

# The Racial Wealth Divide in New Orleans

RACIAL  
wealth  
DIVIDE INITIATIVE

Economic inequality has expanded in recent decades, shutting the windows of opportunity for millions of Americans. In urban centers we see this growing inequality in gentrification and concentrated poverty in communities of color, which have far-reaching consequences. Perhaps nowhere has the impact of such inequality been as visible as in New Orleans, Louisiana, where tens of thousands of people were displaced from the city when homes were destroyed and jobs disappeared in the wake of Hurricane Katrina and the ensuing floods.

Ten years after the storm, the effects of Hurricane Katrina are still being felt in New Orleans. Many displaced households — particularly African-American households — never returned to the city. Even as the white population has almost fully recovered, recent Census estimates suggest that there are now almost 100,000 fewer African Americans living in New Orleans than in 2000. African Americans now comprise 59% of the city's population, compared to 67% in 2000. Meanwhile, the white, Latino and Asian-American populations have all increased as a share of the city's total population: today, 31% of the New Orleans population is white (up from 27% in 2000), 5% is Latino (up from 3%) and 3% is Asian-American (up from 2%).

In the years since, much of the city has been rebuilt. Neighborhoods have been repopulated, the school system has been overhauled, and airports, hospitals and the tourist economy have been restored. Yet, racial economic inequality in New Orleans continues, and the African-American population has been largely left behind. The data show vast disparities in outcomes between white households and those of color, a result of an unequal recovery and an enduring legacy of racial inequality.

African-American households in New Orleans lag across multiple measures of financial security. Median income among African-American households is only \$25,806, compared to \$64,377 for white households, and there are six times as many African-American households living in income poverty than white households. Moreover, African-American workers are three times more likely to be unemployed than white workers (15.3% and 5.1%, respectively), and a full 71% of African-American households are liquid asset poor, meaning they lack the savings necessary to live above the poverty level for just three months if they lose a job, face a medical crisis or suffer another income disruption.

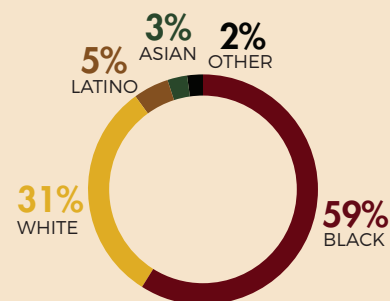
Additionally, homeownership—historically the greatest source of wealth for middle-income Americans—remains out of reach for the majority of New Orleans' households of color: only 43% of African-American households and 33% of Latino households own their homes, compared to 54% of white or Asian households. Also, although Asian-American households have roughly the same rate of homeownership as white households, there is a major gap in property values. The median value of an Asian-American-owned home is \$150,000, the same as that of the average African-American-owned home, and only half the value of the average white-owned home. Asian-American homeowners are also the most likely (62%) to be cost-burdened; half of African-American and Latino homeowners, and just 34% of whites, face similar straits.



