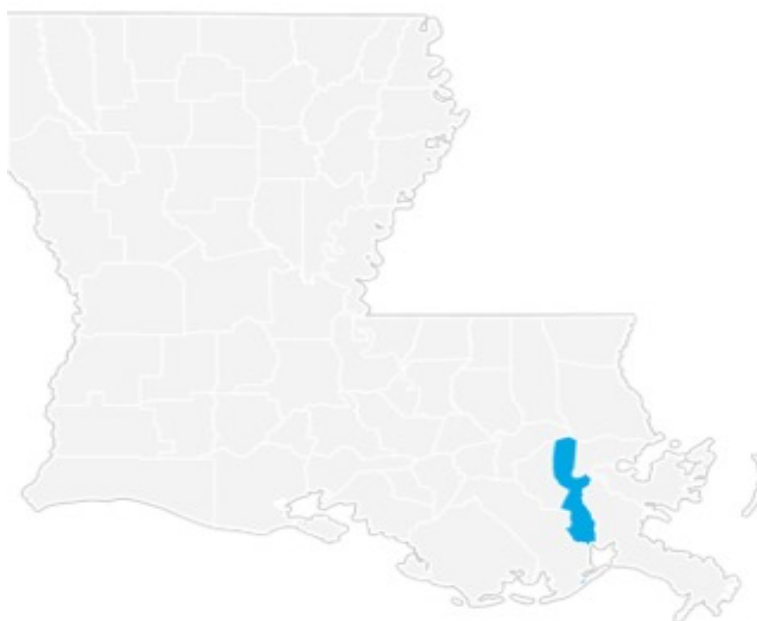




PREPARED FOR  
Jefferson Parish Economic Development Commission



December 9, 2020

# ECONOMIC IMPACT OF COVID-19 ON JEFFERSON PARISH, LOUISIANA

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## 1. Background

Jefferson Parish, Louisiana is part of the New Orleans-Metairie Metropolitan Statistical Area (MSA). The parish is located on the southern shore of Lake Pontchartrain and extends 60 miles south to the Gulf of Mexico. This parish is adjacent to the city of New Orleans. In terms of population, it is the largest parish in the New Orleans metro area—more populous than Orleans Parish that includes the city of New Orleans. Tourism is one of the important drivers of Jefferson Parish's economy.

Jefferson Parish Economic Development Commission (JEDCO) is an independent arm of the Jefferson Parish government with the purpose of providing a business-friendly environment. JEDCO accomplishes this goal by working to attract, grow, and nurture new and existing businesses. More specifically, JEDCO helps businesses in the parish by providing financial assistance, tax credits and rebates, assessments and consultation, data and customized reporting, seminars, site selection, and marketing.<sup>1</sup> JEDCO also manages a conference center and serves as the intermediary between the business community and the parish government.

Since March 2020, the COVID-19 pandemic has impacted every community and every industry in the United States. JEDCO is interested in understanding both the economic impact of this pandemic on industries in Jefferson Parish and the recovery path for those industries. For workers who have been laid off or furloughed due to COVID-19, JEDCO would also like to identify what occupations they might be able to transition into. Finally, JEDCO is interested in determining how its tourism industry has fared during the pandemic compared with nearby Orleans Parish.

Information about the pandemic's spread, government response, and implementation of social distancing has evolved quickly. State policies have had profound impacts on the state and local economies. Chmura performed thorough research of Louisiana's stay-at-home policies and the state and parish reopening plans to evaluate their effects on the Jefferson Parish economy.<sup>2</sup>

Federal policies have provided some relief to the economy. On March 27, 2020, the U.S. Congress passed—and the President signed into law—the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act temporarily expanded unemployment insurance benefits and provided a \$1,200 payment to eligible Americans. In addition, this law included the Paycheck Protection Program (PPP) that allocated \$349 billion in loans to small

<sup>1</sup> Source: <https://www.linkedin.com/company/jpeconomicdevelopment/about/>.

<sup>2</sup> Section 2 provides details of state policies.

businesses to help them continue to pay their employees.<sup>3, 4</sup> In late April, Congress passed, and the President signed, another piece of legislation that injected \$310 billion to replenish the PPP program.<sup>5</sup> Data from the Small Business Administration (SBA) indicate that the total amount of PPP loans to Jefferson Parish businesses reached \$969 million, with construction, professional and businesses services, and healthcare sectors receiving the highest amounts. Those policies allowed many businesses to keep their employees, thus moderating the effects of the COVID-19 pandemic on the economy. However, the expanded unemployment benefits expired at the end of July. As of the date of this report, there are discussions about a new round of federal COVID-19 relief. However, there is still some uncertainty due to policy differences in the U.S. Congress, and the transition to a new administration.

As national and regional economies have started to recover, one determining factor of the recovery pace is the development of a vaccine or effective treatment for COVID-19. Vaccine trials are lengthy and must be approved by the Food and Drug Administration (FDA) before distribution to the general public. Most individuals will not feel safe resuming their normal activities until an FDA-approved vaccine is widely available. At the time of this report, Pfizer and Moderna have announced promising results from their respective clinical trials, and both have applied for Emergency Use Authorization from the FDA. Chmura assumes that effective vaccines will be approved by the end of 2020 and widely available in the second quarter of 2021. Meanwhile, the Louisiana Department of Health has developed a COVID-19 vaccination plan, that will guide the distribution any vaccines after FDA approval.<sup>6</sup>

Chmura's analysis incorporated anticipated changes in industries as well as the latest government policy actions. In this analysis, Chmura first evaluated the impact of COVID-19 on Jefferson Parish industries through the second quarter of 2020. During this period, the parish was under a stay-at-home order from March through April, resulting in significant job losses for local businesses. Many non-essential retail establishments were permitted to open in May and June as states entered phased recovery. Chmura then projected employment recovery for parish industries, assuming a vaccine will become widely available in the second quarter of 2021.

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<sup>3</sup> Source: <https://www.washingtonpost.com/business/2020/03/25/trump-senate-coronavirus-economic-stimulus-2-trillion/>.

<sup>4</sup> This program provides forgivable loans to small businesses so they may pay their employees during the pandemic. The loans will be forgiven as long as they are used to cover payroll, most mortgage interest, rent, and utilities over an eight-week period and if employee and compensation levels do not decrease. Source: <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.

<sup>5</sup> Source: <https://www.marketwatch.com/story/house-set-to-pass-bill-that-replenishes-coronavirus-aid-program-for-small-businesses-2020-04-23>.

