

## The Big Easy's Big Tourism Boom

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The economic reemergence of New Orleans is still under way, but its tourism sector has made a remarkable turnaround since Hurricane Katrina struck in 2005, with visitors to the city and their spending reaching record levels.

"We have a very optimistic look to the future," said Mark Romig, president and CEO of the New Orleans Tourism Marketing Corporation (not to mention the broadcast voice of the NFL's New Orleans Saints). He is also a member of the Atlanta Fed's [travel and tourism advisory council](#), which tracks a sector important to the regional economy.



Mark Romig

On the business front, the health care, educational, and professional services sectors are [adding jobs](#), and industrial expansions have been announced for parishes west of the city. Redevelopment of the New Orleans riverfront continues, and new riverboat cruises are launching. The city's airport has gained more carriers that have launched new flights, including international service.

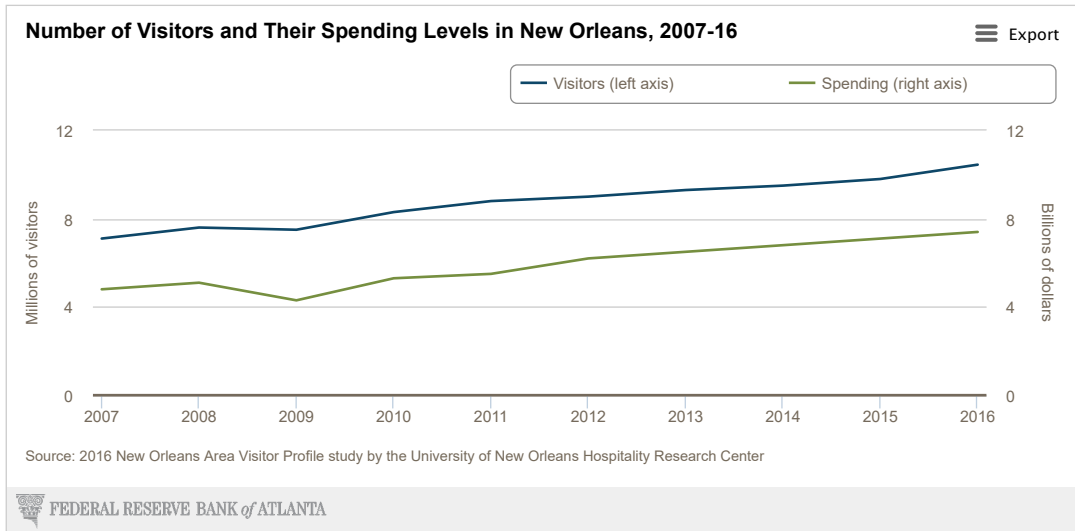
Stylish condos and apartments have sprung up in the downtown area, attracting younger professionals and giving the city a hip buzz. Redevelopment has transformed old warehouses into living spaces, and new houses continue to go up. New luxury hotels have opened, and museums have expanded. Already a legendary dining destination, New Orleans now boasts more than 1,400 restaurants, up from 800 prior to Katrina.

On the heels of this growth, the city is drawing record numbers of tourists and travelers. Last year, 10.45 million people traveled to the Crescent City for leisure, conventions, or business, the highest number since 2004, according to the 2016 visitor profile study by the University of New Orleans's (UNO) Hospitality Research Center. Last year's visitors spent \$7.41 billion, up 5 percent from the record \$7.1 billion in 2015 (see the chart).

### Festival culture

With its rich history, year-round festivals, and increased entertainment amenities, the city is drawing repeat visitors who are spending more on each subsequent trip, said John Williams, dean of the College of Business Administration at UNO. The city is also attracting wealthier travelers, with 11 percent of last year's visitors earning \$200,000 or more, the profile study found.

"Seasonality has evaporated," Williams said, noting that tourism is continuously strong.



The city hosts about 136 festivals a year, highlighted by Mardi Gras, the French Quarter Festival, and the New Orleans Jazz & Heritage Festival. "We truly have become the festival capital of the U.S.," Williams said. "It's hard to come here and not run into a festival now."

Not only have the look and feel of the city changed since Katrina, but the way the city promotes itself has changed, too, Romig explained. "We have used social media to convey the images and content about the city," he said.

