

# Rural Realities

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## Rural People, Rural Places: The Hidden Costs of Hurricane Katrina

By Rogelio Saenz and Walter G. Peacock

Hurricane Katrina will forever be one of the most devastating natural disasters in American history. In addition to the extremely high death toll (it was the third deadliest storm since 1900), Katrina displaced hundreds of thousands of individuals. Current estimates suggest that total damage will exceed \$75 billion, making it the costliest hurricane, indeed disaster, in U.S. history.<sup>1</sup>

The nation's focus early in the recovery was on urban areas, especially New Orleans—understandable given that the vast majority of deaths occurred in such localities. Rural areas, in contrast, received far less notice. Yet rural areas, because of their unique characteristics, are often more at risk in disasters, and socially vulnerable populations all too often lose out in long-term recovery programs. Further, the rural South has a large African American population, and race often compounds vulnerability.

This brief shows how the characteristics of rural Gulf Coast families place them at higher risks during natural disasters and make them far less able to

### ✓ Reality Checks

- ✓ The nonmetro areas affected by Hurricane Katrina were 1.35 times more likely to be living in poverty, and had a smaller share of well-educated people than those in the metro disaster areas.
- ✓ Nonmetro residents living in the Katrina disaster areas were more apt to be homeowners when contrasted to metro residents. Furthermore, twice as many nonmetro residents tended to live in mobile homes.
- ✓ Rural African Americans living in the impacted areas were more likely than their white nonmetro residents to own a mobile home, to have no phone in their homes, or to lack access to a private vehicle.
- ✓ Rural low-income and minority households are suffering disproportionately from the damage associated with Katrina (for example, less likely to have home insurance and more likely to carry higher debt ratios).
- ✓ The short- and long-term recovery needs of areas impacted by Hurricane Katrina, as well as the planning/preparation for future disasters, must not overlook the increased vulnerability of nonmetro areas and their residents (especially African Americans).

recover from such calamities. Although few realize it, nonmetro residents represented the majority (55%) of the population affected by Hurricane Katrina in Mississippi. They also constituted 17% of the people living in Alabama's disaster-stricken area, and about 12% of the affected population in Louisiana. These are not inconsequential numbers; they represent thousands of inhabitants living in small communities dotting the tri-state region. Map 1 shows the path of Katrina through the rural South.

This *Rural Realities* brief draws much needed attention to nonmetro areas affected by Hurricane Katrina and outlines the key features of the rural people and places that have been impacted by this major disaster. Most important, it offers a series of policy recommendations that can assist in rebuilding the region's nonmetro counties and parishes. The hope is that these policy ideas can offer a meaningful set of strategies for lessening the

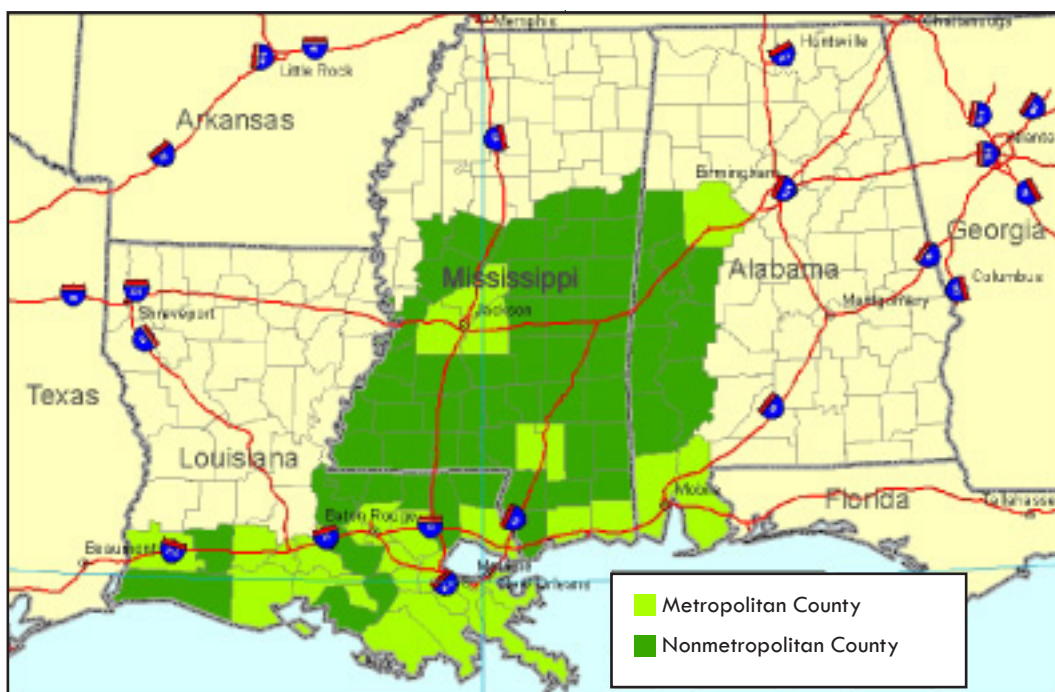
future vulnerability of rural areas within and outside this region of the country.

