Every worker deserves access to a steady job that pays them enough to afford basic necessities for themselves and their family. But that is not the reality for many Louisianans. While Louisiana has made some important economic gains since the Great Recession, and has begun to recover from the more recent downturn in the oil economy, many workers still don’t earn enough to make ends meet. Many others struggle to find work at all or have given up looking. This report is meant as an overview of Louisiana’s economy, from the eyes of its main participants - the workers.

- In June 2017, Louisiana had 53,800 more jobs than when the Great Recession began in December 2007, but 107,800 fewer jobs than it needed to keep up with population growth since the recession.

- In the six-month period that ended June 2017, Louisiana gained an average of 3,300 jobs per month, outpacing the national rate of job growth.

- Three-fourths of working-age adults in the state - 74.5 percent - are employed, compared to 77.9 percent nationally. The other 25.5 percent are raising children, in school, unemployed, or have given up looking for a job.

- 1 in 3 workers in the state earns below the poverty wage for a family of four ($11.66 per hour), meaning if they work 40 hours a week, their household will still fall below the federal poverty line.

- Louisiana’s economic output - Gross State Product - grew by 17 percent from 2000 to 2015 when adjusted for inflation, while the state’s inflation-adjusted median wage has grown by only 4 percent during that time. The gap between productivity and wages has widened since 2009.

- The strength of Louisiana’s economy continues to vary by region, race, gender and educational attainment. White workers, workers with college degrees and men are faring better in Louisiana than black workers, those with a high school degree or less and women. In many cases, these trends are decades old.

- Four of the state’s nine metropolitan areas (Houma-Thibodaux, Shreveport-Bossier City, Lafayette and Alexandria) had fewer jobs in June 2017 than prior to the Great Recession, and continued to lose jobs during the one-year period between June 2016 and June 2017.

- The number of state and local government jobs decreased by 13 percent since 2000.
Since 1979, wages (adjusted for inflation) for the top 10 percent of earners have increased 19 percent. Over the same time period, median wages are up just 6 percent and the bottom 20 percent of earners have seen only 3 percent wage growth.

The wage gap between white and black workers has widened by 40 percent since 1979, peaking during the recession in 2009.

A Louisiana high school graduate earns only 57 percent of the median wage of a worker with a college degree, down from 76 percent in 1979.

In 2016, the median wage for women was 77 percent of the median wage for men, a gap that has narrowed by 15 percentage points since 1979, but with much room for improvement.

A truly healthy state economy is one where all Louisiana families are sharing in economic gains. Louisiana policymakers can help make this happen with targeted strategies that are proven to help families prosper. Increasing the state’s Earned Income Tax Credit, establishing a state minimum wage and allowing local municipalities to enact their own wage and family leave policies could benefit workers in every parish, city and town. Investing more resources in education - from early childhood all the way to college - would help ensure that students get the skills they need to compete for the jobs of tomorrow. Our full recommendations can be found at the end of the report.

Note on methodology and sources
Unless otherwise noted, all numbers come from Current Population Survey (CPS) and Bureau of Labor Statistics (BLS) data from 1979-2016 compiled by the Economic Policy Institute. All figures are adjusted for inflation and presented in 2016 dollars. For more information, please contact Jeanie Donovan (jeanie@labudget.org) or Nick Albares (nick@labudget.org).
Louisiana’s economy continues to rebound from the 2007-09 national recession and the more recent state recession brought on by a slowdown in the oil patch. Still, many workers and their families are struggling. Job growth remains slow, wages are depressed and many workers are stuck in low-quality jobs. This is especially true for African-Americans and those who lack a college degree. The third edition of Louisiana Budget Project’s State of Working Louisiana report documents the vitality of Louisiana’s workforce. It pulls together the latest available data on jobs, wages and the makeup of the labor force. It is designed as a tool for lawmakers, journalists and the general public, highlighting salient facts about Louisiana’s workforce through relevant data.

The report specifically examines:

The state of Louisiana’s job market, including regional trends. Pages 5 - 8
What sectors of work are seeing job gains and the quality of those jobs. Pages 9 - 12
Who is benefiting from economic growth in Louisiana. Pages 13 - 17
Louisiana’s job market is improving slowly and unevenly

While Louisiana’s job market is growing again after the oil patch recession that started in 2014, overall job growth is not keeping pace with population growth. The state currently has 1,988,800 jobs, 53,800 more than it did in December 2007, at the onset of the Great Recession. During the same period the state’s population has grown by 8.4 percent, easily outpacing job growth. To return to pre-recession employment levels that account for population growth, the state needs a total of 2,096,635 jobs; 107,800 more than currently exist.

