

Congressional Testimony of
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Greater New Orleans at Five

A Case Study of Regional Resilience

Presented before the
U.S. Senate Subcommittee on
Disaster Recovery

Chalmette, LA - August 26, 2010

Purpose

Discuss the goal of regional resilience and prosperity in post-disaster recovery

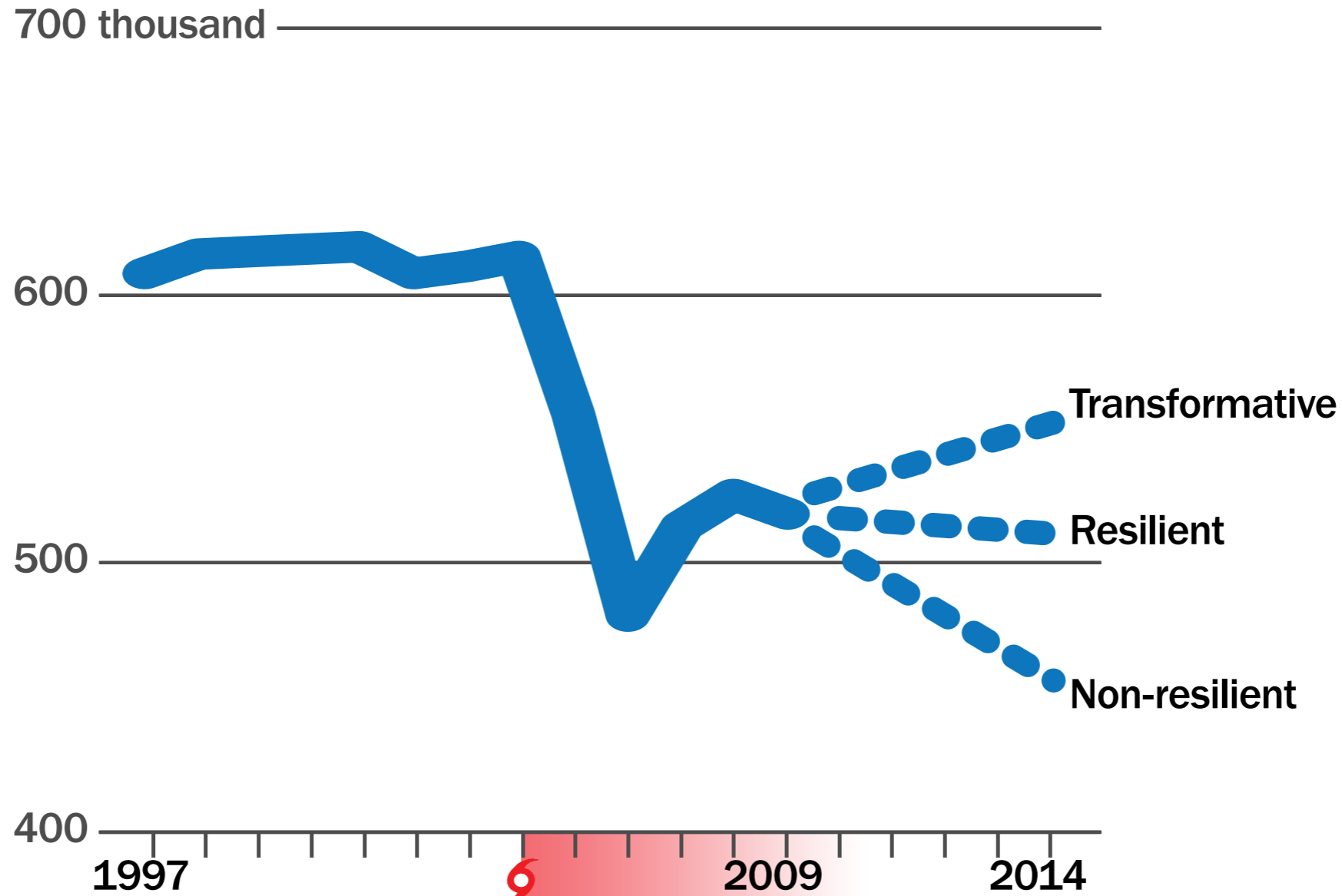
Summarize how greater New Orleans performed on this front since Katrina and the implications for continued resilience and transformation

Regional Resilience Goal One: Help a community achieve resilience or transformation after a shock

Economic Resilience

Total non-farm jobs in the New Orleans Metro

700 thousand



Sources: Bureau of Labor Statistics and Moody's Economy.com Database (U.S. Bureau of Labor Statistics: CES, QCEW)

Regional Resilience Goal Two: Enhance the capacities/ characteristics that can predict the ability to adapt to a shock

- Strong and diverse regional economy
- Large shares of skilled and educated workers
- Strong social capital
- Community competence
- Wealth

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Discuss the goal of regional resilience and prosperity in post-disaster recovery

Summarize how greater New Orleans performed on this front since Katrina and the implications for continued resilience and transformation

Key Findings from New Orleans Index at Five

- Despite sustaining three “shocks” in five years, greater New Orleans is becoming more resilient, demonstrating new capacities to transform its future and emerging signs of improved prosperity from previous decades
- Yet key challenges remain, testing the region’s path to prosperity
- Federal leaders must use the latest oil spill crisis as an opportunity to further the progress since Hurricane Katrina and continue to reinvent the city, moving the region towards prosperity

Of the five factors that can predict resilience, New Orleans has demonstrated three post-Katrina

- Strong and diverse regional economy
- Large shares of skilled and educated workers
- Strong social capital
- Community competence
- Wealth

New Orleans has experienced an unprecedented rise in community engagement after the storm

- Higher number of citizens are participating in public meetings and processes
- Individuals and groups have become more strategic and sophisticated; neighborhood/grassroots groups have greater capacity
- There is greater cooperation between groups and individuals, including the emergence of umbrella groups

New Orleans has demonstrated “community competence” by pursuing systemic reforms



Overhaul of the public school system



New capacities and holistic approach to neighborhoods



Overhaul of healthcare delivery



New approach to land use, planning and coastal restoration



Sweeping changes in criminal justice

On wealth, the city and metro area have benefited from vast federal, philanthropic, and private sector investments

