



PRESS RELEASE

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Excessive civil tort costs take a toll on Louisiana's taxpayers and economy

New data shows lost jobs and revenue in state's major metropolitan areas

Baton Rouge, LA — As the current legislative session nears its midpoint, [Louisiana Lawsuit Abuse Watch \(LLAW\)](#) released data measuring the impact of excessive civil court costs on the state's overall economy and in the New Orleans and Baton Rouge Metropolitan Statistical Areas, specifically. These impacts were derived from the [Economic Benefits of Tort Reform](#) study conducted by The Perryman Group for Citizens Against Lawsuit Abuse using extensive survey data, industry information and a variety of corroborative source material. The results are clear — Louisiana continues to lose jobs and revenue because of the state's civil justice system.

Excessive tort litigation in Louisiana resulted in:

- Nearly **50,000 lost jobs** across Louisiana
- Personal **income losses to Louisiana residents totaling about \$3 billion**
- Payment of an average **\$1200 hidden "tort tax"** by every Louisiana citizen
- Direct **annual costs of more than \$3.5 billion** statewide
- **State government losses totaling nearly \$270 million**
- **Local government losses of nearly \$225 million**
- State **gross product losses totaling approximately \$5 billion**

- In the [Greater New Orleans Area](#), excessive tort litigation **costs residents an estimated \$2.5 billion in personal income annually** and results in a **loss of more than 36,400 jobs each year**. Excessive costs result in an annual **"tort tax" amounting to about \$3,039 per person**. Direct costs absorbed by residents and businesses amount to nearly \$2.7 billion annually and nearly \$3.9 billion in gross product is lost due to litigation costs.

- The [Capital Region](#) is also paying the price for excessive civil litigation, with **residents losing nearly \$690 million annually in personal income**. Additionally, more than **10,000 jobs are lost** every year and residents pay an **annual "tort tax" of more than \$1200 per person**. Residents and businesses also absorb nearly \$743 million in direct costs annually and in excess of \$1 billion is lost in annual gross product due to tort costs.

“Unfortunately, lawsuit abuse continues to impact Louisiana’s citizens, businesses, and overall economy – specifically in its two largest MSAs. Our civil justice system exists to determine liability and provide a means to settle legal disputes, but an overly aggressive system is damaging to our economy, creating impediments to productivity and economic development. Costs associated with unfounded lawsuits and exorbitant plaintiff awards are continually passed down to families and businesses through higher prices for goods and services, only exacerbated by the supply chain issues we still face.” said LLAW Executive Director Lana Venable.

According to the report, “tort reform can lead to substantial economic benefits, and states that have implemented reforms have seen improved judicial efficiency and measurable advancement in economic performance.” Civil justice reforms that have resulted in the greatest reduction in losses are those aimed at reducing frivolous lawsuits, capping appeal bonds, setting negligence standards and limiting non-economic damages. These reforms have been shown to enhance innovation and increase productivity, as well as to improve judicial efficiency and economic performance.

“From the years of ongoing coastal lawsuits involving local governments to the constant bombardment of advertising attorneys across multiple platforms, as well as legal fraud by out-of-state law firms preying on hurricane survivors, the culture of excessive lawsuits continues to be a drain on Louisiana’s residents and economy,” said Louisiana Legal Reform Coalition Executive Director Karen Eddlemon. “In the absence of meaningful civil justice reform, we can expect to see these troubling statistics continue to rise over time.”

Louisiana was ranked 49th in the **US Chamber Institute for Legal Reform’s most recent Lawsuit Abuse Climate Survey**, which measures the reasonability and balance of each states’ tort liability systems. Louisiana also continues to be ranked among the top Judicial Hellholes in the country, **coming in at number seven in the 2022-23 Judicial Hellholes Report** issued by the American Tort Reform Foundation.

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About Louisiana Lawsuit Abuse Watch (LLAW)

Louisiana Lawsuit Abuse Watch (LLAW) is a high-impact watchdog group with nearly 20,000 supporters across the state dedicated to fixing Louisiana’s broken legal system through transparency, accountability, and lawsuit reform. Visit us on Facebook, Twitter (@ReformLouisiana) and www.llaw.org.

About the Louisiana Legal Reform Coalition (LLRC)

The Louisiana Legal Reform Coalition (LLRC) 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 The Perryman Group (TPG)

An economic and financial analysis firm, The Perryman Group (TPG) provides clients with well-documented, carefully considered answers to even the most complex questions. For more than 30 years, The Perryman Group has met the challenges of thousands of clients through a systematic approach and a level of performance that assures a consistent standard of excellence. The firm has been involved in scores of major events shaping the economic landscape, from crucial corporate locations to landmark legislation to important regulatory policies to notable judicial decisions.