway at the Bayou Grande Chenier Marsh & Ridge Restoration project in Plaquemines Parish*

Image by Mohammad Shahhosseini / EDF
TABLES & FIGURES

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I. INTRODUCTION

While putting levees on the Mississippi River dramatically reduced flooding along its path and provided navigation benefits to the state and nation, 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 salt water 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

The Mid-Barataria Sediment Diversion (MBSD) Project

Scientists have been working for 30 years on a solution to this sediment loss, and one technique about to be implemented is the **Mid-Barataria Sediment Diversion (MBSD) project**. The MBSD project will strategically reestablish hydrologic flows so that land-building, marsh-nourishing freshwater sediments can be injected into the Mid-Barataria Basin area experiencing land loss. Figure 1 provides a handy visual of the location of the MBSD project and the Barataria Basin 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 MBSD project is expected to build and nourish 10,000-30,000 acres of wetlands over a 50-year period.

A Diversion Structure

Diversion structures on the Mississippi River are not new to Louisiana, but a sediment diversion project looks much different as seen in Figure 2. This is designed specifically to capture sediments from the Mississippi River and deposit them in areas suffering land loss.²

Project Costs & Timing

The purpose of this report is to update the impacts of the MBSD project. Construction of the MBSD project started in June 2023, with the official ground-breaking taking place in August 2023. It will take over five years to complete. Because the exact construction period has not been pinned down at this writing, impacts will be estimated by Year 1, Year 2, etc., instead of 2023, 2024, etc.

It is important to note that the cost of this project involves more than just the cost of constructing the structure, which is estimated at just over $1.8 billion. In addition, another $54 million will be spent on fisheries mitigation. These mitigation expenditures include building of new oyster beds, enhancing existing oyster beds, shrimp and crab gear improvements, and marketing of oysters, shrimp, crab and finfish, among other expenditures.

In addition, some nearby communities will be impacted by the new diversion structure. Almost $200 million will be provided for community mitigation. Monies will be spent to construct a community bulkhead around some communities, the raising of some piers and docks, and the buyout of some who wish to just leave the area. A total of $378 million has been set aside for mitigations.

FIGURE 2
A Sediment Diversion Project

² http://coastal.la.gov/our-work/key-initiatives/diversion-program/about-sediment-diversions/
Purpose of Report

What will be the economic impacts of building this structure and fisheries/community mitigation on (1) Plaquemines Parish and (2) the nearby “Region” — defined as Plaquemines, St. Bernard, Orleans, St. Tammany, 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 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 the MBSD project on the Plaquemines Parish economy, while Section IV will address the impacts of the project on the Region economy.

Project Expenditures

The starting point for estimating these impacts is to determine how much new spending will be injected into the Louisiana economy associated with the MBSD project. Officials with the Environmental Defense Fund and the Fund to Restore the Mississippi Delta (MRD) provided data on the three types of spending: (1) monies to construct the diversion project, (2) the dollars for fisheries mitigation, and (3) community mitigation spending.

Every effort was made to include only that spending that would take place in Louisiana. For example, spending on a piece of equipment manufactured in Kansas will help that state, but will not impact Louisiana. In the case of constructing the $1.8 billion diversion facility, about one-third of that figure ($615 million) is expected to be spent out-of-state. These monies are not included in our impact analysis.
All of the expenditures can be broken down into three broad categories, as seen in Table 1: (1) construction spending ($1,427.3 million), (2) other programmatic payments ($146.4 million), and (3) advertising expenditures ($4 million). The year of highest spending is projected to be Year 3 ($383.7 million). The last figure in Table 1 indicates what a huge project this will be, with total expenditures of over $1.6 billion. This will be one of the largest capital projects in the history of Plaquemines Parish, exceeded only by the huge Venture Global LNG export facility.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>CONSTRUCTION</th>
<th>PROGRAMMATIC PAYMENTS</th>
<th>ADVERTISING</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
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<td>$25.9</td>
<td>$2.0</td>
<td>$358.5</td>
</tr>
<tr>
<td>Year 2</td>
<td>$317.0</td>
<td>$25.9</td>
<td>$0.0</td>
<td>$354.5</td>
</tr>
<tr>
<td>Year 3</td>
<td>$342.6</td>
<td>$25.9</td>
<td>$2.0</td>
<td>$383.7</td>
</tr>
<tr>
<td>Year 4</td>
<td>$299.7</td>
<td>$42.4</td>
<td>$0.0</td>
<td>$356.1</td>
</tr>
<tr>
<td>Year 5</td>
<td>$147.3</td>
<td>$26.4</td>
<td>$0.0</td>
<td>$181.9</td>
</tr>
<tr>
<td>Total</td>
<td>$1,427.3</td>
<td>$146.4</td>
<td>$4.0</td>
<td>$1,634.7</td>
</tr>
</tbody>
</table>