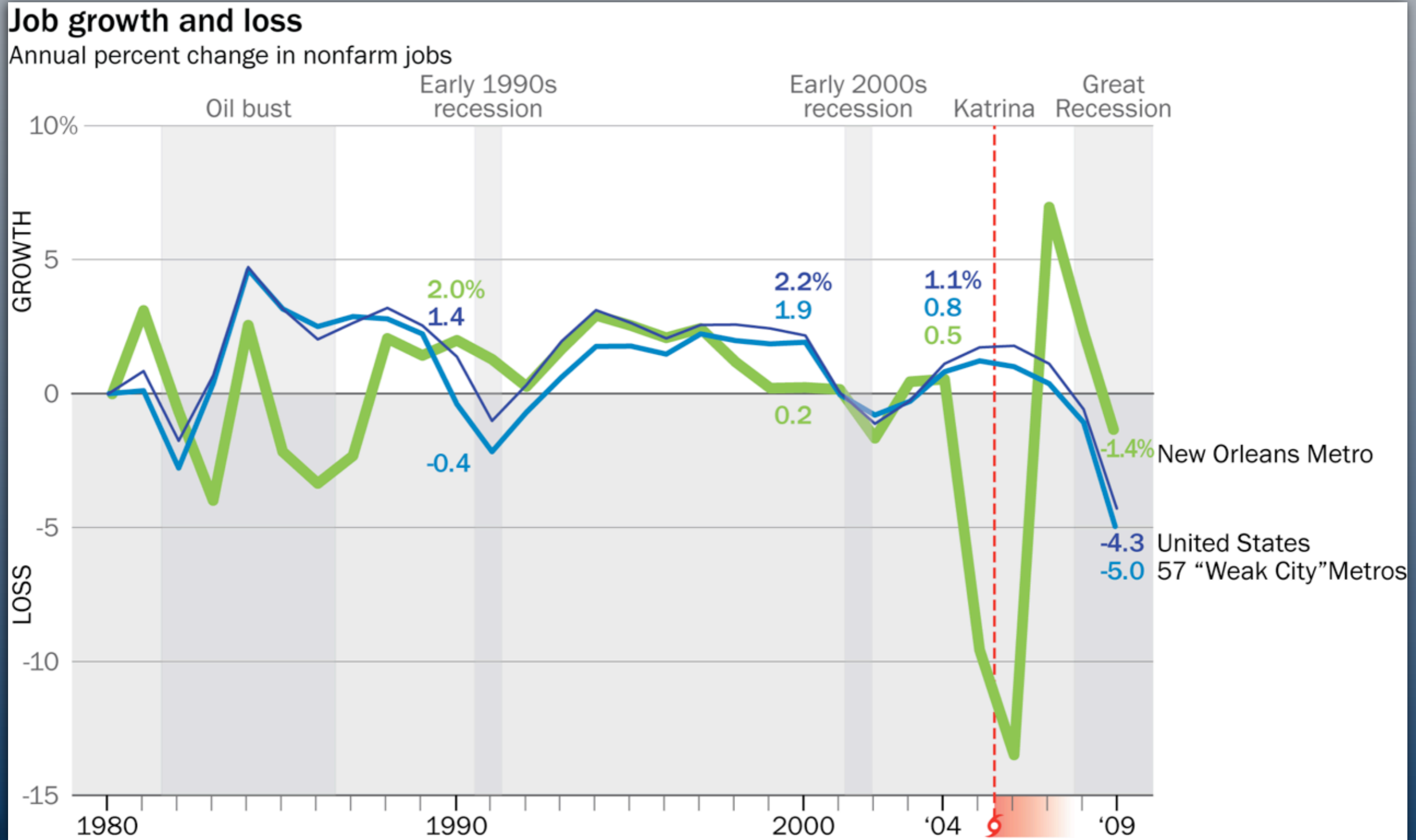
Federal Dollars

- \$8.8 billion obligated to date from FEMA Public Assistance
- \$13.4 billion in CDBG disaster funds
- \$15 billion in Army Corps fund for hurricane projects in New Orleans are
- \$5.2 billion in ARRA funds to Louisiana, as of October 2009

