



Jefferson Parish: **LOUISIANA'S LEADING PARISH**

MARCH, 2010

Prepared by GCR & Associates on behalf of:
Jefferson Parish Government
Jefferson Parish Sheriff's Office
Jefferson Parish Public School System
Jefferson Parish Economic Development Commission (JEDCO)



Jefferson Parish: LOUISIANA'S LEADING PARISH

JEFFERSON PARISH IS THE LARGEST PARISH IN THE STATE AND A MAJOR ECONOMIC AND POLITICAL DRIVER

Jefferson Parish is currently the largest parish in Louisiana with a population of 444,655. While one of 64 parishes in the state, Jefferson by itself represents over 10% of Louisiana's population. Within the New Orleans region—the most populous region in the state—Jefferson is home to nearly 40% of the region's population.

Jefferson's economy occupies a similarly prominent role. More than one out of every ten jobs in the state is located within Jefferson Parish, and Jefferson is an employment center for both established, as well as emerging, industries including shipbuilding, oil and gas, health care, and film production.

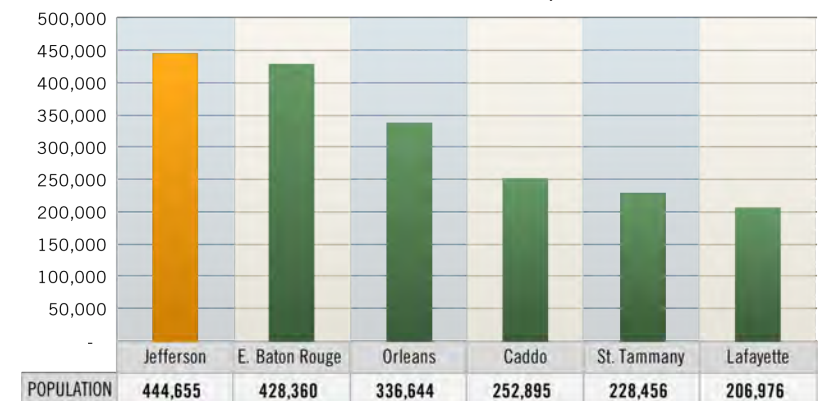
Jefferson is also home to some of the most critical economic assets in the state. These include:

- Louis Armstrong New Orleans International Airport
- The Harvey Canal, a direct channel to the Gulf of Mexico and a nucleus for the oil service industry
- The two largest private employers in the entire state, Ochsner Medical Center and Northrop Grumman
- Three major hospitals and medical research facilities
- Elmwood Industrial Park, the region's largest hub for light industry and distribution/warehousing
- Critical road and rail infrastructure including I-10, US 90, and the Huey P. Long Bridge
- The largest concentration of retail activity in southeast Louisiana.

The importance of Jefferson Parish extends into the political realm as well. Jefferson has the greatest number of registered voters in Louisiana with 274,203 or 10% of the state-wide total. Given its share of the statewide electorate, it is not surprising that Jefferson voters have picked the winning candidate in almost every recent statewide election.

The importance of Jefferson Parish is clear. As the largest parish in the state, Jefferson will continue to play a significant role in the economic and political future of Louisiana.

POPULATION: LARGEST PARISHES IN LOUISIANA, 2008



Source: Census Bureau

Jefferson Parish is now the most populous parish in Louisiana



Jefferson is home to the two largest private employers in the state: Northrop Grumman Ship Building and Ochsner Medical Center

Key Political Leaders Affiliated with Jefferson Parish:

- Governor Bobby Jindal
- U.S. Senator David Vitter
- U.S. Representative Steve Scalise
- Insurance Commissioner Jim Donelon
- Speaker of the House Jim Tucker

Jefferson voters have picked the winning candidate in almost every recent statewide election



JEFFERSON'S CONTRIBUTIONS TO LOUISIANA EXCEED ITS SHARE OF THE POPULATION

As the state's most populous parish, Jefferson would naturally be expected to make major contributions to the state's economy and tax base. However, in every major economic and fiscal category, Jefferson's contributions to Louisiana are disproportionately large relative to its share of the state's population.

Jefferson residents comprise 10.1% of Louisiana's population. Yet Jefferson Parish contributes:

- 13.9% of the state's sales tax revenue
- 12.0% of the state's income tax revenue
- 11.3% of all businesses in the state
- 10.9% of the cumulative wages in the state
- 10.6% of all jobs in the state

Jefferson Parish residents are primarily employed in the private sector. Jefferson residents comprise only 8.3% of all residents statewide that are employed by local, state, or federal government—well below Jefferson's share of the state's population. Conversely, Jefferson Parish accounts for 10.8% of state residents employed by private businesses.

Jefferson Parish also contributes disproportionately to a number of critical, and diverse, industry clusters. Jefferson Parish is home to inordinately large employment clusters in:

- Software and Computer Systems Design
- Health Care
- Professional and Technical Services (such as engineering and legal services)
- Motion Picture and Video Industries
- Shipbuilding
- Finance and Insurance
- Wholesale Trade
- Retail

These diverse industries run the gamut from the jobs of the present to the jobs of the future. Given Jefferson's disproportionate contribution, it is fair to say that the economic future of the state is inextricably tied to that of Jefferson Parish.

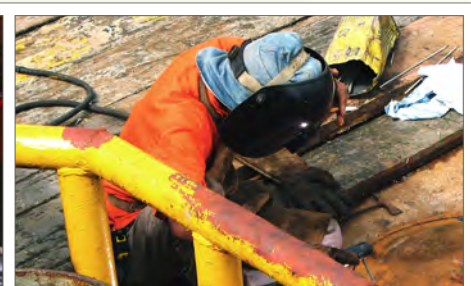
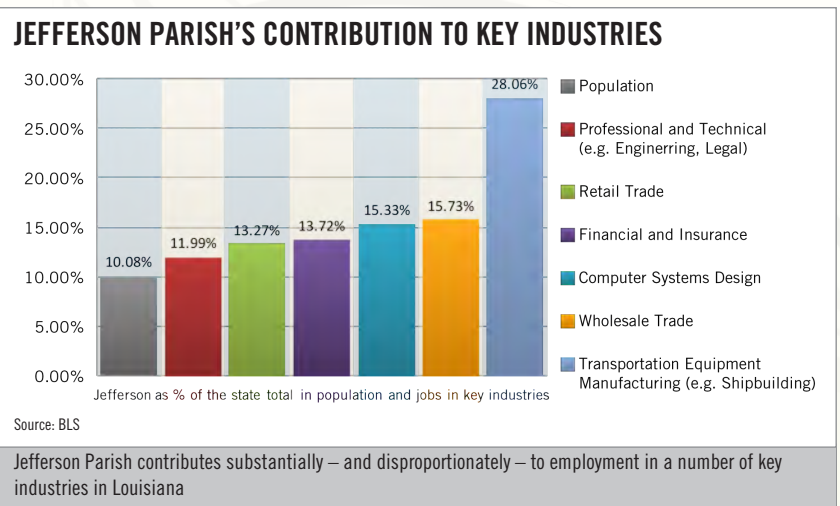
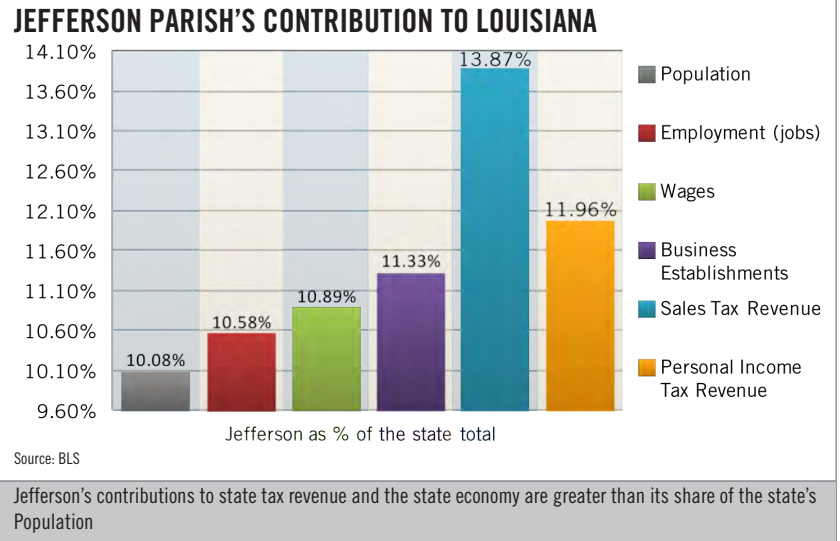


Photo By Henrique Vicente

Leading industries in Jefferson Parish range from shipbuilding to emerging, knowledge-based fields



JEFFERSON PARISH IS A RESILIENT COMMUNITY

In spite of the significant damage that Jefferson sustained from Hurricanes Katrina and Rita, it has rebounded swiftly and is leading the recovery of the entire New Orleans area. Jefferson's population currently stands at 99% of its pre-storm population, and its sales and property tax collections are higher than pre-Katrina totals.

One can now unequivocally say that as Jefferson goes, so goes the New Orleans region

The resilience that Jefferson has shown has positioned it as the leading parish in the New Orleans metropolitan area. While Jefferson played a major role in the region before Katrina, its share of the regional economy has grown considerably. If there was any doubt beforehand about the importance of Jefferson to southeast Louisiana, one can now unequivocally say that as Jefferson goes, so goes the entire New Orleans region.

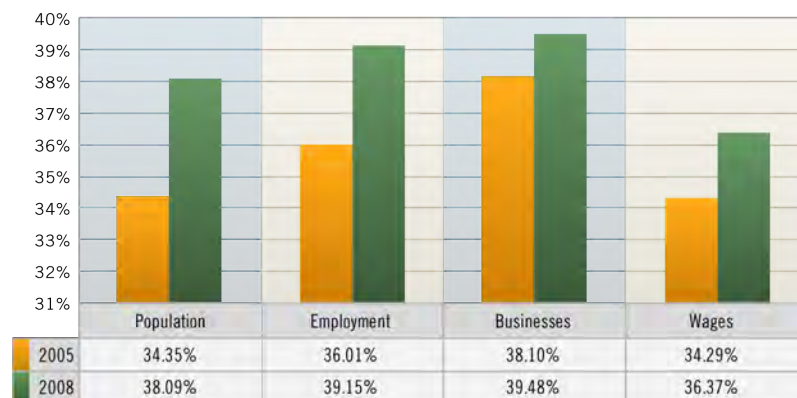
Jefferson is also constantly striving to improve and reinvent itself. Its flood protection system is undergoing billions of dollars in improvements to substantially reduce the risk of another Katrina-like disaster. Jefferson is also implementing an ambitious initiative, known as *The Jefferson EDGE 2020*, to address a wide range of quality of life issues with the goal of making the Parish a more appealing and economically competitive community.

Jefferson has responded swiftly and aggressively to recent adversity. Its rapid recovery has positioned it as the new economic leader in southeast Louisiana. Appreciating this opportunity, Jefferson is constantly striving to make itself a more resilient community—physically, economically, and socially.



Jefferson is constantly striving to improve and reinvent itself. Shown here are redevelopment plans for the Fat City neighborhood and the entrance to the new Churchill Technology and Business Park

JEFFERSON AS % OF THE REGIONAL ECONOMY: 2005 AND 2008



Source: US Census and BLS

Jefferson's share of the economy of southeast Louisiana has grown considerably since 2005



JEFFERSON FACES EMERGING THREATS AND SEEKS A CLOSER PARTNERSHIP WITH STATE GOVERNMENT

While Jefferson is fundamentally strong economically, it also has very real needs. Like many maturing communities, Jefferson is grappling with aging infrastructure, pockets of poverty, and an older housing stock. These challenges are underscored by data on three critical topics: income, public schools, and workforce.

