



BRAC Releases Regional Analysis as the 10-Year Anniversary of Hurricane Katrina Approaches

The 10-year anniversary of Hurricane Katrina marks a significant milestone for the state of Louisiana, and has rightly prompted numerous retrospective reports on the long recovery from the costliest natural disaster in the nation's history. While the Baton Rouge area was not directly impacted anywhere close to the degree of the devastation suffered by New Orleans and other coastal communities, the aftermath of the storm presented the Capital Region with multiple and unique challenges of its own. As a [Washington Post story](#) expressed it in a one-year anniversary story about Baton Rouge, the Katrina aftermath had "shaken this city's sense of order and left it struggling to cope with a range of new, daily problems."

Ten years later, that initial feeling of besieged uncertainty has been positively transformed, not only into confidence but also in respect to growing cooperation with New Orleans. As [reports](#) have noted, collaboration between the respective cities' economic development and business leaders, particularly through the BRAC/GNO Inc. formation of the Southeast Super Region Committee, continues to grow stronger, culminating this year in a second joint Canvas trip to the Sun Corridor "megapolitan" area encompassing Phoenix and Tucson, and a first ever joint business recruitment trip to Germany.

The economic progress of both metropolitan areas has likewise been remarkable, based on numerous economic indicators and rankings, just a single example of which was a [2014 report](#) that ranked both Baton Rouge and New Orleans in the top five cities in the nation for "economic growth potential."

The purpose of this BRAC Analysis, then, is simply to provide a numerical snapshot of how far the Baton Rouge region has progressed over the last decade. In short, the uniform rise in population, income, jobs, and industry activity in the wake of such a terrible disaster not only demonstrates the resiliency of the region's residents, but also portends great progress for the Capital Region going forward.

Personal Income

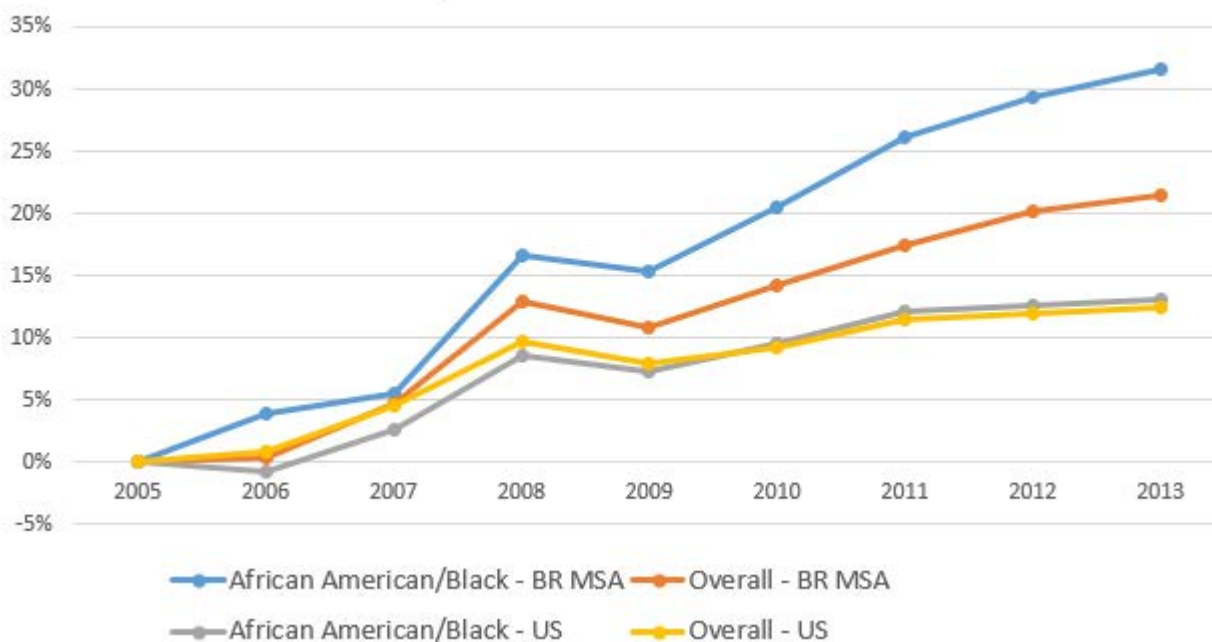
Perhaps the most noteworthy economic indicator in the Baton Rouge Metropolitan Statistical Area¹ (MSA) since Hurricane Katrina has been the rise in income. In particular, the median individual income as adjusted for inflation has increased since Katrina, from \$22,177 in 2005 to \$27,059 in 2013² – an increase of 21 percent. This outpaces the growth of individual income nationally, which has increased only 12 percent over the same time period.