Foundation and Corporate Philanthropy Dollars

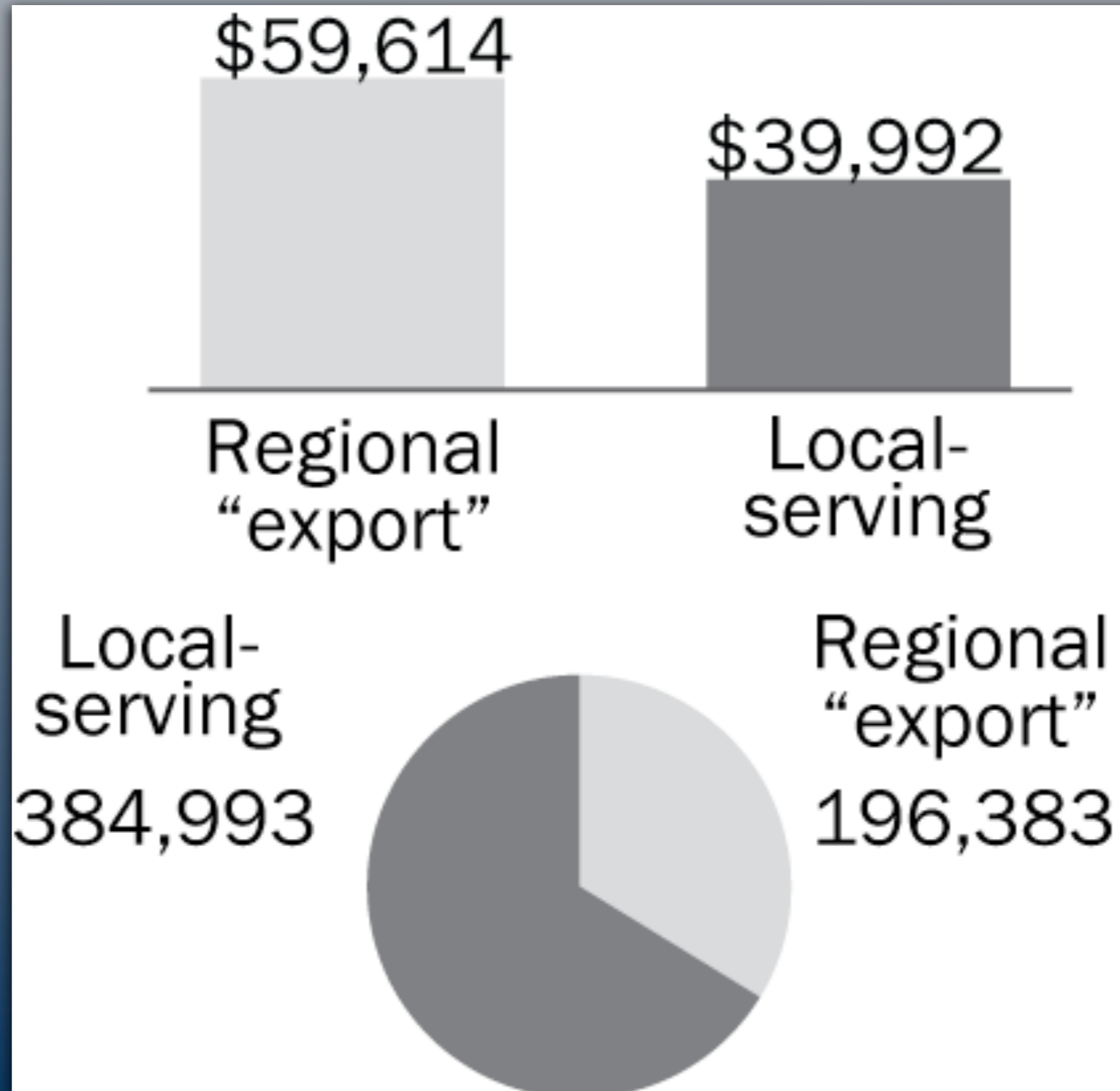
- \$1 billion in foundation and corporate grants and PRIs to whole Gulf region (2005-2009)

In the last five years, New Orleans metro has lost 16 percent of its jobs, but shed fewer jobs than the nation since 2008

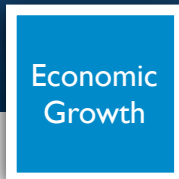
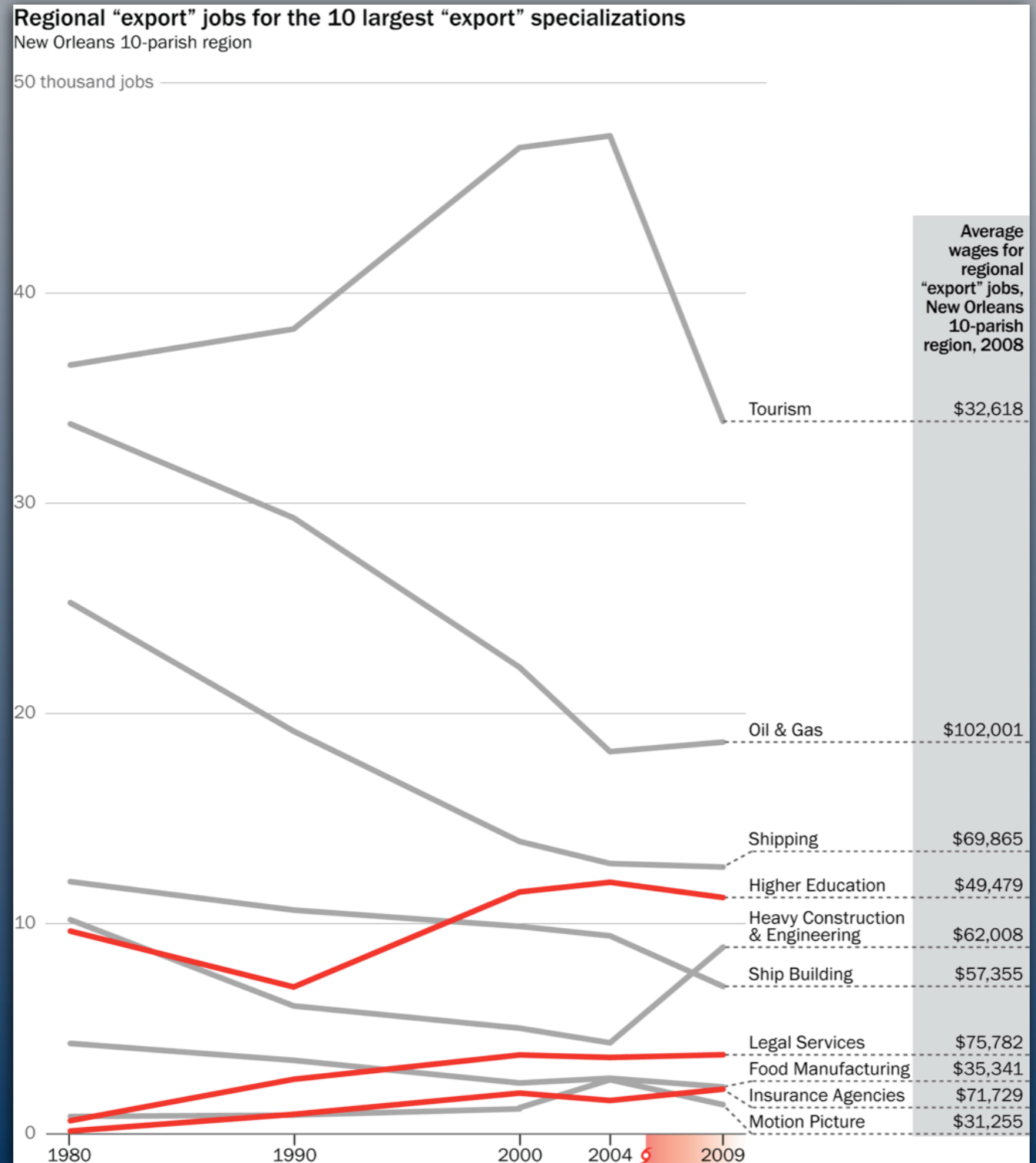


