



Measuring Our Progress

Louisiana's
Place
in the
New
Economy

The People's Agenda Report Card 2001



CABL

The Council for A Better Louisiana

is a nonprofit, nonpartisan organization working on issues in the public interest. It was founded in 1962 with the goal of improving the quality of life for all citizens of Louisiana.

The People's Agenda

is an ongoing voter education and legislative watchdog initiative sponsored by CABL. It is a multi-faceted, nonpartisan effort established to ensure that the common concerns of Louisiana citizens become the focus of political debate during state elections, and that those concerns are addressed by elected officials after the elections.

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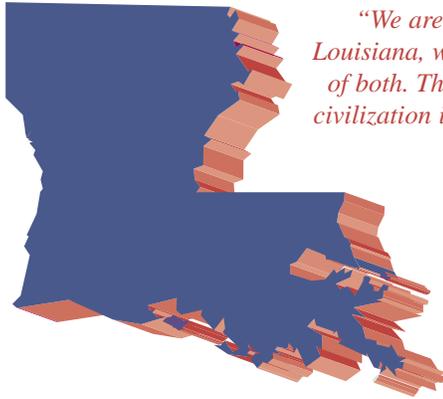
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This report is also available on our website at:

www.cabl.org

Measuring Our Progress:

Louisiana's Place in the New Economy & the New South



"We are proudly a part of the South, but we realize the South is a part of America. The state of Louisiana, well governed, prosperous, wealthy, enlightened and inspired can vitally affect the destiny of both. The state of Louisiana can contribute significantly to the South, to this great nation, and to civilization itself, in the process of serving the needs of its own citizens."

*Governor John J. McKeithen
1964*

Since 1994 the Council for A Better Louisiana through its *People's Agenda* project has been asking citizens about their priorities for our state. Our goal has been to find out what issues concern them most, where we need to focus as a state, and how effective they believe state government has been in addressing their concerns. Over the years, their answers have not been surprising. People want a quality public education system, opportunities for their children, jobs that pay a good wage and elected leaders who act ethically and

focus on the things that will make Louisiana a better place to live. On a regular basis we compile this information and publish it as a "report card" from the people rating the performance of state government.

In 2000 we expanded on this effort. CABL developed a list of more than 30 indicators which, taken as a whole, offer a snapshot of the quality of life in Louisiana. From education and jobs to health and income, they tell us things we need to know about the vitality of our state. Part of our emphasis has been on Louisiana's relationship with other states in the South, that are both our neighbors and our competitors. We want citizens and state leaders to have a realistic picture of where we stand in comparison to states that look a lot like us and face similar challenges.

This year we also want to learn from their successes. With data from the census and other sources, we look at the economic changes that have occurred in the South leading into this new century. Where does the South stand? Where does Louisiana stand? Where do we go from here?

We also offer a list of recommendations – 10 things Louisiana can do in this decade to improve our economic well-being. As this report will show, Louisiana faces many challenges, but they are not beyond our means to overcome them.

Louisiana and the New South

"The South has ridden a rocket of accelerating change. The region has experienced remarkable growth as its economy has been transformed. But the benefits of growth have not been distributed evenly across the region."

MDC, Inc.

Over the decade of the 1990s, the South as a whole has proven to be one of the most dynamic regions in the country. It is, in truth, a "New South" adapting to what is now being referred to as the New Economy.

What does that mean? The old economy that existed throughout most of the 20th century was based on established manufacturing industries, natural resources and labor that was largely blue collar. Most people worked for

businesses that either made things, distributed things, or provided support to those who did.

Location was important. Education was not. Ports and waterways were valuable, and for the most part, the market for American businesses did not extend much beyond the nation's borders. Today, all of that has changed.

Manufacturing is still an important part of the economy, but it's not what's driving it. The majority of new jobs that are being created involve information, technology, communications and knowledge. The new businesses that utilize them don't need to locate near railroads, rivers or raw materials. And they rely not on natural resources, but human resources – intellectual capital that fuels innovation and growth. Pay is higher and the market is global. This is the New Economy.

It's also an economy that the South as a region has begun to embrace. After years of being seen as backward and out of step with the rest of the country, it is fair to say the New South is part of the nation's economic mainstream. The proof is in the numbers. Over the last 20 years the South has:

- Outpaced the nation in the creation of new jobs.
- Experienced a population growth rate nearly twice the rest of the nation.
- Drawn closer to the nation in per capita income.
- Reduced its traditionally high rate of poverty to one more in line with the rest of the nation.

The South's transformation into a region that is helping power the New Economy is still a work in progress, but it's clear that progress is being made.

Louisiana Lagging Behind

“Our state is rich in soil, and her climate conditions are most favorable. Her salt, sulphur, oil and gas deposits are rich and almost illimitable. With all of this actual and potential wealth, we must admit frankly, that our state did not progress as rapidly as it should have done.”

*Governor Ruffin G. Pleasant
1916*

Unfortunately the prosperity that the South has begun to enjoy over the last two decades has not been felt equally across the region. Some states have done a better job than others of looking to the future. Some were more far-sighted in investing in education and the well-being of citizens. And some developed the political will to break the shackles of the past much sooner.

Sadly, Louisiana remains one of a small handful of Southern states lagging significantly behind. In far too many areas of economic importance, we have failed to keep up with our regional neighbors. This is critical because in this case our neighbors are also our competitors for workers, for jobs and the benefits that go along with them. Those who have analyzed our economic situation note that Louisiana's job mix is still rooted in the economy of the past. That does not mean we should abandon the industries that have been the backbone of Louisiana's economy for much of the last century, but we should recognize that many of the new jobs that are spurring economic growth in other parts of the country are being created in other sectors. While it is an unfortunate fact that we have gotten a late start in adapting to the New Economy, we have at least made a start. For Louisiana to enjoy the prosperity that other states have, it is imperative that we enrich our economic mix with a focus on the jobs of the future. Louisiana cannot afford to be left behind.

Where We Stand

Looking at Louisiana in the context of the South, it is clear that we are not where we want to be. We are not last in everything, but we are near the bottom in far too many things. During the decade of the 1990s, Louisiana showed progress in some areas, and the seeds of potential in others, but it was not our shining hour.

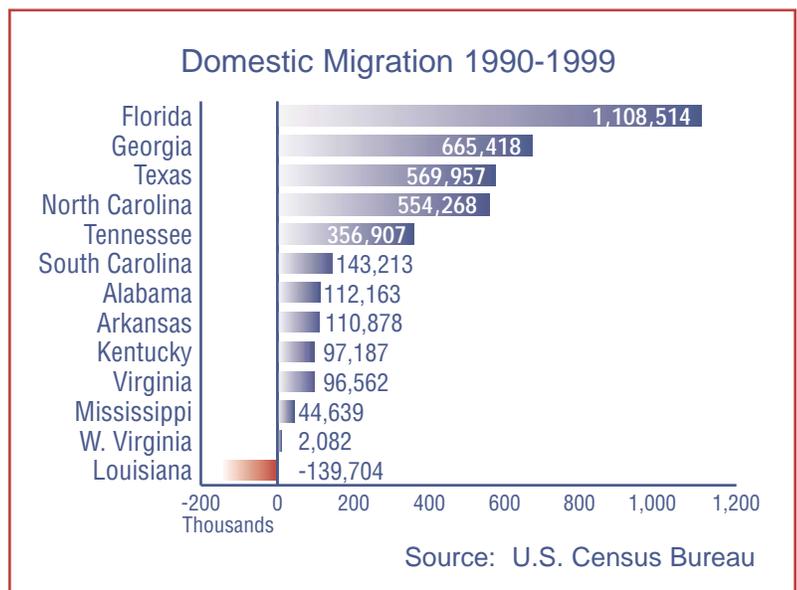
Population

“We want (people) to come and settle among us, and help us build up and make great and powerful this magnificent Commonwealth.”

*Governor Newton C. Blanchard
1904*

Changes in population don't just reflect how many people are born and how many die. They indicate what's going on in a state. They tell a story. Unfortunately, the story in Louisiana over the last decade has been one of lack of opportunity, and a search for greener pastures. Between 1990 and 2000 the South's population grew by 14.7%, one-and-a-half points better than the U.S. average. By contrast, Louisiana's population grew by just 5.9%, the second lowest rate in the South. That, however, is only part of the story.

While most other Southern states saw their populations grow because of an influx of new residents, Louisiana had the opposite experience – significantly more people moved out than moved in. Estimates vary, but it's clear that during the decade of the 1990s, Louisiana had a net outmigration approaching 140,000 people. That number stands in stark relief to what happened in every other Southern state. While troubling, it is not surprising. Since 1994 CABL has been asking citizens through its *People's Agenda* voter survey whether, given the means and opportunity, they



would choose to leave Louisiana. Consistently, more than a third have answered yes. Not all will, but economists say that sentiment reflects a feeling that Louisiana does not offer them the job opportunities they see in other states. As one Louisiana sociologist observed, “People are voting with their feet.”

That’s not to say that some regions of the state haven’t had other experiences. The population in the Baton Rouge Metropolitan Area grew by 15.2% during the 1990s, exceeding both the Southern and national averages. Lafayette (12.3%) and Lake Charles (10.2%) were not far behind. Again, the numbers tell a story. All three of the regions with the greatest rate of population growth also enjoyed relatively healthy job growth. So just as some people left Louisiana looking for greater opportunities, others stayed or migrated to areas within the state where good jobs were available. Unfortunately, most of the state is still lacking in that category.