### Social Vulnerability and Recovery Challenges in a Rural Context

Disaster recovery in the United States is largely a market-driven process that requires individuals to first access resources from private (for example, insurance) and public sources (such as low-interest loans), and then procure materials and services to rectify whatever damage or problems they may have experienced. Yet efforts to tap these needed resources are often hampered by low education, low incomes, and minority status. The facts are clear—all three of these socioeconomic characteristics were far more pronounced in the nonmetro areas affected by Hurricane Katrina. Specifically:

- **Education.** Thirteen percent of adults aged 25 or older who lived in the nonmetro disaster areas

Map 1: Counties eligible for individual assistance due to Hurricane Katrina impact



**Table 1. Selected characteristics of residents in Katrina disaster areas by nonmetro/metro and state of residence**

Selected Characteristics	Combined Areas		Nonmetro		
	Nonmetro	Metro	Alabama	Louisiana	Mississippi
Percent African American	37.7	31.2	49.7	32.8	37.8
Percent Latino	1.2	2.4	0.7	1.4	1.2
Percent white	59.3	63.3	48	64.1	59.3
Percent other	1.7	3.1	1.6	1.7	1.7
Percent of pop. age 25+ that are college grads.	13.2	21.6	10.5	11.7	14
Married, spouse present, aged 35-44:					
Percent males	61.3	62.4	65.5	56.9	62.4
Percent females	61.5	60.7	60.6	61.9	61.5
Unemployment status of civilian labor force:					
Percent of males unemployed	7.7	6.2	6.9	8.3	7.6
Percent of females unemployed	9.1	6.9	11.3	8.3	9.1
Median family income	\$33,815	\$43,031	\$32,453	\$35,076	\$33,569
Percent of population in poverty	23.2	17.2	26	22.7	23
Total persons	1,571,361	4,322,323	147,331	365,907	1,058,123

Source: 2000 Census Summary File 3.

examined in this study had a college degree in 2000. In the metro disaster areas, nearly 22 percent of those examined were college graduates (see Table 1).

- **Lower incomes.** The median income of families in the nonmetro disaster areas (at \$33,815) was about \$10,000 less than in metro disaster areas. Furthermore, people living in nonmetro disaster areas were about 1.35 times more likely to be living in poverty than those in the metro areas.

- **More Vulnerable Minority Populations.**

Approximately 38% of the population in the nonmetro disaster areas analyzed was African American in 2000 compared with 31% in metro disaster areas (Table 1), and this population was significantly more vulnerable on a number of indicators than their white peers. A much smaller proportion of minorities completed an education beyond high school, and a larger share was unemployed relative to nonmetro white residents. A staggering 40% of African Americans in

## Data Source and Method for Study

The authors used data from the 2000 Census Summary File (SF3) to develop a demographic portrait of the residents of nonmetro areas hit by Katrina and to show how these individuals are disproportionately vulnerable to natural disasters. The data set includes 91 counties designated as Hurricane Katrina Disaster Areas, all of which are eligible for Individual Assistance (see Map 1). The counties are in Alabama, Louisiana, and Mississippi. Approximately two-thirds are nonmetro counties, with the bulk of these located in Mississippi. The counties were aggregated on the basis of metro-nonmetro status to obtain statistical measures for each set of counties at the regional and state levels.