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## NEW ORLEANS HIGHLIGHTS

### POPULATION



### MEDIAN PROPERTY VALUE

The average Asian and African-American home is worth

**1/2**

the value of the average white-owned home

### UNEMPLOYMENT RATE

The unemployment rate of households of color in New Orleans is

**3X**

more than the rate for white households

### INCOME POVERTY RATE

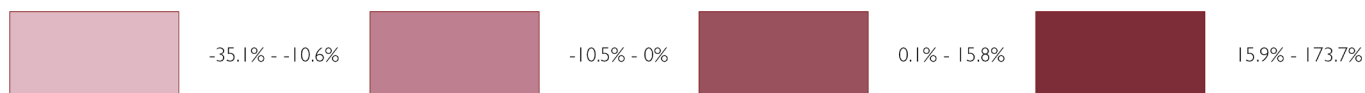
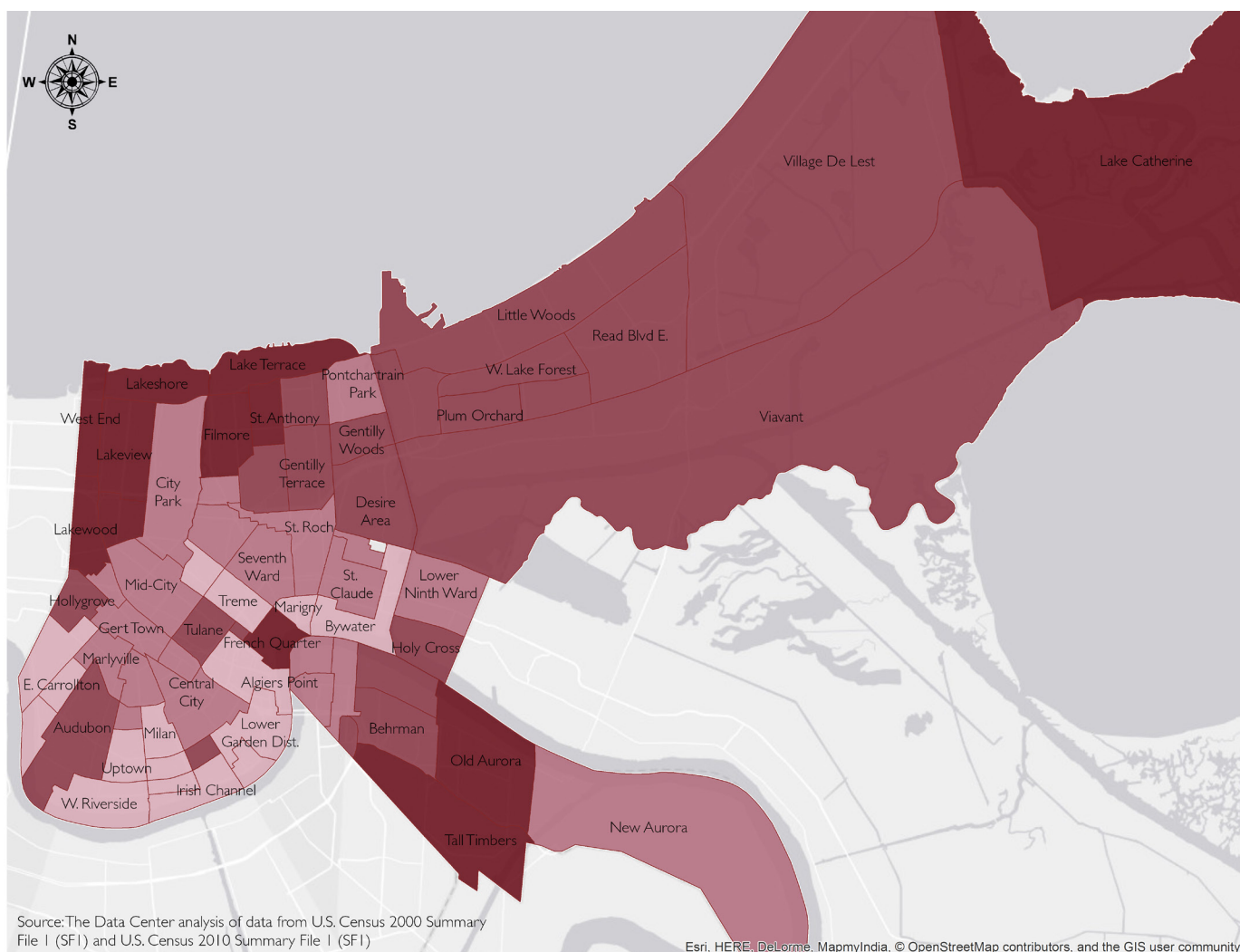
Families of color in New Orleans are

**6X**

more likely to live in poverty than white families

These data make clear that no single solution will adequately cover the gap for all racial or ethnic groups, nor are all households of color confronted with identical obstacles on the path to financial security. The Racial Wealth Divide Initiative at CFED understands that redressing the disparity in economic outcomes requires an inclusive approach that addresses not only the disparities themselves, but also their root causes. Through work funded by JP Morgan Chase, the Racial Wealth Divide Initiative has launched a project to build the capacity of organizations of color working in communities hardest hit by past wrongdoings to support wealth-building efforts.

## POPULATION CHANGE AMONG PEOPLE OF COLOR IN NEW ORLEANS NEIGHBORHOODS, 2000 TO 2010

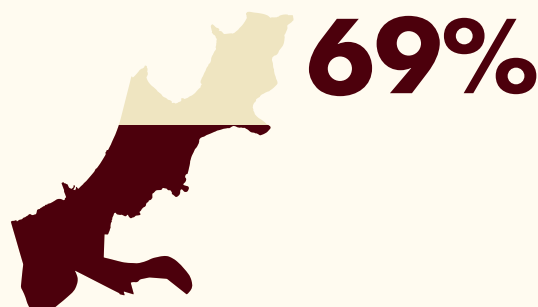


Negative change represents a declining nonwhite population; positive change represents an increase in nonwhite population.

