

The New Orleans Index at Five

August 2010

EXECUTIVE SUMMARY

Only five years into a long period of recovery and redevelopment, greater New Orleans is still a work in progress. But in the five years following Hurricane Katrina—a tragedy compounded and made more complex by the Great Recession and the current Gulf oil spill—the people of New Orleans have shown a marked tenacity and resilience.

The New Orleans Index at Five assesses the extent to which greater New Orleans is rebounding from Hurricane Katrina and subsequent shocks in more economically robust, inclusive, safe, and sustainable ways. This year's Index relies on 20 key indicators, as well as seven topical essays informed by on-the-ground experience and research. The fifth anniversary of Hurricane Katrina and the levee failures represents a good moment to assess efforts to date so leaders can make informed decisions that continue to positively transform the future course of this major city and metro area.

The New Orleans Index at Five collection:

An Overview of New Orleans Index at Five: From Recovery to Transformation

Twenty Indicators Measuring Greater New Orleans' Progress Toward Prosperity

Essay Series Reviewing Key Reforms After Hurricane Katrina

School by School: The Transformation of New Orleans Public Education

An Opportunity to Reinvent New Orleans' Criminal Justice System

Community Health Clinics: Bringing Quality Care Closer to New Orleanians

To the Heart of the Matter: Coastal Restoration and the Future of New Orleans

No More Surprises: Land Use Planning in the City of New Orleans

Community Action: Bringing People Home to Stronger Neighborhoods

The Rise of Community Engagement after Katrina

Background Resources

Economic Timeline: 1700-2010

Jobs that Matter Most: Regional Export Industries in the New Orleans Area

Available at www.gnocdc.org and www.brookings.edu

“For some, this *New Orleans Index at Five* collection reinforces the enormous progress that has been made in New Orleans ... For others, the community has a long way to go to make meaningful inroads on prosperity, especially in advancing opportunities for those with the least among us.”

Average annual wages

2008 inflation-adjusted dollars

\$50 thousand

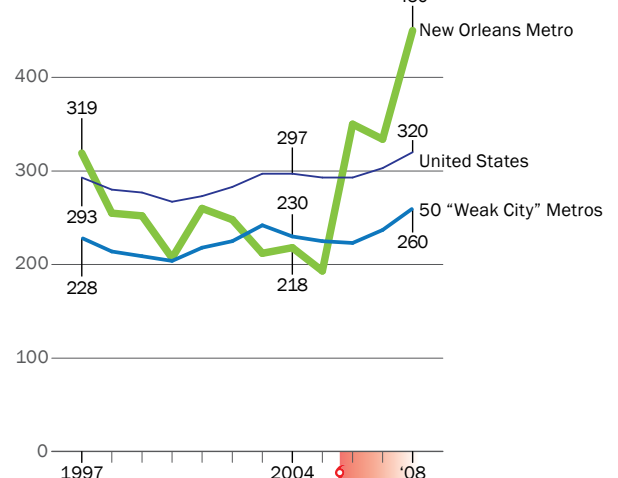


Source: Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce

Individuals starting up businesses

per 100,000 adult population (three-year averages)

500 per 100,000 adult population



Source: Federal Reserve Bank of Atlanta analysis of Kauffman Index of Entrepreneurial Activity

Key Findings

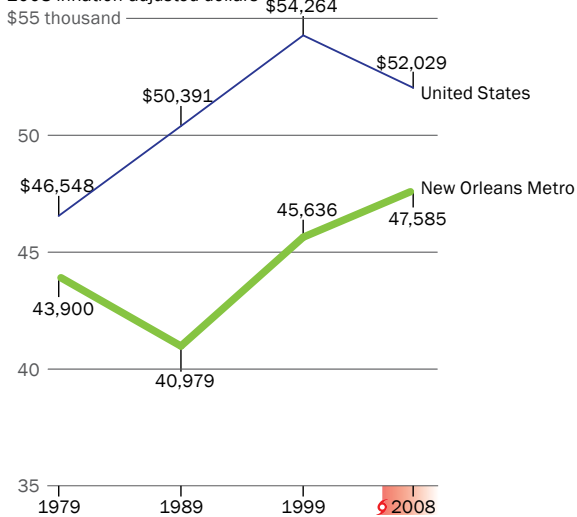
1. Despite sustaining three “shocks” in the last five years, greater New Orleans is rebounding and, in some ways, doing so better than before.

