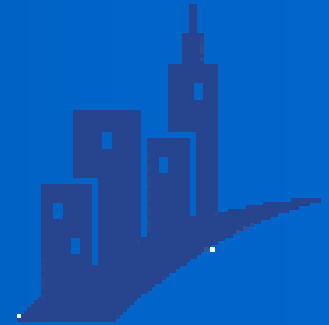


The Brookings Institution

Metropolitan Policy Program

Amy Liu, Deputy Director



Moving Toward a More Prosperous, Inclusive Future: A Comprehensive Approach to Rebuilding Southern Louisiana

Louisiana Association of Nonprofit Associations

2006 Public Policy Conference

April 25, 2006



Purpose

I

To create a better future, we need to understand the key demographic and economic trends of southern Louisiana prior to Hurricane Katrina

II

Imagine possible paths for the future

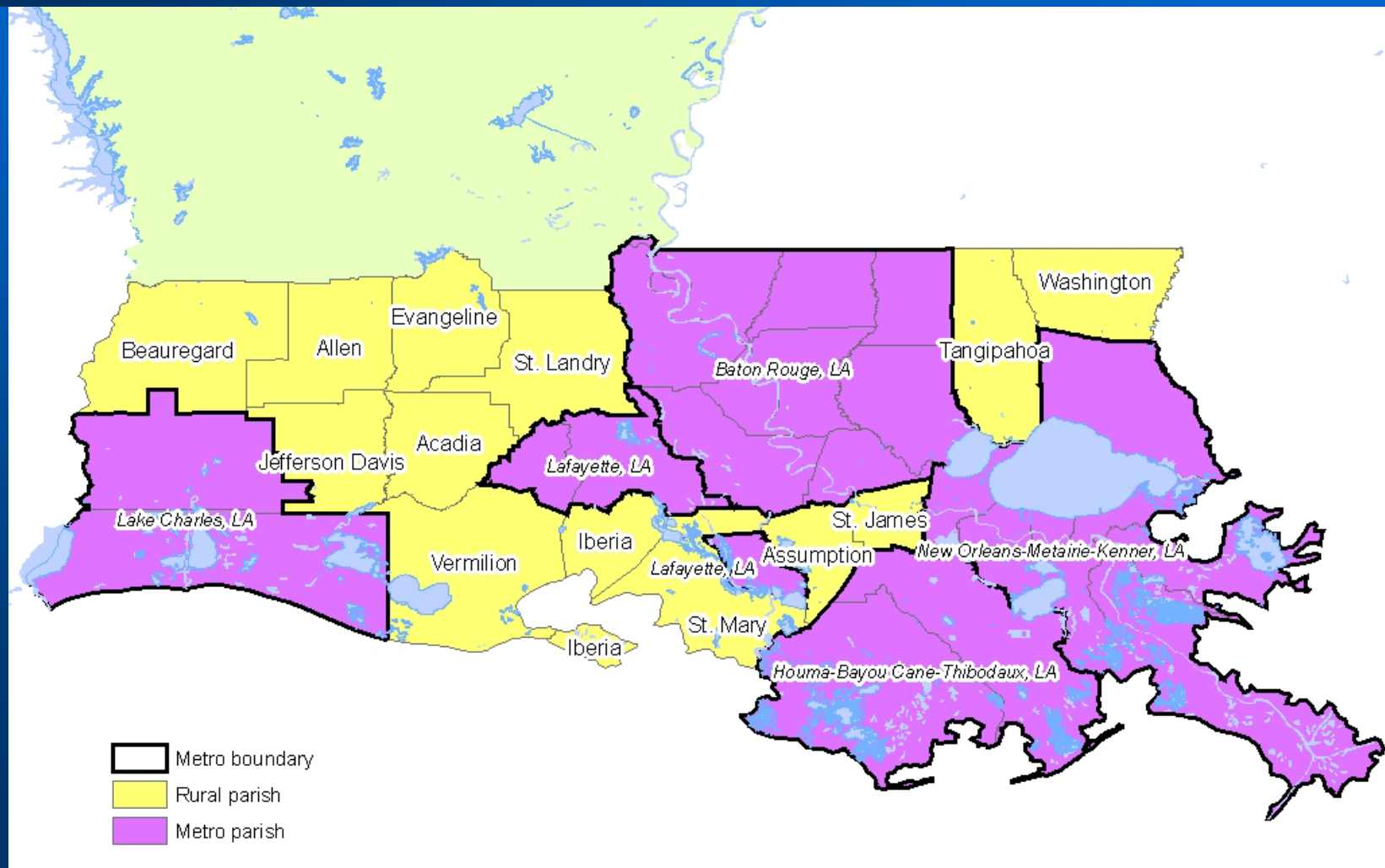
III

Offer a comprehensive policy agenda that will help ensure a more prosperous future that benefits all

I. Quick Overview of Pre-Katrina Southern Louisiana



There are five metro areas and 13 rural parishes that make up southern Louisiana



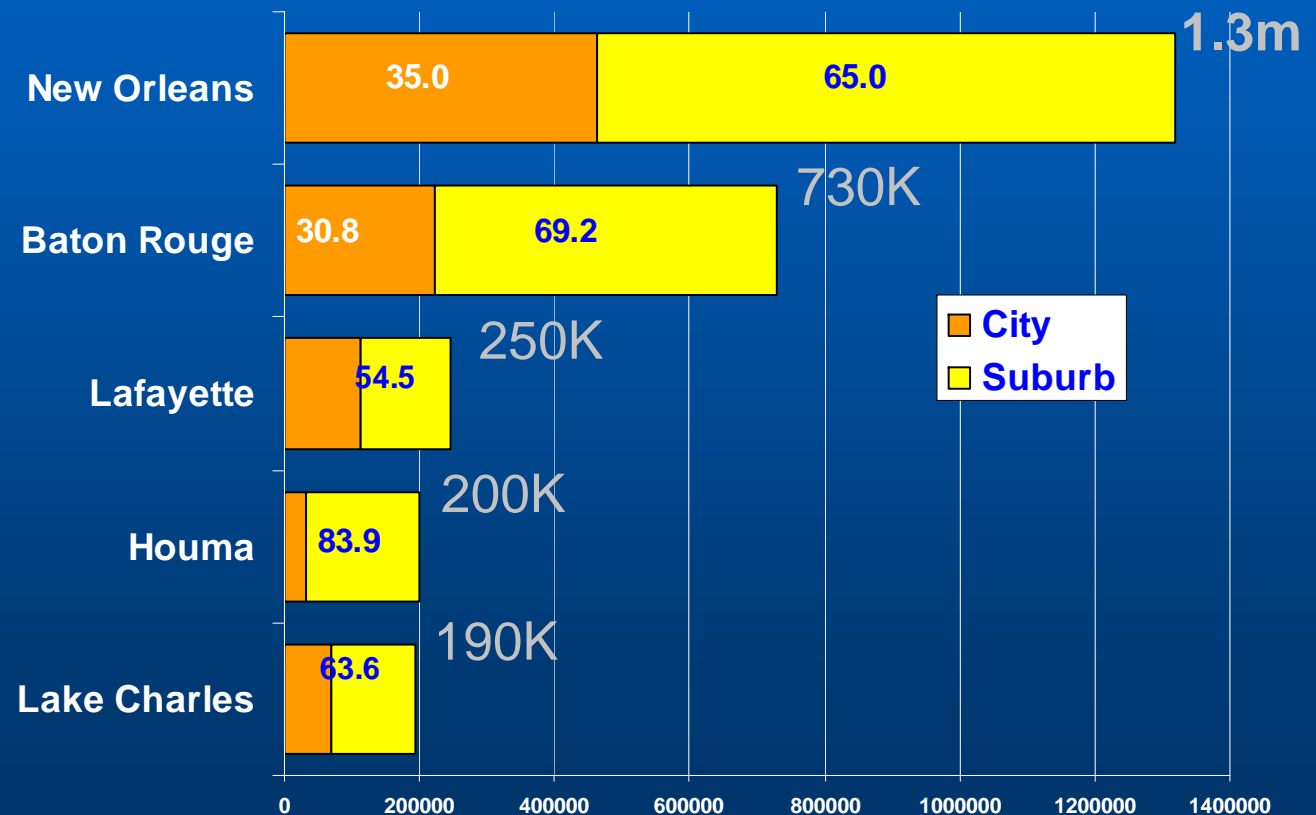


Population

In 2004, Lafayette, Houma and Lake Charles were similar in population size, in comparison to Baton Rouge and New Orleans

Estimated MSA
Population. 2004

Source:
U.S. Census Bureau

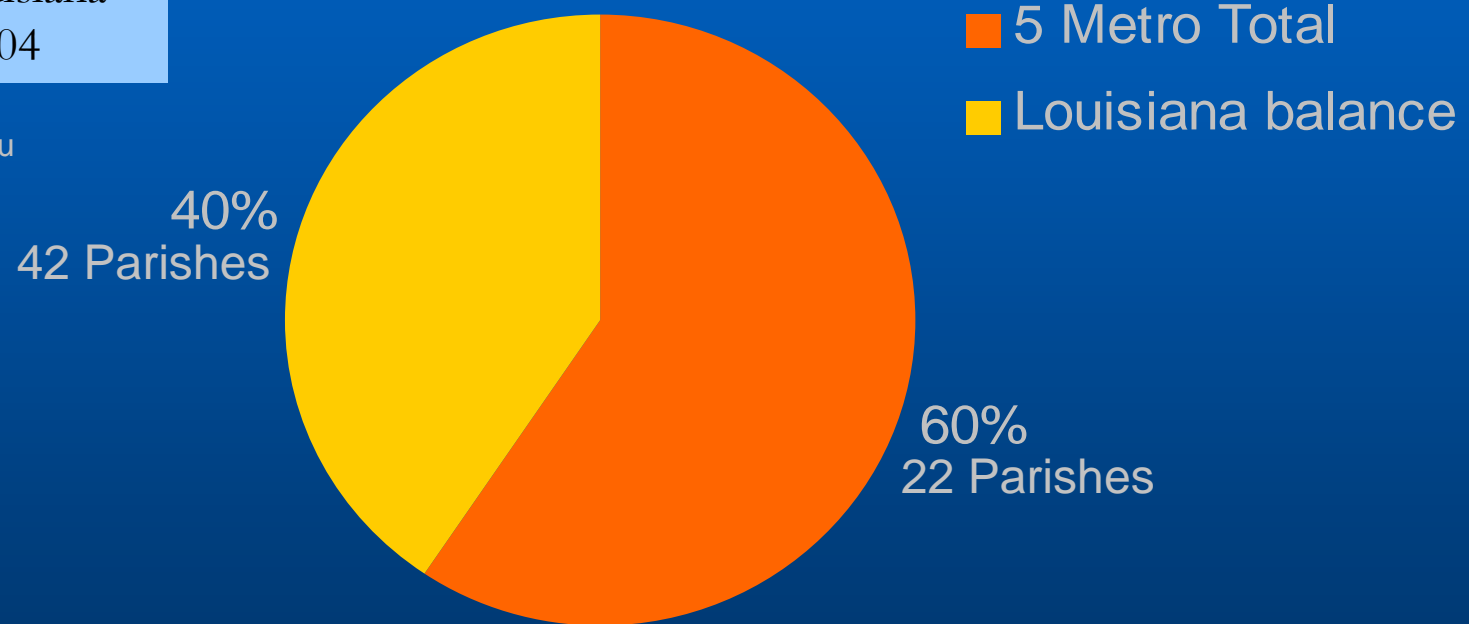




These five major metro areas in southern Louisiana made up 60 percent of the state's population in 2004

