

The Kaiser Family Foundation recently released its second comprehensive survey of New Orleans' residents, which offered a continuing assessment of residents' needs, goals, and concerns to help inform the recovery and rebuilding effort and keep national attention focused on the challenges still facing the area.<sup>1</sup> Conducted in the spring of 2008, the survey of 1,294 adults living in Orleans Parish followed up on the 2006 Kaiser survey. The 2008 survey found a city still struggling in numerous ways to recover nearly three years after Hurricane Katrina and the subsequent flooding from the levee breaches, with many residents dissatisfied with the pace of recovery. However, residents remained optimistic for the city's future even though many were dealing with difficult economic and health challenges.

One group most affected by the aftermath of Katrina was the low-income population of New Orleans. Already dealing with limited family budgets and financial challenges before the storm, they lived in some of the most heavily flooded areas of the city and, as such, suffered some of the most significant damage.<sup>2</sup> They also had the fewest resources and means to deal with the disaster and displacement caused by the storm. Yet, three years after Katrina, many low-income residents have found a way to return home. This brief provides an overview of the low-income population of New Orleans in 2008 and some of the key challenges they face.

### KEY FINDINGS

- New Orleans in 2008, although smaller in size than pre-Katrina, continues to have a substantial low-income population—some four in ten (41%) adults report family income below 200% of poverty.
- Over nine in ten (92%) low-income adults living in New Orleans today are Katrina survivors. Among Katrina survivors, low-income adults are more likely than other adults to still be dealing with recovery challenges.
- Relative to other adults in the city, low-income adults are experiencing more worries about their current situation and their and their children's future, particularly around financial issues.
- Low-income adults are more likely than other adults in the city to have a health problem, to be uninsured, and to face barriers to accessing needed health care. In particular, adults who used to rely on Charity Hospital are facing access challenges.
- The high uninsured rate (27%) for low-income adults reflects a low level of private coverage and limited Medicaid eligibility for adults, in contrast to the substantial role Medicaid plays for children. Among low-income adults with children in the household, over two-thirds say a child has Medicaid or SCHIP coverage.

<sup>1</sup> For full survey results and methodology see, "New Orleans Three Years After the Storm: The Second Kaiser Post-Katrina Survey, 2008," Kaiser Family Foundation, August 2008, <http://www.kff.org/kaiserpolls/posr081008pkg.cfm>.

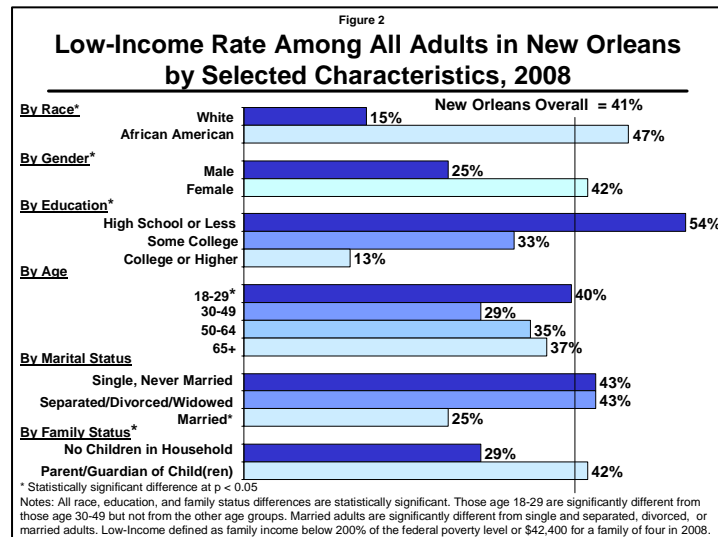
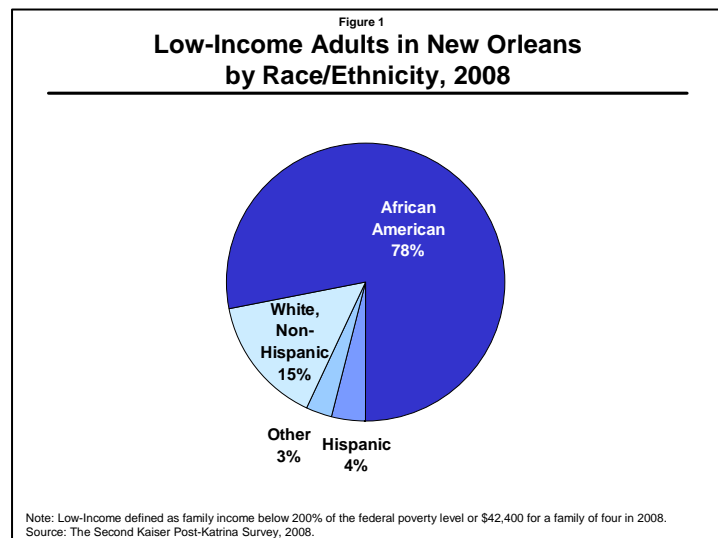
<sup>2</sup> Congressional Research Service. "Hurricane Katrina: Social-Demographic Characteristics of Impacted Areas," November 2005.