Not Just More Jobs, But Better Jobs

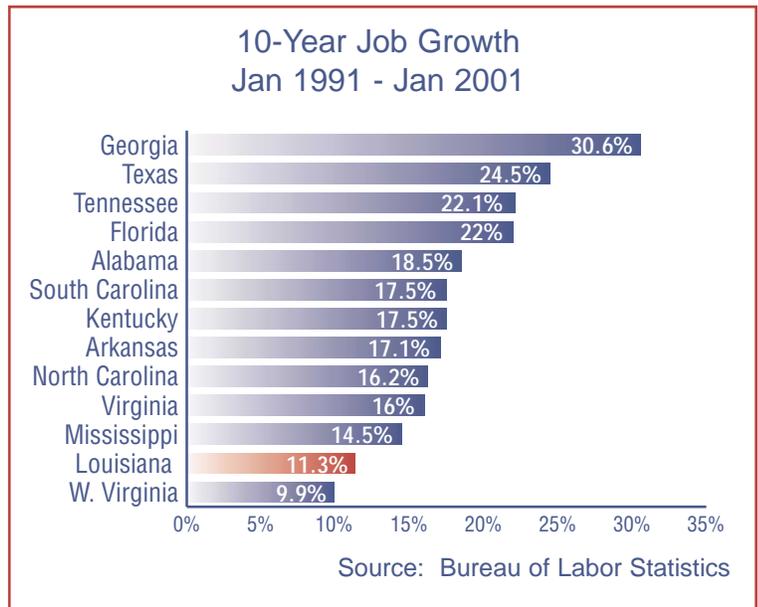
“A stable government functioning upon the basis of sound political and economic principles is the best assurance of a stable and progressive (economic) development.”

*Governor Robert F. Kennon
1952*

Over roughly the last 20 years, the rate of job growth in the South has far exceeded the national average. According to MDC, a research group in Chapel Hill, North Carolina, nearly four out of every 10 jobs gained in the U.S. between 1978 and 1997 were in the South. In some cases, the growth was sharp. Five states increased their number of jobs by 50% or more. Seven had faster job growth than the nation as a whole. While there may be several explanations for this, MDC pointed to a pattern of job growth around metropolitan areas that had become New Economy centers connected to technology and the global economy.

Unfortunately, Louisiana was not one of the states at the forefront of this growth. Until the most recent downturn in the economy, there was a sense by many in the state that at least during the last half of the 1990s, Louisiana’s economy was humming along at a comfortable pace. Compared to prior years that may have been true, but in the context of our neighboring states it left a false impression.

Between 1991 and 2001, jobs grew by an average of 18.2% in the South. They grew by 11.3% in Louisiana – the second lowest rate in the region. Even states similar to Louisiana like Arkansas, Mississippi and Alabama had relatively robust rates of job growth. Why were we different? There could be a number of reasons. One is the fact that the volatile oil and gas industry, still a key component of



our economy, has declined over the years. Manufacturing, another important sector, also lost jobs in Louisiana, even though most Southern states experienced increases.

But there is a different dynamic at play, as well. The job growth in a number of Southern states was driven to a large extent by cities engaged in the New Economy. Austin, Atlanta, Charlotte and Raleigh-Durham all created new jobs at rates far exceeding the national average. Each is different, but they all blended New Economy ingredients into their economic mix and achieved positive results.

This is an area where Louisiana must do better. The good news is that some of our metropolitan areas did create new jobs at rates that exceeded the national average. This is important because most of the large gains other states experienced in job growth were driven by dynamic activity in their urban areas. Unfortunately, most of Louisiana’s metro areas aren’t large enough to produce the actual number of jobs necessary to sufficiently lift the state, even though their percentage growth was relatively high. If Louisiana is to keep up with other Southern states in job growth, all of our urban areas must show sustained progress.

Growing Our Income

“Suffice it to say that the essentials are here for a great era of prosperity for our people. It is here if we but work together to bring them into full fruition.”

*Governor Jimmie H. Davis
1944*

Despite Louisiana’s slower job growth compared to the rest of the South, the state has managed to make some progress over the last decade in terms of income. It is not nearly enough, however, to provide the stimulus Louisiana needs to join the ranks of states with healthy, vibrant

economies. In addition, there appear to be warning clouds on the horizon.

The good news is that during the decade of the 1990s, personal income in Louisiana grew at a faster rate than the nation. In 1991 per capita income in Louisiana was \$13,997 – only 75% of what it was for the U.S. as a whole. Ten years later it is now \$22,839, or 80% of the national average. Unfortunately, the relative gain is not as great as it seems. Personal income in Louisiana is still the fourth lowest in the South, the same as it was in 1989. What's more there are signs that even before the national economic downturn, Louisiana was beginning to move in the wrong direction.

Average annual pay is a measurement not only of the prosperity of a state, but also the quality of jobs available to citizens. Between 1998 and 2000, Louisiana lost ground compared to the rest of the nation and the South in this category. While average annual pay in the state did grow by \$1,023 during those two years, the South doubled that gain and the U.S. tripled it. Indeed, between 1999 and 2000, Louisiana's increase in annual pay was the smallest in the nation.

All of this has had an effect on Louisiana families. Louisiana was one of only three states in the nation between 1999 and 2000 to experience a statistically significant drop in household income (Alabama and Washington being the others). While the South's average income grew from \$34,960 to \$36,309, Louisiana's fell from \$33,218 to \$30,219. Of course data from isolated years don't always tell the entire story, but one fact is perfectly clear.

Louisiana is not making progress compared with the rest of the nation or the South in a significant way.

Poverty: A Part of Our Past that Threatens Our Future

“The conquest of liberty is bound up for us with the conquest of poverty. There is too much poverty in the state of Louisiana.”

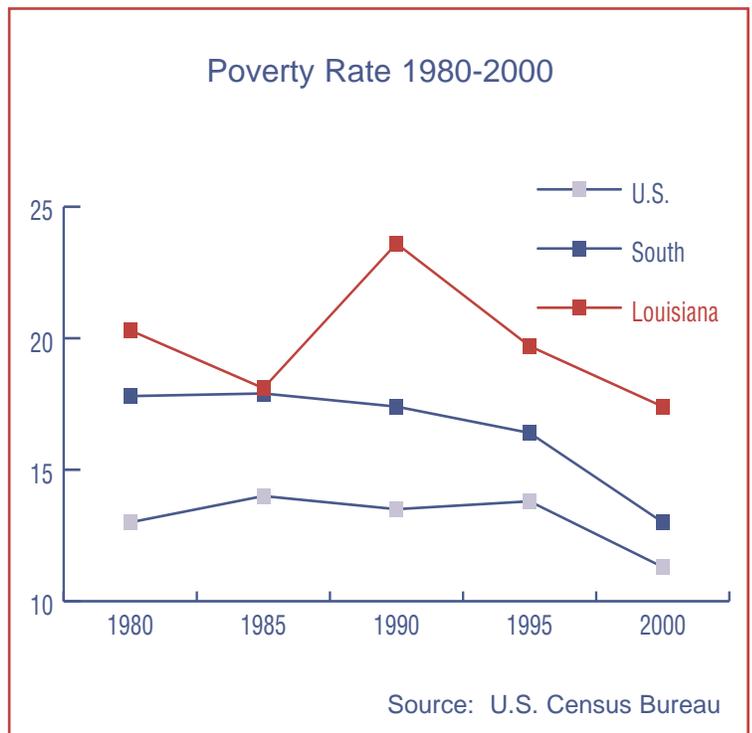
*Governor Sam H. Jones
1940*

Perhaps the most dramatic evidence of our inability to keep up is our chronically high rate of poverty. There is some good news this year in that our poverty rate has declined somewhat, from 19.2% in 1999 to 17.4% in 2000. But where we stand in relationship to the rest of the South and the nation remains unchanged. Stated another way, the poverty rates for Louisiana, the nation and the South are all trending downward, but the gap remains. In 1980, for instance, the poverty rate in the South as a whole was about 36% higher than the national rate. By 2000 the difference had been cut by more than half. Louisiana's poverty rate, on the other hand, remains as it was 20 years ago at just over 50% above the national average. Our poverty rate is lower than it was, but we're not catching up.

One of the tragic consequences of this is the impact it has on Louisiana's children. In 2000 more than 23% of the youth in Louisiana lived in poverty. That's the fourth highest rate in the nation, and more than 40% above the national average.

	Personal Income	Growth 1989-1999
Virginia	\$29,794	51%
Florida	\$27,781	46%
Georgia	\$27,324	63%
Texas	\$26,834	64%
North Carolina	\$26,417	60%
Tennessee	\$25,548	61%
South Carolina	\$23,538	59%
Kentucky	\$23,227	59%
Alabama	\$22,972	54%
Louisiana	\$22,839	63%
Arkansas	\$22,233	61%
West Virginia	\$20,921	55%
Mississippi	\$20,686	65%
United States	\$28,546	54%

Source: U.S. Bureau of Economic Analysis



Education: The Key to Our Future

“Let our children be reared in the paths of knowledge.”
Governor William C.C. Claiborne
1812

It is not an overstatement to say all of these issues are tied directly to education. This makes it obvious now more than ever that improving the quality of education at every level in Louisiana is critical. And because our state does not have a strong education tradition, we are further behind the curve than many other states.