Source: Bureau of Labor Statistics and Moody's Economy.com Database (U.S. Bureau of Labor Statistics: CES, QCEW)

“Export” industries serve customers outside the region, supporting multiple local-serving jobs



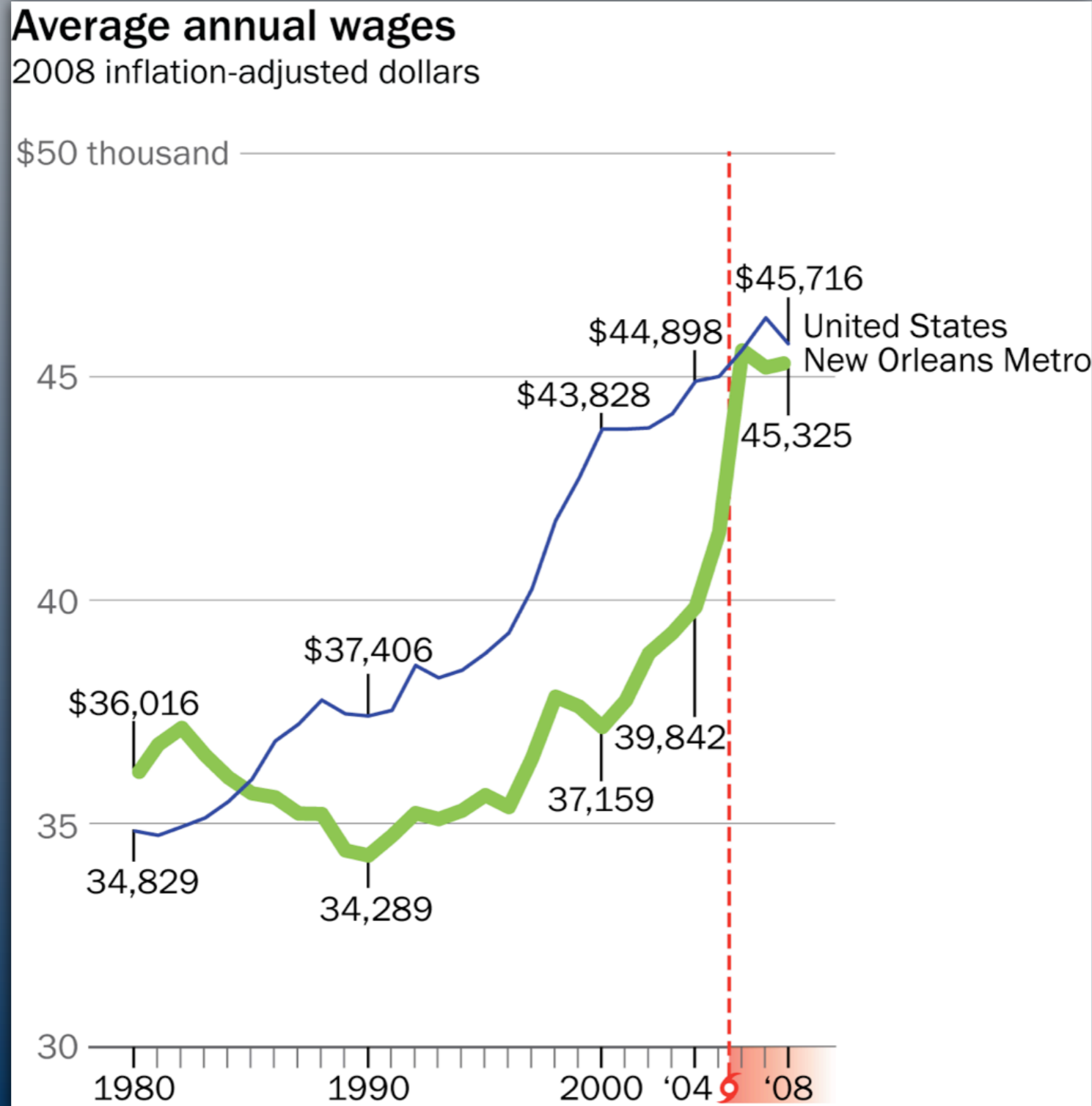
Knowledge-based industries are emerging in the region