## Portrait of Low-Income Adults in New Orleans in 2008

Before Hurricane Katrina, Louisiana and the New Orleans area had some of the highest rates of low-income residents in the nation. In 2004, Louisiana ranked third in the country, with 44% of non-elderly adults and children living in families with income below twice the federal poverty level (FPL) (\$37,700 for a family of four in 2004), compared to 35% overall in the United States.<sup>3</sup> Among New Orleans area residents, 42% percent of non-elderly adults and children were low-income.<sup>4</sup>

The 2008 Kaiser Family Foundation survey finds that Orleans Parish (the city of New Orleans) continues to have a sizeable population of low-income adults. Among those reporting income, some 41% of adults report family income below 200% FPL (\$42,400 for a family of four in 2008).<sup>5</sup> Nearly eight in ten low-income adults are African American (78%) (Figure 1). Additionally, about two thirds of low-income adults are women (67%), and the bulk of low-income adults have education limited to a high school degree or less (62%).

These findings reflect the fact that African American adults are significantly more likely to be low-income than white adults (47% vs. 15%, Figure 2). Further, over four in ten women (42%) are low-income compared to only a quarter of men (25%). Adults with more limited education also are at increased risk of being low-income, stemming from the fact that they tend to be employed in lower-wage jobs. Likely a result of dual incomes in some married households, married adults are less likely to be low-income. However, adult parents are more likely to be low-income than adults without children in the household.



<sup>3</sup> KCMU and Urban Institute analysis of two-year pooled data from the March 2004 and March 2005 Current Population surveys.

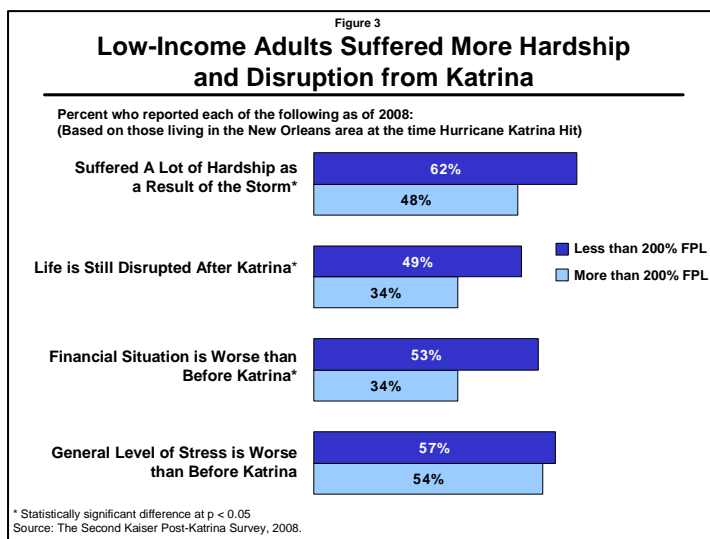
<sup>4</sup> KCMU and Urban Institute analysis of the March 2005 Current Population survey for the New Orleans metropolitan area, including New Orleans, Metairie, and Kenner, LA.

<sup>5</sup> Analysis in this survey brief is limited to the 83% of respondents who reported income in the survey.

