

Regional Impacts of Coastal Land Loss: Lake Charles 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 Lake Charles region.

Lake Charles Overview

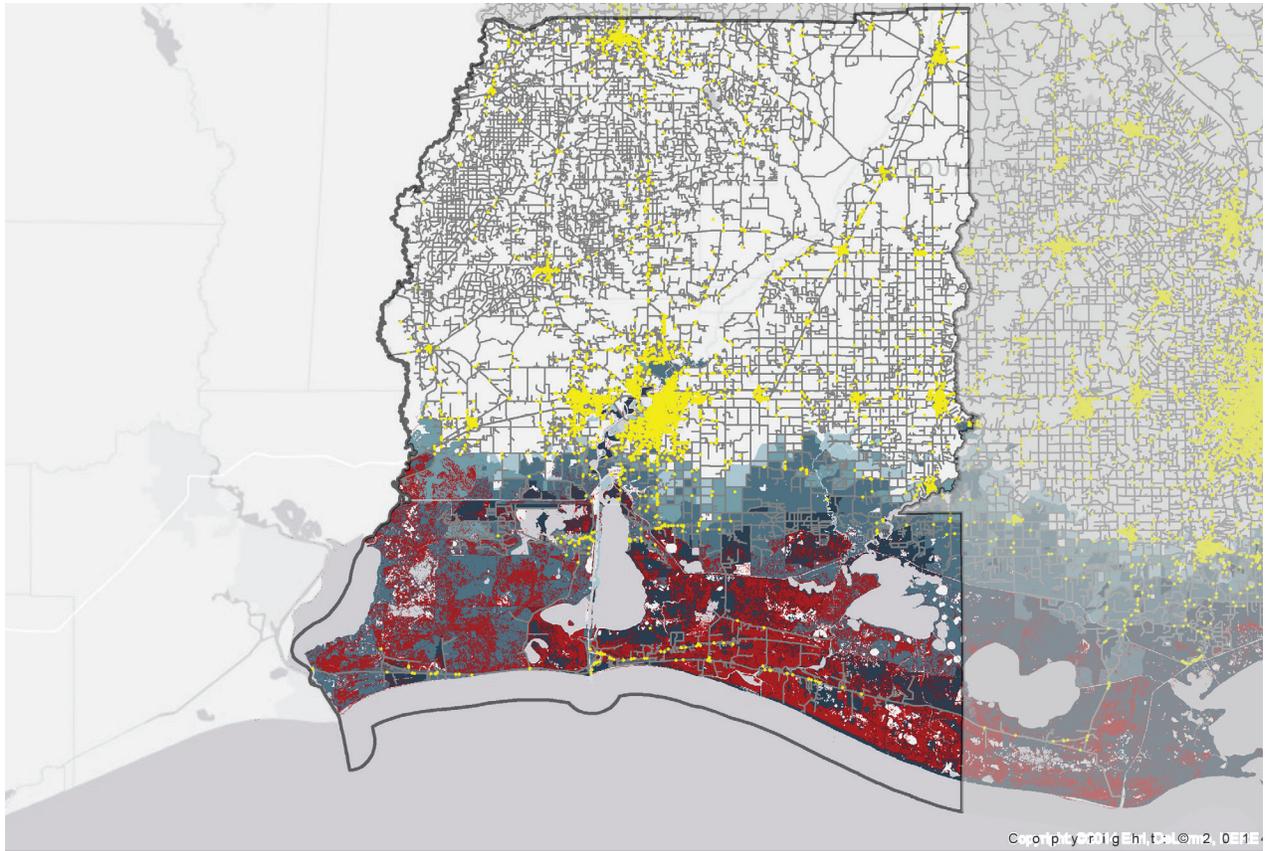
- ▶ Lake Charles Region includes:
 - ▶ Parishes: Allen, Beauregard, Calcasieu, Cameron, and Jefferson Davis
 - ▶ Cities: Lake Charles, Jennings, and DeRidder
 - ▶ 7,000 businesses and 120,000 jobs
- ▶ Rapid expansion of industrial base will continue to increase the economic importance of the region

Land Loss

- ▶ Total replacement costs could be as much as \$420 million
 - ▶ 7% of coastal business replacement costs from land loss come from Lake Charles region, but 27% of infrastructure damage from land loss resides in this region
- ▶ Land loss would lead to a loss of 1,200 jobs, \$54 million in annual wages, and \$490 million in annual output

Storm Damage

- ▶ Case study storm with the biggest impact: Western storm
- ▶ Total increase in replacement costs from land loss in a Western track storm are \$8.6 billion
 - ▶ 18% statewide damage from Lake Charles
- ▶ Total economic impact from land loss in a Western storm is \$2.4 billion
 - ▶ 19% of statewide impact of land loss is from Lake Charles
 - ▶ Lost labor productivity due to land loss equivalent to 18% total annual labor productivity



Map 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.

The people of Southwest Louisiana and its economy are dependent on the coast and its resources. Whether industry with our ports, fishing economy, tourism and recreational fishing, the region is tied to the coast. With land loss and erosion our economy and lifestyle are threatened. It is vital that coastal restoration and protection be a top priority; otherwise, all that we have will be taken away acre by acre.

— George Swift
President and CEO, Southwest Louisiana Economic Development Alliance

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