“Job growth remains slow, wages are depressed and many workers are stuck in low-quality jobs.”
Louisiana's job growth is accelerating

<table>
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<tr>
<th></th>
<th>Last 3 months, # jobs added</th>
<th>Last 3 months, % change</th>
<th>Last 6 months, # jobs added</th>
<th>Last 6 months, % change</th>
<th>Last 12 months, # jobs added</th>
<th>Last 12 months, % change</th>
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<tbody>
<tr>
<td></td>
<td>(Mar '17 to Jun '17)</td>
<td>(Dec '16 to Jun '17)</td>
<td>(Jun '16 to Jun '17)</td>
<td></td>
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<td></td>
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<tr>
<td>Louisiana</td>
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<td>0.3%</td>
<td>6,100</td>
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<td>Texas</td>
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<td>1.3%</td>
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<td>0.4%</td>
<td>1,079,000</td>
<td>0.7%</td>
<td>2,238,000</td>
<td>1.6%</td>
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</tbody>
</table>


To close the jobs gap and keep up with expected population growth over the next three years, the state would have to add an additional 133,145 jobs by June 2020 - an average of 3,500 jobs every month for the next 33 months.

Job growth was essentially flat in the second half of 2016, but has picked up in 2017 and was twice the national average in the second quarter of this year. While Louisiana’s 12-month job growth lagged behind the national average between April 2017 and June 2017, the rate of job growth in the state (0.8 percent) was double the national average (0.4 percent) and surpassed job growth in neighboring states.

Another way to measure the strength of the labor market is by the percentage of adults in their prime working years (age 25-54) who have jobs. After dipping to a low of 71.9 percent in 2011, the percentage of prime-age adults with a job climbed steadily to 74.5 percent in 2016. The 25.5 percent of the working-age population who don’t have a job fall into a number of categories, including: raising children, in school, disabled, or have given up on looking for work.

Still, Louisiana’s prime-age employment-to-population rate remained 3.4 percentage points below the national average of 77.9 percent in 2016. Back in 2010, the gap between Louisiana and the rest of the country was just 1 percentage point, indicating other states have recovered faster and more consistently than Louisiana.
Regional differences in job growth

While some regions of the state have fully recovered from the Great Recession, four of the state’s nine metropolitan statistical areas had fewer available jobs in June 2017 than in December 2007, and have continued to lose jobs in the 12-month period between June 2016 and June 2017. The Lake Charles metro area is leading the state in job development with an increase of 5,100 jobs between June 2016 and June 2017, while Houma-Thibodaux, Shreveport-Bossier City, Alexandria and Lafayette lost a combined 7,000 jobs during that period.
Job growth has been uneven across state's metro areas


State and local government jobs

One reason for the jobs gap is the decline in local and state government jobs. While Louisiana has more total jobs than when the recession ended in 2009, state and local government jobs are at their lowest level since the turn of the century. In January 2000, Louisiana had 338,000 jobs in state and local government. In June 2017, that number had dropped to 293,000, a 13 percent decrease. State government jobs have dropped more substantially, going from 117,300 positions in January 2000 to 85,500 in June 2017, a 27 percent decrease. Local government jobs are down 6 percent, having gone from 220,400 positions in January 2000 to 207,000 in June 2017.

While Louisiana has seen a net increase in total jobs since the recession ended in 2009, state and local government jobs are at their lowest level since the turn of the century.
Uneven job growth across sectors

While the state has experienced a 1.1 percent net gain in jobs over the last 12 months, these jobs are not accruing evenly in all sectors and industries. The manufacturing, transportation and financial sectors all experienced a net decrease in available jobs between June 2016 and 2017.

The state’s recent job growth is being driven by the construction, education, healthcare and hospitality industries. The 11.1 percent growth in construction jobs stems largely from energy-sector growth in the Lake Charles area, where new liquefied natural gas facilities are being built. Many of these jobs, however, could disappear when the industrial construction boom slows down.

The number of health and education-related jobs grew by 2.5 percent between June 2016 and June 2017, a sizable component the state’s recent economic growth. The increase in health sector jobs has been particularly significant across the state, with 6,200 jobs added over the past 12 months. This growth is largely due to the influx of federal funding associated with the state’s Medicaid expansion and the recent opening of two new hospitals in New Orleans. Statewide, 1,600 education jobs were added over the past 12 months, highlighting a smaller but important growing sector in Louisiana.
Many new jobs offer low wages and lack benefits

Unfortunately, some of the fastest-growing job sectors offer a disproportionate number of low-wage, low-benefit positions. For example, in the leisure and hospitality industry, food service workers earn an average wage of just $8.95, or $20,160 per year. A card dealer in a casino earns a median wage of $8.71 per hour or $18,710 annually. Workers in these positions earn below the “federal poverty wage” of $11.66 per hour, which is what’s needed to keep a family of four above the poverty line when working 40 hours per week. In 2015, one in three Louisiana workers (33 percent) had earnings that fell below the federal poverty wage.

