



*The State of Opportunity
One Year After Hurricane Katrina*

Rebuilding the Gulf Coast Region: Expanding Opportunity for All

One year ago Hurricane Katrina ripped through the Gulf Coast, destroying lives, homes, and whole communities. While no one was immune from the hurricane's devastation, some groups—particularly low-income and minority communities—were disproportionately hurt by the government's lack of preparation for, and its slow response to, the storm. Hurricane Katrina therefore exposed yawning opportunity gaps that cannot be overcome simply through individual initiative and hard work.

Today the nation's leaders have a responsibility to address the inequality that Hurricane Katrina exposed and to take steps to expand opportunity for all. Many of the challenges facing New Orleans and Gulf Coast residents prior to the storm are also barriers to opportunity for millions across the nation. Equal access to fair wages, affordable and safe places to live, and comprehensive health care are out of reach for millions in America. These issues are central to the promise of opportunity, and resonate with communities everywhere.

This fact sheet, the final in our series, reviews threats to opportunity in the Gulf Coast region and the nation. It also draws upon a range of research and reporting on pre- and post-Hurricane Katrina conditions to distill some key lessons from the storm. This research demonstrates that:

1. Hurricane Katrina exposed multiple barriers to opportunity, barriers that are experienced by many American communities.
2. The current rebuilding process is replicating and, in some cases, worsening the opportunity gaps that existed before Katrina. A change of course is needed to create more equitable, just, and fair communities and ensure the right of displaced people to return to their homes.
3. Government has an important role and a responsibility to promote opportunity on the Gulf and nationwide.

This fact sheet expands upon these key lessons and provides examples below.

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to Expand Opportunity in America.*

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Barriers to Opportunity Exposed by Hurricanes Katrina and Rita

Many groups that have historically faced the greatest barriers to opportunity—including people of color, immigrants, women, and those who earn low or poverty-level wages—suffered the most in the aftermath of Katrina. But these barriers—such as a lack of affordable housing, high rates of residential segregation, dwindling access to health care, and poor access to jobs—are also experienced by millions nationwide.

- *Homeownership is impeded.* African American and low-income families in New Orleans and the Gulf Region had far lower rates of homeownership than whites and higher-income families.¹ National trends suggest the racial gap in homeownership is not closing. Moreover, even as homeownership increased over the last two decades among most income groups, it *declined* among those at the bottom of the income scale.²
- *Residential segregation leads to neglected communities.* Residential segregation, coupled with the fact that many predominantly minority communities in New Orleans were vulnerable to flooding, contributed to the disproportionate impact of the storm on minority communities: 80% of the residents in the most flooded areas were nonwhite.³
- *Declining health-insurance coverage leaves families vulnerable.* Nationwide the number of individuals and families without health insurance continues to rise, and Louisiana's proportion of uninsured citizens is among the highest in the nation. Over 900,000 people—20% of Louisiana's population—were uninsured before the storm.⁴ The majority of the uninsured are in working families; the lack of insurance coverage leaves them at increased risk for crushing medical debt and unaddressed health-care needs.⁵
- *A paucity of jobs existed before the storm.* While the physical distance between predominantly African American residential areas and areas of high job concentration declined slightly in the United States dur-

ing the 1990s, New Orleans was one of the few cities in which the average distance *increased* during the same period.⁶

A Change of Course Is Needed for the Rebuilding Process to Create Equitable, Just, and Fair Communities and to Ensure the Right of Displaced People to Return

Evidence to date indicates that the rebuilding process is replicating, and in some cases worsening, the inequality that existed in the Gulf Coast region prior to the hurricanes of 2005. As America rebuilds the Gulf Coast, it is crucial that more equitable, just, and fair communities are created, and the right of displaced people to return to them is fully secured. These goals can be achieved by ensuring that access to jobs, health care, housing, and the right to vote is equitable for all.

