## Drew Center COVID-19 Analysis – Work From Home – 4.9.2020

On April 6, a paper by economists at the University of Chicago was released through the National Bureau of Economic Research (NBER) entitled <u>"How Many Jobs Can Be Done at Home?"</u>. Based on analysis of occupation descriptions, they find that approximately "37 per of U.S. of jobs can plausibly be performed at home". They also make the point that "the 37 percent of U.S. jobs that can plausibly be performed at home account for 46 percent of all wages." The paper looks at two different ways of classifying occupations as plausibly being able to work from home.

Breaking this analysis down to the MSA level, the data shows that the Lake Charles MSA is an area that has one the least amount of jobs that can be performed from home. Depending on the measure, the study estimates that between 21% and 26% of all jobs in the area can be worked remotely. Out of 395 areas analyzed, Lake Charles ranks either 354<sup>th</sup> or 361<sup>st</sup> (depending on the classification of occupations used). In terms of total wages, the jobs that can be classified as working from home account for between 30% and 32% of all wages in the area. The rankings are a little higher when looking at wages with outcome being either 275<sup>th</sup> or 321<sup>st</sup> depending on the measure of occupations.

To just look at our state, out of the nine MSA's, our area has the least amount of jobs that can be performed at home (no matter how the jobs are classified). Hammond or Houma are the areas that have the second least depending on the classification. The highest amounts were in New Orleans and Baton Rouge, the two most populous MSA's.

	Percentage of Jobs -	Percentage of Jobs -
MSA	Method 1	Method 2
Alexandria	25.2%	30.1%
Baton Rouge	25.7%	30.5%
Hammond	21.6%	27.9%
Houma-Thibodaux	21.9%	26.9%
Lafayette	24.5%	30.4%
Lake Charles	21.4%	25.7%
Monroe	24.0%	30.7%
New Orleans-Metairie	27.1%	32.0%
Shreveport-Bossier City	24.1%	29.7%

The wages figures show that Lake Charles may be closer to the middle of the pack when looking at one method. Jobs that could be performed at home make up the smallest amounts of total wages in Hammond and Houma. New Orleans, Baton Rouge, and Lafayette make up the highest amounts.

MSA	Percentage of Wages - Method 1	Percentage of Wages - Method 2
Alexandria	28.9%	33.4%
Baton Rouge	32.4%	35.7%
Hammond	25.8%	31.6%
Houma-Thibodaux	26.6%	30.3%
Lafayette	31.1%	36.8%
Lake Charles	29.6%	32.2%
Monroe	29.8%	36.1%
New Orleans-Metairie	35.2%	40.1%
Shreveport-Bossier City	29.0%	33.9%

A main takeaway from this analysis is that the Lake Charles MSA is not an economy that is structured for remote athome work. Our drivers of economic activity and main employers include industries such as manufacturing (petrochemical, refineries), hospitality/gaming, and construction. These are industries that do not have as many jobs that can be transferred to home compared to an industry such as Professional and Business Services or Finance.

The Drew CBEA will be updating and enhancing analysis of the economic effects of COVID-19 on the SWLA region. Please feel free to contact us with any questions.

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