Percent of Louisiana Population, 2004

Source:
U.S. Census Bureau

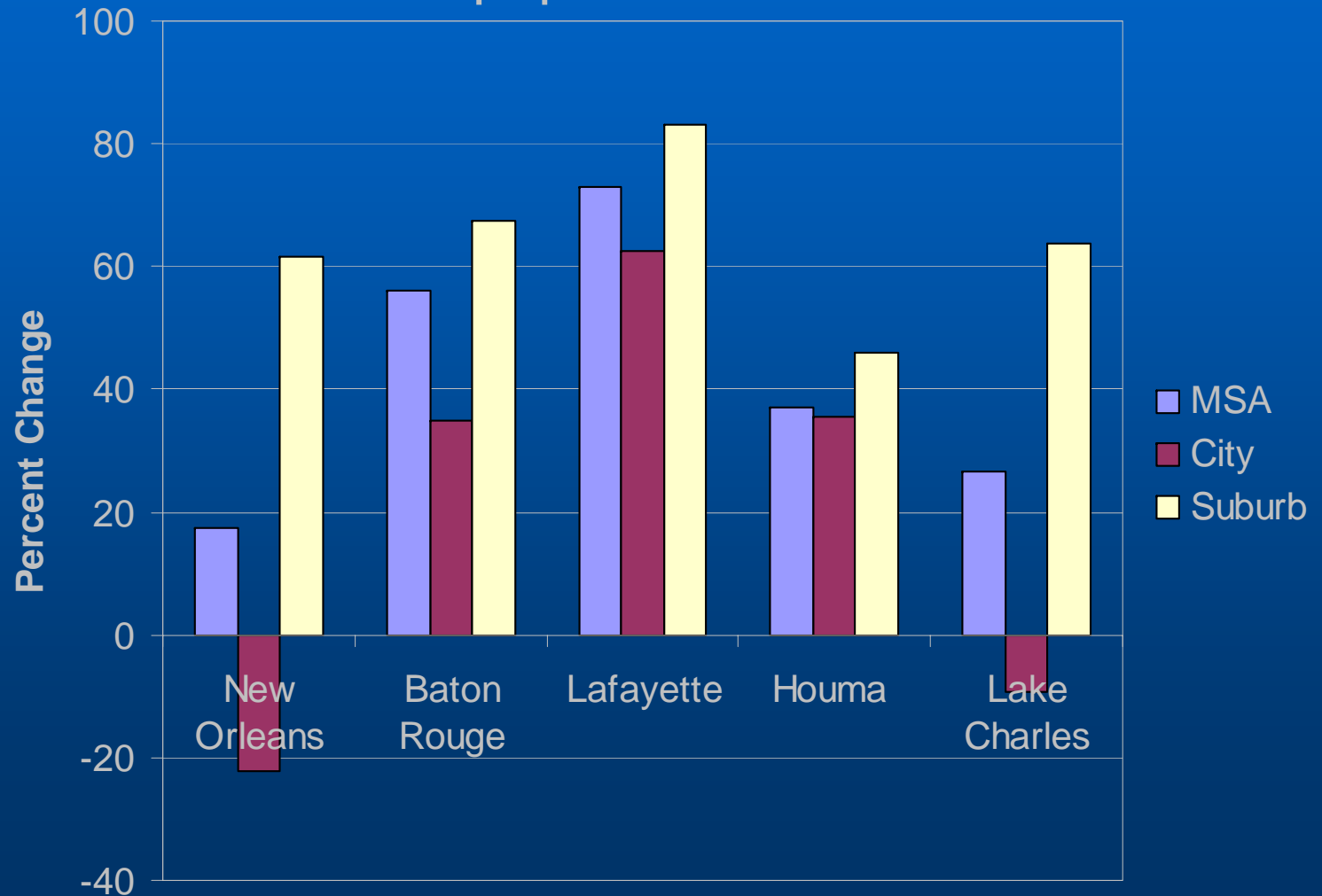




Baton Rouge and Lafayette were the two fastest growing metro areas in the past three decades; meanwhile, the cities of New Orleans and Lake Charles lost population

MSA Population change by Metro components 1970-2004

Source: U.S. Census Bureau

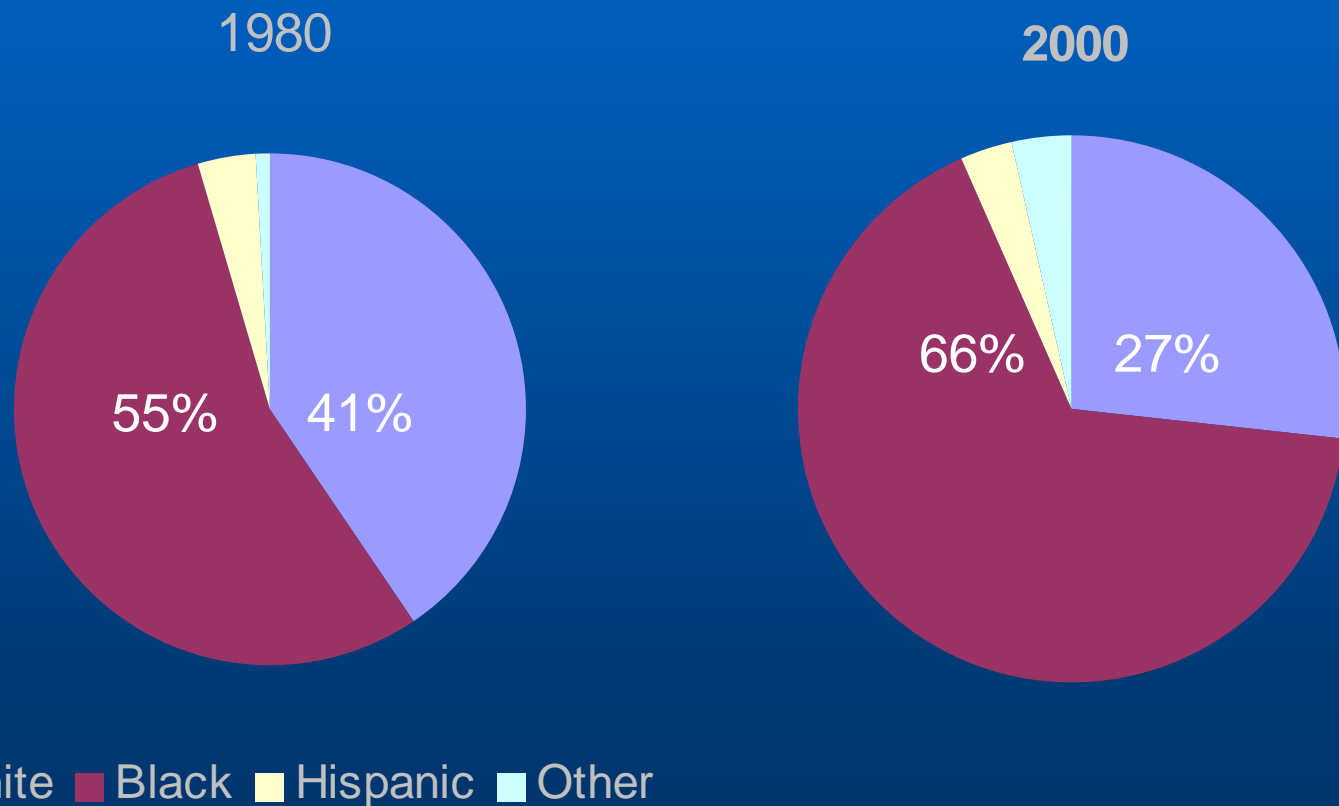




Between 1980 and 2000, the City of New Orleans saw its share of blacks and other racial groups increase by 14 percentage points

Share of population by race and ethnicity, 1980 and 2000

Source: U.S. Census Bureau



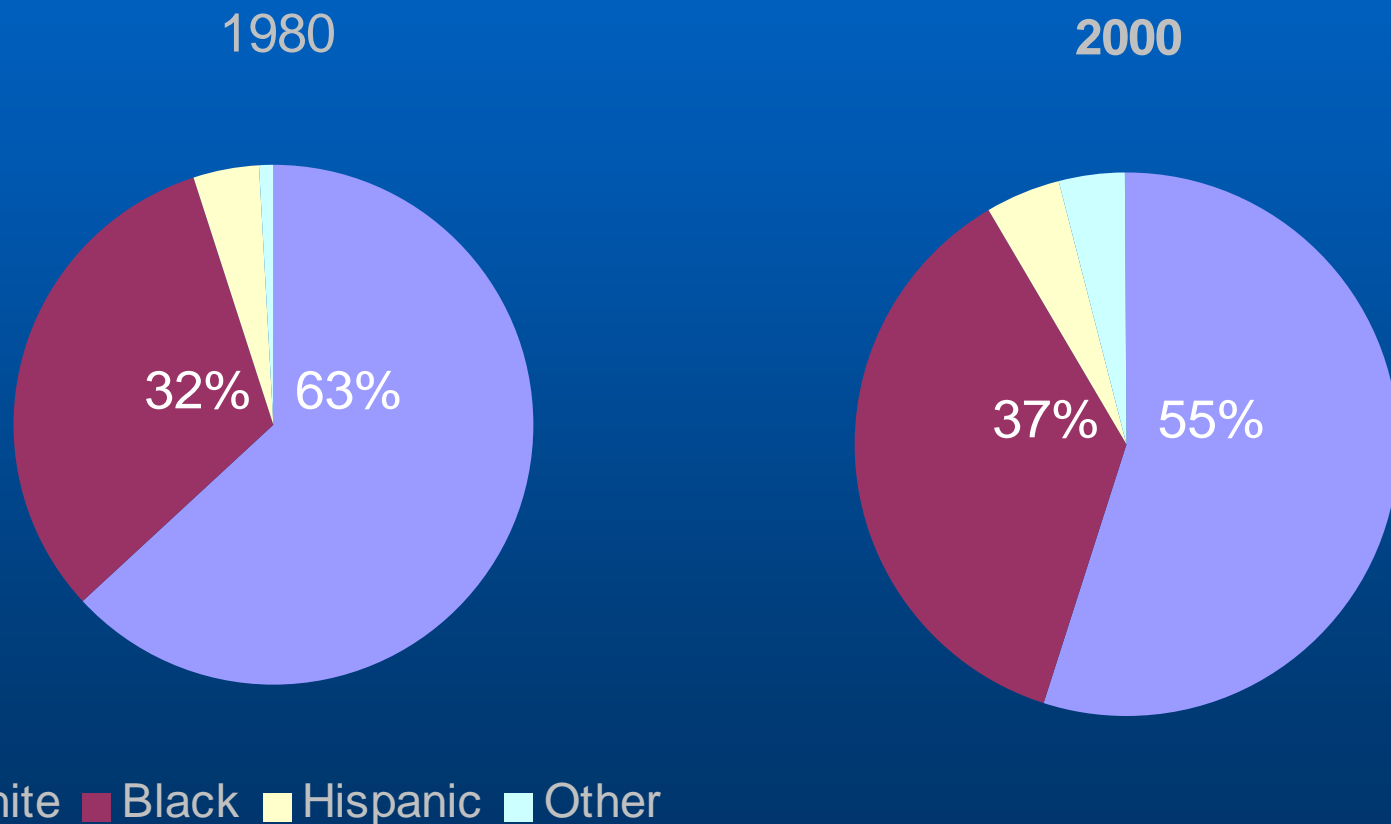
*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"