- *Limited access to jobs—and abusive employer practices—stifles opportunity.* Many African American survivors of the hurricane were shut out of reconstruction jobs due to failed housing policies, discrimination, and the lack of transportation and other services.⁷ Interviews with reconstruction workers in New Orleans—many of whom are immigrant laborers who are vulnerable to abusive employment practices—revealed that large numbers have experienced problems of wage theft and nonpayment for labor, leaving low-income workers even more economically vulnerable.⁸
- *Inequitable access to housing deepens inequality in New Orleans.* Sharp rent increases have occurred in many damaged areas as a consequence of the large loss of habitable rental space.⁹ The financial burdens of housing costs in New Orleans have contributed to a population shift and an uneven return migration. Low-income communities and people of color make up a smaller percentage of the current New Orleans metropolitan population than they did before the storm, as they have been unable to return to their homes.¹⁰
- *High health-care needs of the most vulnerable communities are in flux.* Surveys of

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displaced Gulf residents reveal significant health and mental-health problems both before and after the storm, yet the health-care safety-net infrastructure has been severely compromised. A survey conducted with Katrina evacuees living in Houston, for example, revealed that in the aftermath of the storm: 25% needed medical care and could not get it; 32% did not have the prescription drugs or medicines they needed; and 33% said they experienced health problems or injuries as a result of the hurricane and flooding. Over half (52%) were not covered by any form of health insurance or health plan at the time of the hurricane.¹¹ Safety-net institutions such as New Orleans's historic Charity Hospital, which provided two-thirds of the inpatient care to the uninsured

in the city, remains closed, while authorities debate whether it can be restored and resume operation.¹²

- *Many groups have struggled to vote in posthurricane elections and to have a say in the region's reconstruction plans.* For example, the 2006 New Orleans municipal election was marred by limited access to the ballot. Although thousands of voters were residing outside of Louisiana at the time of the election, satellite polling stations were confined to the state. Three-quarters of African American evacuees who were not able to return to their homes were out of state, compared to the two-thirds of displaced whites who were able to return to Louisiana.¹³

Government Has an Important Role and a Responsibility to Promote Opportunity for All

The repair and rebuilding process requires a strong reinvestment in government's ability to address national problems. The Gulf Coast region must be rebuilt, so that displaced families may return to vibrant communities offering access to gainful employment, public transportation, safe housing, and high-quality health care to all. Large-scale improvements can best be accomplished by governments on multiple levels working together. Government practices that promote equitable opportunity include:

- Ensuring that all communities damaged in the storms are rebuilt as mixed-income communities. Low-income housing credits for residents should be targeted to spread affordable housing widely across the city. In addition, inclusionary zoning can be an important tool in assisting equitable housing patterns, as it allows for the creation of mixed-income communities, produces affordable housing that attracts a diverse labor force, and designs consistent regulations for balanced housing development.¹⁴
- Promoting homeownership among low-income families through down-payment-assistance programs, such as the American Dream Downpayment Initiative, signed by President Bush in 2003,¹⁵ and rent-to-own programs, like LouLease (Louisiana's rent-to-own program). The expansion of the state program could assist families that had uninsured homes destroyed by the hurricane to return to ownership.¹⁶
- Expanding federal enforcement of antidiscrimination laws in housing, credit, and all federally funded programs. The U.S. Departments of Justice and Housing and Urban Development have specific enforcement authority in this area, as do all federal agencies providing public funds for the rebuilding effort.
- Strengthening and improving safety-net health-provider networks, establishing community clinics to provide convenient and accessible treatment for the uninsured and poor, and expanding access to public sources of health insurance for displaced and low-income families in the Gulf Coast region.¹⁷
- Enacting living-wage provisions, so that a job provides economic advancement through wages,

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savings, and freedom from debt. Labor-law protections should be extended to all workers regardless of their legal status.

- Enforcing the Voting Rights Act in the Gulf Coast, as well as in the communities of the displaced; ensuring full implementation of the Help America Vote Act; and establishing minimum federal standards for voting procedures and equipment. These include easier voter-registration requirements, federal guidelines for verifying voter identity, and uniform nationwide voting hours.

