

Equitable Development Strategies

FEDERAL RESERVE BANK

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FORTY YEARS AGO – Elusive Equality...

The New Orleans Economy (1975)

“Consequences of income distribution implies serious social and economic import. It means, its overwhelming poorness will produce an inferior quality of life for many – inferior housing, inferior diet and inferior educational, social and economic opportunities.”

A Haunted City (2003)

“New Orleans is a very exotic and intoxicating city. From our distinctive culture, our fun, food and festivals, to our socially and economically diverse neighborhoods, this is a city of contrasts and contradictions. An aura of tranquility anesthetizes the pain of many, as poverty and inequality coexist with prosperity, in the city too often referred to as the “Big Easy.”



NEW ORLEANS ... 1970-2014

CHARACTERISTICS OF THE NEW ORLEANS POPULATION --social, economic and education--

	1970	1985	2000	2014
New Orleans Population	593,467	573,527	484,674	343,829
Percent African-American	45%	55.3%	67%	60%
Median Family Income – African-American	\$4,745	\$10,516	\$21,461	\$27,873
Median Family Income – White	\$7,445	\$21,544	\$40,049	\$60,070
Per Capita Income – African-American		\$3,985	\$11,332	\$15,960
Per Capita Income – White		\$9,781	\$31,971	\$42,948
Percent College Graduates – African-American	4%	8%	9%	16%
Percent College Graduates – White	10%	19%	26%	35%

SINCE HURRICANE KATRINA

- New Orleans remains a city whereby a disproportionate percentage of African Americans live below poverty at 32%, compared to 8% for whites.
- Only 53% of African American males are employed full-time.
- According to the Greater New Orleans Data Center, 54% of the renters in New Orleans are paying unaffordable rents, an increase from 43% pre-Katrina.
- Harvard economists in 2015, "Poor child growing up in New Orleans will earn 19% less (\$5,020) than average 26 year old."
- Asset Poverty -- 37% of local households would not be able to generate the \$4,632 that would be necessary for a family of three to cover basic needs for three months. For African Americans it was 50%, compared to 22% for whites and 40% for Latinos.



Some did not want to see New Orleans rebuild

“We finally cleaned up public housing in New Orleans. We couldn't do it, but God did.”

-- Rep. Richard Baker of Baton Rouge is overheard telling lobbyists

“It makes no sense to spend billions of dollars to rebuild a city that's seven feet under sea level,” House Speaker Dennis Hastert said Of federal assistance for hurricane-devastated New Orleans. *“It looks like a lot of that place could be bulldozed,”* the Illinois Republican said.

“The new city must be something very different, Mr. Reiss said, with better services and fewer poor people. Those who want to see this city rebuilt want to see it done in a completely different way: demographically, geographically and politically.”

-- James Reiss, New Orleans Businessman

Neighborhood Rebuilding Survey

2006 Summary

Prior to Hurricane Katrina, would you say that you were **very satisfied** to **not satisfied at all** with the quality of life in your neighborhood?

81% Very/Somewhat Satisfied 18% Little/Not at All Satisfied		
	Very/Somewhat Satisfied	Little/Not at All Satisfied
Whites	87%	15%
African Americans	76%	24%

Neighborhood Rebuilding Survey

2006 Summary

Are you **very optimistic** to **not optimistic at all** that when your neighborhood is rebuilt, it will be better than it was prior to Hurricane Katrina?

Very/Somewhat Optimistic	60%
Little/Not Optimistic At All	34%

Very/Somewhat Optimistic
Hollygrove – 73%
N.O. East – 68%
Central City – 60%
Filmore – 60%
Mid City – 59%

Little/Not Optimistic At All
Lakeview – 43%
St. Claude – 40%
Lower 9 – 35%

The Rebuilding Experience 2006

--- FEELINGS OF DEPRESSION ---

Very/Somewhat Serious Problem	56%
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African Americans	57%
Whites	58%

Hollygrove – 62%
N.O. East – 60%
Mid City – 58%

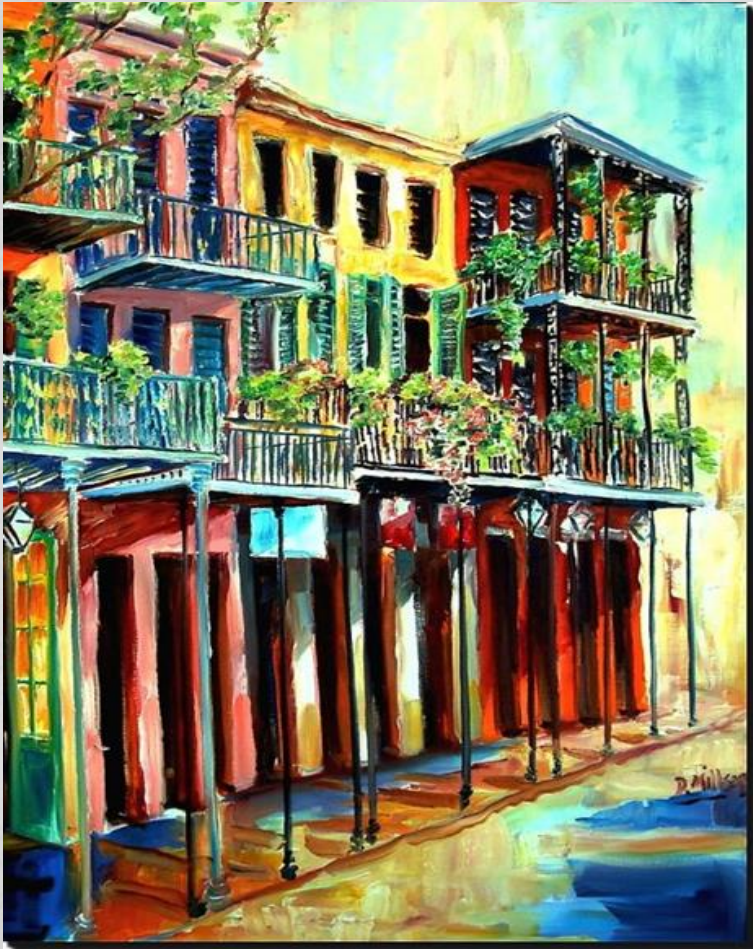
A FRAGILE POPULATION

Trifecta of Despair for economically challenged citizens:

- ❖ Low wages
- ❖ Lack of opportunity
- ❖ Psychological erosion



In Conclusion -- Affordable Housing Matters



- ❑ Psychological and Economic Anchor
- ❑ Transformative Asset
- ❑ Social Conservatory