Poverty in Southeast Louisiana Post-Katrina

Allison Plyer and Elaine Ortiz

Summary

Hurricane Katrina and the levee failures sparked the largest population displacement since the Dust Bowl, and changed the map of poverty in Southeast Louisiana. The city of New Orleans lost nearly 50,000 poor residents between 1999 and 2008-2010, St. Bernard Parish lost nearly 4,000 poor residents, and Plaquemines Parish lost nearly 2,400 poor residents. But there was little appreciable increase in the number of poor residents in the remainder of Southeast Louisiana, suggesting that the poor displaced from the most heavily damaged parishes were largely resettled beyond Southeast Louisiana or lifted out of poverty by new economic opportunities.

Nonetheless, with the reduction of poverty in the New Orleans area (and the overall reduction of poverty in the region), the suburbs are now home to the vast majority of poor in Southeast Louisiana. Between 1999 and 2008-10, the share of the region's poor living in suburbs increased from 56 percent to 67 percent. The cities of New Orleans and Houma now have 87,000 impoverished residents, while the suburbs of Southeast Louisiana have 174,000 impoverished residents.

In Southeast Louisiana, the impoverished population looks a lot like their national peers. The majority is children, seniors, and working-age adults living with a disability. And among the working-age poor, a large share—40 percent locally—work, with about one-quarter of these working full-time year-round.

The “suburbanization” and demographic characteristics of our region's poor have important implications for efforts to alleviate poverty across Southeast Louisiana. Public agencies and private non-profits may find more effective poverty reduction strategies by collaborating across jurisdictional boundaries on affordable housing, transit services, workforce, and economic development.
Introduction

The devastation wrought by Hurricane Katrina and the levee failures sparked the largest population displacement since the Dust Bowl.¹ This catastrophe was followed immediately by Hurricane Rita and three years later by Hurricanes Gustav and Ike, each of which further inundated the coastal parishes south of New Orleans.² Today, Southeast Louisiana contains 35 percent of the total population of Louisiana, and represents a mix of urban, suburban, and exurban areas (see definition and map of this region on p.3). New data from the Census Bureau provides important insights into the demographic shifts that have taken place in Southeast Louisiana over the last decade. This report is intended to be the first in a series of in-depth profiles that explore the new demography of this 13-parish region.

In this report we focus on the geographic distribution and characteristics of the population living below the federal poverty level in Southeast Louisiana. Most studies focus on poverty rates to indicate the overall strength of a region’s economy and the extent to which economic prosperity is benefitting those on the lowest rungs of the economic ladder. But while the highest poverty rate among Southeast Louisiana parishes is in the city of New Orleans (Orleans Parish), poverty rates alone fail to illuminate the large numbers of poor families and individuals in suburban and rural areas. Understanding the geography of poverty is important for helping regional policymakers and social service agencies to provide social safety nets, transportation options, and job opportunities in all the places where they are needed.

Poverty measures

In this report, we use the official federal poverty definition to measure poverty. Using that measure, poverty status is determined by comparing a family’s annual income to a set of poverty thresholds (in dollars) that vary by family size, number of children, and age of householder. If a family’s pre-tax income is less than their given poverty threshold, then that family and every individual in it are counted as living in poverty. For people not living in families, poverty status is determined by comparing the individual’s income to his or her poverty threshold.

Examples of poverty thresholds in 2010

<table>
<thead>
<tr>
<th>Family Type</th>
<th>Poverty Threshold 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single person, 65+</td>
<td>$10,458</td>
</tr>
<tr>
<td>Two adults, under 65</td>
<td>$14,602</td>
</tr>
<tr>
<td>Two adults, one child</td>
<td>$17,552</td>
</tr>
<tr>
<td>Two adults, two children</td>
<td>$22,113</td>
</tr>
</tbody>
</table>

Many researchers have argued that the official federal poverty measure is flawed for a number of reasons. In particular, researchers point out that the traditional measure does not adequately reflect the costs of basic necessities in today’s economy. For example, the poverty thresholds fail to consider the costs of work-related expenses such as child care costs and out-of-pocket medical expenses. On the flip side, the official poverty measure undercounts the resources of some families that receive government benefits like the Earned Income Tax Credit, Medicaid, food stamps, and housing subsidies.³ New supplemental poverty measures are being developed that more accurately reflect a family’s economic hardship, but they are not yet available for counties and metro areas.⁴
Geographic definitions

