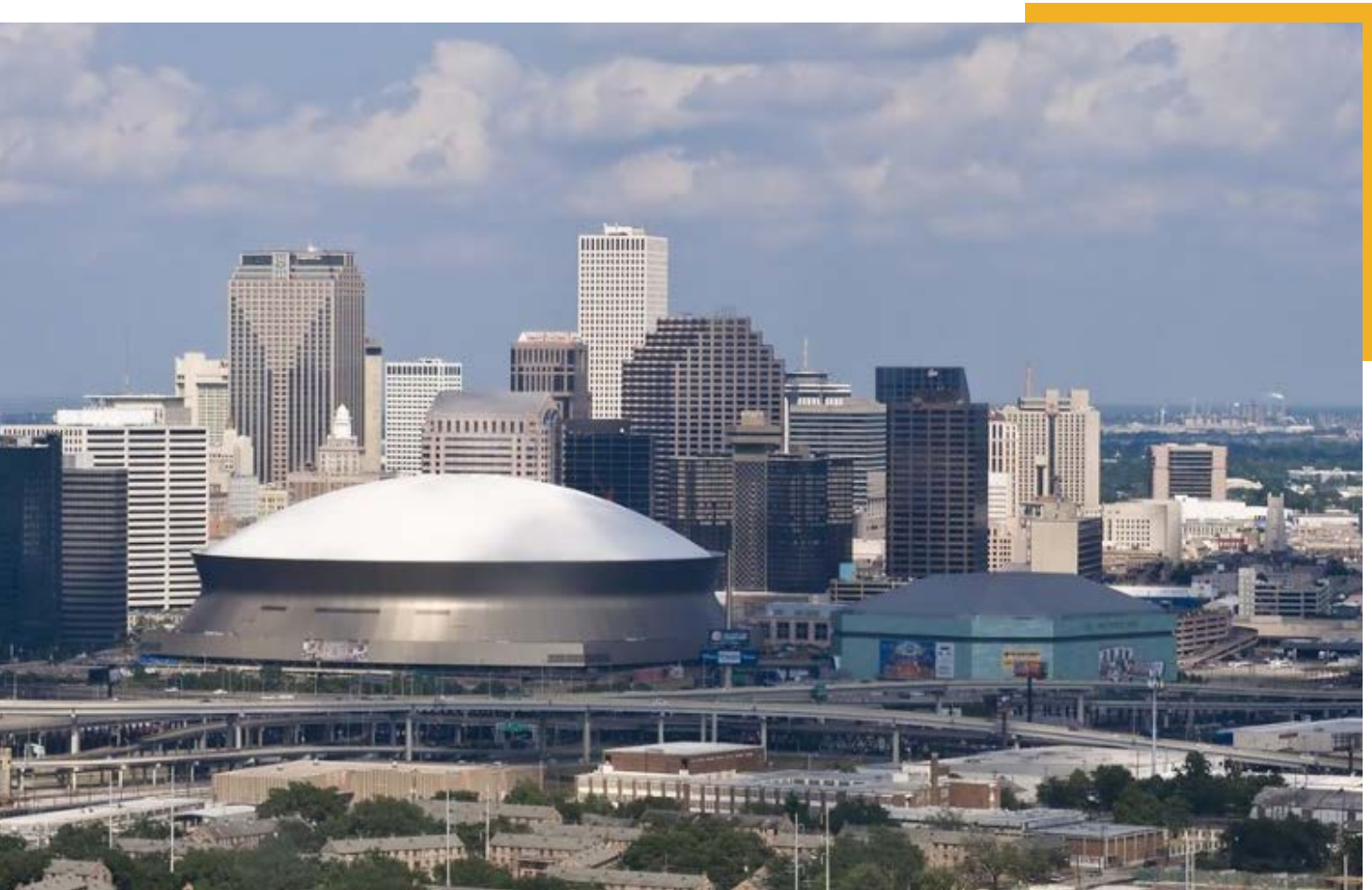


NEW ORLEANS, LA CASE STUDY



New Orleans, Louisiana skyline with the Superdome in the foreground.

NEW ORLEANS, LA STATS

389,617

(1.38% Growth) Population

35.9

Median Age

\$39,077

(10.1% Growth) Median Household Income

23.4%

Poverty Rate

184,601

(6.99% Growth) Number of Employees

\$216,800

(12.9% Growth) Median Property Value

The story of New Orleans is a tale of pre- and post-Hurricane Katrina, and income inequality that can be traced along systemic racial segregation fault lines. This remains a tremendous challenge today as the local economy continues to recover. The 2005 devastation from a combined nature and man-made catastrophic flooding (due to failed levees) that covered 80% of the city continues to have a lasting impact. Out of 1,833 lives lost due to Katrina across five states, 1,577 deaths were in Louisiana, with at least 700 in New Orleans alone.

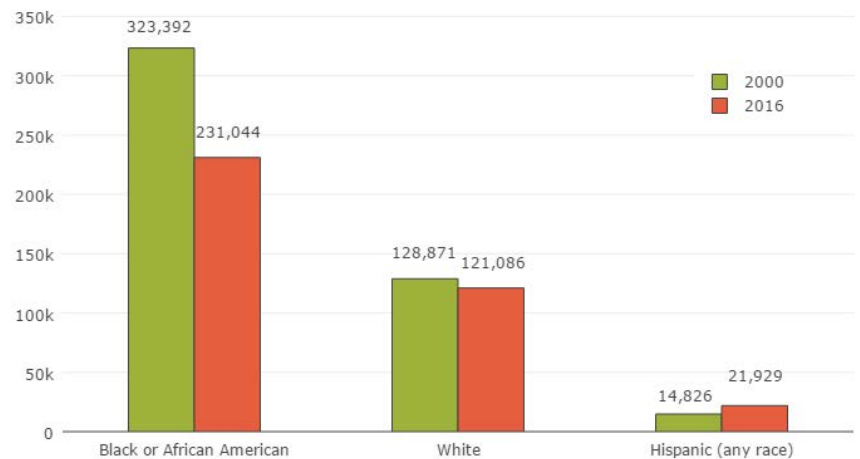
In addition to flooding deaths, nearly half of which were elderly above age 74, Katrina was the costliest hurricane in history, causing \$108 billion in property damage. Following Katrina, the New Orleans population of 484,674 plummeted to less than half (230,176) just one year later.

NEW ORLEANS RESIDENTS

The population of New Orleans is rebounding, but with slightly different demographics. Today, with 391,495 residents, New Orleans has 92,348 fewer black residents, 7,785 less whites and 7,103 more Hispanic residents, with a significant population from Mexico, Honduras and Vietnam.

As New Orleans' population grew after Katrina, the city attracted immigrants from primarily three countries: Mexico (31,630), Honduras (26,811—more than three times expectations based on national average) and Vietnam (21,457).