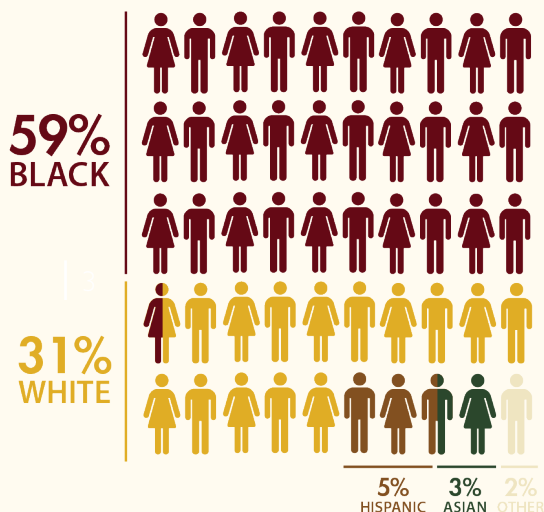
## RACIAL WEALTH DIVIDE IN NEW ORLEANS

Despite the economic gains made by the city at large over the past decade, the data illustrate that the vast majority of New Orleans' households of color are living on the brink of financial catastrophe. For the African-American community, which is almost 60% of the New Orleans population, unemployment is at 15%. There is also strong racial inequality in educational achievement, household income and asset ownership. Likewise, the majority of the city's households of color rent their homes, and high rent costs leave families without the means to save or build a basic safety net for financial emergencies, let alone build the wealth needed to lay the foundation for upward mobility.

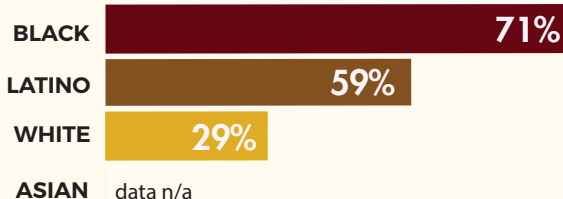
### HOUSEHOLDS OF COLOR IN LIQUID ASSET POVERTY ...