Economic Growth

- **Increasing entrepreneurship.** Entrepreneurship has spiked in the New Orleans metro post-Katrina, surpassing the rate of individuals starting businesses nationally after having lagged the nation for nearly 10 years.
- **Improving wages.** Average wages in greater New Orleans grew by nearly 14 percent in the last five years, catching up to the national average for the first time since the mid-1980s.

Median household income

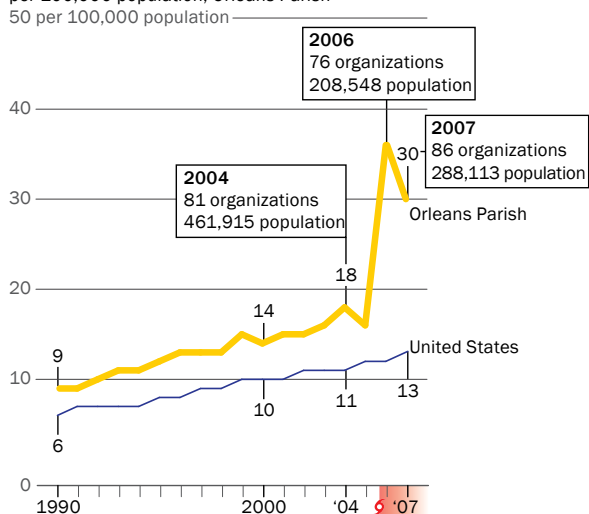
2008 inflation-adjusted dollars



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

Registered arts and culture nonprofit organizations

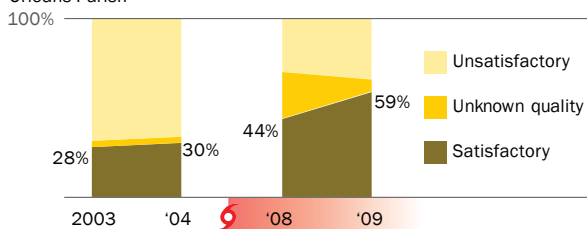
per 100,000 population, Orleans Parish



Sources: National Center for Charitable Statistics and Census Bureau Population Estimates Program

Enrollment by school performance

Orleans Parish



Source: Louisiana Department of Education

- **Emerging growth in knowledge-based industries.** By 2009, jobs in higher education surpassed ship building and heavy construction and engineering to be the fourth largest economic driver in the metropolitan area.

Inclusion

- **Growing median household incomes.** Greater New Orleans' median household income grew by 4 percent between 1999 and 2008 to \$47,585. Meanwhile, median household incomes declined nationally over that same period.
- **Greater share of middle class families in the city.** New Orleans is now home to a broader number of households from across the income spectrum, specifically a higher share of middle-class families and upper-income families than before the storm.

Quality of Life

- **Stronger presence in arts and culture.** Since the storm, the number of relatively large arts and culture nonprofit organizations in the city has grown from 81 to 86.
- **Access to better schools.** In each of the seven parishes that make up the New Orleans metro area, a greater share of public school students post-Katrina are attending schools that meet state standards of quality.

2. Further, greater New Orleans has become more “resilient,” with increased civic capacity and new systemic reforms, better positioning the metro area to adapt and transform its future.

Higher numbers of New Orleanians are involved in shaping public policies, and New Orleanians are more likely than residents of other cities to attend public meetings. Individuals and groups have become more strategic and sophisticated. And there is greater cooperation between organizations, including the emergence of new umbrella groups. The following are highlights of some but not all of the key reforms or new initiatives undertaken by New Orleanians over the last five years:



An overhaul in public school management, quality, and choice.

Post-Katrina reforms in the city's public school system include: the state takeover of most schools in the district; the conversion of a majority of public schools to charter schools; modernized facilities; and the recruitment of new teacher talent. Today, a greater share of 4th

graders and 8th graders are proficient in math and English.



A new system of accessible, quality, community-based health care.

The metro area now provides access to primary care and outpatient mental health services in 93 sites across four parishes in the New Orleans area. Emergency room visits have declined as patients have increased their visits for preventive care.



Sweeping changes in criminal justice.

Reform efforts have led to innovative programs that have begun to offer socially productive alternatives to incarceration; legislative changes, such as establishing an Independent Police Monitor as part of the new Inspector General's office; new interagency partnerships within the criminal justice

system to improve planning and implementation across police, prosecution, and public defense; and top-to-bottom reform of public defense.



New capacities and commitments to holistic approaches to creating neighborhoods of opportunity. At the core of the transformation underway is the rise of sophisticated resident and community groups undertaking holistic strategies to revive whole neighborhoods, such as the Lower Ninth Ward, Broadmoor, Lakeview,

Gentilly, Central City, and Tremé. And federal leaders have taken bold steps to overhaul the troubled housing authority and ensure that low-income households can find quality, permanent, affordable housing.