African American, white, and Hispanic population



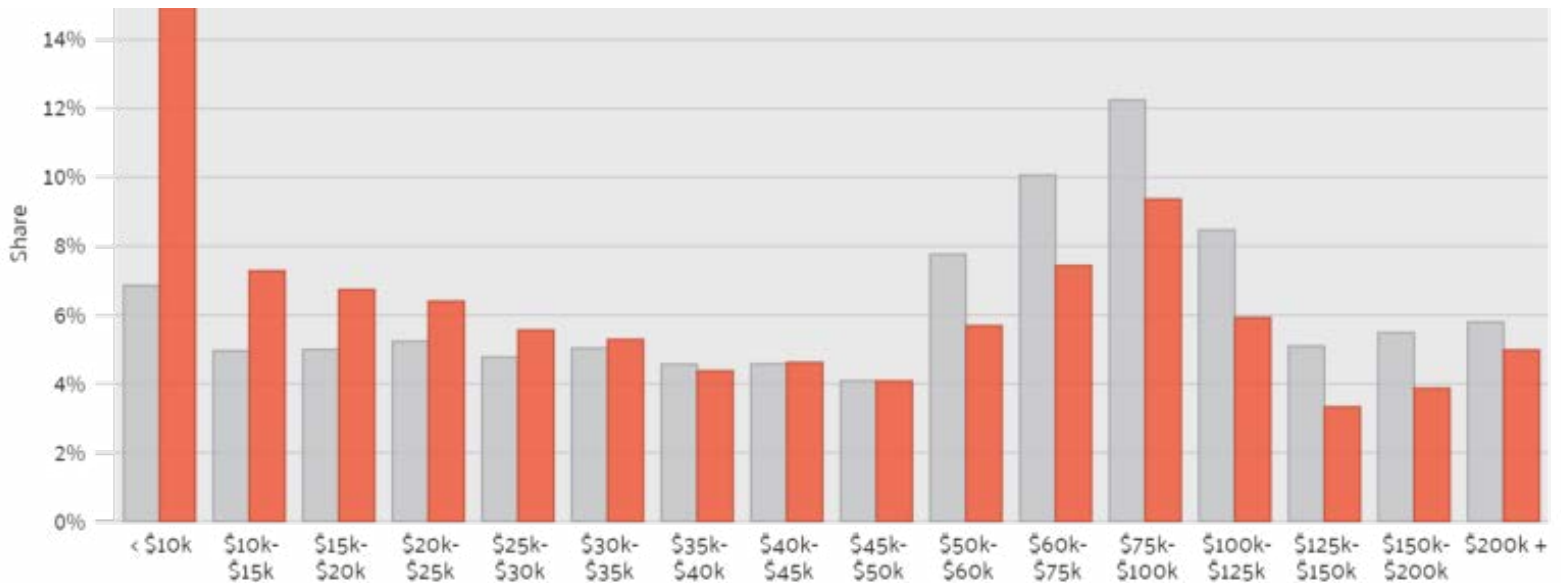
INCOME AND POVERTY

According to Data USA, the median age in New Orleans is 35.9 with a median household income of \$39,077. The poverty rate is high at 23.4% and concentrated among the City's black population at 75.8%. Poor white residents represent 18.9% followed by Hispanic residents at 5.3%.

INCOME: NEW ORLEANS vs US

Overall, household incomes in New Orleans lag behind economic indicators for the higher wages in the United States while surging above lower income levels for the nation. Pre-Katrina wages in New Orleans overall were about 20% below nationally competitive wages. For white workers, that meant 20% below whatever the national wages were for whites. For African American workers, wages in New Orleans were 20% below whatever the nationally competitive wages were for African Americans. There was still a huge gap between the two. But in New Orleans, both were lower than the national average.

In a side-by-side comparison in the chart below, the first six columns represent 46.4% of the total households (156,591) in New Orleans. These families have annual incomes below \$35,000. [Click here](#) for interactive data on each column. Light columns represent US data. Darker columns are New Orleans.



National HHI (light columns) compared with New Orleans HHI. See interactive data graphic at [DATA USA](#).

HOUSING AFFORDABILITY AND AVAILABILITY

The median price for homes in New Orleans was \$216,800 in 2015, up from \$192,000 the previous year. The largest share of total available properties is valued from \$150K–\$175K. Twenty-five percent of homes available in New Orleans are priced under \$150K (see graph on page 5). Yet nearly half of family incomes in the city fall into a low-income category of less than \$35K per year.

Housing cost and availability in New Orleans. Lighter columns represent US costs and availability while darker columns are specific to New Orleans, La. Source: DATA USA. Data suggest serious challenges in availability of affordable housing for at least half of the population of New Orleans. Only 46.3% of homes are owned by occupants,

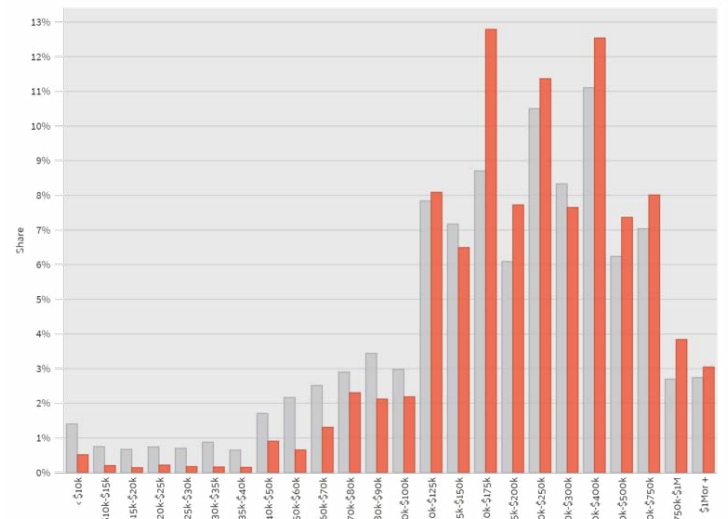
compared to 63% for the nation. ([Click here](#) for individual column data. Light columns represent US data. Darker columns are New Orleans).

INDUSTRY EMPLOYMENT

Local industries employ a total of 184,601 workers. From 2014 to 2015, employment grew at a rate of 6.99%, from 172,540 employees to 184,601 employees. The most common job groups are Management, Business, Science, & Arts, Service, and Sales & Office. See graph for industries that employ the most and least workers in New Orleans. ([Click here](#) for more information on expanded industry groups).

Property Value in New Orleans, La

Please note that the buckets used in this visualization were not evenly distributed by ACS when publishing the data.



Dataset: ACS 1-year Estimate
Source: Census Bureau

DATAUSA:

WORKER WAGES

The highest paying industry jobs in New Orleans are Legal, Medical, Engineering, Business Management, and Computer Technology with incomes ranging from \$52K to \$94K. All of these industries require higher education.

The highest average salaries earned by race of workers in 2015 were white (\$50,772) and Asian (\$47,754) followed by Native Hawaiian/Other Pacific Islander (\$37,358). However, Asian workers made up only a fraction of the total workforce in any category.

