

Discussion Question Key

1. How was New Orleans' population affected by Hurricane Katrina? According to recent population statistics, is the population rebounding?

New Orleans lost over 250,000 residents as a result of Hurricane Katrina (the population fell from 484,000 to 230,000 residents). Today, the population is 384,000, so population is rebounding.
2. How has the population's composition changed since Katrina? What groups have increased their representation among New Orleans' residents?

The composition of the population is more diverse since Katrina. Although the city lost nearly 100,000 African-American residents and 12,000 whites, it has gained 45,000 Hispanic and 6,000 Asian residents.
3. How does the GDP of New Orleans today compare with its level at the time of the hurricane? Does this surprise you?

New Orleans did not see a drop in GDP at the time of the storm, and its GDP is even greater today. (Answers will vary on whether this is surprising.)
4. Why does Michael Hecht, CEO of Greater New Orleans Inc., call disasters "cash flow positive" events? What are some examples he gives?

New Orleans received close to \$140 billion in investment after Katrina. Examples are investment in new infrastructure such as roads, schools and hospitals, as well as money from the federal government to fortify the levees.
5. What are the "twin engines" that powered New Orleans' economy for decades? What new industries are contributing to the city's growth? In what area is New Orleans the nation's growth leader?

In the past, tourism and the oil and gas industries powered the New Orleans' economy. Now digital media, the software industry, health care and emerging environmental, or the management of environmental challenges are new areas of investment. New Orleans is number one in America in percentage growth in the software market, number two in absolute growth of jobs in this industry.
6. What does Hecht mean when he says that New Orleans is now known as a "master of disaster"? What are two examples where New Orleans has been able to share its expertise?

New Orleans has used the lessons it learned from Katrina to help others after disasters. Two examples are Hurricane Sandy and the Eden Again project in Iraq.
7. How has the diversification of New Orleans' economy affected household income and the area's unemployment rate? Is New Orleans growing in terms of the number of businesses established? Could there be a connection between these trends?

Median household income has increased 19 percent and New Orleans' unemployment rate has been below the national average the entire decade. The number of business establishments has been increasing since 2013. (Student answers may vary on whether they believe there is a connection between these trends and the growth in businesses, but increasing entrepreneurship will bring jobs to the area, which contributes to increasing incomes and lower unemployment.)

8. What changes in the education system of New Orleans are contributing to its post-Katrina success story?

New Orleans has the fastest improving urban schools in the nation as a result of reforms that include the establishment of the Recovery School District (RSD) that took over failing schools and ACT 35, which made it easier for schools to be identified as failing and receive help. The percentage of schools that are failing in New Orleans has fallen from 52 percent to 6 percent.

9. How have changes in the criminal justice system saved the city money? How does the crime rate of a city affect its ability to grow economically?

New Orleans now issues summons instead of arrests for the majority of nonviolent municipal offenses, and now releases nearly 10 percent of low- and low-moderate risk defendants who are unable to pay bail. This has provided great cost savings without affecting the city's pursuit of reducing crime. Safety is an important factor in selling the city to potential new residents and businesses, and Hecht feels that for the middle class the city is comparable to other large metropolitan areas such as New York or San Francisco.

10. Hecht says that that governor and the community are working on one of the largest challenges still remaining for the city. What is that challenge? Why does Hecht say that you "want to get people into homeownership"?

Housing affordability remains a challenge in the city, with the number of renters with housing costs exceeding 50 percent of household income higher since the storm, and gross rents increasing 33 percent since 2004, 20 percent for the metro area. These rent figures are far above the national average. The number of homeowners paying over 50 percent for their housing costs is also unchanged. Hecht advocates for homeownership because it is an asset that appreciates and has many other benefits. He says that homeownership, as well as education, are keys to a recovery that benefits everyone, leading to the stability and middle-class growth that are needed for the city's long-term sustainability.

11. Hecht was a witness to both 9/11 and Hurricane Katrina. How does he say that the losses of these disasters can best be honored? How does *Forbes* magazine describe New Orleans' success?

Hecht says that the best way to honor these losses is to come back better than before, what he calls "radical resilience." The publisher of *Forbes* called New Orleans' recovery the "greatest economic comeback of our lifetime."