<sup>6</sup> Source: COVID-19 Vaccination Playbook, Louisiana Department of Health, Office of Public Health, available at: <https://ldh.la.gov/index.cfm/page/4042>

## 2. Impact of COVID-19 on Parish Industries and GDP

This section analyzes the impact of the COVID-19 pandemic on both employment and gross domestic product (GDP) of the industries based in Jefferson Parish.

### 2.1. Overall Impact on Parish Industries

At the beginning of the COVID-19 pandemic, total employment in Jefferson Parish was 205,738 in the first quarter of 2020.<sup>7</sup> Based on the two-digit North American Industry Classification System (NAICS), the largest sector in the region was healthcare and social assistance, employing 32,969 workers. The next-largest sectors in the region were retail (26,830 workers); accommodation and food services (21,135); and construction (15,601). Tourism is an important sector in the parish, evidenced by large employment in accommodation and food services as well as the retail industry.

Chmura first estimated the potential impact of COVID-19 on the national labor market based on research of its impact on different industry sectors, recent releases of unemployment claims, and the latest news reports related to business closures and layoffs. Chmura also classified industries by different levels of exposure to the pandemic based on a study by Moody's Investors Service, which categorizes industries into low, moderate, and high levels of exposure.<sup>8</sup>

Next, Chmura incorporated information related to the COVID-19 impact that is specific to the state of Louisiana and Jefferson Parish. One of the most significant factors in this evaluation is the state stay-at-home order and reopening plan. On March 11, Governor John Bel Edwards declared a Public Health Emergency in Louisiana. On March 23, the governor enacted a stay-at-home order to combat the spread of the virus. The order required shutdowns of businesses such as bars and nightclubs, gyms and fitness centers, theaters and performance venues, amusement parks, and malls.<sup>9</sup> The order also required essential services (grocery stores and pharmacists) and critical infrastructure (food suppliers and healthcare services) to remain open. Individual businesses not covered under the guidelines or those not determined to be essential or critical were required to reduce their operations. Businesses were required to maintain social distancing rules if they chose to stay open.<sup>10</sup>

As a response to the Governor's order, Jefferson Parish took proactive measures as well, including the suspension of all local social gatherings, all activities related to Jefferson Parish Department of Parks and Recreation (JPRD), and all events at Jefferson Parish-owned facilities. The parish also limited public access to government facilities.<sup>11</sup>

On May 15, Governor Edwards lifted the stay-at-home order to begin Phase One of the reopening plan. Businesses such as gyms and fitness centers, cosmetic services, bars, and theaters were allowed to open at 25% capacity with adherence to social distancing and sanitation rules. Businesses that were required to remain closed under Phase One included many personal services and entertainment venues such as massage establishments and spas, amusement parks, and other similar businesses.<sup>12</sup>

Phase Two of the reopening plan began on June 4 and lasted until September 11. This phase allowed for previously opened businesses and some new businesses to operate at 50% capacity with social distancing and sanitation rules. The

<sup>7</sup> This employment number is based on the place of work, not the place of residence.

<sup>8</sup> Source: <https://www.moody.com/newsandevents/topics/Coronavirus-Credit-Effects-007054>.

<sup>9</sup> Source: <https://gov.louisiana.gov/order/>.

<sup>10</sup> Ibid.

<sup>11</sup> Source: <https://www.jeffparish.net/press-releases/jefferson-parish-aims-to-slow-the-spread-of-covid-19-in-the-community/03-13-yyyy>.

<sup>12</sup> Source: <https://gov.louisiana.gov/index.cfm/newsroom/detail/2488>.

businesses allowed to open under these guidelines included restaurants, cafes and coffee shops, gyms and fitness centers, theaters, event centers and wedding venues, and outdoor playgrounds.<sup>13</sup>

On September 11, Louisiana moved into Phase Three of the reopening plan which will last until December 4.<sup>14</sup> This phase allowed for previously opened businesses to open at 75% capacity but placed a 25% capacity restriction and a 50-customer limit on bars that open indoors and 50-customer limits on indoor bars. This phase gave more flexibility to individual parishes, such as Jefferson Parish, to open bars for on-premises consumption if the parish had a positivity rate of five percent or lower for two consecutive weeks.<sup>15</sup>

Jefferson Parish released its own reopening plan in May 2020. Similar to the state plan, Jefferson Parish outlined a three-phase process for reopening businesses. This plan includes detailed guidelines for businesses and citizens related to social distancing, remote work, and mask wearing. Specifically, the plan outlines guidance for employers in different industries such as hospitality, restaurants and bars, personal care, and entertainment venues.<sup>16</sup> In addition, JEDCO conducted a survey of parish businesses to understand their needs and concerns during the pandemic.

Of the above state and local measures, the stay-at-home order had a significant impact on regional employment in the second quarter of 2020, while the phased reopening of businesses facilitates the economic recovery in the second half of 2020.

Table 2.1 summarizes the employment and GDP impact of the COVID-19 pandemic in Jefferson Parish at the two-digit NAICS level. It is estimated that 30,725 jobs based in the parish were lost in the second quarter of 2020,<sup>17</sup> equivalent to 14.9% of the regional workforce. This represents a loss of \$618.0 million in parish GDP. It is also estimated that during the month of April, when the stay-at-home order was in effect for the full month, as many as 40,136 jobs based in the parish were lost. This is equivalent to 19.5% of the parish workforce and represents a loss of \$261.2 million in GDP for the month. The gradual reopening of the economy in May and June and the federal PPP program brought some jobs back during those two months, and the average job loss for the second quarter of 2020 remained smaller than the peak job loss in April.

Since tourism is a major sector in Jefferson Parish, it is not surprising that the industry impacted the most in terms of employment is accommodation and food services, with an estimated job loss of 9,501 in the second quarter of 2020. The retail sector is estimated to have lost 5,048 jobs. Other industries such as administrative and support and waste management and remediation services; healthcare and social assistance; and arts, entertainment, and recreation are estimated to have lost a significant number of jobs. Those job losses are consistent with major layoff reports in the parish. Data from the Louisiana Workforce Commission show that businesses including Treasure Chest Casino, Boomtown New Orleans (casino), Delaware North Companies (hospitality), and HMS Host (hospitality) each laid off hundreds of workers during the pandemic.<sup>18</sup> Despite the large number of job losses, household spending in the parish did not suffer as much. Sales tax collection for the second quarter of 2020 was only 13.1% lower than the same quarter in 2019, possibly helped by the \$1,200 per-capita relief payment and the expanded unemployment benefits provided by the CARES Act.

<sup>13</sup> Source: <https://gov.louisiana.gov/index.cfm/newsroom/detail/2532>.

<sup>14</sup> Source: <https://www.katc.com/news/covering-louisiana/gov-edwards-to-hold-briefing-on-state-response-to-covid-19-storm-recovery>

<sup>15</sup> Source: <https://gov.louisiana.gov/index.cfm/newsroom/detail/2679>.

