THE DATA CENTER

Independent Analysis for Informed Decisions in Southeast Louisiana

Lessons from the Data:
Current Public Safety Trends and Factors that Influence Them

Bureau of Governmental Research

Breakfast Briefing

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About Us

The Data Center is the most trusted resource for data about greater New Orleans and Southeast Louisiana. Founded in 1997, we provide fully independent research and analysis to offer a comprehensive look at issues that matter most to our region. Our work makes available a toolbox of fact-driven, well-researched data that moves beyond anecdotal experiences to uncover root causes for our region's challenges. With a mission of democratizing data, The Data Center has, and continues to be, an objective partner in bringing reliable, thoroughly researched data to conversations about building a more prosperous, inclusive, and sustainable region.
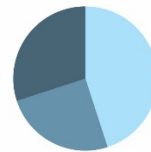
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There is often a desire to pin down causes of violent crime to specific social ills, yet the underlying cause of violent crime has been well understood for quite some time.

- "Poverty is the mother of crime."
  - Marcus Aurelius (121 AD – 180 AD)

- Over 50 years ago Nobel Prize-winning economist Gary Becker helped demonstrate the idea that places with larger gaps between rich and poor also have higher crime

- Disasters exacerbate existing trends
  - While specific effects on crime are unclear, disasters tends to widen the gaps between the rich and poor