1 The Baton Rouge MSA consists of Ascension, East Baton Rouge, East Feliciana, Iberville, Livingston, Pointe Coupee, St. Helena, West Baton Rouge, and West Feliciana Parishes. It is used by several federal government organizations, such as the Bureau of Labor Statistics and the Census Bureau to track statistics regionally.

2 Median income is tracked by American FactFinder, a survey that lags by a full year. Income numbers for 2014 will be available in December 2015.

A deeper analysis of the numbers shows an even more remarkable trend, namely that the median individual income of African Americans in the Baton Rouge MSA has grown at an astounding rate. Since Katrina, it has risen 32 percent, greatly outpacing not only the MSA’s overall 21 percent growth, but more than doubling the national rate of growth for African Americans (13 percent) and overall (12 percent) income. In other words, the individual income growth in the Capital Region post-Katrina has been enjoyed by a diverse range of communities.

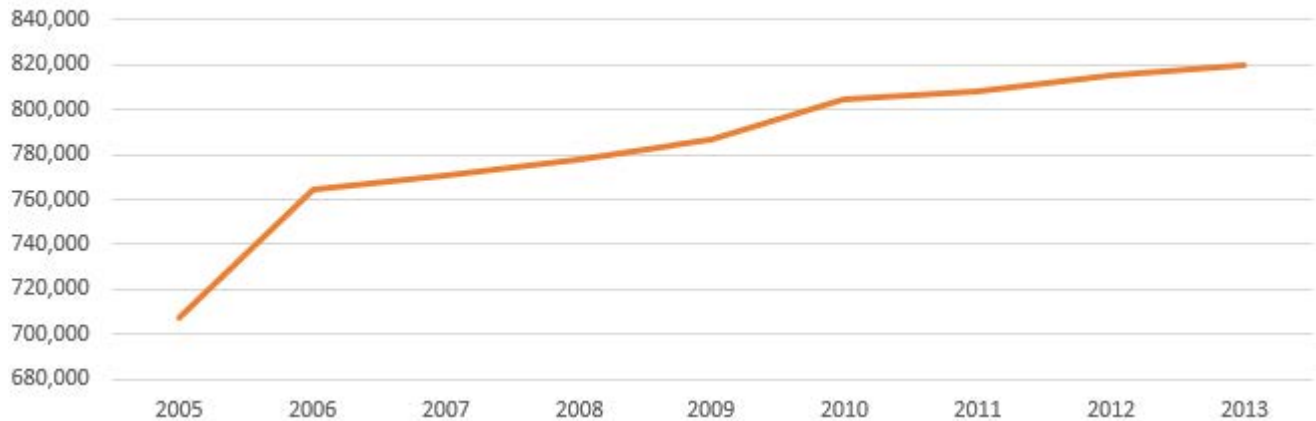
Per Capita Income Growth Since 2005



Population

The region has grown in other significant ways as well. The Baton Rouge MSA experienced a noteworthy 8.2 percent growth in population - from 706,909 residents to 764,824 - between 2005 and 2006; this growth has continued steadily since, and the MSA was home to 820,159 residents in 2013. This population boom made the region much more diverse. In fact, the Latino population has grown by 92.6 percent since 2005. In addition, the MSA population has shifted from 63 percent white and 33.7 percent African American in 2005 to 60.3 percent white and 35.9 percent African American in 2006. The Baton Rouge MSA’s population expansion didn’t slow immediately following Katrina – in fact, it has grown 16 percent overall since 2005.