<sup>16</sup> Source: Jefferson Parish Back to Business, A Comprehensive Strategic Plan to Safely and Effectively Reopen the Jefferson Parish Economy, JEDCO.

<sup>17</sup> This number likely includes those individuals who choose not to seek employment due to the expanded unemployment benefits provided by the CARES Act.

<sup>18</sup> Source: Louisiana Workforce Commission, 2020 WARN Notices. <http://www.laworks.net/Downloads/WFD/WarnNotices2020.pdf>.

**Table 2.1: Estimated Employment and GDP Impact from COVID-19 in Jefferson Parish**

Two-Digit NAICS Industry	Employment Impact (Average April-June Job Losses)	GDP Impact (Cumulative April-June; \$Million)	Employment Impact (Peak April Job Losses)	GDP Impact (April \$Million)
Accommodation and Food Services	-9,501	-\$98.0	-12,854	-\$44.0
Retail Trade	-5,048	-\$103.0	-6,335	-\$42.1
Administrative and Support and Waste Management and Remediation Services	-3,063	-\$45.5	-3,504	-\$17.3
Health Care and Social Assistance	-2,562	-\$53.7	-3,555	-\$25.1
Professional, Scientific, and Technical Services	-1,750	-\$56.6	-1,875	-\$20.3
Construction	-1,629	-\$31.8	-2,591	-\$16.5
Arts, Entertainment, and Recreation	-1,471	-\$110.7	-1,983	-\$41.2
Other Services (except Public Administration)	-1,406	-\$23.0	-2,417	-\$13.5
Educational Services	-1,377	-\$26.8	-1,650	-\$10.7
Wholesale Trade	-683	-\$33.9	-782	-\$13.1
Manufacturing	-605	-\$19.3	-931	-\$9.8
Transportation and Warehousing	-601	-\$12.7	-670	-\$3.9
Public Administration	-385	-\$10.8	-292	-\$2.7
Information	-253	-\$6.7	-254	-\$2.1
Management of Companies and Enterprises	-173	-\$4.7	-171	-\$1.5
Finance and Insurance	-158	-\$8.2	-157	-\$2.7
Agriculture, Forestry, Fishing and Hunting	-43	-\$0.2	-50	-\$0.1
Real Estate and Rental and Leasing	-27	\$22.8	-89	\$3.4
Mining, Quarrying, and Oil and Gas Extraction	3	-\$0.3	14	\$0.2
Utilities	6	\$5.0	10	\$1.8
<b>Total</b>	<b>-30,725</b>	<b>-\$618.0</b>	<b>-40,136</b>	<b>-\$261.2</b>

Source: Chmura and JobsEQ by Chmura

The large number of estimated job losses for professional, scientific, and technical services in Jefferson Parish is somewhat unexpected. In the second quarter of 2020, this sector is estimated to have lost 1,750 jobs, or 16% of jobs in this sector in the parish. Data from JobsEQ by Chmura indicated that sizable job losses occurred in various professional services such as accounting, architecture and engineering, and legal services. This is different from the national trend. Professional, scientific, and technical services is considered to be an industry that has been moderately impacted by COVID-19, due to the ability of most workers to switch to a remote-work format. As a comparison, this industry lost 6% of its jobs nationally and 7% of its jobs in the state of Louisiana in the second quarter of 2020. It is likely that professional service businesses in the parish, including accounting and legal services, are also tied with the tourism sector in the Greater New Orleans region, and are thus negatively impacted more than similar businesses elsewhere in the state or the country.

On the other hand, some industries experienced moderate-to-limited impact from COVID-19. Manufacturing is an important part of the parish economy, with significant employment in food and beverage, and chemical manufacturing. The manufacturing sector is estimated to have lost 605 jobs in the second quarter of 2020. The utilities sector as well as the mining, quarrying, and oil and gas extraction sector are both projected not to experience any job losses. Likewise, finance and insurance; agriculture, forestry, fishing and hunting; and real estate and rental and leasing are estimated to experience



moderate job losses. While the current data indicate that the oil and gas industry in the parish has not been directly impacted by the COVID-19 pandemic, the weakening travel and tourism sector may hamper future growth of the industry.

## 2.2. Industries Most Impacted by COVID-19

Chmura analyzed industries that are impacted the most by COVID-19, based on total job losses at the more detailed three-digit NAICS level. The 20 most-impacted industries are presented in Table 2.2. In total, these industries accounted for 84.8% of all 30,725 job losses in the region due to COVID-19 during the second quarter of 2020.

**Table 2.2: Twenty Industries Impacted Most by COVID-19 in Jefferson Parish**

Three-Digit NAICS Industry	Employment Impact (Average April-June Job Losses)	GDP Impact (Cumulative; April- June; \$Million)	Employment Impact (Peak April Job Losses)	GDP Impact (April; \$Million)
Food Services and Drinking Places	-9,124	-\$90.8	-12,426	-\$41.2
Administrative and Support Services	-3,049	-\$44.7	-3,488	-\$17.0
Professional, Scientific, and Technical Services	-1,750	-\$56.6	-1,875	-\$20.3
Educational Services	-1,377	-\$26.8	-1,650	-\$10.7
Ambulatory Health Care Services	-1,230	-\$29.2	-2,176	-\$17.1
Clothing and Clothing Accessories Stores	-1,058	-\$13.7	-1,437	-\$6.3
Specialty Trade Contractors	-1,044	-\$18.6	-1,771	-\$10.5
Personal and Laundry Services	-888	-\$12.6	-1,670	-\$8.3
Amusement, Gambling, and Recreation Industries	-831	-\$15.9	-1,308	-\$8.2
Motor Vehicle and Parts Dealers	-792	-\$26.2	-1,030	-\$11.3
Performing Arts, Spectator Sports, and Related Industries	-617	-\$94.1	-651	-\$32.8
Hospitals	-584	-\$17.2	-545	-\$5.3
Merchant Wholesalers, Nondurable Goods	-569	-\$28.6	-603	-\$10.1
Miscellaneous Store Retailers	-519	-\$9.4	-671	-\$4.1
Health and Personal Care Stores	-509	-\$11.7	-468	-\$3.6
Furniture and Home Furnishings Stores	-453	-\$10.1	-611	-\$4.6
Sporting Goods, Hobby, Musical Instrument, and Book Stores	-427	-\$6.9	-526	-\$2.8
Repair and Maintenance	-426	-\$9.8	-610	-\$4.8
Social Assistance	-425	-\$3.7	-543	-\$1.6
Transit and Ground Passenger Transportation	-397	-\$4.5	-432	-\$1.6
<b>Top 20 Total</b>	<b>-26,068</b>	<b>-\$531.2</b>	<b>-34,493</b>	<b>-\$222.1</b>
<b>Percent of Top 20 in County Total</b>	<b>84.8%</b>	<b>86.0%</b>	<b>85.9%</b>	<b>85.0%</b>