During that same time period, the whole New Orleans region also diversified; by 2000 whites comprised just over half of the total population

Share of population by race and ethnicity, 1980 and 2000

Source: U.S. Census Bureau



*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"

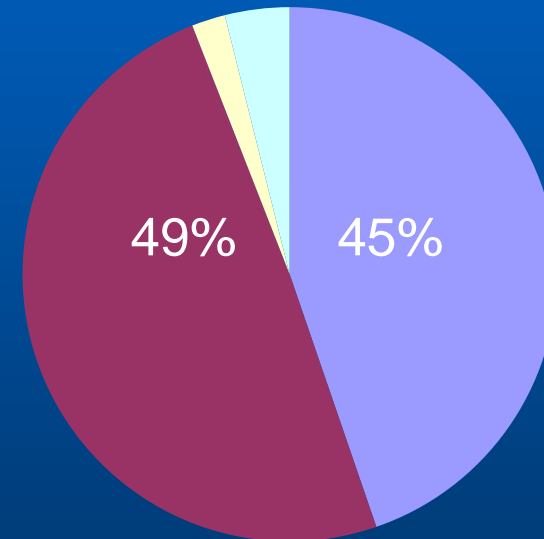
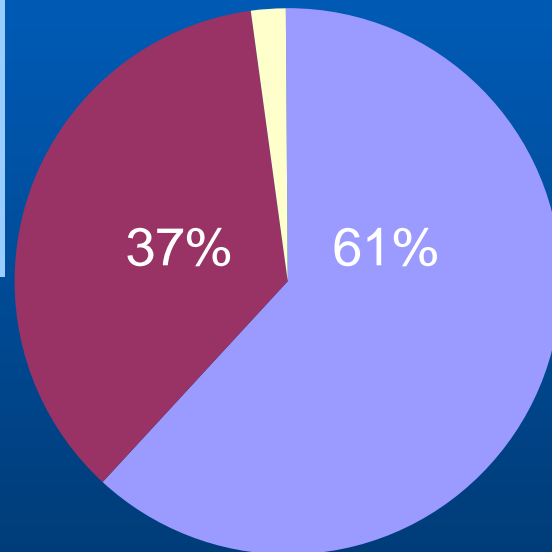


Baton Rouge city transitioned from being majority white in 1980 to majority persons of color by 2000

1980

2000

Share of population by race and ethnicity, 1980 and 2000



White Black Hispanic Other

Source: U.S. Census Bureau

*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"



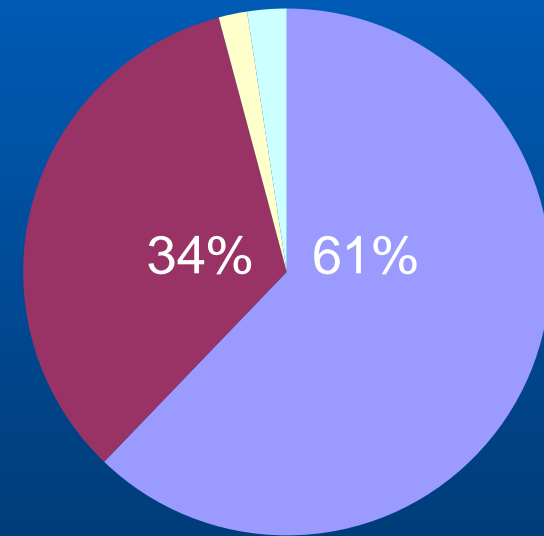
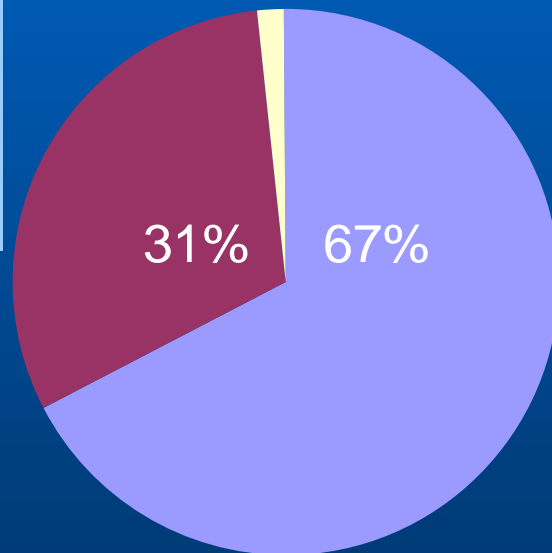
Meanwhile, the racial composition of the entire **Baton Rouge region** became only slightly more diverse over the two decades

1980

2000

Share of population by race and ethnicity, 1980 and 2000

Source: U.S. Census Bureau



White Black Hispanic Other

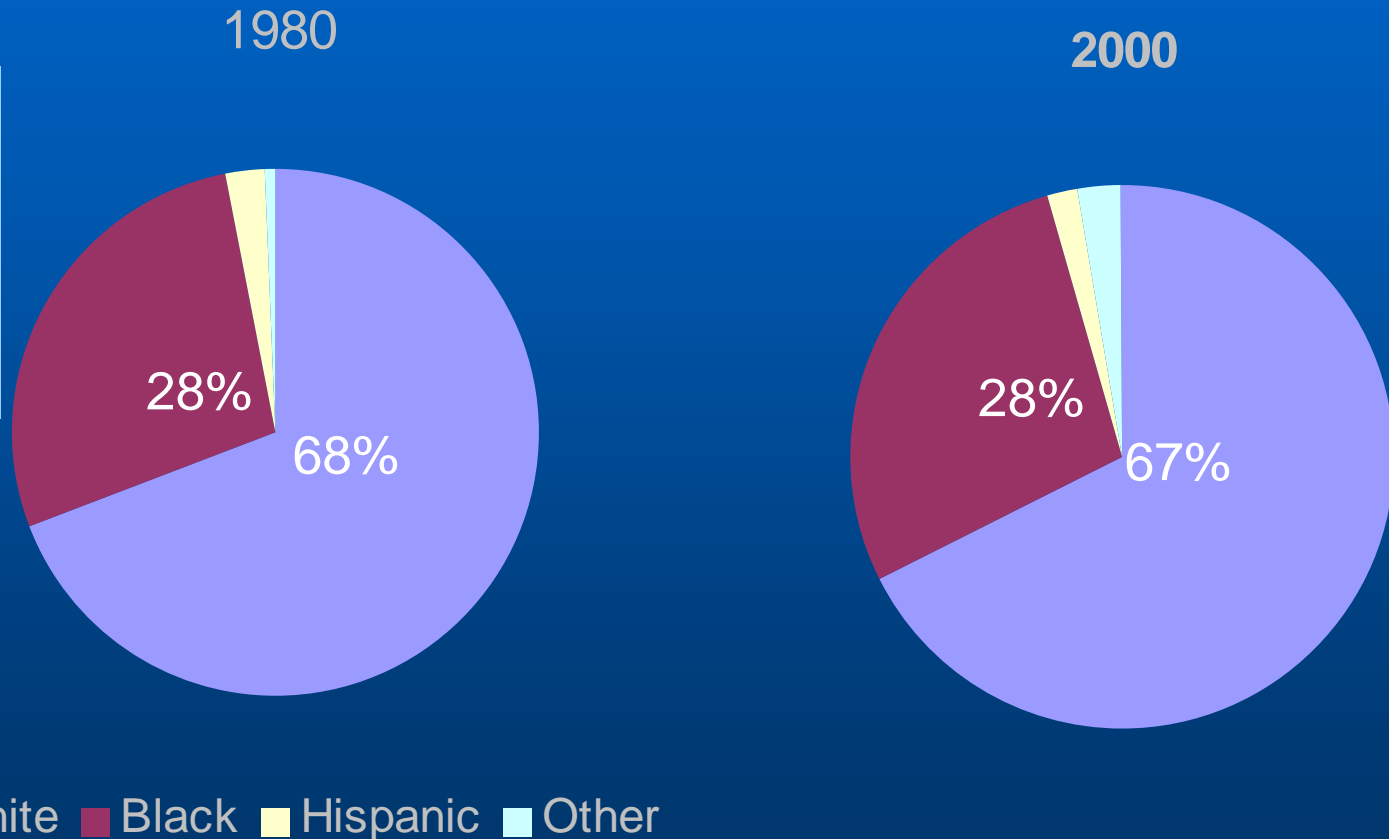
*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"



In 1980, the population of the city of Lafayette was two-thirds white and its racial composition remained virtually unchanged by 2000

Share of population by race and ethnicity, 1980 and 2000

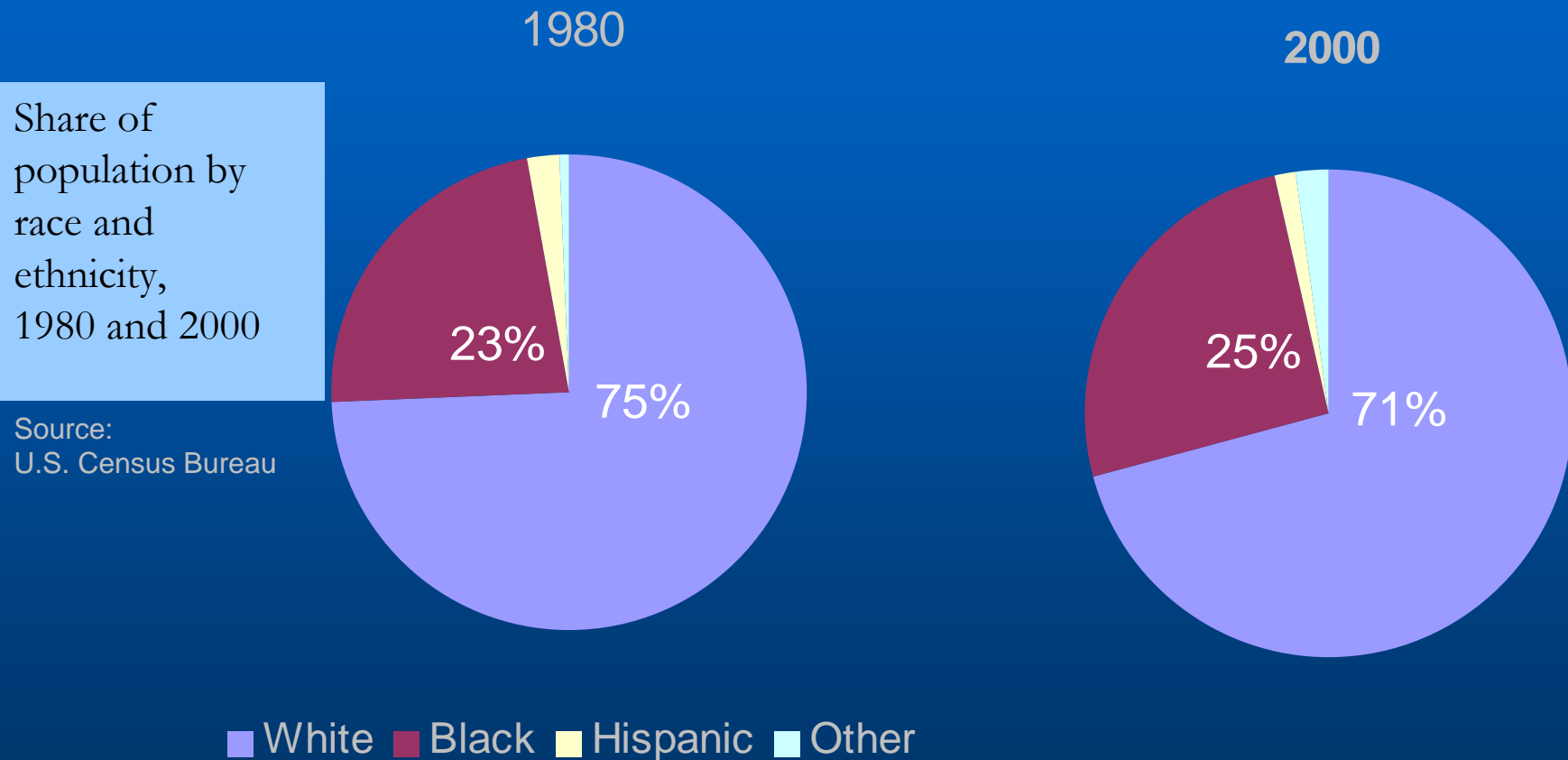
Source: U.S. Census Bureau



*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"



