



After the Waters Recede: Assessing the Impact of Louisiana's Floods

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Residents in the Baton Rouge area discard anything that was submerged in flood waters to begin the recovery process. (Photo by Laura Guzman/FEMA)

Editor's note: It's always difficult to focus on the economic impact of a natural disaster. We recognize that the real story is about the lives lost and the suffering taking place. Although Louisiana's August floods remain emotionally challenging, we do have a responsibility to assess the impact on the economy.

Adrienne Slack, the Atlanta Fed's regional executive in our New Orleans Branch, has personally experienced the impact of a natural disaster. Adrienne lost her home during Hurricane Katrina in 2005 and was displaced for more than a year. In her role as regional executive, Adrienne discusses economic conditions with business and community leaders throughout South and Central Louisiana as well as southern Alabama and Mississippi and the Florida panhandle.



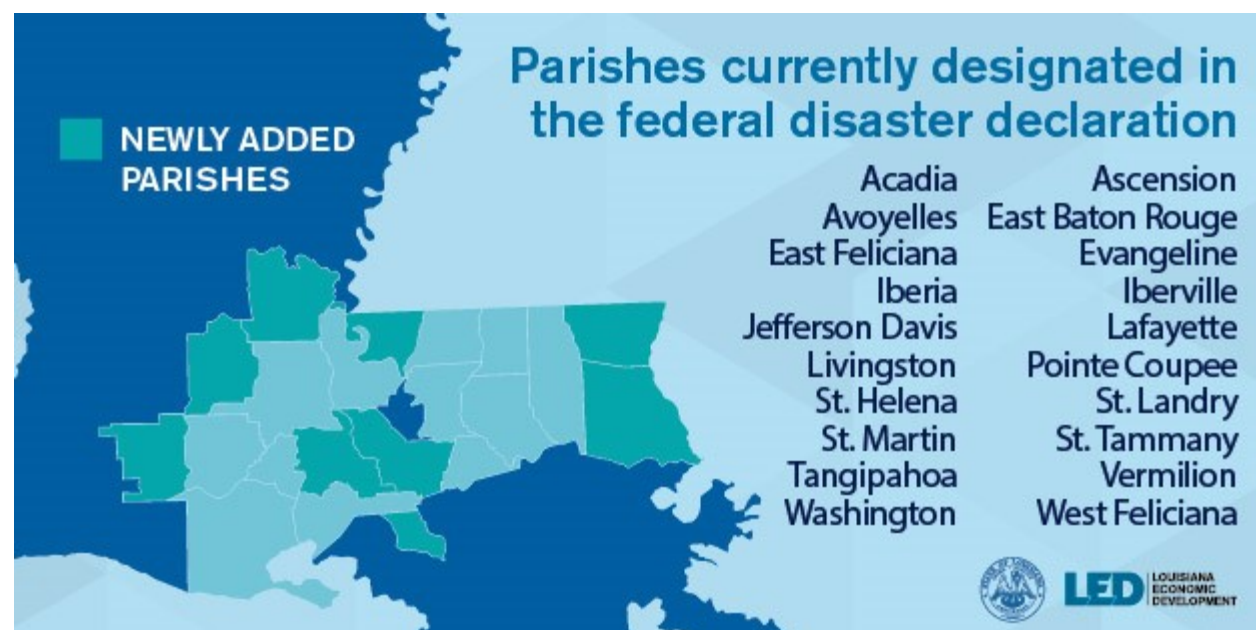
Adrienne Slack

Mike Chriszt: *What is your initial take on the impact of the recent flooding in Louisiana?*

Adrienne Slack: Well, it's the worst natural disaster since Hurricane Gustav in 2008. Thirteen people lost their lives. Over 30,000 people were evacuated during the flooding, and over 109,000 homes throughout the affected area (see map) are estimated to have damage. Many homeowners in the affected areas didn't have flood insurance. As a result, we are concerned that they may be forced to make a decision as to whether they will even attempt to rebuild because they can't afford a loan to repair their home. Early estimates of the total cost of the floods are over \$8 billion.

MC: *Do you anticipate any long-term impact on employment in the affected region?*

AS: Many thousands of small businesses in 22 parishes were damaged in the floods. We've seen initial claims for unemployment insurance spike to their highest levels since the Deepwater Horizon oil spill in September 2010. Continuing claims for unemployment insurance have risen and remain elevated, indicating that there will likely be some longer-term impact on employment levels. Some government reports indicate that 278,500 Louisiana residents were unable to work because of reasons ranging from temporary closures and suspended operations to transportation impasses and residential flooding. This is important because unemployment has risen in Louisiana as a result of the downturn in the energy sector. In the industrial/refining sector, two-thirds of the workforce was affected. The floods have made a difficult situation worse for many Louisianans.