While many other factors also contribute to crime – from environmental contamination in poor neighborhoods to a weak regional education system – many of these problems are also closely tied to poverty.

According to 2019 ACS data, New Orleans was #4 among large cities in terms of income inequality.

CENSUS RANK	CITY	TOTAL POPULATION IN 2018	GINI INDEX
1	San Juan, Puerto Rico	309,990	0.5936
2	Atlanta, Georgia	498,073	0.5728
3	Miami, Florida	470,911	0.5674
4	New Orleans, Louisiana	391,006	0.5617
5	New York, New York	8,398,748	0.5469
6	Cleveland, Ohio	383,781	0.5467
7	Cincinnati, Ohio	302,615	0.5432
8	Dallas, Texas	1,345,076	0.5341
9	Tampa, Florida	392,905	0.5339
10	Chicago, Illinois	2,705,988	0.5335

Population size serves as a reasonable proxy for economic strength. New Orleans was the 3rd largest city in 1840, but would slip to 6th as the State increased restrictions on "free people of color," and drop to 15th by the end of the Jim Crow era.
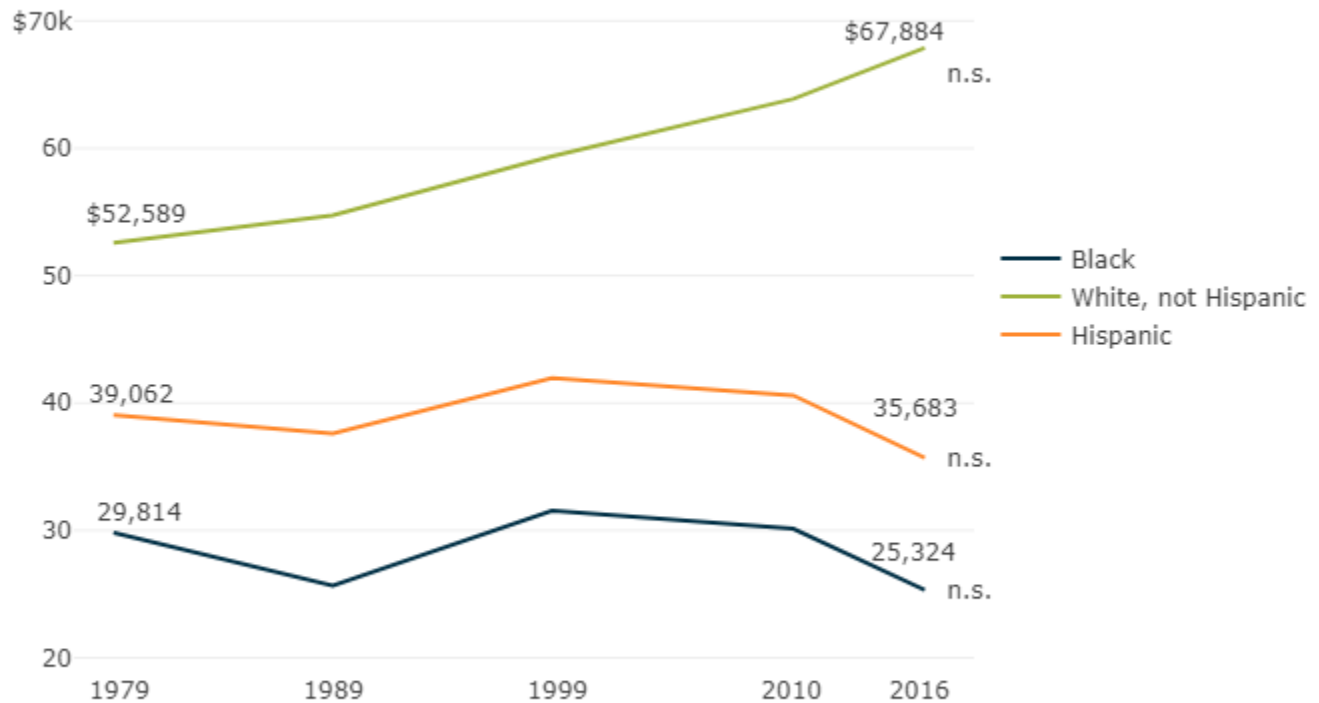
Total Population (1721-2010)
New Orleans
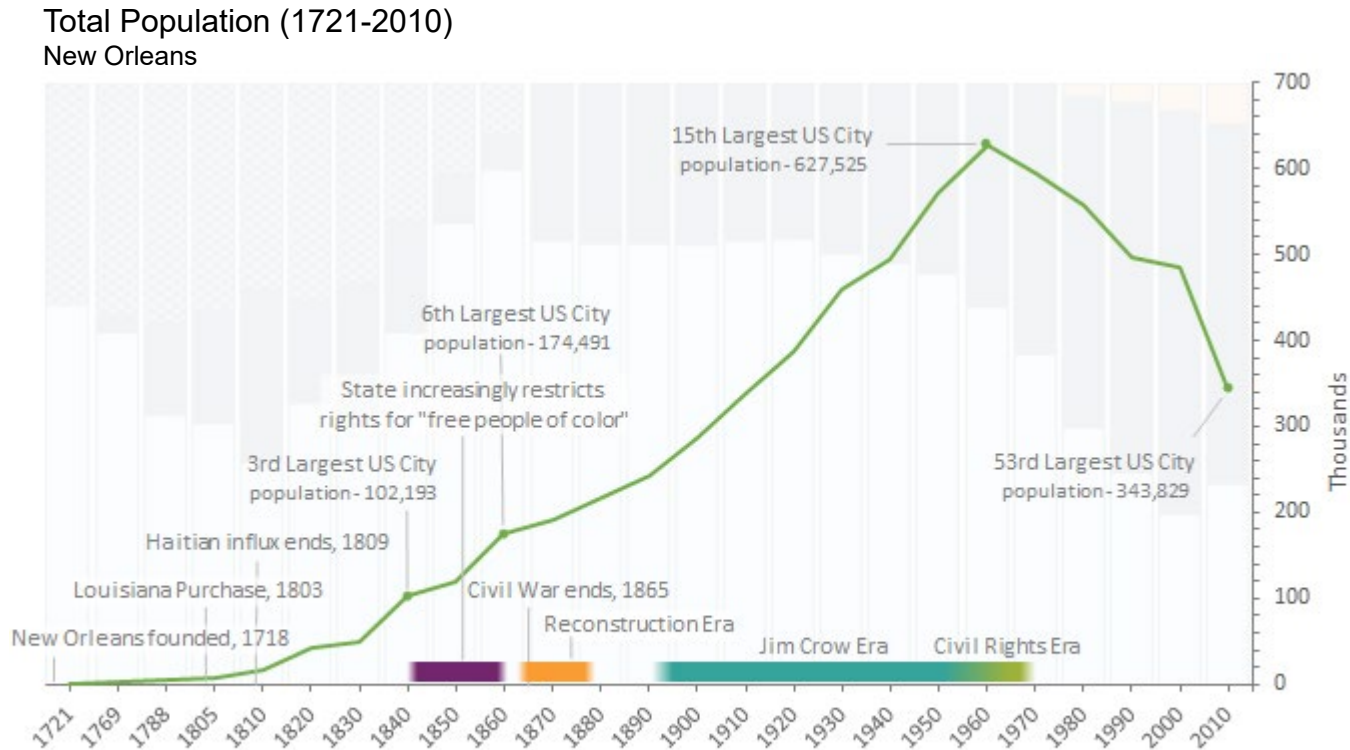
Of New Orleans' 300 years, the first 150 were during slavery and the American slave trade. The next nearly 100 years were marked by the "Jim Crow" apartheid system. Only in the last 50 years have black New Orleanians had the possibility of fully participating in the city's economic mainstream. While economic inclusion was not the focus of the city's first 250 years, economic inclusion is increasingly important for fostering growth in developed economies.