This analysis builds on the work of the Brookings Institution to analyze the geographic distribution of poverty by primary city, metro suburbs, and non-metro areas. A primary city is defined as the largest city within a metro area. For the New Orleans-Metairie-Kenner metro, the primary city is the city of New Orleans (whose borders are coterminous with Orleans parish). For the Houma-Bayou Cane-Thibodaux metro, the primary city is Houma. Metro suburbs are the balance of the metro area outside of the primary city. For the New Orleans-Metairie-Kenner metro, the metro suburbs are the six parishes of Jefferson, Plaquemines, St. Bernard, St. Charles, St. John, and St. Tammany. For the Houma-Bayou Cane-Thibodaux metro, the metro suburbs are Lafourche Parish and the portion of Terrebonne Parish outside the city of Houma. The non-metro areas are described in this report as “emerging suburbs,” and include the four parishes of Assumption, St. James, Tangipahoa, and Washington.

Reference map
Changes in number of people in poverty in Southeast Louisiana

Between 1999 and 2008-2010, the national poverty rate rose from 12 to 14 percent. Over this time period, the number of people in poverty increased 27 percent while the overall population grew only 9 percent. The 13-parish Southeast Louisiana region experienced opposite trends. Between 1999 and 2008-2010, the overall population of Southeast Louisiana declined 8 percent, but the number of poor dropped even more sharply by 17 percent. Thus, poverty rates decreased from 19 to 17 percent in Southeast Louisiana. The national increase in poverty clearly reflects one of the worst economic downturns in decades, while the reduction in the number of poor in Southeast Louisiana may be due in part to population displacement, but also to the economic stimulus of massive post-Katrina rebuilding efforts.

For more poverty rate data, see our interactive data visualization, What does our impoverished population look like?, available at www.gnocdc.org/Poverty/interactive.html
The city of New Orleans lost nearly 50,000 poor residents between 1999 and 2008-2010, St. Bernard Parish lost nearly 4,000 poor residents, and Plaquemines Parish lost nearly 2,400 poor residents. But there was little appreciable increase in the number of poor residents in the remainder of Southeast Louisiana, suggesting that the poor displaced from the most heavily damaged parishes were either largely resettled beyond Southeast Louisiana, or were otherwise lifted out of poverty by new economic opportunities. For example, the Houma-Thibodaux metro experienced a population increase of 7 percent between 1999 and 2008-2010, but had no increase in its poor population over that time frame. And in the emerging suburbs of St. James and Assumption near Houma-Thibodaux, slightly fewer residents live in poverty now than a decade before (1,900 and 1,300 fewer respectively), despite population gains in each. The New Orleans suburbs of Jefferson, St. Tammany, St. Charles, and St. John experienced no increase in the number of poor residents between 1999 and 2008-2010 (even as the latter three parishes added population). Only two parishes experienced small increases in the number of poor residents. Specifically, the northernmost emerging suburbs of Tangipahoa and Washington gained 3,400 and 2,000 poor residents respectively between 1999 and 2008-2010.
Nonetheless, the geography of poverty in Southeast Louisiana has shifted in important ways since 1999 — largely driven by the loss of poor residents from the city of New Orleans. In 1999, 42 percent of the region's poor lived in New Orleans, but today it is less than one-third (31 percent). Now, 50 percent of the region's poor live in metro area suburbs and another 17 percent live in emerging suburbs outside metro areas. These shares are up from 43 percent and 13 percent, respectively, in 1999. The city of New Orleans has roughly 82,000 poor residents and the city of Houma has under 5,500 people in poverty, while their suburbs and emerging suburbs have roughly 174,000 impoverished residents. This shift in the map of poverty has implications for efforts to alleviate poverty and points to the need for a greater regional focus among policymakers and nonprofits.

Population in poverty by parish, 2008-10 (three-year average)

Note: Values for parishes within the same grouping are all not statistically different from each other, but are statistically different from values for parishes in other groupings. The exception is Assumption Parish, which is statistically different from St. Charles Parish and St. John the Baptist Parish.
Age and work status of impoverished population in Southeast Louisiana

The impoverished population in the 13-parish Southeast Louisiana area bears many similarities to their national peers. Locally and nationally, 8 percent of the impoverished population is 65 years and older, 57 percent is working-age (between 18 and 64 years old), and 35 percent is children (0 to 17 years old).