The two largest workforce totals by race for the most common jobs in New Orleans were white and black employees. ([Click here](#) for complete data). Across every category of employment, black workers were paid on average far less than their white counterparts doing the same jobs.

MOST COMMON JOBS IN NEW ORLEANS

MEDIAN WAGE COMPARISON BY RACE

	Delivery Drivers, Sales Workers, Truck Drivers	Teachers – Elementary & Middle School	Secretaries & Administrative Assistants	Retail Sales	Cashiers
White	\$42,529	\$40,363	\$30,941	\$29,082	\$13,924
Workforce Total	25,471	39,110	45,578	29,108	24,846
Black	\$37,770	\$38,798	\$27,109	\$19,953	\$11,657
Workforce Total	20,183	12,372	9,194	14,762	26,250

HIGHER EDUCATION

In 2015, Tulane University had the largest graduating class out of all institutions of higher education in New Orleans with 4,471 graduates, according to [Data USA](#).

Delgado Community College was second with 3,513 graduating students, followed by the University of New Orleans with 1,910 graduates. The median in-state tuition is \$7,150.

The graph (left) shows shares of the overall education market for each institution offering higher education curricula and vocational training.

The top three most popular degrees earned in 2015:

1. Psychology (409 graduates)
2. Bio Sciences (369 graduates)
3. Business Administration & Management (366 graduates)

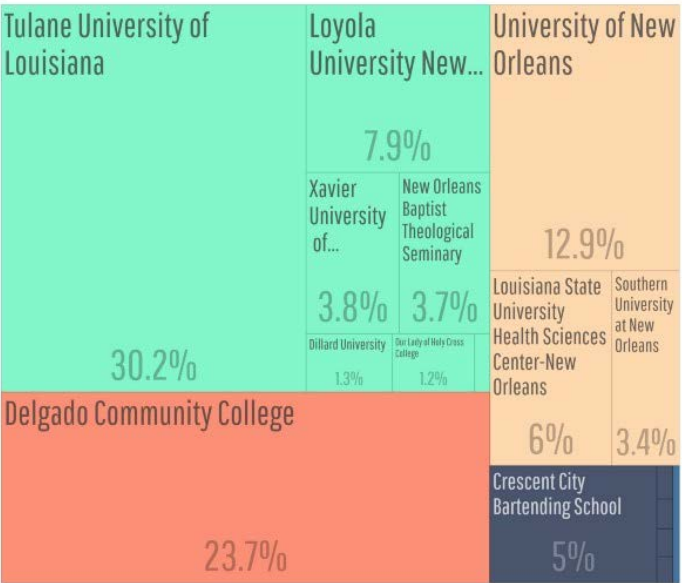
The top industry employers in New Orleans in 2015:

1. Management (19,630 workers)
2. Administrative (19,360 workers)
3. Food Service (18,959 workers)
4. Sales (16,802 workers)
5. Education, Training & Library (13,627 workers)

The highest paying jobs in New Orleans by media annual salary in 2015:

1. Legal (\$94,083)
2. Health Practitioners (\$81,739)
3. Architectural & Engineering (\$62,830)
4. Management (\$55,269)
5. Computer & Mathematical (\$52,170)

Universities in New Orleans, La



K-12 EDUCATION

Any in-depth study of New Orleans must include a strong focus about the impact of Hurricane Katrina on the K-12 education system.

The pre- and post-Katrina transformation of public education in New Orleans is unlike any other anywhere in the country. The public education system today plays an integral role in the local economy and heavily influences segregated paths of access to economic opportunity that fall along racial fault lines.

Prior to Katrina, New Orleans already had one of the lowest-performing education systems in the country, according to the **Cowen Institute for Public Education Initiatives at Tulane University**, which has chronicled the impact of the hurricane upon the regional education landscape.

Cowen Institute Report

“The State of Public Education in New Orleans: 10 Years after Hurricane Katrina,” reveals that excellent public education options existed prior to Katrina, but the system failed to provide quality education for the majority of public school students (which are African American).

The following information is from the report:

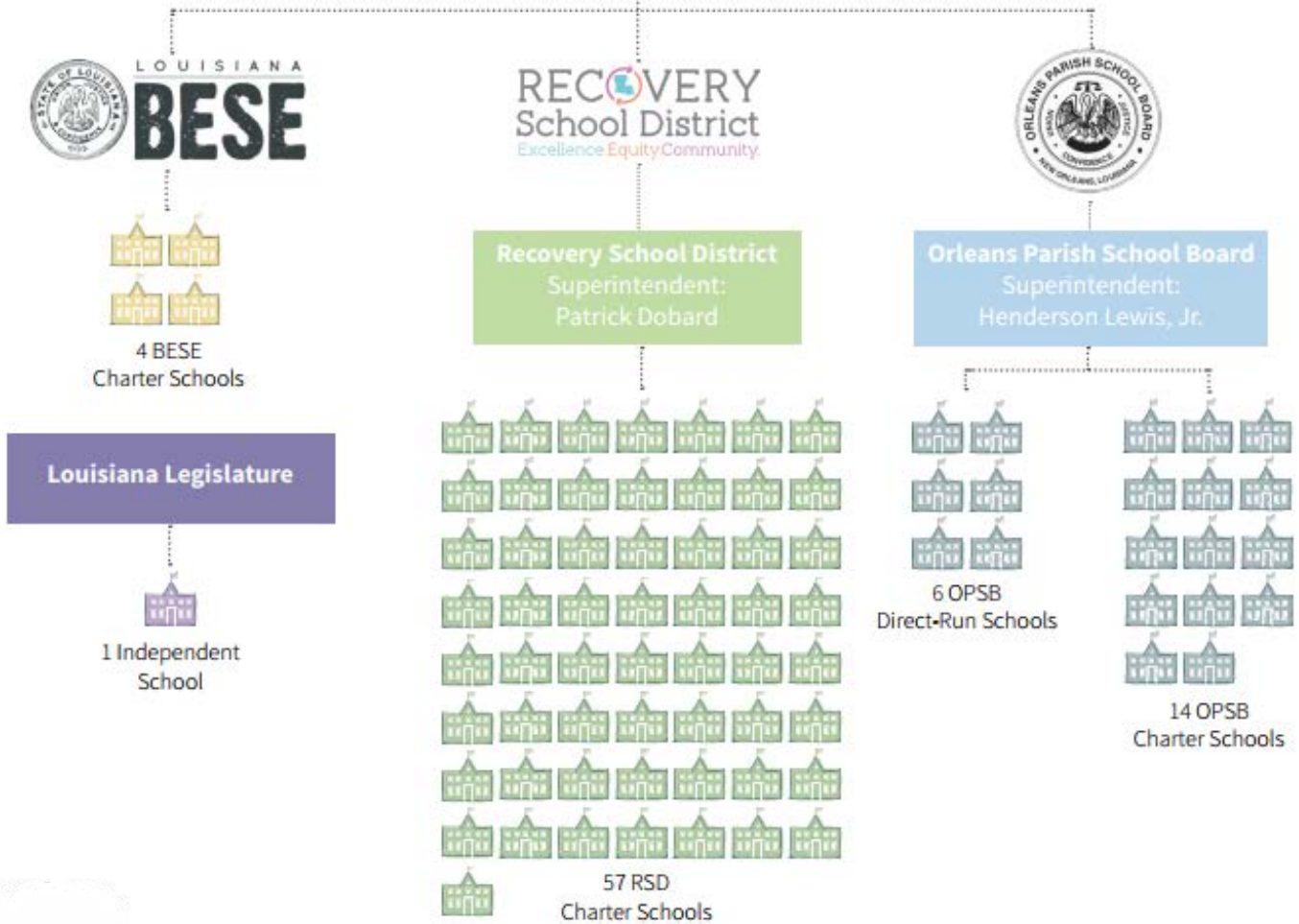
“The Orleans Parish School Board (**OPSB**), tasked with overseeing and running the system, was riddled with corruption and financial challenges. In the immediate aftermath of the storm, the Louisiana Legislature, supported by then Governor Kathleen Blanco, voted to have a state-run Recovery School District (**RSD**) assume responsibility for most public schools in New Orleans. That decision has led to New Orleans having the most decentralized public school system in the country. Ten years later, **93 percent of public school students now attend charter schools**, the highest rate of any city in the country.”