He added that visitors, who take pictures and post them on Facebook, Twitter, Pinterest, and Instagram, "are doing the work for us" and helping spread the word about the city's restaurants, hotels, and other attractions. Through these channels, "more and more people are becoming exposed to New Orleans as an alternative destination," he said.



Downtown New Orleans's Washington Artillery Park, with St. Louis Cathedral in the background

[Previous](#)  
[Next](#)

### New air routes take flight

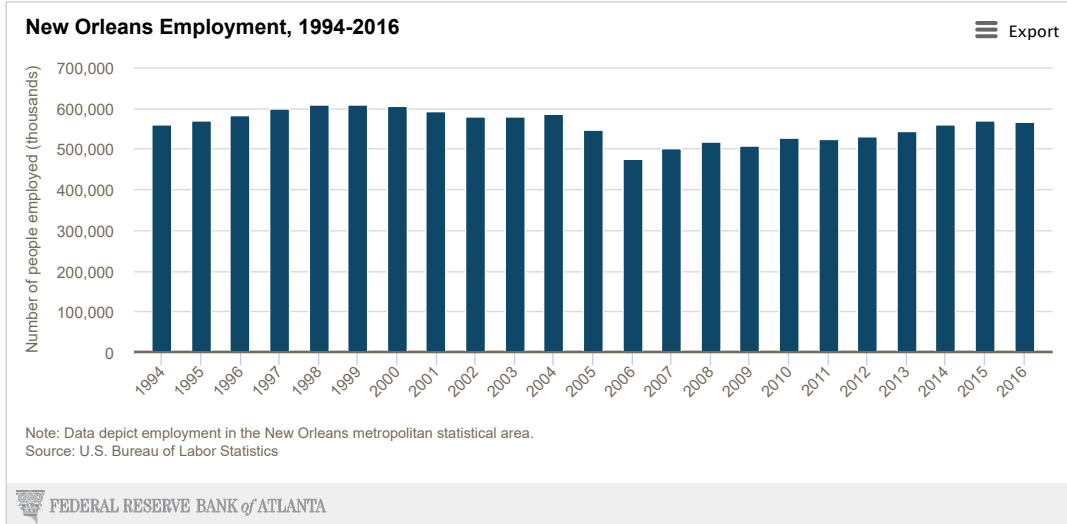
Expanding aviation options are simplifying getting to and from New Orleans. More than 11.1 million travelers passed through Louis Armstrong New Orleans International Airport last year, a 4 percent rise from 2015, when the airport reached the 10 million passenger mark for the first time.

Since 2010, the airport has attracted 11 new carriers, many of them low-cost airlines that help keep ticket prices affordable, said

Walter Krygowski, deputy director and chief operations officer.

Earlier this year, British Airways initiated flights between London and New Orleans four times a week, a route won after four years of talks with the airline. Last May, Condor Airlines began offering two flights a week between Frankfurt and New Orleans.

A new airport terminal that will feature a consolidated checkpoint, in-line baggage system, parking garage, and other amenities is set to open in 2019.



Despite the growth in tourism, the city still has challenges, including an increase in [crime](#) and limited employment opportunities. Although the leisure and hospitality sector has put a lot of people to work, adding 20,000 workers on average between 2007 and 2016, the New Orleans area still has not recovered all the jobs it lost as a result of Katrina, which struck in August 2005, and Rita, which hit the city a month later. Overall employment in the New Orleans metro area remains below its pre-Katrina level (see the chart above), and as of April, [unemployment in the New Orleans area](#) was higher than the U.S. average.

"We still have too many citizens who are unemployed, underemployed, or not earning up to their potential," said Quentin Messer, president of the New Orleans Business Alliance, the city's economic development agency.

The citizens repopulating represent a different mix of demographic areas.

He's hopeful that efforts to expand into newer industries such as digital media, biosciences, and software development will gain more momentum. "We have begun the arduous process of diversifying our economy," Messer said.

Next year, New Orleans will observe its tricentennial, and a host of events will mark the city's 300th year. The record-breaking tourism is expected to continue, with visitors in 2018 expected to climb to 11.2 million from 10.6 million projected for this year. Visitor spending in 2018 is forecast to reach \$8.3 billion, compared with \$7.7 billion projected for 2017.



Quentin Messer

"There's still a lot of work to be done, but we've come such a long way," Romig said.



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