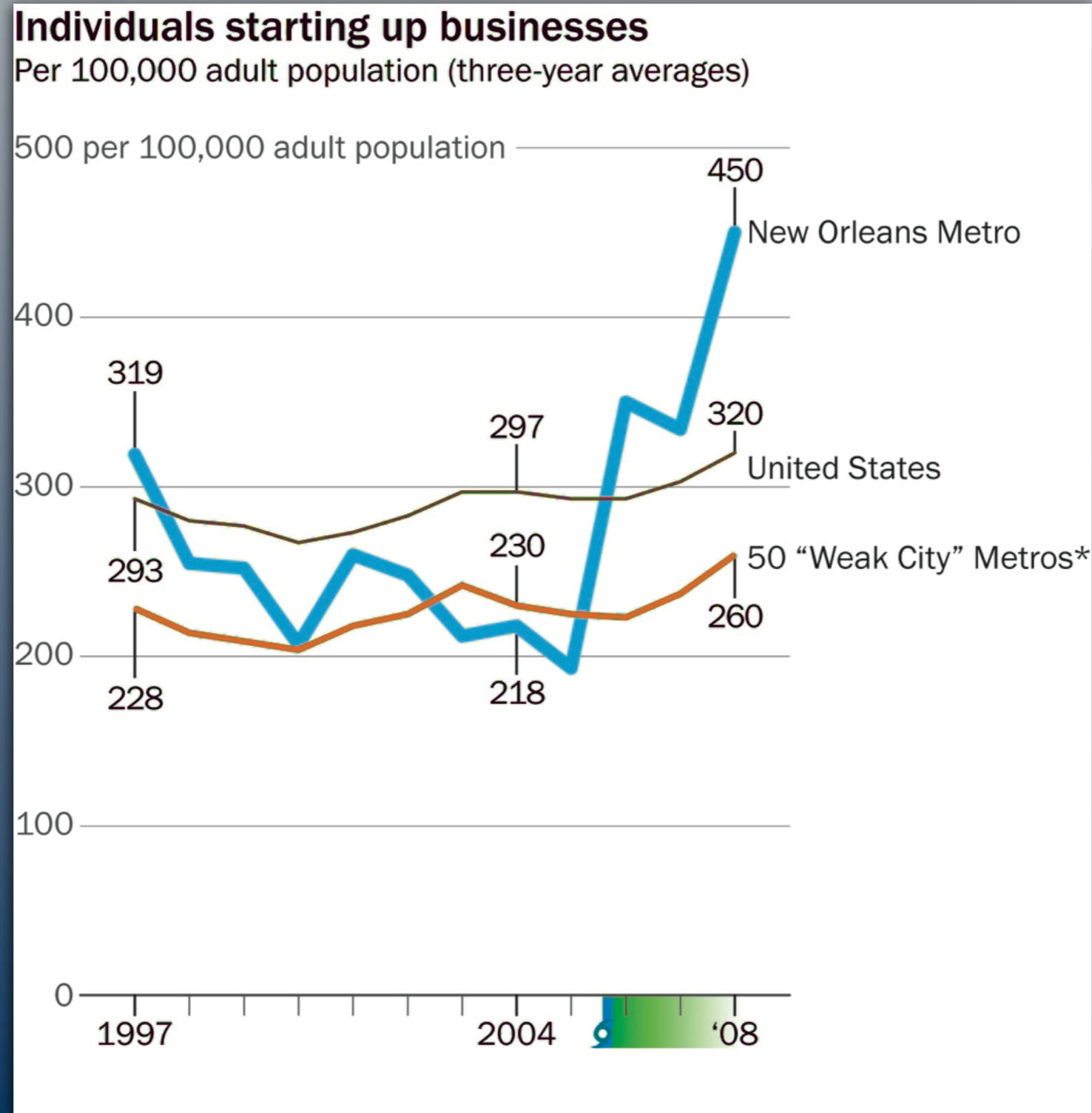
Source: Moody's Economy.com Database (U.S. Bureau of Labor Statistics: CES, QCEW)

The New Orleans Index at Five

Average wages in the metro area grew by nearly 14 percent, accelerating a trend that began in 2000



Entrepreneurship has spiked in the metro, surpassing the rate of individuals starting businesses nationally

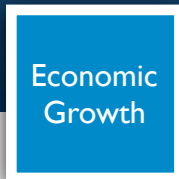
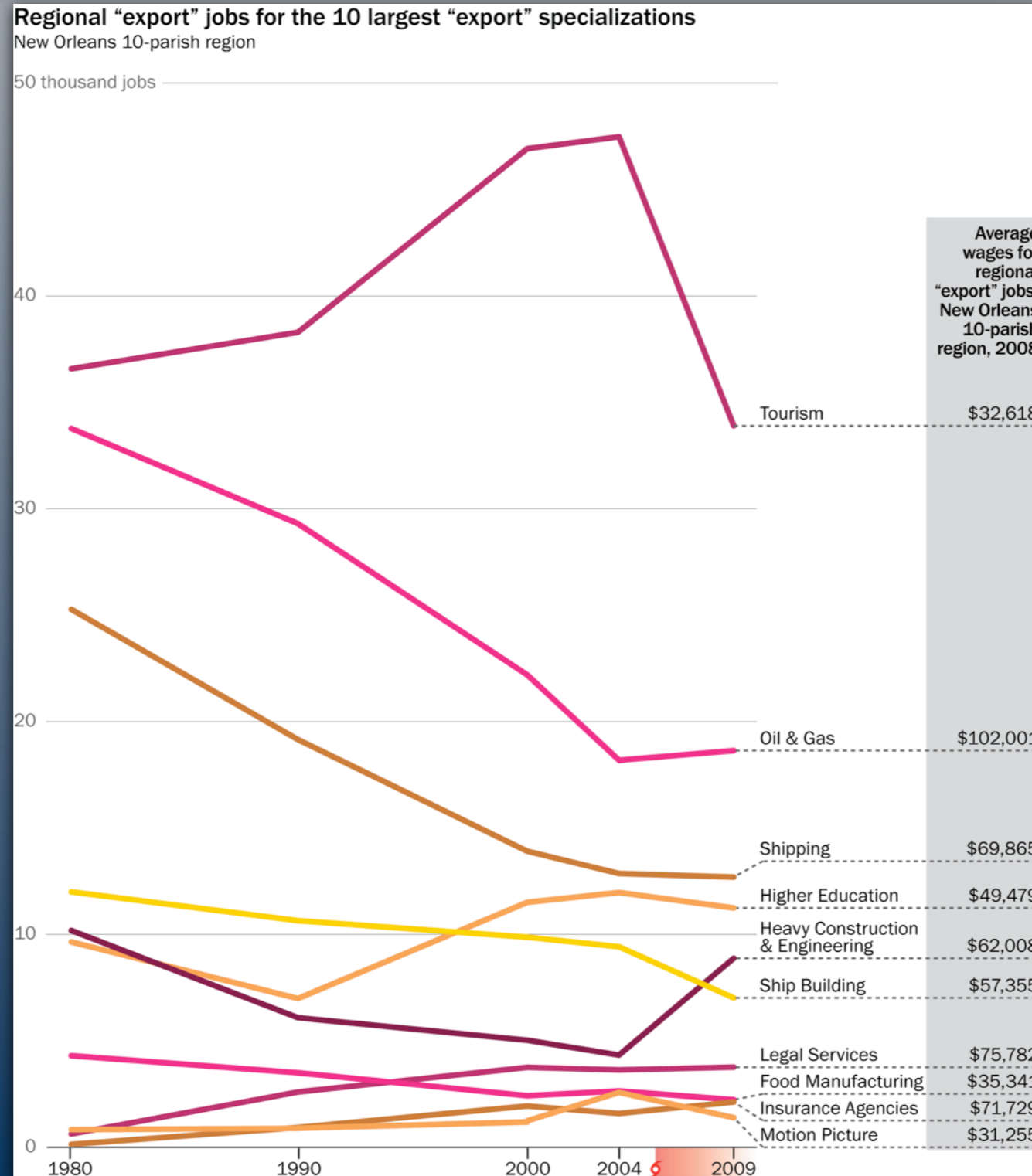


*Data for 7 of the 57 "Weak City" Metros were not available.