The truth is some of the problems in education we are struggling with today have plagued us for decades. In the 1940s education in Louisiana was ranked among the lowest in the country. Our adult illiteracy rate was three times the national average, a fifth of our adult population had received no education at all, and more than half of those who did go to school never made it past the fourth grade. Teacher salaries were low, standards were weak, and even those who went to school were not guaranteed a decent education. Even as late as 1994, a headline in the national publication *Education Week* proclaimed, “Education Has Never Been A Priority in Louisiana.” That is the tradition Louisiana has been trying to escape, and it hasn’t been easy.

One of the reasons is that even today, Louisiana remains somewhat rooted in the old economy. Historically, we have depended heavily on our natural resources for jobs that were based largely on the things we could harvest or extract from the land and water. For many citizens education was not seen as a major factor in employment. All that has changed.

It is abundantly clear that in today’s world, prosperity is linked to education. More and more jobs are based not on what people can do, but what they know. And the more they know, the more they can earn. Louisiana has a lot of catching up to do, but in recent years there are encouraging signs that we are making progress.

School reforms enacted since 1996 have been the key. Louisiana raised standards, adopted new “high-stakes” tests based on those standards, created a comprehensive school and district accountability plan, ended most social promotions, focused on literacy in the early grades and introduced technology into classrooms. To be sure, student performance in Louisiana is still not where we want it to be. About half the students who take the 4th and 8th grade LEAP 21 tests score below the “basic” skill level – not a particularly high standard. Yet there is also evidence that we are beginning to move in the right direction:

- The percentage of students in 4th and 8th grades passing the high stakes LEAP 21 test and scoring at

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In the old economy, states prospered by having workers who were skilled with their hands and who could reliably work in repetitive and often physically demanding jobs. In the New Economy, states will prosper if their workers are good with their minds, because knowledge and information-based jobs are driving the New Economy.

The Progressive Policy Institute

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higher achievement levels has grown over the last two years.

- The results of the 2001 Iowa Tests showed higher scores at each grade level tested, with more students performing near or above the national average.
- Results from the state’s Developmental Reading Assessment show one-third more third graders reading at or above grade level in 2000 than in 1998, when the state’s K-3 Reading and Mathematics Initiative began.
- Ninety-three percent of Louisiana schools improved their overall performance from 1999-2001, and 70% met or exceeded their two-year growth targets.
- In 2000 math scores for Louisiana fourth graders showed the greatest increase in the nation on the National Assessment of Educational Progress. Improvement in eighth grade math also outpaced the nation. Perhaps most encouraging is that these gains were made across the board. White students, African Americans and children from impoverished backgrounds all showed significant improvement.

While these facts are certainly encouraging, they must be kept in context. Student performance in Louisiana remains among the lowest in the nation and the South. Many of the youngsters who pass the LEAP test are still scoring at levels that suggest they will have a difficult time succeeding in today’s competitive economic environment. That’s why it is crucial that the progress we are seeing now must not only be sustained, but accelerated.

To do so we must look at some of the gaps that exist in our current education reforms, policies and funding. CABL is particularly focused on three of those gaps: early childhood education for all at-risk four-year-olds, improving teacher quality, and reducing the high number of school dropouts.

Post-Secondary Education: Knowledge & Skills for the New Economy

“Wisdom and experience have taught the value of training which simultaneously develops the faculties of the mind and the skill of the hands.”

*Governor Jared Y. Sanders
1908*

For Louisiana’s economy to grow at the same pace as the rest of the South, the state must do a better job of providing appropriate education and training for the thousands of young adults who do not go on to earn a four-year university degree. This is an area where Louisiana has done a disservice to its citizens over the years.

Compared with other Southern states, Louisiana ranks low in the number of citizens with two-year associate degrees and technology and skills certificates. Yet, these represent the types of education and training most needed by many existing and new businesses. In other states citizens get these services through a system of community and technical colleges, but for many years, this was a disaster area in Louisiana. The state had only a handful of community colleges, and while there were some technical schools that excelled, the system was entrenched in politics and often out of sync with the needs of the labor market. Fortunately, that is changing.

In 1998 the state created the Louisiana Community and Technical College System to focus specific attention on this key area of education and training. There has been some progress, but shedding our anachronistic ways has proven difficult in some cases. It is critically important that this system of community and technical colleges develops rapidly into a comprehensive network of institutions touching every region of the state.

To improve and expand their programs in Louisiana, schools will have to become more responsive to business and labor markets, revamp curricula, retrain faculty and increase the use of technology. This will require creative use of existing bricks and mortar and coordination among schools within geographical regions. The encouraging news is that there are signs this is beginning to happen, but current and future state leaders must hasten the development of this system so that quality job training and educational advancement are within the grasp of every citizen.

Of course, higher education has an important role, too. In fact, institutions of higher learning are at the heart of the New Economy. Louisiana, like other Southern states, used to attract business and industry by offering a workforce that wasn’t the most highly educated, but willing to work cheap. That doesn’t mean much anymore in a global economy where there are always countries with labor costs much less than our own. So what will bring new businesses to Louisiana? Not a cheap workforce, but an educated one. The New Economy is based on knowledge. The fast-

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In order to remain competitive, the South must find ways to overcome skill shortages in the fields that will fuel economic growth in the 21st century, namely science, engineering, information technology and math.

The Southern Growth Policies Board

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growing businesses of today need workers who can think critically, analyze information, communicate effectively and solve problems.

That’s what higher education can provide. Unfortunately, while Louisiana has numerous four-year institutions, its six-year graduation rate of 35% is the lowest in the South. There are likely a number of reasons for this. One is the fact that for many years, Louisiana universities had almost non-existent admissions standards. Another is our historical lack of a community college system to help students prepare. But our universities must shoulder some of the responsibility as well. Fortunately, there are tangible signs of progress. With the recent adoption of admission standards and new accountability measures coupled with other changes now taking place in post-secondary education, Louisiana’s graduation rate should improve.

In addition, state leaders should seriously focus on higher education as a tool for economic development, and view it against the backdrop of the New Economy. That could include a number of things:

- Targeted investment in research and development, tightly focused on areas where Louisiana has particular expertise and the opportunity to attract businesses that would use this research and create new jobs.
- Focus on quality rather than quantity. Louisiana should identify the schools with the top New Economy programs, invest in them and raise their quality to levels that will allow them to compete with the best programs in the country.
- Consider funding based on performance. Today, universities generally get their money based on the number of students. This is not a quotient for quality. Universities that increase student graduation rates, develop excellent programs, and form public-private partnerships that create new jobs are good investments for Louisiana.

There is currently discussion about all these things

within the corridors of state government, and that's good news. Recent increases in higher education funding have been criticized by some, but they are shortsighted. Simply spending more money is not the answer, but giving our universities the resources for excellence in strategic areas – and then holding them accountable for results – has helped transform the economies of other states. Louisiana should learn from their successes.

What Do We Do?

“History shows that no people ever grew great, strong or powerful, or became controlling or dominant factors in the trade and commerce of the world, who confined their efforts to the production of raw materials alone.”

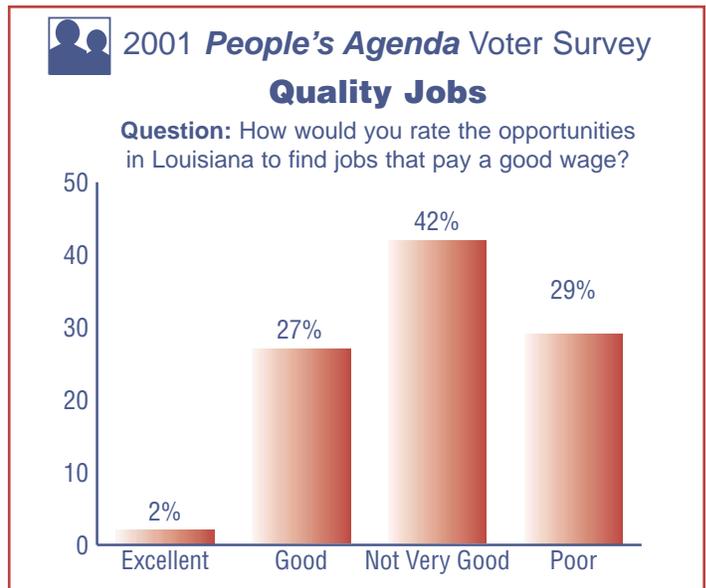
*Governor Ruffin G. Pleasant
1916*

While some of the information in this report raises understandable concern about Louisiana's future, the broad experience of the South shows it need not be a future without hope. In fact, embedded in the discussion of all these issues is the fact that Louisiana has begun to take some meaningful steps in the right direction. Even if we haven't fully joined the New Economy, in key areas we're making progress:

- Some of our education reforms, particularly our school accountability plan, are actually further along than many other states and more far-reaching.
- Louisiana is making significant strides in improving job training for citizens and trying to create an educational system that provides opportunities for lifelong learning.
- As a state we are beginning to invest in technology and research at our universities.
- Louisiana is now among the top 20 states in the nation recognized by the Center for Digital Government in our use of digital technology.
- The state's Vision 2020 economic development plan is a road map to a future more prosperous than our past – if we commit to implement and follow it through the long-term.

Yet in some ways Louisiana is also heading into uncertain waters. To its credit, the current administration and Legislature have laid a good foundation in several areas for Louisiana's future. The fact that much of the progress we are beginning to see didn't happen sooner testifies to our politics and the lack of continuity in political leadership over the last 20 years. The current administration has provided a period of stability, but we know that in 2003 there will be an election, and the leadership of Louisiana will change again.

