

EXECUTIVE SUMMARY

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State of Policy & Progress

January 2008: 2 Years, 5 Months Since Katrina Made Landfall

As 2008 begins and Governor Jindal takes office, greater New Orleans is making economic strides, but slowing population recovery could jeopardize them. The ability to attract and retain skilled and entry level workers to bolster key industries remains dependent upon federal, state, and local leaders working closely together to deliver on housing, infrastructure, and quality public services.

This quarter's New Orleans Index finds that jobs continue to grow in the region and unemployment rates hit a three-year low. But extreme worker shortages exist for skilled recovery-related jobs, such as architecture and home repairs, and in key hospitality-related occupations such as cooks and restaurant servers. This shortage in part reflects the notable slowdown in the region's population recovery, the first in nearly two years.

To that end, recent progress has been made to ensure that key infrastructure and affordable housing is made available to families and workers.

- With the Road Home program fully funded, the Louisiana Recovery Authority approved \$500 million in infrastructure repair grants for localities. Approximately 90 percent of these funds will be allocated to New Orleans to rebuild some 100 civic buildings and provide incentives for private investors to build in targeted recovery zones. At the federal level, Chairman Don Powell has unveiled a transparency initiative that uses a web-based mapping tool to help the public and decisionmakers track the status and location of key FEMA infrastructure repairs, such as in public schools.
- After delays and strong opposition by some residents, the New Orleans City Council unanimously approved the demolition of three public housing developments to make way for new mixed income communities.
- To ensure government accountability and performance, the City Council allocated more than \$3 million to fully fund the newly established Inspector General's (IG) office. Along with the FBI and U.S. Attorney's office, the IG is tasked with reducing waste and corruption among city entities.

Many predict that 2008 will be a turning point for New Orleans. These events lay the ground work for significant progress this year. The federal, state, and local partnership must continue to steward this progress.

See following five pages for highlights on population, housing, economy, education and infrastructure...

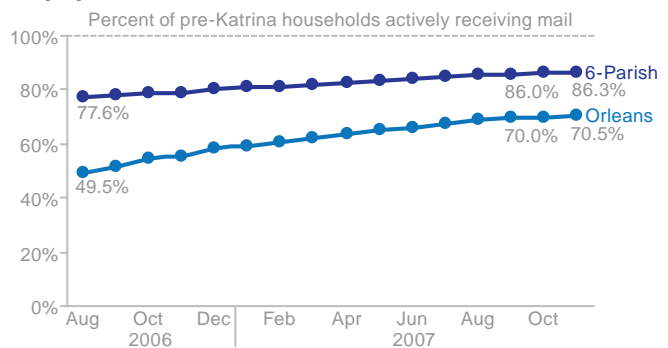
Population highlights

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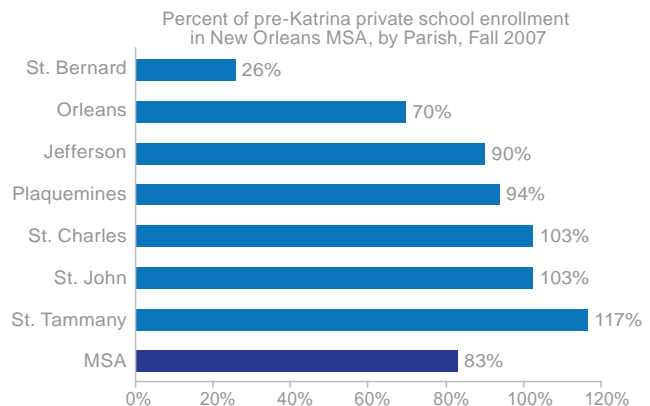
- Repopulation in New Orleans and the region has slowed in recent months.** New Orleans gained only 1,061 households from September to November, representing 15 percent of the total gains during the same period in 2006. Now, 70.5 percent of the pre-Katrina level of households are actively receiving mail in the city, virtually unchanged from September. In November, the six parish New Orleans region was home to 86.3 percent of its pre-storm households—up only 0.3 percentage points from September 2007.
- Public school student enrollment grew in nearly every parish in the region from fall 2006 to fall 2007.** The largest enrollment gains took place in New Orleans, where the re-opening of 21 schools helped generate the return of another 5,984 public school students. By fall 2007 the metro area reached 74 percent of its pre-storm number of public school students.
- Newly released private school data indicate that enrollment in the region has reached 83 percent of pre-Katrina levels.** While St. Bernard has only regained 26 percent of its pre-storm private school enrollment, Orleans has reached 70 percent, Jefferson 90 percent, and Plaquemines 94 percent. The number of students attending private school in St. Charles, St. John and St. Tammany has exceeded pre-Katrina levels.
- The number of public school students with limited English proficiency increased in parishes across the metro area compared to fall 2006.** Shares of Hispanic students are larger than one year ago and than before the storm in Jefferson (12 percent), St. Tammany (3 percent), and Plaquemines parishes (4 percent).