**Table 2. Selected characteristics of nonmetro residents in Katrina disaster areas by race**

Selected Characteristics	African American	White
Percent of pop. aged 25+ who were college grads.	7.2	16.2
Percent of males aged 16+ unemployed	15	4.8
Percent of females aged 16+ unemployed	14.5	5.8
Median family income	\$20,518	\$42,258
Percent of pop. in poverty	39.5	12.9
Total persons	593,169	932,482

Source: 2000 Census Summary File 3.

nonmetro areas lived in poverty, nearly three times the rate of white nonmetro residents (see Table 2). African Americans were also less likely to be homeowners relative to their white counterparts in the area; more likely to live in mobile homes; three times more likely to lack a phone; and nearly four times more likely to lack an automobile (see Figure 2).

These socioeconomic features play out in a number of important ways after disasters strike. For example, property insurance serves as the primary source of financial assistance to homeowners who want to rebuild after a major calamity. However, minority homeowners often have difficulty obtaining quality or sufficient insurance prior to a disaster,<sup>2-4</sup> and they often have trouble negotiating with insurance companies after such disasters strike.<sup>5</sup> Low-income and minority homeowners are also less likely to report receiving low-interest loans from the Small Business Administration (SBA), in part because of a failure to apply for federal assistance, or when they do apply, their frequent failure to meet the strict qualifications.<sup>6-8</sup>

Low education or poor language skills can leave many at a disadvantage in dealing with the complexities and often protracted process of qualifying for assistance.<sup>9</sup> As a result, minorities and

low-income, low-education households are often less likely to receive disaster assistance.<sup>10</sup>

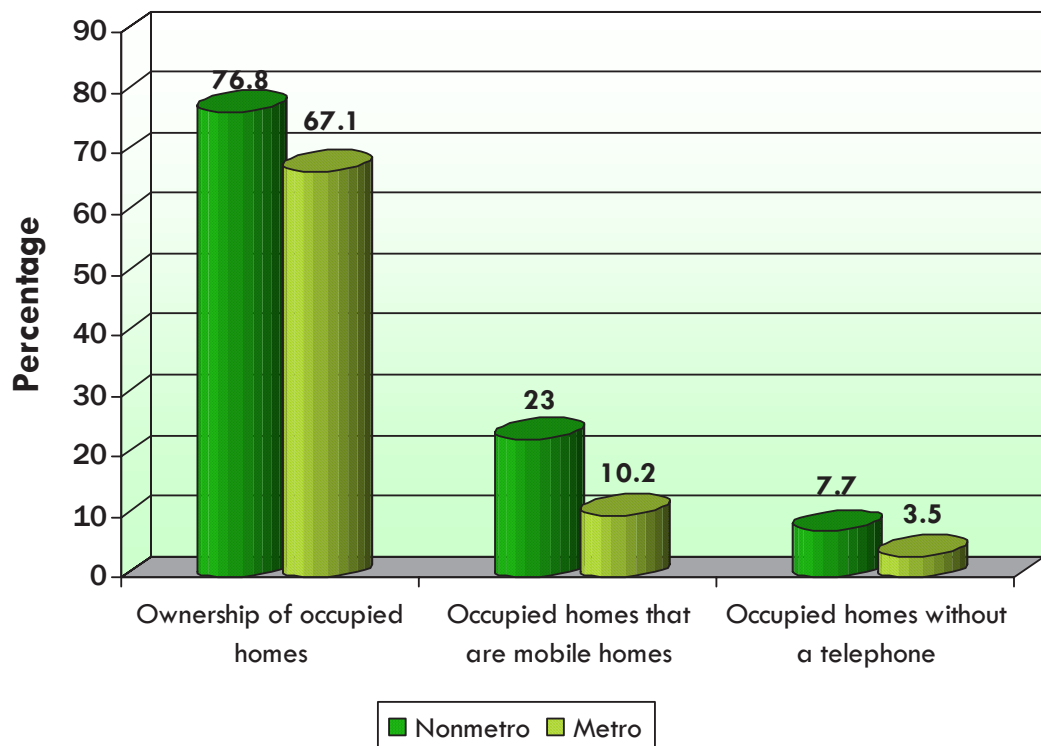
Further, a lack of trust (and sometimes fear) when dealing with government authorities, limited knowledge of post-disaster assistance, general social isolation, and lack of access to transportation all contribute to the failure of many minorities and low-income households to both apply for, and ultimately receive, general disaster assistance.<sup>3,11-13</sup> Finally, the social isolation of many rural communities serves as a major barrier to the delivery of aid to these localities.<sup>12</sup>