¹ Greater New Orleans Community Data Center, “Orleans Parish: Housing and Housing Costs,” July 2006, <http://www.gnocdc.org/orleans/housing.html>.

² The Opportunity Agenda, *The State of Opportunity in America*, February 2006, http://www.opportunityagenda.org/site/c.mwL5KkN0LvH/b.1405931/k.887C/State_of_Opportunity.htm.

³ The Brookings Institution Metropolitan Policy Program, “New Orleans After the Storm: Lessons for the Past, a Plan for the Future,” October 2005, http://www.brookings.edu/metro/pubs/20051012_NewOrleansES.pdf (accessed July 21, 2006).

⁴ The Kaiser Commission on Medicaid and the Uninsured, “Key Facts: A Look at the Health Care Delivery System for Low-Income People in New Orleans,” January 2006, <http://www.kff.org/uninsured/upload/7442.pdf>.

⁵ Institute of Medicine, *Hidden Costs, Value Lost: Uninsurance in America* (Washington, D.C.: National Academies Press, 2003); M. M. Doty, J. N. Edwards, and A. L. Holmgren, “Seeing Red: Americans Driven into Debt by Medical Bills,” The Commonwealth Fund, August 2005.

⁶ S. Raphael and M. A. Stoll, “Modest Progress: The Narrowing Spatial Mismatch between Blacks and Jobs in the 1990s,” December 2002, http://www.brookings.edu/es/urban/publications/Raphael_Stoll_spatial_mismatch.pdf.

⁷ Advancement Project, New Orleans Worker Justice Coalition, and the National Immigration Law Center, “And Injustice for All: Workers’ Lives in the Reconstruction of New Orleans,” July 2006, <http://www.advancementproject.org/reports/workersreport.pdf>.

⁸ Ibid.

⁹ W. Fischer and B. Sard, “Housing Needs of Many Low-Income Hurricane Evacuees Are Not Being Adequately Addressed,” Center on Budget and Policy Priorities, February 27, 2006, <http://www.cbpp.org/2-23-06hous.pdf> (accessed July 18, 2006).

¹⁰ The National Alliance to Restore Opportunity to the Gulf Coast and Displaced Persons, “The Aftermath of Katrina and Rita: The Human Tragedy Inflicted on the Gulf Coast,” n.d., http://www.linkedfate.org/documents/Factsheet%20A_Human%20Dimensions%20of%20Katrina.pdf (accessed July 20, 2006).

¹¹ M. Brodie et al., “Experiences of Hurricane Katrina Evacuees in Houston Shelters: Implications for Future Planning,” *American Journal of Public Health*, vol.96 no.8, August 2006, pp.1402-1408.

¹² The Kaiser Commission on Medicaid and the Uninsured, “Key Facts.”

¹³ J. Logan, “Population Displacement and Post-Katrina Politics: The New Orleans Mayoral Race, 2006,” June 1, 2006. <http://www.electionreformproject.org/Resources/e068db70-f06b-49e4-bf8f-46b225da126b/r1/Detail.aspx!>

¹⁴ A. Glover Blackwell, “Equitable Gulf Coast Renewal: Creating Housing Opportunity through Inclusionary Zoning,” PolicyLink, http://www.americanprogress.org/atf/cf/%7BE9245FE4-9A2B-43C7-A521-5D6FF2E06E03%7D/policylink_brief.pdf (accessed July 20, 2006).

¹⁵ National Fair Housing Alliance, “No Home for the Holidays: Report on Housing Discrimination against Hurricane Katrina Survivors,” December 20, 2005, <http://www.newreconstruction.civilrights.org/NFHAKatrinaDiscriminationReport.pdf>.

¹⁶ Ibid.

¹⁷ S. Zuckerman and T. Coughlin, *Initial Health Policy Responses to Hurricane Katrina and Possible Next Steps* (Washington, D.C.: The Urban Institute, February 2006),.