Recovery, Interrupted: Gulf Coast Communities of Color Five Years After Hurricane Katrina

A Report by the Center for Social Inclusion
Executive Summary

With *Recovery, Interrupted* the Center for Social Inclusion (“CSI”) directs national attention to the alarming lack of improvement in the condition of Gulf Coast communities of color since Hurricane Katrina. Over the last five years, CSI has been actively monitoring the recovery process. We have worked with local leaders, analyzed data and produced reports to support an equitable recovery and a more prosperous future for the region. In the past, federal investment has been an incredibly powerful tool for strengthening communities and our nation. In this case, however, federal authorities have let states abandon responsibility for meeting the needs of the hardest hit communities and including residents in decision making. As a result, Gulf Coast communities of color remain highly vulnerable as the region confronts yet another catastrophe—the British Petroleum oil disaster. This report

- Shows that in the previous five years, Gulf Coast communities of color have seen no significant improvement in terms of key indicators like income, poverty and high school graduation rates;

- Explains how underinvestment in resources that build opportunity—like public education, public health and public transit—make our entire nation vulnerable; and

- Calls for policy changes that will make our communities more resilient and more prosperous while strengthening our nation as a whole.

CSI urges federal policymakers to adopt policies that build resilience and lay the groundwork for prosperity in communities of all colors in the Gulf Coast and beyond.

- Establish criteria for identifying vulnerable communities that include social and economic factors;

- Build resilience by including residents of vulnerable areas in planning and decision-making processes and investing in solutions that make sense for communities; and

- Recognize and invest in sustainable, community-scale alternatives for meeting our energy needs.

This report comes at a time of economic crisis. Many politicians and pundits argue that despite mounting need, additional federal investment in critical systems and services is unwise. This view not only overlooks evidence that tough times call for even greater investment; it also ignores the costs that disasters will continue to impose on our economy, our communities and our families if we fail to invest for resilience. *Recovery, Interrupted* is an initial guide for policymakers who aim to better prepare our nation to meet the complex social, economic and environmental challenges that will confront us all in coming years.
I. Lessons from the Gulf

Today, the economic downturn—which has cost the nation an estimated 7.9 million jobs\(^2\)—dominates our public dialogue. There are many who claim that given rising deficits, we ought to cap federal investment and embrace harsh austerity measures. But there is a danger in this approach. It not only threatens to worsen our financial situation,\(^3\) it also increases the vulnerability of our communities in the face of natural and man-made disasters—events that are, alarmingly, likely to become more and more common in years to come.

Hurricane Katrina and the British Petroleum oil catastrophe have made this lesson painfully clear. Both illustrate how marginalized communities are hit hardest when threats arise and have more difficulty recovering from disaster. Both demonstrate that disasters are not simply about strong winds or powerful explosions. They are also about access to opportunity. Whether quality health services, educational options and public transit are available to and affordable for residents has a tremendous influence on how a community will fare in the face of threats.

We have a long track record in this country of creating such opportunities by investing in people and the places where they live. The G.I. Bill and federally-subsidized home loans, for example, helped create a middle class by making higher education and homeownership possible for many Americans in the 1940s and 1950s.\(^4\) Similarly, in the 1960s and 1970s, investments in Head Start produced significant long-term benefits for low-income children in terms of educational achievement, employment and other outcomes.\(^5\) In coming years, we will need the same kind of ingenuity and commitment in order to make our communities and our nation as a whole more resilient to natural and man-made threats.

A. Different disasters, similar impacts

Five years ago, Hurricane Katrina exposed the harsh realities of how public investment—or the lack thereof—impacts vulnerability to hazards. It also revealed which communities were likely to be hit hardest. The storm’s catastrophic effects in New Orleans, for example, were due not only to high winds and an inadequate levee system, but also to a consistent failure on the part of policymakers to invest in the health and well-being of all the city’s residents. Before the storm, nearly two thirds of city dwellers were Black, and of this population nearly one in three lived below the federal poverty line. Less than 5% of the city’s White residents were poor.\(^6\) Though well aware of the risks faced by transportation dependent residents,\(^7\) city officials had only 500 transit and school buses—a quarter of those needed to evacuate residents who could not transport themselves out of New Orleans.\(^8\) Again, the city’s Black residents were especially vulnerable with one in three Black households in New Orleans lacking access to...
a car. Underinvestment and poor planning meant that evacuation was not a viable option for these families and placed their lives at risk.