* Jobs total represents an average over the 5-year period. | Source: Authors’ calculations
II. METHODOLOGY

When the spending on this project 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 will be dropped labeled “new monies spent on the MBSD Project.” 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 at grocery stores, car dealerships, movie theaters, department stores, etc., in the Parish. 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**. An 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 tax collections** as a result of the spending.
III. PROJECT IMPACTS ON PLAQUEMINES PARISH

Note that construction of this project will inject a significant amount of new monies into Plaquemines Parish and the surrounding Region. This section is devoted to estimating the impact on the Plaquemines Parish economy.

Impacts of Construction Spending: Plaquemines Parish

As seen back in Table 1, a total of $1,427,300,000 will be spent on construction projects involved with the MBSD. This is by far the largest component of the $1,634.7 million in total that will be spent on the project. The year of largest expenditures will be Year 3. These monies were injected into the I/O table for Plaquemines Parish to determine the economic impacts of this construction component. The results are shown in Table 2.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES</th>
<th>EARNINGS</th>
<th>JOBS</th>
<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$412.3</td>
<td>$35.3</td>
<td>605</td>
<td>$10.2</td>
</tr>
<tr>
<td>Year 2</td>
<td>$408.0</td>
<td>$34.9</td>
<td>586</td>
<td>$11.6</td>
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<tr>
<td>Year 3</td>
<td>$441.0</td>
<td>$37.7</td>
<td>620</td>
<td>$13.2</td>
</tr>
<tr>
<td>Year 4</td>
<td>$386.0</td>
<td>$33.0</td>
<td>531</td>
<td>$14.0</td>
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<tr>
<td>Year 5</td>
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<td>255</td>
<td>$8.2</td>
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<tr>
<td>Total</td>
<td>$1,836.9</td>
<td>$157.1</td>
<td>519*</td>
<td>$57.2</td>
</tr>
</tbody>
</table>

*Jobs total represents an average over the 5-year period. | Source: Authors’ calculations

According to the Parish I/O table, over the 5-year construction period this spending will create:

- Over $1.8 billion in new sales at businesses in the Parish;
- $157.1 million in new earnings for Parish citizens;
- An average of 519 jobs for residents of the Parish, with a high of 620 jobs in Year 3, and;
- $57.2 million in new revenues for local governments in the Parish.

This latter number bears some additional explanation. The local government revenues are derived from two sources. First, when the construction company installs new machinery, materials, or equipment at the site — no matter the source — Plaquemines Parish is allowed to charge a sales tax on the value of...
those items. Of this total of $57.2 million in new revenues, $48.7 million is derived from this source.

The remaining $8.5 million is the money the Parish government secures from the spending of the $157.1 million in new earnings generated by this construction spending (see the bottom of the earning column in Table 2). Dr. James Richardson of LSU’s Public Administration Institute has estimated that for every new dollar of earnings in a parish, that parish collects 5.4 cents in additional sales taxes, property taxes, and other licenses and fees. The calculation: $157,100,000 X 0.054 = $8.5 million.

**Impacts of Mitigation Programs and Advertising: Plaquemines Parish**

As noted in Table 1, $146.4 million will be spent on mitigation program implementation over this 5-year period, and another $4 million will be spent on advertising to promote the consumption of oysters, crabs, shrimp, and finfish. The mitigation payments will be made to people to buyout their homes, to raise homes, make sewer/septic repairs, acquire servitudes, etc., because communities next to the project may experience increased water elevations from the flow of the sediment diversion. When the sum of the two — $150.4 million — was injected into the Parish I/O table, the impacts results are shown in Table 3.

These impacts are naturally much smaller than the impacts of almost $1.5 billion in construction spending, but these payments are significant, nonetheless. According to the Parish I/O table, over this 5-year period, this spending will generate:

- **$42.1 million in new sales** at businesses in the Parish;
- **$151 million in additional household earnings** for Parish residents;
- An average of **21 jobs**, with a peak of 28 jobs in Year 4, and;
- **$8.2 million in new revenues** for local governments in the Parish.