The racial composition of Lafayette's metropolitan area changed slightly



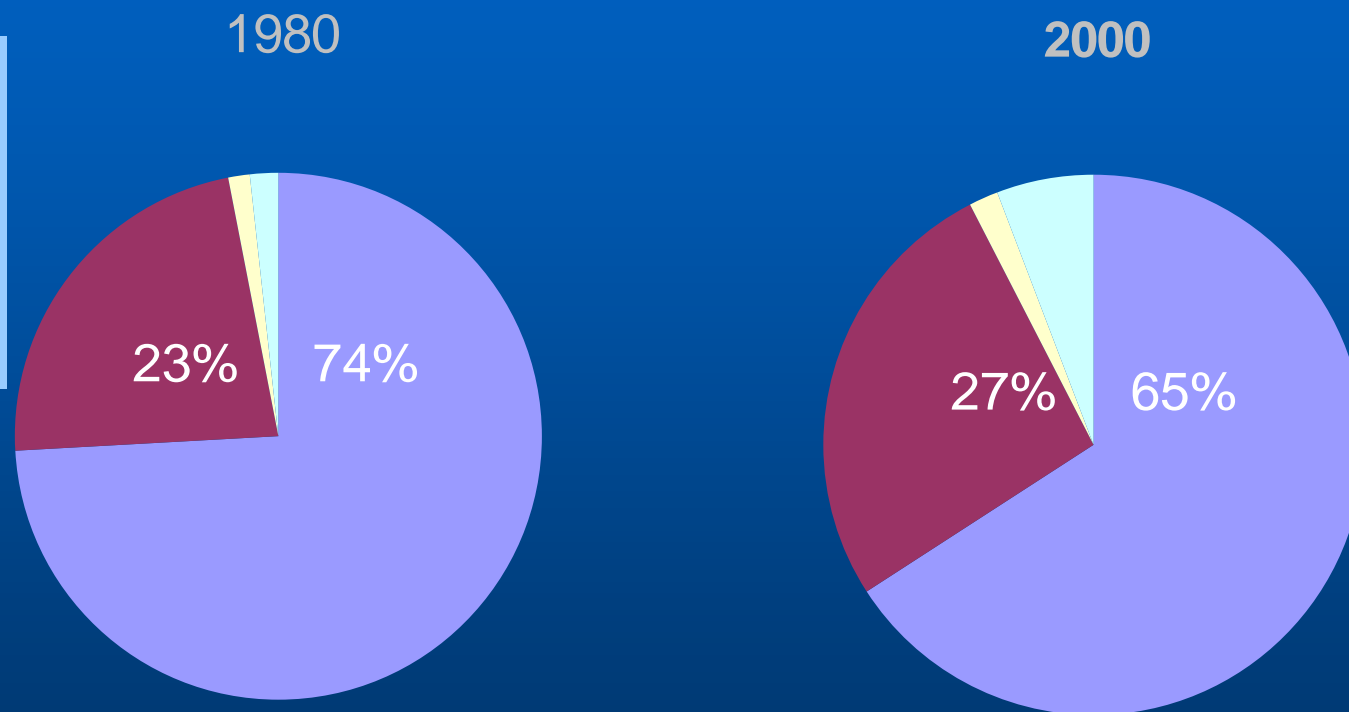
*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"



The city of Houma's black population and "other" population each increased by 4 percentage points

Share of population by race and ethnicity, 1980 and 2000

Source: U.S. Census Bureau



White Black Hispanic Other

*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"

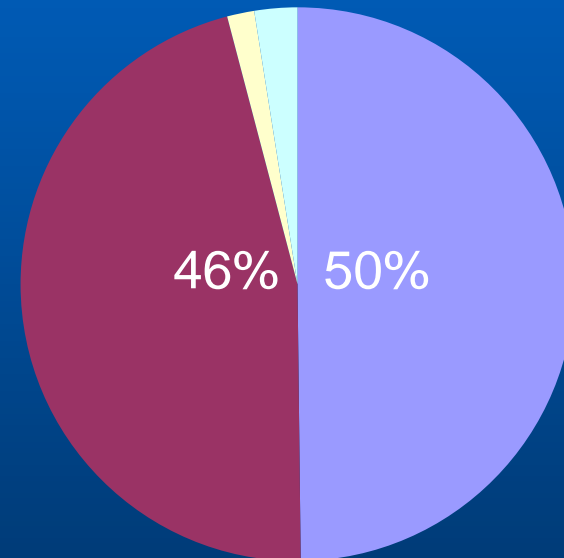
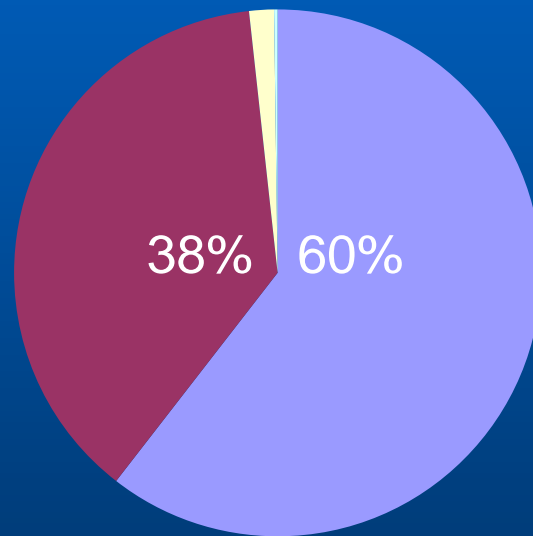


Finally, over two decades, the share of white residents in the city of Lake Charles declined largely due to the increase in the African American population

1980

2000

Share of population by race and ethnicity, 1980 and 2000



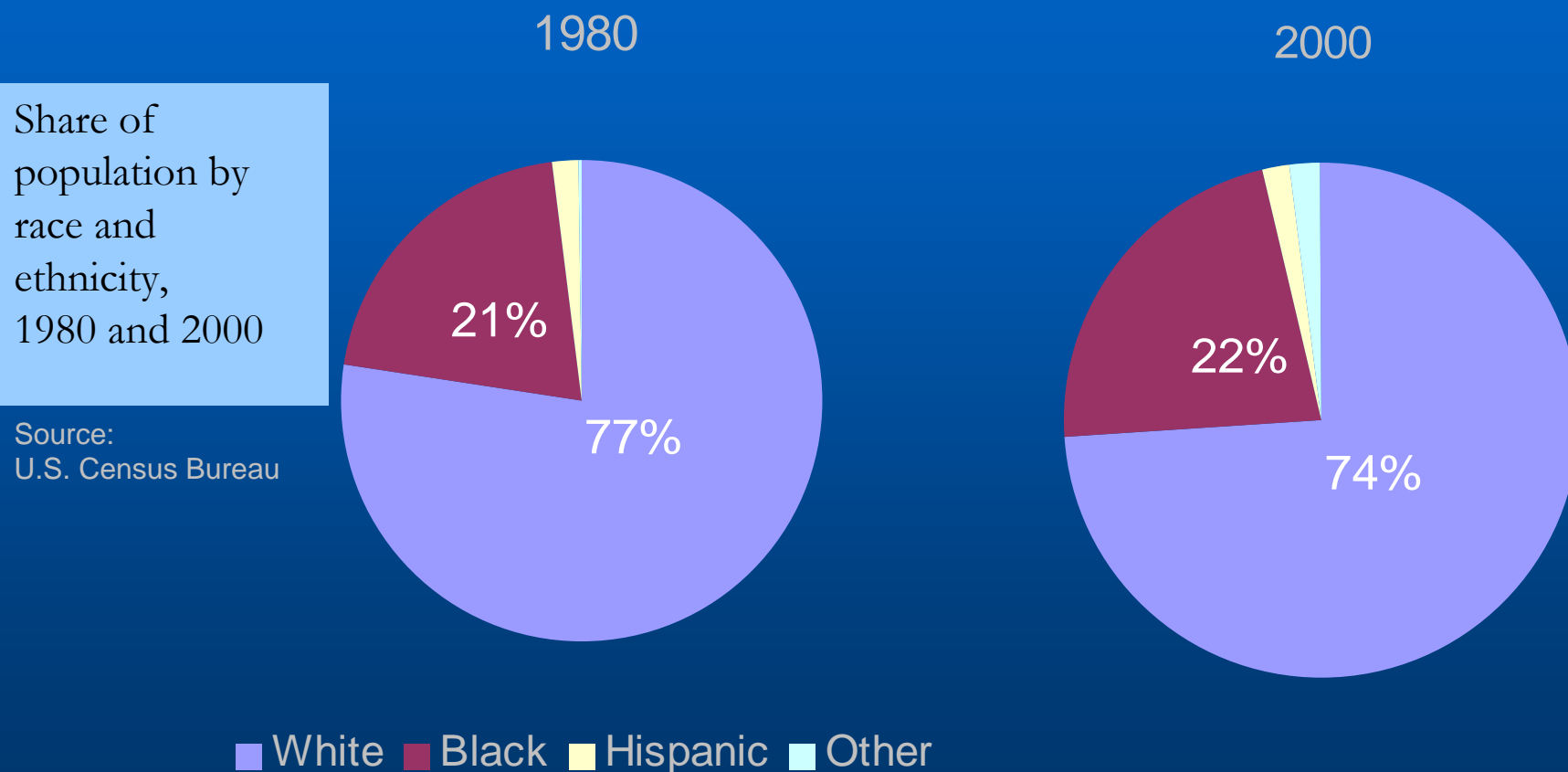
■ White ■ Black ■ Hispanic ■ Other

Source:
U.S. Census Bureau

*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"



... while the larger Lake Charles region barely diversified over the 20-year period



Share of population by race and ethnicity, 1980 and 2000

Source: U.S. Census Bureau

*Other is comprised of Native American, Asian/Pacific Islander, multi-race groups, and "other"