It is critically important as individuals consider running for office that they take note of the positive changes Louisiana has made in areas such as public education, workforce training, community and technical colleges, high-



er education and others. Many of our reforms are beginning to show results, but they are still new, take time to develop and thus are politically vulnerable. One of the failures of our past has been our inability to sustain reforms through changes in political leadership. Often we don't allow them to take root, become institutionalized and create systemic change. The next election is an opportunity to change that. That's not to say we shouldn't build on our reforms, improve them where possible and fill the gaps. But we ought not dismantle them prematurely, and plunge ourselves back into the past from which we have been trying to emerge.

Throughout this process, we should also listen to what citizens are telling us about the reasons they believe Louisiana has failed to keep up with our neighboring Southern states. CABL asked that specific question in its 2001 *People's Agenda* voter survey. The responses were insightful. While voters pointed to education as an obstacle, along with various issues dealing with our economy, the number one reason they cited was Louisiana politics. Sometimes they talked about it in terms of Louisiana's overall political image, other times it was about corruption in government or ineffective political leadership. But one thing is clear—many voters in Louisiana believe our politics has had a negative impact on our economy, and that must change.

With that in mind CABL offers this agenda for the future — ten things we can do in this decade to help move Louisiana farther in the direction we all want it to go. Not surprisingly, they focus on two fundamental areas: improving the quality of education and training available to our citizens, and more fully developing and diversifying our economy. Some recommendations will require perseverance, others a strong public will. All require leadership. And all will help position Louisiana in the mainstream of the New South and the New Economy.

CABL's Top Ten

1. Make the full investment in early childhood education for all at-risk students in Louisiana.

This is perhaps one of the most important things we can do. The key to breaking the poverty cycle, reducing crime and achieving a life of gainful employment is education. But a child's ability to learn is developed early in life through appropriate engagement and stimulation. Other states have introduced universal early childhood education for at-risk children and seen positive results. Louisiana must do the same and accelerate access to this educational opportunity for all children who are at-risk.

2. Maintain and sustain the school reforms now in place and fill in the gaps.

There are tangible signs that Louisiana's school accountability plan is working. We are seeing progress, but there will be bumps along the road. Louisiana has a long history of discarding promising education reforms before they have a chance to become institutionalized and transform the structure of public education. We must hold on to these reforms, strengthen them where needed, and work to fill the gaps that still exist in areas like teacher quality and our high dropout rate.

3. Continue to invest in higher education and demand that it play a greater role in economic development.

The New Economy is driven to a large degree by an educated workforce, information and technology. New Economy businesses will locate where they can hire New Economy employees. Louisiana's universities must provide them. They must also improve their research capabilities in targeted areas that reflect Louisiana's natural strengths and raise graduation rates to bring Louisiana into the mainstream of the South and the U.S.

4. Expand the reach of Louisiana's new community and technical college system.

This is a key to short-term growth. Today, Louisiana has major education gaps leaving too many citizens unable to receive the services our handful of community colleges provide. We must develop a statewide plan to offer these services to everyone. That doesn't necessarily mean more bricks and mortar, but it does mean using our existing infrastructure to provide training and associate degree-level education in every region of the state.

5. Reform Louisiana's tax structure.

Louisiana's outdated, regressive tax structure remains a major impediment to stable state financing and attracting new business. If Louisiana is to grow and have the resources necessary to continue our investments in education, workforce training, and other critical needs, state leaders must find the political will to address this issue. Louisiana must reform its tax structure into one that is fair to individuals and businesses, and looks forward to the needs of the New Economy.

6. International trade and investment must play a bigger part in our future.

Between 1993 and 1999, international exports grew 88% in North Carolina, 125% in Alabama and 143% in South Carolina. In Louisiana, the growth was 20%. According to the Progressive

Accelerating Economic Progress

Policy Institute's measure of foreign investment, four Southern states rank in the top 10 in the nation. Louisiana is 38th and second to last in the South. International trade and investment are important because they mean expanded markets for goods and services, more jobs, and higher wages.

7. Encourage entrepreneurship, innovation and diversification through research and development.

Entrepreneurship is another way of saying “new businesses that create new jobs.” Over the last two decades, New Economy entrepreneurs have gravitated to areas where they have access to technology, and research and development. This hasn't been Louisiana's strong suit. Through the end of the 1990s, per capita public and private investment in research and development in Louisiana was less than half that of Alabama, South Carolina and Tennessee. It was only a quarter of North Carolina's. The result: those states have more diversified, forward-looking economies, and more good jobs.

8. Forge strong partnerships between state government and business to market Louisiana.

Louisiana has done a great job marketing the state to visitors as an exotic destination full of good times and fun. That's not necessarily the image that draws new businesses, however. Louisiana does have assets, but we haven't done a good job presenting them to business decision makers. The restructuring of the Department of Economic Development is a positive step towards this goal, but its success will depend on strong and continued leadership.

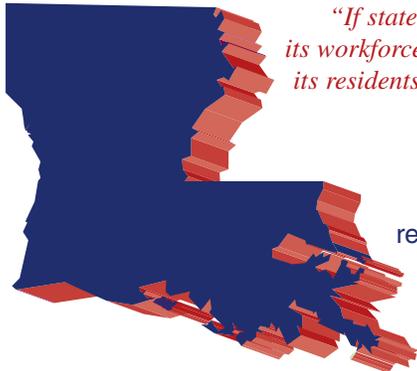
9. Continue to invest seriously and strategically in infrastructure including technology and telecommunications.

The proposed Millennium Port near the mouth of the Mississippi River could give Louisiana a huge New Economy boost. Complementing that with the large cargo airport under discussion for southeast Louisiana would make the state a major player in international trade, both boosting and diversifying our economy. Meanwhile, Louisiana has made tremendous strides in a relatively short period of time in building its digital infrastructure and creating a more technology-oriented state government. Of course, even in the New Economy, decent roads remain a necessity, and though Louisiana's are improving, the progress must continue.

10. Insist on a state government that is ethical, performance driven and accountable.

For too much of our history, Louisiana government meant Louisiana politics and that never took us very far down the road we needed to go. Today, it is absolutely crucial that state government be about the business of results – educating our children, training our workforce, and creating an environment that produces more jobs and lifts our people out of poverty. Fortunately, there is evidence this is happening. The question is whether we can sustain it through the coming change in political leadership – something we have never been quite able to do. This is one place where every citizen must take responsibility.

Measuring Our Progress: The Indicators



“If state government is to remain progressive in the New Economy, it must enhance the proficiency of its workforce, maintain an infrastructure that supports new businesses, and offer a high quality of life for its residents.”

The National Governors’ Association

In 2000 CABL began tracking a series of indicators that deal with a variety of issues related to the quality of life in Louisiana. We felt this was important because it offered citizens and state leaders a way of measuring our state’s progress in a number of areas critical to our collective future. As we make the shift into the New Economy, the quality of life Louisiana has to offer its citizens becomes of paramount importance.

Of course, that term means different things to different people. Louisiana has a tremendous quality of life when it comes to our culture, heritage, food, music and recreational opportunities. But for many, quality of life also includes such things as education, personal safety, public health and the overall vitality of an area.

Recognizing this, CABL in 2000 began tracking a series of quality-of-life indicators that deal with the most pressing of these issues. It is not surprising that in our second year of following them, not much has changed. Our poverty rate has declined some, violent crime is down, and we have fewer people in the state without health insurance. At the same time, the percentage of births to unmarried mothers is rising, the percent of low-birthweight babies is showing no improvement, and median household income took a tumble.

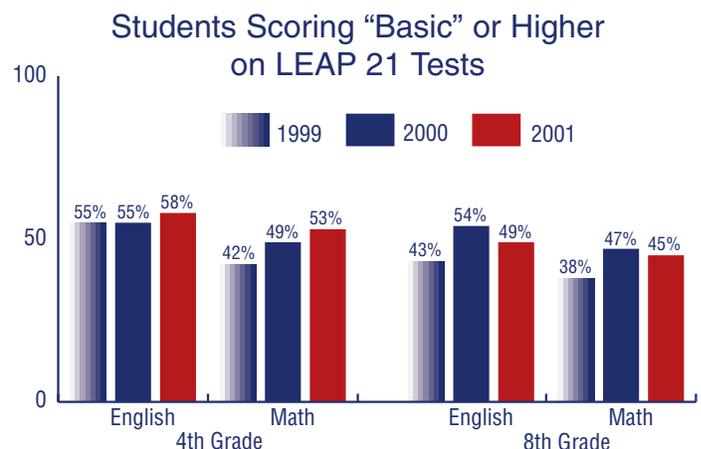
Of course, year-to-year changes can be sporadic, but looking back a little further in time, trends do begin to emerge. One is that Louisiana, like most of the rest of the nation, is making some progress in areas like poverty, income and access to health care. Despite that, Louisiana has a twofold problem we have been unable to shake: 1) we continue to lag behind the nation and the South in most categories, and 2) in most cases we are not closing the gap.

CABL sees these indicators as guideposts for current and future state leaders. We do not suggest that they are exhaustive. One could point to other indicators that are equally valid to track. But we do believe these indicators provide a framework of what must be Louisiana’s priorities for the foreseeable future. In other words, the policies state leaders implement and advocate should have as their goal positive changes in these indicators. Success in this effort means nothing less than an improved quality of life for all citizens of Louisiana.