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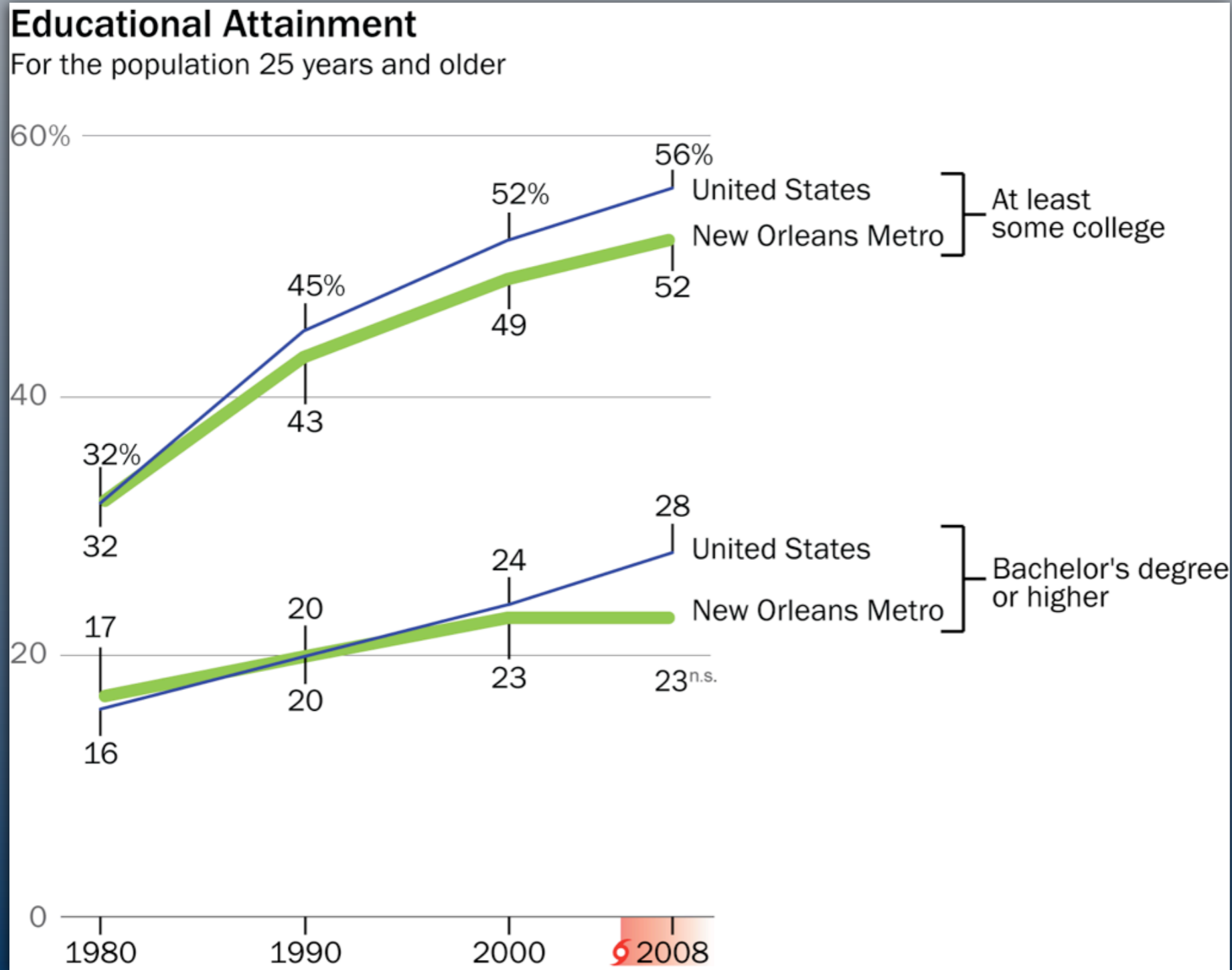
The largest export sectors of the economy have been shrinking since 1980; only two in top 10 grew post-Katrina



Source: Moody's Economy.com Database (U.S. Bureau of Labor Statistics: CES, QCEW)

The New Orleans Index at Five

The share of college-educated adults plateaued in New Orleans post-Katrina after growing since 1980