## Personal Recovery from the Storm

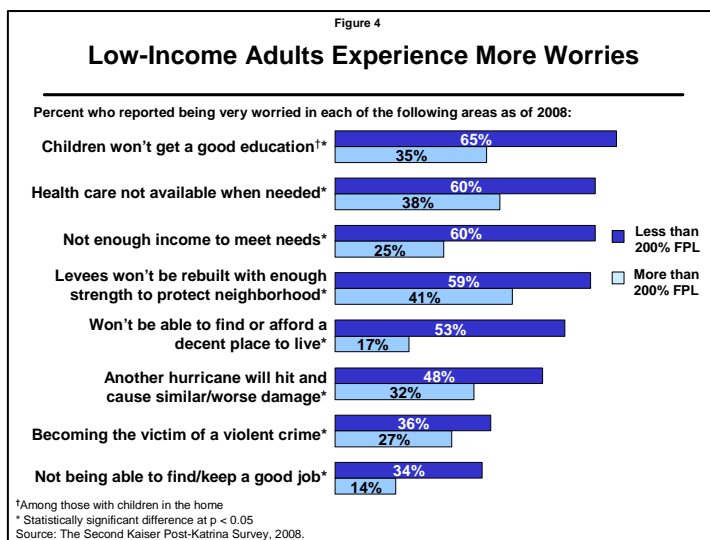
The survey reveals that many low-income adults are facing significant challenges recovering from the aftermath of Katrina. About nine in ten (92%) low-income adults in New Orleans are Katrina survivors. Reflecting the flooding's disproportionate impact on low-income neighborhoods as well as the limited resources of the low-income population to deal with the flood damage, low-income adults are significantly more likely than other adults to say they suffered a lot of hardship as a result of the storm and that their life continues to be disrupted (Figure 3). Low-income adults also are more likely to describe their financial situation as worse than before Katrina (53% vs. 34%).

However, other adults in the city are equally as likely as low-income adults to be dealing with increased stress levels and to have low quality of life ratings. Over half of all adults report that their stress level is worse than before Katrina. Further, regardless of income, only about a quarter of adults say they are very satisfied with their quality of life. (In the 2006 Kaiser survey, 65% of adults said pre-Katrina they rated themselves as very satisfied with their quality of life.)

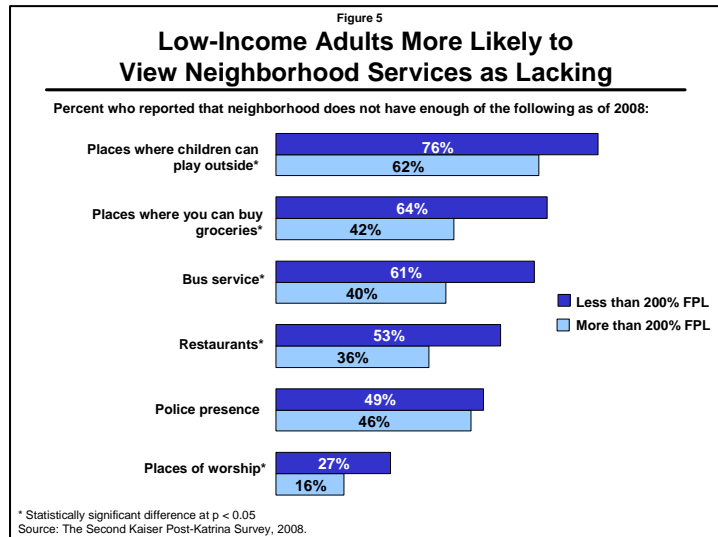


## Worries, Daily Hassles, and Employment Challenges

Low-income adults in New Orleans have many worries and concerns about their current situation as well as their future and that of their children, especially around financial issues (Figure 4). For example, low-income adults are three times more likely than other adults to say they are very worried they won't be able to find or afford a decent place to live (53% vs. 17%). Further, they are more than two times as likely to say they are very worried they won't have enough income to meet their needs (60% vs. 25%) and that they will not be able to find or keep a good job (34% vs. 14%). Low-income adults also voiced greater concern than other adults about the quality of their children's education, their ability to obtain needed health care, their safety from violent crime, and the threat and potential impact of a future storm on their neighborhood.