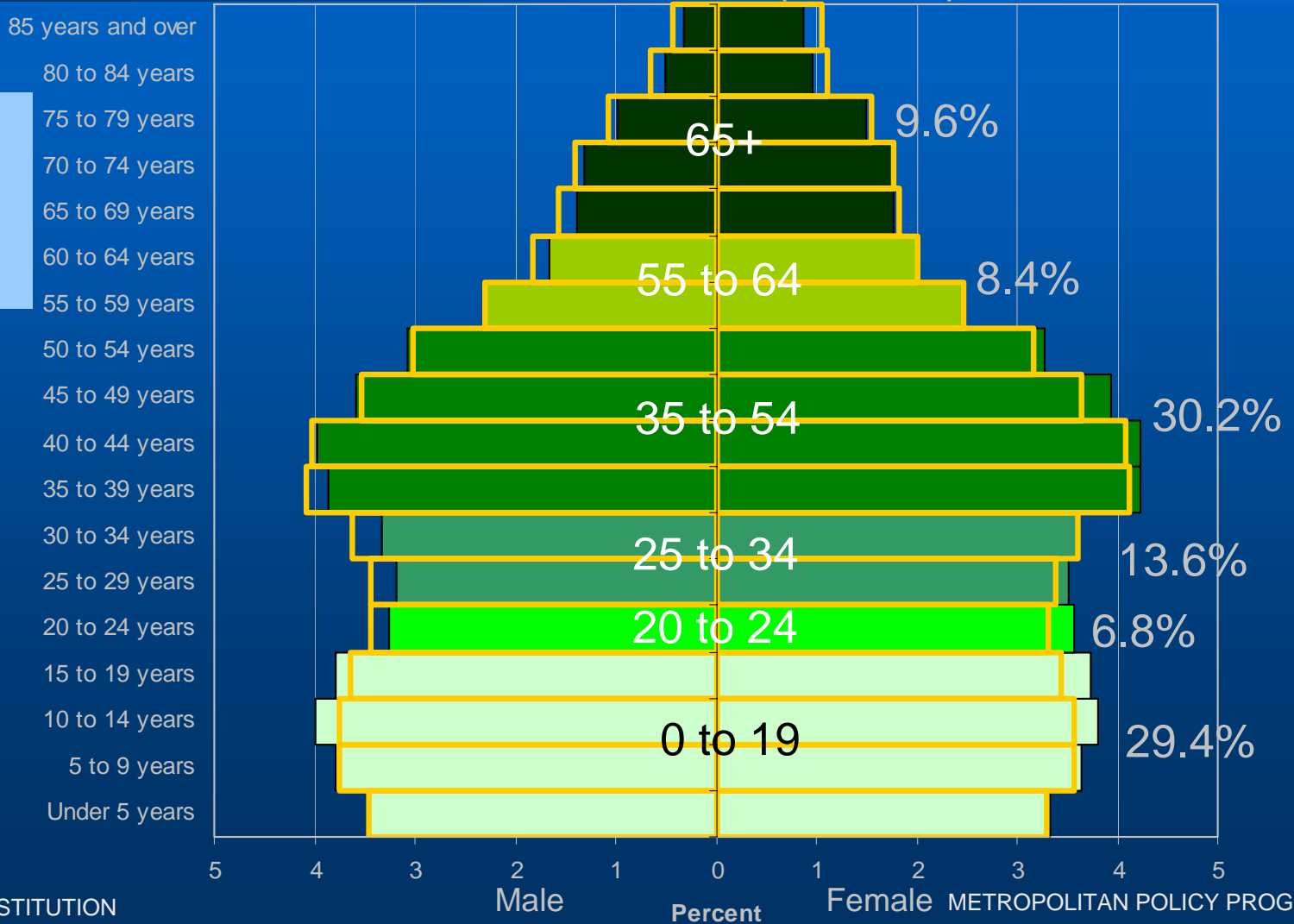
Age

While the age distribution among the five metros is nearly the same, **New Orleans** has the highest shares aged 35 to 64 (30.2%) and smallest shares of children and teens (29.4%)

2000 Census,
Age by Gender,
grouped by age
cohorts

Source:
U.S. Census Bureau

*US Age pyramid
overlaid in YELLOW



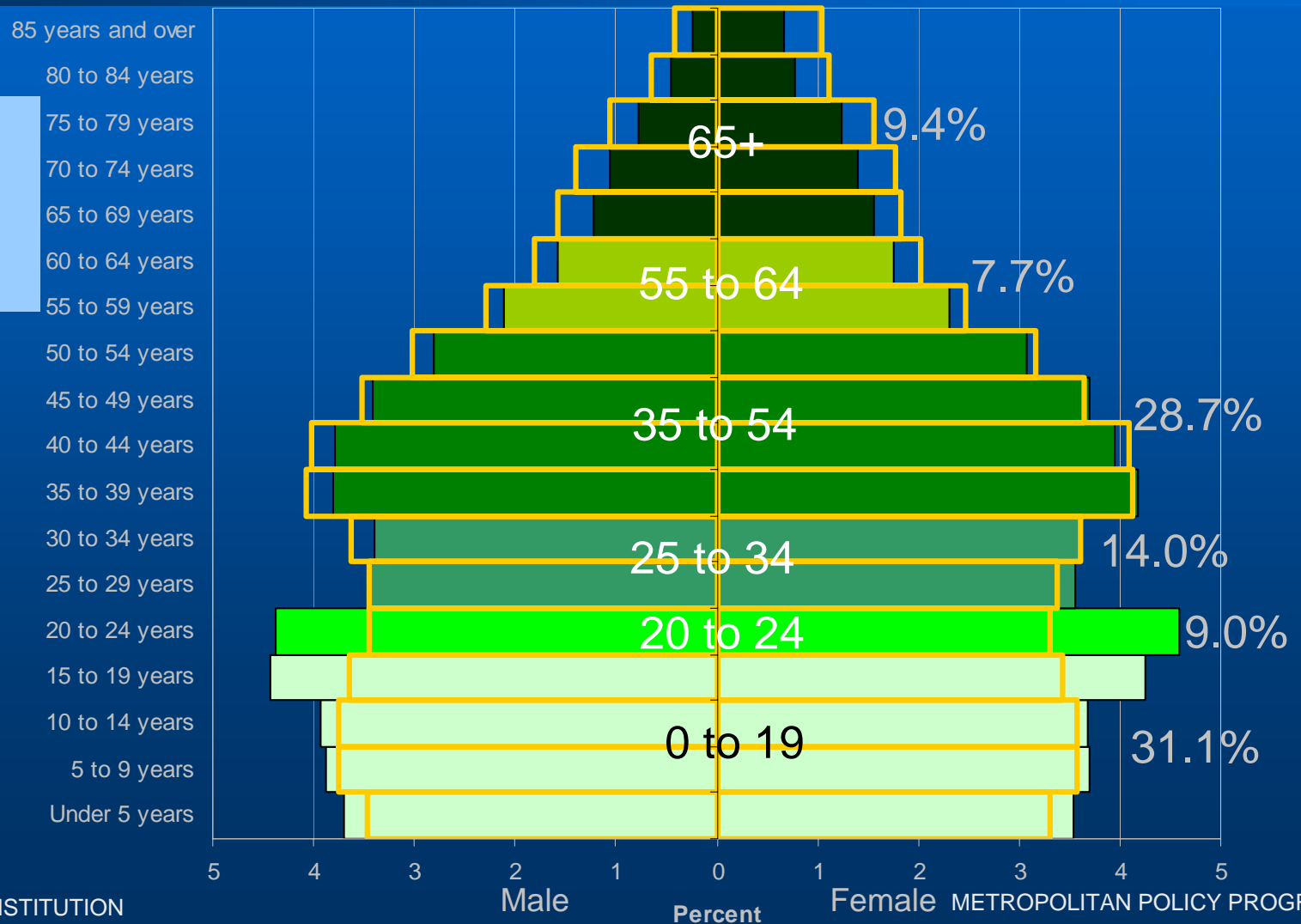


Baton Rouge has the smallest shares of residents over the age of 55 (17.1%) and the highest shares aged 20-34 (23%)

2000 Census, Age by Gender, grouped by age cohorts

Source: U.S. Census Bureau

*US Age pyramid overlaid in YELLOW



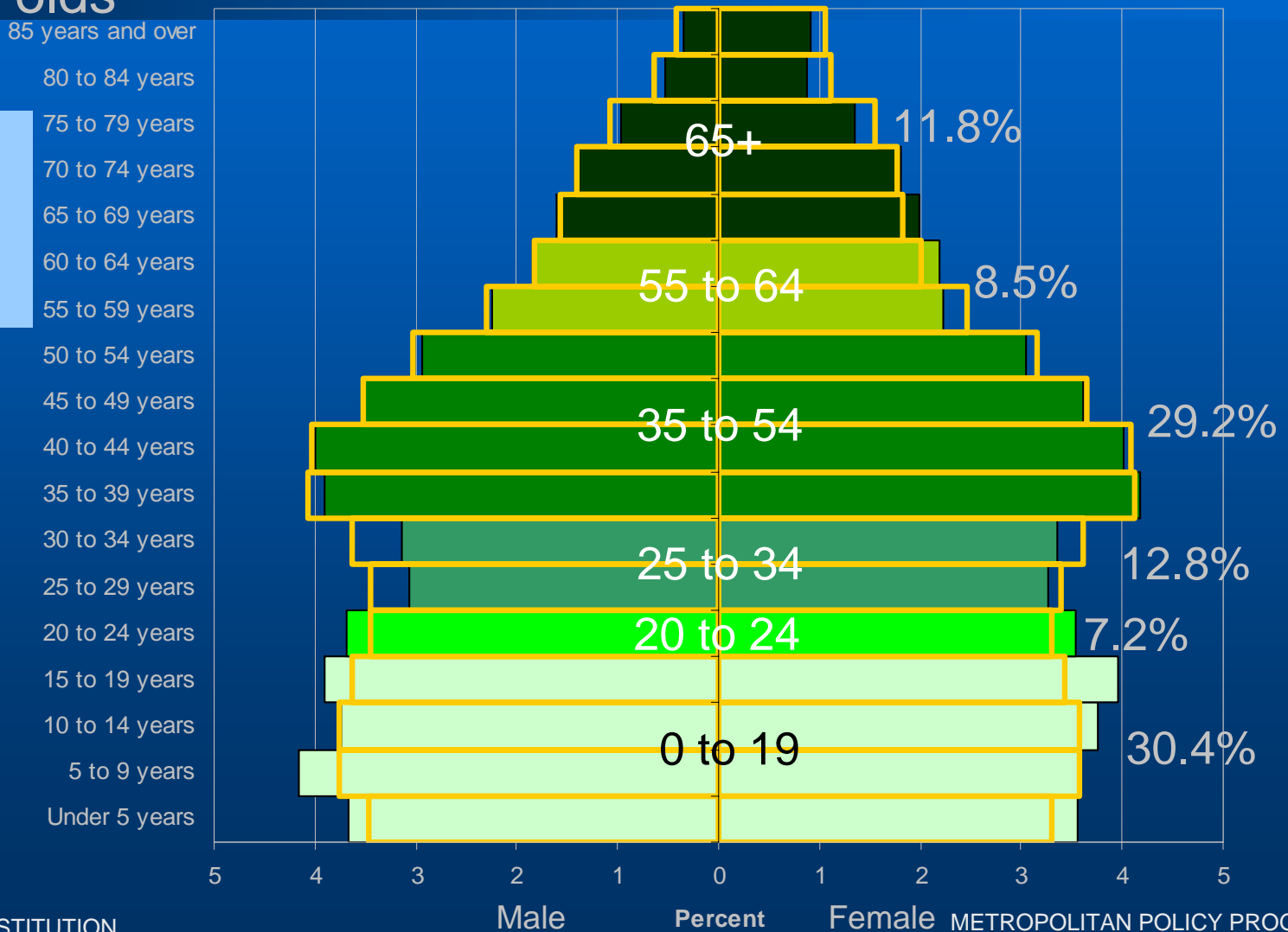


Meanwhile, **Lake Charles** has the highest shares of elderly residents and upcoming retirees (20.3%) and smallest shares of 25-34 year olds