The middle class population of Jefferson appears to be shrinking. For years, the median income in Jefferson was considerably higher than that of the surrounding region. Recently however, Jefferson's median income slipped below that of the metro area.

Secondly, Jefferson's school system has long trailed public schools in other parishes. Along virtually every objective measure, Jefferson's schools perform well below the metropolitan and statewide means.

Finally, the percentage of Jefferson residents with a college or graduate degree is somewhat lower than that of the region and the nation as a whole. As the national economy transitions to emerging knowledge-based industries, Jefferson's workforce must be ready to capitalize.

These issues do not yet constitute a crisis, but if they are not addressed, the vitality and the economy of Jefferson could suffer considerably. From state funding of public education, to the corrections system, to investment in infrastructure and economic development, there is a major role for the state to play in partnering with Jefferson to resolve these problems.

CONCLUSION

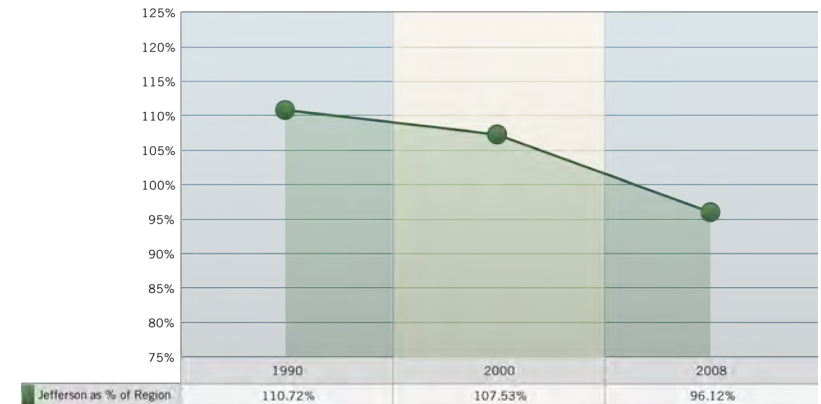
The New Orleans region is recovering strongly with Jefferson leading the way. Southeast Louisiana remains the state's foremost economic engine and is home to critical economic drivers that impact the economy and tax base of the entire state.

Within the region, Jefferson has emerged as the leading parish, and as the largest parish in the state, its future affects the future of the New Orleans region and all of Louisiana. A principal mission of state government, should be to protect the state's key economic assets. Jefferson Parish, home to one out of every ten persons and one out of every ten jobs in the state, is indisputably such an asset.

The threats that Jefferson Parish faces are real, and resolving them will require the close cooperation of state government. One of the foremost lessons of Hurricane Katrina is that it is much easier to fix emerging problems than it is to resolve a crisis.

Jefferson is asking for a renewed commitment from state government—a commitment to partner on key policy initiatives and to provide the resources to build a stronger Jefferson and a more prosperous Louisiana.

MEDIAN FAMILY INCOME, JEFFERSON RELATIVE TO THE REGION: 1990-2008



Source: US Census

Growth in median income in Jefferson has not kept pace with income growth in the metropolitan area overall

Included with this report are five topic-specific summaries discussing issues of critical importance to Jefferson. These are also opportunities for closer collaboration with state government. They are:

- **Public Education**
- **Hospitals**
- **Law Enforcement**
- **Transportation**
- **Economic Development**

Jefferson is asking for a renewed commitment from state government

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CRITICAL ISSUES

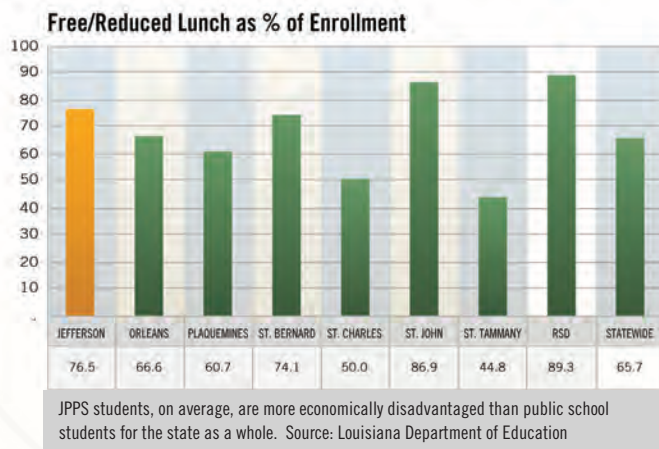




PUBLIC EDUCATION

For many years, Jefferson Parish Public Schools (JPPS) have lagged behind other public school systems along any number of objective measures. This historical achievement gap is due to a variety of factors, not the least of which is the fact that that Jefferson—while a middle class community overall—has had a public school population that is primarily low to moderate income. To remedy this achievement deficit, JPPS has taken aggressive steps in recent years. It has:

- Introduced magnet and academically themed schools, which are drawing new families and high caliber students
- Initiated a major capital campaign to upgrade the quality of facilities
- Implemented state-of-the-art technological infrastructure and teaching tools
- Strengthened efforts to recruit talented new teachers and administrators
- Emphasized continuing education and board certification for its teachers.

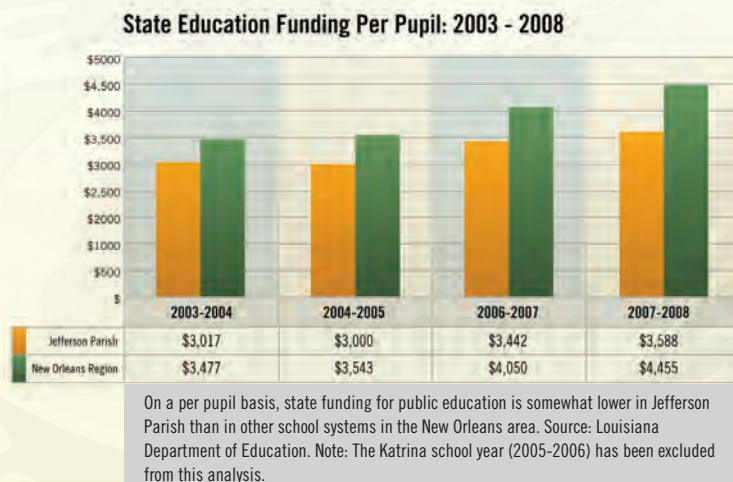


These efforts have yielded promising results. In recent years, Jefferson public school students have shown significant gains in LEAP and GEE scores. However, these efforts would be further abetted through the close cooperation of the Louisiana Department of Education.

Every year JPPS, like all public school systems in the state, derives a significant portion of its funding from state government. Much of this state funding is allocated through the Minimum Foundation Program or MFP. Each school system's MFP allocation is derived from a complex formula that takes a variety of factors into account. Jefferson Parish recognizes that the needs of each school system and the constraints that each faces are unique. Consequently, there will inevitably be some variation in the allocation of state dollars.

At the same time, it should be noted that (a) Jefferson does indeed have an economically disadvantaged public school population and (b) Jefferson's share of state funding lies well below the average for the New Orleans region. In 2007 – 2008, Jefferson received \$3,588 in state funding for each pupil. The average for the metropolitan area as a whole was \$4,455. Had Jefferson received the per pupil average, Jefferson's public schools would have received nearly \$38 million in additional funding.

Jefferson is indeed sensitive to the unique needs of each school district and the inherent difficulty in allocating state dollars equitably. Nonetheless, changes in the MFP formula could provide badly needed funding to Jefferson's public school students, many of whom are economically challenged. A closer partnership with the state could build upon the gains that Jefferson's public schools have already made.





HOSPITALS

Jefferson Parish's three major hospitals, East Jefferson, West Jefferson, and Ochsner, are some of the community's principal economic assets and a key contributor to quality of life. They employ thousands of area residents, and they provide critical services to Jefferson Parish's aging population.

All three institutions have faced tremendous challenges since Hurricane Katrina in 2005. Wages, the cost of insurance, and other operating costs have skyrocketed while Medicare reimbursement rates have not been adjusted accordingly. Furthermore, with the closure of Charity Hospital in New Orleans, all three hospitals have had to assume the financial burden of treating a greater number of uninsured patients.

In the face of these challenges, the three hospitals are adapting as aggressively and proactively as possible. They have sought out new sources of local revenue; they have advocated aggressively for storm-related assistance from the federal government; and they have taken unprecedented steps to streamline costs and consolidate operations.



With the assistance of the state Department of Health and Hospitals, there have been some major victories, such as obtaining a federal appropriation to offset post-Katrina cost increases. However, major financial challenges remain, such as the Medicaid per diem rate established by DHH. There is considerable variation in the Medicaid per diem rate for various hospitals, such that rural hospitals are reimbursed at approximately double the rate of the two public hospitals in Jefferson. For West Jefferson Medical Center, for example, a reimbursement rate on par with that of rural hospitals would yield almost \$4.5 million in additional annual revenue. Furthermore, recent

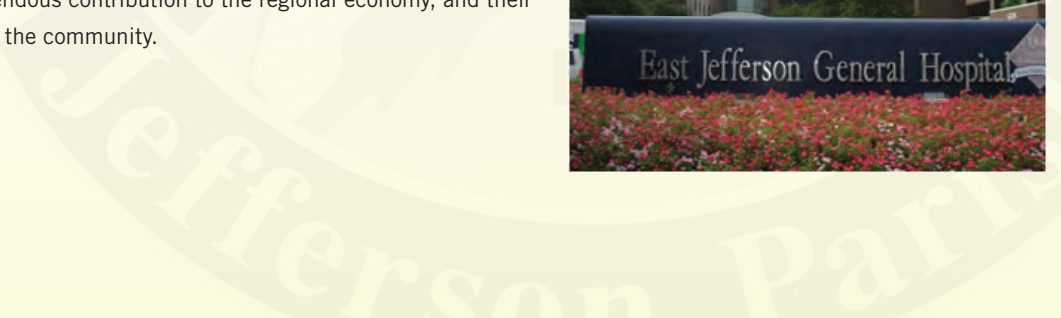
state budget cuts resulted in a \$345 million cut in Medicaid payments statewide. Rural hospitals were completely exempt from this cutback, while Jefferson's three hospitals will absorb approximately \$20 million in lost revenue.

Jefferson Parish is acutely aware of the budgetary challenges facing the state. Jefferson is also sensitive to the unique needs of poor and rural communities. However by any objective definition, Jefferson Parish is not in a typical, "steady state" condition in the health care arena. Its hospitals are still struggling mightily with the truly unique and truly jarring financial consequences of Hurricane Katrina. A reasonable argument can be made that state funding formulas should reflect this on-going transition to a normal, more stable operating climate.

Jefferson Parish's hospitals are some of the principal economic drivers within the largest economy in southeast Louisiana, and they provide essential services to an aging Jefferson population. A closer partnership with state government would help to preserve the hospitals' financial strength, their tremendous contribution to the regional economy, and their continued service to the community.



Jefferson's three major hospitals, already struggling with post-Katrina cost increases, have been further challenged by Medicaid cutbacks and reimbursement rates.





LAW ENFORCEMENT

As a community of nearly 450,000 residents, Jefferson is not immune to violent crime. Jefferson is a predominantly stable, middle class community; but like most communities of its size, it is economically diverse and is home to pockets of concentrated poverty and crime. It also shares a boundary with Orleans Parish, which has long struggled with one of the highest homicide and violent crime rates in the country.