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In New Orleans, black households earn 63 percent less and Hispanic households earn 47 percent less than white households in 2016. Half of all black families in New Orleans earn less than $25,324.

New Orleans median household income by race/ethnicity
2016 inflation adjusted dollars

Legend:
- Black
- White, not Hispanic
- Hispanic

White values: $52,589 (1979), $67,884 (2016) n.s.
Hispanic values: 39,062 (1979), 35,683 (2016) n.s.
Black values: 29,814 (1979), 25,324 (2016) n.s.

Y-axis: $70k, 60, 50, 40, 30, 20
X-axis: 1979, 1989, 1999, 2010, 2016

The share of white households in the highest income quintile has grown from 24% in 1979 to 29% in 2016. The share of black households in this tier has shrunk from 9% to 6%. Black households in the lowest tier grew from 41% to 47% by 2016.

Portion of households by national income quintiles, New Orleans

Black

White
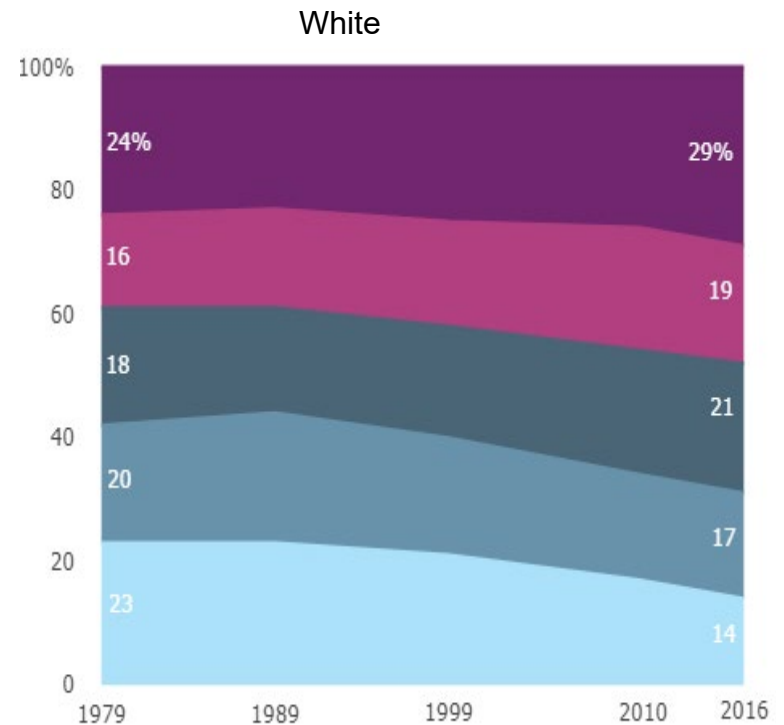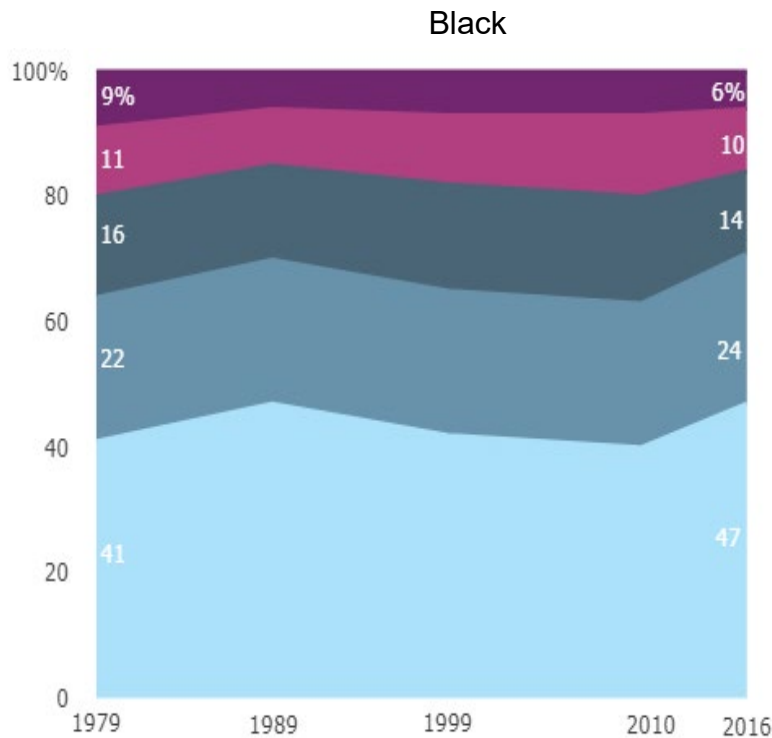
2016 Quintile Ranges

|	
High	> $114,632
Upper Middle	$71,154 – $114,632
Middle	$44,555 – $71,153
Lower Middle	$23,237 – $44,554
Low	< $23,237

Persistent income disparities have contributed to low levels of household net worth and liquid assets for black households.

Black New Orleanians are nearly 2.5x more likely to be in liquid asset poverty and more than twice as likely to be in a household with 0 net worth than their white peers.

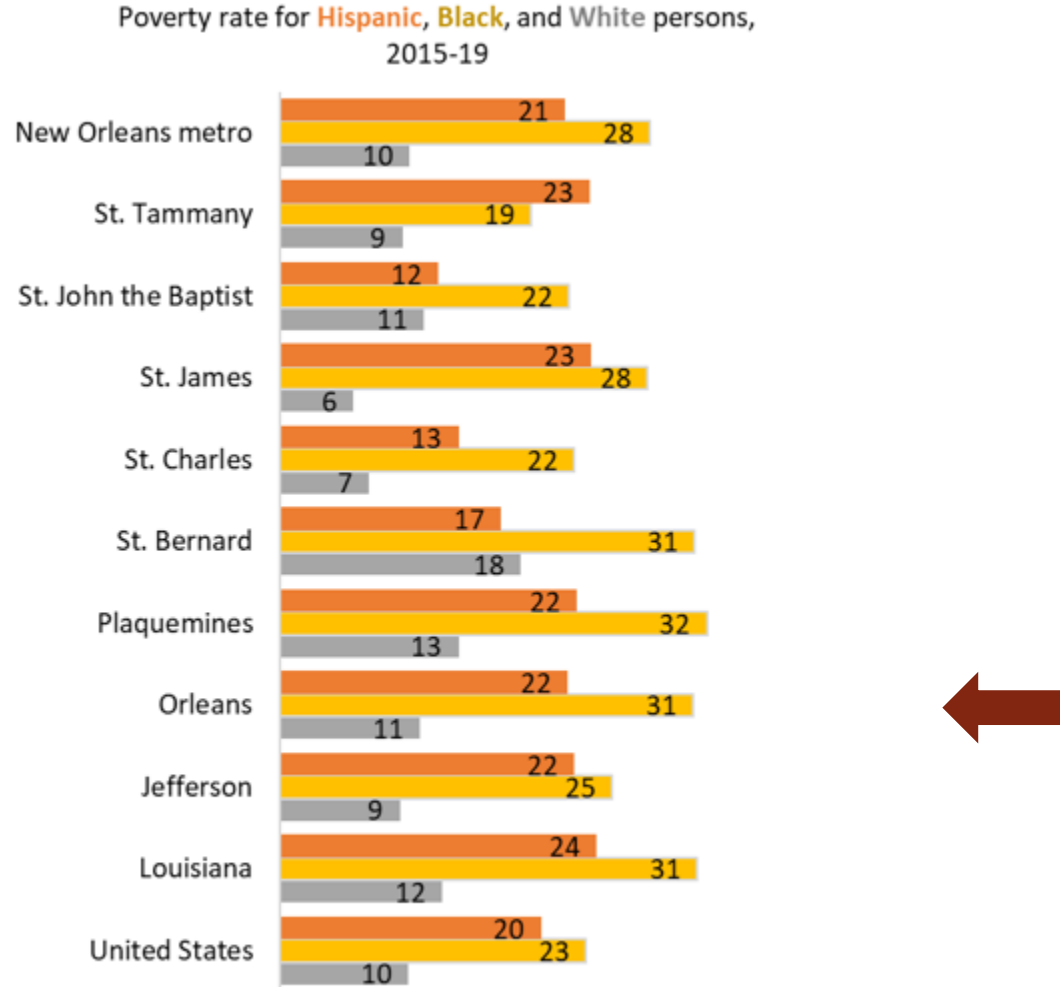**Liquid asset poverty rate by race/ethnicity**
New Orleans, 2016