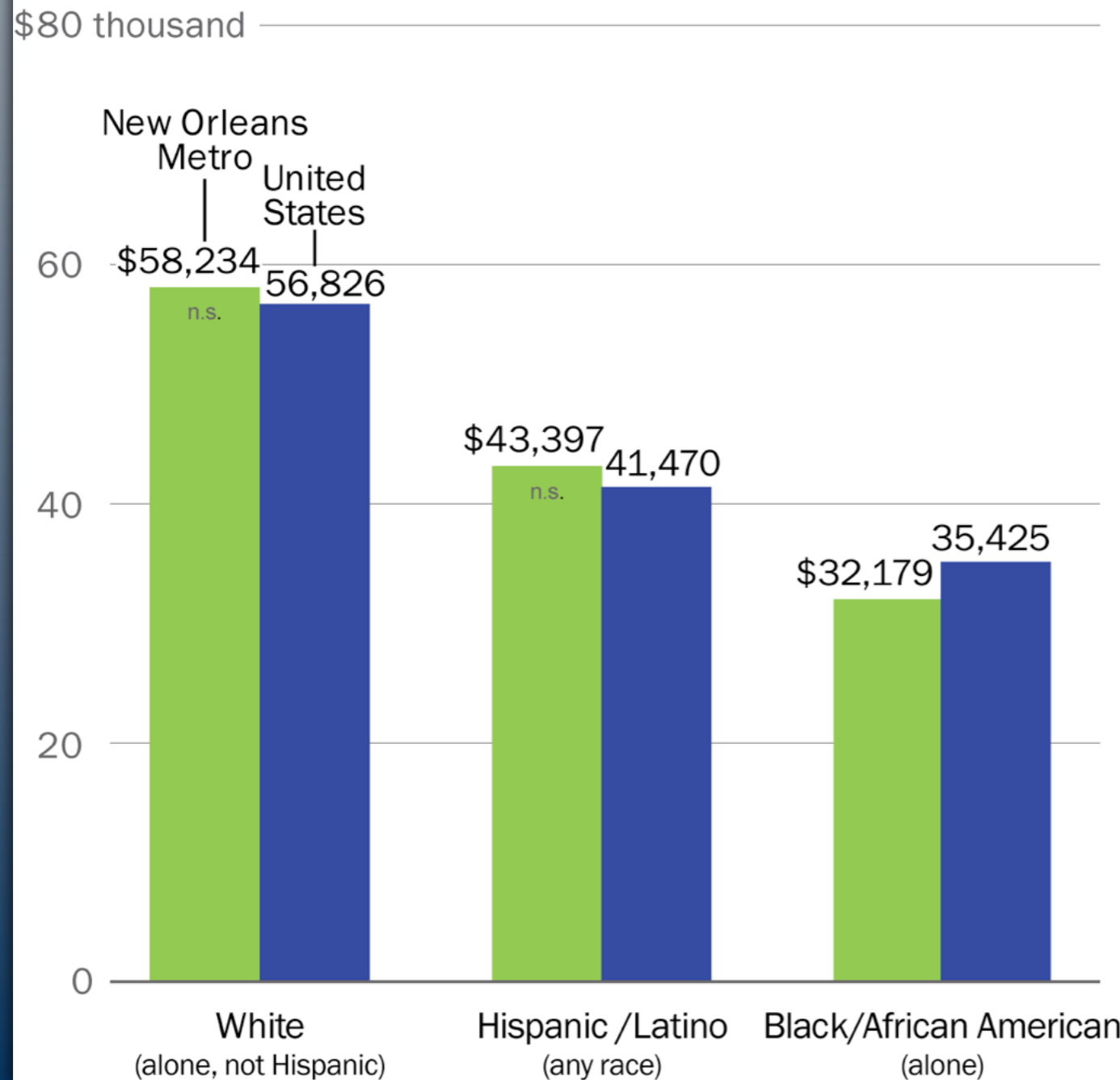


n. s.: The difference between 2000 and 2008 is not statistically significant at the 95 percent confidence level for those with a Bachelor's degree or higher in the New Orleans Metro.

Income disparities remain stark between whites, blacks, and hispanics

Median household income by race/ethnicity

2008 inflation-adjusted dollars



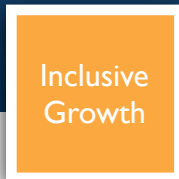
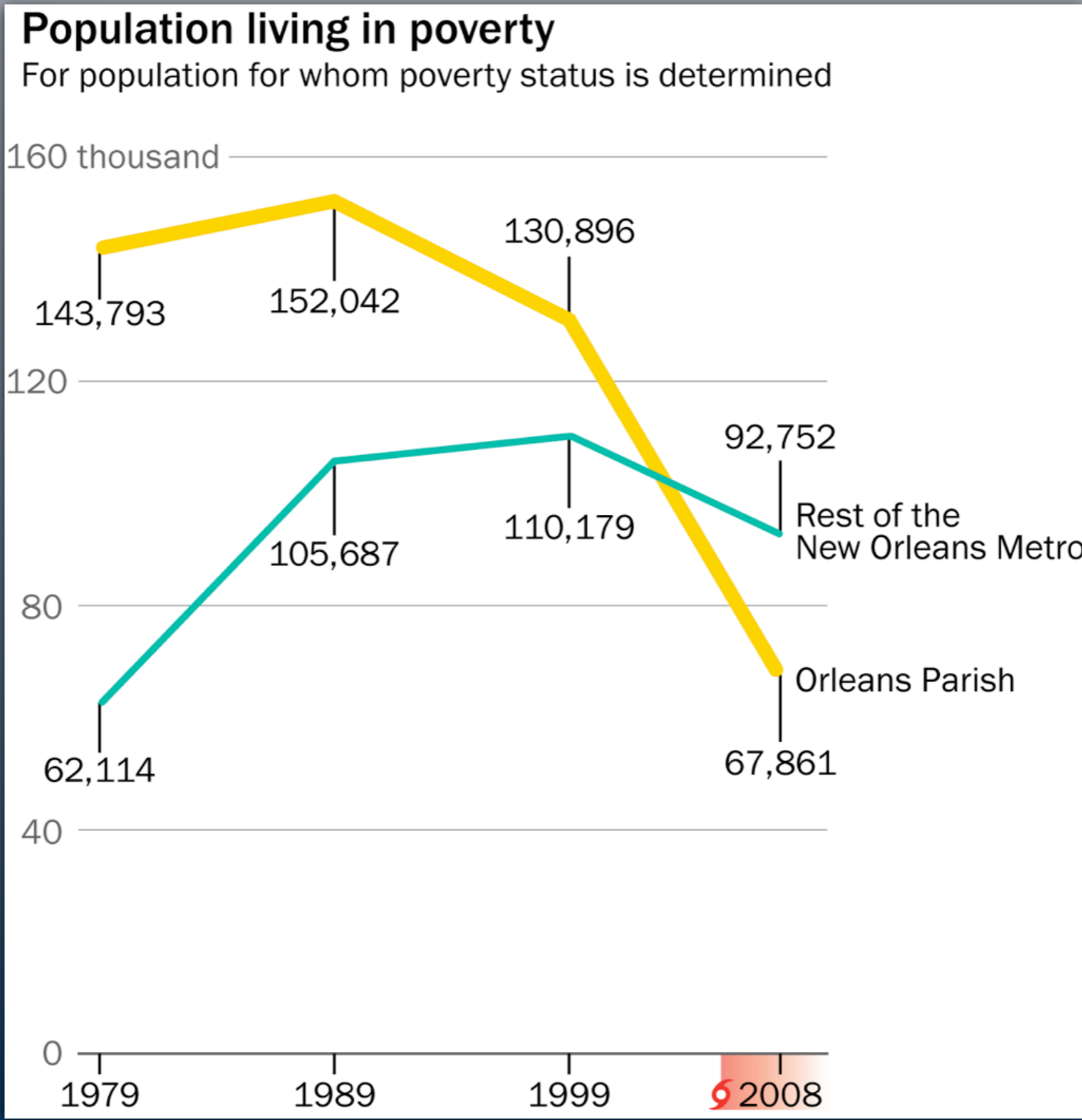
n.s.: The difference between the United States and the New Orleans Metro in 2008 is not significant for White (alone, not Hispanic) and Hispanic/Latino (any race).