Whether due to these factors or others, Jefferson does have a more formidable challenge in fighting crime than many other suburban communities do. In response to this challenge, the Jefferson Parish Sheriff's Office (JPSO), in coordination with the efforts of Parish Government, has taken especially aggressive steps in recent years to reduce the Parish's crime rate. These include:

- Better coordinated code enforcement and crime abatement efforts
- Improved truancy intervention programs to reduce juvenile delinquency
- Major capital improvements, such as the construction of a state-of-the-art crime lab
- Stronger local and state laws to more effectively prosecute blight.

These efforts appear to be working, as crime has fallen relative to levels in 2006 when many of these efforts were initiated.

For as aggressive as these local initiatives have been, collaborative efforts with the state Department of Corrections could yield even greater reductions in crime. One of the foremost problems that this state and other states face is the issue of recidivism, or crimes committed by former inmates. Nationally, it is estimated that 68% of former inmates are arrested again within three years of their release.¹ Pilot programs to improve prisoner re-entry have been initiated in a number of communities across the state. Jefferson would be eager to evaluate the efficacy of these programs and potentially expand them statewide.

Jefferson has encountered other challenges with regard to statewide corrections practices. These include the following issues:

- When JPSO arrests a person who is on probation, it receives no compensation for housing and feeding that individual until the probation is formally revoked. This can lead to lengthy, costly prison stays that divert revenue from crime fighting activities.
- There are vast differences in the sentencing practices of individual communities. A minor violation in Jefferson Parish might be addressed through a prison sentence in another community, thereby occupying invaluable state prison space and resources. Reforming sentencing practices statewide could lead to a more efficient corrections system.
- Jefferson Parish's highly successful Truancy Assessment and Service Center has seen its funding cut in recent years. Its fiscal year 2010 appropriation from the state was 23% less than its 2009 appropriation. Furthermore, no stable, long term funding source for this initiative has been identified.

Jefferson Parish faces an on-going, unremitting battle against crime. Through a closer partnership with the Department of Corrections, Jefferson could work to reduce recidivism, allocate crime fighting resources more efficiently, and reduce juvenile criminal behavior.



Jefferson continues to aggressively battle crime and blight. A closer partnership with the state Department of Corrections could further elevate these efforts.

¹ U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, "Reentry Trends in the U.S.: Recidivism." 25 Oct. 2002. www.ojp.usdoj.gov/bjs



TRANSPORTATION

Jefferson Parish is a maturing community with older physical infrastructure. Almost all of the Parish's roads, neighborhoods, public buildings, and other community-serving infrastructure pre-date 1980, and most development pre-dates 1970. Most public infrastructure in Jefferson continues to be well maintained. However, as is the case in any older community, some roads, bridges, and other infrastructure need to be overhauled, and new improvements must be made to maintain quality of life.

Within the built out portions of the Parish, Jefferson's transportation needs are varied. They include pedestrian and bicycle infrastructure, transit investments, and capacity improvements at critical intersections and long-standing bottlenecks.

Within the undeveloped portions of Jefferson, new road capacity must be provided to accommodate a new wave of intelligently planned commercial and residential development, primarily on the West Bank of Jefferson, which is poised for growth.

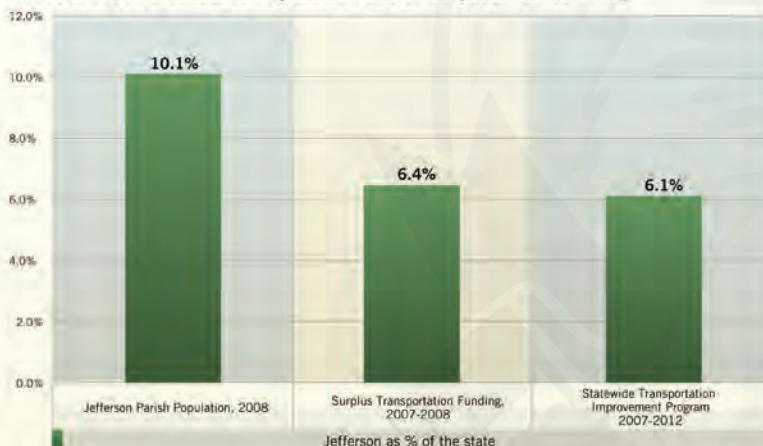
Jefferson's transportation needs are numerous and varied, yet spending by the state Department of Transportation and Development (DOTD) is disproportionately small, relative to Jefferson's share of the state's economy and population. While Jefferson constitutes 10.1% of Louisiana's population and 10.6% of its jobs,



A maturing community with aging infrastructure, Jefferson has myriad transportation needs.

- Jefferson Parish only comprised 6.4% of the approximately \$1.1 billion that was allocated from state budget surpluses in 2007 and 2008. Had Jefferson received an allocation proportional to its share of state population, it would have received an additional \$42 million in transportation funding.
- In the DOTD's Statewide Transportation Improvement Program (STIP), which outlines transportation spending planned or underway, Jefferson's share is approximately 6% of the total for all transportation projects. If Jefferson had received a share equivalent to its population, it would have received as much as \$248 million in transportation funding from 2007 through 2012.

Jefferson's Share of Population and Transportation Funding



Jefferson's share of the state's population is significantly greater than its share of state transportation projects.

Jefferson understands that transportation funding decisions rest not just with DOTD but also with Metropolitan Planning Organizations (MPO's). Jefferson also understands that state transportation appropriations may not perfectly match a community's share of the state's population or economy. Nevertheless for Jefferson, the discrepancy is sufficiently large as to warrant closer cooperation among Jefferson, DOTD, and the New Orleans Regional Planning Commission in allocating funding.

Our collective priority in transportation funding should be to enhance the economic competitiveness and quality of life within existing population and economic centers. Jefferson, as a key economic asset for the entire state, should be supported by state transportation policy and funding priorities.



ECONOMIC DEVELOPMENT

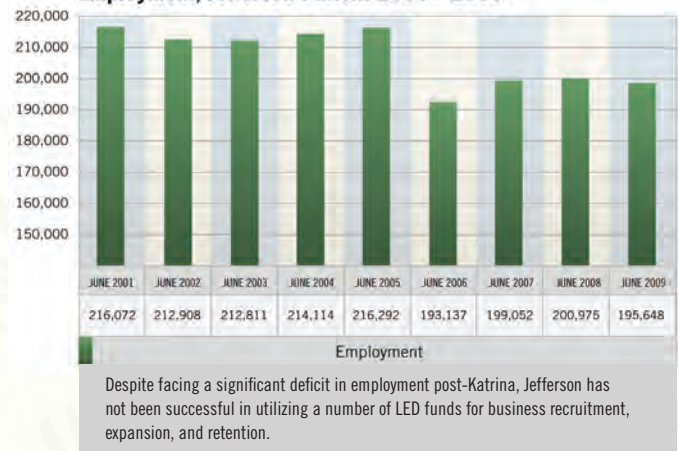
Jefferson Parish has a fundamentally strong economy with a vibrant private sector, and a diversity of industries. In spite of its solid economic foundation, Jefferson faces a number of challenges. The most immediate challenge is that the community's job base is diminished. Prior to Hurricane Katrina, Jefferson Parish had approximately 216,000 jobs; now, Jefferson is home to approximately 196,000 jobs.

On top of the economic consequences of Hurricanes Katrina and Rita, which still affect Jefferson's economy, the Parish also faces a number of challenges that pre-date 2005. These include a declining middle class, an evolving national and global economy, an achievement gap in its school system, older infrastructure, and maturing neighborhoods.

Jefferson Parish and the Jefferson Parish Economic Development Commission (JEDCO) have been vigorous in their efforts to preserve and enhance Jefferson's economic strength. Their efforts have included:

- Dedication of half of 1% of Parish ad valorem taxes to the Parish Economic Development Incentive Fund, a resource that has been successfully used for business retention and recruitment efforts
- Commitment to long range economic development goals and strategies, as put forth in *The Jefferson EDGE 2020*, in order to secure Jefferson's long-term economic future
- Successful management of a variety of small business incentive and financing programs, yielding an impact of 624 jobs and \$17 million in 2008 alone

Employment, Jefferson Parish: 2001 - 2009



In spite of JEDCO's status as one of only two accredited economic development organizations in Louisiana, Jefferson Parish has not been successful in recent years in its attempts to secure funding through Louisiana Economic Development (LED) programs. LED offers a number of discretionary incentive programs for business recruitment, retention, and expansion. These include:

- The Economic Development Award Program (EDAP). Jefferson has yet to be successful in its efforts to secure EDAP funding.
- The economic development Mega-Project Fund. While Jefferson may not have large footprint sites that are the focus of this fund, Jefferson has a host of advantages that large footprint sites in rural locations typically cannot offer. These include existing utility and transportation infrastructure, a sizable workforce, and complementary businesses that could generate true industry "clusters."
- LED's Deal Closing Fund. Jefferson also has yet to be successful in securing funding from this program.

Jefferson Parish understands that the first priority of LED is to spend its resources efficiently and strategically. Accordingly, a compelling case can be made for the strategic value of Jefferson Parish to the entire state economy. Jefferson is home to the state's two largest private employers and critical economic infrastructure, yet it still faces a deficit of over 20,000 jobs. A stronger partnership with LED would help to restore those lost jobs and strengthen one of the state's largest economic engines.



Jefferson Parish: **LOUISIANA'S LEADING PARISH**



FULL REPORT





Jefferson Parish: LOUISIANA'S LEADING PARISH

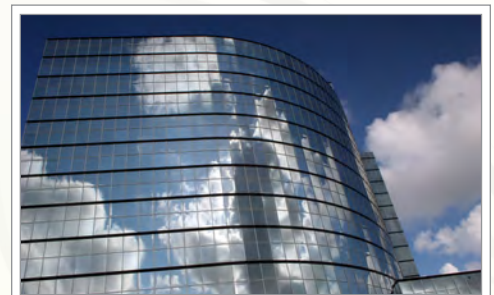
INTRODUCTION

In recent years, Jefferson Parish has become the largest, most populous parish in Louisiana. Its 444,655 residents constitute over 10% of the state's population. Its economy is a critical economic engine not only for southeast Louisiana but also for the state as a whole, as it is home to essential infrastructure, a vibrant business community, and the state's two largest private employers. In the political realm, Jefferson's voters routinely play a major role in the outcome of statewide elections. It would not be an exaggeration to suggest that as Jefferson Parish goes, so goes the state of Louisiana.

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For all of its significance, Jefferson Parish is truly at a crossroads. Its recovery from the storms of 2005 has been swift. Indeed, one would struggle to find any physical clues of Hurricanes Katrina and Rita. The storms and their aftermath, however, did highlight the emerging threats that Jefferson is facing. Foremost among them is the fact that Jefferson Parish appears to be slowly losing its middle class population. There is no evidence of a rapid mass exodus, but the warning signs are unmistakable. Aggressive action must be taken to reverse this and other troubling trends that threaten the long term economic viability of Jefferson and, by extension, the economic viability of the region and state.

Along many metrics, Jefferson Parish appears to be—and truly is—a healthy, stable community. Its economy is diverse and strong; it possesses a healthy tax base; and it contributes inordinately to statewide employment, tax revenue, and overall economic growth. In many ways, Jefferson Parish is the indisputable “leading parish” in Louisiana. It is precisely for this reason that Jefferson, with the cooperation and partnership of the state, must work to maintain its economic competitiveness and its overall viability. Emerging threats are much more manageable—and less costly—if they are addressed before they become severe, and Jefferson Parish is simply too important to southeast Louisiana and to the entire state for its problems to go unresolved.