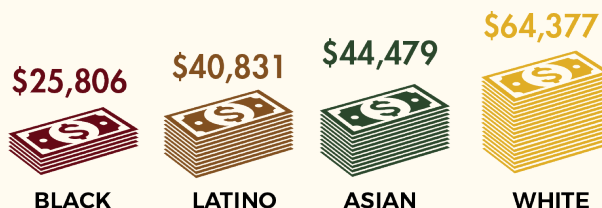
#### POPULATION



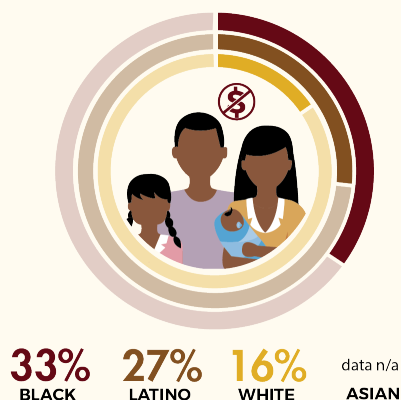
#### LIQUID ASSET POVERTY BY RACE



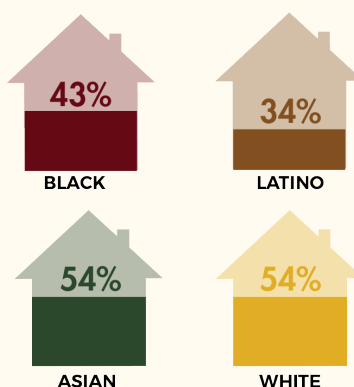
#### MEDIAN HOUSEHOLD INCOME



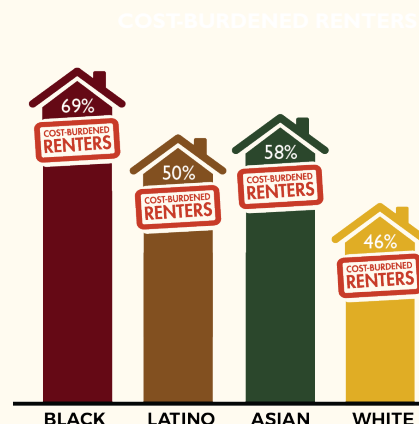
#### HOUSEHOLD WITH ZERO NET WORTH



#### HOMEOWNERSHIP RATE

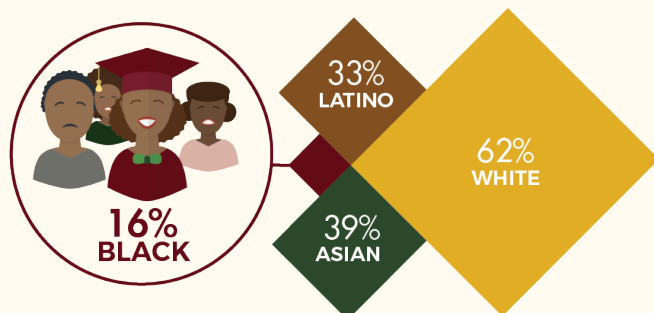


#### COST-BURDENED RENTERS



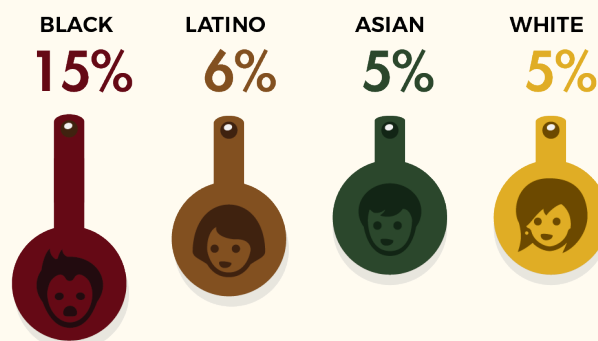
Note: Estimates of liquid asset poverty and households with zero net worth not published by CFED's [Assets & Opportunity Scorecard](#) are derived from a statistical model to create geographic estimates at the local level and are not meant to directly reflect the SIPP data. Caution should be used in interpreting the local estimates as the statistical model is based on national surveys of fewer than 50,000 households.

## BACHELOR'S DEGREE OR HIGHER



Only **16% of black adults in New Orleans** finish a Bachelor's degree or higher compared to **62% of white adults**

## UNEMPLOYMENT RATE

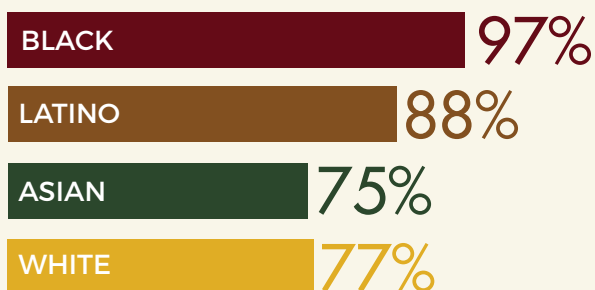


The unemployment rate for black households in New Orleans is **3X** the rate for white households.

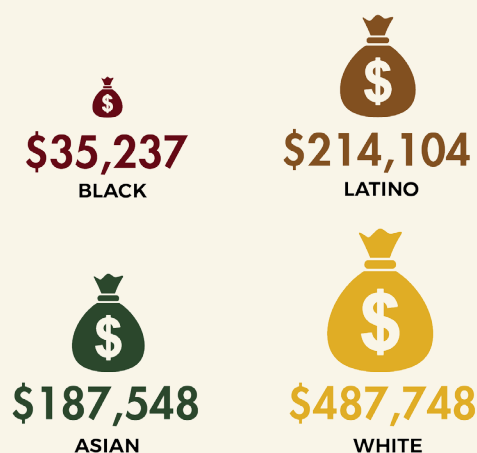
## BUSINESS OWNERSHIP

Many turn to self-employment to work toward financial security. Unfortunately for the most insecure communities we see the least return in small business ownership. **Most small businesses have no paid employees, and there is a great racial economic divide** in regards to the average business value between businesses of color and white owned businesses.