### **Nonmetro Homes More Vulnerable to Disaster**

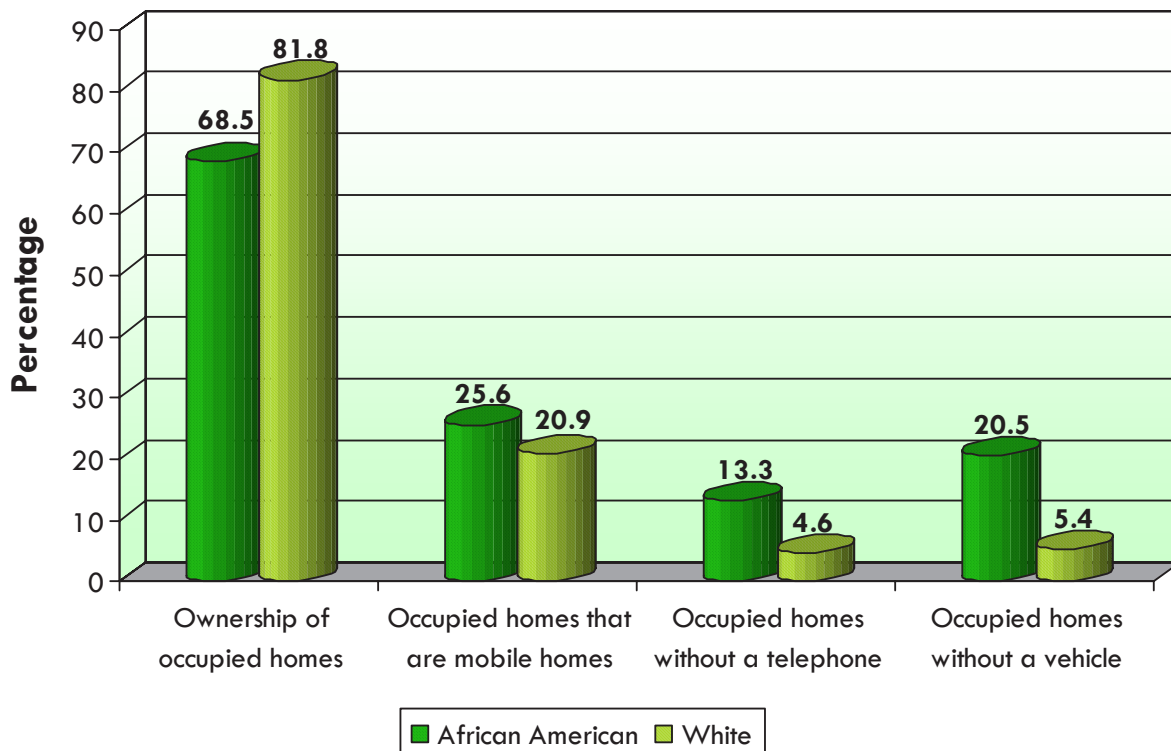
Housing is a particularly important factor during natural disasters. Not only does a home help protect a family, it also is an important financial asset. Nonmetro residents living in the Katrina disaster area were more likely than their metro counterparts to be homeowners (see Figure 1). Indeed, nearly 77% of the housing units in the nonmetro disaster areas were owner-occupied in 2000 compared with 67% in the metro disaster areas. Whites were 20% more likely than African Americans to own their homes (see Figure 2).