Jefferson Parish is simply too important to southeast Louisiana and the entire state for its problems to go unresolved.

Jefferson has already taken concrete steps to reinvent and reinvest in itself. In 2007, the Jefferson Parish Economic Development Commission (JEDCO) launched *The Jefferson EDGE 2020* initiative to identify the major challenges that the Parish faces and to outline specific action items to address those problems. A cursory reading of these plans highlights the essential role that state government can play in dealing with threats that the Parish is facing. Because of the complimentary yet distinct roles that state and local government play, Jefferson cannot effectively tackle these issues without the close partnership of state government.

This document will more specifically describe the emerging challenges that Jefferson is facing. It will also outline the tremendous importance—economically, demographically, and politically—of Jefferson Parish to the New Orleans region and the entire state of Louisiana. Finally, this report will make the case for closer collaboration between state government and Jefferson Parish in the coming months and years.



Jefferson Parish: **LOUISIANA'S LEADING PARISH**

Jefferson, as Louisiana's leading parish, is simply too important for the emerging problems that it is facing to reach a crisis stage. Through the commitment of adequate resources and through complimentary state and local policies, Jefferson Parish and the state can move aggressively to strengthen Jefferson's role as an essential economic and fiscal engine in Louisiana.





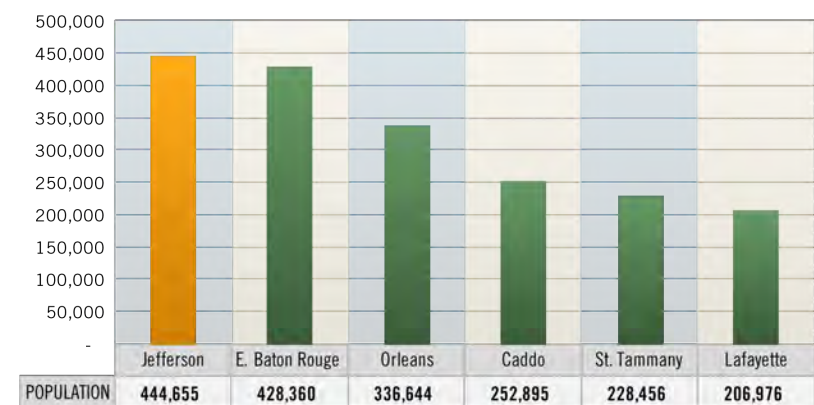
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JEFFERSON PARISH: THE LARGEST PARISH IN LOUISIANA AND A MAJOR ECONOMIC AND POLITICAL DRIVER

Population

Any comprehensive analysis of a community's profile should begin with the most fundamental question: "How many people live there?" In the case of Jefferson Parish, the answer is "more than in any other parish in Louisiana." Jefferson's population has not grown significantly in the past thirty years, largely because of a shortage of accessible, readily developable land. Jefferson has succeeded in maintaining its population, in spite of a variety of challenging circumstances, from the oil bust of the 1980's to the hurricanes of 2005. Immediately before Hurricane Katrina, Jefferson had essentially pulled even with Orleans Parish as the most populous parish in the state. With the significant damage that Orleans Parish experienced and Jefferson's rapid recovery following the storm, Jefferson is now the largest parish in the state by a significant margin.

LARGEST PARISHES IN LOUISIANA, 2008



Source: Census Bureau

Jefferson Parish is now the most populous parish in the state

According to the most recent official estimates from the Census Bureau, Jefferson's population currently stands at 444,655. While only one of seven parishes in the New Orleans metropolitan area and one of 64 parishes statewide, Jefferson alone comprises nearly 40% of the regional population and over 10% of the state's population. Given its rapid recovery and the damage sustained by other communities, Jefferson's share of the regional population has grown since 2005, from 34.4% to 38.1% of the metro area population. While Jefferson has not experienced significant population growth, its share of the state's population has remained relatively constant throughout the 2000's, as Louisiana's population has not grown significantly either. In the summer of 2005, prior to Hurricanes Katrina and Rita, Jefferson represented 10.0% of the state's population. Its current (2008) share of the state's population is slightly higher, at 10.1% of the state total.

Jefferson's position as the largest, most populous parish in the state is unlikely to change anytime soon. Orleans Parish is recovering its population, as previously displaced residents repair damaged homes and move into new housing units, but credible population forecasts project that Orleans will not return to its pre-storm population in the near future. Meanwhile, the second largest parish in the state, East Baton Rouge, has experienced growth over the past 20 years, but its rate of growth slowed during the 2000's. For the foreseeable future, Jefferson will continue to be Louisiana's principal population center.

Economic Importance

Jefferson's importance to southeast Louisiana and the entire state is not just derived from its population. Jefferson's economic contributions are significant and well documented. Over the past several years, increasing attention has been focused on the rapid growth of the Interstate 12 corridor north of Lake Pontchartrain. It is a demographic fact that Livingston, Tangipahoa, and St. Tammany



Jefferson Parish: LOUISIANA'S LEADING PARISH

Parishes have indeed experienced tremendous growth, as they have benefited from an abundance of affordable, developable land and the completion of I-12. However, this recent growth should not be seen as negating the lasting economic significance of the south shore of Lake Pontchartrain.

Even after Hurricane Katrina, the south shore parishes (e.g. Jefferson, Orleans, St. Bernard) are home to an unmatched assemblage of economic infrastructure—infrastructure that is permanently ensconced there and that cannot be easily replicated in other communities. These critical economic assets include:

- The Mississippi River and the Port of New Orleans
- Major highway infrastructure and six “Class I” railroads
- Major hospitals and medical research facilities
- Two medical schools and nine universities and colleges
- Major governmental and legal installations, such as the 5th Circuit Court of Appeals
- Major military facilities in New Orleans and Belle Chasse
- Some of the most prized cultural resources in the entire United States
- Some of the largest concentrations of commercial and office space in Louisiana
- The corporate headquarters of some of the largest employers in the state, including one of the Louisiana’s two Fortune 500 companies



The south shore of Lake Pontchartrain—and Jefferson in particular—are home to critical economic assets

Although Hurricane Katrina dealt a significant blow to the parishes south of Lake Pontchartrain, their continued economic significance is assured, particularly with the completion of \$15 billion worth of improvements to the region’s flood protection system. The New Orleans area alone comprises over one fourth of the state’s population.

Louisiana’s fortunes are inextricably tied to those of the New Orleans area, and within the New Orleans area, Jefferson Parish is the principal economic driver. Located within Jefferson are some of the region’s foremost economic assets. These include:

- Louis Armstrong New Orleans International Airport, the largest airport in the Gulf South and the only international airport in Louisiana.
- The two largest private employers in the entire state: Ochsner Health Systems and Northrop Grumman
- Three major medical centers and medical research facilities: Ochsner, East Jefferson General Hospital, and West Jefferson Medical Center
- The Harvey Canal, which provides direct access to the Gulf of Mexico and which serves as a hub for the region’s oil services industry
- Major transportation infrastructure, including Interstate 10, US Highway 90, and the Huey P. Long Bridge—the southern-most railroad crossing of the Mississippi River
- Elmwood Industrial Park, home to one of the largest concentrations of warehousing, distribution, and light industrial activity in Louisiana
- Two of the largest, most vibrant retail districts in the state along the Veterans Boulevard corridor and in the Elmwood area.

Given all of this economic infrastructure, it is no surprise that quantitative data bolster the case that Jefferson is a principal economic driver within the region and the entire state.

Jefferson Parish is home to the two largest private employers in the state.



Jefferson Parish: LOUISIANA'S LEADING PARISH

Again, while one of 64 parishes in the state, Jefferson boasts more than one out of every ten jobs in the state. As is discussed in greater detail within the next section, Jefferson also constitutes over 10% of the total wages, the total businesses, total sales tax revenue, and total income tax revenue in Louisiana.

Jefferson is also a leading parish in a number of key industries. These range from long-standing strongholds of the Louisiana economy, such as shipbuilding and oil and gas exploration, to nascent, growing industries, such as health care and film/television production. Jefferson's economy is remarkable for its diversity. It is an employment center for white collar jobs, "creative class" jobs, high-paying jobs in skilled trades, and entry level employment. One could argue that without a vibrant Jefferson Parish, entire industry clusters in Louisiana would suffer tremendously.

Political Importance

Jefferson's significance extends into the political realm as well. Corresponding to its share of the state's population, approximately one in ten voters in statewide elections hails from Jefferson Parish. In terms of the overall number of registered voters, Jefferson is home to more voters than any other parish, with 274,203 registered voters.

Not surprisingly, winning the vote in Jefferson Parish usually portends an electoral victory statewide. In virtually every recent statewide election, Jefferson Parish voters have picked the eventual winning candidate.

ELECTION	JP VOTES CAST	% OF STATE VOTES CAST	WINNER
2000 Presidential	176,539	10.0%	YES
2002 US Senate Runoff	123,296	10.0%	NO
2003 Gubernatorial Runoff	140,031	9.9%	NO
2004 Presidential*	191,663	9.9%	YES
2004 US Senate	184,074	10.0%	YES
2007 Gubernatorial	116,154	8.9%	YES
2008 Presidential	181,120	9.2%	YES
2008 US Senate	175,605	9.3%	YES
Jefferson Parish consistently contributes nearly 10% of the statewide votes and consistently picks the winning candidate			

* refers to winning candidate statewide Source: Louisiana Secretary of State

Further evidence of Jefferson's significance in the political arena is the fact that a number of notable elected officials have been residents of Jefferson Parish and/or have represented Jefferson. These include:

- Governor Bobby Jindal
- U.S. Senator David Vitter
- U.S. Representative Steve Scalise
- Insurance Commissioner Jim Donelon
- Speaker of the House Jim Tucker

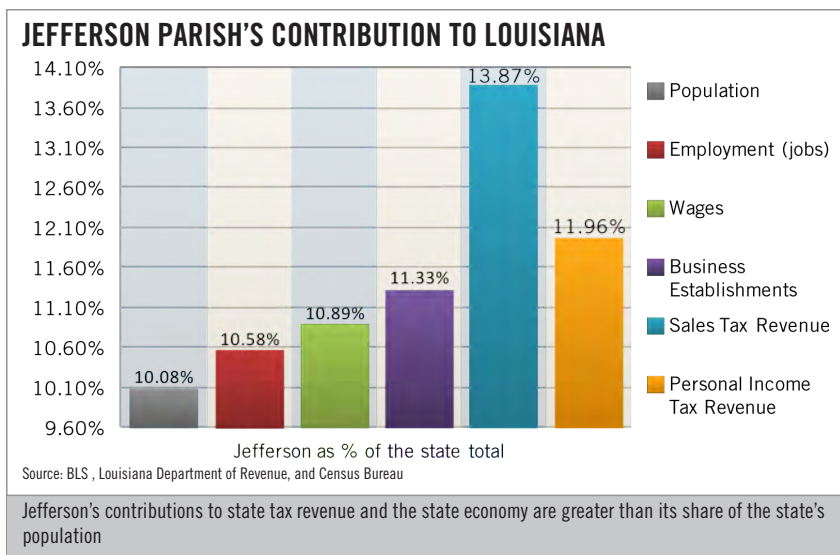
The support of the electorate in Jefferson Parish is nearly a precondition to success in a statewide election.