- Black: 71.0%
- White: 29.4%
- Hispanic: 59.2%
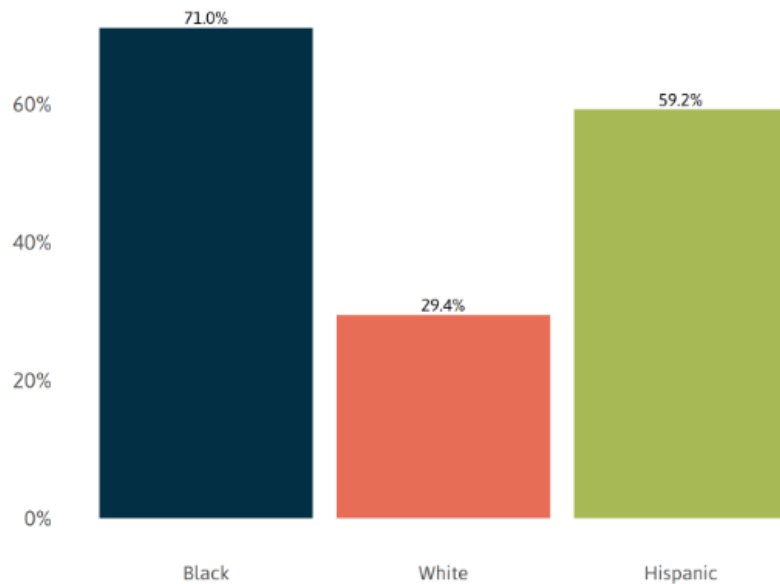
Households with zero net worth by race/ethnicity
New Orleans, 2016

- Black: 33.4%
- White: 15.7%
- Hispanic: 27.1%
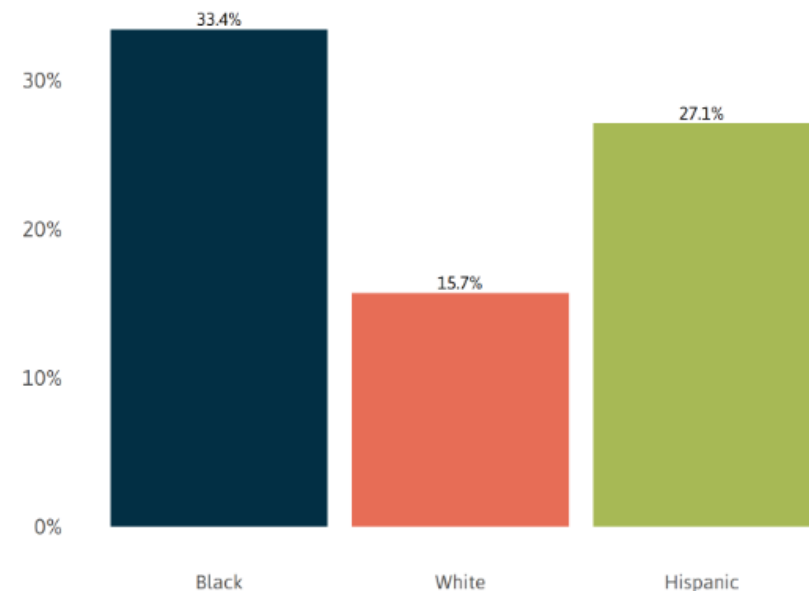
In the New Orleans metro, poverty rates are high: 28% of Black, 21% of Hispanic, and 10% of White people live in poverty. The poverty rate for Black people is 3x the level for White people, and the poverty rate for Hispanics is 2x that of their White peers. Poverty rates for Blacks in New Orleans are higher than in the metro, which in turn is higher than in the U.S.

Poverty rate for Hispanic, Black, and White persons, 2015-19

	Hispanic	Black	White
New Orleans metro	21	28	10
St. Tammany	23	19	9
St. John the Baptist	12	22	11
St. James	23	28	6
St. Charles	13	22	7
St. Bernard	17	31	18
Plaquemines	22	32	13
Orleans	22	31	11
Jefferson	22	25	9
Louisiana	24	31	12
United States	20	23	10

Source: ACS 2015-19

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In New Orleans, child poverty rates are little different than in 1980 for African American and whites. Nearly half of all African American children live in poverty while 9% of white children are poor.

