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.

“...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.”

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.
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.
• **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.**