For a variety of reasons, households vary in their ability to prepare for, respond to, and recover from

**Figure 1: Housing characteristics in Katrina disaster areas by metro/nonmetro status**



**Figure 2: Housing characteristics in nonmetro Katrina disaster areas by race**



disasters. The social stratification system evident in many communities often results in low-income and minority families being funneled into homes that are older, poorly built, and less well maintained, particularly in rural areas.<sup>10, 14</sup> Nonmetro residents in the path of Katrina were more than twice as likely as their metro counterparts to live in mobile homes (see Figure 1). Nearly one-fourth of housing units in nonmetro disaster areas were mobile homes in 2000 compared with one-tenth of those in metro disaster areas. And rural African Americans living in the impacted areas were far more likely than nonmetro whites to own a mobile home, to have no phone in their homes, or to have no access to a private vehicle (see Figure 2).

As a result of these housing characteristics, rural low-income and minority households are far more likely to suffer disproportionately from the damage associated with Katrina.<sup>5,8</sup> They are also less able to secure insurance, and owing to their low incomes often carry greater debt ratios, which coupled with rapid depreciation of mobile homes, leaves them even more economically vulnerable after a disaster.

## Policy Implications

Given these profiles of social vulnerability and drawing from previous research, we offer the following policy recommendations.

**Recommendation 1: Expand the Reach of Homeowner's Insurance.** Given the relatively high proportion of homeowners in nonmetro areas (nonmetro residents are about 15% more likely than metro householders to own their own home), homeowner's insurance is critical for socially vulnerable populations:

- Efforts should be made to better educate the public, with a focus on low-income and minority policyholders, on their rights with regard to insurance companies and their settlement offers.
- Policyholders should be urged to contact their state's insurance commissioner regarding problems with their insurance providers. State commissioner offices must closely monitor these complaints and potential discriminatory practices, and patterns of neglect should be quickly investigated and rectified.
- Nonprofits, faith-based groups, community organizations and legal-aid groups can effectively act on behalf of households in insurance cases. These organizations should explore opportunities to work with groups of householders to redress potential problems.

### **Recommendation 2: Increase Reach of SBA Loans.**

An important but sometimes misunderstood federal disaster recovery program, generally targeting homeowners, is the Small Business Administration's (SBA) low-interest loan program. This program is particularly important for homeowners without insurance or sufficient insurance settlements for rebuilding or repairing. To enhance the utility of the SBA's loan program for socially vulnerable populations, the following should be considered:

- Organizations with a mission of helping rural people and communities (for example, land-grant university Cooperative Extension Services and state USDA Rural Development agencies) should encourage low-income and minority homeowners with unmet housing repair and reconstruction needs to apply for SBA loans. In

many post-disaster situations, filing for an SBA loan is a necessary first step in qualifying for additional housing aid and grants for repairs or rebuilding.

- The federal government and state agencies should monitor SBA rejections to gain a better understanding of who is systematically failing to qualify. On the basis of this information, the government should explore alternative programs, such as forgivable 5- or 10-year loan programs and means-tested, lower-interest loans.
- Households should be encouraged to apply for mitigation loan supplements available through SBA to improve their homes' structural integrity. These supplements can be used, for example, to install hurricane shutters.

**Recommendation 3: Increase Reach of Additional Disaster Assistance.** Given that socially vulnerable households often fail to apply or qualify for additional forms of assistance, special outreach and education programs should be developed. The most likely candidates to carry out these important efforts include existing community organizations—such as rural food pantries or faith-based organizations—or state land-grant university Cooperative Extension Service programs (given their important outreach education mission).

**Recommendation 4: Expand Affordable Housing Options.** Following a disaster, affordable, quality housing is often in short supply, especially rental properties. For example, following the Northridge earthquake, the Department of Housing and Urban Development (HUD), in conjunction with the state of California, developed a creative initiative to

**“Federal, state, and local governments must work together to develop creative policies that can address post-Katrina housing and community development initiatives. In addition, concerted efforts should be undertaken to enhance the ability of nonmetro areas to gain access to these initiatives.”**

enhance the supply of affordable rental housing. HUD and Gulf-Coast state governments affected by Katrina should make creative use of its existing programs, including the HOME program, community development block grants, Section 108 loan guarantees, and a variety of rural housing programs (for example, Sections 515 and 502 programs). Specifically:

- Federal, state, and local governments must work together to develop creative policies that can address post-Katrina housing and community development initiatives. In addition, concerted efforts should be undertaken to enhance the ability of nonmetro areas to gain access to these initiatives.
- States should work to stimulate involvement of local jurisdictions and community-based organizations to expand rural housing programs in nonmetro areas to address chronic conditions that lead to social vulnerability. The Rural Local Initiative Support Corporation (LISC) program is an example of the types of programs that should be expanded in areas throughout the region.