And among the working-age population in poverty, disabilities are much more common than in the overall 18 to 64 population. In Southeast Louisiana, 22 percent of the impoverished working-age population has a disability versus only 13 percent of the total 18 to 64 population.

Distribution of poor population by age and disability status, 2008-10 (three-year average)
Southeast Louisiana 13-parish region

Among adults 16 to 64 years old living in poverty in the 13-parish area, 40 percent worked — lower than the national share of 43 percent. But a higher share of this impoverished working-age population in Southeast Louisiana worked full-time, year-round as compared to the national average (11 percent versus 9 percent) — suggesting that a larger share of jobs in Southeast Louisiana may not pay sufficient wages to lift workers out of poverty. Individuals working full-time but still living in poverty are more likely to live in the metro suburbs than in the primary cities or emerging suburbs.

Percent of working-age poor with full-time, year-round work
2008-10 (three-year average)
Note: Full-time year-round workers are defined as people 16 years old and over who usually worked 35 hours or more per week for 50 to 52 weeks in the past 12 months.
Geography of poor whites and blacks in Southeast Louisiana

Of the 261,000 people living in poverty in the 13-parish area, 144,000 are African American, 88,000 are white (non-Hispanic), and the remaining 29,000 are Latinos, Asians, and others.

Distribution of poor population by race, 2008-2010 (three-year average)
Southeast Louisiana 13-parish region

Nearly half (45 percent) of the region’s impoverished African Americans live in the primary cities of New Orleans and Houma, but the most rapidly growing shares live in the metro suburbs (38 percent) and in the emerging suburbs (17 percent). In contrast, impoverished non-Hispanic whites live predominantly in the metro suburbs (65 percent) with much smaller shares living in the primary cities and emerging suburbs (17 and 18 percent respectively). Moreover, whites in poverty are more likely to be adults, whereas blacks in poverty are more likely to be children. Specifically, while 35 percent of the total poor population is children, only 23 percent of poor whites are children and 42 percent of poor blacks are children.

Distribution of impoverished African American and white (non-Hispanic) population by area of residence, 2008-10 (three-year average)
Southeast Louisiana 13-parish region
Geography of child poverty in Southeast Louisiana

Children in the 13-parish area suffer poverty at rates greater than any other age group. While 12 percent of elderly and 15 percent of working-age adults are impoverished, 22 percent of children age 5 to 17 years, and 30 percent of children under age 5 live in poverty.

Like the overall population, the majority of poor children (51 percent) live in metro suburbs, with an additional 17 percent living in emerging suburbs. The vast majority (80 percent) of children in poverty live in families headed by a single-parent or grandparent.7 Poor children in these single-parent/grandparent families are more likely than children in married-couple families to live in the primary cities, but the largest share (48 percent) still live in the metro suburbs with an additional 16 percent living in the emerging suburbs.

Distribution of impoverished children by family type and area of residence, 2008-10 (three-year average)

Southeast Louisiana 13-parish region

Trends in Concentrated Poverty

A large body of research has found that the concentration of poverty compounds already difficult life circumstances, while negatively impacting the overall economic potential and social cohesion of the wider community.8 In New Orleans, the isolation of the city’s poor likely contributed to entire communities unable to evacuate before Hurricane Katrina and the levee failures, leaving thousands of people to fend for themselves through miserable circumstances or worse.

Since Katrina, new housing policies have aimed to increase economic integration and reduce the concentration of poverty in the region. Thousands of new Section 8 housing vouchers have been given to low-income residents at the same time that several large public housing developments have been redeveloped to lower-density, mixed income housing. We take a first glimpse at post-Katrina change in the concentration of poverty using the most recent small-area ACS data available, which averages together survey responses from 2006 through 2010. This five-year period spans the time frame during which the “Big Four” public housing developments were under redevelopment (including Lafitte (now Faubourg Lafitte), C.J. Peete (now Harmony Oaks), BW Cooper (now Marrero Commons), and St. Bernard (now Columbia Parc)). This five-year time frame also spans a period of rapid change as the region repopulated, massive rebuilding efforts spurred job growth, and then the Great Recession halted job recovery. Given the limitations of data collected and averaged together from the 2006-2010 period, the findings presented below
are preliminary and should not be considered a final judgment of the impact of recent housing policies on the isolation of poor residents in the city of New Orleans and 13-parish region.\(^9\)

Consistent with several other studies, we measure the concentration of poverty by examining the share of the poor population living in high-poverty areas, defined as census tracts with a poverty rate of 40 percent or above.\(^{10}\) The share of the poor population in Southeast Louisiana living in concentrated poverty was 12 percent in 2006-10, down from 18 percent in 1999. This decline was driven entirely by the city of New Orleans, where 31 percent of the poor population lived in high-poverty areas in 2006-10, down from 38 percent in 1999.

