

The New Orleans Metropolitan Region



The Region

Greater New Orleans is a major port of entry to the United States. It leads the nation in goods conveyed through its international ports. Steel, rubber and coffee are among its chief imports. Its exports include petrochemicals, grain, cotton and poultry. The region is at the junction of two major waterways, the intra-coastal waterway and the Mississippi River and is one of the few port regions with both international and domestic service. Major rail, highway, and air routes also pass through.

The New Orleans region has become one of the leading industrial centers in the South. Food processing is a major enterprise. The region has extensive shipbuilding and repair yards as well as factories manufacturing a wide variety of products. In recent years many petrochemical plants have located along the Mississippi River west of New Orleans. The region ranks seventh out of the top 50 metro areas in the export orientation of its manufacturing base, according to the Progressive Policy Institute's New Economy Index.

While the region is strong in its global orientation, it has suffered from weak job growth and high rates of poverty relative to its metropolitan peers. Job growth is a concern among leaders in the region. The region's rate of job growth from 1992-2001 was 40 percent less than the metro average in the U.S. Its rate of poverty, 18.4 percent in 2000, was twice as high as the U.S. metro average of nine percent. The Lewis Mumford Center for Comparative Urban and Regional Research rates the geographic segregation between the region's white and black residents as very high.

Another issue of concern in the New Orleans region is the real and perceived political corruption. Even though the region has new leadership, corporate site selection efforts often are derailed because of the enduring image that backroom politics still dominate decision-making in the region. Finally, leaders mention coastal erosion and the reorganization of the region's civic infrastructure as additional concerns.

The Business-Led Organizations

On January 1, 2004, the New Orleans Regional Chamber and its economic development arm, Metro Vision, reconstituted to become Greater New Orleans Inc. It is now the largest business-led civic organization in the region. Greater New Orleans Inc. (GNO Inc.) will unify regional leadership on a focused economic development agenda of cluster development, workforce development and public policy. The traditional chamber work of networking and local parish issue advocacy will be carried out by local parish chambers, some of which were created as a result of the merger. The new chamber-economic alliance, which covers 10 parishes, announced the hiring of Mark Drennen as President and Chief Executive on February 11, 2004.

The goal of GNO Inc. is to create 30,000 net jobs in five years in the 10-parish region, in what has been called the “Campaign for 30,000 Jobs.” Besides creating jobs, GNO Inc. will invest in worker-training initiatives, lobby state and federal decision-makers for pro-business policies, and work on market expansion opportunities in existing and emerging industry clusters including biotech, technology, maritime, manufacturing and the creative industries.

GNO Inc. combines the Boards of two interlocking organizations, the former New Orleans Regional Chamber and its economic development affiliate Metro Vision. The Chamber’s former parish business council structure, which organized sub-regional groups of companies under the Chamber’s umbrella, has been reconstituted into local chambers of commerce affiliated with the new organization. According to interim CEO Barbara Johnson, the merger was needed to bring the business community together under one regional vision. Completed in 2004, the merger took one year to carry out.

The Regional Business-Civic Landscape

The birth of Greater New Orleans Inc. began with the slide of the New Orleans Regional Chamber in the 1990s and early 2000s. The chamber added initiative upon initiative — more than 92 by one executive’s count — until it began to lose focus and buy-in from members. Metro Vision was born out of this confusion. Its goal was to sharpen the focus of business leadership on the region’s single most important issue: job creation. Metro Vision had its own Board, but was still a part of the Regional Chamber. In fact, the President and Chief Executive of the New Orleans Chamber also led Metro Vision.

While the job creation group became better known, friction grew between Metro Vision’s Board and the Board of the Chamber. The economy worsened and differences in direction increased.

A new leadership group emerged, hired an interim director, and began to plan a new voice for the region. One of its first tasks was to bring back all of the region’s business organizations and talk about future priorities. The conclusion: to focus the region on job creation. They set a goal to add 30,000 net jobs and \$1 billion in payroll to the region in five years.

“We have all seen the need for a new direction to growing our economy, and that means taking ownership of our region’s economic state and accepting responsibility for making it better,” said business leader Suzanne Mestayer, Co-Chairman of the Campaign for 30,000 Jobs. “Greater New Orleans Inc. will be the implementing organization to achieve the results we all see as necessary to improve and grow our economy.”

In 2004, the formation of Greater New Orleans Inc. is still playing itself out. The group has launched a fundraising campaign and is encouraging business leadership to rally under the banner of the Campaign for 30,000 Jobs. It is not clear, however, how deeply local business-led organizations are committed to the “mothership,” as New Orleans CityBusiness called GNO Inc. On paper GNO Inc. has created a working relationship

with many of the parish-based chambers but as one regional leader noted, the level of buy-in for some is still in question.

Business Leadership

Greater New Orleans has a relatively small pool of large companies to tap for leadership. Only one Fortune 500, Entergy, is headquartered in the region. Regional decision-makers typically defer to local politicians on important decisions. Politicians tend to lead. Business tends to follow.

This equation may be changing. Business leader attention to regional issues has been on the rise. A mix of old-line leaders and new, younger leaders are spending more time on the regional agenda, said Barbara Johnson, former interim Director of the Chamber and Metro Vision. In particular, GNO Inc. Chairman Bill Hines has challenged his peers to boost their participation in issues critical to the region's economic future.

One of GNO Inc.'s goals is to bring together Greater New Orleans' fractured business community. It hopes to do so by emphasizing the Campaign for 30,000 Jobs.

GNO Inc. still has a lot of work to do. Some business leadership groups are still cautious about its role. For example, some local chambers, along with the business council of Jefferson parish and the City of New Orleans, are still uncertain about their levels of involvement. The true impact on business leadership, notes local business leader Pres Kabacoff, will not be known until the "honeymoon" period of the merger is over.