Percent of children under 18 below poverty level by race/ethnicity
New Orleans
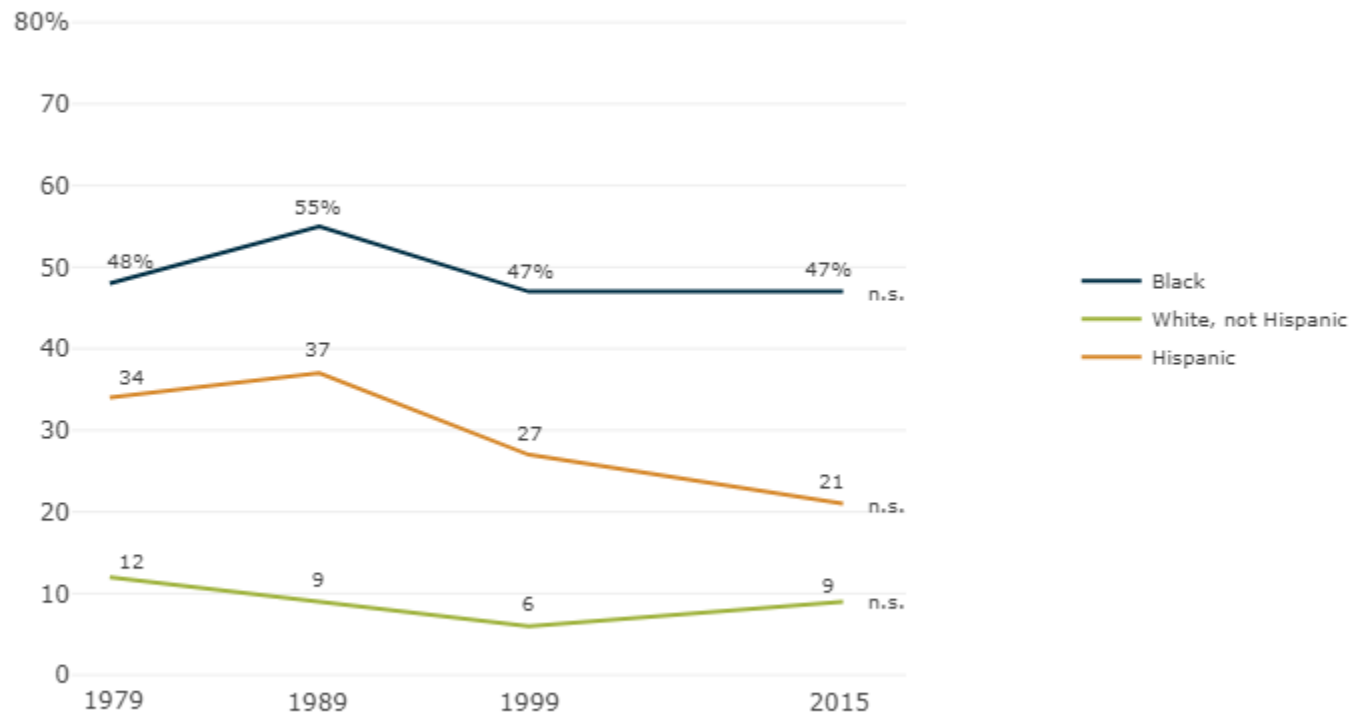
- Black
- White, not Hispanic
- Hispanic

When individual poverty is coupled with neighborhood-level poverty, it can be hard for families to find their way out. In New Orleans neighborhoods with the lowest income mobility, the children who grew up in households whose average income put them in the 25th percentile reached only the 29th percentile by adulthood. In other parts with the highest rates of income mobility, children with similar socioeconomic status as above had an average adult income at the 53rd percentile.

Neighborhood income mobility by race for adults who grew up
as low-income children
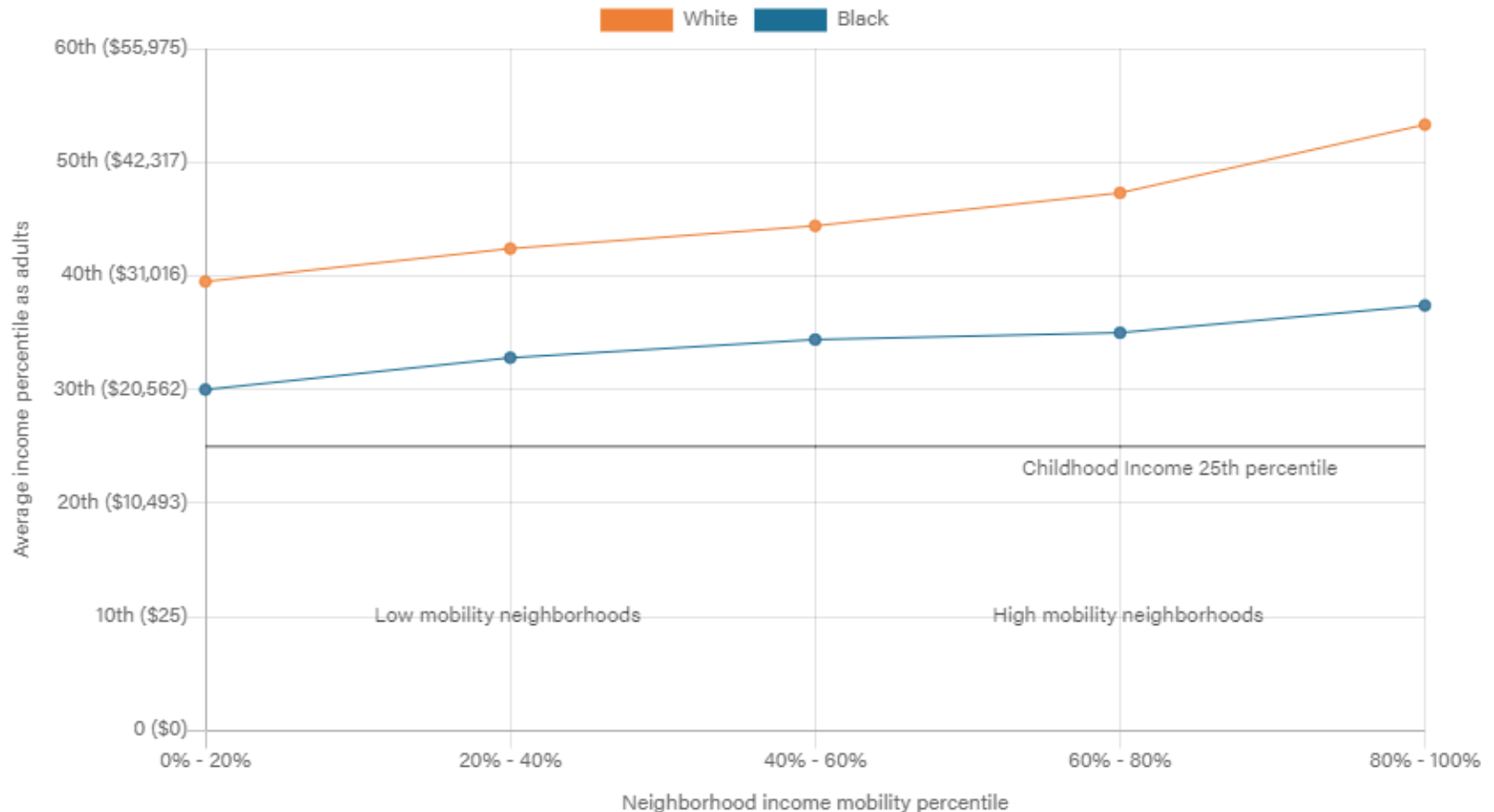
In New Orleans, as in many cities with high inequality, there is a relationship between adult income levels, the demographics of the neighborhood you live in, and life expectancy. Lower earning adults who live in majority black neighborhoods have lower life expectancies than higher earning adults living in majority non-black neighborhoods. Life expectancy is considered a broad indicator of quality of life.