Source: U.S. Census Bureau Decennial Census and American Community Survey 2008

The New Orleans Index at Five

While poverty remains high in the city, suburban parishes are now home to the majority of the area's poor

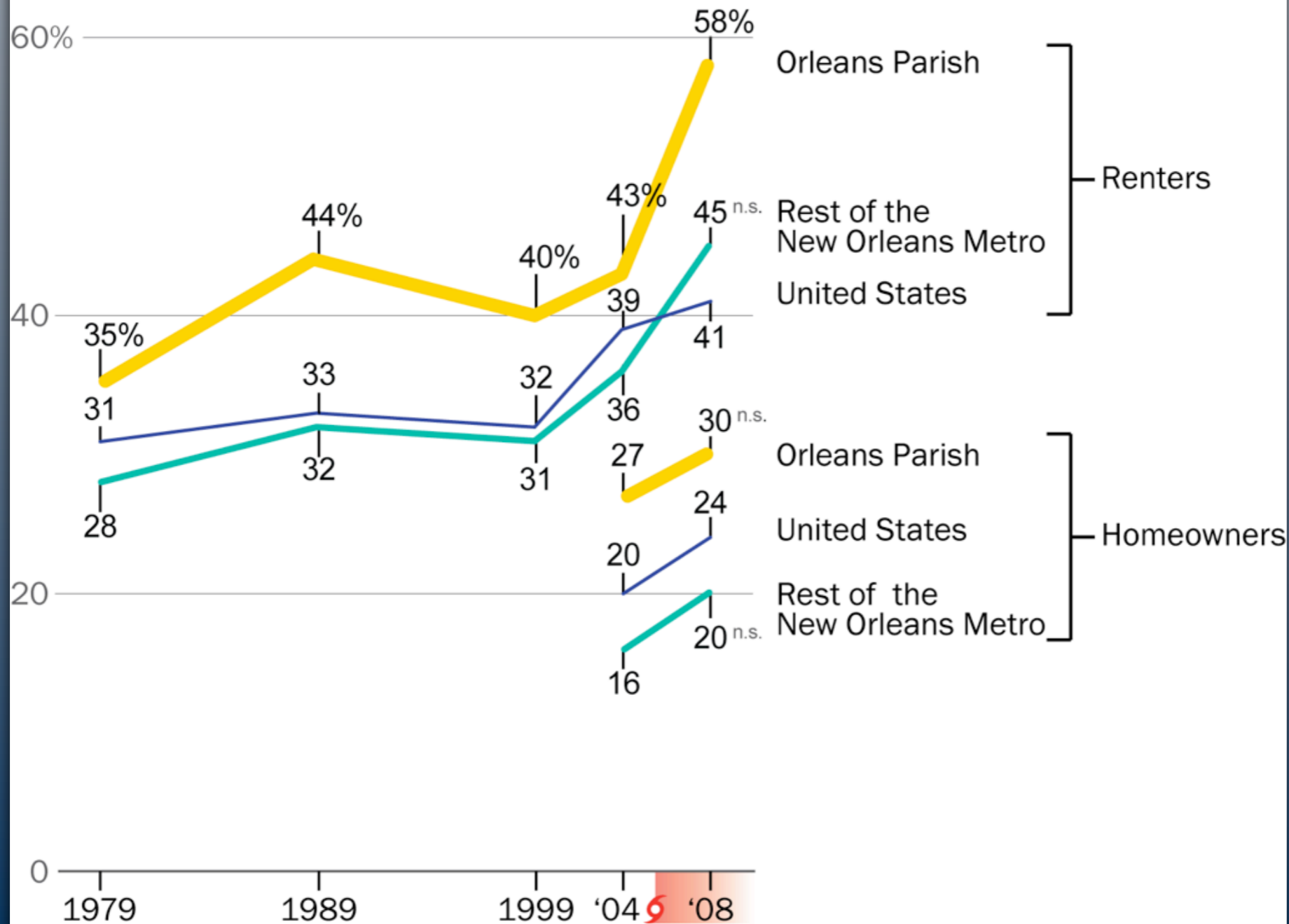


Source: U.S. Census Bureau, Decennial Census and American Community Survey 2008

Despite the growth in wages and median household income, renters still pay too much of their earnings on housing

Households paying unaffordable housing costs

35% or more of income on housing



n.s.: For renters, the difference between 2004 and 2008 is not significant for the New Orleans Metro, and the difference between the New Orleans Metro and the United States is not significant in 2008. For homeowners, the difference between 2004 and 2008 is not significant for Orleans or the rest of the New Orleans Metro.



Source: US Census Bureau, Decennial Census & American Community Survey 2004 and 2008.

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Key Strategies for Next Phase of “Recovery”

- Goal: maintain focus on transformation and long term prosperity
 1. Sustain and build on post-Katrina reforms to date
 2. Embrace new opportunities presented by recession and oil spill
 - Strengthen existing industries
 - Diversify the economy, including growing industries
 - Strengthen skills in growth industries and industries of the future
 - Enable minority- and women-owned firms to participate in clean-up/recovery
 - Restore wetlands as part of comprehensive approach to coastal protection

For more information:

The Brookings Institution

www.brookings.edu/metro

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Greater New Orleans Community Data Center

www.gnocdc.org