Quality Education at All Levels

Proficiency in English & Math

This chart tracks students who scored “basic” or higher on Louisiana’s LEAP 21 tests – not the percentage who passed. Passage rates are important, but they set a fairly low standard. Ultimately, all of Louisiana’s students should be able to perform at the basic level, though today only about half do. The good news is that despite some declines for 8th graders between 2000 and 2001, test scores have improved significantly since the baseline year 1999.

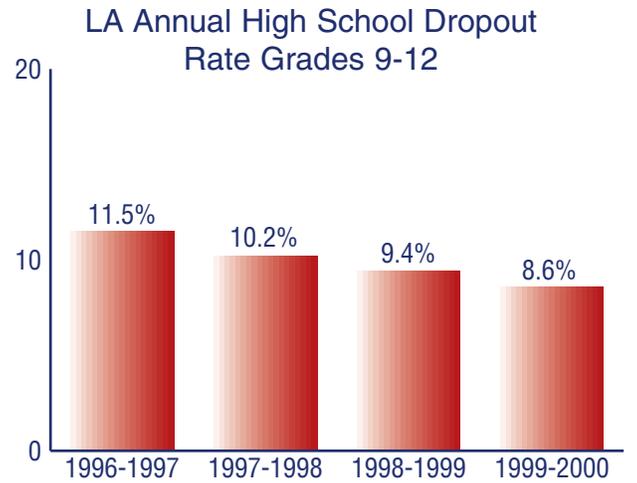


Source: LA Dept. of Education

Council for A Better Louisiana

High School Dropout Rate

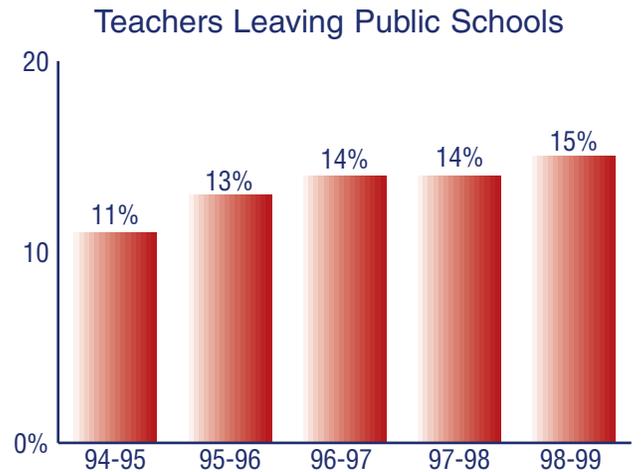
To improve Louisiana's standing in the New Economy, we must make significant progress in reducing our high school dropout rate. The good news is that the percentage of dropouts in Louisiana has been slowly trending downward. The bad news is that roughly 40 out of 100 high school freshmen in Louisiana public schools still do not graduate. We must accelerate improvement in this area if we are to have any hope of a prosperous future for our state.



Source: LA Dept. of Education

Teachers Leaving Public Schools

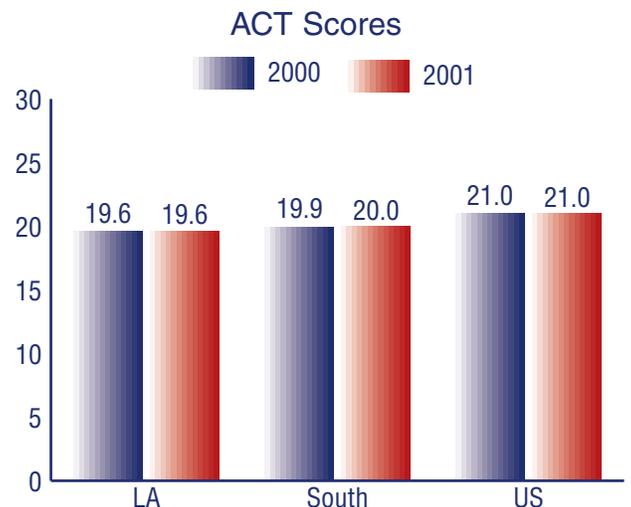
Many states are experiencing teacher shortages. In Louisiana the situation is acute. Not only are fewer individuals going into the teaching profession, but a significant percentage are leaving the public schools almost as soon as they get started. Pay is an issue, but so is teacher preparation. If Louisiana's efforts to improve student performance are to succeed, the trend of young teachers leaving the public schools must be reversed.



Source: LA Board of Regents
LA Dept. of Education

ACT Scores

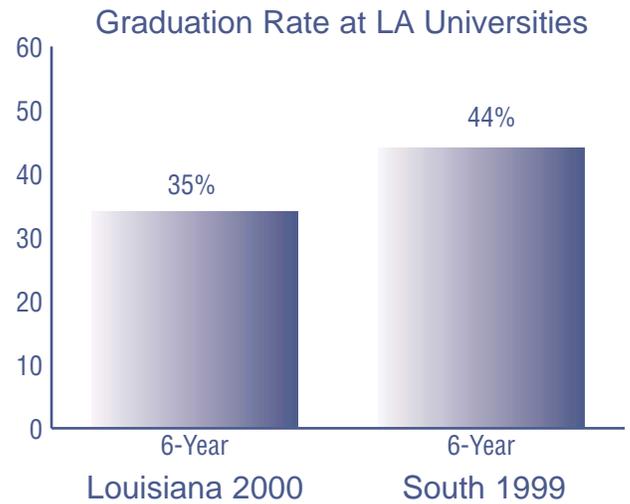
The average score of Louisiana students on the American College Test remained unchanged between 2000 and 2001 at 19.6. The score for the U.S. also stayed the same, though the Southern average grew by a tenth of a point to 20. ACT scores are a barometer of student readiness for college.



Source: The American College Testing Program

Graduation Rate at LA Universities

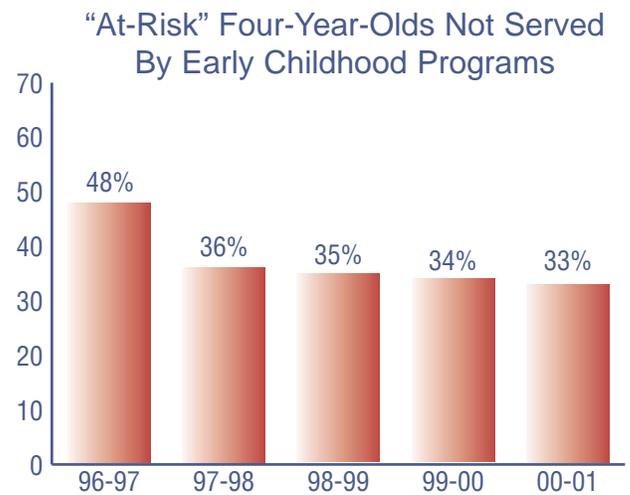
If the New Economy is based to a large degree on knowledge, Louisiana must build its knowledge base. Historically, the state has had one of the lowest college graduation rates in the South. With some of the changes now taking place in other areas of post-secondary education, there is reason to believe this statistic will improve. It must if there is any hope that New Economy businesses will come to Louisiana seeking educated New Economy employees.



Source: LA Board of Regents
Southern Regional Education Board

“At-Risk” Four-Year-Olds Not Served by Public Early Childhood Education Programs

The number of children from impoverished backgrounds not served by early childhood education programs decreased slightly over the last year. Still, Louisiana has more than 12,000 youngsters who are not enrolled in Head Start or some other preschool program. In 2001 the Louisiana Legislature created a new public early childhood education program for “at-risk” four-year-olds. Its goal is universal access for all these youngsters, but the state will have to increase funding significantly to achieve this.



Source: LA Dept. of Education



2001 *People’s Agenda* Voter Survey

Education and Training Opportunities

Question:

How would you rate the overall quantity of state-sponsored programs here in Louisiana designed to help people train for new jobs or acquire new skills?

More Than Enough Opportunities:	9%
Just the Right Amount of Opportunities:	23%
Not Enough Opportunities:	61%

Question:

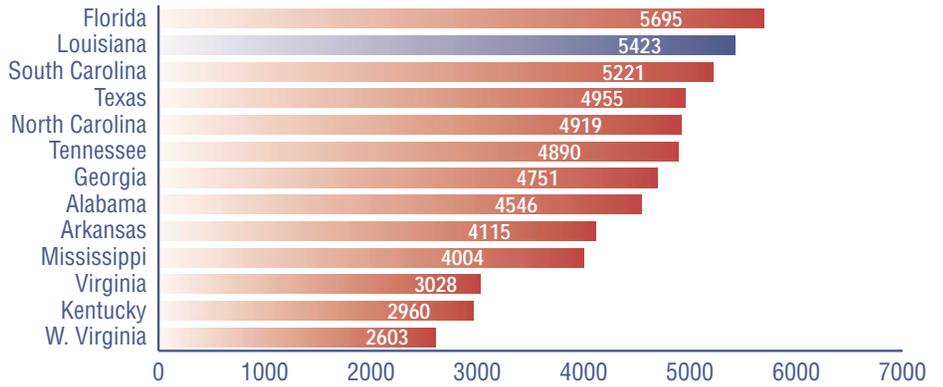
How would you rate the quality of these job training and preparation programs?