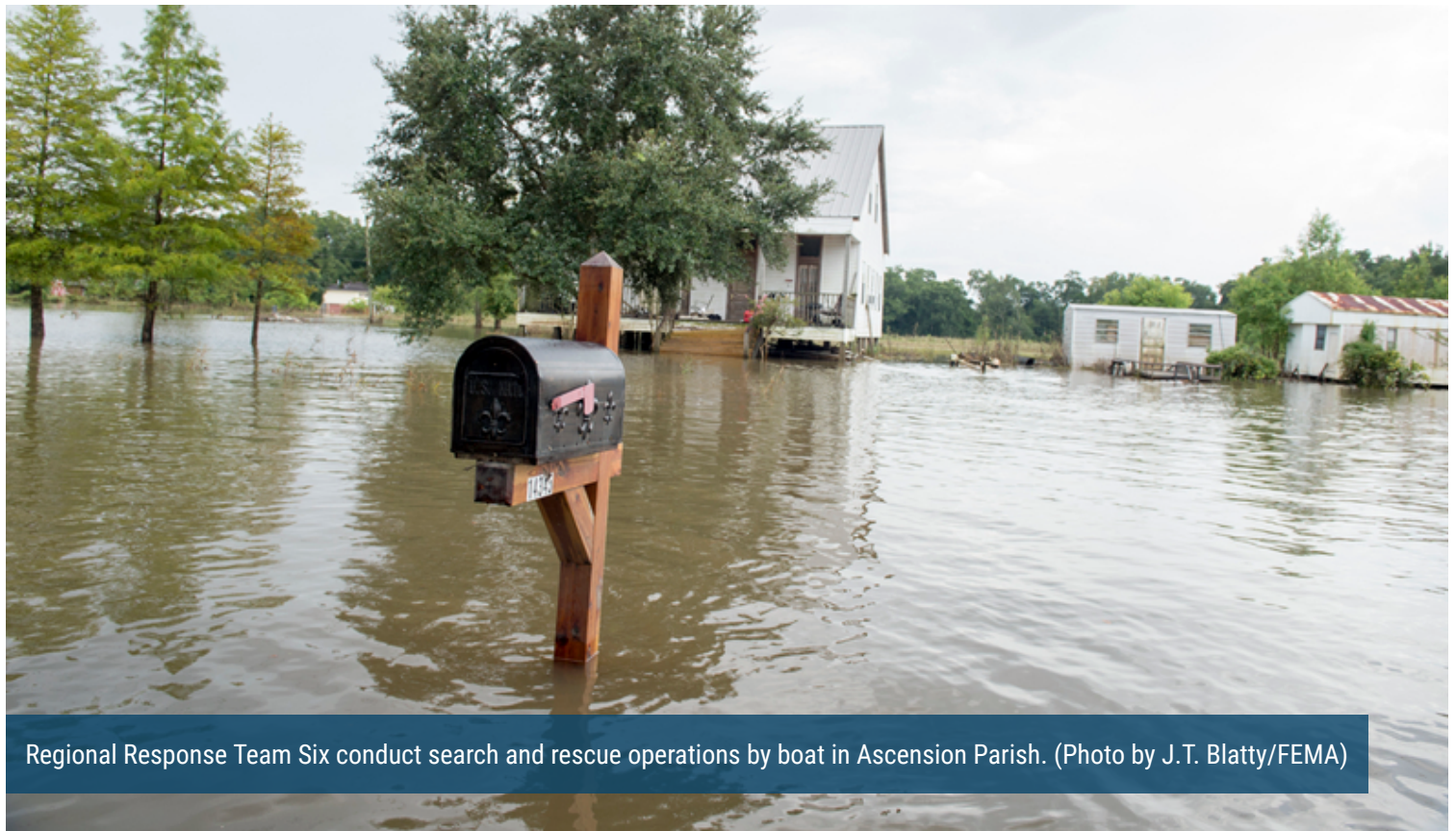


MC: *Has there been any damage to the physical infrastructure, especially in the energy sector?*

AS: Repairs to roads, rail, and some bridges are under way, but the major highways in the area are open. The area's massive industrial infrastructure weathered the floods relatively unscathed. All indications are that the energy infrastructure weathered the storm well. This is very important because Louisiana is a hub for much of the nation's chemical production, refineries, and pipelines. Any significant damage to these facilities would have likely resulted in a spike in energy prices across the country.



Regional Response Team Six conduct search and rescue operations by boat in Ascension Parish. (Photo by J.T. Blatty/FEMA)



Regional Response Team Six conduct search and rescue operations by boat in Ascension Parish. (Photo by J.T. Blatty/FEMA)



Residents paddle a boat towards their home that's still surrounded by floodwater in Prairieville, La. (Photo by J.T. Blatty/FEMA)



Contracted employee for the state's Shelter at Home program for flood survivors removing flood damaged debris from inside of a home in East Baton Rouge Parish. (Photo by J.T. Blatty/FEMA)



A crumbled section of LA-10 near Clinton, La, in St. Helena Parish, one month after the 2016 historic flooding. (Photo by J.T. Blatty/FEMA)



Installation of 22 FEMA Manufactured Housing Units at Leo Park in Baton Rouge for the Individual Assistance Program in response to the 2016 severe flooding in Louisiana. (Photo by J.T. Blatty/FEMA)



Flood survivors Clyde R. Meyers and his wife, Jean, smile as they relax for the first time on the sofa inside of the Manufactured Housing Unit (MHU) installed on their property in Denham Springs, La. Through the window in the background is a glimpse of the house they've lived in since 1961 that was damaged by 2016 historic flooding in Louisiana. (Photo by J.T. Blatty/FEMA)



Mike Chriszt

Atlanta Fed vice president and public affairs officer