**TABLE 3**

*Impacts of Mitigation Payments and Advertising on Plaquemines Parish: Year 1 through Year 5*

*(Dollar Amounts in Millions)*

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES</th>
<th>EARNINGS</th>
<th>JOBS</th>
<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$8.9</td>
<td>$26.9</td>
<td>22</td>
<td>$1.5</td>
</tr>
<tr>
<td>Year 2</td>
<td>$6.6</td>
<td>$26.6</td>
<td>18</td>
<td>$1.4</td>
</tr>
<tr>
<td>Year 3</td>
<td>$8.9</td>
<td>$26.9</td>
<td>21</td>
<td>$1.5</td>
</tr>
<tr>
<td>Year 4</td>
<td>$10.9</td>
<td>$43.6</td>
<td>28</td>
<td>$2.4</td>
</tr>
<tr>
<td>Year 5</td>
<td>$6.8</td>
<td>$27.1</td>
<td>17</td>
<td>$1.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$42.1</strong></td>
<td><strong>$151.0</strong></td>
<td><strong>21</strong>*</td>
<td><strong>$8.2</strong></td>
</tr>
</tbody>
</table>

*Jobs total represents an average over the 5-year period. | Source: Authors’ calculations
Impacts of All Spending: Plaquemines Parish

The data in Table 4 sum the impacts shown separately in Tables 2 and 3, so the readers can see the total impacts of all the spending associated with the diversion project. Note that the largest impacts are in the year of the largest amount of construction spending — Year 3.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES</th>
<th>EARNINGS</th>
<th>JOBS</th>
<th>TAXES</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>$421.2</td>
<td>$62.1</td>
<td>627</td>
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<tr>
<td>Year 2</td>
<td>$414.6</td>
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<tr>
<td>Year 3</td>
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<td>Year 4</td>
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<td>641</td>
<td>$16.3</td>
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<tr>
<td>Year 5</td>
<td>$196.4</td>
<td>$43.3</td>
<td>559</td>
<td>$9.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,879.0</strong></td>
<td><strong>$308.2</strong></td>
<td><strong>540</strong>*</td>
<td><strong>$65.4</strong></td>
</tr>
</tbody>
</table>

*Jobs total represents an average over the 5-year period. | Source: Authors’ calculations

It is obvious, and not unexpected, that the Parish economy is a huge benefactor from this 5-year project. Note along the bottom line of this table that all this spending is projected to create:

- A whopping **$1.9 billion in new sales** at firms in the Parish;
- **$308.2 million in new earnings** — an average of $61.6 million a year — for Parish residents;
  - As a reference point, this $61.6 million figure is almost equal to the of earnings of all workers in the Parish’s entire construction sector ($64.7 million in 2022).³
  - An average of **540 new jobs** for Parish residents, with a peak of 641 jobs in Year 3, and;
    - This is slightly more than the total number of people working in the Parish’s healthcare and social services sector (535 jobs in 2023-IV).⁴
    - This implies an average **annual wage of $114,148** (($308.2 million/5)/540). This is nearly 50% higher than the average annual wage in the Parish of $76,648⁵, reflecting that these are particularly high-wage jobs.

- **$65.4 million in revenues for local governments** or just over $13 million per year.
  - For reference, over FY19-FY21, before construction began on the huge Venture Global LNG export facility, the Parish was averaging $16.9 million a year in sales tax collections.⁶ **The diversion project will almost generate a year’s worth of sales tax collections every year for 5 years.**

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³ [www.bea.gov](http://www.bea.gov).
⁴ [www.laworks.net](http://www.laworks.net).
⁵ Ibid.
IV. IMPACTS OF MBSD PROJECT ON REGION

In this section of the report, attention moves from solely Plaquemines Parish to the impacts on the Region economy. The Region is a 5-parish area composed of Plaquemines, St. Bernard, Orleans, Jefferson, and St. Tammany Parishes. Because the “economic pond” is much larger, readers should expect the impact estimates to be much larger as well.

Impacts of Construction Spending: Region Economy

The $1,427.3 million in construction spending alone was injected into the Region I/O table to determine the impacts of these monies on this larger economy. The results are illustrated in Table 5.