Excellent:	6%
Good:	43%
Not Very Good:	28%
Poor:	11%

Crime Rate

Generally crime rates have been falling, and Louisiana is no exception. Between 1999 and 2000, the crime rate in Louisiana dropped by 5.6% versus a smaller 3.2% decrease in the South. Unfortunately, our crime rate remains the fourth highest in the nation and the second highest in the South.

Crime Rate 2000 - Crimes per 100,000 population

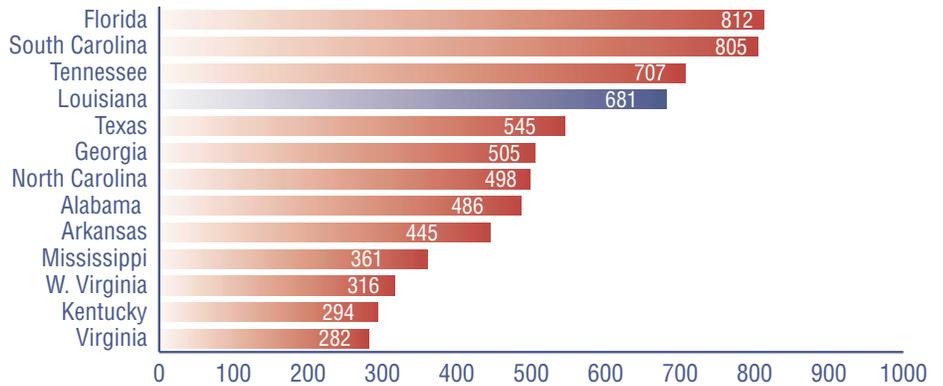


Source: Federal Bureau of Investigation

Violent Crime

Violent crimes, which include murder, rape, robbery and aggravated assault, are also down. Violent crime in Louisiana decreased by 7.1% compared to a decrease of 3.7% in the South. That moved Louisiana from the third highest violent crime rate in the region to fourth. Nationally, we dropped from sixth highest to seventh. Of continuing concern is that Louisiana's murder rate remains by far the highest in the nation.

Violent Crime Rate 2000 - Crimes per 100,000 population



Source: Federal Bureau of Investigation

Juvenile Justice

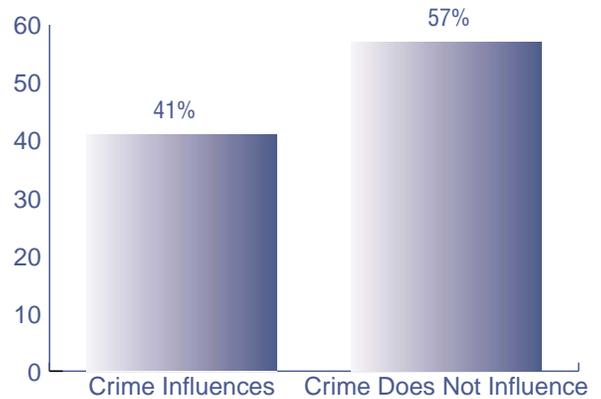
According to the latest national data, Louisiana has the highest juvenile incarceration rate in the country. Part of this is a function of our juvenile crime rate, part relates to Louisiana's approach to dealing with it. Other states rely less on juvenile prisons for non-violent offenders, focusing their efforts on rehabilitation programs that keep these youth closer to their families and schools. Louisiana needs a juvenile justice system that works. There is growing testimony that suggests we don't really have a juvenile justice "system," and what we do have *doesn't* work. Efforts are underway now to reform the way we administer juvenile justice in Louisiana, and this initiative should be supported by state leaders.



Personal Safety

Question: Thinking about crime in your local community and your own sense of personal safety, would you say that worrying about crime is an influence on the way you live your life these days, or don't you worry all that much about crime?

Does Crime Influence the Way You Live?

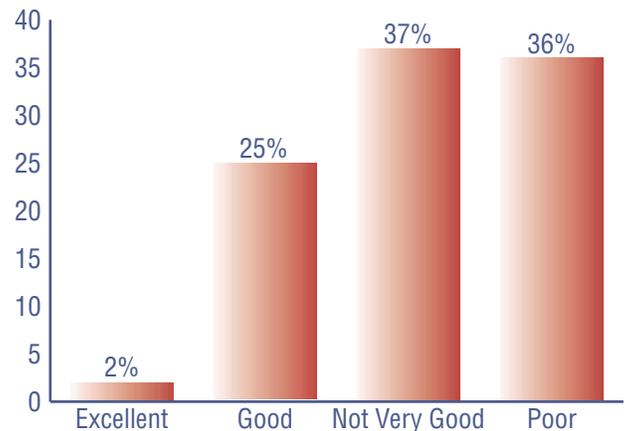


Good Roads

Question: How would you rate the quality of the roads, highways and bridges in Louisiana?

Some progress has been made in recent years to improve the quality of Louisiana's highways, but voters remain frustrated. Today, 27% of those questioned in our *People's Agenda* survey say the quality of our infrastructure is good or excellent. Those aren't high marks, but they show a marked improvement over the 13% who responded the same way in 2000.

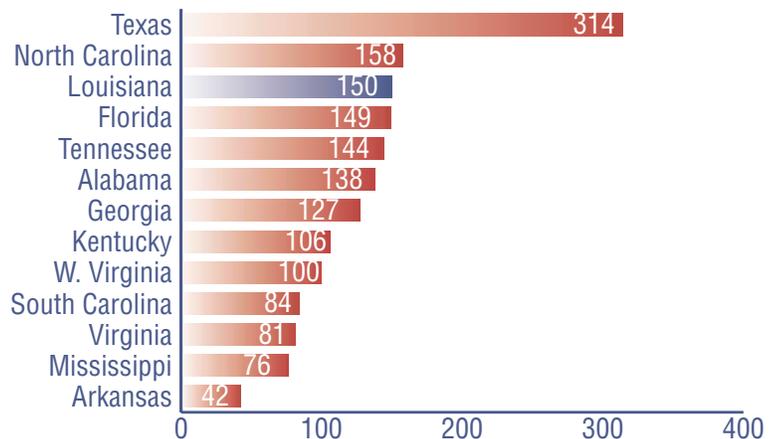
How Citizens Rate the Quality of LA Roads



An Improved Environment

The environment of a state is an important quality of life issue. It is difficult to make year-to-year comparisons in the overall level of toxic releases because of frequent reporting changes from the Environmental Protection Agency. In 1999, Louisiana ranked 12th in the nation in the amount of toxic releases to air, land and water, compared to 10th the prior year. Louisiana ranks third among Southern states.

Toxic Releases 1999 in Millions of Pounds



Source: Environmental Protection Agency

Public Confidence in State Government

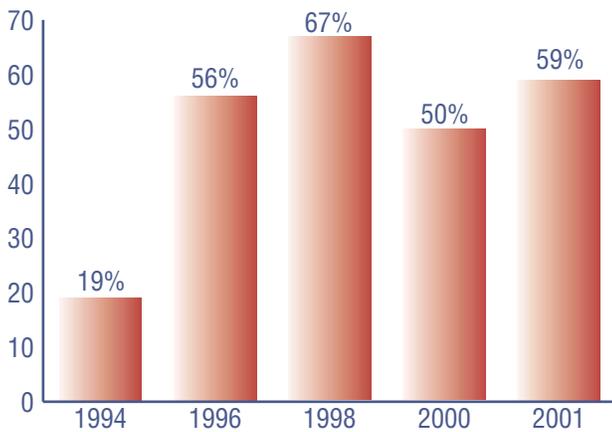
The 2001 *People's Agenda* Voter Survey

These indicators of public confidence in state government taken from our 2001 *People's Agenda* Voter Survey are extremely important. Our state has many difficult issues to address. There are no easy ways to accelerate improvements in public education, expand opportunities for quality job training, find the resources to make needed investments in early childhood and higher education, or lift more of our citizens out of the throes of poverty. To succeed in these efforts will require leadership, and the trust and confidence of citizens.

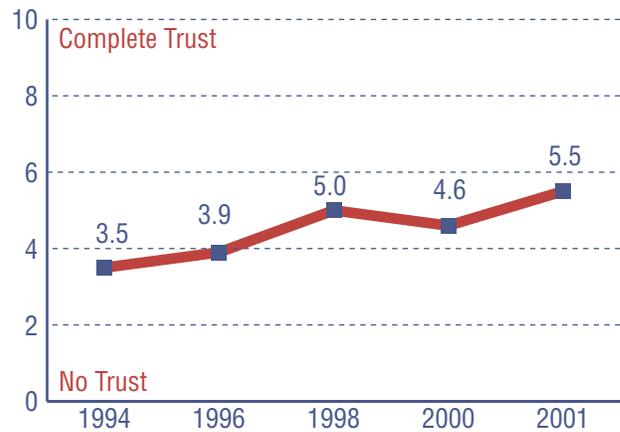
In 2000, following a series of less-than-productive legislative sessions, voter confidence in state government took a tumble. This year it has rebounded. Nearly 60% of those surveyed in 2001 believe Louisiana is headed in the right direction, trust in elected leaders to do the right thing is as high as it's been since CABL began tracking these issues in 1994, and voters give state leaders a slightly higher grade for their performance.

The improvement in these numbers is encouraging. The key will be whether state leaders can continue to build public confidence in their leadership, and then use that support to effectively address the serious problems that confront our state. Raising the level of public trust in state elected leaders is not window dressing. It is nothing less than one of the critical keys to our future.