New city master plan that will codify citizen engagement and will have the force of law.

After countless hours of neighborhood and citywide meetings, New Orleanians now have an approved master plan that promotes livability, economic opportunity, sustainability and ways to “live with water.” The plan will likely provide

development predictability, and formalize the community participation process.



A new framework for restoring coastal wetlands.

The state created the Coastal Protection and Restoration Authority, passed a master plan for coastal restoration, and recognized the need for smarter land use choices including the adoption of a state wide building code. At the federal level, the Obama

administration released a “roadmap” to guide federal efforts to successfully restore the ecosystems of coastal Louisiana and coastal Mississippi. Opportunities remain for a bold partnership, with BP, to clean up and restore the oil-slicked wetlands.

In addition to these efforts, citizens and civic leaders have also advocated for and won other critical governance reforms, such as the consolidation of the levee boards, the merger of the city’s seven property assessors into one office, the creation of an Office of the Inspector General within the city.

3. Yet, key economic, social, and environmental trends in the New Orleans metro area remain troubling, testing the region’s path to prosperity.

Economic Growth

- **Sluggish economy reliant on a few lagging industries.** Top economic drivers like tourism, oil and gas, and shipping have shed tens of thousands of jobs in the last three decades. And the metro area’s productivity has been relatively stagnant over the last 30 years, improving by only 6 percent, while it grew 51 percent nationally. The oil disaster may further weaken legacy industries, and exposes the vulnerability of these sectors to offshore or water-related catastrophes.
- **Relatively small educated workforce.** In 2008, the share of college-educated workers in the New Orleans metro remained unchanged from 2000, at 23 percent, while it grew nationally by four percentage points to 28 percent.

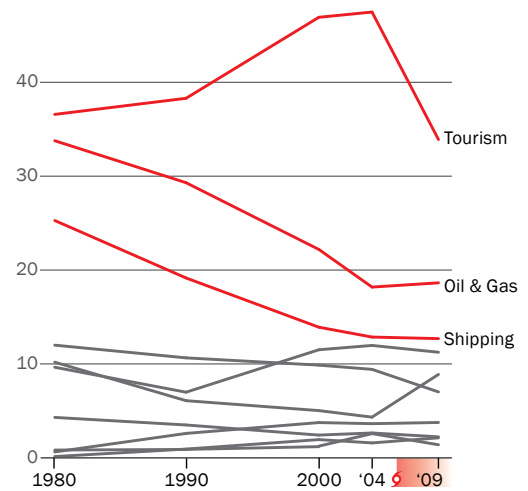
Inclusion

- **Stark social and economic disparities.** As of 2008, black and Hispanic households in the metro area earn incomes that are 45 percent and 25 percent lower than whites, respectively. Further, just 13 percent of African Americans and 19 percent of Latinos in the metro have a college degree, compared to 29 percent among whites.