Concluding Thoughts

Quantitative indicator after indicator reinforces the importance of Jefferson Parish to southeast Louisiana and to the entire state. Given its significance economically and politically and given its sheer size, Jefferson will continue to play an essential, leading role in the future of Louisiana.



**JEFFERSON'S CONTRIBUTIONS TO LOUISIANA
EXCEED ITS SHARE OF THE POPULATION**



Jefferson and the State

Given the size of Jefferson Parish and its share of the state's population, it would be reasonable to expect Jefferson to make a proportional contribution to the economy and tax base of Louisiana. However, statistic after statistic confirms that Jefferson actually makes an outsized contribution in these areas. For this report, data from the federal Bureau of Labor Statistics (BLS) and the state Department of Revenue were consulted. Collectively, they illustrate a consistent pattern of Jefferson's contributions to Louisiana and the New Orleans region. Virtually every statistic illustrates that Jefferson's share of employment, tax revenue, and other key economic/fiscal indicators is greater than its share of the state's population.

The most recent year for which population, economic, and fiscal data are all available is 2008. In 2008, Jefferson comprised 10.1% of the state's population. According to the BLS, Jefferson also constituted:

- 10.6% of overall state employment
- 10.9% of the total wages in the state
- 11.3% of the "establishments" in Louisiana (i.e. businesses, non-profits, and government institutions).

Data from the state Department of Revenue were also consulted to determine Jefferson Parish's impact upon state revenues. Parish by parish data were available for two of the state's principal revenue sources, the state sales tax and the state personal income tax. Comprising 10.1% of the state's population in 2008, Jefferson contributed:

- 12.0% of the personal income taxes collected from all parishes
- 13.9% of the sales taxes collected from all parishes.

What is also striking about the revenue data is that Jefferson contributes substantially on a per capita basis as well. When revenue figures are examined on a per capita basis for 2008, Jefferson ranks 6th among the 64 parishes in its sales tax contribution and 12th out of 64 in its personal income tax contribution. Thus, Jefferson's considerable share of state revenues results not only from its population but also from the relative magnanimity of its residents and businesses.

It should also be noted that 2008 was in no way an exceptional year. Historical economic and fiscal data from the BLS and Department of Revenue illustrate the same trend: Jefferson has long made a disproportionate contribution to the economy and the tax base of Louisiana.

Jefferson and the New Orleans Region

The same pattern holds for Jefferson Parish and the New Orleans region. Jefferson's share of the



Jefferson Parish: LOUISIANA'S LEADING PARISH

region's population has grown in recent years from 34.4% in 2005 to 38.1% in 2008. Accompanying that growth has also been growth in Jefferson's share of regional employment and in its share of regional sales and income taxes.

According to the Bureau of Labor Statistics, in 2008 Jefferson accounted for:

- 39.2% of employment within the seven parishes that comprise the New Orleans area
- 39.5% of the "establishments" in the New Orleans metropolitan area

Jefferson did lag slightly in its percentage of total wages within the region with 36.4% of the total wages, but overall, Jefferson makes an outsized contribution to the New Orleans region, itself the largest population center and largest economy in the state.

Jefferson Parish's portion of the taxes that the region sends to Baton Rouge is also substantial. With 38.1% of the region's population in 2008, Jefferson contributed a roughly equivalent proportion of sales taxes (37.3% of what is produced by New Orleans-area parishes) and a disproportionate share of regional income taxes (39.6%).

Who Employs Jefferson Residents

A final interesting trend that emerges from employment data is information on who employs Jefferson residents. According to the Census Bureau's annual American Community Survey (ACS), Jefferson residents comprise 10.6% of the employed persons in Louisiana. This statistic by itself underscores Jefferson's disproportionate economic contribution, as the Parish constitutes only 10% of the state's total population. What is more interesting, though, is the fact that Jefferson residents are disproportionately employed within the private sector. While Jefferson residents comprise 10.6% of the employed persons in the state, they comprise:

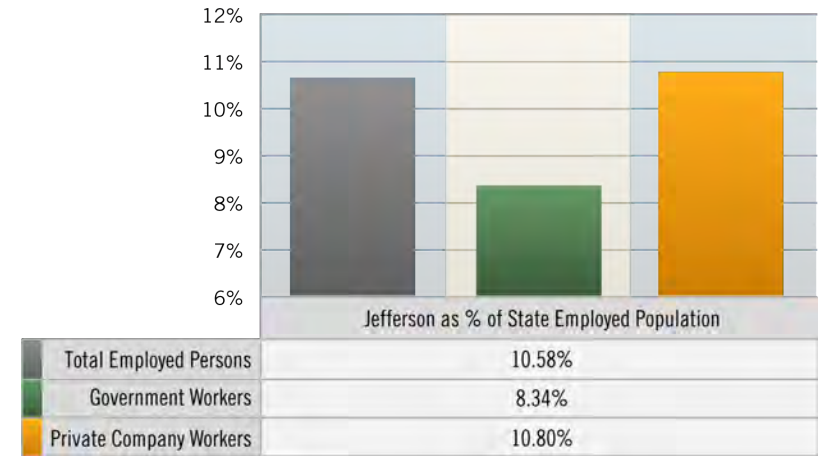
- 10.8% of the persons employed by private businesses and
- 14.0% of the self-employed persons in Louisiana.

Conversely, Jefferson residents comprise only 8.3% of residents employed by local, state, and federal government bodies. Thus, the primary employer of Jefferson residents is a vibrant private sector, while Jefferson residents are arguably underrepresented in jobs with government agencies.

Jefferson's Share of Specific Industries

Data from the Bureau of Labor Statistics not only documents aggregate employment, but it also specifies employment for specific industries. Recent industry-by-industry data confirm what has been known anecdotally for some time—that Jefferson's share of employment in certain critical, high-wage, high-growth industries is particularly large. (

EMPLOYED PERSONS IN JEFFERSON AS % OF EMPLOYED PERSONS STATEWIDE (2008)



Source: American Community Survey

Jefferson's residents are disproportionately employed within the private sector and have disproportionately low representation in public sector jobs



Photo By Henrique Vicente

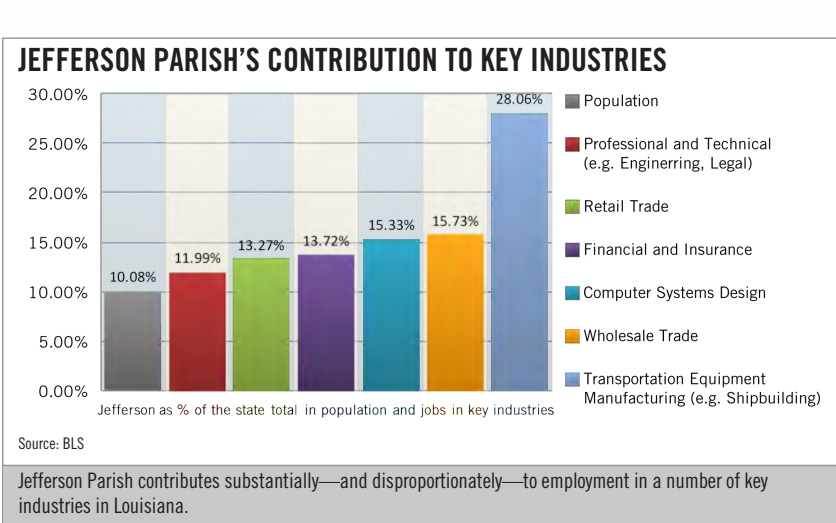
Leading industries in Jefferson Parish range from shipbuilding to emerging, knowledge-based fields



Jefferson Parish: LOUISIANA'S LEADING PARISH

The North American Industry Classification System, or NAICS, organizes over-all job and business data into certain industry specific information. The data by industry are very comprehensive, but there are some conspicuous holes. Disclosure guidelines prevent the BLS from reporting employment data for certain industries at the level of individual parishes. For instance, while it is widely known that Jefferson has a major presence in film production and health care, parish-level employment data are not completely available for these industries.

Without Jefferson Parish, many of Louisiana's established and emerging industries would suffer tremendously.



For the many industries for which data are available at the parish, region, and state levels, the results are overwhelming. Jefferson plays a leading economic role in a wide variety of industries. Jefferson comprises such a significant portion of total employment in these clusters that their overall viability in Louisiana would be significantly affected without the presence of Jefferson Parish. Reflecting the diversity of Jefferson's economy, these NAICS-code classifications run the gamut from blue collar industries, to traditional white collar employment, to emerging knowledge based industries. With 10.1% of the state's population in 2008, Jefferson contributed as a percentage of total employment statewide:

- 28.1% of jobs in transportation equipment manufacturing (i.e. shipbuilding, automotive)
- 12.0% of the jobs in professional and technical sectors, such as engineering, architecture, professional consulting, and legal services
- 13.7% of the jobs in finance and insurance
- 15.7% of the jobs in wholesale trade
- 15.3% of the jobs in computer systems design (i.e. software)
- 13.3% of the jobs in retail trade.

Within the seven parishes that comprise the New Orleans region, Jefferson also contributes disproportionately to employment in a range of industries. With 38.1% of the regional population in 2008, Jefferson contributed as a percentage of total regional employment:

- 59.6% of the jobs in transportation equipment manufacturing
- 46.2% of the jobs in finance and insurance
- 53.37% of the jobs in wholesale trade
- 45.0% of the jobs in computer systems design
- 50.3% of the jobs in retail trade

Purely on the basis of anecdotal evidence, one could make a compelling case for the importance of Jefferson Parish to the economy of southeast Louisiana and the entire state. When that evidence is reinforced with hard data, though, the argument becomes irrefutable. Without Jefferson Parish,



Jefferson Parish: LOUISIANA'S LEADING PARISH

many of Louisiana's established and emerging industries would suffer tremendously.

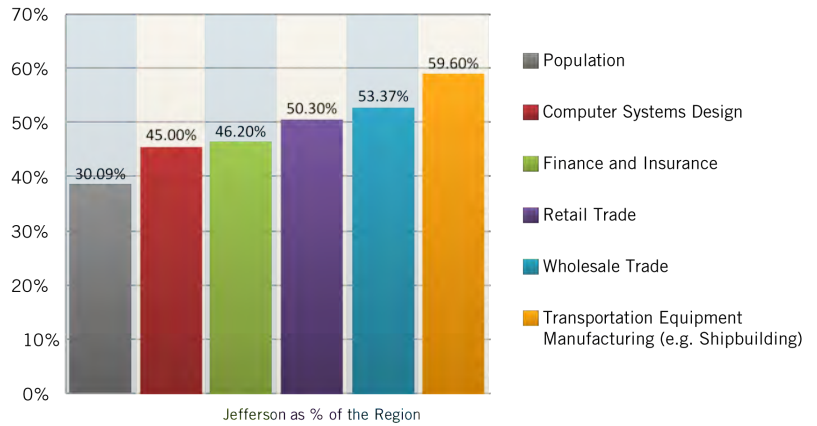
Jefferson also has a major presence in those industries for which complete data are not available. In health care, for example, even discounting employment at the Parish's two public hospitals (their employment totals are not reported by the BLS), Jefferson accounts for 41.7% of the health care jobs in the New Orleans region. That percentage would be even larger if Jefferson's two public hospitals were included.

Similarly, data are not available at the parish level for film and television production, but it is widely known that Jefferson boasts state of the art production infrastructure that has become critical to this burgeoning industry. The NIMS Center studios and associated production facilities in Elmwood have played a central role in innumerable film and television productions in recent years. The work of the Jefferson film office and the presence within Jefferson of so much production infrastructure are principal reasons why Louisiana has become the third largest film market in the country after Los Angeles and New York City.