CONTROL: STATE vs LOCAL

In Louisiana, local school boards and the state Board of Elementary and Secondary Education (BESE) can authorize charter schools. BESE also authorizes charter schools that operate independently of the RSD and OPSB.

The New Orleans school structure is unlike any in the nation, shaped by the aftermath of Hurricane Katrina.

Louisiana Board of Elementary and Secondary Education (BESE) & Louisiana Department of Education
State Superintendent: John White



According to the Cowen Institute report, published in the summer of 2015, the following is the current state of public education in New Orleans: **The story of New Orleans’ public schools mirrors that of many other cities. White and middle-class exodus to the suburbs from the 1950s onward led to a smaller local tax base to fund schools and a less diverse student population.**

Furthermore, due in part to a faltering local economy and a lack of social support services, the students who remained faced significant difficulties, with 38 percent living below the poverty line and 73 percent qualifying for free or reduced-price lunch in 2005.

PUBLIC vs PRIVATE

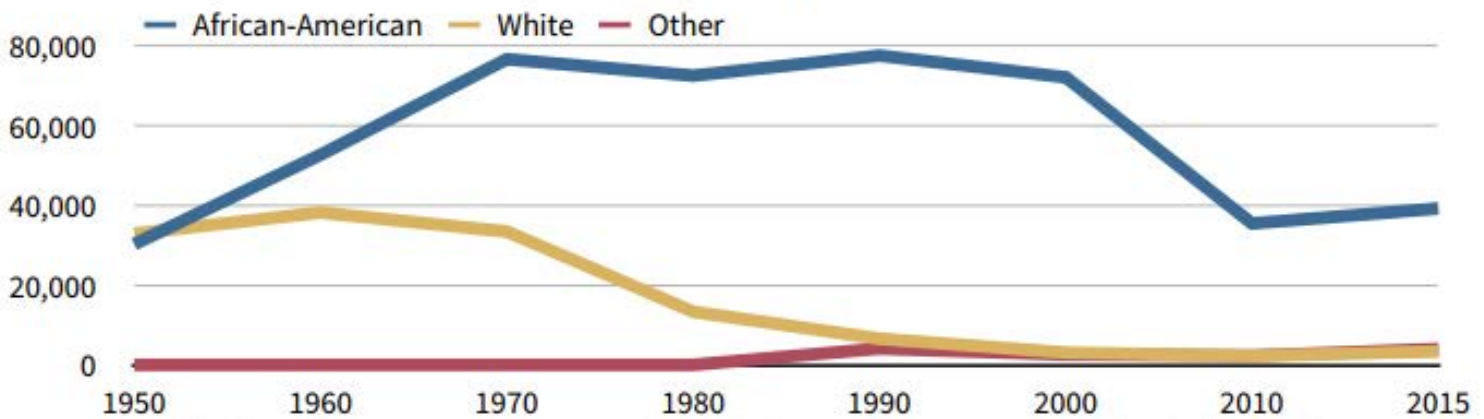
From 1950 onward, in addition to White and middle-class families leaving New Orleans entirely, many families chose to send their children to private and parochial

schools. These schools remain popular today. **Around 25% of all school-aged children in New Orleans are estimated to attend a nonpublic school, one of the highest rates for any city in the nation.**

GEOGRAPHIC SEPARATION

Beginning in the 1960s, White and middle-class flight to more socioeconomically and racially homogeneous suburbs left a poorer population within the city and a shrinking, less diverse student population within the public schools. While public school enrollment in the city used to be evenly split among White and African-American students, the student population gradually became predominately African-American.

New Orleans Public School Enrollment, by Race | 1950-2015



Sources: LDOE, Annual and Biennial Reports, 1860-1970; LDOE, Annual Financial and Statistical Reports; New Orleans Public Schools, Facts and Finances, 1957-1984, boxes 7-9, Financial Records; Annual Reports of the New Orleans Public Schools, 1919-1921 and Statistical Reports of the New Orleans Public Schools, 1921-1940. LDOE, Multiple Statistics by Site for Elementary/Secondary School Student, October 2014.

RACIAL SEGREGATION

Nonpublic schools tend to have a different demographic makeup than public schools. In the 2011-12 school year (the most recent data available on nonpublic school enrollment in New Orleans), **34.1%** of nonpublic school students were African-American, compared to **86.3%** of public school students.

Today, though enrollment of White and Hispanic students has increased, public schools still do not reflect the city's overall demographics, as **88% of public school students are African American** compared to **60%** of the entire citywide population.

Additionally, RSD schools have higher percentages of special education students than the state average, while OPSB schools tend to have lower rates than average.

UNEDUCATED YOUTH

“Opportunity Youth” are 16 to 24 year olds who are neither employed nor enrolled in school. The term “opportunity youth” refers to the potential these youth could bring to their communities if reconnected to education and employment opportunities.

Currently, at **18.2% of all youth between 16 to 24 years old**, the New Orleans area has the third highest estimated rate of opportunity youth among the 50 largest metro areas in the United States. This impacts the local economy, **costing the region an estimated \$360 million annually** in lost tax revenues and higher spending on social services.

INFRASTRUCTURE

Hurricane Katrina destroyed most public school facilities that had already been in dire need of attention before the storm. With federal support, nearly \$2 billion has been invested in constructing, renovating, and refurbishing the city’s facilities over the last decade.