Source: Chmura and JobsEQ by Chmura

At the three-digit NAICS industry level, food services and drinking places is estimated to have lost 9,124 jobs in the second quarter of 2020, or 47% of the parish workforce in that industry. The industry of administrative and support services is estimated to have lost 3,049 jobs, or 21% of the parish workforce. Employment contracted by an estimated 1,750 in the professional, scientific, and technical services industry, representing 16% of the parish workforce in this industry. Other

tourism-related industries in the top 20 are amusement, gambling, and recreation industries; and performing arts, spectator sports, and related industries. This list also includes multiple retail industries including clothing and clothing accessories stores, motor vehicle and parts dealers, and miscellaneous store retailers.



### 3. Jefferson Parish's Path to Recovery

To evaluate the recovery of parish industries, Chmura first conducted research using secondary studies and industry expert reports to understand the differing recovery paths for various industries. The development of a vaccine and/or effective treatment for COVID-19 will be the determining factor in achieving a full economic recovery. Without a medical breakthrough, social distancing policies will remain in place. Consumers will be cautious about traveling and visiting hotels, food service establishments, and entertainment venues until a vaccine is widely available.

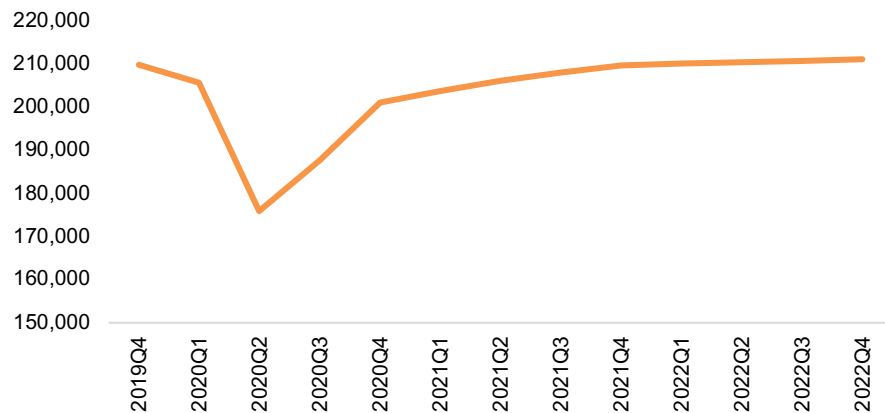
Many health specialists agree that the typical timetable for an effective vaccine will be one to two years.<sup>19</sup> However, the development of a COVID-19 vaccine has been on an accelerated schedule and the federal government has invested billions of dollars in this effort. At the time of this report, Pfizer and Moderna have announced effective results from their respective clinical trials, and both have applied for Emergency Use Authorization from the Food and Drug Administration. Chmura assumes that effective vaccines will be approved by the end of 2020 and widely available in the second quarter of 2021.

Industries will recover at different paces until a vaccine is widely available. Chmura expects construction and manufacturing to be among the first to recover. These industries require fewer person-to-person interactions, making it easier to maintain social distancing. Outside manufacturing and construction, industries such as finance and insurance and professional and business services will also expect fast recoveries as they are able to maintain their operations via remote work.<sup>20</sup> Some reports also found that the healthcare industry will enjoy a fast recovery.<sup>21</sup>

Employment in other industries, such as hospitality, food service, entertainment, and personal services will likely be on a slower recovery path. Each of these industries involves close contact with customers. The recovery of the retail industry is in the middle, between those fast-recovering industries like manufacturing and slow-recovering industries like hospitality. Some essential retail such as grocery stores and pharmacies have not been impacted by the pandemic, but non-essential retail such as clothing or furniture stores will experience a slow recovery.

From a long-term perspective, there will be some permanent changes in national and regional economies in the post-pandemic period. Some studies predict the retail industry will be permanently changed. Based on a McKinsey report, the COVID-19 pandemic has accelerated the trend of consumers choosing e-commerce over traditional brick-and-mortar establishments.<sup>22</sup> Some of the behaviors that consumers have developed during the pandemic will persist, and this will affect retail and food service businesses in the future. In addition, during the pandemic, tens

Figure 3.1: Jefferson Parish Employment Recovery



Source: Chmura

<sup>19</sup> Source: <https://www.cnn.com/2020/05/20/accelerating-the-timeline-for-covid-19-vaccine-will-take-collaboration.html>.

<sup>20</sup> Source: <https://www.inquirer.com/business/recovery-economy-zandi-moodys-virus-covid-19-jobs-prediction-20200423.html>.

<sup>21</sup> Source: Moody's Analytics. <https://www.moodyanalytics.com/-/media/article/2020/this-week-in-covid-crisis-april-19-2020.pdf>.

<sup>22</sup> Source: McKinsey. <https://www.mckinsey.com/business-functions/organization/our-insights/to-emerge-stronger-from-the-covid-19-crisis-companies-should-start-reskilling-their-workforces-now#:~:text=To%20emerge%20stronger%20from%20the,start%20reskilling%20their%20workforces%20now&text=Adapting%20employees'%20skills%20and%20roles,to%20building%20operating%20model%20resilience.>

of thousands of retail stores and restaurants closed, and many of them will not reopen.<sup>23</sup> On the other hand, the McKinsey report indicated there will be some long-term benefits for the manufacturing industry. Some manufacturing operations will be moving back to the United States, closer to consumer markets, at least in some capacity.