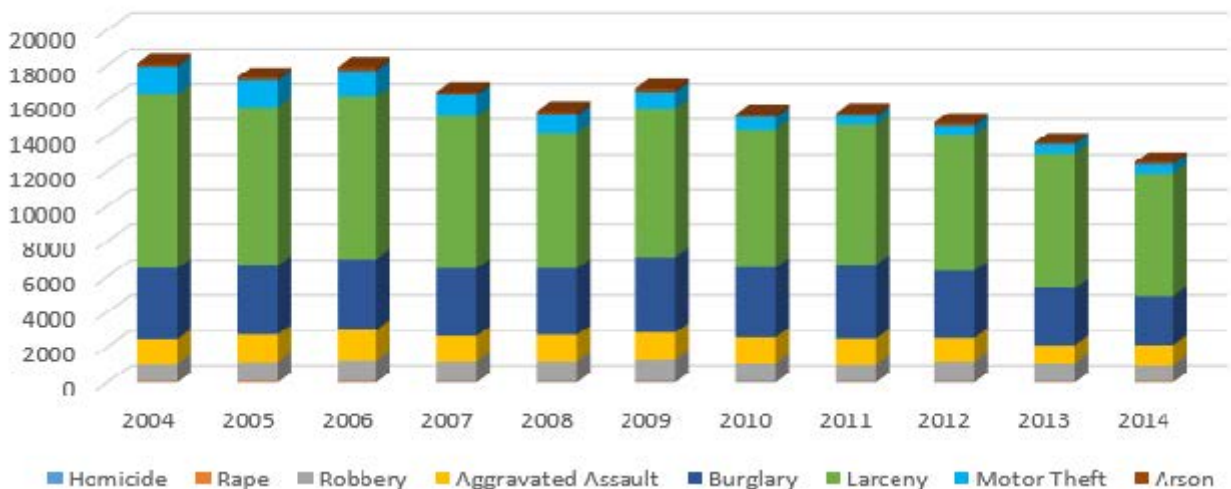
Baton Rouge MSA Population Growth



Crime

While the surge in population initially coincided with higher overall crime rates in Baton Rouge, crime has fallen since 2009 despite the population continuing to grow. Homicides fell from an all-time high 75 in 2009 to 53 in 2014, and aggravated assaults likewise declined from 1,558 to 1,142 over the same time span. Since 2004, aggravated assault has declined by 19 percent, and burglary by an even more substantial 31 percent. Total crime since 2004 has declined by 31 percent in Baton Rouge, demonstrating that the population growth prompted by Hurricane Katrina did not have a negative effect on public safety in the Capital Region.

Crime Statistics



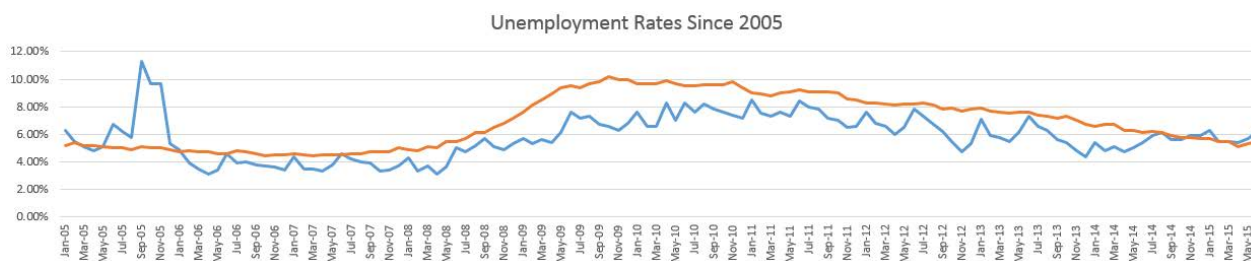
Traffic and Congestion

Baton Rouge's roadways, already struggling to keep pace with the steadily growing region, were put under severe strain by the post-Katrina population explosion. The increase of over 58,000 residents in 2005 represented more than seven years of normal population growth condensed into one, which the Capital Region was unable to plan for or effectively adapt to. According to the Texas Transportation Institute's 2012 [Urban Mobility Report](#), this population change translated in one year to the addition of more than 43,000 daily rush hour travelers, 295,000 vehicle-miles of travel on highways and arterial roads, and nearly one million hours of additional delay. The report also shows that between 2004 and 2011 (the most recent year for which data is available) the Baton Rouge area, ranked as the second worst

mid-size city in the country for traffic congestion, gained 79,000 daily rush hour travelers and over one million annual vehicle-miles of travel. During this period, congestion costs also increased by \$118 million per year, from \$278 million to \$424 million. Although the Baton Rouge area has successfully overcome many obstacles in the wake of Hurricane Katrina, traffic persists as a critical issue for the region.

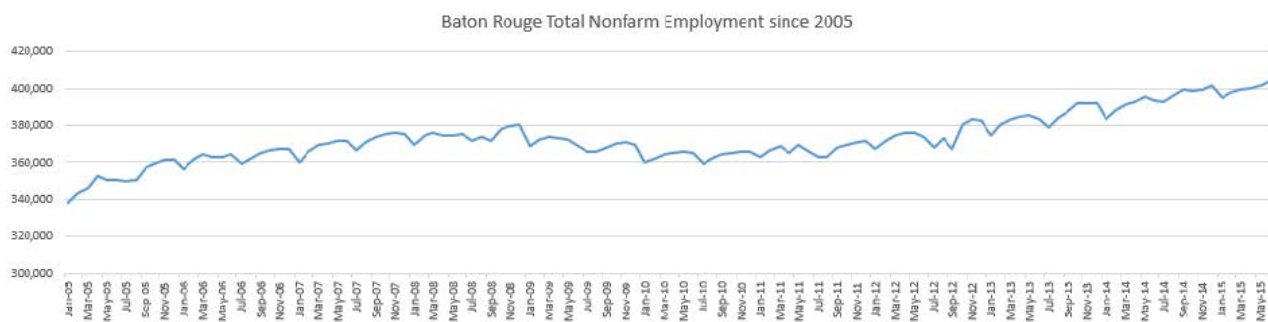
Employment

According to the Louisiana Workforce Commission (LWC), the unemployment rate for the Baton Rouge MSA spiked to 11.3 percent in September of 2005, almost certainly as a result of externalities created by Hurricane Katrina. Unemployment then leveled out by January 2006, and dropped all the way to 3.1 percent by April of that year. The Baton Rouge area also fared better than the United States' as regards overall unemployment rate throughout the Great Recession (2008 to 2010).