Regional “export” jobs for the 10 largest “export” specializations

New Orleans 10-parish region

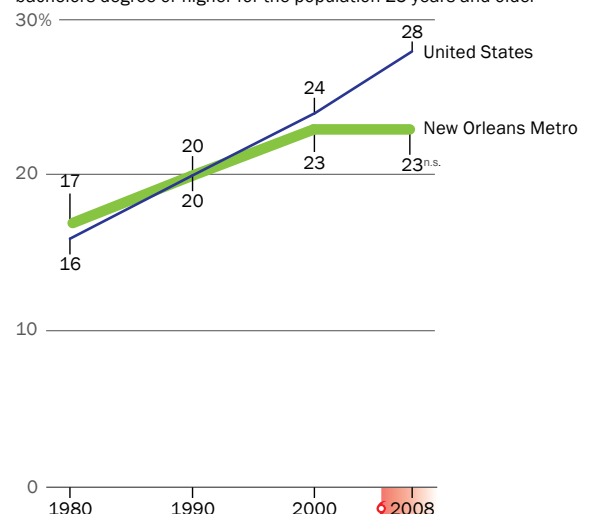
50 thousand jobs



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

Educational attainment

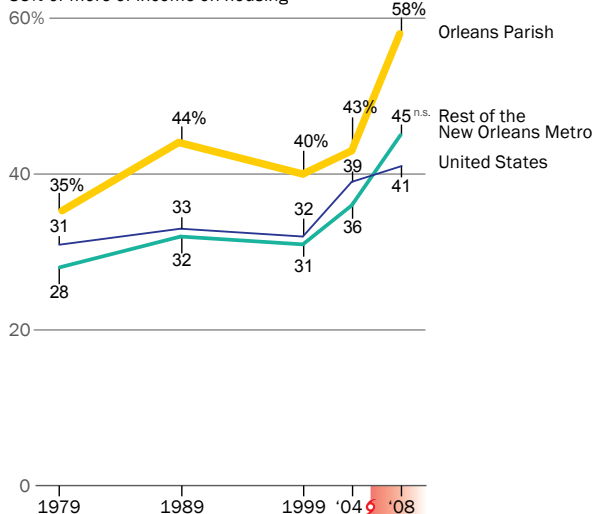
bachelors degree or higher for the population 25 years and older



Sources: US Census Bureau, Decennial Census & American Community Survey 2008

Renter households paying unaffordable housing costs

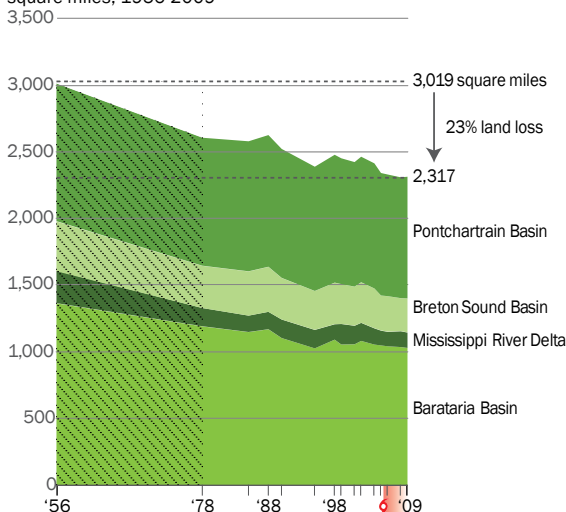
35% or more of income on housing



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

At least 53 years of land loss

square miles, 1956-2009



Sources: John Barras, Julie Bernier, and Robert Morton, "Land area change in coastal Louisiana: A multidecadal perspective (from 1956 to 2006)," U.S. Geological Survey Scientific Investigations 3019 (2008). 2009 data are part of a peer-reviewed, to-be-released report from USGS which will serve as an update to USGS SIM 3019.

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 Baptist Community Ministries

For full acknowledgments, notes, and source citations see *The New Orleans Index at Five* collection, available at: www.gnocc.org and www.brookings.edu

- **High numbers of suburban poor.** The suburban parishes are home to the majority of the metro area's poor, with nearly 93,000 poor residents living there in 2008 compared to nearly 68,000 in the city.
- **Severe housing cost burdens, especially for renters.** Fully 58 percent of city renters and 45 percent of suburban renters spend more than 35 percent of their pre-tax household income on housing, compared to 41 percent nationally.

Sustainability

- **Coastal wetland erosion.** More than 23 percent of the land that protects the New Orleans metro has converted to open water since measurements began in 1956.

Quality of Life

- **High and increasing levels of crime.** Violent crimes and property crimes have risen in the city of New Orleans since Katrina and remain well above national rates, while crime rates have declined in the rest of the metro area.

4. New Orleanians, and their partners, must use the latest crisis as an opportunity to continue the goal of transformation and further the progress since Hurricane Katrina, moving the region toward prosperity.

New Orleanians must mobilize their assets to achieve true prosperity. Federal, state, philanthropic, private, and other national leaders must join them in this goal of transformation. As new resources of time and dollars arrive in the region, these investments must aim to create a more prosperous New Orleans, one that continues to bring economic, environmental, and cultural value to the nation.

Key Actions for the Future

1. Leaders must sustain and further the progress made since Katrina, in particular in the public education, criminal justice, and health care systems.
2. Leaders must embrace new opportunities presented by the oil spill crisis and the Great Recession.

Below are some possible ideas for how leaders can capitalize on these opportunities:

- Diversify and strengthen the key regional sectors of the economy.
- Expand international export capacity to help grow existing industries and the number of good-paying jobs.
- Empower the area's many institutions of higher education to help retrain and improve the quality of the workforce for growing sectors of the economy.
- Increase the capacity of small businesses, especially minority and women-owned businesses, to participate in new economic development opportunities.
- Invest in the restoration of coastal wetlands, while advancing city steps toward "living with water."

3. New Orleanians must strengthen key characteristics of regional resilience—a diverse economy, an educated and skilled workforce, strong community engagement and capacity—to minimize future shocks and better shape the city's course.