AT-A-GLANCE

Repopulation has slowed in recent months



Private school enrollment in the MSA has reached 83 percent of pre-Katrina levels



Top graph sources: Sammamish Data Systems compiled from USPS's Delivery Statistics Product. **Bottom graph sources:** Louisiana Department of Education.

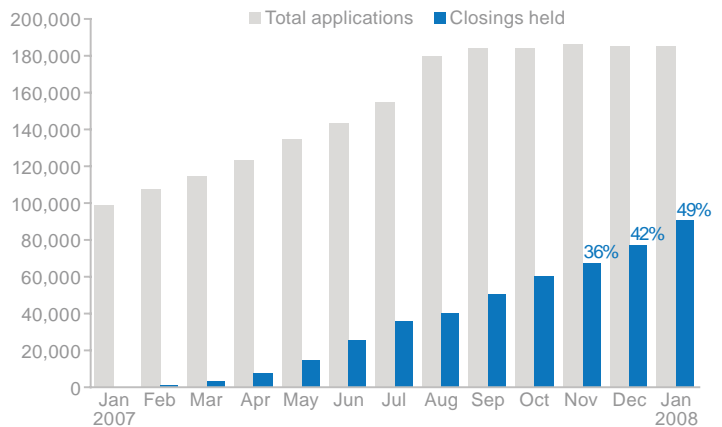
Housing highlights

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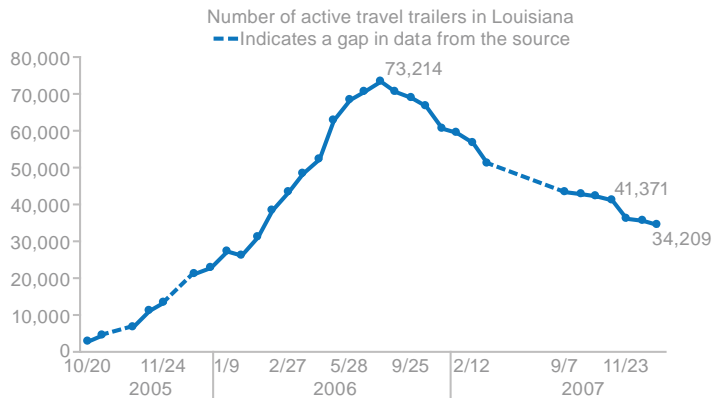
- **Single family home sales in the New Orleans metro area fell between October and November 2007 to 73 percent of sales volume in the same months in 2006, reflecting the nation-wide slowdown in the housing market.** Sales in East St. Tammany reached only 64 percent, while sales in East Jefferson and West Jefferson reached 69 percent and 61 percent, respectively, of October and November 2006 sales. Sales on the East Bank of Orleans were relatively strong at 82 percent of comparable months in 2006.
- **The pace of home repairs in New Orleans is slowing with permits slipping to 526 in December 2007, down from 807 in August.** The number of approved demolitions also slowed to 457 permits in the fourth quarter of 2007, down from 1,069 in the third quarter of 2007.
- **More than 50,000 Road Home applicants have received home repair grants since August 2007, but the average benefit continues to decline.** As of January 2008, 90,848 applicants to the Road Home program had received funding, up from 40,130 in August. Still, fully half of all applicants to the program are waiting to receive their grants. The average Road Home benefit is now \$61,387, down by more than \$7,000 from August and by more than \$17,000 from January 2007.
- **The number of Louisiana families living in trailers fell by 19 percent from September to December 2007.** Almost 40,000 families live in trailers across Louisiana, many of whom will be evicted in coming months as FEMA closes trailer parks.