The fact that race and income are linked to vulnerability to disaster is no surprise. For hundreds of years, local, state and national policies limited access to opportunity on the basis of race, giving rise to communities in which health, wealth and well-being were distributed along color lines. Even where they have not mentioned race, more recent policies have perpetuated these disparities. And because we have not invested adequately in systems and services like public health, public education and public transit, low-income communities of all colors lack the resources they need to thrive. Acknowledging this, researchers at the University of South Carolina have developed a Social Vulnerability Index or “SoVI.” The SoVI is composed of a range of county-level indicators—among them race, ethnicity and wealth—that drive social vulnerability to natural disasters. The Index makes critical connections between vulnerability and communities that have high populations of people of color and elevated levels of unemployment, high poverty rates and poor educational outcomes.

Hurricane Katrina also demonstrates the challenges of recovery. While over $69 billion in federal aid has flowed to the Gulf Coast region in response to the 2005 storms, federal authorities have permitted states to direct funds away from the communities that were hardest hit by the storms. Federal officials have also allowed states to exclude residents of vulnerable communities from planning and decision-making processes. As a result, many of these dollars have supported projects that have done little to advance recovery for communities of color and poor communities affected by the storm. Mississippi’s use of Community Development Block Grant (“CDBG”) dollars following Hurricane Katrina illustrates the dangers of not holding states accountable for equitable use of resources. Though affected states were initially required to use 50% of CDBG recovery funds to assist low-income residents, Governor Haley Barbour secured a waiver from the Department of Housing and Urban Development (“HUD”). Barbour then set aside a mere 23% of the $5.5 billion in available grants for programs benefiting poor residents though a striking 37% of residents of Mississippi’s Gulf coast are low income. Instead, state officials prioritized compensation for middle- and upper-income homeowners and utility companies. In East Biloxi local advocates have watched as casinos have been built along the shoreline, even as residential areas in this largely low-income community of color remain devastated. “It became obvious,” Sharon Hanshaw, Executive Director of Coastal Women for Change, noted in the wake of the storm “that the poor people were the only group that was not organized... our needs were so great, but we did not have a voice.”

Sadly, in spring and summer of 2010, a new catastrophe struck the Gulf Coast, with calamitous impacts for the communities that were hardest hit by Katrina and have had the least support for successful recovery. British Petroleum’s disastrous emptying of an estimated 4.9 million barrels of oil into the Gulf of Mexico poses major threats to the regional economy. It has impacted not only the tourism and the fisheries sectors, but also the regional oil industry itself and the manufacturing, transportation, professional, technical and service jobs associated with it. Experts estimate that $1.2 billion in output and 17,000 jobs will be lost in the Gulf Coast states by the end of 2010.
B. How Are Gulf Coast Communities Doing?

We examined how Gulf Coast communities of color were doing five-years after Hurricane Katrina using four key indicators of well-being. The data show that these communities, which were hardest hit by Hurricane Katrina five years ago, continue to confront significant challenges. Because there has not been adequate investment driven by the needs of vulnerable communities, people of color in the Gulf Coast remain highly vulnerable as the region struggles with a new catastrophe—the British Petroleum oil disaster.

As Figure 1 shows, family poverty rates remain exceedingly high for communities of color, especially among single-parent households. These families are among the most vulnerable of all since a disruption in parental earnings can throw the entire family’s well-being into jeopardy. The data shows that pre-Katrina levels of family poverty for both Blacks and Hispanic/Latinos are largely unchanged, with poverty among Black families increasing in some areas. In Mobile and Gulfport-Biloxi, the rate of poverty among Black single parent households increased over the last ten years, reaching 99%—far higher than the corresponding figure for White families, which was 73%. This means that Black single parent families are more likely to struggle to cover the costs of necessities like food, health care, housing and transportation.