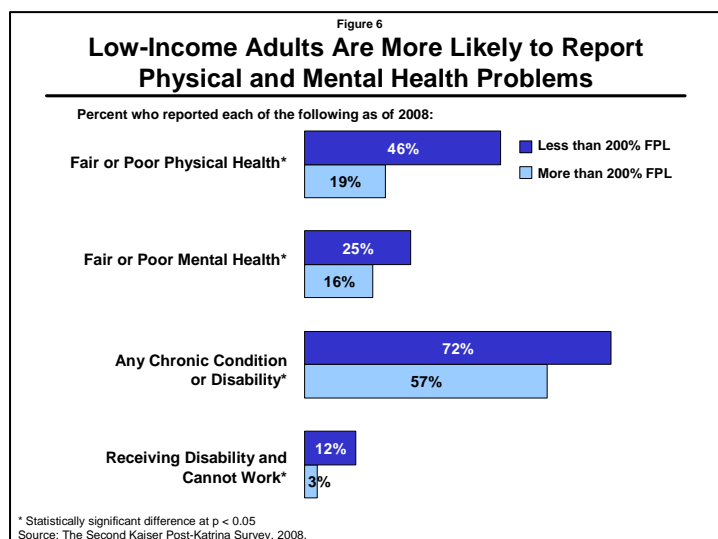
In addition to increased worries, low-income adults face additional daily hassles related to the resources available in their neighborhood. Relative to other adults in New Orleans, low-income adults are more likely to report that their neighborhood does not have enough places where children can play outside, grocery stores, bus service, restaurants, and places of worship (Figure 5). The lack of bus service combined with the lack of resources such as grocery stores can make daily tasks very difficult, particularly because four in ten low-income adults (40%) say they rely on public transportation and over one in three (37%) do not have a car.



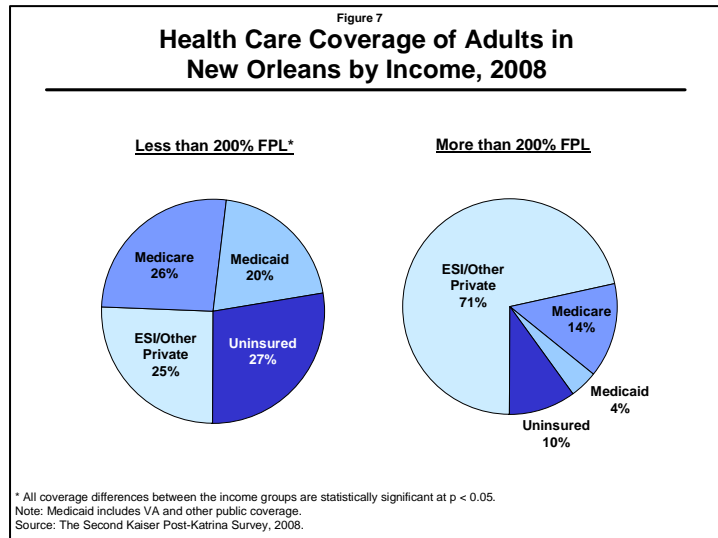
Although a quarter (24%) of low-income adults in New Orleans are full-time workers, the majority of low-income adults have limited or no attachment to the workforce. Those who are working are often in low-wage jobs that leave them facing financial challenges. While 20% of higher-income adults report some sort of employment-related challenge, the rate rises to nearly half (47%) among low-income adults, with nearly one in five (19%) unemployed, 12% on disability and unable to work, and 16% in a job that does not pay enough to cover basic expenses. Another one in five (22%) low-income adults in New Orleans is retired and likely surviving on a fixed income. Further, low-income adults are more than four times as likely as other adults to say they are struggling to make ends meet (38% vs. 9%). Given that the survey was conducted prior to the most recent economic downturn, financial worries and challenges facing low-income adults have likely further increased in recent months.

### Health Status, Coverage, and Access

The physical and mental health needs among low-income adults in New Orleans are substantial and may impede their ability to work. Low-income adults are more than twice as likely as other adults to say they are in fair or poor physical health and significantly more likely to rate their mental health as fair or poor (Figure 6). Further, nearly three-quarters of low-income adults (72%) report a chronic condition or disability versus 57% of other adults, and low-income adults are four times more likely than other adults to report they are receiving disability and cannot work.



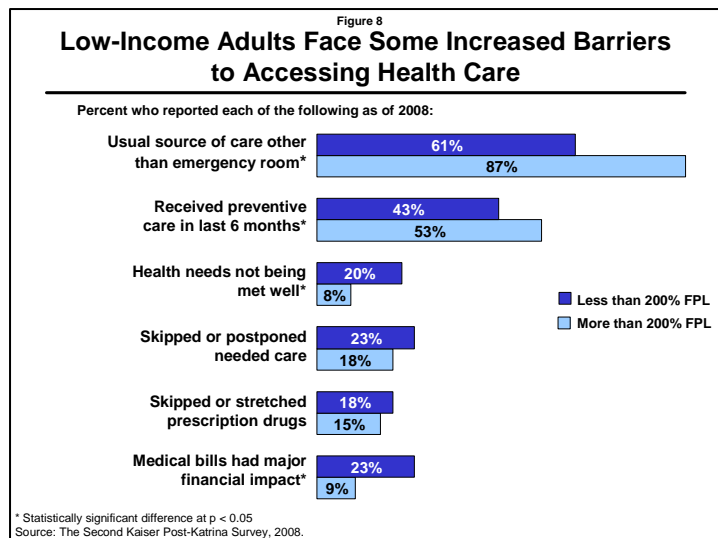
Despite their extensive health problems, low-income adults are at a disadvantage in being able to obtain needed health care as over one in four lack health coverage (27%) (Figure 7). The high uninsured rate among low-income adults is primarily driven by a low rate of private coverage and limited Medicaid coverage in Louisiana where eligibility excludes adults without dependent children and only reaches working parents with income up to 20% FPL and non-working parents up to 13% FPL (\$4,240 and \$2,756 respectively per year for a family of four in 2008).<sup>6</sup>