**Table 3.1: Projected Employment by Industry in Jefferson Parish (2020-2022)**

	2019Q4 -Actual	2020Q2	2020Q4	2021Q2	2021Q4	2022Q2	2022Q4	%Change 2019Q4- 2022Q4
Accommodation and Food Services	21,382	11,634	20,016	20,320	20,501	20,613	20,796	-2.7%
Administrative and Support and Waste Management and Remediation Services	15,899	12,189	14,771	15,549	16,011	16,045	16,079	1.1%
Agriculture, Forestry, Fishing and Hunting	460	404	444	513	483	472	462	0.5%
Arts, Entertainment, and Recreation	5,072	3,568	4,368	4,646	5,013	5,087	5,118	0.9%
Construction	16,217	13,972	15,898	16,294	16,488	16,557	16,627	2.5%
Educational Services	11,609	10,173	11,103	11,454	11,675	11,694	11,714	0.9%
Finance and Insurance	8,948	8,743	8,910	8,921	8,972	8,990	9,008	0.7%
Health Care and Social Assistance	32,903	30,406	32,157	32,812	33,638	33,996	34,356	4.4%
Information	2,009	1,827	1,777	1,929	2,012	2,015	2,018	0.5%
Management of Companies and Enterprises	2,794	2,662	2,722	2,770	2,807	2,813	2,819	0.9%
Manufacturing	9,303	8,676	9,139	9,352	9,449	9,434	9,418	1.2%
Mining, Quarrying, and Oil and Gas Extraction	640	563	580	640	640	642	644	0.6%
Other Services (except Public Administration)	10,077	8,424	9,684	9,885	10,086	10,087	10,092	0.1%
Professional, Scientific, and Technical Services	11,417	9,288	11,074	11,306	11,559	11,618	11,676	2.3%
Public Administration	6,214	5,845	6,281	6,281	6,254	6,240	6,227	0.2%
Real Estate and Rental and Leasing	4,442	4,263	4,189	4,354	4,466	4,479	4,492	1.1%
Retail Trade	27,866	21,782	26,600	26,994	27,026	27,039	27,003	-3.1%
Transportation and Warehousing	11,777	10,808	11,058	11,537	11,833	11,858	11,883	0.9%
Utilities	817	817	811	817	817	816	816	-0.2%
Wholesale Trade	9,959	8,967	9,581	9,828	9,931	9,923	9,914	-0.4%
<b>Parish Total</b>	<b>209,803</b>	<b>175,012</b>	<b>201,163</b>	<b>206,202</b>	<b>209,661</b>	<b>210,417</b>	<b>211,161</b>	<b>0.6%</b>

Source: Chmura and JobsEQ by Chmura

Figure 3.1 and Table 3.1 present the projected employment recovery for Jefferson Parish from 2020 to 2022. For overall regional employment, the lowest expected level is in the second quarter of 2020, at 83.4% of the pre-pandemic level of the fourth quarter of 2019.<sup>24</sup> Some jobs are expected to be added starting in the third quarter of 2020, led by manufacturing, construction, and professional and business services. Employment is estimated to experience a sizable recovery in accommodation, food services, and the retail industry in the third quarter of 2020, but they are still well below their pre-

<sup>23</sup> For example, please see the following articles from the USA Today: <https://www.usatoday.com/story/money/2020/07/14/coronavirus-closings-retail-mall-closures-shopping-changes/5400200002/> <https://www.usatoday.com/picture-gallery/money/business/2020/08/13/covid-19-closings-35-most-popular-restaurants-not-reopening/3359490001/>.

<sup>24</sup> Please note that job losses started in March, the first quarter of 2020.

pandemic levels. Furthermore, Jefferson Parish employment in the above tourism-related industries may also be dependent on the recovery of the tourism sector in Orleans Parish. It is estimated that 33.6% of lost jobs in the parish would be recovered in the third quarter. By the fourth quarter of 2020, the parish is projected to recover 75.2% of lost jobs, with total employment reaching 201,163. At the time of this report, there are signs that COVID-19 cases are increasing. If COVID-19 infections continue to rise during the upcoming winter season and new businesses restrictions are imposed, recovery will take longer.

With a vaccine becoming available in the second quarter of 2021, the region is projected to recover 89.7% of lost jobs by mid-year 2021, as other consumer-driven industries including retail, food service, and recreation will be on a solid path to recovery. However, the region is not expected to reach its pre-pandemic level until the first quarter of 2022. Even at that time, employment in sectors such as retail and food services are still expected to remain below their pre-pandemic levels. The recovery of Jefferson Parish employment is slower than the nation, due to the more severe job losses suffered during the COVID-19 pandemic, and the reliance of the parish economy on the tourism sector.

## 4. Workforce Impact

The COVID-19 pandemic has caused significant job losses in Jefferson Parish. It is projected that it will take more than one year—until early 2022—for the economy to recover to its pre-pandemic level. In addition, there could be some long-lasting changes in both the national and regional economies in the post-pandemic period, especially in consumer service businesses such as food services and hospitality.

In this section, Chmura's analysis focuses on jobs lost during the pandemic. This will allow workforce leaders in Jefferson Parish to help displaced workers locate other employment opportunities—or upskill and transition to other occupations.

### 4.1. Pandemic Occupation Gaps

Chmura first analyzes the baseline occupational shortage and surplus in the next two years without the pandemic. Using long-term growth trends without COVID-19, Chmura compares occupation demand growth. Both local population growth and associated graduates from educational institutions help identify the short-term supply gaps or surpluses from 2020 to 2022. For example, when an area has an occupation expected to grow quickly, but the training from area educational institutions does not match well with the requirements for this occupation, there is a high potential for an occupation shortfall in the region. Alternatively, slow-growing or contracting occupations often result in potential supply surpluses.

Chmura then overlays the baseline occupation gaps (that exist without the pandemic) with the pandemic impact to estimate the likely occupation gaps over the next two years. To evaluate the occupation impact, Chmura utilizes the average employment change during the pandemic from 2020 to 2022 by industry, as estimated in Section 3. Chmura then translates these industry impacts to changes in occupation demand using the industry/occupation matrix. Chmura assumes that the regional labor supply will experience limited impact due to the pandemic.

Table 4.1 presents the top ten occupations impacted by COVID-19. The overall impact of the pandemic on the parish workforce is that it will increase the potential surplus for some low-skilled workers commonly found in retail and food service industries, meaning there will be more workers available for these positions than are demanded by employers in Jefferson Parish. For example, in the baseline scenario without COVID-19, there are an estimated 109 more retail salespersons in the labor supply each year than are needed by local employers. During the pandemic, retail is one of the most severely impacted industries. The surplus of retail salespersons is expected to increase by 218 per year, resulting in a potential surplus of 327 workers per year from 2020 to 2022. Other retail-related occupations expecting a large annual increase in surplus workers include cashiers (+115), and first-line supervisors of retail sales workers (+72). In the food services industry, potential annual increases in surplus workers due to COVID-19 include fast food and counter workers (+165), waiters and waitresses (+150), food preparation workers (+117), restaurant cooks (+88), and first-line supervisors of food preparation and service workers (+76).

On the other hand, there are a small number of occupations whose demand is expected to increase in the next two years, resulting in an increased labor shortage. Those occupations are concentrated in healthcare and related fields, including registered nurses (increased shortage of 26); other physicians (+5); and radiologic technologists and technicians (+3). Some manufacturing occupations will also experience increased demand, such as tire builders (+4) and structural metal fabricators and fitters (+2).