Concluding Thoughts

Jefferson's tremendous and disproportionate role in the economy of the New Orleans region and the state as a whole is substantiated by an abundance of compelling data. Preserving the economic health and the overall vitality of Jefferson Parish is therefore critical to the economic future of the state and the southeast Louisiana region.

JEFFERSON PARISH'S CONTRIBUTION TO KEY INDUSTRIES



Source: BLS

Jefferson Parish also contributes overwhelmingly to employment in key industries within the New Orleans region



Jefferson also has a major presence in growing industries whose employment totals are not fully reported including film production and health care



JEFFERSON PARISH IS A RESILIENT COMMUNITY

Jefferson following Hurricanes Katrina and Rita

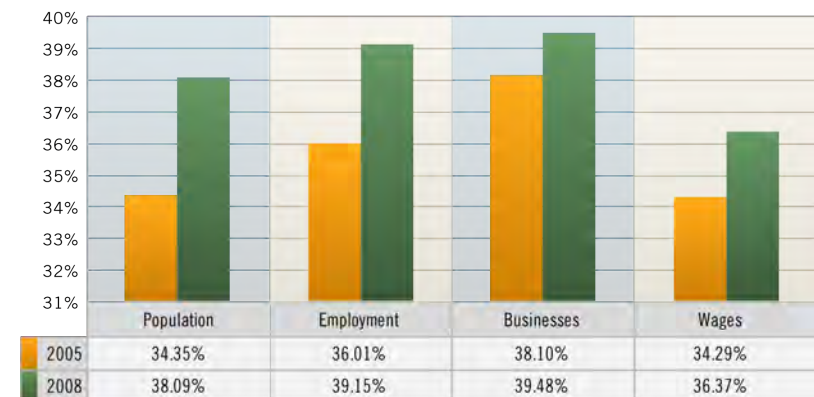
In the aftermath of Hurricanes Katrina and Rita, most of the public's attention was focused on a select few communities that had suffered catastrophic damage. There was good reason for this scrutiny, as communities such as Orleans, St. Bernard, and Cameron suffered crippling flooding and wind damage. Overlooked, however, was the fact that Jefferson Parish—and other parishes that were less severely impacted—nonetheless sustained significant damage. According to estimates prepared by FEMA in the months after the storms, over half of the residences in Jefferson were damaged. Furthermore, nearly one in five residences was placed by FEMA in the “major” or “severe” damage categories.

This impact, while minimal in comparison to parishes like Cameron and St. Bernard, is still colossal by any normal standard. Yet Jefferson's residents, businesses, and public agencies swiftly began the process of repairing hurricane damage and resuming ordinary business. Partially by default and partially the result of Jefferson's aggressive recovery efforts, Jefferson quickly became the “staging area” for the recovery of the entire region. Within a year of Hurricane Katrina, Jefferson had recovered approximately 94% of its population. Its sales tax revenues—buoyed by recovery spending and the rapid return of Jefferson's retail sector—significantly outpaced pre-Katrina collections.

Since the initial year or so after Hurricane Katrina, Jefferson's role has shifted. It has transitioned from being an engine for rebuilding activity to being an engine for the long-term, sustainable recovery of the region. Its population, currently estimated to be 444,655 has returned to 99% of its pre-storm total of 450,848. Sales taxes have declined somewhat since their peak during the most frenzied rebuilding period, but they remain slightly higher than they were prior to the storm. The same goes for property taxes, as ad valorem collections are moderately higher than they were prior to the storm.

Jefferson Parish has now assumed a more prominent role within the New Orleans region

JEFFERSON AS % OF THE REGIONAL ECONOMY: 2005 AND 2008



Source: BLS and Census Bureau

Jefferson's share of the economy of southeast Louisiana has grown considerably since 2005

By any measure, Jefferson's resilience in the face of Katrina has been impressive. It has recovered so thoroughly from the storms of 2005 that there is almost no physical (and fiscal) evidence of the hurricanes. The speed with which it has recovered is a testament to the strength and diversification of Jefferson's economy as well as the confidence of residents and businesses in its future.

As a result of the rapid pace of its recovery, Jefferson has now assumed a more prominent role within the New Orleans metropolitan area. Jefferson's share of the metropolitan area's population has grown: from 34.4% in the summer of 2005 to 38.1% in the summer of 2008. A comparison of statistics measuring employment, business activity, and wages confirms



Jefferson Parish: LOUISIANA'S LEADING PARISH

that Jefferson has assumed a greater share of the economy of southeast Louisiana as well. The pattern is consistent across the board:

- Jefferson's share of metropolitan employment: from 36.0% in 2005 to 39.2% in 2008
- Jefferson's share of metropolitan businesses: from 38.1% in 2005 to 39.5% in 2008
- Jefferson's share of metropolitan wages: from 34.3% in 2005 to 36.3% in 2008
- Jefferson's share of metropolitan sales taxes remitted to the state: from 35.8% in 2005 to 37.3% in 2008¹.

As was stated earlier, the critical economic infrastructure of the New Orleans metropolitan area is not going anywhere. In spite of the tremendous damage that it sustained in 2005, the New Orleans area has recovered approximately 90% of its pre-Katrina population, and it continues to grow. Within this critical economic region, Jefferson Parish has historically played a principal role. In the past four and a half years, Jefferson's role has only grown more substantial. If there was any doubt before Katrina, one can now unequivocally say that the economic fate of southeast Louisiana is inextricably tied to the economic viability of Jefferson Parish.

Jefferson as an Economically Resilient Community

Along two key measures, Jefferson Parish has also shown itself to be an economically resilient community, even putting aside the effects of Hurricanes Katrina and Rita. The United States is currently wracked by near-double digit unemployment, and a number of states currently have unemployment rates greater than 10%. A major reason for the severe downturn in the national economy has been the precipitous decline in real estate prices, as the so called "real estate bubble" has burst.

However, Jefferson Parish seems to be remarkably resilient both in terms of its unemployment rate and the state of its housing market. While the national unemployment rate at the end of 2009² was 10.0%, the unemployment rate in Jefferson is 38% lower, at only 6.2%. While Louisiana and the New Orleans region have not been hit quite as severely as the rest of the country by job losses, their respective unemployment rates are still substantially above that of Jefferson Parish, at 7.2% and 6.8% respectively.

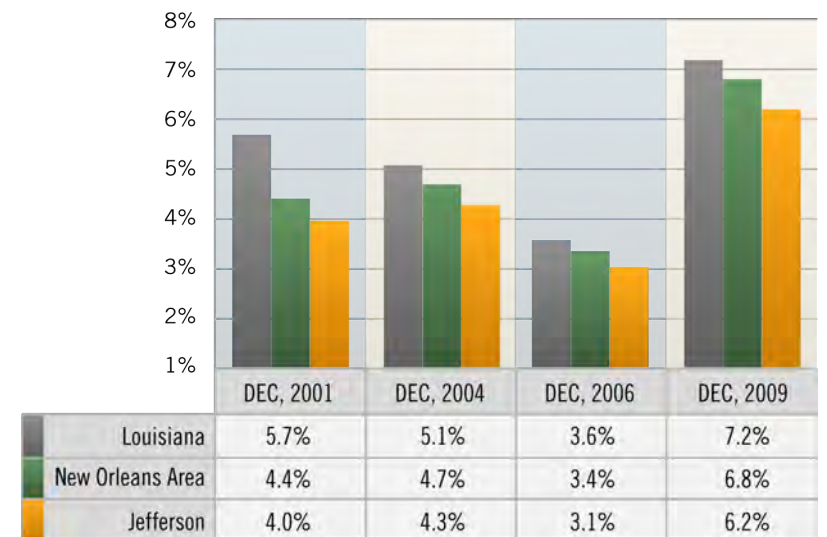
Jefferson's comparatively low unemployment rate is not unique to the present economic circumstance. What is so striking about historical unemployment rates is that Jefferson typically boasts a

¹Data on personal income taxes from FY 2005 were not readily available from the Department of Revenue

²The national unemployment rate for January, 2010 is 9.7%, but comparable parish-level data were only available as recently as December, 2009 when this report was written. Thus, December, 2009 data are used at all geographical levels to allow for direct comparisons.

³Does not represent a weighted average; simply calculated as the average change in value for each parish.

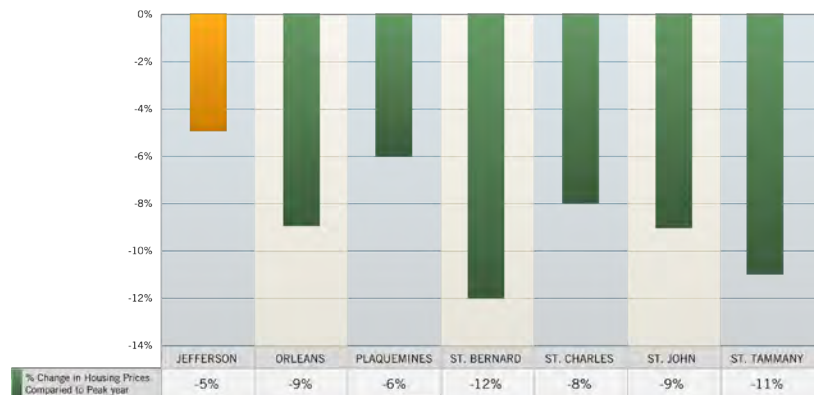
UNEMPLOYMENT RATE: JEFFERSON, REGION, AND STATE



Source: BLS

In a variety of economic contexts, Jefferson has consistently had a lower unemployment rate than the region and the state.

% CHANGE IN HOUSING PRICES, RELATIVES TO PEAK YEAR (AS OF 2009)



Source: New Orleans Metropolitan Association of Realtors, as reported in the Times Picayune

Jefferson's real estate market has proven to be more resilient than others within the metropolitan area



Jefferson Parish: LOUISIANA'S LEADING PARISH

lower unemployment rate than the metro area and the state of Louisiana irrespective of the national, statewide, and regional economy. Whether during the minor national recession at the beginning of the 2000's, the relatively strong national economy prior to Katrina, the post-Katrina period, or the current national economic downturn, Jefferson's unemployment rate has been comparatively low.

Recent data on residential property values also substantiate Jefferson's economic resilience. In the past year, home prices throughout the country declined by 10.4%. Within the seven parishes that comprise the New Orleans metropolitan area, they declined by a lesser amount—only 5.4%³. Jefferson meanwhile only experienced a 4% decline in the median sales prices of residences. Every Parish within the New Orleans metropolitan area has also experienced a net decline in home values from their respective pre-Katrina highs. Of the seven parishes within the New Orleans area, Jefferson has experienced the smallest percentage decline—a relatively small 5% decline from the post storm peak values that Jefferson experienced in 2007.

Jefferson: Actively Working to Improve Itself

A final sign of Jefferson's resilience has been its willingness in recent years to examine its shortcomings and take concrete steps to make itself a more appealing community. Most fundamental of these challenges, of course, has been the very issue that created such disruption in the first place: flood protection. Through substantial appropriations from the federal government and substantial local initiative, Jefferson is in the process of systematically upgrading its flood protection infrastructure to significantly lower the risk of another Katrina-like disaster.



Major improvements have been completed or are underway to make Jefferson's pump stations, levees, and drainage system more resilient. Shown here is a new "safe house" for drainage pump operators.

