

Katrina Index Monthly Summary of Findings: February 1, 2006

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Days Since Katrina Made Landfall: 156

Now over five months since Katrina made landfall, New Orleans is home to over 130,000 people, including a much larger than expected population of college students. But, the city lacks enough essential services to support all of these returning residents, and the area continues to hemorrhage workers. What key trends were available this month for the states suggest little progress in both Louisiana and Mississippi. In particular, we find:

Demand for essential services in New Orleans continues to overwhelm the supply. Only 32 percent of the city's hospitals are open, and waits for emergency room visits have exceeded six hours. Over 9,000 children have now enrolled in the city's schools but only 15 percent have reopened and some of those are reporting difficulty accommodating demand. Electricity has been restored to about 95 percent of former customers, but power is only being used by 30-35 percent of the former customers, as many customers have either not returned or wait for the city to certify the safety of their electricity connections.

The dramatic drop in the unemployment rate is almost entirely due to a decrease in the size of the labor force in New Orleans and Louisiana. In particular, the metro area lost 42,000 people in its labor force between November and December, while the state of Louisiana lost over 100,000 people.

Louisiana created over 11,000 jobs between November and December, but lost over 100,000 people in its labor force. Mississippi, on the other hand, lost 2,000 jobs and about 2,000 of its labor force.

Hundreds of thousands of households continue to face major obstacles restarting their lives. Nearly 750,000 households remain displaced by Katrina, of which about 650,000 are receiving rental assistance, or about \$800 a month. Mortgage delinquency rates skyrocketed between the second and third quarter of the calendar year. In the state of Louisiana, for instance, nearly one out of every four loans is now 30 or more days past due.

Traffic in and out of the city continues to increase, along with the number of people flying in and out of New Orleans' airport. In particular, over 47,000 cars now make their way across the Huey P. Long Bridge on a typical day, and nearly 174,000 people arrived at the city's airport in December.

The slow pace of recovery on fundamentals strongly suggests that the city and state will be unable to restore essential services on their own, and require direct federal assistance to do so. Meanwhile, the well being of the nearly 750,000 households that remain displaced by Katrina is essentially not known. With New Orleans, Louisiana, and Mississippi still facing massive economic and infrastructural challenges, it is likely that many of these households will need federal assistance for many months to come.