Table 4.1: Change in Three -Year Occupation Gaps, Top 10 Occupations (2020-2022)

		Baseline (No Covid-19)		COVID-19 Forecast
Occupati on Code	Occupation	Annual Supply Surplus (Gap)	Annual Supply Surplus (Gap)	Change
Top 10 Occupations with the most Supply Surplus				
41-2031	Retail Salespersons	109	327	218
35-3023	Fast Food and Counter Workers	97	262	165
35-3031	Waiters and Waitresses	97	247	150
35-2021	Food Preparation Workers	84	201	117
41-2011	Cashiers	184	299	115
35-2014	Cooks, Restaurant	25	113	88
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	75	161	86
35-1012	First-Line Supervisors of Food Preparation and Serving Workers	14	90	76
41-1011	First-Line Supervisors of Retail Sales Workers	12	84	72
11-1021	General and Operations Managers	(10)	40	50
Top 10 Occupations with the Most Supply Shortage				
51-2041	Structural Metal Fabricators and Fitters	2	(0)	(2)
29-2034	Radiologic Technologists and Technicians	(3)	(6)	(3)
39-4031	Morticians, Undertakers, and Funeral Arrangers	0	(3)	(3)
29-2098	Medical Dosimetrists, Medical Records Specialists, and Health Technologists and Technicians, All Other	(5)	(8)	(3)
39-4021	Funeral Attendants	1	(2)	(3)
51-9197	Tire Builders	2	(2)	(4)
43-3071	Tellers	6	2	(4)
29-1228	Physicians, All Other; and Ophthalmologists, Except Pediatric	(7)	(12)	(5)
43-6011	Executive Secretaries and Executive Administrative Assistants	18	12	(6)
29-1141	Registered Nurses	(50)	(76)	(26)

Source: Chmura and JobsEQ by Chmura

## 4.2. Retraining Opportunities

A typical strategy for finding work for displaced workers is to look at other occupations sharing similar skill sets that have stronger demand forecasts. However, workers in the food services and retail sectors who are most impacted by the pandemic face a difficult prospect when looking for alternate work opportunities in other industries. As these positions typically do not require higher education or long-term training, many of the occupations with the greatest similarity in terms of knowledge, skills, and abilities are also expected to decline during and in the aftermath of the pandemic. For example, data from JobsEQ by Chmura show that some of the alternative occupations for retail salespersons are stocker and order fillers, telemarketers, counter and rental clerks, and bank tellers. Those occupations in retail and personal services industries experienced a decline in demand during the pandemic. The alternative occupations for fast food and counter workers are dining room and cafeteria attendants, non-restaurant food servers, fast food cooks, and food preparation workers—all of

which also face potential surpluses.<sup>25</sup> Similarly, occupations with similar skills and wages in which cashiers might be interested include hand packers and packagers, non-restaurant food servers, fast food cooks, and stockers and order fillers. Many of those are concentrated in food service businesses, which also have been impacted negatively by the pandemic.

Another option is to look at upskilling workers to fill in-demand jobs with different skill sets. This may not have the benefit of a quick transition, but can pay off for workers who are able to gain in-demand skills and command higher wages. It may also be beneficial to employers having difficulty filling in-demand jobs during and following the pandemic. Research indicates a few occupations are expected to experience notable growth during the COVID-19 pandemic and recovery. In the short term, there is an expected increase in demand for site sanitizers and office cleaners as people return to pre-COVID activities.<sup>26</sup>

Longer-term, as mentioned before, manufacturing occupations will have stronger demand, and displaced workers from retail or food services industries may be trained for those jobs. In addition, the shift to remote work is expected to increase demand for cybersecurity occupations (such as information security analysts) and network engineers, particularly those with cloud expertise.<sup>27</sup> In health-related occupations, nursing and medical lab technicians are both expected to see increased demand.<sup>28</sup> Lastly, as spaces need to be rethought to accommodate a post-pandemic society and working environment, the demand for construction jobs to restructure those spaces is expected to rise. Workforce leaders in Jefferson Parish can partner with educational institutions to train displaced workers in preparation for in-demand occupations after the pandemic.

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<sup>25</sup> Source: Willing and Able report, JobsEQ by Chmura.

<sup>26</sup> Source: <https://www.glassdoor.com/research/jobs-surging-in-demand-covid19/>.

<sup>27</sup> Source: <https://www.networkcomputing.com/careers-and-certifications/top-network-skills-demand-post-pandemic-era>.

<sup>28</sup> Source: <https://bismarckstate.edu/blog/In-Demand-Post-Pandemic-Careers-An-Outbreak-of-Opportunity/>.



## 5. Tourism Analysis of Jefferson and Orleans

### 5.1. Tourism Sector Details

Tourism is an important sector in Jefferson Parish and the Greater New Orleans region. However, there is no standard definition for the tourism sector. While some industries such as hotels and air transportation are clearly part of the tourism sector, many other industries including restaurants and retail shops have both tourists and local residents as their customers. Some of those industries may be driven more by the local economy than visitors to the region, and only a portion of their businesses may serve tourists.

In this analysis, Chmura utilizes the following approach to estimate the size of the tourism sector. The U.S. Bureau of Economic Analysis (BEA) maintained a travel and tourism satellite account that includes over 20 industries that provide products and services related to travel and tourism.<sup>29</sup> As Table 5.1 shows, BEA considers retail, food services, transportation, accommodation, and entertainment industries to be associated with the tourism sector. From the BEA report, Chmura computed the percentage of tourism employment in total industry employments. For some industries, such as traveler accommodation (hotels and motels), almost all of their employment can be classified as tourism employment. Though shopping and restaurants are often associated with tourism spending, only a portion of their total employment can be classified within the tourism industry.<sup>30</sup>

**Table 5.1: Industries in the Tourism Sector**

List of Industries	NAICS Code
Gasoline stations	4471
Other retail	44 and 45 (excluding 4471)
Air transportation	4811, 4812
Rail transportation	4821
Water transportation	4831
Intracity mass transit	4851
Intercity bus transportation	4852
Taxicab and ride sharing services	4853
Charter bus services	4855
Scenic and sightseeing transportation services	4871, 4872, 4879
Parking lots and highway tolls	4884
Wholesale and other transportation	42, 48 (excluding above)
Motion pictures	5121
Automotive vehicle rental	5321
Travel arrangement and reservation services	5615
Performing arts	7111, 7113, 7114
Gambling	7132
Sports and other recreation and entertainment	7112, 7121, 7131, 7139
Traveler accommodations	7211, 7212, 7213
Food and beverage services	7223, 7224, 7225
Automotive repair services	8111

Source: BEA and Chmura

Due to the fact that the tourism sector consists of various industries, and only a proportion of some industries' economic activities can be attributed to tourism, it is not surprising that different studies have different estimates for the overall tourism sector in Louisiana. For example, in 2019, the Louisiana Department of Culture, Recreation & Tourism published several studies related to state tourism, with different estimates. A study conducted by Tourism Economics estimated that the size of the state tourism sector, measured by total visitor spending, reached \$15.3 billion in 2019.<sup>31</sup> A study conducted by D.K.