Income mobility, life expectancy, and black populations by census tract, New Orleans metro
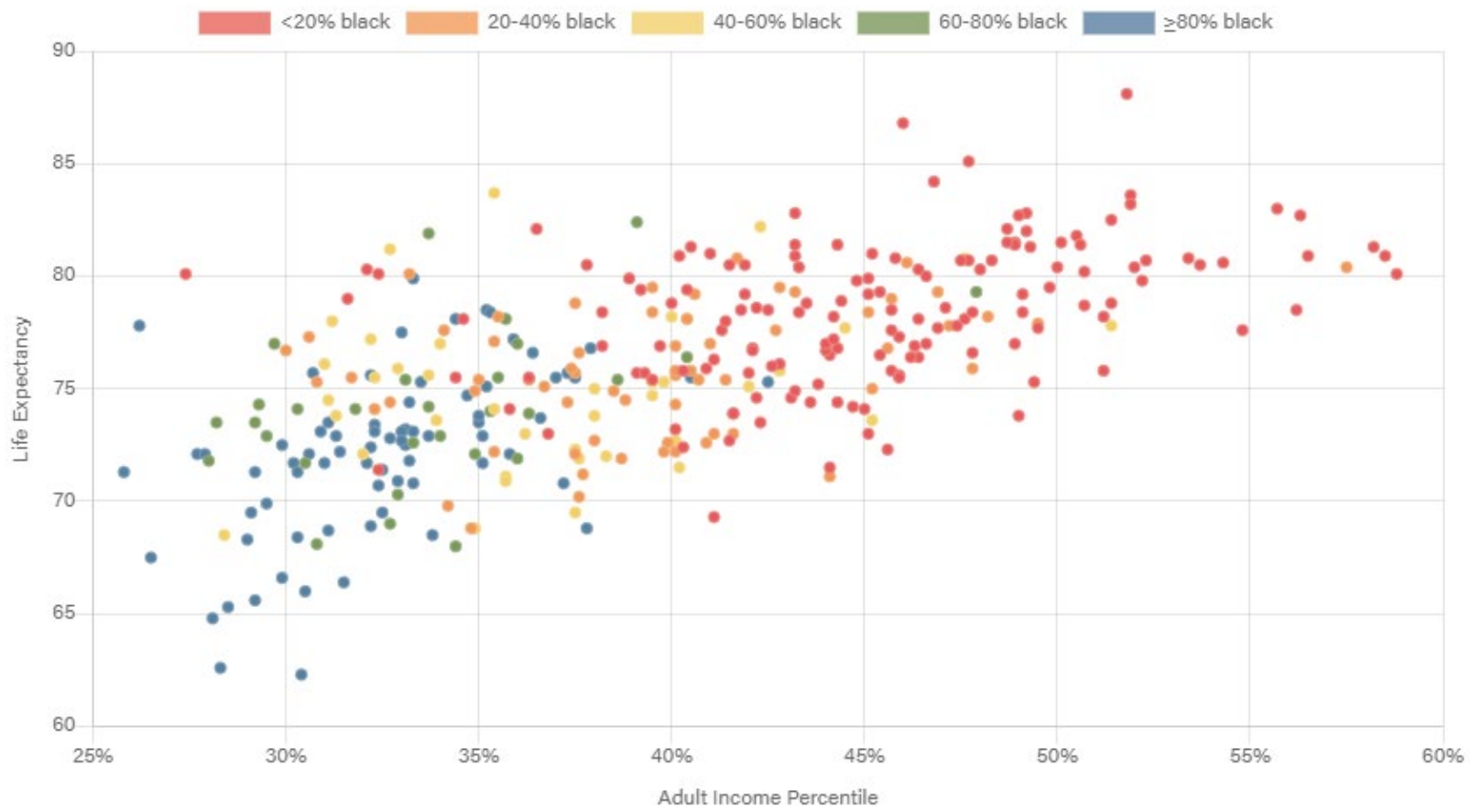
According to MIT, a living wage in 2016 New Orleans for one adult with one child is $22.89 per hour or $47,611 annually. Roughly 4,500 Hispanic households, 17,500 white households, and 60,500 black households earned less than $45,000.