2000 Census,
Age by Gender,
grouped by age cohorts

Source:
U.S. Census Bureau

*US Age pyramid overlaid in YELLOW



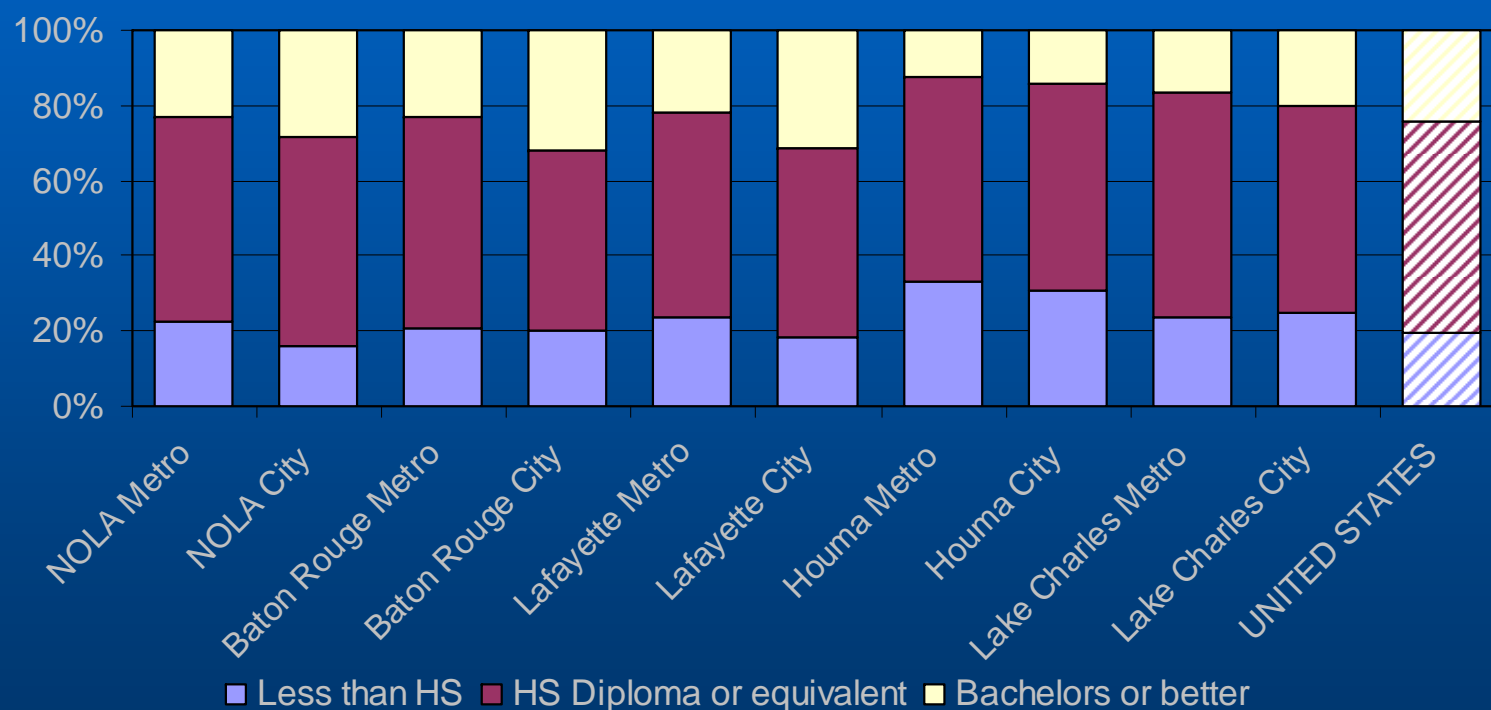


Education

In general, many of the metros and cities in southern LA have higher proportions of adults with no high school diploma than the national average

Education attainment for adults 25+ yrs:
High school diploma,
Bachelors

Source:
U.S. Census Bureau





Some export industries are common to several regions...

Important (LQ>1.5) industries by region

Metro	Water transportation	Oil & gas extraction	Securities & commodity exchanges	Basic chemical manufacturing	Pipeline transportation
New Orleans	X	X	X	X	X
Baton Rouge	X		X	X	X
Lafayette	X	X	X		X
Lake Charles	X	X	X	X	X
Houma	X	X	X	X	X

Source: Brookings Institution analysis of data supplied by Economy.com, based on BLS data



...while others are important to only one or two

Important (LQ>1.5) industries by region

Metro	Traveler Accommodation	State government	Ship & boat building	Agriculture, construction, & mining machinery manufacturing
New Orleans	X		X	
Baton Rouge		X		
Lafayette				X
Lake Charles	X			
Houma			X	X

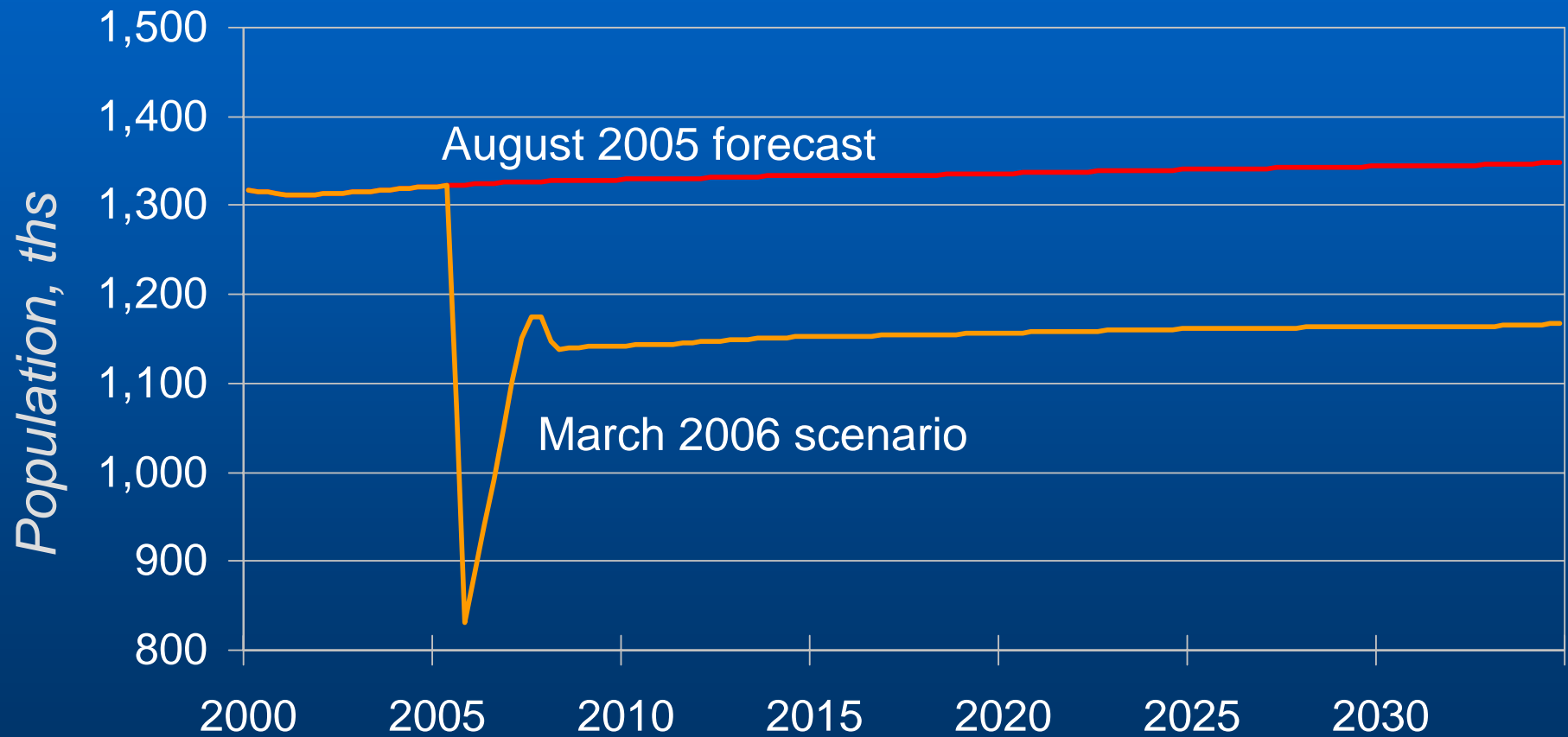
Source: Brookings Institution analysis of data supplied by Economy.com, based on BLS data

II. What does the Future Hold?

Conservative, Status Quo Estimates



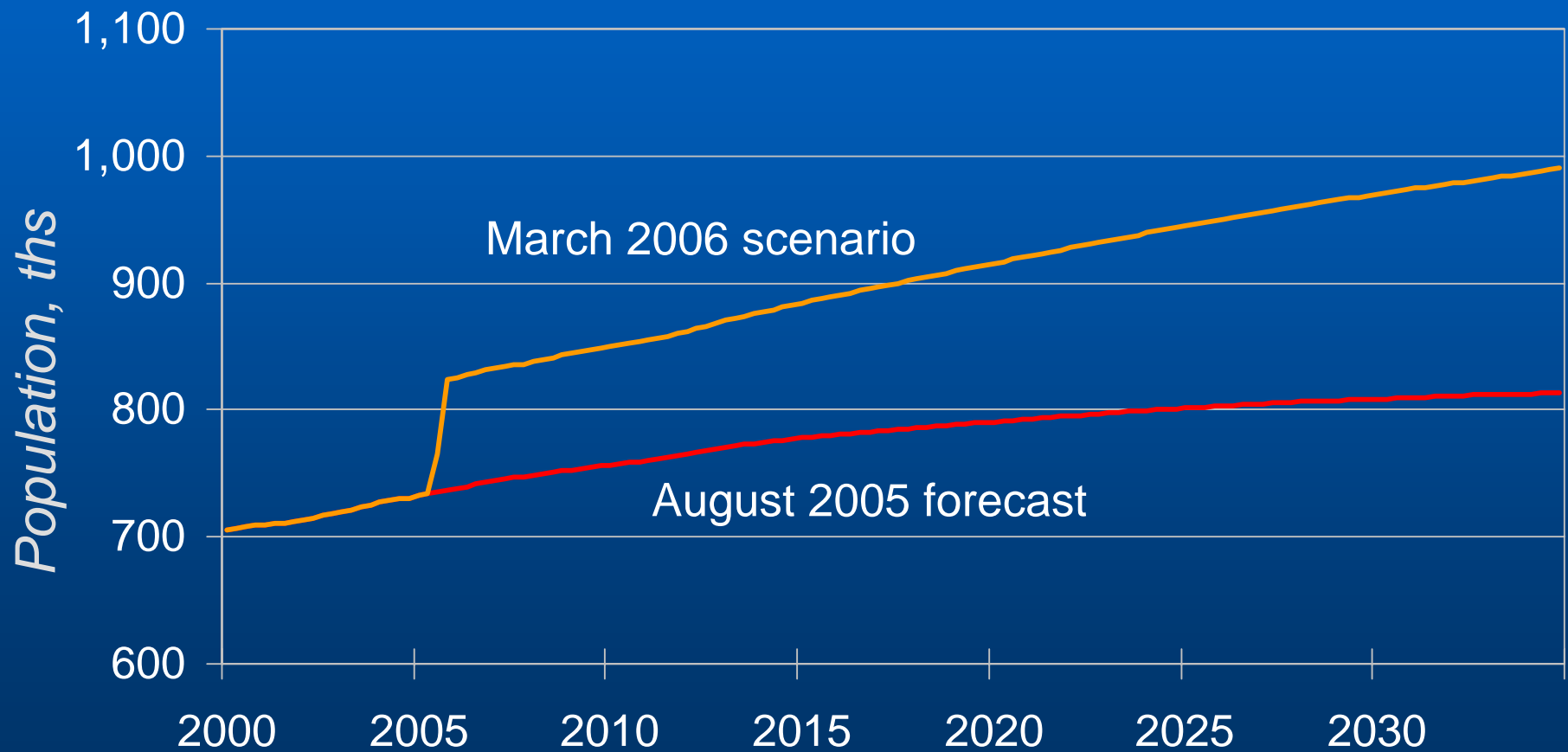
New Orleans may be permanently changed. By 2030, the population of metro New Orleans is forecast to be 1,164,000, not returning to pre-Katrina levels