ENROLLMENT

The 2014–15 school year student enrollment in New Orleans was about 70 percent of pre-Katrina levels, a trend that mirrors the changes seen in the city’s total population as it continues to recover. 93% of public school students attend charter schools, the highest rate in the nation.

SCHOOL PERFORMANCE

Collective performance of both schools and students has improved over the past ten years. Schools have gone from failing to average. 59% of graduates enrolled in college (2 year or four year) in the fall of 2014. Only 61% of the Recovery School District (RSD) students graduated on time compared to 89% of student in the Orleans Parish School Board schools (OSPB).

NONPROFIT FUNDING

Many of the functions provided by a central administrative office in a conventional school district are instead offered by nonprofit organizations in New Orleans. Nonprofit organizations supply services such as, but not limited to: arts education, job training, and after school programming; information for families about school choice and enrollment; philanthropic support and grant-making; teacher training, certification, and professional programs; public oversight; assistance with opening or running of schools; and social work and behavioral health services.



New Orleans' Mardi Gras annual festival attracts millions of tourists and has a significant economic impact.

INNOVATION COUNCIL

One of the initial steps Forward Cities takes in assisting member cities develop an inclusive innovation ecosystem is to form an Innovation Council comprised of a cross-section of community stakeholders, elected and appointed leaders, economic development and urban planners, educators, investors, business leaders, entrepreneurs and activists. In New Orleans, Forward Cities convened influential stakeholders led by the Greater New Orleans Foundation.

RACIAL EQUITY LENS

The [Racial Equity Institute](#), in partnership with Forward Cities, played a significant role in informing the work of the Innovation Council around a common goal of creating an equitable innovation ecosystem.

The Greater New Orleans Foundation, in partnership with the City of New Orleans and the New Orleans Business Alliance (NOLABA), continue to prioritize equitable economic strategies today as New Orleans addresses the challenges in building an inclusive innovation ecosystem.

Below is a list of organizations that participated in the Forward Cities Innovation Council for New Orleans:

- Goldman Sachs
- Foundation for the Mid-South
- Ford Foundation
- Blue Cross Blue Shield of Louisiana

- Greater New Orleans Foundation
- Entergy
- The Case Foundation
- Grow Dat Youth Farm
- PosiGen Solar LLC
- Turbo Squid
- CLB Porter, LLC
- Café Reconcile
- Idea Village
- PowerMoves NOLA
- Propeller
- New Orleans Bio Innovation Center
- WWNO Station (NPR affiliate)
- City of New Orleans
- City of New Orleans/Economic Dev.
- The Data Center
- Broad Community Connections
- GoodWork Network
- Greater New Orleans, Inc.
- NOLA Business Alliance
- Tulane University School of Architecture
- The Trumpet Group/Naked Pizza
- Tulane University

MAPPING NOLA

Asset mapping is a key component of policymaking in every city. The decisions driven by unbiased comprehensive and disaggregated data help New Orleans economic stakeholders better understand the depth and scope of problems that need to be addressed. Analysis of collected data help influence decision-making in budget allocation and the priorities placed on projects and programs that impact communities. Here are key sources of economic data in New Orleans.

- [New Orleans Business Alliance for Economic Development](#)—Serves as a hub connecting several sources of economic research and data. The NOLA BA brings together the work of:
 - [The US Bureau of Labor Statistics](#)
 - [Louisiana Workforce Commission](#): The LWC is part of the Department of Labor and provides a statewide Labor Market Information Website that gives users access to the latest Louisiana labor force, wages, population, industry employment, training schools, training programs, Scorecard for

completion rates, Youth Web Portal, projections, demographics, nonfarm employment, employer database, unemployment claimants, industry staffing patterns, licensed occupations, demand occupations and career products.

- Greater New Orleans Community Data Center: Experts at bringing data together from multiple sources to take a 360-degree look at issues that matter most to the region from perspectives of government, business, nonprofit and community. The Data Center's mission is to build prosperous, inclusive, and sustainable communities by making informed decisions possible.
- New Orleans Workforce Investment Board & Job1: Researching disparities data in supplier diversity helps policymakers make better decisions in government contracting and purchasing.

In addition to the NOLA BA data resources, Data USA provides data on key metrics that impact the economic environment of more than 1,000 metro areas and 3,200 counties covering all 50 states.

DATA COLLECTION: NEIGHBORHOOD ENTREPRENEURSHIP

FUND 17—At the granular level, New Orleans' Fund 17 may be considered the best practice model for collecting vital data on non-licensed entrepreneurial efforts occurring in economically distressed communities.

Funded by the W.K. Kellogg Foundation and Friends of New Orleans, the Fund 17 team targeted portions of the 7th and 8th Wards during the spring and summer of 2017 with a door-to-door campaign that covered 2.5 square miles and more than 8,700 parcel lots of industrial, residential and commercial land zoning.

The target region was selected based on the research conducted by Forward Cities and Richard Campanella from Tulane University, who worked with the New Orleans Council. Geographically, the area is comprised of Gentilly to the North, Franklin Avenue to the East, Claiborne Avenue to the South and St. Bernard Avenue to the West, according to the final report. The area was selected for a variety of reasons, including the mixture of land-use zonings, its relative lack of gentrification and presence of multiple commercial clusters, the report stated.

Within the study area, the council was to explore potential interventions for projects and additional studies. The leading question left unanswered by Campanella's original research was: what does entrepreneurship look like on the neighborhood-level?

In other words, what type of entrepreneurial activity, possibly unregistered, is occurring within residential parts of the study area? This was a question Fund 17 was equipped to explore.

Fund 17's local team, led by Haley Burns, published a report that revealed:

- Entrepreneurship rate in the target area (30%)
- Demographic and financial trends for entrepreneurship in target area (61% black, 30% white)
- Attitudes toward formalizing informal businesses (mixed but majority seek to grow ventures)
- Challenges of community enterprises (lack of access to resources, including capital)
- Recommendations for establishing an equitable and accessible entrepreneurship space

FUND 17 KEY FINDINGS

“Community enterprise is a multi-faceted issue at the intersection of neighborhood development, government policy and nonprofit programming. Continued research is needed to better understand the nature of informal entrepreneurship, but we believe this project is a crucial start. This report has validated the presence of the informal market and has demonstrated entrepreneurs’ interest in formalization and growth.

“To create a strong local business ecosystem, we must address the unique needs and challenges of community enterprises. This includes access to capital, a healthy and viable neighborhood context, business training and support and accessible pathways to legal formalization.

“Profitable side-businesses are also a vital part of this ecosystem as they diversify income sources for an individual or family to create a more sustainable livelihood. We hope this research will start a dialogue on hustles, residential enterprise and the necessity of supporting entrepreneurs within our community.”



Idea Village hosts the annual New Orleans Entrepreneurship Week which celebrates and supports local entrepreneurs.