AT-A-GLANCE

Barely half of all Road Home applicants have received funding to repair their homes, while another 94,000 still wait



Occupied trailers fell from a high of 73,000 in July 2006 to 34,000 in December 2007



Top graph sources: The Road Home Program. Bottom graph sources: FEMA.

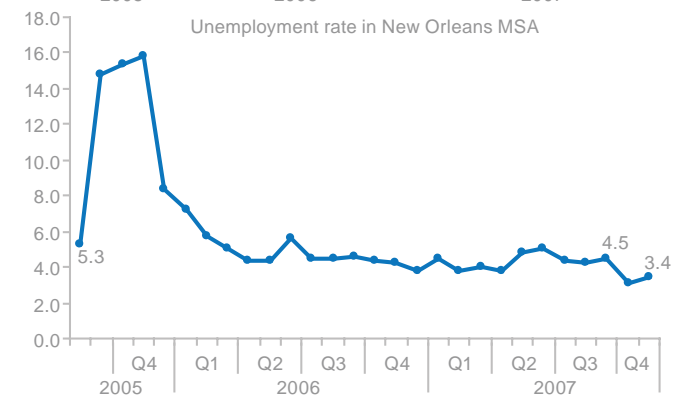
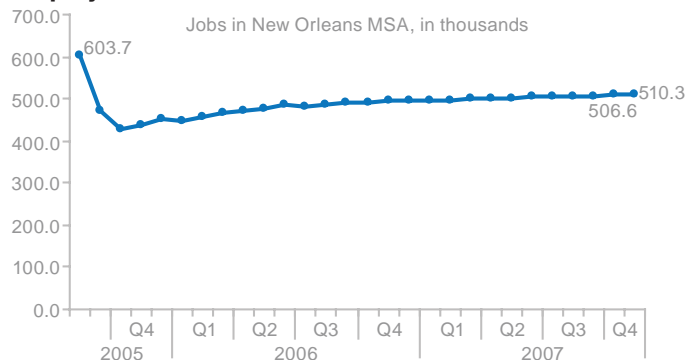
Economy *highlights*

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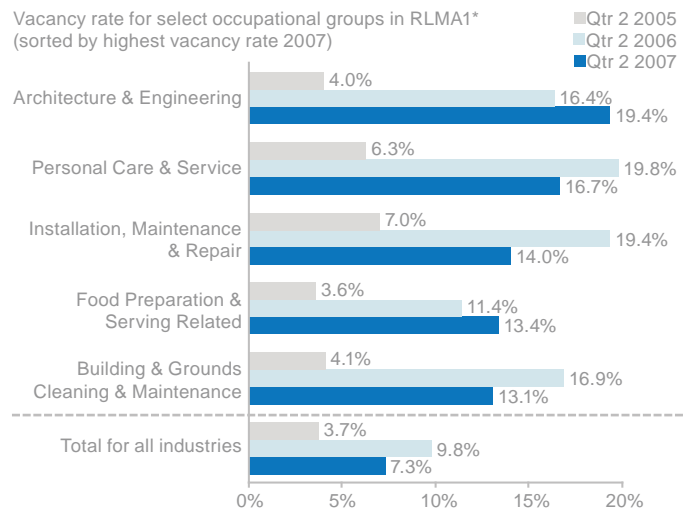
- The New Orleans metro area slowly added jobs in the last quarter of 2007 and reached the lowest unemployment rates since the storm.** Approximately 6,500 non-farm jobs were added to the region between August and November 2007, reaching 510,000 jobs or 84 percent of pre-Katrina levels. Much of these gains have come from education and health services, professional and business services, and trade, transportation and utilities. While unemployment rates grew to 4.7 percent nationwide in November, the unemployment rate in the New Orleans area fell to 3.4 percent.
- Newly released job vacancy data from second quarter 2007 points to continued high rates of job vacancies in high-skill, recovery-related occupations and leisure and hospitality jobs.** Of the top five jobs facing labor shortages, three require recovery-related skills: architecture and engineering (20 percent vacancy), installation, maintenance, and repair (14 percent), and building and grounds cleaning (13.1 percent). The other high-vacancy occupations are leisure/hospitality-related such as personal care (16.7 percent) and food preparation and servers (13.4 percent).
- Total personal income from all earnings and income transfers for Louisiana residents increased by \$2.5 billion from second to third quarter of 2007, reaching \$144 billion.** This is a 1.8 percentage growth in income, faster than that for the nation as a whole (at 1.4 percent).
- The latest figures for cargo activity at the Port of New Orleans indicate a rebound since Katrina.** In 2006, general cargo and bulk cargo reached 90 percent and 95 percent of 2004 levels, respectively.