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There are also sharp differences between household income levels. As Figure 2 highlights, income gains have not been even across racial groups. After adjusting for inflation and taking into account the limits of median income measures, we can conclude that overall people of color have not fared any better since 2005, especially when compared to Whites. For example, in Gulfport-Biloxi, Whites saw a significant increase in household income, whereas Asians saw an insignificant increase and Black household
incomes actually decreased significantly. In Mobile, Whites and Blacks saw some significant increases in income, yet Asians and Hispanics/Latinos witnessed significant decreases in average household income. Lastly, in New Orleans, Black household incomes remained the same, while White and Asian household incomes increased. Overall, Whites were the only households to have consistent income increases, while incomes for people of color varied by city. Nationally, median household income increased significantly during the first three years after Katrina. Yet, Gulf Coast cities did not see such improvements—further evidence that these cities have not experienced full economic recovery from the storm.

Just as poverty and low incomes contribute to vulnerability, so too do educational outcomes. Since 2005, there have been insignificant declines in the percentage of residents of color without a high school degree in these Gulf Coast communities. In fact, levels of non-high school graduates remain above 20% or more; higher than the nationwide averages for all groups except Hispanic/Latinos. The disparity between White communities and communities of color with respect to high school degrees remains largely unchanged, suggesting that young people of color in the region continue to confront structural barriers to securing quality education and are likely to encounter difficulties in the job market in coming years.

East Biloxi Fights to Save Top School

Nichols Elementary in East Biloxi is 90% Black and Asian-American, and 98% of students qualify for free or reduced price lunch. Still, it has emerged as the city’s top performer—the only 1 of Biloxi’s 9 public schools to earn the state’s top rating this year. Nichols also won top teacher and parent awards in 2010.

But the local school board has voted to close the Nichols, excluding East Biloxi residents from the decision-making process. Officials blame a budget shortfall despite having $10 million in reserves and refusing to accept $1.5 million from Nichols supporters. “We’re fighting for our schools and our survival,” says Sharon Hanshaw, Executive Director of Coastal Women for Change, noting closure would “take away, roots, values and people of color’s hope for the future.”

See Robbie Brown, A School Closing That Some See as Fiscal Responsibility, Others Racism, NY TIMES (July 10, 2010).

Unemployment remains a major challenge for the region, as Figure 4 shows. After Hurricane Katrina, Gulfport-Biloxi saw its unemployment rate skyrocket to a high of 23.1%. It took nearly two years to return to pre-Katrina and national levels. One year after Katrina, New Orleans unemployment rates were low. However, the workforce was only at half of its pre-Katrina size. Over the last two years, more residents have returned home, but jobs have not kept up the pace. As a result, residents have seen unemployment rates rise with population. While data does not specifically highlight communities of color, nationally Blacks and Hispanic/Latinos have had much higher rates of unemployment compared to White workers and the nation as a whole. Currently, the unemployment rate is approximately 15% for Blacks, 12% for Latinos and 8.6% for Whites.³⁷ Now, the British Petroleum oil catastrophe threatens to exacerbate this upward trend in unemployment. New Orleans, Mobile, and Gulfport-Biloxi all had unemployment rates higher than the national average at the beginning of the oil disaster, leading many to fear further increases in coming months and years.

Source: US Census Bureau ACS 2006-2008
The economic effects of the British Petroleum oil disaster are likely to reverberate with particular force through the region’s communities of color. The sharp decline in activity in this sector is likely to hit families of color hard, particularly since the industry has yet to recover from the impacts of Hurricanes Katrina and Rita. Already, the outlook is grim. One third of the 13,000 fishing vessels registered in the Gulf Coast are registered to Southeast Asian fishers, and 1 in 5 of the region’s estimated 40,000 Southeast Asian residents work in the seafood processing industry. In Bayou La Batre, Alabama, Vietnamese families struggle with both loss of income and financial anxiety. Similarly, in Louisiana, the closing of the bays close to Plaquemines Parish has jeopardized the livelihoods of Black fishers from Pointe a la Hache, Phoenix and Davent, who have made a living harvesting shrimp and oysters there for decades.