New Orleans households earning above/below living wage ($45,000)
by race/ethnicity, 2016
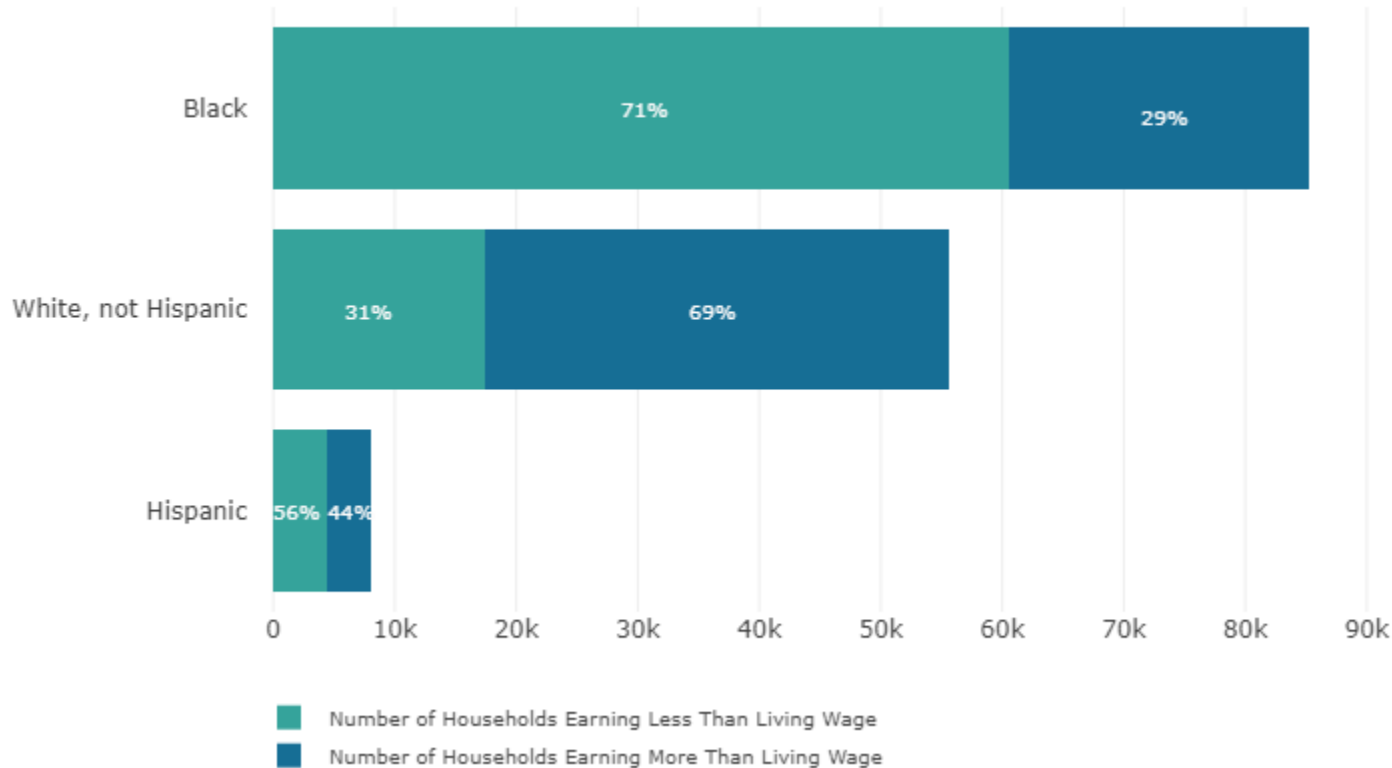
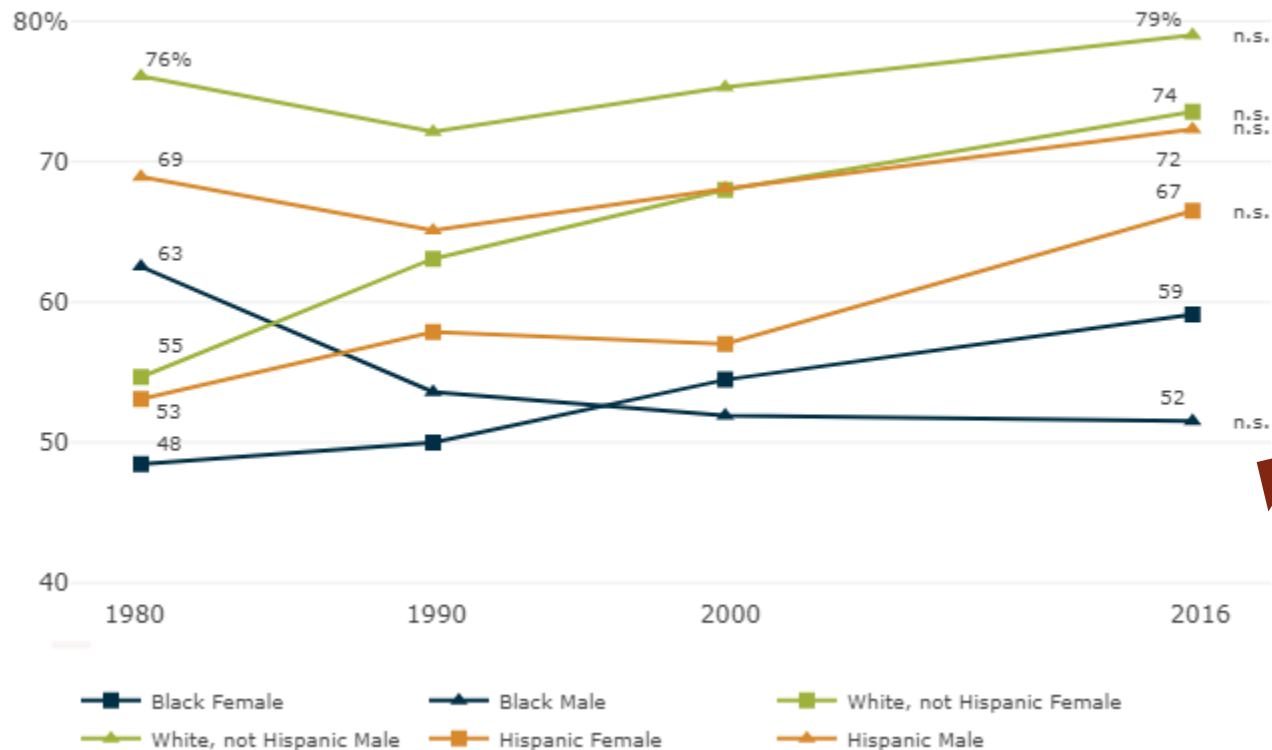Source: U.S. Census Bureau , MIT Living Wage Calculator

Note: Annual living wage for 1 Adult 1 Child in New Orleans in 2016 is $47,611. An annual income of $45,000 is the closest lower break point in the ACS tabulated data.