AT-A-GLANCE

As the New Orleans metro area slowly added jobs, the unemployment rate reached its lowest levels since the storm



Job vacancies remain high in key recovery-related and leisure and hospitality occupations



Top graph sources: U.S. Bureau of Labor Statistics. Bottom graph sources: Louisiana Department of Labor. *RLMA1 = New Orleans Regional Labor Market Area (made up of Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist and St. Tammany parishes).

Education *highlights*

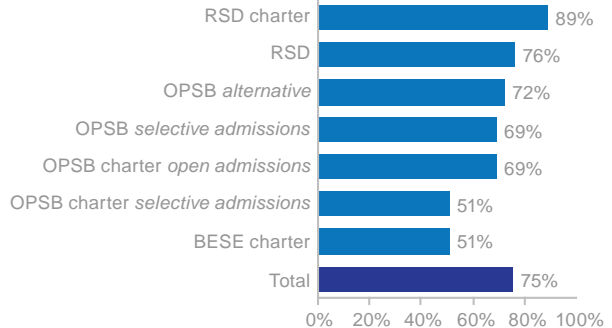
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- **Nine private schools opened this fall, bringing the total number of private schools in the region to 80 percent of the pre-Katrina number.** Private schools are now attracting 28 percent of all school-aged children in the New Orleans area, up from 26 percent before the storm.
- **In Orleans Parish, parents now have many more choices among public schools, with 51 percent of the schools now chartered out to independent entities.** But the success of these various school types and options will have to be cautiously studied. School composition numbers indicate that the charter schools operated by the Louisiana Board of Elementary & Secondary Education (BESE) and the Orleans Parish School Board (OPSB) serve a disproportionately large number of the white students enrolled in public schools. Schools operated directly or chartered by the Recovery School District (RSD) serve a disproportionately large number of students receiving free lunch.
- **Several communities got a boost with the reopening of four libraries throughout the region.** Two libraries were opened in Jefferson, one in New Orleans, and the first library opened in St. Bernard since the levee failures.

AT-A-GLANCE

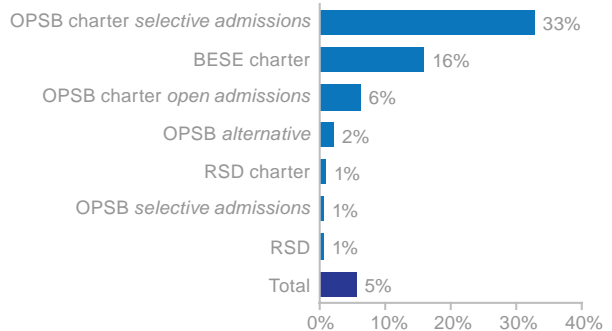
RSD schools (charter and non-charter) serve a disproportionate number of students receiving free lunch

Percent of public school students on free lunch in New Orleans, Fall 2007



OPSB and BESE charter schools serve a disproportionate number of white students

Percent of white public school students in New Orleans, Fall 2007



Top & bottom graph sources: Louisiana Department of Education. RSD = Recovery School District, OPSB = Orleans Parish School Board, BESE = Louisiana State Board of Elementary and Secondary Education. OPSB alternative schools include Orleans Parish PM School, Alternative Learning Institute, and the Youth Study Center.