II. A National Challenge

As the data indicates, residents of Gulf Coast communities like New Orleans, Louisiana, Gulfport-Biloxi, Mississippi and Mobile, Alabama have faced tremendous challenges in the past five years. However, the conditions that have made them vulnerable to natural and man-made hazards affect communities across the country.

When we do not make adequate investments in systems and services that build opportunity, communities of color that have the least access to resources like quality health care and education are hit...
What is Resilience?

CSI defines resilience as the capacity of a community to mobilize its resources—human, financial and otherwise—to prevent threats from arising and to reduce the negative impacts of those that cannot be prevented. Resilient communities build strength by investing in resources and services that promote the health and well-being of all residents. They do not simply rebound from disasters; they emerge from extreme events with a better understanding of how to reduce vulnerability moving forward. This type of resilience must be the ultimate goal of the nation’s federal disaster and emergency policy.


hardest, but our nation as a whole suffers as well. Studies show that in unequal societies—including the U.S.—inequity leads to worse outcomes not only for those with the least resources and influence, but across the vast majority of the population. In unequal societies, even those in the middle class are less likely to be healthy, to be involved in community life and to have children who do well in school. These choices also make it more difficult for the nation to compete in a globalizing economy and reduce our civic and social capacity to develop our regions and the nation.

Our challenge is to apply the lessons of Hurricane Katrina and the British Petroleum oil disaster to change these persistent patterns. **We must build communities that are resilient to natural, public health and economic threats by ensuring that all communities have the resources they need to thrive.** We must make meaningful investments. But we must also make sure these dollars support the hardest hit communities and that residents of vulnerable areas are able to influence how funds are spent.

Seizing opportunities to make our communities more resilient means embracing new, innovative solutions that truly work for everyone—including Americans of color. The U.S. Census Bureau estimates that by 2042, the majority of U.S. residents will be people of color. As a result, expanding equity and access to opportunity is not a marginal issue—it is critical to our nation’s productivity, profitability and competitiveness in the 21st century and beyond.

As the British Petroleum oil disaster demonstrates, our nation’s dependence on polluting energy sources presents multiple challenges. Currently, our nation’s energy needs outstrip what we are able to supply domestically. In 2007, for example, the U.S. produced approximately 67 quadrillion British Thermal Units (“BTUs”) of energy. We consumed 102 quadrillion BTUs, requiring us to import energy, over two-thirds of which has been crude oil. This reliance on unsustainable fossil fuels has negative health and environmental consequences, especially in communities of color which tend to bear the burdens of polluting energy generation practices. But if we make strategic, equity-driven investments in green alternatives, we can meet demand, create jobs, and strengthen regional economies—all of which will enhance resilience and lay the groundwork for future prosperity.

All of this is compounded by global warming, which experts predict will increase the risk of a range of threats including shoreline erosion, flooding and damage to coastal habitats. Already, there is evidence that tropical cyclones striking the Gulf Coast are significantly larger than previous storms, producing an
unprecedented number of tornadoes. Global warming is also expected to prompt greater incidence of waterborne, respiratory and insect-borne diseases.

III. Building a More Resilient & More Prosperous Nation

Though the challenges are many, opportunities abound to link racial equity, environmental sustainability and resilience to natural and man-made hazards through bold, new policy approaches. By doing so, we will not only make communities less vulnerable to threats and better able to recover from those that cannot be avoided, we will also better position such communities to thrive in the 21st century economy.

CSI is committed to developing the types of policy solutions that will foster an opportunity-rich future in which all communities have the resources needed to be successful. In partnership with community groups, national organizations and thought leaders, we have developed the following policy recommendations.

- **Establish criteria for identifying vulnerable communities that incorporate social and economic factors.** Both Hurricane Katrina and the Gulf Coast oil disaster demonstrate that community vulnerability to threats—whether natural, public health-related or economic—is heavily influenced by whether residents have access to critical opportunities. The number and types of jobs available and whether residents have access to quality schools and health care services all matter. Federal actors must establish metrics for community vulnerability that recognize the importance of these factors and fund state and local efforts to assess vulnerability in these terms.