Since 2016, the living wage has grown from $22.89/hr to $32.05/hr for one adult and one child.

Since 1980, employment rates in New Orleans have risen for white men and women, Hispanic men and women, and black women. Only for black men have employment rates fallen--from 63% to 52%.

New Orleans employment rate by race/ethnicity and gender
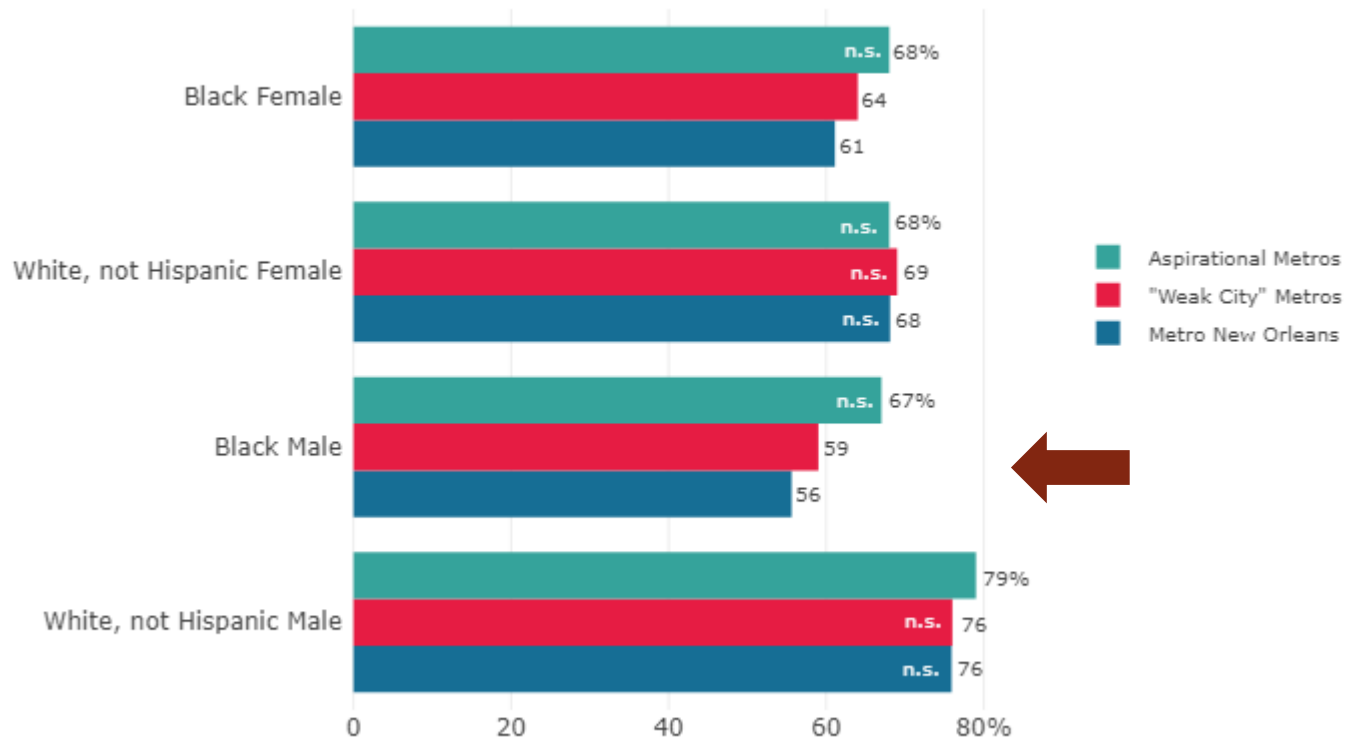for population 16-64 years old

The employment rate for black men in metro New Orleans is 56 percent, in "weak city" metros it's 59 percent, and in fast growing "aspirational" southern metros it's 67 percent.

Metro New Orleans, aspirational metros, and "weak city" metros employment rates by race/ethnicity and gender for population 16-64 years old, 2016

Legend:
- Aspirational Metros
- "Weak City" Metros
- Metro New Orleans

Black Female:
- n.s. 68%
- 64
- 61

White, not Hispanic Female:
- n.s. 68%
- n.s. 69
- n.s. 68

Black Male:
- n.s. 67%
- 59
- 56

White, not Hispanic Male:
- 79%
- n.s. 76
- n.s. 76

Poverty coupled with inequity is considered a primary driver of violent crime, but there are accessible ways to address this problem.

- Reversing the effects of generational poverty is not a quick fix, but several existing tools have proven to be effective
  - The expanded Child Tax Credits is an example effective poverty reduction. Its success is credited to its ease of access and low number of restrictions.
  - Expanding, fully funding, or reducing restrictions in existing Louisiana programs could significantly reduce child poverty across the state
  - Factors such as a low minimum wage have helped to depress wages and create greater income inequality

- Noble prize-winning economists and numerous studies make clear that the types of social safety net programs required do not lead to fewer people working, despite common concerns about this unintended consequence of such programs.

- While temporary fixes may be needed to quickly disrupt current levels of violence, a long-term investment in New Orleans' people is needed to break the cyclical rise in violent crime, increase overall quality of life, and create the foundations for a stronger economy.