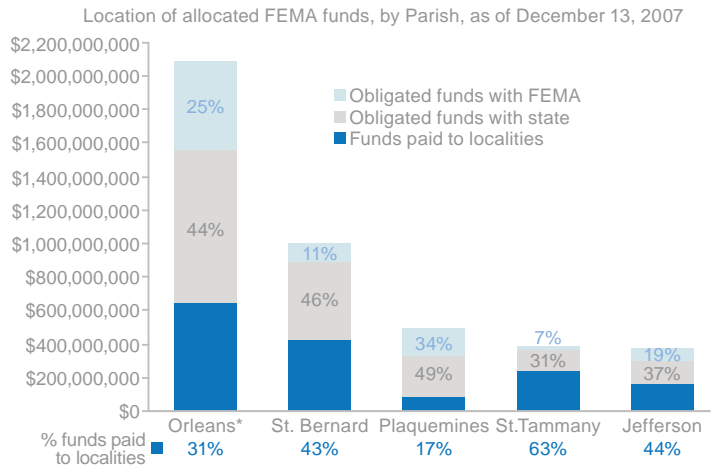
Infrastructure *highlights*

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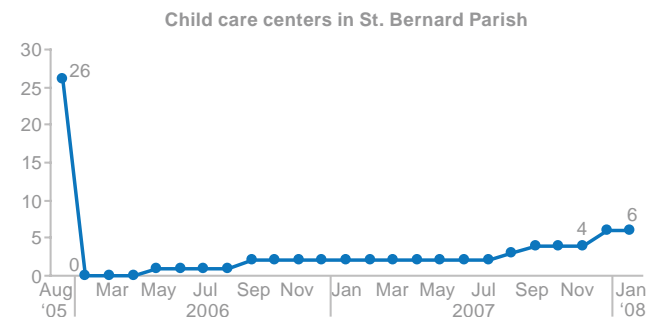
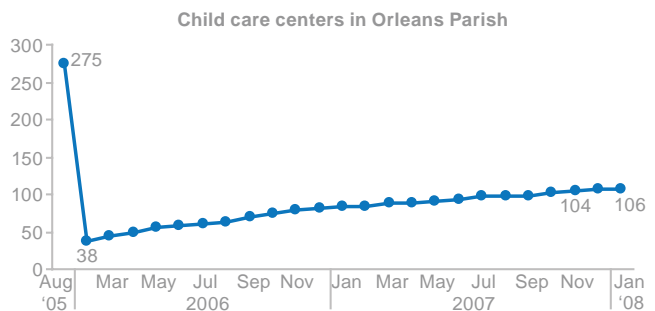
- **By December, federal funding for infrastructure repairs continued to move slowly to localities.** State-wide, only 46 percent of FEMA funding had reached localities, up from 43.5 percent in October. The greatest lags remain in Plaquemines and Orleans, where just 17.4 percent and 30.9 percent of infrastructure funds, respectively, have been paid out for local projects.
- **Childcare capacity has been added in the last few months but overall access remains scarce in flood-affected areas.** Two additional childcare centers opened in both Orleans and St Bernard Parishes in December. These small increases bring the total number of child care centers to 39 percent of pre-storm capacity in New Orleans, and 23 percent in St. Bernard.
- **The level of other services and infrastructure remains largely unchanged in New Orleans.** The number of open hospitals remains at 67 percent of pre-Katrina. Although the historic New Orleans streetcar now runs the entire length of St. Charles Avenue and ridership has increased, the number of open public transit routes remains stagnant at 50 percent and buses at 19 percent since July of 2007.

AT-A-GLANCE

FEMA has transferred 89 percent of infrastructure repair funds to Louisiana; 46 percent has reached localities and 43 percent remains with the state



Child care centers remain scarce in New Orleans and St. Bernard Parish



Top graph sources: FEMA. *Includes city of New Orleans, Recovery School District, Charity Hospital, NO Airport and the NO Convention Center.
Bottom graph sources: Agenda for Children, Louisiana Department of Social Services Bureau of Licensing.