



PRESS RELEASE

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New report shows toll of civil court costs on Louisiana's economy
Costs result in significant losses to Louisiana families, businesses, and tax rolls;
More than \$2 billion in savings projected with additional legal reforms

Baton Rouge, LA — Louisiana Lawsuit Abuse Watch (LLAW) today released the *2021 Impact of Tort Costs and the Potential Economic Benefits of Tort Reform*, an assessment measuring the impact of excessive civil court costs on Louisiana's economy. Citizens Against Lawsuit Abuse (CALA) commissioned John Dunham & Associates (JDA) to conduct analysis on these impacts and the potential economic benefits of tort reform in Louisiana. **View the [Louisiana report here](#).**

Findings once again showed that Louisiana continues to lose jobs and revenue to the tune of billions annually. The current total impact of these costs results in **\$3.87 billion in lost economic activity, 22,550 in job losses and losses of \$1.12 billion in lost wages for hardworking Louisianans**. This translates to an annual hidden "tort tax" of \$451 currently being paid by every single Louisiana resident. Were Louisiana to enact additional reforms, the resulting savings to residents and businesses would be an estimated \$2.1 billion.

As a result, all major industry groups are negatively impacted. Business and personal services tops the list with **job losses totaling more than 7,700, lost wages in excess of \$446 million and \$951 million in lost output**. The travel and entertainment sector is the next hardest-hit with more than 5600 in lost jobs, lost wages in excess of \$163 million and more than \$545 million in output losses. Coming in third is finance, insurance, and real estate with more than 2600 job losses, nearly \$97 million in lost wages and more than \$644 million in lost output.

The report also looked at the costs of Louisiana's civil justice system resulting in specific losses in the largest Metropolitan Statistical Areas (MSA), as outlined below.

- **[New Orleans MSA](#)**
 - **Jobs: 2900+**
 - **Wages: \$126+ million**
 - **Economic Activity: \$405+ million**
- **[Baton Rouge MSA](#)**
 - **Jobs: 1580+**
 - **Wages: \$76+ million**
 - **Economic Activity: \$254+ million**

- [Shreveport MSA](#)
 - Jobs: 1000+
 - Wages: \$54+ million
 - Economic Activity: \$172+ million
- [Lafayette MSA](#)
 - Jobs: 600+
 - Wages: 34+ million
 - Economic Activity: 109+ million

Though significant legal reforms were passed by the Louisiana Legislature last year, it will take time for these changes to take effect. Significant legal cost savings to the state and its residents would result from implementation of comprehensive legal reform. Louisiana would experience a spurt of economic growth resulting in jobs gained, increased wages and benefits, as well as a significant expansion of economic activity. State government would also benefit from additional tax revenues. All of these are needed more than ever, as the state continues to recover from the effects of COVID-19.

“These findings clearly show that civil justice reform must continue to be a priority in Louisiana. Frivolous lawsuits and exorbitant plaintiff awards impact all sectors of our economy – especially the critical energy sector. These job-killing lawsuits hurt Louisiana families, and in addition, economic opportunities are driven away while resulting costs are passed down to all Louisianans in the form of higher prices for goods and services,” said LLAW Executive Director Lana Venable.

While providing access to the civil justice system for truly injured parties to be fully and fairly compensated is the bedrock of the American judicial system, civil justice reforms aim to discourage filing of nuisance lawsuits or limit the types of damages that can be received. They are designed to relieve the court system from an abundance of frivolous lawsuits, prevent hurtful and abusive practices against businesses and other defendants, and prevent lawsuits that are overly costly.

“A healthy legal system should ensure fairness for both truly impaired individuals and small and large businesses operating in Louisiana. Imbalances in the system lead to unpredictability for consumers and businesses, costing jobs and resulting in constrained economic growth,” according to Louisiana Coalition for Common Sense Executive Director Karen Eddlemon.

Louisiana earned the number five ranking in the American Tort Reform Foundation’s 2020-21 Judicial Hellholes Report based on systematic application of civil laws and court procedures. The state was also ranked 49th in the US Chamber Institute for Legal Reform’s 2019 Lawsuit Abuse Climate Survey, which measures the reasonability and balance of each states’ tort liability systems.

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About [Louisiana Lawsuit Abuse Watch \(LLAW\)](#)

Louisiana Lawsuit Abuse Watch (LLAW) is a nonpartisan, nonprofit, citizen watchdog group with nearly 20,000 supporters across the state. LLAW is dedicated to ending lawsuit abuse that hurts Louisiana’s families and threatens local businesses and jobs by bringing more balance, fairness and common sense to Louisiana’s civil justice system. Visit us on Facebook, Twitter (@ReformLouisiana) and www.llaw.org.

About the [Louisiana Coalition for Common Sense \(LCCS\)](#)

The Louisiana Coalition for Common Sense (LCCS) is a group of professional associations, companies and individuals committed to ensuring a fair legal climate for both truly impaired individuals and small and large businesses operating in Louisiana.

About [John Dunham & Associates \(JDH\)](#)

Florida-based John Dunham & Associates provides strong analysis, as well as unique, credible messages and tools for use in lobbying, stakeholder engagement, communications, and litigation support. Firms can better manage potential risks and respond to opportunities by developing fact-based economic materials, messaging tools and stakeholder relations.