People Who Believe LA Is Headed in Right Direction



Trust in Elected Leaders To Do the Right Thing



Citizens Who Believe LA Is So Corrupt Their Vote for Change Won't Make a Difference



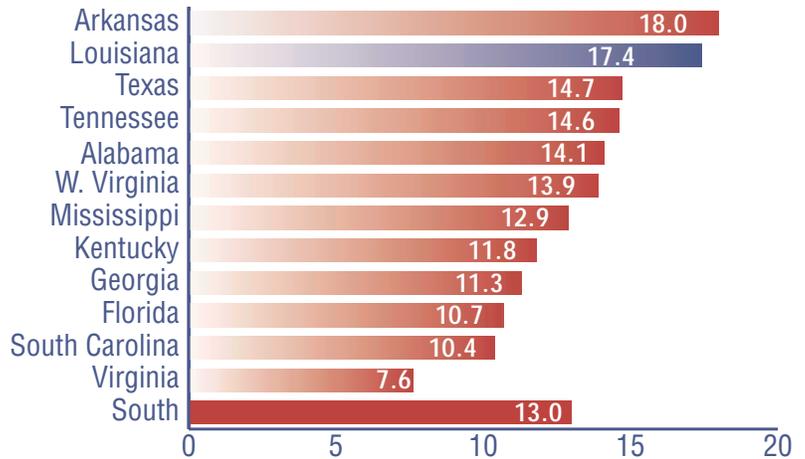
**2001 Grade
for State Elected Officials &
The Legislature**

Grade C	A 4%	1996	C-
	B 19%	1997	C
	C 46%	1998	C
	D 20%	2000	C-
	E 7%		

Poverty Rate

Louisiana's poverty rate dropped by nearly 2% between 1999 and 2000. It remains the second highest in the nation, behind Arkansas which experienced a significant increase over the same period. Year-to-year comparisons don't always tell the full story, however. Over the last 20 years, Louisiana's poverty rate has fluctuated considerably, but today it is only 3 points lower than it was in 1980. While the South narrowed the gap with the rest of the country during that time period, Louisiana's poverty rate remains more than 50% above the national average – virtually unchanged.

Poverty Rate 2000

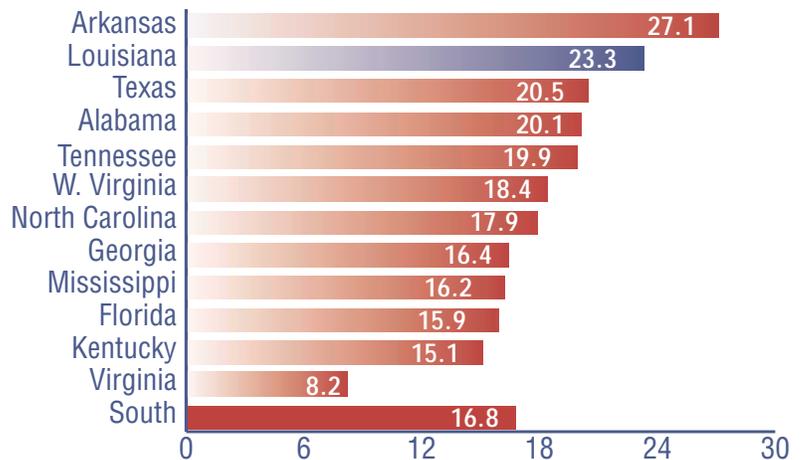


Source: U. S. Census Bureau

Children in Poverty

One unfortunate consequence of our high poverty rate is that it translates into an even higher rate of children in poverty. The number of children in poverty in Louisiana declined between 1999 and 2000, but again the South is showing greater progress. Louisiana's child poverty rate is 23.3%, while the South has declined to 16.8%, only a few tenths of a percent higher than the national average. In 2000, poverty is defined as an annual income of \$17,603 or less for a family of four.

Children in Poverty 2000

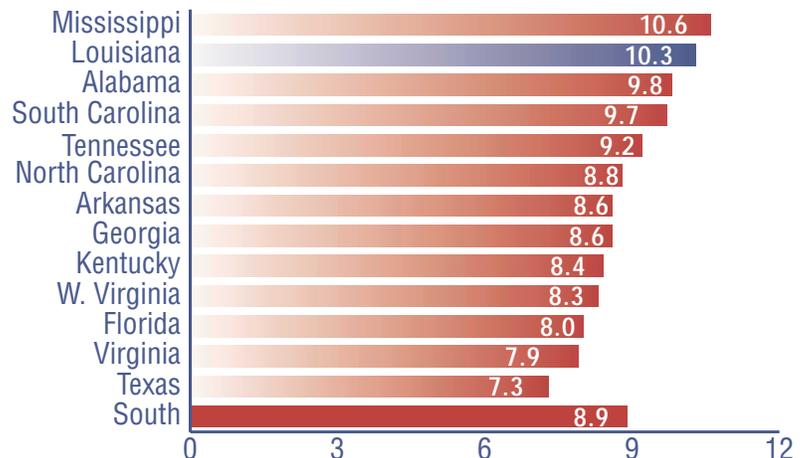


Source: U.S. Census Bureau

Percent of Low Birthweight Babies

The percentage of low birthweight babies is an indicator of poverty, the education level of the mother and access to health care. It's also a statistic that has actually grown worse over the last ten years. In 1992, 9.4% of the babies born in Louisiana were of low birthweight. Today it's 10.3% – the second highest rate in the nation, just as it was a decade ago.

Low Birthweight Babies 2000

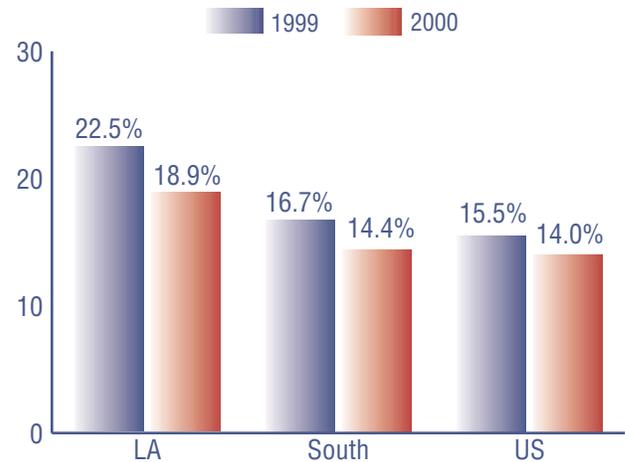


Source: U.S. Census Bureau

Percent of Citizens Without Health Insurance

Louisiana showed a significant reduction in the percentage of citizens without health care coverage between 1999 and 2000. That's good news, but this is a statistic that tends to fluctuate frequently. Besides being a health care indicator, it also speaks to the quality of jobs in our state and the vitality of the economy. Many of those without health insurance are employed in low-paying jobs where coverage isn't offered. With the fifth highest uninsured rate in the nation, Louisiana must clearly work to raise the quality of jobs in our state.

Citizens Without Health Insurance

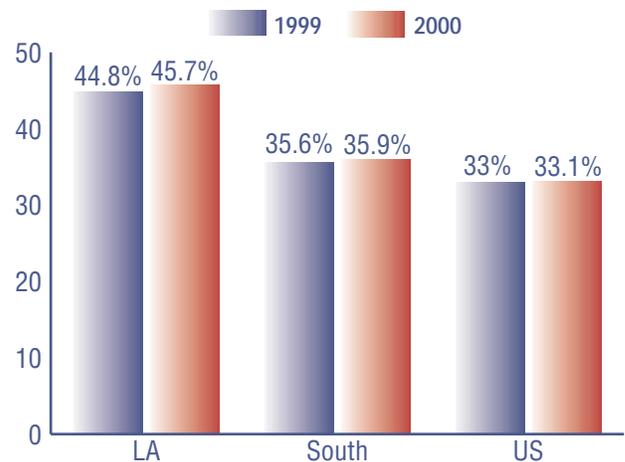


Source: U. S. Census Bureau

Percent of Births to Unmarried Mothers

The economic significance of these statistics is important to Louisiana's future. If 45% of the births in Louisiana each year are to women who are not married, that means a large percentage of the families in our state face enormous obstacles. Many of these mothers have low educational attainment and low-paying jobs. They also have an increased likelihood of living in poverty and relying on public assistance. Of added concern is that the number of these births is trending slowly, but steadily, upward.

Births to Unmarried Mothers



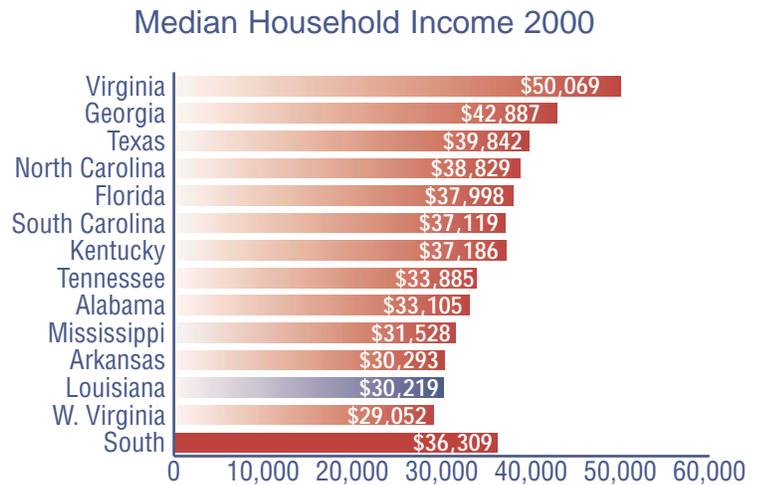
Source: U. S. Census Bureau

School-Based Health Centers

School-based health centers represent an effective way to provide access to health care for Louisiana's children. This is especially true for youth from impoverished backgrounds, where the centers are often the only places where they receive regular primary and preventive care. Because of this, it is important that we continue to increase the number of school-based health centers in Louisiana. For 2001-2002, there are 53 operating sites in 23 parishes, an increase of six sites and four parishes over the previous year. There is currently no money allocated for additional sites in 2002-2003.

