



Report: Louisiana unlikely to sustain post-hurricane spending

POSTED: 09:50 AM Tuesday, April 13, 2010

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TAGS: [Public Affairs Research Council of Louisiana](#), [U.S. Census Bureau](#)

It is unlikely that Louisiana will be able to sustain the higher levels of per-capita spending that followed hurricanes Katrina and Rita, Baton Rouge-based Public Affairs Research Council of Louisiana said in [report](#) released today.

The nonprofit research organization's report, which examines U.S. Census Bureau data from 1998 to 2007 — the most recent 10-year period for which census data are available — finds that "Louisiana experienced extraordinary budget growth due to the economic effects of recovery spending and exceeded the national and Southern averages for per-capita revenues and expenditures by 2007."

After Katrina, Louisiana's per-capita revenues began growing faster than the national and Southern averages, even exceeding the U.S. average, according to the report. As the state's spending rose following the storms, per-capita revenue rose because of recovery-related spending and an influx of federal disaster aid. The state's revenue rate from federal sources rose from 103 percent of the national rate in 1998 to 196 percent of the national rate in 2007 and its per-capita tax collections were above the Southern average in general sales, individual income and corporate income and below the South in property taxes.

"These data reflect significant growth in Louisiana's public sector due to the effects of spending and revenue collections related to disaster recovery," the report says. "However, it is unlikely the state will sustain the high spending and revenue levels evident in the 2007 data."