### BUSINESSES WITHOUT PAID EMPLOYEES



### AVERAGE BUSINESS VALUE



## POPULATION AND DEMOGRAPHICS

Data Measure	New Orleans	New Orleans-Metairie MSA*	Louisiana	United States
<b>Total Population</b>	368,471	1,226,440	4,601,049	314,107,084
White	113,105	648,427	2,748,538	197,159,492
Black or African American	217,983	420,356	1,468,208	38,460,598
Asian	10,737	34,247	74,878	15,536,209
Hispanic or Latino	19,911	100,011	210,524	53,070,096
<b>Total Households</b>	150,409	470,837	1,718,876	116,211,092
White	53,618	267,805	1,093,939	80,989,398
Black or African American	83,933	154,594	515,609	14,042,937
Asian	3,601	10,805	22,890	4,902,796
Hispanic or Latino	7,513	31,691	60,915	14,047,027
<b>U.S. Citizenship Rate</b>	96.6%	96.0%	97.6%	92.9%
White	97.8%	98.9%	99.5%	98.5%
Black or African American	99.6%	99.3%	99.5%	95.8%
Asian	74.3%	75.1%	68.2%	72.0%
Hispanic or Latino	67.6%	69.4%	69.9%	75.6%
<b>Speak English Less Than "Very Well"</b>	3.7%	4.8%	2.9%	8.6%
White	1.1%	0.9%	0.9%	1.6%
Black or African American	0.7%	0.9%	0.6%	2.9%
Asian	41.3%	41.0%	39.7%	35.0%
Hispanic or Latino	33.6%	37.0%	33.8%	33.1%

## HOUSEHOLD FINANCES

Data Measure	New Orleans	New Orleans-Metairie MSA*	Louisiana	United States
<b>Median Household Income</b>	\$36,964	\$47,412	\$44,991	\$53,482
White	\$64,377	\$61,331	\$55,070	\$58,847
Black or African American	\$25,806	\$30,379	\$28,116	\$35,600
Asian	\$44,479	\$52,225	\$53,586	\$73,244
Hispanic or Latino	\$40,831	\$43,161	\$44,481	\$42,396
<b>Income Poverty Rate</b>	22.7%	14.5%	15.1%	11.5%
White	4.9%	6.4%	8.4%	7.2%
Black or African American	31.5%	27.5%	29.1%	23.4%
Asian	21.7%	14.2%	14.6%	9.3%
Hispanic or Latino	19.0%	18.9%	18.3%	22.3%
<b>Asset Poverty Rate</b>	37.4%	26.4%	23.6%	25.4%
White	21.3%	15.8%	16.2%	16.7%
Black or African American	48.9%	44.2%	43.3%	43.5%
Asian	-	19.9%	21.1%	18.6%
Hispanic or Latino	41.6%	39.6%	39.0%	40.8%
<b>Liquid Asset Poverty Rate</b>	53.7%	45.1%	49.9%	43.5%
White	29.4%	30.7%	33.6%	31.7%
Black or African American	71.0%	68.3%	69.8%	64.9%
Asian	-	44.2%	43.1%	34.9%
Hispanic or Latino	59.2%	63.9%	63.3%	68.5%
<b>Households with Zero Net Worth</b>	25.9%	18.5%	16.7%	17.0%
White	15.7%	11.4%	11.6%	11.9%
Black or African American	33.4%	30.7%	30.2%	30.4%
Asian	-	12.0%	12.7%	10.6%
Hispanic or Latino	27.1%	25.0%	25.3%	26.2%

\*The New Orleans-Metairie, LA metropolitan statistical area consists of Orleans, Jefferson, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, and St. Tammany Parishes.

"-" indicates that no data is available



## HOUSEHOLD FINANCES

Data Measure	New Orleans	New Orleans-Metairie MSA*	Louisiana	United States
<b>Labor Force Participation Rate</b>	62.0%	63.5%	61.0%	63.7%
White	69.4%	64.5%	61.4%	63.2%
Black or African American	56.8%	60.0%	58.7%	62.0%
Asian	60.8%	64.4%	66.7%	65.3%
Hispanic or Latino	73.7%	71.1%	69.4%	67.3%
<b>Unemployment Rate</b>	10.3%	7.6%	7.5%	7.2%
White	5.1%	4.8%	5.2%	5.8%
Black or African American	15.3%	12.8%	12.0%	13.2%
Asian	5.2%	3.2%	5.0%	5.6%
Hispanic or Latino	6.2%	8.5%	7.3%	8.4%
<b>Businesses Without Paid Employees</b>	83.0%	82.4%	81.5%	80.4%
White	77.0%	79.0%	78.2%	79.4%
Black or African American	96.9%	96.9%	97.0%	95.8%
Asian	75.4%	81.0%	74.8%	74.9%
Hispanic or Latino	87.9%	93.2%	91.4%	91.3%
<b>Business Value</b>	\$748,235	\$1,669,247	\$1,543,070	\$1,213,944
White	\$487,748	\$509,358	\$607,167	\$508,406
Black or African American	\$35,237	\$40,289	\$35,592	\$58,119
Asian	\$187,548	\$257,660	\$305,820	\$364,717
Hispanic or Latino	\$214,104	\$125,812	\$256,678	\$143,271