**Trends in concentrated poverty**

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2006-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orleans</td>
<td>38%</td>
<td>31%</td>
</tr>
<tr>
<td>Southeast Louisiana</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>United States</td>
<td>10%</td>
<td>12%</td>
</tr>
</tbody>
</table>

*Note: High-poverty neighborhoods are defined as census tracts with poverty rates of 40 percent or more.*

In comparison, the share of the nation’s poor living in high-poverty areas increased between 1999 and 2006-10, from 10 percent to 12 percent. In the rest of the New Orleans metro (outside the city of the New Orleans), only 5 percent of the poor lived in concentrated poverty during 2006-10 and that share has not changed since 1999. This suggests that the poor are less isolated in the city but not because of an increase in the concentration of poor in the suburbs. Indeed, as we note earlier in the analysis, there has been very little increase in the number of poor residents in the suburbs post-Katrina, even as many thousands were displaced from the most heavily damaged parishes of New Orleans, St. Bernard, and Plaquemines.

In 2006-10, no census tract in the Houma metro had a poverty rate over 40 percent. Among the four emerging suburbs, only Tangipahoa had any high-poverty areas, and the share of the poor population living in concentrated poverty increased in that parish from 7 percent in 1999 to 12 percent in 2006-10.

**Conclusion**

The suburbs of Southeast Louisiana are now home to the largest poor population in the 13-parish region. While the cities of New Orleans and Houma now have 87,000 impoverished residents, their suburbs and emerging suburbs have 174,000 impoverished residents. Yet, the disasters of 2005 and 2008 barely changed the number of poor residents living in suburban areas. Instead, most of the 49,000 poor residents displaced from New Orleans seem to have resettled outside of the Southeast Louisiana region altogether, or may have been lifted out of poverty by new job opportunities after the storm.
This new map of poverty in Southeast Louisiana presents new challenges for efforts to alleviate poverty. Although jobs are increasingly located in the suburbs, the suburban poor confront obstacles to accessing these jobs because of low car ownership rates, sparse coverage of public transit systems, and the significant distance to still many suburban job locations.\textsuperscript{11} In addition, suburban communities tend to lag behind cities in their provision of safety net services and work supports.\textsuperscript{12} In Southeast Louisiana where 40 percent of the poor population between 16 and 64 years old worked during 2008-10, and about a quarter of those worked full-time, safety net services like food stamps are a vital support for working families.

The suburbanization of poverty in Southeast Louisiana points to the need for a regional strategy to poverty reduction. Public agencies and private nonprofits need to work across city and parish boundaries in order to connect poor and low-income workers, wherever they are located, with job opportunities, transportation options, workforce development, and social services.
Data sources

This report relies on data from the Census 2000 Summary File 3 (SF3), the 2008-10 three-year American Community Survey (ACS), and the 2006-10 five-year ACS. Census 2000 data were collected in April of 2000 and reflect income from the 1999 calendar year. In contrast, the ACS is conducted on a monthly basis and income is reported for “the past 12 months.” Thus, 2008-10 three-year ACS income and poverty data is actually an average of four years of data because a respondent in January of 2008 would report income back to January 2007. And 2006-10 five-year ACS poverty data is actually an average of six years of data because a respondent in January of 2006 would report income back to January 2005.

The Census 2000 SF3 and the ACS collect data from a sample of the population, and thus are subject to a margin of error. We calculated standard errors in order to determine if differences between time periods and geographies are statistically significant at the 95 percent confidence level.