- **Build resilience by including residents of vulnerable areas in planning and decision-making processes and investing in solutions that make sense for communities.** The federal government must fund disaster prevention planning processes in which residents of vulnerable communities and non-profit community organizations based in these areas are active participants. Each year, billions of federal dollars flow to state emergency management officials, law enforcement agencies and first responders for anti-terrorism purposes. While this work is critical, building resilience requires more.

We must make meaningful investments in residents’ ability to shape the future of their communities. To do so, we must resource trusted, local institutions with expertise in community-based public health—whether they are local public health departments, federally-funded community health centers or non-profit institutions—to lead a community-wide process of planning and strategy development for resilience. Importantly, we must also ensure that these planning and decision-making processes are inclusive. It is not enough that community residents be invited to meetings with no opportunity to participate or receive information about decisions that have already been made. Rather, community members must have influence. Residents and community-based organizations must play meaningful roles in research on vulnerability, help to set priorities and participate in the development of strategies. CSI has been working with
community leaders and experts in public health and disaster preparedness to develop a policy model that draws on these elements.

- **Adopt policies that promote community renewable energy.** We can transform neglected and isolated communities—often poor, and often communities of color—into energy producers that contribute to the nation’s overall capacity, add clean energy to the grid, enhance economic and political ties across regions and supply their own energy needs. Without supportive policies, communities of color risk missing a transformative opportunity for a meaningful role in America’s changing energy economy. With people of color fast becoming a majority of the population, this would be a loss for both communities of color and the nation.

  Working with a “brain trust” of community organizers, economic development and technology experts, and financiers, CSI is developing a model for community-owned renewable energy projects or related businesses which rural and urban communities could pursue. These businesses would provide jobs, leverage energy efficiency investments and create profits that could be reinvested in the community. All of this has the potential to dramatically alter the political and economic relationship between energy-providing communities of color and the regions that surround them.

  Decision makers at all levels will respond to federal measures and incentives that signal the importance of community renewable energy policy to the nation. These measures and incentives should be explicitly connected to national renewable energy goals. Agencies such as the Federal Energy Regulatory Commission (“FERC”) and the Environmental Protection Agency (“EPA”) must direct public resources to appropriate projects. This will, in turn, attract private investment.

  By taking these steps, federal policymakers will guarantee that we are able to meet the complex set of social, economic, energy and environmental challenges that confront us all. CSI is actively working with the Administration and multiple federal agencies to ensure a stronger, safer and healthier future, not only for the Gulf Coast region, but for the nation as a whole.
Endnotes


3 See Paul Krugman, Myths of Austerity, NY TIMES (July 1, 2010).

4 Black veterans, however, found that higher educational opportunities were few and were unable to benefit from the G.I. bill as a result. See Hilary Herbold, Never a Level Playing Field: Blacks and the GI Bill, J. OF BLACKS IN HIGHER EDUC. (1994). Similarly, the Federal Housing Administration’s policy of redlining resulted in few subsidized mortgages for Black prospective homeowners. See Mark Seitles, The Perpetuation of Residential Racial Segregation in America: Historical Discrimination, Modern Forms of Exclusion, and Inclusionary Remedies, J. OF LAND USE & ENV. L. (1996) available at http://www.law.fsu.edu/journals/landuse/Vol141/seit.htm.


6 See Amy Liu and Bruce Katz, Katrina is Everywhere: Lessons from the Gulf Coast (citing U.S. Census data) in Breakthrough Communities: Sustainability and Justice in the Next American Metropolis, M. Paloma Pavel ed. 82 (2009).


8 Id. at 5.

9 See Liu & Katz, supra note 6.


11 Cutter’s wealth variable is based on county-level data on per capita income, as well as home values, rents and poverty rates. See id. at 251.


13 See Leslie Eaton, In Mississippi, Poor Lag in Hurricane Aid, NY TIMES (Nov. 14, 2007).


18 See Natale supra note 16.


23 Id. at 1-2.


29 See Field et al, supra note 27.
30 See infra notes 14-18 and accompanying text.