Source: Moody's Economy.com



Meanwhile, the population of metro Baton Rouge is forecast to grow significantly—reaching 975,000 by 2031



Source: Moody's Economy.com



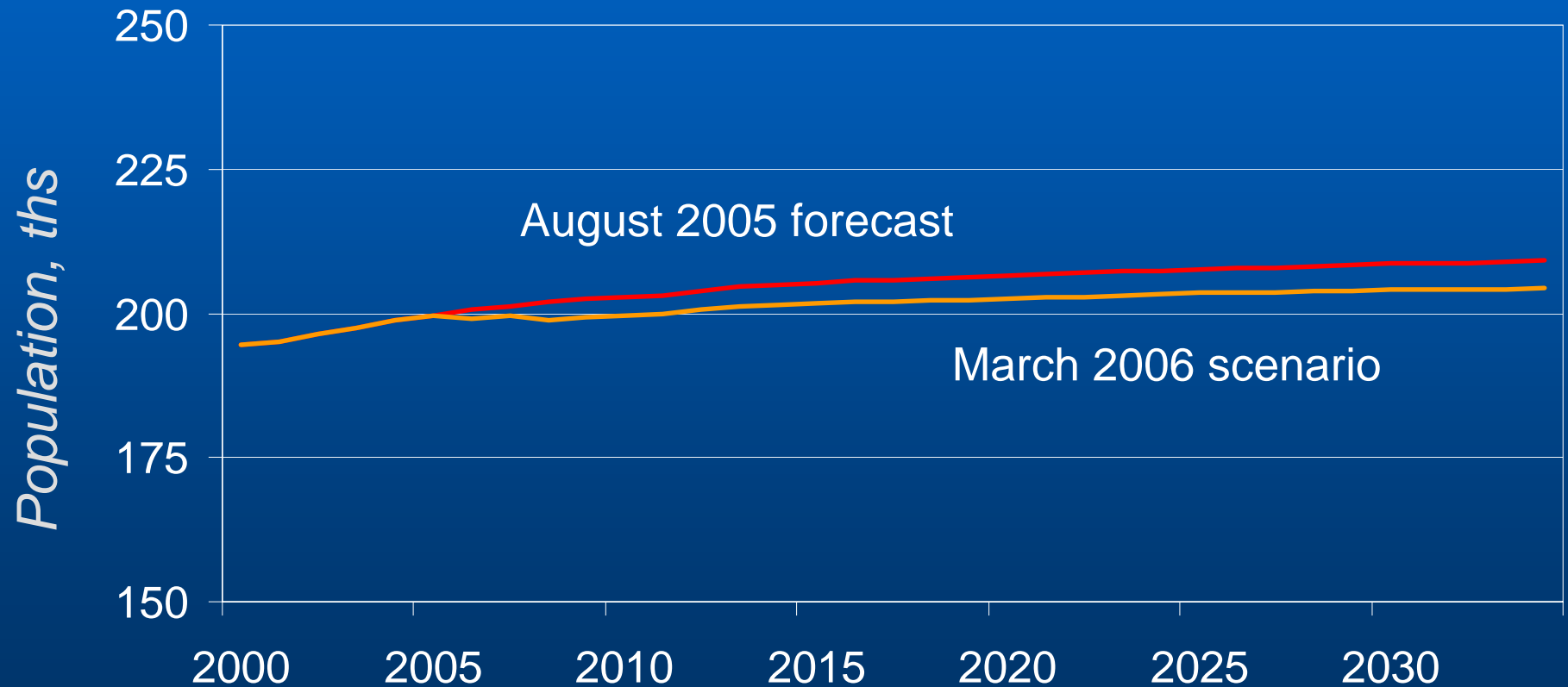
The population forecast for metro Lafayette does not deviate significantly from the pre-hurricane forecast



Source: Moody's Economy.com



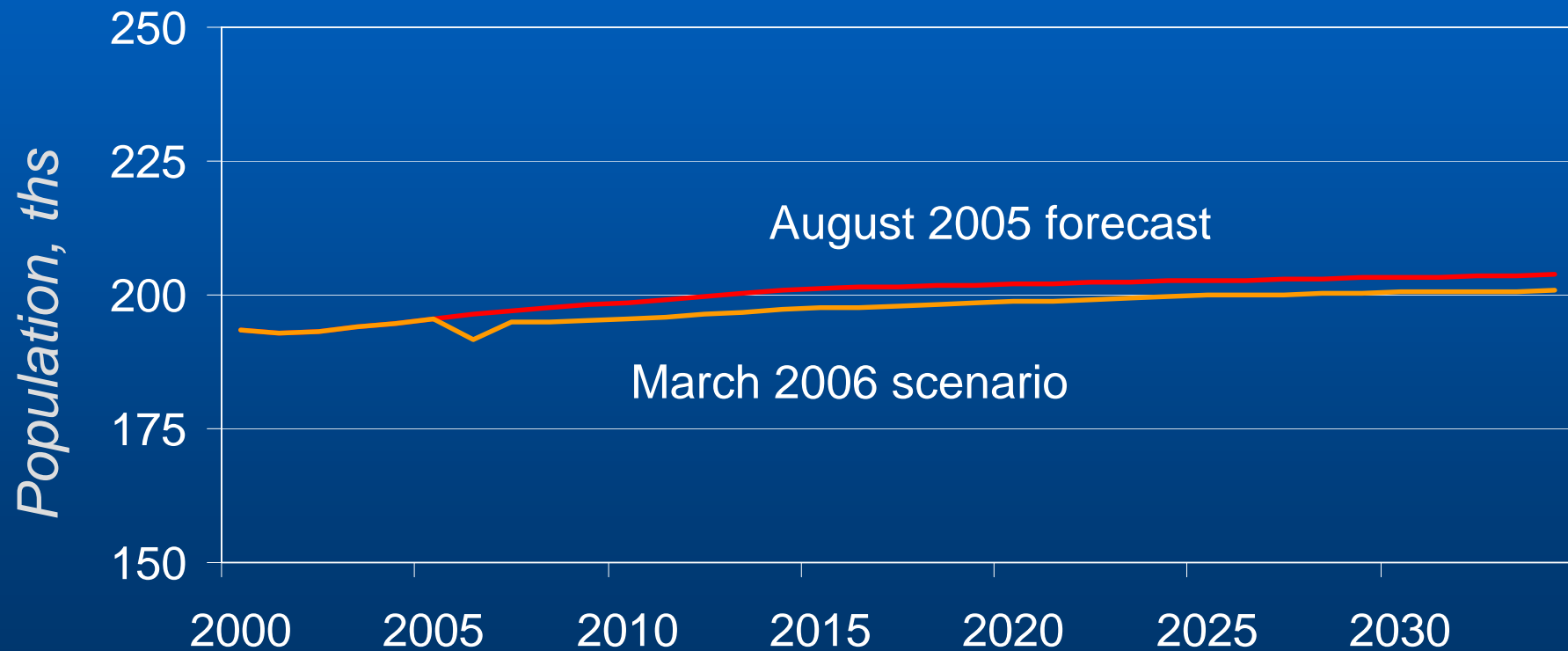
The same is true for Houma...



Source: Moody's Economy.com



... and Lake Charles



Source: Moody's Economy.com

Envisioning a Brighter Future: Greater New Orleans



Option One: Rebuild New Orleans as it was before:

Despite many assets, the region was struggling:

- Low road economy:
 - ✓ Key export industries lost jobs 1994-2004 (e.g., oil/gas production, seafood packaging, transportation)
 - ✓ Growing jobs were low-paying, low-skill
 - ✓ Weak quality of the workforce
 - ✓ 97th lowest median household income across largest metros



Option One: Rebuild New Orleans as it was before:

Despite many assets, the region was struggling:

- Prosperity not shared

- ✓ High concentrations of poverty

Over 40 percent of poor African Americans lived in extreme-poverty neighborhoods, second highest among 50 cities

- ✓ High racial and economic disparities

The MHH income of African Americans in the city was just half that of whites—\$21,461 versus \$40,390



Option Two: Rebuild New Orleans better than it was before

Primary Goal:

- ✓ Move toward a high-road economy
 - ✓ Make human capital and workforce at center of strategy
 - ✓ Invest in service jobs that are growing and have career ladders (e.g., higher ed and health care, including HBCUs)
 - ✓ Tap growth in high-tech manufacturing (e.g., aerospace/defense)
 - ✓ Restore arts, culture, music as distinctive strengths of tourism



Option Two: Rebuild New Orleans better than it was before

Primary Goal:

- ✓ Re-establish demographic diversity as an asset, with better opportunities
 - ✓ Build affordable housing but do not concentrate them in limited areas
 - ✓ Create healthier, mixed-income neighborhoods with good schools and other amenities

Envisioning a Brighter Future: Baton Rouge Area



A different challenge: Baton Rouge can let growth happen to it

Overall, the Baton Rouge metro area was one of the healthiest communities in southern LA:

- The region grew by 54% between 1970 and 2004
- State government remains the biggest driver of growth in the region, followed by petro-chemical production and higher education

But:

- But, many neighborhoods in city may be locked out of opportunity
- Growth and opportunity abounds mostly in the region's periphery