The measures that are being implemented are numerous. They include:

- Making pump stations more resilient by adding "safe houses" for pump operators and a number of other structural improvements so that the pumps can better withstand hurricane conditions
- Upgrading levees, floodwalls, and the internal network of canals and drainage culverts as part of \$15 billion in improvements for parishes on the south shore of Lake Pontchartrain
- Preparing a drainage master plan to identify weaknesses in the existing network of stormwater infrastructure. This plan will establish a roadmap and a proposed financing mechanism for the next phase of upgrades to the Parish's drainage infrastructure.

In addition to making itself more resilient against hurricanes and rain related flooding, Jefferson is also working to make itself more resilient against a host of other challenges. In 2007 the Jefferson Parish Economic Development Commission (JEDCO) launched an initiative entitled *The Jefferson*



Jefferson Parish: LOUISIANA'S LEADING PARISH

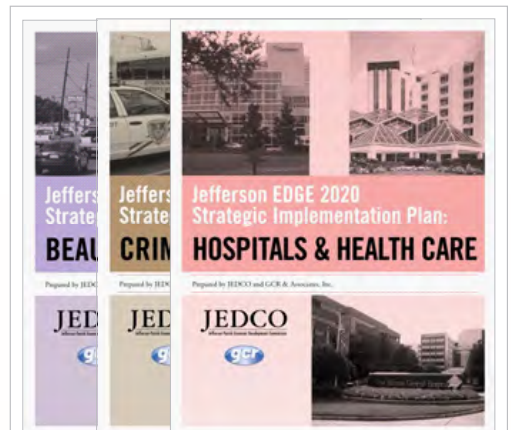
EDGE 2020 to identify the most pressing economic and quality of life issues that the community is facing. More importantly, each of the eight subject-specific plans that *The EDGE 2020* process has produced outlines a number of specific action steps to resolve these issues. The action items range from small yet important changes in local ordinances to advocating for fundamental reform in federal and state laws.

The topics that *The EDGE 2020* deals with are diverse. They range from improving public education, to aggressively tackling violent crime and blight, to comprehensively upgrading the Parish's commercial corridors. Each of the plans addresses a major quality of life issue that affects the overall appeal of Jefferson Parish, its economic competitiveness, and its ability to retain and attract middle class residents. The primary impetus for *The EDGE 2020* initiative was the realization that the Parish has begun to lose its middle class population. Reversing that trend hinges on improving economic opportunity as well as offering a superior quality of life.

As part of *The EDGE 2020*, Jefferson has also taken a hard look at economic development strategies for the coming years. JEDCO has completed the first phase of a new technology park that will likely become a nexus for entrepreneurial ventures and the kinds of emerging industries that Louisiana Economic Development has identified in their study of promising "Blue Ocean" industries⁴. *The EDGE 2020* also calls for major infrastructure investments, strategic partnerships, and policy changes that will yield the next generation of job growth in Jefferson Parish.

Concluding Thoughts

Jefferson Parish has proven itself in recent years to be a truly resilient community. It has rebounded from tremendous physical destruction and the profound disruption of business activity to assume an even greater leadership role in the New Orleans region. While Jefferson was a critical component of the regional economy before 2005, it is an even more prominent leader today. Rather than rest on its laurels, though, Jefferson is constantly striving to improve itself and make itself more resilient and more prosperous community. Jefferson has made a commitment to a stronger, more resilient future. What it now needs is the partnership and close collaboration of state government to address emerging threats and build a foundation for continued prosperity.



The EDGE 2020 plans address a range of quality of life issues and outline strategies for making Jefferson a better place for residents and businesses.

⁴"Blue Ocean" industries are those emerging fields that offer tremendous prospects for job growth. Louisiana Economic Development (LED) recently completed a study on promising Blue Ocean industries for Louisiana.



PARTNERSHIP WITH STATE GOVERNMENT

Over the past several years, there has been a dawning realization that Jefferson is facing very real and very serious threats to its long term prosperity. The aftermath of Hurricane Katrina, the disruption of business, and the dislocation of residents helped to highlight the fact that Jefferson is very much in competition with other communities throughout the United States for residents, businesses, and investment. These events also served to highlight that along a number of measures, Jefferson faces real deficiencies relative to other suburban communities.

Along a number of measures, Jefferson faces real deficiencies relative to other communities

Jefferson Parish's present situation makes for a rather complicated yet factual narrative. On the one hand, Jefferson is tremendously important to the economy of the New Orleans region and the entire state of Louisiana. It is home to critical economic infrastructure, major employers, and many thriving industries. On the other hand, there are some ominous threats that could undermine Jefferson's economic vitality—an outcome that would have extremely deleterious consequences for Louisiana and the southeastern region.

Essentially what Jefferson needs is a significant infusion of aggressive, preventative measures to ensure that the problems that it faces do not reach a crisis stage. Thinking preventatively has not been a hallmark of our government in recent years at any level—federal, state, or local. We have grown accustomed as a country to reacting to crises, be they a disaster such as Katrina or the more recent collapse of the banking system. As both of these examples illustrate, though, it is far more difficult and exponentially more costly to react to a serious problem than it is to prevent it in the first place.

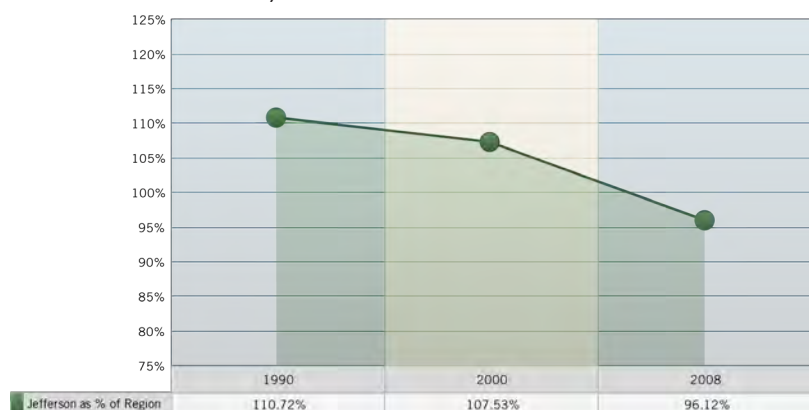
It is far more difficulty and more costly to react to a serious problem than it is to prevent it in the first place

A Declining Middle Class

There are three major problems that Jefferson faces that are both symptoms and potential causes of decline. The most significant and startling of these is the fact that Jefferson Parish is losing its middle class population. The numbers tell a stark and compelling story. According to the IRS, which

collects data on migration patterns, more residents are leaving Jefferson Parish than are moving in. Dating back to 2000, over 108,000 households have moved away from Jefferson Parish to other communities while approximately 93,000 households have moved to Jefferson⁵. Furthermore and of greater concern, the residents who are moving to Jefferson tend to have lower incomes than those moving away. Over this same period (2000 – 2008), the average income of households moving away from Jefferson is \$38,112 while the average income of in-movers is only \$31,944. This is a pattern that pre- and post-dates Hurricane Katrina.

MEDIAN FAMILY INCOME, JEFFERSON RELATIVE TO THE REGION: 1990-2008



Source: Census Bureau

Growth in median income in Jefferson has not kept pace with income growth in the metropolitan area overall

⁵Because the information reported pertains to income tax filings, an individual tax return is used as a proxy for a household.



Jefferson Parish: LOUISIANA'S LEADING PARISH

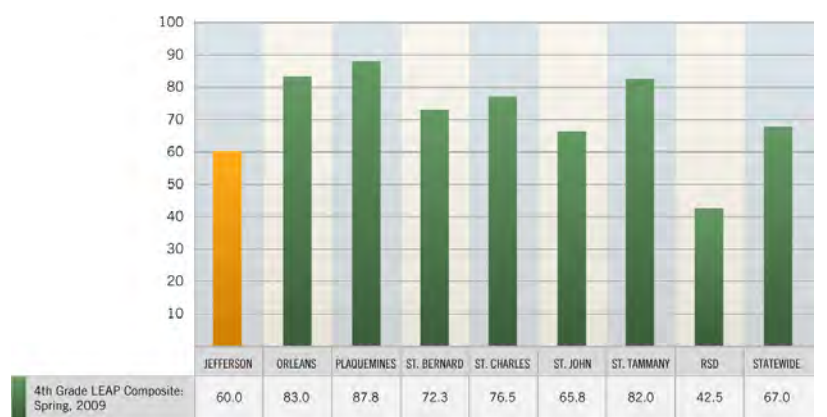
Another more succinct way to look at the change in Jefferson's middle class population is to examine median income statistics. The Census Bureau collects annual data on family incomes and reports a median family income statistic for every parish and county in the United States. One of the most effective ways to track income in a given community is to compare its median family income to that of the metropolitan area in which it is situated. Jefferson Parish has long had a median family income that is significantly higher than that of the New Orleans metropolitan area as a whole. In 1990, for example, Jefferson's median family income was 10.7% higher than the metro area's. By 2000, that discrepancy had shrunk somewhat as Jefferson was 7.5% above the metropolitan median. According to the 2008 estimate, however, Jefferson now has a median family income that is slightly *below* that of the New Orleans area as a whole (3.9% below the metropolitan area). This is the first time since at least 1970 that this has been the case. Put simply, the metropolitan area has grown wealthier than Jefferson Parish in recent years.

The importance of maintaining a strong middle class population cannot be overstated. The history of American cities and suburbs is fraught with communities that have lost their middle class population and then subsequently lost jobs, businesses, and their overall economic viability. The decline of the middle class typically sets off a vicious cycle of events. The tax base suffers; the need for government services increases as the population grows needier; quality of life problems associated with poverty begin to increase; remaining middle class residents leave for other communities as their quality of life suffers; the quality of the workforce and the overall appeal of the community declines; and the community becomes significantly less desirable to businesses, resulting in economic decline. While Jefferson remains a fundamentally middle class community with a healthy tax base, this sequence of events is already underway in some of its neighborhoods. Reversing this trend will require aggressive action on the part of local and state government in order to preserve Jefferson's economic competitiveness.

An Underperforming Public School System

The second major challenge that Jefferson faces is a historically underperforming public school system. In spite of being (still) a predominantly middle class community, Jefferson has long had a bifurcated school system: private schools for those who are better off and the public school system for everyone else. This has created a number of disadvantages for Jefferson Parish. The first is that, whether due to perception or reality, there is the sense that the only path to a good education in Jefferson is through private or parochial schools. The cost of tuition, as much as \$18,000 per year at some New Orleans area private schools, thus constitutes an additional cost that residents may not have to bear in other communities. The second disadvantage is that public school performance is highly correlated to the presence of middle class families. Certainly, some schools have thrived even with an economically disadvantaged population, but on the whole, a lower income student body presents an additional challenge for public schools.

4TH GRADE LEAP COMPOSITE* SCORE: SPRING, 2009



Source: La. Dept. of Education.

*Note: the "composite score" is the average passage rate for all 4th grade LEAP subject tests in a given parish.

Jefferson's composite score on the most recent 4th grade LEAP test trailed the statewide composite and was the second lowest of the eight school systems in the New Orleans metro area.