<table>
<thead>
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<th>YEAR</th>
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<th>JOBS</th>
<th>TAXES</th>
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<td>Year 5</td>
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<td>1,419</td>
<td>$11.9</td>
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<tr>
<td>Total</td>
<td>$2,661.7</td>
<td>$823.2</td>
<td>2,894*</td>
<td>$93.2</td>
</tr>
</tbody>
</table>

*Jobs total represents an average over the 5-year period. | Source: Authors’ calculations

According to the Region I/O table this spending will create:

- Almost $2.7 billion in new sales at businesses in the Region;
- $832.2 million in new earnings for Region residents;
- An average of 2,894 jobs a year for residents of the Region, with a peak of 3,454 jobs in Year 3, and;
- $93.2 million in new revenues for local governments in the Region.
Impacts of Mitigation Payments and Advertising: Region Economy

Table 6 shows the results of injecting the $150.4 million in programmatic community mitigation expenditures into the Region I/O table. According to the Region I/O table, this spending will create:

- $161.6 million in new sales at businesses in the Region;
- $193.4 million in new earnings for Region residents;
- An average of 201 jobs a year for citizens of the Region, with peak of 272 jobs in Year 4, and;
- $10.4 million in new revenues for local governments in the Region.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES</th>
<th>EARNINGS</th>
<th>JOBS</th>
<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$31.0</td>
<td>$35.1</td>
<td>201</td>
<td>$1.9</td>
</tr>
<tr>
<td>Year 2</td>
<td>$27.2</td>
<td>$33.7</td>
<td>174</td>
<td>$1.8</td>
</tr>
<tr>
<td>Year 3</td>
<td>$31.0</td>
<td>$35.1</td>
<td>193</td>
<td>$1.9</td>
</tr>
<tr>
<td>Year 4</td>
<td>$44.6</td>
<td>$55.1</td>
<td>272</td>
<td>$3.0</td>
</tr>
<tr>
<td>Year 5</td>
<td>$27.8</td>
<td>$34.3</td>
<td>166</td>
<td>$1.9</td>
</tr>
<tr>
<td>Total</td>
<td>$161.6</td>
<td>$193.4</td>
<td>201*</td>
<td>$10.4</td>
</tr>
</tbody>
</table>

*Jobs total represents an average over the 5-year period. | Source: Authors’ calculations

Impacts of All Spending: Region Economy

Table 7 sums up the impacts tabulated in tables 5 and 6 to arrive at the total impacts of all spending associated with the diversion project. Because of the sheer size of the expenditures, one would expect the impacts to be impressive. The I/O table does not disappoint. According to this tool, all the spending on the diversion project over the 5-year period will create:

- Over $2.8 billion in new sales at businesses in the Region;
- Over $1 billion in new earnings ($1,016.6 million) for households in the Region, or an average of $203.3 million a year;
- Total earnings of all residents of Plaquemines Parish in 2022 (latest data available) was $778.8 million. Over this project’s 5-year cycle, its earnings generating power exceeded annual earnings of all Plaquemines Parish citizens by 30%.

7 www.bea.gov.
8 Ibid.
On an annual basis, the $203.3 million generated by the project almost equals the total earnings of all Plaquemines Parish citizens in the transportation/warehousing sector ($225.4 million). An average of 3,095 jobs a year in the Region, with a peak of 3,647 jobs in Year 3. And;

- In April, 2024 total employment in Plaquemines Parish was 9,423. Effectively, this project will create a number of jobs across these 5 parishes that exceeds Plaquemines Parish employment by 30%. This number is approximately equal to total employment in West Carroll Parish (3,181).

- This implies an average annual wage for these jobs of $65,687, a figure 14% higher than the average wage in Louisiana ($57,564) meaning these are higher wage jobs.

- $103.6 million for local governments in the 5-parish Region, or an average of $20.7 million a year from FY19 to FY21 (before construction start of the Venture Global project), Plaquemines Parish sales tax collections averaged $16.9 million a year. The annual local government revenues across these 5 parishes ($20.7 million) exceeds that figure by 23%.

These are obviously huge economic wins for these five parishes, in keeping with the historically large size of the capital investment associated with the diversion project.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>SALES</th>
<th>EARNINGS</th>
<th>JOBS</th>
<th>TAXES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$628.4</td>
<td>$219.9</td>
<td>3,575</td>
<td>$20.2</td>
</tr>
<tr>
<td>Year 2</td>
<td>$618.4</td>
<td>$216.5</td>
<td>3,441</td>
<td>$21.4</td>
</tr>
<tr>
<td>Year 3</td>
<td>$670.0</td>
<td>$232.8</td>
<td>3,647</td>
<td>$23.8</td>
</tr>
<tr>
<td>Year 4</td>
<td>$603.9</td>
<td>$228.1</td>
<td>3,229</td>
<td>$24.5</td>
</tr>
<tr>
<td>Year 5</td>
<td>$302.5</td>
<td>$119.3</td>
<td>1,585</td>
<td>$16.8</td>
</tr>
<tr>
<td>Total</td>
<td>$2,823.3</td>
<td>$1,016.6</td>
<td>3,095*</td>
<td>$103.6</td>
</tr>
</tbody>
</table>

*Jobs total represents an average over the 5-year period. Source: Authors’ calculations

10 Ibid.
11 www.laworks.net
12 Plaquemines Parish School Board (ppsb.org)
Impacts by Industry: Region Economy

Some may be interested to know how the prodigious benefits shown in Table 7 were spread across various industries in the 5-parish Region. The Region I/O table actually makes such a delineation possible. Table 8 reveals how the benefits in the highest year of benefits — Year 3, italicized in Table 7 — are spread across the various sectors of the Region’s economy.

