

II. Summary of Findings: January 2007

FINDINGS

Days Since Katrina Made Landfall: One year and 141 days

With the start of the new year, New Orleans was back in the news again when one out of every fifty of the city's residents recently marched on City Hall to protest a surge in murders. With the highest per-capita murder rate in recent memory, a sense of lawlessness abounds, helped along by the knowledge that police are still working out of trailers and the fact that jail space is scarce, court dockets are overflowing, and only a handful of public defenders remain in the city.

Yet, at the same time, progress in the recovery was moving along, often at a faster clip than in recent months. To be sure, the billions of dollars in Road Home money for homeowners is still just trickling out of Baton Rouge, but the number of New Orleanians making investments in the city and putting down roots seems to be increasing. Over the last month, for instance, the number of new residential housing permits in New Orleans exceeded pre-Katrina levels and over 640 houses were torn down. What's more, enrollment in the city's public schools doubled this fall, indicating that an increasing number of families were moving back to New Orleans.

Helping this recovery along, wages in the city, which spiked in the aftermath of Katrina, continue to increase. In fact, new data indicate that average weekly wages jumped across almost all sectors including accommodations and food services, construction, educational services, finance and insurance, utilities, and public administration.

And, the ever-important tourism industry continues to grow. Now, more than 90 percent of all hotels in the city are back in business, and traffic at the Louis Armstrong International Airport continues to climb, reaching over 300,000 passengers.

As in past months, critical infrastructure gaps remain, looming as constant threats to the ability of the city to attract and retain families and businesses. New Orleans has only 30 percent of the child care centers, about half the public schools, about 40 percent of the food establishments, and only 17 percent of the buses it had prior to Katrina. The city's major utility also continues to struggle financially and depends on infrastructure vulnerable to outages.

In particular, the key trends from this month's index include:

Housing

- Housing construction continues to increase, indicated by the fact that **new residential housing permits** exceeded pre-Katrina levels in both October and November for the first time since the storm.
- **Home demolitions** continue to trend upward: 649 additional homes were torn down over the last month, bringing the total number of demolitions in the metropolitan area to over 4,200 houses.
- The number of **residential properties for sale** dropped slightly over the holidays, particularly in the hurricane-affected parishes. This tightening of the market could signal strengthening of real estate prices.

Population

- Although regular updated population numbers are not available, new **public school enrollment** data indicate a significant increase in the student population this past fall in all the storm-affected parishes.

Infrastructure

- Infrastructure recovery is largely at a standstill with only one new school opened in December, no new hospitals, no new libraries, and only one new child-care center in New Orleans.
- The level of **public transit** service has remained unchanged for the last twelve months. Just 49% of all public transportation routes and 17 percent of buses are in operation.

Economy

- One more **hotel** reopened in New Orleans this past month. Now fully 90% of all hotels in the city are back in business.
- **Traffic at the Louis Armstrong International Airport** continued to tick upward in October and November as nearly 300,000 passengers both arrived and departed in each of those two months.
- Louisiana **unemployment claims** trended slightly upward in the last four weeks of 2006.
- Recently released figures for the first quarter of 2006 substantiate what is well known locally – that **average weekly wages** have increased since the storm in many sectors. Average weekly wages have jumped across almost all sectors including accommodations & food services, construction, educational services, finance and insurance, utilities, and public administration. But wages have remained stagnant or fallen in a few categories such as agriculture, and arts & entertainment.

In sum, the city continues to struggle with the pains of rebuilding, made that much more difficult by the increased threat of violent crime. Still, progress continues, and has even picked-up pace in some areas of the recovery. Further progress in 2007 will require a strong and sustained response to the crime trend, and clear evidence of improvements in the criminal justice system, along with investments in the city's vital infrastructure.

—*The Brookings Institution Metropolitan Policy Program*