ECONOMIC STRATEGY—RACIAL EQUITY LENS

NATIONAL RANKING: The Brookings Institution published a 2017 data report that ranked the nation’s top 100 metros in three economic areas: prosperity, growth and inclusion. Growth looked at the city’s level of entrepreneurship opportunities and which industries were growing the fastest. New Orleans ranked 69th due to a 7.5% job growth that under-performed an expected 9.4%.

In prosperity, which measures the wealth and income of an economy, New Orleans ranked last.

“On economic inclusion, New Orleans improved in two of three indicators,” wrote the Times Picayune about the Brookings study. “Relative poverty declined 2.6 percent while the employment rate increased 3.9 percent. The median wage, though, was flat.”

On April 20, 2017 former mayor Mitch Landrieu launched New Orleans’ first-ever equity strategy to address the issue of economic inclusion and convey to the public how the municipal government will work to build a stronger, more inclusive city by advancing equity through its operations and decision-making processes as a primary focus.

“In the new New Orleans, having an equitable government in place is a top priority,” said **Mayor Landrieu.** “We understand the power of equity and view it as a growth strategy that will lead us to creating a stronger and more

prosperous city for all our residents. I am proud of our new EquityNewOrleans strategy because it helps us continue to build New Orleans into a city for the ages. We understand that it is only when everyone is winning that New Orleans is at her best.”

EQUITY NEW ORLEANS

The [EquityNewOrleans](#) initiative was funded by the W.K. Kellogg Foundation in partnership with the Foundation for Louisiana (FFL), according to the City of New Orleans’ [press release](#). The City worked with PolicyLink and the Government Alliance on Race & Equity (GARE).

EquityNewOrleans engaged senior City leadership, department heads and managers in city government by creating equity leadership and action teams. Participants were provided equity-focused training workshops to understand the role of equity in government and increase shared knowledge.

More than 300 City employees, residents, youth, elected officials, advocacy leaders, business leaders and non-profit leaders were interviewed to establish a baseline of understanding equity across New Orleans.

PolicyLink and the Program for Environmental and Regional Equity at the University of Southern California (PERE) released an equity [profile](#) of New Orleans, the first of a series of 10 new equity profiles produced with the support of the W. K. Kellogg Foundation. According to this analysis, the **New Orleans regional economy could be \$18 billion stronger if racial gaps in income were closed.**

[See New Orleans Equity Profile Report](#). The report includes data on:

- Demographics (Age/Race/Ethnicity)
- Economic Vitality (Employment/Wages/Household Income/Wealth/Opportunity)
- Readiness (Education/Health)
- Connectedness (Segregation/ Housing/Transportation/Costs of Living)
- Economic Benefits (GDP/Productivity/Racial Wealth Gaps/Income Gains-Losses)

LOCAL ECONOMIC ECOSYSTEM

The Greater New Orleans Foundation (GNOF) has served the region for more than 30 years. It has more than \$275 million in assets, manages 700 funds, and acts as a central hub connecting institutional and community organizations while convening racial equity partners who support the City’s equity strategy.

Led by its President and CEO, Andy Kopplin, the GNOF is a connecting point between the community level entrepreneurship organizations and the City's equity strategy. Equity has been a core value for Kopplin since he held a leadership post in the former mayor's administration prior to GNOF. And he has led the convening and support of New Orleans' Race Equity Institute since November 2016.

GNOF also convenes **NOLA BA** and the City's Office of Economic Development around equity issues. The City has established a goal of 30% of the procurement contracts to be allocated to Minority Business Enterprises (MBEs). Currently, the level is 11%, said Carmen James, Vice President for Programs at GNOF.

“We set some pretty ambitious goals,” James said. “And we map the slope,” said Kopplin. “We need to have just as strong a presence in trying to create economic opportunity as we are trying to create economic development for the city.”

GNOF is connected to both the region's economic competitiveness strategy leadership and the gateway providers at the community level. This distinct role allows GNOF to align the efforts to cultivate the entrepreneurial talent in the local innovation ecosystem with the City and region's growth sectors and economic development goals.

Below are key organizations in the entrepreneurial ecosystem and how they function in their roles:

Propeller

Placed-based entrepreneurial accelerator and social innovation nonprofit addressing environmental disparities and offering co-working spaces with resources focused on five specific genres: Water, Food, Health, Education and the South Broad Business Initiative (local businesses within a targeted underrepresented minority geographic area). Heavily influenced by the Racial Equity Institute. Works to inject inclusion opportunities into the billion-dollar public and private sector water industry in New Orleans.

Overall Impact: Since 2009, 179 nonprofits and businesses have been supported through Propeller's accelerator programs, including a local food hub, a five-star rated childcare center, an education design studio, and a wetland mitigation company. 360+ full- and part-time jobs have been created. \$86 million in external financing and revenue have been collectively generated by Propeller graduate entrepreneurs. And

\$100,000+ in seed funding has been awarded to entrepreneurs through PitchNOLA competitions

Sector Impact:

§ Food: 40% of New Orleans public school children receiving healthy, fresh, locally-sourced school lunches; 30 vacant lots were developed into productive gardens and orchards to provide produce at no cost to Lower 9th Ward residents; 35 local food entrepreneurs are receiving business support and an affordable, fully stocked professional kitchen space is made available to prepare foods for mass market sales.

§ Water: 2,000+ acres of wetlands have been secured for restoration and permanent protection; 1.5 million+ gallons of storm water runoff is retained annually to improve urban flooding; 1,200+ fishermen have received technical assistance, social services, and disaster recovery services.

§ Health: 26,000+ New Orleans children receive medical health screenings in school through Medicare/Medicaid; \$1.2 million in financing was raised to build the Broadmoor Arts & Wellness Center serving 750+ residents; 10,000+ New Orleanians have engaged in weekly social bike rides in 2016.

§ Education: 200+ high school students receive college entry preparation and support; a pilot program was launched to train teachers in racial equity; 300+ schools are now streamlining professional support for teachers through a K-12 classroom observation and coaching platform; 10,000+ volunteers have been engaged to help 350+ homeowners and rebuild 13 homes to be resold to teachers at a reduced cost.

Fund 17

Nonprofit addressing opportunity inequality through micro-entrepreneurship. Direct on-the-ground canvassing, data collection and research on home-based and unlicensed entrepreneurial endeavors within a 2.5 square mile area that was almost entirely flooded by Katrina consisting of 20,000 residents, 88% African American, seven commercial clusters, 612 licensed businesses and 21 Disadvantaged Business Enterprises (DBE).

Fund 17 also provides capacity building for startup home-based enterprises. The project produced an impact report that includes entrepreneurs discovered, loan applications, business models developed, city business licenses obtained, students engaged and hours invested in technical assistance.

Idea Village

Independent nonprofit industry agnostic accelerator targeting equity, inclusion and growth of startup enterprises with high-growth potential to create local jobs. Develops and deploys strategies to support targeted place-based entrepreneurial ecosystems. Advises entrepreneurs entering the startup landscape at any stage of development and matches them with appropriate supportive resources within the ecosystem. Conducts research and bridges areas of need, such as access to capital of all kinds through development and diversification of local pools of investors to create new funding streams for businesses.