While the health and education sectors include a wide range of jobs, some with high salaries, many of the support roles in those sectors do not pay living wages. Health care support workers, including home health aids and nursing assistants, earn an average of only $24,760 per year. Elementary and secondary school teaching assistants earn just $20,600 per year. Alternatively, medical technicians in Louisiana, a statistical category that includes health care jobs from surgeons to dieticians, earn an average of $63,930 each year. Secondary school teachers earn an average
of $49,570 per year and librarians earn a mean salary of $52,870 per year.

Louisiana has experienced the most significant job growth in the construction industry, with an increase of 15,500 jobs in the last 12 months. The median wage for a construction worker in Louisiana is $19.51 per hour - or $44,160 for a year of full-time work. While higher than the overall state median wage of $15.43, construction jobs still pay below what it costs to achieve the "basic survival budget" basic for a family of four (two parents, one preschooler, one infant) in Louisiana of $23.12 per hour or $46,240 per year.\(^1\)

Therefore, while Louisiana has experienced job growth at a rate higher than the national average over the last six months, many of those jobs do not pay enough for workers to cover the costs of a basic household budget.

**Many jobs in state’s growing sectors do not pay enough to support a family**

![Bar chart showing various jobs and their wages compared to the basic survival budget in Louisiana.]

**Sources:** Bureau of Labor Statistics, May 2016 State Occupational Employment and Wage Estimates for Louisiana. The basic survival budget figure is from the United Way’s 2016 ALICE Report for Louisiana and is based on a family of 2 adults, one infant, and one preschooler.

**Many Louisiana workers lack employer-sponsored benefits and sick leave**

Not only do many of the jobs in Louisiana pay below a living wage, a substantial number do not offer comprehensive benefits and paid sick leave. There has been a gradual decline of employers offering health insurance over the past several decades in both Louisiana and across the nation. In the early 1980s, two-thirds of private sector workers in Louisiana and 70 percent
across the country had health insurance through their employer. The most recent survey data show that only 51.7 percent of private sector employees in Louisiana who work at least 20 hours per week receive health insurance through their employer. A slightly higher share — 53.1 percent — of workers across the country reported receiving insurance through their employer.

![Chart showing comparison of health insurance, retirement plan, and paid sick leave between Louisiana and the US average](chart.png)

**Private-sector workers in Louisiana less likely to receive benefits from employers than workers in other states**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Louisiana</th>
<th>US Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employer-sponsored insurance</td>
<td>51.7%</td>
<td>53.1%</td>
</tr>
<tr>
<td>Employer-sponsored retirement plan</td>
<td>34.0%</td>
<td>38.2%</td>
</tr>
<tr>
<td>Paid sick leave</td>
<td>54.9%</td>
<td>61.0%</td>
</tr>
</tbody>
</table>


The same downward trend applies to private sector workers receiving employer-sponsored retirement benefits. In the early 1980s nearly half of all American workers and more than 40 percent of Louisiana workers in the private sector had an employer-sponsored pension or retirement plan. Today just 34 percent of Louisiana workers have a retirement plan through their employer.

Finally, more than half of Louisiana workers in the private sector do not earn any paid sick leave. Without paid sick leave, a worker loses wages and earnings if they get sick or need to care for an ill child or family member. The erosion of employer-sponsored benefits compounds the impact of slow wage growth on the economic instability of working households.
Louisiana workers not reaping the rewards of the slowly growing economy

Louisiana’s economic output (gross state product) has increased substantially since the turn of the century, up 16.7 percent in 2015 compared to 2000. Growth in recent years, however, has been mostly flat. Inflation-adjusted gross state product in 2015 was nearly the same as in 2011, at just over $213 billion in economic output.

As Louisiana’s economy has become more productive, the share of economic output that goes to corporate profits has increased as well, showing how gains in production and output have helped business owners and shareholders more than workers. In 2000, business profits accounted for 42 percent of gross state product. By 2005, they had risen to 52 percent. In 2013, the most recent year for which data is available, profits consumed 48 percent of state economic output.

Profits consume an increasing percentage of gross state product

(Wages, on the other hand, have not kept pace with the growth in Louisiana’s economy. From 2000 to 2015, Louisiana’s economy grew by 17 percent, while the median wage grew by only 4 percent. The trend of wages growing slower than the overall economy was magnified during the state’s slow recovery from the Great Recession.)