Among employed adults, low-income adults are less than half as likely as other adults to have an offer of health coverage from their employer (35% vs. 79%), reflecting the fact many are in part-time or low-wage jobs that often do not provide health coverage. Even when employer coverage is offered, the employee share of the premium may make coverage unaffordable given the limited budgets of low-income adults. Medicaid helps fill some of the gap in private coverage for the poorest and sickest, but most low-income adults are ineligible for public coverage.

While Medicaid's role in covering low-income adults is limited due to low eligibility levels for parents and the exclusion of childless adults, Medicaid plays a significant role in covering children in New Orleans, particularly those in low-income households. Over half (56%) of all adults with a child or children living in the household report that a child in the household is covered by Medicaid or SCHIP. Among low-income adults with children living in the household, more than two-thirds (71%) say a child has Medicaid or SCHIP coverage.

Not only are low-income adults significantly less likely than other adults to have health insurance coverage, but they are also significantly less likely to be connected to a usual source of care other than the emergency room (61% vs. 87%) (Figure 8). About one in four (28%) low-income adults report a neighborhood or hospital clinic as their usual source of care,<sup>7</sup> which is not significantly different from the percent of other adults who rely on a clinic for care. However, low-income adults are



<sup>6</sup> Kaiser Commission on Medicaid and the Uninsured, "Health Coverage for Children and Families in Medicaid and SCHIP: State Efforts Face New Hurdles," January 2008.

<sup>7</sup> Also includes those that report clinic as a usual source of care without specifying neighborhood or hospital clinic.

about half as likely as other adults to say a private doctor's office is their primary source of care (31% vs. 62%). Among those who do have a usual source of care, low-income adults are more than twice as likely to say it is difficult to get to that place of care than other adults (27% vs. 13%).

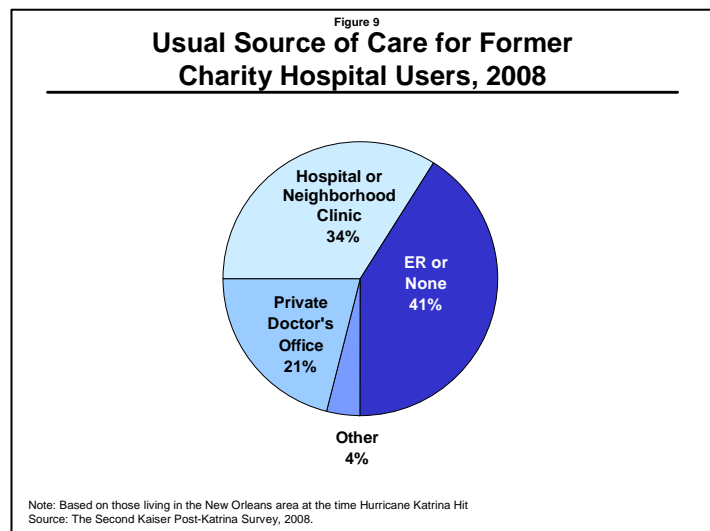
Given their more limited connection to sources of care, low-income adults are less likely than other adults to report receiving preventive care (43% vs. 53%). They also are more likely to report visiting an emergency room (28% vs. 16%), which may stem from both their lack of connection to a usual source of care as well as their increased health needs relative to other adults. Further, low-income adults are more than twice as likely as other adults to say that their health needs are not being met well (20% vs. 8%).