Median Household Income 2000

This is a number that should be moving up, but Louisiana was one of three Southern states that actually saw household income decline over the last year. It fell from \$33,218 in 1999 to \$30,219 in 2000 – more evidence that we are not closing the gap with the South and the U.S. when it comes to economic prosperity. In 1993, household income in Louisiana was ahead of seven other Southern states. Today we are ahead of one.



Source: U. S. Census Bureau

Quality Jobs and A Strong Economy

Job Growth

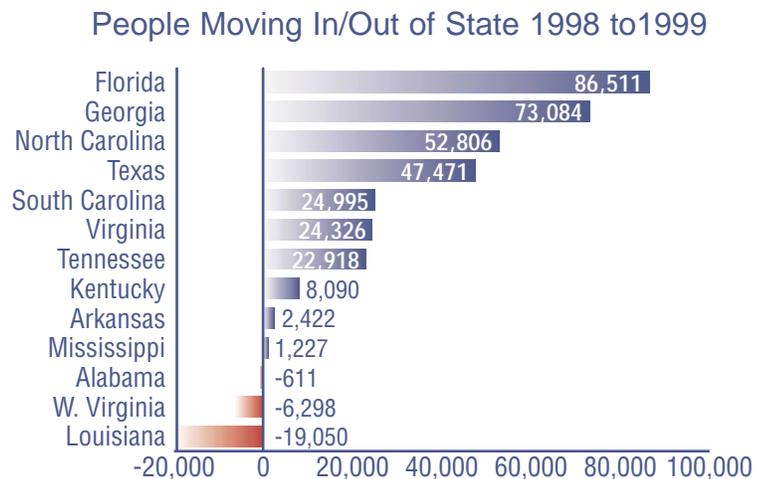
The rate of job growth in Louisiana and the South dropped dramatically between 1999 and 2000, as the U.S. economy began to put on the brakes. In Louisiana it fell by 50%, and slightly less in the South. Job growth is an area where Louisiana was left behind as other parts of the South embraced the New Economy. We still have a lot of catching up to do.



Source: U.S. Bureau of Labor Statistics

People Moving In and Out of State

The U.S. Census Bureau has not updated this number from last year, but it reflects a trend that occurred throughout the decade of the 1990s. During this period, Louisiana was the only Southern state to have more people move out of the state than move in. Our net loss due to outmigration was almost 140,000 people in the '90s. When one looks at job growth in the rest of the South compared to Louisiana during this period, it is easy to understand why. More often than not people move to areas where they find opportunity. They weren't finding it in Louisiana.



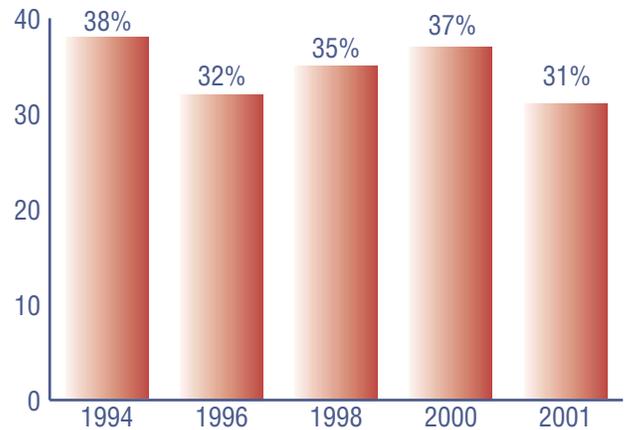
Source: U.S. Census Bureau



People Who Would Leave LA

Since CABL began tracking voter attitudes in 1994, a relatively high percentage of voters – usually one-third to almost 40% – have consistently told us they would leave Louisiana today, if they had the means and opportunity. Clearly this sentiment is reflected in the outmigration numbers reported by the U.S. Census Bureau. In 2001, the number is down some to 31%. This is a positive sign, but it should be noted our survey was conducted after the events of September 11, and could also reflect an ambivalence among citizens about moving to other areas of the country during uncertain times.

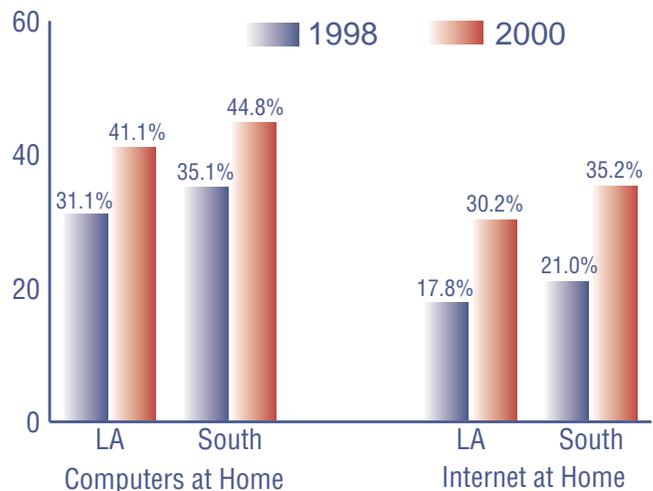
People Who Would Leave LA



Louisiana Citizens with Access to Computer/Internet at Home

The number of people with computers and access to the Internet is a good indicator of where a state stands in the digital economy. In Louisiana, as with the rest of the nation, those numbers are rising dramatically. Unfortunately, we continue to lag behind. Louisiana ranks 48th in the nation in the percentage of households with computers and access to the Internet. We were 47th in 1998.

Access to Computer/Internet at Home

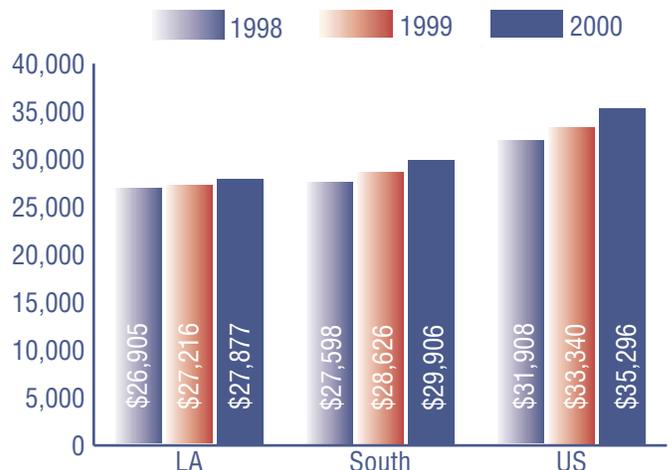


Source: National Telecommunication and Information Administration

Average Annual Pay

Average annual pay is an indicator of a state's prosperity and the quality of jobs. This is an area where Louisiana was not terribly out of line with other Southern states in the past, but is today losing ground. In 1992 average pay in Louisiana was 32nd in the nation. In 2000 it was 38th. The South doubled Louisiana's growth in pay between 1998 and 2000 and the nation tripled it. In the past, large numbers of good-paying jobs in industry and oil and gas helped boost our average pay. Now those numbers are declining and Louisiana is not replacing them with jobs for the New Economy.

Average Annual Pay



Source: U.S. Bureau of Labor Statistics

Resources

CABL has utilized a number of valuable resources in developing this report. The following list is not exhaustive, but it does provide a good source of information about the New Economy and where Louisiana and other states fit in.

Studies & Reports

- “The State of the South 2000,” MDC, Inc., www.mdcinc.org
- “The State New Economy Index,” Progressive Policy Institute, www.ppionline.org
- “State Strategies for the New Economy,” National Governors’ Association, www.nga.org
- “Invented Here: Transforming the Southern Economy,” Southern Growth Policies Board, www.southern.org
- “2000 Development Report Card,” Corporation for Enterprise Development, www.cfed.org
- “Kids Count Data Book,” Annie E. Casey Foundation, www.aecf.org

Government Sources

- “Info Louisiana,” portal to Louisiana state government, www.state.la.us/gov
- Louisiana Department of Education, www.doe.state.la.us
- U.S. Census Bureau, www.census.gov
- Bureau of Labor Statistics, www.bls.gov
- Bureau of Economic Analysis, www.bea.doc.gov
- Southern Regional Education Board, www.sreb.org
- Federal Bureau of Investigation, www.fbi.gov
- Environmental Protection Agency, www.epa.gov
- National Telecommunications and Information Administration, www.ntia.doc.gov

A Note About the Data

For purposes of this report, the South includes the following states: Louisiana, Alabama, Arkansas, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and West Virginia.

CABL’s *People’s Agenda* voter survey was conducted October 22-25, 2001, by Wirthlin Worldwide in McLean, VA. We surveyed 600 voters statewide with a margin of error of +/- 4%.

Special thanks to Dr. Raymond J. Brady of Systems Solutions Consulting in New Orleans for use of some of his data.

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