We selected the 2008-10 three-year American Community Survey as our source for measuring current characteristics of the population in poverty because it is the most recent data available for all 13 parishes (2010 one-year ACS is not available for the city of Houma nor the parishes of Assumption, Plaquemines, St. Bernard, St. Charles, St. James, St. John, Tangipahoa, and Washington, and 2006-10 five-year ACS data is less current). However, it should be noted that the 2008-2010 Census Bureau data is not recent enough to fully reflect the impact of the 2010 Deepwater Horizon oil disaster on the people of the Southeast Louisiana region. The Census Bureau advises against combining and/or comparing one-year and three-year ACS data. Thus, the ACS poverty data included in this report up to the section about the concentration of poverty is from the 2008-10 three-year ACS (even for the New Orleans metro, the Houma-Thibodaux metro, and the parishes of Lafourche, Orleans, Jefferson, St. Tammany, and Terrebonne for whom 2010 one-year ACS data is available). As a result, the poverty data published in this report varies slightly from the 2010 one-year ACS poverty data in other GNOCDC reports, such as Who lives in New Orleans and the metro area now?1

In particular, by using the 2008-10 three-year ACS data in this report, the impact of the Great Recession on poverty rates is muted compared to the 2010 one-year ACS data. This is because recession-induced job losses and poverty rates generally increased through 2010. Thus, for example, the 2010 poverty rate for the city of New Orleans and the New Orleans metro is slightly higher than the 2008-10 average poverty rate. As a result, poverty rates for the city of New Orleans and the New Orleans metro have decreased since 1999 using the 2008-10 three-year ACS, but are unchanged since 1999 if using the 2010 one-year ACS.

We selected the 2006-10 five-year American Community Survey as our source for measuring the concentration of poverty in order to examine how poverty is distributed across census tracts (small area geographies that can serve as proxies for neighborhoods). However, there are several limitations to the 2006-10 five-year ACS that require caution when interpreting the data. For one, the 2006-10 data was collected during a period of extreme change in Southeast Louisiana. During this five-year period, the “Big Four” public housing developments were undergoing demolition and redevelopment; demographics rapidly shifted as the region repopulated; and economic growth was accelerated by massive rebuilding efforts and then halted by the Great Recession. A second important limitation of the five-year ACS data is that census tract-level estimates are based on a very small sample (1 in every 100 households) and therefore have large margins of error (for example, the 2006-2010 ACS reports a poverty rate of 42 percent for the Dixon neighborhood with a 26 percent margin of error). Because of the large margins of error associated with the census tract data, we report whether calculated changes over time are statistically significant.

Because of these limitations, we consider our findings on change in the concentration of poverty since 1999 to be preliminary. Trends in the concentration of poverty will be much better understood after several subsequent sets of five-year ACS data are released and analyzed. In particular, more solid conclusions can be drawn when a five-year average is available from a time frame when the city was more fully repopulated and public housing redevelopments were more complete.
End notes


2. The 2008-2010 Census Bureau data used in this report is not recent enough to fully reflect the impact of the 2010 Deepwater Horizon oil disaster on the people of the Southeast Louisiana region.


6. William Frey of the Brookings Institution examined demographics of varying types of suburbs and identified “high density suburbs” (defined as counties with more than 95 percent of population located in urbanized areas); “mature suburbs” (defined as counties where 75 to 95 percent of population is located in urbanized areas); “emerging suburbs” (defined as counties 25 to 75 percent of population is located in urbanized areas); and exurban counties (defined as counties that have less than 25 percent of population in urbanized areas). We apply the label “emerging suburbs” to the four non-metro parishes in Southeast Louisiana because between 25 and 75 percent of their population live in urbanized areas. (See Frey, W.H. (2012). Population growth in metro America since 1980: Putting the volatile 2000s in perspective. Washington, D.C.: Brookings Institution. Retrieved June 4, 2012 from http://www.brookings.edu/research/papers/2012/03/20-population-frey)

7. More detailed information on the family type of children living in poverty is not available in the American Community Survey to distinguish between children living with a single-parent, grandparent, other relatives, or nonrelatives. From the Census 2010, we know that 50 percent of total children (in households) in the 13-parish region live in family types other than married-couple families. And we know that children living with single-parents and grandparents are by far the most common of these other family types, accounting for 33 percent and 12 percent of total children respectively.


9. See Data sources on p.12 for more information on why we used the five-year ACS data and the important limitations of this data set.


About the Authors

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About the Greater New Orleans Community Data Center

Since 1997, the Greater New Orleans Community Data Center (GNOCDC) has been gathering, analyzing, and disseminating data to help leaders at all levels work smarter and more strategically.

GNOCDC is recognized across the country for expertise in New Orleans demographics, disaster recovery indicators, and actionable data visualization. A product of Nonprofit Knowledge Works, GNOCDC also plays a critical role in assessing the strength of the New Orleans economy and housing market since the onset of the Great Recession.

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