Financial burdens of health care costs also negatively affect access to care for low-income adults. They are significantly more likely than other adults to report problems related to medical bills, with nearly four in ten (37%) saying they had difficulty paying for household medical bills in the past six months and about a quarter (23%) saying that medical bills had a major financial impact on their household. In comparison, paying medical bills was a problem for about one in five (19%) other adults and 9% of other adults said that medical bills had a major financial impact. However, similar to other adults, they struggle with cost containing behavior that leads one in four (23%) to say they have skipped or postponed care and one in five (18%) to skip or stretch doses of prescription drugs.

### Health Care for Former Charity Hospital Users

The access problems faced by low-income adults, particularly their limited connection to sources of care have been greatly exacerbated by the loss of key health care resources for the city's low-income and uninsured population in the wake of Katrina. Before Katrina, many of these adults relied on the city's now-shuttered public hospital that was run by Louisiana State University (LSU)—Charity Hospital—or one of its clinics for care. Overall, 24% of adult Katrina survivors living in the city today say they usually went to Charity or one of its clinics for care.

This group of former Charity users is predominately low-income (67%) and African American (83%). Many have physical and mental health problems, with half (50%) reporting fair or poor physical health, 29% reporting fair or poor mental health, and 70% reporting a chronic condition or disability. Yet, over one in three (35%) lack health coverage, making it difficult to obtain affordable health care. Since the closure of Charity, some have turned to other clinics and doctors operating in the city as well as other area hospitals, including a growing network of neighborhood clinics and the limited LSU-operated services being provided through University Hospital, but many others still have not connected with a new source of care. Overall, 41% of former Charity Hospital users say they rely on the emergency room or do not have a usual source of care (Figure 9).



## Conclusion

New Orleans in 2008, although smaller in size than pre-Katrina, continues to be a city with a substantial low-income population. Some four in ten adults in the city have family income below 200% of poverty. Given the areas in Orleans Parish that were affected by flooding post-Katrina, the low-income population faced both extensive devastation of their communities and incredible rebuilding challenges with limited personal resources. Yet, many low-income adults have found a way to return to the city, and almost all (92%) low-income adults living in the city today are Katrina survivors.

However, low-income adults are more likely to still be struggling with recovery, have greater worries and concerns about their current situation and their future, and face increased daily hassles due to limited resources in their neighborhoods. On top of these challenges, low-income adults continue to face substantial employment and financial difficulties along with a high rate of physical and mental health problems relative to the rest of the adult population. A high uninsured rate, limited financial resources, and other access barriers in addition to slow progress rebuilding health service capacity makes meeting the substantial health needs of these adults both difficult and complex. As recovery continues, focusing on the key areas of opportunity to lessen the challenges facing the low-income population, particularly in the area of health care, will be important for continuing to improve and rebuild New Orleans.

This brief was prepared by Kaiser Family Foundation researchers Samantha Artiga, David Rousseau, Molly McGinn-Shapiro, and Adele Shartzter. For full survey results and methodology see, "New Orleans Three Years After the Storm: The Second Kaiser Post-Katrina Survey, 2008," Kaiser Family Foundation, August 2008, <http://www.kff.org/kaiserpolls/posr081008pkg.cfm>. The Second Kaiser Post-Katrina Survey was designed and analyzed by researchers at the Kaiser Family Foundation, including: the survey research team led by Kaiser Vice President and Director for Public Opinion and Survey Research Mollyann Brodie along with Claudia Deane and including Liz Hamel, Sasha Buscho, and Pam Murnane; the health policy team led by Kaiser Executive Vice President Diane Rowland and including Adele Shartzter, Samantha Artiga, and David Rousseau; and Kaiser President and CEO Drew Altman. ICR/International Communications Research collaborated with Kaiser researchers on sample design and weighting, and supervised the fieldwork. The survey was conducted from March 5 to April 28, 2008, among 1,294 randomly selected adults ages 18 and older residing in Orleans Parish. The sample design was a multi-stage stratified area probability sample starting with 275 randomly selected segments based on Census Block Groups distributed proportionate to expected population in each of fourteen Census tract defined neighborhoods in Orleans Parish and then selecting a random sample of addresses from those areas using the U.S. Postal Service's Delivery Sequence File. To ensure coverage of all residents, interviewing was conducted using a mixed-mode design including by telephone (669 interviews), web (178), and face-to-face (447). Interviews were completed in English and Spanish. The margin of sampling error for the full sample is plus or minus 3 percentage points. For results based on other subsets of respondents the margin of sampling error may be higher. Analysis in this survey brief is limited to the 83% of respondents who reported income for the survey.

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