**Recommendation 5: Expand Ability of Volunteers to Repair and Rebuild.** To make more efficient use of community-based volunteers and organizations in repairing and reconstructing housing after a disaster, communities should:

- Establish a “Local Unmet Needs Committee”—involving nonprofit, faith-based, community-based, and other disaster relief and assistance organizations—to assist in coordinating household recovery efforts and in efficiently dispersing limited resources.
- Implement special local policies and procedures to provide temporary licensing for volunteer trade and skilled/unskilled labor so that the critical supply of workers can be available to help in the reconstruction of homes and communities.

**Recommendation 6: Develop More Comprehensive and Meaningful Mitigation Planning.** The 2000 reauthorization of the Stafford Disaster Act requires states and localities to develop mitigation planning and strategy development procedures. Unfortunately, these activities rarely take on importance prior to a natural disaster. Therefore:

- Working closely with local organizations, the Gulf Coast states should invest a portion of the federal mitigation funding (for example, 404 funding) in comprehensive mitigation planning and policies in nonmetro areas. Such planning should include a social vulnerability analysis.
- Mitigation planning should include efforts to address poverty, education, and other factors

that make rural populations more vulnerable to natural hazards. Efforts should be undertaken to foster community-based nonprofit organizations by providing grant funding opportunities in areas such as job-training programs, sweat-equity housing, and micro-credit business opportunities. The Rural LISC program again represents a good example of these types of initiatives. To do so will require the commitment and investment of federal and state governments.

## Closing Remarks

Too often, nonmetro areas fall not only below the media’s radar, but below the relief and recovery efforts’ radar following a natural disaster. This was certainly the case in the aftermath of Hurricane Katrina, and also in the wake of Hurricane Rita, which wreaked havoc primarily in nonmetro areas. As this brief underscores, the social vulnerability of nonmetro residents, especially African Americans, places them in even greater peril after a disaster such as Hurricane Katrina. It is critical that their short- and long-term recovery needs not be overlooked, and that special attention be devoted to nonmetro areas as planning is undertaken for future disasters of this nature.

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## Endnotes

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# Appendix

**Appendix. Counties/parishes in Alabama, Louisiana, and Mississippi used in the analysis for Hurricane Katrina disaster areas by nonmetropolitan/metropolitan status.**

Nonmetropolitan Counties		Metropolitan Counties	
<p><b>Alabama Counties:</b></p> <p>Choctaw Clarke Greene</p> <p><b>Louisiana Parishes:</b></p> <p>Assumption Cameron East Feliciana Iberville</p> <p><b>Mississippi Counties:</b></p> <p>Adams Amite Attala Choctaw Claiborne Clarke Copiah Covington Franklin George Greene Holmes Humphreys Jasper</p>	<p>Hale Marengo Pickens</p> <p>Jefferson Davis Poincane St. Helena St. Mary</p> <p>Jefferson Jones Kemper Lauderdale Lawrence Leake Lincoln Lowndes Marion Neshoba Newton Noxubee Oktibbeha</p>	<p>Sumter Washington</p> <p>Tangipahoa Washington West Feliciana</p> <p>Pearl River Perry Pike Scott Simpson Smith Stone Wallich Warren Wayne Wilkinson Winston Yazoo</p>	<p>Baldwin Mobile</p> <p><b>Louisiana Parishes:</b></p> <p>Acadia Ascension Calcasieu East Baton Rouge Iberia Jefferson Lafayette</p> <p>Lafourche Livingston Orleans Plaquemines St. Bernard St. Charles St. James</p> <p><b>Mississippi Counties:</b></p> <p>Forrest Hancock Harrison</p> <p>Hinds Jackson Lamar</p> <p>Madison Rankin</p> <p>Tuscaloosa</p>

## About the Authors

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