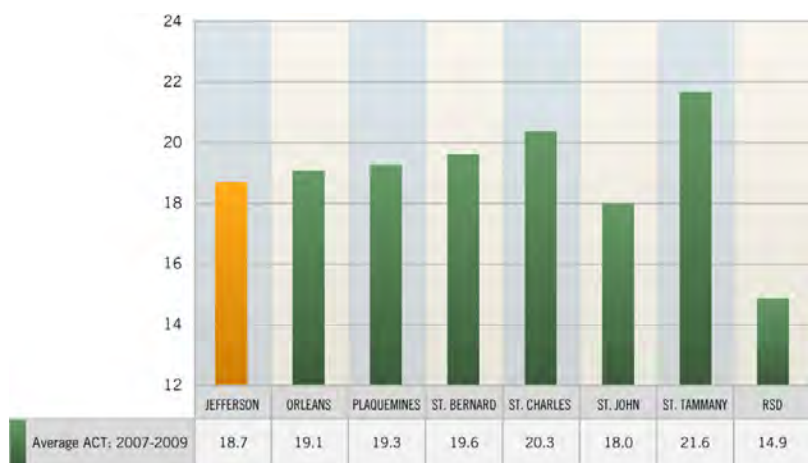


Jefferson Parish: LOUISIANA'S LEADING PARISH

In recent years, tremendous strides have been made in Jefferson's public school system, and there is a renewed focus from the business community and the community at large on improving public education. However, the numbers continue to lag the performance of schools in the metro area and statewide. In comparison to the state as a whole, Jefferson's public schools:

- Recorded the third lowest ACT score from 2007 – 2009 among the eight public school systems in the New Orleans area
- Recorded a mean Graduate Exit Exam (GEE) passage rate that was 12% below the statewide mean in 2009
- Recorded a mean 8th grade LEAP composite passage rate that 5% below the statewide mean in 2009
- Recorded a mean 4th grade LEAP composite passage rate that was 10.4% below the statewide mean in 2009

AVERAGE ACT SCORE: 2007-2009



Source: La. Dept. of Education

The average ACT score for Jefferson Parish schools is the third lowest of the eight school systems in the New Orleans metro area

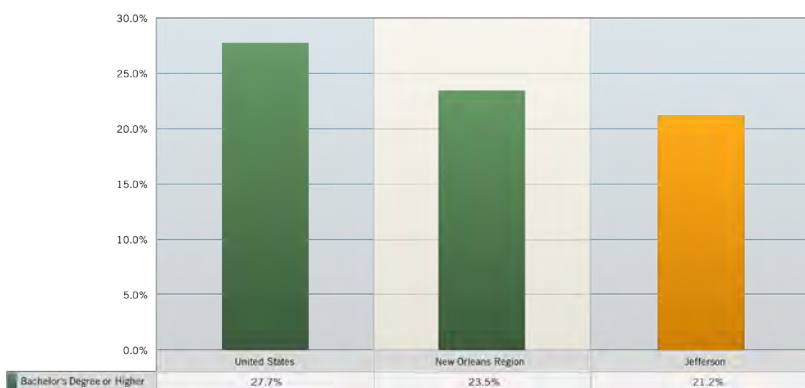
In comparison to the seven other school systems in the metropolitan area, Jefferson's scores fall below the scores of all of the other public school systems in the region with the exception of the Recovery School District in Orleans Parish and, in some cases, the St. John Parish school system.

Clearly, the performance of Jefferson Parish Public Schools threatens the long term competitiveness of the Parish, both from the standpoint of attracting new residents and from the standpoint of providing a qualified, competitive workforce for businesses.

Educational Attainment in Jefferson Parish

The third troubling indicator is the educational attainment of Jefferson residents. The Census Bureau collects information on the educational attainment of residents 25 and over through its American Community Survey program. Survey respondents are placed in a number of discrete categories, such as "high school graduate," "some college," or "college graduate."

EDUCATIONAL ATTAINMENT IN JEFFERSON, THE STATE, AND REGION 2008



Source: Census Bureau

Jefferson lags behind the metropolitan area and the country as a whole in the percentage of its residents with a college or graduate degree

In one sense, Jefferson fares reasonably well along this measure. Relative to Louisiana and the metropolitan area, Jefferson has a lower percentage of residents who have less than a high school diploma, reflecting Jefferson's low poverty rate. On the other hand, Jefferson Parish appears less competitive when the higher educational attainment categories are examined—namely, the percentage of residents with a college or graduate degree. In this regard, Jefferson is well below the national average and the average for the New Orleans metropolitan area. Whereas 21.2% of Jefferson residents have a college or graduate



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degree, 27.7% of all Americans and 23.5% of New Orleans area residents are in this category. Compared to Jefferson Parish, Orleans Parish actually has a higher percentage of residents with a college or graduate diploma—25.4% of the working age population.

The reason why this discrepancy is cause for concern is that the emerging industries in the United States are almost uniformly knowledge based industries. Those metropolitan areas that have experienced the most significant growth over the past two to three decades are predominantly communities with high levels of educational attainment and thriving knowledge based businesses in fields such as software development. As job growth inevitably shifts toward these fields, Jefferson Parish must have a competitive, well educated workforce, or it will risk being left behind economically.

Other Concerns

The three issues just discussed—a declining middle class, a historically underperforming school system, and a workforce that is lacking in advanced degrees—are three major challenges to the continued prosperity of Jefferson Parish. Unfortunately, they are not the only threats that Jefferson is facing. Crime in Jefferson is substantially lower than in neighboring Orleans Parish, and although violent crime has declined in Jefferson over the years, it still remains moderately higher than in other suburban communities. The ongoing struggle against crime and the related issue of neighborhood blight have been aggressively pursued by the Jefferson Parish Sheriff's Office and Parish Code Enforcement. The enduring viability and appeal of Jefferson's neighborhoods are at risk if crime and blight are not curtailed.



Despite being overwhelmingly middle class, Jefferson faces pockets of blight, crime, and concentrated poverty

Jefferson Parish's major hospitals—principal quality of life assets and principal employers of area residents—have been challenged by the lingering fiscal and socio-economic impacts of Hurricane Katrina. With the closure of other hospitals in the metropolitan area, Jefferson's three principal hospitals—Ochsner, East Jefferson, and West Jefferson—have had to assume the financial burden of treating more uninsured patients. At the same time, post-Katrina operating costs have skyrocketed while federal Medicare reimbursement rates have remained at lower levels that do not reflect these cost increases. The combination of these two factors has created a fiscal "perfect storm" for the hospitals. Thanks to the federal government and the assistance of the state Department of Health and Hospitals, area hospitals have recently received some subsidy to offset these costs. Nevertheless, their financial challenges are far from being fully resolved.



The major hospitals in Jefferson continue to faces challenges associated with higher operating costs and outdated, insufficient reimbursement rates

Another threat that Jefferson Parish faces is a deficit in jobs. Along so many indicators—public services, population, sales taxes, property taxes, its share of the regional economy—Jefferson has proven to be incredibly robust and has recovered completely from the hurricanes of 2005. In the realm of jobs, though, Jefferson remains well below its pre-Katrina employment total. Jefferson still has a low unemployment rate, but it also has approximately 21,000 fewer jobs than it had in July of 2005 on the eve of Katrina. This represents a 9.5% reduction in jobs in spite of the fact that Jefferson's

Jefferson has 21,000 fewer jobs than it did in the summer of 2005.



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population is only 1% below its pre-storm population. Clearly, Jefferson's economy and job market have not fully recovered. The challenge to local organizations like JEDCO, as well as to state agencies such as Louisiana Economic Development, will be to restore those lost jobs in the coming years and to fully restore Jefferson's economic strength.

Collaboration with State Government

All of the aforementioned issues are serious problems that warrant aggressive, preventative action. Given the historical and present-day importance of Jefferson Parish, Louisiana cannot afford to let these problems become an unmanageable crisis. The specific action items within *The EDGE 2020* plans underscore the fact that Jefferson Parish cannot solve these problems alone and indeed requires the cooperation and commitment of the state. Some are problems for which the resources required simply exceed the means of any parish government. Others are issues of jurisdictional responsibility where the state government is responsible for an agency or program that directly affects the quality of life of an individual parish. Consider the following:

- Medicaid reimbursement rates set by the state Department of Health and Hospitals have a profound effect upon the financial viability of Jefferson's three major hospitals.
- Decisions about the allocation of transportation funding help to determine whether Jefferson has the core infrastructure to compete with counties around the United States.
- Reforms within the state corrections system will help to determine whether criminal recidivism is reduced or whether released inmates return to Jefferson only to commit more crimes
- Changes in the Minimum Foundation Program (MFP) funding formula would provide Jefferson Parish Public Schools with the resources to offer an exemplary education and elevate student performance.
- Funding from business retention and expansion incentive programs overseen by Louisiana Economic Development would help Jefferson Parish to retain valued businesses and foster the job creation that could make up for the post-Katrina deficit in jobs.

In an addendum to this report, the key challenges that Jefferson Parish faces in a number of critical areas are outlined. They are public education, hospitals, law enforcement, transportation, and economic development. These summaries also highlight the state programs that are most germane to each of these concerns. The legislative delegation of Jefferson and the Parish administration look forward to working closely with state government in the coming months to determine how these programs can best be utilized to strengthen Jefferson Parish for the sake of the Parish itself, the southeast Louisiana region, and the entire state.

Concluding Thoughts

Jefferson Parish is not facing an immediate crisis. This report has attempted to show the fundamental resilience of Jefferson—its resilience after Hurricane Katrina and its resilience in the face of a weakened

Included with this report are five topic-specific summaries discussing issues of critical importance to Jefferson. These are also opportunities for closer collaboration with state government. They are:

- **Public Education**
- **Hospitals**
- **Law Enforcement**
- **Transportation**
- **Economic Development**

The problems that Jefferson is facing warrant the close collaboration of state government



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national economy. The fundamental challenge before the Parish government and the state is to act aggressively and proactively to prevent the many current challenges that Jefferson faces from spiraling out of control. Failing to act and thereby risking the economic decline of Jefferson are risks that Louisiana cannot afford to take. Given that Jefferson is unequivocally the economic engine for the largest region in the state and that Jefferson is, by itself, an engine for the state as a whole, the problems that Jefferson is facing warrant the close collaboration of state government.





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CONCLUSION

The tragic events of 2005 have changed the economic and demographic geography of Louisiana somewhat. The New Orleans region suffered tremendous property damage and a loss of population, but the region is recovering strongly with Jefferson Parish leading the way. Southeast Louisiana, in spite of Hurricane Katrina, remains the state's foremost economic engine and principal population center. It is home to major universities, medical facilities, research centers, major corporations, transportation infrastructure, and cultural resources. These critical economic engines—engines that impact the entire state—are firmly ensconced in southeast Louisiana.

The future of Jefferson Parish affects the future of southeast Louisiana and the entire state

Within the region, Jefferson Parish has emerged as the leading parish along any number of quantitative and qualitative measures. As the largest parish in the state, its future affects the future of the New Orleans region and all of Louisiana. A principal mission of state government, especially in a time of strained budgets and a weakened economy, should be to protect and enhance the state's key economic assets. Jefferson Parish, home to one out of every ten persons and more than one out of every ten jobs in the state, is indisputably such an asset.

The threats that Jefferson Parish faces are real, and they are substantial. Resolving these problems—be they in education, transportation, health care, or other areas—will require the close cooperation of state government. One of the foremost lessons of Hurricane Katrina is that it is much easier, and less costly, to fix emerging problems than it is to resolve a crisis. As a maturing community with real needs, Jefferson is asking for a renewed commitment from state government—a commitment to partner with Jefferson on key policy issues and to provide the kind of resources that reflect Jefferson's contribution to the economy and the overall welfare of Louisiana.

It is much easier—and less costly—to fix emerging problems than to resolve a crisis

The Jefferson delegation and the Parish government look forward to working closely with the state during the upcoming legislative session in order to build a stronger Jefferson Parish and a more prosperous Louisiana.

State of
Louisiana

Jefferson Parish