<sup>29</sup> Source: U.S. Travel and Tourism Satellite Account for 1998-2019. Survey of Current Business, Bureau of Economic Analysis. November 2019. <https://apps.bea.gov/scb/2019/11-november/pdf/1119-travel-tourism-satellite-account.pdf>.

<sup>30</sup> Chmura does not have regional specific tourism satellite account data to define tourism sector specific to Jefferson Parish.

<sup>31</sup> Source: Economic Impact of Visitors in Louisiana, 2019, by Tourism Economics, available at: <https://www.crt.state.la.us/tourism/louisiana-research/current-research/index>.



Shifflet & Associates concluded that total visitor spending in Louisiana was \$19.0 billion in 2019.<sup>32</sup> In addition, the University of New Orleans (UNO) provided a more conservative estimate, with total state visitor spending at \$12.7 billion in 2019.<sup>33</sup> Similarly, statewide tourism employment estimates also vary. The University of New Orleans estimated 165,000 tourism jobs in Louisiana in 2019, while the State of Tourism Industry Report estimated that total tourism employment was 238,000 in 2019.<sup>34</sup>

## 5.2. Pre-Pandemic Tourism Employment

Using the description of the tourism sector stated in Section 5.1, Chmura first estimates pre-pandemic tourism employment in different industries for Jefferson and Orleans parishes, before analyzing how the tourism sector in those two parishes was impacted by the COVID-19 pandemic.

Chmura arrives at its estimate of tourism sector employment using the study by the University of New Orleans, because this study provided individual estimates for all parishes in the state. The

study reported that in 2019, total visitor spending in Jefferson Parish was \$1.75 billion, with tourism employment of 22,710. As a comparison, total visitor spending in Orleans Parish was \$5.31 billion, with tourism employment reaching 69,040.<sup>35,36</sup>

Table 5.2 presents the Chmura estimate of tourism employment in Jefferson and Orleans parishes. In the fourth quarter of 2019, the estimated total tourism employment in Jefferson Parish was 22,543, or 10.7% of total parish employment.<sup>37</sup> In Orleans Parish, where the city of New Orleans is located, a much higher 31.0% of total employment (estimated at 68,198)

**Table 5.2: Estimated Pre-Pandemic Tourism Employment (2019Q4)**

	Jefferson Parish		Orleans Parish	
	2019Q4	% in Total	2019Q4	% in Total
Accommodation and Food Services	9,378	41.6%	40,199	58.9%
Administrative and Support and Waste Management and Remediation Services	441	2.0%	915	1.3%
Arts, Entertainment, and Recreation	2,702	12.0%	7,286	10.7%
Finance and Insurance	179	0.8%	213	0.3%
Information	223	1.0%	3,070	4.5%
Other Services (except Public Administration)	1,292	5.7%	2,741	4.0%
Professional, Scientific, and Technical Services	228	1.0%	689	1.0%
Real Estate and Rental and Leasing	560	2.5%	514	0.8%
Retail Trade	4,552	20.2%	7,968	11.7%
Transportation and Warehousing	2,669	11.8%	4,460	6.5%
Wholesale Trade	320	1.4%	144	0.2%
<b>Tourism Total</b>	<b>22,543</b>	<b>100.0%</b>	<b>68,198</b>	<b>100.0%</b>
<b>All Industries</b>	<b>209,803</b>		<b>219,850</b>	

Source: Chmura and JobsEQ by Chmura

<sup>32</sup> Source: 2019 Louisiana Visitor Volume and spending, by D.K. Shifflet & Associates, available at: <https://www.crt.state.la.us/tourism/louisiana-research/current-research/index>.

<sup>33</sup> Source: Tourism Spending in Louisiana Parishes, 2019, by Hospitality Research Center, the University of New Orleans, May 2020, available at: <https://www.crt.state.la.us/tourism/louisiana-research/current-research/index>.

<sup>34</sup> Source: Lt. Governor Billy Nungesser State of the Tourism Industry Report, 2019, available at: <https://www.crt.state.la.us/tourism/louisiana-research/current-research/index>.

<sup>35</sup> Source: Tourism Spending in Louisiana Parishes, 2019, by Hospitality Research Center, the University of New Orleans, May 2020, available at: <https://www.crt.state.la.us/tourism/louisiana-research/current-research/index>.

<sup>36</sup> Data from JEDCO indicate that in 2017, tourists spent \$1.9 billion in Jefferson Parish, and there were 26,000 hospitality workers. Chmura used the UNO 2020 study as a baseline. Found at <https://www.visitjeffersonparish.com/blog/post/why-travel-matters-in-jefferson-parish/>.

<sup>37</sup> Please note that tourism employment in the fourth quarter is slightly lower than the 2019 average estimated by UNO, possibly due to seasonality.

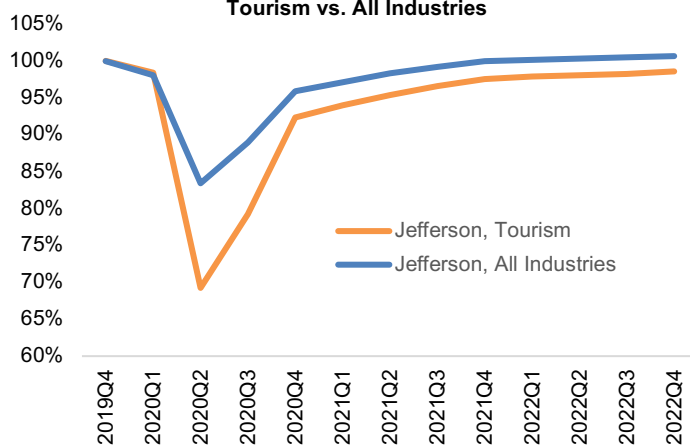
was in the tourism sector. While the overall (all industries) employment of those two parishes is similar, tourism plays a much more significant role in Orleans Parish. In fact, many of the top tourism attractions in the region, such as the French Quarter, are in Orleans Parish. In addition, New Orleans also hosts major sporting and cultural events including professional and college football and basketball events, and Mardi Gras each year.