Option Two: Baton Rouge actively harnesses future growth to its advantage

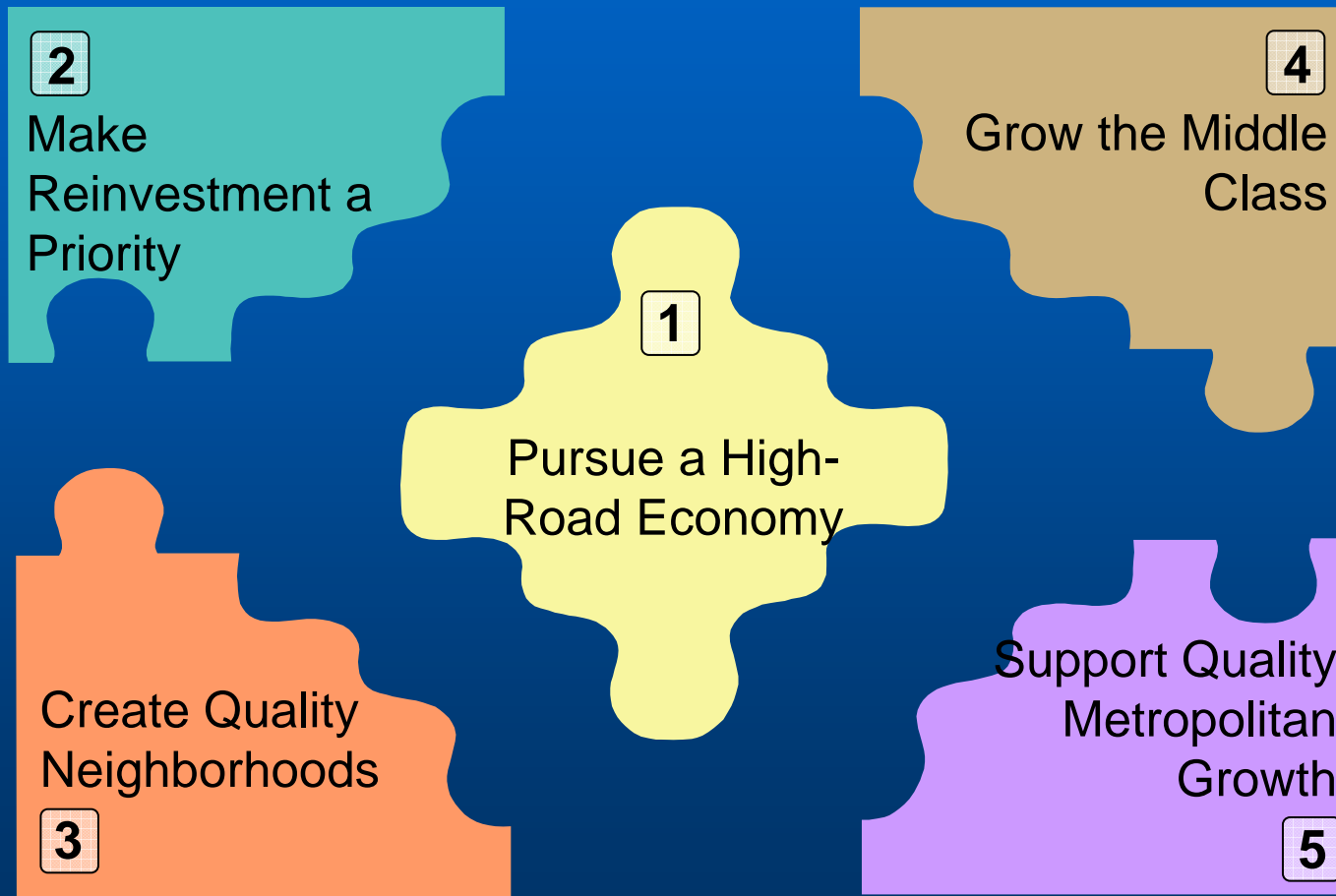
Primary Goal:

- ✓ Capture vitality of university centers and seats of state gov't
- ✓ Revitalize downtown as destination for visitors, students, workers, families
- ✓ City neighborhoods benefit from new investment, with better quality housing, safer streets, new retail and services
- ✓ Build stronger economic and transportation ties with New Orleans so BR and NOLA are mutually reinforcing economy

III. Pursuing an Agenda for a More Prosperous, Inclusive Future

III

An Agenda for Competitive, Inclusive Growth





Pursue a High-Road Economy

GOAL: Create a vision of economic competitiveness that invests in workers and industries that will create a more competitive, high-wage future, and ensures all residents can take a part

ACTION STEPS:

- Invest in key knowledge assets and industries (including eds and meds)
- Promote innovation and entrepreneurship
- Invest in human capital, with access to quality preK-12 and higher education plus skills training



Make Reinvestment a Priority

GOAL: Invest in the physical assets of existing communities that promote an innovative, creative economy (e.g., main streets, downtowns, gathering places)

ACTION STEPS:

- Promote infill development and walkable or transit-oriented downtowns and neighborhoods
- Reimagine the waterfront
- Inventory and facilitate the reuse of historic, vacant, and contaminated properties

STATE: Michigan's Tax Reversion Law to Streamline Foreclosures

- **Public Act 123 (1999) amended the state's property tax laws, reducing time to foreclose on delinquent property from 7 years to 2 years or less.**
- **Property title can transfer directly to the County Treasurer or to the State**
- **Flint/Genesee has established the Genesee County Land Reutilization Council (LRC), a land holding entity. Land Bank Legislation is pending.**



Urban Redevelopment in the UK

→ Launched in 1998, the United Kingdom's Previously-Developed Land (PDL) project is working to inventory all vacant and derelict land in England and Wales

→ In addition, the national government has set a target that 60% of all the country's new housing should be built on previously-used sites by 2008

→ In 2001, 61 percent of housing built was constructed on brownfields or through the conversion of existing buildings



Create Quality Neighborhoods of Choice

GOAL: Build neighborhoods that families choose and that serve families with a broad range of incomes

ACTION STEPS:

- Support mixed income housing and quality renovation of older housing
- Grow retail and investments in inner/older neighborhoods
- Transform neighborhood schools

STATE: California Tax Credit Allocation Committee

- **Approximately \$450 million per year is awarded in federal and state tax credits to assist in the construction and rehabilitation of affordable rental housing**
- **Priority is given to properties located within close proximity of transit corridors, parks, recreational facilities, retailers, grocery stores, schools and senior centers**



Pennsylvania Fresh Food Financing Initiative

➔ Grew out of recognition that there are much smaller (and a fewer number of) grocery stores in Philadelphia's low-income neighborhoods than higher-income neighborhoods

➔ State provided \$10 million to The Reinvestment Fund (TRF), which leveraged additional private funding and a NMTC allocation to form \$40 million pool for fresh food retailers in underserved communities across PA

➔ Initiative provides a range of financing resources, including pre-development grants and loans, land acquisition and equipment financing, and capital grants for project funding gaps; it will also provide outreach and technical assistance



Grow the Middle Class

GOAL: Help low wage earners build incomes and wealth

ACTION STEPS:

- Ensure access to state and federal benefits that make work viable (e.g., EITC, food stamps, child care, transportation)
- Promote wealth creation (e.g., homeownership, savings, debt management, financial literacy)
- Curb market abuses in costs of living

STATE: Indiana's State EITC

- **In response to increases in regressive taxes to pay for budget deficits in 2001, state created a state EITC to help working families**
- **In 2000, 13 percent of all tax filers received the federal credit. Total refunds: \$560 million.**
- **In 2002, the state EITC = additional \$5.7 million**

STATE: Washington's State EITC Campaign

- **In 1999, Washington State spent \$315,000 on a public information campaign on EITC that included direct mail and TV, radio and transit advertising.**
- **The State also established a toll free hotline to distribute EITC material. The hotline received more than 16,000 calls.**
- **EITC refunds went up \$29 million in one year.**



Support Quality Metropolitan Growth

GOAL: Ensure state policies support good planning and the efficient and quality use of existing land and infrastructure

ACTION STEPS:

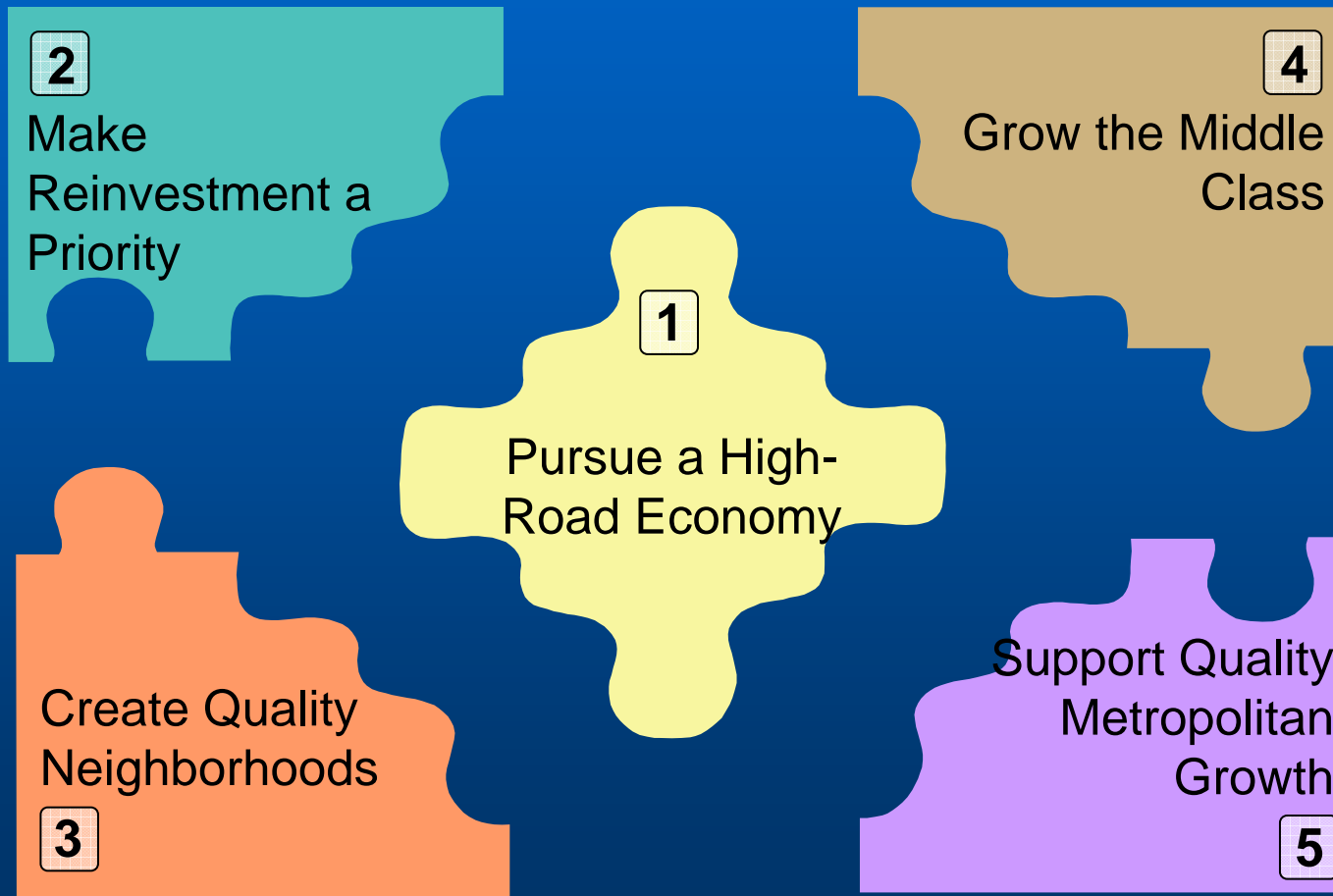
- Provide funds, capacity building, and technical assistance to municipal and parish leaders to create and implement plans
- Ensure that state investments in economic development and transportation are consistent with parish or local plans
- Provide model rehab building codes and infill development codes to facilitate redevelopment

STATE: Maryland and New Jersey's "Smart" Building Codes

- **New Jersey (1998) and Maryland (2000) passed new legislation and guidelines to modify building code standards for the rehab of older buildings.**
- **In NJ, the amount of money spent on rehab work in five largest cities jumped 90% between 1997 and 1999.**
- **MD accompanied its "smart codes" with model infill codes -- zoning and code standards to accommodate higher densities, mixed uses, building heights, lot sizes, building setbacks**

III

An Agenda for Competitive, Inclusive Growth



*“If we do not change our direction,
we are likely to end up where we are headed.”*

- Ancient Chinese proverb