"From 2000 to 2015, our economy grew by 17 percent, while the median wage grew by only 4 percent."
While median wages have failed to grow as fast as the overall economy, high-income workers have fared quite well in recent decades as low-wage occupations have struggled. Since 1979, wages for the top 10 percent of earners have increased 19 percent. Over the same time period, overall median wages are up just 6 percent, and the bottom 20 percent of earners have seen only 3 percent wage growth.
Race, gender and education wage gaps persist
A significant wage gap persists between white and black Louisianans. Since 1979, the gap between median wages for white and blacks in Louisiana widened by 40 percent. In 2016, the median hourly wage for African-American workers was only 66 percent of the median wage for white workers. That is an improvement from 2009, when the black median wage was 62 percent of white workers. Systemic racial inequities in many areas of American society contribute to the gap. Among these, rigorous research indicates clearly that racial discrimination exists in the U.S. job market.²

"Rigorous research indicates clearly that racial discrimination exists in the U.S. job market."
The gap in median wages between workers with a college degree and those without a degree has increased significantly over time. In 1979, the median wage for a Louisiana high school graduate was 76 percent of the median wage of a college graduate. In 2016, the median wage for a Louisiana high school graduate was only 57 percent of the median wage for a college grad. Notably, the difference in median wages for workers with only a high school diploma and workers with some college (but no bachelor’s degree) is relatively small. The premium for college degree holders in Louisiana suggests that policies aimed at helping students attend, afford and persist through college are worthy investments.

**College degree premium increased over time**

Median Wages by Education level by Year in Louisiana (in 2016 dollars)
Note: “Less than high school” data not available for 2000, 2007
In 2016, the median wage for women in Louisiana - $14.29 per hour - was the lowest of any state in the country. It also is only 77 percent of the median wage for men in Louisiana (a $4.15 per hour gap), the fourth-largest gap in the country in percentage terms, behind Utah, Connecticut and Wyoming. The wage gap - in percentage terms - is the same as it was in 2007. The gender wage gap increased during the Great Recession, then improved between 2010 and 2014. In 2015, women’s median wages dropped much further than men’s, rebounding somewhat in 2016. A number of factors play into the gender wage gap, including - research suggests - discrimination in hiring, promotion and salary level in some cases.

Research from the Columbia Business School in 2014 indicated gender bias in hiring decisions for lucrative positions in Science, Technology, Engineering and Math fields.

"In 2016, the median wage for women in Louisiana - $14.29 per hour - was the lowest of any state in the country."
Ensure Louisiana’s current workforce can make ends meet:

- Establish a state minimum wage above the federal minimum wage that is indexed to inflation to ensure that workers’ wages keep pace with increases in the cost of living.

- Allow municipal governments to establish local minimum wage and paid leave laws by eliminating the state pre-emption law that prohibits them from doing so.

- Double the state Earned Income Tax Credit (EITC) to boost the earned income of low-wage working families with children.

- Increase state funding for early childhood education so parents can return to work and contribute to household earnings, while setting Louisiana’s children up for a bright future where they can pursue their dreams through education.

- Maintain Medicaid expansion to ensure workers who do not have employer-sponsored insurance are protected from the health and financial risks of being uninsured.

- Enact legislation that promotes pay equity between men and women.
Invest in Louisiana’s future workforce:

- Fully fund need-based Go Grants that help students from low-income families afford a college education.

- Create a stable tax structure in order to fund key job-supporting investments in education, infrastructure and health care.

- Promote affordable housing and school integration strategies that allow people of all racial and economic backgrounds the opportunities to live and learn in high-opportunity neighborhoods and schools.

- Ensure adequate and equitable funding of K-12 schools in order to prepare students for further skill-building and 21st century jobs.

- Invest in training a high-quality workforce aligned with growing industry needs, including promotion of apprenticeship programs.

- Focus economic development strategies on producing more home-grown entrepreneurs and on helping startups and young, fast-growing firms already located in the state survive and grow. Research indicates that these strategies provide the best return on investment since most jobs are created by start-ups and expansions of current in-state businesses, not via relocations of out-of-state firms.

- Provide incentives to employers to offer jobs and skill-building opportunities to people with barriers to employment, including people with criminal records, a history of long-term unemployment and people with substance dependencies or disabilities.
Endnotes


3 Note: The wage gap data is from the U.S. Census Bureau’s 2016 Current Population Survey and includes both part-time and full-time workers. The National Partnership for Women and Families publishes similar data on the wage gap from the American Community Survey that focuses on full-time year-round workers. More information is available at http://www.nationalpartnership.org/research-library/workplace-fairness/fair-pay/4-2017-la-wage-gap.pdf


Acknowledgements

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About the Louisiana Budget Project

The Louisiana Budget Project monitors and reports on public policy and how it affects Louisiana’s low- to moderate-income families. We believe that the lives of Louisianans can be improved through profound change in policy, brought about by:

- creating a deeper understanding of the state budget and budget-related issues
- looking at the big picture of how the budget impacts citizens
- encouraging citizens to be vocal about budget issues that are important to them
- providing insight and leadership to drive the policy debate