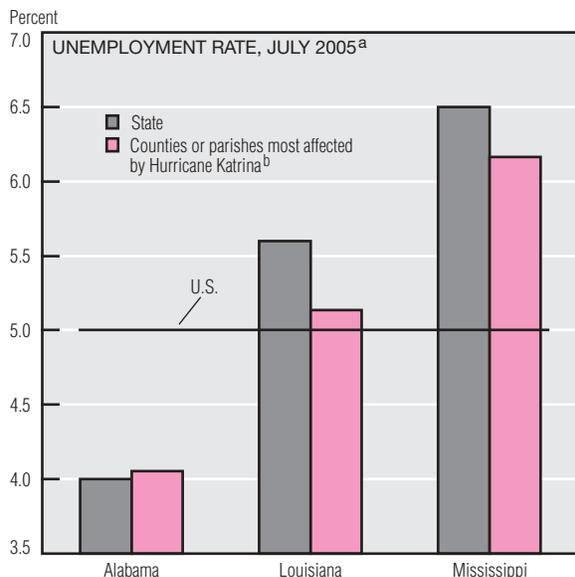
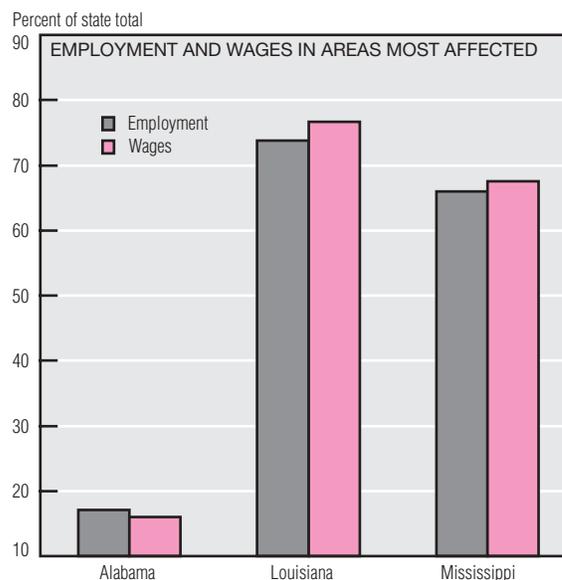
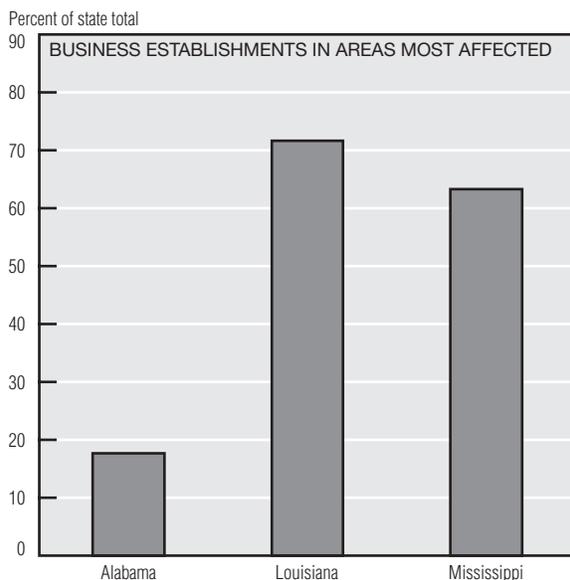


The Gulf Region before Hurricane Katrina



Business Establishments in the Areas Most Affected, 2004 Annual Average^c

	Establishments	
	Number	Share of U.S. total
Total	145,341	1.7
Private, total	138,968	1.7
Natural resources and mining	3,292	2.7
Construction	12,897	1.6
Manufacturing	5,664	1.5
Trade, transportation, and utilities	37,699	2.0
Information	2,100	1.5
Financial activities	15,787	2.0
Professional and business services	21,801	1.6
Education and health services	13,470	1.8
Leisure and hospitality	12,198	1.8
Other services	13,446	1.2
Unclassified	705	0.4
Federal government	1,346	2.6
State government	1,700	2.6
Local government	3,337	2.2



a. Data are seasonally adjusted.

b. The most affected areas, as defined by the Bureau of Labor Statistics, are comprised of the eight counties in Alabama, 31 parishes in Louisiana, and 47 counties in Mississippi that the Federal Emergency Management Agency designated to receive both individual and public disaster assistance as of September 8, 2005.

c. Reproduced from a table created by the BLS, <http://www.bls.gov/katrina/data.htm>.

SOURCES: Department of Labor, Bureau of Labor Statistics; and the Federal Reserve Bank of Cleveland.

Hurricane Katrina caused terrible loss of lives and immeasurable human suffering. It also disrupted local economies throughout the south-central U.S. Areas affected by the storm are eligible to receive assistance from the Federal Emergency Management Agency for state and local governments and certain private nonprofit organizations. A smaller number of areas are also eligible for assistance to individuals and households. These “most affected” counties or parishes in Louisiana and

Mississippi had weak labor market conditions even before the storm. Although these areas’ unemployment rates were lower than their states’, they exceeded the 5.0% U.S. rate.

The roughly 145,000 business establishments in the most affected areas of Alabama, Louisiana, and Mississippi accounted for about 1.7% of all U.S. businesses before the storm. These areas had a larger share of establishments in the natural resources and mining industry (2.7%) and federal and state government (2.6%). In 2004,

the areas’ businesses accounted for more than 2.4 million jobs, or 1.9% of total U.S. employment, but they accounted for about 74% of workers in Louisiana and 66% in Mississippi. These businesses paid nearly \$77 billion in wages, about 1.5% of total U.S. wages but close to 77% of wages paid in Louisiana and 68% in Mississippi. Although the storm devastated local economies, these areas represent only a small fraction of U.S. businesses, employment, and wages.