## HOUSING & HOMEOWNERSHIP

Data Measure	New Orleans	New Orleans-Metairie MSA*	Louisiana	United States
<b>Homeownership Rate</b>	46.9%	62.2%	66.3%	64.4%
White	54.3%	73.0%	75.7%	71.9%
Black or African American	43.0%	46.9%	49.4%	43.0%
Asian	53.6%	65.4%	60.1%	57.9%
Hispanic or Latino	33.5%	44.1%	44.9%	46.3%
<b>Median Property Value</b>	\$173,600	\$184,100	\$140,400	\$175,700
White	\$300,000	\$195,454	\$152,455	
Black or African American	\$150,000	\$136,846	\$100,000	
Asian	\$150,000	\$179,476	\$175,292	
Hispanic or Latino	\$254,091	\$175,000	\$157,899	
<b>Cost Burdened Renters</b>	59.6%	56.0%	51.8%	
White	46.0%	49.2%	45.9%	
Black or African American	69.0%	65.2%	62.8%	
Asian	57.9%	47.9%	41.0%	
Hispanic or Latino	49.6%	51.8%	45.3%	
<b>Cost Burdened Owners</b>	38.2%	31.5%	25.1%	
White	34.4%	30.5%	24.5%	
Black or African American	50.3%	47.2%	41.7%	
Asian	61.9%	53.7%	41.7%	
Hispanic or Latino	48.1%	43.6%	37.4%	

## EDUCATIONAL ATTAINMENT

Data Measure	New Orleans	New Orleans-Metairie MSA*	Louisiana	United States
<b>High School Degree or Higher</b>	84.8%	84.9%	82.8%	86.3%
White	96.5%	90.5%	87.0%	91.4%
Black or African American	79.3%	79.1%	76.2%	83.2%
Asian	71.5%	72.7%	75.9%	85.8%
Hispanic or Latino	72.6%	72.2%	70.4%	64.1%
<b>Bachelor's Degree</b>	19.5%	17.0%	14.6%	18.2%
White	33.7%	21.0%	17.2%	20.3%
Black or African American	10.3%	10.3%	9.2%	12.3%
Asian	11.6%	17.5%	20.6%	29.4%
Hispanic or Latino	17.0%	13.2%	11.6%	9.4%
<b>Graduate or Professional Degree</b>	15.5%	9.8%	7.4%	11.0%
White	28.8%	12.1%	8.5%	12.3%
Black or African American	5.6%	5.2%	4.5%	7.0%
Asian	27.4%	18.9%	20.2%	20.9%
Hispanic or Latino	15.8%	6.9%	6.5%	4.4%

\* The New Orleans-Metairie, LA metropolitan statistical area consists of Orleans, Jefferson, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, and St. Tammany Parishes.