Examining more details on the composition of the tourism sector for both parishes, some differences exist. One noticeable difference is that Orleans Parish has a much larger accommodation and food services industry. An estimated 40,199 tourism jobs in Orleans Parish were in this industry, with the accommodation industry amounting to 12,032 and food services totaling 28,166. As a comparison, tourism employment in the accommodation and food services industry was only 9,378 in Jefferson Parish, with 1,703 jobs in accommodation, and 8,198 in food services. The reason is that major tourism attractions are in Orleans Parish, and tourists prefer to stay there. The accommodation industry in Jefferson Parish tends to receive overflow tourists from Orleans. For other industries, Orleans Parish had significantly more jobs in the information sector (motion picture and video industries). As a percentage, more tourism jobs in Jefferson Parish are in retail, with 20.2% of its tourism employment in this industry, compared with 11.7% for Orleans Parish. Finally, a higher percentage of Jefferson Parish tourism employment is in the transportation industry, as the Louis Armstrong New Orleans International Airport is located in Jefferson Parish, which provides many employment opportunities in the transportation industry.

### 5.3. Tourism During COVID-19 and Recovery

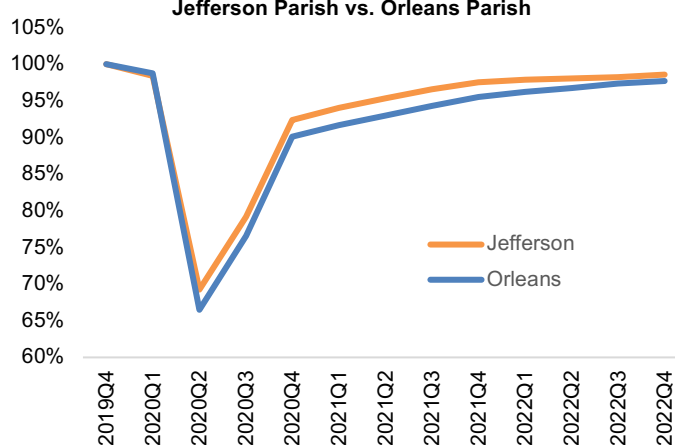
The impact of COVID-19 on the regional tourism sector and its eventual recovery depends on different factors, such as local infection rates, state and local policies, and tourist composition.<sup>38</sup> The tourism sector is one of the hardest-hit industries in the country, especially for the Greater New Orleans region, which was a COVID-19 hotspot in the early phase of the pandemic. In addition, this industry involves a lot of human interaction and will continue to be impacted by social distancing policies even as businesses reopen.

**Figure 5.1: Jefferson Parish Employment Recovery, Tourism vs. All Industries**



Source: Chmura

**Figure 5.2: Tourism Employment Recovery, Jefferson Parish vs. Orleans Parish**



Source: Chmura

As Figure 5.1 indicates, during the pandemic, the tourism sector suffered more significant job losses than other industries. It is estimated that the tourism sector in Jefferson Parish lost 6,933 jobs in the second quarter, a 30.8% decline, while the

<sup>38</sup> Source: The Roads to Recovery for Travel & Tourism, webinar presented by Resonance Consultancy, April 21, 2020.

overall parish employment decline was 16.6%. Orleans Parish suffered even larger tourism job losses due to the pandemic, at an estimated 22,852, or 33.5% of all tourism jobs in the parish.

For the recovery, most experts concluded that tourism recovery will lag behind other industries. A study by Deloitte predicted in a mild scenario that domestic tourism in the United States will reach its 2019 level in 2022. In the hard and severe scenarios, Deloitte study estimated that domestic tourism will recover to its 2019 level in 2023 and 2025, respectively. In addition, studies have found that tourism destinations hosting both domestic and regional tourists are expected to recover more quickly than destinations with a large percentage of international visitors or fly-in customers.<sup>39</sup>

Tourism in the Greater New Orleans area is comprised of two main segments. One segment is for leisure visitors, which is expected to recover fairly quickly. Louisiana is primarily a destination that leisure visitors drive to; only 9% of Louisiana travelers arrive by airplane. In the Greater New Orleans region, only 17% of visitors arrive by air. Approximately 42% of tourists in Louisiana are in-state residents. Texas makes up 23% of travelers, followed by Mississippi (6%), Florida (3%), and Alabama (3%); all of them are southern states and are close by.<sup>40</sup> Chmura estimates that New Orleans regional leisure tourism will be on a relatively quick recovery track and can reach its pre-pandemic level in 2022. This is facilitated by regional tourists who choose to drive rather than fly, and there will be pent-up demand from visitors who did not take vacation trips in 2020.

One the other hand, New Orleans is a major convention destination, with national and international conferences that attract many fly-in visitors. In 2020, several major conferences scheduled in New Orleans were cancelled, including the American Associated Pharmacies Conference, and World Petrochemical Conference.<sup>41</sup> Those major conferences are normally planned years in advance, and it will take several years for the region to schedule those conferences. In addition, some conferences are moved online due to the pandemic, and may continue to hold online conference after the pandemic. That will erode the convention segment of the tourism sector in the Greater New Orleans region. It is likely that the convention segment of the regional tourism will take longer to recover than the leisure segment.

As Figure 5.1 indicates, the recovery of tourism employment in Jefferson Parish will lag the overall recovery. Overall parish employment is projected to reach its pre-pandemic level in the first quarter of 2022. In the fourth quarter of 2022, tourism employment will still be lower, at 98.5% of its pre-pandemic level. The recovery path of the tourism sector in Orleans Parish will follow a similar pattern, but at a slightly slower pace than Jefferson Parish (Figure 5.2). Tourism employment in Orleans Parish will reach 97.7% of pre-pandemic levels in the fourth quarter of 2022.

Those two parishes are adjacent to each other, so it is not surprising that they share similar recovery paths. It is estimated that there are relatively minor differences in terms of COVID-19 impact and recovery for most tourism industries such as taxi services, car rentals, and travel reservation services. But since traveler accommodation is such an important industry in Orleans Parish, Orleans will attract a larger percentage of overnight visitors than Jefferson. Those overnight visitors are more likely to be from out-of-state or will fly in to the region. As a result, tourism recovery in Orleans Parish will be slightly slower than in Jefferson Parish from 2020 to 2022.

<sup>39</sup> Ibid.

<sup>40</sup> Source: 2019 Louisiana Visitor Profile. Louisiana Tourism, available at: <https://www.crt.state.la.us/tourism/louisiana-research/current-research/index>.

<sup>41</sup> Source: [https://www.nola.com/news/business/article\\_c865e6e8-5d7c-11ea-ad9d-f71dc925f69e.html](https://www.nola.com/news/business/article_c865e6e8-5d7c-11ea-ad9d-f71dc925f69e.html)