While the picture painted by the unemployment rate can at times be less than clear, due to its reliance on factoring in an estimate of those looking for employment in the workforce, the numbers with respect to actual jobs are more straightforward, and for the Capital Region, unambiguously positive. According to the LWC, employment for the Baton Rouge MSA has increased by 64,300 nonfarm jobs since Hurricane Katrina hit in August of 2005. Total nonfarm employment for the

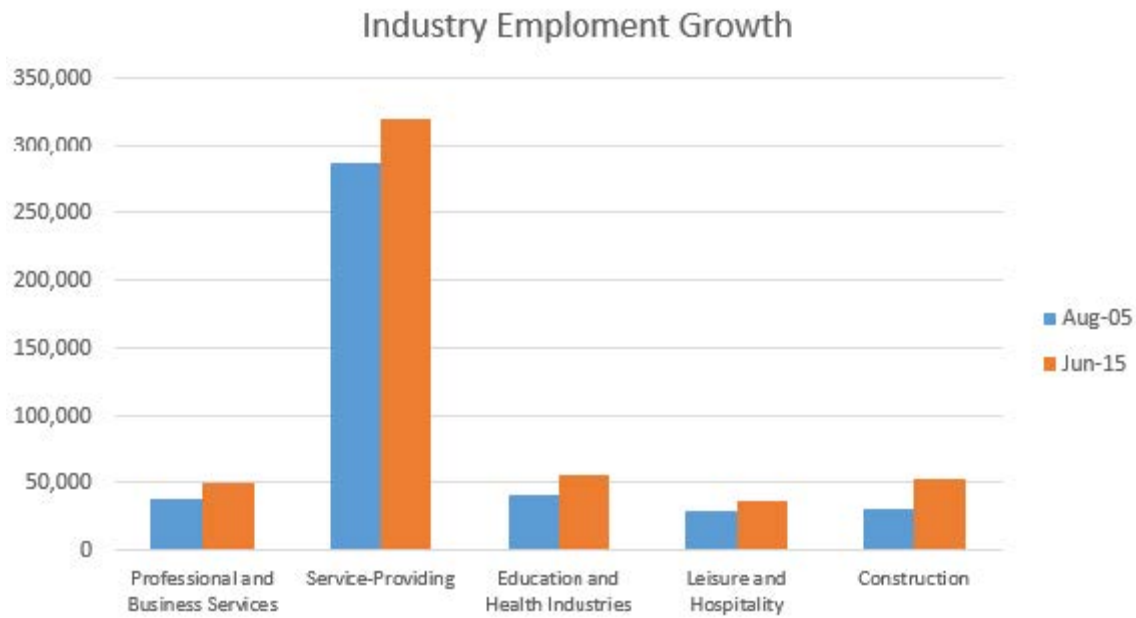
Baton Rouge MSA has grown from 339,400 in August 2005 to 403,700 for June 2015. At the end of 2014, the Baton Rouge area recognized a significant milestone, surpassing the 400,000 job marker for the first time ever, and the total nonfarm employment for the month of June 2015 again marks the highest for any month in the history of the Labor Market Indicator series.



Industry

The Baton Rouge area has also experienced notable growth in the manufacturing, service-providing, professional and business services, and education and health industries. The most notable growth has been in the service-providing industry, where jobs grew from 286,900 in August of 2005 to 320,200 jobs in June of 2015 – a net increase of 33,300 jobs. Over that same time period, there have been significant increases in leisure and hospitality (7,400 jobs), professional and business services (11,400), construction (21,500), and education and health industries (14,400). The trade, transportation and utilities industries

(3,400) and the manufacturing industry (3,900) have also grown their number of total jobs, though less notably so.



Conclusion

In the ten years that has elapsed since the initial challenges and uncertainty caused by Hurricanes Katrina and Rita, Baton Rouge has shown great resiliency, which has led to increased economic prosperity. Population, income, jobs, and industry have shown continued growth, while crime has steadily decreased. While traffic congestion has worsened and continues to be in critical need for improvement, the fact that the Capital Region has not only survived, but thrived in the years following such adversity is a remarkable achievement, undoubtedly the result of a regional community pulling together to foster positive change, but also, hopefully, a sign that the area is poised to continue this positive momentum moving forward.

#####