Idea Village manages the annual celebration of New Orleans Entrepreneurship Week. It seeks to influence the local economic narrative to celebrate sustainable startups and grow-ups that produce local revenue and jobs.

Idea Village serves as an honest broker positioned to advocate on behalf of the collective body of local start-ups, grow-ups and scale-ups, as well as target and fill entrepreneurial gaps in the innovation ecosystem. Heavily influenced by the Racial Equity Institute. 41% female and 41% minority in last cohort of companies. Alum = 30% women-owned and 23% minority-owned enterprises.

Idea Village (IV) Impact:

- IV advises entrepreneurs entering the startup landscape at any stage of development and matches them with appropriate supportive resources within the ecosystem.
- IV conducts research and bridges areas of need, such as access to capital of all kinds through development and diversification of local pools of investors to create new funding streams for businesses.
- IV also manages an annual celebration of New Orleans Entrepreneurship Week. It seeks to influence the local economic narrative to celebrate sustainable startups and grow-ups that produce local revenue and jobs.

Bio Innovation

Bio Innovation is an independent nonprofit organization dedicated to support research, education, entrepreneurship, business growth and job-creation in the life science ecosystem of Greater New Orleans. It is managed in partnership with NOLA Business Association and area universities and institutes.

Bio Innovation receives federal and state funds. Attracts capital financing, including equity investments. It mentors and nurtures growth of scalable enterprises. It establishes and manages favorable conditions for the growth of life science enterprises and supportive businesses within the local innovation ecosystem.

Bio Innovation's Impact:

- Creation of more than 200 new companies
- Client startups raised \$93 million in funding
- Over 175 innovators received free consulting support
- BioFund invested \$3 million in 15 local small businesses
- 3,000+ attendees participated in more than 110 educational events
- Helped create more than 400 high-wage local jobs
- Target areas: diabetes; breast, esophageal, and other forms of cancer; neonatal and maternal health; regenerative medicine; digital clinical management; water remediation and sustainable urban farming



POLICY THROUGH THE LENS OF RACIAL EQUITY

The strategies of economic growth in a city are reflected in the policy measures it deploys. New Orleans employs a **racial equity strategy** that is deliberate in seeking to disrupt the chronic segregationist policies and practices it inherited from the past.

Equity New Orleans is a mayor-led initiative that serves as a guide for the City's policies and practices across all of its partnerships and transactions, which are perceived through the lens of racial equity.

“The conversation in New Orleans about equity invariably involves race and class. And I think we have to look at how we address issues of access to resources that help to eradicate our historic disparities, particularly around wealth and building wealth in the community.” - Deidre Johnson Burel | Orleans Parish Education Network

ADDRESSING THE CHALLENGE: INEQUITABLE ECONOMIC GROWTH

The Greater New Orleans Foundation is the 800-pound gorilla in the city that can affect public policy across a wide range of partnerships. It has its eye on equity data that matters in establishing economic strategies and municipal policies and practices that can have an impact at the level of greatest need in the community.

Targeting NOLA’s Wage Gap: Pre-Katrina wages in New Orleans were about 20% below nationally competitive wages. For white workers, that meant 20% below whatever the national wages were for whites. For African American workers, wages in New Orleans were 20% below what nationally competitive wages were for African Americans. There was still a huge gap between the two. But in New Orleans, both were lower than the national average.

WATCH THIS VIDEO: [Equity New Orleans: Deirdre Johnson Burel, Orleans Parish Education Network](#)

The reason the disparity increased in the aftermath of Hurricane Katrina is due to the first time in 60 years white residents of New Orleans began earning nationally competitive wages. This pattern did not impact the African American residents. Their wages remained stagnant.

“We’ve been able to attract nationally competitive jobs for the first time since 1960,” said GNOF President and CEO Andy Kopplin. “And the reason is because of innovation and entrepreneurship. We’re doing nationally competitive work in New Orleans and folks in those industries are reaping the rewards. African Americans are not well-represented because that community is largely still working jobs outside of the innovation competitiveness economy and their wages are still 20% below African American wages nationally.”

OPPORTUNITY AND DEVELOPMENT

To address this disparity, New Orleans employs a partnership approach to its economic development operations. The Office of Economic Opportunity is a companion to the Office of Economic Development in the operations structure of the City.

While one office continues to do the work of identifying, attracting and recruiting businesses to New Orleans, the other ensures whenever there are benefits provided by the City to a business, the contract conforms to the goals of the City’s equity

strategy. GNOF believes the dual approach is essential to ensure equity remains an integral part of the equation from the initial stages of an economic negotiation process and throughout each phase of development across the region.

NETWORK FOR OPPORTUNITY

The Network for Economic Opportunity is an initiative that trains small businesses and matches job-seekers to employment opportunities. It assists small businesses in qualifying for contracts and complying with the workforce hiring policies.

While efforts have been successful in connecting minority women with employment opportunities, largely in the healthcare field, it has found challenges in connecting African American males with sustainable employment.

Returning citizens: One key problem is that a significant number of African American males in New Orleans have arrest records, which create a barrier to entry for certain jobs. But GNOF also noticed an unexpected trend in the economic data.

In 2012, unemployment among African American men in New Orleans was 52%, said VP for Programs Carmen James.

The 2014 data showed a decrease to 44%. One of the things GNOF and the Network for Opportunity looked at was income. The unemployment rate was coming down but what was the income of those men? It also had gone down. So more men were working but making less money.

GNOF sought to learn how to not only get people working but also place them on a pathway to earning a living wage.

“In 2010, it wasn’t obvious that the city of New Orleans was going to flourish,” said Kopplin. “We were 340,000 people. It was five years after Katrina. There were 16,000 street lights still out. Things didn’t work. The city was about to go bankrupt.

The renaissance you see in New Orleans over the past seven years economically has been quite significant. But like our economy before Katrina, and like all the cities that Forward Cities works in, there was this divide that was largely racial, although economic.

“What we found in New Orleans, as we found in America, is the renaissance of the city was taking off economically and the divides between the haves and have-nots actually grew! Despite conscientious efforts by a mayor that’s pretty

thoughtful, and staff and philanthropic partners, the overwhelming sense of how the economy works in our country continued to exacerbate class, income and racial divides.

It just underscored that this work is even more important. Several years ago the mayor set up the Office of Economic Opportunity to [answer the question] what are we going to do to make sure everyone shares in the game because it was not being shared equally?”

GNOF has a workforce development program that has been “wildly successful attaching women, primarily women of color, to work,” said James. “It’s primarily in health, with a 92% retention rate in their jobs over last three years. However, we are not attaching men to employment. Healthcare jobs do not attract the men as much as it does women.”