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## DATA MEASURES & SOURCES

	Data Measure	Measure Description	Source
Population Demographics	Total Households	Total number of households	U.S. Census Bureau, 2010-2014 American Community Survey
	Total Population	Total population	U.S. Census Bureau, 2010-2014 American Community Survey
	Population with Disability	Percentage of population living with a disability	U.S. Census Bureau, 2010-2014 American Community Survey
	U.S. Citizenship Rate	Percentage of population that are U.S. citizens	U.S. Census Bureau, 2010-2014 American Community Survey
	Speak English Less Than "Very Well"	Percentage of population that speaks English less than "very well"	U.S. Census Bureau, 2010-2014 American Community Survey
Household Finances	Median Household Income	Median household income in the past 12 months	U.S. Census Bureau, 2010-2014 American Community Survey
	Income Poverty Rate	Percentage of all families with income in the past 12 months below the federal poverty threshold	U.S. Census Bureau, 2010-2014 American Community Survey
	Asset Poverty Rate	Percentage of households without sufficient net worth to subsist at the poverty level for three months in the absence of income	Estimates calculated by Haveman Economics, based on U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 10 (2011) and 2009-2013 American Community Survey
	Liquid Asset Poverty Rate	Percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income	Estimates calculated by Haveman Economics, based on U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 10 (2011) and 2009-2013 American Community Survey
	Households with Zero Net Worth	Percentage of households with zero or negative net worth	Estimates calculated by Haveman Economics, based on U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 10 (2011) and 2009-2013 American Community Survey
Employment & Business Ownership	Labor Force Participation Rate	Percentage of civilian labor force who are employed or unemployed but actively searching for employment	U.S. Census Bureau, 2010-2014 American Community Survey
	Unemployment Rate	Percentage of civilian labor force who are unemployed but actively searching for employment	U.S. Census Bureau, 2014 American Community Survey
	Businesses Without Paid Employees	Percentage of total businesses that do not employ paid workers	U.S. Census Bureau, 2012 Survey of Business Owners
	Business Value	Average sales or receipts earned per firm	U.S. Census Bureau, 2012 Survey of Business Owners
Housing & Homeownership	Homeownership Rate	Percentage of occupied housing units that are owner occupied	U.S. Census Bureau, 2010-2014 American Community Survey
	Median Property Value	Median value, in 2014 dollars, of owner-occupied housing units.	U.S. Census Bureau, 2010-2014 American Community Survey
	Cost Burdened Renters	Percentage of renter-occupied units spending 30% or more of household income on rent and utilities	U.S. Census Bureau, 2010-2014 American Community Survey
	Cost Burdened Owners	Percentage of mortgaged owners spending 30% or more of household income on selected monthly owner costs	U.S. Census Bureau, 2010-2014 American Community Survey
Educational Attainment	High School Degree	Percentage of population 25 and older who have a high school degree, GED or alternative degree only	U.S. Census Bureau, 2010-2014 American Community Survey
	Bachelor's Degree	Percentage of population 25 and older who have at least a bachelor's (4 year college) degree	U.S. Census Bureau, 2010-2014 American Community Survey
	Graduate or Professional Degree	Percentage of population 25 and older who have a graduate or professional degree	U.S. Census Bureau, 2010-2014 American Community Survey

## ABOUT BUILDING HIGH-IMPACT NONPROFITS TO BRIDGE THE RACIAL WEALTH DIVIDE

In order to address the national challenge of a broad and deep racial wealth divide, communities of color need nonprofits of color with high-impact asset-building services. CFED's Racial Wealth Divide Initiative aims to strengthen the capacity of nonprofits of color to support economic opportunity through the work of the *Building High-Impact Nonprofits to Bridge the Racial Wealth Divide* project.

The project has three key goals: to build leadership and organizational capacity, improve organizations' understanding of the connection between assets and the racial wealth divide, and provide networking and convening opportunities so organizations of color can build strong relationships within and across networks.

By the end of 2017, this project will equip more than 20 organizations with strategies and skills to launch, expand or improve wealth-building initiatives for communities of color across the country. CFED's Racial Wealth Divide Initiative will continue partnering with organizations to support their growth and development, share CFED resources and analysis and continue learning about best practices for addressing racial economic inequality at the local level.

**CFED's** work makes it possible for millions of people to achieve financial security and contribute to an opportunity economy. We scale innovative practical solutions that empower low- and moderate-income people to build wealth. We drive responsive policy change at all levels of government. We support the efforts of community leaders across the country to advance economic opportunity for all. Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina, and San Francisco, California.

**Racial Wealth Divide Initiative (RWDI) at CFED** works to strengthen the ability of all CFED's programs to proactively address racial wealth inequality and deepen analysis of asset poverty challenges impacting communities of color. RWDI launches and implements projects that highlight best practices for eradicating racial wealth inequality, including collaborating with local and regional organizations. RWDI supports the efforts of CFED and its partners to drive policy solutions that reduce racial economic inequality at the national, state and local levels.

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**The Center for Public & Nonprofit Leadership** at Georgetown University's McCourt School of Public Policy is a leading education, research and training center dedicated to the development of public, nonprofit and philanthropic leadership. Our programs for students, practitioners and policymakers increase their capacity to work across organizations, communities and sectors to address public needs, tackle public problems and, above all, promote the public good.