Note that the data for Year 3 in Table 7 also appear along the bottom line of Table 8. Scanning upward in that column in Table 8, a reader can see how, for example, the 3,647 jobs created that year were spread across the different sectors of the economy. By far the greatest beneficiary of this spending is the construction sector, which is expected to enjoy a bump of 1,883 jobs, $117.9 million in earnings for households, and $345.8 million in sales for people and firms in the construction sector. It should not be surprising that the construction sector is the big winner, since it is in that sector that the majority of the spending is directed.

In second place in terms of job benefits in Year 3 is the very labor-intensive retail trade sector (+346 jobs), followed by another very labor-intensive sector — healthcare/social services (+218 jobs). There are 10 other sectors in the Region’s economy which will pick up between 50 and 218 jobs. It is noteworthy that these job creation benefits are quite widespread across the Region’s economy.

FIGURE 3
Mid-Barataria Sediment Diversion Groundbreaking Ceremony on August 8, 2023.

Image by Louisiana Coastal Protection and Restoration Authority
TABLE 8
Indirect Impacts on the Plaquemines Port Region:
Year 3
(Dollar Amounts in Millions)

<table>
<thead>
<tr>
<th>INDUSTRY</th>
<th>SALES</th>
<th>EARNINGS</th>
<th>JOBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing, and Hunting</td>
<td>$0.2</td>
<td>$0.0</td>
<td>2</td>
</tr>
<tr>
<td>Mining</td>
<td>$7.7</td>
<td>$1.4</td>
<td>8</td>
</tr>
<tr>
<td>Utilities</td>
<td>$4.9</td>
<td>$0.7</td>
<td>5</td>
</tr>
<tr>
<td>Construction</td>
<td>$345.8</td>
<td>$117.9</td>
<td>1,883</td>
</tr>
<tr>
<td>Durable Goods Manufacturing</td>
<td>$25.5</td>
<td>$5.1</td>
<td>73</td>
</tr>
<tr>
<td>Nondurable Goods Manufacturing</td>
<td>$28.7</td>
<td>$4.2</td>
<td>40</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>$28.6</td>
<td>$6.6</td>
<td>68</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$37.7</td>
<td>$12.5</td>
<td>346</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>$12.9</td>
<td>$3.5</td>
<td>76</td>
</tr>
<tr>
<td>Information</td>
<td>$7.6</td>
<td>$1.5</td>
<td>21</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>$21.5</td>
<td>$5.1</td>
<td>86</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>$38.8</td>
<td>$5.9</td>
<td>197</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical Services</td>
<td>$25.4</td>
<td>$11.9</td>
<td>155</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>$6.6</td>
<td>$0.8</td>
<td>8</td>
</tr>
<tr>
<td>Administrative and Waste Management Services</td>
<td>$10.1</td>
<td>$3.9</td>
<td>96</td>
</tr>
<tr>
<td>Educational Services</td>
<td>$4.7</td>
<td>$2.1</td>
<td>54</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>$32.0</td>
<td>$13.4</td>
<td>218</td>
</tr>
<tr>
<td>Arts, Entertainment, and Recreation</td>
<td>$3.9</td>
<td>$1.4</td>
<td>40</td>
</tr>
<tr>
<td>Accommodation</td>
<td>$3.6</td>
<td>$0.9</td>
<td>25</td>
</tr>
<tr>
<td>Food Services and Drinking Places</td>
<td>$10.4</td>
<td>$3.2</td>
<td>118</td>
</tr>
<tr>
<td>Other Services</td>
<td>$13.6</td>
<td>$4.6</td>
<td>113</td>
</tr>
<tr>
<td>Households</td>
<td>$0.0</td>
<td>$0.2</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$670.0</td>
<td>$206.8</td>
<td>3,647</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations
THE ECONOMIC IMPACT OF CONSTRUCTING THE MID-BARATARIA SEDIMENT DIVERSION PROJECT

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