CASE IN POINT: OCHSNER MEDICAL CENTER

The city’s largest hospital, Ochsner Medical Center, connected with Johns Hopkins to address the blanket policy of not hiring anyone with a criminal record. They discovered that policy is a barrier to hiring most men from New Orleans’ communities.

GNOF connected the security and HR departments of the two hospitals. Hopkins took the approach of individual analysis of each prospective employer’s record to discern between major and minor offenses and determined which jobs could accept minor offenses unrelated to the responsibilities of the job (i.e. former drug offenders are prohibited from working in the pharmacy around drugs). They helped determine which jobs could be safely matched with prospective employees that have a criminal history. GNOF convened other healthcare providers and leveraged the work done by Ochsner to influence the behavior of the market overall.

Other barriers are profound, like child support issues. A board member of GNOF was surprised to learn that 60% of the local workforce had child support orders.

Fines and fees were a major hurdle as well. GNOF and a local nonprofit worked with courts to do a warrant clinic. Judges volunteered and people came in to address unmet fines and fees. “About \$2M in fines and fees were cleared by judges who stayed to near midnight helping people clear issues,” said James.

INCLUSION CHALLENGE

- Most cities' economic development departments don't have inclusive economic development as their core, says Kopplin. You could say that should be their core, but that hasn't been their history.
- The difference between New Orleans' Economic **Development** office and **Economic** Opportunity programs is the latter are designed to make sure that every step of the way, in everything the city is involved in, there's a focus on addressing the equity disparities in the community, and to be intentional and proactive about it.
- For example, if there's a new business seeking a tax break, Kopplin said, the negotiations aren't just about what will it take to get the jobs here. Rather, they start with that question and add on additional questions, like who will be involved in the construction of the new facilities.

BUILD-NOLA | HIRE-NOLA

Two signature programs within the Network for Economic Opportunity are the **Build NOLA** and **Hire NOLA** initiatives. Build is focused on developing contract-ready minority business enterprises (MBE) while Hire NOLA is aims at developing a qualified workforce of minority labor. Both have ambitious measurable goals that attest to former Mayor Landrieu's mantra, "Equity is an Economic Growth Strategy."

Build NOLA

A goal of 35% of every public and private contract that receives public subsidies or benefits will be apportioned to local socially and economically small disadvantaged businesses.

Hire NOLA

At least 30% of all work hours on contracts with the City will be completed by local workers. At least 10% of work to be completed by disadvantaged local workers. At least 10% of all apprenticeships will be afforded to local disadvantaged workers.

WEALTH-BUILDING CHALLENGE

One of the principal challenges facing GNOF and the city is the broad swath of residents living in abject poverty. The goal of building generational wealth isn't on the horizon for many of New Orleans' residents according to a study that measured assets as a metric of determining wealth and opportunity. GNOF reported:

For too many New Orleanians, saving money and building generational wealth is out of reach. The 2012 "New Orleans Assets and Opportunity Profile" report commissioned by the Greater New Orleans Foundation (GNOF) from the

Corporation for Enterprise Development (CFED) showed that 71 percent of New Orleans residents have subprime credit scores, and 37 percent of New Orleans households live in asset poverty, meaning that these households do not have enough assets to live for three months at the federal poverty level should they lose their main source of income.

The foundation's viewpoint is the future of the city depends upon making sure it closes disparities, lifts everyone up and gets them involved in the innovation economy.

Beyond the jobs in construction and tourism, New Orleans is targeting advanced manufacturing, water management and other jobs in the tech-innovation sectors of the regional economy. Its lens of racial equity ensures each sector of economic growth will include residents who heretofore were left behind.

CONCLUSION

As one of the Rockefeller 100 Resilient Cities, New Orleans has elevated the issue of equitable economic growth to a pillar of priority. To ensure equity is integral to the city and region's economic strategy:

- New Orleans is a majority African American city that continues to be haunted by systemic segregationist policies and practices of the past, which crippled its African American population pre-Katrina.
- New Orleans has unique challenges in developing a successful educational pipeline of qualified talent for its workforce and entrepreneurial innovation ecosystem.
- New Orleans is experiencing an economic renaissance, but its impact remains separate and unequal.
- New Orleans has recently introduced a determined effort to address systemic segregationist policies and practices with a focus on closing disparity gaps.
- New Orleans is spearheading Equity New Orleans as a public platform, which was led by the former mayor, Mitch Landrieu, who termed out. The new mayor, LaToya Cantrell, is an African American woman with a background in entrepreneurship. She appears poised to continue the platform to provide a public awareness of the efforts taken by the City and how locals can engage. Mayor Cantrell is the first woman to be elected mayor of New Orleans in the city's history.
- The City has partnered with national researchers to establish an *Equity Profile* as a baseline for measuring its progress in key areas of economic impact.
- The mayor has established an *Economic Opportunity* authoritative voice to represent the City's equity strategy in economic development negotiations.

- The City is partnered with Greater New Orleans Foundation, Racial Equity Institute, NOLA Business Alliance, and other key stakeholders, with established measurable goals in contracting and procurement opportunities for small and disadvantaged MBEs.
- GNOF is connecting the dots across the entrepreneurial landscape and providing support for organizations that cultivate local entrepreneurial talent and provide support for the success of minority business owners in growth sectors of the regional economy.
- GNOF is hosting Racial Equity leadership gatherings to infuse knowledge and data-driven decisions

A key part of the Rockefeller 100 Resilient Cities Plan is around equity, said Kopplin. The theory on resilience is that the people who have the least assets, skills and mobility are most vulnerable to the shocks and stresses of the 21st century.

Therefore, the city is being intentional about addressing those inequities. That layer morphed into the city generating an entire equity plan. Every city policy that is developed is viewed through an equity lens. It may be imperfect in its implementation, but it is quite intentional about where it's headed.

RECOMMENDATIONS

- As part of its Equity Strategy, it is recommended that New Orleans produce and brand a national conference for cities with equity growth strategies. The gathering will be for the purpose of assembling best practices, showcasing emerging ideas, measuring and rewarding progress, convening thought leadership and creating space for collaboration.
- Given the focus on entrepreneurship as an economic pillar, it is recommended that the City encourage its schools systems to develop entrepreneurship as core pedagogy, with project-based outcomes in partnership with stakeholders in the entrepreneurial ecosystem to establish a sustainable pipeline of local entrepreneurial talent and ensure equitable access to resources.
- Leveraging its Equity New Orleans platform, it is recommended that the City transform the static site into a media platform that produces content related to the issues of economic inclusion, equity and competitiveness in the New Orleans region across the four pillars of education, workforce development, entrepreneurship and policymaking. Currently, the site remains dormant.
- Given the plethora of data being gathered across myriad programs, platforms and strategic plans, it is recommended that GNOF, or other lead agency with convening authority, assume the role of coordinating and aligning strategic

objectives, metrics, measures and investments in the varied existing plans that target communities, the city, region and the state, to establish greater efficiency and effectiveness of impact and outcomes at all levels.